



MICHANIKI

GROUP OF COMPANIES

A N N U A L R E P O R T 2 0 0 4



FINANCIAL DATA

	2004	2003	%
Group Revenues (in € million)	152.66	152.12	+0.4%
Group Profit before Tax (in € million)	19.09	16.72	+14.2%
Company Revenues (in € million)	107.61	109.53	-1.7%
Company Profit before Tax (in € million)	15.35	12.22	+25.6%
Dividend per Share (in €)	0.12	0.10	+20.0%

MICHANIKI



Y E A R S

A N N U A L R E P O R T 2 0 0 4

ΑΝΩΝΥΜΟΣ ΤΕΧΝΙΚΗ ΕΤΑΙΡΕΙΑ ΜΕΛΕΤΩΝ ΚΑΙ ΚΑΤΑΣΚΕΥΩΝ
ΜΗΧΑΝΙΚΗ Α.Τ.Ε.

ΙΣΟΛΟΓΙΣΜΟΣ ΤΗΣ 31ης ΔΕΚΕΜΒΡΙΟΥ 1975 (ΧΡΗΣΙΣ 1n)
 Από 1/1/75 - 31/12/75

ΕΝΕΡΓΗΤΙΚΟΝ

Ι ΒΑΣΙΟΝ		
Γήρεβα		429.074
Μηχανήματα	12.201.055	12.201.055
Μείον αποσβέσεις		
Τεχνικός εξοπλισμός	7.885.265	7.885.265
Μείον αποσβέσεις		
Εγκαταστάσεις	329.332	289.897
Μείον αποσβέσεις	39.435	
Μετοχές άλλων	990.516	990.516
Μείον αποσβέσεις		
Μετοχές και Οργανισμοί	201.952	181.537
Μείον αποσβέσεις	20.415	
Επιτάγην και Οργανισμοί	323.002	274.982
Μείον αποσβέσεις	48.040	
Έπιπλα και σκεύη - βιβλιοθήκη	360.750	309.901
Μείον αποσβέσεις	50.849	102.500
Δαπάνη ιδρύσεως και Οργανώσεως		22.664.725
Μείον αποσβέσεις		
Χρεώματα		
Σύνολον Παθίων		7.080.836
		666.729
		30.412.040

II ΚΥΚΛΟΦΟΡΟΥΣ
III ΔΙΑΘΕΣΙΜΟΝ

Κεταθέσεις κατά Τραπεζάς	
Ζημία γρήγορος εις Νέον	
Γενικό σύνολον Ενεργητικών	

ΠΑΘΗΤΙΚΟΝ

Ι ΚΕΦΑΛΑΙΟΝ - ΑΠΟΘΕΜΑΤΙΚΑ	
Μετοχών Κεφάλαιον	30.000.000
(Μετοχών 30.000 των 1.000 δαγ.)	
II ΒΡΑΧΥΠΡΟΘΕΣΜΟΥ ΠΟΧΡΕΩΣΙΣ	
Προσμενέται	226.568
Γραμμάτια πληρωτέα	171.325
Ελληνικών Δημόσιων	8.071
Αιρετών Ισχυρίων	6.076
Σύνολον βραχυπρόθεσμων υποχρεώσεων	412.040

Γενικό σύνολον Παθητικών 30.412.040

ΑΝΑΛΥΣΙΣ ΛΟΓΑΡΙΑΣΜΟΥ - ΑΠΟΤΕΛΕΣΜΑΤΑ ΧΡΗΣΕΩΣ

Μικτό κέρδος		654.827
Δαπάνη Διασφραγίσεως		34.687
Δαπάνη χρηματοδοτήσεως		689.514
Αποσβέσεις γρήγορος		158.739
Ζημία		848.253
Δαπάνη έσοδα		181.524
Ζημία γρήγορος εις Νέον		666.729

Ο Πρόεδρος του Διοικητικού Συμβουλίου
 ΠΡΟΔΡΟΜΟΣ ΕΜΦΙΕΙ ΖΟΓΛΟΥ

Εν Θεσσαλονίκη τη 31η Ιανουαρίου 1976
 Ο Ενεργητικός Σύμβουλος
 ΔΗΜΗΤΡΙΟΣ ΚΑΚΑΒΑΣ

Ο Προϊστάμενος
 ΚΩΝΣΤΑΝΤΙΝΟΣ ΠΑΠ

(Αριθ. τηλ. Τηλ. Γεν. Εσ. Αθ. 14116/76, Τ.Α.1761)

TABLE OF CONTENTS

Chairman of the Board of Directors - Statement	<i>page 4</i>
Michaniki's 30th Anniversary	<i>page 5</i>
Michaniki Group	<i>page 15</i>
Activities in Construction	<i>page 16</i>
Construction Projects (photos)	<i>page 19</i>
Real Estate Development & Services in Greece	<i>page 32</i>
Real Estate Projects in Greece (photos)	<i>page 36</i>
Real Estate Development & Services Abroad	<i>page 39</i>
Real Estate Projects Abroad (photos)	<i>page 42</i>
Energy	<i>page 47</i>
Industrial Activities	<i>page 50</i>
Industrial Plants (photos)	<i>page 54</i>
Michaniki Group - Financial Highlights	<i>page 58</i>
Michaniki S.A. - Financial Highlights	<i>page 62</i>
Michaniki S.A. Shareholders	<i>page 65</i>
Michaniki S.A. Investments	<i>page 65</i>
Quality Assurance - Environment	<i>page 66</i>
Organizational Chart	<i>page 67</i>
Michaniki S.A. Board of Directors	<i>page 68</i>
Michaniki S.A. Management	<i>page 69</i>
Social Responsibility	<i>page 70</i>
Michaniki S.A. Share Price Charts	<i>page 74</i>
Dividend Policy	<i>page 75</i>
Financial Statements 2004 - Michaniki Group and Michaniki S.A.	<i>page 76</i>
Subsidiaries (addresses)	<i>page 87</i>

FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear Shareholders,

On December 31, 2004 we celebrated Michaniki's 30th anniversary. From a small construction company based in Thessaloniki, Michaniki has gradually grown to become one of the largest contractors with activities not only in the construction sector but also in real estate development, energy production and manufacturing in Greece, Bulgaria, Ukraine and Russia.

Michaniki's initial equity capital of 20.0 million drachmas (58,694 euros), has grown today to 137.5 million euros. In 1974 the total assets of the newly founded company were around 22.0 million drachmas (64,500 euros), while at the end of 2004 the Michaniki Group of Companies had total assets of 176.0 million euros and current assets amounting to 298.0 million euros.



The current value of the Group's land and real estate assets is estimated today at around 220.0 million euros, when in 1974 it was barely 40,000 euros. Michaniki's workforce has significantly increased as well. There were less the 50 people who joined the company in its first steps in 1974,

while today the Group has more than 1,250 employees in Greece and abroad.

Over its 30 year history of operations Michaniki has participated in more than 120 major infrastructure projects and has made a significant contribution to the development of Greece and the strengthening of the economy. At a technical level, Michaniki has brought innovation and know-how, delivering some of the most complicated construction projects in the country.

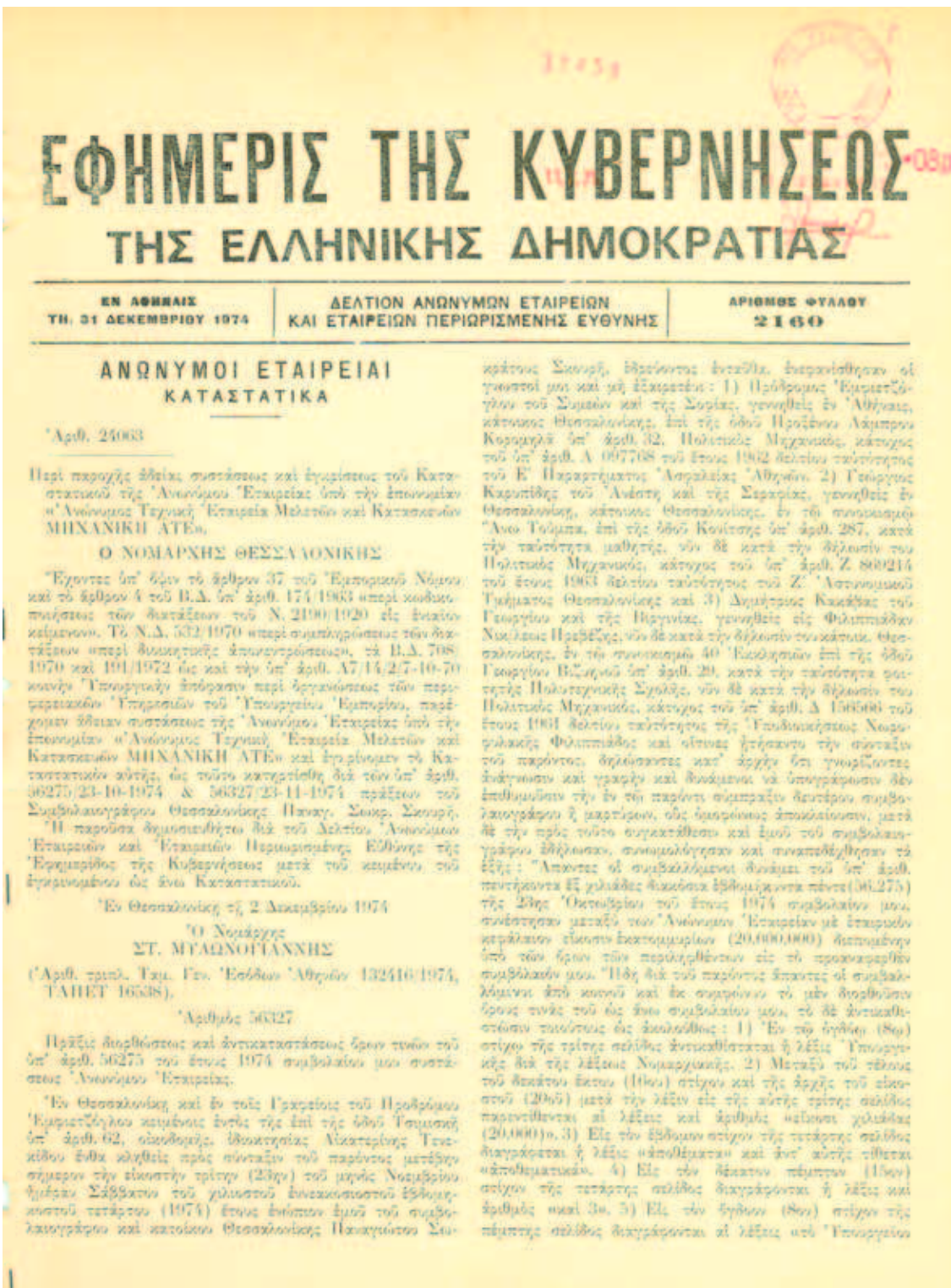
2004 was a very important year for Michaniki as the company achieved a further expansion of its market share and a significant improvement of its financial results, with direct benefits for its shareholders and employees.

A more specific picture of the consolidated and company results is as follows:

	2004	2003	Change%
Group Revenues (in € million)	152.66	152.12	+0.4%
Group Profit before Tax (in € million)	19.09	16.72	+14,2%
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Prodromos S. Emfietzoglou



A copy of the Greek Government's Gazette in 1974, referring to the official establishment of Michaniki S.A.



P. Emfietzoglou signs the contract for the Athens Airport in 1981

THIRTY YEARS MICHANIKI



The group's involvement in Greece and abroad in construction activities for a number of years is highlighted by many infrastructure projects that stand out for their innovative techniques.

The size and quality of the projects the company has undertaken in its 30-year history is well reflected by some of the most important infrastructure works in Greece such as the Ilarion Hydroelectric Project, the Hydro Power Intake Tunnel at Mesochora but also large-scale road works on the Egnatia Highway and PATHE, the Papageorgiou Institute Hospital in Thessaloniki, the Kavala Technical Schools Campus and the Olympic Village in Athens.

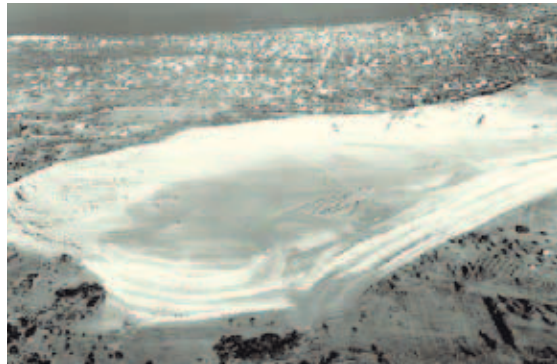
MICHANIKI has brought innovation in the construction of bridges like Platanovrissi bridge at Drama, Krystalopigi at Thesprotia and Votonosio at Metsovo.

MICHANIKI was the first construction group to introduce its own tunnel-boring machines (TBM) in the construction of tunnels in Greece, a methodology that was also used in the building of the Athens Metro subway system.



Athens International Airport

In 1981 MICHANIKI undertook the first landscaping and earthmoving works for the new international airport of Athens. When building of the airport began, MICHANIKI undertook the project of leveling



THIRTY YEARS MICHANIKI

a nearby hill to enable the safe landing and take-off of aircrafts. At a later stage it also built parts of the runways and taxiways and aircraft parking facilities.



Kavala Technical Schools Campus

In 1983 MICHANIKI undertook the construction of the Technical Schools Campus of Kavala, northern Greece, a project that involved significant earth and rock moving works to level the land for the construction of the complex of buildings.



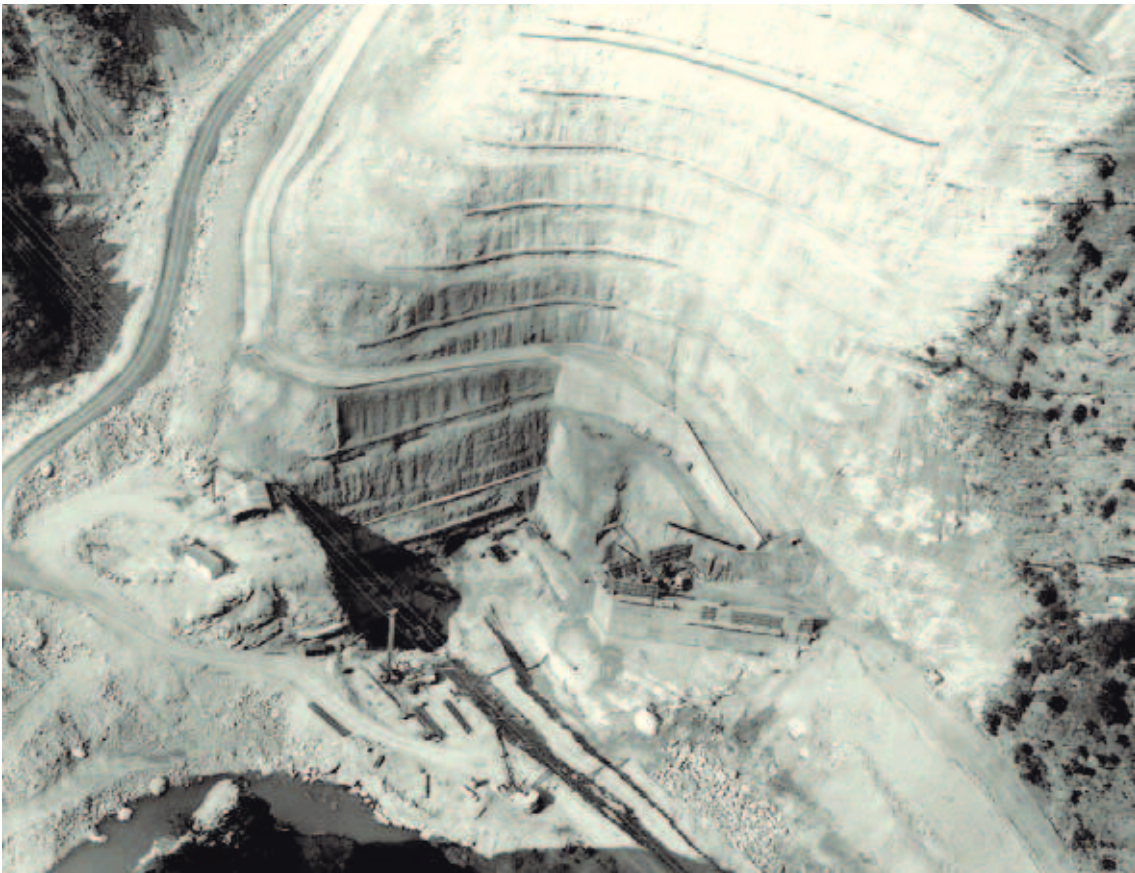
Aliakmon River Diversion Tunnel

Construction began in 1990. The project involved one of the largest in diameter (13 metres) diversion tunnels in Greece, rerouting the Aliakmon river's waters towards the Ilarion dam.



