J&P – AVAX S.A.

Interim Financial Report for the nine-month period from

January 01, 2005 to September 30, 2005

We hereby certify that this interim financial report was approved by the Board of Directors of «J&P-AVAX S.A.» on 24/11/2005 and published on the corporate website (www.jp-avax.gr). It is noted that the concise financial statements published in the Press aim at providing their readers with a financial overview but do not fully illustrate the financial circumstances of the Company and the Group, in accordance with the International Accounting Standards. Further, it is noted that certain items have been reclassified and summed in the concise financial statements published on the Press to facilitate simplicity.

The Board of Directors,

J&P-AVAX S.A.

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J&P - AVAX S.A.
INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2005 TO SEPTEMBER 30, 2005

		Group				Company			
		1.1-30.9.2005	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**	**1.1-30.9.2005**	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**
Turnover	**1**	280.862.824	67.578.620	399.611.526	132.363.602	110.256.931	39.604.893	195.140.139	73.195.281
Cost of sales		(241.573.256)	(63.044.249)	(336.315.423)	(114.366.170)	(93.076.343)	(32.601.561)	(166.537.356)	(67.393.882)
Gross profit		**39.289.567**	**4.534.371**	**63.296.103**	**17.997.432**	**17.180.588**	**7.003.332**	**28.602.783**	**5.801.398**
Other net operating income/(expense)		(1.560.326)	(56.697)	(1.391.774)	746.286	(131.824)	67.343	(243.806)	462.543
Administrative expenses		(18.973.354)	(4.310.740)	(15.552.661)	(4.596.179)	(13.749.973)	(4.322.945)	(10.374.108)	(2.749.757)
Selling & Marketing expenses		(4.272.178)	(845.992)	(2.679.112)	(1.293.526)	(3.375.622)	(544.878)	(1.980.990)	(933.981)
Income/(Losses) from Investments in Associates	**2**	8.277.893	5.697.205	(5.897.991)	(402.627)	20.127.853	(101.949)	31.302.554	(9.244)
Profit from operations		**22.761.603**	**5.018.147**	**37.774.564**	**12.451.386**	**20.051.022**	**2.100.903**	**47.306.433**	**2.570.959**
Net financial income (cost)	**3**	(4.282.235)	(1.905.089)	(2.098.788)	(919.073)	(2.454.204)	(988.737)	(1.517.239)	(632.683)
Profit before tax		**18.479.368**	**3.113.059**	**35.675.776**	**11.532.314**	**17.596.818**	**1.112.166**	**45.789.194**	**1.938.275**
Tax	**4**	(6.248.902)	(635.064)	(14.640.763)	(5.653.999)	(627.546)	(22.784)	(3.690.172)	(193.314)
Profit after tax		**12.230.466**	**2.477.995**	**21.035.013**	**5.878.315**	**16.969.272**	**1.089.382**	**42.099.022**	**1.744.961**
Attributable to:									
Equity shareholders		12.168.453	2.440.752	21.011.788	5.884.041	16.969.272	1.089.382	42.099.022	1.744.961
Minority interest		62.013	37.243	23.226	(5.727)	-	-	-	-
		12.230.466	**2.477.995**	**21.035.013**	**5.878.315**	**16.969.272**	**1.089.382**	**42.099.022**	**1.744.961**
Basic Earnings per share (P/E ratio)									
- Basic Earnings per share (in € cents)		**16,62**	**3,33**	**28,70**	**8,04**	**23,18**	**1,49**	**57,51**	**2,38**

J&P - AVAX S.A.
BALANCE SHEET AT SEPTEMBER 30, 2005

		Group		Company	
		30.09.2005	**31.12.2004**	**30.09.2005**	**31.12.2004**
Non-current Assets					
Property, Plant and Equipment	**5**	64.568.053	63.394.469	45.562.119	40.926.247
Investment Property	**6**	6.632.677	6.740.054	3.501.804	3.602.945
Intangible assets	**7**	215.556	317.558	203.298	304.011
Investments in other companies	**8**	69.476.415	62.776.525	117.948.387	117.455.083
Available for sale investments	**9**	1.552.271	1.541.500	-	-
Other non-current assets	**10**	553.070	530.389	463.188	442.458
Deferred tax assets	**11**	4.517.954	4.605.740	3.509.400	3.567.894
		147.515.995	**139.906.235**	**171.188.195**	**166.298.639**
Current Assets					
Inventories	**12**	30.192.485	88.943.614	943.117	14.332.319
Construction contracts	**13**	71.565.439	-	49.908.835	-
Trade and other receivables	**14**	214.851.954	199.693.604	114.933.197	133.877.978
Cash and cash equivalents	**15**	30.535.018	35.186.432	1.269.379	3.267.909
		347.144.896	**323.823.651**	**167.054.527**	**151.478.207**
Total Assets		**494.660.891**	**463.729.885**	**338.242.723**	**317.776.846**
Current Liabilities					
Trade and other creditors	**16**	148.568.950	193.210.717	55.504.287	104.275.945
Income and other tax liabilities	**17**	6.566.071	19.491.390	722.969	7.203.138
Bank overdrafts and loans	**18**	155.999.765	64.962.802	91.104.777	17.669.329
		311.134.786	**277.664.909**	**147.332.033**	**129.148.412**
Non-Current Liabilities					
Deferred income	**19**	260.458	339.379	115.004	158.978
Deferred tax liabilities	**20**	1.675.042	1.675.042	493.950	493.950
Provisions for retirement benefits	**21**	2.991.323	3.013.243	2.449.052	2.449.052
Other long-term provisions	**22**	124.182	130.539	69.173	72.214
		5.051.005	**5.158.203**	**3.127.178**	**3.174.195**
Total Liabilities		**316.185.790**	**282.823.112**	**150.459.212**	**132.322.607**
Net Assets		**178.475.101**	**180.906.773**	**187.783.511**	**185.454.239**
Share Capital & Reserves					
Share capital	**23**	40.260.000	40.260.000	40.260.000	40.260.000
Share premium account	**23**	115.403.624	115.403.624	115.403.624	115.403.624
Revaluation reserves	**24**	453.799	453.799	550.141	550.141
Other reserves	**25**	25.464.577	25.473.517	18.098.462	18.098.462
Retained earnings		(3.778.258)	(1.293.512)	13.471.285	11.142.012
Equity		**177.803.742**	**180.297.427**	**187.783.511**	**185.454.239**
Minority interest		671.359	609.346	-	-
Total Shareholders' Equity		**178.475.101**	**180.906.773**	**187.783.511**	**185.454.239**

J&P - AVAX S.A.
CASH FLOW STATEMENT AT SEPTEMBER 30, 2005

	Group		Company	
	1.1-30.9.2005	1.1-30.9.2004	1.1-30.9.2005	1.1-30.9.2004
Cash Flow from Operating Activities				
Profit before tax	**18.479.368**	**35.675.776**	**17.596.818**	**45.789.194**
Adjustments for:				
Depreciation	7.143.162	10.754.602	4.392.833	5.511.826
Provisions	(107.198)	(288.074)	(47.016)	(140.908)
Interest income	(535.897)	(494.225)	-	(10.511)
Interest expense	4.818.131	2.593.012	2.454.204	1.527.750
Investment (income) / loss	(57.600)	-	(21.726.767)	(31.217.364)
Other non-cash items	(22.140)	1.330	-	-
Change in working capital				
(Increase)/decrease in inventories	58.751.129	(19.352.581)	13.389.202	8.586.239
(Increase)/decrease in trade and other receivables	(86.658.684)	(80.886.436)	(25.929.288)	(52.406.323)
Increase/(decrease) in payables	(40.375.804)	25.667.822	(44.505.696)	(16.333.224)
Interest paid	(4.818.131)	(2.593.012)	(2.454.204)	(1.527.750)
Income taxes paid	(19.174.221)	(18.666.670)	(7.107.715)	(7.019.169)
Cash Flow from Operating Activities (a)	**(62.557.884)**	**(47.588.454)**	**(63.937.630)**	**(47.240.241)**
Cash Flow from Investing Activities:				
Purchase of tangible and intangible assets	(9.172.732)	(7.318.512)	(8.953.854)	(4.440.865)
Proceeds from disposal of tangible and intangible assets	1.065.365	845.076	127.003	493.775
Acquisition of subsidiaries, associates, JVs and other investments	(6.710.660)	517.476	(493.303)	(5.270.905)
Interest received	535.897	494.225	-	10.511
Dividends received	57.600	-	16.729.767	21.717.364
Cash Flow from Investing Activities (b)	**(14.224.531)**	**(5.461.736)**	**7.409.614**	**12.509.880**
Cash Flow from Financing Activities				
Proceeds from loans	91.036.962	43.293.182	73.435.448	32.116.132
Dividends paid	(18.905.962)	(5.663.498)	(18.905.962)	(5.663.498)
Cash Flow from Financing Activities (c)	**72.131.000**	**37.629.684**	**54.529.486**	**26.452.634**
Net increase in cash and cash equivalents (a)+(b)+(c)	**(4.651.414)**	**(15.420.507)**	**(1.998.531)**	**(8.277.727)**
Cash and cash equivalents at the beginning of the period	**35.186.432**	**54.595.454**	**3.267.909**	**8.721.638**
Cash and cash equivalents at the end of the period	**30.535.018**	**39.174.948**	**1.269.379**	**443.911**

