GEK S.A.

INTERIM FINANCIAL STATEMENTS
(IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS)
FOR THE QUARTERLY PERIOD FROM 1 JANUARY TO 31 MARCH 2005

GEK GROUP S.A.

BALANCE SHEET AS OF 31st MARCH 2005

(All amounts in thousands of Euro, unless it is notified differently)

	THE GROUP		THE COMPANY	
	31st March 2005	**31st December 2004**	**31 Μαρτίου 2005**	**31 Δεκεμβρίου 2004**
Long Term Assets				
Tangible Assets				
Intangible Assets	182.210	199.292	7.080	2.941
Investment properties	6.095	6.173	-	4
Investments (Subsidiaries and affiliated companies)	77.248	59.739	14.848	14.848
Other long term claims	15.929	10.061	131.535	136.437
Differed tax Assets	272	347	11	11
	6.993	7.171	-	410
Total Long Term Assets	**288.746**	**282.783**	**153.474**	**154.651**
Current Assets				
Stocks				
Merchandise	59.107	63.499	26.781	28.376
Advances and other receivables	243.869	240.015	8.624	10.967
Other Financial Assets	58.620	53.840	8.383	7.204
Cash and Banks	19.506	20.550	9.218	9.502
	94.237	83.786	57.014	44.589
Total current assets	**475.338**	**461.690**	**110.020**	**100.638**
TOTAL ASSETS	**773.046**	**744.473**	**263.494**	**255.289**
EQUITY AND LIABILITIES				
Equity attributed to the shareholders of the mother company				
Capital				
share premium	23.567	23.567	23.567	23.567
Retained earnings	170.410	170.410	170.410	170.410
Reserves	25.059	23.672	28.484	17.365
	41.418	35.713	32.372	32.372
	260.454	**244.156**	**254.833**	**243.714**
Minority Interest	102.244	82.300		
Total Equity	**362.697**	**326.456**	**254.833**	**243.714**
Long Term Liabilities:				
Long term Loans				
Loans from financial Leasing	60.817	51.008	-	-
Other long term liabilities	37.927	40.277	-	-
Provisions	567	5.722	456	158
Provision for staff retirement	2.147	3.374	315	315
Subsidies	1.459	1.380	123	120
Differed tax liabilities	15.313	12.882	-	-
	1.787	3.109	278	795
Total long term liabilities	**120.018**	**117.692**	**1.172**	**1.388**
Short term liabilities				
Suppliers				
Short term loans	108.480	127.826	3.885	2.660
Long term liabilities payable in the next year	118.012	127.851	-	5.000
Accrued and other short term liabilities	2.268	2.928	-	-
	52.610	41.720	3.604	2.527
Total short term liabilities	**281.370**	**300.325**	**7.489**	**10.187**
TOTAL LIABILITIES AND EQUITY	**764.085**	**744.473**	**263.494**	**255.289**

GEK GROUP S.A.

STATEMENT OF FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31st 2005

(All amounts in thousands of Euro, unless it is differently notified)

	THE GROUP		THE COMPANY	
	31st March 2005	**31st March 2004**	**31st March 2005**	**31st March 2004**
REVENUE:				
Net Sales	66.820	100.496	1.364	1.046
Cost of Sales	(49.013)	(84.631)	(1.017)	(129)
Gross Profit	**17.807**	**15.865**	**347**	**917**
Administration and Distribution expenses	(4.948)	(3.150)	(947)	(16)
Other incom / (expenses)	495	982	(253)	25
Net financial income / (expenses)	(2.712)	(2.479)	11.865	(3.706)
PROFIT BEFORE TAXES	**10.642**	**11.218**	**11.012**	**(2.780)**
Income tax	(1.091)	(3.966)	107	1.012
NET PROFIT	**9.551**	**7.252**	**11.119**	**(1.768)**
Attributed to:				
Shareholders of the mother company	5.125	3.429		
Minority Interest	4.426	3.823		
	9.551	**7.252**	**-**	**-**
Earning per share				
Basic	0,08	0,12	0,17	(0,06)
Diluted				
Weighted average of number of Shares, basic and diluted				
Basic	65.463.360	27.720.000	65.463.360	27.720.000
Diluted				

The accompanying notes constitute an inextricable part of the consolidated financial statements

GEK GROUP S.A.

CASHFLOW STATEMENT FOR THE PERIOD ENDED AT MARCH 31st 2005

(All amounts in thousands of Euro, unless it is differently notified)

	THE GROUP		THE COMPANY	
	March 31st 2005	March 31st 2004	March 31st 2005	31 Μαρτίου 2004
Cashflow from operating activities				
Profits for the period before taxes	10.642	11.218	11.012	(2.780)
Adjustments for the reconsiliation of new flows from operating activities				
Depreciation				
Provisions	3.022	2.279	12	9
Interest and related expenses	(1.148)	1.305	3	1
Interest and other financial expenses	(261)	(11)	(175)	0
(Profit) / Loss from sale and valuation of investments	2.511	1.095	175	2
Subsidies amortization	1.933	5.063	(11.466)	3.625
Operating profit before changes in working capital	(289)	(313)	0	0
	16.410	**20.636**	**(439)**	**857**
(Increase) / Decrease in:				
Stocks	4.392	(4.855)	1.595	0
Merchandise	(3.854)	(9.685)	2.343	(265)
Advances and other short term claims	(4.780)	(12.783)	(1.179)	9.969
(Increase) / Decrease in:				
Suppliers	(19.346)	1.460	1.225	(204)
Accruted and other short term liabilities	2.992	(2.593)	1.077	(169)
Collection of subsidies	2.719	0	0	0
(Increase) / Decrease of other long term claims	27	19	0	0
Cash inflows from operating activities	**(1.437)**	**(7.801)**	**4.622**	**10.188**
Cash flows from investment activities				
Purchases of tangible assets	0	(30.547)	(4.411)	0
Sale of tangible assets	1.324	0	0	0
Purchases of intangible assets	(18)	(23)	0	0
Collected interest and related income	261	11	175	0
Sale of a percentage of a subsidiary and other movements of subsidiaries	23.084	(6.444)	21.414	(8.897)
Increase in shareholders capital of investment	0	0	(4.484)	0
Investment Properties	(4.677)	(508)	0	0
Cash outflows for investment activities	**19.974**	**(37.511)**	**12.694**	**(8.897)**
Cash flows from financial activities				
Net movement of short term loans	(9.839)	42.898	(5.000)	0
Withdrawal of long term loans	9.809	(774)	0	0
Loans Payments from Fianancial Leasings	(2.350)	(417)	0	0
Interest Paid	(2.511)	(1.181)	(175)	(2)
Change of other Financial Claims	(3.195)	(374)	284	(1)
Cash outflows for financial activities	**(8.086)**	**40.152**	**(4.891)**	**(2)**
Influence of changes in exchange rates in cash and cash equivalents	0	0	0	0
Net increase / of cash and cash equivalents	**10.451**	**(5.160)**	**12.425**	**1.290**
Cash and cash equivalents at the beginning of the period	83.786	30.328	44.589	1.526
Cash and cash equivalents at the end of the period	**94.237**	**25.168**	**57.014**	**2.816**

The accompanying notes constitute an inextricable part of the consolidated financial statements

GEK GROUP S.A.

STATEMENT OF EQUITY MOVEMENT FOR THE PERIOD ENDED AT 31st MARCH 2005

March 31st 2005

	Proportioned to the shareholders of the mother company						
	Shareholders Capital	**share premium**	**Reserves**	**Retained earnings**	**Sub Total**	**Minority Interest**	**Total of shareholders Equity**
December 31st 2004	23.567	170.410	41.418	8.761	244.156	82.300	326.456
Net profits for the period				5.125	5.125	4.426	9.551
Decrease of percentage of consolidated subsidiary				11.172	11.172	14.143	25.315
Increase of share capital of subsidiaries(HERON-IOANNINON)						1.375	1.375
March 31st 2005	23.567	170.410	41.418	25.059	260.454	102.244	362.697

GEK S.A.