Hydro Power Intake Tunnel at Mesochora

The project began in 1992. The first Hydro Power Intake Tunnel in Greece that was constructed by a Tunnel Boring Machine, applying the relevant methodology. The 8 kilometre tunnel has a diameter of 6.5 metres and was designed to divert water from the Mesochora man made lake to the hydroelectric plant for the production of electricity.



Platanovrissi Bridge at Nestos

Construction of the bridge began in 1990 above the river Nestos at Drama, northeastern Greece. The bridge is 60 metres high and 244 metres long. Platanovrissi was the first bridge in Greece that was completed using the cantilever construction bridge builder system.



THIRTY YEARS MICHANIKI

Papageorgiou Hospital in Thessaloniki

The construction on one of the largest building complexes in Greece started in 1993. The Papageorgiou Institute Hospital in Thessaloniki is today one of the largest and most state-of-the-art medical institutions with modern facilities for training of medical and nursing personnel as well as medical research.



Egnatia Highway: Kristallopigi Bridge

In 1998 MICHANIKI undertook the construction of the Kristallopigi bridge at the Igoumenitsa-loannina section of the Egnatia Highway, northwestern Greece. It is one of the longest bridges in Greece and the longest along Egnatia Highway. The southern section of the bridge is 858 metres long in a continuous curve with 16 openings. Its northern section is 638 metres long with 12 openings. MICHANIKI completed the construction of the bridge using its own made movable scaffolding system.



THIRTY YEARS MICHANIKI

Egnatia Highway: Roadworks for the section: Anthochori - Metsovo

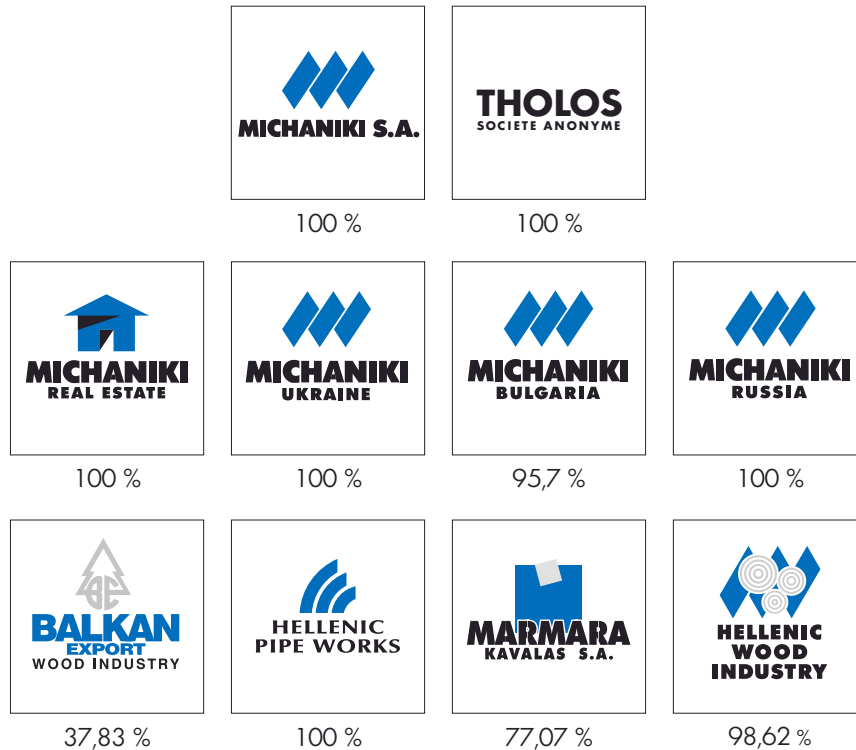
In 1999 MICHANIKI undertook the construction of the Anthochori tunnel and Votonosio bridge, a challenging project due to the morphology of the land, in northwestern Greece. The bridge features an opening of 230 metres the second largest in Greece. It has two independent sections one of which is 490 metres long while the second is 477.5 metres long.





MICHANIKI

GROUP OF COMPANIES



The Company will continue to widen its presence in the three following sectors: construction projects, energy related projects and real estate development.

As regards activities abroad, MICHANIKI has focused its attention in the rapidly developing eastern European countries in order to take advantage of the important opportunities for real estate development that can contribute to increased earnings and surplus values. Michaniki has established its presence and is expanding its activities in Bulgaria, Ukraine and Russia.

MICHANIKI Group of Companies main activities are:

I. Construction

II. Real Estate Development & Services

III. Energy

IV. Industrial Activities



I. CONSTRUCTION



THOLOS
 SOCIETE ANONYME

During 2004 MICHANIKI focused on the timely delivery of major construction projects for the Athens Olympic Games. Athens organized fine Games and MICHANIKI is proud to have participated in some of the most important infrastructure projects that were used to facilitate the Olympic Games in Athens. The list of these projects in which the company participated follows:

■ Olympic Village Construction	valued at 23.8 million €
■ Olympic Village Construction	valued at 27.4 million €
■ Construction of Vari-Koropi Highway	valued at 5.9 million €
■ Construction of Faliro Bay Waterfront	valued at 9.7 million €
■ Road works around the Olympic Sports Center	valued at 11.1 million €
■ Basketball-Handball and Fencing Facilities	valued at 38.2 million €

Besides the Olympic projects MICHANIKI participated, during 2004, in the construction of several other infrastructure projects around the country, like:

■ Construction of Isthmus Canal Railway Bridge	valued at 8.3 million €
■ Energy Production works at Polyfyto, Kozani	valued at 14.6 million €
■ Mesochora Road Tunnel, Bridge of N. Pefki	valued at 19.4 million €
■ Anti-spin Asphalt Carpets for "PATHE" Highway	valued at 14.6 million €
■ Flood Prevention Works for Vari-Koropi (through THOLOS S.A.)	valued at 4.3 million €
■ Egnatia Highway– Section Anthochori-Metsovo Junction	valued at 59.0 million €
■ Egnatia Highway - Section Lefkopetra-Veroia-Kouloura	valued at 8.3 million €
■ Rehab of free areas in Olympic Village	valued at 3.7 million €

Moreover, MICHANIKI increased the percentage of private works that is undertaking. The following are construction projects that took in 2004:

■ Construction of shopping center in Pylaia	valued at 26.9 million €
■ Lamda Olympia Village-Construction of Buildings	valued at 7.6 million €

I. CONSTRUCTION

So far during 2005, MICHANIKI has already undertaken or is awaiting the final approval for the following contracts for public and private construction projects:

A. Public Project

■ PATHE Highway-Part: Skarfia-Lamia-Raches	valued at 41.7 million €
■ IONIA ODOS: Detour of Agrinio	valued at 31.2 million €
■ Completion of Sikia Dam	valued at 96.4 million €

B. Private Projects

■ Construction of a road traffic junction in Pylaia	valued at 2.1 million €
■ Architectural and E/M works in Pylaia	valued at 14.0 million €

MICHANIKI is awaiting the final approval from the pertinent authorities in order to sign the contract for the following public projects:

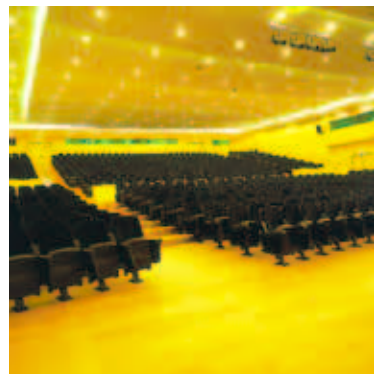
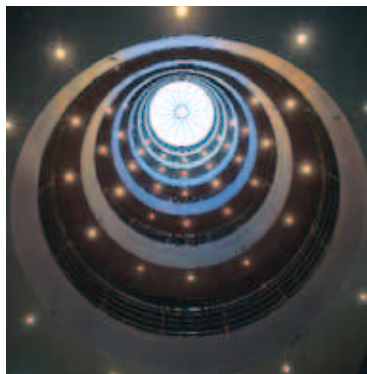
■ Patras detour and Covering of Diakoniaris river	Budgeted at 60.0 million €
■ Second Phase of Arta-Philippiada Detour	Budgeted at 32.5 million €
■ Extension of the Port of Tinos island (through THOLOS S.A.)	Budgeted at 12.9 million €

I. CONSTRUCTION



The Olympic Village

I. CONSTRUCTION



The Olympic Main Press Center

I. CONSTRUCTION



The Faliro Bay Waterfront



Roadworks around the Athens Olympic Sports Center

I. CONSTRUCTION



Basketball-Handball and Fencing Facilities at Hellinikon Complex

I. CONSTRUCTION



The Isthmus Canal Railway Bridge

I. CONSTRUCTION



Energy Production works at Polyfyo, Kozani

I. CONSTRUCTION



Energy Production works, Mesochora Road Tunnel, Bridge of Nea Pefki

I. CONSTRUCTION



Anti-spin Asphalt Carpets for "PATHE" North-South Highway

I. CONSTRUCTION



Egnatia Highway: Section Anthochori - Metsovo Junction

I. CONSTRUCTION



Egnatia Highway: Section Lefkopetra-Veroia-Kouloura



Lamda Olympia Village: Office Buildings in Marousi, Attica

I. CONSTRUCTION



Construction of shopping and entertainment centre "Mediterranean Cosmos" in Pylaia, Thessaloniki

I. CONSTRUCTION

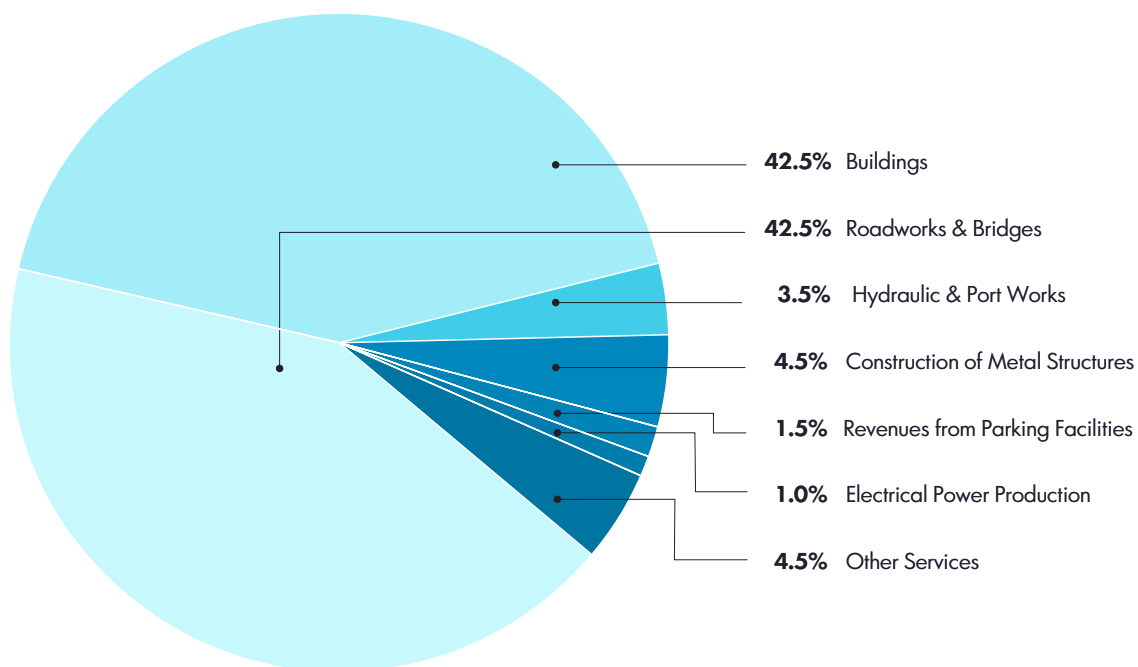
NEW CONSTRUCTION CONTRACTS SIGNED DURING 2002 - 2004 (in € thousand)*

PROJECT DESCRIPTION	AMOUNT OF CONTRACT
EGNATIA HIGHWAY- Section: ANTHOCHORI- METSOVO JUNCTION	7,900
OLYMPIC VILLAGE, SECTION B-600 HOMES (J/V MICHANIKI SHARE IS 33.3%)	24,795
OLYMPIC PRESS CENTRE (MPC), (J/V MICHANIKI SHARE IS 50%)	27,550
ROADWORKS VARI-KOROPI ROAD (J/V MICHANIKI SHARE IS 50%)	5,947
PORT WORKS AT FALIRO BAY (Olympic Beach Volley) (J/V MICHANIKI SHARE IS 28.33%)	9,736
ROADWORKS AROUND MAIN OLYMPIC STADIUM (J/V 20% SHARE)	11,112
RAILWAY BRIDGE AND ROADWORKS AT ISTHMUS CANAL	8,364
RESIDENTIAL COMPLEX IN EKALI	19,500
BASKETBALL-HANDBALL-FENCING FACILITES at HELLINIKON OLYMPIC COMPLEX (J/V 50% SHARE)	38,242
WATER SUPPLY PIPELINE FOR THE HYDROELECTRIC PLANTS OF KARDIA & AG. DIMITRIOS	14,605
CONSTRUCTION OF BUILDINGS – CIVIL ENGINEER WORKS	7,654
CONSTRUCTION OF ANTI-SPIN CARPETS IN PATHE HIGHWAY	14,662
CONSTRUCTION OF ROAD TUNNEL MESOCHORA-DAM, BRIDGE NEAS PEFKIS	19,348
CONSTRUCTION OF SHOPPING COMPLEX IN PYLAIA THESSALONIKI	26,976
RESHAPING OF FREE AREAS OF OLYMPIC VILLAGE	2,281
SEWAGE WORKS AT THE CITY OF PATRAS	1,377
PARKING FACILITIES FOR THE UNIVERSITY OF PATRAS	359
2nd KALLIPOLIS HIGH SCHOOL AT PIRAEUS	1,461
ELECTRICITY NETWORK FOR CORFU & IOANNINA	5,560
EGNATIA ODOS: PREPARATION WORKS FOR SECTION: VALIANO-CHRISOUPOLI	631
TOTAL	248,060

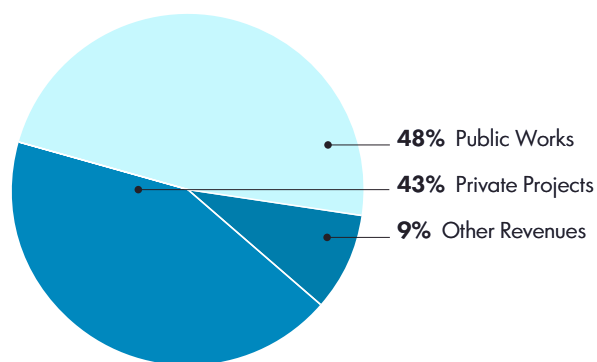
* Any differences due to rounding off

I. CONSTRUCTION

Breakdown of Turnover in Construction Activity 2004



Projects Undertaken by Michaniki S.A.





The atrium of "Athina" shopping centre in Odessa, Ukraine

II. REAL ESTATE DEVELOPMENT & SERVICES



MICHANIKI is seeking to diversify away from conventional public sector construction works through new activities in real estate development, both in Greece and abroad. Michaniki Group has shown an increasing interest in real estate, especially taking into account current and future trends in public project tenders in Greece and Europe that lead away from public projects to the Built Operate Transfer (BOT) concession model.



During 2004 MICHANIKI Group of Companies pursued investments in real estate through its subsidiaries in Bulgaria, Ukraine and, most recently, in Russia

Residential Complex in Ekali

In a land lot of about 28,000 sq.m. MICHANIKI is building "Dryades" a 55 two-floor luxury home complex. The project's aim is to meet high-quality requirements in a pine forested area of the Athens suburb of Ekali.

The area has been divided into integral plots, each featuring two or three homes. The built space will

II. REAL ESTATE DEVELOPMENT & SERVICES

cover 25 percent of the area with the remaining 75 percent landscaped with cobbled stone terraces, tile covered patios, and gardens among beautiful trees.

Each of the homes, which range from 270 to 440 sq.m., includes basements with playrooms, parking garage and auxiliary space, a ground floor with living rooms, a second floor with three or four bedrooms and two or three bathrooms and an attic.

Maroussi Building Complex

On company-owned land MICHANIKI constructed three buildings which have a combined space of 20,402 square meters. More specifically:

- The first building houses the company's headquarters.
- The second was sold to Insurance Companies, Generali Hellas and Generali Life, in 1994 for 9.2 million euros.
- The third building was sold to Piraeus Leasing (former ETBA Leasing) for 10.3 million euros and leased back for a 10-year term with a buy back option. Annual revenues from this building amounted to 438.2 thousand euros, during 2004.

