



**ELLINIKI TECHNODOMIKI TEB GROUP**

**REPORT OF THE COMPANY'S BOARD OF DIRECTORS  
ELLINIKI TECHNODOMIKI TEB S.A.  
ON THE FINANCIAL STATEMENTS FOR FINANCIAL YEAR 2007**

**ELLINIKI TECHNODOMIKI TEB S.A.**  
TECHNICAL INVESTMENT INDUSTRIAL COMPANY  
S.A. COMPANY  
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Tax Registration No.: 094004914 TAX OFFICE: FAEE ATHENS  
S.A. Companies Registration No. 874/06/B/86/16 – File No. 52175

# **I. REPORT OF THE BOARD OF DIRECTORS OF ELLINIKI TECHNODOMIKI TEB S.A. ON FY2007 FINANCIAL STATEMENTS**

## **1. Development of activities and key events of FY2007**

In 2007 ELLINIKI TECHNODOMIKI TEB (ELTEB) went ahead with significant organisational changes in its Group's structure. The strong development of sectors other than construction led to the decision to gather the legal entities by sector, so that the various branches of the Group could be more easily recognised, managed, and measured.

The major step in this direction involved the concession sector and was the main objective of the merging of the Group's forces with PANTECHNIKI, which resulted in a major concession portfolio under the legal entity known as AKTOR CONCESSIONS. In this way a unique unit was created, by Greek standards, that was comparable to corresponding European outfits, with participation in almost all the large co-financed projects implemented in Greece, with high turnover, high profitability, and capable of successfully bidding on projects abroad. It is noted that the construction branches were further strengthened from this merger, as well as the Group's real estate and renewable sources of energy portfolios.

Besides the concession sector, in which the gathering procedure was completed, the foundations for extending this procedure to the Group's other activities, such as wind parks, were established in 2007 (see "4. Events after 31 DEC 2007").

Furthermore, the strategic partnership between AKTOR and EUROPEAN GOLDFIELDS, which is listed on the Toronto and London Stock Exchanges, was a significant event whose objective was to jointly develop mining activities both in Greece as well as in other countries. In order to realize this partnership 30% of HELLENIC GOLD (of the 35% owned by AKTOR) was exchanged with 19.9% of EUROPEAN GOLDFIELDS, which now owns 95% of HELLENIC GOLD.

At the level of current activities during 2007:

- significant projects were undertaken, especially in the concession and construction sectors, as well as in the energy and environment sectors (as shown in detail in the corresponding chapters),
- the Group established its presence in the Middle East and Romanian markets,
- significant moves were made in the real estate sector.

At the same time these strategic moves were taking place, the relocation of the Group's Companies under the same roof in its new, privately owned offices in Nea Kifissia took place in 2007. The Group's Management made this move in anticipation of the synergies that would arise

from the gathering of the Companies and their employees, anticipating the utilisation of the economies of scale, but mainly for promoting a cohesive culture and uniform management and governance system within the Group.

The key events that took place last year per activity sector are summarised as follows:

### **1.1. Construction**

The subsidiary construction company AKTOR, the largest company in the Greek construction market, has a significant presence in Middle Eastern and Balkan countries. The Group's construction backlog amounted to approximately EUR 5 billion at the end of 2007, of which approximately 30% was from projects outside Greece.

The most significant events for 2007 in the field of Construction are:

