



Financial Statements
for the year ended
from the 1st of January to the 31st of December 2007

It is certified that the financial statements published hereby, are those that were approved by the Board of Directors of "Metal Constructions of Greece S.A." at 24/03/2008 and are disclosed to the Athens Stock Exchange, the Hellenic Capital Market Committee and the company website www.metka.gr. It is noted that the published financial data aim at giving certain financial information to the readers but they do not fully depict the financial position and the results of the Company and the Group, according to the IFRS. It is also worth noting that there have been some rearrangements of certain accounts with the intention to simplify the published in press financial statements.

Ioannis Mytilineos
President of the Board
METAL CONSTRUCTIONS S.A.

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BOARD OF DIRECTORS REPORT

Shareholders Ladies and Gentlemen,

By virtue of the Law and the Articles of Association, we present to you the company's activity for 2007, on a consolidated and individual basis.

Review of important facts

The composition of the projects executed by the Group, throughout the year, in all activity sectors (Energy, Defense, Infrastructure) ensured, for this year too, high profit levels and margins, strongly confirming the Group's leading role and prevalent position in these sectors.

The positive development, along with the success of our strategic planning, was clearly reflected in our financial results for 2007, which confirm the Group's consolidation as one of the biggest leading actors in this sector, in spite of the fact that they are slightly reduced compared to 2006 (the Group's record year as regards performance at all levels ever since its foundation).

In 2007, the Group's turnover hit 284.249 thousand € as against 294.147 thousand € in 2006, reduced by 3.36%. The parent company's turnover amounted to 248.818 thousand € as against 266.423 thousand € in 2006, reduced by 6.6%

In 2007, the Group's results before taxes, financial, investing results and depreciations, amounted to 57.160 thousand € as against 60.850 thousand € in 2006, while those of the parent company hit 52.781 thousand € as against 52.274 thousand € in 2006 respectively.

The net results after taxes and minority rights amounted to 37.288 thousand € in 2007 as against 40.764 thousand € in 2006, while the company's net results after taxes amounted to 41.423 thousand € in 2007 as against 38.469 thousand € in 2006.

As regards investments, within the framework of the general reorganization of the operations of MYTILINAIOS SA Group companies, overlying parent company of METKA Group, 100% of ETADE SA share capital was bought in 2007 for 8 million €, because of the relevance of its activities. This acquisition shall lead to synergies that shall allow these two companies to increase their growth rates and their operational revenue.

NEW YEAR PERSPECTIVES

The positive conditions and perspectives for further development, expansion and increase of our activities in Greece and Abroad shall mark the new year too.

The year 2008 is characterized by important developments in our below-mentioned sectors of activity. In particular:

- **Energy:**

- The company proceeds with the construction of unit No5 for the combined-cycle Steam-Electric Power Plant of ALIVERI, with a net power of 416,95 MW and natural gas as a fuel .
- The company proceeds with the construction of a combined-cycle unit of 412 MW in Agios Nikolaos Voiotia, property of ENDESSA HELLAS SA
- The company proceeds with the construction of a Power Station, of a total power of 220MW in Karachi, Pakistan.
- The company proceeds with the construction and completion of the filter replacement Project in the Steam-Electric Power Plant of Agios Dimitrios – Kozani.
- The company keeps the process of tender search and participation for the execution of projects in Greece and on Foreign markets. A bid offered by METKA, jointly with GENERAL ELECTRIC (GE), has already been pronounced as the most advantageous for a big energy project of 850 MW in Romania.

- **Defense:** the company continues to build Leopard tanks.
- **Infrastructure:** constant participation in other smaller but important projects, in which the Group is remarkably experienced and specialized.

The aforementioned data form part not only of our basic objective and of our direction toward continuous emergence and development of synergies within the Group's framework, but also of our strategic choice to expand to new markets.

In 2007, through its strategic choices, METKA Group reinforced its dynamics; it promoted and further established its presence in its fields of activity, especially in the sector of energy projects.

This establishment, along with the emerging perspectives, was also reflected in the price of the Company's share, which increased this year by 72,28% (the average price of 2007 amounted to 14,73 € as against 8,55€ in 2006).

FACTORS TO CREATE VALUE AND MEASURE PERFORMANCE

METKA Group monitors the performance of its activities through the analysis of three basic sectors:

(1) The **Energy sector**, which includes construction projects or/and power plant maintenance projects.

(2)The **Defense sector**, which includes metal construction projects for defense system parts, executed by the factory of Volos

(3) The **Infrastructure sector**, which includes all the projects that do not belong to one of the aforementioned categories.

It is the Group's policy to continuously assess its results and performance on a monthly basis, aiming to detect any eventual deviations from its objectives and to adopt the required corrective measures in due time and effectively. The Group measures its performance by using financial performance indices, in particular:

ROCE, Return on Capital Employed: This index divides the profits before taxes and financial results by the Group's total Capital employed, which is the sum of Equity Capital, of the total loan obligations and of the long-term forecasts.

ROE, Return on Equity: This index is the profits after taxes (net income) divided by the Group's Equity Capitals.

EVA Economic Value Added: This index is calculated by multiplying the total capital employed with the difference (ROCE – Capital Cost) and it constitutes the amount to which Group's financial value increases. In order to calculate the capital cost, the Group uses the WACC formula – Weighted Average Cost of Capital.

Index	2007	2006	2005
ROCE	30%	39%	42%
ROE	27%	33%	38%
EVA	34.892 thousand	42.679 thousand	37.938 thousand

COMPANY GOVERNANCE

The company has adopted the Company Governance Principles stipulated by the Stock exchange legislation in force and by international practices. As an ensemble of rules, principles and control mechanisms based on which the Company is organized and directed, the Company Governance aims at transparency vis-à-vis the investing public and at reaffirming the interests of its shareholders and of all the people connected with its operation.

The Board of Directors of METKA SA is the custodian of the Company Governance Principles in its Group. Today, it consists of 4 executive and 3 non executive members. Out of the non executive members, 2 meet the requirements set by the provisions of Act 3016/2002 on Company Governance, in order to be designated as independent.

The Audit Committee consists of these two non executive members of the Board of Directors and aims at performing objective internal and external audits and at achieving effective communication between the audit

organs and the Board of Directors. Its tasks include the reassurance that the Company complies with the rules of Company Governance, along with the reassurance that the Internal Audit System operates smoothly and the supervision of the works executed by the Company's Internal Audit Service.

Internal audit constitutes a basic and necessary prerequisite for Company Governance. The Internal Audit Service of METKA SA constitutes an independent organizational unit, which reports to the Company's Administrative Board. Its tasks include the evaluation and improvement of risk management and internal audit systems, along with the ascertainment of compliance with the policies and procedures set by the regulations, as they are stipulated by the Company's Internal Operation Regulation, the applying legislation and the normative provisions.

Since 26/11/2001, METKA SA has an Internal Audit department, headed by Mrs. Flora Georgouli, Graduate of the Department of Finances of Swansea University (Wales). The head of the Internal Audit Service is employed in our Company under a full-time and exclusive working relationship.

Risk management

Financial Risk Factors

The Group is exposed to a limited spectrum of financial risks. The usual risks to which it is theoretically exposed are market risks (changes in foreign exchange rates, interest rates, market prices), credit risk, liquidity risk and cash flow risk.

The Group's overall risk management plan focuses on dealing with the risks of good performance of works, along with the reliability and the correct execution of supplies. Consequently, priority is given to credit risk and, then, to market risks.

Risk management is carried out through the services of its two basic Directorates, meaning the General Directorate of Financial & Administrative Services and the General Directorate of Projects.

Before proceeding to the relevant transactions, the company's authorized management approval regarding the company's engagement vis-à-vis counter-parties is required.

Exchange-Rate Risk

The exchange-risk risk arises from transactions with clients and suppliers in Foreign Currency.

This risk does not significantly influence the Group's operation, given that transactions with clients and suppliers in a foreign currency are not extensive. The major trade transactions occur in US dollars (US \$).

Credit risk & liquidity risk

The Groups doesn't present significant concentrations of credit risk.

The Group's turnover consists mainly of transactions with major organizations of the broader Public Sector, as well as with big and reliable Greek and Foreign Firms of great creditworthiness. On this basis, credit risk is estimated to be minimal.

Liquidity risk is kept at low levels, by keeping adequate, available and directly liquid assets and bank credit limits.

Cash flow risk and risk of significant fair value changes due to changes in interest

The Group's operational revenue and cash flows are substantially independent from changes in interest rates. The Group has neither significant short-term or long-term interest bearing loans, nor significant interest bearing investments.

DIVIDEND POLICY

Regarding the distribution of dividends, the Company's management, taking into account, inter alia, the Group's performance, perspectives and investment plans, proposes the distribution of a dividend equal to € 0,5/share, as against € 0,4/share in 2006. The proposed distribution is subject to the approval of the Ordinary General Meeting of the Shareholders.

B') Information regarding the issues of paragraph 1 of article 11a L.3371/2005 of METKA S.A.

This explanatory report of the Board of Directors is submitted to the Ordinary General Shareholders' Meeting and contains detailed information regarding the issues of paragraph 1 of article 11a L.3371/2005.

I. Company's Share Capital Structure

The share capital of METKA S.A amounts to 16.624.192 euro, divided into 51.950.600 common registered shares with voting right and a par value of 0,32 euro each. Each share provides one voting right. The shares of METKA S.A are listed on the Securities Market of the Athens Exchange.

The rights of the Company's shareholders with respect to their shares are proportional to the share capital stake to which the paid-in share value corresponds. Each share incorporates all the rights and obligations that are stipulated by the Law and Company's Articles of Association, and more specifically

- The right to dividends from the annual profits or liquidation profits of the Company. A percentage of 35% of the net profits following deduction only of the statutory is distributed from the profits of each year to the

shareholders as an initial dividend while the distribution of an additional dividend is resolved upon by the General Meeting.. The General Meeting determines the added dividend. Dividends are entitled to each shareholder who is registered in the Shareholders' Register held by the Company on the date of approval of the financial statements by the Ordinary General Shareholders' Meeting. The dividend for each share is paid to its holder within ten (10) working days from the date on which the Ordinary General Meeting approved the annual financial statements according to the announced schedule of intended actions. The payment date and the payment method of the dividend are available through the Athens Exchange's website, the Company's official website and is also released through the Press. The right to receive payment of the dividend is subject to a time limitation and the respective unclaimed amount goes to the State upon the lapse of five years from the end of the year during which the General Meeting approved the distribution of the said dividend.

- The right to reclaim the amount of one's contribution during the liquidation or, similarly, the writing off of the capital representing the share, provided that this is resolved upon by the General Meeting,
- The right of pre-emption at every share capital increase of the Company via cash payment or the issuance of new shares.
- Each shareholder is entitled to request the annual financial statements along with the relevant reports of the Board of Directors and the Auditors of the Company.
- Shareholders participate in the Company's General Meeting which constitute the following rights: legitimacy, presence, participation in discussions, submission of proposals on the items of the agenda, entry of one's opinion on the minutes of the Meeting and finally the right to vote.
- The General Meeting of Company's Shareholders retain all its rights and obligations during the winding up (according to paragraph 4 of article 38 of the Articles of Association).

The shareholders' responsibility is limited to the nominal value of the shares held.

II. Restrictions for transferring Company shares

The transfer of Company shares takes place based on procedures stipulated by the law and the Athens Exchange's regulation, while there are no restrictions set by the Articles of Association for transfer of shares.

III.Important Indirect/Direct participations according to Presidential Decree (PD) 51/1992

The Shareholders (natural or legal entity) that hold direct or indirect a more than 5% of Company's Shares are presented in the following table.

Name	Percentage
Mytilneos Holding S.A.	51.485

IV. Shares with special control rights

There are no Company shares that provide special control rights to their holders.

V. Restrictions on voting rights

No restrictions on voting rights emanate from the Company shares according to the Articles of Association.

VI. Agreements between Company shareholders

The Company is not aware of any agreements among its shareholders, which would result in restrictions on the assignment of its shares or exercise of the voting rights stemming from such shares.

VII. Regulations regarding the assignment and replacement of BoD members and amendments of the Articles of Association

For the assignment and replacement of BoD members as well as for amendments of its Articles of Association, the Company follows the provisions of C.L. 2190/1920

VIII. Responsibility of the BoD for the issuance of new shares or acquisition of own shares

A) According to the provisions of article 13 par. 1 item b) of C.L. 2190/1920 and the article 5 of the Articles of Association, the Company's Board of Directors has the right, following a relevant decision by the General Shareholder's Meeting that is subject to the publicity announcements of article 7b of C.L. 2190/1920, to increase the Company's share capital with the issuance of new shares, through a decision by the Board of Directors that is made with a majority of at least two thirds (2/3) of its total members.

In this case, Company's share capital may be increased by no more than the share capital amount paid up on the date when the Board of Directors was granted such power by the General Meeting, This power of the Board of Directors may be renewed by the General Meeting for a period that may not exceed five year per instance of renewal..

B) According to the provisions of article 13 par. 9 item b) of C.L. 2190/1920, the General Meeting may establish a stock option plan for the members of the Board of Directors and Company's staff, in accordance with the specific terms of such decision. The decision of the General Meeting defines, in particular, the highest number of shares to be issued, which may not exceed, by law, this number cannot extravagante the 1/10 of the existed shares.

The BoD regulates by resolution any other detail not otherwise regulated by the General Meeting, issues stock options certificates and shares for the the entitled persons, who exercise their options, increasing the share capital accordingly and certifying such increase in December of every year.

According to the decision of the A' Repeated of General Meeting of the Shareholder at 1.6.2006 was established a plan for the acquisition of shares by the members of BoD and employees, which are going to last from three to five years, in form of options for the acquisition of shares (stock option), on the basis of which, a maximum of 1.558.518 options may be granted for the acquisition of shares at a price equivalent with the 80% of the antedate six month average stock exchange price of the approval. With the above

decision the BoD is entitled to specify, according to the decision of the General Assembly, the details for the execution of the program along with the prerequisites for the stock options release and the beneficiaries. As of today no decision has been taken by the Board of Directors of the company.

C) As of today no decision has been taken by the General Meeting of Shareholders of the company for acquiring own shares according to the provisions of the paragraphs 5-13 of article 16 par. 9 item b) of C.L. 2190/1920.

