



Interim Financial Statements
for the period
January 1 to September 30 2005

It is confirmed that the attached Interim Financial Statements are the Interim Financial Statements that were approved by the Board of Directors of «TECHNICAL OLYMPIC S.A.» on the 28/11/2005 and have been announced through their presentation to the Capital Market and the posting to the internet, at the site www.techol.gr. The announced to the press condensed financial figures aim at informing the public about general financial data but they do not provide a complete analysis of the financial position and the results of the Company and the Group, according to the International Accounting Standards. In addition, certain abridgements and reclassifications of figures were made for simplification purposes in the announced to the press condensed financial figures.

Konstantinos A. Steggos
President of the Board of Directors
TECHNICAL OLYMPIC S.A.



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1. Balance Sheets

Amounts in Thousand €

| | The Group | | The company | |
|---|------------------|------------------|------------------|----------------|
| | 30/09/2005 | 31/12/2004 | 30/09/2005 | 31/12/2004 |
| Assets | | | | |
| Non Current Assets | | | | |
| Property, Plant and Equipment | 336.102 | 334.777 | 6.137 | 6.165 |
| Goodwill | 8.831 | 7.807 | 0 | 0 |
| Intangible Assets | 14.269 | 14.307 | 78 | 5 |
| Investments in Affiliates | 0 | 0 | 1.081.328 | 815.787 |
| Investments in Associates | 5.788 | 5.788 | 4.649 | 4.649 |
| Investments in joint ventures | 156.351 | 49.108 | 0 | 0 |
| Available for sale Financial Assets | 53.174 | 55.666 | 0 | 0 |
| Investment Property | 8.631 | 8.693 | 154 | 154 |
| Other long term Receivables | 12.347 | 18.310 | 16.814 | 12.160 |
| Deferred Tax Asset | 18.350 | 16.778 | 0 | 0 |
| Total | 613.842 | 511.234 | 1.109.160 | 838.920 |
| Current Assets | | | | |
| Inventories | 1.390.237 | 963.002 | 0 | 0 |
| Receivables from construction contracts | 54.326 | 46.339 | 0 | 0 |
| Trade and other accounts receivable | 153.390 | 72.164 | 1.878 | 5.626 |
| Receivable from joint ventures | 4.437 | 4.284 | 0 | 0 |
| Other receivables | 52.924 | 41.254 | 8.849 | 9.648 |
| Financial Assets at fair value through profit or loss | 1.131 | 1.544 | 271 | 222 |
| Cash and cash equivalents | 126.874 | 279.986 | 8.905 | 6.759 |
| Total | 1.783.318 | 1.408.573 | 19.903 | 22.255 |
| TOTAL ASSETS | 2.397.160 | 1.919.807 | 1.129.063 | 861.175 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| Share Capital | 132.500 | 132.500 | 132.500 | 132.500 |
| Paid in surplus | 252.127 | 252.127 | 252.127 | 252.127 |
| Reserve from revaluation of assets | 0 | 0 | 0 | 0 |
| Fair value reserves | 130.620 | 131.671 | 503.252 | 335.797 |
| Capital Reserves | 10.499 | 10.474 | 7.904 | 7.904 |
| Treasury Shares | 0 | 0 | 0 | 0 |
| Retained Earnings | 161.570 | 55.139 | (53.787) | (55.911) |
| Foreign Exchange Differences | 20.579 | (24.927) | 0 | 0 |
| Minority Interest | 276.593 | 168.960 | 0 | 0 |
| Total | 984.489 | 725.944 | 841.996 | 672.417 |
| Long Term Liabilities | | | | |
| Deferred Tax Liability | 56.427 | 56.949 | 248.984 | 153.906 |
| Reserve for staff retirement indemnities | 627 | 581 | 24 | 22 |
| Future Income from Government Grants | 12.078 | 12.278 | 0 | 0 |
| Interest bearing loans and borrowings | 694.959 | 607.118 | 0 | 0 |
| Other Provisions | 1.220 | 0 | 0 | 0 |
| Other long term liabilities | -3.185 | 5.485 | 12 | 0 |
| Total | 762.125 | 682.411 | 249.020 | 153.928 |
| Current Liabilities | | | | |
| Trade Accounts Payable | 422.374 | 374.177 | 8.882 | 798 |
| Income taxes payable | 36.963 | 10.391 | 2.618 | 1.684 |
| Short term borrowings | 149.008 | 85.120 | 16.404 | 25.648 |
| Current portion of long term liabilities | 0 | 0 | 0 | 0 |
| Liabilities from Joint Ventures | 0 | 614 | 0 | 0 |
| Other short term liabilities | 42.201 | 41.150 | 10.139 | 6.700 |
| Total | 650.546 | 511.452 | 38.043 | 34.830 |
| Total Liabilities and Equity | 2.397.160 | 1.919.807 | 1.129.059 | 861.175 |



