



MICHANIKI S.A.
GROUP OF COMPANIES

Interim Financial Statements
for the period from
January 1st up to September 30th 2007

It is certified that the attached Interim Financial Statements, are those re-approved by the Board of Directors of "MICHANIKI S.A." at 26/11/2007 and have been published with their disclosure through the internet, at the website address www.michaniki.gr. It is noted that the published in the Press concise financial data and information, aim at providing to the reader certain general financial information but they do not provide the comprehensive view of the Company's and Group's financial position and results, in accordance with the International Financial Reporting Standards. It is also noted that, for simplification purposes, the concise financial data published in the press have had certain item abridgements and reclassifications.

Prodromos Emfietzoglou
Chairman
MICHANIKI S.A.



MICHANIKI S.A.

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Balance Sheet

	Amounts in € thousand			
	30st September 2007	31st December 2006	30st September 2007	31st December 2006
Non Current Assets				
Tangible Assets	68.931	68.695	47.783	42.670
Property Investments	118.534	42.833	0	0
Other Intangible Assets	70	88	33	46
Expenditures for exploration and evaluation of mineral resources	484	529	0	0
Investments in Subsidiaries	0	(0)	168.043	131.171
Investments in Joint Ventures/Consortiums	14.158	14.977	14.321	14.321
Financial assets valued at their fair value	9	9	3	3
Less: Provisions for devaluations	(4)	(3)	(9.754)	(24.558)
Other Long-term Receivables	3.151	3.059	2.991	2.881
Deferred tax receivables	43	548	0	0
	205.378	130.734	223.422	166.534
Current assets				
Inventories	88.417	92.677	39.446	37.462
Commercial receivables	114.272	88.111	72.777	46.989
Receivables from Affiliated and other investment interest Companies	36.507	39.963	38.680	39.730
Other Receivables	9.160	1.775	1.493	3.812
Financial assets valued at their fair value with changes in results	6	56	0	51
Other Current item Assets	3.066	2.343	2.666	1.646
Prepayments	51.970	29.716	3.714	3.868
Cash and cash equivalent	51.640	34.692	1.754	9.725
	355.038	289.334	160.531	143.283
Total Assets	560.416	420.068	383.953	309.817
Shareholders Equity & Liabilities				
Equity Capital				
Share Capital	137.502	137.502	137.502	137.502
Share Premium	129.629	129.629	129.629	129.629
Own Shares	(1.679)	(1.088)	(1.679)	(1.088)
Financial means fair value differences	(0)	(0)	26.409	12.653
Foreign Exchange Differences	(3.353)	(1.022)	0	0
Statutory Legal Reserve	7.399	4.022	6.371	3.368
Other Reserves	53.783	29.317	8.349	15.177
Retained Earnings	(67.601)	(80.790)	(79.710)	(90.491)
Equity Attributable to Parent Company Shareholders	255.681	217.570	226.871	206.749
Minority interests	24.524	19.609	-	-
Total Equity	280.205	237.179	226.871	206.749
LIABILITIES				
Long-term Liabilities				
Other financial liabilities	7.584	7.584	(0)	(0)
Bank Loans	22.461	14.115	0	0
Provisions for employee retirement benefits	1.196	1.865	403	803
Deferred tax liabilities	26.784	12.473	7.715	6.114
Other Long-term Liabilities	3.827	3.497	2.614	2.664
Other Provisions	2.023	1.936	1.393	1.336
Total Long-term Liabilities	63.876	41.470	12.126	10.917
Short-term Liabilities				
Bank Loans	93.053	38.034	64.150	29.003
Short-term part of other long-term liabilities	148	566	0	0
Commercial Liabilities (trade creditors etc)	78.487	53.563	43.765	25.869
Taxes	15	655	(0)	0
Other liabilities	12.549	11.273	8.577	6.014
Advances	10.634	16.494	6.648	10.820
Liabilities to affiliated and other investment interest companies	21.448	20.835	21.814	20.445
Total Short-term Liabilities	216.335	141.420	144.955	92.151
Total Liabilities	280.210	182.889	157.082	103.068
Total Shareholders Equity and Liabilities	560.416	420.068	383.953	309.817