STATEMENT OF SHAREHOLDERS EQUITY MOVEMENT

as of 31st March 2005

(All amounts in thousands of Euro, unless it is differently notified)

	Shareholders Capital	share premium	Reserves	Retained Earnings	Total
December 31st 2004	23.567	170.410	32.372	17.365	243.714
Net profits for the period				11.119	11.119
March 31st 2005	23.567	170.410	32.372	28.484	254.833

GEK GROUP S.A.

STATEMENT OF EQUITY MOVEMENT FOR THE PERIOD
ENDED AT 31st MARCH 2004

March 31st 2004

	Proportioned to the shareholders of the mother company						
	Shareholders Capital	share premium	Reserves	Retained earnings	Sub Total	Minority Interest	Total of shareholders Equity
December 31st 2003	16.632	77.588	29.468	4.114	127.802	57.870	185.672
Net profits for the period				3.429	3.429	3.823	7.252
Reserves			(299)		(299)		(299)
Decrease of percentage of consolidated subsidiary				(6.478)	(6.478)		(6.478)
Other				2.063	2.063	(2.063)	
March 31st 2004	16.632	77.588	29.169	3.128	126.517	59.630	186.147

GEK S.A.
STATEMENT OF SHAREHOLDERS EQUITY MOVEMENT
as of 31st March 2004
(All amounts in thousands of Euro, unless it is differently notified)

	Shareholders Capital	share premium	Reserves	Retained Earnings	Total
December 31st 2003	16.632	77.588	24.606	10.270	129.096
Net profits for the period				(1.768)	(1.768)
March 31st 2004	16.632	77.588	24.606	8.502	127.328

1. ESTABLISHMENT AND ACTIVITY OF THE COMPANY:

"GEK Holdings, Real Estate, Construction CO S.A.", as renamed from ERMIS REAL ESTATE S.A. according to the decision of the Extraordinary General Shareholders' Meeting on 15.10.2004 and approved by the No. K2-13956/3-10-04 decision of the Ministry of Development published in the Government Gazette with the No. 14334/3-12-04, is registered in the Societe Anonyme Registry of the Ministry of Development with Registration number 6044/06/B/86/142. The life of the company has been set to thirty (30) years, while according to the decision of the Extraordinary General Shareholders' Meeting on 26.03.1990 the life duration of the company is extended up to the 31st of December 2030. The company is based in the municipality of Athens and its head offices are located in 85 Mesogeion Avenue, Postal Code 11526, Athens (tel: 210-6968200), following the decision of its Board of Directors on the 14th of March 2003.

The company was founded in 1960 under the name ERMIS HOTEL ENTERPRISES S.A.. In the middle of the '60s it is renamed to ERMIS REAL ESTATE CONSTRUCTIONS ENTERPRISES S.A. with its main activity being building constructions (ERMIS mansion, apartment buildings and maisonettes in various areas across the country). In 1969, the company lists its shares in the Athens Stock Exchange (28.08.1969). Following the Extraordinary General Shareholders' Meeting on the 4th of August 1999 the company's ownership status is altered. On 16.10.2000, the decision No. K2-10469/16.10.2000 of the Ministry of Defense is registered in the Societe Anonyme Registry. This decision approved the amendment, by changing the numbering and the provisions of the Articles, and the codification of the company's Articles of Association in accordance with the decision of the Extraordinary General Shareholders' Meeting on 17.07.2000. On the same date, the complete new text of the Articles of Association, with the amendments, is registered in the Societe Anonyme registry. On 10/02/04 the Board of Directors decided that the company should merge with the company "General Construction Company S.A." by absorbing it. The Extraordinary General Shareholders' Meetings of both the acquiring as well as the absorbed companies, that took place on 15/10/2004, approved the Merger Plan. The merger was completed on 2/12/04 following the decision K2-13956 of the Ministry of Development that was published in the Government Gazette under No. 14334/3-12-04. At the same time, the change of the company's name and the amendment of its corporate objective were approved. Through this merger, the GEK Group of companies was created, with significant presence in constructions, energy, as well as in the development, administration and exploitation of real estate, and having a strong capital base.

According to Article 2 of the Articles of Association, the scope of the company is:

1. The participation under any means in legal entities, companies and joint ventures located locally or internationally, having any kind of legal status and active in the sectors of holdings, real estate development, taking up and/or exploitation of self-funded or co-funded projects, construction of private or public works, mine activities, construction or/and exploitation of energy projects and programmes, equipments, supplies, tourist and maritime enterprises, environmental companies.
2. The development and practice of any investment activity locally or internationally.
3. The acquisition, building, exploitation, management, development, sale of real estate as well as the construction and/or the repair and/or the gentrification of buildings and real estate in general.

4. The real estate development and exploitation under any means and system.
5. The construction of buildings and building complexes by contract or by exchange of land.
6. The undertaking, preparation and assignment to third parties of any kind of technical projects (architectural, static, mechanical, electronic, environmental) as well as technical, economic and feasibility studies.
7. The undertaking of the technical administration, planning, execution and the operation of technical projects or investments and investments programmes in general (project management).
8. The undertaking and execution of any kind of technical projects, public or private, and the undertaking and execution of any kind of related studies and projects.
9. The studying, construction, orginisation, administration, development, financing and exploitation of any kind of car parks.
10. The planning, financing, construction and generally the operation and exploitation of any kind of energy infrastructure and projects.
11. The installation, operation and exploitation of any kind of works and activities related to quarries.
12. The provision of advisory services related to the activities of the Company as well as the provision of Technical Advisor services.
13. The planning, financing, construction and generally the operation and exploitation of environmental projects and programmes.
14. The acquisition, sale, supply, trade of materials, machines, tools, products and generally equipment originated in Greece of abroad.
15. The commercial representation and/or co-operation with local or foreign firms.

In order to achieve its objective the company may:

(a) Participate in any kind of companies, joint ventures and generally in local or foreign legal entities.
(b) Invest its cash in shares, securities and other titles listed or not in the local or foreign Stock Markets.
(c) Perform market studies, compilation or analysis of investment programmes, compilation of economic or feasibility studies as well as studies for the analysis of the commercial risk.
(d) Produce in its own or not its own infrastructure, materials, and general products for use in technical constructions and projects.
(e) Contribute and form joint ventures with any physical or legal entity, based locally or abroad.
(f) Perform transformation actions, mergers or acquisitions with other companies.
(g) Draw financing.
(h) Provide guarantees and insurance (jural and/or real) in favor of companies and generally in favor of companies or joint ventures in which it participates or co-operates.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS:

a. *Basis for the preparation of the financial statements:* The attached consolidated financial statements have been prepared according to the historic cost principle as this is amended by the readjustment of specific asset and liabilities items in fair values with the exception of the value readjustment of specific fixed assets which on the date of transition (1st of January 2004) to the International Financial Reporting Standards (IFRS) were fairly valued, and these values were used as deemed cost in accordance with the IFRS 1 clauses "First-Time adoption of International Financial Reporting Standards".

The attached consolidated financial statements have been prepared in accordance with IFRS as these are published by the International Accounting Standards Committee (IASC), and their interpretation as published by the International Financial Reporting Interpretations Committee (IFRIC) of IASC. For the preparation the IFRS 1 "First-Time adoption of International Financial Reporting Standards" is applied with transition date the 1st of January 2004. No standards have been applied before their inception date.

