



TECHNICAL OLYMPIC S.A.

SUPPLEMENT REPORT TO THE 2007.06.28 PROSPECTUS

FOR THE SHARE CAPITAL INCREASE OF TECHNICAL OLYMPIC SA AND THE NEW SHARES LISTING AT THE CATEGORY "LARGE CAPITALIZATION" OF THE ATHENS STOCK EXCHANGE IN ACCORDANCE WITH THE RESOLUTIONS OF THE COMPANY'S BOARD OF DIRECTORS ON 2007.6.27 ON THE BASIS OF THE AUTHORITY GRANTED TO THE BOARD BY THE REPEAT GENERAL MEETING OF THE SHAREHOLDERS AS OF 2007/07/14

The company's share capital will be increased by € 33,125,000.00, via cash payment, and the issuance of 33,125,000 new, common, dematerialized registered voting shares of the Company of a nominal value of 1.00 Euro each, which will be offered above par at € 1,05 per share, in favour of the old shareholders pro rata by issuing 1 new share for every 4 old shares and consequently the total proceeds of the share capital increase will amount to € 34,781,250.00

It is clarified that for this share capital increase there is no coverage guarantee, hence if the final coverage of the share capital increase amount is not complete, then the share capital will increase by the amount covered, in accordance with article 13a par. 1 of Law 2190/20

THE BOARD OF DIRECTORS OF THE CAPITAL MARKET COMMISSION APPROVED THE CONTENT OF THIS SUPPLEMENT TO THE SHARE CAPITAL INCREASE PROSPECTUS AS FAR AS IT CONCERNS THE PROVISION OF THE NECESSARY INFORMATION TO THE INVESTORS, AS IT IS DETERMINED BY THE PROVISIONS OF LAW 3401/2005 AND THE RULES AND REGULATIONS (EU) 809/2004 OF THE EUROPEAN COMMUNITY COMMISSION

THE PRESENT DOCUMENT SHOULD BE CONSIDERED AS A SUPPLEMENT REPORT TO THE 2007.06.28 COMPANY'S PROSPECTUS APPROVED BY THE BoD OF THE CAPITAL MARKET COMMISSION WHICH IS ALREADY PUBLISHED AT ITS WEBSITE

THE DATE OF THIS SUPPLEMENT TO THE PROSPECTUS IS AUGUST 7, 2007

TABLE OF CONTENTS

INTRODUCTION.....	2
1. REPORT DOCUMENT	3
1.1 PERSONS HOLDING RESPONSIBILITY	3
1.2 LEGAL AND ARBITRATION PROCEDURES	3
1.3 SIGNIFICANT CHANGES IN THE FINANCIAL OR COMMERCIAL POSITION OF THE COMPANY.....	4
2. SHARE NOTE.....	6
2.1 ΥΠΕΥΘΥΝΑ ΠΡΟΣΩΠΑ.....	6
2.2 EXERCISING OF THE PRE-EMPTION RIGHT PROCEDURE AND RETRACTION PROCEDURE	6
2.3 EXPECTED TIMETABLE	7

INTRODUCTION

This Supplement Report to the Prospectus contains and presents in clear and comprehensive way, all the information that is necessary to the investors in order to evaluate thoroughly the assets, the financial position, the results and the prospects of "TECHNICAL OLYMPIC S.A." (hereinafter "TECHNICAL OLYMPIC" or the "Company") as well as the Group "TECHNICAL OLYMPIC S.A." (hereinafter the "Group"), as well as any rights attributed to the common registered shares of the Company.

This Supplement to the Prospectus consists of: a) the supplement to the Report Document and b) the supplement to the Share Note. It is noted that the present Supplement Report to the Prospectus is an indispensable part of the Prospectus which was approved by the Board of Directors of the Capital Market Commission at its 433rd /2007.6.28 session.

This Supplement Report to the Prospectus of "TECHNICAL OLYMPIC S.A." was prepared and disseminated under the provisions of the current legislation. The Board of Directors of the Capital Market Commission approved by its decision on 2007.8.9 the content of this Supplement Report to the Prospectus, only as far as it concerns the information available to investors as is determined by the provisions of law 3401/2005 and the rules and regulations (eu) 809/2004 of the European Community Commission

This Supplement Report to the Prospectus contains every information whose dissemination is provisioned under the Rules and Regulation (EC) 809/2004 of the European Community Commission and is related to the Company and the listing of the new shares herein as a result of the Share Capital Increase.