2. Income Statement

Amounts in thousand €

| Notes | The Group | | | | The Company | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------|--------|
| | 01/01 - 30/09/2005 | 01/07 - 30/09/2005 | 01/01 - 30/09/2004 | 01/07 - 30/09/2004 | 01/01 - 30/09/2005 | 01/07 - 30/09/2005 | 01/01 - 30/09/2004 | 01/07 - 30/09/2004 | | |
| Ongoing Activities | | | | | | | | | | |
| Net Sales | 6.26 | 1.548.358 | 601.963 | 1.219.235 | 376.947 | (707) | 2.442 | (3.764) | (6.454) | |
| Cost of Sales | 6.27 | (1.189.270) | (439.167) | (968.709) | (280.615) | 686 | (127) | 2.902 | (400) | |
| Gross Profit | | 359.089 | 162.796 | 250.526 | 96.332 | (21) | 2.315 | (862) | (6.854) | |
| Other Income | 6.30 | 29.005 | 12.980 | 8.977 | 6.195 | (1.070) | (1.070) | (2.709) | (2.790) | |
| Administrative Expenses | 6.28 | (125.032) | (67.586) | (80.308) | (23.929) | 509 | (1.109) | 1.914 | 2.282 | |
| Selling and Distribution costs | 6.29 | (82.731) | (10.566) | (78.132) | (31.843) | 0 | 0 | 0 | 0 | |
| Other Operating Expenses | 6.30 | (4.891) | (75) | (2.845) | (355) | (3.927) | (194) | 101 | 0 | |
| Profit Before Tax, Financial and Investment Results | | 175.440 | 97.549 | 98.218 | 46.400 | (4.509) | (58) | (1.556) | (7.362) | |
| Finance costs | 6.31 | (3.326) | (1.331) | (3.826) | (908) | 1.455 | (22) | 2.919 | 2.985 | |
| Finance revenue | 6.31 | 308 | 58 | 154 | 40 | (529) | (529) | (91) | (91) | |
| Other Financial Results | 6.32 | (1.370) | (1.276) | (206) | (16) | 1.688 | 1.688 | 50 | 50 | |
| Loss from valuation of Investments in market value | | 0 | 0 | 0 | 0 | 4.039 | 0 | 9.242 | 0 | |
| Income from joint ventures | | 2.838 | 518 | 3.365 | 1.375 | 0 | 0 | 0 | 0 | |
| Income from dividends | 6.33 | 52 | 22 | 127 | 88 | 2.635 | 2.635 | (3.076) | (3.076) | |
| Result from Investments | 6.34 | 14.543 | 14.543 | 3.611 | 3.611 | (23.003) | 0 | (3.614) | 0 | |
| Share of profit/(losses) of associates | | 0 | 0 | 72 | 0 | 0 | 0 | 0 | 0 | |
| Profit Before Tax | | 188.486 | 110.083 | 101.514 | 50.590 | (18.224) | 3.714 | 3.874 | (7.494) | |
| Income Tax Expense | 6.35 | (68.817) | (34.620) | (34.289) | (13.203) | 0 | (7.856) | 0 | 0 | |
| Deferred Tax | 6.35 | 1.548 | (1.995) | 2.485 | (1.901) | 4.487 | 0 | 1.101 | 1.256 | |
| Tax Audit Differences | 6.35 | (4.054) | (458) | 0 | 0 | 3.502 | 0 | 0 | 0 | |
| Other Taxes | | (774) | 0 | (772) | 0 | 0 | 0 | 0 | 0 | |
| Profit after Tax | | 116.389 | 73.010 | 68.939 | 35.486 | (10.235) | (4.142) | 4.975 | (6.238) | |
| Attributable to: | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Equity holders of the parent | | 0 | (27.547) | 0 | (22.648) | | | | | |
| Minority Interests | | (38.882) | (54.712) | (16.215) | (27.019) | | | | | |
| Earnings per Share (pounds/share) | | | | | | # | (6,27) | (3,13) | 3,76 | (4,71) |



3. Consolidated Statement of Changes in Equity

| Amounts in thousand € | Attributable to equity holders of the parent | | | | | | | Total | Δικαιώματα Μειοψηφίας | Σύνολο |
|---|--|-----------------|---------------------|----------------|----------------------|-------------------|------------------------------------|----------------|-----------------------|----------------|
| | Share Capital | Paid in Surplus | Fair Value Reserves | Other Reserves | Grants of Investment | Retained Earnings | Exchange Differences of Affiliates | | | |
| Balance of January 1st 2004 as previously stated | 132.500 | 252.127 | 0 | 22.970 | 2.874 | 66.491 | (36.878) | 440.084 | 186.877 | 626.961 |
| IFRS adjustments | 0 | 0 | 115.366 | (12.226) | (2.874) | (73.358) | 36.878 | 63.786 | (44.221) | 19.565 |
| Balance of January 1st 2004 according to IFRS | 132.500 | 252.127 | 115.366 | 10.744 | 0 | (6.867) | 0 | 503.870 | 142.656 | 646.526 |
| Net Results of 01/01-30/09/2005 | 0 | 0 | 0 | 0 | 0 | 52.724 | 0 | 52.724 | 16.215 | 68.939 |
| Exchange Differences | 0 | 0 | 0 | 0 | 0 | 0 | 4.166 | 4.166 | 1.553 | 5.719 |
| Share Capital Increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.077 | 2.077 |
| Revaluation of Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effect from change of Tax rate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer of reserves, from revaluation of buildings in fair value, in retained earnings | 0 | 0 | (1.403) | 0 | 0 | 1.403 | 0 | 0 | 0 | 0 |
| Deferred Tax of transfer of reserves, from revaluation of buildings in fair value, in retained earnings | 0 | 0 | 491 | 0 | 0 | (491) | 0 | 0 | 0 | 0 |
| Approval of proposed for distribution dividends and board of directors remuneration for 2003 | 0 | 0 | 0 | 0 | 0 | (10.596) | 0 | (10.596) | (2.160) | (12.756) |
| Revaluation of Financial Assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer of reserve in retained earnings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposal of associate shares | 0 | 0 | 0 | 0 | 0 | 3.362 | 0 | 3.362 | 1.190 | 4.552 |
| Transfer | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Adjustments | 0 | 0 | 0 | 0 | 0 | (1.713) | 0 | (1.713) | 0 | (1.713) |
| Change of Rates | 0 | 0 | 0 | 2 | 0 | (865) | 0 | (863) | 863 | 0 |
| Total income/Expense for the year | 0 | 0 | (912) | 2 | 0 | 43.824 | 4.166 | 47.080 | 19.738 | 66.818 |
| Equity as at September 30, 2004 | 132.500 | 252.127 | 114.454 | 10.746 | 0 | 36.957 | 4.166 | 550.950 | 162.394 | 713.344 |
| Balance of January 1st 2005 as previously stated | 132.500 | 252.127 | 0 | 35.341 | 2.288 | 101.054 | (54.563) | 468.747 | 204.971 | 673.719 |
| IFRS adjustments | - | 0 | 131.671 | (24.867) | (2.288) | (45.916) | 29.635 | 88.237 | (36.011) | 52.226 |
| Balance of January 1st 2005 according to IFRS | 132.500 | 252.127 | 131.671 | 10.474 | 0 | 55.138 | (24.928) | 556.984 | 168.960 | 725.945 |
| Net Results of 01/01-30/09/2005 | - | 0 | 0 | 25 | 0 | 27.548 | 0 | 27.573 | 38.882 | 66.455 |
| Exchange Differences | - | 0 | 0 | 0 | 0 | 0 | 42.770 | 42.770 | 20.835 | 63.605 |
| Share Capital Increase | - | 0 | 0 | 0 | 0 | 49.190 | 0 | 49.190 | 24.223 | 73.413 |
| Revaluation of Fixed Assets | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Effect from change of Tax rate | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer of reserves, from revaluation of buildings in fair value, in retained earnings | - | 0 | (1.403) | 0 | 0 | 1.403 | 0 | 0 | 0 | 0 |
| Deferred Tax of transfer of reserves, from revaluation of buildings in fair value, in retained earnings | - | 0 | 351 | 0 | 0 | (351) | 0 | 0 | 0 | 0 |
| Approval of proposed for distribution dividends and board of directors remuneration for 2004 | - | 0 | 0 | 0 | 0 | (7.746) | 0 | (7.746) | (2.421) | (10.167) |
| Revaluation of Financial Assets held for sale | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfer of reserve in retained earnings | - | 0 | 0 | 0 | 0 | 27 | 0 | 27 | 30 | 57 |
| Disposal of associate shares | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13.785 | 13.785 |
| Transfer | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Adjustments | - | 0 | 0 | 0 | 0 | 1.462 | 0 | 1.462 | 0 | 1.462 |
| Change of Rates | - | 0 | 0 | 0 | 0 | (15.036) | 2.736 | (12.300) | 12.299 | (1) |
| Total income/Expense for the year | 0 | 0 | (1.052) | 25 | 0 | 56.497 | 45.506 | 100.976 | 107.633 | 208.609 |
| Equity as at September 30, 2005 | 132.500 | 252.127 | 130.619 | 10.499 | 0 | 111.635 | 20.578 | 657.960 | 276.593 | 934.554 |