IX. Important agreement which is amended / terminated in case a change arises in the company's control following a public offer

There are no agreements which enter into force, are amended or terminated in the event of change in the control of the Company following a public offer.

X. Agreement between the Company and BoD members or employees regarding the termination of their terms / employment

There is no agreement between the Company and the BoD members or staff providing for the payment of any compensation specifically in the event of resignation or dismissal without cause, or termination of their mandate or employment as a result of a Public Acquisition Offer

The provisions formed for retirement compensations as a result of the provisions of the L.3371/2005, amounts to 1.244.700 € on 31.12.2007 for the company (and € 1.882.793 for the Group). From the above amount, 60.346 € concerns the members of the Board of Directors.

For the BoD
The President of the Board
Ioannis Mytilineos

Independent Auditor's Report

To the Shareholders of «**METAL CONSTRUCTIONS OF GREECE S.A.**»

Report on the Financial Statements

We have audited the accompanying financial statements of "METAL CONSTRUCTIONS OF GREECE S. A." ("the Company") as well as the consolidated financial statements of the Company ("the Group"), which comprise (for both the Company and the Group), the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2007, and the financial performance and

the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report comprises the information prescribed by Article 43a, paragraph 3 and Article 107, paragraph 3 of the Law 2190/20 as well as Article 11α of the Law N.3371/2005 and its content is consistent with the abovementioned financial statements.

Athens, 24 March, 2008

The Certified Auditor

Vasilios Kazas

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116 35 Athens

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Balance sheet

Amounts in €

	Note	THE GROUP		THE COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS					
Non Current Assets					
Property, plant and equipment	7	68.356.995	67.069.326	45.471.456	49.232.588
Goodwill	8	7.864.882	1.831.406	0	0
Intangible assets	9	4.071.638	7.101.687	4.041.047	7.088.786
Investments in Subsidiaries	10	0	0	43.150.134	35.150.134
Deffered Tax Asset	11	1.159.627	1.256.345	561.673	560.537
Available for sale financial assets	12	364.951	364.951	123.201	123.201
Other non-current assets	13	804.239	2.034.068	106.839	1.907.510
		82.622.331	79.657.783	93.454.349	94.062.754
Current Assets					
Inventories	14	21.785.031	23.107.257	18.685.742	21.728.857
Trade and other receivables	15	208.494.734	111.785.940	185.522.239	96.916.494
Other Receivables	16	7.580.212	1.952.960	6.265.925	801.779
Other Current Assets	16	1.961.504	568.610	1.911.926	531.252
Financial Assets at fair value through profit or loss	17	3.799.151	3.743.846	0	0
Cash and cash equivalent	18	27.260.322	4.958.940	22.808.616	1.298.030
		270.880.954	146.117.553	235.194.447	121.276.412
Total Assets		353.503.285	225.775.336	328.648.796	215.339.166
SHAREHOLDERS' EQUITY					
Equity					
Share Capital	20	16.624.192	16.624.192	16.624.192	16.624.192
Other reserves	20	28.259.031	26.371.322	23.655.994	21.774.224
Retained Earnings	20	82.183.354	68.047.454	92.921.790	74.160.665
Total equity attributable to equity holders of the parent		127.066.577	111.042.969	133.201.976	112.559.081
Minority Interests		12.163.647	11.679.713	0	0
Total Equity		139.230.224	122.722.682	133.201.976	112.559.081
LIABILITIES					
Non - current Liabilities					
Deffered Tax Liabilities	13	12.734.147	15.465.413	9.354.373	12.199.219
Accrued pension and retirement obligations	21	1.882.794	1.866.198	1.244.700	1.242.146
Other long term liabilities	22	21.016.840	10.292.289	21.070.952	11.317.668
Total Non-Current Liabilities		35.633.781	27.623.901	31.670.025	24.759.033
Current Liabilities					
Trade and other payables	23	132.503.166	58.923.199	132.578.101	67.312.445
Income tax payable	24	20.650.696	6.370.339	18.995.582	3.810.190
Short-term borrowings	25	18.257.683	2.208.168	7.425.184	2.592
Other current liabilities	26	6.826.887	7.693.451	4.752.379	6.845.771
Current provisions	27	400.848	233.596	25.548	50.055
Total Current Liabilities		178.639.281	75.428.753	163.776.795	78.021.053
Total Liabilities		214.273.061	103.052.654	195.446.820	102.780.085
Total Equity and Total Liabilities		353.503.285	225.775.336	328.648.796	215.339.166

The attached notes to the accounts form an integral part of the financial statements.

Income Statement

Amounts in €

	Note	THE GROUP		THE COMPANY	
		01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Continuing Operations					
Sales Turnover	28	284.249.204	294.146.698	248.818.298	266.422.849
Cost of Sales	29	(216.334.811)	(225.854.035)	(188.014.162)	(210.240.631)
Gross profit (loss)		67.914.394	68.292.664	60.804.136	56.182.219
Other Operating Income	31	3.059.606	785.002	2.374.158	703.091
Selling & Distribution costs	29	(2.028.062)	(1.456.751)	(1.032.564)	(314.701)
General & Administrative expenses	29	(11.241.423)	(10.814.261)	(7.931.860)	(7.830.439)
Other Operating Expenses	31	(5.525.343)	(934.809)	(5.269.972)	(541.544)
Profit before interest and income tax		52.179.171	55.871.844	48.943.897	48.198.626
Financial income	32	255.560	325.450	63.900	136.807
Financial Expenses	32	(2.169.204)	(924.506)	(1.716.311)	(735.114)
Other financial results	33	188.965	(416.596)	6.331.988	2.738.590
Profit before income tax		50.454.492	54.856.192	53.623.475	50.338.909
Income Tax Expense	34	(13.166.498)	(14.448.346)	(12.200.339)	(11.870.383)
Profit after tax from continued operations		37.287.994	40.407.846	41.423.136	38.468.526
Discontinued operations					
Profit for the Period from discontinued operations	6	0	356.425		
Profit after tax for the current period		37.287.994	40.764.271		
Attributable to:					
Equity holders of the parent		36.803.848	40.635.408		
Minority Interests		484.146	128.863		
		37.287.994	40.764.271		
Basic earnings per Share (in euro /share)	35	0,71	0,78	0,80	0,74
Basic earnings per Share (in euro /share) from Continued Operations	35	0,71	0,78	0,80	0,74
Basic earnings per Share (in euro /share) from Discontinued Operations	35	0,00	0,01		

The attached notes to the accounts form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

Amounts in €	Share Capital Attributable To Shareholders				Minority Interest	Total
	Share Capital	Other Reserves	Retained Earnings	Total		
Equity Balance at 1st January 2006	16.624.192	21.255.571	48.121.923	86.001.685	14.650.047	100.651.732
Changes in Equity for the period 01/01 - 31/12/2006						
Decrease of Minority Rights (from sale of the subsidiary 3KP)	0	0	0	0	(991.179)	(991.179)
Increase of Minority Rights (from acquisition of subsidiaries)	0	0	0	0	15.000	15.000
Expenses coming from the share capital increase of the subsidiary 3KP	0	0	(7.235)	(7.235)	(10.852)	(18.087)
Reversion of a subsidiary's (3KP) share capital	0	0	0	0	(1.509.600)	(1.509.600)
Transfer to Reserves	0	5.117.462	(5.117.462)	0	0	0
Tax paid for tax-exempt reserves of technical companies	0	(1.710)	0	(1.710)	(2.566)	(4.276)
Dividend relating to 2005	0	0	(15.585.180)	(15.585.180)	(600.000)	(16.185.180)
Net Profit of the year 2006	0	0	40.635.408	40.635.408	128.863	40.764.271
Total recognized Profit/Loss of the period	0	5.115.752	19.925.531	25.041.283	(2.970.334)	22.070.949
Equity Balance at 31st December 2006	16.624.192	26.371.322	68.047.454	111.042.969	11.679.713	122.722.682
Equity Balance at 1st January 2007	16.624.192	26.371.322	68.047.454	111.042.969	11.679.713	122.722.682
Changes in Equity for the period 01/01 - 31/12/2007						
Approval of dividend for the fiscal year 2006	0	0	(20.780.240)	(20.780.240)	(212)	(20.780.452)
Transfer to Reserves	0	2.031.708	(2.031.708)	0	0	0
Transfer of tax exempt reserves to retained earnings according to tax law 3220/2004	0	(144.000)	144.000	0	0	0
Net Profit of the period 01/01-31/12/2007	0	0	36.803.848	36.803.848	484.146	37.287.994
Total recognized Profit/Loss of the period	0	1.887.708	14.135.900	16.023.608	483.934	16.507.542
Equity Balance at 31st December 2007	16.624.192	28.259.031	82.183.354	127.066.577	12.163.647	139.230.224

Company Statement of Changes in Equity

Amounts in €	Share Capital Attributable To Shareholders			
	Share Capital	Other Reserves	Retained Earnings	Total
Balance at 1st January 2006	16.624.192	16.994.444	56.057.099	89.675.735
<i>Changes in Equity for the period 01/01 - 31/12/2006</i>				
Transfer to Reserves		4.779.780	(4.779.780)	0
Dividend relating to 2005			(15.585.180)	(15.585.180)
Net Profit for the year 2006			38.468.526	38.468.526
Total recognized income and expense for 2006	0	4.779.780	18.103.566	22.883.346
Equity Balance at 1st January 2007	16.624.192	21.774.224	74.160.665	112.559.081
<i>Changes in Equity for the period 01/01 - 31/12/2007</i>				
Transfer to Reserves	0	1.881.771	(1.881.771)	0
Approval of dividend for the fiscal year 2006	0	0	(20.780.240)	(20.780.240)
Net Profit of the year 2007	0	0	41.423.136	41.423.136
Total recognized Profit/Loss of the period	0	1.881.771	18.761.125	20.642.896
Equity Balance at 31st December 2007	16.624.192	23.655.994	92.921.790	133.201.976

Cash Flow Statement

Amounts in €	Note	THE GROUP		THE COMPANY	
		12 months until 31 December 2007	12 months until 31 December 2006	12 months until 31 December 2007	12 months until 31 December 2006
Operating Activities					
Profit after Tax		37.287.994	40.764.271	41.423.136	38.468.526
Plus (Less) Adjustments:	(i)	17.950.626	19.608.720	9.427.196	12.993.078
		55.238.620	60.372.991	50.850.331	51.461.604
Working Capital changes					
Increase / (Decrease) in Inventories		3.593.447	7.207.270	3.043.116	6.967.795
Increase / (Decrease) in Trade and other Receivables		(88.900.451)	9.101.326	(85.927.406)	10.001.405
Increase / (Decrease) in other current assets		(1.392.894)	1.144.167	(1.380.674)	1.135.247
Increase / (Decrease) in Trade and other Payables		82.285.065	(56.540.529)	74.794.411	(55.559.033)
		(4.414.833)	(39.087.767)	(9.470.553)	(37.454.586)
Cash flow from Operating Activities		50.823.787	21.285.224	41.379.778	14.007.019
Cash flow from Operating Activities					
Cash flow from operating activities					
Less: Debit interest and similar expenses Paid		(1.149.644)	(148.547)	(767.245)	(28.912)
Less: Income Taxes Paid		(6.917.885)	(21.027.779)	(4.167.068)	(18.563.706)
Net cash flow from Operating Activities		42.756.258	108.898	36.445.465	(4.585.599)
Investing Activities					
Purchases of tangible assets		(2.540.659)	(3.759.116)	(705.336)	(1.989.570)
Purchases of intangible assets		(1.988)	(14.779)	0	0
Disposals from sale of tangible assets		688.873	424.981	678.150	262.846
Proceeds from dividends		29.158	297.848	6.189.551	4.990.681
Purchase of financial assets at fair value through profit and loss		(1.000.157)	(3.703.000)	0	0
Acquisition of subsidiaries (less the cash & cash equivalent of the Subsidiary)		(7.949.604)	(3.000)	(8.000.000)	0
Sales of subsidiaries (less the cash & cash equivalent of the Subsidiary)		0	(2.448.287)	0	993.600
Sales of financial assets available for sale		0	5.794.733	0	5.794.733
Sales of financial assets at fair value through profit and loss		979.216	1.994.390	0	1.994.390
Interest received		255.560	340.481	63.900	136.807
Proceeds from returning of share capital of the subsidiaries		0	1.006.400	0	1.006.400
Net cash flow from Investing Activities		(9.539.601)	(69.350)	(1.773.735)	13.189.887
Financing Activities					
Subsidiary's increase of the Share capital		0	15.000	0	0
Dividends Paid		(20.838.479)	(16.355.879)	(20.838.479)	(15.555.639)
Proceeds from Borrowings		246.369.607	33.804.983	233.388.144	22.243.752
Borrowings Paid		(236.485.600)	(32.298.533)	(225.816.134)	(22.243.752)
Payments of finance lease liabilities (capital)		(68.722)	(67.803)	(2.592)	(10.013)
Net cash flow from Financing Activities		(11.023.194)	(14.902.232)	(13.269.062)	(15.565.652)
Net increase / decrease in cash and cash equivalents		22.193.464	(14.862.684)	21.402.669	(6.961.364)
Cash and cash equivalents at the beginning of the period		4.958.940	19.821.624	1.298.030	8.259.394
Foreign currency differences in cash and cash equivalents		107.918	0	107.918	0
Cash and cash equivalents at the end of the period		27.260.322	4.958.940	22.808.616	1.298.030

The attached notes to the accounts form an integral part of the financial statements.

1. General Information of the Company

The Company was founded in 1962 by the Industrial Development Organization and was involved in the manufacturing of metal constructions, while its plant in Volos started operating in 1964.

Following its privatization in 1971, the Company was rapidly developed. In 1973, the Company's shares were listed on the Athens Stock Exchange.

In 1980, METKA S. A. acquired the strong and experienced erection company TECHNOM S. A., thus obtaining the capacity to assemble and erect structures at an industrialized level, and therefore the ability to undertake and implement large public projects.

In 1989, the company acquired 99.98% of SERVISTEEL S. A., a production plant equipped with advanced technology machinery, appropriate for the first phase of industrialization of the metal works (sandblasting, cutting, and drilling).

The company continued to grow at a steady pace and acquired a higher technological level, by constructing innovative works of high-technological demand and of significant added value.