- Signing of a contract with a total budget of EUR 865 million for the construction of the Corinth-Tripoli-Kalamata motorway and the Lefktro-Sparti branch by a joint venture, in which AKTOR is the leader and participates with 86.67%.
- Signing of a contract between AKTOR and the Municipality of Plovdiv (Philippopolis), Bulgaria, for the renovation and upgrade project of the City Culture and Heritage Hall (Opera). The overall investment in this project is estimated at EUR 22 million.
- Signing of a contract between Attiki Gas Supply Company and a joint venture, in which AKTOR participates with 65%, for the construction of distribution networks and natural gas supply pipelines (a length of 250 kilometres of natural gas pipelines) in the area of Northeast and Central Attica, amounting to approximately EUR 38 million.
- Signing of a contract between AKTOR and TOURISM ENTERPRISES OF MESSINIAS S.A. for the completion – operational finalisation of the Integrated Tourism Development Area «NAVARINO RESORTS - NAVARINO DUNES” in Messinia, with a total budget of EUR 277 million. This project includes the construction of luxury hotel units and golf courses.
- AKTOR and its subsidiary in Dubai AL AHMADIAH –AKTOR L.L.C. were awarded the construction of a waste water treatment plant in Jebel Ali, with a total budget of approximately EUR 325 million. €.
- Signing of an agreement for the construction of the Elefsina-Korinthos-Patras-Pirgos-Tsakona motorway, with a total budget of EUR 2.1 billion, as part of a joint venture in which AKTOR participates with 18%.
- Assignment of a design-construction project, amounting to USD 670 million for an aircraft maintenance hangar for the new airport at Doha, by a joint venture in which AKTOR is the leader.
- Signing of an agreement for the construction of the Maliakos-Klidi section of the Patras-Athens-Thessalonica-Evzones (PATHE) motorway, with a total budget of EUR 718 million, by a joint venture in which AKTOR participates with 20%.

- Singing of a contract between AKTOR and ERGOSE S.A. for the construction of the infrastructure for the New high-speed Railway Line Lianokladi-Domokos, with a budget of EUR 324 million.

## **1.2. Quarries**

The Group has been investing in the quarry sector during the last few years in order to better serve the projects it has undertaken in Greece and to further develop its sales activities of materials to third parties, and already has quarries in many parts of Greece. In the context of this strategy, the purchase through ELLAT of 51% of LATOMIA STILIDAS S.A. and LATOMIA MARKOPOUPOU S.A., which have quarries in the corresponding areas, took place in 2007.

## **1.3. Concessions**

As mentioned above, all of the ELTEB and PANTECHNIKI Groups experience and know-how in construction, exploitation, and operation of concession projects of the last fifteen years have now been gathered under AKTOR CONCESSIONS. The gathering of these forces (which is an international practice and is more appealing to investors), besides creating larger sizes, demonstrates the asset value of the Group in concessions and creates economies of scale. There will also be a significant effect on the Group's consolidated financial data as there is now a complete consolidation of the companies ATTIKI ODOS S.A., ATTIKA DIODIA S.A., ATTIKES DIADROMES S.A. and MOREAS S.A.

Today, AKTOR CONCESSIONS has a powerful participation portfolio, by owning:

- 59.25% of ATTIKI ODOS S.A., which constructed and operates the motorway by the same name in Attica,
- 86.7% of MOREAS S.A., the company constructing and operating the Corinth-Tripoli-Kalamata motorway and the Lefktro-Sparta branch,
- 50% of THERMAIKI ODOS S.A., the company constructing and operating the Submarine Tunnel in Thessalonica,
- 20.7% of GEFYRA S.A., which constructed and operates the Rio – Antirio Bridge,
- 18% of APION KLEOS S.A., the company constructing and operating the Elefsina-Korinthos-Patras-Pirgos-Tsakona motorway and
- 20% of AEGEAN MOTORWAY S.A., the company constructing and operating the Maliakos-Klidi motorway.

Furthermore, AKTOR CONCESSIONS has the corresponding participation percentages in the companies to which the concessionaries have assigned the operation and maintenance of the above projects, which they will not carry out themselves.

Of the abovementioned projects, the last four (four of the total of six motorways that have been tendered) were secured during 2007 and the related events are as follows:

- Signing of a concession agreement between the Greek State and MOREAS S.A. for the Corinth-Tripoli-Kalamata motorway and the Lefktro-Sparti branch, which has a duration of 30 years and a total investment of EUR 1 billion.
- Commencement of the concession project of the Thessalonica Submarine Tunnel between the Greek State and THERMAIKI ODOS S.A., which has a duration of 30 years and a total investment of EUR 470 million.
- Signing of a concession agreement between the Greek State and APION KLEOS S.A. for the Elefsina-Korinthos-Patras-Pirgos-Tsakona motorway, which has a duration of 30 years and a total investment of EUR 2.8 billion.
- Signing of a concession agreement between the Greek State and AEGEAN MOTORWAY S.A. for the Maliakos-Klidi section of the PATHE motorway, which has a duration of 30 years and a total investment of EUR 1.15 billion.