Komotini Building

Located at the centre of Komotini, northern Greece, the 1,300 square meters building (402 sq.m. land property) provides office space and multi-usage area.

The building houses the Michaniki's regional office, while the remaining floors have been rented to various providers of services. During 2004, the annual rental income amounted to 74.5 thousand euros.

Corfu Real Estate

MICHANIKI REAL ESTATE S.A. has purchased land in the island of Corfu (131,000 square meters) participating with a 66.6% stake in a joint venture with Getem S.A. The company is currently conducting feasibility studies.

Mykonos Real Estate

Continuing its engagement in real estate development, in 2001 Michaniki Real Estate S.A. purchased land property totaling 26,500 square meters in the popular island of Mykonos, and it is examining the optimal exploitation of the area.

II. REAL ESTATE DEVELOPMENT & SERVICES



Parking Facility at Kotzia Square

The parking facility at Kotzia Square (central Athens) is considered to be one of the first projects in Greece that has been undertaken applying the 'Build-Operate-Transfer' (BOT) method. The parking facility with three-underground levels accommodates 691 cars and the city of Athens has granted operation and management to Michaniki S.A. until to year 2026.

In 2004 revenues amounted to 1.4 million euros while pre-tax profit amounted to 667.4 thousand euros.

Piraeus and Western Attica Public Cemetery

This is the second BOT self-financed project that was assigned to a consortium led by MICHANIKI S.A. with a 97% stake.

The project involved in total 330 hectares of land surface and was delivered in February 1998. The cemetery has a full and modern infrastructure network, complying with European Union directives. Moreover, it includes two orthodox churches. According to the initial agreement, MICHANIKI S.A. has the right to sell all the family graves and operate the parking facilities and the refreshments room for a six-year period and other shops for a fifteen-year period.

Based on a provision of the contract, the eight municipalities that make up the Piraeus and Western Attica association are obliged to end the operation of the independent cemeteries that already exist and make exclusive use of this particular cemetery.

In 2004 MICHANIKI S.A. sold another 211 graves and retains the right to sell an additional number of 6,345 graves.

Rhodes Casino

MICHANIKI S.A., after taking into consideration the fact that it was not exercising management of the Rhodes Casino, the company sold during 2004 its 36.96% stake for 5.0 million euros.

II. REAL ESTATE DEVELOPMENT & SERVICES



Model Housing Complex in Ekali, Athens

II. REAL ESTATE DEVELOPMENT & SERVICES



Building Complex in Maroussi, Athens

II. REAL ESTATE DEVELOPMENT & SERVICES



Office Building in Komotini, northern Greece



Kotzia Square Parking Facility, central Athens



Piraeus and Western Attica Public Cemetery

II. REAL ESTATE DEVELOPMENT & SERVICES



Charigratscko Sosse, Sofia

MICHANIKI S.A. through its subsidiary MICHANIKI BULGARIA, has purchased land (17,600 sq.m.) on the motorway that links downtown Sofia with the airport.

For this specific land plot, the architectural plans have been completed and they include the construction of five buildings of total surface area of 33,000 sq.m. with offices, stores and apartments.

Botanical Garden, Sofia

The company has already purchased a land plot of 32,000 sq.m. in the area of the Botanic Garden of Sofia and intends to acquire more land increasing it to around 40,000 sq.m. MICHANIKI intends to develop this specific land plot and construct a residential complex in an area where real estates prices are rising rapidly.



MICHANIKI's investment activities in Ukraine, through its subsidiary MICHANIKI UKRAINE, have significantly strengthened the group's financial results, contributing a continuous flow of funds from real estate development in one of the fastest-growing markets in Eastern Europe.

Commercial Centre "Athina, Odessa

"Athina" Shopping Centre, MICHANIKI's second multi-storey building in Odessa, was officially inaugurated in September 2004, and since then is considered a modern landmark of the city and one of the most impressive buildings in the country.

The shopping complex, totalling 30,000 square meters, located at the "Greek Square" of Odessa, consists of seven floors and two underground levels and is decorated with sculptures and artefacts from modern Greek artists.

II. REAL ESTATE DEVELOPMENT & SERVICES

The sale of stores located in the first underground level, the ground floor and the three first floors, along with office space at the upper floors has exceeded 65% of the shopping centre's total available space.

The Mayor of Odessa honoured Michaniki's chairman Mr. Prodromos Emfietzoglou with the City's highest award for his contributions to the local economy and culture.

Office and Apartments Building, Greek Square, Odessa

During 2004 MICHANIKI sold all available space of the 9,954 sq.m office and apartment building located in the Greek Square in Odessa. This was the first major real estate investment in Ukraine

Office Building and Cultural Centre, Marioupolis

MICHANIKI is currently in the process of delivering two buildings in Marioupolis, Ukraine. The first is of 2,756 sq. m. surface area with offices which are to be leased or sold. The second building is a community and cultural centre of 1,137 sq.m.

Multiple use Building Project in Darnitsa, Kiev

In the eastern suburb of Kiev, an ambitious building project is under way. In a land plot of 8,000 sq. m. attractively situated on the eastern shore of Dnieper river, "Darnitsa" will be located on a circular road junction with uninterrupted views to the lavish green of the opposite park.

The building complex of 53,400 sq. m. surface will include 198 apartments, stores for shopping, restaurants, clubs, cinemas and other areas for recreational activities.

Boritchev Tok, Kiev

In the area of Boritsev Tok, construction of a luxurious building of 5,937 square meters for commercial use is planned.

Tourgenitscka, Kiev

In the Ukrainian capital's area of Tourgenitscka, MICHANIKI plans to construct another office building of a 2,750 sq. m. surface area, consisting of eight floors.

"Delfinia" Recreational Urban Complex, Odessa

The "Delfinia" Recreational and Park Development Complex in Odessa, Ukraine is located at the city's harbor in the Black Sea.

II. REAL ESTATE DEVELOPMENT & SERVICES



Delfinia is an ambitious and challenging project of multiple uses and of a total surface area of around 200,000 sq.m. The project will incorporate existing installations while providing high standards for future housing expectations.

Commercial Centre, Obolon, Kiev

According to the results of a public tender in Ukraine, MICHANIKI will build and then operate a Commercial Centre in the area of Obolon in Kiev. In a land plot of 18,500 sq. m. the company will construct the Centre totaling 30,000 sq. m. of available space, consisting of three different levels. The Commercial Centre is located on a major traffic intersection of the city, and is accommodated by a metro station.



In 2004 MICHANIKI established a subsidiary company in the Russian market, MICHANIKI RUSSIA Ltd, headquartered in Moscow.

MICHANIKI pursues its involvement and participation in public construction projects in Russia, real estate development, as well the promotion and sale of industrial products of its affiliated companies in Greece (marble products, steel pipes, wood products etc).

The company is close to striking a deal and beginning operations in Russia:

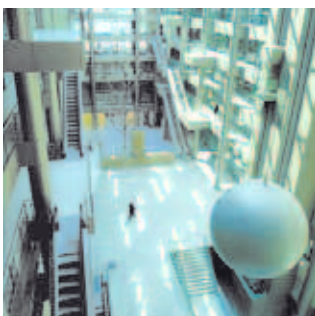
- A. To develop a land plot located at the historic part of the Russian capital where it intends to construct buildings for residential and commercial purposes totalling 48,000 sq. m. of surface space.
- B. To develop a land plot strategically located at the main Lenigratsky Avenue that connects the centre of Moscow with the city's airport. Michaniki plans to build office buildings of approximately 50,000 sq. m.

II. REAL ESTATE DEVELOPMENT & SERVICES



Charigratsko Sosse, Sofia

II. REAL ESTATE DEVELOPMENT & SERVICES



Commercial Centre "Athina", Odessa

II. REAL ESTATE DEVELOPMENT & SERVICES

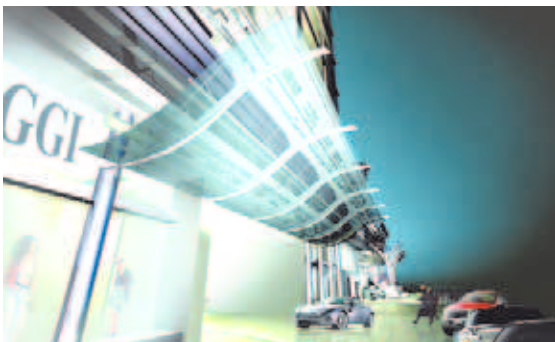


Office and Apartments Building, Greek Square, Odessa



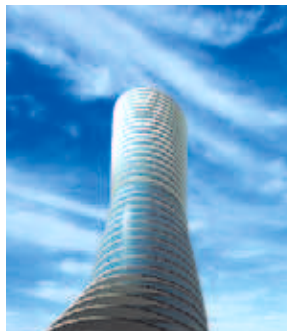
Office Building and Cultural Centre, Marioupolis

II. REAL ESTATE DEVELOPMENT & SERVICES



Multiple use Building Project in Darnitsa, Kiev

II. REAL ESTATE DEVELOPMENT & SERVICES



"Delfinia" Recreational Urban Complex, Odessa



III. ENERGY

Hydroelectric Station at Theodoriana (4 MW)

MICHANIKI has completed the first private hydroelectric project in Greece. The company delivered a 4 MW hydroelectric plant at east Tzoumerka.

The commercial supply of electrical power started in December 2003 for a ten year period. The investment amounted to 7.6 million euros and the estimated revenues from the sale of electrical power are over one million euros annually.

For the year 2004 the revenues from the Electricity sold amounted to 1.03 million euros, while the pre-tax profit stood at 593 thousand euros.



Hydroelectric Station at Agios Nikolaos, Arta (93 MW)

The second major step of the Company in the energy sector is a hydroelectric plant of multiple power capacity. This is the project of Agios Nikolaos Hydroelectric Plant in Arta Region of Western Greece.

The Agios Nikolaos project with a power capacity of 93 MW will have an annual electricity output of 300 GWh. It is budgeted at 147.0 million euros. According to the current price of KW, the estimated revenues of the Company from selling electrical power are forecasted at 20 million euros annually.

From a technical point of view the Agios Nikolaos plant will have an 86 m high dam spanning 426 m with the water level between 215 and 240 m. The plant will also feature two diversion tunnels of 266 m. and 297 m. long with a diameter of 8.5 m each, a power tunnel from the dam to the Hydroelectric Station's main building 7,200 m long and 6.0 m wide. The Hydroelectric Station's main building will have a power output of 90 MW and will be located northwest of Pteri village. Another small hydroelectric station of 3.0 MW will be installed in the bottom outlet of the project.



IV. INDUSTRIAL FACILITIES



Greece is in the middle of a post-industrial era and many old economy industrial plants face serious problems due to lack of competitiveness. For these reasons Michaniki's management is being implementing a strategy of cutting down to absolutely necessary activities in its industrial plants realizing cost savings and streamlining all its industrial activities.

MICHANIKI has the following Industrial Plants:



The company's financial results in fiscal year 2004 showed a marginal decrease in sales to 19.5 million euros from 19.8 million euros the year before.

Total Revenues were negatively affected by a marked drop in prices for processed wood in the domestic market due to intensified competition from less expensive imports of timber byproducts.

According to the net financial results, losses were accelerated to 3.7 million euros due to continued reduction of the workforce and increased depreciation costs. Earnings before interest, tax, depreciation and amortization (EBITDA) stood at 0.3 million in 2004, versus 1.64 million in 2003.

Balkan Export's total liabilities was significantly decreased to 5.4 million euros, from 7.3 million in 2003, while the company maintains zero bank debt.

Balkan Export SA expects to benefit after the restructuring of its operations with significant cost containment, coupled with an increase in sales and virtually no long term liabilities playing a role.

IV. INDUSTRIAL FACILITIES



An adverse business climate internationally during 2004 had an impact on the company's financial performance as a large portion of its output is addresses to the foreign markets. Exports were negatively affected by the euro/dollar exchange rate movements, particularly orders to the United States.

As a percentage of total turnover, in the last two years exports fell to almost 3% from 30% in 2002 because of the downturn in international markets. In 2004 total revenues stood at 9.9 million euros from 11.2 million in 2003. Pre-tax profit were increased marginally to 0.66 million from 0.63 million the year before.

Nevertheless, it is worth noting that in the particularly demanding U.S. market, characterized by the high quality of competing products, the company has gained a strong reputation for quality which resulted in a sustained demand for its products by U.S. consumers.

Hellenic Pipe Works S.A. is one of the few pipe manufacturers with the right to use the global API (American Petroleum Institute) trademark for pipes of liquid and gas fuels and the unique manufacturer of small-diameter pipes.

Furthermore the company pays particular attention to quality of products and services and has developed a Quality Assurance System in accordance with the international standard EN ISO9001. Additionally, Hellenic Pipe Works S.A. is certified by the European Union's order: 97/23/EC for products under pressure.



Marmara Kavalas S.A. is one of the oldest and most well-known Greek marble companies internationally. The primary activities of the company include quarrying, processing and sales of marble products in domestic and foreign markets.

For the financial year 2004, the company's turnover reached 3.5 million euros, while profits before tax reached 72.9 thousand euros.

The company has significant export activities to Cyprus, Spain, Germany, Austria and Netherlands.

IV. INDUSTRIAL FACILITIES



Moreover, it has penetrated and increased its share in the developing Balkan markets (Croatia, Serbia), Ukraine, United Arab Emirates, as well as Brazil.

In 2004, company sales showed a significant increase compared to 2003. Productivity is constantly improving and management projects that the share of Marmara Kavalas products in foreign markets will further expand, thus having immediate beneficial effects for the financial performance of the company.



MICHANIKI S.A. management has decided to terminate the activities of this company due to the unsatisfactory performance of the investment and is currently examining the prospect of selling of its assets.

IV. INDUSTRIAL FACILITIES



Balkan Export S.A.

IV. INDUSTRIAL FACILITIES



Hellenic Pipeworks S.A.

IV. INDUSTRIAL FACILITIES



Marmara Kavalas S.A.



MICHANIKI GROUP - FINANCIAL HIGHLIGHTS

GROUP FINANCIAL RESULTS 2002 - 2004

(amounts in € thousand)*	2002	2003	2004
Turnover	90,337	105,170	118,137
Turnover from Joint Ventures	30,879	46,948	34,518
Total Turnover	121,216	152,118	152,656
Minus: Cost of Construction ¹	66,862	80,733	92,854
Gross Profit from Turnover ¹	23,475	24,437	25,283
Net Profit from Joint Ventures	4,615	4,128	6,932
Operational Profit ¹	14,910	17,364	18,045
Profit before Tax and Depreciation	26,038	26,411	27,276
Profit before Depreciation	25,863	25,959	26,777
Pretax Profit	14,358	16,407	16,843
Profit before Tax and after Minorities	13,983	16,723	19,089
Profit after Tax and after Minorities	10,094	13,267	13,939

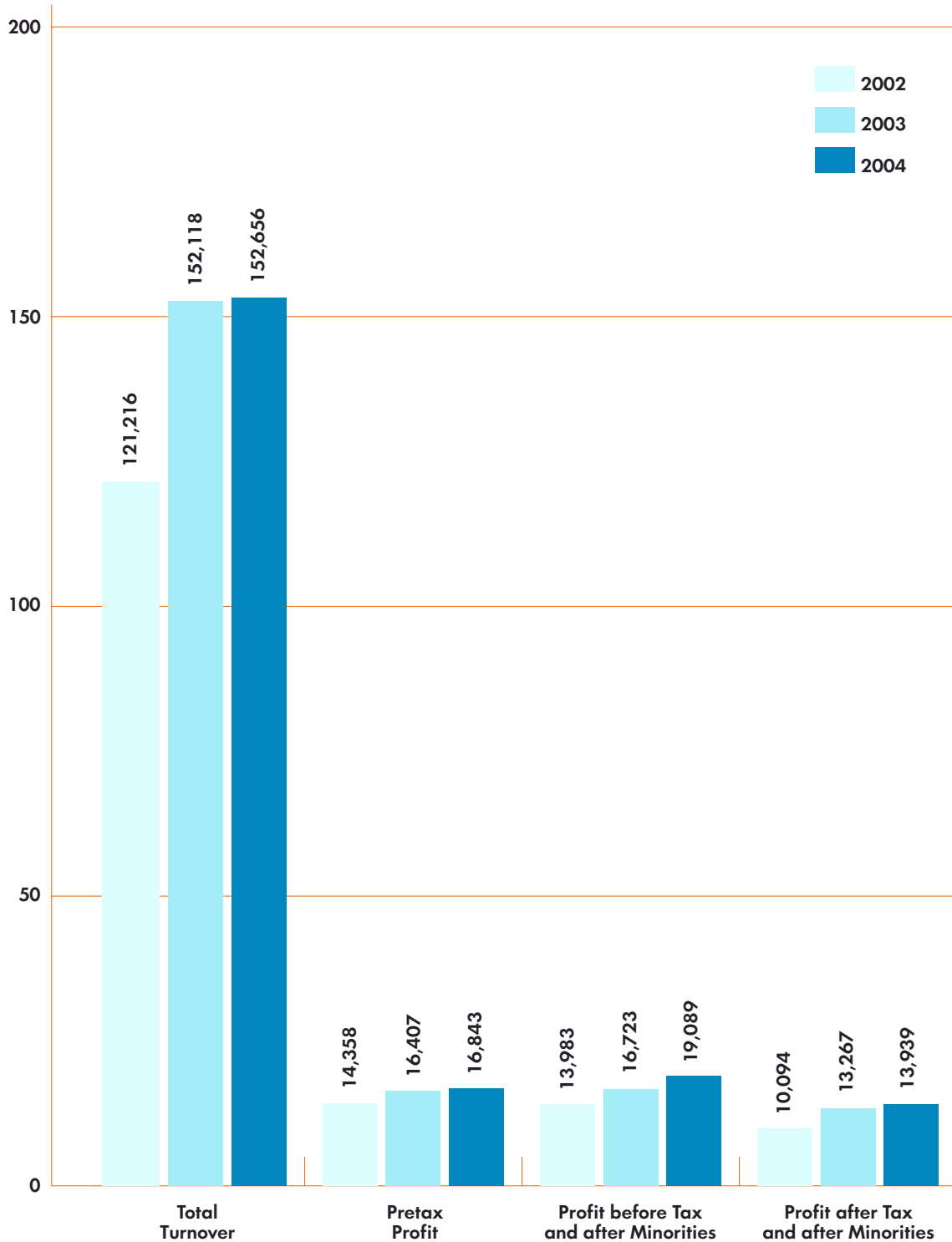
* Differences due to rounding off.