J&P - AVAX S.A.
STATEMENT OF CHANGES IN EQUITY AT SEPTEMBER 30, 2005

Group

	Share Capital	Share Premium Account	Revaluation Reserves	Reserves	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
Balance 31.12.2003 (under GR GAAP)	**40.260.000**	**115.403.624**	**755.997**	**29.760.686**	**20.664.438**	**206.844.745**	**613.546**	**207.458.291**
Adjustments under IFRS			(410.540)	(1.587.335)	(21.856.220)	(23.854.095)	(25.440)	(23.879.535)
Balance 1.1.2004 under IFRS	**40.260.000**	**115.403.624**	**345.458**	**28.173.350**	**(1.191.782)**	**182.990.650**	**588.106**	**183.578.756**
Appropriations				(11.678.655)	11.679.985	1.330		1.330
Dividend paid					(23.424.000)	(23.424.000)		(23.424.000)
Net profit for the period					21.011.788	21.011.788	23.226	21.035.013
Balance 30.09.2004	**40.260.000**	**115.403.624**	**345.458**	**16.494.695**	**8.075.991**	**180.579.768**	**611.332**	**181.191.099**
Balance 31.12.2004	**40.260.000**	**115.403.624**	**453.799**	**25.473.517**	**(1.293.512)**	**180.297.427**	**609.346**	**180.906.773**
Appropriations				(8.940)	(13.199)	(22.139)		(22.139)
Dividend paid					(14.640.000)	(14.640.000)		(14.640.000)
Net profit for the period					12.168.453	12.168.453	62.013	12.230.466
Balance 30.09.2005	**40.260.000**	**115.403.624**	**453.799**	**25.464.577**	**(3.778.257)**	**177.803.742**	**671.359**	**178.475.101**

Company

	Share Capital	Share Premium Account	Revaluation Reserves	Reserves	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
Balance 31.12.2003 (under GR GAAP)	**40.260.000**	**115.403.624**	**659.410**	**16.490.043**	**2.118.537**	**174.931.615**		**174.931.615**
Adjustments under IFRS			(217.611)		2.415.936	2.198.325		2.198.325
Balance 1.1.2004 under IFRS	**40.260.000**	**115.403.624**	**441.799**	**16.490.043**	**4.534.473**	**177.129.939**	**-**	**177.129.939**
Dividend paid					(23.424.000)	(23.424.000)		(23.424.000)
Net profit for the period					42.099.022	42.099.022		42.099.022
Balance 30.09.2004	**40.260.000**	**115.403.624**	**441.799**	**16.490.043**	**23.209.495**	**195.804.961**	**-**	**195.804.961**
Balance 31.12.2004	**40.260.000**	**115.403.624**	**550.141**	**18.098.462**	**11.142.012**	**185.454.239**	**-**	**185.454.239**
Dividend paid					(14.640.000)	(14.640.000)		(14.640.000)
Net profit for the period					16.969.272	16.969.272		16.969.272
Balance 30.09.2005	**40.260.000**	**115.403.624**	**550.141**	**18.098.462**	**13.471.284**	**187.783.511**	**-**	**187.783.511**

J&P - AVAX S.A.

RECONCILIATION OF NET INCOME BETWEEN GREEK GENERAL ACCEPTED ACCOUNTING PRACTICES (GR G.A.A.P.) AND INTERNATIONAL ACCOUNTING STANDARDS (I.A.S.) & INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GROUP		COMPANY	
	1/1-31/12/2004	1/1-30/9/2004	1/1-31/12/2004	1/1-30/9/2004
Profit before tax, according to GR G.A.A.P.	**46.526.586**	**41.494.488**	**38.122.436**	**39.400.398**
Tax	(19.144.587)	(14.495.743)	(2.823.224)	(3.492.269)
Profit after tax, according to GR G.A.A.P.	**27.381.999**	**26.998.745**	**35.299.212**	**35.908.129**
Derecognition of depreciation of intangible assets which were fully depreciated in previous reporting periods	2.489.077	1.902.314	2.131.164	1.633.890
Recognition of provisions according to I.F.R.S. and I.A.S.	(39.141)	(24.211)	(38.161)	(24.211)
Change in consolidation method for associates according to I.A.S. (equity method versus historic cost)	(5.526.052)	(4.497.200)	-	
Application of I.F.R.S. 3 (on subsidiaries not included in the consolidation according to GR G.A.A.P.)	(22.682)	3.046	-	
Application of IAS 31 (on consolidation of Joint Ventures)	(352.636)	38.260	(3.782.760)	6.663.721
Adjustment in depreciation charges due to readjustments in useful economic lives	(721.228)	(540.921)	(512.804)	(384.603)
Recognition of deferred tax charge	133.009	(145.020)	43.307	(197.904)
Revision of the policy for recognition of dividends, Board of Director's fees and distribution of profits to personnel at the time of approval	(2.700.000)	(2.700.000)	(1.500.000)	(1.500.000)
Profit as restated according to I.F.R.S. and I.A.S.	**20.642.346**	**21.035.013**	**31.639.958**	**42.099.022**

J&P-AVAX S.A.

RECONCILIATION OF EQUITY AT THE BEGINNING OF THE PERIOD BETWEEN GREEK GENERAL ACCEPTED ACCOUNTING PRACTICES (GR G.A.A.P.) AND INTERNATIONAL ACCOUNTING STANDARDS (I.A.S.) & INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GROUP			COMPANY		
	31/12/2004	30/9/2004	1/1/2004	31/12/2004	30/9/2004	1/1/2004
Equity balance, according to GR G.A.A.P.	**219.106.114**	**234.403.480**	**207.458.291**	**194.886.500**	**219.253.805**	**174.931.615**
Derecognition of intangible assets, according to I.A.S. & I.F.R.S.	(4.977.880)	(5.564.643)	(7.466.957)	(4.150.023)	(4.647.297)	(6.281.187)
Derecognition of debit consolidation differences (calculated according to GR G.A.A.P.) against equity (according to I.A.S. & I.F.R.S.)	(28.502.699)	(28.502.699)	(28.502.699)	-	-	-
Recognition of provisions, according to I.A.S. & I.F.R.S.	(11.236.619)	(11.221.688)	(11.197.478)	(7.968.911)	(7.954.959)	(7.930.750)
Adjustment to provision account for staff dismissal and retirement compensation based on actuarial study	(38.160)	(38.160)	(38.160)	-	-	-
Change in consolidation method for associates, according to I.A.S. & I.F.R.S. (equity consolidation method versus historic cost)	(10.903.016)	(9.395.036)	(4.897.836)	-	-	-
Application of I.F.R.S.3 (on subsidiaries not included in the consolidation, according to GR G.A.A.P.)	(610.624)	(210.851)	(253.487)	-	-	-
Application of I.A.S. 31 (on consolidation of Joint Ventures)	-	-	-	(15.109.525)	(13.121.081)	(11.326.765)
Revision of accumulated depreciation on capital equipment (machinery and vehicles) due to readjustments in useful economic life	(721.228)	(540.921)	-	(512.804)	(384.603)	-
Reclassification of tangible asset revaluation reserves, as per tax legislation	(440.434)	-	-	(145.964)	-	-
Recognition of deferred tax assets, according to I.A.S. & I.F.R.S.	4.605.740	4.327.710	4.629.766	3.567.894	3.326.683	3.570.895
Recognition of deferred tax liabilities, according to I.A.S. & I.F.R.S.	(1.675.042)	(1.675.042)	(1.832.077)	(493.950)	(493.949)	(540.258)
Revision of the policy for recognition of government grants (reclassification from net equity to deferred income)	(339.378)	(391.051)	(444.607)	(158.978)	(173.637)	(217.611)
Revision of the policy for recognition of dividends, Board of Directors' fees and distribution of profits to personnel at the time of approval	16.640.000	-	26.124.000	15.540.000	-	24.924.000
Equity balance, according to I.A.S. & I.F.R.S.	**180.906.773**	**181.191.099**	**183.578.756**	**185.454.239**	**195.804.962**	**177.129.939**

A. ABOUT THE COMPANY

A.1 General Information about the Company and the Group

J&P-AVAX S.A. was listed on the Athens Stock Exchange's Main Market in 1994 (then incorporated as AVAX S.A.) and is based in Marousi, in the Attica prefecture. It boasts substantial expertise spanning the entire spectrum of construction activities (infrastructure projects, civil engineering, BOTs, precast works, real estate etc) both in Greece and abroad.