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b. *Book Keeping:* The Greek companies of the group keep their accounting records in accordance with the Greek Law of Commerce, the Greek Generally Accepted Accounting Principles and the tax legislation, while the foreign companies keep their accounting records in accordance with the laws and provisions followed in each of the countries they are active in. The group makes specific off balance sheet adjustment records in order to compile the attached consolidated financial statements in accordance with IFRS.

The basic off balance sheet records that were applied on the balance sheets on the 1st of January 2004 and on the 31st of December 2004, as well as on the income statement of the quarterly period ending on the 31st of March 2004 in order to be adjusted to the IFRS and the important differences that are applied in the relevant consolidated financial statements are described in Note 11.

c. *First-Time adoption of International Financial Reporting Standards:* According to the rule 1606/2002 of the European Union and the Law 3229/04, amended by the Law 3301/04, Greek companies listed in Stock Markets (home or abroad), are obliged from the 1st of January 2005 to compile their financial statements in accordance with IFRS.

Based on IFRS 1 and the aforementioned Greek law, the companies mentioned above are obliged to report comparative financial statements in accordance with IFRS for at least one fiscal year (31 December 2004).

Consequently the companies adopting the IFRS for the first time as previously mentioned, will as a rule have the 31st of December 2005 as compilation date for the first full set of IFRS financial statements and the 1st of January 2004 as transition date. The Company will prepare and publish the first full financial statements according to the IFRS within the institutional time-frame and the compilation date of the aforementioned financial statements will be the 31st of December, 2005.

In accordance with the relevant provisions of IFRS 1, a company compiling the first financial statements according to the IFRS must use the IFRS in effect at the closing date of the period covered by the first full financial statements for all the financial years/periods presented and for the transition balance sheet.

As a result, the attached financial statements have been compiled in accordance with the IFRS in effect on March 31, 2005 and include judgments regarding the IFRS that are expected to be in effect at the first closing date (December 31, 2005).

For the compilation of the attached consolidated financial statements, the Group applied IFRS 1 "First-Time adoption of International Financial Reporting Standards". Specifically:

- The Group decided not to apply IFRS 3 "Business Combinations" retroactively for the combinations that were formed prior to the IFRS transition date (January 1st, 2004).

As a result and based on IFRS 1 as regards prior business combinations, the Company:

(i) Retained the same classification as in previous financial statements based on Greek Generally Accepted Accounting Principles (G.A.A.P.),

(ii) Recognized, on the date of transition to IFRS, all assets and liabilities acquired or included in business combinations except:

  - Specific financial assets and financial liabilities that had not been recognized under previous GAS and
  - Assets, including goodwill, and liabilities that had not been recognised in the consolidated balance sheet of the Company based on previous G.A.A.P. and that also do not meet the recognition criteria according to the IFRS for the separate balance sheet of the acquired company.

(iii) Excluded/deleted from its opening consolidated balance sheet based on the IFRS any item recognized according to the previous G.A.A.P. that does not meet the criteria for recognition as an asset or liability based on IFRS.

- The Group decided to value specific land, buildings and machinery at the date of transition to IFRS at fair value and used these fair values as implied cost at the specified date.

- Regarding the provision for staff retirement indemnities, the total amount of cumulated actuarial losses and gains was recognized at the date of transition to the IFRS, while for the actuarial losses and gains that arose in 2004 and thereafter the corridor approach was used.

- The estimates of the Group based on the IFRS at the date of transition to the IFRS were consistent with the estimates made for the same date based on the previous G.A.A.P. (after whatever restatements were made to reflect differences in accounting principles), except the cases where there was clear evidence that these estimates were incorrect.

iv. ***Effect of newly issued Accounting Standards (IFRS or IAS) and Interpretations (SIC):***

Revisions were published on December 18th, 2003 relating to:

- IAS 1 “Presentation of Financial Statements”,
- IAS 2 “Inventories”,
- IAS 8 “Accounting Policies, Changes in Accounting Estimates, and Errors”,
- IAS 10 “Events After the Balance Sheet Date”,
- IAS 16 “Property, Plant and Equipment”,
- IAS 17 “Leases”,
- IAS 21 “The Effects of Changes in Foreign Exchange Rates”,
- IAS 24 “Related Party Disclosures”
- IAS 27 “Consolidated and Separate Financial Statements”,
- IAS 28 “Investments in Associates”,
- IAS 31 “Interests In Joint Ventures”,
- IAS 32 “Financial Instruments: Disclosure and Presentation”,
- IAS 33 “Earnings Per Share”,
- IAS 39 “Financial Instruments: Recognition and Measurement”,
- IAS 40 “Investment Property”.

The application date for all the revised standards is January 1st, 2005 while earlier adoption is encouraged. The revised standards also replace the following Interpretations that are withdrawn:

- SIC 1 “Consistency - Different Cost Formulas for Inventories”,
- SIC 2 “Consistency - Capitalisation of Borrowing Costs.”,
- SIC 3 “Elimination of Unrealised Profits and Losses on Transactions with Associates”,
- SIC 5 “Classification of Financial Instruments - Contingent Settlement Provisions”,
- SIC 6 “Costs of Modifying Existing Software”,
- SIC 11 “Foreign Exchange - Capitalisation of Losses Resulting from Severe Currency Devaluations”,
- SIC 14 “Property, Plant and Equipment - Compensation for the Impairment or Loss of Items”,
- SIC 16 “Share Capital - Reacquired Own Equity Instruments (Treasury Shares)”,
- SIC 17 “Equity - Costs of an Equity Transaction”,
- SIC 18 “Consistency - Alternative Methods”,
- SIC 19 “Reporting Currency – Measurement and Presentation of Financial Statements under IAS 21 and IAS 29”,
- SIC 20 “Equity Accounting Method - Recognition of Losses”,
- SIC 23 “Property, Plant and Equipment - Major Inspection or Overhaul Costs”,
- SIC 24 “Earnings Per Share – Financial Instruments and Other Contracts that

May Be Settled in Shares",
- SIC 30 "Reporting Currency - Translation from Measurement Currency to Presentation Currency" and
- SIC 33 "Consolidation and Equity Method - Potential Voting Rights and Allocation of Ownership Interests".

IFRS 2 "Share-based Payment" (which also replaced specific disclosure requirements in IAS 19 "Employee Benefits") was issued in February 19, 2004. IFRS 2 applies to annual periods starting from January 1st 2005 onwards. Earlier adoption is encouraged. IFRS 3 "Business Combinations" (which replaced IAS 22 "Business Combinations"), IFRS 4 "Insurance Contracts" and IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (which replaced IAS 35 "Discontinuing Operations") were published on March 31st, 2004. Revisions to IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets", which are both related to IFRS 3, were also issued on March 31st, 2004. IFRS 3 is applied to all business combinations that took place from March 31st, 2004 onwards. Special transitory provisions are in effect for the previously recognized goodwill, negative goodwill, intangible assets and investments accounted for by the equity method. IFRS 5 must be applied in annual financial statements starting from January 1st, 2005 onwards. Earlier adoption is permitted provided that the necessary information for the application of the Standard was obtained when the relevant business combinations were originally accounted for. The revised IAS 36 and IAS 38 must be applied in annual periods starting from March 31st, 2004 onwards (or the date of adoption of IFRS 3 as regards goodwill and intangible assets that were acquired through business combinations).