1. Before Appreciation for the financial years 2002-2004.

MICHANIKI GROUP - FINANCIAL HIGHLIGHTS

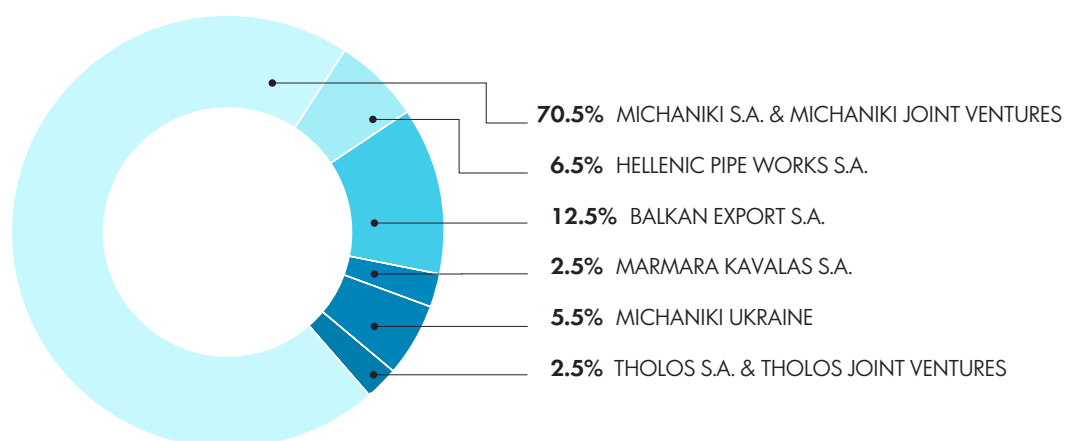


GROUP RESULTS 2002 - 2004 (in € thousand)



MICHANIKI GROUP - FINANCIAL HIGHLIGHTS

TURNOVER BREAKDOWN



The chart does not include companies whose share in the consolidated turnover is less than 1% of the total turnover (Hellenic Wood Industry S.A., Michaniki Real Estate, Michaniki Bulgaria).

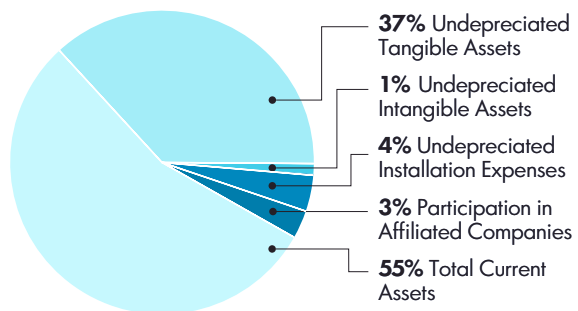
GROUP BALANCE SHEETS 2002 - 2004

(amounts in € thousand)*	2002	2003	2004
ASSETS			
Undepreciated Installation Expenses	24,050	22,301	18,200
Undepreciated Intangible Assets	7,911	3,180	3,038
Undepreciated Tangible Assets	142,079	148,415	161,607
Participation in Affiliated Companies	19,371	19,797	11,087
Total Assets	169,853	171,923	176,209
Total Current Assets	215,887	224,112	246,725
Total Assets	413,965	421,879	445,814
LIABILITIES			
Equity Capital	369,209	364,792	374,841
Provisions	401	253	132
Total Long-Term Liabilities	238	3,167	6,607
Total Short-Term Liabilities	43,795	53,418	63,575
Total Liabilities	44,034	56,585	70,183
Total Liabilities	413,965	421,879	445,814
Book Value per Share (in €)	4.77	3.93	4.03

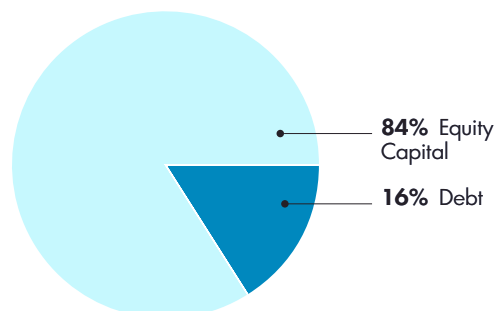
* Differences due to rounding off.

MICHANIKI GROUP - FINANCIAL HIGHLIGHTS

2004 GROUP TOTAL ASSETS



2004 GROUP TOTAL LIABILITIES



MICHANIKI S.A. - FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS MICHANIKI S.A. 2002 - 2004

(amounts in € thousand)*	2002	2003	2004
Company Turnover	41,752	63,417	74,568
Turnover from Joint Ventures	29,494	46,119	33,043
Total Turnover	71,246	109,536	107,611
Minus: Cost of Construction (1)	33,511	50,190	59,248
Gross Profit from Company's Turnover (1)	8,240	13,227	15,320
Net Profit after Tax from Joint Ventures	4,512	3,862	6,116
Operational Profit (1)	3,876	9,864	11,395
Profit Before Interest, Depreciation and Tax	12,199	17,019	20,228
Profit before Tax and Depreciation	11,942	16,733	19,888
Profit before Tax	7,601	12,222	15,349
Profit after Tax, Board Fees	4,667	8,925	10,561
Profit after Tax, Board Fees and Tax from Previous Fiscal Years	1,854	8,666	10,528

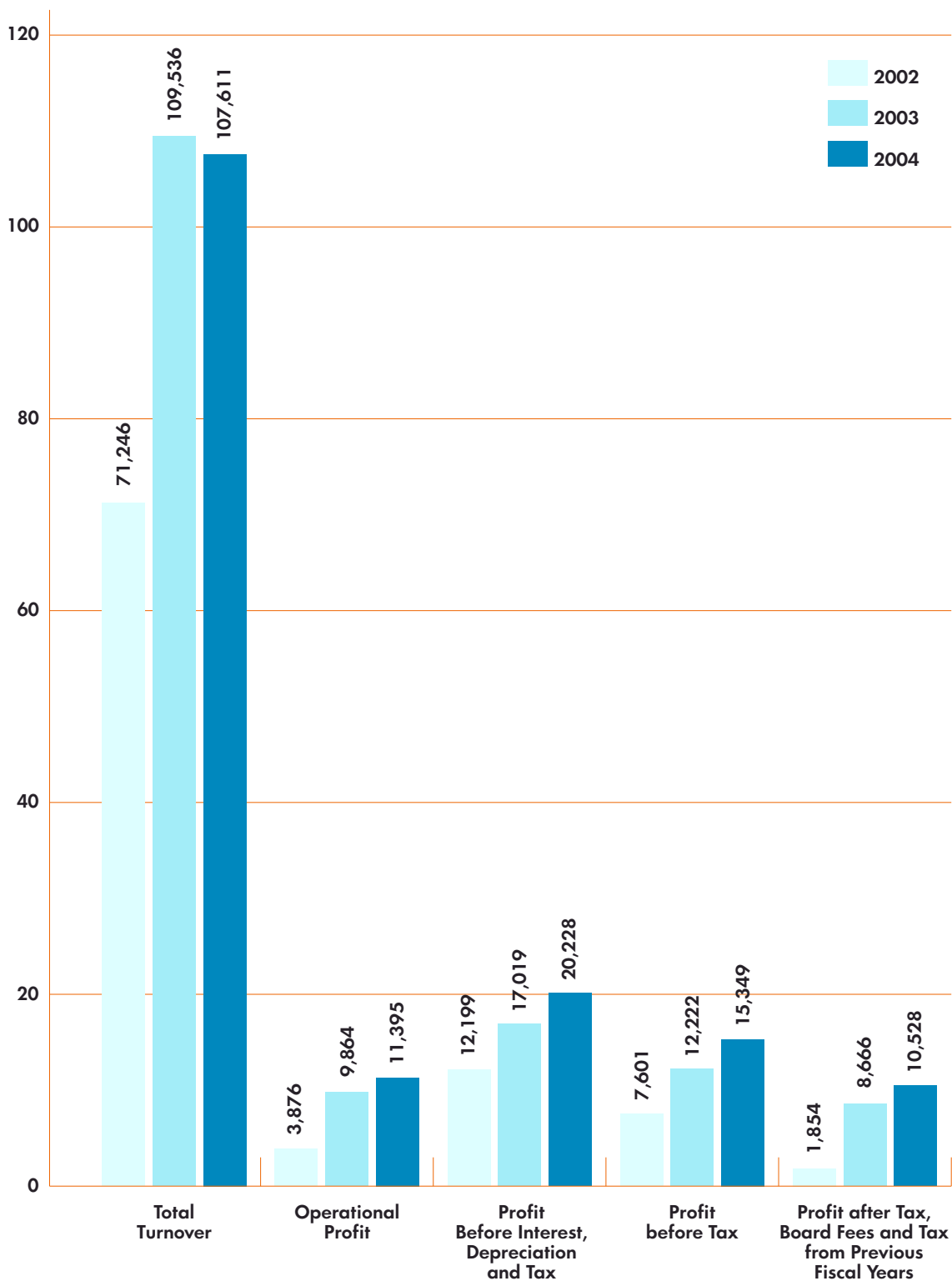
* Differences due to rounding off

(1) Before Appreciation for the financial years 2002-2004.

MICHANIKI S.A. - FINANCIAL HIGHLIGHTS



MICHANIKI FINANCIAL RESULTS 2002 - 2004 (in € thousand)



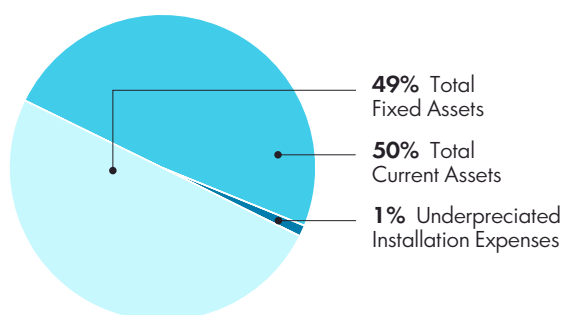
MICHANIKI S.A. - FINANCIAL HIGHLIGHTS

MICHANIKI S.A. BALANCE SHEET 2002 - 2004

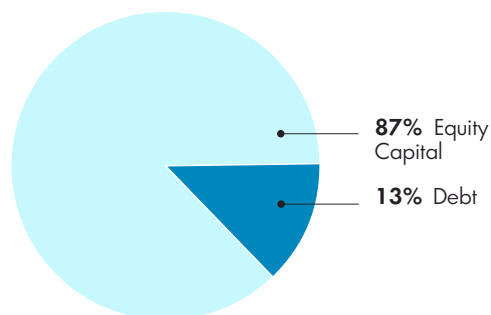
(amounts in € thousand)*	2002	2003	2004
ASSETS			
Underpreciated Installation Expenses	4,192	3,100	1,842
Total Fixed Assets	177,261	159,651	139,885
Total Current Assets	113,557	123,603	146,452
Memo Account Assets	253	368	665
Total Assets	295,263	286,723	288,843
LIABILITIES			
Equity Capital	274,027	256,546	249,750
Provisions	65	68	69
Total Long-Term Liabilities	0	0	0
Total Short-Term Liabilities	21,171	30,109	38,736
Total Liabilities	21,171	30,109	38,736
Memo Account Liabilities	0	0	0
Total Liabilities	295,263	286,723	288,843
Book Value per Share (in €)	3.54	2.76	2.69

* Differences due to rounding off.

2004 PARENT COMPANY TOTAL ASSETS



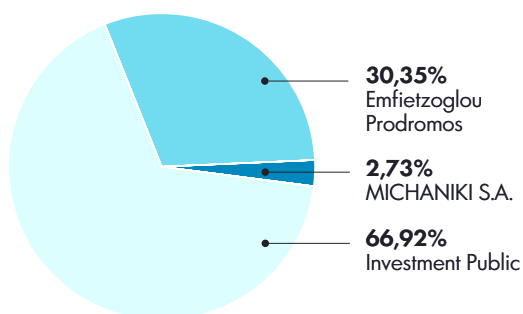
2004 PARENT COMPANY TOTAL LIABILITIES



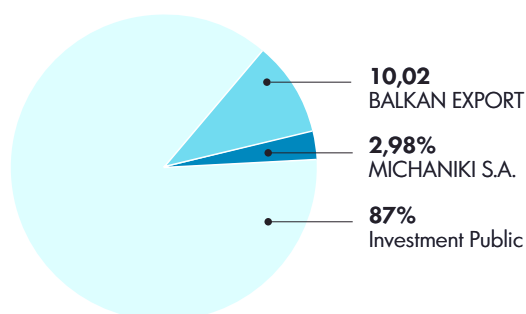
MICHANIKI S.A. SHAREHOLDERS

Michaniki shareholders of common and preferred shares as of March 2005 are shown in the following pie-charts:

SHAREHOLDERS OF COMMON SHARES 2004



SHAREHOLDERS OF PREFERRED SHARES 2004

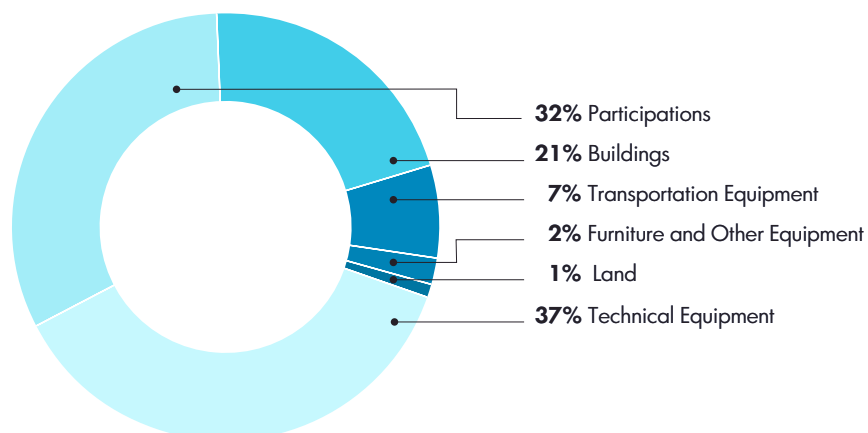


The above charts depict only those shareholders owning at least 2% of the total amount of share capital for the common and the preferred shares.

2002-2004 MICHANIKI S.A. INVESTMENTS

The company's total investments during the last three fiscal years (2002-2004) is depicted in the following table:

INVESTMENTS 2002 - 2004



QUALITY ASSURANCE & ENVIRONMENT

In order to achieve organizational optimization, operational efficiencies and quality improvement in the projects it delivers, MICHANIKI S.A. has developed a Quality Assurance System in accordance with the international standard EN ISO 0992:1994. The initial award of the qualification assurance was delivered in May 1998 and since then and following inspections the certificate remains valid up to date.

Since September 2003, the company upgraded the qualification assurance system based on the EN ISO 9001:2000 standard, by the inclusion of design into the auditing process. The qualification assurance system has been authorized by the internationally recognized German Institute of Accreditation DEKRA-ITS. The present Certification (No.20900737/1) is valid until September 28, 2006.

