"TECHNICAL OLYMPIC"

GROUP OF COMPANIES

SA Registration No.: 6801/06/B/86/08

20, SOLOMOU STREET, ALIMOS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR 2008

(1 JANUARY 2008 TO 31 DECEMBER 2008)

(under Article 4 of L. 3556/2007)

TABLE OF CONTENTS

A. STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS 2
B. INDEPENDENT CHARTERED AUDITOR-ACCOUNTANT REPORT 3
C. BOARD OF DIRECTORS ANNUAL REPORT 5
D. ANNUAL FINANCIAL STATEMENTS 34
E. DATA AND INFORMATION 01/01/2008 - 31/12/2008 151
F. INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005 152
G. WEBSITE WERE THE FINANCIAL STATEMENTS ARE AVAILABLE 156

A. STATEMENTS BY THE MEMBERS OF THE BOARD OF DIRECTORS

The statements hereunder which are been prepared under article 4 par2 of L.3556/2007, are been signed by the following representatives of the company's Board of Directors:

1. Mr. Konstantinos Stengos son of Andreas, BoD Chairman;
2. Zoi, Konstantinos Stengos wife, First executive Vice-president of the BoD;
3. Mr. Georgios Stengos son of Konstantinos, Managing Director.

Under the aforementioned positions, especially authorized by the Board of Directors of the Societe Anonyme with the name "TECHNICAL OLYMPIC S.A." (*hereunder The Company*), we declare and certify with the following statement that to our knowledge:

(a) The Annual Financial Statements of the Company for the fiscal year 01/01/2008 to 31/12/2008, which were prepared under the current accounting standards, depict in a truthful manner the Asset accounts, the Liabilities accounts, the Shareholders Equity accounts and the Profit and Loss accounts of the parent company, as well as the companies that are included in the consolidation as a whole and

(b) The Full Year Report of the Board of Directors portrays in a true manner the performance and the financial standing of the parent company, , as well as the companies that are included in the consolidation as a whole

Alimos, 27 March 2009

The Attesters

KONSTANTINOS A. STENGOS	**ZOI wife of KON/NOS STENGOS**	**GEORGE K. STENGOS**
Chairman of the Board of Directors:	**First executive Vice-president of the BoD**	**Managing Director**

B. INDEPENDENT CHARTERED AUDITOR-ACCOUNTANT REPORT

To the Shareholders of **TECHNICAL OLYMPIC S.A.**

Report on the Financial Statements

We have audited the attached Company and Consolidated Financial Statements of TECHNICAL OLYMPIC S.A. (the Company), as well as the Consolidated Financial Statements of the Company and its subsidiaries (the Group), which consist of the consolidated Company balance sheet, dated 31 December 2008 and statements of results, changes in equity, as well as cash flows during the fiscal period that ended on that date, together with a summary of significant auditing policies and other clarification notes.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation and reasonable presentation of these Financial Statements according to International Financial Reporting Standards, as these have been adopted by the European Union. This responsibility includes: designing, implementing and maintaining the internal auditing system regarding the preparation and reasonable presentation of financial statements that are free from material misstatements, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable for the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our audit was performed in accordance with Greek Auditing Standards, which are in alignment with the International Auditing Standards. These standards require our compliance with rules of ethics and planning and performance of our audit with the purpose of reasonably ensuring that the financial statements are free of significant inaccuracies.

The audit includes the implementation of procedures for the specification of auditing assumptions with regard to amounts and information included in the financial statements. The procedures are chosen at the auditor's judgment, taking into consideration a risk estimate of significant inaccuracy in the financial statements, due to fraud or error. To assess that risk, the auditor takes into consideration the internal audit system with regard to the drafting and reasonable presentation of the financial statements, with the purpose of planning auditing procedures in view of the circumstances and not expressing an opinion on the effectiveness of the internal audit system adopted by the Company. The audit also involves evaluating the appropriateness of accounting policies used and the validity of estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the attached Company and consolidated Financial Statements reasonably present, from every significant aspect, the financial status of the Company and the Group on 31 December 2008, its financial performance and Cash Flows for the fiscal year that ended on that date, in accordance with International Financial Reporting Standards, as adopted by the European Union