Finally, there are participations in other concession projects, such as car parks and marinas. Specifically, the Group participates in the management of approximately 4,000 parking spaces.

#### **1.4. Energy & the Environment**

Today, the Group is active in the sector of energy production from wind parks and other renewable sources of energy (bio-gas, small hydroelectric works, etc.), energy production from traditional sources, waste management, and construction of Sanitary Landfills.

The current status report of the wind park sector is summarily described as follows:

- wind parks with a total output of approximately 31 MW are in operation,
- four wind parks with a total output of approximately 76 MW are under construction (Cephalonia, Argolida Prefecture, Alexandroupolis, Hania),
- wind parks with a total output of approximately 90 MW are in the licensing for installation stage,
- wind parks with a total output of approximately 354 MW are in the licensing for production stage,
- wind parks with a total output of approximately 1,083 MW are in the submission for production licenses stage,

In summary, there are wind parks with a total output of approximately 1,527 MW that are in different stages of licensing.

It is noted that in the context of gathering the legal entities by activity sector, there is a restructuring of the renewable sources of energy sector, through the mergers of wind park companies, aiming to create a single provider in order to demonstrate the values that have been gathered.

Besides the abovementioned decision, the significant events in the wind park sector for 2007 are as follows:

- Extending the operating license of the Cephalonia wind park from 10.2 to 13.6 MW.
- Commencement of operations for the Patmos wind park with an output of 1.2 MW.
- Submission of production applications to the Regulatory Authority for Energy for new wind parks with a total output of 320 MW.
- Certification of subsidiary ELLINIKI TECHNODOMIKI ENERGIAKI by the German organisation DAPS on its “Wind energy measurement and analysis” procedure.

The current status of the sector of power production from other renewable sources includes a small hydroelectric project under construction at Grevena with 5 MW output, as well as two units utilising biogas produced by the Sanitary Landfills of Athens and Thessalonica, with a total output of 28.5 MW.

The significant events in the biogas sector during 2007 were as follows:

- The start of increase in output of the biogas unit at Ano Liosia by 10 MW (total output at 23.5 MW).
- Start of operations of a biogas unit at the Tagaradon Sanitary Landfill in Thessalonica, with 5 MW output.

In the traditional energy source sector, the Group, through THISVI POWER GENERATION PLANT S.A. in Viotia, has a production and installation license for a natural gas unit with combined output of 422 MW. The decision to build this unit was made in 2007. It is noted that the Italian company EDISON (65%), the subsidiary HELLENIC ENERGY & DEVELOPMENT (30%), and HALCOR (5%) participate in THISVI POWER GENERATION PLANT.

In the Environmental sector, the Group –through its subsidiary HELECTOR– holds a leading position in Greece and Cyprus on waste management issues as well as in the construction and operation of Sanitary Landfills. Furthermore, through its subsidiary HERHOF in Germany, the Group gained access to significant technology concerning recycling mixed city waste (technology for the production of “dry stabilat”), which it anticipates to apply in the regions of Greece and Cyprus (HERHOF’s compost technology will be applied to the Larnaca project in Cyprus, which is under construction).

Significant events in the Environmental sector for 2007 were:

- Signing of a contract to construct the Filis Sanitary Landfill (phases A and B), of a total budget of EUR 56 million, by a joint venture in which HELECTOR is the leader.
- Signing an agreement for the construction of the Grammatiko Sanitary Landfill in Attica, of a total budget of EUR 16 million, as part of a joint venture in which AKTOR participates with 40%.

## **1.5. Real Estate Development**

The Group, through REDS, its subsidiary by 51.15% (the current participation percentage), is active in the real estate sector both in Greece and Romania. REDS decided to expand its activity, beyond the utilisation of the two large properties in Kantza and Yialou in Attica, into the development of office buildings and housing complexes. Its activities in the Romanian market are under this context, as it utilises the Group's existing presence through AKTOR.