The Metal constructions sector of the company has begun the implementation of an Environmental Management system, which is in accordance with international standard EN ISO 14001:1996.

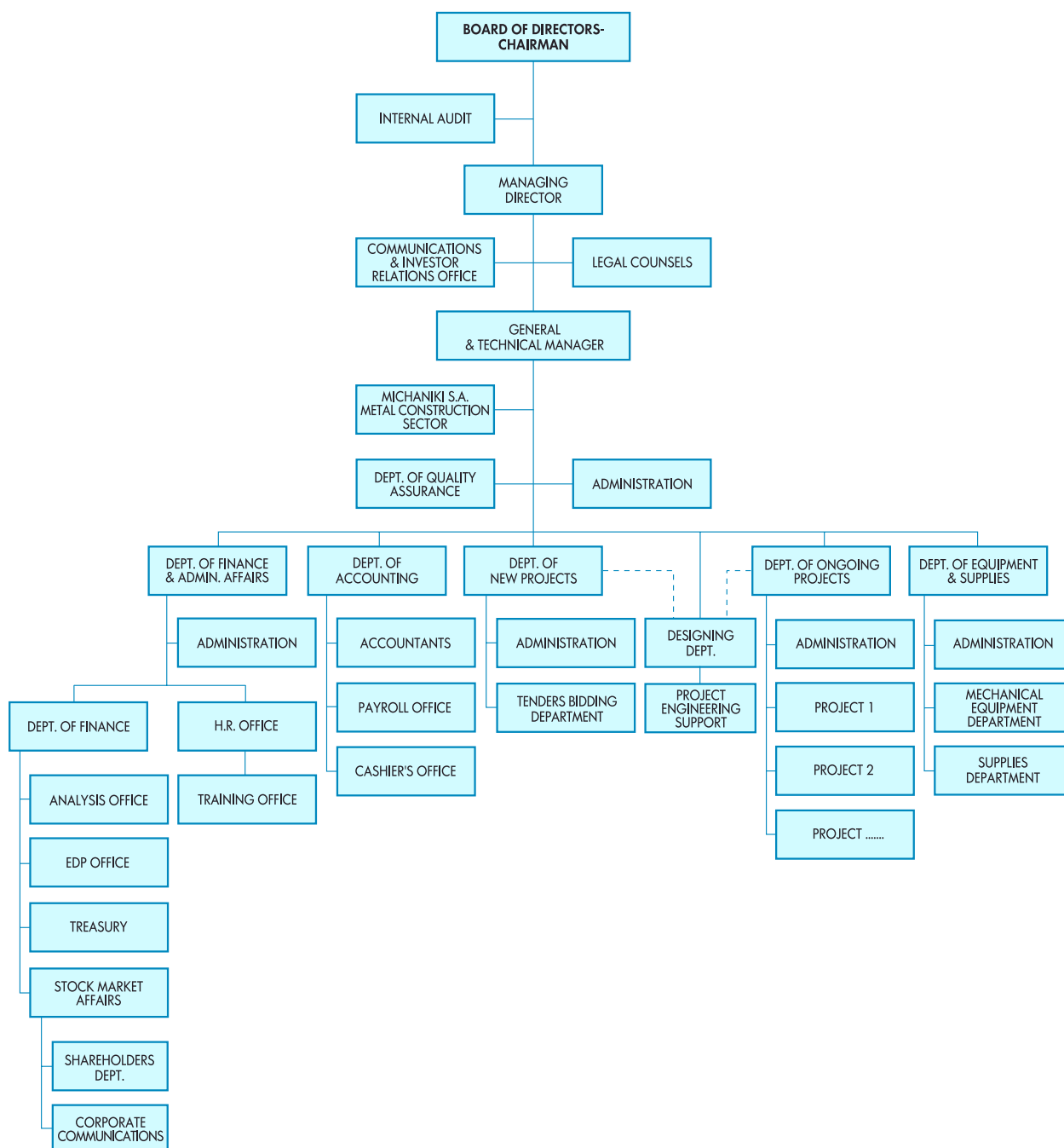
The underlying philosophy and objective of the quality assurance system of MICHANIKI S.A. is to ensure quality in the construction projects it delivers and to comply with the conventional or other demands of its clients, the national and international standards.

In order to effectively deal with environmental issues, the company takes extra efforts to ensure that projects under construction comply with European Union and Greek laws



ORGANIZATIONAL CHART

MICHANIKI S.A. on average employed a staff of 912 in 2004, while at a group level employment reached 1.253 on average.



BOARD OF DIRECTORS OF MICHANIKI S.A.

BOARD MEMBERS

Prodromos S. Emfietzoglou

*Board Chairman
General & Technical Manager*

Melina P. Emfietzoglou

Managing Director

Nikolaos I. Kampas

Member - Legal Counsel

Georgios I. Dimakis

Member - New Projects Manager

Eleftherios S. Triboulidis

Member - Head of Project Bidding

Apostolos N. Athanasopoulos

Member - Chief Financial Officer

Eleni G. Vozani

Non Executive Member

Georgios N. Kalinoglou

Independent Non Executive Member

Angelos A. Tsaklaganos

Independent Non Executive Member

Prodromos Emfietzoglou

Board Chairman and General Technical Manager.

He is a Civil Engineer with graduate studies in Germany.

Melina Emfietzoglou

Managing Director, in charge of General Affairs and Public Relations.

She is a graduate of Lemania School in Lausanne, Switzerland.

George Dimakis

Manager of New Projects.

He is an Electrical and Mechanical Engineer, graduate of the Polytechnic school of Munich, Germany.

Apostolos Athanasopoulos

Chief Financial Officer.

He is a graduate of the American College in Athens in economics, and he is working on his executive MBA at Strathclyde University, Scotland.

Dimitris Leontidis

Project Manager.

He is a Civil Engineer with graduate studies in the UK in Management & Implementation of Development Projects.

Panagiotis Kostidis

Equipment & Procurements Manager.

He is a Mechanical Engineer (Msc), graduate from Iowa State University, U.S.A. He has also a BS in Physics from the Aristotelian University of Thessaloniki.

Christos Kikiantonis

Chief Accountant.

He is a graduate of the University of Piraeus in Finance.

Theodore Iatridis

Internal Control.

He is a graduate of the Industrial School of Thessaloniki.

Despoina Ioakeimidou

Quality Assurance Manager.

She is a Mechanical Engineer from the University of Stuttgart, Germany.



A view of the Emfietzoglou Collection at Anavrita, Amaroussion.

SOCIAL RESPONSIBILITY



MICHANIKI supports social causes by contributing to the cultural, educational, social and economic development of several regional communities both in Greece and abroad.

- MICHANIKI today has sponsored 24 regional villages in the Florina province (northern Greece) where construction projects along with cultural and social activities focus on improving the quality of life of the local communities, particularly the younger generation.
- Similar activities are taking place in the Thrace region, in northern Greece. While promoting the region's economic development, MICHANIKI is also addressing challenges faced by the minorities in Greece, like the Roma and Pomakoi (Bulgarian speaking Greeks). In this aim the company founded the Cultural-Athletic Center of Drosero in the city of Xanthi.
- In order to preserve and promote the cultural heritage of the Greeks of southern Albania (Northern Epirus), MICHANIKI, in collaboration with the Defense ministry, founded a Cultural Center in Koritsa, Albania. This Center housed the Koritsa Greek Language Preparatory Center and the "Adelfotita" (brotherhood) social club. The aim of the Cultural Center is to establish channels of communication and enhance opportunities for cultural, athletic and educational activities.
- MICHANIKI has also been responsive to hardship caused by natural disasters. A recent example was the donation of 40 homes in the municipality of Aharnon-Attica to relieve the pain caused by the deadly September 9, 1999 earthquake that hit Athens.
- The company's Chairman, Prodromos Emfietzoglou has shown keen interest in supporting cultural development and social causes in the region of Macedonia, Thrace as well as in other Greek communities abroad.
- The Chairman's concerns with regards to Greece's demographic problem has resulted in specific actions to provide assistance for large families with more than three children, and the support of young couples especially in the remote areas of Greece.
- Orthodoxy and Greece's Christian heritage is another facet of Prodromos Emfietzoglou's social contribution. His support of the convents of Agion Oros (Mount Athos) is reflected in the renovation of the Pantokrator Monastery, which serves as the library and conservatory of Byzantine icons, relics and artifacts, as well as the construction of a port at the Esfigmenou Monastery.
- Moreover, he has contributed in the development of the Balkans through the settlement of problems of Eastern Europe, while he has represented the European Union in the cooperation meetings of the Union with Russia. It was Prodromos Emfietzoglou's idea the creation of a North – South highway from Helsinki-St Petersburg-Moscow-Kiev-Bucurest to Alexandroupoli that was later adopted by the European Union as the Intereuropean path with the title: No IX.

SOCIAL RESPONSIBILITY

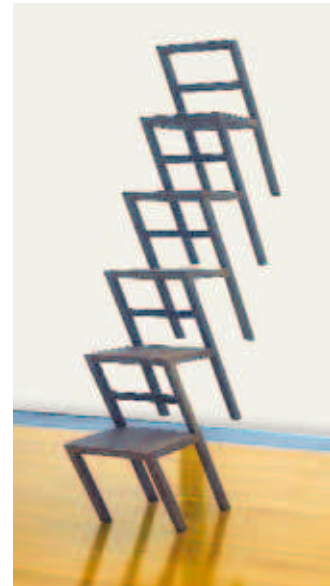
- The group's support of social causes extends beyond Greek borders. In the Ukraine, Michaniki has established a cultural center for Greek communities in Marioupolis. Similar support is offered to the Greek communities in Bulgaria and Moldova.
- In 1994, Ecumenical Patriarch Bartholomaios honored Chairman Emfietzoglou for his devotion and social responsibility to Orthodoxy and Hellenism.
- In 1995 the School of Law and Economics of the Aristotelian University in Thessaloniki presented Mr. Emfietzoglou with an honorary doctorate degree for his efforts and contribution to the Greek society and the economy.



Dimitris Kalamaras:
"Captain Kottas, Hero of the
Struggle for Macedonia",
1960-1965



Iason Molfessis:
"Planet",
1977



Lucas Samaras:
"Chair Transformation",
1969-1970

- In 1997 the Academy of Athens awarded Mr Emfietzoglou the Gold Medal for his national, social and cultural contribution.
- In 1997, for the same reasons Prodromos Emfietzoglou was awarded the highest honor by Greek Orthodox Patriarch Diodoros of Jerusalem .
- In 2001 Mr. Emfietzoglou was proclaimed an Honorary Doctor of the Department of Business Administration at Abertay Dundee University in Britain.

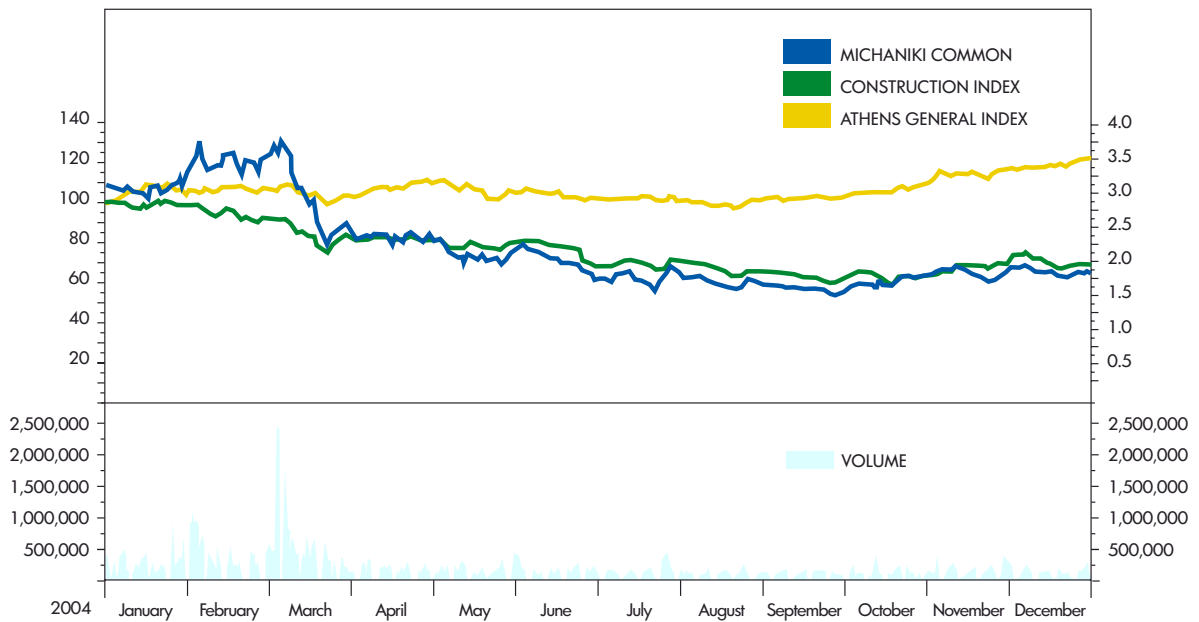
SOCIAL RESPONSIBILITY



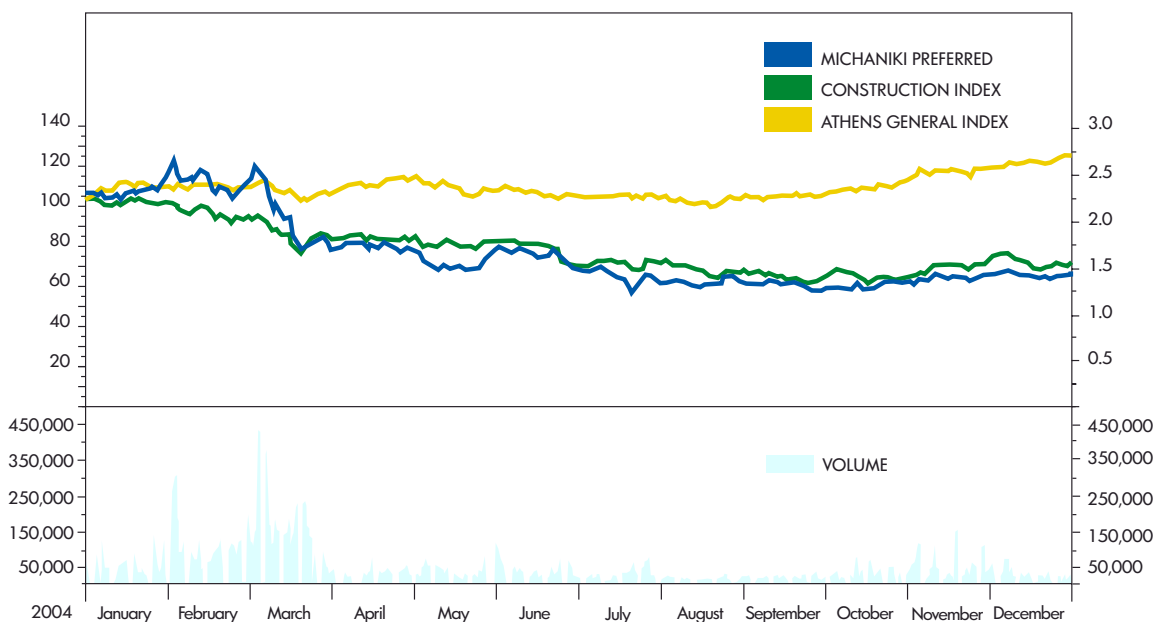
- The Center of European Studies "Ioannis Kapodistrias" has awarded Prodromos Emfietzoglou the golden metal "Ioannis Kapodistrias 2002" for the continuous promotion of culture through Education and Languages.
- During 2004 the Mayor of Odessa, Ukraine, honoured Michaniki's chairman Mr. Prodromos Emfietzoglou with the City's highest award for his contributions to the local economy and culture.