According to the relevant provisions of IFRS 1, for the compilation of the first financial statements based on the IFRS, companies must use the IFRS in effect at the closing date of the first full financial statements for all the financial years/periods presented and for the transition balance sheet. As a result, since the date of the first full financial statements of the Group based on the IFRS will be the 31st of December, 2005, all the revised or newly-issued Standards previously mentioned were used for the compilation of the attached consolidated financial statements.

v. ***Approval of the Financial Statements:*** The attached financial statements were approved by the competent bodies of the parent company during the ………………...

vi. ***Use of estimates:*** The compilation of financial statements based on the IFRS requires that the management proceed in making estimations and assumptions that affect the figures for the assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date as well as the figures for the income and expenses during the financial year/period. The true results may differ from these estimates.

3. SUMMARY OF KEY ACCOUNTING PRINCIPLES:

The main accounting principles adopted during the compilation of the attached consolidated financial statements are the following:

a) Consolidation basis: The attached consolidated financial statements include the financial statements of GEK and its subsidiaries. The subsidiary companies in which the Group holds directly or indirectly more than half of the voting rights or has the right to exercise control over their operation have been consolidated. Subsidiaries are consolidated from the date that the Group acquires control over them and cease to be consolidated from the date it no longer has control.

The Group's interests in Joint Ventures are consolidated in the consolidated financial statements using the equity consolidation method whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is included in the Group's financial statements.

Intra-group transactions and balances have been cancelled-out in the attached consolidated financial statements. Whenever required the accounting principles of the subsidiaries have been amended in order to ensure consistency with the accounting principles adopted by the Group.

b) Investments in Associates: The Group's participating interests in other companies in which GEK exercises significant influence are accounted for using the equity method. According to this method the participating interest in the associate company is carried at cost plus any change in the percentage of its equity held by the Group, less any provisions for impairment. The consolidated income statement shows the Group's share in the associate's results.

c) Other Investments: Other investments comprise interests in companies in which GEK does not exercise control or significant influence over their operation. According to IAS 39 investments other than interests in subsidiaries, associates and joint ventures are classified as available-for-sale, financial instruments remeasured at fair value through the profit or loss or held-to-maturity investments. In general, available-for-sale investments and financial instruments remeasured at fair value through the profit or loss are valued at fair value with the resulting gains or losses being recognized as a separate item in equity for available-for-sale investments or through the consolidated income statement for financial instruments at fair value through the profit or loss.

Held-to-maturity investments are valued at net amortised cost using the effective interest rate method and the resulting discounting results are recognized in the income statement through the amortisation process or at disposal.

d)Financial Instruments and Risk Management: From January 1st, 2004 onwards the Group has adopted International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" for the recognition and measurement of financial instruments. Primary financial assets and liabilities in the balance sheet include cash balances, receivables, bank loans and other short-term liabilities. The accounting principles for the recognition and measurement of these items are mentioned in the respective accounting principles, which are presented in this Note. Financial instruments are disclosed as receivables, liabilities or equity based on the substance and the contents of the relevant contracts from which they stem. Interest, dividends, gains and losses resulting from the financial instruments that are classified as receivables or liabilities are accounted for as expenses or income respectively. The distribution of dividends to shareholders is accounted for directly through equity. Financial instruments are netted-off when the Group, according to the law, has this legal right and intends to set them off (against each other) on a net basis or to recover the asset and net the liability off at the same time.

- **Interest rate and exchange rate risk:** The Group's bank debt is subject to floating interest rates. The Group makes limited use of financial derivatives, whenever such is deemed necessary, in order to reduce its risk exposure to interest rate changes. Derivatives are the financial means, which at inception usually have small or zero value that subsequently changes according to the changes on an underlying asset (exchange rate, interest rate, index or other variable).

  When the derivative has a positive value it is recognized as an asset, whereas when it has a negative value it is recognized as a liability. The Group uses derivatives for hedging purposes against interest rate risk. The derivatives are valued at their fair value.

  When the Group uses derivatives for hedging, at inception it provides a complete validation of the hedging ratio as well as an examination of its efficiency.

- **Real Value:** The amounts appearing in the attached Balance Sheets for the cash balances, short-term receivables and other short-term liabilities approximate their respective real values due to their short-term nature. The real value of the short-term bank loans does not differ from their accounting value due to the use of flexible interest rates.

- **Credit Risk Concentration:** A substantial part of trade receivables in general relate to agencies and entities of the Public sector with which there is no credit risk, per se. Regarding receivables from the private sector, the Company policy is to seek business with customers of satisfactory credit standing while the constant aim is to resolve any resulting differences within a amicable settlement context. Moreover the credit risk concentration with respect to receivables from the private sector is limited compared to the total amount of trade receivables due to the great dispersion of the balances.

e) Foreign Exchange Conversion: The euro is the currency of operation and presentation of GEK S.A. and its Greek subsidiaries. Transactions in other currencies are converted into euros using the exchange rates in effect at the date of the transaction. At the date of compilation of the financial statements the monetary asset and liability items that are denominated in other currencies are adjusted so as to reflect the current exchange rates.

The profits and losses resulting from the end-of-year valuation of monetary items in foreign currencies are reflected in the attached consolidated income statement. The profits or losses resulting from transactions are also reflected in the consolidated income statement.

The currency of operation of the foreign subsidiaries of the Group is the official currency of the country each subsidiary operates in. Accordingly, at each balance sheet date all the balance sheet accounts of the subsidiaries are converted into euros using the exchange rate in effect at the balance sheet date. Income and expenses are converted using the weighted average rate in effect during the year. The resulting exchange differences from the valuation of foreign subsidiaries as described above are booked directly to equity. Upon sale or disposal of a foreign subsidiary the cumulated exchange differences described above are taken to the profit or loss account.

f) Intangible assets: Intangible assets mainly consist of quarry use rights, software acquisition costs and all expenses incurred to develop the software in order to bring it to operational status. Amortisation on the quarry use rights is accounted for using the straight-line method for the duration of the contractual right for the use of the quarries (approximately 30 years) and within their productive use period while amortisation on software is accounted for based on the straight line method for a period of three years.

g) Income recognition: Income is recognized to the extent that economic benefits will result for the Group and the relevant amounts can be accurately measured. The following specific recognition criteria must also be met for the recognition of income.

Income from construction activities
Construction subsidiaries and joint-ventures recognize income from construction contracts in their accounting books based on amounts invoiced to customers, which result from the relevant partial certifications of work completed that are issued by the responsible engineers and correspond to the work completed up to the closing date. For reasons of compliance with the IFRS income from construction activity is accounted for in the attached financial statements using the percentage-of-completion method in accordance with the provisions of IAS 11 "Construction Contracts".

According to the percentage-of-completion method the construction costs incurred up to the Balance Sheet date are compared to the total estimated cost of the project in order to determine the percentage of the project that has been completed. This percentage is applied to the total revised contract price in order to determine the cumulated income from the project, based on which the invoiced income to date is revised. The cumulated effect of the revisions of the total estimated construction cost and the total contract price are accounted for during the accounting periods in which they arise. In the cases of contracts where it is forecast that the total estimated cost will exceed the total contract price, the entire loss is recognised in the year during which the loss-making events become possible.

Non-invoiced accrued income relates to income recognized on the basis of the method described above that has not yet been invoiced. Non-accrued income comprises amounts invoiced up to the balance sheet date over and above the income calculated using the percentage-of-completion method

Project execution down-payments represent amounts received by the Group upon signing the relevant contracts and are proportionally netted-off with the partial invoicings. The remaining amount appears as a liability in the attached consolidated financial statements.

Sale of goods
Revenue from the sale of goods, net of trade discounts, sales incentive discounts and the corresponding VAT, is recognized when the significant risks and benefits from ownership of the goods have been transferred to the buyer

***Revenue from the sale of Electric Energy*:** Revenue from the sale of Electric Energy is accounted for in the year in which it accrues. Revenue from sales of electric energy to DESMHE or any other buyer that have not yet been invoiced is recognized as accrued non-invoiced income in the financial statements.

