



**J&P – AVAX S.A.**

**Interim Condensed Financial Reporting**

**for the period ended September 30<sup>th</sup> , 2010**

**J&P – AVAX S.A.**

Company Registry # 14303/06/B/86/26

16 Amarousiou-Halandriou Street,

151 25, Marousi, Greece



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The Interim Condensed Financial Statements presented through pages 1 to 44 for the Group and the Parent Company, have been approved by the Board of Directors on 25<sup>th</sup> of November, 2010.

Deputy President &  
Executive Director

Managing Director

Group Finance &  
Administrative  
Manager

Chief Accountant

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## **WEBSITE WHERE THE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS ARE AVAILABLE**

We hereby certify that this interim condensed financial report was approved by the Board of Directors of «J&P-AVAX S.A.» on 25/11/2010 and published by means of submission to the Athens Stock Exchange and the Hellenic Capital Markets Commission, as well as their upload to the corporate website ([www.jp-avax.gr](http://www.jp-avax.gr)).

It is noted that the financial statements published in the Press aim to provide 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. It is also noted that some items in the financial statements published in the Press have been aggregated and reclassified to facilitate their ease of use.

**J&P - AVAX S.A.**  
**INTERIM STATEMENT OF FINANCIAL POSITION AT SEPTEMBER 30th 2010**  
**(All Amounts in Euros)**

	<b>GROUP</b>		<b>COMPANY</b>		
	<b>30.09.2010</b>	<b>31.12.2009</b>	<b>30.09.2010</b>	<b>31.12.2009</b>	
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, Plant and Equipment	2	184.284.748	194.621.273	82.683.222	90.074.680
Investment Property	3	22.001.391	21.933.717	1.584.412	1.584.412
Goodwil	4	42.950.712	45.890.712	-	-
Intangible assets	5	7.240.176	7.480.854	418.516	468.971
Investments in other companies		215.857.633	184.143.699	154.996.962	159.488.162
Available for sale investments	6	61.989.900	18.696.098	412.643.801	402.271.862
Other non-current assets		3.732.566	3.497.233	470.847	443.769
Deferred tax assets		11.182.668	14.781.283	5.979.756	5.979.756
<b>Total Non-current Assets</b>		<b>549.239.793</b>	<b>491.044.869</b>	<b>658.777.515</b>	<b>660.311.611</b>
<b>Current Assets</b>					
Inventories		35.768.638	30.495.327	7.372.895	4.860.275
Construction contracts		249.516.786	247.962.154	136.185.000	130.230.557
Trade and other receivables	7	398.839.286	469.389.461	222.423.356	249.968.120
Cash and cash equivalents		137.562.105	139.263.213	67.224.043	71.020.041
<b>Total Current Assets</b>		<b>821.686.816</b>	<b>887.110.155</b>	<b>433.205.294</b>	<b>456.078.993</b>
<b>Total Assets</b>		<b>1.370.926.609</b>	<b>1.378.155.024</b>	<b>1.091.982.808</b>	<b>1.116.390.604</b>
<b>EQUITY AND LIABILITIES</b>					
Share Capital	8	45.039.813	45.039.813	45.039.813	45.039.813
Share Premium	8	146.676.671	146.676.671	146.676.671	146.676.671
Revaluation Surplus		15.436.891	15.403.562	4.630.676	4.630.676
Reserves		23.739.077	23.620.332	19.592.071	19.592.071
Reserves for Financial Instruments available for sale		26.949.374	6.484.460	255.187.960	255.467.491
Cash flow hedging reserve		(12.107.931)	(31.461.719)	-	-
Translation exchange difference		3.039.484	(4.925.492)	2.153.428	(4.069.320)
Retained Earnings		67.611.604	61.102.414	9.668.250	5.772.855
<b>Equity attributable to equity holders of the parent (a)</b>		<b>316.384.982</b>	<b>261.940.040</b>	<b>482.948.868</b>	<b>473.110.257</b>
Non-controlling interests (b)		14.171.644	12.765.908	-	-
<b>Total Equity c = (a + b)</b>		<b>330.556.627</b>	<b>274.705.949</b>	<b>482.948.868</b>	<b>473.110.257</b>
<b>Non-Current Liabilities</b>					
Long-Term borrowing	9	237.149.486	210.697.659	173.647.875	135.525.508
Derivative financial instruments		3.217.448	-	-	-
Deferred tax liabilities		28.140.701	21.377.692	66.283.882	65.653.441
Provisions for retirement benefits		8.373.941	8.087.740	4.134.381	4.134.381
Other long-term provisions and long-term liabilities	10	28.392.250	35.491.271	24.439.494	30.255.512
<b>Total Non-Current Liabilities</b>		<b>305.273.826</b>	<b>275.654.362</b>	<b>268.505.633</b>	<b>235.568.842</b>
<b>Current Liabilities</b>					
Trade and other creditors	11	432.820.383	505.867.237	152.975.536	202.471.928
Income and other tax liabilities		17.551.821	22.957.577	11.459.743	15.522.698
Bank overdrafts and loans	9	284.723.952	298.969.899	176.093.028	189.716.879
<b>Total Current Liabilities</b>		<b>735.096.156</b>	<b>827.794.713</b>	<b>340.528.307</b>	<b>407.711.505</b>
<b>Total Liabilities</b>		<b>1.040.369.982</b>	<b>1.103.449.075</b>	<b>609.033.940</b>	<b>643.280.347</b>
<b>Total Equity and Liabilities</b>		<b>1.370.926.609</b>	<b>1.378.155.024</b>	<b>1.091.982.808</b>	<b>1.116.390.604</b>

The following notes are integral part of the Financial Statements.

J&P - AVAX S.A.  
STATEMENT OF INCOME  
FOR THE PERIOD FROM JANUARY 1st, 2010 TO SEPTEMBER 30 th, 2010  
(All Amounts in Euros except per shares' number )

	GROUP				COMPANY			
	1.1-30.09.2010	1.1-30.09.2009	1.7-30.09.2010	1.7-30.09.2009	1.1-30.09.2010	1.1-30.09.2009	1.7-30.09.2010	1.7-30.09.2009
Turnover	568.565.504	704.726.506	177.120.283	244.994.322	309.034.252	330.720.471	106.132.218	130.669.829
Cost of sales	<u>(508.138.236)</u>	<u>(648.316.280)</u>	<u>(165.231.489)</u>	<u>(227.889.696)</u>	<u>(265.305.673)</u>	<u>(312.458.886)</u>	<u>(93.194.584)</u>	<u>(124.003.916)</u>
<b>Gross profit</b>	<b>60.427.268</b>	<b>56.410.226</b>	<b>11.888.794</b>	<b>17.104.626</b>	<b>43.728.579</b>	<b>18.261.585</b>	<b>12.937.634</b>	<b>6.665.913</b>
Other net operating income/(expenses)	(1.431.699)	(3.688.421)	1.646.584	(6.503.652)	(3.876.119)	(1.366.243)	(715.338)	(4.512.738)
Goodwill imperment cost	(2.940.000)	-	-	-	(2.940.000)	-	-	-
Administrative expenses	(25.897.833)	(25.641.515)	(8.117.907)	(7.459.013)	(16.991.960)	(15.335.802)	(5.364.993)	(3.535.708)
Selling & Marketing expenses	(5.353.328)	(4.672.284)	(834.787)	(1.972.236)	(3.876.913)	(3.869.489)	(457.317)	(1.714.243)
Income/(Losses) from Investments in Associates	<u>12.926.522</u>	<u>25.134.729</u>	<u>3.168.639</u>	<u>9.101.351</u>	<u>5.177.229</u>	<u>20.190.435</u>	<u>1.179.527</u>	<u>9.404.773</u>
<b>Profit from operations</b>	<b>37.730.929</b>	<b>47.542.735</b>	<b>7.751.322</b>	<b>10.271.076</b>	<b>21.220.816</b>	<b>17.880.486</b>	<b>7.579.513</b>	<b>6.307.997</b>
Other financial results	(1.702.944)		(347.117)					
Net financial income / (loss)	<u>(18.872.583)</u>	<u>(18.223.669)</u>	<u>(8.178.383)</u>	<u>(6.123.210)</u>	<u>(11.759.179)</u>	<u>(12.223.420)</u>	<u>(4.942.266)</u>	<u>(4.119.332)</u>
<b>Profit before tax</b>	<b>17.155.402</b>	<b>29.319.066</b>	<b>(774.178)</b>	<b>4.147.866</b>	<b>9.461.637</b>	<b>5.657.066</b>	<b>2.637.247</b>	<b>2.188.665</b>
Tax for the period	<u>(7.334.820)</u>	<u>(5.902.854)</u>	<u>(318.504)</u>	<u>(897.930)</u>	<u>(2.460.048)</u>	<u>(1.563.010)</u>	<u>496.012</u>	<u>(385)</u>
<b>Profit after Tax</b>	<b><u>9.820.582</u></b>	<b><u>23.416.212</u></b>	<b><u>(1.092.683)</u></b>	<b><u>3.249.936</u></b>	<b><u>7.001.589</u></b>	<b><u>4.094.056</u></b>	<b><u>3.133.259</u></b>	<b><u>2.188.280</u></b>
<b>Attributable to:</b>								
Equity shareholders	9.700.618	23.115.828	(874.706)	3.789.654	7.001.589	4.094.056	3.133.259	2.188.280
Non-controlling interests	<u>119.964</u>	<u>300.384</u>	<u>(217.977)</u>	<u>(539.718)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>9.820.582</b>	<b>23.416.212</b>	<b>(1.092.683)</b>	<b>3.249.936</b>	<b>7.001.589</b>	<b>4.094.056</b>	<b>3.133.259</b>	<b>2.188.280</b>
<b>Basic Earnings per share</b>								
- Basic (in Euros)	<u>0,1249</u>	<u>0,2977</u>	<u>(0,0113)</u>	<u>0,0488</u>	<u>0,0902</u>	<u>0,0527</u>	<u>0,0403</u>	<u>0,0282</u>
<b>Weighted average # of shares</b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>	<b><u>77.654.850</u></b>
<b>Profit before tax, financial and investments results and depreciation</b>	<b>56.568.699</b>	<b>65.625.356</b>	<b>13.668.376</b>	<b>16.501.233</b>	<b>30.332.012</b>	<b>26.998.969</b>	<b>10.459.156</b>	<b>9.552.580</b>

The following notes are integral part of the Financial Statements.

**J&P - AVAX S.A.**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM JANUARY 1st, 2010 TO SEPTEMBER 30 th, 2010**  
**(All Amounts in Euros)**

	<b>GROUP</b>				<b>COMPANY</b>			
	<b>1.1-30.09.2010</b>	<b>1.1-30.09.2009</b>	<b>1.7-30.09.2010</b>	<b>1.7-30.09.2009</b>	<b>1.1-30.09.2010</b>	<b>1.1-30.09.2009</b>	<b>1.7-30.09.2010</b>	<b>1.7-30.09.2009</b>
<b>Profit for the Period</b>	<b>9.820.582</b>	<b>23.416.212</b>	<b>(1.092.683)</b>	<b>3.249.936</b>	<b>7.001.589</b>	<b>4.094.056</b>	<b>3.133.259</b>	<b>2.188.280</b>
<b>Other Comprehensive Income</b>								
Exchange Differences on translating foreign operations	7.964.976	(2.168.156)	(3.117.332)	(4.252.322)	6.222.748	(239.745)	(1.127.737)	(3.495.825)
Cash flow hedges	19.353.788	(4.242.589)	-	(8.726.784)	-	-	-	-
Revaluation reserves from other assets	41.661	-	(18.855)	-	-	-	-	-
Reserves for financial instruments available for sale	26.336.494	-	935.229	-	(349.414)	-	1.434.459	-
Tax for other comprehensive income	(5.124.561)	1.093.878	(279.954)	2.201.730	69.883	-	(286.892)	-
<b>Total other comprehensive income</b>	<b>48.572.358</b>	<b>(5.316.866)</b>	<b>(2.480.912)</b>	<b>(10.777.376)</b>	<b>5.943.217</b>	<b>(239.745)</b>	<b>19.830</b>	<b>(3.495.825)</b>
<b>Total comprehensive Income</b>	<b>58.392.940</b>	<b>18.099.346</b>	<b>(3.573.595)</b>	<b>(7.527.440)</b>	<b>12.944.806</b>	<b>3.854.311</b>	<b>3.153.089</b>	<b>(1.307.545)</b>
<b>Total comprehensive Income attributable to:</b>								
Equity shareholders	57.517.625	17.798.962	(2.872.222)	(6.987.722)	12.944.806	3.854.311	3.153.089	(1.307.545)
Non-controlling interests	875.315	300.384	(701.373)	(539.718)	-	-	-	-
	<b>58.392.940</b>	<b>18.099.346</b>	<b>(3.573.595)</b>	<b>(7.527.440)</b>	<b>12.944.806</b>	<b>3.854.311</b>	<b>3.153.089</b>	<b>(1.307.545)</b>

The following notes are integral part of the Financial Statements.