In January 1999, Mytilineos Holdings S.A. acquired METKA, after a six-month effort to gain participating interest in the Company's share capital. The 11.8% of METKA's share capital was bought in July 1998, rising to 27.54% in December 1998. The funds invested to obtain the above percentage reached €31.4 million. The acquisition was officially completed in early 1999, through an additional sale of 20.6% of the Company's share capital to Mytilineos Holdings S.A. against €27 million. The acquired company is the largest metal constructions complex in Greece, with an essential presence lasting for many decades in Greece and abroad.

Now, the company acquires the 99, 98% of SERVISTEEL S.A., the 100% of RODAX S.A., the 40% of EKME S.A., the 83, 50% of ELEMKA S.A. and the 100% of ETADE Construction company.

The annual financial statements of 2007 were approved by the Board of Directors, on 24th March 2008. The above statements are to be approved by the General Shareholders Meeting.

2. Nature of operations

The company operates in the metal construction industry and deals mainly with the manufacturing and construction of complex and advanced metal and mechanical structures, as well as with Energy Projects,

Infrastructure Projects, Defence projects, etc. Its registered office is in Neo Irakleio Attiki, Greece, its duration is over 50 years and its objectives, according to article 4 of its statutes are:

- Industrial production of metal constructions of all types and for all purposes, as well as boiler and sheet metal items, and the trade of all such products in Greece and abroad.
- Production of all types of machinist items and their trading in Greece and abroad, as well as the execution of all types of machinist's works.
- Performance of all types of works relating to the construction, modification, repair and dismantling of ships, and trade of such products in Greece and abroad.
- Design and realization of all types of public and private construction projects, especially those relating to the assembly and installation of products manufactured by the Company in Greece and abroad, and all types of industrial equipment installations.
- Commercial exploitation of real estates - including buying, building, leasing, selling and relative activities – as well as the leasing or subleasing of mobile and infixed mechanical equipment.

Especially for the public construction projects, and following a reassessment of certificates of experience which was concluded early 2003, METKA S.A. possesses a 6th class certificate for all project categories (Electromechanical, Industrial-Energy, Civil Engineering works, Road construction, Harbour works, etc.)

To achieve the above objectives, the Company may:

- Participate in any type of business with a similar object, including the acquisition of shares of an S. A. company;
- Enter a partnership of any form with any natural person or legal entity;
- Establish branches or agencies anywhere;
- Act as an agent for any other domestic or foreign company.

Article 4 in the company's statutes of 1962 was broadened and codified in 1982 and extended through the General Assembly of 2001, so as to cover also Civil Engineering works. It continues to be in force today without any additional changes having been made since then.

The basic market sectors of the Company's successful activity today (design, development, manufacture, installation and operation) are listed below:

- Energy Projects (Thermoelectric and Hydroelectric Power Stations)
- Co-manufacturing Defence Projects
- Infrastructure Projects (Erection and Sale of building complexes - Sports Complexes), Mining Equipment –Excavators and Bucket Wheel Excavators, Mills, Spreaders etc, Harbour Loading Equipment – Platforms for Lifting and Transporting Ships, Bridge Supporting Systems, Refineries, Special Constructions for Plants, Worksite Constructions)

The company is rather competitive in the Energy sector (construction of Thermoelectric and Hydroelectric Power Stations), in the Co-manufacturing defence sector and Infrastructure sector.

Especially, in the Energy sector the company operates dynamically, mainly because of her long-term experience.

Especially, in the co-manufacturing defense sector, METKA is growing rather rapidly, because of the well equipped plants the company processes in Volos, Thessalonica, Kavala and Amfiklia, and the well-experienced personnel.

The Company's objectives are classified under "Construction of metal framework and metal frameworks parts", according to the analysis of the Hellenic National Bureau of Statistics.

METKA, as a member of "Mytilineos Holdings S.A", has achieved important synergies and economies of scales, such as reduction of cost, especially for the supply of materials.

3. Basis for preparation of the financial statements

The consolidated financial statements of METKA S.A. for the year ended December 31, 2007 have been prepared based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the

management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

The IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards. The aforementioned standards are as follows:

The financial statements fall under IFRS 1 "First-Time adoption of IFRS" since they constitute the first financial statements, which are prepared and published on such a basis. The date of transition is January 1st, 2004.

3.1 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

3.1.1 Amendments to published standards effective in 2007

The International Accounting Standards Board together with Standards Advisory Council have issued a series of new accounting principles and interpretations that will be effective from the 1st January 2007 and afterwards. The Group's evaluation according to new principles and interpretations has as follows:

- **IAS 1 Presentation of Financial statements**

The objective of IAS 1 (revised 1997) is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. IAS 1 sets out the overall framework and responsibilities for the presentation of financial statements, guidelines for their structure and minimum requirements for the content of the financial statements. Standards for recognising, measuring, and disclosing specific transactions are addressed in other Standards and Interpretations. The Group of companies also publishes the risk management objectives and policies as follows:

- **IFRS 7 Disclosure Checklist**

IFRS 7 adds certain new disclosures about financial instruments to those currently required by IAS 32. IFRS 7 also puts all of those financial instruments disclosures together in a new standard on Financial Instruments: Disclosures. The remaining parts of IAS 32 deal only with financial instruments presentation matters. In addition, the Consolidated financial statements include the following disclosures:

1. Information about the nature and extent of risks arising from financial instruments. and
2. Maturity analysis of financial liabilities that shows the contractual obligations included to the presented financial statement. The first use of the current standard didn't have any restatements

for the previous year at the cash flow statement, net earnings, or any account of the balance sheet.

3.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted.

IFRIC 13 Customer Loyalty Programmes

IFRIC 13 Customer Loyalty Programmes addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem award credits. The key provisions of IFRIC 13 has as follows:

- An entity that grants loyalty award credits shall allocate some of the proceeds of the initial sale to the award credits as a liability (its obligation to provide the awards). In effect, the award is accounted for as a separate component of the sale transaction.
- The amount of proceeds allocated to the award credits is measured by reference to their fair value, that is, the amount for which the award credits could have been sold separately.
- The entity shall recognise the deferred portion of the proceeds as revenue only when it has fulfilled its obligations. It may fulfil its obligations either by supplying the awards itself or by engaging (and paying) a third party to do so.
- If at any time the expected costs of meeting the obligation exceed the consideration received, the entity has an onerous contract for which IAS 37 would require recognition of a liability.
- If IFRIC 13 causes an entity to change its accounting policy for customer loyalty awards, IAS 8 applies.

IFRIC 13 is effective for annual periods beginning on or after 1 July 2008. Earlier application is permitted.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14 addresses the interaction between a minimum funding requirement and the limit placed by paragraph 58 of IAS 19 on the measurement of the defined benefit asset or liability. When determining the limit on a defined benefit asset in accordance with IAS 19.58, under IFRIC 14 entities are required to measure any economic benefits available to them in the form of refunds or reductions in future contributions at the maximum amount that is consistent with the terms and conditions of the plan and any statutory requirements in the jurisdiction of the plan. The entity's intentions on how to use a surplus (for instance, whether the entity intends to improve benefits rather than reduce contributions or get a refund) must be

disregarded. Such economic benefits are regarded as available to an entity if the entity has an unconditional right to realise them at some point during the life of the plan or when the plan is settled, even if they are not realisable immediately at the balance sheet date. Such an unconditional right would not exist when the availability of the refund or the reduction in future contribution would be contingent upon factors beyond the entity's control (for example, approval by third parties such as plan trustees). To the extent the right is contingent, no asset would be recognised. IFRIC 14 is effective for annual periods beginning on or after 1 January 2008. Earlier application is permitted. The Interpretation is to be applied from the beginning of the first period presented in the financial statements for annual periods beginning on or after the effective date. The IFRIC had initially proposed full retrospective application, but decided to amend the transitional provisions reflecting concerns from constituents.

IAS 23 BORROWING COSTS (revised 2007)

On 29 March 2007, the IASB issued a revised IAS 23 Borrowing Costs. The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalise borrowing costs as part of the cost of such assets. The revised IAS 23 does not require the capitalisation of borrowing costs relating to assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale. The revised Standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009. Earlier application is permitted.

IAS 1 PRESENTATION OF FINANCIAL STATEMENTS

On 6 September 2007, the IASB issued a revised IAS 1 Presentation of Financial Statements. The main changes from the previous version are to require that an entity must:

- Present all non-owner changes in equity either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income may not be presented in the statement of changes in equity.
- Present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement.
- Disclose income tax relating to each component of other comprehensive income.
- Disclose reclassification adjustments relating to components of other comprehensive income.

IAS 1 changes the titles of financial statements as they will be used in IFRSs:

- 'balance sheet' will become 'statement of financial position'

- 'income statement' will become 'statement of comprehensive income'
- 'cash flow statement' will become 'statement of cash flows').

Entities are not required to use the new titles in their financial statements. All existing Standards and Interpretations are being amended to reflect the new terminology. The revised IAS 1 resulted in consequential amendments to 5 IFRSs, 23 IASs, and 10 Interpretations. The revised IAS 1 is effective for annual periods beginning on or after 1 January 2009. Early adoption is permitted.

The above policies, amendments and interpretations are not expected to have any impact to the financial statements. The Group will not adopt any of the above policies, amendments and interpretations earlier than the required.

3.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.2.1 Judgments

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the management that have the most significant effect on the amounts recognized in the financial statements mainly relate to:

- **classification of investments**

Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through income statement, or available for sale. For those deemed to be held to maturity management ensures that the requirements of IAS 39 are met and in particular the Group has the intention and ability to hold these to maturity. The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit. Classification of investments as fair value through income statement depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through income statement. All other investments are classified as available for sale.

- **recoverability of accounts receivable**

- **obsolescence in inventory; and**
- **whether a lease entered into with an external lessor is a financial lease or an operational lease.**

3.2.2 Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Group evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also see note 4 which discusses accounting policies that the Group has selected.

- **estimated impairment of goodwill**

The Group test goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which we estimate using a discounted cash flow method. When available and as appropriate, we use comparative market multiples to corroborate discounted cash flow results. In applying this methodology, we rely on a number of factors, including actual operating results, future business plans, economic projections and market data.

If this analysis indicates goodwill is impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case we supplement the cash flow approach discussed above with independent appraisals, as appropriate.

We test other identified intangible assets with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We test intangible assets with indefinite lives annually for impairment using a fair value method such as discounted cash flows.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 4. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 8).

- **Budget of construction contracts**

The handling of the earnings and the expenses of a construction contract, depends whether the final result, at the completion of contractual project can be estimated with credibility (and is expected to bring gain or loss). When the result of a contractual project can be estimated with credibility, then the earnings and the

expenses of the contract are recognised, through the duration of the project, correspondingly as earning and expense. The Group uses the method of percentage of completion, to determine the appropriate amount of income and expense that will be recognised in a specific period. The percentage of completion is measured, according to the contractual expenses that have been realised until the date of the financial statements of the total expected contractual cost of every project.

As a result, the management is required to estimate the gross profit of every construction contract (estimated cost of completion).

- **Income taxes**

The Group and the Company are subjects to income taxes in numerous jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Provisions**

Doubtful accounts are reported at the amounts likely to be recoverable based on historical experience of customer default. As soon as it is learned that a particular account is subject to a risk over and above the normal credit risk (e.g., low creditworthiness of customer, dispute as to the existence or the amount of the claim, etc.), the account is analyzed and written down if circumstances indicate the receivable is uncollectible. Accumulated write-downs of receivables amounted to € 2.100 thous. as of December 31, 2007 (2006: € 2.457 thous.).

- **Contingencies**

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31, 2007. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the Company's contingent liabilities in the future.

4. Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies consistently, are the following:

It must be mentioned that accounting valuations and concerns (it has already been analyzed in paragraph 3.2) have been used for the preparation of the financial statements. Although, the valuations have been based on the most qualified experience of the Management regarding the current events, the results may be different from the expected.

The consolidated financial statements are presented in Euro.

4.1 Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is to say that subsidiaries are companies in which control is exercised by the parent. The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Specifically as regards to business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the purchase method was not used retroactively. Based on this exemption, the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. Consequently, the goodwill recognized as at the transition date, was based on the IFRS 1 exemption, was calculated based on the prior accounting principles and was presented in the same way as the group's last published financial statements before the transition to IFRS. During the transition date, the review went forward with the impairment review of goodwill.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The assumptions used by the Group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method.

At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is greater than or equal to its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are written-off according to the percentage of the Group's holding in the associates. Unrealized profits are written-off, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

Intercompany receivables – debts, intercompany transactions and Group's profits, arising from intercompany transactions that have not been realized yet (at a Group level), are eliminated for the formation of the consolidated financial statements.

4.2 Foreign currency conversion

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date, are posted to the results. Foreign exchange differences from non-

monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to fair value differences.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

4.3 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

Land	25-35 years
Mechanical equipment	4-20 years
Vehicles	4-10 years
Other equipment	4-7 years

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

4.4 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer test goodwill for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

4.5 Intangible assets

The intangible assets include the rights of use of Property, plant and equipment, as well as software licenses.

Right of Use of Tangible Assets: Rights of exploitation of tangible assets that are granted in the frames of construction contracts (compensative profits) they are valued at fair value at their date of concession less accumulated depreciation.

Depreciation is calculated on the basis of the units of production method.

Software: The authorizations of software are valued in the cost less accumulated depreciation. The accumulated depreciation they are held with the constant method at the duration of beneficial life assets who oscillates from 1 until 3 years.

4.6 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are

expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

4.7 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise of assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

In the Balance-sheet of Group the exchanges and the assessment at fair value of derivatives they are portrayed in separate items of Asset and Liabilities with titled « Derivatives Financial Assets ». The changes at fair value of derivatives they are registered in income statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

- a) Receivables from down payments for the purchase of goods or services,
- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

4.8 Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

4.9 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

4.11 Share capital

Expenses incurred for the issuance of shares, reduce after deducting the relevant income tax the proceeds from the issue. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

4.12 Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future. Deferred income tax liabilities are defined after taking into account the contingent income liabilities for expenses that may arise due to tax auditing.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

4.13 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess

amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits include defined contribution schemes as well as defined benefits schemes.