***Revenue from the construction and sale of buildings*:** Buildings owned by the Group that are under construction, appear as stock. When the final sale contracts are drawn, by which the risks and benefits of ownership of the building are transferred, and to the extent that after the compilation of these contracts there remains significant construction work to be carried out, the relevant revenue is recognized according to the percentage-of-completion method, as described above.

***Rent Revenue*:** Rent revenue is recognized using the straight-line method, according to the terms of the lease.

Dividends: Dividends are accounted for when the right to receive them has been finalized by the shareholders by virtue of a General Meeting resolution.

Interest: Interest income is recognized on an accruals basis.

h)Tangible Fixed Assets: As previously mentioned, the Group has valued certain land, buildings, machinery and vehicles at fair value on January 1st, 2004 and these fair values have been used as implied cost at the date of transition to IFRS. The resulting surplus was credited to the profits carried forward account. The remaining land, buildings, machinery and vehicles are measured at purchase cost less accumulated depreciation and any provisions for impairment.

Repairs and maintenance are booked as expenses during the year in which they are incurred. Significant improvements are capitalized in the cost of the respective fixed assets provided that they augment the useful economic life, increase the production level or improve the efficiency of the respective fixed assets.

Tangible fixed asset items are eliminated from the balance sheet on disposal or withdrawal or when no further economic benefits are expected from their continued use. Gains or losses resulting from the elimination of an asset from the balance sheet are included in the income statement of the financial year in which the fixed asset in question is eliminated.

It is noted that upon the withdrawal or disposal of a fixed asset that had been previously revalued according to what was previously described, the respective surplus is not recycled through the income statement.

Fixed assets under construction include fixed assets that are work in progress and reflect their cost. Fixed assets under construction are not depreciated until the asset is completed and put into operation.

i) Depreciation: Depreciation is calculated according to the straight-line method using coefficients that approximate the relevant useful economic lives of the respective assets.

j)Impairment of Fixed Assets' Value: The book values of long-term asset items are audited for impairment purposes when facts or changes in circumstances imply that the book value may not be recoverable. When the book value of an asset exceeds its recovery value, the respective impairment loss is registered in the consolidated profit & loss account. The recovery value is defined as the largest value between the net estimated sale price and the acquisition value. The net sale value is the plausible income from the sale of an asset in the context of a reciprocal

	ETH
Quarries	30
Buildings and Construction projects	8-30
Machinery and Technical Projects	3-12
Vehicles	5-12
Fixtures and Other Equipment	3-12

transaction, in which all parties have full knowledge and willingness, after the deduction of each additional direct distribution cost for the asset. The acquisition cost consists of the net present value of future estimated cash flows expected to occur from the continuous use of the asset and from the income expected to arise from its distribution at the end of its estimated useful economic life. In order to determine the impairment, the asset items are grouped at the lowest level for which cash flows are possible to be recognized separately.

An offset of impairment loss for assets' values accounted for in previous years, takes place only when there are sufficient indications that such impairment does not exist at the present or it has decreased. In these cases the above offset is treated as income.

The Management assesses that there is no case for impairment of the Group's fixed assets and thus the valuation of the assets' recovery value has not been made.

k)*Investment property:* Investments in property are registered at their real value. Profit or losses that arise from changes in the real value of investments in property are included in the profit & loss account of the period/year during which they arise.

l)Inventories: Inventories are valued at the lowest price between cost and net liquidation value. The cost of finished and semi-finished products includes all the realized expenses in order for them to reach the current point of storing and processing and consists of raw materials, labor costs, general industrial expenses (based on a normal operating capacity, but not including borrowing costs) and packaging.

The cost of raw materials and finished products is defined based on the weighted average. The net liquidation value of finished products is their estimated selling price within the Group's regular operation less the estimated costs for their completion and the estimated necessary costs for their sale. The net liquidation value of raw materials consists of their estimated replacement cost within the company's regular operation.

m)Receivables Accounts: Short-term receivables are accounted for at their nominal value less the provisions for doubtful receivables. At each balance sheet date all overdue or doubtful receivables are estimated in order to determine the necessity for a provision for doubtful receivables. The balance of the specific provision for doubtful receivables is appropriately adjusted to each balance sheet date in order to reflect the estimated relevant risks. Each write-off of customer balances is debited to the existing provision for doubtful receivables.

n)Liquid Assets: The Group considers time deposits and other high liquidity investments with an initial maturity less than three months, as liquid assets.

For the compilation of the cash flow statements, liquid assets consist of cash, deposits in banks and liquid assets as defied above.

o)Long-term loan liabilities: All long-term loan liabilities are initially registered to the cost, which is the actual value of the received payment less the considerable issuance expenses related to the loan. After the initial registration, interest-bearing loans are valued at the net book cost using the real interest rate method. The net book cost is calculated after taking into account the issuance expenses and the differences between the initial amount and the maturing amount. Profit and losses are registered in the net profit or loss when the liabilities are written off or devalued and through the depreciation procedure. Interest expenses are recognized on an accrued basis.

p)Provisions for Staff Retirement Indemnities: According to the provisions of L2112/20, the Group reimburses its retired or laid off employees, and the amount of the relevant indemnities depends on the years the employees worked in the company, the level of his/her wages and the grounds of departure (lay off or retirement). The liabilities for staff retirement indemnities are calculated on the discounted value of future benefits that are cumulated at the end of the year, based on the recognition of the employees' benefit rights during the duration of their expected working years. The above liabilities are calculated based on the financial and actuarial recognitions and are defined using the actuarial valuation method of the projected liability units (projected unit method). Net retirement costs for the period are included in the attached profit & loss account and consist of the present value of benefits accrued during the year, the interest on the benefits' liability, the cost of prior services, the actuarial profit or losses and any other additional retirement costs. The prior services costs are recognized on a constant basis in the mid period during which the program's benefits are provided for. The liabilities for retirement benefits are not financed. As at the 1st of January 2004 (transition date to I.F.R.S. and compilation of initial Balance Sheet) the Group, applying the exemptions provided for by I.F.R.S. 1 for the first application year for I.F.R.S., recognized the total accumulated actuarial losses as for the 1st of January 2004. During the compilation of subsequent financial statements GEK, applying the general provisions of IAS 19, followed the "margin" method for the recognition of accumulated actuarial losses/profit. Actuarial profit and losses are registered as income or expenses when the accumulated actuarial profit or losses for each program separately exceed 10% of the largest value between the liability of the defined benefit and the actual value of the program's assets. This profit or losses are systematically registered during the expected average remaining working life of employees participating in the programs.

q)Government Pension Plans: The Group's staff is mainly covered by the main Government Social Security Fund that corresponds to the private sector (IKA) and which provides pension and medical-pharmaceutical benefits. Each employee is obligated to contribute part of his/her monthly wage to the fund, while part of the total contribution is covered by the Group. At the time of retirement, the pension fund is responsible for the payment of retirement benefits to the employees. Consequently, the Group has no legal or presumed liability for the payment of future benefits according to this plan.

r)Income Tax (Current and Deferred): Current and deferred taxes are calculated based on the financial statements of each of the companies included in the consolidated financial statements, according to the tax regulation effective in Greece or other tax frameworks under which the foreign subsidiaries operate. Income tax is calculated based on the earnings of each company as such are reformed on the companies' tax reports, on additional income taxes emerging from the Tax Authorities' tax audits and on deferred income taxes based on the enacted tax rates.

Deferred income tax is calculated using the liability method on all temporary differences between the tax base and the book value of assets and liabilities during the balance sheet date. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax receivables are recognized for all the exempt temporary differences and transferable tax receivables and tax losses, to the degree that it is likely that there will be available taxable earnings, which will be used against the exempt temporary differences and the transferable unused tax receivables and unused tax losses.