Possible differences in totals are due to number rounding

Period Profit & Loss Account

Amounts in € thousand except earnings per share

	THE GROUP				THE COMPANY			
	1/1- 30/9/2007	1/1- 30/9/2006	1/7- 30/9/2007	1/7- 30/9/2006	1/1- 30/9/2007	1/1- 30/9/2006	1/7- 30/9/2007	1/7- 30/9/2006
For the nine months ended 30rd September								
Sales Turnover	171.660	120.032	68.929	42.867	103.787	44.909	38.584	14.989
Cost of Sales	(136.953)	(93.259)	(58.536)	(35.927)	(80.065)	(33.372)	(32.425)	(14.005)
Gross Profit	34.707	26.773	10.393	6.940	23.721	11.537	6.158	984
Other Operating Income	51.553	8.695	42.904	6.521	458	567	(832)	46
Selling Expenses	(1.283)	(3.042)	(447)	(1.392)	(127)	(33)	(44)	(14)
Administrative Expenses	(8.171)	(7.002)	(2.714)	(1.476)	(6.205)	(4.973)	(2.165)	(1.421)
Other Operating Expenses	(1.949)	(1.695)	(217)	(305)	(1.350)	(453)	(123)	(61)
Profit before Tax, Financial and Investment Results	74.857	23.729	49.919	10.288	16.498	6.644	2.995	(467)
Depreciation	4.819	4.761	1.609	1.659	3.028	2.356	1.077	846
Profit before Tax, Financial and Investment Results and depreciation	79.675	28.491	51.528	11.947	19.525	9.000	4.072	379
Financial Income	3.458	4.397	2.663	677	8.488	5.007	3.906	1.481
Financial Expenses	(6.708)	(4.089)	(1.729)	(2.322)	(3.731)	(3.602)	(1.492)	(1.897)
Share proportion of profit/valuation from associate companies	2.509	668	796	(18)	2.516	409	800	(24)
Financial Result	(740)	975	1.731	(1.663)	7.273	1.814	3.213	(439)
Depreciation	(4.819)	(4.761)	(1.609)	(1.659)	(3.028)	(2.356)	(1.077)	(846)
Profit before Tax	74.116	24.704	51.650	8.625	23.771	8.459	6.208	(906)
Income Tax	(18.370)	(5.161)	(12.723)	(2.145)	(5.304)	(1.961)	(1.301)	42
Profit for ther period	55.746	19.543	38.927	6.480	18.467	6.498	4.907	(864)
Attributable to:								
<i>Equity shareholders of the parent company</i>	51.163	19.103	34.835	6.264	18.467	6.498	4.907	(864)
<i>Minority interests</i>	4.583	440	4.092	216	-	-	-	-
	55.746	19.543	38.927	6.480	-	-	-	-
Profit after tax per share - basic (in €)	0,5532	0,2100	0,3766	0,0700	0,1997	0,0700	0,0530	-0,0100

Possible differences in totals are due to number rounding

Consolidated Statement of Changes in Equity

	Amounts in € thousand							
	Share Capital	Share Premium	Revaluation reserves	Other Reserves	Retained Earnings	Total before minority rights	Minority Rights	Total
Balance at January 1st 2007	137.502	129.629	10.325	20.904	(80.790)	217.570	19.609	237.179
Change of Equity Capital for the period 01/01 - 30/9/2007 (Purchases) / sales of Own Shares	-	-	-	(591)	-	(591)	-	(591)
Profits / (losses) from sale of Own Shares	-	-	-	74	1.424	1.498	-	1.498
Reserve Change of Foreign Exchange differences Conversion	-	-	-	(2.331)	(17)	(2.347)	(14)	(2.361)
Valuation differences of investment properties	-	-	1.682	-	-	1.682	1.562	3.244
Net profit / loss recorded directly to the net equity	-	-	1.682	(2.848)	1.407	241	1.548	1.789
Effect from change of investment percentage in subsidiary company	-	-	-	-	(285)	(285)	(1.216)	(1.502)
Property investmet sales	-	-	(4.571)	-	4.571	-	-	-
Dividends payable	-	-	-	(266)	(12.741)	(13.007)	-	(13.007)
Net Period Results 1/1-30/9/2007	-	-	30.926	-	20.237	51.163	4.583	55.746
Period Equity Total Change	-	-	28.037	(3.114)	13.189	38.112	4.915	43.027
Equity balance at 30/9/2007	137.502	129.629	38.362	17.790	(67.601)	255.682	24.524	280.205
Balance at January 1st 2006	137.502	129.629	10.427	22.615	(98.607)	201.566	20.964	222.529
Change of Equity Capital for the period 1/1-30/9/2006 (Purchases) / sales of Own Shares	-	-	-	3.727	-	3.727	(768)	2.959
Netresult recorded directly to the net equity	-	-	-	-	(883)	(883)	-	(883)
Reserve Change of Foreign Exchange differences Conversion	-	-	-	2.204	525	2.729	(109)	2.620
Result from Own Share sales	-	-	-	-	2.289	2.289	-	2.289
Net profit / loss recorded directly to the net equity	-	-	-	5.931	1.931	7.862	(877)	6.985
Dividends payable	-	-	-	(2.271)	(10.736)	(13.007)	-	(13.007)
Effect from change of investment percentage in subsidiary company	-	-	-	-	-	-	(1.401)	(1.401)
Net Period Results 1/1-30/9/2006	-	-	(1.974)	-	21.077	19.103	440	19.543
Period Equity Total Change	-	-	(1.974)	3.659	12.271	13.957	(1.838)	12.118
Equity balance at 30/9/2006	137.502	129.629	8.453	26.274	(86.336)	215.522	19.125	234.647