**J&P - AVAX S.A.**  
**INTERIM CASH FLOW STATEMENT**  
**FOR THE PERIOD FROM JANUARY 1st, 2010 TO SEPTEMBER 30 th, 2010**  
**(All Amounts in Euros)**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1.1-30.09.2010</b>	<b>1.1-30.09.2009</b>	<b>1.1-30.09.2010</b>	<b>1.1-30.09.2009</b>
<b>Operating Activities</b>				
<b>Profit before tax</b>	<b>17.155.402</b>	<b>29.319.066</b>	<b>9.461.637</b>	<b>5.657.066</b>
<b>Adjustments for:</b>				
Depreciation	18.837.770	18.082.621	9.111.196	9.118.483
Exchange difference	4.286.711	(3.194.294)	4.171.271	(239.748)
Provisions	286.201	592.614	-	204.772
Interest income	(984.141)	(1.807.318)	(483.101)	(859.812)
Interest expense	19.856.724	20.030.987	12.242.279	13.083.232
Goodwill impairment loss	2.940.000	-	2.940.000	-
Losses from financial instruments	1.702.945	-	-	-
Investment (income) / loss	(12.926.522)	(25.134.729)	(5.177.229)	(20.190.435)
<b>Change in working capital</b>				
(Increase)/decrease in inventories	(5.273.309)	(4.696.722)	(2.512.619)	(4.617.786)
(Increase)/decrease in trade and other receivables	67.708.298	(46.991.243)	23.848.186	(7.659.735)
Increase/(decrease) in payables	(83.048.382)	48.031.471	(58.481.773)	42.867.109
Interest paid	(19.856.724)	(20.030.987)	(12.242.279)	(13.083.232)
Income taxes paid	(5.744.990)	(5.855.479)	(1.809.000)	(1.490.448)
<b>Cash Flow from Operating Activities (a)</b>	<b>4.939.983</b>	<b>8.345.987</b>	<b>(18.931.432)</b>	<b>22.789.466</b>
<b>Investing Activities:</b>				
Purchase of tangible and intangible assets	(8.615.205)	(23.738.633)	(2.423.097)	(7.723.380)
Proceeds from disposal of tangible and intangible assets	2.452.338	4.152.000	530.265	68.279
Acquisition of subsidiaries, associates, JVs and other investments	(16.573.407)	(1.491.584)	(9.100.270)	(1.283.995)
Interest received	984.141	1.807.318	483.101	859.812
Dividends received	4.650.528	5.259.550	2.892.285	3.451.962
<b>Cash Flow from Investing Activities (b)</b>	<b>(17.101.605)</b>	<b>(14.011.349)</b>	<b>(7.617.716)</b>	<b>(4.627.322)</b>
<b>Financing Activities</b>				
Proceeds from loans	12.205.879	2.658.498	24.498.515	(5.984.101)
Dividends paid	(1.745.365)	(2.338.405)	(1.745.365)	(2.338.405)
<b>Cash Flow from Financing Activities (c)</b>	<b>10.460.514</b>	<b>320.093</b>	<b>22.753.150</b>	<b>(8.322.506)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(1.701.108)</b>	<b>(5.345.269)</b>	<b>(3.795.998)</b>	<b>9.839.638</b>
Cash and cash equivalents at the beginning of the period	139.263.213	147.415.399	71.020.041	68.360.437
<b>Cash and cash equivalents at the end of the period</b>	<b>137.562.105</b>	<b>142.070.130</b>	<b>67.224.043</b>	<b>78.200.075</b>

The following notes are integral part of the Financial Statements.

**J&P - AVAX S.A.**  
**INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**FOR THE PERIOD FROM JANUARY 1st, 2010 TO SEPTEMBER 30 th, 2010**  
**(All Amounts in Euros)**

**GROUP**

	Share Capital	Share Premium	Revaluation Reserves	Reserves for financial instruments available for sales	Cash flow hedging reserve	Reserves	Translation exchange differences	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
<b>Balance 31.12.2008</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>11.539.853</b>	<b>8.847.055</b>	<b>(28.083.202)</b>	<b>22.808.476</b>	<b>(2.565.993)</b>	<b>38.687.475</b>	<b>242.950.148</b>	<b>12.040.697</b>	<b>254.990.845</b>
Profit for the period								23.115.828	23.115.828	300.384	23.416.212
<b>Other comprehensive income</b>	-	-	33.231	-	(3.181.941)	-	(2.168.156)	-	(5.316.866)	-	(5.316.866)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>33.231</b>	<b>-</b>	<b>(3.181.941)</b>	<b>-</b>	<b>(2.168.156)</b>	<b>23.115.828</b>	<b>17.798.962</b>	<b>300.384</b>	<b>18.099.346</b>
Other movemets						14.719		(18.276)	(3.557)	3.556	(0)
Appropriation						570.207		(570.207)	0	-	
Dividend								(3.882.743)	(3.882.743)	-	(3.882.743)
Minority interest	-	-	-	-	-	-	-	-	-	548.435	548.435
<b>Balance 30.09.2009</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>11.573.084</b>	<b>8.847.055</b>	<b>(31.265.144)</b>	<b>23.393.402</b>	<b>(4.734.149)</b>	<b>57.332.078</b>	<b>256.862.811</b>	<b>12.893.072</b>	<b>269.755.883</b>
<b>Balance 31.12.2009</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>15.403.562</b>	<b>6.484.460</b>	<b>(31.461.719)</b>	<b>23.620.332</b>	<b>(4.925.492)</b>	<b>61.102.414</b>	<b>261.940.040</b>	<b>12.765.908</b>	<b>274.705.949</b>
Net profit for the period								9.700.618	9.700.618	119.964	9.820.582
<b>Other comprehensive income</b>	-	-	33.329	20.464.914	19.353.788	-	7.964.976	-	47.817.007	755.351	48.572.358
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>33.329</b>	<b>20.464.914</b>	<b>19.353.788</b>	<b>-</b>	<b>7.964.976</b>	<b>9.700.618</b>	<b>57.517.625</b>	<b>875.315</b>	<b>58.392.941</b>
Minority interest						5.525		27.986	33.511		33.511
Distribution	-	-	-	-	-	113.220	-	(113.220)	-	-	-
Dividends	-	-	-	-	-	-	-	(3.106.194)	(3.106.194)	-	(3.106.194)
Reclassifications	-	-	-	-	-	-	-	-	-	530.421	530.421
<b>Balance 30.09.2010</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>15.436.891</b>	<b>26.949.374</b>	<b>(12.107.931)</b>	<b>23.739.077</b>	<b>3.039.484</b>	<b>67.611.604</b>	<b>316.384.982</b>	<b>14.171.644</b>	<b>330.556.627</b>

**COMPANY**

	Share Capital	Share Premium	Revaluation Reserves	Reserves for financial instruments available for sales	Cash flow hedging reserve	Reserves	Translation exchange differences	Retained earnings	Share Capital & Reserves	Minority Interest	Total Equity
<b>Balance 31.12.2008</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>4.844.290</b>	<b>262.959.245</b>	-	<b>19.365.141</b>	<b>(1.785.986)</b>	<b>5.005.988</b>	<b>482.105.162</b>	-	<b>482.105.162</b>
Profit for the period								4.094.056	4.094.056	-	4.094.056
<b>Other comprehensive income</b>	-	-	-	-	-	-	(239.745)	-	(239.745)	-	(239.745)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(239.745)</b>	<b>4.094.056</b>	<b>3.854.311</b>	<b>-</b>	<b>3.854.311</b>
Dividends								(3.882.743)	(3.882.743)		(3.882.743)
<b>Balance 30.09.2009</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>4.844.290</b>	<b>262.959.245</b>	-	<b>19.365.141</b>	<b>(2.025.731)</b>	<b>5.217.301</b>	<b>482.076.729</b>	-	<b>482.076.729</b>
<b>Balance 31.12.2009</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>4.630.676</b>	<b>255.467.491</b>	-	<b>19.592.071</b>	<b>(4.069.320)</b>	<b>5.772.855</b>	<b>473.110.257</b>	-	<b>473.110.257</b>
Net profit for the period								7.001.589	7.001.589		7.001.589
<b>Other comprehensive income</b>	-	-	-	(279.531)	-	-	6.222.748	-	5.943.217	-	5.943.217
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(279.531)</b>	<b>-</b>	<b>-</b>	<b>6.222.748</b>	<b>7.001.589</b>	<b>12.944.806</b>	<b>-</b>	<b>12.944.806</b>
Dividends								(3.106.194)	(3.106.194)		(3.106.194)
<b>Balance 30.09.2010</b>	<b>45.039.813</b>	<b>146.676.671</b>	<b>4.630.676</b>	<b>255.187.960</b>	-	<b>19.592.071</b>	<b>2.153.428</b>	<b>9.668.250</b>	<b>482.948.868</b>	-	<b>482.948.868</b>



## Notes and accounting policies

### 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 7<sup>th</sup>-class public works certificate, which is the highest class available, whereas ETETH S.A. acquired a 6<sup>th</sup>-class certificate and PROET S.A. entered the new public works certification registry with a 3<sup>rd</sup>-class certificate, which was upgraded to 4<sup>th</sup>-class towards the end of 2005. In the year 2007 J&P Avax SA acquired the subsidiary Athena SA which is consolidated in the financial statements of 30/06/07 for the first time.

#### 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 1st, 2010 to September 30<sup>th</sup>, 2010 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
I.A.S. 19	Employee Benefits
I.A.S. 20	Accounting for Government Grants and Disclosure of Government Assistance
I.A.S. 21	The Effects of Changes in Foreign Exchange Rates
I.A.S. 23	Borrowing Costs
I.A.S. 24	Related Party Disclosures
I.A.S. 26	Accounting and Reporting by Retirement Benefit Plans
I.A.S. 27	Consolidated and Separate Financial Statements
I.A.S. 28	Investments in Associates
I.A.S. 31	Interests in Joint Ventures
I.A.S. 32	Financial Instruments: Disclosure and Presentation
I.A.S. 33	Earnings per Share
I.A.S. 34	Interim Financial Reporting
I.A.S. 36	Impairment of Assets
I.A.S. 37	Provisions, Contingent Liabilities and Contingent Assets
I.A.S. 38	Intangible Assets
I.A.S. 39	Financial Instruments: Recognition and Measurement
I.A.S. 40	Investment Property
I.F.R.S. 1	First-Time Adoption of International Financial Reporting Standards
I.F.R.S. 3	Business Combinations
I.F.R.S. 5	Non-Current Assets Held for Sale and Discontinued Operations
I.F.R.S. 7	Financial Instruments: Disclosures
I.F.R.S. 8	Operating segments

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

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 not 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:

Company	% of J&P-AVAX's SA participation	Fiscal Years not tax audited
J&P-AVAX, Athens	Parent	2009
ETETH S.A., Salonica	100%	2005-2009
ELVIEX Ltd, Ioannina	60%	2007-2009
PROET S.A., Athens	100%	2007-2009
J&P Development, Athens	100%	2007-2009
J&p TASK (3T), Athens	100%	2007-2009
S.C."ISTRIA DEVELOPMENTS" S.R., Romania	98%	2005-2009
CONCURRENT, Romania	95%	2005-2009
SC BUPRA DEVELOPMENT SRL, Romania	99,93%	2005-2009
SOPRA AD, Bulgaria	99,9%	2005-2009
J&P-AVAX IKTEO, Athens	70%	2006-2009
SC FAETHON DEVELOPMENTS SRL, Romania	100%	2006-2009
ATHENA SA, Athens	80.54%	-
ANEMA S.A., Athens	100%	2007-2009
FERRA E.E., Athens	100%	2007-2009
SY-PRO S.A., Larissa	60%	2007-2009
E-CONSTRUCTION S.A., Athens	100%	2007-2009
MONDO TRAVEL (ex. TERRA FIRMA), Athens	100%	2008-2009
J&P AVAX CONCESSIONS S.A. (ex. EVIA REAL ESTATE), Athens	99.967%	2008-2009
MARINA FALIROU S.A., Athens	67,73%	2009
J&P AVAX POLSKA, Poland	100%	2009
JPA TRIKALA, Athens	100%	-
JPA KORINTHOU, Athens	100%	-



It should be noted that J&P-AVAX reduced its equity participation in VOLTERRA SA (formerly named ARGESTIS SA) from 100% to 50% by means of partially exercising its right to VOLTERRA's capital increase. Italy's SORGENIA SpA covered the balance of VOLTERRA's capital increase, thereby controlling a 50% equity stake.

VOLTERRA SA was therefore consolidated in the 30.09.2010 accounts using the equity method, rather than as a subsidiary.

Moreover, J&P-AVAX transferred its 100% equity stake in ILIOFANEIA SA to VOLTERRA SA, and was therefore not consolidated in the 30.09.2010 accounts as a subsidiary.