4. Parent company changes in Equity

| Amounts in € | Notes | Attributable to equity holders of the parent | | | | | Total | |
|--|-------|--|----------------------|--|---|--------------------|----------------------|------------------------|
| | | Saher Capital | Paid in Surplus | Reserves from revaluation of buildings in market value | Reserves from revaluation of financial assets held for sale | Capital Reserves | | Retained Earnings |
| Balance of January 1st 2004 as previously stated | | (132.500.000) | (252.127.431) | - | - | (5.703.872) | (17.509.567) | (407.840.870) |
| <i>IFRS adjustments</i> | | - | - | (1.357.683) | (247.932.484) | - | 48.839.646 | (200.450.521) |
| Balance of January 1st 2004 according to IFRS | | (132.500.000) | (252.127.431) | (1.357.683) | (247.932.484) | (5.703.872) | 31.330.078 | (608.291.392) |
| <i>Changes in Equity fro 01/01 - 30/09/2004</i> | | | | | | | | |
| 2003 Dividends | | - | - | - | - | - | 10.340.000 | 10.340.000 |
| Net results of 01/01-30/09/2004 | | - | - | - | - | - | 4.975.396 | 4.975.396 |
| Transfer of reserves from fair value in retained earnings | | - | - | 27.196 | - | - | (27.196) | 0 |
| Deferred Tax of transfer | | - | - | (9.519) | - | - | 9.519 | 0 |
| Revaluation of financial assets held for sale | | - | - | - | -256.788.817,35 | - | - | (256.788.817) |
| Transfer of reserves from fair value in income statement | | - | - | - | 2.203.816,74 | - | - | |
| Deferred tax of transfer of reserves from fair value in income statement | | - | - | - | -771.335,86 | - | - | |
| Deferred Tax of revaluation of financial assets held for sale | | - | - | - | 95.553.548 | - | - | 95.553.548 |
| Total income/Expense for the year | | 0,00 | 0,00 | 17.677 | -159.802.788,25 | 0 | 15.297.719 | (144.487.392) |
| Equity as at September 30, 2004 | | (132.500.000) | (252.127.431) | (1.340.006) | (407.735.272) | (5.703.872) | 46.627.797 | (752.778.784) |
| | | | | | | | | |
| Balance of January 1st 2005 as previously stated | | (132.500.000) | (252.127.431) | - | - | (8.235.669) | (14.727.599) | (407.590.699) |
| <i>IFRS adjustments</i> | | - | - | (1.498.312) | (334.298.569) | 331.330 | 70.639.004 | (264.826.547) |
| Balance of January 1st 2005 according to IFRS | | (132.500.000) | (252.127.431) | (1.498.312) | (334.298.569) | (7.904.339) | 55.911.405 | (672.417.247) |
| <i>Changes in Equity fro 01/01 - 30/09/2005</i> | | | | | | | | |
| 2003 Dividends | | - | - | - | - | - | 6.200.000 | 6.200.000 |
| Earnings of the year | | - | - | - | - | - | (8.304.758) | (8.304.758) |
| Transfer of reserves from fair value in retained earnings | | - | - | 27.196 | - | - | (27.196) | 0 |
| Deferred Tax of transfer | | - | - | (7.343) | - | - | 7.343 | 0 |
| Revaluation of financial assets held for sale | | - | - | - | -271.257.066,86 | - | - | (271.257.067) |
| Deferred Tax of revaluation of financial assets held for sale | | - | - | - | 95.208.112,30 | - | - | 95.208.112 |
| Transfer of reserves from fair value in income statement | | - | - | - | 13.190.040,00 | - | - | |
| Deferred Tax of transfer of reserves in income statement | | - | - | - | -4.616.514,00 | - | - | |
| Total income/Expense for the year | | 0,00 | 0 | 19.853 | (167.475.429) | 0,00 | -2.124.610,83 | -169.580.186,45 |
| Equity as at September 30, 2005 | | (132.500.000) | (252.127.431) | (1.478.459) | (501.773.998) | (7.904.339) | 53.786.794 | (841.997.433) |