The most significant events in the sector of Real Estate Development for 2007 are:

- The signing between REDS and companies managed by the investment firm HENDERSON of:
  1. A sales agreement for the commercial and entertainment centres VESO MARE in Patras and ESCAPE in Ilion, for a total price of EUR 40.5 million
  2. A preliminary sales agreement for 100% of the shares of YIALOU COMMERCIAL & TOURISM S.A. for the estimated price of EUR 70 million, with the prerequisite of the completion of the construction and leasing of the "Commercial Park." During 2007 the architectural and environmental studies that were required for the financial licenses to be issued were completed. It is noted that a preliminary sales agreement has already been signed with MACARTHURGLEN HELLAS LTD for part of the property of YIALOU COMMERCIAL & TOURISM S.A. for the price of EUR 13.4 million.
- Continuance of urban planning procedures of the property in Kantza, but at a slower pace than anticipated. The goal that was set for 2007 for the approval of the boundaries of the Area of Organised Development of Productive/Enterprise Activities (POAPD) for rendering services was not achieved and it is expected to be completed within 2008. It is noted that these procedures are prerequisites for the realisation of the agreement with LSGIE for the sale of 100% of the shares of KANTZA COMMERCIAL S.A., the owner of the property.
- Completion of the sale of the residences of the Lofos Edison housing complex of subsidiary LOFOS PALLINI S.A.
- Continuance of construction of the Ampelia housing complex on a property of 7,780 sq. m. at Kantza. The complex consists of 28 residences.
- Completion of the purchase of a land plot with a total surface area of 8,000 sq. m. in the area of Athinon Avenue (Akadimia Platonos), near the new facilities of the Athens Stock Exchange. Building permits are already in the process of being issued for the development of an office building with an area of 19,000 sq. m. and 380 parking spaces.
- Signing of a preliminary agreement for the purchase of a 6,500 sq. m. property in a central part of Elefsina Municipality. The Company is going to utilise the property by constructing a commercial use building, with a total rental surface area of 9,400 sq. m. that will be serviced by an underground car park.
- Purchase of a property totalling 8,500 sq. m. next to Lake Baneasa in Bucharest, through subsidiary CLH ESTATE S.R.L. A luxury residential complex will be built on that property.

- Purchase of a property in Romania, through subsidiary PROFIT CONSTRUCT S.R.L., with total area of 6,000 sq. m. in the Splaiul Unirii area, in the centre of Bucharest. A multiple use building complex will be built on that property.
- REDS participation by 11.67% in the share capital of ATHENS METROPOLITAN EXPO S.A., which has undertaken, through a concession agreement, to develop and operate the new Exposition & Conference Centre that will be built at the Athens International Airport facilities. The construction of the centre, which will have 50,000 sq. m. of total commercial surface area, is expected to be completed around the end of 2008.

### **1.6. Other Participations**

ELTEB has proceeded with investments outside its basic sectors of activity, anticipating the creation of goodwill and large returns on a mid-short term horizon. The completion of the sales agreement of 100% of the shares of Attica Telecommunications S.A. to Hellas OnLine, for EUR 46.3 million (ELTEB Group's share was EUR 18.14 million) was in accordance with this strategy.

The Group has made investments in the sector of management of tourist facilities and entertainment, by participating in the "HELLENIC CASINO OF PARNITHA S.A." by 14.7%.

Furthermore, through its subsidiary AKTOR, the Group participates (19.9%) in the company EUROPEAN GOLDFIELD, which owns 95% of HELLENIC GOLD and holds mining rights in the Mines of Kassandra, Halkidiki, in an area of 300,000 km<sup>2</sup>. The company has already submitted an investment plan regarding the overall exploitation of the Mines and gold mining and awaits approval of the draft of environmental terms. The company's operation regarding lead and zinc production is running smoothly and is already profitable.