Possible differences in totals are due to number rounding



Statement of Changes in Equity of Parent Company

	Amounts in € thousand					
	Share Capital	Share Premium	Fair value financial means reserves	Other Reserves	Retained Earnings	Total
Balance at January 1st 2007	137.502	129.629	12.653	17.456	(90.491)	206.749
<i>Change of Equity Capital for the period 01/01 - 30/9/2007</i>						
(Purchases) / sales of Own Shares	-	-	-	74	1.424	1.498
Profits / (losses) from sale of Own Shares	-	-	-	(591)	-	(591)
Valuation of cash equivalents of available for sale financial instruments	-	-	14.682	-	-	14.682
Profits / (losses) from sale of cash equivalents of available for sale financial instruments	-	-	(927)	-	-	(927)
Net profit / loss recorded directly to the net equity	-	-	13.755	(518)	1.424	14.661
Distributed Dividends	-	-	-	(3.896)	(9.111)	(13.007)
Net Period Results 1/1-30/9/2007	-	-	-	-	18.467	18.467
Period Equity Total Change	-	-	13.755	(4.414)	10.781	20.122
Equity balance at 30/9/2007	137.502	129.629	26.408	13.042	(79.710)	226.871
Balance at January 1st 2006	137.502	129.629	-	19.866	(92.777)	194.219
<i>Change of Equity Capital for the period 1/1-30/9/2006</i>						
Valuation of cash equivalents of available for sale financial instruments	-	-	1.242	-	-	1.242
Result from Own Share sales	-	-	-	-	2.289	2.289
(Purchases) / sales of Own Shares	-	-	-	2.639	-	2.639
Net profit / loss recorded directly to the net equity	-	-	1.242	2.639	2.289	6.170
Dividends payable	-	-	-	(2.271)	(10.736)	(13.007)
Net Period Results 1/1-30/9/2006	-	-	-	-	6.498	6.498
Period Equity Total Change	-	-	1.242	368	(1.949)	(340)
Υπόλοιπο Ιδίων Κεφαλαίων της 30ης Σεπτεμβρίου 2006	137.502	129.629	1.242	20.234	(94.726)	193.879

Possible differences in totals are due to number rounding

Cash flow statement (Indirect method)

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	1/1- 30/9/2007	1/1- 30/9/2006	1/1- 30/9/2007	1/1- 30/9/2006
Operating activities				
Profit before tax	74.116	24.704	23.771	8.459
Plus / less adjustments for:				
Depreciation	4.818	4.761	3.028	2.356
Depreciation of grants	281	(87)	(50)	(50)
Losses / (Profits) from asset sales	(431)	(1.435)	13	41
Provisions / (Revenues from unused provisions of previous year-ends)	(207)	251	32	204
Losses / (Profits) of fair value property investments	(51.072)	(5.532)	0	0
Foreign exchange differences	(2.274)	0	0	0
Results (income, expenses, profits and losses) from investment activity	(1.887)	(4.107)	(7.177)	(3.096)
Credit interest and similar income	(2.957)	(361)	(2.635)	(89)
Debit interest and similar charges	6.771	3.643	3.731	2.040
<i>Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:</i>				
Decrease / (increase) of inventories	3.974	(7.068)	(1.984)	(2.208)
Decrease / (increase) of receivables	(45.671)	(36.444)	(23.087)	(18.608)
(Decrease) / increase of liabilities (except banks)	(1.449)	17.535	16.382	1.938
Less:				
Paid up Debit interest and similar charges	(6.771)	(3.645)	(3.731)	(2.040)
Paid up taxes	(5.573)	(10.820)	(4.315)	(6.634)
Total inflows / (outflows) from operating activities (a)	(28.333)	(18.606)	3.978	(17.688)
Investment activities				
Disposal / Acquisition of subsidiaries, associates, joint ventures and other investments	(479)	392	(35.217)	(1.513)
Purchases of tangible and intangible assets	8.038	(13.464)	(7.409)	(4.714)
Disposal /Acquisition of investment properties	(19.440)	9.033	0	0
Collections from sales of tangible and intangible assets	1.686	2.999	3	163
Loans provided to affiliated parties	(4)	(7.900)	0	(7.900)
Dividends received	0	0	3.142	883
Interest received	2.956	207	2.635	22
Settlement of Derivative Financial Items	1.335	1.548	1.335	1.548
Total inflows / (outflows) from investment activities (b)	(5.907)	(7.184)	(35.512)	(11.511)
Financial Activities				
Collections from issued / undertaken loans	67.834	40.122	36.147	24.000
Sales / (Purchases) of own shares	1.135	7.216	1.308	7.216
Loan settlements	(4.469)	(15.829)	(1.000)	(3.000)
Liability settlements from financial leases (amortization)	(419)	(1.275)	0	(692)
Dividends paid to parent company shareholders	(12.893)	(13.087)	(12.893)	(13.087)
Total inflows / (outflows) from financial activities (c)	51.188	17.145	23.562	14.436
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	16.948	(8.645)	(7.971)	(14.762)
Cash and cash equivalents at the beginning of the period	34.692	38.192	9.725	19.774
Cash and cash equivalents at the end of the period	51.640	29.547	1.754	5.012

Possible differences in totals are due to number rounding

The negative operating flows on a group level amounting to € 28.333.000 are caused mainly due to the significant cash outflows from subsidiary companies for the acquisition and development of property investments for sale. This particular activity is under a full development stage, a fact that at this current stage has a negative effect to the group's operating cash flows.