- **Defined contribution scheme**

According to the defined contributions scheme, the (legal or implied) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (i.e. pension fund) that manages the contributions and provides the benefits. Thus the amount of benefits the employee will receive depends on the amount the company will pay (or even the employee) and from the paid investments of such contributions.

The payable contribution from the company to a defined contribution scheme, is recognized as an expense.

- **Defined benefits scheme**

The defined benefits scheme of the Group concerns its legal obligation for lump sum compensation to the employees upon retirement.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit depending on the accrued right of the employee and the period to be rendered.

The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

4.14 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

4.15 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

4.16 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Construction Contracts:** The income from the execution of construction contracts is accounted for in the period the project is constructed, based on its completion stage (para.3.17).
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Rendering of services:** Income from rendering of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income from exploitation rights of tangible assets (compensative profits):** The fair value of the exploitation rights is recognized as accrued income and is depreciated in the profit and loss account in proportion to the execution stage of the contracts to which it serves as a compensative profit.
- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

4.17 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

Group Company as lessor: Fixed assets that are leased through operating leases are included in the balance sheet's tangible assets. They are depreciated during their expected useful life on a basis consistent with similar self-owned tangible assets. The income from the lease (net of possible incentives given to the lessees) is recognized using the constant method during the period of the lease.

The Group does not act as a lessor through financial leasing.

4.18 Construction contracts

Construction contracts refer to the construction of assets or a group of affiliated assets specifically for customers according to the terms provided for in the relevant contracts and whose execution usually lasts for a period of over one fiscal year.

The expenses that refer to the contract are recognized when such are realized.

In the case where the result of one construction contract may not be reliably valued, and especially in the case where the project is at a premature stage, then the income must be recognized only to the extent that the contractual cost may be recovered, and the contractual cost must be recognized in the expenses of the period in which it was undertaken. Thus, for such contracts income is recognized in order for the profit from the specific project to equal zero.

When the result of a construction contract can be valued reliably, the contract's income and expenses are recognized throughout the contract's duration, respectively as income and expense. The Group uses the

percentage completion method to define the appropriate income and expense amount that will be recognized in a specific period.

The completion stage is measured based on the contractual cost that has been realized up to the balance sheet date compared to the total estimated construction cost of each project. When it is likely for the total contract cost to exceed the total income, then the expected loss is directly recognized in the period's results as an expense.

For the calculation of the cost realized until the end of the period, any expenses related to future activities regarding the contract are excluded and appear as a project under construction. The total cost that was realized and the profit/loss that was recognized for each contract is compared with the progressive invoicing until the end of the period.

When the realized expenses plus the net profit (less the losses) that have been recognized, exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in the account "Customers and other receivables". When the progressive invoicing exceed the realized expenses plus the net profit (less the losses) that have been recognized, the balance appears as a liability towards construction contract customers in the account "Suppliers and other liabilities".

4.19 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the Shareholders.

4.20 Segment reporting

During 2007, the revenues of the company from projects performed in Other countries (KESC project) contribute by 30,79% to the total revenues of the Group. Taking this into account, the geographical segments of the Group are divided in: Greece, countries of the European community (Eurozone) and Other countries. The financial results of 31st December 2007 and 31st December 2006 for the above mentioned geographical sectors are presented below:

Period 01/01-31/12	Greece		Eurozone		Other Counties		Group total	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenue	189.680.878	259.417.976	6.148.935	31.219.995	88.419.391	3.508.727	284.249.204	294.146.698
Segment assets	339.748.023	216.945.187	1.994.955	7.016.004	11.760.306	1.814.145	353.503.285	225.775.336
Investments	2.558.986	3.905.325	0	0	0	0	2.558.986	3.905.325

It is important to note that in the amount of revenues in year 2006, is included the amount of €460.715, which corresponds to the profits from discontinued operations (sale of subsidiary 3KP in year 2006).

5. Group Structure and consolidation method

Group companies that are included in the consolidated financial statements with the method of full consolidation are:

Company	Headquarters	Participation Percentage	Participation	Relation that dictated the consolidation
METAL CONSTRUCTIONS OF GREECE S.A.	N.IRAKLION, ATTIKIS	Mother Company		
GREEK STEEL INDUSTRY (SERVISTEEL) S.A.	VOLOS	99,98%	Direct	The participation percentage
EKME S.A.	IONIA THESSALONIKIS	40,00%	Direct	Control over the entity
RODAX ATEE	N.IRAKLION, ATTIKIS	100,00%	Direct	The participation percentage
ELEMKA	N.IRAKLION, ATTIKIS	83,50%	Direct	The participation percentage
Drosco Holdings Limited	CYPROUS	83,5%	Indirect	The participation percentage
Bridge Accessories & Construction Systems	MAROUSI, ATTIKIS	62.63	Indirect	The participation percentage
ETADE S.A	N.IRAKLION, ATTIKIS	100,00%	Direct	The participation percentage

The financial statements of METKA Group are included in the consolidated financial statements of Mytilineos Group that is based in Greece and owns 51,485% of METKA Group.

Changes of the Group structure during the year 2007

In the Group consolidated financial statements ETADE SA is fully consolidated since 04/09/07 with the participation % of 100%. The above company has its headquarters in N. Iraklion Attikis. The acquisition of the share capital of the above subsidiary fulfilled at 04/09/2007, after the approval of the board of directors on 31/08/2007, for the amount of € 8.000 thous..

6. Discontinued Operations

In order to have better information of the compared values the income statement of discontinued operations has to be showed in case of having changes in the structure of the group (sale of subsidiaries or changes in sectors). As we mentioned in note 5 "Changes of the Group structure during the year 2006" at 03/05/2006 the subsidiary company 3KP was sold.

The analysis of income statement from discontinued operations is as follows:

Amounts in €

	THE GROUP	
	01/01 - 31/12/2007	01/01 - 31/12/2006
Discontinued Operations		
Sales Turnover	0	460.715
Cost of Sales	0	(366.926)
Gross Profit	0	93.790
Other Operating Income	0	73.321
Distribution Expenses	0	0
Administration Expenses	0	(135.824)
Other Operating Expenses	0	(3.252)
Profit before interest and income tax	0	28.035
Financial income	0	15.031
Financial Expenses	0	(5.909)
Profit before income tax	0	37.157
Income Tax Expense	0	(13.546)
Profit after tax from discontinued operations	0	23.611
Profit from the sale of the discontinued operation	0	332.814
Profit for the Period from discontinued operations	0	356.425

The analysis of changes of cash from discontinued operations is as follows:

Cash Flow Statement from Discontinued Operations

Amounts in €

Net cash flow from Operating Activities

Net cash flow from Investing Activities

Net cash flow from Financing Activities

Net increase / decrease in cash and cash equivalents

	THE GROUP	
	12 months until 31 December 2007	12 months until 31 December 2005
	0	(459.348)
	0	(2.271.407)
	0	(200.240)
	0	(2.930.995)

The earnings per share from discontinued operations has as follows:

Amounts in €

Basic earnings per Share (in cent /share) from Discontinued Operations

	31/12/2007	31/12/2006
	0,00	0,01

7. Property, plant & equipment

Land, buildings and machinery were valued as at the transition date to IFRS (01/01/2004) at deemed cost, according to the provisions of IFRS 1. The "deemed cost" cost is considered as the fair value of the fixed assets as at the transition date to IFRS, which was defined after a study by an independent evaluator. There are no mortgages or collateral on the fixed assets for borrowing.

The Group's tangible fixed assets are analyzed as follows:

THE GROUP

Amounts in €	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Construction in progress	Total
Gross Book value (or estimated cost of acquisition) as at 1st January 2006	17.299.000	23.042.475	39.398.362	1.433.538	5.571.444	99.661	86.844.480
minus : Accumulated depreciation and value impairment	0	(1.932.793)	(10.032.881)	(1.053.331)	(4.168.667)	0	(17.187.673)
Book value as at January 1st 2006	17.299.000	21.109.682	29.365.481	380.207	1.402.777	99.661	69.656.807
Additions	243.254	102.635	2.292.704	135.457	660.523	455.973	3.890.545
Adjustments	0	269.090	12.840	0	0	(281.931)	0
Sales - Reductions	0	0	(865.066)	(89.797)	(81.112)	0	(1.035.975)
Depreciations of year 2006	0	(741.046)	(3.711.181)	(76.153)	(556.989)	0	(5.085.369)
Depreciations of Sold - Reduced Assets	0	0	417.912	87.920	75.840	0	581.671
minus : Gross Book value of Sold Company as of 3rd May 2006	(540.000)	(272.000)	(338.415)	(124.662)	(114.643)	0	(1.389.721)
Accumulated depreciation of 3KP	0	16.320	234.417	98.554	102.076	0	451.367
minus : Gross Book value of Sold Company as at December 31st 2006	17.002.254	23.142.200	40.500.425	1.354.535	6.036.212	273.703	88.309.329
minus : Accumulated depreciation and value impairment	0	(2.657.519)	(13.091.734)	(943.010)	(4.547.740)	0	(21.240.003)
Book value as at December 31st 2006	17.002.254	20.484.681	27.408.691	411.525	1.488.472	273.703	67.069.326
Additions	0	898.300	976.543	79.433	447.098	155.623	2.556.998
Adjustments	99.562	2.299.696	2.685.151	651.815	666.342	252.905	6.655.472
Sales - Reductions	0	(37.693)	(1.651.247)	(43.491)	(420.940)	0	(2.153.372)
Depreciations of current period	0	(803.771)	(3.543.022)	(103.478)	(575.792)	0	(5.026.062,40)
Minus: Accumulated depreciation of acquired subsidiary	0	(627.578)	(819.784)	(313.453)	(500.381)	0	(2.261.195)
Depreciations of Sold - Reduced Assets	0	15.243	1.060.108	32.750	407.729	0	1.515.829
Gross Book value (or estimated cost of acquisition) as at 31st December 2007	17.101.815	26.302.504	42.510.872	2.042.292	6.728.712	682.231	95.368.427
minus : Accumulated depreciation and value impairment	0	(4.073.625)	(16.394.431)	(1.327.191)	(5.216.184)	0	(27.011.432)
Book value as at December 31st 2007	17.101.815	22.228.878	26.116.441	715.101	1.512.528	682.231	68.356.995

The Company's tangible fixed assets are analyzed as follows:

THE COMPANY

Amounts in €	Land	Buildings	Machinery	Vehicles	Furniture & Fittings	Total
Gross Book value (or estimated cost of acquisition) as at 1st January 2006	11.967.000	13.984.164	34.097.706	851.028	3.962.716	64.862.614
minus : Accumulated depreciation and value impairment	0	(1.338.811)	(8.385.654)	(527.735)	(2.811.420)	(13.063.620)
Book value as at January 1st 2006	11.967.000	12.645.353	25.712.052	323.293	1.151.296	51.798.994
Additions	0	99.699	1.378.001	73.635	569.950	2.121.285
Sales - Reductions	0	0	(853.018)	(84.460)	(29.252)	(966.730)
Depreciations of year 2006	0	(462.923)	(3.301.894)	(58.053)	(420.833)	(4.243.703)
Depreciations of Sold - Reduced Assets	0	0	416.179	82.583	23.980	522.742
minus : Gross Book value of Sold Company as at December 31st 2006	11.967.000	14.083.863	34.622.688	840.203	4.503.414	66.017.169
minus : Accumulated depreciation and value impairment	0	(1.801.734)	(11.271.369)	(503.205)	(3.208.273)	(16.784.581)
Book value as at December 31st 2006	11.967.000	12.282.129	23.351.319	336.999	1.295.141	49.232.588
Additions	0	61.664	284.611	19.150	356.250	721.675
Adjustments	0	0	0	0	0	0
Sales - Reductions	0	0	(1.450.279)	(5.100)	(239.933)	(1.695.312)
Depreciations of current period	0	(461.707)	(2.938.028)	(52.639)	(433.614)	(3.885.988)
Depreciations of Sold - Reduced Assets	0	0	859.830	1.533	237.131	1.098.493
Gross Book value (or estimated cost of acquisition) as at 31st December 2007	11.967.000	14.145.527	33.457.020	854.253	4.619.731	65.043.531
minus : Accumulated depreciation and value impairment	0	(2.263.441)	(13.349.568)	(554.311)	(3.404.756)	(19.572.075)
Book value as at December 31st 2007	11.967.000	11.882.086	20.107.452	299.943	1.214.975	45.471.456

The Group holds intangible assets under finance lease. Leased assets analysed as follows

	THE GROUP				THE COMPANY		
	Mechanical equipment	Vehicles	Furniture & Fittings	Total	Vehicles	Furniture & Fittings	Total
Gross Book value (or estimated cost of acquisition) as at 1st January 2006	0	98.460	2.727	101.187	98.460	2.727	101.187
minus : Accumulated depreciation	0	(84.261)	(2.363)	(86.624)	(84.261)	(2.363)	(86.624)
Book value as at January 1st 2006	0	14.199	364	14.562	14.199	364	14.562
Additions	173.515	31.517	0	205.032	0	0	0
Sales - Reductions	0	(43.132)	0	(43.132)	(43.132)	0	(43.132)
Depreciations of year 2006	(19.291)	(13.203)	(364)	(32.858)	(10.576)	(364)	(10.940)
Depreciations of Sold - Reduced Assets	0	43.132	0	43.132	43.132		43.132
Gross Book value (or estimated cost of acquisition) as at 31st December 2006	173.515	86.844	2.727	263.087	55.327	2.727	58.054
minus : Accumulated depreciation	(19.291)	(54.331)	(2.727)	(76.350)	(51.705)	(2.727)	(54.432)
Book value as at December 31st 2006	154.224	32.513	0	186.737	3.623	(0)	3.623
Additions	0	0	0	0	0	0	0
Depreciations of current period	(20.822)	(9.926)	0	(30.748)	(3.623)	0	(3.623)
Gross Book value (or estimated cost of acquisition) as at 31st December 2007	173.515	86.844	2.727	263.087	55.327	2.727	58.054
minus : Accumulated depreciation	(40.113)	(64.257)	(2.727)	(107.097)	(55.327)	(2.727)	(58.054)
Book value as at December 31st 2007	133.402	22.587	0	155.989	0	(0)	0

8. Goodwill

Amounts in €	ELEMKA SA	DROSCO HOLDINGS LTD	ETADE SA	Total
Net Book Value at 1st January 2006	1.829.630	0	0	1.829.630
Accumulated Impairment losses	0	0	0	0
Net Book Value at 1st January 2006	1.829.630	0	0	1.829.630
Goodwill from acquisitions in year 2006	0	1.776	0	1.776
Gross carrying amount at 31st December 2006	1.829.630	1.776	0	1.831.406
Accumulated Impairment losses	0	0	0	0
Net Book Value at 31st December 2006	1.829.630	1.776	0	1.831.406
Additions from current period's acquisitions	0	0	6.033.476	6.033.476
Gross carrying amount at 31st December 2007	1.829.630	1.776	6.033.476	7.864.882
Accumulated Impairment losses	0	0	0	0
Net Book Value at 31st December 2007	1.829.630	1.776	6.033.476	7.864.882

The amount of the Goodwill that has been recognized for the year 2007, concerns the acquisition of "ETADE S.A." by 100,00% percentage of ownership. (analytical determination of the Goodwill is presented in paragraph 10.1).