5. Cash Flow Statement

| Amount in thousand € | The Group | | The Company | |
|--|-----------------|-----------------|----------------|----------------|
| | 30/09/05 | 30/09/04 | 30/09/05 | 30/09/04 |
| Cash flows from Operating Activities | | | | |
| Profit before Income Taxes | 188.486 | 101.514 | 16.294 | -3.875 |
| Adjustments in Profit | 1.753 | 5.051 | -20.658 | 3.549 |
| | 190.239 | 106.565 | -4.364 | -326 |
| Adjustments in working capital | | | | |
| Increase/(decrease) of Inventories | -427.235 | -197.053 | 0 | 944 |
| Increase/(decrease) of receivables | -202.316 | -47.136 | 4.547 | -6.203 |
| Increase/(decrease) of other current assets | 0 | 0 | 0 | 0 |
| Increase/(decrease) of liabilities | 43.518 | 22.258 | 8.888 | -15.621 |
| Outflow of provisions | -2 | 120 | -1 | -1 |
| Outflow of staff leaving indemnity | 0 | 0 | 0 | 0 |
| | -586.035 | -221.811 | 13.434 | -20.881 |
| Cash flows from Operating Activities | -395.796 | -115.246 | 9.071 | -21.206 |
| less: Interest paid | 0 | 0 | 0 | 0 |
| less: Exchange differences from transformation of balance sheet of associates | 59.746 | 5.367 | 0 | 0 |
| less: Payments of Income Taxes | -47.619 | -73.872 | -2.568 | -5.811 |
| Net Cash Flows from operating activities | -383.669 | -183.751 | 6.503 | -27.017 |
| Cash Flows from Investing Activities | | | | |
| Purchase of Fixed Assets | -17.500 | -27.777 | -177 | -193 |
| Purchase of Intangible Assets | -59 | -80 | -93 | -3 |
| Sales/Disposals/writte offs of Fixed Assets | 7.350 | 2.026 | 0 | 0 |
| Sale of Investment Property | 0 | 0 | 0 | 0 |
| Dividends Received | 51 | 39 | 4.359 | 1.117 |
| Loans given to Intercompanies | 0 | 0 | -5.081 | -7.950 |
| Purchase of Financial Assets held for Sale | 0 | 0 | -16.840 | -13.327 |
| Purchase of Financial Assets at fair value through Profit or Loss | 0 | 0 | 0 | 0 |
| Decrease in share capital of an associate | 0 | 0 | 0 | 0 |
| Purchase of related companies | 0 | -3.566 | 0 | 0 |
| Purchase of affiliates | 0 | 0 | 0 | 0 |
| Sale of percentage of an affiliate | 0 | 0 | 0 | 0 |
| Sale of Financial Assets held for sale | 29.519 | 6.580 | 28.328 | 4.908 |
| Sale of Financial Assets at fair value through Profit or Loss | 0 | 0 | 0 | 0 |
| Interest received | 306 | 115 | 0 | 0 |
| Receipts from payments of loans from related companies | 0 | 0 | 0 | 0 |
| Goodwill from purchase of shares of TOUSA | 0 | -5.346 | 0 | 0 |
| Purchase/sale of affiliates, intercompanies, joint ventures etc. | 74.937 | 4.916 | 0 | 0 |
| Net cash flows from Investing Activities | 94.604 | -23.093 | 10.497 | -15.447 |
| Cash Flows from Financing Activities | | | | |
| Execution of the stock option right of an affiliate | 0 | 0 | 0 | 0 |
| Purchase of Treasury shares | 0 | 0 | 0 | 0 |
| Dividends paid to shareholders of the parent | -13.721 | -18.158 | -3.553 | -5.402 |
| Proceeds from borrowings | 157.257 | 150.307 | 1.985 | 0 |
| Repayment of borrowings | 0 | 0 | -12.270 | -404 |
| Interest paid | -3.330 | -2.509 | -1.017 | -578 |
| Capital payment of lease obligation | -4.256 | -4.578 | 0 | -134 |
| Payment of Guarantees | 0 | 0 | 0 | 0 |
| Proceeds from Government Grants | 0 | 0 | 0 | 0 |
| Net Cash Flows from Financing Activities | 135.950 | 125.062 | -14.855 | -6.518 |
| Net (decrease)/increase in cash and cash equivalents | -153.115 | -81.782 | 2.145 | -48.982 |
| Cash and Cash Equivalents at the beginning of the period | 279.986 | 207.109 | 6.759 | 49.702 |
| Exchange differences in cash and cash equivalents | 0 | 0 | 0 | 0 |
| Cash and Cash Equivalents at the end of the period | 126.871 | 125.327 | 8.904 | 720 |
| Adjustments in profit for: | | | | |
| Depreciation of Fixed Assets | 11.660 | 13.418 | 180 | 150 |
| Depreciation of Intangible Assets | 97 | 121 | 21 | 2 |
| Assets writte off | 0 | 0 | 25 | 14 |
| Provisions | 1.494 | -60 | 1 | 1 |
| Income from use of provisions of prior years | 0 | -250 | 0 | 0 |
| Gain/(Loss) from disposal of Fixed Assets | 0 | 0 | 0 | 0 |
| Gain/(loss) from fair value of investment property | 0 | 0 | 0 | 0 |
| Gain/(Loss) from fair value of Financial Assets held for sale | -13.185 | -3.614 | 4.040 | 9.242 |
| Gain/(Loss) from fair value of other financial assets at fair value through Profit or Loss | 413 | 1.415 | -49 | -2.679 |
| Gain from sale from Financial Assets held for sale | 0 | 0 | -23.003 | -3.611 |
| Interest Income | -306 | -115 | 0 | 0 |
| Financial result from discounted loans given | 0 | 0 | 427 | 2.335 |
| Income from Dividends | -52 | -39 | -4.359 | -1.117 |
| Depreciation of Grants | -200 | -5.028 | 0 | 0 |
| Share of result in associates | 0 | 0 | 0 | 0 |
| Exchange differences from borrowings | 2.058 | -797 | 2.058 | -797 |
| Total adjustments in profit for cash flows | 1.979 | 5.051 | -20.658 | 3.549 |



6. Corporate information

6.1. General Information

The company was established in 1965 as a Limited Liability Company with the trade name «Technical Company of Designs and Constructions Pelops Ltd – K.Galanopoulos and K.Steggos» and headquarters in Patra. In 1967 the company was transformed into a societe anonyme with the trade name «Technical Societe Anonyme Pelops». In 1980 the company was renamed to «TECHNICAL OLYMPIC SA». The registered office of the company is the city of the Municipality of Alimos Attikis (20, Solomou Street, Ano Kalamaki) and is registered in the Register of Societes Anonymes with the number 6801/02/B/86/8. Its duration is set at 27 years, i.e. after the 22/12/2037.

The initial activities of the company at the years 1965-1970 were the design and construction of national and provincial roads at the prefectures of Ileia and Achaia, as well as the execution of various private construction works in the area of Patra. Since 1971 the company has entered into other categories of construction works, performed significant investments in machinery and in the construction of various projects (irrigation, hydraulic, sewerage, harbor, road construction, building construction, electrical engineering etc). In the following years the company continued its development by performing significant investments in fixed assets as well as in the purchase of shares and establishment of companies of the same or similar business activities in Greece and abroad.

