



MICHANIKI S.A.

MICHANIKI S.A.
GROUP OF COMPANIES

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

It is certified that the attached Interim Financial Statements, are those approved by the Board of Directors of "MICHANIKI S.A." at 24/08/2007 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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Interim Financial Information Review Report

To the shareholders of Societe Anonyme

"MICHANIKI S.A."

Introduction

We reviewed the attached parent company and consolidated balance sheet of MICHANIKI S.A. dated June 30th 2007, in addition to the relevant parent company and consolidated profit and loss statements, statement of changes in equity and cash flows of the six month period ended at the above date as well as the selected explanatory notes. The company's Management has the responsibility for the formulation and presentation of the interim synoptic financial information, according to the International Financial Reporting Standards, as being adopted by the European Union and adapted with the interim financial information ("IAS 34"). Our responsibility falls upon the expression of a conclusion upon the interim synoptic financial information based on our review.

Review project breadth

We conducted our review according to the International Standard of Review 2410 "Interim Financial Information Review Report Conducted by the Independent Auditor of the Financial Unit" which the Greek Auditing Standards refer to. The review is based upon the conduct of procedures regarding the search of information, mainly from person that are in charge of financial and accounting matters and the application of critical analysis and other review procedures. The breadth of a review project is essentially minor compared to an audit that is conducted according to the Greek Auditing Standards and therefore it does not give us the potential to be assured that all significant matters, which would have been stated in an audit, have come to our attention. Consequently, the current review report does not constitute an auditor report.

Review Conclusion

Based upon the conducted review, no data has come to our attention that would lead us to the conclusion that the attached parent company and consolidated interim financial information has not been formulated, from every essential aspect, according to the IAS 34.

Without stipulating reservation subject to the conclusion of our audit, we call upon your attention that no provisions have been made for potential tax liabilities regarding the un-audited, tax wise, fiscal year ends of the Joint Ventures/Consortiums, as relevantly mentioned in note 10.3 which is cited in the Financial



Statements Addendum, regarding the current tax position of the Company and the Group. The outcome of the Joint Venture/Consortiums tax audits can not be estimated at this current stage and therefore no provision whatsoever has been made upon the Financial Statements relevant to this matter.

Amarousio, August 24th 2007

THE CERTIFIED AUDITOR PUBLIC ACCOUNTANT

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Balance Sheet

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Non Current Assets				
Tangible Assets	67.014	68.695	45.478	42.670
Property Investments	59.026	42.833	0	0
Other Intangible Assets	75	88	37	46
Expenditures for exploration and evaluation of mineral resources	500	529	0	0
Investments in Subsidiaries	0	0	156.759	131.171
Investments in Joint Ventures/Consortiums	14.313	14.977	14.321	14.321
Financial assets valued at fair value	9	9	3	3
Less: Provisions for devaluations	(3)	(3)	(2.215)	(24.558)
Other Long-term Receivables	17.252	3.059	2.969	2.881
Deferred tax receivables	368	548	0	0
	158.554	130.734	217.352	166.534
Current assets				
Inventories	91.202	92.677	39.497	37.462
Trade receivables	109.858	88.111	63.561	46.989
Receivables from Affiliated and other investment interest Companies	37.341	39.963	39.617	39.730
Other Receivables	10.675	1.775	7.465	3.812
Financial assets valued at their fair value with changes in results	6	56	0	51
Other Current item Assets	2.714	2.343	2.289	1.646
Prepayments	38.485	29.716	4.277	3.868
Cash and cash equivalent	22.482	34.692	5.247	9.725
	312.763	289.334	161.952	143.283
Total Assets	471.317	420.068	379.304	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	(1.675)	(1.088)	(1.675)	(1.088)
Revaluations reserves	0	0	37.691	12.653
Foreign Exchange Differences	(1.805)	(1.022)	0	0
Statutory Legal Reserve	7.399	4.022	6.371	3.368
Other Reserves	24.134	29.317	8.276	15.177
Retained Earnings	(74.232)	(80.790)	(86.042)	(90.491)
Equity Attributable to Parent Company Shareholders	220.952	217.569	231.752	206.749
Minority interests	20.033	19.609	-	-
Total Equity	240.985	237.178	231.752	206.749
LIABILITIES				
Long-term Liabilities				
Other financial liabilities	7.584	7.584	0	0
Bank Loans	10.876	14.115	0	0
Provisions for employee retirement benefits	1.458	1.865	567	803
Deferred tax liabilities	14.097	12.473	6.084	6.114
Other Long-term Liabilities	3.488	3.497	2.631	2.664
Other Provisions	1.328	1.936	582	1.336
Total Long-term Liabilities	38.831	41.470	9.864	10.917
Short-term Liabilities				
Bank Loans	69.844	38.034	45.003	29.003
Short-term part of other long-term liabilities	259	566	0	0
Commercial Liabilities (trade creditors etc)	60.026	53.563	40.794	25.869
Taxes	189	655	0	0
Other liabilities	28.356	11.273	23.584	6.014
Advances	11.496	16.494	6.780	10.820
Liabilities to affiliated and other investment interest companies	21.331	20.835	21.527	20.445
Total Short-term Liabilities	191.501	141.420	137.688	92.150
Total Liabilities	230.331	182.890	147.552	103.068
Total Shareholders Equity and Liabilities	471.317	420.068	379.304	309.817