Furthermore, in the consolidated financial statements of J&P Avax SA the following subsidiaries of Athena SA are included using the fully consolidation method:

Company	% of Athena's SA participation	Fiscal Years not tax audited
ATHENA LIBYA, Libya	65%	-
ATHENA CONCESSIONS S.A., Athens	99%	2005-2009
ARCAT SA, Egaleo Attiki	100%	-
ARCAT North Greece – V. PROIOS SA, Thessaloniki	60%	2007-2009
ERGONET SA, Athens	51%	-
ATHENA ROMANIA SRL, Romania	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%
Attica Diodia S.A., Athens	30.84%
Attiki Odos S.A., Athens	30.83%
POLISPARK S.A., Athens	20.00%
3G, Athens	50.00%
STACY INVESTMENTS Sp.zo.o. Warsaw Poland	50.00%
CAR PARK N.SMIRNI, Athens	20.00%
LEISURE PARKS S.A.(KANOE-KAYAK), Athens	25.00%
LEISURE PARKS OPERATIONS, Athens	25.00%
CYCLADES ENERGY CENTER, Athens	45.00%
SC ORIOL REAL ESTATES, Romania	50.00%
SALONIKA PARK, Athens	24.32%
AEGEAN MOTORWAY S.A., Larissa	21,25%
GEFYRA OPERATION S.A., Athens	21,5436%
GEFYRA S.A., Athens	20,5289%
PIRAEUS ST.NICOLAS CAR PARK S.A., Athens	45.00%
METROPOLITAN ATHENS PARK S.A., Athens	20.00%
VOLTERRA S.A. (ex ARGESTIS S.A.), Athens	50,00%
STARWARE ENTERPRISES LTD, Athens	50.00%

The Group and the Company sold part of their shareholding in OLYMPIA ODOS SA and OLYMPIA ODOS OPERATION SA, reducing the stake at a Group level to 21% and 19.1% respectively. Following the sale of the participation, the Group does not have significant influence on those companies and is therefore not consolidating them using the equity method.

Furthermore, in the consolidated financial statements of J&P Avax SA the following associates of Athena SA are included using the equity method:



Company	% of Athena's SA participation
LEFKADAS MARINE PORT SA, Greece	26.64%
VAKON SA, Greece	25.00%
VIOENERGEIA S.A., Greece	45.00%
ATHENA MICHANIKI OE, Greece	50.00%
ATHENA EMIRATES LLC, United Arab Emirates	49.00%
SC ECO S.A., Romania	24.41%

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

Proportionate consolidation by 100% (complete consolidation)

1. J/V J&P - AVAX S.A. - ETETH S.A., Athens (SMAEK)	100.00%
2. J/V J&P - AVAX S.A. – ETETH S.A., Athens (Suburban Railway)	100.00%
3. J/V J&P - AVAX S.A. – ATHENA, Athens	100.00%

The Proportionate consolidation by 100% has the same results with the complete consolidation  
Proportionate consolidation

3. J/V J&P-AVAX S.A. - "J/V IMPREGILO SpA -J&P-AVAX S.A.- EMPEDOS S.A.", Athens	66.50%
4. 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%
5. J/V J&P-AVAXS.A. - EKTER A.E - KORONIS S.A., Athens	36.00%
6. J/V J&P-AVAX S.A.- VIOTER S.A., Athens	50.00%
7. J/V J&P AVAX S.A. - INTL TAPESTRY CENTRE, Athens	99.90%
8. J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens	47.00%
9. J/V QATAR - J&P – AVAX SA - JOINT VENTURE, Qatar	25.00%
10. J/V ETETH S.A. – TOMES S.A.	50.00%
11. J/V J&P - AND J&P - AVAX GERMASOGEIA, Cyprus	75.00%
12. J/V AKTOR A.T.E - AEGEK S.A. - J&P-AVAX S.A. - SELI S.p.A, Athens	20.00%
13. J/V J&P AVAX S.A – J&P Ltd, Cyprus	75.00%
14. J/V "J/V AKTOR SA – DOMOTEXNIKH S.A. THEMELIODOMI S.A." – TERNA S.A – ETETH S.A., Salonica	25.00%
15. J/V J&P AVAX S.A. – FCC CONSTRUCCION S.A, Athens	49.99%
16. J/V ETETH SA – GANTZOULAS SA – VIOTER SA, Athens	40.00%
17. J/V APION KLEOS (ELEFSINA-PATRA), Elefsina	18.00%
18. J/V J&P AVAX SA – EKTER SA, Athens	50.00%
19. J/V CONSTRUCTION MALIAKOS – KLEIDI, Larissa	15.70%
20. J/V MAINTENANCE ATT.ODOS, Athens	30.84%
21. J/V SUBURBAN RAILWAY, SKA PIRAEUS, PHASE B', Athens	33.33%
22. J/V QUEEN ALIA AIRPORT, Jordan	50.00%
23. J/V J&P AVAX -ATHENA(Limassol), Cyprus	60.00%
24. J/V J&P – EDRACO – SINTEHNIKI (OTE BUILDINGS), Patra	50.00%
25. J/V ERGOTEM ATEVE – KASTOR S.A. – ETETH S.A., Athens	15.00%



26.	J/V J/V J&P AVAX –HOCHTIEF FAC. MAN. HELLAS	50.00%
27.	J/V AKTOR A.T.E - J&P-AVAX S.A S.A., Athens	50.00%

Furthermore, the following are the joint ventures in which the Athena SA participates and are consolidated proportionately:

Proportionate consolidation by 100% (complete consolidation)

Company	HEAD OFFICE	% of Athena's SA participation
27. J/V ATHENA - SNAMPROGETTI	Athens	100.00%

Proportionate consolidation

Company	HEAD OFFICE	% of Athena's SA participation
28. J/V ATHENA - KONSTADINIDIS	Athens	50.00%
29. J/V ATHENA - FCC	Athens	50.00%
30. J/V ATHENA - BARESEL – ATTIKAT	Athens	34.00%
31. J/V ATHENA - LAND & MARINE	Athens	46.88%
32. J/V ATHENA - GKOYNTAS/SPILIOTOPOULOS	Athens	70.00%
33. J/V ATHENA - DOMIKI KRITIS	Athens	50.00%
34. J/V ATHENA – ERGOASFALTIKI	Larissa	50.00%
35. J/V ATH-THEM.-EL.TECH.-KON.-TSABRAS	Athens	25.00%
36. J/V ATH-EL.TECH.-THEM-PASS.-PERIBALLON	Thessaloniki	28.00%
37. J/V ATH.-THEM.-EL.TECH. - KTIPIO BITIOFOR	Athens	33.33%
38. J/V PLATAMONA	Athens	19.60%
39. J/V ATHENA – PROODEFTIKI (CORABIA)	Athens	60.00%
40. J/V ATHENA-KOSTADINIDIS (FLISVOS)	Athens	66.67%
41. J/V AKTOR - ATHENA - EBEDOS (IBC)	Athens	26.00%
42. J/V ATHENA - EKAT ETAN AE	Athens	55.00%
43. J/V BIOTER – ATHENA	Athens	50.00%
44. J/V GEFIRA	Athens	7.74%
45. J/V ATHENA - THEM. - ATTIKAT (ERMIS)	Athens	33.33%
46. J/V THEM.-EL.TECHN.-ATHENA -PASS-GIOVANI	Athens	26.67%
47. J/V AKTOR - THEM/DOMI - ATHENA (A403)	Athens	33.33%
48. J/V THEM/MI-ATHENA -KOROTZIS (IKAROS)	Athens	33.33%
49. J/V KON.-ATH.-EDRASI-DOMIKI (AG.KOSM.)	Athens	25.00%
50. J/V ATHENA - AKTOR (MAKEDONIA)	Athens	70.00%
51. J/V ARCHIRODON - ERGONET	Athens	22.95%
52. J/V ERGONET - ARCHIRODON	Athens	25.50%



53.	J/V TSO-ARCHIRODON - ERGONET	Athens	25.50%
54.	J/V TOURIST PORT OF LEUKADA	Athens	22.50%
55.	J/V MHCHANIKI - ATHENA (MPC)	Athens	50.00%
56.	J/V DODONI MOCHLOS - ATHENA	Athens	50.00%
57.	J/V PAPADAKIS - ATHENA (VRILISSIA)	Athens	50.00%
58.	J/V 6th PROBLITA O.L.TH – A1	Athens	55.56%
59.	J/V POSIDON	Athens	16.50%
60.	J/V PROODEFTIKI - ATHENA (CRAIOVA)	Athens	35.00%
61.	J/V TERNA - ATHENA (ARACH. - PERISTERI)	Athens	37.50%
62.	J/V KONS. - ATHENA - (AG. KOSMAS A')	Athens	50.00%
63.	J/V AKTOR - ATHENA - THEMEL. (KALATRAVA)	Athens	29.00%
64.	J/V ARCHIRODON - ATHENA (THISIO)	Athens	50.00%
65.	J/V AKTOR - ATHENA THEMEL. (OAKA)	Athens	21.10%
66.	J/V ATTIKAT - ATHENA (AG. KOSMAS)	Athens	40.00%
67.	J/V ERETVO - ATHENA – ROUTSIS	Athens	25.00%
68.	Κ/Ξ ΑΚΤΩΡ - ΑΘΗΝΑ (ΞΗΡΑΝΣΗ ΙΛΥΟΣ)	Athens	50.00%
69.	PSITALIA NAFTIKI ETERIA	Athens	33.33%
70.	J/V AKTOR - THEMELIODOMI - ATHENA (A380)	Athens	33.33%
71.	J/V AKTOR - ATHENA EBEDOS (IBC MAINTEN.)	Athens	26.00%
72.	J/V TERNA - ATHENA (IOANNINA - METSOBO)	Athens	37.50%
73.	J/V ATHENA - MECHANIKI (SKARFEIA)	Athens	50.00%
74.	J/V ATHENA-AKTOR (LASPI)	Athens	50.00%
75.	J/V ATHENA - IMEK HELLAS AE	Athens	99.00%
76.	J/V ATHENA - AKTOR (A425)	Athens	50.00%
77.	J/V MOCHLOS - ATHENA (TUNNEL S2)	Athens	50.00%
78.	J/V ATHENA - AKTOR (B' PHASE)	Athens	50.00%
79.	J/V AKTOR - ATHENA (A-417)	Athens	70.00%
80.	J/V AKTOR - ATHENA (BUCHAREST)	Athens	50.00%
81.	J/V CONSTRUCTION MALIAKOS - KLEIDI	Larissa	5.00%
82.	CONSTRUCTION J/V APION KLEOS	Elefsina	5.00%
83.	J/V ATHENA – AKTOR (A435)	Athens	50.00%
84.	J/V ATHENA – AKTOR (A438)	Athens	50.00%
85.	J/V ATHENA – AKTOR (A437)	Athens	50.00%
86.	J/V AKTOR – ATHENA (F8781)	Athens	50.00%
87.	J/V AKTOR – ATHENA (D8642)	Athens	50.00%
88.	J/V AKTOR – ATHENA – GOLIOPOULOS (A-440)	Athens	48.00%

The following Joint Ventures are not included in current period's financial statements in comparison with those as of 31.12.2009 because the projects are now completed:

1.	J/V J&P - AVAX S.A. – ETETH S.A., Athens (Subcontractor Suburban Railway)	100.00%
2.	J/V J&P - AVAX S.A. – PROET S.A., Athens (Park of Lavrio)	100.00%
3.	J/V J&P-AVAX - VIOTER S.A. - TERNA S.A. , Athens	37.50%





4.	J/V AKTOR S.A. - J&P - AVAX S.A. - PANTECHNIKI S.A., Athens	34.22%
5.	J/V "J/V ΑΕΓΕΚ S.A. - AKTOR S.A. -SELI" -J&P-AVAX S.A., Athens	20.00%
6.	J/V J&P-AVAX S.A. -VIOTER S.A.-HELIOHORA S.A., Athens	37.50%
7.	J/V PANTECHNIKI S.A. - J&P-AVAX S.A. - VIOTER S.A., Athens	44.33%
8.	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%
9.	J/V AKTOR S.A. - J&P AVAX S.A. -PANTECHNIKI S.A., Athens	34.22%
10.	J/V ANASTILOTIKI SA – TH.KARAGIANNIS SA - GETEM SA - ETETH SA, Athens	25.00%
11.	J/V TOMES S.A. - ETETH S.A., Chania	50.00%
12.	J/V ETETH S.A. - THEMELI S.A., Chios	50.00%
13.	J/V J&P – AVAX SA - THEMELIODOMI S.A., Bulgaria	99.90%
14.	J/V EDRASIS C. PSALLIDAS S.A. - J&P. AVAX S.A., Romania	49.00%
15.	J/V J&P-AVAX S.A. – TERNA S.A. - ETETH S.A, Athens	50.00%
16.	J/V ELIASA MICHAEL-GABRYIL-PROET S.A. Athens	90.00%
17.	J/V ELIASA MICHAEL-GABRYIL- SBERONIS ALEXANDROS -PROET S.A., Salonica	90.00%
18.	J/V AKTOR ATE-J&P AVAX SA-TERNA SA-IME A' PHASE, Athens	32.00%
19.	J/V AKTOR ATE-J&P AVAX SA-TERNA SA-IME A' PHASE, Athens	32.00%
20.	J/V PROET SA – PANTEHNIKI SA – VIOTER SA, Athens	44.33%
21.	J/V J&P AVAX S.A. – ROUTSIS S.A., Athens	30.00%
22.	J/V 50 PROKAT 2006 B, Athens	50.00%
23.	J/V ATHENA - ARCHIMIDIS (OLP V), Athens	100.00%
24.	J/V ATHENA - ARCHIMIDIS (OLP III), Athens	95.00%
25.	J/V ATHENA - ROUTSIS (CAR TERMINAL), Athens	50.00%

The following Joint Ventures were consolidated in the Financial Statements of 2007 using the proportional method. These projects are now completed and those Joint Ventures are in the process of dissolution, therefore they were not included in the proportional consolidation due to minor materiality effect in the Group's Financial Statement. The financial results (profit/ loss) of those Joint Ventures in the Group's Financial Statements of 2008 were consolidated using the equity method.