Reference to Other Legal and Regulatory Issues

We verify the agreement and the comparison of the content of the Board of Directors Report with the attached financial statement within the scope of the provisions of article 43a,107 and 37 of the Codified Law 2190/1920

Athens, March 30, 2009

The Chartered Auditor Accountant

GEORGE DELIGIANNIS

SOEL Reg. No 15791

Grant Thornton

44, Vas. Konstantinou Str, 116 35 Athens
SOEL Reg. No 127

C. BOARD OF DIRECTORS ANNUAL REPORT

On the consolidated and corporate Financial Statements
of TECHNICAL OLYMPIC SA
for the period from January 1st to December 31st, 2008

Dear Shareholders,
In accordance with the provisions of articles 43(a)(3), 107(3) and 136(2) of Codified Law 2190/1920, as well as with the provisions of article 4(2)(c)(6), (7) & (8) of Law 3556/2007, and article 2 of decision 7/448/11.10.2007 of the Capital Market Commission, we hereby submit the Directors' Annual Report for the year from 01.01.2008 to 31.12.2008.

The Board of Directors' Annual Report that follows (hereinafter called the "**Report**") includes the audited consolidated and corporate Financial Statements, the relevant notes, and the Auditor's Report.

This "Report" summarises information about TECHNICAL OLYMPIC SA (hereinafter called the "**Company**" or "**TECHNICAL OLYMPIC**") and about the "Company" Group, financial details intended to provide general information to shareholders and investors about the financial standing and results, the overall progress and changes effected during the year 1.1.2008 – 31.12.2008, and significant events that took place and the impact thereof on the Financial Statements for such period. Also, the major risks and uncertainties that the "Company" might face in the future are described, and the most important transactions entered into between the issuer and related parties are presented.

Taking into account that the Company also prepares consolidated financial statements, this Report is a single report containing the corporate and consolidated financial figures of both the "Company" and its affiliates.

The Report's sections and their contents are as follows:

SECTION A

Developments and Performance over the Period under Review

1. Overview of Activities

Although one of the major Group of companies in Greece, the TECHNICAL OLYMPIC Group faced some challenges, as expected, mainly due to the unforeseeable, sudden, globally increasing and expanding financial crisis.

The expansion of the crisis in the real estate market and the financial system , which initially broke out in the USA and then in Europe during the second half of 2008, had a direct impact on the composition and structure of the global financial system, the international movement of capital, but also on the slowdown observed in the growth rates of the Euro area economies and developing countries, which consequently aggravated the conditions in which companies acted and operated.

The significant restriction of financial growth, even to 1% levels of the euro-zone countries, with the largest economies entering into recession, the decline of financial figures and the sizeable limitation in the movement of capital became observable during the second half of 2008, affecting several sectors, including constructions and tourism in which the group operates.

Furthermore, the Group also had to handle and manage the problems created with the former subsidiary of the TOUSA Inc. Group in the United States. As detailed in the company's notes in its final financial statements for 2007 and the interim financial statements for 2008, the former US-based Group subsidiary TOUSA Inc., filed on 29.1.2008, an application for protection from creditors and inclusion in Chapter 11 of the US bankruptcy code with the South Florida Bankruptcy Court in Fort Lauderdale. This application was filed based on a restructuring plan of TOUSA Inc., which was prepared in agreement with over 50% of its creditors, and which provided for repayment of part of the loans and other obligations of the company.

As a result of the Company's inclusion in Chapter 11 of the US bankruptcy code, which directly placed it under the full supervision of the competent bankruptcy court (no decision could be made unless approved by the court), but also as a result of the restrictions on the Company's activities and operations due to contractual arrangements foreseen in the submitted restructuring plan of said company (TOUSA Inc), as of 2.1.2008 the Management of the parent TECHNICAL OLYMPIC SA could no longer direct and benefit from the financial and business activities of the former subsidiary. Furthermore, the parent company's management determined that regardless of the progress of activities undertaken by its former subsidiary TOUSA Inc., the parent could not and does not expect to recover any investments from the subsidiary. Also, as was announced to that respect, the parent company is not bound by guarantees with regard to its former subsidiary TOUSA Inc.