Possible differences in totals are due to number rounding

Income statement

Amounts in € thousand except earnings per share

	THE GROUP				THE COMPANY			
	1/1- 30/6/2007	1/1- 30/6/2006	1/4- 30/6/2007	1/4- 30/6/2006	1/1- 30/6/2007	1/1- 30/6/2006	1/4- 30/6/2007	1/4- 30/6/2006
Sales Turnover	102.730	77.165	55.482	39.269	65.203	29.920	38.382	16.417
Cost of Sales	(78.416)	(57.333)	(43.620)	(30.110)	(47.640)	(19.367)	(28.089)	(11.408)
Gross Profit	24.314	19.832	11.861	9.160	17.563	10.554	10.293	5.009
Other Operating Income	8.649	2.174	4.136	1.027	1.290	521	403	283
Selling Expenses	(836)	(1.650)	(466)	(760)	(83)	(19)	(37)	(9)
Administrative Expenses	(5.457)	(5.526)	(3.062)	(3.404)	(4.040)	(3.552)	(2.309)	(2.216)
Other Operating Expenses	(1.732)	(1.390)	(1.246)	(501)	(1.227)	(391)	(1.019)	(50)
Profit before Tax, Financial and Investment Results	24.938	13.441	11.223	5.521	13.503	7.111	7.331	3.018
Depreciation	3.209	3.102	1.502	1.563	1.950	1.510	965	768
Profit before Tax, Financial and Investment Results and depreciation	28.147	16.543	12.725	7.084	15.453	8.622	8.296	3.786
Financial Income	794	3.719	609	2.679	4.582	3.526	4.565	2.574
Financial Expenses	(4.979)	(1.769)	(2.556)	(800)	(2.239)	(1.706)	(1.290)	(937)
Share of result/valuation from associate companies	1.713	686	280	94	1.717	433	284	53
Financial Result	(2.471)	2.637	(1.667)	1.973	4.060	2.253	3.559	1.690
Depreciation	(3.209)	(3.102)	(1.502)	(1.563)	(1.950)	(1.510)	(965)	(768)
Profit before Tax	22.467	16.079	9.556	7.495	17.563	9.365	10.890	4.708
Income Tax	(5.647)	(3.016)	(2.619)	(2.647)	(4.003)	(2.003)	(2.494)	(2.184)
Profit after tax	16.820	13.063	6.937	4.848	13.560	7.362	8.396	2.524
Attributable to								
Equity shareholders of the parent company	16.328	12.839	6.710	4.743	13.560	7.362	8.396	2.524
Minority interests	491	225	225	105	-	-	-	-
	16.820	13.063	6.936	4.848	-	-	-	-
Profit after tax per share - basic (in €)	0,1767	0,1382	0,0727	0,0510	0,1467	0,0792	0,0909	0,0272