In 2002, former AVAX S.A. merged with its subsidiaries J&P (Hellas) S.A. and ETEK S.A. and was renamed into J&P-AVAX S.A, whereas another 100% subsidiary unit, namely ETETH S.A., merged with its own subsidiary AIXMI S.A. The new business entities which evolved out of these mergers made use of Law 2940/2001 on contractors' certification for public works. The Group's leading company J&P-AVAX S.A. was awarded a 7th-class public works certificate, which is the highest class available, whereas ETETH S.A. acquired a 6th-class certificate and PROET S.A. entered the new public works certification registry with a 3rd-class certificate.

A.2 Activities

Group strategy is structured around four main pillars:

- **Concessions**
  - Intense presence in concession project tenders, to maintain a substantial backlog of projects and secure long-term revenue streams
  - Strengthening the project finance business unit and expanding our network of specialized external business partners (design consultants, financial and insurance advisors, legal firms) to enhance the Group's effectiveness in bidding for concession projects and maximize the return from their operation by means of financial risk management

- **Business Activities**
  - Development along the lines of major international construction groups, diversifying revenue through expansion into related business areas, eg environmental projects, facility maintenance & management, waste management, maintenance of large infrastructure projects, and management of large facilities constructed towards the Athens 2004 Olympic Games
  - Pursuit of synergies of various business activities on Group level

- **Real Estate**
  - Selective investment in quality projects offering high aesthetics and status, focused mainly on the residential and vacation housing sectors, as well as in select commercial and real estate projects
  - Advisory services and development of new markets and products, such as retirement villages

- **Other Activities**
  - Participation in BOT infrastructure projects for the reconstruction of neighboring counties and regions (Eastern & SE Europe, Middle East, North Africa) in collaboration with J&P Overseas and other international partners with long local presence and expertise
  - Promotion of the use of precast technology

B. FINANCIAL REPORTING STANDARDS

J&P-AVAX S.A.'s consolidated accounts for the period running from January 1, 2005 to September 30, 2005 are prepared in accordance with the 'historic cost' principle, inclusive of adjustments in various items on both sides of the balance sheet, as well as on the 'going-concern' principle and conform to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by IASB's International Financial Reporting Interpretation Committee (IFRIC) which have been adopted by the European Union.

IASB has issued a series of standards referred to as «IFRS Stable Platform 2005». The Group applies the IFRS Stable Platform 2005 since January 1, 2005 which includes the following standards:

I.A.S. 1	Presentation of Financial Statements
I.A.S. 2	Inventories
I.A.S. 7	Cash Flow Statements
I.A.S. 8	Accounting Policies, Changes in Accounting Estimates and Errors
I.A.S. 10	Events after the Balance Sheet Day
I.A.S. 11	Construction Contracts
I.A.S. 12	Income Taxes
I.A.S. 14	Segment Reporting
I.A.S. 16	Property, Plant and Equipment
I.A.S. 17	Leases
I.A.S. 18	Revenue
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The financial statements are covered by IFRS 1 «First-Time Adoption of International Financial Reporting Standards» because they constitute an interim financial report on the first financial year (2005) in which the Group prepares and publishes IFRS-based Financial Statements. For the purposes of IFRS 1, January 1, 2004 was set as transition date to the new accounting standards.

The policies referred to hereafter are applied consistently to all time periods covered in the accounts.

The last published consolidated financial accounts of the Group were prepared in accordance with the Greek Generally Accepted Accounting Standards (GR GAAP), whose principles differ on various areas from those of IFRS. During the preparation of its consolidated Financial Statements, Group management amended some of the methods of accounting, valuation and consolidation applied under GR GAAP to comply with IFRS. Comparative 2004 figures have been accordingly adjusted. The reconciliation and description of the effect of the transition from GR GAAP to IFRS on Shareholder Funds and the Profit & Loss Account are an integral part of these Financial Statements.

Preparing Financial Statements under IFRS requires the use of estimates and opinions while applying Company accounting methods. Any important assumptions made by Company management in applying those accounting methods have been noted when deemed necessary.

C. BASIC ACCOUNTING PRINCIPLES

The Group consistently applies the following accounting principles in preparing the attached Financial Statements:

C.1. Business Combinations (I.F.R.S. 3)

Investments in Subsidiaries: All companies managed and controlled, either directly or indirectly, by another company (parent) through ownership of a majority share in the voting rights of the company in which the investment has been made. Subsidiaries are fully consolidated (full consolidation) with the purchase method starting on the date on which their control is assumed, and are excluded from consolidation as soon as their control is relinquished.

Acquisitions of subsidiaries by the Group are entered according to the purchase method. Subsidiary acquisition cost is the fair value of all assets transferred, of all shares issued and all liabilities at the acquisition date, plus any costs directly related to the transaction. The specific assets, liabilities and contingent liabilities acquired through a business combination are accounted for at their fair values irrespective of the percentage of participation. The acquisition cost in excess of the fair value of the acquired net assets is entered as goodwill. Should the total acquisition cost fall short of the fair value of the acquired net assets, the difference is directly entered in the Income Statement.

In particular, business combinations carried out prior to the Group's transition to IFRS (January 1, 2004), Group management has opted for the exemption provided for by IFRS 1, thereby not applying the purchase method retrospectively. In other words, it chose not to apply IFRS 3 or IAS 22 on company mergers with a retrospective effect. The accounting value of goodwill on the balance sheet drawn on the transition date is calculated according to previously accepted accounting principles. According to IAS 36, on impairment of assets and in line with the policies followed by J&P-AVAX S.A.'s parent company, goodwill is charged against shareholders' funds.

Intragroup sales, balances and un-realised profits from transactions among Group companies are omitted. Losses among Group companies (un-realised on a Group level) are also eliminated, except when the transaction provides evidence of impairment of the transferred asset. The accounting principles of subsidiaries have been amended for uniformity purposes relative to those adopted by the Group.

Investments in Associates: All companies which the Group may influence significantly but do not qualify for subsidiary or Joint Venture status. The Group's assumptions call for ownership between 20% and 50% of a company's voting rights to have significant influence on it. Investments in associates are initially entered in the Company's books at cost and subsequently consolidated using the equity method.

The Group's share into the profit or loss of associates following the acquisition is recognised into the Income Statement, whereas the share into changes in capital reserves following the acquisition is recognised into the reserves. Accumulated changes affect the book value of investments in associates. When the Group's participation into the financial loss of an associate is equal to or exceeds its participation in the associate, inclusive of provisions for bad debts, the Group does not recognise any further losses, except when covering liabilities or making payments on behalf of the associate, or taking other actions as part of its shareholder relationship.

Unrealised profits from transactions between the Group and its associates are omitted according to the participation of the group into those associates. Unrealised gains are omitted, unless the transactions suggest impairment of the transferred assets. Accounting principles of associates have been amended for uniformity purposes relative to those adopted by the Group.

Intragroup balances and transactions, along with Group profits arising from intragroup transactions which have yet to be concluded on a Group level, are eliminated in the consolidated Financial Statements.

Investments in Joint Ventures: Joint Venture types:

1) Joint Ventures with assets under joint control
2) Joint Ventures with activities under joint control

Those joint ventures do no concern the set up of a company, a partnership or other entity which is separate to the joint venture parties.
Separate accounting book-keeping and financial reporting is not required for the joint venture.
Therefore, joint ventures maintain tax records and prepare financial reports merely for fiscal purposes.

Assets, liabilities, income and expenses are recognised in the financial reports of the joint venture parties.

3) joint venture as an entity under joint control, in which a company, a partnership or another entity is set up

Joint ventures of this type keep their own accounting books, prepare financial reports and are subject to the following consolidation methods according to the degree of control and influence by the Group. More specifically:

a) participation in joint ventures with joint control
b) participation in joint ventures with significant influence
c) participation in joint ventures without significant influence (there may be scope for significant influence, but the joint venture partner chooses not to use it)

In case (a), the proportionate consolidation method is applied, ie joint ventures' balance sheets and Income Statements are consolidated either on a line-by-line basis.

In case (b), the equity method is applied, the investment being treated as an associate.

In case (c), the investment is booked at acquisition cost.