J/V J&P – AVAX SA - DRAGADOS Y CONSTRUCTION, Ethiopia 50.00% J/V J&P-AVAX S.A. - ETETH S.A., Athens (Gefyra Staurou) 100.00% J/V J&P-AVAX AE - ETETH S.A., Athens (Podoniftis) 100.00% J/V J&P - AVAX S.A. - ETETH S.A., Athens (Olympic Ring) 100.00% J/V J&P-AVAX S.A.-ETETH S.A. - EMPEDOS S.A. -GENER S.A., Salonica 73.50% J/V J&P - AVAX S.A. - AKTOR S.A. - VIOTER A.E - TERNA S.A., Athens 20.00% J/V ETETH S.A. - J&P-AVAX S.A. - TERNA S.A. - PANTECHNIKI S.A., Athens 47.00% J/V AKTOR S.A. - J&P-AVAX S.A., Athens 44.00% J/V PANTECHNIKI S.A. - AKTOR S.A. - J&P-AVAX S.A., Athens 33.33% J/V J&P-AVAX S.A. - KL.ROUTSIS S.A., Athens 50.00% J/V AKTOR A.T.E - J&P-AVAX S.A., Athens 50.00% J/V ΕΔΡΑΣΗ ΨΑΜΜΙΔΑΣ S.A. - J&P- AVAX S.A. - EKAT ETAN S.A. - ATOMON S.A. - HELIOHORA S.A. - ATHENA S.A., Athens 20.00% J/V AKTOR S.A. - J&P AVAX S.A., Athens 52.00% J/V J&P-AVAX S.A. - ETETH S.A. - EMPEDOS S.A., Salonica 73.86% J/V ETETH S.A.-TASKOUDIS-POLYMETRIKI Ltd, Athens 44.00% J/V ETETH S.A. - STOYANNOS - POLYMETRIKI Ltd, Athens 44.50% J/V ETETH S.A. - KL.ROUTSIS S.A., Salonica 50.00% J/V AKTOR S.A. - PANTECHNIKI S.A. - J&P - AVAX S.A., Athens 25.00% J/V AKTΩP S.A. - PANTECHNIKI S.A. - J&P-AVAX S.A., Athens 25.00% J/V J&P - AVAX A.E - GENERALE LOCATION, Athens 50.00% J/V J&P - AVAX A.E - GENERALE LOCATION, Athens 50.00% J/V J&P – AVAX SA - NATIONAL WHEEL J&P L.L.C., UAE 20.00% J/V J&P – AVAX SA – AKTOR SA, Athens 70.58% J/V PROET S.A. - KL.ROUTSIS S.A., PEZOGEFYRA HSAP, Athens 50.00% J/V J&P AVAX SA – AKTOR SA – IME B' PHASE (CONTRACTOR), Athens 50.00% J/V J&P-AVAX S.A. - ETETH S.A., Athens (S.E.A) 100.00%





The following Joint Ventures for projects completed before 2003 and they are in process of dissolution, are not consolidated due to minor materiality effect in the Group Financial Statements. The financial results (profit or loss) of those Joint Ventures are recorded in the separate Financial Statements of the companies participating in those Joint Ventures.

J/V ATTIKAT A.T.E - PANTEXNIKH SA – J&P AVAX SA-EMPEDES SA , Marousi,25%, J/V J&P AVAX SA – ATE GNONON, Marousi, 50%, J/V J&P ABAX SA – AKTOR ATE , Athens,50%, J/V J&P-ABAX SA -AKTOR SA , Marousi,50%, J/V ATTIKOY AGOGOY KAYSIMON, Xalandri,26.79%, J/V J&P ABAX SA-ATTIKAT ATE,Marousi, 90%, J/V J&P AVAX SA-GENER SA 65%, J/V AKTOR SA-J&P AVAX SA-EMPEDES SA - ETETH SA,Athens,50%, J/V AKTOR SA-J&P/ABAE AE ,Athens,50%, J/V J&P ABAE AE -AKTOR SA ,Marousi,50%, J/V J&P AVAX SA-TERNA SA-EUKLEIDHS ATE,Marousi,35%, J/V AKTOR SA-J&P ABAX SA ,Athens,50%, J/V J&P AVAX SA-AKTOR SA-VAMED ENG.GMBH & KO KG,Athens,33.80%, J/V J&P AVAX SA-EMPEDES SA ,Kifisia,50%, J/V ELLINIKH TEXNODOMIKH SA-TERNA SA-GNOMON ATE-J&P AVAX SA-IMEC GMBH,Athens,24%, J/V J&P AVAX SA- EDRASH PSHALLIDAS ATE, Athens,50%, J/V AEGEK-J&P AVAX SA-KL. ROUTSIS SA,Athens,40%, J/V J&P AVAX SA-TEXNODOMH AFOI TRAYLOU ABETTE-KL. ROUTSHS SA,Athens,33.33%, J/V J&P AVAX SA- TEXNODOMH AFOI TRAYLOU ABETTE-KL. ROUTSHS SA,Athens,33.33%, J/V MICHANIKI SA-J&P AVAX SA-ATHHNA AETB-MOXLOS SA ,Kalamaki,24.50%, J/V J&P AVAX SA-AKTOR SA ,Athens,48%, J/V J&P AVAX SA-ERETBO AE,Athens,80%, J/V PROODEUTIKH ATE- ATTIKAT ATE-ATEMKE ATE -J&P AVAX SA,Athens,20%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,90%, J/V GNOMON ATE-J&P AVAX SA-J/V ATHENA ATEBE-ARXIMHDHS ATE,Kifisia, 33%, J/V J&P AVAX SA-ATHINAIKH TEXNIKH SA-TH. KARAGIANNHS SA,Athens,33.33%, J/V ABAX SA – TEXNODOMH ATE, Mosxato,50%, J/V ERGOY SKOPEYTIPIOY MARKOPOULOU, Marousi,50%, J/V SIGALAS SA-J&P AVAX SA-ALTE SA –A. XARHS & SIA EE, Psixiko, 22.22%, J/V AKTOR SA -J&P AVAX SA-ETETH SA ,Xalandri, 50%, J/V AKTOR SA-J&P AVAX SA-ETETH SA, Thessaloniki,57%, J/V AKTOR SA -J&P AVAX SA ,Athens,80%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,66.67%, J/V AKTOR SA -J&P ABAX SA -ETETH SA,Xalandri,49%, J/V J&P AVAX SA-KL. ROUTSHS SA,Athens,66.67%, J/V J&P AVAX SA-EUKLEIDHS – DOMOS SA-PROET SA-BETANET AEBE- J/V J&P AVAX SA-EUKLEIDHS,Athens,39%, J/V J&P AVAX SA-EDRASH PSALLIDAS ATE,Athens,50%, J/V J&P AVAX SA-ETANE ATE Athens,50%, J/V AKTOR SA-J&P AVAX SA-ETETH SA,Xalandri,66.66%, J/V KL.ROUTSHS SA-J&P AVAX SA-KOURTIDHS SA,Athens,33.33%, J/V SYMPAROMARTOYN TA ERGA METRO,Xalandri,26,7873%, J/V J&P AVAX SA-EKTER SA ,Athens,50%, J/V SIGALAS SA-J&P AVAX SA-ALTE SA,Psixiko,33.33%, J/V "J/V SIGALAS SA-GNOMON ATE-J&P AVAX SA,Psixiko,33.33%, J/V " J/V PANTEXNIKH SA- EMPEDES SA-EMPEDES SA-PANTEXNIKH SA-J&P AVAX SA,Psixiko,12.50%, J/V J&P AVAX SA - OLYMPIOS ATE - K.KOUBARAS– N. GERARXAKHS –Z.MENELAOS-N.XATZHXALEPLHS,Athens,15%, J/V AKTOR SA-J&P AVAX SA-N.GERARXAKHS-K.KOUBARAS,Athens,48%, J/V AKTOR SA-J&P AVAX SA-EMPEDES SA –EKTER SA-DIEKAT ATE-ALTE ATE-TERNA SA,Athens,20%, J/V ATTIKAT ATE-J&P AVAX SA,Amfissa,25%, J/V J&P AVAX SA-GENER SA,Athens,50%, J/V J&P AVAX SA-AKTOR SA ,Marousi,35%, J/V AKTOR SA-J&P AVAX SA,Athens,50%, J/V J&P AVAX SA-EUKLEIDHS SA,Athens,50%, J/V TERNA SA-AKTOR SA-J&P AVAX SA,Athens,1%, J/V TERNA SA-AKTOR SA-J&P AVAX SA,Athens,1%, J/V J&P ABAX SA –J/V KL. ROUTSHS SA-KLAPADAKHS-POLITHS,Athens,50%, J/V "J/V AKTOR SA-ANASTHLOTIKH ATE-AKTOR SA-ANASTHLOTIKH ATE-LAMDA TEXNIKH SA-J&P AVAX SA-INTERTOP SA –KOURTIDHS SA,Xalandri,28.56%, J/V J&P AVAX SA-N. LIANDRAKHS, Hrakleio ,80%, J/V AKTOR SA -J & P AVAX SA ,Xalandri,40%, J/V J&P AVAX SA-BIOTER SA-IDEAL MEDICAL PRODUCTS SA, Marousi,35.17%, J/V J&P-AVAX SA -GENERALE LOCATION SA ,Marousi,50%, J/V J&P-ABAX SA-GENERALE LOCATION,Marousi,50%, J/V J&P AVAX SA –BIOTER SA,Thessaloniki,65%, J/V AKTOR SA -J&P AVAX SA ,Xalandri,50%, J/V J&P ABAX SA- ELTER SA – SARANTOPOULOS SA, P. Faliro,18%, J/V TEXNODOMH ABETE-J& P ABAX SA-EKTER SA-TELAMON SA ,Mosxato,30%, J/V J&P AVAX SA – GNOMON SA,Kifisia,50%, J/V OAKA TENNIS,Xalandri,16.67%, J/V KARAHLIAS –TRAXANAS-TSEPELH-ZAGARH-J&P AVAX SA,Amfissa,10%, J/V ETETH SA - PROET SA,Athens,100%, J/V KOSYNTHOS SA - PROET SA,Marousi,50%, J/V THEMELIODOMH SA -PROET SA,Kifisia,30%, J/V PROET SA-M.S. ELIASA –A.PORFYRIDHS-GKORYTSA,Marousi,95%, J/V PROET SA- ELIASA –A.PORFYRIDHS -NEOKTISTA,Marousi,95%, J/V PROET SA-MPETANET ABEE,Marousi,90%, J/V PROET SA-ANAGNOSTOPOULOS BAS. Tou NIK.,Marousi,90%, J/V PROET SA-KL.ROUTSHS SA ,Marousi,90%, J/V"J/V ELIASA MIXAHL GABRIHL SBERONHS ALEXANDROS '-PROET SA,Marousi,90%, J/V " ETETH SA - EKKON AE ",Athens,50%, J/V " TEGK SA - ETETH SA ",Athens,50%, J/V " AKTOR SA - ETETH SA ",Xalandri,50%, J/V " AKTOR SA - ETETH SA – THEMELH SA – THEMELIODOMH SA " ,Xalandri,30%, J/V "AKTOR SA –PANTEXNIKH SA -ATTIKAT SA -ETETH SA",Xalandri,25%, J/V ETETH SA-PANTEXNIKH SA-THEMELIODOMH SA,Xalandri50%, J/V "ETETH SA-J&P AVAX SA,Athens, 100%, J/V METRIK SA-ETETH SA-MAGIAFAS –XATZHDAKHS- PSATHAKHS OE,Athens,40%, J/V "KL. G. ROYTSHS - ETETH SA-KL. ROUTSHS SA",Athens,10%, J/V "ODYSSEYS ATE - ETETH SA,Athens,16%, J/V "ETETH SA-GEOMETRIKH SA",Marousi, 50%, J/V ETETH SA-EYKLEIDHS – PARAKAMPSH NAYPAKTOY,Marousi,50%.



## C.2a. Property, Plant & Equipment, Investment Property (I.A.S. 16)

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).

However, in 2008 the Management decided to adopt the **revaluation model** for the land and buildings category of assets

### **Revaluation Model**

Upon recognition as an asset, a fixed asset whose fair value may be estimated reliably may be revalued, to reflect the fair value at recognition date less any subsequent accumulated impairment of value.

The fair value of land and buildings is usually appraised by auditor-valuators. The fair value of equipment and fixtures is usually their acquisition price.