Possible differences in totals are due to number rounding

Consolidated Statement of Changes in Equity

	Amounts in € thousand						
	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total before minority interest	Minority interest	Total
Balance at January 1st 2007	137.502	129.629	31.229	(80.790)	217.570	19.609	237.179
Change of Equity Capital for the period 01/01 - 30/6/2007 (Purchases) / sales of Own Shares	-	-	(587)	-	(587)	-	(587)
Reserve Change of Foreign Exchange differences Conversion	-	-	(764)	-	(764)	(17)	(781)
Property investment valuation differences	-	-	1.717	-	1.717	1.527	3.244
Net profit / loss recorded directly to the net equity	-	-	366	-	366	1.510	1.876
Effect from change of investment percentage in subsidiary company	-	-	(20)	(286)	(306)	(1.578)	(1.883)
Distributed dividends	-	-	(3.522)	(9.485)	(13.007)	-	(13.007)
Net Period Results	-	-	-	16.328	16.328	491	16.820
Period Equity Total Change	-	-	(3.176)	6.558	3.382	424	3.806
Equity balance at 30/6/2007	137.502	129.629	28.053	(74.232)	220.952	20.033	240.985
Balance at January 1st 2006	137.502	129.629	33.042	(98.607)	201.566	20.964	222.529
Change of Equity Capital for the period 01/01 - 30/6/2006 (Purchases) / sales of Own Shares	-	-	3.136	-	3.136	(116)	3.020
Reserve Change of Foreign Exchange differences Conversion	-	-	(93)	17	(76)	(121)	(197)
Results from sale of Own Shares recorded directly to the Equity Capital	-	-	-	2.290	2.290	-	2.290
Net profit / loss recorded directly to the net equity	-	-	3.043	2.307	5.350	(237)	5.113
Distributed dividends	-	-	(4.457)	(8.550)	(13.007)	-	(13.007)
Effect from change of investment percentage in subsidiary company	-	-	-	-	-	(2.325)	(2.325)
Net Period Results 1/1 - 30/6/2006	-	-	(7.616)	20.455	12.839	225	13.063
Total Period Change	-	-	(9.030)	14.212	5.182	(2.337)	2.844
Equity balance at 30/6/2006	137.502	129.629	24.012	(84.395)	206.748	18.627	225.374

Possible differences in totals are due to number rounding

Statement of Changes in Equity of Parent Company

	Amounts in € thousand					Total
	Share Capital	Share Premium	Fair value financial means reserves	Other Reserves	Retained Earnings	
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 - 30/6/2007</i>	-	-	-	-	-	-
(Purchases) / sales of Own Shares	-	-	-	(587)	-	(587)
Valuation of available for sale financial instruments	-	-	25.037	-	-	25.037
Net profit / loss recorded directly to the net equity	-	-	25.037	(587)	-	24.450
Distributed Dividends	-	-	-	(3.896)	(9.111)	(13.007)
Net Period Results 01/01-30/6/2007	-	-	-	-	13.560	13.560
Period Equity Total Change	-	-	25.037	(4.483)	4.449	25.003
Equity balance at 30/6/2007	137.502	129.629	37.690	12.973	(86.042)	231.752
Balance at January 1st 2006	137.502	129.629	-	19.866	(92.777)	194.219
<i>Change of Equity Capital for the period 1/1-30/6/2006</i>						
Valuation of available for sale financial instruments			1.642			1.642
Results from sale of Own Shares recorded directly to the Equity Capital	-	-	-	-	2.290	2.290
(Purchases) / sales of Own Shares	-	-	-	3.136	-	3.136
Net profit / loss recorded directly to the net equity	-	-	1.642	3.136	2.290	7.068
Distributed Dividends	-	-	-	(4.457)	(8.550)	(13.007)
Net Period Results 01/01-30/6/2006	-	-	-	-	7.362	7.362
Period Equity Total Change	-	-	1.642	(1.321)	1.102	1.423
Equity balance at 30/6/2006	137.502	129.629	1.642	18.544	(91.675)	195.641