Group Structure: J&P-AVAX Group fully consolidates the following subsidiaries:

J&P-AVAX, Athens	Parent
ETETH S.A., Salonica	100%
ELVIEX Ltd, Ioannina	60%
PROET S.A., Athens	100%
J&P Development, Athens	100%
3T, Athens	100%

The Group consolidates the following associates using the equity method:

5N S.A., Athens	45.00%
Athens Car Parks S.A., Athens	20.00%
Attiki Odos Service Stations S.A., Athens	35.00%
E - CONSTRUCTION, Athens	37.50%
Attica Telecommunications S.A., Athens	30.84%
Attica Diodia S.A., Athens	30.84%
SY.PRO S.A., Athens	25.00%
Attiki Odos S.A., Athens	30.83%
POLISPARK S.A., Athens	20.00%
3G, Athens	50.00%
J&P-Diolkos, Athens	50.00%

The following are the joint ventures in which the group participates and are consolidated proportionately:

1.	J/V J&P-AVAX S.A. - "J/V IMPREGILO SpA -J&P-AVAX S.A.- EMPEDOS S.A.", Athens	66.50%
2.	J/V J&P-AVAX S.A.-ETETH S.A. -EMPEDOS S.A. -GENER S.A., Salonica	73.50%
3.	J/V AKTOR S.A. - J&P - AVAX S.A. - ALTE S.A. - ATTIKAT S.A. - ETETH S.A. - PANTECHNIKI S.A. - EMPEDOS S.A., Athens	30.84%
4.	J/V J&P-AVAXS.A. - EKTER A.E - KORONIS S.A., Athens	36.00%
5.	J/V J&P - AVAX S.A. - AKTOR S.A. - VIOTER A.E - TERNA S.A., Athens	20.00%
6.	J/V J&P-AVAX S.A. - ETETH S.A., Athens	100.00%
7.	J/V J&P-AVAX AE - ETETH S.A., Athens	100.00%
8.	J/V J&P-AVAX - VIOTER S.A. - TERNA S.A. , Athens	37.50%
9.	J/V J&P-AVAX S.A. - ETETH S.A., Athens	100.00%
10.	J/V J&P - AVAX S.A. - ETETH S.A., Athens	100.00%
11.	J/V J&P - AVAX S.A. - ETETH A.E - EMPEDOS S.A., Athens	99.75%
12.	J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	47.00%
13.	J/V AKTOR S.A. - J&P - AVAX S.A. - PANTECHNIKI S.A., Athens	34.22%
14.	J/V AKTOR S.A. - J&P-AVAX S.A., Athens	44.00%
15.	J/V PANTECHNIKI S.A. - AKTOR S.A. - J&P-AVAX S.A., Athens	33.33%
16.	J/V "J/V ΑΕΓΕΚ S.A. - AKTOR S.A. -SELI" -J&P-AVAX S.A., Athens	20.00%
17.	J/V J&P-AVAX S.A.- VIOTER S.A., Athens	50.00%
18.	J/V J&P-AVAX S.A. - KL.ROUTSIS S.A., Athens	50.00%
19.	J/V AKTOR A.T.E - J&P-AVAX S.A., Athens	50.00%
20.	J/V ΕΔΡΑΣΗ ΨΑΛΛΙΔΑΣ S.A. - J&P- AVAX S.A. - EKAT ETAN S.A. - ATOMON S.A. - HELIOHORA S.A. - ATHENA S.A., Athens	20.00%
21.	J/V J&P-AVAX S.A. -VIOTER S.A.-HELIOHORA S.A., Athens	37.50%
22.	J/V PANTECHNIKI S.A. - J&P-AVAX S.A. - VIOTER S.A., Athens	44.33%
23.	J/V VINCI CONSTRUCTION Grand Projects - ATHENA S.A. - PROODEFTIKI S.A. - AKTOR S.A. - J&P-AVAX S.A. - PANTECHNIKI S.A., Athens	11.20%
24.	J/V AKTOR S.A. - J&P AVAX S.A., Athens	52.00%
25.	J/V J&P-AVAX S.A. - ETETH S.A. - EMPEDOS S.A., Salonica	73.86%
26.	J/V J&P-AVAX S.A. - EMPEDOS S.A. - ETETH S.A. - ALSTOM TRANSPORT SA, Athens	99.75%
27.	J/V AKTOR S.A. - J&P AVAX S.A. -PANTECHNIKI S.A., Athens	34.22%
28.	J/V J&P AVAX S.A. - INTL TAPESTRY CENTRE, Athens	99.90%
29.	J/V ETETH S.A.-TASKOUDIS-POLYMETRIKI Ltd, Athens	44.00%
30.	J/V ETETH S.A. - STOYANNOS - POLYMETRIKI Ltd, Athens	44.50%
31.	J/V ETETH S.A. - KL.ROUTSIS S.A., Salonica	50.00%
32.	J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	47.00%
33.	J/V J&P - AVAX S.A. - ETETH S.A., Athens	100.00%
34.	J/V J&P - AVAX A.E - GENERALE LOCATION, Athens	50.00%
35.	J/V J&P - AVAX A.E - GENERALE LOCATION, Athens	50.00%
36.	J/V ΑΚΤΩΡ S.A. - PANTECHNIKI S.A. - J&P-AVAX S.A., Athens	25.00%
37.	J/V AKTOR S.A. - PANTECHNIKI S.A. - J&P - AVAX S.A., Athens	25.00%
38.	J/V J&P – AVAX SA - DRAGADOS Y CONSTRUCTION, Ethiopia	50.00%
39.	J/V J&P – AVAX SA - J&P JOINT VENTURE, Cyprus	100.00%

40.	J/V J&P – AVAX SA - NATIONAL WHEEL J&P L.L.C., UAE	20.00%
41.	J/V QATAR - J&P – AVAX SA - JOINT VENTURE, Qatar	25.00%
42.	J/V J&P Development – DIOLKOS, Athens	50.00%
43.	J/V ANASTILOTIKI SA – TH.KARAGIANNIS SA - GETEM SA - ETETH SA, Athens	25.00%

C.2. Property, Plant & Equipment, Investment Property (I.A.S. 16/40)

Group management selected the **basic method of valuation of operating fixed assets** inclusive of operating property, **according to IAS 16 (at acquisition cost, reduced by accumulated depreciation and accumulated impairment charges)**, following the initial entry of tangible fixed assets on transition date to I.A.S. (01/01/2004).

Regarding **investment property**, management chose the **alternative method of valuation at acquisition cost (reduced by accumulated depreciation and accumulated impairment charges) according to IAS 16,** following the initial entry of tangible fixed assets on transition date to I.A.S. (01/01/2004).

Valuation of plant, property and equipment at the transition date to IFRS is making use of one exemption clause, out of a total of six alternative exemptions for companies to choose from. In other words, for property valuation purposes on transition date to IFRS (01/01/2004), Group management set its deemed cost equal to its acquisition cost, plus any revaluations provided for by Law 2065/92 and deducting depreciation charges provided for by Law 2190/20.
Property (land and buildings) were revalued in compliance with Law 2065/92.
This valuation method was selected because the deemed cost arising from the methodology of the Former Generally Accepted Accounting Policy is broadly comparable to the fair value of the fixed asset base, on transition day.

While applying I.A.S. 36 (on Impairment of Assets), on each reference date Group management effectively estimates whether its asset base shows signs of impairment, comparing the residual value for each asset against its book value.

Subsequent expenditure on fixed assets already appearing on the Company's books are added to that asset's book value only if they increase its future economic benefits. All expenditure (maintenance, survey etc.) for assets not increasing their future economic benefits are realised as expenses in the financial period incurred.

Expenditures incurred for a major repair or survey of a fixed asset are realised as expenses in the financial period in which they are incurred, except when increasing the future economic benefits of the fixed asset, in which case they are added to the book value of the asset.

Depreciation of tangible fixed assets (excluding land which is not depreciated) is calculated on a straight-line basis according to their useful lives. The main depreciation rates are as follows:

Operating Property (buildings)	3%
Investment Property	3%
Machinery	5.3% - 20%
Vehicles	7.5% - 20%
Other equipment	15% - 20%

Residual values and useful lives of tangible fixed assets are subject to revision on balance sheet date. When the book value of fixed tangibles exceeds their recoverable value, the difference (impairment loss) is directly charged as an expense item in the Income Statement.

When disposing of tangible fixed assets, the difference between the revenue from the sale and the book value of the assets is realised as profit or loss in the Income Statement.

Own-produced fixed tangibles constitute an addition to the acquisition cost of the assets in the form of direct cost of personnel participating in their production (including related employer's social security contributions), cost of materials and other general expenses.

C.3. Intangible Assets (I.A.S. 38)

These expenses should be amortised during the financial period in which they are incurred. Only expenses meeting the criteria of I.A.S. 38.18 are capitalized, such as expenses for computer software and licences. Long-term expenses not meeting the criteria of I.A.S. 38.18 are written off in applying IFRS. Intangible assets include software licences.