The attached notes from page 8 up to page 19 constitute an integral part of these financial statements



1. Parent Company

MICHANIKI is stationed in Greece. The consolidated financial statements (The Group) for the nine month period ended September 30th 2007 include the Company, its subsidiaries and its affiliate companies in addition to participations in Joint Ventures. They also include the individual financial statements of the parent company (The Company).

The group's financial statements for the year-end December 31st 2006 (Yearly Financial Statements) are available at the company's offices at 91, M. Alexandrou Str., Marousi, Attica or at the company's website address www.michaniki.gr.

"MICHANIKI" Group of companies is one of the first that materialized a multiple and immediate complementary to its activities developmental strategy in the Greek market with the objective to expand beyond public works to new lucrative sectors with enriched sources of income and maximization of synergies.

The four basic categories in which MICHANIKI Group of companies is operating are the following:

I. Constructions,

II. Real Estate Development-Utilization,

III. Energy, and

IV. Industries

- The construction sector in which the parent company MICHANIKI S.A. and THOLOS S.A. operate in regard constructions of Public and Private Projects and mainly Building, Road, Bridge, Landscaping, Energy, Airport, Port, Tunnel and Environmental projects.

2. Financial statements form framework

The consolidated and individual interim financial statements for the nine month period have been compiled based upon the International Financial Reporting Standards (I.F.R.S.) and the International Accounting Standard No 34 "Interim Financial Statements" as approved by the European Union and the relevant committee. They do not include all of the information that is required for the complete yearly financial statements and they should be studied in conjunction to the previous yearly financial statements of the group at December 31st 2006.

3. Significant accounting principles

The same accounting principles to the ones used for the formulation of the yearly consolidated and individual financial statements of December 31st 2006 except from the changes brought about from the adaptation of the following Standards and Interpretations:

- **IFRS 7** "Financial Instruments: Disclosures"
- **IAS 1** "Presentation of Financial Statements-Notification of Chapters"

The relevant Standards, have a mandatory application for the yearly financial statements that commence from 1.1.2007, their consequence regarding the content and the data notification mode, regarding the financial means, will appear within the yearly financial statements of the current year-end.

The International Accounting Standards Board has issued the following standards and interpretations, which have not yet been adopted by the European Union.

- **IFRS 8 "Operating Segments"**

This IFRS is in effect for fiscal year-ends commencing from 1.1.2009. This Standard replaces the I.A.S. No 14 "Financial information by sector". Its adaptation from the European Union and its application from the Group, will not bring about significant changes regarding the way its activities are presented.

- **IAS 23 "Borrowing costs" (amendment)**

This IAS is in effect for fiscal year-ends commencing from 1.1.2009. The Board issued the revised text of this relevant standard, according to which the cost of borrowing that is directly associated with asset items, which require significant time until they are put into a productive operation or are available for sale, is not allowed to be directly registered to the results. This cost will be capitalized from now on and will constitute part of the acquisition cost of the asset item. Its adaptation based upon the Group's current facts is not expected to have a significant effect.

- **Interpretation 7** "Application of the approach of the readjustment according to IAS 29 regarding Hyperinflationary economies".

Its adaptation had no effect upon the financial statements of 30.9.2007.

- **Interpretations 8 and 9** "Scope of IFRS 2" and "Reassessment of Embedded Derivatives".

Their adaptation had no effect upon the financial statements of 30.9.2007.

- **Interpretation 10 "Interim Financial Reporting and Impairment"**

This interpretation is in effect for fiscal year-ends commencing from 1.11.2006. With the adaptation of this interpretation the offsetting of impairment losses that have been recognized in a previous interim period and

refer to a surplus value, investments in shares or financial assets recognized at their cost, is not allowed. The application of this interpretation does not have an effect.

- **Interpretation 11 “Group and own shares transactions”**

This interpretation is in effect for fiscal year-ends commencing from 1.3.2007. The application of this interpretation does not have an effect.

- **Interpretation 12 “Exploitation concession agreement”**

This interpretation is in effect for fiscal year-ends commencing from 1.1.2008. The application of this interpretation based upon the Group’s current facts is not expected to have a significant effect.

The amounts that are included in the financial statements are presented in € thousands, unless otherwise stated in the relevant notes.

The financial statements have been compiled based upon the principle of the historical cost, with the exception of property investments valued at their fair value.

