

PROODEFTIKI S.A. - TECHNICAL COMPANY

S.A. REGISTERED No. 602/06/B/86/04

BALANCE SHEET OF DECEMBER 31st 2003 - 43rd ACCOUNTING PERIOD (1.1.2003 - 31.12.2003)

ASSETS							LIABILITIES																										
AMOUNTS IN EURO 31/12/2003							AMOUNTS IN EURO 31/12/2002																										
ACQ COST			VALUE ADF		WRITTEN DOWN VALUES		ACQ COST			VALUE ADF		WRITTEN DOWN VALUES		AMOUNTS IN EURO 31/12/2003		AMOUNTS IN EURO 31/12/2002																	
B. FORMATION EXPENSES																																	
4. Other formation expenses							90.005,59							47.560,70		42.444,89		51.055,04		42.031,82		9.023,22		I. CAPITAL AND RESERVES									
C. FIXED ASSETS																		I. Share capital (44.238.500 x 0.59 EURO)															
I. Intangible assets																		1. Paid-up capital				26.100.715,00		26.100.715,00									
5. Other intangible assets							18.111.804,13							7.244.721,66		10.867.082,47		18.111.804,13		3.622.360,83		14.489.443,30		II. Share premium account									
II. Tangible assets																						23.661.250,24				23.661.250,24							
1. Land - plots							3.486.205,64							0,00		3.486.205,64		3.486.205,64		0,00		3.486.205,64		III. Revaluation reserves -									
3. Buildings & technical works							880.757,38							603.170,47		277.586,91		837.437,38		560.991,21		276.446,17		Investment grants									
4. Machinery - technical installations & other mechanical equipment							10.699.014,63							8.033.888,28		2.665.126,35		10.295.681,64		7.317.385,07		2.978.296,57		2. Reserves from value adjustments of other assets									
5. Transportation equipment							4.438.524,60							3.935.564,39		502.960,21		4.257.692,64		3.709.204,10		548.488,54		IV. Reserves									
6. Furniture & fixtures							745.093,36							566.793,61		178.299,75		649.130,24		513.837,17		135.293,07		1. Legal reserve				1.670.941,88		1.645.283,42			
Total assets (CI+CII)							38.361.399,74							20.384.138,41		17.977.261,33		37.637.951,67		15.723.778,38		21.914.173,29		4a. Extraordinary reserves				2.440.018,60		2.440.018,60			
III. Financial assets																						4b. Tax free reserves under L. 2579/98				503.313,45		503.313,45					
1. Participations in affiliated companies							3.418,59													918,59				4c. Tax free reserves under L. 2954/01				3.315.726,79		3.315.726,79			
2. Participations in other companies							6.510.468,38													7.228.462,99				5. Tax free reserves under special laws				1.434.085,74		1.434.085,74			
7. Other long-term claims							8.591,40													45.010,81				-From tax exemption				270.342,34		270.342,34			
TOTAL FIXED ASSETS (CI + CII + CIII)							24.499.739,70													7.274.392,39				-From income taxed under special laws				490.159,92		490.159,92			
D. CURRENT ASSETS																						-Tax free reserves under L.1892/92				476.346,40		476.346,40					
I. Stock																						-From tax free profits of technical & construction work				196.897,89		196.897,89					
3. Works in progress							9.164.604,81													7.274.392,39				-Difference from conversion of share capital to euro				339,19		339,19			
4. Raw & auxiliary materials - consumable stores - spare parts							104.834,34																	V. Results carried forward									
5. Orders for purchase of stock							669.780,81																	Profit carried forward				73.771,22		99.675,58			
II. Claims																										TOTAL CAPITAL AND RESERVES (AI + AII + AIII+ AIV + AV)				59.202.599,82		59.202.845,72	
1. Trade debtors							2.936.057,91																	B. PROVISIONS FOR LIABILITIES AND CHARGES									
2. Notes receivable							121.000,00																	2. Other provisions				529.886,42		356.269,33			
3a. Checks receivable							0,00																	C. CREDITORS									
6. Amounts owed by other undertakings with which the company is linked by virtue of participating int.							38.524.593,29																	II. Current liabilities									
11. Sundry debtors							215.515,86																	1. Suppliers				2.184.979,21		1.588.811,17			
12. Advances management accounts							935.544,58																	2. Notes payable				10.150,74		0,00			
IV. Cash in hand & at banks																										2a. Checks payable				1.763.597,60		859.256,29	
1. Cash							120.063,29																	3. Banks				10.133.683,82		11.478.589,42			
3. Sight and time deposits							865.747,79																	5. Taxes - Duties				784.417,74		789.868,65			
TOTAL CURRENT ASSETS (DI + DII + DIV)							53.657.742,68																	6. Social security				212.017,63		143.162,18			
E. PREPAYMENTS																										10. Dividends payable				74.389,39		102.664,85	
1. Deferred charges							21.009,42																	11. Sundry creditors				344.654,01		72.564,15			
2. Earned income							0,00																	TOTAL CREDITORS (CII)				15.507.890,14		15.034.916,71			
GRAND TOTAL ASSETS (B + C + D + E)							78.220.936,69																	D. ACCRUALS AND DEFERRED INCOME									
MEMO ACCOUNTS																										1. Deferred income				2.980.560,31		0,00	
2. Guarantees and real securities							49.131.366,22																	2.980.560,31				2.980.560,31		0,00			
3. Bilateral agreements							87.351,47																	GRAND TOTAL LIABILITIES(A+B+C+D)				78.220.936,69		74.594.031,76			
GRAND TOTAL ASSETS (B + C + D + E)							78.220.936,69																	MEMO ACCOUNTS									
2. Guarantees and real securities							49.131.366,22																	2. Guarantees and real securities				49.131.366,22		49.165.899,93			
3. Bilateral agreements							87.351,47																	3. Bilateral agreements				87.351,47		136.796,22			
GRAND TOTAL ASSETS (B + C + D + E)							49.218.717,69																	GRAND TOTAL LIABILITIES(A+B+C+D)				78.220.936,69		74.594.031,76			
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MEMO ACCOUNTS																																	