TECHNICAL OLYMPIC SA participates in companies that are involved in the construction of public and private works, the construction of residences and real estate properties in USA, tourism and hospitality in general (operation and management of 4 hotels, golf facilities, operation and management of an anchoring marina for crafts etc), energy production based on renewable sources, development of real estate properties in Greece and abroad, the allotment of execution and management of projects (BOOT), like the marinas of Flisvos and Samos and intends to develop new activities with the establishment of an investment company in real estate.



Briefly the most significant information about the company is:

Registration number in the Register of Societes Anonymes

6801/06/B/86/08

Regulating authority Prefecture of Piraeus

Financial authority: Financial authority of Piraeus

Tax registration number

094105288

Members of the Board of Directors

- Konstantinos Steggos, President
- Andreas Steggos of Konstantinos, Executive Vice- President, Technical and General Director
- Georgios Steggos of Konstantinos, Managing Director
- Marianna Steggou of Konstantinos, Member (executive)
- Konstantinos Rizopoulos of Platonas, Member (executive)
- Nikolaos Stathakis of Dimitrios, Member (executive)
- Nikolaos Kontopoulos of Christos, Member (non executive)
- Stilian Steggou of Konstantinos, Member (non executive)
- Chrusi Steggou of Konstantinos, Member (non executive)
- Ilias Koukoutsis of Konstantinos, Member (non executive)
- Athanasios Klapadakis of Nikolaos, Member (independent non executive)
- Alexandros Papaioannou of Dimitrios, Member (independent non executive)

Legal Counsels

- Stamoulis Georgios
- Filotheidis Theodoros
- Aivazidis Anestis
- Law Office Mousas & Tsimpris
- Law Office Druleraki & Associates



Banks

- CITIBANK NOVA BANK
- BANK OF CYPRUS
- BANK OF ATTIKA
- EGNATIA BANK
- NATIONAL BANK
- LAIKI BANK
- PIRAEUS BANK

Auditors

ERNST & YOUNG HELLAS CERTIFIED AUDITORS ACCOUNTANTS SA

6.2. Business Activities

TECHNICAL OLYMPIC is actively involved in the management of investments in the sectors of constructions, real estate, hotels, energy and operation of marinas. More specifically the company is involved in the following sectors:

- In the sector of constructions through the participation in MOCHLOS SA that permits the access of the company to big construction works and smaller ones through the company Toxotis SA.
- In the sector of real estate constructions of investments in properties through the participation in the companies TECHNICAL OLYMPIC USA Inc., that is listed in the New York Stock Exchange, STROFYLI TECHNICAL SA, DEVELOPMENT OF ATHENS SUBURBS SA., TOURISTIC DEVELOPMENT PORTO CARRAS SA in Greece, EUROROM CONSTRUCTII SRL and LAMDA OLYMPIC SRL in Romania.
- In the sector of tourism though the participation in the companies PORTO CARRAS SA, CAZINO PORTO CARRAS SA, MELITON BEACH PORTO CARRAS SA, VILLAGE INN PORTO CARRAS SA, GOLF PORTO CARRAS SA and MARINA PORTO CARRAS SA.
- In the production of electrical energy based on renewable sources through the participation in the company MELTEMI CASTRI SA
- In the management, operation and construction of marinas through the company LAMDA TECHNOL FLISVOS HOLDING SA and DILOS MARINES SA.

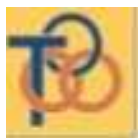
TECHNICAL OLYMPIC monitors and coordinates all the group companies, determines and supervises the goals and the projects that they have undertaken, ensures the structural and operational cooperation of the various sectors.



6.3. Structure of the group

The structure of the group as of 30/09/2005 is:

| Company | Country of business activity | % of participation | Consolidation basis | Method of consolidation |
|--------------------------------|------------------------------|--------------------|-----------------------------|----------------------------|
| TECHNICAL OLYMPIC SA | GREECE | Parent company | Parent – affiliated company | Proportional consolidation |
| MOCHLOS SA | GREECE | 48,23% | Parent – affiliated company | Proportional consolidation |
| TOXOTIS SA | GREECE | Mochlos 100% | Parent – affiliated company | Proportional consolidation |
| EUROROM CONSTURCT II SRL | ROMANIA | Mochlos 100% | Parent – affiliated company | Proportional consolidation |
| TECHNICAL OLYMPIC USA INC | U.S.A. | 67,02% | Parent – affiliated company | Proportional consolidation |
| TECHNICAL OLYMPIC SERVICES INC | U.S.A. | 100% | Parent – affiliated company | Proportional consolidation |
| TECHNICAL OLYMPIC UK PLC | ENGLAND | 100% | Parent – affiliated company | Proportional consolidation |
| PORTO CARRAS SA | GREECE | 94,82% | Parent – affiliated company | Proportional consolidation |
| MELITON BEACH PORTO CARRAS SA | GREECE | 92,81% | Parent – affiliated company | Proportional consolidation |
| CAZINO PORTO CARRAS SA | GREECE | 46,81% | Parent – affiliated company | Proportional consolidation |
| MARINA PORTO CARRAS SA | GREECE | 90,00% | Parent – affiliated company | Proportional consolidation |
| VILLAGE INN PORTO CARRAS SA | GREECE | 90,00% | Parent – affiliated company | Proportional consolidation |
| GOLF PORTO CARRAS SA | GREECE | 90,00% | Parent – affiliated company | Proportional consolidation |
| CAMPUS PORTO CARRAS SA | GREECE | 96,93% | Parent – affiliated company | Proportional consolidation |
| PORTO CARRAS WINERY SA | GREECE | 94,39% | Parent – affiliated company | Proportional consolidation |
| PORTO CARRAS SA | GREECE | Mochlos 10% | Parent – affiliated company | Proportional |