## **2. 2007 Results and Outlook**

### **2.1. Construction**

In 2007, the Group's construction sector had a turnover that amounted to EUR 764.2 million, the operating profits (operational results) were EUR 34.1 million and net profits after taxes were EUR 19.9 million. The construction prospects appear to be positive for the future. In the domestic market, the large-scale co-funded projects are already being implemented in 2008, and they will result in a significant construction objective for the concessionaires. Furthermore, AKTOR will pursue a significant share of new infrastructure projects that are expected to be announced [the total public expenditure for the said projects that are included in the National Strategic Reference Framework (NSRF) amount to EUR 7.4 billion and will be available between 2008 and 2013]. It is expected that the majority of these will be channelled towards large road works. International projects are also expected to contribute significantly.



## **2.2. Quarries**

In FY2007, the Quarries sector's turnover amounted to EUR 23.3 million, the operating profits were EUR 2.9 million and net profits after taxes were EUR 1.2 million.

## **2.3. Concessions**

In 2007, the Concessions sector consolidated earnings amounted to EUR 10.8 million, the operating profits were EUR 5.5 million, and net profits after taxes were EUR 30.1 million. It should be noted that in regard to the companies ATTIKI ODOS, ATTIKA DIODIA and ATTIKES DIADROMES, the consolidation for financial year 2007 only covers the last fifteen days of 2007, while for the remaining time of the financial year, the said companies were consolidated with the net position method. The contribution of this sector to the consolidated Group results is expected to be even greater in the next years with the expansion of the portfolio of concession projects that will contribute significantly to earnings and profits. The return of the Concession projects is also seen in the respective productivity indexes, such as the Internal Rate of Return (IRR) of equity, which, for the large concession projects in progress, fluctuates between 10% and 14% and, based on their investment risk, is considered completely satisfactory.

## **2.4. Energy & Environment**

In 2007, this sector showed consolidated earnings amounting to EUR 78.1 million; operating profits were EUR 27.0 million, and net profits after taxes were EUR 16.5 million. Convinced that this sector will show rapid growth and that it will create mounting value, the Group has made significant investments in the past years, the performance of which has already started to show. In the renewable energy source sector, the prospects are positive and its growth is expected to get a boost with the establishment of the new development framework for renewable energy sources, which has already been planned. Regarding the environmental sector, the Group's total strategy is focused on providing environmentally friendly waste management solutions covering the entire range of available methods. It is noted that the issue of waste in Greece, due to social pressure and current European legislation, has grown to great proportions and a large number of related works are anticipated, in which the Group is ready to participate.

## **2.5. Real Estate Development**

In FY2007, the Real Estate Development sector showed consolidated earnings amounting to EUR 34.5 million, operating profits were EUR 7.4 million, and net profits after taxes were EUR 3.6 million. The Group, at this point, is placing added emphasis on completing the already scheduled procedures for the properties in Kantza and Yialou, as well as on its development and the exploitation of investment opportunities in the Balkans, and especially in Romania. Specifically, REDS targets for 2008 can be summarised as follows:

- Completion of the approval of the boundaries of POAPD on the Kantza property. The completion procedure regarding the construction licenses is not anticipated to be completed until 2010, a fact which may lead to a reconsideration of the agreement with LSGIE about the sale of 100% of the shares of KANTZA COMMERCIAL S.A., the owner of the property.
- It is estimated that within 2008 or the first months of 2009 (following the issuance of the related construction license) the final contract with MACARTHURGLEN HELLAS LTD will be signed regarding the sale of the property in Yialou.
- Completion of the housing complex Ampelia in Kantza and commencement of sales.
- Commencement of construction of an office building with a surface area of 19,000 sq. m. at Akadimia Platonos.
- Commencement of construction of a housing complex at Lake Baneasa near Bucharest.