NOTES

- The company applies the "partial completion" method for the purpose of the accounting presentation of the results of the works.
- The account "Participations in other companies" represents the cost value of participations in Joint Ventures for the execution of technical projects and S.A. Companies.
- There are no encumbrances on the company's fixed assets, nor are there any litigations or disputes of the company under arbitration or any resolutions passed by any judicial or arbitration bodies that may have a significant impact on the company's financial position or operation.
- The average number of the company's personnel is 295 people.
- In the fiscal year 2000 a revaluation was performed on the company's real property in accordance with Law No. 2065/92 as currently in force.
- Further to the decision of the extraordinary General Assembly of the shareholders held on 22.9.2002 the Share Capital of the company was increased by 1.423.605 Euro which was covered by the incoming Share Capital of the absorbed Societe Anonyme "YPODOMI, Anonymous technical, trade, industrial, hotel, shipping and tourist Company" amounting to 1.415.889,72 EURO and from the capitalization of 7.715,28 EURO from the Reserves Account of the Company "Share premium account". Additionally the nominal value of each share was reduced from 0,59 Euro to 0,57 Euro.
- By decision of the extraordinary General Assembly of the shareholders held on 18.12.2002 the share Capital of the Company was increased by capitalisation of the reserve " Surplus from re-evaluating fixed assets" by 884.770,00 EURO. The capitalization was achieved through an increase of the nominal value of the share from 0,57 EURO to 0,59 EURO.
- In the fiscal year 2002 according to the provisions in L. 2992/2002 there was a transfer of claims from Joint Ventures participations for completed projects to the asset account CI5 «Other Intangible Assets» of amount 18.111.804,13 which will be paid off in instalments of equal amount in a period of five (5) years beginning from the end of the fiscal year 2002.
- The analysis of the net turnover of the company for each category of financial activity according to the four-digit classification of STAKOD 91 pertains to: net turnover of the company 452.3 roadworks Euro 11,691,837.03 and 452.1 Civil Engineer Works Euro 192,672.83, net turnover for J/V's 452.1 Civil Engineer Works Euro 14,490,754.48, 452.3 Roadworks Euro 16,554,021.53, 452.4 Hydraulic and Port Works Euro 83,521.51.
- The asset accounts CIII 1. "Participations in affiliated companies" and CIII 2. "Participations in other companies" of the previous fiscal period have been reformed in order to become comparable with the corresponding accounts of the concluding period 01.01-31.12.2003.
- The depreciations of the fixed assets have been defined with the lower coefficients that are provided for in P.D. 299/2003. More information is presented in the Notes on the accounts.
- The Company has been audited for taxes until the fiscal year 2002.