4. Reclassification of items

The group during the current period presents offsetting deferred tax receivables with the respective liabilities with the condition that the criteria set from the relevant standard are met (I.A.S. No 12 par. 71). For this reason the group proceeded with reclassifying the respective items presented in the Balance Sheet of the comparative period of December 31st 2006.

The reclassifications that took place are presented in the table below:

	THE GROUP			THE COMPANY		
	Previous Presentation	Reclassification	Adjusted balance	Previous Presentation	Reclassification	Adjusted balance
Deferred tax receivables	10.340	(9.792)	548	7.853	(7.853)	0
Total non current assets	140.526	(9.792)	130.734	174.386	(7.853)	166.534
Total Assets	429.860	(9.792)	420.068	317.669	(7.853)	309.817
Deferred tax liabilities	22.265	9.792	12.473	13.967	7.853	6.114
Total long-term liabilities	51.261	9.792	41.470	18.771	7.853	10.917
Total liabilities	192.681	9.792	182.889	110.921	7.853	103.068

The amount of € -668.000 (-409.000 the Company) regarding the Cash Flow Statement of the comparative period was transferred from the item “Valuation of joint ventures with the net equity method” to the item “Decrease (Increase) of receivables”. From the reclassification the cash flows from operating activities were not changed.

5. Estimates

The compilation of the interim financial statements requires from management to perform estimates and assumptions that affect the implementation of the accounting principles and the presented accounts of the asset items, the liabilities, the income and expenditures. The actual results may differ from these estimates. With the exception of the following paragraph, for the preparation of the interim financial statements the significant estimates made by the management do not differ from the ones made for the compilation of the yearly financial statements of December 31st 2006.

During the current period the group proceeded with the readjustment of the value of its property investments for the cases where the value differed significantly from the one of the yearly financial statements of December 31st 2006. The estimates for the property investments value are based upon valuations performed by independent appraisers. The total surplus value that emerged for the nine month period amounted to € 53.707.000. From that amount, € 4.325.000 has been directly recorded to the shareholder equity since it concerns a change of use of the asset item and €49.382.000 has been recognized in the profit and loss statement.

6. Financial Risk Management

The financial risk management policies of the group are consistent and remain essentially invariable to the ones presented within the notifications of the financial statements of December 31st 2006.

7. Seasonability of activities

The demand regarding the group's activities is not subject to seasonability. It is stated though that the construction activity of the group is possible to be affected from factors that are related to the current weather conditions.

8. Group Structure – Consolidated Financial Statements

Apart for the parent Company the consolidated financial statements include through the full consolidation method the following subsidiary companies:

Company Name	Headquarters	Participation Percentage	Relation that dictated the consolidation
BALKAN EXPORT S.A.	AGHIALOS SALONIKA	51,85%	The participation percentage
THOLOS S.A.	AMAROUSIO ATTICA	100%	The participation percentage
MICHANIKI REAL ESTATE S.A.	AMAROUSIO ATTICA	100%	The participation percentage
HELLENIC PIPE WORKS S.A.	CHALKIDA	100%	The participation percentage
MARMARA KAVALAS S.A.	KAVALA	77,07%	The participation percentage
HELLENIC WOOD INDUSTRY S.A.	SAPES KOMOTINI	98,62%	The participation percentage
MICHANIKI UKRAINE S.A.	UKRAINE	100%	The participation percentage
MICHANIKI BULGARIA S.A.	BULGARIA	100%	The participation percentage
MICHANIKI RUSSIA LTD	RUSSIA	65,00% directly 22,20% indirectly	The participation percentage
MICHANIKI EGYPT	EGYPT	70,00% directly 15,55% indirectly	The participation percentage

Also the joint ventures/consortiums that the parent company participates in are included with the net equity method and which proceed in the joint execution of projects. These are the following:

Company Name	Headquarters	Participation Percentage	Un-audited Tax Year-Ends	Consolidation Method
JOINT VENTURE:"MICHANIKI S.A.-EDISTRA EDILIZIA STRADALE SPA"	GREECE	99,00%	2003-2006	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ELLISDON CONSTRUCTION INC."	GREECE	50,00%	2003-2006	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-EMPEDOS S.A.-AEGEK-ELLINIKI DYNAMIKI"	GREECE	93,00%	2003-2006	NET EQUITY
JOINT VENTURE:"MICHANIKI S.A.-ATHINA S.A."	GREECE	50,00%	2005-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-TERNA S.A."	GREECE	2,00%	2002-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATTI-KAT S.A."	GREECE	99,80%	2003-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-ATHINAIKI CONSTRUCTION S.A.-PARNON S.A."	GREECE	62,50%	2003-2006	NET EQUITY
JOINT VENTURE:"AKTOR-PANTEHNIKI- MICHANIKI"	GREECE	20,00%	2003-2006	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE"	GREECE	4,38%	2003-2006	NET EQUITY
JOINT VENTURE:"AKTOR- MICHANIKI-MOHLOS-ALTE(EGNATIA AVE. – VEROIA)"	GREECE	20,00%	2003-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-THEMELI S.A.-PARNON S.A."	GREECE	90,00%	2003-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A."	GREECE	50,00%	2003-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-CHR. KONSTANTINIDIS S.A."	GREECE	50,00%	2000-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PARNON S.A."	GREECE	92,50%	1993-2006	NET EQUITY
JOINT VENTURE:" MICHANIKI S.A.-PANTEHNIKI S.A. (ALEXANDROUPOLI)"	GREECE	50,00%	2003-2006	NET EQUITY
JOINT VENTURE:"THESSALIKI-ELTER- MICHANIKI-TE CHR. KON/DIS"	GREECE	28,33%	2002-2006	NET EQUITY
JOINT VENTURE:"THESSALIKI- MICHANIKI-ELTER"	GREECE	25,00%	2002-2006	NET EQUITY
JOINT VENTURE:"ATHINA- MICHANIKI"	GREECE	50,00%	2006	NET EQUITY
JOINT VENTURE: "MICHANIKI S.A. MOHLOS S.A."	GREECE	50,00%	2001-2006	NET EQUITY
JOINT VENTURE:"TERNA- MICHANIKI"	GREECE	35,00%	2005-2006	NET EQUITY
JOINT VENTURE:"THEMELIODOMI- MICHANIKI-MOHLOS"	GREECE	40,00%	2003-2006	NET EQUITY

During the nine month period of 2007 the participation percentage of the company in "BALKAN S.A." was altered from 49,98% (31/12/2006) to 51,85%. Additionally the participation percentage to the subsidiary company "MICHANIKI BULGARIA" was increased from 95,70% (31/12/2006) to 100%.

During the current period the deposit of the share capital increase of the subsidiary company "MICHANIKI RUSSIA" amounting to € 30.000.000 took place. The share capital increase took place based upon the decisions taken by the Board of Directors of the companies of the Group during the previous year-end. "MICHANIKI S.A." participated in the share capital increase with 60%, with the amount of € 18.000.000, "BALKAN EXPORT" with 25%, with the amount of € 7.500.000, "HELLENIC PIPE WORKS" with 10%, with the amount of €3.000.000 and "MARMARA KAVALAS" with 5%, with the amount of €1.500.000.

Additionally during the current period year-end the deposit of the share capital increase amounting to € 20.000.000 regarding "MICHANIKI RUSSIA" was decided and completed. "MICHANIKI S.A." participated with € 15.000.000 and "BALKAN EXPORT" with € 5.000.000.

With the conclusion of the above share capital increase the share capital of the subsidiary company "MICHANIKI RUSSIA" amounts to € 60.000.000 and the participating companies are "MICHANIKI S.A." with 65%, "BALKAN EXPORT" with 25%, "HELLENIC PIPE WORKS" with 6,67% and "MARMARA KAVALAS" with 3,3%.

After the balance sheet date "MICHANIKI S.A." acquired the participation percentage of "MARMARA KAVALAS" in "MICHANIKI RUSSIA" for the amount of €2.200.000. Additionally "MICHANIKI S.A." partially acquired the 3,33% of "HELLENIC PIPE WORKS" in "MICHANIKI RUSSIA" for the amount of €2.200.000.

The Management of Michaniki Group of companies, during the current period, decided upon the establishment of a subsidiary company in Egypt with the company name MICHANIKI EGYPT. The company's scope will be the construction, development and exploitation of settlement units, hotels, commercial and amusement centers, office buildings as well as other private and state works. The decided initial share capital of the company will amount to € 7.000.000. From the above share capital the participating companies will be the following: "MICHANIKI S.A." with the amount of € 4.900.000 (70%), "BALKAN EXPORT" with the amount of € 1.750.000 (25%) and "HELLENIC PIPE WORKS" with the amount of € 350.000 (5%). Up to the balance sheet date a partial capital deposit has taken place. Analytically "MICHANIKI S.A." has deposited the amount of € 1.225.000 and "BALKAN EXPORT" with the amount of € 525.000.

The Management of Michaniki Group of companies, during the current period, decided upon the establishment of a subsidiary company in Belarus with the company name "MICHANIKI BELARUS". The company's scope will be the construction, development and exploitation of settlement units, hotels, commercial and amusement centers, office buildings as well as other private and state works. The decided initial share capital of the company will amount to \$ 1.000.000. From the above share capital the participating



companies will be the following: "MICHANIKI S.A." with the amount of \$ 750.000 (75%) and "BALKAN EXPORT" with the amount of \$ 250.000 (25%). The company is not included within the financial statements due to the fact that until the balance sheet date it had no established.

The Management of the subsidiary company BALKAN EXPORT S.A. at July 31st 2007 decided upon the termination of its timber manufacturing activity. The company's commercial activity will continue until its current inventory is sold. Upon completion of the above procedure the relevant activity will be classified as terminated according to the ordinances of I.F.R.S. No. 5.