The deferred tax receivables are estimated at each balance sheet date and are reduced to the degree that it is not considered likely that there will be adequate taxable earnings against which part or the total of receivables from deferred income taxes may be used.

Deferred tax receivables and liabilities are calculated according to the tax rates that are expected to be in effect during the fiscal year the receivable will be realized or the liability will be settled, and are based on the tax rates (and tax regulations) that are effective or enacted during the balance sheet date.

The income tax that is related to items, which have been directly recognized in equity, is directly registered in equity and not in the consolidated profit & loss account.

s)Borrowing costs: The Group follows the basic accounting treatment provided for by IAS 23, "Borrowing Costs", according to which the borrowing costs are recognized as an expense within the period it corresponds to.

t)Financial Leases: Financial leases, which essentially transfer to the Group all the risks and returns related to the leased fixed asset, are capitalized during the inception of the lease based on the leased asset's fair value or, if it is lower, on the present value of the minimal leases. Payments for financial leases are allocated between the financial expenses and the reduction of the financing liability, in order to achieve a fixed interest rate on the remaining portion of the liability. The financial expenses are debited directly to the results. Capitalized leased fixed assets are depreciated based on the smallest period between the estimated useful economic life of the asset and the duration of the lease.

Leases where the leaser maintains all the risks and returns of the fixed asset's ownership, are registered as operating leases. The payments of operating leases are recognized as an expense in the consolidated profit & loss account on a constant basis for the duration of the lease.

u)Government Grants: Government grants that are related to subsidies of tangible fixed assets, are recognized when there is reasonable certainty that the grant will be received and all relevant terms will be met. When government grants are related to an asset, the fair value is credited to a deferred income account and transferred to the consolidated profit & loss account with equal annual instalments based on the expected useful economic life of the asset that was subsidized. When the grant is related to an expense it is recognized as income during the period deemed necessary to balance the grant on a systematic basis towards the expenses it is meant to offset.

v)Provisions, Contingent Liabilities and Contingent Receivables: Provisions are recognized when the Group has a present or implied liability resulting from prior facts, its clearing is possible through the outflow of funds and a reliable estimation of the liability can be made. The provisions are reconsidered on each balance sheet date and are adjusted in order to reflect the present value of expenses that are deemed necessary for the settlement of the liability. If the effect of the time value of money is significant, then provisions are calculated by discounting the expected future cash flows with a pre-tax rate, which reflects the market's current estimations for the time value of money, and wherever considered necessary, the risks related specifically to the liability. Contingent liabilities are not recognized in the consolidated financial statements but are notified, unless the possibility of an outflow of funds including financial benefits is small. Contingent assets are not recognized in the consolidated financial statements but are notified when an inflow of financial benefits is likely.

w)Earnings per Share: The basic earnings per share (EPS) are calculated by dividing net earnings with the average weighted number of common shares that are outstanding during each year, with the exception of the average common shares acquired by the group as own-shares.

(Amounts in thousand Euro, unless stated otherwise)

Diluted earnings per share are calculated by dividing the net earnings attributed to the parent's shareholders (after deducted the interest on convertible shares, after taxes) with the average weighted number of common shares that are outstanding during each year (adjusted for the effect of the diluted convertible shares).

x)Information Per Business Activity: The Group its activities by business segments. Until the full initiation of the foreign subsidiaries' activities, the Group considers that its activities take place in each geographic area. The operating activities are organized and managed separately according to the nature of the products and services they refer to, with each section constituting a strategic business unit that provides different products and operates in different markets.

The Group presents information per activity sector its activities in construction, sale of electricity, management of real estate, industrial production as well as the remaining activities. The basic notion for the presentation of assets and liabilities as well as income and expenses for each sector, which are not included directly in a specific sector, is their allocation to sectors according to criteria that are applied consistently. Cross-sectional income is calculated based on real and allocated expenses of each sector plus a margin on its employed capital.

Transactions between business units take place in market terms as occurs in the case for transactions with third parties.

4. GROUP STRUCTURE

The structure of the GEK Group as at 31/3/2005 is as follows:

A) Direct Subsidiaries of the Parent

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
TERNA SA	GREECE	63.12%	FULL
GEKE AEBE	GREECE	99.99%	FULL
A.B.C. KALYFTAKI SA	GREECE	55%	FULL
IRON THERMOELECTRIC SA	GREECE	50%	FULL
CRETAN DIAKOPES SA	GREECE	70%	FULL
IOANNINA ENTERTAINMENT DEVELOPMENT SA	GREECE	65%	FULL
MONASTHRI TECHNICAL DEVELOPMENT SA	GREECE	50%	FULL
CARLIA LTD	CYPRUS	49%	EQUITY
CRASMIRA LTD	CYPRUS	49%	EQUITY
MESPICIOUS LTD	CYPRUS	50%	EQUITY

B) Subsidiaries of TERNA SA:

	COUNTRY OF	PARTICIPATION	CONSOLIDATION

COMPANY NAME	DOMICILE	PERCENTAGE	METHOD
TERNA ENERGY ABETE	GREECE	61.75%	FULL
BIOMEK ABETE	GREECE	66.50%	FULL
STROTIRES AEBE	GREECE	51%	FULL
DIKEVE SA	GREECE	100%	FULL
ILIOCHORA SA	GREECE	100%	FULL

C) Subsidiaries of TERNA ENERGY SA:

COMPANY NAME	COUNTRY OF DOMICILE	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
1. IWECO CHONOS LASITHI CRETE SA	GREECE	100.00%	FULL
2. TERNA ENERGY CRETE SA	GREECE	100.00%	FULL
3. TERNA ENERGY ABETE & BROS ENERGIAKI SERVOUNIO SA	GREECE	99.00%	FULL
4. TERNA ENERGY ABETE & BROS AIOLIKI DICHALOS SAPPOI GP	GREECE	99.00%	FULL
5. PPC RENEWABLE- TERNA ENERGY SA	GREECE	51.00%	FULL

D) Joint-Ventures with the equity consolidation method.

E) Participations in affiliated companies:

The Group has a participation in the company PRODEFIN SA by 26%, which is consolidated with the Equity Consolidation method.

(Amounts in thousand Euro, unless stated otherwise)

5. UN-AUDITED TAX FISCAL YEARS

The un-audited tax fiscal years for the GEK Group companies that are consolidated with the full consolidation and equity consolidation methods, are as follows:

COMPANY NAME	UN-AUDITED FISCAL YEARS
1.TERNA SA	2002-2004
2.GEKE AEBE	2003-2004
3.A.B.C. KALYFTAKI SA	2004
4.IRON THERMOELECTRIC SA	2003-2004
5.CRETAN DIAKOPES SA	No tax audit has taken place because the company is at a preliminary stage.
6. IOANNINA ENTERTAINMENT DEVELOPMENT SA	No tax audit has take place because the company entered the productive process in May 2004
7.MONASTHRI TECHNICAL DEVELOPMENT SA	2003-2004

COMPANY NAME	UN-AUDITED FISCAL YEARS
1. TERNA ENERGY ABETE	2004
2.BIOMEK ABETE	2002-2004
3. STROTIRES AEBE	2003-2004
4. DIKEVE SA	2003-2004
5. ILIOCHORA SA	2003-2004

COMPANY NAME	UN-AUDITED FISCAL YEARS
1. IWECO CHONOS LASITHI CRETE SA	2002-2004
2. TERNA ENERGY CRETE SA	2002-2004
3. TERNA ENERGY ABETE & BROS ENERGIAKI SERVOUNIO SA	2002-2004
4. TERNA ENERGY ABETE & BROS AIOLIKI DICHALOS SAPPOI GP	2002-2004
5. PPC RENEWABLE- TERNA ENERGY SA	2002-2004

6. EXISTING REAL COLLATERAL ASSETS

(Amounts in thousand Euro, unless stated otherwise)

There are real collateral assets on the companies' fixed assets amounting to € 42.5 mn for guarantees of bank loans.