PROFIT AND LOSS ACCOUNT (no 86) AS AT DECEMBER 31st 2003 (1.1.2003 - 31.12.2003)					APPROPRIATION ACCOUNT (no 88)						
		<u>Accounting period 2003</u>		<u>Accounting period 2002</u>				<u>Accounting period 2003</u>		<u>Accounting period 2002</u>	
I. OPERATING RESULTS											
Net turnover											
a) of Joint Ventures		31.128.297,52		19.341.708,47		NET RESULTS (PROFITS)		1.147.081,42		2.144.008,91	
b) of the Company		11.884.509,86		21.975.430,69		Plus: Prior years' results (profits)		99.675,58		444.459,16	
Total		43.012.807,38		41.317.139,16		Plus: Profit taxed under art 7 L.2579/98		0,00		131.265,26	
Less: Cost of works construction		19.115.721,99		16.042.446,47		Less: Joint Venture taxes		323.666,76		428.136,77	
Gross operating results (losses)		(7,231,212.13)		5.932.984,22		Less: Prior year's tax audit differences		59.709,09		204.394,86	
Plus:						Total		863.381,15		1.198.283,38	
Other operating income		90.873,89		9.208,77		LESS:					
TOTAL		(7,140,338.24)		5.942.192,99		1. Income tax		730.027,92		879.972,28	
Less:						2. Other not charged to the operating cost taxes		33.923,55		32.666,06	
1. Administrative expenses		1.634.894,34		1.316.038,57		3. Taxes stipulated by article 7 L. 2579/98		0,00		45.942,84	
3. Distribution costs		200.612,29		212.422,70				763.951,47		958.581,18	
SUB TOTAL (LOSSES)		(8,984,844.87)		4.413.731,72		PROFIT FOR APPROPRIATION		99.429,68		239.702,20	
Plus:						Appropriation of profits as under:					
1. Income participating interest		15.140.645,01		2.807.704,07		1. Legal reserve		25.658,46		54.704,20	
4. Interest receivable and similar income		54.722,27		56.119,76		5b. Reserves taxed under art. 7 L.2579/98		0,00		85.322,42	
Less:						8. Profit carried forward		73.771,22		99.675,58	
2. Losses from shares and participating interest		908.363,70		971.393,17		TOTAL		99.429,68		239.702,20	
3. Interest payable & similar charges		875.008,59		651.293,96							
TOTAL OPERATING RESULTS (PROFITS)		4.427.150,12		5.654.868,42							
Plus: Extraordinary results											
1. Extraordinary & non-operating earnings		557.747,85		306.610,18							
Less:											
1. Extraordinary & non-operating expenses		3.837.816,55		3.688.793,30							
2. Extraordinary loss		-		(3,280,068.70)							
Operating & extraordinary results (profits)		1.147.081,42		2.144.008,91							
Less:											
Total value adjustments		1.043.080,09		1.631.867,64							
Less:											
Those incorporated in the operating cost		1.043.080,09		1.631.867,64							
NET RESULTS (PROFITS) BEFORE TAXES		1.147.081,42		2.144.008,91							

KONSTANTINOS Ath. KOUTLAS
IDENTITY CARD No. A 050757

(signature)

VASSILIOS Sp. RAGOS
IDENTITY CARD No. P 016568

(signature)

GEORGIOS ANTONIOU
IDENTITY CARD
No. A 415932
LICENECE NO. OEE 20867
A' CLASS
(signature)

GEORGIOS KONTOLATIS
IDENTITY CARD
No. Σ 630856
LICENECE NO. OEE 4868
A' CLASS
(signature)

AUDITOR'S REPORT

To the Shareholders of the Constructing Societe Anonyme
«PROODEFTIKI S.A.»