| | | | | |
|----------------------------------|---------|----------------|-----------------------------|----------------------------|
| | | | | consolidation |
| CIVIL DEVELOPMENT SA | GREECE | Toxotis 99% | Parent – affiliated company | Proportional consolidation |
| ALVITERRA HELLAS SA | GREECE | Toxotis 74,11% | Parent – affiliated company | Proportional consolidation |
| DEVELOPMENT OF ATHENS SUBURBS SA | GREECE | 51% | Parent – affiliated company | Proportional consolidation |
| MELTEMI CASTRI SA | GREECE | 75,00% | Parent – affiliated company | Proportional consolidation |
| STROFYLI TECHNICAL SA | GREECE | 99% | Parent – affiliated company | Proportional consolidation |
| OLYMPIC PLOTA SA | GREECE | 99,90% | Parent – affiliated company | Proportional consolidation |
| DILOS MARINES SA | GREECE | 68,00% | Parent – affiliated company | Proportional consolidation |
| SAMOS MARINES SA | GREECE | Dilos 97% | Parent – affiliated company | Proportional consolidation |
| SKIATHOS MARINES SA | GREECE | Dilos 88% | Parent – affiliated company | Proportional consolidation |
| MARKO MARINES SA | GREECE | Dilos 84% | Parent – affiliated company | Proportional consolidation |
| LAMDA TECHNOL FLISVOS HOLDING SA | GREECE | 29,70% | Parent – affiliated company | Net equity |
| LAMDA OLYMPIC SRL | ROMANIA | Mochlos 50% | Parent – affiliated company | Net equity |
| AGROTOURISTIKI SA | GREECE | 37,00% | Parent – affiliated company | Net equity |



6.4. Basis of preparation of the financial statements

The interim consolidated financial statements of TECHNICAL OLYMPIC SA as of September 30, 2005 (transition date January 1, 2004) that cover the period up to September 30, 2005, have been prepared according to the principle of historic cost, except for certain assets and liabilities, that were evaluated at their fair value, the principle of going concern assumption and according to the International Financial Reporting Standards (IFRS) and specifically according to the regulations of Standard 34 «Interim Financial Statements».

The financial statements are expressed in thousands of Euros.

The accounting principles applied for the preparation of the financial statements for the period 1/1-30/9/05 are in accordance with the accounting principles applied for the preparation of the financial statements for the period 1/1-30/6/05.

The detailed description of the basis of compilation of the financial statements and the accounting principles applied for the current period were included in the notes for the financial statements for the period ended as of June 30 2005.

As a result the notes to the financial statements for the nine months of 2005 should be read in conjunction with the notes for the six months of 2005, in order for the reader to have the complete set of information.

7. Segment report

7.1. Primary sector of information – Geographical separation

The head office of the Group is in Greece. The geographical sectors of the activities of the company are USA and the countries included in the Euro-zone. Geographical separation was selected as a primary sector of information based on the fact that the turnover of the company is derived mostly from the subsidiary TOUSA.



The results for each sector for the period 01/01 – 30/09/2004 are analyzed as follows:

| <i>Amounts in thousands of €</i> | USA | Greece and other countries of Euro-zone | Other | Total |
|---|------------------|---|-----------|------------------|
| Total gross sales per sector | 1.188.891 | 309.336 | - | 1.498.227 |
| Intra group sales | - | (278.992-) | - | (278.992) |
| Net sales | 1.188.891 | 30.344 | 0 | 1.219.235 |
| Operating profits | 89.365 | 8.853 | - | 98.219 |
| Financial results | - | (513) | - | (513) |
| Investment results | - | 3.737 | - | 3.737 |
| Results from participations in associated companies | - | - | 72 | 72 |
| Profit before tax | 89.365 | 12.077 | 72 | 101.515 |
| Income tax | (33.561) | 985 | - | (32.576) |
| Profit after tax | 55.804 | 13.062 | 72 | 68.939 |

The results for each sector for the first nine months up to 30/09/2005 are as follows:

| <i>Amounts in thousands of €</i> | USA | Greece and other countries of Euro-zone | Other | Total |
|---|------------------|---|----------|------------------|
| Total gross sales per sector | 1.463.114 | 279.323 | 0 | 1.742.437 |
| Intra group sales | 0 | (194.078) | 0 | (194.078) |
| Net sales | 1.463.114 | 85.245 | 0 | 1.548.359 |
| Operating profits | 0 | 0 | 0 | 0 |
| Operating profits | 181.081 | (5.641) | 0 | 175.439 |
| Financial results | 0 | (1.549) | 0 | (1.549) |
| Investment results | 0 | 14.595 | 0 | 14.595 |
| Results from participations in associated companies | 0 | 0 | 0 | 0 |
| Profit from company acquisition | 0 | 0 | 0 | 0 |
| Profit before tax | 181.081 | 7.405 | 0 | 188.485 |
| Income tax | (68.890) | (3.207) | 0 | (72.097) |
| Profit after tax | 112.191 | 4.198 | 0 | 116.388 |

Other assets and liabilities per sector as of 30/09/2005 are analyzed as follows:

7.2. Secondary sector of information – business sectors

The turnover of the company per business sector is analyzed as follows:

| | 1/1 - 30/9/2005 | 1/1 - 30/9/2004 |
|---|--------------------|--------------------|
| USA | 1.463.114 | 1.188.891 |
| Greece and other countries of the Euro-zone | 85.245 | 30.344 |
| Total | 1.548.359 | 1.219.235 |



The most important business sectors for the nine months of 2005 (and the corresponding period of 2004) are as follows:

| | 1/1 - 30/9/2005 | 1/1 - 30/9/2004 |
|----------------------------|--------------------|--------------------|
| Construction | 245.497 | (264.396) |
| Hotels | (10.882) | (5.749) |
| Casino | (11.359) | (11.669) |
| Home Building /Real Estate | 1.463.114 | 1.188.891 |
| Other | (138.011) | 312.158 |
| Total | 1.548.359 | 1.219.235 |