7. NUMBER OF EMPLOYEES

As at the 31st of March 2005, the number of employees is as follows:

	GEK	GROUP
FULL TIME EMPLOYEES	17	547
BUILDERS	11	304

8. TRANSACTIONS WITH AFFILIATED PARTIES

GEK GROUP

INTRA-GROUP TRANSACTIONS	
INCOME FROM INTRA-GROUP SALES	162,809.89
COST OF INTRA-GROUP TRANSACTIONS	-2,867,448.12

INTRA-GROUP RECEIVABLES'-LIABILITIES' BALANCES	
Customers	12,596.68
Suppliers	-1,878,735.99
Sundry Debtors	147,164.35
Sundry Creditors	4,353.65
Prepayments for Purchase of Inventories	1,819,907.93

TERNA GROUP

INTRA-GROUP TRANSACTIONS	
INCOME FROM INTRA-GROUP SALES	18,550
COST OF INTRA-GROUP TRANSACTIONS	-1,076,343.59

INTRA-GROUP RECEIVABLES'-LIABILITIES' BALANCES	
Suppliers	-6,500,599.37
Customers	707,036.27
Customers' Prepayments	147,534.02
Sundry Debtors	2,391.78

9. CONTINGENT LIABILITIES

(Amounts in thousand Euro, unless stated otherwise)

In the context of conducting its activities, the Company may face contingent legal claims from third parties. According to both the Management and the Company's Legal Consultant, any such claims are not expected to have a significant impact on the Company's operation and financial status as at the 31st of March 2005.

10. GEK S.A. – ERMIS S.A. MERGER

On the 23rd of July 2004 the merger through absorption of "GEK SA" (legally the absorbed) by the Company "ERMIS REAL ESTATE S.A." (legally the acquirer) was decided according to the provisions of L 2166/93 and with the 31st of March 2004 as the official merger date. With the completion of the merger through absorption, the legally acquirer increased its share capital by € 17,197 (by € 16,632 through the contribution of the absorbed share capital and by € 565 through the capitalization of the above par difference of the acquirer and the newly issued 44,232,000 common nominal shares were distributed to the shareholders of the absorbed after defining the share exchange ratio (0.48 shares of the absorbing to 1 share of the absorbed), which resulted from the application of internationally accepted valuation methods. After the completion of the merger, the legally acquirer "ERMIS REAL ESTATE S.A." was renamed to "GEK SA".

According to the provisions of IFRS 3, the business combinations that appertain to the Standard's provisions must be accounted for with the Purchase Method based on which the acquirer recognizes the recognizable assets, liabilities and contingent liabilities of the acquired at fair value as at the acquisition date and defines the resulting surplus value, which subsequently is examined for impairment instead of being depreciated.

In the context of IFRS, the above merger through absorption was accounted as a reverse acquisition where the legally absorbed (GEK SA) is essentially considered as the absorbing and conversely.

Consequently, the provisions of IFRS 3 "Business Combinations", referring to reverse acquisitions, were applied resulting in:

- The determination of the date on which the essentially absorbed (ERMIS SA) gained the management control of the essentially acquirer (GEK SA).
- The determination of the absorption's acquisition cost as at the above date.
- The calculation at fair value of ERMIS SA's assets and liabilities, at the consolidated level as at the above date and the subsequent purchase price allocation.
- The determination of the company surplus value that emerged from the above merger.

The data of the reverse acquisition are as follows:

Attainment of management control	03/12/2004
Acquisition Cost (fair value of participating securities)	84,091
Direct acquisition expenses	378
Total acquisition cost	84,469
Consolidated merged net position	127,819

(Amounts in thousand Euro, unless stated otherwise)

Negative Surplus Value 43,350

The fair values of the consolidated assets and liabilities of “ERMIS SA” as at the acquisition date (3rd of December 2004) are as follows:

	Book Value	Fair Value
Intangible Assets	2,478	-
Tangible Assets and Investment Property	27,662	34,626
Participations	19,458	12,072
Receivables	25,844	24,978
Inventories	50,777	47,848
Shares and Securities	18,169	18,513
Liquid Assets	17,264	17,264
Other	92	301
Liabilities	(28,756)	(26,674)
Provisions	(37)	(104)
Deferred tax liabilities	-	(1,005)
Net Position at fair values		127,819
Total Acquisition Cost		84,469
Negative Surplus Value		43,350

Due to the above merger, which was accounted for as a reverse acquisition, the essentially acquirer (GEK SA) is implied to maintain its continuance as regards to the financial statements it posts and the comparative financial statements for 2003 (parent and consolidated) are those of GEK SA before the merger with ERMIS SA.
According to the provisions of IFRS 3, the resulting negative surplus value of € 43,350, was only registered in the consolidated results of GEK SA for the fiscal year 2004, while in GEK’s simple financial statements the merger was accounted for as a pooling of interest without assessing the relevant negative surplus value in the year’s results.

11. EVENTS AFTER THE BALANCE SHEET DATE

The Company signed the following Project Contracts after 31.03.2005:

A) A contract amounting to € 85,728 and executed on 14.06.2005, with the Bulgarian Ministry of Transportation and Communication, for the Project: “PROJECT-CONSTRUCTION OF THE A’ PHASE OF THE KROUMOVO-PARVOMAL SECTION, ELECTRICITY PROVISION-RENOVATION OF THE PLOVDIV-SVILENGRAND RAILWAY LINE”.

(Amounts in thousand Euro, unless stated otherwise)

B) A contract amounting to 2,982,154 M.K.D. and executed on 29.06.2005, with the National and Regional Road Fund of F.Y.R.O.M. for the construction of the ORIZARI-SARAJ section of Skopje's main motorway.

C) A contract amounting to € 58,821 and executed on 11.04.2005, with the National Railway Company of Romania for the Project "CONSTRUCTION OF THE BUCHAREST-KONSTANTA RAILWAY LINE AT THE BANEASA-FUNDULEA AREA".

D) A contract amounting to € 159,844 (37.5% participation in the Joint-Venture Contractor "SIEMENS A.G. – AKTOR SA – TERNA SA") executed on 26.04.2005 for the Project: "RENOVATION OF RAILWAY LINE AND CONSTRUCTION OF ELECTRIC MOTION-SIGNALING-TELEMANAGEMENT ON THE SECTION PIRAEUS-TRIS GEFYRES-S.K.A.-ACHARNES/TRIS GEFYRES-ANO LIOSIA".