This Supplement Report to the Prospectus contains the most up to date information for the Company and the Group that occurred or have been brought to our attention during the period from the approval of the Prospectus by the Capital Market Commission on June 28, 2007 (433rd /28.6.2007 Session of the Board of Directors of the Capital Market Commission), as determined by article 16 of Law 3401/2005.

In case where there is a difference between (a) the statements presented herein and (b) the statements presented in the Prospectus, the statements under (a) will prevail as being more up to date.

1 REPORT DOCUMENT

1. REPORT DOCUMENT

1.1 PERSONS HOLDING RESPONSIBILITY

The Company and the Board of Directors are responsible for the Supplementary Report to the Prospectus.

The persons, acting on behalf of the Company, that supervised the preparation of this Supplement Report are the following:

- Constantinos Rizopoulos, Member of the BoD and Chief Financial Officer, resident of Athens, 20 – 24 Solomou str., 174 56 Alimos, tel.: 210 99 77 000,
- Anna Kyprianou, Director of Financial and Stock Exchange Issues, resident of Athens, 20 – 24 Solomou str., 174 56 Alimos, tel.: 210 99 77 000

The members of the Company's Board of Directors, the persons responsible, acting on behalf of the company, that prepared this Supplement Report to the Prospectus and the internal auditor, Mr. Nikolaos Lekakis, who proceeded in a review of the information included in the abovementioned Supplement Report, are responsible for its content and declare that they are fully aware and agree with its content and responsibly declare that, after receiving every reasonable measure for this purpose, the information included in the Supplement Report is, according to their knowledge, true and there are no omissions that could alter its content, which is prepared according to the provisions of the Regulations of the European Community Commission (EC) No. 809/2004. In addition, they also declare that, after receiving every reasonable measure for this purpose, there is no other significant fact related with the information included in the Supplement Report to the Prospectus, which emerged during the period from the approval of the Supplement Report by the BoD of the Hellenic Capital Market Commission on **28.06.2007** until the date of the Supplement Report to the Prospectus, on **07.08.2007**, except for those referred to in the current Supplement Report to the Prospectus.

The preparation and dissemination of the current Supplement Report to the Prospectus has been made in accordance with the provisions of the current legislation. The Hellenic Capital Market Commission Board of directors has approved the content of the current Supplement Report to the Prospectus, as of **09.08.2007**.

1.2 LEGAL AND ARBITRATION PROCEDURES

CLAIMS AGAINST TOUSA INC. BY DEUTSCHE BANK TRUST COMPANY

NYSE listed US affiliate of the Group "TECHNICAL OLYMPIC S.A.", TOUSA Inc on 31.7.2007 completed the \$ 500 million line of credit with main underwriter Citigroup Global Markets Inc. ("Citi"), and used the funds to finalize and close the global consensual settlement with all participants in the Transeastern JV including the JV's senior lenders, its mezzanine lenders, the JV partner and its land bankers.

The global settlement, which ends all litigation with the Transeastern JV lenders, was financed by TOUSA's issuance of new equity and debt securities including \$500 million senior secured credit facilities, made up of (i) a new \$200 million aggregate principal amount first lien term loan facility and (ii) a new \$300 million aggregate principal amount second lien term loan facility. The first and second lien term loans ("the Facilities") will be used to fund the settlement in the following manner:

- \$335 million repayment of the Transeastern JV senior term debt

1 REPORT DOCUMENT

- \$65 million repayment of the Transeastern JV revolver debt
- \$51 million to purchase certain Transeastern JV land bank assets
- \$36 million of financing fees and expenses
- \$13 million as cash on the balance sheet

The Company also issued to Transeastern JV's senior mezzanine lenders \$20 million in aggregate principal amount of 14.75% Senior Subordinated PIK Election Notes due 2015 and 8% Series A Convertible Preferred PIK Preferred Stock with an initial aggregate liquidation preference of \$117.5 million. The Preferred Stock is convertible into Common Stock at a conversion price which shall initially equal the average closing Common Stock price for a 20 trading day period commencing October 1, 2007 (the "Measurement Period") multiplied by 1.40, subject to numerous previously described terms.

Additionally the Company issued warrants to Transeastern JV's junior mezzanine lenders to purchase shares of its common stock. The warrants have an estimated fair value of \$16.25 million at issuance, subject to certain previously described terms.

The Company's existing \$800.0 million revolving loan facility (the "Revolving Loan Facility") has been amended and restated to reduce the revolving commitments by \$100.0 million and permit the incurrence of the Facilities. The Revolving Loan Facility establishes new financial performance covenants with TOUSA that differ from prior covenants.