C.4. Impairment of Assets (I.A.S. 36)

Assets with an infinite useful life are not depreciated and are subject to annual review for impairment, whenever events take place showing their book value is not recoverable. Assets being depreciated are subject to review of their value impairment when there are indications that their book value shall not be recovered.
Net Selling Price (NSP) is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable willing parties, less the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. At each balance sheet date, management assess whether there is an indication of impairment as required by I.A.S. 36, requiring that the book value of assets does not exceed their recoverable amount. Recoverable amount is the highest between Net Selling Price and Value in Use.

This evaluation also takes into account all available information, either from internal or external sources. Impairment review is applied on all assets except for inventories, construction contracts, deferred tax receivables, financial assets falling under I.A.S. 39, investment property and non-current assets classified as being held for disposal.

Impairment losses are charged in the Income Statement.

C.5. Inventories (I.A.S. 2)

On Balance Sheet date, inventories are valued at the lowest between cost and Net Realisable Value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Inventory cost does not include financial expenses.

C.6. Financial Instruments (I.A.S. 32/39)

A financial instrument is defined as any contract giving rise to both a financial asset in a company's balance sheet and a financial liability or equity instrument in another company's balance sheet.
The Group's financial instruments are classified according to the nature of each contract and the purpose of its acquisition.

<u>Financial instruments valued at their fair value through the Income Statement.</u>
Those financial instruments meet any of the following criteria:

- **Designated.** The first includes any financial instrument that is designated on initial recognition as one to be measured at fair value with fair value changes in profit or loss.
- **Held for trading.** The second category includes financial instruments that are held for trading. All derivatives (except those designated hedging instruments) and financial instruments acquired or held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking are held for trading.

This investment class includes short-term positions in low-risk, high-liquidity mutual funds (mostly money market funds)

C.7. Cash and Cash Equivalent (I.A.S. 32/39)

Cash & cash equivalent include cash held at bank accounts or at the company's safe, along with high liquidity short-term investments, such as money-market instruments and bank deposits. Money market products are financial assets valued at fair value via the Income Statement.

C.8. Provisions (I.A.S. 37)

Provisions are recognized when the Group faces legal or substantiated liabilities resulting from past events, their settlement may result in an outflow of resources and the amount of the liability can be reliably estimated. Provisions are reviewed on Balance Sheet date and adjusted to reflect the present value of the expense estimated for settling the liability. Contingent liabilities are not recognized in the financial statements but nevertheless are disclosed in the accompanying notes, except when the probability of an outflow of resources is minimal. Contingent assets are not recognized in the financial statements, but are disclosed in the notes, provided an inflow of economic benefits is probable.

C. 9. Government Grants (I.A.S. 20)

The Group recognizes government grants (subsidies) only when there is reasonable assurance that:

a) the enterprise will comply with any conditions attached to the grants,
b) the grant is likely to be received.

Subsidies are entered in the company's books at their fair value and recognized on a consistent basis as revenue, in accordance with the principle of matching the receipts of subsidies with the related expenses.

Subsidies on assets are included in long-term liabilities as deferred income and recognized on a consistent basis as revenues over the expected useful life of the assets.

C.10. The effects of changes in Foreign Exchange Rates (I.A.S. 21)

The financial statements of all Group companies are prepared using the currency of the economic area which the Group mainly operates in (operating currency). Consolidated financial reports are denominated in euros, the operating and presentation currency of the parent Company and its subsidiaries.
Transactions in foreign currency are converted in the operating currency according to the going foreign exchange rates on the date on which transactions take place.

Profit and losses from foreign exchange differences arising from settlement of transactions in foreign currency during the financial reporting period and the conversion of monetary items denominated in foreign currency according to the going exchange rates on balance sheet date are recognised in the Income Statement. Foreign exchange adjustments for non-monetary items valued at fair value are considered part of the fair value and are therefore treated as differences in fair value.

C.11. Equity Capital (I.A.S. 33)

Expenses incurred due to the issue of new shares appear below the deduction of related income tax, reducing the net proceeds from the issue. Expenses incurred due to the issue of new shares to finance the acquisition of another company are included in the target company's total acquisition cost.

C.12. Dividends (I.A.S. 18)

Payments of dividends to parent company shareholders are recognized as a liability in the consolidated financial statements on the date on which the General Assembly of the Shareholders grants its approval on the distribution of the dividend.

C.13. Income Taxes & Deferred Tax (I.A.S. 12)

Income tax expenses appearing in the Income Statement include both tax for the period and deferred tax, which correspond to tax charges or tax returns arising from benefits realized within the reporting period in question but booked by the tax authorities in earlier or later reporting periods. Income tax is recognized in the Income Statement for the reporting period, except for tax relating to transactions directly charged against shareholders' funds; in that case, income tax is similarly charged directly against shareholders' funds.

Current income tax includes short-term liabilities and/or receivables from the tax authorities related to payable tax on the taxable income of the reporting period, as well as any additional income tax from earlier reporting periods.

Current tax is calculated according to the tax rates and fiscal legislation applied on each reporting period involved, based on the taxable income for the year. All changes in short-term tax items listed on either side of the balance sheet are recognized as part of the tax expense in the Income Statement.

Deferred income tax is calculated by means of the liability arising from the temporary difference between book value and the tax base of asset and liabilities. No deferred income tax is entered when arising from the initial recognition of assets or liabilities in a transaction, excluding corporate mergers, which did not affect the reported or taxable profit / loss at that time.

Deferred tax income and liabilities are valued according to the tax rates expected to apply in the reporting period in which the receipt or payment will be settled, taking into account the tax rates (and fiscal laws) introduced or in effect until the reporting date. The tax rate in effect on the day following the reporting date is used whenever the timing of reversal of temporary differences cannot be accurately determined.

Deferred tax receivables are recognized to the extent in which taxable profits will arise in the future while making use of the temporary difference which gives rise to the deferred tax receivable.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and affiliates, excluding those cases where de-recognition of temporary differences is controlled by the Group and temporary differences are not expected to be derecognized in the foreseeable future.

Most changes in deferred tax receivables or liabilities are recognised as tax expenses in the Income Statement. Only changes in assets or liabilities affecting temporary differences (e.g. asset revaluations) which are recognized directly against the Group's shareholders' funds do result in changes in deferred tax receivables or liabilities being charged against the relevant revaluation reserve.

C.14. Personnel Benefits (I.A.S. 19/26)

Short-term benefits:
Short-term benefits to personnel (excluding termination benefits) in money and in kind are recognized as an expense when deemed payable. Portions of the benefit yet unpaid are classified as a liability, whereas if the amount already paid exceeds the benefit then the company recognizes the excess amount as an asset (prepaid expenses) only to the extent to which the prepayment will result in a reduction in future payments or to a fund return.

Retirement benefits:
Benefits at retirement from service include a defined contribution plan as well as a defined benefit plan.

Defined Contribution Plan:
According to the plan, the company's legal liability is limited to the amount agreed for contribution to the institution (social security fund) managing employer contributions and handing out benefits (pensions, medical plans etc).
The accrued cost of defined contribution plans is classified as an expense in the corresponding financial reporting period.

Defined Benefit Plan:

The Company has legal liability for personnel benefits due to lay-offs ahead of retirement date or benefits upon retirement from service, in accordance with pertinent legislation.
The Projected Unit Credit Method is used to calculate the present value of defined benefit obligations, the related current cost of services and the cost of services rendered which is the accrued services method, according to which benefits are paid at the financial periods in which the retirement benefit liability is founded. Liabilities arise while employees provide services qualifying for retirement benefits.

The Projected Unit Credit Method therefore requires that benefits are paid in both the current reporting period (to calculate the current cost of services) and in the current and past reporting periods (to calculate the present value of defined benefit obligations).
Despite the fact that remaining in service with the Company is a prerequisite for receiving benefits (ie benefits cannot be taken for granted by employees), liabilities are calculated using actuarial methods as follows:

Demographic Assumptions: Personnel Turnover (Staff Resignations / Staff Lay-offs), and

Financial Assumptions: discount rate, future salary levels (calculated using government bond yield of equal maturities) and estimated future changes in state benefits affecting payable benefits.

C.15. Revenue Recognition (I.A.S. 18)

Revenues include the fair value of works, sales of goods and services, net of VAT, discounts and returns. IntraGroup revenues are completely eliminated. Recognition of revenues is done as follows:

Construction Contracts:
Revenues from projects towards signed contracts are entered in the reporting period in which the works were carried out, based on their stage of completion

Sale of Goods:
Sale of goods are recognized when the Group makes actual delivery of the goods to their buyers who in turn formally accept them, rendering their price secure for receipt.

Provision of services:
Revenues from provision of services are entered in the reporting period in which the services were rendered, according to the stage of completion of the services.