12. INFORMATION PER SECTOR OF ACTIVITY

The following table presents the Group's results as at 31st of March 2004 and 31st of March 2005 according to its main activities as follows:

GEK GROUP (31st of March 2004)	**Construct ion Sector**	**Energy Sector**	**Real Estate Sector**	**Industrial Sector**	**Other Sectors**	**Total Sectors**	**Intra-Group Transactions**	**Total Group**
RESULTS OF FISCAL YEAR								
Turnover (Sales)	100.559	2,291	182	81	2,668	**105,781**	(5,285)	**100.496**
Cost of Sales and Services Rendered	(83.306)	(1,227)	(169)	(79)	(2,359)	**(84,433)**	2,509	**(84,631)**
Gross Operating Results	17.253	1,064	13	2	309	**18,641**	**(2,776)**	**15,865**
Other Income / Expenses (net)	(1,991)	21	(28)	(36)	(127)	**(2,168)**	(7)	**(2,168)**
Financial Income / Expenses (net)	3,779	(155)	0	18	(3,738)	**(96)**	(2,383)	**(2,479)**
Result before taxes	**19,041**	**930**	**(15)**	**(16)**	**(3,556)**	**16,384**	**(5,166)**	**11,218**

GEK GROUP (31st of March 2005)	**Construction Sector**	**Energy Sector**	**Real Estate Sector**	**Industrial Sector**	**Other Sectors**	**Total Sectors**	**Intra-Group Transactions**	**Total Group**
RESULTS OF FISCAL YEAR								
Turnover (Sales)	48,342	10,300	2,165	1,710	8,423	**70,940**	(4,120)	**66,820**
Cost of Sales and Services Rendered	(35,912)	(5,794)	(1,494)	(1,677)	(8,296)	**(53,173)**	4,160	**(49,013)**

(Amounts in thousand Euro, unless stated otherwise)

Gross Operating Results	12.430	4,506	671	33	127	**17,767**	**40**	**17,207**
Other Income / Expenses (net)	(2,718)	(277)	(980)	(35)	(434)	**(4,444)**	(9)	**(4,453)**
Financial Income / Expenses (net)	(863)	(850)	(259)	18	11,442	**9,488**	(12,200)	**(2,712)**
Net Result before taxes	**8,849**	**3,379**	**(568)**	**16**	**11,135**	**22,811**	**(12,169)**	**10,642**

(Amounts in thousand Euro, unless stated otherwise)

13. SUMMARY OF MOST IMPORTANT DIFFERENCES BETWEEN G.A.A.P. AND I.F.R.S.

The following table presents in summary, the effect of the most important adjustment entries on equity for 1.1.2004 and 31.12.2004, which were applied on the Company's statutory financial statements, in order to adjust the latter to I.F.R.S.

ADJUSTMENT TABLE FOR INITIAL PERIOD's NET POSITION (1.1.2005 and 1.1.2004) BETWEEN GREEK GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (G.A.A.P.) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GEK GROUP		GEK COMPANY	
	1.1.2005	**1.1.2004**	**1.1.2005**	**1.1.2004**
Initial period's net position according to G.A.A.P.	346,196	208,771	229,307	124,352
Recognition of staff indemnities provision according to IAS 19	162	(1,331)	25	31
Valuation at fair value of investment property & fixed assets	12,119	10,884	115	-
Write-off of intangible assets	(9,729)	(11,735)	154	(408)
Recognition of long-term construction contracts according to IAS 11	(7,090)	(2,356)	196	-
Accounting of deferred taxes	5,128	5,688	759	132
Recognition of financial leases	739	(1,949)	-	-
Provision for doubtful receivables	(12,269)	(12,972)	-	-
Incorporation of the equity from associated companies	(8,235)	(14,947)	-	-
Transfer of grants to deferred income of next fiscal years	(12,822)	(12,165)	-	-
Consolidation of Joint Ventures & other companies based on the proportional method	3,375	(2,417)	-	-
Other	(1,306)	265	-	-
Valuation at fair value of absorbed company	2,913	-	5,302	-
Increase of depreciation	(582)			
Recognition of the dividend of year 2003 according to IAS	7,856	4,989	7,856	4,989
Initial period's net position according to I.F.R.S.	**326,455**	**170,725**	**243,714**	**129,096**

(Amounts in thousand Euro, unless stated otherwise)

ADJUSTMENT TABLE FOR THE PERIOD's (31.3.2004) RESULTS BETWEEN GREEK ACCOUNTING STANDARDS (G.A.S.) AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.)

	GEK GROUP	GEK COMPANY
	31.12.2004	31.12.2004
Period's results according to G.A.S.	16,151	954
Recognition of staff indemnities according to IAS 19	96	(1)
Valuation at fair value of investment property & fixed assets	258	-
Write-off of intangible assets	637	38
Recognition of long-term construction contracts according to IAS 11	1,506	-
Accounting of deferred taxes	1,941	1,307
Recognition of financial leases	197	-
Provision for doubtful receivables	107	-
Provision for the period's income tax	(5,960)	(295)
Transfer to results of expenses charged directly in the net position	(3,770)	(3,770)
Other	(3,765)	-
Period's results according to I.F.R.S.	7,398	(1,767)

a. ***Investment Grants:*** According to Greek Generally Accepted Accounting Principles, grants that are received for the financing of the acquisition and/ or construction of Company fixed assets, are registered in equity and are depreciated according to the useful economic life of the fixed assets they refer to. According to I.F.R.S., the above grants and consumer participations are registered as deferred income and are depreciated according to the useful economic life of the fixed assets they refer to.

b. ***Recognition of income from technical projects based on the percentage-of-completion method:*** For the recognition of income that arises from projects constructed by the Group, the percentage-of-completion method was applied according to IAS 11.

c. ***Intangible Assets:*** According to G.A.A.P., many expenses categories related to pre-operating activities, acquisition of tangible assets, foreign exchange differences from loans in the construction period and research and development, are capitalized and depreciated always within a five-year period. The entry and recognition of expenses in intangible assets (except for the procedure of corporate acquisitions and mergers) are subject to specific and rigorous rules according to IAS 38 and essentially only the recognition of specific research and development expenses are permitted under exceptional conditions. Therefore the majority of expenses that were capitalized according to the previous G.A.A.P. were written-off on the transition date, at the expense of the profit carried forward balance.

d. ***Provisions for Staff Indemnities:*** According to Greek General Accepted Accounting Principles, Companies must make a relevant provision for a percentage of at least 40%

the cumulative liability that would be paid had the total staff been fired on the 31st of December of each year, whereas according to I.F.R.S. such provisions should be made based on the relevant actuarial studies carried out according to IAS 19.

e. ***Deferred Income Taxes:*** The Greek accounting standards do not allow for the recognition of deferred income taxes, something which is mandatory according to the provisions of I.F.R.S.

f. ***Financial leases:*** The Company recognized the fixed assets acquired through financial leases contracts on its Balance Sheet, whereas according to the previous Accounting Principles financial leases were recognized as operating.

g. ***Dividends:*** Proposed dividends after the balance sheet date, which during the approval time of the financial statements by the Board of Directors were subject to approval by the Company's Shareholders, and which according to the previous Accounting Principles appear as a liability, were reallocated to the net position.

h. ***Tangible Assets, Investment Property:*** According to G.A.A.P., tangible assets (mainly plots and buildings, self-used or not) are valued at their readjusted values based on readjustments that take place every four years. Such readjustments are based on non-sector readjustment rates, which are specified by Presidential Decrees and applied on the acquisition value and cumulative depreciations of the relevant fixed assets, while the resulting surplus values are capitalized within a two-year period from the readjustment. Based on I.F.R.S. (and according to the admissible treatment of the I.F.R.S. 1) specific plots, buildings and mechanical equipment items were valued at fair value as at the transition date, a value that was used as implied cost. Furthermore, depreciations according to I.F.R.S. correspond to the useful economic life of the relevant fixed assets, while depreciations according to G.A.A.P. are effected based on rates set by the tax regulation.

i. ***Joint Ventures:*** According to G.A.A.P., participations in joint ventures were valued at acquisition costs in the consolidated balance sheet, while the account "Income from Participations" in the profit & loss account included the proportion of net profit or loss of the joint venture corresponding to the Group according to the relevant participation percentages. According to IAS 31 "Joint Ventures", joint ventures were mainly consolidated with the equity consolidation method based on which consolidated financial statements include the participation percentage of the Group in the assets, liabilities and profit and loss accounts of the joint ventures, which are consolidated with equity consolidation method.