The amount of Goodwill that was recognized in year 2006 concerns the acquisition of Drosco Holding Limited. Specifically, the Group acquired 83,5% of the company's share capital as of 10/10/2006. The goodwill recognized in 2005 pertains to the acquisition of ELEMKA S.A. Specifically, the Group acquired 83,5% of the company's share capital as of 30/12/2005.

Impairment tests for goodwill

Checking goodwill for potential impairment, the above subsidiaries are a uniform cash generating unit. The recovered amount of this unit was calculated by discounting its future cash flows. These cash flows were estimated by the management based on its future profitability and the market trends. The basic assumptions concerning the valuation of the subsidiaries are as follows:

Discount rate	10,13%
Average rate of growth for the next five years	12%
Rate of growth after the next five years	0,50%

9 Intangible assets:

The intangible assets (Group / Company) are analyzed as follows:

	THE GROUP		
	Licences and franchises	Software	Total
Amounts in €			
Gross Book value as at January 1st 2006	9.980.000	168.787	10.138.556
Accumulated amortization & value impairment	(688.230)	(151.241)	(834.207)
Book value as at January 1st 2006	9.291.770	17.546	9.304.350
Additions	0	14.779	14.779
Depreciations of year 2006	(2.202.985)	(18.558)	(2.221.543)
minus : Gross Book value of Sold Company as of 3rd May 2006	0	(3.864)	(3.864)
Accumulated depreciation of 3KP	0	2.998	2.998
Gross Book value as at 31st December 2006	9.980.000	179.703	10.159.703
minus : Accumulated depreciation	(2.891.214)	(166.801)	(3.058.016)
Book value as at December 31st 2006	7.088.786	12.902	7.101.687
Additions	0	1.988	1.988
Plus: Gross book value of acquired subsidiary	0	38.438	38.438
Plus/(minus:) settlements	0	10.200	
Depreciations of current period	(3.047.739)	(9.373,38)	(3.057.112)
Minus: Accumulated depreciation of acquired subsidiary	0	(33.671)	(33.671)
Plus/(minus:) amortization settlements	0	10.107	
Gross Book value as at 31st December 2007	9.980.000	230.329	10.210.329
minus : Accumulated depreciation	(5.938.953)	(199.739)	(6.138.692)
Book value as at December 31st 2007	4.041.047	30.591	4.071.638

THE COMPANY

	Licences and franchises	Software	Total
Amounts in €			
Gross Book value as at January 1st 2006	9.980.000	68.300	10.048.300
Accumulated amortization & value impairment	(688.230)	(68.300)	(756.530)
Book value as at January 1st 2006	9.291.770	0	9.291.770
Additions	0	0	0
Depreciations of year 2006	(2.202.985)	0	(2.202.985)
Gross Book value as at 31st December 2006	9.980.000	68.300	10.048.300
minus : Accumulated depreciation	(2.891.214)	(68.300)	(2.959.515)
Book value as at December 31st 2006	7.088.786	0	7.088.786
Additions	0	0	0
Depreciations of current period	(3.047.739)	0	(3.047.739)
Gross Book value as at 31st December 2007	9.980.000	68.300	10.048.300
minus : Accumulated depreciation	(5.938.953)	(68.300)	(6.007.253)
Book value as at December 31st 2007	4.041.047	0	4.041.047

The intangible assets comprise of software (SAP). The exploitation rights of the fixed assets concern machinery granted through construction contracts (compensative profits). These rights were valued at fair value at the date they were granted, less depreciation calculated based on the units of production method.

10. Investment in subsidiaries

Investments in subsidiaries were valued at acquisition cost, in the company's financial statements. Investments in subsidiaries have as follows:

Amounts in €	<u>31/12/2007</u>	<u>31/12/2006</u>
Opening carrying amount	35.150.134	38.671.777
Acquisition of Companies	8.000.000	0
Sale of companies	0	(3.521.643)
Closing carrying amount	43.150.134	35.150.134

There are no constrains in the ability of the above companies to transfer in capital by receiving dividends, payments from borrowings and down payments.

10.1 Changes in year 2007

Into the consolidated financial statement of 31/12/2007, has been incorporated for first time the subsidiary company ETADE S.A. that is based in Greece (N.Iraklio-Attica).

Group acquired 100,00% of the company's share capital as of 04/09/2007 and the acquisition cost of the subsidiary amounted to € 8.000.000; the amount was paid in cash and does not include transaction costs.

Determined goodwill from the above Subsidiary acquisition, based on the fair values of its assets and liabilities at the date of the acquisition.

These fair values, are as follows:

Amounts in €	4/9/2007
Property, plant and equipment	4.394.276
Intangible assets	4.767
Other non-current assets	555.178
Inventories	2.631.221
Trade and other receivables	4.823.285
Other receivables	107.905
Cash and cash equivalent	50.396
Deffered tax liabilities	(190.647)
Liabilities for pension plans	(140.747)
Other long-term liabilities	(109.021)
Trade and other payables	(2.253.972)
Tax payable	(41.287)
Short term debt	(6.380.100)
Other Short term Liabilities	(1.484.732)
Total Financial Information of the Subsidiary	1.966.524
<i>Net assets acquired from the Group</i>	100,00%
Fair value of net assets acquired from the Group	1.966.524
Plus: Goodwill	6.033.476
Cost of Acquisition	8.000.000
Minus: the cash & cash equivalent of the Subsidiary	(50.396)
Subsidiary	7.949.604

10.2 Changes in year 2006

The amount of Goodwill that was recognized in year 2006 concerns the acquisition of Drosco Holding Limited. Specifically, the Group acquired 83,5% of the company's share capital as of 10/10/2006. The fair value of the company, the day of the acquisition, is as follows:

Amounts in €	10/10/2006
Commercial & other Receivable amounts	1.740
Commercial & other Payable amounts	(516)
Total	1.224
<i>Percentage of buy out from the Group</i>	100,00%
Fair value of net assets acquired from the Group	1.224
Plus: Goodwill	1.776
Cost of Acquisition	3.000
Minus: the cash & cash equivalent of the Subsidiary	0
Subsidiary	3.000

The above values don't differ from the IFRS values of Assets and Liabilities right before the acquisition. The acquired company had zero earnings and net losses (€ 435). The goodwill concerns the synergies that are expected to be made in the future.

At 03/05/2006 the subsidiary company, 3KP, was sold therefore the results of the discontinued operations comes to € 356.425. The above value is analyzed as follows: € 23.611 is the profit after tax and € 332.814 is the profit from the sale of the subsidiary.

11. Deferred tax

The deferred tax receivables and liabilities are offset if there Group has the applicable legal right to offset current tax liabilities against current tax receivables and if deferred taxes concern the same fiscal principle.

The amounts offset are the following:

Amounts in €	THE GROUP				THE COMPANY			
	31/12/2007		31/12/2006		31/12/2007		31/12/2006	
	Assets	Liability	Assets	Liability	Assets	Liability	Assets	Liability
Non Current Assets								
Intangible Assets	9.789	0	6.157	0	3.491	0	0	0
Tangible Assets	12.167	(9.430.518)	14.046	(9.582.824)	0	(7.085.382)	0	(7.391.853)
Current Assets								
Construction contracts	8.354.705	(9.252.857)	7.891.431	(11.645.536)	7.728.570	(9.048.920)	7.635.317	(11.641.198)
Other Receivables	557.931	(575.074)	457.097	(179.469)	0	0	0	0
Reserves								
De-taxation of reserves	0	(1.311.429)	0	(1.270.383)	0	(502.133)	0	(502.133)
Long-term Liabilities								
Employee Benefits	797.865	(11.518)	763.984	0	561.673	0	560.537	0
Other Long-term Liabilities	14.784	(734.000)	0	(703.000)	0	(450.000)	0	(300.000)
Short-term Liabilities								
Provisions	1.473	(54.195)	499	1.473	0	0	0	0
Liabilities from financing leases	0	20.278	648	36.811	0	0	648	0
Other Short-term obligations	26.080	0	0	0	0	0	0	0
<i>Total</i>	<i>9.774.794</i>	<i>(21.349.314)</i>	<i>9.133.862</i>	<i>(23.342.929)</i>	<i>8.293.735</i>	<i>(17.086.435)</i>	<i>8.196.501</i>	<i>(19.835.183)</i>
Compensation	(8.615.167)	8.615.167	(7.877.516)	7.877.516	(7.732.062)	7.732.062	(7.635.965)	7.635.965
Total	1.159.627	(12.734.147)	1.256.345	(15.465.413)	561.673	(9.354.373)	560.537	(12.199.219)

According to the tax legislation, some kind of income is not taxed when recognized but when distributed to the shareholders. The accounting principle followed by the Group suggests to recognize deferred income tax liability when this income is initially recognized and not when distributed.

The deferred tax is calculated based on the tax rate applied in the next period. Specifically, the income tax rate applicable for 2007 is 25%, which was the same for the previous fiscal year 2006.

12. Financial assets available for sale

Amounts in €	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Opening carrying amount	364.951	6.159.684	123.201	5.917.934
Sales/write-offs	0	(5.794.733)	0	(5.794.733)
Adaptation at fair value	364.951	364.951	123.201	123.201
Non Current Assets	364.951	364.951	123.201	123.201
	364.951	364.951	123.201	123.201

Throughout the period 01/01-31/12/2006, the Company made a sale of "financial assets available for sale" to MYTILINEOS S.A. that concerned its share of participation in ELVO S.A. (Subsidiary of MYTILINEOS S.A.). The sale price was at the cost of acquisition (€ 5.792.803) therefore the sale had zero profit. The sale's tax was € 395.805 and transferred to the financial results.

In addition the company sold its share of the company "Defense Industries – Mytilineos" to MYTILINEOS S.A. The sale price was the cost of acquisition (€ 1.931) therefore the sale had zero profit.

13. Other non-current receivables

The Group's and Company's other non-current receivables are analyzed in the following table:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers- Over 12 months retained receivable guarantees	534.707	1.819.689	0	1.819.689
Given Guarantees	266.597	210.534	106.839	87.821
Other	2.935	3.845	0	0
Total other non-current assets	804.239	2.034.068	106.839	1.907.510

These receivables are to be recovered after the end of next period.

14. Inventories

The Group's and Company's inventories are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Raw materials	16.018.493	17.356.219	14.918.445	17.157.980
Work in Progress	3.279.959	4.242.426	3.246.686	4.146.899
Merchandise	1.368.366	1.048.340	0	2.985
Spare parts & consumables	1.123.111	1.028.976	1.016.609	951.170
Packing materials	528.795	492.364	469.847	436.037
Other goods & inventories	954.602	67.227	34.155	33.785
Total	23.273.325	24.235.551	19.685.742	22.728.857
Minus: Provisions for useless and destroyed inventories	(1.488.294)	(1.128.294)	(1.000.000)	(1.000.000)
Net book value	21.785.031	23.107.257	18.685.742	21.728.857

The value of the Inventories that were consumed to the Group's and Company's cost of goods sold is € 132.940.686 and € 107.982.062 respectively (2006: Group € 141.198.812 and Company € 112.219.307).

15. Customers and other trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers	69.484.744	52.762.607	53.100.377	41.835.517
Withholding money for fine completion of contracts	6.431.269	7.042.922	5.688.517	6.515.377
Receivables in customers from the implementation of work (note 19)	65.789.157	48.000.778	62.661.560	46.831.806
Bills receivable	3.815	3.815	0	0
Checks receivable	3.725.800	2.962.815	0	0
Less: Provisions fall	(1.563.376)	(1.508.596)	0	0
Net trade & other receivables	143.871.409	109.264.342	121.450.455	95.182.700
Advances for purchases and subcontractors	65.158.032	4.341.288	64.071.784	3.553.483
Total	209.029.440	113.605.629	185.522.239	98.736.183
Non-current assets (note 13)	534.707	1.819.689	0	1.819.689
Current assets	208.494.734	111.785.940	185.522.239	96.916.494
	209.029.440	113.605.629	185.522.239	98.736.183

All of the above receivables are concerned as short term. The fair value of that short term financial assets is not determined independently because the book value is considered to be equal to the fair value.

The aging of receivables according to IFRS 7, are presented in the following table.

<i>Amounts in '000 €</i>	THE GROUP		THE COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Expected time of money received				
Less than 3 months	51.004	52.569	41.181	43.003
From 3 to 6 months	35.187	3.312	33.477	1.422
From 6 months to 1 year	56.685	8.021	48.202	5.660
More than 1 year	535	1.820	0	1.820
Total	143.412	65.721	122.861	51.904

The above table does not include receivables from construction contracts which are recognized as receivables according to IAS 11.

16. Other receivables – other current assets

The Group's and Company's other receivables are analyzed as follows:

<i>Amounts in €</i>	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
State Taxes	7.310.486	1.224.918	6.182.232	417.900
Advances to employees and others	38.719	58.267	17.990	34.112
Dividends	0	21.382	0	4.387
Receivables under sub judice	537.051	127.051	0	0
Other receivables	231.007	1.469.716	65.702	345.381
Less: Provisions for impairment of other receivables	(537.051)	(948.375)	0	0
Total or Other Receivables	7.580.212	1.952.960	6.265.925	801.779
Other current assets				
Prepayment expenses	1.961.504	568.610	1.911.926	531.252

17. Financial assets at fair value through profit and loss.

The analysis of the investments in financial assets is analyzed as follows:

<i>Amounts in €</i>	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Bank bonds	3.763.898	3.709.800	0	0
Mutual funds	35.253	34.046	0	0
Total Financial assets	3.799.151	3.743.846	0	0

The total value of the above financial instruments is available for sale.