SHARE PRICE CHARTS

The price performance of the common shares of Michaniki, during 2004, compared with the General share Index of the Athens Stock Exchange, the Construction Index and trading volume is depicted in the following chart:



The performance of the preferred shares of Michaniki, during 2004, compared with the General Stock Index of the Athens Stock Exchange, the Construction Index and trading volume are shown in the following chart:



DIVIDEND POLICY



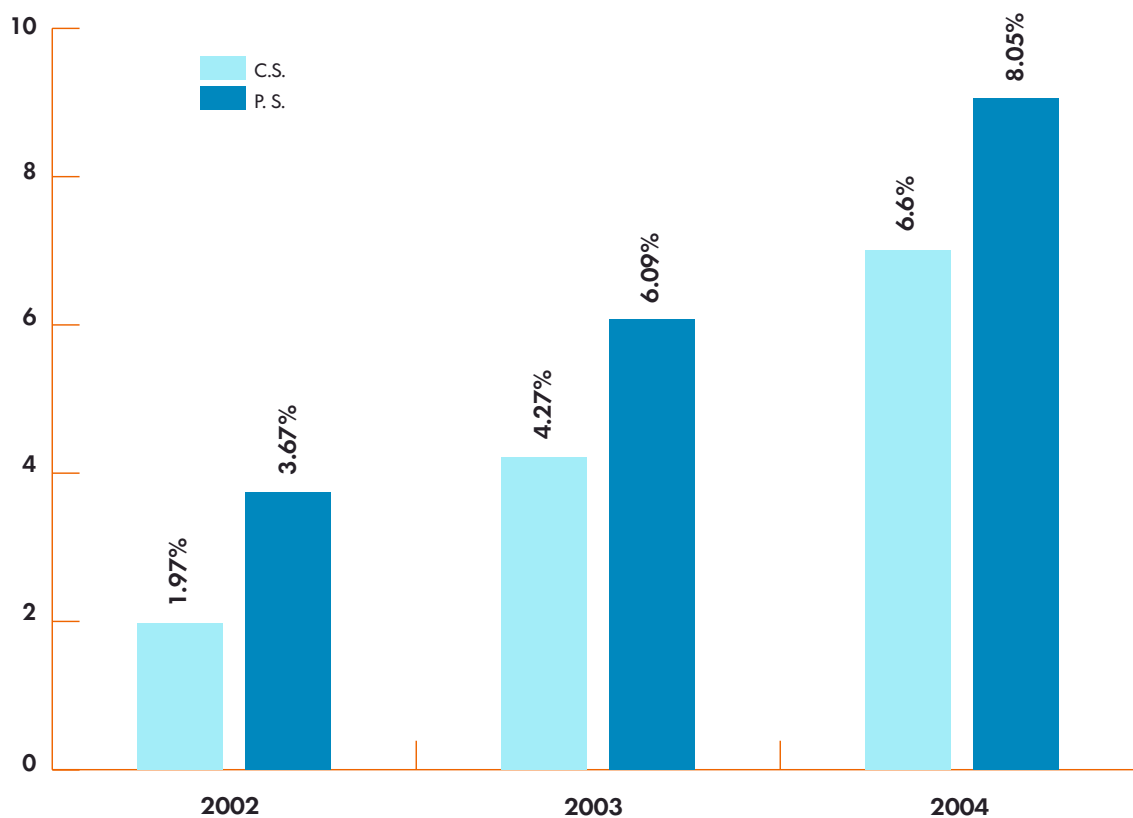
According to Greek Legislation the minimum yearly dividend paid out to the company's shareholders cannot be less than 35% of the pre tax profits after subtracting the company's encumbrances, reserves and corresponding taxes, nor less than 6% of the paid in share capital. The dividend to be paid out to shareholders must be the largest of the two amounts.

Dividends are paid to the company's shareholders within two months following the annual General Assembly, which approves the company's financial statements.

DIVIDEND PER SHARE (in euros)*

	2002	2003	2004
Number of Shares	77,422,095	92,906,513	92,906,513
Total Dividend	3,782,077.13	9,290,651.3	11,148,781.56
Dividend per Share*	0.049	0.10	0.12

DIVIDEND YIELD**



* The dividend per share for fiscal year 2002 amounted to 0.034 euros for the common and 0.058 euros for the preferred share.

** According to the average closing price of shares in April in each respective year.




ΜΗΧΑΝΙΚΗ



F I N A N C I A L S T A T E M E N T S 2 0 0 4

MICHANIKI GROUP OF COMPANIES

CONSOLIDATED BALANCE SHEET DECEMBER 31st, 2004 - S.A. REG. No 8440/06/B/86/16 11th FISCAL YEAR (JANUARY 1st - DECEMBER 31st, 2004) - (AMOUNTS IN EUROS)

ASSETS	Current year end 2004			Previous year end 2003		
	Acquisition Cost	Depreciation	Net Book value	Acquisition Cost	Depreciation	Net Book value
B. FROMATION EXPENSES						
1. Formation & Start Up Expenses	26,065,415.18	11,441,270.99	14,624,144.19	25,517,455.09	8,976,358.23	16,541,096.86
3. Loan Interests during Construction Period of Fixed Assets	136,008.28	118,065.72	17,942.56	136,008.28	100,123.14	35,885.14
4. Other Installation Expenses	21,447,942.37	17,890,204.10	3,557,738.27	21,059,359.11	15,335,138.48	5,724,220.63
Total Establishment Expenses	<u>47,649,365.83</u>	<u>29,449,540.81</u>	<u>18,199,825.02</u>	<u>46,712,822.48</u>	<u>24,411,619.85</u>	<u>22,301,202.63</u>
C. FIXED ASSETS						
I. Intangible assets						
1. R & D Expenses	3,459,768.56	919,495.75	2,540,272.81	3,451,058.36	861,614.73	2,589,443.63
3. Goodwill	0.00	0.00	0.00	10,075,062.31	10,075,062.31	0.00
5. Other Intangible Assets	1,312,882.76	815,438.34	497,444.42	1,309,982.76	719,325.17	590,657.59
5a. Consolidation Differences	1,001,222.64	1,001,222.64	0.00	1,001,222.64	1,001,222.64	0.00
	<u>5,773,873.96</u>	<u>2,736,156.73</u>	<u>3,037,717.23</u>	<u>15,837,326.07</u>	<u>12,657,224.85</u>	<u>3,180,101.22</u>
II. Tangible assets						
1. Land	35,042,614.62	0.00	35,042,614.62	31,961,878.95	0.00	31,961,878.95
2. Quarries - Mines - Fields - Plantations - Forests	127,764.02	0.00	127,764.02	153,320.82	0.00	153,320.82
3. Buildings & Technical Works	81,874,169.22	18,850,472.43	63,023,696.79	68,976,833.96	16,890,987.19	52,085,846.77
4. Machinery - Technical Installations & Equipment	77,567,310.69	27,641,052.69	49,926,258.00	77,263,238.90	25,349,741.16	51,913,497.74
5. Vehicles & Other Transportation Equipment	7,605,375.79	4,238,366.33	3,367,009.46	7,599,572.26	3,904,494.60	3,695,077.66
6. Furniture & Fixtures	5,033,795.74	2,428,990.86	2,604,804.88	4,860,799.77	2,191,859.70	2,668,940.07
7. Fixed Assets under Construction & Advances	7,515,202.28	0.00	7,515,204.28	5,936,597.40	0.00	5,936,597.40
	<u>214,766,234.36</u>	<u>53,158,882.31</u>	<u>161,607,352.05</u>	<u>196,752,242.06</u>	<u>48,337,082.65</u>	<u>148,415,159.41</u>
Total Tangible & Intangible Fixed Assets (CI + CII)	<u>220,540,108.32</u>	<u>55,895,039.04</u>	<u>164,645,069.28</u>	<u>212,589,568.13</u>	<u>60,994,307.50</u>	<u>151,595,260.63</u>
III. Investments & other long term financial receivables						
1. Investments in Affiliates			11,086,578.71			19,796,733.50
7. Other Long-term Receivables			476,628.39			531,292.10
			<u>11,563,207.10</u>			<u>20,328,025.60</u>
Total Fixed Assets (CI + CII + CIII)			<u>176,208,276.38</u>			<u>171,923,286.23</u>
D. CURRENT ASSETS						
I. Inventory						
1. Merchandise			1,177,632.04			819,859.44
2. Finished & Semi finished Products			42,433,591.35			36,204,695.91
3. Production in progress (Works under Construction)			14,763,724.44			9,270,060.41
4. Raw & auxiliary materials - Consumables - Spare parts & packing materials			6,176,417.31			10,682,537.68
5. Advances for the purchase of inventories			2,036,101.20			1,253,692.58
			<u>66,587,466.34</u>			<u>58,230,846.02</u>
II. Receivables						
1. Trade Receivables			21,723,328.80			23,128,644.02
2. Bills Receivable			531,522.03			620,235.16
3. Bills Receivable Overdue			3,609,650.30			822,945.98
3a. Cheques Receivable			23,873,609.91			16,090,022.68
3b. Cheques Receivable Overdue			2,074,928.41			1,802,918.86
4. Capital Receivable in the following fiscal year			0.00			0.00
5. Short-term receivables from affiliated companies επιχειρήσεων			35,698,831.04			26,342,285.36
5a. Short-term receivables from executed construction projects			26,300,664.67			26,783,809.39
8. Escrow Accounts			4,108.58			4,108.58
10. Doubtful Receivables			5,163,798.96			899,600.63
11. Sundry Debtors			9,612,239.81			13,369,963.01
12. Prepayment & credit accounts			3,775,931.67			3,522,365.39
			<u>129,662,614.18</u>			<u>113,386,899.06</u>
III. Securities						
1. Shares			13,159,968.57			14,608,569.00
2. Bonds			7.34			7.34
3. Other securities			556,469.60			1,032,251.66
4. Own Shares			4,793,473.70			6,431,102.71
Less provisions for shares & securities devaluation			0.00			0.00
			<u>18,509,919.21</u>			<u>22,071,930.71</u>
IV. Cash & Banks						
1. Cash			169,733.40			905,902.96
3. Time & checking's deposits			31,795,026.84			29,516,040.82
			<u>31,964,760.24</u>			<u>30,421,943.78</u>
Total Current Assets (DI+DII+DIII+DIV)			<u>246,724,759.97</u>			<u>224,111,619.57</u>
E. TRANSITORY ACCOUNTS						
1. Deferred Expenses			2,769,498.88			1,627,082.60
2. Accrued Income			1,662,919.17			1,663,002.55
3. Other Interim Accounts			248,455.50			252,860.76
			<u>4,680,873.55</u>			<u>3,542,945.91</u>
TOTAL ASSETS (B+C+D+E)			<u>445,813,734.92</u>			<u>421,879,054.34</u>
DEBIT MEMORANDUM ACCOUNTS						
1. Third party assets - leases			12,557,995.79			16,397,545.76
2. Debit accounts guarantees and real securities			78,510,941.86			100,490,962.01
3. Reciprocal contract receivables			116,635,875.04			149,385,181.28
4. Other memorandum accounts			8,456,225.80			9,226,425.72
			<u>216,161,038.49</u>			<u>275,500,114.77</u>

MICHANIKI GROUP OF COMPANIES

LIABILITIES

	Current year end 2004	Previous year end 2003
A. SHAREHOLDER'S EQUITY		
I. Share capital (Common Shares 66.937.526 Preferred Shares 25.968.987 of 1.48 € each)		
1. Paid up Capital	137,501,639.24	137,501,639.24
2. Owed	0.00	0.00
	<u>137,501,639.24</u>	<u>137,501,639.24</u>
II. Share premium		
1. Paid up Premium	129,628,694.39	129,628,694.39
2. Owed	0.00	0.00
	<u>129,628,694.39</u>	<u>129,628,694.39</u>
III. Revaluation reserves - Investment grants		
1. Revaluation surplus arising from revaluation of investments and securities	2,153,361.66	2,153,361.66
2. Revaluation surplus arising from revaluation of tangible fixed assets	4,517,595.93	4.64
3. Tangible fixed assets investments grants	5,894,180.09	6,143,415.58
	<u>12,565,137.68</u>	<u>8,296,781.88</u>
IV. Capital reserves		
1. Statutory Legal Reserves	3,100,419.35	4,370,616.43
3. Special Reserves	0.00	- 28,592.82
4. Extraordinary Reserves	373,813.33	427,194.14
5. Tax Free Reserves under special provision laws	7,088,982.04	7,179,631.44
5a. Tax Free Reserve from investments devaluation	0.00	0.00
6. Taxed Reserve for own shares	4,793,473.70	6,431,102.71
6a. Ίδιες μετοχές	-498,254.65	- 3,179,166.65
7. Reserves from specially taxed revenues	995,032.65	1,022,309.25
8. Tax free profits of construction & technical companies	848,714.45	368,800.18
9. Surplus sector spin off L1297/72	10,591,495.68	10,591,495.68
	<u>27,293,676.55</u>	<u>27,183,390.36</u>
V. Retaining earnings		
Year Results carried forward profits	19,539,754.12	9,255,862.13
Year Results carried forward losses	-5,476,592.28	- 1,099,582.67
Remaining Losses of past fiscal years	-2,194,249.91	- 1,812,872.01
	<u>11,868,911.93</u>	<u>6,343,407.45</u>
VIII. Consolidation differences	-8,406,495.66	- 3,871,731.32
IX. Minority rights	<u>64,389,658.88</u>	<u>59,710,192.26</u>
Total Shareholder's Equity (AI+All+AllI+AV+AVI+AVII+AVIII+AVIX)	<u>374,841,223.01</u>	<u>364,792,374.26</u>
B. PROVISIONS FOR RISKS & EXPENSES		
1. Provisions for personnel termination indemnities	63,108.54	63,108.54
2. Other provisions	68,653.48	190,048.27
	<u>131,762.02</u>	<u>253,156.81</u>
C. LIABILITIES		
I. Long-term liabilities		
2. Long-Term Bank Loans	6,607,444.39	3,167,064.00
4. Long-Term Liabilities to affiliated companies	0.00	0.00
8. Other Long-Term Liabilities	0.00	0.00
	<u>6,607,444.39</u>	<u>3,167,064.00</u>
II. Short-term liabilities		
1. Trade Creditors	16,952,925.85	12,280,869.04
2. Bills Payable	0.00	259,223.55
2a. Cheques Payable	10,238,241.68	7,776,237.04
3. Short-term bank loans	11,435,905.24	10,029,077.85
4. Customer Advances	321,855.79	667,823.00
5. Taxes-duties Payable	6,655,974.66	6,083,052.84
6. Social Security (insurance-pension funds)	1,163,188.00	1,159,372.76
7. Long-Term Liabilities payable in the next fiscal year	0.00	0.00
8. Liabilities to affiliated companies	1,517.09	1,517.09
10. Dividends Payable	12,181,968.11	10,237,991.05
11. Sundry creditors	4,623,560.81	4,922,805.72
	<u>63,575,137.23</u>	<u>53,417,969.94</u>
Total Liabilities (CI + CII)	<u>70,182,581.62</u>	<u>56,585,033.94</u>
D. TRANSITORY ACCOUNTS		
1. Deferred Revenues	584,181.06	160,967.83
2. Accrued Expenses	65,008.58	69,775.74
3. Other Interim Accounts	8,978.63	17,745.76
	<u>658,168.27</u>	<u>248,489.33</u>
TOTAL LIABILITIES & SHAREHOLDER'S EQUITY (A+B+C+D)	<u>445,813,734.92</u>	<u>421,879,054.34</u>
CREDIT MEMORANDUM ACCOUNTS		
1. Third party assets - leases	12,557,995.79	16,397,545.76
2. Credit accounts guarantees and real securities	78,510,941.86	100,490,962.01
3. Reciprocal contract liabilities	116,635,875.04	149,385,181.28
4. Other memorandum accounts	8,456,225.80	9,226,425.72
	<u>216,161,038.49</u>	<u>275,500,114.77</u>

MICHANIKI GROUP OF COMPANIES

CONSOLIDATED PROFIT & LOSS STATEMENT AS OF DECEMBER 31st, 2004 (1/1/- 31/12/04) - (AMOUNTS IN EUROS)

		Current year end (01.01.04 - 31.12.04)		Previous year end (01.01.03 - 31.12.03)
I. OPERATING RESULTS				
Turnover (Sales)		118,137,326.56		105,169,714.77
a) Company	118,137,326.56			105,169,714.77
b) Consortiums - Joint Ventures	<u>34,518,351.04</u>			<u>46,947,962.40</u>
		<u>152,655,677.60</u>		<u>152,117,677.17</u>
Less: Cost of Sales		98,884,539.39		85,703,065.23
Gross Operating Results (profits)		19,252,787.17		19,466,649.54
Plus: Other Operating Revenues		<u>1,028,425.07</u>		<u>926,231.53</u>
Total		20,281,212.24		20,392,881.07
LESS: 1. Administrative Expenses	8,656,874.76		7,982,415.06	
3. Selling Expenses	<u>1,808,119.42</u>	<u>10,464,994.18</u>	<u>2,275,037.10</u>	<u>10,257,452.16</u>
Partial Operating Results (Profits)		9,816,218.06		10,135,428.91
PLUS: 1. Investment Revenues	6,932,408.77		4,127,571.72	
2. Bond-Securities Revenues	457,720.04		712,204.75	
3. Profits from investment & securities sales	2,816,557.71		168,948.23	
4. Interest & other financial revenues	<u>132,165.28</u>		<u>182,700.83</u>	
	10,338,851.80		5,191,425.53	
LESS: 2. Expenses & losses from investment & securities sales	5,333,681.77		25,602.84	
3. Interest & other financial expenses	<u>631,427.94</u>	<u>4,373,742.09</u>	<u>635,121.03</u>	<u>4,530,701.66</u>
Total Operating Results (profits)		14,189,960.15		14,666,130.57
II. EXTRAORDINARY RESULTS				
PLUS: 1. Extraordinary & Non Operating Income	6,000,440.68		4,429,673.87	
2. Extraordinary Profits	60,192.86		817,195.88	
3. Prior Years Income	108,579.97		383,265.11	
4. Prior year's income from provisions	<u>170,694.91</u>	6,339,908.42	<u>0.00</u>	5,630,134.86
LESS: 1. Extraordinary & Non Operating Expenses	1,161,107.66		823,514.18	
2. Extraordinary Losses	435,284.90		313,958.45	
3. Prior Years Expenses	<u>385,608.14</u>	<u>1,982,000.70</u>	<u>428,114.42</u>	<u>1,565,587.05</u>
Operating & Extraordinary Results (profits)		18,547,867.87		18,730,678.38
LESS: 1. Total Depreciation of Fixed Assets	9,934,699.88		9,551,215.22	
Depreciation incorporated to the operating cost	<u>8,229,605.14</u>	1,705,094.74	<u>7,227,813.99</u>	2,323,401.23
2. Year-end consolidation differences depreciation	<u>0.00</u>	<u>1,705,094.74</u>	<u>0.00</u>	<u>2,323,401.23</u>
NET RESULTS (profits) before taxes		16,842,773.13		16,407,277.15
LESS: Minority Rights		<u>-2,246,037.08</u>		<u>-315,791.80</u>
		19,088,810.21		16,723,068.95