- TECHNICAL OLYMPIC SA was initially included among the defendants in a class action filed with a US Federal Court of Justice but not notified to it. The defendants included banking institutions, the former subsidiary TOUSA Inc., and Directors thereof. The plaintiffs appeared to be non-listed buyers of shares of TOUSA Inc. who claim that under US legislation they are entitled to claims for the period between 1 August 2005 and 19 March

2007 due to guarantees, which as they argue, TOUSA Inc. and the other parties involved gave them for TRANSEASTERN JV. In a later action filed on 19.9.2008 in replacement of the old one, TECHNICAL OLYMPIC and the members of TOUSA's Board of Directors Konstantinos Stengos, Andreas Stengos, Georgios Stengos and Marianna Stengou who were included in the first action, are no longer among the defendants, hence leading to a definite end to any claims against the TECHNICAL OLYMPIC and its Board of Directors.

- By the resolution of ATHEX, dated March 26, 2008, following a motion to that respect of the Capital Market Commission, the trading of the Company's shares was suspended due to failure to publish the 2007 Annual Consolidated Financial Statements, as announced by the Company on 24 March 2008. Such suspension of trading of the Company's shares was lifted by resolution of the Athens Exchange Board of Directors, dated 25.9.2008, which following the resolution of the Capital Market Commission, dated 25.9.2008, regarding lifting the suspension of trading, decided to subject the shares to Supervision. This decision was made in application of article 3.1.2.5 of the Athens Exchange Regulation.

- By resolution of the Board of Directors of the subsidiary company PORTO CARRAS SA, and the decisions of the Boards of Directors of the parent companies as of 9.2.2009, i.e. our company TECHNICAL OLYMPIC SA and MOCHLOS SA, the Group's real estate was adjusted at fair value. Such real estate property included the PORTO CARRAS resort in Sithonia, Chalkidiki, as of 31.12.2008. The reasons for this decision are:
  - ✓ The escalating financial crisis on a global level and, specifically on a national level, which has particularly struck tourism in Greece, has led the Management of the Group companies to decide to accelerate and complete the works performed on the major hotel units of the PORTO CARRAS resort (MELITON & SITHONIA hotels) and incidental activities, with the purpose of completing the respective investment plans in 2008, and submitting the relevant investment completion dossiers to the competent State agency by the end of 2008, i.e. earlier than initially scheduled.
  - ✓ The aim and objective of this move was to complete the upgrade of said hotels and spa centers ahead of schedule, so that the Group could meet tourist demand over the next years, subject to the necessary and appropriate specifications, thus ensuring a comparative advantage over competition.
  - ✓ Therefore, through these moves and the completion of its investment plans, the Group intended to prepare the major PORTO CARRAS hotel units in all aspects, so as to meet the ever increasing tourist requirements for better services and higher tourism specifications.
  - ✓ All the above, including the Management's intention and wish to comply with the IFRS provisions on the presentation of tangible assets at fair value, led the Group's Management to consider the valuation of all PORTO CARRAS hotels which in December were fully upgraded. The Group's Management believes that asset value adjustments should be made frequently to ensure that the asset's carrying value demonstrates no material differences from that which would otherwise have been determined at fair value. The frequency of adjustments depends on the changes to the fair value of assets, and where no material changes are in place, such adjustment may be necessary every 3 or 5 years. Therefore, the completion of a large part of investments in the resort was a sign of change in the fair value and, hence, led to the redetermination of the Group's tangible assets fair value.