18. Cash and cash equivalents

Group and company cash and cash equivalents are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash at bank and on hand	20.853.725	4.958.940	16.402.019	1.298.030
Short-term bank deposits	6.406.597	0	6.406.597	0
Total	27.260.322	4.958.940	22.808.616	1.298.030

There were no overdrafts in the bank accounts at the above mentioned dates.

The effective interest rate of short term investments is 4,5% (2006: 3,4%).

19. Construction contracts

The construction contracts concern the construction of properties especially for clients, according to the terms provided in the contracts, whose execution usually lasts more than one fiscal year.

Amounts in €	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Sales turnover due to project execution of the period	264.988.054	278.948.199	246.365.998	263.151.494
Total cost that have been occurred from the beginning of the projects	928.397.915	467.441.431	867.151.152	444.857.681

The analysis of receivables / liabilities from construction contracts, is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customer Advance payments	(71.700.795)	(13.865.795)	(70.728.259)	(13.383.165)
Customer Withholding of good performance	6.431.269	7.042.922	5.688.517	6.515.377
Customer receivables from the implementation of work	65.789.157	48.000.778	62.661.560	46.831.806
Customer liabilities from the implementation of work	(26.477.433)	(700.758)	(26.465.881)	(267.015)

20. Total equity

20.1 Share Capital

The share capital of the company consists of 51.950.600 nominal shares, of a nominal value € 0,32 each. The total share capital amounts to € 16.624.192. The company's shares are listed in the Athens Stock Exchange.

Amounts in €	Number of shares	Ordinary Shares	Share Premium	Total
Balance at 1/1/2006	51.950.600	51.950.600	16.624.192	16.624.192
Increase of Share Capital				
Balance at 31/12/2006	51.950.600	51.950.600	16.624.192	16.624.192
Increase of Share Capital				
Balance at 31/12/2007	51.950.600	51.950.600	16.624.192	16.624.192

20.2 Other reserves

Other reserves for the Company / Group are as follows:

THE GROUP

	Legal Reserve	Special Reserve	Contingency reserve	Tax-exempt reserves under special laws	Total
Balance as at January 1st, 2006	4.220.738	826.575	3.191.145	13.017.113	21.255.571
- Formation of reserves due to net profits of year 2005	1.751.548	0	217.045	3.148.870	5.117.462
- Taxes paid according to tax exempt reserves of construction companies	0	0	0	(1.710)	(1.710)
- Transfer of taxed reserve	0	0	3.176	(3.176)	0
Balance as at December 31st, 2006	5.972.286	826.575	3.411.366	16.161.096	26.371.323
- Formation of reserves due to net profits of year 2006	295.470	0	0	1.736.238	2.031.708
- Transfer of tax exempt reserves to retained earnings according to tax law 3220/2004	0	0	0	(144.000)	(144.000)
Balance as at December 31st, 2007	6.267.756	826.575	3.411.366	17.753.334	28.259.031

THE COMPANY

	Legal Reserve	Special Reserve	Tax-exempt reserves under special laws	Total
Balance as at January 1st, 2006	3.557.154	826.575	12.610.716	16.994.444
- Formation of reserves due to net profits of year 2005	1.716.995	0	3.062.785	4.779.780
Balance as at December 31st, 2006	5.274.149	826.575	15.673.500	21.774.224
- Formation of reserves due to net profits of year 2006	267.851	0	1.613.920	1.881.771
Balance as at December 31st, 2007	5.542.000	826.575	17.287.420	23.655.994

The ordinary reserve was formed according to the L.2190/1920.

In the "tax exempt and other reserves under special law provisions" are included tax-free discounts and other special law reserves.

20.3 Retained earnings

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Intended Dividend	25.975.300	20.780.240	25.975.300	20.780.240
Remaining Earnings	56.208.054	47.267.214	66.946.490	53.380.425
Total	82.183.354	68.047.454	92.921.790	74.160.665

The General Shareholders Meeting unanimously approved at 14/05/2007 the appropriation account for the fiscal year 2006 and the distribution of €20.780.240 out of the profit for the year 2006, which represents a dividend of €0,40 per share.

It is suggested to distribute € 25.975.300 as a dividend (€0,50 per share), out of the net profit of the year 2007 amounting to €41.423.136. The distribution of dividend has to be approved by the General Shareholders Meeting, therefore no obligation has been recognized in the financial statements of 2007.

21. Liabilities for pension plans

Under the L.2112/1920, a lump sum compensation is paid to the employees upon retirement.

The Company and the Group recognizes as post-employment employee benefit liability, the present value of its legal commitment to pay a lump sum compensation to the employees due to retirement. This liability was calculated through an actuarial study.

This liability is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Opening carrying amount	1.866.198	1.836.607	1.242.146	1.152.985
Pension benefits	71.619	236.027	116.572	153.557
Pension benefits of the acquired Subsidiary company	140.747	0	0	0
Period payments	(195.771)	(87.750)	(114.018)	(64.396)
Minus: reduction of liability due to the selling of a subsidiary	0	(118.686)	0	0
Balance at the end of	1.882.794	1.866.198	1.244.700	1.242.146

The amounts concerning pension benefits are as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Analysis of Pension benefits				
Cost of current period employment	69.948	145.445	60.675	72.933
Interest cost	65.598	76.208	55.897	66.250
(Profit)/loss from the Pension plan	(63.927)	14.374	0	14.374
Total cost of pension benefits	71.619	236.027	116.572	153.557

The main actuarial assumptions used for the above mentioned purpose are as follows:

	31/12/2007	31/12/2006
Discount Rate	4,5%	4,5%
Future wage increases	3,5%	3,5%
Percentage of retirement	0,5%	0,5%
Inflation	2,5%	2,5%

22. Other long-term liabilities

The analysis of the Group's and Company's other long-term liabilities is as follows:

	THE GROUP					
	Received Grants	Rights of use free of charge granted constant	Tax Liabilities & fees of previous years	Other Provisions	Customer Downpayments	Total
Amounts in €						
Balance at 1 January 2006	67.273	6.304.812	450.368	8.191	13.316.578	20.147.222
Transfer from Short-Term Liabilities		2.986.958	605.132			
Additions	0	0	0	0	0	0
Period Amortization to Gains	0	(2.202.985)	0	0	(6.886.700)	(9.089.684)
Taxes paid	0	0	(606.640)	0	0	(606.640)
Transfer to Short-Term Liabilities	(33.445)	(3.302.759)	(414.496)	0	0	(3.750.700)
Balance at 31 December 2006	33.828	3.786.027	34.365	8.191	6.429.878	10.292.289
Transfer from Short-Term Liabilities	31.806	3.302.759	414.496	0	13.383.165	17.132.226
Additions	109.021	0	0	0	110.049.894	110.158.915
Period Amortization to Gains	(38.147)	(3.047.739)	0	0	(39.229.400)	(42.315.286)
Taxes paid			(311.401)	0	0	(311.401)
Transfer to Short-Term Liabilities	(6.158)	(3.068.025)	(137.460)	0	(70.728.259)	(73.939.902)
Balance at 31 December 2007	130.350	973.022	0	8.191	19.905.277	21.016.840

Amounts in €

	THE COMPANY					
	Received Grants	Rights of use free of charge granted constant	Tax Liabilities & fees of previous years	Withholding money for fine completion of contracts	Customer Downpayments	Total
Amounts in €						
Balance at 1 January 2005	111.838	9.980.000	0	0	16.524.000	26.615.838
Additions	0	0	450.368	397.241	36.410.000	37.257.609
Period Amortization to Gains	0	(688.230)	0	0	(2.760.736)	(3.448.966)
Transfer to Short-Term Liabilities	(73.874)	(2.986.958)	0	0	(36.856.686)	(39.917.518)
Balance at 1 January 2006	37.964	6.304.812	450.368	397.241	13.316.578	20.506.963
Transfer from Short-Term Liabilities	36.937	2.986.958	605.132			3.629.027
Additions	0	0	0	663.999	0	663.999
Period Amortization to Gains	(36.937)	(2.202.985)	0	0	(6.886.700)	(9.126.621)
Taxes paid	0	0	(606.640)	0	0	(606.640)
Transfer to Short-Term Liabilities	(31.806)	(3.302.759)	(414.496)	0	0	(3.749.060)
Balance at 31 December 2006	6.158	3.786.027	34.365	1.061.240,23	6.429.878	11.317.668
Transfer from Short-Term Liabilities	31.806	3.302.759	414.496	7.374.348	13.383.165,28	24.506.574
Additions	0	0	0	2.903.349	110.049.894	112.953.243
Period Amortization to Gains	(31.806)	(3.047.739)	0	(1.858.896)	(39.229.400)	(44.167.841)
Taxes paid	0		(311.401)	0		(311.401)
Transfer to Short-Term Liabilities	(6.158)	(3.068.025)	(137.460)	(9.287.389)	(70.728.259)	(83.227.291)
Balance at 31 December 2007	0,00	973.022	0	192.652	19.905.277	21.070.952

The variation in the account "Rights of use free of charge granted constant" during 2006, amounting to €2.202.985 concerns depreciation effected on these rights.

23 Trade and other Payables

The analysis of the balance for the Group's and Company's trade and other liabilities is as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Suppliers	34.324.200	43.792.526	35.383.960	53.098.145
Customers' Advances	71.700.795	13.865.795	70.728.259	13.383.165
Liabilities due to the implementation of work (note 19)	26.477.433	700.758	26.465.881	267.015
Checks payable	738	564.120	0	564.120
Total	132.503.166	58.923.199	132.578.101	67.312.445

All the trade transactions have no interest and they are settled regularly.

24. Tax Payable

Tax payable of the Group and the Company are divided in current income tax liabilities and previous years tax liabilities and are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Current period tax liabilities	20.192.611	5.470.918	18.961.217	3.395.694
Tax liabilities coming from previous years	458.084	899.422	34.365	414.496
Total	20.650.696	6.370.339	18.995.582	3.810.190

During the current year, the subsidiary company RODAX was tax-audited for the fiscal years 2001-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 20/9/2006. The total tax imposed amounted to € 477.343 (included in the consolidated financial statements), which € 323.791 will be paid within the next year.

In addition during the current year, the subsidiary company ELEMKA was tax-audited for the fiscal years 2000-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 7/12/2006. The total tax imposed amounted to € 201.430 (included in the consolidated financial statements), which € 161.135 will be paid within the next year.

For the unaudited fiscal years of the companies of the Group, please revert to para. 39 "Contingent Liabilities – Receivables".

25. Short-term debt

The Group and the Company's short-term debt are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Short-term Borrowing				
Bank Debt	18.176.571	2.058.334	7.425.184	0
Other (Leasing)	81.112	149.834	0	2.592
Total short term debt	18.257.683	2.208.168	7.425.184	2.592

The short-term debt of the Group concerns at short-term debt in Euros and USA Dollars. The total amount is expressed in Euros. The weighted average borrowing rate in 2007 amounts to 5,59% and 6,04% for euros € and usd \$ respectively. (2006: 5,08% only for €).

Short term debt has been fully paid during the first two months of 2008.

Short term debt analyzed as follows:

	31/12/2007	31/12/2006
Bank Debt		
Debt in Euro	10.751.387	2.058.334
Debt in U.S. Dollars	7.425.184	0
Total	18.176.571	2.058.334

There are no mortgages on the group's fixed assets as of 31/12/2007.

26. Other short-term liabilities

The other short-term liabilities are analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Social security insurance	852.671	783.023	453.424	482.364
Dividends payable	562.668	620.696	562.300	620.539
Accrued income	3.074.183	3.334.565	3.074.183	3.334.565
Accrued expenses	191.302	193.785	93.562	98.984
Others Liabilities	2.146.063	2.761.382	568.910	2.309.319
Total	6.826.887	7.693.451	4.752.379	6.845.771

27. Current portion of non-current provisions

The Group makes provisions for future damages likely to arise from the execution of projects. In the following table, such provisions are presented:

Amounts in €	THE GROUP		
	Provisions for losses of Construction Contracts	Provisions for employee lay-offs	Total
Balance at 1 January 2006	184.841	0	184.841
Additional provisions of the year 2005	4.478	50.055	54.533
Unused provisions that have been reversed	0	0	0
Provisions used during the year	(5.777)	0	(5.777)
Balance at 31 December 2006	183.541	50.055	233.596
Additional provisions for the period 01/01/2007 - 31/12/2007	195.747	0	195.747
Unused provisions that have been reversed	(1.994)	0	(1.994)
Provisions used during the year	0	(26.500)	(26.500)
Balance at 31 December 2007	377.293	23.555	400.848

Amounts in €	THE COMPANY		
	Provisions for losses of Construction Contracts	Provisions for employee lay-offs	Total
Balance at 1 January 2006	0	0	0
Additional provisions of the year 2005	0	50.055	50.055
Unused provisions that have been reversed	0	0	0
Provisions used during the year	0	0	0
Balance at 31 December 2006	0	50.055	50.055
Additional provisions for the period 01/01/2007 - 31/03/2007	1.993	0	1.993
Unused provisions that have been reversed	0	0	0
Provisions used during the year	0	(26.500)	(26.500)
Balance at 31 March 2007	1.993	23.555	25.548

28. Sales turnover

The sales turnover analysis for the Company and the Group is as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Income from the execution of construction contracts	264.988.054	278.948.199	246.365.998	263.151.494
Sales of apartments	1.518.483	851.028	1.518.483	851.028
Income from trading	9.042.111	8.699.978	12.682	3.658
Sales of Products	289.799	0	0	0
Income from maintenance and other services	7.344.547	4.045.114	0	923.684
Sales of scrap	1.066.210	1.602.380	921.136	1.492.985
Total	284.249.204	294.146.698	248.818.298	266.422.849

29. Analysis of expenses by their nature

The expenses analysis by the nature of expense of the year 2007 is as follows:

Amounts in €	THE GROUP				THE COMPANY			
	Cost of sales	Distribution Expenses	Administrative Expenses	Total	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Pension benefits	397.782	15.472	58.683	471.937	324.716	15.472	58.683	398.871
Wages & other benefits of the employees	14.848.224	449.329	2.928.623	18.226.175	7.906.019	261.649	1.934.969	10.102.636
Cost of reserves recognized as expense	132.939.121	1.120	445	132.940.686	107.980.498	1.120	445	107.982.062
Depreciation of Tangible Assets	4.526.528	13.980	488.902	5.029.410	3.420.161	2.750	463.077	3.885.988
Amortization of Intangible Assets	0	0	6.026	6.026	0	0	0	0
Proportion of Grant Amortization	(4.702)	0	0	(4.702)	0	0	0	0
Wage and expenses of Subcontractors	45.688.609	153.150	141.506	45.983.265	55.628.919	153.150	139.006	55.921.074
Third person expenses & benefits	11.000.188	304.818	3.925.034	15.230.039	7.754.512	64.342	2.838.315	10.657.169
Insurance expenses	1.410.284	16.073	35.511	1.461.867	1.353.890	0	2.267	1.356.156
Rents of operating leases	618.867	42.502	733.520	1.394.889	449.353	23.945	328.957	802.255
Expenses of fixing and maintainance	388.745	8.605	308.595	705.944	181.968	3.230	232.939	418.137
Other third person expenses	827.861	17.685	540.152	1.385.697	446.549	7.270	339.285	793.103
Taxes & Duties Payable	183.022	7.636	113.005	303.662	125.371	787	48.929	175.087
Publicity	31.232	32.166	167.214	230.612	31.232	32.166	167.214	230.612
Reversal of Provisions	(83.747)	0	(114.018)	(197.765)	0	0	(114.018)	(114.018)
Other expenses	3.616.438	910.509	1.886.221	6.413.167	2.513.247	466.684	1.472.907	4.452.838
Other Provisions	195.747	54.781	0	250.527	1.993	0	0	1.993
Provisions for liabilities of settled benefits	47.703	240	22.005	69.948	41.789	0	18.886	60.675
Total	216.631.901	2.028.062	11.241.423	229.901.387	188.160.216	1.032.564	7.931.860	197.124.641
Less Tangible assets under construction	297.091	0	0	297.091	146.054	0	0	146.054
TOTAL	216.334.811	2.028.062	11.241.423	229.604.296	188.014.162	1.032.564	7.931.860	196.978.587

The expenses analysis by the nature of expense of the year 2006 is as follows:

	THE GROUP				THE COMPANY			
	Cost of sales	Distribution Expenses	Administrative Expenses	Total	Cost of sales	Distribution Expenses	Administrative Expenses	Total
Amounts in €								
Pension benefits	262.782	0	171.800	434.582	262.782	0	171.800	434.582
Wages & other benefits of the employees	13.896.890	552.748	2.648.545	17.098.182	8.447.146	184.827	1.778.733	10.410.705
Cost of reserves recognized as expense	141.197.769	674	369	141.198.812	112.218.264	674	369	112.219.307
Depreciation of Tangible Assets	4.504.779	23.123	557.467	5.085.369	3.795.113	1.493	447.097	4.243.702
Amortization of Intangible Assets	0	0	18.558	18.558	0	0	0	0
Proportion of Grant Amortization	0	0	0	0	0	0	0	0
Wage and expenses of Subcontractors	56.813.424	0	115.997	56.929.421	80.619.098	0	108.458	80.727.555
Third person expenses & benefits	6.010.023	229.181	3.830.998	10.070.202	3.178.040	32.310	2.890.143	6.100.493
Insurance expenses	2.035.938	7.914	27.385	2.071.237	1.975.418	0	2.302	1.977.721
Rents of operating leases	615.607	117.579	548.574	1.281.760	523.290	13.851	255.093	792.233
Expenses of fixing and maintenance	535.209	84.647	422.261	1.042.117	364.149	1.195	403.508	768.852
Other third person expenses	793.297	60.093	482.078	1.335.467	485.986	7.696	340.057	833.739
Taxes & Duties Payable	195.860	7.725	112.887	316.472	143.064	727	51.158	194.949
Publicity	36.512	4.391	286.534	327.437	36.512	4.391	286.534	327.437
Reversal of Provisions	(5.777)	0	(64.396)	(70.173)	0	0	(64.396)	(64.396)
Other expenses	3.208.691	367.254	1.566.592	5.142.537	2.451.649	67.538	1.090.678	3.609.866
Other Provisions	4.478	0	50.055	54.533	0	0	50.055	50.055
Provisions for liabilities of settled benefits	105.465	1.422	38.558	145.445	54.082	0	18.851	72.933
Compensation for damages	(3.197.092)	0	0	(3.197.092)	(3.197.092)	0	0	(3.197.092)
Total	227.013.855	1.456.751	10.814.261	239.284.867	211.357.500	314.701	7.830.439	219.502.640
Less Tangible assets under construction	1.159.820	0	0	1.159.820	1.116.869	0	0	1.116.869
TOTAL	225.854.035	1.456.751	10.814.261	238.125.047	210.240.631	314.701	7.830.439	218.385.771

30. Employee benefits

The number of employees is analyzed in the following table:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Monthly Wage employees	330	307	198	188
Daily Wage employees	219	199	84	102
Total	549	506	282	290

The employee benefits for the Group and the Company are as follows:

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Amounts in €				
Employee wages	13.811.965	13.146.634	7.732.859	8.115.353
Social Security Expenses	3.713.156	3.450.078	1.986.548	2.033.840
Retirement Benefits	684.922	520.606	398.871	434.582
Pension benefits	69.948	145.445	60.675	72.933
Other benefits	488.069	415.446	383.229	261.511
Total	18.768.061	17.678.210	10.562.182	10.918.220
Amount that was used to the Income statement	18.526.806	17.163.286	10.469.337	10.403.297
Amount that was used for the under construction tangible assets	241.254	514.923	92.846	514.923
Total	18.768.061	17.678.210	10.562.182	10.918.220

31. Other ordinary income and expense

The ordinary income and expense of the Group is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Other operating income				
Depreciation of received grants	33.445	38.576	31.806	36.937
Grants and sundry sales income	8.243	63.103	8.243	58.426
Profit from foreign exchange differences	1.548.338	271.003	1.548.323	271.003
Income from Rents	79.002	75.554	77.689	73.441
Income from previous years	10.800	2.117	5.610	2.117
Other	1.213.615	314.977	560.693	241.496
Profit from sale of tangible assets	166.164	19.672	141.795	19.672
Total	3.059.606	785.002	2.374.158	703.091
Other operating expenses				
Losses from foreign exchange differences	1.249.941	33.106	1.249.412	31.967
Uncertain receivables	160.219	343.360	0	0
Loss from sale of fixed assets	94.526	211.130	60.463	200.814
Other	3.968.134	313.322	3.925.569	292.867
Other taxes	26.023	21.641	8.028	3.646
Compensations	26.500	12.250	26.500	12.250
Total	5.525.343	934.809	5.269.972	541.544

32. Financial income / expenses

The financial income and expenses of the Group and the Company is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Interest income from:				
Banks	255.560	323.912	63.900	136.009
Tax discount for the entire payment of the taxes in once	0	1.538	0	799
	255.560	325.450	63.900	136.807
Interest expenses from:				
Discount of Liabilities coming from personnel pension benefits	65.598	76.208	55.897	66.250
Bank Loans	1.145.751	140.246	767.212	28.461
Charges of Bank guarantees	728.942	573.249	707.412	550.379
Financing Leases	6.093	8.308	33	459
Other Banking Expenses	222.821	126.494	185.757	89.566
	2.169.204	924.506	1.716.311	735.114

33. Other financial results

The financial results of the Group and the Company is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Profit from valuation of financial assets at fair value through profit or loss	183.750	7.506	146.825	0
Income from dividends	7.775	21.382	6.185.163	4.705.718
Losses from sales of financial assets at fair value through profit or loss	(2.560)	0		
Losses from sale of subsidiaries	0	0	0	(1.521.643)
Expenses from the sale of financial assets available for sale	0	(395.805)	0	(395.805)
Exxpenses from the sale of subsidiaries	0	(49.680)	0	(49.680)
Total	188.965	(416.596)	6.331.988	2.738.590

34. Income tax expense

The Income tax expense for the Group and the Company is analyzed as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income Statement				
Current tax	15.683.286	11.864.942	15.046.321	9.430.027
Deferred tax (Note 11)	(2.680.390)	1.904.631	(2.845.982)	2.440.356
Tax differences from previous year	163.602	678.773	0	0
Total Income tax	13.166.498	14.448.346	12.200.339	11.870.383

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies. The relationship between the expected tax expense based on the effective tax rate of the Group and the tax expense actually recognised in the income statement can be reconciled as follows:

35. Earnings per share

The basic earnings per share (in euro / share) of the Group/Company are as follows:

Amounts in €

	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Profit before income tax	50.454.492	55.226.163	53.623.475	50.338.909
Income Tax Expense	(13.166.498)	(14.461.892)	(12.200.339)	(11.870.383)
Profit after income tax (1)	37.287.994	40.764.271	41.423.136	38.468.526
Attributable to:				
Equity holders of the parent (2)	36.803.848	40.635.408		
Minority Interests	484.146	128.863		
	37.287.994	40.764.271		
Weighted average number of shares (3)	51.950.600	51.950.600		
Basic earnings per Share (in Euro /share) (2)/(3)	0,71	0,78	0,80	0,74

The basic earnings per share (in euro / share) of the Group/Company for the continued operations are as follows:

Amounts in €

	THE GROUP		THE COMPANY	
	01/01 - 31/12/2007	01/01 - 31/12/2006	01/01 - 31/12/2007	01/01 - 31/12/2006
Profit before income tax from continued operations	50.454.492	54.856.192	53.623.475	50.338.909
Income Tax Expense	(13.166.498)	(14.448.346)	(12.200.339)	(11.870.383)
Profit after income tax from continued operations (4)	37.287.994	40.407.846	41.423.136	38.468.526
Attributable to:				
Equity holders of the parent (5)	36.803.848	40.293.150		
Minority Interests	484.146	114.696		
	37.287.994	40.407.846		
Weighted average number of shares (6)	51.950.600	51.950.600		
Basic earnings per Share (in Euro /share) (5)/(6)	0,71	0,78	0,80	0,74

The basic earnings per share (in euro / share) of the Group/Company for the discontinued operations are as follows:

Amounts in €

	THE GROUP	
	01/01 - 31/12/2007	01/01 - 31/12/2006
Discontinued operations		
Profit from discontinued operations attributed to the shareholders of the parent company	0	342.259
Weighted average number of shares	51.950.600	51.950.600
Basic earnings from discontinued operations per Share (in Euro /share)	0,00	0,01

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

36. Analysis of Cash Flow Adjustments

Analysis of Cash Flow Adjustments for the Group and the Company is analysed as follows:

Amounts in €

	THE GROUP		THE COMPANY	
	12 months until 31 December 2007	12 months until 31 December 2006	12 months until 31 December 2007	12 months until 31 December 2006
Adjustments to Profit after Tax for:				
Income Tax	13.166.498	14.461.892	12.200.339	11.870.383
Depreciation of tangible assets	5.009.724	4.970.765	3.869.649	4.111.988
Depreciation of intangible assets	9.373	18.763	0	0
Provisions	875.324	691.274	118.565	189.238
Income from reverse of provisions	(1.051.046)	(70.173)	(364.997)	(64.396)
Profit / Loss from the Disposal of tangible assets	(71.638)	118.137	(81.331)	181.142
Losses from the fair value recognition of financial assets through profit and loss	(34.365)	(7.506)	0	0
Losses from sale of subsidiaries	0	0	0	1.521.643
Credit interest and similar income	(255.560)	(340.481)	(63.900)	(136.807)
Debit interest and similar expenses	1.149.644	148.547	767.245	28.912
Proceeds from dividends	(7.775)	(21.382)	(6.185.163)	(4.705.718)
Amortization of Grants	(38.147)	(38.576)	(31.806)	(36.937)
Changes in pension obligations	0	(8.980)	0	14.374
Gains from sale of subsidiaries	0	(332.814)	0	0
Profit/Loss in borrowings related to foreign currency	(146.825)	0	(146.825)	0
Unrealised foreign currency gains / (losses)	(654.580)	19.256	(654.580)	19.256
Total Adjustments to Profit after Tax	17.950.626	19.608.720	9.427.196	12.993.078

37. Related party transactions

Transactions with these companies are carried out on an arm's length basis. The Group was not party to any transaction of an unusual nature or structure that was material to it or to companies or persons closely associated with it, nor does it intend to be party to such transactions in the future. None of the transactions incorporate special terms and conditions and no guarantee was given or received. The earnings from other associated companies mostly concern the construction contract between METKA S.A and ALUMINUM of GREECE S.A (which has been merged by MYTILINEOS S.A). According to the contract METKA S.A has to construct a power station. The execution of the project has begun since 2005 and the backlog as of 31/12/2007 is € 2.296 thous. The invoicing and payments are made according to the contract. Finally there are no conditions or terms in the contract which are out of the ordinary trade practice.