Besides existing projects, REDS objectives consist of

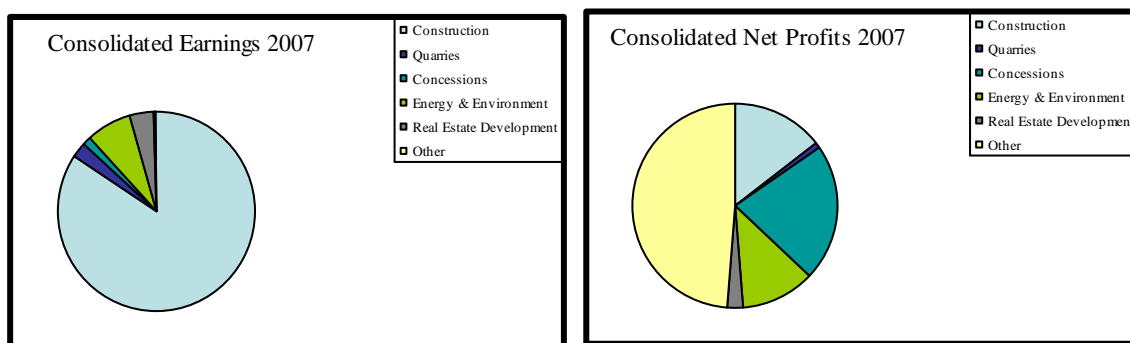
- The development of new housing complexes and office spaces in Greece and abroad.
- Participation in tenders for the development of exhibition grounds, commercial centres, and conference and office spaces.

## 2.6. Other Participations

The contribution of other participations from associated enterprises to the profit level was especially increased and amounted to EUR 66.6 million. The main reason was the exchange of 30% of HELLENIC GOLD shares with 19.9% of EUROPEAN GOLDFIELDS, after which the Group's participation in HELLENIC GOLD decreased by 11.1% [from 35% to 23.9% (5% direct participation and 18.9% indirect participation)]. The accounting exchange for this transaction totalled EUR 50.7 million.

## 2.7. Group Consolidated Results

On a Group consolidated basis, ELTEB's earnings amounted to EUR 914.6 million, operational profits amounted to EUR 80.8 million and net profits after taxes amounted to EUR 138.9 million. The earnings and net profit distribution per sector of activity are shown in the following diagrams:



Regarding the dividend distribution for FY2007, the Company's Management recommends the dividend distribution of EUR 0.18 per share.

In order to monitor the Group as a whole, as well as its various activities, various indexes are used to examine profitability, capital returns, growth, and capital restructuring of the Group's activities. Due to the different nature of the various activities of the Group, the various indexes that are examined are differentiated so that they better portray the type of activity and its stage of development.

Indicatively, it is mentioned that:

- for 2007 the Group as a whole showed an increase in sales of 26.3% as opposed to 2006, while the operational profits and net profits after minority rights increased by 55.1% and 173.7%, respectively.
- The construction backlog activity on 31 December 2007 reached EUR 5.05 billion (compared to EUR 3.90 billion on 31 December 2006 and EUR 2.10 billion on 31 December 2005) which signifies the prospects for further development.
- The Group's margin of operating profitability (EBIT) for FY2007 was 8.8% (compared to 7.3% in 2006) while the operating margin for construction was 4.5%.
- In regard to the Group's capital restructuring, the significant increase of the consolidated borrowing to EUR 1,060.8 million (compared to EUR 186.9 million for 2006) is primarily due to the integration of the Attiki Odos motorway. As shown in the following Table, if the non recourse debt of the self-financed/co-financed projects is subtracted from the total consolidated Group borrowing, along with the net cash reserves (with the exception of the cash reserves linked to the abovementioned self-financed/co-financed projects), the Group still has available net cash reserves of EUR 7.9 million (compared to EUR 139.3 million in 2006), a fact that signifies the Group's strong capital restructuring. In any event, the Group is prepared to monitor the amount of loans (excluding the non recourse loans) in relation to its equity.

	<b>CONSOLIDATED DATA</b>	
(Amounts in million Euro)	<b>31.12.2007</b>	<b>31.12.2006</b>
Short-term bank loans	317.0	154.2
Long term bank loans	<u>743.8</u>	<u>32.7</u>
Total loans	1,060.8	186.9
Minus: Non recourse debt	<u>663.8</u>	_____
Loans Subtotal (excluding non recourse debt)	396.9	186.9
Minus: Cash Reserves and Equivalents <sup>(1)</sup>	<u>404.8</u>	<u>326.3</u>
Net Loans/Cash Reserves	(7.9)	(139.3)

Note:

(1) The cash reserves and equivalents corresponding to non recourse loans (EUR 287.8 million) have been deducted from the cash reserves and equivalents of 2007 (Eur 692.6 million).