When tangible fixed assets are revalued, the entire class of similar assets should be revalued.

When the book value of a fixed asset increases as a result of revaluation, the increase is credited directly into the Equity as a Revaluation Surplus.

Increases in value due to revaluation will be recognised through the Income Statement to the extent it reverses an earlier impairment of the same asset, charged in the Income Statement.

Should the book value of an asset be reduced as a result of a revaluation, the decrease in value should be charged in the Income Statement. If a revaluation surplus for that asset exists in Equity, the decrease will be charged directly into Equity up to the value of that surplus. Revaluation surpluses in Equity are transferred to Retained Earnings as soon as the fixed assets are sold or derecognized. Tax effects on the revaluation of tangible fixed assets are recognised and disclosed according to IAS 12 Income Tax.

The initial implementation of a tangible fixed asset revaluation policy is treated as a revaluation according to IAS 16, not IAS 8.

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.2b. Investment Property (IAS 40)**

J&P Avax group applies IAS 40 for the property regarded as an investment, using the alternative method of valuation, which is the cost model.

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).

During 2007 J&P Avax group decided to change the accounting policy, regarding the valuation of investment property, and specifically to apply the fair value model instead of the cost model. The Management adopts the opinion that the accounting policy of the fair value model for the investment property valuation provides more credible and relevant information because it is based on up-dated values.

According to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", paragraph 52, the retrospective application of a new accounting policy requires the distinction of the information that:

- a) Indicate the prevailing facts at the transaction dates.
- b) Would be available when the financial statements of these previous periods were approved to be published.

For certain estimations (e.g. fair value estimation not based on an observable price or observable inputs) the distinction of the information is not possible.

When the retrospective application, or the retrospective restatement would require significant estimation, for which the separation of the information is not feasible, then the retrospective application of the new accounting policy is not feasible too.

The Management examined the prospect to recognize both cases of the change in accounting policy. They deduced that the change could not be accounted retrospectively. Therefore, the accounting policy will be applied on a future basis beginning from 2007.

### **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)**

#### **i) Goodwill**

Goodwill represents the additional price paid by the Group for the acquisition of new subsidiaries, joint ventures, and associates. It arises from the comparison of the price paid for the acquisition of a new company with the proportion of the group share to the fair value of the net assets, during the acquisition date. The arisen goodwill from the acquisition of the new subsidiaries and joint ventures is recognized to intangible assets. Every year impairment test for the goodwill is conducted, which decreases the original amount as it is recognized in the balance sheet. During the calculation of profit or loss arisen from participation disposal, the relevant (if any) goodwill is taken under consideration of the disposed company.

For an easier processing of impairment tests, goodwill is allocated to Cash Generating Units (CGU's). The CGU is the smallest identifiable unit of assets which creates independent cash flows and represents the level at which the Group collects and presents the financial data for reasons of internal information.



The impairment for the goodwill, is determined from the calculation of the recoverable amount of the CGU's with which the goodwill is connected. Impairment loss which is related with goodwill cannot be reversed in future periods. The Group conducts the annual test for goodwill impairment at 31 December of each accounting period.

In case that the fair value of net assets of a company during the acquisition date is higher than the price paid for the acquisition, negative goodwill is recognized (income), which goes directly in the Income Statement.

I.A.S. 36 applies for the impairment of subsidiaries acquisition or I.A.S. 39 for participation to associates, and other participating interest companies.

## **ii) Other Assets**

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: Recognition and Measurement (I.A.S. 39)**

The standard outlines the principles for recognition and measurement of financial instruments, financial liabilities and certain contracts for purchase or sale of non financial instruments. The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased. Purchases and sales of investments are recognised on trade date, which is the date on which the Group commits itself in purchasing or selling the asset. Investments are initially recognized at fair value plus related transaction expenses, with the exception of transaction expenses for assets which are recognized at fair value and through the income statement. Investments are written off when the right to the related cash flows expires or is transferred and the Group has in substance transferred all risks and rewards relating to ownership.

### **i) Financial assets/liabilities valued at fair value through the income statement**

These comprise financial assets/liabilities that satisfy any of the following conditions:

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



Realised and unrealised profits or losses arising from changes in the fair value of financial assets valued at their fair value with changes in the income statement, are recognized in the income statement at the period in which they result.

#### **ii) Loans and receivables**

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

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

Loans and receivables are initially recognised at their fair value and then measured at net book cost based upon the real interest rate method.

#### **iii) Investments held to maturity**

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends and has the ability to hold till maturity. Assets of this category are initially recognised at fair value and then measured at net book cost based upon the real interest rate method.

#### **iv) Financial assets available for sale**

These include non derivative financial assets either designated in this category or not included in any of the previous ones.

Financial assets available for sale are valued at fair value and the relevant profit or loss is recorded in an equity reserve until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the income statement. Impairment losses that have been recorded to the income statement cannot be reversed through the income statement.

The fair values of financial assets traded in an active market, are defined by the current ask prices. For non-traded instruments, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. Securities not traded in an active market that have been classified in the category "financial assets available for sale", whose fair value cannot be determined with credibility, are valued at their acquisition cost. At each balance sheet date the Group assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares classified as financial assets available for sale, such an indication is a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

### **C.7. Financial Instruments: Presentation (IAS 32)**

The principles in this Standard complement the principles for recognising and measuring financial assets and financial liabilities in IAS 39 Financial Instruments: Recognition and Measurement.

This Standard is concerned with the classification of financial instruments into financial assets, financial liabilities and equity instruments, as well as the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities should be offset.

A *financial instrument* is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A *financial asset* is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) a contractual right:
  - (i) to receive cash or another financial asset from another entity; or



(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

A *financial liability* is any liability that is:

(a) a contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

(i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

(ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

An *equity instrument* is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

*Fair Value* is the amount for which an asset could be exchanged for or a liability be settled with between two parties acting on their own will and in full knowledge of market conditions, as part of a transaction carried out on a pure commercial basis.

## **C.8. Financial Instruments: Disclosures (IFRS 7)**

IFRS 7 refers to all risks arising from all financial instruments, except those instruments specifically excluded (e.g. interests in subsidiaries, associates and joint ventures, etc.). The objective of the disclosures is to provide an overview of the Group's use of financial instruments and its exposure to risks they create. The extent of the disclosure required depends on the extent of the Company's use of financial instruments and its exposure to risk. The Group and Company apply IFRS 7 from January 1st, 2007.

## **C.9. 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.10. 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.11. 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.12. 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.13. 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.14. 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.15. Personnel Benefits (I.A.S. 19)**

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.16. 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.17. 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.18. 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.19. 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.

Debt 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.20. 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 that can be allocated directly in acquisition, construction or production of an asset which fulfils the requirements should be capitalized.

### **C.21. 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. The Group provides business segment report.

### **C.22. 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 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.



## **D. RISK MANAGEMENT**

The operation of the J&P-AVAX Group of companies and the broader business environment present a number of risks which need be dealt with by the Company's management, weighing with realism the relevant cost against the likely impact of those risks.

### **D.1 Financial Risk**

The Group's operations require working capital and performance bonds by banks to guarantee our participation in tenders for projects and subsequently our performance in those projects. The interest rate levied on the Company's bank debt is largely dependent on the European Central Bank's interest rate policy, while the fees charged for issuing the performance bonds are generally considered low due to the Company's large volume of banking business, its excellent creditworthiness and intense competition within the banking sector.

The Company's Finance Department works closely with local and international financial institutions to plan our debt requirements and the volume of performance bonds needed to support projects in progress or in tender process with the lowest possible financial cost.

The Group continuously monitors its needs for derivative interest rate hedging instruments. All short-term debt is taken with variable interest rates while bond loans carry an option to convert their rate into fixed. (see note 26b)

### **D.2 Foreign Exchange Risk**

The Group's international business is on an uptrend, hence it is exposed to growing currency risk. The conversion of the Cypriot Pound into euro eliminated the Group's currency risk for that cross-rate given its large work-in-hand in Cyprus.

In Europe, the Group is active in Poland where it bills and receives cash in euro (the projects being funded by the European Union) and about 60% of its expenses are charged and paid in euro. To hedge its risk in expenses denominated in PLN, the Company maintains low levels of debt in PLN as working capital, the bulk of debt being denominated in euro. In Romania the Group is active through its subsidiary ATHENA SA for construction works, and through J&P Development for real estate projects. Real estate property is valued and transactions are done using euro, hence the Group faces no currency risk. (see note 9c)

### **D.3 Input Risk**

Several of the raw materials used by the Group are internationally-priced commodities, such as cement, metal grids and fuel. Price volatility in those input materials is eased to some extent as a result of particularities in their supply in Greece, while the Group also purchases raw materials and other inputs centrally to take advantage of economies of scale in quoted prices by suppliers.

### **D.4 Liquidity Risk**

The likelihood of failure to meet its obligations against its clients presents a risk to the Group because this eventuality could challenge the Financial Division's planning for cash liquidity.

Despite the substantial diversification of projects to a large number of clients, both in Greece and abroad, the Group's revenues largely source from the Greek State, other public-sector entities and international state organizations enjoying financial backing by the European Union. In this light, the risk of failure to collect receivables on signed contracts is considered very low, despite occasional delays in collecting payments from even the most reliable clients, such as the Greek State. The Group faces increased credit risk on private projects, which are on the rise relative to the overall level of business. The Group makes a provision on contingent liabilities relating to private projects. The credit risk is monitored by a computer application which analyses the aging breakdown of the receivables. The Group also maintains high credit lines with the banking system to cope with liquidity issues which might arise.



## **E. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS**

IASB and IFRIC have published a series of new financial reporting standards and interpretations which are mandatory. The estimation of the Group's and the Company's management regarding the impact of those new standards and interpretations is as follows:

### **IFRS 3 - "Business Combinations" (Revised) and IAS 27, "Consolidated and Separate Financial Statements" (Amended)**

(effective for annual periods beginning on or after 1 July 2009.)

A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill).

The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group has adapted these changes since January 1<sup>st</sup>, 2010.

### **IAS 1, "Presentation of Financial Statements" (Revised)**

(effective for annual periods beginning on or after 1 January 2009.)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009. The Group made the necessary changes to the presentation of its current financial statements and elected to present the comprehensive income in a separate statement.

### **Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of financial statements"**

(applicable to accounting periods starting on or after 1 January 2009)

The amendments for Financial Instruments pertain to entities that have issued puttable financial instruments and are applicable on annual accounting periods starting on or after 1 January 2009. The amendment to IAS 32 requires that specific puttable financial instruments, instruments or components of instruments imposing an obligation on an entity upon their liquidation, should be classified as equity, provided some conditions are met. The amendment to IAS 1 requires disclosure of information on the puttable instruments classified as equity. These amendments will not affect the income statement of the Group and the Company.

### **IAS 32 - Classification on Rights Issues (Amended)**

The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated.



### **IAS 39 - "Financial Instruments: Recognition and Measurement" and IFRS 7 - "Financial Instruments: Disclosures; Reclassification of Financial Assets"**

(effective for annual periods beginning on or after 1 July 2009)

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations.

### **IAS 23 - "Borrowing Costs" (Revised)**

(effective for annual periods beginning on or after 1 January 2009.)

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group/Company has already the allowed alternative treatment of IAS 23 and allocates borrowing costs in the accounts that satisfied the prerequisites and it is not expected that this amendment will affect the financial statements.

### **IFRIC 9 - Financial Instruments – Phase 1 financial assets, classification and measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU.

### **IFRS 2 Group Cash-settled Share-based Payment Transactions**

IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2010.

This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. This interpretation has not yet been endorsed by the EU.

### **IFRIC 11 – Group and Treasury Share Transactions**

(effective for financial years beginning on or after 01.03.2007)

IFRIC 11 provides instructions about whether the allowance agreements that are dependent on the price of shares, should be recognised in the financial statements as cash payments or as payments with participation titles. This is a significant distinction as major differences arise in the accounting treatments. For example, cash payments are recognized at the fair value in each balance sheet date. On the contrary, in case of payment with participation titles the fair value is valued at the date of the allowance and is recognized in the period where the service was rendered.

### **IFRIC 12 – Service Concession Arrangements**

(effective for financial years beginning on or after 01.01.2008)

IFRIC 12 outlines the approach of entities providing public services through concession agreements to the application of existing IFRSs in accounting for the obligations and rights assumed through those concession agreements. According to IFRIC 12, those entities should not account for the infrastructure as property, plant and equipment, but should recognise a financial asset and / or an intangible asset. The Group and the Company are in the process of evaluating the effect of IFRIC 12 on its future financial statements.





#### **IFRIC 14 - Prepayments of a Minimum Funding Requirement**

The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognize as an asset some voluntary prepayments for minimum funding contributions. This Earlier application is permitted and must be applied retrospectively. This amendment has not yet been endorsed by the EU.

#### **IFRIC 15 - "Agreements for the Construction of Real Estate"**

(effective for financial years beginning on or after 1 January 2009)

IFRIC 15 provides guidance on two issues:

- If the building construction agreements concern the scope of IAS 11 or IAS 18
- When the income from the building construction should be recognized. This IFRIC is applied during the accounting recognition of income, as well as the related expenses, in the books of the Company that has undertaken the construction agreement, whether the construction is completed directly by the Company or through subcontractors. The contracts in the scope of IFRIC 15 are the building construction agreements. Furthermore, these agreements may include the deliverance of goods or services. IFRIC 15 is applied for the Group on 2009.