The Company has filed an 8-K with the SEC and its website on August 3, 2007 detailing the final terms of the new debt and equity securities, as well as the amended credit terms and covenant details as follows: (i) minimum adjusted consolidated tangible net worth; (ii) maximum ratio of debt to adjusted consolidated tangible net worth; (iii) minimum ratio of EBITDA to interest incurred; (iv) maximum ratio of units owned to units closed; (v) maximum ratio of land to adjusted consolidated tangible net worth; and (vi) maximum ratio of unsold units to units closed. The Revolving Loan Facility is subject to a borrowing base, which includes a reserve for amounts outstanding under the Facilities. The Second Lien Term Loan Facility contains a limitation on amounts outstanding under the Revolving Loan Facility and the Facilities based on a percentage of inventory.

As previously announced, the Transeastern JV has been merged into one of the Company's subsidiaries and has become a guarantor on the Company's credit facilities and note indentures. TOUSA is acquiring control of approximately 5,000 additional homesites in Florida, of which 4,000 are owned (after the take down of approximately 1,300 homesites with an asset value of \$51 million) and approximately 1,000 homesites are under option (after walking away from approximately 2,450 homesites that no longer made financial sense). The Transeastern JV business will be fully integrated into the Company's Florida business and will market homes under the Engle Homes brand, one of the most recognized and respected homebuilding brands in the nation.

TOUSA management commented: "With the completion of our financing and the global settlement, we can put the Transeastern JV issues behind us. Having eliminated the cost, management distraction, and potential adverse outcome of protracted lender litigation, we can now focus all of our efforts on operating in this difficult housing market, strengthening our balance sheet and enhancing value for TOUSA stakeholders".

1.3 SIGNIFICANT CHANGES IN THE FINANCIAL OR COMMERCIAL POSITION OF THE COMPANY

According to a statement made by the Management of the Company, no significant change it has befallen in the financial or commercial position of the company affecting its Own Equity, loan obligations and cash and cash equivalents as of the date of the preparation of the first quarter Financial Statements that is 31.03.2007 until today, with the exception of the current Share Capital Increase that the Board of Directors decided as of 27.06.2007 and the completion of the new financing and the the global consensual settlement of Transeastern JV, which are as follows:

1) As a result of the current Share Capital Increase, the Own Equity of the company will increase by approximately € 34.8 mil. and the loan obligations will decrease by approximately € 33.8 mil. including capital and loan interests until 03.08.2007.

2) TOUSA Inc. issued (i) a new \$200 million aggregate principal amount first lien term loan facility and (ii) a new \$300 million aggregate principal amount second lien term loan facility, which were used to fund the loan obligations, the purchase of certain bank assets and the payment of expenses referred to in chapter 1.2 herein. These new loans will increase TOUSA loan obligations accordingly.

3) TOUSA Inc. entered into agreements to a settlement and discharged contract with the senior and junior mezzanine lenders, the participants in the joint venture as well as the land banks, which will release the company from its possible obligations over all of the above. (i) In compliance with the settlement of the mezzanine lenders, TOUSA Inc. agreed to issue the following notes to the senior mezzanine lenders: (I) \$20 million in aggregate principal amount of 14.75% Senior Subordinated PIK Election Notes due 2015, (II) 8% Series A Convertible Preferred PIK Preferred Stock with an initial aggregate liquidation preference of \$117.5 million and maturity date due 2015. The Preferred Stock is convertible into common stock at a conversion price which shall initially equal the average closing common stock price for a 20 trading day period commencing October 1, 2007 (the "Measurement Period") multiplied by 1.40, subject to numerous previously described terms (ii) The Preferred Stock is convertible into common stock at a conversion price which shall initially equal the average closing common stock price for a 20 trading day period commencing October 1, 2007 (the "Measurement Period") multiplied by 1.40, subject to numerous previously described terms. The abovementioned bond and stock notes will burden the loan obligations accordingly and will increase Own Equity of TOUSA Inc. in case wher the conversion rights are exercised by the beneficiaries.

4) In addition, as a result of this settlement cash and cash equivalents of TOUSA Inc. increased by 13 mil. dollars and the value of its assets by 51 mil. dollars. There will be a respective effect on the Group's financial statements.

5) The Management of TOUSA Inc. estimates that with the above settlement the accumulated loss will increase by approximately 38 mil. dollars, from the published losses amounting 354.3 mil. dolars in the first quarter financial statements of TOUSA (Form 10-Q) as of March 31, 2007, due in the pre-tax loss contingency relating to the Transeastern JV settlement based on the estimated fair value of the consideration provided and the business acquired.