SALES (in €)

20.20	Construction of timber products and artificial timber products
26.70	Stone cutting and processing for design and construction reasons
28.11	Metallic frameworks and parts of metallic frameworks construction
28.40	Hammering, printing and formation of metals with rolling
36.13	Kitchen furniture construction
45.11	Electricity Production
45.21	Building and Technical construction works civil engineering
45.23	Road, street, airport and sport facilities construction
45.24	Hydraulic and port works construction
53.99	Other building installations
51.53	Wholesale of timber products, construction material and sanitary products
70.11	Development and sale of real estate
70.20	Real estate lease
70.32	Real estate management against fees or based upon an agreement
71.21	Lease of other ground transportation means
71.32	Lease of machinery/equipment for construction & civil engineer works
74.12	Accounting, auditing and tax consulting services
74.14	Business consulting and management services
74.20	Architecture, Engineering services and technical advice
74.50	Personnel scouting and provision

Total

(Company)

19,489,028.08
3,496,586.30
4,914,622.78
9,511,941.54
1,026.33
1,032,986.29
39,160,381.66
20,630,624.29
3,332,095.57
2,062,134.27
80,670.51
8,411,277.74
1,980,887.54
817,512.86
60,696.09
510,934.96
924,396.30
577,747.69
808,846.76
332,929.00

118,137,326.56

SALES (in €)

45.21	Building and technical work construction civil engineering
45.23	Road, street, airport and sport facilities construction
45.24	Hydraulic construction
70.32	Real estate management against fees or based upon an agreement

Total

(Κοινωνοραξιών)

8,789,414.63
25,189,718.65
178,971.02
360,246.74

34,518,351.04

MICHANIKI GROUP OF COMPANIES

NOTES:

1. The consolidated financial statement of the fiscal year-end 31.12.2004 includes the financial items of the companies: MICHANIKI S.A., HELLENIC PIPEWORKS S.A., BALKAN EXPORT S.A., KAVALA MARBLES S.A., THOLOS S.A., MICHANIKI REAL ESTATE S.A., MICHANIKI BULGARIA S.A., MICHANIKI UKRAINE, ELVIX S.A. and MICHANIKI RUSSIA. 2. The basic accounting principles followed are identical to the ones abided for the formation of the Consolidated Balance Sheet dated December 31, 2003. 3. The second repetitive extraordinary general assembly of the company's shareholders dated August 2nd, 2000 decided a share capital increase of € 83.781.347,03 and a share premium (share issue above par value difference) emerged from € 102.999.100,22, which was registered to the relevant liability accounts. The partial coverage of the above mentioned share capital increase was certified on January 3rd of 2001 and the procedures concerning the share capital increase and the relevant statute amendment was completed upon the decision of the company's shareholders general assembly dated January 31st, 2001 approved by the Ministry of Development (decision no. K2 1636 February 14th, 2001 - Official Legal Notice Issue S.A. & LTD no. 1061/16.02.2001). The final capital raise amounted to € 66.819.749,67, expenses of the share capital increase amounted to approximately € 0,79 million and the privilege exercise period was set from November 22nd, 2000 to December 22nd, 2000. The new shares from the above share capital increase amounted to 14.920.778 common shares and 5.404.329 preferred. 4. The group's assets are free of charging orders and mortgages with the exception of a) the assets of subsidiary KAVALA MARBLES S.A. upon which charging orders and mortgages of approximately € 0,71 million still exist for bank loan guarantees of previous years that are decreasing, b) mortgage upon a building of subsidiary THOLOS S.A., of € 0,15 million concerning liability guarantees. 5. A subsidiary company of the Group did not depreciate approximately € 786 thousand of its mechanical equipment due to the fact that the undertaken projects of the subsidiary itself are being executed through consortiums-joint ventures or through subcontracting. In addition, another subsidiary company following the special provisions of P.D. 299/203 - 1122/19.11.2003 in conjunction to case d' of article 43 par. 1 of C.L. 2190/1920, depreciated its year-end assets, concerning one of its production facilities that within the last fiscal year-end terminated its operations, with less amounts of approximately € 1.100 thousand. 6. The company's total investments during the fiscal year-end 2004 amounted to € 3.630,87 thousand. 7. The average number of the Group's personnel was 1.253 employees. 8. There are no judicial or administrative or under litigation disputes for which, taken into consideration in sum by case, may have a significant impact on the financial position or operation of the company itself. 9. For comparability reasons there was a receivable accounts reallocation a) of an amount of € 9.479.978,56 and b) of an amount of 1.776.935,47 in the Assets of fiscal year-end of 2003, specifically a) from the account "D.II.2 Bills Receivable", the account "D.II.3a. Cheques Receivables" and b) from the account "D.II.3. Bills Receivable Overdue", the account "D.II.3b. Cheques Receivable Overdue" respectively. 10. The last revaluation of the fixed assets according to the provisions of article 21 of L. 2065/92 took place in the fiscal year-end of 2004 for all the companies of the Group, except the companies MICHANIKI UKRAINE, MICHANIKI BULGARIA and MICHANIKI RUSSIA. 11. Analysis of sales according to the decision no. 58/28.12.2000 of the A.E. Board of Directors (Official Legal Notice Issue no. K. 129/B/08.02.2001), case b): Codes - STACOD/03.

Marousi Athens, April 17th, 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS

PRODROMOS S. EMFIETZOGLU
I.D. No.: Ξ 498825/86

THE MANAGING DIRECTOR

MELPOMENI PR. EMFIETZOGLU
I.D. No.: Π 580621/94

THE FINANCIAL DIRECTOR

APOSTOLOS N. ATHANASOPOULOS
I.D. No.: Ξ 288898/87

THE CHIEF ACCOUNTING MANAGER

CHRISTOS I. KIKIANTONIS
I.D. No.: N 296442/8 - License Register
No. of the Chartered Auditors Association 13476

AUDITORS REPORT

To the Shareholders of societe anonyme " MICHANIKI S.A." and subsidiaries of the Group

We have audited, in accordance to the provisions of article 108 of Cod. L.2190/1920, the eleventh Consolidated Balance Sheet, the Consolidated Profit & Loss Statement, the related Consolidated Addendum Appendix as well as the Consolidated Cash Flow Statement of societe anonyme "MICHANIKI S.A." and the subsidiaries of the Group for the fiscal year-end December 31st 2004. The consolidation includes ten companies in total as mentioned in Company note no. 1. under the Balance Sheet. From the above mentioned companies, the first five in accordance, represent respectively 87,10% and 92,69% of the consolidated assets and turnover (sales) and are audited by certified auditors - public accountants, on the basis of which on each of these auditing reports we based our expressed opinion to the level that these reports are related with the comprised consolidated financial accounts of the above companies that were consolidated, whereas the remaining five which represent in total 12,90% and 7,31% of the consolidated assets and turnover (sales) respectively, are not being audited by certified auditors - public accountants and due to their insignificant status we did not proceed in auditing procedures with them. Our audit came up with the following results: 1) According to the capability of decision prot. No. 10283571/10287/B0012/29.04.2003 of the Ministry of Economics, debit exchange rate differences of a subsidiary company, from approximately € 153 thousand, that occurred from receivable settlements in USD in the fiscal year-end 2002, were transferred into a multiple year depreciation account for a three year period depreciation (2002 - 2004). Therefore, the current fiscal year-end results were burdened with approximately € 51 thousand. 2) The subsidiary companies included in the consolidation, based upon the ruling No. 205/88 of the Legal Council of the Greek State, did not form a provision for personnel indemnities and had they formed such a provision according to the provisions of C.L. 2190/1920, the accrued amount would be approximately € 1,50 million (against a formed provision of approximately € 62 thousand) where as the equivalent amount for the previous fiscal year-end amounted to approximately € 1,67 million. 3) Within the Receivables (DII), in general, as well as in the Asset Transitory Accounts (E) there are also receivables of approximately € 38,66 million, that remain uncollected from previous years and from that amount, receivables of approximately € 27,43 million, are regarded as non-collectible. 4) The net book value of previous " Formation & start up costs " as well as " R & D expenses " of a subsidiary company of approximately € 12,00 million (approximately € 10,56 million and € 1,44 million, respectively), should have been already depreciated in previous (up to and fiscal year-end 1998) years. In addition, in the net book value of the Tangible Assets of the same subsidiary company, approximately € 15,80 million are included that should have already been depreciated in previous (up to and fiscal year-end 1999) years. 5) The consolidated fiscal year-end results in addition to the previous four fiscal year-end periods, have been burdened, as in the past three fiscal years, with the approximate amount of € 807 thousand which refer to the 1/5 of the difference raised (loss) from the valuation, at December 31st, 2000, of securities listed in the A.E. (article 37 L.2874/29-12-2000). 6) In the Inventory account there are also included Finished Products-Merchandise of a subsidiary company amounting to approximately € 18,80 million, which due to their wear and tear, qualitative downgrade and thus low marketability have sustained a decrease in their value (approximately by 70%) which does not appear in the Consolidated Financial Statements. In our opinion, after our notes mentioned above are taken into consideration, as well as the Company notes under the Balance Sheet, these Consolidated Financial Statements as well as the Consolidated Addendum Appendix, the Consolidated Board of Directors Report and the Consolidated Cash Flow Statement, have been prepared in accordance with the provisions of C.L. 2190/1920 and depict, based upon the prevailing legislation and accounting principles and methods applied by the parent Company and which are generally accepted and do not differ from those applied in the previous fiscal year-end, the asset structure, the financial position as well as the financial results of all the companies that are consolidated in the fiscal year-end dated December 31st, 2004.

Marousi Athens, May 23rd 2005
THE CERTIFIED AUDITOR PUBLIC ACCOUNTANT

IOANNIS EM. PAPSASYMEON
REG. NO. (ICPA (GR)) 11831
S.O.L. S.A.

MICHANIKI S.A.

MAROUSI ATHENS S.A. REG. No 8440/06/B/86/16 30th FISCAL YEAR (JANUARY 1st - DECEMBER 31st, 2004) BALANCE SHEET DECEMBER 31st, 2004 - (AMOUNTS IN EUROS)

ASSETS	Current year end 2004			Previous year end 2003		
	Acquisition Cost	Depreciation	Net Bookvalue	Acquisition Cost	Depreciation	Net Bookvalue
B. ESTABLISHMENT EXPENSES						
1. Formation & Start Up Costs	799.172,49	456.893,54	342.278,95	799.172,49	362.349,95	436.822,54
3. Loan Interests during Construction Period of Fixed Assets	89.712,88	71.770,32	17.942,56	89.712,88	53.827,74	35.885,14
4. Other Installation Expenses	11.102.451,44	9.620.401,62	1.482.049,82	10.621.844,36	7.994.221,11	2.627.623,25
Total Establishment Expenses	11.991.336,81	10.149.065,48	1.842.271,33	11.510.729,73	8.410.398,80	3.100.330,93
C. FIXED ASSETS						
I. Intangible Assets						
3. Goodwill	0,00	0,00	0,00	10.075.062,31	10.075.062,31	0,00
II. Tangible Assets						
1. Land	11.510.209,50	0,00	11.510.209,50	12.038.456,02	0,00	12.038.456,02
2. Quarries - Mines - Fields	127.764,02	0,00	127.764,02	153.320,82	0,00	153.320,82
3. Buildings & Technical Works	24.135.556,29	3.116.595,06	21.018.961,23	23.857.917,22	2.518.158,64	21.339.758,58
4. Machinery - Technical Installations & Equipment	18.868.954,80	5.835.890,72	13.033.064,08	18.567.123,66	4.608.039,10	13.959.084,56
5. Vehicles & Other Transportation Equipment	4.927.682,10	2.450.069,41	2.477.612,69	4.619.263,97	2.131.014,04	2.488.249,93
6. Furniture & Fixtures	2.756.631,76	1.384.606,71	1.372.025,05	2.676.298,17	1.212.580,75	1.463.717,42
7. Fixed Assets under Construction & Advances	1.440.492,62	0,00	1.440.492,62	1.498.403,58	0,00	1.498.403,58
	<u>63.767.291,09</u>	<u>12.787.161,90</u>	<u>50.980.129,19</u>	<u>63.410.783,44</u>	<u>10.469.792,53</u>	<u>52.940.990,91</u>
Total Tangible & Intangible Fixed Assets (CI+CII)	63.767.291,09	12.787.161,90	50.980.129,19	73.485.845,75	20.544.854,84	52.940.990,91
III. Investments & other long term financial receivables						
1. Investments in Affiliates	140.346.292,27			148.673.754,95		
Less: - Payments Due	5.561.248,60			7.221,14		
- Provision for Devaluation	46.202.431,43		88.582.612,24	42.258.638,07		106.407.895,74
			321.950,87			302.576,92
			<u>88.904.563,11</u>			<u>106.710.472,66</u>
Total Fixed Assets (CI+CII+CIII)			139.884.692,30			159.651.463,57
D. CURRENT ASSETS						
I. Inventory						
1. Merchandise			4.106,24			4.106,24
2. Finished & Semi finished Products			18.627.889,65			19.249.303,01
3. Production in progress (Works under Construction)			13.166.045,74			5.868.576,84
4. Raw & auxiliary materials - Consumables- Spare parts & packing materials			1.426.237,96			1.124.085,56
5. Advances for the purchase of inventories			1.454.750,06			550.777,70
			<u>34.679.029,65</u>			<u>26.796.849,35</u>
II. Receivables						
1. Trade Receivables			11.946.411,51			11.737.934,59
2. Bills Receivable			289.848,75			252.956,56
3a. Cheques Receivable			7.060.242,16			2.728.507,13
5. Short-term receivables from affiliated companies			34.981.760,67			26.106.402,19
5a. Short-term receivables from executed construction projects			26.300.664,67			26.738.809,39
10. Doubtful Receivables			946.509,70			231.528,10
11. Sundry Debtors			2.920.718,00			3.250.572,76
12. Prepayment & credit accounts			162.341,50			169.964,38
			<u>84.608.496,96</u>			<u>71.261.675,10</u>
III. Securities						
1. Shares			2,95			2,95
2. Bonds			7,34			7,34
3. Other securities			556.469,60			1.032.251,66
4. Own Shares			4.793.473,70			6.431.102,71
			<u>5.349.953,59</u>			<u>7.463.364,66</u>
IV. Cash & Banks						
1. Cash			103.865,61			215.367,47
3. Time & checking's deposits			21.710.156,97			17.865.897,59
			<u>21.814.022,58</u>			<u>18.081.265,06</u>
Total Current Assets (DI+DII+DIII+DIV)			146.451.502,78			123.603.154,17
E. TRANSITORY ACCOUNTS						
1. Deferred Expenses			664.989,96			368.076,99
TOTAL ASSETS (B+C+D+E)			288.843.456,37			286.723.025,66
DEBIT MEMORANDUM ACCOUNTS						
1. Third party assets - leases			3.626.360,83			5.875.296,92
2. Debit accounts guarantees and real securities			68.553.801,53			87.977.232,85
3. Reciprocal contract receivables			112.307.766,73			149.385.181,28
4. Other Debit Memorandum Accounts			2.857.764,13			2.928.909,90
			<u>187.345.693,22</u>			<u>246.166.620,95</u>

MICHANIKI S.A.