#### **IFRIC 16 - "Hedges of a Net Investment in a foreign operation"**

(effective for financial years beginning on or after 1 October 2008)

IFRIC 16 clarifies three main issues, namely:

- A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
- Hedging instrument(s) may be held by any entity or entities within the group.
- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

#### **IFRIC 17 - "Distributions of Non-cash Assets to Owners"** (effective for annual periods beginning on or after 1 July, 2009.)

IFRIC 17 clarifies the following issues, namely:

- a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
- an entity should measure the dividend payable at the fair value of the net assets to be distributed;
- an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
- an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions.

#### **IAS 24 - Related Party Disclosures (Revised)**

The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. This interpretation has not yet been endorsed by the EU.

#### **IFRS 1 - Additional Exemptions for First-time Adopters (Amended)**

The amendment is effective for annual periods beginning on or after 1 July 2010. This interpretation has not yet been endorsed by the EU. In April 2009 the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2009. This annual improvements project has not yet been endorsed by the EU.



**IFRIC 19 – Extinguishing financial liabilities with equity instruments**  
(effective for financial years beginning on or after 01.07.2010)

IFRIC 19 outlines the accounting treatment in cases of renegotiation of the terms of a financial liability between an entity and its creditor, whereby the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. This IFRIC clarifies the fact that the entity's equity instruments issued to a creditor constitute part of the consideration according to IAS 39, paragraph 41, hence the financial liability is not recognised and the equity instruments are treated as the payment to extinguish the financial liability. The European Union has yet to adopt this amendment.



## 1. Segment Reporting

### (a) Primary reporting format - business segments

The Group is active in 3 main business segments:

- Construction
- Concessions
- Other activities (Real estate development and other activities)

The figures per business segments for the period ended 30 September 2010 are as follows:

	<b>Construction</b>	<b>Concessions</b>	<b>Real Estate and other activities</b>	<b>Total</b>
Total gross sales per segment	555.400.323	2.205.938	19.067.897	576.674.158
Inter-segment sales	<u>(7.584.538)</u>	-	<u>(524.116)</u>	<u>(8.108.654)</u>
<b>Net Sales</b>	<b>547.815.785</b>	<b>2.205.938</b>	<b>18.543.781</b>	<b>568.565.504</b>
<b>Operating Results</b>	<b>59.041.383</b>	<b>(775.203)</b>	<b>2.161.087</b>	<b>60.427.268</b>
Other net operating income/(expenses)	(2.533.205)	-	1.101.507	(1.431.699)
Impairment of goodwill	-	(2.940.000)	-	(2.940.000)
Administrative expenses / Selling & Marketing expenses	(19.187.458)	(7.867.140)	(4.196.563)	(31.251.161)
Income/(Losses) from Investments in Associates	<u>(422.035)</u>	<u>13.362.163</u>	<u>(13.607)</u>	<u>12.926.522</u>
<b>Profit from operations</b>	<b>36.898.685</b>	<b>1.779.820</b>	<b>(947.576)</b>	<b>37.730.929</b>
Losses of financial instruments				(1.702.944)
Net financial income / (loss)				<u>(18.872.583)</u>
<b>Profit before tax</b>				<b>17.155.402</b>
Tax				(7.334.820)
<b>Profit after tax</b>				<b>9.820.582</b>
<b>Depreciation</b>	<u>17.291.634</u>	<u>452.737</u>	<u>1.093.399</u>	<u>18.837.770</u>

The figures per business segments for the period ended 30 September 2009 are as follows:

	<b>Construction</b>	<b>Concessions</b>	<b>Real Estate and other activities</b>	<b>Total</b>
Total gross sales per segment	683.739.825	-	27.618.852	711.358.677
Inter-segment sales	<u>(6.220.515)</u>	-	<u>(411.656)</u>	<u>(6.632.171)</u>
<b>Net Sales</b>	<b>677.519.310</b>	<b>-</b>	<b>27.207.196</b>	<b>704.726.506</b>
<b>Operating Results</b>	<b>52.264.571</b>	<b>-</b>	<b>4.145.656</b>	<b>56.410.226</b>
Other net operating income/(expenses)	(4.395.426)	-	707.005	(3.688.421)
Administrative expenses / Selling & Marketing expenses	(15.475.232)	(9.213.324)	(5.625.244)	(30.313.799)
Income/(Losses) from Investments in Associates	<u>(1.044.263)</u>	<u>26.357.051</u>	<u>(178.059)</u>	<u>25.134.729</u>
<b>Profit from operations</b>	<b>31.349.650</b>	<b>17.143.728</b>	<b>(950.642)</b>	<b>47.542.735</b>
Net financial income / (loss)				<u>(18.223.669)</u>
<b>Profit before tax</b>				<b>29.319.066</b>
Tax				(5.902.854)
<b>Profit after tax</b>				<b>23.416.212</b>
<b>Depreciation</b>	<u>17.029.574</u>	<u>101.865</u>	<u>951.182</u>	<u>18.082.621</u>

**(b) Secondary reporting format - Geographical segments**

The group is active in 2 main Geographical segments

- Greece
- International Markets

The figures per segment for the period ended 30 September 2010 are as follows:

	<b>Greece</b>	<b>International Markets</b>	<b>Total</b>
Total gross sales per segment	291.105.785	285.568.373	576.674.158
Inter-segment sales	<u>(8.108.654)</u>	<u>-</u>	<u>(8.108.654)</u>
<b>Net Sales</b>	<b>282.997.131</b>	<b>285.568.373</b>	<b>568.565.504</b>
<b>Operating Results</b>	<b>31.715.223</b>	<b>28.712.045</b>	<b>60.427.268</b>
Other net operating income/(expenses)	4.197.584	(5.629.283)	(1.431.699)
Impairment of goodwill	(2.940.000)	-	(2.940.000)
Administrative expenses / Selling & Marketing expenses	(20.806.584)	(10.444.577)	(31.251.161)
Income/(Losses) from Investments in Associates	<u>12.921.941</u>	<u>4.581</u>	<u>12.926.522</u>
<b>Profit from operations</b>	<b>25.088.164</b>	<b>12.642.765</b>	<b>37.730.929</b>
Losses of financial instruments	(1.702.944)	-	(1.702.944)
Net financial income / (loss)	<u>(15.200.973)</u>	<u>(3.671.610)</u>	<u>(18.872.583)</u>
<b>Profit before tax</b>	<b>8.184.247</b>	<b>8.971.156</b>	<b>17.155.402</b>
Tax	(7.067.024)	(267.796)	(7.334.820)
<b>Profit after tax</b>	<b><u>1.117.223</u></b>	<b><u>8.703.360</u></b>	<b><u>9.820.582</u></b>
<b>Depreciation</b>	<b><u>8.930.820</u></b>	<b><u>9.906.950</u></b>	<b><u>18.837.770</u></b>

The figures per segment for the period ended 30 September 2009 are as follows:

	<b>Greece</b>	<b>International Markets</b>	<b>Total</b>
Total gross sales per segment	397.483.065	313.875.612	711.358.677
Inter-segment sales	<u>(6.632.171)</u>	<u>-</u>	<u>(6.632.171)</u>
<b>Net Sales</b>	<b>390.850.894</b>	<b>313.875.612</b>	<b>704.726.506</b>
<b>Operating Results</b>	<b>38.300.107</b>	<b>18.110.119</b>	<b>56.410.226</b>
Other net operating income/(expenses)	(1.801.074)	(1.887.346)	(3.688.421)
Administrative expenses / Selling & Marketing expenses	(20.671.400)	(9.642.399)	(30.313.799)
Income/(Losses) from Investments in Associates	<u>26.166.218</u>	<u>(1.031.489)</u>	<u>25.134.729</u>
<b>Profit from operations</b>	<b>41.993.850</b>	<b>5.548.885</b>	<b>47.542.735</b>
Net financial income / (loss)	<u>(14.737.661)</u>	<u>(3.486.009)</u>	<u>(18.223.669)</u>
<b>Profit before tax</b>	<b>27.256.190</b>	<b>2.062.877</b>	<b>29.319.066</b>
Tax	(4.984.723)	(918.131)	(5.902.854)
<b>Profit after tax</b>	<b><u>22.271.467</u></b>	<b><u>1.144.745</u></b>	<b><u>23.416.212</u></b>
<b>Depreciation</b>	<b><u>16.774.396</u></b>	<b><u>1.308.225</u></b>	<b><u>18.082.621</u></b>

## 2. Property plant and equipment

### GROUP

<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery &amp; Equipment</u>	<u>Vehicles</u>	<u>Furniture &amp; Fittings</u>	<u>Assets under construction</u>	<u>Total Tangible Assets</u>
Balance 31.12.2009	33.871.417	53.684.176	138.817.833	68.410.473	10.098.521	407.256	305.289.675
Transfers	-						-
Acquisitions during 1.1-30.09.2010	663.741	1.027.073	4.882.154	614.245	1.049.869	131.980	8.369.062
Foreign exchange difference	-	95.659	1.809.808	918.187	55.875	(62)	2.879.467
Disposals during 1.1-30.09.2010	<u>515.501</u>	<u>836.749</u>	<u>2.104.421</u>	<u>385.199</u>	<u>125.713</u>		<u>3.967.583</u>
<b>Balance 30.09.2010</b>	<b>34.019.657</b>	<b>53.970.159</b>	<b>143.405.374</b>	<b>69.557.706</b>	<b>11.078.552</b>	<b>539.174</b>	<b>312.570.621</b>

### Accumulated Depreciation

Balance 31.12.2009	-	9.590.395	63.366.003	30.174.624	7.537.380	0	110.668.402
Depreciation during 1.1-30.09.2010	-	1.777.621	10.796.548	4.976.795	864.341	-	18.415.305
Foreign exchange difference	-	2.760	188.602	487.949	38.889	-	718.200
Disposals during 1.1-30.09.2010	<u>-</u>	<u>181.442</u>	<u>1.004.269</u>	<u>313.312</u>	<u>17.010</u>	<u>-</u>	<u>1.516.033</u>
<b>Balance 30.09.2010</b>	<b>-</b>	<b>11.189.334</b>	<b>73.346.884</b>	<b>35.326.056</b>	<b>8.423.600</b>	<b>0</b>	<b>128.285.874</b>

### Net Book Value

<b>Balance 30.09.2010</b>	<b><u>34.019.657</u></b>	<b><u>42.780.825</u></b>	<b><u>70.058.490</u></b>	<b><u>34.231.650</u></b>	<b><u>2.654.952</u></b>	<b><u>539.174</u></b>	<b><u>184.284.748</u></b>
Balance 31.12.2009	<u>33.871.417</u>	<u>44.093.781</u>	<u>75.451.830</u>	<u>38.235.849</u>	<u>2.561.141</u>	<u>407.256</u>	<u>194.621.273</u>

**ETAIPIA**

<b>Cost</b>	<b>Land</b>	<b>Buildings</b>	<b>Machinery &amp; Equipment</b>	<b>Vehicles</b>	<b>Furniture &amp; Fittings</b>	<b>Assets under construction</b>	<b>Total Tangible Assets</b>
Balance 31.12.2009	13.121.298	26.623.733	72.802.092	22.769.538	4.544.522	63	139.861.246
Acquisitions during 1.1-30.09.2010	79.009	49.926	1.638.968	66.938	186.428	10.018	2.031.287
Foreign exchange difference	-	(3.866)	208	(88)	977	-	(2.769)
Disposals during 1.1-30.09.2010	-	-	740.811	27.491	63.283	63	831.648
<b>Balance 30.09.2010</b>	<b>13.200.307</b>	<b>26.669.793</b>	<b>73.700.457</b>	<b>22.808.897</b>	<b>4.668.644</b>	<b>10.018</b>	<b>141.058.116</b>

**Accumulated Depreciation**

Balance 31.12.2009	-	3.428.520	31.605.128	11.439.142	3.313.776	-	49.786.566
Depreciation during 1.1-30.09.2010	-	649.319	5.391.844	2.451.639	428.295	-	8.921.097
Foreign exchange difference	-	(31.352)	89	(101)	120	-	(31.244)
Disposals during 1.1-30.09.2010	-	-	252.181	4.343	45.001	-	301.525
<b>Balance 30.09.2010</b>	<b>-</b>	<b>4.046.487</b>	<b>36.744.880</b>	<b>13.886.337</b>	<b>3.697.190</b>	<b>-</b>	<b>58.374.894</b>

**Net Book Value**

<b>Balance 30.09.2010</b>	<b>13.200.307</b>	<b>22.623.306</b>	<b>36.955.577</b>	<b>8.922.560</b>	<b>971.454</b>	<b>10.018</b>	<b>82.683.222</b>
Balance 31.12.2009	13.121.298	23.195.213	41.196.964	11.330.396	1.230.746	63	90.074.680