8. Analysis of Adjustments of First Adoption of IFRS

Changes in Equity

Amounts in thousand €

Total Equity, as previously shown according to Greek GAAP

Adjustments of International Federation Reporting Standards

Adjustments due to IFRS adjustments

| | Notes | The group | | | The company | | |
|--|--------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 01/01/04 | 31/12/04 | 30/09/04 | 01/01/04 | 31/12/04 | 30/09/04 |
| Total Equity, as previously shown according to Greek GAAP | | 626.961 | 673.719 | 757.145 | 407.841 | 407.591 | 414.653 |
| Adjustments of International Federation Reporting Standards | | | | | | | |
| Adjustments due to IFRS adjustments | | | | | | | |
| Effect from revaluation of Fixed Assets in market value | (i) | 167.725 | 156.942 | 167.725 | 2.275 | 1.944 | 2.275 |
| Effect from the change of depreciation rates for Fixed Assets | (i) | 1.578 | 3.920 | 3.104 | 0 | 1.449 | 815 |
| Effect from non recognition of installation expenses as Intangible Assets | (ii) | -5.464 | -4.367 | -4.594 | -1.624 | -1.624 | -1.624 |
| Effect from Construction Contracts | (iii) | -30.426 | -22.746 | -32.466 | 92 | 0 | 92 |
| Write off of owed share capital | | -2.647 | -838 | -2.647 | 0 | 0 | 0 |
| Transmission of recognition of dividends payable at the date of approval of General Assembly | (iv) | 12.623 | 2.189 | 0 | 9.540 | 5.300 | 9.540 |
| Transmission of recognition of Board of Directors remuneration at the date of approval of General Assembly | (iv) | 1.330 | 1.400 | 0 | 800 | 900 | -9.540 |
| Valuation of Financial Assets held for Sale at Fair Value | (v) | 0 | 0 | 0 | 304.721 | 423.485 | 550.064 |
| Valuation of Financial Assets at fair value through profit or loss | (v) | 423 | 438 | -828 | 67 | -1.357 | 17 |
| Recognition of reserve for Staff Retirement Indemnities | (vi) | -521 | -581 | -567 | -19 | -22 | -21 |
| Recognition of Lease obligation as fixed assets and liabilities | | 9.987 | 15.009 | 12.228 | 774 | 979 | 859 |
| Recognition of Deferred Tax | (vii) | -59.057 | -42.475 | -51.856 | -106.145 | -153.906 | -202.028 |
| Effect from consolidation of associated companies through equity method | | -1.035 | -609 | -1.035 | 0 | 0 | 0 |
| Recording of exchange differences of valuation in retained earnings | (viii) | 489 | 1.461 | 336 | -30 | 693 | 14 |
| Effect from discount of loans given to related companies | | 0 | 0 | 0 | 0 | -2.859 | -2.335 |
| Transfer of grants for fixed assets to accrued liabilities account | (ix) | -2.874 | -2.288 | -2.435 | 0 | 0 | 0 |
| Effect from consolidation according to statutory reporting standards | | 0 | 642 | 0 | 0 | 0 | 0 |
| Effect from the consolidation of TOUSA (US GAAP reporting standards) | (x) | -34.002 | -31.461 | -95.989 | 0 | 0 | 0 |
| Other | | 425 | 2.842 | 5.394 | 7 | 33 | 7 |
| Total adjustments according to IFRS | | 58.554 | 79.478 | -3.630 | 210.458 | 275.015 | 348.135 |
| Adjustments due to correction of important mistakes | | | | | | | |
| Write off of receivable in dispute | | -10.007 | -11.524 | -10.007 | -10.007 | -10.007 | -10.007 |
| Effect from joint ventures | | -2.957 | -2.944 | -3.297 | 0 | 0 | 0 |
| Recognition of Income in the period incurred | | 3.846 | 3.634 | 3.846 | 0 | 1.418 | 0 |
| Recognition of Expense in the period incurred | | -715 | -2.798 | -512 | 0 | -1.599 | 0 |
| Calculation of Provisions | | -13.907 | -15.834 | -15.774 | 0 | 0 | 0 |
| Differences from consolidation according to statutory reporting standards | | -15.251 | 2.213 | -14.426 | 0 | 0 | 0 |
| Total adjustments of important mistakes | | -38.991 | -27.253 | -40.170 | -10.007 | -10.188 | -10.007 |
| General total of Adjustments | | 19.563 | 52.225 | -43.800 | 200.451 | 264.827 | 338.128 |
| Invested Funds, as per International Reporting Standards | | 646.524 | 725.944 | 713.345 | 608.292 | 672.418 | 752.781 |



Changes in Income Statement

Amounts in thousand €

Total profit or loss, as previously shown according to Greek GAAP

Adjustments of International Federation Reporting Standards

Adjustments due to IFRS adjustments

| | Notes | 01/01/04 | 31/12/04 | 30/09/04 | 01/01/04 | 31/12/04 | 30/09/04 |
|---|--------|----------|----------|----------|----------|----------|----------|
| Total profit or loss, as previously shown according to Greek GAAP | | 0 | 185.567 | 101.519 | 0 | 5.618 | 6.812 |
| Adjustments of International Federation Reporting Standards | | | | | | | |
| Adjustments due to IFRS adjustments | | | | | | | |
| Effect from the change of depreciation rates for Fixed Assets | (i) | 0 | 2.342 | 1.526 | 0 | 1.449 | 815 |
| Effect from non recognition of installation expenses as Intangible Assets | (ii) | 0 | 1.097 | 869 | 0 | 0 | 0 |
| Effect from Construction Contracts | (iii) | 0 | 7.680 | -2.040 | 0 | -92 | 0 |
| Valuation of Financial Assets held for Sale at Fair Value | | | 0 | 0 | | -14.869 | -9.242 |
| Valuation of Financial Assets at fair value through profit or loss | (v) | 0 | 15 | -1.251 | 0 | -1.424 | -50 |
| Recognition of reserve for Staff Retirement Indemnities | (vi) | 0 | -61 | -46 | 0 | -3 | -2 |
| Recognition of Lease obligation as fixed assets and liabilities | | 0 | 5.021 | 2.241 | 0 | 205 | 85 |
| Recognition of Deffered Tax | | 0 | 0 | 0 | 0 | -660 | -1.101 |
| Effect from consolidation of associated companies through equity method | | 0 | 427 | 0 | 0 | 0 | 0 |
| Recognition of exchange differences of valuation in retained earnings | (viii) | 0 | 972 | -153 | 0 | 723 | 43 |
| Effect from discount of loans given to related companies | | 0 | 0 | 0 | 0 | -2.859 | -2.335 |
| Effect from the consolidation of TOUSA (US GAAP reporting standards) | (x) | 0 | -31.461 | 0 | 0 | 0 | 0 |
| Differences from the consolidation of affiliates | | | -2.666 | | | 0 | |
| Loss from valuation of financial assets held for sale | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | 0 | 265 | 29 | 0 | 26 | 0 |
| Total adjustments according to IFRS | | 0 | -16.369 | 1.175 | 0 | -17.504 | -11.787 |
| Adjustments due to correction of important mistakes | | | | | | | |
| Write off of receivable in dispute | | | | | | | |
| Effect from joint ventures | | | | | | | |
| Recognition of Income in the period incurred | | | | | | 1.418 | |
| Recognition of Expense in the period incurred | | | | | | -1.599 | |
| Calculation of Provisions | | | | | | 0 | |
| Total Adjustments | | 0 | 0 | 0 | 0 | (181) | 0 |
| General total of Adjustments | | 0 | (16.369) | 1.175 | 0 | (17.685) | (11.787) |
| Profit or Loss according to International Reporting Standards | | 0 | 169.198 | 102.694 | 0 | -12.067 | -4.975 |



8.1. Notes on adjustments in accounting policies

(i)-Effect from revaluation of Fixed Assets

In Financial Statements, property, plant and equipment is stated at historical cost or at deemed cost as of the date of transition (01/01/2004). An independent firm of appraisers conducted a research for the calculation of property, plant and equipment market value. Moreover Investment Property has been stated at fair value as calculated from a research of an independent firm of appraisers.