### **3. Risks**

The basic risks per sector of activity are:

- In domestic Construction the development risks for AKTOR arise from the changes in legislation regarding public works tenders combined with the difficult financial situation of most of the sector's companies, which are often led to the "irrational" behaviour of offering exaggerated discounts in the bidding process. Moreover, the penetration of the construction sector overseas requires investments and entails the usual risks faced during any investment when attempting to establish itself in a foreign market. There are also potential currency exchange risks.
- In Concessions, competition is increasing from foreign groups that want to penetrate into the Greek market. The Group invests in the construction of new motorways, undertaking the traffic risk, as it anticipates the growth rates of traffic loads on Greek roads to remain.
- Greek bureaucracy and the delay in the establishment of the new land planning scheme, the lack of regulations for the development of specialised technologies in the Energy (Renewable Energy Sources) and Environment sectors are obstacles for the development of this activity domestically. In the wind parks development sector, the lack of an institutional framework in Greece, regarding the placement of wind power units, as well as the bureaucracy problems, are negative factors for the rapid rate of development of this activity.
- In Real Estate Development, the lack of an institutional framework regarding urban planning and land planning issues and, consequently, the development of property by the Group, is a restraining factor in the utilisation of existing property for the benefit of the shareholders.
- The overall recession in the financial credit sector has resulted in the increase of loan interest rates and less beneficial financing terms in general. The result of these developments could be the increase in the cost of borrowing.

### **4. Events after 31 December 2007**

The most significant developments after 31 December 2007 include:

#### **Construction**

- Signing of a contract between AKTOR and PANATHINAIKOS FC for the construction of the new football field of the latter in Votanikos.

- An agreement for a buyout by AKTOR, via its subsidiary AKTOR CONSTRUCTION INTERNATIONAL LTD., of the total amount of shares of SVENON INVESTMENTS LTD., which owns 60% of INSCUT BUCURESTI S.A., which is listed on the Bucharest Stock Exchange. The latter owns a significant amount of real estate, office automation equipment, and technical personnel and specialises in the trading and leasing of structural machinery as well as the undertaking of subcontracted technical projects. The objective is for this company to act as the main pillar around which AKTOR S.A. will develop all its construction activities in the rapidly developing Romanian market.

### **Concessions**

- Commencement of Concession and the start of Operations for the project involving the financing, construction, and operation of the Corinth-Tripoli-Kalamata motorway and the Lefktro-Sparti branch.
- Commencement of Concession and the start of Operations for the project involving the financing, construction, and operation of the Maliakos-Klidi motorway.

### **Real Estate Development**

- The completion of the purchase by REDS, through its subsidiary PROFIT CONSTRUCT S.R.L., of 100% of DAMBOVITA REAL ESTATE S.R.L., which owns property with a total area of 8,016 sq. m. at the Splaiul Unirii area, in the centre of Bucharest. (It is noted that included in the 8,016 sq. m. are the 6,000 sq. m. that had been purchased during 2007 through the subsidiary PROFIT CONSTRUCT S.R.L.). A multiple use building complex will be built on that property.
- The joint venture between REDS S.A. – LAMDA DEVELOPMENT S.A., in which REDS participates by 50%, has been awarded a tender for the utilisation of a long-term lease of property of the Hatzikonsta Foundation in Halandri, Attica, with a property area of 25,714 sq. m. There are plans to raise a building for professional use on this property.

### **Energy and Environment**

- Approval by the Extraordinary General Shareholders Meetings for the merger by absorption, jointly and concurrently, of AEOLIKI PANEIOU S.A., TERPANDROS AEOLIKA PARKA S.A. and AEOLIKI ANTISSAS S.A. by TETRAPOLIS AEOLIKA PARKA S.A. The procedure of said merger was completed with the approval decision of the Athens Prefecture / Eastern sector.