### 3. Investment Property

	<b>GROUP</b>			<b>COMPANY</b>		
	Land	Building	Total	Land	Building	Total
<b><u>Cost</u></b>						
Balance 31.12.2009	21.385.045	548.672	21.933.717	1.329.960	254.451	1.584.412
Acquisition during 1.1-30.09.2010	67.674	-	67.674	-	-	-
Appropriations	-	-	-	-	-	-
Foreign exchange difference	-	-	-	-	-	-
Disposals during 1.1-30.09.2010	-	-	-	-	-	-
<b>Balance 30.09.2010</b>	<b>21.452.719</b>	<b>548.672</b>	<b>22.001.391</b>	<b>1.329.960</b>	<b>254.451</b>	<b>1.584.412</b>
<b><u>Accumulated Depreciation</u></b>						
Balance 31.12.2009	-	-	-	-	-	-
Depreciation during 1.1-30.09.2010	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Disposals during 1.1-30.09.2010	-	-	-	-	-	-
<b>Balance 30.09.2010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Net Book Value</u></b>						
<b>Balance 30.09.2010</b>	<b><u>21.452.719</u></b>	<b><u>548.672</u></b>	<b><u>22.001.391</u></b>	<b><u>1.329.960</u></b>	<b><u>254.451</u></b>	<b><u>1.584.412</u></b>
Balance 31.12.2009	<u>21.385.045</u>	<u>548.672</u>	<u>21.933.717</u>	<u>1.329.960</u>	<u>254.451</u>	<u>1.584.412</u>

#### 4. Goodwill

<b>Group</b> (amounts in '000 €)	<b>Initial Goodwill</b>	<b>Goodwill Impairment</b>	<b>Total of Goodwill</b>
<b>Balance 01/01/09</b>	45.890.712	-	45.890.712
Additions	-	-	-
Impairments	-	-	-
<b>Balance 31/12/09</b>	<b>45.890.712</b>	<b>-</b>	<b>45.890.712</b>
<b>Changes 01/01 - 30/09/10</b>			
Additions	-	-	-
Impairments	-	(2.940.000)	(2.940.000)
<b>Balance 30/09/10</b>	<b>45.890.712</b>	<b>(2.940.000)</b>	<b>42.950.712</b>

#### Check for Goodwill impairment (amounts in '000 €)

For consolidation purposes ,goodwill from acquisitions has been allocated to the following cost generating units (CGU's) by geographical and business segments.

<b>Goodwill balance (by geographical segment:)</b>	<b>30/9/2010</b>	<b>31/12/2009</b>
Greece	23.975	26.915
Other Countries	18.976	18.976
<b>Total</b>	<b>42.951</b>	<b>45.891</b>

With reporting date 30/06/10, an impairment test has been conducted for the above goodwill, an impairment of 2,940 thousand.euro has been concluded. With the strengthening of the company as a specialized one at marine projects, success is anticipated in the undertaking of new marine projects which are at the preferred bidder stage.

## 5. Intangible Assets

### GROUP

<u>Cost</u>	<u>Software</u>	<u>Other Intangibles</u>	<u>Total</u>
Balance 31.12.2009	2.475.611	7.000.000	9.475.611
Acquisitions during the 1.1-30.09.2010 period	178.468	-	178.468
Foreign exchange difference	(13.123)	-	(13.123)
Disposals during 1.1-30.09.2010	<u>14.906</u>	<u>-</u>	<u>14.906</u>
<b>Balance 30.09.2010</b>	<b>2.626.050</b>	<b>7.000.000</b>	<b>9.626.050</b>

### Accumulated Depreciation

Balance 31.12.2009	1.794.757	200.000	1.994.757
Amortisation for the period 1.1-30.09. 2010	272.483	150.000	422.483
Foreign exchange difference	(17.250)	-	(17.250)
Disposals during 1.1-30.09.2010	<u>14.116</u>	<u>-</u>	<u>14.116</u>
<b>Balance 30.09.2010</b>	<b>2.035.874</b>	<b>350.000</b>	<b>2.385.874</b>

### Net Book Value

<b>Balance 30.09.2010</b>	<b>590.176</b>	<b>6.650.000</b>	<b>7.240.176</b>
Balance 31.12.2009	680.854	6.800.000	7.480.854

### COMPANY

<u>Cost</u>	<u>Software</u>	<u>Other Intangibles</u>	<u>Total</u>
Balance 31.12.2009	1.941.088	-	1.941.088
Acquisitions during the 1.1-30.09.2010 period	121.810		121.810
Foreign exchange difference	(1.164)		(1.164)
Disposals during 1.1-30.09.2010	<u>862</u>	<u>-</u>	<u>862</u>
<b>Balance 30.09.2010</b>	<b>2.060.872</b>	<b>-</b>	<b>2.060.872</b>

Balance 31.12.2009	1.472.117		1.472.117
Amortisation for the period 1.1-30.09. 2010	190.099		190.099
Foreign exchange difference	(19.204)		(19.204)
Disposals during 1.1-30.09.2010	<u>656</u>	<u>-</u>	<u>656</u>
<b>Balance 30.09.2010</b>	<b>1.642.356</b>	<b>-</b>	<b>1.642.356</b>

### Net Book Value

<b>Balance 30.09.2010</b>	<b>418.516</b>	<b>-</b>	<b>418.516</b>
Balance 31.12.2009	<u>468.971</u>	<u>-</u>	<u>468.971</u>

## 6. Available-for Sale Financial Assets

According to IFRS 7 the following financial instruments are recognized as Available-for-Sale Financial Assets, and measured to Fair Value (level 3).

(amounts in €)	<u>Group</u>		<u>Company</u>	
	<u>30/09/10</u>	<u>31/12/09</u>	<u>30/09/10</u>	<u>31/12/09</u>
<b>Opening period balance</b>	18.696.098	13.634.788	402.271.862	394.068.407
<b>Additions</b>				
1. Reclassifications (and measurement at fair values)	39.603.367	850.000	459.000	865.000
2. Participations/increase of investments	4.542.935	7.104.697	12.396.430	16.703.148
3. Adjustments to fair values	-	307.577	-	8.262.059
<b>Reductions</b>				
1. Sales/write-offs	-	-	(2.483.490)	-
2. Adjustment to fair values (impairments through equity)	-	(3.200.964)	-	(17.626.751)
3. Impairments (through P&L)	-	-	-	-
4. Other changes	(852.500)	-	-	-
<b>Ending period balance</b>	<b><u>61.989.900</u></b>	<b><u>18.696.098</u></b>	<b><u>412.643.802</u></b>	<b><u>402.271.862</u></b>

The change in Additions - Reclassifications of the Available-for-Sale Financial Assets of 39.603.367 euros, refers to OLYMPIA ODOS SA and OLYMPIA ODOS LEITOURGIA SA, of which the Group's participation reduced from 21% to 19,1%, and therefore are reclassified from Investments in Associates (with the Equity method) to Available-for-Sale Financial Assets, to fair value according to IAS 39.



## 7. Trade receivables and other receivables

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Clients	248.445.223	294.685.614	127.539.551	118.777.463
Receivables from subsidiaries				
Receivables from participating interests	19.208.731	27.857.422	49.838.697	84.555.011
Other receivables	<u>131.185.332</u>	<u>146.846.425</u>	<u>45.045.108</u>	<u>46.635.646</u>
	<b><u>398.839.286</u></b>	<b><u>469.389.461</u></b>	<b><u>222.423.356</u></b>	<b><u>249.968.120</u></b>

The account of «Other Debtors» includes the following other debtors of subsidiary ATHENA S.A :

a) The amount of €16,470 thousand pertains to a claim against the shareholders of TECHNIKI ENOSI SA, which was absorbed by ATHENA SA at an earlier time, and was ordered by decision #21/2005 of the Court of Arbitration on 10.06.2005. Following the issue of that decision, the shareholders of TECHNIKI ENOSI SA appealed to the Athens Court of Appeal against decision #21/2005 on grounds of non-existence, and the appeal was presented to court on 19.01.2006. The Athens Court of Appeal issued decision #2471/2006 which dismissed the appeal submitted by the shareholders of TECHNIKI ENOSI SA and ratified decision #21/2005 of the Court of Arbitration.

A new appeal was placed and presented as case #31 on 15.10.2007 to Section A1 of the Supreme Court, which dismissed the appeal with its #1334/2008 decision. A 2nd degree Court of Athens also dismissed with its decision #985/2007 a separate appeal submitted on 15.02.2006 by the shareholders of TECHNIKI ENOSI SA against decision #21/2005 of the Court of Arbitration. A third appeal was filed against the arbitration decision. To secure its claim, the Company foreclosed every asset of the shareholders who guaranteed their balance sheet of TECHNIKI ENOSI SA at the time of its absorption by ATHENA SA, up to a value of €21,900 thousand.

The Company is in the process of execution of its claim against all property items of the shareholders of TECHNIKI ENOSI SA.

On 29.09.2008, the Protopapas family filed appeal #2155 against Arbitration Decree # 21/2005, which was appealed to the Athens Court of Appeal on 07.04.2009, which was dismissed with the #6879/2009 decision of the Athens Court of Appeal.

b) The amount of €4,376 thousand pertains to a claim against the shareholders of METTEM SA, which was absorbed by ATHENA SA at an earlier time, as part of their liabilities as guarantors. To secure those claims, a first-degree Court of Athens ruled with decision #7945/10.10.2003 the foreclosure of all mobile assets and property to a maximum value of €8,000 thousand. On 27.02.2008, a suit for financial compensation was debated to a different Court of Athens with 4335/2008 against those shareholders and the decision was fully in favour of ATHENA SA. The shareholders of METTEM S.A submitted an appeal against that decision.

In the event of a positive outcome of this litigation case for the Company, management intends to proceed immediately with the impounding of all assets (valuables, property, securities, or in custody of third parties) of the shareholders, whether they have been foreclosed or not. The Company estimates the value of the approved claims may be fully recovered.

c) Decision #1334/2008 of the Supreme Court's Section A1 dismissed the appeal filed by the plaintiffs against decision 2471/2006 of the Athens Court of Appeal, which aimed at voiding decision #21/2005 issued by the Athens Court of Arbitration. A further appeal filed against the same decision of arbitration (#21/2005) was discussed at the Athens Court of Appeals on 07.04.2009 and was rejected. In July 2010, in response to an application by the plaintiffs, the Athens First Degree Court ordered the suspension of the execution of the claims procedure (according to article 938 of the Civil Law Code), until the case of appeal was discussed in court (according to article 933 of the Civil Law Code), allowing for probable cause of the suspension due to abuse of right, despite the fact that the allegation of "abuse of rights" has been repeatedly put forward and rejected in this legal case, thereby breaching earlier court decisions. The Company plans to request shortly a lift of the suspension (according to article 697 of the Civil Law Code), to remove any obstacles to executing the court decision for the claims procedure.

d) Provision for impairment amounting to € 7.757.748,67

## 8. Share Capital

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Share Capital	45.039.813	45.039.813	45.039.813	45.039.813
Share Premium	146.676.671	146.676.671	146.676.671	146.676.671
	<b>191.716.484</b>	<b>191.716.484</b>	<b>191.716.484</b>	<b>191.716.484</b>

The share capital of the company is divided in 77.654.850 ordinary shares, €0.58 each

## 9. Loans

	ΟΜΙΛΟΣ		ΕΤΑΙΡΙΑ	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Short-term borrowing	284.723.952	298.969.899	176.093.028	189.716.879
Long-term loans	237.149.486	210.697.659	173.647.875	135.525.508
	<b>521.873.438</b>	<b>509.667.558</b>	<b>349.740.903</b>	<b>325.242.387</b>

On 19/05/2010, the Company signed the contract for the issue of a syndicated bond loan amounting to €265 million with a maturity of up to 8.5 years with a group of financial institutions, with Bank of Cyprus being the Lead Arranger. Other deal participants are EFG Eurobank as Co-Arranger, and Emporiki Bank, Alpha Bank and Piraeus Bank.

The purpose of the bond loan is the financing of the Company's capital needs in coming years for investments in concession projects, while part of the loan, which amounts to €140 mil., will be used to refinance outstanding bond loans, also used mostly for financing participation in concessions.