C.16. Leases (I.A.S. 17)

Financial leases are all leases on fixed assets which transfer onto the Group all risks and benefits in relation to those assets' ownership, irrespective of the eventual transfer of ownership of the assets.
These leases are capitalized at the start of the lease using the lowest price between the fair value of the fixed asset and the present value of the minimum lease. All leases comprise a liability and a financial expense, securing a fixed interest rate for the balance of the financial liability. Liabilities arising from leases, net of financial expenses, are entered as liabilities in the balance sheet. The portion of financial expenses arising from financial leases is recognized in the Income Statement throughout the term of the lease. Fixed assets acquired via financial leases are depreciated over the lowest term between their useful life and their lease term.

Lease agreements in which the lessee transfers the right of usage of an asset for a fixed time period but not the risks and rewards of the asset's ownership, are classified as operating leases. Payments for operating leases (net of any discounts offered by the lessor) are recognized in the Income Statement proportionately over the term of the lease.

Fixed assets leased as lessor through operating leases are included as tangible assets in the balance sheet and depreciated over their expected useful lives using the same procedure as other fully-owned tangibles. Proceeds from leases (net of any discounts offered to the lessee) are recognized on a straight-line basis over the lease term. The Group does not lease fixed assets using the financial lease method.

C.17. Construction Contracts (I.A.S. 11)

Construction contracts refer to the construction of assets or a group of related assets on behalf of clients according to terms laid out in relevant contract agreements, their construction usually spanning more than one reporting period.

Expenses arising from the contract are recognized at the time they are incurred.

If the profitability of a construction contract cannot be reliably estimated, and especially when the project is at an early stage of completion, revenues are recognized to the extent that construction costs may be recovered, and construction costs must be recognized in the income statement of the reporting period in which they came about. Therefore, the level of revenues recognized from those construction contracts must be set accordingly to yield zero profitability for the project.

If the profitability of a construction contract may be reliably estimated, revenues and expenses arising from that contract are recognized during the term of the contract as revenue and expense, respectively. The Group uses the percentage of completion method to set the revenue and expense to be recognized over each reporting period. The stage of completion is calculated on the basis of the construction cost realized until reporting date in relation to the total estimated cost of each project.

If total costs from a construction contract are likely to exceed the relevant total revenues, the expected loss is recognised immediately in the income statement as an expense item.

In calculating the cost realised during a reporting period, expenses linked to future works arising from a construction contract are excluded and entered in the accounts as work-in-progress. Total realised costs and profit / loss recognised on each contract are compared to the invoiced works till the end of the reporting period.

If realised expenses, plus net realised profit and less any realised losses, exceed the invoiced works then the difference is entered as a receivable from clients (Construction Contracts). If invoiced works exceed realised expenses, plus net realised profits and less realised losses, the balance is entered as a liability to contract clients.

Contract Grouping:
The initial contract for a project, along with any additional works and extensions to the contract, are treated as a single project because new contracts for additions and extensions pertain to works on the same project and their value is related to the value of the initial contract.
A group of projects is treated as a single project if their negotiation is done jointly or the relevant contracts are linked with each other and constitute parts of a broader project with a total profit margin, or each contract is carried out simultaneously or in a certain order.

Project Revenues: Revenues from projects include the following:
- Initial contract value, plus any revisions of the initial contract, extensions and additions
- Claims
- Incentive payments, e.g. for early delivery

Claims and incentive payments are taken into account to the extent that they may be realised with a strong likelihood and be accurately defined and calculated.

Project Cost: The cost of projects includes the following:
- Costs directly related to a project
- Costs attributed to a particular project and can be allocated to the same project
- Other costs billed to a specific client, according to the terms of the contract

The second case includes all general construction expenses. Those expenses are regularly allocated using reasonable and consistent methodologies and allocation practices, across all similar expense items.

General Construction Expenses include costs such as clerical work on staff payroll, and financial expenses related to the projects.
Expenses not allocated or classified to a specific project include sale expenses, R&D expenses, general administrative expenses and depreciation of idle equipment, which are not employed in that project.

C.18. Debt and receivables (I.A.S. 23)

Debt and receivables include non-derivative financial assets with fixed or otherwise predefined payments, which are not traded on active markets. They exclude

a) receivables from prepayments on goods or services,
b) receivables related to legislation-induced transactions in taxes,
c) any other items not provided for by contracts offering the Company the right to receive payment of cash or other financial assets.

Debt and receivables are included in current assets, with the exception of those expiring over 12 months after reporting date which are entered as non-current assets.
On every Balance Sheet date, the Group evaluates the existence of objective indications of impairment of its financial assets.
Dent and receivables are recognized at their non-depreciated cost using the real interest rate method. Losses are directly and fully charged against the reporting period's income statement.
Each receivable item of substantial value is evaluated individually for impairment, whereas lower-valued items may be jointly evaluated. When jointly evaluated, lower-valued receivables should be grouped according to their credit risk rating (i.e. the items should be classified according to their risk profile).

Should the value impairment loss be eliminated according to some objective indications in subsequent reporting periods, it should be derecognized and immediately charged in the income statement. The value of derecognition should not result in a non-depreciated cost which is in excess of the value of the receivable at the date of derecognition, provided there was no impairment loss.

C.19. Borrowing Cost (I.A.S. 23)

Borrowing cost refers to interest charged on debt, as well as other expenses incurred by the company in securing that debt.

Included in borrowing costs are:
- Interest expenses on short-term and long-term bank loans, as well as overdraft interest charges
- Amortisation of par discount arising from bond loan issues
- Amortisation of additional expenses incurred in securing a loan
- Financial expenses from financial leases, as defined in I.A.S. 17
- Foreign exchange adjustments, to the extent that they constitute a financial expense

Borrowing costs are treated according to the basic method of charging any relevant expenses into the income statement of the reporting period in which they are incurred. This method is employed in all forms of debt.

C.20. Segment reporting (I.A.S. 14)

Business segments are groups of asset items and activities producing products and services which are subject to different risks and returns of the assets and activities of other business segments. Geographic segments are the areas in which the offered products and services differ to those offered in other areas in terms of the risks and return they are subject to.

Every contract being filled by the Group is unique in terms of technical specifications, differentiating it to a small or large extent from other contracts. The projects carried out by the company mainly differ from each other in terms of the intended use by the end-client, nevertheless without differentiating themselves in terms of business risk and return. Moreover, during the first nine months of 2005 as well as the comparable year-earlier period, the largest part (>90%) of total projects carried out by the Group were located in Greece. To that extent, the Group does not provide segment report in this financial statement because it does not operate in different business segments or geographic areas.

C.21. Related Party Disclosures (I.A.S. 24)

Related party disclosures are governed by I.A.S. 24 and refer to transactions between a company reporting its financial statements and other related parties. Its application is compulsory for reporting periods starting after 1/1/2005. The main issue is the economic substance of transactions, as opposed to their legal form.

A company is considered a related party to a reporting company if:

a) It is directly or indirectly via intermediaries in control, or controlled by or under joint control of the reporting company
b) It controls an equity stake in the reporting company which grants substantial control, or joint control of the reporting company
c) It is an associate, as defined in IAS 28
d) It is a joint venture, as defined in IAS 31
e) It is a key member of the top management team (Board of Directors) of the reporting company or its parent firm
f) It is closely related family-wise to any person matching the first and fourth case noted above
g) It is a company controlled (or under joint control or under substantial influence) by a person matching the fourth and fifth case noted above
h) It is has an employee defined benefit plan in place, where those eligible for receiving the benefits are either the reporting company or the employees of the reporting company

Related party transaction is any transfer of resources, services or liabilities between related parties, irrespective of the payment of a price in return.