- ✓ In addition, the modification of the Special Planning Framework for Tourism which was published by the MEPPPW towards the end of 2008, also contributed to the aforementioned decision of the Group Management. More specifically, articles 9 & 10 of the foregoing Framework pertain to the creation and development of complex and integrated tourism infrastructures of permanent holiday destinations, but also to the ability to create and sell residences subject to the provision of high-quality hotel services. Such provisions were particularly beneficial for the PORTO CARRAS resort, since the total specifications followed offer the resort a totally different outlook.

Thus, as a result of the aforementioned requirements to reassess the fair value of PORTO CARRAS, with the aim of presenting and disclosing Financial Statements of maximum completeness and accuracy and with regard to the general conditions in the real estate market in 2008, the Group's Management decided to reassess all important property that had not been reassessed since 2007, in order to provide objective and essential information to shareholders, to the extent possible, by reflecting the actual values of the Group's property in the financial statements for 2008.

In view of the above, the Group assigned independent assessing companies with the reassessment of its major assets; in particular the assessment of PORTO CARRAS and of the remaining property was assigned to PIRAEUS REAL ESTATE SA and KING HELLAS SA, respectively. It is noted here that the assessment report of the independent company PIRAEUS REAL ESTATE SA also reflected the resort's value by incorporating time-sharing sales in the resort. The Group Management found that the assumptions in the assessment report in relation to future time-sharing sales and potential residential development under the Special Planning Framework for Tourism are subject to significant uncertainties, and has therefore not recognized any added value connected with such potential circumstances.

Based on the assessment results of the independent assessment firms and the assessment of the Group's Management on the accompanying assumptions, the following results were derived:

- ✓ The real estate property of PORTO CARRAS was assessed at €441,851,000 as of 31.12.2008
- ✓ The determination of the aforementioned values was made using weights on two different assessment methods followed by the independent assessment firm, i.e. the future revenues method and the Replacement Cost (DRC) method. Due to the absence of objective and comparable information for the wider area, the method of comparative prices was not used.
- ✓ The resort value was also assessed by accounting for the total performance of the time-sharing system, for which the process of share sale– as mentioned – is already in progress.
- ✓ At its meetings on 26.03.2009 the Group's Management decided that the basis for the assessment and valuation of real estate and other facilities of PORTO CARRAS at fair value for 31.12.2008 should be the one reflecting the actual state thereof on the reference date. More information is provided in note 10.1 of the Financial Statements.
- ✓ The resulting value from the assessment of real estate and facilities of PORTO CARRAS indicated:

- for TECHNICAL OLYMPIC SA, parent company of the Group and shareholder of PORTO CARRAS SA with 81.82%, an assessed goodwill of €100.53 mil., which was directly recognised increasing Equity, following deduction of the respective deferred taxes;
- for MOCHLOS SA, subsidiary of the Group and shareholder of PORTO CARRAS SA with 9.09%, an assessed goodwill of €13.96 mil., which was directly recognized increasing Equity, following deduction of the respective deferred taxes.

✓ The assessment of other Group real estate property indicated:

- for TECHNICAL OLYMPIC SA, parent company of the Group, an assessed goodwill of €642.86 thousand, which was directly recognized in increasing Equity, following deduction of the respective deferred taxes;
- for MOCHLOS SA, subsidiary of the Group, an assessed goodwill of €2,351 thousand, of which €2,011 thousand corresponded to investment property and was directly recognized through profit and loss, and €341 thousand, which was directly recognized in increasing Equity, following deduction of the respective deferred taxes.

- On 15.2.2008 and 29.2.2008, the company financed its subsidiary companies Porto Carras Village Club S.A. and Porto Carras Domain S.A. with the amounts of € 1,700,000.00 and € 3,960,000.00 in the form of convertible bond loans, as decided by the Ordinary General Meetings of its companies on 29.6.2006 and 30.6.2005, respectively.

- The Board of Directors of TECHNICAL OLYMPIC SA ON 7.7.2008 decided to sell 4,307,194 common registered shares of the Company LAMDA TECHNOL FLISVOS for the amount of €6,583,333.08. The transfer of shares took place on 11.7.2008, while the Board of Directors of the subsidiary PORTO CARRAS SA decided on 7.7.2008 to sell 861,439 common registered shares of the Company LAMDA TECHNOL FLISVOS for the amount of €1,316,666.92. Such shares were transferred on 11.7.2008.