9. Financial information by segment

A business segment is defined as a group of assets and operations engaged in providing products and services, that are subject to different risks and returns from those of other business segments. A geographical sector is defined as a geographical area, within which products and services are provided and which is subject to different risks and returns from other segments.

The Group operates in the following segments:

- 1) Hydroelectric Energy
- 2) Utilization of Parking Stations
- 3) Utilization of a Cemetery
- 4) Technical Works
- 5) Wood Industry
- 6) Pipelines
- 7) Marble Quarrying & Marketing
- 8) Real Estate Utilization

The above segregation was set in order to ensure the in depth analysis of the company's aggregate operations in segments with particular technical and economic characteristics.

Primary sector information – Business sectors

The analysis of the group's results per sector is depicted in the table below:

Amounts in € thousand

For the period ended September 30st 2007	HYDROELECTRIC	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE	MARBLES	OTHER	TOTAL
Total gross sales turnover per sector	691	949	577	127.809	4.589	13.474	24.147	2.133	8	174.378
Domestic sales turnover	0	0	0	(676)	0	(1.979)	0	(62)	0	(2.718)
Net Sales Turnover	691	949	577	127.133	4.589	11.495	24.147	2.071	8	171.660
Operating result	378	346	127	17.843	(1.096)	2.954	55.146	0	(841)	74.857
Financial results	(0)	(2)	0	895	109	(521)	(1.617)	(294)	690	(740)
Profit before income tax	378	344	127	18.737	(987)	2.433	53.529	(293)	(152)	74.117
Income tax	0	0	0	0	0	(610)	(11.980)	0	(5.780)	(18.370)
Net profit	378	344	127	18.737	(987)	1.824	41.549	(293)	(5.932)	55.746

Amounts in € thousand

For the period ended September 30st 2006	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	OTHER	TOTAL
Total gross sales turnover per sector	958	995	692	65.328	12.275	23.067	16.549	1.927	400	122.191
Domestic sales turnover	0	0	0	(667)	(3)	(1.431)	0	(58)	0	(2.159)
Net Sales Turnover	958	995	692	64.662	12.272	21.636	16.549	1.869	400	120.032
Operating result	524	299	108	10.315	382	3.423	8.506	332	(160)	23.729
Financial results	(6)	(2)	0	(447)	134	(369)	(579)	(161)	2.404	975
Profit before income tax	518	298	108	9.868	516	3.054	7.927	171	2.244	24.704
Income tax	0	0	0	0	0	(630)	(1.499)	0	(3.032)	(5.161)
Net profit	518	298	108	9.868	516	2.424	6.428	171	(788)	19.543

10. Financial Statement Notes

10.1 Nine Month Period of 2007 Investments

The Group during the nine month period of 2007 proceeded in total asset investments amounting to € 8.038.000 (€ 7.409.000 the company). During the period the group sold assets valued at € 2.117.000, at a price of € 1.686.000. From the relevant transactions a profit of € 431.000 emerged.

10.2 Bank Loans

The Group's and the Company's loan analysis is depicted in the table below:

	Amount in € thousands			
	THE GROUP		THE COMPANY	
	Euros	Dollars	Euros	Dollars
Long-term Loans €	16.819	-	-	-
Long-term Loans \$	5.642	8.000	-	-
Short-term Loans	93.053	835	64.150	-
Total	115.514	8.835	64.150	(0)

The average loan interest rate regarding loans in Euros was 6,10% (5,17% the previous period) whereas for loans in U.S.D. the interest rate was 6,80% (7,20% the previous period).

10.3 Un-audited tax year-ends

The parent company has not been audited by the tax authorities for the fiscal year-ends 2005 up to and fiscal year-end of 2006. During the current period the tax audit for the fiscal year-ends from 2002 up to and 2004 was concluded. From the relevant audit additional taxes emerged amounting to € 708.000. This relevant amount did not charge the period results since the company had not formed sufficient provisions.

The tax un-audited fiscal year-ends for the other companies of the Group are depicted in the table below:

COMPANY NAME	TAX UN-AUDITED FISCAL YEAR-ENDS
HELLENIC PIPE WORKS S.A.	2001-2006
BALKAN EXPORT S.A.	2000-2006
MARMARA KAVALAS S.A.	2003-2006
THOLOS S.A.	2003-2006
HELLENIC WOOD INDUSTRY S.A.	2003-2006
MICHANIKI REAL ESTATE S.A.	2005-2006
MICHANIKI BULGARIA S.A.	1995-2006
MICHANIKI UKRAINE	-
MICHANIKI RUSSIA LTD	2004-2006
MICHANIKI EGYPT	Established in 2007

The Group conducts provisions for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends. No provisions are conducted for the un-audited fiscal year-ends of the Joint Ventures/Consortiums (they are

presented analytically in the table of note No. 8) since a standard estimate of the potential additional taxes can not take place.