In continuation and based on the above announcement of TOUSA, there is no further burden of the Group's financial results due to the increased provision accounted for theTranseastern JV in the published consolidated financial statements for the period 1/1-31/3/2007.

Finally, the changes in the financial position of Group TECHNICAL OLUMPIC will appear in the consolidated financial statements of the period from 1/1-30/9/2007.

2. SHARE NOTE

2.1 ΥΠΕΥΘΥΝΑ ΠΡΟΣΩΠΑ

The Company and the Board of Directors are responsible for the Supplementary Report to the Prospectus.

The persons, acting on behalf of the Company, that supervised the preparation of this Supplement Report are the following:

- Constantinos Rizopoulos, Member of the BoD and Chief Financial Officer, resident of Athens, 20 – 24 Solomou str., 174 56 Alimos, tel.: 210 99 77 000,
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The members of the Company's Board of Directors, the persons responsible, acting on behalf of the company, that prepared this Supplement Report to the Prospectus and the internal auditor, Mr. Nikolaos Lekakis, who proceeded in a review of the information included in the abovementioned Supplement Report, are responsible for its content and declare that they are fully aware and agree with its content and responsibly declare that, after receiving every reasonable measure for this purpose, the information included in the Supplement Report is, according to their knowledge, true and there are no omissions that could alter its content, which is prepared according to the provisions of the Regulations of the European Community Commission (EC) No. 809/2004. In addition, they also declare that, after receiving every reasonable measure for this purpose, there is no other significant fact related with the information included in the Supplement Report to the Prospectus, which emerged during the period from the approval of the Supplement Report by the BoD of the Hellenic Capital Market Commission on **28.06.2007** until the date of the Supplement Report to the Prospectus, on **07.08.2007**, except for those referred to in the current Supplement Report to the Prospectus.

The preparation and dissemination of the current Supplement Report to the Prospectus has been made in accordance with the provisions of the current legislation. The Hellenic Capital Market Commission Board of directors has approved the content of the current Supplement Report to the Prospectus, as of **09.08.2007**.

2.2 EXERCISING OF THE PRE-EMPTION RIGHT PROCEDURE AND RETRACTION PROCEDURE

It is noted that in accordance with article 16 of Law 3401/2005 every new significant element, important misquotation or important mistake related with the information included in the Supplement Report to the Prospectus, that can affect the evaluation of the securities and emerge or is concluded during the period from the approval of the Supplement Report to the Prospectus until the end of the public offer or the listing in an organized market, it must be stated in the Supplement Report to the Prospectus. Investors who have already subscribed for the purchase of securities, may retract from the subscription within three (3) working days, at the latest, from the publication of the Supplement Report to the Prospectus.

2.3 EXPECTED TIMETABLE

The expected timetable of the completion of the share capital increase and in case of a full covering is as follows:

ΗΜ/ΝΙΑ	ΓΕΓΟΝΟΣ
16/07/2007	Starting day of trade and exercise of the pre-emption rights
24/07/2007	Last day of trade of the pre-emption rights
30/07/2007	Last day of the exercising period of the pre-emption rights
31/07/2007	Disposal of undisposed Shares by the Board of Directors
31/07/2007	Announcement for the coverage of the Share Capital Increase *
9/08/2007	Approval of the Supplement Report to the Prospectus by the Board of Directors of the Hellenic Capital Market Commission
10/08/2007	Announcement to Daily Press Release of the Athens Exchange about the time and place for the dissemination of the Supplement Report, as well as retraction period for the investors
10/08/2007	Publication of the Supplement Report (uploading on the websites of the listed company, the Athens Exchange and the Hellenic Capital Market Commission)
10/08/2007	Press Announcement regarding the time and place for the dissemination of the Supplement Report, as well as retraction period for the investors
13/08/2007	Starting day of the retraction period for investors from the subscription and/or the pre-subscription
16/08/2007	Last day of the retraction period for investors from the subscription **
Έως 31/8/2007	Starting day of the listing of the new shares from the Share Capital Increase with payment in cash

It is noted that the above timetable depends on several imponderable factors and it is likely to change. Regarding the Share Capital Increase procedure and the timetable of its implementation, there will be relevant releases to inform the investing public, as stipulated.

* In case there is retraction by the investing public, the Company will proceed to new approval of the coverage.

** In case of retraction by the investing public a Board of Directors session may be required for the probable coverage of shares.