- On 20.2.2008, the shares of MELTEMI KASTRI SA were transferred in their entirety to MELTEMI KASTRI CYPRUS LTD for the total amount of €3,330,000. MELTEMI KASTRI CYPRUS LTD transferred on 8.8.2008 the shares of MELTEMI KASTRI SA to PILSBY LTD for the total amount of € 3,000,000, as the value of the corresponding share capital of our company (75%), while provision is also made in the respective agreement for the additional amount of €2,625,000, provided that the three motions for cassation filed by the Municipalities of Niata and Zaraka which challenge the validity of the administrative licenses for the Lakonia aeolic park are revoked or rejected.

- In implementation of the relevant decisions of the 2nd repeated Ordinary General Meeting of shareholders of TECHNICAL OLYMPIC as of 8 September 2008 (initial as of 30.6.2008, adjourned as of 30.7.2008 and 1st repeated as of 19.8.2008):

✓ A branch was established on 16 October 2008 in Russia, with the aim of developing and expanding Group activities into the Russian market;

- ✓ 501,638 treasury shares were purchased on different dates, with the purpose of offering stock options for a two-year period to members of the Board of Directors and Company executives, as well as to members of the Board of Directors and executives of affiliates, , in accordance with the provisions of article 16 of Codified Law 2190/1920. As of 31.12.2008 to this day, such shares still remain undistributed. Upon expiry of the twelve-month deadline from acquisition, the provisions of article 16(3) of Codified Law 2190/1920 will apply;
- ✓ Approved prior period fees of €2,350,000 were certified as payable to the members of the company's Board of Directors, while by resolution of the Board of Directors, dated 30.12.2008, it the right was not exercised to collect also approved fees payable to the Board of Directors for 2008, standing at €1,500,000 in total.

- In implementation of relevant decisions of the Ordinary General Meetings of the Group companies, amendments were made to the Articles of Association of all Group companies, to adapt these to the provisions of Law 3604/2007, which amended Codified Law 2190/1920.

- The Board of Directors of the MOCHLOS SA decided on 7.1.2008 to suspend operations of all industrial units (production and trading of ready-made concrete) in the areas of Patras and Igoumenitsa, as a result of adverse conditions, intense competition and negative results for several consecutive years from the operation of that segment, while it was also decided to suspend the construction operations of MOCHLOS SA in Home Building in the USA, in the framework of operations of TECHNICAL OLYMPIC's American subsidiary TECHNICAL OLYMPIC USA (TOUSA).

- In implementation of relevant decisions made at the 2nd repeated Ordinary General Meeting of shareholders of MOCHLOS SA as of 24 July 2008 (initial as of 5 June and 1st repeated as of 24 June):
  - ✓ 65,017 treasury shares were purchased on different dates, with the purpose of offering Board of Directors members and Company executives, as well as Board of Directors members and executives of affiliates, stock options for a two-year period, in accordance with the provisions of article 16 of Codified Law 2190/1920. As of 31.12.2008 such shares remained, and still remain, undistributed. In case of expiry of the twelve-month deadline from acquisition, the provisions of article 16(3) of Codified Law 2190/1920 will apply.
  - ✓ By means of decision as of 30.07.2008 of the Board of Directors of MOCHLOS SA, the procedures began for the split of the construction segment (namely the public and private works segment) aimed at the subsequent contribution of such segment to STROFYLI SA, a subsidiary of the TECHNICAL OLYMPIC Group, in accordance with the provisions of articles 1-5 of Law 2166/1993 and Codified Law 2190/1920. However, the same Board of Directors decided on 30.12.2008 to cancel the implementation of the decision made as of 30.07.2008 with regard to the construction segment split, and to review the potential implementation of such decision made at the 2nd repeated Ordinary General Meeting at a later meeting, as soon as the general conditions so permit.