10.4 Related parties transactions

The transactions referring to sales and purchases to and from associated parties of the group are analyzed below:

INTERCOMPANY PURCHASES-SALES 01/01/2007-30/09/2007 (Amounts in € thousands)							
BUYER							
SELLER		MICHANIKI S.A.	HELLENIC PIPE	MICHANIKI REAL ESTATE	MARMARA S.A.	THOLOS S.A.	TOTAL
	MICHANIKI S.A.		89		34	408	531
	THOLOS S.A.	145					145
	MARMARA S.A.	62					62
	HELLENIC PIPE S.A.	1.219				760	1.979
	TOTAL	1.426	89		34	1.168	2.718
INTERCOMPANY PURCHASES-SALES 01/01/2006-30/09/2006 (Amounts in € thousands)							
BUYER							
SELLER		MICHANIKI S.A.	HELLENIC PIPE	MICHANIKI REAL ESTATE	MARMARA S.A.	THOLOS S.A.	TOTAL
	MICHANIKI S.A.		266	4	64	333	667
	THOLOS S.A.	3					3
	MARMARA S.A.	58					58
	HELLENIC PIPE S.A.	63				1.367	1.430
	TOTAL	124	266	4	64	1.700	2.158

All of the above transactions have been set off in the consolidated financial statements. The Group's sales to joint ventures during the current period amounted to € 82.400 (€80.500 the Company). The Group's purchases from joint ventures during the current period amounted to €33.000 (€33.000 the Company). During the respective prior period sales amounted to €3.600.000 (€ 3.600.000 the Company) and purchases amounted to €128.700 (€118.800 the Company).

Additionally during the current period year-end "MICHANIKI REAL ESTATE" sold a property investment to a related party of a member of the Board for the amount of €6.890.000. The property's fair value had been set to amount of € 6.529.000 and the initial acquisition cost amounted to €5.931.000. From the above transaction a profit was realized for the Company amounting to €361.000. The amount had been paid in full at the balance sheet date.

The inter-company balances between affiliate parties are analyzed in the table below:

	Amounts in € Thousands					
	THE GROUP		THE COMPANY		Transactions between related parties	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Receivables from subsidiaries	-	0	2.410	2.426	1.994	7.364
Receivables from other related parties	36.507	42.980	36.270	42.728		
Receivables from directors and member of BOD	31	0	31	0		
Total	36.538	42.980	38.711	45.154	1.994	7.364
Liabilities to subsidiaries	-		247	18	1.994	7.364
Liabilities to other related parties	21.448	22.126	21.568	20.711		
Liabilities to directors and member of BOD	55	62	47	31		
Total	21.503	22.188	21.862	20.760	1.994	7.364

10.5 Management fees

	THE GROUP		THE COMPANY	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
Salaries and other short-term fees	1.745	1.598	1.121	1.154
Total	1.745	1.598	1.121	1.154

Additionally to the above mentioned management fees an amount of €110.000 was paid to management of joint ventures. No loans have been granted to members of the BoD or to any other Senior Executives of the Group (and their families).

10.6 Commitments

The Group and Company commitments relative to the construction contracts is presented below:

	THE GROUP		THE COMPANY	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Unexecuted works (backlog)	474.501	450.014	423.848	373.260
L/G Good Performance	279.642	245.065	252.523	213.384
L/G Retention Replacement	12.922	9.543	10.309	7.739
L/G Advance Payment	11.920	15.046	8.202	10.317
TOTAL	304.484	269.654	271.034	231.440

10.7 Existing Encumbrances

The group's assets are free of mortgages and charging orders in favour of third parties, with the exception of a building of the company THOLOS S.A., upon which a mortgage amounting to € 150.000 exists for liability guarantees.



10.8 Judicial or under litigation disputes

The Company has claims against the company PYLEA S.A. for unconventional action pertaining to the execution of the project MEDITERRANEAN COSMOS. These claims are going to be discussed in the Athens court of first instance. The total amount of claims against the adverse party is €31.600.000. The company's receivables include the amount of €18.500.000 which relate to the respective project. For the same project the adverse party has filed a suit for the amount of €15.600.000. The company's management, based upon the technical and legal reports, evaluates the suit of the adverse party as unsubstantial.

There are no other judicial or administrative or under litigation disputes for which, in sum taken into consideration by case, may have a significant impact on the financial position or operation of the company and the group.

10.9 Events after the date of the balance sheet

The merger through absorption of "MICHANIKI REAL ESTATE" which is a 100% subsidiary of "MICHANIKI S.A." is in progress. The decided transformation date will be October 31st 2007.

Other than the pre-mentioned facts, there are no subsequent events to the financial statements concerning either the Group or the Company, which require a reference to be made from the International Financial Reporting Standards.

THE CHAIRMAN

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ID No: Ξ 498825/86

THE MANAGING DIRECTOR

MELPOMENI PR. EMFIETZOGLU
ID No: AE 034080/06

THE FINANCIAL DIRECTOR

APOSTOLOS N. ATHANASOPOULOS
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