LIABILITIES

	Current year end 2004	Previous year end 2003
A. SHAREHOLDER'S EQUITY		
I. Share Capital		
((Common Shares 66.937.526 Preferred Shares 25.968.987 of 1.48 € each)		
1. Paid up Capital	137,501,639.24	137,501,639.24
II. Share Premium		
1. Paid up Premium	139,703,756.70	139,703,756.70
Less: 1/2 Goodwill Setoff	10,075,062.31	10,075,062.31
	<u>129,628,694.39</u>	<u>129,628,694.39</u>
III. Revaluation reserves - Investments grants		
1. Revaluation surplus arising from revaluation of investments and securities	795,289.76	795,289.76
2. Revaluation surplus arising from revaluation of tangible fixed assets	0.00	0.00
3. Tangible fixed assets investments grants	2,938,468.46	3,009,614.23
	<u>3,733,758.22</u>	<u>3,804,903.99</u>
IV. Capital reserves		
1. Statutory Legal Reserves	5,823,383.43	5,285,482.70
Less: Incurred loss from sale of investments and securities setoff	3,239,302.46	1,445,923.28
	<u>2,584,080.97</u>	<u>3,839,559.42</u>
3. Special Reserves	-58,550.67	-58,550.67
4. Extraordinary Reserves	0.00	0.00
5. Tax Free Reserves under special provision laws	3,838,062.32	3,703,806.18
5a. Tax Free Reserve from investments devaluation	-46,810,015.61	-38,192,073.27
6. Taxed Reserve for own shares	4,793,473.70	6,431,102.71
6a. Own Shares	0.00	-2,139,955.20
7. Reserves from specially taxed revenues	995,032.65	995,032.65
8. Tax free profits of construction & technical companies	848,714.45	368,800.18
9. Surplus sector spin off L1297/72	10,591,495.68	10,591,495.68
	<u>-23,217,706.51</u>	<u>-14,460,782.32</u>
V. Retained earnings		
Remaining Losses of past fiscal years (absorbed company)	0.00	0.00
Results carried forward	2,103,801.83	71,870.38
	<u>2,103,801.83</u>	<u>71,870.38</u>
Total Shareholder's Equity (AI+All+AIll+AIV+AV)	<u>249,750,187.17</u>	<u>256,546,325.68</u>
B. PROVISIONS FOR RISKS & EXPENSES		
1. Provisions for personnel termination indemnities	62,647.79	62,647.79
2. Other provisions	6,410.54	5,149.92
	<u>69,058.33</u>	<u>67,797.71</u>
C. LIABILITIES		
I. Long-term liabilities	0.00	0.00
II. Short-term liabilities		
1. Trade Creditors	10,474,956.24	5,332,394.73
2. Bills Payable	0.00	0.00
2a. Cheques Payable	8,406,051.98	5,865,111.25
3. Short-term bank loans	0.00	0.01
4. Customer Advances	0.15	200,000.15
5. Taxes-duties Payable	4,693,388.92	5,324,572.36
6. Social Security (insurance-pension funds)	777,638.39	585,073.89
8. Liabilities to affiliated companies	1,517.09	1,517.09
10. Dividends Payable	12,034,731.61	9,915,257.70
11. Sundry creditors	2,347,926.49	2,884,975.09
	<u>38,736,210.87</u>	<u>30,108,902.27</u>
Total liabilities (CI+CII)	<u>38,736,210.87</u>	<u>30,108,902.27</u>
D. TRANSITORY ACCOUNTS		
1. Deferred Income	288,000.00	0.00
	<u>288,000.00</u>	<u>0.00</u>
GRAND TOTAL LIABILITIES (A+B+C+D)	<u>288,843,456.37</u>	<u>286,723,025.66</u>
CREDIT MEMORANDUM ACCOUNTS		
1. Third party assets - leases	3,626,360.83	5,875,296.92
2. Credit accounts guarantees and real securities	68,553,801.53	87,977,232.85
3. Reciprocal contract liabilities	112,307,766.73	149,385,181.28
4. Other Debit Memorandum Accounts	2,857,764.13	2,928,909.90
	<u>187,345,693.22</u>	<u>246,166,620.95</u>

MICHANIKI S.A.

PROFIT & LOSS STATEMENT AS OF DECEMBER 31st, 2004 (1/1/- 31/12/04) - (AMOUNTS IN EUROS)

	Current year end (01.01.04 - 31.12.04)	Previous year end (01.01.03 - 31.12.03)
I. OPERATING RESULTS		
Turnover (Sales)	74,567,957.82	63,416,621.83
a) Company	74,567,957.82	63,416,621.83
b) Consortiums - Joint Ventures	<u>33,042,668.87</u>	<u>46,118,907.56</u>
	<u>107,610,626.69</u>	<u>109,535,529.39</u>
Less: Cost of Sales	<u>61,853,875.23</u>	<u>52,321,331.77</u>
Gross Operating Results (profits)	12,714,082.59	11,095,290.06
Plus: Other Operating Revenues	435,964.10	503,987.39
Total	13,150,046.69	11,599,277.45
LESS: 1. Administrative Expenses	4,583,320.51	4,082,030.73
3. Selling Expenses	<u>55,940.09</u>	<u>51,200.28</u>
	<u>4,639,260.60</u>	<u>4,133,231.01</u>
Partial Operating Results (Profits)	8,510,786.09	7,466,046.44
PLUS: 1. Investment Revenues	6,115,683.23	3,862,030.59
2. Bond-Securities Revenues	332,083.02	605,927.55
3. Profits from investment & securities sales	2,661,230.74	38,862.52
4. Interest & other financial revenues	<u>10,072.63</u>	<u>38,323.77</u>
	<u>9,119,069.62</u>	<u>4,545,144.43</u>
LESS: 2. Expenses & losses from investment & securities sales	4,454,609.92	20,113.14
3. Interest & other financial expenses	<u>350,367.15</u>	<u>323,884.53</u>
	<u>4,314,092.55</u>	<u>4,201,146.76</u>
Total Operating Results (profits)	12,824,878.64	11,667,193.20
II. EXTRAORDINARY RESULTS		
PLUS: 1. Extraordinary & Non Operating Income	5,461,996.43	3,244,091.13
2. Extraordinary Profits	3,067.65	355,522.35
3. Prior Years Income	<u>24,656.80</u>	<u>33,085.04</u>
	5,489,720.88	3,632,698.52
LESS: 1. Extraordinary & Non Operating Expenses	1,099,681.19	566,894.41
2. Extraordinary Losses	117,076.06	224,349.77
3. Prior Years Expenses	<u>94,294.99</u>	<u>174,101.32</u>
	<u>1,311,052.24</u>	<u>965,345.50</u>
Operating & Extraordinary Results (profits)	17,003,547.28	14,334,546.22
LESS: Total Depreciation of Fixed Assets	4,538,164.40	4,509,913.85
Less: Depreciation incorporated to the operating cost	<u>2,883,858.07</u>	<u>2,397,524.25</u>
	<u>1,654,306.33</u>	<u>2,112,389.60</u>
NET RESULTS (profits) before taxes	<u>15,349,240.95</u>	<u>12,222,156.62</u>

APPROPRIATION ACCOUNT - (AMOUNTS IN EUROS)

	Current year end 2004	Current year end 2003
Net Results (profits) before taxes	15,349,240.95	12,222,156.62
(+): Losses from securities sales no. 38 L2238/94	4,454,609.92	0.00
(-): Profits from securities sales no. 38 L2238/94	<u>2,661,230.74</u>	<u>0.00</u>
	1,793,379.18	0.00
(+): Prior years remaining results (profits)	71,870.38	1,864,721.48
(+): Taxed reserves for own shares (profits)	2,598,251.31	0.00
(-): Tax audit differences	33,309.65	258,517.80
(+): Tax free reserve no. 38 L2238/94 (loss coverage)	0.00	0.00
(-): Losses from securities sales no. 38 L2238/94 (coverage)	1,793,379.18	0.00
(+): Remaining losses from securities sales no. 38 L2238/94 (uncovered for future setoff)	<u>1,793,379.18</u>	<u>0.00</u>
	0.00	0.00
(+): Reserves to be distributed (7,8 L2579/98 & 3 L2954/01)	2,462.02	558,129.87
(+): Taxed Reserve for own shares	240,831.00	347,693.75
(+): Tax free reserve Surplus sector spin off L.1297/72	0.00	3,430,394.32
Total	20,022,725.19	18,164,578.24
Less: 1. Income Tax	4,524,344.28	3,049,101.70
1a. Reserve Tax L.1297/72	0.00	1,200,638.01
2. Other taxes not included in operating cost	<u>33,572.50</u>	<u>47,915.71</u>
	<u>15,464,808.41</u>	<u>13,866,922.82</u>
Distributable Profits	<u>15,464,808.41</u>	<u>13,866,922.82</u>
Distributed as follows:		
1. Statutory Legal Reserves	537,900.73	443,331.07
2. First Dividend	8,268,679.66	7,060,894.99
3. Additional Dividend	2,880,101.90	2,229,756.31
5. Taxed Reserves for own shares	960,622.30	3,832,851.40
6. Tax free reserves Ar. 38 L2238/94	0.00	18,749.38
6c. Reserves from construction & technical companies profits	483,701.99	9,469.29
7. Board of Directors fees	230,000.00	200,000.00
8. Results carried forward	<u>2,103,801.83</u>	<u>71,870.38</u>
	<u>15,464,808.41</u>	<u>13,866,922.82</u>

MICHANIKI S.A.

SALES (in €)	(Company)
28.11 Metallic frameworks and parts of metallic frameworks construction	4,914,622.78
40.11 Electricity Production	1,032,986.29
45.21 Building and Technical construction works civil engineering	36,609,328.67
45.23 Road, street, airport and sport facilities construction	20,630,624.29
45.24 Hydraulic and port works construction	3,332,095.57
45.39 Other building installations	2,062,134.27
51.53 Wholesale of timber products, construction material and sanitary products	80,670.51
70.11 Real estate development and sale	312,000.00
70.20 Real estate lease	1,412,103.64
70.32 Real estate management against fees or based upon an agreement	817,512.86
71.21 Lease of other ground transportation means	60,696.09
71.32 Lease of machinery/equipment for construction & civil engineer works	659,263.10
74.12 Accounting, auditing and tax consulting services	924,396.30
74.14 Business consulting and management services	577,747.69
74.20 Architecture, Engineering services and technical advice	808,846.76
74.50 Personal scouting and provision	332,929.00
Total	<u>74,567,957.82</u>
SALES (in €)	(Consortiums-Joint Ventures)
45.21 Building and technical work construction civil engineering	7,313,732.46
45.23 Road, street, airport and sport facilities construction	25,189,718.65
45.24 Hydraulic construction	178,971.02
70.32 Real estate management against fees or based upon an agreement	360,246.74
Total	<u>33,042,668.87</u>

NOTES:

1. The Company's assets are free of charging orders and mortgages. **2.** The basic accounting principles followed are identical to the ones abided for the formation of the balance sheet dated December 31, 2003. **3.** The second repetitive extraordinary general assembly of the company's shareholders dated August 2nd, 2000 decided a share capital increase of € 83,781,347,03 and a share premium (share issue above par value difference) emerged from € 102,999,100,22, which was registered to the relevant liability accounts. The partial coverage of the above mentioned share capital increase was certified on January 3rd of 2001 and the procedures concerning the share capital increase and the relevant statute amendment was completed upon the decision of the company's shareholders general assembly dated January 31st, 2001 approved by the Ministry of Development (decision no. K2 1636 February 14th, 2001- Official Legal Notice Issue S.A. & LTD no. 1061/16.02.2001). The final capital raise amounted to € 66,819,749,67, expenses of the share capital increase amounted to approximately € 0,79 million and the privilege exercise period was set from November 22nd, 2000 to December 22nd, 2000. The new shares from the above share capital increase amounted to 14,920,778 common shares and 5,404,329 preferred. **4.** The company's total investments during the fiscal year 2004 amounted to approximately € 3,630,87 thousand. **5.** The results from participations in construction consortiums were based upon their confirmations. **6.** The valuation difference concerning investment participations and securities from € 8,617,94 thousand was transferred directly to a subsequent total equity decrease (C.L. 2190/1920 and L. 2992/2002). **7.** The average number of the company's and construction consortiums personnel was 912 employees. **8.** There are no judicial or administrative or under litigation disputes for which, taken into consideration in sum by case, may have a significant impact on the financial position or operation of the company itself. **9.** The last revaluation of the company's fixed assets according to the provisions of article 21 of L. 2065/92 took place in the fiscal year 2004. **10.** Analysis of sales according to the decision no. 58/28.12.2000 of the A.E. Board of Directors (Official Legal Notice Issue no. 129/B/08.02.2001), case b): Codes - STACOD/03.

Marousi Athens, April 15th 2005

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE FINANCIAL DIRECTOR

THE CHIEF ACCOUNTING MANAGER

PRODROMOS S. EMFIETZOGLOU
I.D. No.: Ξ 498825/86

MELPOMENI PR. EMFIETZOGLOU
I.D. No.: P 580621/94

APOSTOLOS N. ATHANASOPOULOS
I.D. No.: Ξ 288898/87

CHRISTOS I. KIKIANTONIS
I.D. No.: N 296442/83 - License Register
No. of the Chartered Auditors Association 13476

AUDITORS REPORT To the Shareholders of societe anonyme "MICHANIKI S.A."

We have audited the above financial statements, the related Addendum Appendix as well as the Cash Flow Statement of societe anonyme "MICHANIKI S.A." for the year-end December 31st 2004. Our audit, in whose scope we also took into consideration the complete accounting reports of the operations of the Company's branches, is in accordance with the provisions of article 37 of L. 2190/1920 "for societe anonyme companies" as well as the auditing procedures which we considered necessary based upon the principles and auditing rules followed by the Institute of Certified Public Accountants. Books and archive records abided by the Company were at our disposal, as well as the provision of the necessary information and explanations requested for our audit. There was no modification in the inventory valuation method compared to the previous fiscal year-end and the cost of construction, derived from the accounting records, was defined according to the generally accepted principles of cost accounting. We verified the agreement of the contents of the Board of Directors Report addressed to the Shareholders General Assembly with the relevant Financial Statements. The Financial Statement Addendum Appendix includes information provided by par. 1 article 43a of C.L.2190/1920 and the Cash Flow Statement has been formulated according to the financial statements and the accounting records of the Company. The Company complied with the provisions of the General Chart of Accounts. Our audit came up with the following results: 1) The asset item accounts " Investments and other long term financial receivables " and " Securities " include participations in consortiums-joint ventures as well as shares of societe anonyme companies that are not listed in the A.E., with the exception of one, four of which are audited by certified auditors-public accountants. The derived valuation difference, according to the provisions of C.L. 2190/1920, from approximately € 8,60 million was transferred to equally decrease the total shareholders equity, as mentioned in Company note no. 8 under the Balance Sheet. 2) The Company's year-end results have been burdened with the approximate amount of € 807 thousand which refers to the 1/5 proportion of the difference raised (loss) from the valuation, on December 31st, 2000, of securities listed in the A.E. (article 37 L.2874/29.12.2000). 3) The Company, based upon the ruling no. 205/88 of the Legal Council of the Greek State and the provision of case ie' of article 31 of L. 2238/1994, did not form a provision for the aggregate number of its personnel indemnities. Had the Company formed such a provision according to the article 42e par. 14 of L. 2190/1920, the accrued amount would be approximately € 655 thousand (against a formed provision of approximately € 62 thousand, whereas the equivalent amount for the previous fiscal year-end was approximately € 660 thousand). 4) Within the Receivables, in general, there are included receivables of approximately € 23,80 million, that remain uncollected from previous years and from that amount, receivables of approximately € 21,60 million, are regarded as non-collectible. 5) The Company has been audited by the Tax Authorities up to the fiscal year end of 2001. In our opinion, the above Financial Statements, which derive from the books and records of the Company, depict, along with the Addendum Appendix and the Cash Flow Statement, and after our remarks mentioned above as well as the Company's notes under the Balance Sheet are taken into consideration, the financial structure and position of the Company at December 31st, 2004, as well as its financial results for the same fiscal year-end, and the Cash Flow Statements from the Company's same fiscal year-end operations, in accordance with the provisions of the prevailing legislation and accounting principles, which are generally accepted and do not differ from those applied by the Company in the previous fiscal year-end.

Marousi Athens, May 9th 2005
THE CERTIFIED AUDITOR PUBLIC ACCOUNTANT

IOANNIS EM. PAPASYMEON
REG. NO. (ICPA (GR)) 11831
S.O.L. S.A.

MICHANIKI COMPANIES (addresses)



MICHANIKI

GROUP OF COMPANIES

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MICHANIKI

GROUP OF COMPANIES

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MICHANIKI

GROUP OF COMPANIES