Possible differences in totals are due to number rounding

Cash flow statement (Indirect method)

	Amounts in € thousand			
	THE GROUP		THE COMPANY	
	1/1- 30/6/2007	1/1- 30/6/2006	1/1- 30/6/2007	1/1- 30/6/2006
Operating activities				
Profit before tax	22.467	16.079	17.563	9.365
Plus / less adjustments for:				
Depreciation	3.209	3.102	1.950	1.510
Depreciation of grants	(58)	(33)	(33)	(33)
Losses / (Profits) from asset sales	(88)	27	13	16
Provisions / (Revenues from unused provisions of previous year-ends)	(288)	163	(263)	186
Losses / (Profits) of fair value property investments	(6.228)	0	0	0
Foreign exchange differences	(726)	0	0	0
Results (income, expenses, profits and losses) from investment activity	182	(2.893)	(4.546)	(2.893)
Credit interest and similar income	(294)	(164)	(36)	(59)
Debit interest and similar charges	4.295	2.119	2.239	1.127
<i>Plus/ less adjustments for changes of working capital accounts or accounts related with operating activities:</i>				
Decrease / (increase) of inventories	1.189	(7.185)	(2.035)	(1.676)
Decrease / (increase) of receivables	(37.601)	(10.478)	(22.074)	(11.837)
(Decrease) / increase of liabilities (except banks)	1.382	3.323	11.895	134
Less:				
Paid up Debit interest and similar charges	(4.295)	(2.107)	(2.239)	(1.127)
Paid up taxes	(2.436)	(5.812)	(1.328)	(4.247)
Total inflows / (outflows) from operating activities (a)	(19.289)	(3.857)	1.106	(9.533)
Investment activities				
Disposal / Acquisition of subsidiaries, associates, and other investments	(1.789)	716	(21.526)	716
Purchases of tangible and intangible assets	(2.492)	(4.253)	(2.376)	(3.550)
Acquisition of investment properties	(16.490)	0	0	0
Collections from sales of tangible and intangible assets	155	86	3	60
Loans provided to affiliated parties	0	(7.425)	0	(7.425)
Dividends received	0	0	3.142	0
Interest received	294	141	36	15
Settlement of Derivative Financial Items	(242)	1.222	(242)	1.222
Total inflows / (outflows) from investment activities (b)	(20.565)	(9.512)	(20.965)	(8.962)
Financial Activities				
Collections from issued / undertaken loans	32.758	15.969	17.000	5.001
Sales / (Purchases) of own shares	(587)	5.426	(587)	5.426
Loan settlements	(4.188)	(11.505)	(1.000)	(3.000)
Liability settlements from financial leases (amortization)	(308)	(912)	0	(692)
Dividends paid to parent company shareholders	(33)	(146)	(33)	(146)
Total inflows / (outflows) from financial activities (c)	27.643	8.833	15.381	6.589
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(12.211)	(4.536)	(4.478)	(11.905)
Cash and cash equivalents at the beginning of the year	34.692	38.192	9.725	19.774
Cash and cash equivalents at the end of the period	22.482	33.656	5.247	7.869

Possible differences in totals are due to number rounding

The negative operating flows on a group level amounting to € 19.289.000 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 21 constitute an integral part of these financial statements

1. Parent Company

MICHANIKI is stationed in Greece. The consolidated financial statements (The Group) for the six month period ended June 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 six 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 30.6.2007.

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

Their adaptation had no effect upon the financial statements of 30.6.2007.