The rest of Fixed Assets are stated at historical cost less accumulated depreciation as adjusted according to useful life. More specifically, from the revaluation of fixed assets as of the date of transition, the following occurred:

| <i>Amounts in thousand €</i> | The Group | The Company |
|--|------------------|--------------------|
| <i>Fixed Assets restated at fair value</i> | | |
| <i>(Restated values)</i> | | |
| Fair value as restated value of fair value for IFRS | 207.198 | 4.773 |
| Book value as of the date of transition, as per | | |
| Statutory reporting standards | 42.911 | 2.560 |
| Depreciation according to IFRS | 0 | 0 |
| Total Adjustment in Book Value | 164.287 | 2.214 |
| <i>Investment Property restated at fair value</i> | | |
| Fair value as of the date of transition | 9.080 | 154 |
| Book value as of the date of transition, as per | | |
| Statutory reporting standards (depreciation PD100/98) | 5.642 | 93 |
| Total adjustment in Book Value | 3.438 | 61 |
| Total adjustments in value of Fixed Assets | | |
| as of the date of transition | 167.725 | 2.275 |

(ii)- Effect from non recognition of installation expenses as Intangible Assets

In contrast to statutory reporting standards, IFRS are very strict regarding recording of Intangible Assets in Balance sheet. Only software applications and industrial rights of use (Casino license) have been recorded as intangible assets as of the date of transition to IFRS. As an effect from non recognition of installation expenses, equity decreased by €5.464 th. (€1.624 th. for the holding company).

(iii)-Effect from Construction Contracts

Revenue and expense from construction contracts is treated under IAS 11. Revenue and expense, related to each project, is recognized in the income statement, based on the percentage of completion of the contractual activity as of the balance sheet date. As a result of that costs incurred but not invoiced to a client yet are recorded in income statement together with the related contractual revenue. In contrast, according to statutory standards, cost was recognized as inventory and related income was recorded in income statement when invoiced and not at the year of construction. Moreover, for projects expected to result



in loss, according to IAS 11, loss should be recognized immediately in the income statement.

(iv)-Transmission of recognition of dividends payable at the date of approval of General Assembly

In contrast to statutory reporting standards, dividends payable, should be recorded as a liability as of the date of approval of their distribution from General Assembly.

(v)-Valuation of Financial Assets

According to IFRS 1 the group chose to categorize cash equivalents as "Available for sale Financial Assets" and "Financial Assets at fair value through Profit or Loss", as of the date of transition.

Financial Assets that can be reliably valued, have been measured at fair value as of the date of transition to IFRS (e.g. for shares the quoted bid market price on the balance sheet date.) Difference that arose due to the method used under statutory reporting standards (valuation at the lowest price between cost and market-average quoted bid market price of the last month of the period) has been booked in favor of equity.

Any positive or negative difference, that may arise after the date of transition to IFRS, from the revaluation of "Available for sale Financial Assets" should be transferred to a special reserve account whereas gain or loss from revaluation of "Financial Assets at fair value through Profit or Loss" should be directly recognized in Income statement.

(vi)-Reserve for Staff Retirement Indemnities

According to new reporting standards the group recognizes as obligation the discounted value of the future retirement benefits deemed to have accrued at year end, based on the employees earning retirement benefit rights. According to previous GAAP expense from staff retirement indemnities, was recognized on a cash basis. As of the date of transition total obligation amounted to €520.483 (and €19.360 the holding company), as calculated after an actuarial valuation.

More specifically, the composed study consisted the actuarial valuation of 01/01/2004 (date of transition) and of 31/12/04, of obligations rising from staff retirement indemnities of group, according to Law 2112/20. Effect on equity and income statement, both for the group and the company, have been presented according results of the actuarial valuation.

(vii)-Effect from consolidation of associated companies through equity method

Using the method of equity consolidation the company records in the consolidated financial statements the associated companies "Lamda Technol Floisvos HOL" and "Agrotoyristiki SA". On 31/12/04 the company completed consolidation of the above mentioned companies, following statutory reporting standards, and recognized its share on the total of accumulated results of that companies as such have been calculate according to previous GAAP.

Group Equity has been decreased by €1.035th. from consolidation before 01/01/2004 due to



loss that the above mentioned companies had on 31/12/2003.

Change in the above effect, as at 31/12/2004, is due to differences in results, as those have been adjusted due to IFRS, as well as due to results of the above mentioned companies for 2004.

(viii)-Recording of credit exchange differences in retained earnings

Both the group and the company based on previous reporting standards formed a provision for credit exchange differences. During 2004 credit exchange differences from valuation of receivables and obligations, in foreign currency, have been transferred to the income statement of the period when such differences occurred.

9. Additional Information and Explanation

After the August 2nd, 2005 announcement of our subsidiary company Technical Olympic USA Inc. (TOUSA) for share capital increase and sale of its shares, it is disclosed that on September 7th, 2005 4.000.000 shares of Technical Olympic USA inc. (TOUSA) had been offered from joint book running managers CITIGROUP and UBS SECURITIES LLC, at the price of \$28 per share (book building). These shares had been offered to preferable investors as well as to public investors in USA and Europe. The 1.080.000 shares (secondary offering) come from the sale of the same shares of our company whereas the other 2.929.000 comes from share capital increase of TOUSA (primary offering).

In addition a right of will has been given to undertakers for the purchase of 600.000 extra shares in order to cover exceeding demand of such shares.

10. Post Balance sheet events

There are no post balance sheet events, regarding either the group or the company that should be disclosed according to IFRS.