## 10. Provisions for retirement benefits

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Other provisions	3.946.305	4.437.706	1.011.706	1.743.811
Expense recognised in the reporting period	24.445.945	31.053.565	23.427.788	28.511.701
	<b>28.392.250</b>	<b>35.491.271</b>	<b>24.439.494</b>	<b>30.255.512</b>

## 11. Trade and other payables

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Trade payables	226.974.041	221.662.772	92.199.449	101.036.434
Advances from clients	79.384.884	127.108.180	10.397.352	35.173.883
Other current payables	126.461.458	157.096.285	50.378.735	66.261.611
	<b>432.820.383</b>	<b>505.867.237</b>	<b>152.975.536</b>	<b>202.471.928</b>

## 12. Memorandum accounts - Contingent liabilities

	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Letters of Guarantee	801.722.854	875.305.127	399.954.518	428.485.255
Other memorandum accounts	34.647.822	35.437.250	34.470.431	33.155.554
	<b>836.370.676</b>	<b>910.742.377</b>	<b>434.424.950</b>	<b>461.640.809</b>

### 13. Transactions with related parties (amounts in thousands €)

Group	Income	Expenses	Receivables	Payables
PYRAMIS	0	27	1	333
ELIX			7	
OLP CAR PARK			14	
ATTIKES DIADROMES SA			81	
GEFYRA OPERATIONS SA			18	
AEGEAN MOTORWAY SA	4			
GEFYRA SA				
POLISPARK			5	
VOLTERRA A.E.			7	
CYCLADES ENERGY CENTER SA			4	
STARWARE			4.470	
ORIOLE			730	
AG.NIKOLAOS CAR PARK				
5N			4	
3G			15	
DRAGADOS - J&P-AVAX S.A. JOINT VENTURE			204	
NATIONAL WHEEL-J&P-AVAX J/V - DUBAI			4.044	1.417
J&P-AVAX QATAR WLL			8	
J&P (O) LTD -GUERNSEY				47
J&P (UK) LTD LONDON				20
J&P ENERGY			2	
VAKON SA				
AΘHNA EMIRATES LLC				
ATHENA MICHANIKI OE				
SYPRO				
VIOENERGEIA SA	25		25	
MARINA ZEAS	106		88	
JOINT VENTURES				
Executives and members of the Board		1.677	120	666
	<b>136</b>	<b>1.704</b>	<b>9.847</b>	<b>2.484</b>

Company	Income	Expenses	Receivables	Payables
ETETH SA	1.123	698	13.005	1.316
TASK J&P AVAX S.A.	30	3.996	27	1.690
J&P-ABAE IKTEO			2.277	
PROET	5	1.156	32	205
J&P DEVELOPMENT		22	2	100
ANEMA	6		29	
ATHENA			1.743	862
E-CONSTRUCTION			197	99
PYRAMIS		27		287
MARINA FALIROY	36		20	
ELIX			7	
OLP CAR PARK			14	
ATTIKES DIADROMES SA			81	
GEFYRA OPERATIONS SA			18	
AEGEAN MOTORWAY SA				
POLISPARK			5	
VOLTERRA A.E.			7	
DRAGADOS - J&P-AVAX S.A. JOINT VENTURE			204	
NATIONAL WHEEL-J&P-AVAX J/V - DUBAI			4.044	1.417
J&P(O) -J&P-AVAX J/V - QATAR			988	277
J&P-AVAX QATAR WLL			8	
J&P ENERGY			2	
J&P (UK) LTD LONDON				20
J&P (O) LTD - GUERNSEY				47
JV J&P ABAE - J&P PARASEVAIDES			2.478	
JOINT VENTURES	769		36.564	10.480
Executives and members of the Board		599		-
	<b>1.968</b>	<b>6.498</b>	<b>61.751</b>	<b>16.801</b>

#### 14. Reclassifications

The 2009 item on intangible assets was reclassified in 2010. There is no effect in the Group's Statement of Income neither to the Statement of Comprehensive Income.

	<b>Reclassified comparables <u>30/9/2009</u></b>	<b>Reclassified comparables <u>31/12/2009</u></b>	<b>Reclassified comparables <u>31/12/2008</u></b>
	<b><u>GROUP</u></b>	<b><u>GROUP</u></b>	<b><u>GROUP</u></b>
Intangible assets	7.497.888	7.480.854	637.760
Total non current assets	477.946.802	491.044.868	440.988.262
Total current assets	877.496.812	887.110.156	848.002.768

	<b>Reported figures <u>30/9/2009</u></b>	<b>Reported figures <u>31/12/2009</u></b>	<b>Reported figures <u>31/12/2008</u></b>
	<b><u>GROUP</u></b>	<b><u>GROUP</u></b>	<b><u>GROUP</u></b>
Intangible assets	647.888	680.854	637.760
Total non current assets	471.096.802	484.244.868	440.988.262
Total current assets	884.346.812	893.910.156	848.002.768



# J&P - AVAX S.A.

Number 14303/06/B/86/26 in the register of Societes Anonymes  
16 Amarousiou-Halandriou Street, Marousi 151 21, Greece  
Figures and Information for the period of 1 January 2010 to 30 September 2010  
(According to 4/507/28.4.2009 resolution of Greek Capital Committee)

The figures and information illustrated below aim to provide a summary view of the financial position and results of J&P-AVAX S.A. and the GROUP J&P AVAX S.A. Before making any investment decision or any other transaction concerning the company, we advise the reader to visit the company's web site which presents the detailed financial statements according to International Financial Reporting Standards, along with the auditor's report, whenever it is required.

Web Site: [www.jp-avax.gr](http://www.jp-avax.gr)  
Board of Directors approval date: **25 November 2010**

STATEMENT OF FINANCIAL POSITION					CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME							
Amounts in € thousand					Amounts in € thousand							
	GROUP		COMPANY		GROUP				COMPANY			
	30/9/2010	31/12/2009	30/9/2010	31/12/2009	1/1-30/9/2010	1/1-30/9/2009	1/7-30/9/2010	1/7-30/9/2009	1/1-30/9/2010	1/1-30/9/2009	1/7-30/9/2010	1/7-30/9/2009
<b>ASSETS</b>												
Tangible assets	184.285	194.621	82.683	90.075	568.566	704.727	177.120	244.994	309.034	330.720	106.132	130.670
Investment properties	22.001	21.934	1.584	1.584	(508.139)	(648.316)	(185.231)	(227.890)	(285.306)	(312.459)	(93.195)	(124.004)
Intangible assets	50.191	53.372	419	469	<b>60.427</b>	<b>56.410</b>	<b>11.889</b>	<b>17.105</b>	<b>43.729</b>	<b>18.252</b>	<b>12.938</b>	<b>6.666</b>
Available for sale investments	61.990	18.696	412.644	402.272								
Other non-current assets	230.773	202.422	161.448	165.912								
Inventories	35.769	30.495	7.373	4.860								
Trade receivables	497.962	542.648	263.725	249.008								
Other current assets	150.394	174.704	94.884	131.191								
Cash and cash equivalents	137.562	139.263	67.224	71.020								
<b>TOTAL ASSETS</b>	<b>1.379.927</b>	<b>1.378.155</b>	<b>1.091.983</b>	<b>1.116.391</b>								
<b>SHAREHOLDERS EQUITY AND LIABILITIES</b>												
Share Capital	191.716	191.716	191.716	191.716								
Other equity items	124.669	70.224	291.232	281.394								
Equity attributable to owners of the parent (a)	316.385	261.940	482.949	473.110								
Non-controlling interests (b)	14.722	12.766	-	-								
<b>Total Equity (c)=(a)+(b)</b>	<b>330.557</b>	<b>274.706</b>	<b>482.949</b>	<b>473.110</b>								
Long-term loans	237.149	210.698	173.648	135.526								
Provisions and other long-term liabilities	68.124	64.957	94.858	100.043								
Short-term borrowings	284.724	298.970	176.093	189.717								
Other short-term liabilities	450.372	528.825	164.435	217.995								
<b>Total liabilities (d)</b>	<b>1.040.370</b>	<b>1.103.449</b>	<b>609.034</b>	<b>643.280</b>								
<b>TOTAL SHAREHOLDERS EQUITY AND LIABILITIES (c)+(d)</b>	<b>1.379.927</b>	<b>1.378.155</b>	<b>1.091.983</b>	<b>1.116.391</b>								
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY</b>												
Amounts in € thousand												
	GROUP		COMPANY									
	30/9/2010	30/9/2009	30/9/2010	30/9/2009								
Equity balance at the beginning of period (01/01/2010 and 01/01/2009 respectively)	274.706	254.991	473.110	482.105								
Addition/(deduction) of non-controlling interests	530	548	-	-								
Other appropriations	34	-	-	-								
Dividends paid	(3.106)	(3.883)	(3.106)	(3.883)								
Total comprehensive income net of tax	58.393	18.099	12.945	3.854								
Equity balance at the end of period (30/06/2010 and 30/06/2009 respectively)	<b>330.557</b>	<b>269.756</b>	<b>482.949</b>	<b>482.077</b>								
<b>TRANSACTIONS WITH RELATED PARTIES (amounts in € thousand)</b>												
	GROUP		COMPANY									
	1.1-30.9.2010	1.1-30.9.2009	1.1-30.9.2010	1.1-30.9.2009								
a) Income	136	1.968	-	-								
b) Expenses	27	5.899	-	-								
c) Receivables	9.727	61.751	-	-								
d) Payables	1.818	16.801	-	-								
e) Key management compensations	1.677	599	-	-								
f) Receivables from key management	120	-	-	-								
g) Payables to key management	801	-	-	-								
<b>NOTES TO THE ACCOUNTS</b>												
<p>1. The accounting policies applied in preparing these Financial Statements are consistent with those applied for the Financial Statements at 31.12.2009.</p> <p>2. Not tax audited financial years for the Company and the companies of the Group are analysed in note C1 of the Annual Financial Report.</p> <p>3. There are no important provisions for litigation or under arbitration claims. The estimated amount for the fiscal years not audited as of 30.09.2010 is €830 thousand for the Group and €100 thousand for the Company. Other provisions that are made as of 30.09.2010 amount to €3.946 thousand for the Group and €1.012 thousand for the Company.</p> <p>4. The companies of the Group with their relevant addresses, the percentages that the Group participates in their share capital, as well as the consolidation method used in the financial statements of the fiscal period of 1/1-30/9/2010, are mentioned analytically in note C1 of the Interim Condensed Financial Reporting.</p> <p>5. The number of employees at Group level is 2.462 persons (instead of 3.382 on 30/9/2009) and at Company's level is 2.829 (instead of 2.549 on 30/9/2009).</p> <p>6. Joint Ventures for projects completed and in process of dissolution are not consolidated due to minor materiality effect in the Group Financial Statements. The financial results of these Joint Ventures are recorded in the Group financial statements through Equity consolidation method.</p> <p>7. Earnings per share are calculated using the weighted average number of shares for the period.</p> <p>8. The proportional consolidation of Joint Ventures by 100% is effectively the same as full consolidation.</p> <p>9. The Board of Directors approved the above financial statements on November 25, 2010.</p> <p>10. Minor differences in sums are due to rounding.</p> <p>11. Due to completion of the projects and minor materiality, the Joint Ventures referred to in note C1 of the annual Financial statements of 30/09/2010 are consolidated in the Group financial statements with the Equity method, having been previously consolidated proportionately.</p> <p>12. Capital expenditure excluding acquisitions for the fiscal period of 1/1-30/9/2010 amounted to : Group €8.6 m and Company €2.4 m.</p> <p>13. There are no Pledges on the Company's assets.</p> <p>14. It should be noted that J&amp;P AVAX reduced its equity participation in VOLTERA SA (formerly named ARGESTIS SA) from 100% to 50% by means of partially exercising its rights to VOLTERA's capital increase. VOLTERA SA was therefore consolidated in the 30.09.2010 using the equity method rather as subsidiary. Moreover, J&amp;P AVAX transferred its 100% equity stake in ILOFANEIA SA to VOLTERA SA, and was therefore not consolidated in the 30.09.2010 accounts as a subsidiary. In the consolidated financial statements of 30.09.2010 STARWARE ENTERPRISES LTS is included with the equity method.</p> <p>15. Some figures of the previous period have been restated (note 14) in the financial statements (reclassification of intangible assets). The reclassification has no effect on equity, profit after tax, and the other comprehensive income.</p> <p>16. On 20/5/2010 J&amp;P AVAX has signed the issue of a common loan bond with a group of financial institutions amount €265 m.</p> <p>17. The Group and the Company sold part of their shareholding in OLYMPIA ODOSSA and OLYMPIA ODOSSA OPERATION SA, reducing the stake at a Group level from 21% to 19.1% respectively. Following the sale of the participation, the Group does not have significant influence on those companies and is therefore not consolidated them using the equity method.</p> <p>18. In accordance with law No3845/2010, a special tax is imposed on Greek companies with profits over 100 thousand € for fiscal year 2009. The provision for the tax liability is €1.27m for the Group and €0.56 m for the Company.</p> <p>19. The after tax comprehensive income for the Group and the Company are as follows:</p>												
	GROUP		COMPANY									
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009								
Cash flow hedging	19.354	(4.243)	-	-								
Translation differences	7.965	(2.168)	6.223	(240)								
Revaluation reserves of other assets	42	-	-	-								
Reserves for available for sale investments	26.336	-	(349)	-								
Income tax included in other comprehensive income	(5.125)	1.094	70	-								
<b>Total comprehensive income net of tax</b>	<b>48.572</b>	<b>(6.317)</b>	<b>5.943</b>	<b>(240)</b>								
Marousi November 25, 2010												
DEPUTY PRESIDENT & EXECUTIVE DIRECTOR			MANAGING DIRECTOR			GROUP FINANCE & ADMINISTRATIVE MANAGER			CHIEF ACCOUNTANT			
KONSTANTINOS KOUVARAS I.D. No. AE 624787			KONSTANTINOS MITZALIS I.D. No. E 547337			ATHENA ELIADES I.D. No. 241252			GEORGE KANTSAS I.D. No. N 279385			