- **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 € -686.000 (€ -433.000 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 revaluation 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 six month period amounted to € 6.228.000. The relevant amount 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 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	52,94%	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	60,00% directly 27,09% indirectly	The participation percentage
MICHANIKI EGYPT	EGYPT	70,00% directly 18,23% 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.-EYCLIDES-ELLINIKI DYNAMIKI"	GREECE	93,00%	2002-2006	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%	2005-2006	NET EQUITY
JOINT VENTURE:"MICHANIKI-MOCHLOS"	GREECE	50,00%	2001-2006	NET EQUITY
JOINT VENTURE:"TERNA- MICHANIKI"	GREECE	35,00%	2005-2006	NET EQUITY
JOINT VENTURE:"THEMELI DOMI- MICHANIKI-MOHLOS"	GREECE	40,00%	2003-2006	NET EQUITY



During the A' six month period of 2007 the participation percentage of the company in "BALKAN S.A." was altered from 49,98% (31/12/2006) to 52,94%. 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 and the current year-end.

Up to the approval date of the financial statements the Board of Directors of the companies of the Group had also decided upon a share capital increase of the subsidiary company "MICHANIKI RUSSIA" amounting to € 20.000.000. The relevant deposit had not been concluded up to the publication date of the financial statements. In the above share capital increase "MICHANIKI S.A." will participate with the amount of € 12.000.000, "BALKAN EXPORT" with the amount of € 5.000.000, "HELLENIC PIPE WORKS" with the amount of € 2.000.000 and "MARMARA KAVALAS" with the amount of € 1.000.000.

With the conclusion of the above share capital increase the share capital of "MICHANIKI RUSSIA" will amount to € 60.000.000 and the participating companies are "MICHANIKI S.A." with 60%, "BALKAN EXPORT" with 25%, "HELLENIC PIPE WORKS" with 10% and "MARMARA KAVALAS" with 5%.

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.

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 June 30st 2007

	HYDROELECTRIC	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE	MARBLES	UNALLOCATED	TOTAL
Total gross sales turnover per sector	645	620	450	83.637	4.046	10.113	3.822	1.479	6	104.818
Domestic sales turnover	0	0	0	(453)	0	(1.583)	0	(50)	0	(2.088)
Net Sales Turnover	645	620	450	83.184	4.046	8.530	3.822	1.429	6	102.730
Operating result	414	246	91	14.087	(836)	2.066	8.577	207	86	24.938
Financial results	(0)	(1)	0	519	80	(251)	(1.214)	(181)	(1.424)	(2.471)
Profit before income tax	414	245	91	14.606	(755)	1.814	7.364	26	(1.337)	22.468
Income tax	0	0	0	0	0	(445)	(692)	0	(4.510)	(5.647)
Net profit	414	245	91	14.606	(755)	1.369	6.671	26	(5.847)	16.820

Amounts in € thousand

For the period ended June 30st 2006

	HYDROELECTRIC ENERGY	PARKING	CEMETARY	WORKS	WOOD INDUSTRY	PIPING	REAL ESTATE UTILIZATION	MARBLES	UNALLOCA TED	TOTAL
Total gross sales turnover per sector	818	667	477	38.514	8.237	14.144	13.383	1.260	288	77.788
Domestic sales turnover	0	0	0	(206)	0	(417)	0	0	0	(623)
Net Sales Turnover	818	667	477	38.308	8.237	13.726	13.383	1.260	288	77.165
Operating result	544	232	93	7.738	104	2.528	2.123	242	(163)	13.441
Financial results	(5)	(1)	0	(70)	94	(240)	(347)	(90)	3.298	2.638
Profit before income tax	539	231	93	7.668	198	2.288	1.776	152	3.135	16.079
Income tax	0	0	0	0	0	(448)	(277)	0	(2.291)	(3.016)
Net profit	539	231	93	7.668	198	1.840	1.499	152	844	13.063

10. Financial Statement Notes

10.1 A' Six Month Period of 2007 Investments

The Group during the A' six month period of 2007 proceeded in total asset investments amounting to € 4.867.000 (€ 4.751.000 the company). During the period the group sold assets valued at € 67.000, at a price of € 155.000. From the relevant transactions a profit of € 88.000 emerged.