Related party transactions

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income from execution of projects and other income				
Parent company	0	250.400	0	250.400
Subsidiaries	0	0	64.815	4.792
Other Parent company's subsidiaries	60.928.209	148.816.528	60.267.115	147.321.111
Total	60.928.209	149.066.928	60.331.930	147.576.303
Income from sales of tangible assets				
Parent company	0	5.794.733	0	5.794.733
Total	0	5.794.733	0	5.794.733
Other income				
Subsidiaries	0	0	6.184.368	4.705.718
Other Parent company's subsidiaries	22.797	40.477	1.595	2.400
Total	22.797	40.477	6.185.963	4.708.118
Purchases and compensations from the supply of services				
Parent company	3.952.387	631.399	3.905.023	601.644
Subsidiaries	0	0	26.324.295	48.022.828
Other Parent company's subsidiaries	340.093	396.346	339.833	396.346
Directors and key management of the Company	3.396.793	3.252.589	2.725.963	2.558.531
Total	7.689.274	4.280.334	33.295.113	51.579.348
Purchases of assets				
Parent company	8.000.000	0	8.000.000	0
Total	8.000.000	0	8.000.000	0
Demands from customers and project under progress				
Subsidiaries	0	0	47.254	103.619
Other Parent company's subsidiaries	41.940.703	23.083.178	41.635.855	22.561.360
Total	41.940.703	23.083.178	41.683.109	22.664.979
Demands from the sale of tangible assets				
Subsidiaries	0	0	0	119.000
Total	0	0	0	119.000
Other Demands				
Other Parent company's subsidiaries	1.396	141.089	1.387	79.916
Total	1.396	141.089	7.750	79.916

Obligation to suppliers and other liabilities

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent company	4.765.542	10.119	4.637.965	640
Subsidiaries	0	0	12.231.240	25.127.382
Other Parent company's subsidiaries	46.385	151.901	46.385	151.901
Directors and key management of the Company	16.620	1.448.924	4.328	1.448.924
Total	4.828.547	1.610.945	16.919.918	26.728.848

Obligation to customers and project under progress

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other Parent company's subsidiaries	82.515.015	0	82.515.015	0
Total	82.515.015	0	82.515.015	0

Commitments among the related parties

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Subsidiaries	0	733.675	0	733.675
Total	0	733.675	0	733.675

Balance of Commitments among the related parties

	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Payable				
Parent company	0	26.284.688	0	26.284.688
Subsidiaries	0	733.675	0	733.675
Associates	0	2.949.010	0	2.949.010
Total	0	29.967.373	0	29.967.373

37.1 Transactions with key management personnel

The remuneration of the individual members of Management for 2007 was as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Short-term employee benefits				
- Salaries	105.405	103.027	88.179	86.327
- Social security costs	15.259	9.929	9.316	6.198
- Variable bonus	0	50.000	0	50.000
- Remuneration in kind and other payments	3.274.410	3.087.914	2.627.072	2.414.611
Post-employment benefits, relating to				
- Defined contribution pension schemes	1.719	1.719	1.396	1.396
Total	3.396.793	3.252.589	2.725.963	2.558.531

38. Commitments

Group's commitments due to construction contracts are as follows:

Amounts in €	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Commitments from construction contracts				
Value of unexecutable construction contracts	621.737.322	223.710.867	581.409.105	197.186.443
Granted guarantees of good performance	162.752.992	111.744.450	161.030.953	105.502.642

Commitments from Financing Leases*Amounts in €*

Until 1 year

From 1-5 years

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Until 1 year	60.333	68.722	0	2.592
From 1-5 years	20.779	81.112	0	0
	81.112	149.834	0	2.592

39. Contingent Assets & Contingent Liabilities**39.1. Information about Contingent Liabilities**

There are no substantial disputes in Courts or in Arbitration that can influence the operation and the financial results of the company. None of these contingencies will be discussed here in detail so as not to seriously prejudice the Group's position in the related disputes.

The company has proprietary titles over its fixed assets, and there are no real sureties towards the banks, except those towards National Bank of Greece amounting to €2.347,00; the loan has been paid in full though.

39.2 Unaudited fiscal years

The company EKME S.A. is been taxaudited for the years 2001-2004.

During 2006, the subsidiary company RODAX was tax-audited for the fiscal years 2001-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 20/9/2006. The total tax imposed amounted to € 477.343 (included in the consolidated financial statements).

In addition during 2006, the subsidiary company ELEMKA was tax-audited for the fiscal years 2000-2004. The tax audit was concluded within 2006, while the final sheets for the tax imposed were issued at 7/12/2006. The total tax imposed amounted to € 201.430 (included in the consolidated financial statements).

For the Group of companies, the unaudited fiscal years are as follows:

- METKA S.A :2005-2007
- SERVISTEEL :2003-2007
- RODAX S.A. : 2007
- EKME S.A. :2005-2007
- ELEMKA S.A. : 2007
- DROSCO HOLDINGS LIMITED :2003-2007
- BRIDGE ACCESSORIES & CONSTRUCTION SYSTEMS : 2007
- E.T.A.D.E .S.A :2004-2007

For expenses that may arise due to tax auditing, the company has formed sufficient provisions for deferred tax liability.

39.3 Information regarding contingent receivables

There were cumulative receivables of the company, amounting to €1,4 m. from insurance companies regarding damages in the projects execution, which are in the final stage of acceptance. Furthermore, the company has submitted to its clients claims amounting to € 0,8 m., regarding supplementary works in various projects.

40. Risk management objectives and policies

The risk management policy is being applied by the Treasury Department. The steps followed are the following:

- evaluating the risks related to the Group's activities and operations,
- design the methodology and choose the appropriate financial products to mitigate the risks and,
- execute/implement, according to the approved procedure by the management, the risk management strategy.

40.1 Financial Risk Factors

Based on its activities, our Group is exposed to a limited range of financial risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks, liquidity risks and cash flow risks.

The Group's general risk management primary deals with the good execution of works, the credibility and the good execution of procurement and afterwards comes the credit risk and the market risk.

The risks exposure is managed through the Group's two main Divisions: Finance Division, Projects Division and Quality Assurance Division.

Prior to their commitment, such transactions are approved by the executives entitled to do so.

40.2 Marker Risk

Foreign Currency Risk

The foreign currency risk comes from both transactions with customers and suppliers in Foreign Currency and short-term borrowings.

This risk does not remarkably affect Group's operation due to the insignificance of the above transactions which take place in US Dollars and CHF.

Foreign Currency financial assets and liabilities are translated into Euros, at the closing rate, as follows:

	2007		2006	
	USD	CHF	USD	CHF
<i>Amounts in '000 €</i>				
Nominal amounts				
Financial assets	7.621	16.571	151	0
Financial liabilities	-7.857	0	-169	0
Total	-236	16.571	-18	0
Short-term exposure	-236	16.571	-18	0

It assumes a +5/ -5 % change of the € / \$ exchange rate and € / CHF exchange rate for the year ended at December 2007 (2006: +5 / -5%). The effect in the result of the year and equity are as follows:

Increase of 5% in foreign exchange rates

	2007		2006	
	USD	CHF	USD	CHF
<i>Amounts in '000 €</i>				
Net result for the year	(12)	829	(1)	0
Equity	(12)	829	(1)	0

Decrease of 5% in foreign exchange rates

	2007		2006	
	USD	CHF	USD	CHF
<i>Amounts in '000 €</i>				
Net result for the year	12	(829)	1	0
Equity	12	(829)	1	0

In order to minimize the exchange currency risk that occurs mainly by trading with countries outside the European union (mostly US \$), the treasury department of the Group enters into currency swaps on the behalf of each company, when is necessary.

Price Risk

The Group is exposed to the price fluctuation of raw materials and the stocks belonging to its portfolio as a financial instrument available for sale.

Price risk regarding financial instruments available for sale is considered limited since the stocks represent a minimal part of the total Group Assets.

40.3 Credit Risk

The credit risk of the Group mainly consists from the customer's inability to pay in time partially or in total his liabilities. The Group's turnover mainly comes from transactions with public institutions and also with foreign

companies of low risk rating. As a result, the credit risk is minimal. According to the above the Credit risk of the Group is estimated to be minimum.

Group continuously monitors defaults of customers and other counterparties, identified either individually or by group. Group policy is to deal only with creditworthy counterparties.

Group management considers that all financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

None of Group's financial assets are secured by collateral or other credit enhancements.

Given that 35% of the company's turnover comes from one client (PPC).The high credit rating of PPC minimizes the Group's credit risk.

It is also mentioned that the company is exposed to credit risk, through security for debts provided to third parties.

40.4 Liquidity Risk

The liquidity risk is kept at a low level, having sufficient cash equivalents and negotiable securities. In addition to this, there exist unused credit lines from financial institutions.

The Group is managing its cash requirements, due to close overview of its borrowings and daily payments.

A potential cash flow risk lies with the good execution and procurement of the projects, since there might be a cash elimination due to non conformity to the terms and conditions of the contracts.

Good execution and procurement risk

The Group, due to its long term experience, its severe selection of collaborators and suppliers and their close surveillance by the Quality Assurance Division, is not exposed to great risks concerning the projects' good execution and procurement.

The maturity of the financial liabilities as of 31/12/2007, for the Group and Company, are as follows:

Amounts in €	2007									
	THE GROUP					THE COMPANY				
	Short-term		Long-term			Short-term		Long-term		
	up to 6 months	from 6 to 12 months	1 to 5 years	more than 5 years		up to 6 months	from 6 to 12 months	1 to 5 years	more than 5 years	
Short-term Debt	10.265.280,12	7.911.291,26	0,00	0,00	7.425.184,40	0,00	0,00	0,00	0,00	
Finance lease obligations	30.166,41	30.166,41	20.779,07	0,00	0,00	0,00	0,00	0,00	0,00	
Trade payables	71.973.275,19	34.052.458,13	19.905.277,13	0,00	72.263.612,23	33.848.607,55	20.097.929,49	0,00	0,00	
Other short-term financial liabilities	11.283.360,64	13.120.039,31	0,00	0,00	7.799.171,78	12.874.606,79	0,00	0,00	0,00	
Derivatives	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Total	93.552.082,36	55.113.955,11	19.926.056,20	0,00	87.487.968,41	46.723.214,34	20.097.929,49	0,00	0,00	

The maturity of the financial liabilities as of 31/12/2006, for the Group and Company, are as follows:

Amounts in €	2006							
	THE GROUP				THE COMPANY			
	Short-term		Long-term		Short-term		Long-term	
	up to 6 months	from 6 to 12 months	1 to 5 years	more than 5 years	up to 6 months	from 6 to 12 months	1 to 5 years	more than 5 years
Short-term Debt	2.058.334,34	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Finance lease obligations	35.657,00	33.065,00	81.111,96	0,00	2.591,96	0,00	0,00	0,00
Trade payables	44.619.144,25	13.603.296,38	6.429.877,85	0,00	54.780.326,67	12.265.103,23	7.491.118,08	0,00
Other short-term financial liabilities	9.375.913,60	1.353.312,33	34.364,97	0,00	7.106.332,29	215.063,51	34.364,97	0,00
Derivatives	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total	56.089.049,19	14.989.673,71	6.545.354,78	0,00	61.889.250,92	12.480.166,74	7.525.483,05	0,00

40.5 Cash Flow Risk and fair value risk due to changes in Interest Rate

The operating income and cash flow of Group is essentially independent from changes at prices of interest rate. The Group does not possess short-term and long term debt, nor significant interest investment.

Group's borrowing in 31 December 2007 is € 18.258.000 and concerns short-term borrowing. (See note 25, for further information).

The following table illustrates the sensitivity of net result for the year and Group's equity to a reasonable possible change in interest rate of + 0,5 % or - 0,5%. (2006 : +/- 0,5%). These changes are considered to be reasonably possible based on observation of current market conditions.

Amounts in '000 €	31/12/2007		31/12/2006	
	+0,5%	-0,5%	+0,5%	-0,5%
Net result for the year	(41)	41	(5)	5
Equity	(41)	41	(5)	5

The Group's interest rate risk is consider insignificant.

40.6 Summary of financial assets and liabilities by category

Summary of financial assets

Amounts in €

Non current assets

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Available-for-sale financial assets	364.951	364.951	123.201	123.201
Held-to-maturity financial assets	804.239	2.034.068	106.839	1.907.510
Total	1.169.190	2.399.019	230.040	2.030.710

Current assets

Financial assets held for trading carried at fair value through profit or loss	3.799.151	3.743.846	0	0
Trade and other receivables				
Customers and rest trade receivables	208.494.734	111.785.940	185.522.239	96.916.494
Other receivables	7.580.212	1.952.960	6.265.925	801.779
Cash and cash equivalents	27.260.322	4.958.940	22.808.616	1.298.030
Total	247.134.419	122.441.686	214.596.779	99.016.303

Summary of financial liabilities

Amounts in €

	THE GROUP		THE COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Long-Term liabilities				
Other Long-term liabilities	19.905.277	6.429.878	20.097.929	7.491.118
Total	19.905.277	6.429.878	20.097.929	7.491.118
Short-Term liabilities				
Short-Term bank debt	18.257.683	2.208.168	7.425.184	2.592
Trade liabilities				
Vendors and other related liabilities	132.503.166	58.923.199	132.578.101	67.312.445
Other short-term liabilities	6.826.887	7.693.451	4.752.379	6.845.771
Total	157.587.737	68.824.818	144.755.665	74.160.808

40.7 Capital management policies and procedures

Group's capital management objectives are to ensure its ability to continue as a going –concern. This is achieved through the assuring of preserving borrowing ability. Furthermore, other objective is to provide an adequate return to the shareholders and the achievement of its contractual obligations.

The Group monitors capital on a basis of net debt to equity. The ratio for the years 2007 and 2006 is as follows:

Amounts in '000 €

	THE GROUP		THE COMPANY	
	2007	2006	2007	2006
Long term debt	0	0	0	0
Short term debt	18.257.683	2.208.168	7.425.184	2.592
Minus: Cash and cash equivalents	27.260.322	2.034.068	22.808.616	1.907.510
Net debt	-9.002.639	174.101	-15.383.431	-1.904.918
Total Equity	139.230.224	122.722.682	133.201.976	112.559.081
Net Debt over Total Equity	-6,47%	0,14%	-11,55%	-1,69%

Group policy is to keep borrowing at a low level. Furthermore, Group policy is to borrow when it is necessary. The above ratio analysis shows the achievement of management goals as far as the capital management is concerned. The improvement of the ratio Net Debt to Equity in comparison with previous year (2006) relates to significant increase of Cash and Cash Equivalents in 31 December 2007. Cash and Cash Equivalents of previous year were considerably decreased because the entity had financed, on its own, the successful completion of its projects.

41. Subsequent events

There are no subsequent events to the financial statements concerning the Group and the Company, that should be reported according to the IAS principles.

Athens, 24 March 2008

THE PRESIDENT
OF THE BORD

THE MANAGING
DIRECTOR

THE FINANCIAL
DIRECTOR

THE CHIEF
ACCOUNTANT

IOANNIS G.
MYTILINEOS

GEORGE N.
PALLAS

GEORGE A.
MAMMAS

SPYRIDON S.
PETRATOS

I.D. No AE044243/2007

I.D. No M565448/1983

I.D. No M164917/1982

I.D. No AB263393/2006