We have audited the above financial statements, the related notes on the accounts and the cash flow statements of the Constructing Societe Anonyme «PROODEFTIKI S.A.» for the fiscal year ended December 31st, 2003.

Our audit, in the frame of which we were provided with full review on the company's branch business, was conducted in accordance with the stipulations of Article 37 of Law 2190/1920 «regarding Societes Anonymes» and in accordance with the auditing procedures we considered necessary on the basis of auditing principles and regulations followed by the Greek Institute of Chartered Accountants which are in compliance with the basic principles of the International Auditing Standards. We have audited the books of accounts and the records of the company and have obtained all the information and explanation we needed. The company has applied the Greek Chart of Accounts correctly. The company's inventory method, as compared to the preceding fiscal year, was not altered. The production cost disclosed in the accounting books has been estimated according to the generally accepted principles for estimating cost. We have verified that the Board of Directors' report to the ordinary general meeting of the shareholders is consistent with the financial statements.

The related notes include the information required by par. 1 of article 43a of Law 2190/1920. The cash flow statements have been compiled based on the financial statements and the accounting books and records kept by the company. Our audit ascertained the following:

1. During the year 2002 amounts owed by joint ventures, in which the company participated, totaling €18.111.804,13 were transferred to the account of Assets CI5 "other intangible assets" in accordance with law 2992/2002. The company, in consistency with the preceding year, charged its results in the year ended and in particular the account "extraordinary and non operating expenses" by one fifth of the above receivables.
2. The account of Assets CIII2 "participating interest in other undertaking" pertains to the following: a) the cost value of shares in societes anonyme not listed on the ASE, which are audited by a chartered accountant, of total amount €6.427.338,34 the market value of which, in accordance with article 43 of law 2190/1920, is higher than their cost value, b) the cost value of shares in a societe anonyme not listed on the ASE and not audited by a chartered accountant amounting to € 2.271,46 the market value of which, in accordance with article 43 of law 2190/1920, is higher than their cost value and c) the cost value of the company's participating interest in joint ventures which are not audited by a chartered accountant amounting to € 80.858,58.
3. The account of Assets CIII1 "participating interest in affiliated undertaking" amounting to €3.418,59 pertains to the cost value of shares in two foreign companies which are not audited by a chartered accountant, one of which is inactive and the other one has compiled its first financial statements. The book value of the above companies in accordance with article 43, law 2190/1920 is equal to their cost value.
4. The account CIII2 "participating interest in other undertaking" includes the amount of € 1.379.310,34 pertaining to the company's participation in the founding share capital of "KAZINO ATHINON S.A.". Additionally the account of Assets DII6 "amounts owed by other undertakings with which the company is linked by virtue of participating interest" includes the amount of € 340.676,91 pertaining to receivables from the same company. With regard to those receivables there is a pending lawsuit against the Greek State.
5. The results of previous years (company's turnover) as well as the account of Assets DII6 "amounts owed by other undertakings with which the company is linked by virtue of participating interest" include the amount of € 12.374.886,47 pertaining to forecasted income in previous years which had not been invoiced and confirmed up to 31.12.2003. It was not possible to estimate during our audit any losses that may be incurred from failure to collect those receivables.
6. The accounts of Assets DI3 "work in progress" amounting to €9.164.604,81 and DI4 "raw and auxiliary material – consumables – spare parts" amounting to €104.834,34 pertain to the cost of material and fees involved in specific technical works carried out before 31.12.2003.