NOTES TO THE ACCOUNTS

1. Turnover

	Group				Company			
	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004
Turnover	275.273.885	64.572.582	394.378.821	131.024.691	108.436.159	38.689.790	192.248.547	72.554.188
Sale of products	2.711.724	1.207.875	1.541.097	359.741	8.255	1.283	106.243	-
Sale of services	2.877.215	1.798.162	3.691.608	979.170	1.812.517	913.820	2.785.349	641.092
	280.862.824	**67.578.620**	**399.611.526**	**132.363.602**	**110.256.931**	**39.604.893**	**195.140.139**	**73.195.281**

2. Income/(Losses) from Associates/Participations

	Group				Company			
	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004
Dividends from subsidiaries	-	-	-	-	21.726.767	-	31.217.364	-
Dividends from associates	-	-	-	-	(1.620.242)	(1.620.242)	109.401	-
Dividends from other participating companies	57.600	(65.677)	-	-	57.600	(65.677)	-	-
Profit/(loss) from associates	8.218.079	5.587.145	(5.351.137)	144.227	(36.272)	1.583.969	(24.211)	(9.244)
Profit/(loss) from other participating companies	2.214	175.737	(546.854)	(546.854)	-	-	-	-
	8.277.893	**5.697.205**	**(5.897.991)**	**(402.627)**	**20.127.853**	**(101.949)**	**31.302.554**	**(9.244)**

3. Net finance costs

	Group				Company			
	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004	1.1-30.9.2005	1.7-30.9.2005	1.1-30.9.2004	1.7-30.9.2004
Income from securities	185.930	55.199	213.932	202.061	-	-	-	-
Interest income	349.966	21.476	280.292	(69.028)	-	-	10.511	-
Interest expense	(4.818.131)	(1.981.764)	(2.593.012)	(1.052.106)	(2.454.204)	(988.737)	(1.527.750)	(632.683)
	(4.282.235)	**(1.905.089)**	**(2.098.788)**	**(919.073)**	**(2.454.204)**	**(988.737)**	**(1.517.239)**	**(632.683)**

4. Tax

	Group				Company			
	1.1-30.9.2005	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**	**1.1-30.9.2005**	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**
Income tax	5.833.742	565.512	14.504.640	5.293.499	627.546	22.784	3.690.172	193.314
Income tax on associates	415.159	69.551	136.123	360.500	-	-	-	-
	6.248.902	**635.064**	**14.640.763**	**5.653.999**	**627.546**	**22.784**	**3.690.172**	**193.314**

Reconciliation of Financial Statements with Tax & Expenses

	Group				Company			
	1.1-30.9.2005	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**	**1.1-30.9.2005**	**1.7-30.9.2005**	**1.1-30.9.2004**	**1.7-30.9.2004**
Profit before tax	**18.479.368**	**3.113.059**	**35.675.776**	**11.532.313**	**17.596.818**	**1.112.166**	**45.789.194**	**1.938.275**
Tax calculated on profit per books	14.978.947	475.668	26.768.895	4.416.045	5.630.982	355.893	16.026.218	678.396
Plus: Non-deductible expenses	1.316.579	(8)	2.377.584	987.905	598.759	-	581.839	-
Plus: Taxes settled on past reporting periods	578.090	251.427	990.939	523.097	-	-	-	(127.603)
Plus: Other taxes	30.882	2.697	133.819	133.819	-	-	-	-
Less: Netting of past reporting periods' losses	(527.206)	(358.500)	(153.736)	-	-	-	-	-
Less: Non-taxable earnings	(10.128.390)	263.779	(15.476.738)	(406.868)	(5.602.195)	(333.109)	(12.917.885)	(357.480)
Income tax	**6.248.902**	**635.064**	**14.640.763**	**5.653.999**	**627.546**	**22.784**	**3.690.172**	**193.314**

5. Property, Plant and Equipment

GROUP

Cost	**Land**	**Plants & Buildings**	**Machinery**	**Vehicles**	**Furniture & Fittings**	**Assets under construction**	**Total Tangible Assets**
Balance 31.12.2004	7.995.756	4.447.035	42.106.514	5.556.066	2.120.222	12.475.722	74.701.313
Acquisitions during the 1.1-30.09.2005 period	1.707.193	12.099	1.364.480	468.718	213.583	5.348.170	9.114.243
Disposals during the 1.1-30.09.2005 period			1.196.935	296.906	84.370		1.578.211
Balance 30.09.2005	**9.702.949**	**4.459.133**	**42.274.059**	**5.727.878**	**2.249.434**	**17.823.892**	**82.237.345**
Accumulated Depreciation							
Balance 31.12.2004	-	301.247	8.353.613	1.904.466	747.517	-	11.306.844
Depreciation charge for the 1.1-30.09.2005 period		197.381	5.108.862	1.178.947	389.878		6.875.068
Disposals during the 1.1-30.09.2005 period			279.307	199.933	33.381		512.620
Balance 30.09.2005	**-**	**498.627**	**13.183.169**	**2.883.481**	**1.104.015**	**-**	**17.669.292**
Net Book Value							
Balance 30.09.2005	**9.702.949**	**3.960.506**	**29.090.890**	**2.844.397**	**1.145.419**	**17.823.892**	**64.568.053**
Balance 31.12.2004	7.995.756	4.145.788	33.752.900	3.651.599	1.372.704	12.475.722	63.394.469

COMPANY

<u>**Cost**</u>	**Land**	**Plants & Buildings**	**Machinery**	**Vehicles**	**Furniture & Fittings**	**Assets under construction**	**Total Tangible Assets**
Balance 31.12.2004	6.087.465	1.071.070	22.607.744	4.217.641	1.276.515	12.441.339	47.701.774
Acquisitions during the 1.1-30.09.2005 period	1.707.193		1.294.062	434.665	190.518	5.273.479	8.899.917
Disposals during the 1.1-30.09.2005 period			111.169	63.647	8.439		183.255
Balance 30.09.2005	**7.794.658**	**1.071.070**	**23.790.636**	**4.588.659**	**1.458.594**	**17.714.818**	**56.418.436**
<u>**Accumulated Depreciation**</u>							
Balance 31.12.2004	-	72.615	4.611.213	1.587.050	504.649	-	6.775.527
Depreciation charge for the 1.1-30.09.2005 period		51.567	2.867.932	929.171	288.146		4.136.816
Disposals during the 1.1-30.09.2005 period			14.297	35.218	6.512		56.026
Balance 30.09.2005	**-**	**124.182**	**7.464.848**	**2.481.003**	**786.283**	**-**	**10.856.316**
<u>**Net Book Value**</u>							
Balance 30.09.2005	**7.794.658**	**946.887**	**16.325.788**	**2.107.656**	**672.312**	**17.714.818**	**45.562.119**
Balance 31.12.2004	6.087.465	998.454	17.996.531	2.630.592	771.866	12.441.339	40.926.247

6. Investment Property

	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
<u>**Cost**</u>						
Balance 31.12.2004	3.465.017	3.418.206	6.883.223	484.543	3.253.256	3.737.799
Acquisitions during the 1.1-30.09.2005 period						-
Disposals during the 1.1-30.09.2005 period						-
Balance 30.09.2005	**3.465.017**	**3.418.206**	**6.883.223**	**484.543**	**3.253.256**	**3.737.799**
<u>**Accumulated Depreciation**</u>						
Balance 31.12.2004	-	143.169	143.169	-	134.854	134.854
Depreciation charge for the 1.1-30.09.2005 period	-	107.377	107.377	-	101.141	101.141
Disposals during the 1.1-30.09.2005 period			-			-
Balance 30.09.2005	**-**	**250.546**	**250.546**	**-**	**235.995**	**235.995**
<u>**Net Book Value**</u>						
Balance 30.09.2005	**3.465.017**	**3.167.660**	**6.632.677**	**484.543**	**3.017.261**	**3.501.804**
Balance 31.12.2004	3.465.017	3.275.037	6.740.054	484.543	3.118.401	3.602.945

7. Intangible Assets

GROUP

Cost	Software
Balance 31.12.2004	750.950
Acquisitions during the 1.1-30.09.2005 period	58.715
Balance 30.09.2005	**809.665**
Accumulated Depreciation	
Balance 31.12.2004	433.391
Amortisation charge for the 1.1-30.09 2005 period	160.718
Balance 30.09.2005	**594.109**
Net Book Value	
Balance 30.09.2005	**215.556**
Balance 31.12.2004	317.558

COMPANY

Cost	Software
Balance 31.12.2004	729.727
Acquisitions during the 1.1-30.09.2005 period	54.163
Balance 30.09.2005	**783.890**
Accumulated Depreciation	
Balance 31.12.2004	425.715
Amortisation charge for the 1.1-30.09 2005 period	154.876
Balance 30.09.2005	**580.591**
Net Book Value	
Balance 30.09.2005	**203.298**
Balance 31.12.2004	304.011

8. Investments in Subsidiaries/Associates and other companies

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Investments in subsidiaries	-	-	62.685.452	62.730.392
Investments in associates	60.350.257	53.121.922	46.307.795	45.106.728
Other participating companies	9.126.157	9.654.603	8.955.139	9.617.963
	69.476.415	**62.776.525**	**117.948.387**	**117.455.083**

9. Available for sale Investments

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Investments in associates	1.552.271	1.541.500		
	1.552.271	**1.541.500**	**-**	**-**

10. Other non-current assets

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Other long-term receivables	**553.070**	**530.389**	**463.188**	**442.458**

11. Deferred tax assets

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Deferred tax assets	4.517.954	4.605.740	3.509.400	3.567.894
	4.517.954	**4.605.740**	**3.509.400**	**3.567.894**

Analysis of Deferred tax assets

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Derecognition of start-up and other long-term expenses	53.118	82.733	52.647	82.262
Operating fixed assets (Machinery and Vehicles)	172.613	230.793	135.216	164.097
Derecognition of receivables and investments in participations	3.421.371	3.421.371	2.537.840	2.537.840
Provision for employee termination compensation	870.852	870.844	783.697	783.697
	4.517.954	**4.605.740**	**3.509.400**	**3.567.894**