### **Other Developments**

- A decision was made at the ELTEB Extraordinary General Meeting on 10 December 2007 to commence with an own shares acquisition programme of up to 10% of its share capital, which would last up to two years, with a low and high purchase price of own shares of EUR 5.00 and EUR 15.00 respectively, in accordance with Article 16 of Codified Law 2190/1920, as in force and according to the terms of Regulation 2273/2003 by the European Communities Committee, and it authorised the Company's Board of Directors to complete

the procedure. The Company's Board of Directors, by its decision dated 21 January 2008, decided to proceed with the implementation of the above decision made by the Extraordinary General Meeting, by setting the time period, from 24 January 2008 to 9 December 2009, during which the implementation of the acquisition programme of the Company's own shares would take place, and it has presently purchased 0.37% of the Company's share capital.

- Share capital increase of AKTOR CONCESSIONS by EUR 50 million.
- AKTOR CONCESSIONS signed a bond loan of EUR 110 million, in order to refinance the Company's current short term bank loans.
- The buyout, via ELLAT, of 51 % of ERGANI S.A., which owns 100% of the share capital of ELLINIKO SKIRODEMA S.A.

**II. ILLUSTRATIVE REPORT OF THE BOARD OF DIRECTORS OF  
ELLINIKI TECHNODOMIKI TEB S.A.  
FOR THE MANAGED FINANCIAL YEAR  
(ACCORDING TO ARTICLE 11<sup>A</sup> OF LAW 3371/2005, AS  
CURRENTLY IN FORCE)**

- a. The Company's share capital amounts to EUR 182,311,352.39, divided into 177,001,313 shares with a nominal value of EUR 1.03 each. All shares are regular registered shares with voting rights, listed for trading on the Athens Stock Exchange, and specifically in the Large Cap Category.
- b. There are no limitations in the Articles of Association regarding transferring company shares, except those provided by Law.
- c. Significant direct or indirect participations pursuant to the provisions of Law 3556/2007 on 31 December 2007
- | <b>SHAREHOLDER</b>                       | <b>PERCENTAGE</b> |
|--|-------------------|
| 1. Leonidas Bobolas,                     | 13.65%            |
| 2. Mitica limited                        | 5.51%             |
| 3. Capital Research & Management Company | 5.12% (*)         |
- (\*According to the number of shares they owned on the notification date)
- d. There are no Company shares, pursuant to provisions in the Articles of Association, granting special control rights.
- e. There are no limitations in the Articles of Association regarding voting rights and the deadlines to exercise the right to vote, except those provided by Law.
- f. There are no agreements between shareholders, with associated limitations in the transfer of shares or limitations in exercising voting rights that the Company is aware of.
- g. There are no regulations on the appointment and replacement of BoD members and on the amendment of the Articles of Association, which are differentiated from the ones stipulated in Codified Law 2190/1920.
- h. The Board of Directors or certain members of the Board of Directors do not have the authorisation to issue new shares, except for what is provisioned by Law.  
The Company's Extraordinary General Shareholders Meeting on 10 December 2007 authorised the Board of Directors to proceed with the purchase of own shares, up to 10% of its share capital, in accordance with Article 16 of Codified Law 2190/1920, and in accordance with the terms of Regulation 2273/2003 of the European Communities Committee.  
Besides, the Company's Board of Directors, with its relevant decision dated 21 January 2008, decided to proceed with the implementation of the above decision made by the Extraordinary General Meeting, by setting the time period, from 24 January 2008 to 9 December 2009, during which the implementation of the acquisition programme of the Company's own shares would take place, and it has presently purchased 0.37% of the Company's share capital.
- i. There are no significant agreements that have been signed by the Company, which come into force, are amended, or terminated in the event of change of Company control, following a takeover bid.

- j. There are no agreements between the Company and members of its Board of Directors or its personnel, which provide for the payment of compensation in the event of resignation or termination of employment without reasonable grounds, or termination of term of office, or employment due to a takeover bid, except as provided by Law.

Athens, 28 March 2008

THE BOARD OF DIRECTORS

The President of the Board  
Anastasios Kallitsantsis

The present report, consisting of sixteen (16) pages, is the one mentioned in the control certificate, issued with today's date.

Athens, 30 March 2008

THE CERTIFIED AUDITOR ACCOUNTANT

Marios Psaltis  
Body of Chartered Accountants & Auditors Registration No 38081

**PRICEWATERHOUSECOOPERS** 

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