10.2 Bank Loans

The Group during the current period proceeded with the partial payment of its long-term loans amounting to € 3.239.000 (\$ 4.000.000). The Group's short-term loans increased by the amount of € 31.810.000. (€ 16.000.000 for the Company). The Group's and the Company's loan analysis is depicted in the table below:

	Amount in € thousands			
	THE GROUP		THE COMPANY	
	Euro	U.S.D.	Euro	U.S.D.
Long-term Loans €	4.952	-	-	-
Long-term Loans \$	5.924	8.000	-	-
Short-term Loans	69.844	-	45.003	-
Total	80.720	8.000	45.003	(0)

The average loan interest rate regarding loans in Euros was 5,75% (5,17% the previous period) whereas for loans in U.S.D. the interest rate was 7,80% (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 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 reasonable estimate of the potential additional taxes can not take place.

10.4 Related party transactions

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

INTERCOMPANY PURCHASES-SALES 01/01/2007-30/06/2007 (Amounts in € thousands)						
BUYER						
SELLER	MICHANIKI S.A. THOLOS S.A. MARBLES S.A. HELLENIC PIPE S.A. TOTAL	MICHANIKI S.A.	HELLENIC PIPE	MARBLES S.A.	THOLOS S.A.	TOTAL
					89	21
		62				62
		51				51
		1.011			572	1.583
		1.124	89	21	853	2.087
INTERCOMPANY PURCHASES-SALES 01/01/2006-30/06/2006 (Amounts in € thousands)						
BUYER						
SELLER	MICHANIKI S.A. HELLENIC PIPE S.A. TOTAL	MICHANIKI S.A.	HELLENIC PIPE	MARBLES S.A.	THOLOS S.A.	TOTAL
					37	169
		15			402	417
		15		37	571	623

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 € 43.000 (€41.000 the Company). The Group's purchases from joint ventures during the current period amounted to € 27.000 (€27.000 the Company). During the respective prior period there were no purchases or sales.

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

	Amounts in € Thousands					
	THE GROUP		THE COMPANY		Transactions between subsidiaries	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Receivables from subsidiaries	-	0	2.452	2.426	3.366	7.364
Receivables from other related parties	37.341	42.980	37.165	42.728		
Total	37.341	42.980	39.617	45.154	3.366	7.364
Liabilities to subsidiaries	-		142	18	3.366	7.364
Liabilities to other related parties	21.331	22.126	21.385	20.711		
Liabilities to executive members	378	62	366	31		
Total	21.709	22.188	21.893	20.760	3.366	7.364

10.5 Management remunerations

	THE GROUP		THE COMPANY	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
Salaries and other short-term fees	1.407	623	895	392
Total	1.407	623	895	392

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	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Unexecuted works (backlog)	518.692	450.014	462.030	373.260
L/G Good Performance	283.228	245.065	255.380	213.384
L/G Retention Replacement	10.543	9.543	8.100	7.739
L/G Advance Payment	13.816	15.046	9.468	10.317
TOTAL	307.587	269.654	272.948	231.440

The subsidiary company "MICHANIKI RUSSIA" signed a contract regarding the acquisition of a plot area of 700.000 sq.m. in the southern part of Moscow. The acquisition value amounts to € 30.100.000 (\$40.500.000). Up to the Balance Sheet date the company has already deposited the amount of € 9.785.000 (\$13.200.000).

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

There are no 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 management of the subsidiary company BALKAN EXPORT S.A. decided on July 31st 2007 the termination of its production activity concerning the wood (timber) section. Its commercial activity will continue until the current inventory is sold in total. With the conclusion of the above procedure the relative activity will be classified as discontinued according to the application of the ordinances of I.F.R.S. No 5.

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

PRODROMOS S. EMFIETZOGLOU

ID No: Ξ 498825/86

THE MANAGING DIRECTOR

MELPOMENI PR. EMFIETZOGLOU

ID No: AE 034080/06

THE FINANCIAL DIRECTOR

APOSTOLOS N. ATHANASOPOULOS

ID No: Ξ 288898/87

THE CHIEF ACCOUNTING MANAGER

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