Changes in "Deferred Income Tax Assets" account

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Balance 31.12.2004	4.605.740	-	3.567.894	
Adjustment, in accordance with IAS				
Direct credit (debit) in Reserves		4.629.765		3.570.894
Credit (debit) in Income Statement				
Plus: Decrease in Income Tax Rate		360.008		290.358
Less: Deductible temporary adjustments	(87.786)	(384.033)	(58.494)	(293.358)
Balance 30.06.2005	**4.517.954**	**4.605.740**	**3.509.400**	**3.567.894**

12. Inventories

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Finished & semi-finished goods	11.038.415	7.374.115	-	-
Work in progress	17.169.236	78.847.905	-	13.896.855
Raw materials	534.697	1.872.402	-	-
Advances for purchase of inventory	1.450.136	849.192	943.117	435.465
	30.192.485	**88.943.614**	**943.117**	**14.332.319**

Work in Progress

	GROUP
	30.09.2005
Buildings for disposal after construction	8.335.037
Expenses incurred concerning future works (work in progress)	8.834.199
	17.169.236

13. Construction contracts

	GROUP 30.09.2005	COMPANY 30.09.2005
Construction contracts	71.565.439	49.908.835

Accumulated expenses	1.447.463.251	528.464.307
plus: Recognised profit (cumulatively)	342.162.983	117.284.444
less: Recognised loss (cumulatively)	18.882.998	13.204.420
less: Invoices up to 30/09/05	1.699.177.797	582.635.496
	71.565.439	49.908.835

Turnover (reporting period revenues, see Note 1)

Contracts expenses recognised in the reporting period	235.742.141	86.470.322
plus: Recognised profit for the reporting period	39.385.798	21.965.837
Revenues from construction contracts recognised during the reporting period	275.127.939	108.436.159

Total advances received	31.022.914	1.059.479

Performance Retentions from Clients

Receivable within 12 months	5.185.563	5.185.563
Receivable beyond 12 months	24.592.715	9.955.481
	29.778.278	15.141.044

Revenues and expenses relating to each construction contract are recognised in the income statement, depending on the percentage of completion on reporting date. Expenses which have incurred but the relative construction work has not yet been invoiced to clients are recognised in the income statement, along with the proportional profit or loss provided for in the contract. According to GR GAAP, these expenses were recognised as work in progress, and their relative profit or loss was instead recognised in the reporting period in which the works were invoiced rather than carried out. Moreover, for any project with an estimated loss, that loss is recognised immediatelly in the income statement.

The Group uses the **Percentage of Completion Method**, whereby the percentage of completion is calculated using the following ratio:

Realised Cost / Total Estimated Contract Cost

The Group uses an integrated Management Information System which produces the following information to draw consistent and reliable estimates of the percentage of completion of contracts:

1) Total Revised Contract Revenue

2) Contract Cost to complete the contract

According to the Budgetary Control System applied by the Group, revisions and re-evaluations are carried out on a semi-annual basis.

14. Trade and other receivables

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Trade Receivables	160.622.955	151.174.016	43.678.415	79.899.401
Receivables from subsidiaries	-	-	50.640.969	42.393.064
Receivables from associates	1.736.759	1.976.775	6.899.775	109.401
Other receivables	52.492.241	46.542.814	13.714.037	11.476.112
	214.851.954	**199.693.604**	**114.933.197**	**133.877.978**

Trade Receivables

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Receivables from projects	130.844.676	131.471.734	28.537.371	64.874.505
Receivables from performance retentions	29.778.278	19.702.282	15.141.044	15.024.896
	160.622.955	**151.174.016**	**43.678.415**	**79.899.401**

15. Cash and cash equivalent

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Cash in hand	759.311	2.095.304	97.978	1.682.630
Cash at bank	29.775.707	33.091.128	1.171.401	1.585.279
	30.535.018	**35.186.432**	**1.269.379**	**3.267.909**

16. Trade and other payables

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Trade payables	65.222.098	115.706.567	28.796.088	67.150.270
Advances from clients	31.022.914	29.570.685	1.059.479	3.547.328
Other current payables	52.323.938	47.933.465	25.648.720	33.578.347
	148.568.950	**193.210.717**	**55.504.287**	**104.275.945**

Other current payables

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Social security funds	1.893.548	2.874.582	1.014.820	1.575.323
Dividend payable	7.057.968	11.323.930	7.057.968	11.323.930
Payables to subsidiaries	-	-	8.687.990	10.548.234
Payables to Associates	-	1.655.900	2.429.554	8.380.001
Payables to other participating companies	12.586	-	-	-
Other payables	43.359.836	32.079.054	6.458.387	1.750.859
	52.323.938	**47.933.465**	**25.648.720**	**33.578.347**

17. Income tax and other tax liabilities

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Income tax payable	558.967	9.605.951	483.731	-
Other taxes payable	6.007.104	9.885.439	239.238	7.203.138
	6.566.071	**19.491.390**	**722.969**	**7.203.138**

18. Bank overdrafts and loans

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Loans	155.999.765	64.962.802	91.104.777	17.669.329
	155.999.765	**64.962.802**	**91.104.777**	**17.669.329**

19. Deferred income

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Diferred income (Subsidies)	339.379	444.607	158.978	217.611
Income for the period	(78.921)	(105.228)	(43.975)	(58.633)
	260.458	**339.379**	**115.004**	**158.978**

20. Deferred tax liabilities

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Deferred tax liabilities	1.675.042	1.675.042	493.950	493.950
	1.675.042	**1.675.042**	**493.950**	**493.950**

Analysis of Deferred income tax liabilities

Item	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Reserves to be taxed in future periods	1.675.042	1.675.042	493.950	493.950
	1.675.042	**1.675.042**	**493.950**	**493.950**

Change in "Deferred Tax Liabilities" account

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Balance 31.12.2004	1.675.042		493.950	
Adjustments, according to I.A.S.				
Direct debit (credit) in Shareholder Funds		1.832.076		540.257
Debit (credit) in Income Statement				
Decrease in Income Tax Rate		(157.034)		(46.307)
Balance 30.09.2005	**1.675.042**	**1.675.042**	**493.950**	**493.950**

21. Provisions for retirement benefits

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Provision at beginning of period	3.013.243	2.665.558	2.449.052	1.847.857
Expense recognised in the reporting period	9.363	347.685		601.195
Amount paid	(31.283)	-	-	-
Provision at end of period	**2.991.323**	**3.013.243**	**2.449.052**	**2.449.052**

Retirement benefits

Liabilities from retirement benefits for the Group and the Company are as follows:

	GROUP	COMPANY
	30.09.2005	30.09.2005
Retirement benefits	2.214.876	1.820.723
Termination benefits	776.447	628.329
Total	**2.991.323**	**2.449.052**

For employee benefit liability purposes, the Group and the Company recognise the present value of legally-induced obligations for termination or retirement of personnel from service. The liability is calculated with the use of an actuarial study.

The main actuarial assumptions made are the following:

Discount rate	ranging from 2.06% to 4.1%, which are the yield to maturity for Greek government bonds with maturities matching the relevant retirement years
Salary growth rate	2,50%
Probability of voluntary termination	0% to 25%, depending on retirement year
Probability of termination	0% to 25%, depending on retirement year
Probability of retirement at age of 65	100% to 50%, depending on retirement year

22. Other provisions and non-current liabilities

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Other provisions	**124.182**	**130.539**	**69.173**	**72.214**

23. Share capital

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Paid up share capital	40.260.000	40.260.000	40.260.000	40.260.000
Share premium account	115.403.624	115.403.624	115.403.624	115.403.624
	155.663.624	**155.663.624**	**155.663.624**	**155.663.624**

24. Revaluation reserves

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Revaluation of participations and securities	453.167	453.167	550.141	550.141
Revaluation of other assets	633	633	-	-
	453.799	**453.799**	**550.141**	**550.141**

25. Reserves

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Statutory reserve	6.330.338	6.330.338	6.330.338	6.330.338
Special reserves	5.018.342	5.018.342	5.018.342	5.018.342
Extraordinary reserves	7.063.919	7.073.519	-	-
Tax-exempt reserves	7.051.978	7.051.317	6.749.782	6.749.782
	25.464.577	**25.473.517**	**18.098.462**	**18.098.462**

26. Memorandum accounts - Contingent liabilities

	GROUP		COMPANY	
	30.09.2005	31.12.2004	30.09.2005	31.12.2004
Third-party assets	2.215.407	3.197.132	-	981.725
Letters of Guarantee	295.348.376	293.405.965	238.292.903	238.212.343
Other memorandum accounts	8.275.039	9.175.091	7.192.800	5.189.865
	305.838.822	**305.778.188**	**245.485.703**	**244.383.932**