- ✓ By resolution of the Board of Directors of MOCHLOS SA, dated 31.07.2008, procedures began for the assumption of the hotel-tourism operations and residential development segments of PORTO CARRAS SITHONIA BEACH CLUB SA, also a subsidiary of the group, that would be spinned off, in accordance with the provisions of articles 1-5 of Law 2166/1993 and Codified Law 2190/1920. However, the same Board of Directors decided and approved on 30.12.2008 to cancel the implementation of the decision dated 31.07.2008, regarding the assumption of the spinned off segments of PORTO CARRAS SITHONIA BEACH CLUB SA, and to review the potential implementation of such decision at a later meeting, as soon as the general conditions so permit.
- ✓ Similarly, the Board of Directors of MOCHLOS SA decided on 30.12.2008 to commence the procedures for the spin off of the company's industrial sector (production of concrete), in relation with the Patras Industrial Area unit, for the subsequent contribution of such segment to NEWMARK HOMES SA.
- ✓ Approved prior period fees of €2,250,000 were certified as payable to the members of the company's Board of Directors, while by resolution of the Board of Directors, dated 30.12.2008, the right was not exercised to collect also approved fees payable to the Board of Directors for 2008, standing at €1,250,000 in total.

- In implementation of relevant decisions of the Ordinary GM of shareholders of PORTO CARRAS SITHONIA BEACH CLUB SA as of 5.6.2008:
  - ✓ Stock options were offered to the Chairman of the Board of Directors for a total of 3,270,000 shares at a price offer equal to the face value of shares of ninety cents (€ 0.90), namely € 2,943,000 and next payment of the foregoing amount on 1 July 2008 by the Board of Directors was certified, hence the Company's share capital stood at € 32,373,000, being divided into 35,970,000 ordinary nominal shares at a face value of € 0.90 each. To recognize the Plan, PORTO CARRAS SITHONIA BEACH CLUB SA implemented IFRS 2 "Share-based Payment". The Company valued the issued shares at fair value, as of the date of concession. The difference between the fair value and the strike price (market share value) was transferred to profit and loss at the time of stock option exercise by the Chairman of the Board of Directors. The fair value per option was calculated using the discounted cash flow method, using the weighted average cost of capital as the discount rate, which was determined at 10%, and a conservative growth rate of 0%. Fair value per option was set at € 1.013
  - ✓ The members of the Company's Board of Directors received approved fees for 2008 of €1,000,000 in total.

- In implementation of a relevant decision of the Ordinary GM of shareholders of PORTO CARRAS SA as of 30.6.2008:
  - ✓ Stock options were offered to the Chairman of the Board of Directors for a total of 1,324,000 shares at an offer price equal to the face value of shares of three euros (€ 3.00), namely € 3,972,000 and next payment of the foregoing amount on 7 August 2008 by the Board of Directors was certified, hence the Company's share capital stood at € 43,692,000, being divided into 14,564,000 ordinary nominal shares at

a face value of € 3.00 each. To recognize the Plan, the Company implemented IFRS 2 "Share-based Payment". The Company values the issued shares at fair value, as of the date of concession. The difference between the fair value and the strike price (market share value) is transferred to profit and loss at the time of stock option exercise by the Chairman of the Board of Directors. Fair value per option has been calculated based on the fair value of Equity as of 31.07.2008, without adjustment thereof using the discounted cash flow method, since no comparative and objective criteria were in place to use such method. Fair value per option was set at € 15.025

- ✓ The members of the Company's Board of Directors received approved fees for 2008 of €3,000,000 in total.

- In implementation of relevant decisions of the Ordinary GM of shareholders of TOXOTIS SA as of 19.5.2008:
  - ✓ The Boards of Directors of the companies involved decided on 29.12.2008 to commence merger procedures, in accordance with the provisions of articles 68-77 of Codified Law 2190/1920 and Legislative Decree 1297/1972, by absorption by TOXOTIS SA of: a) the subsidiaries: ANAP SA, ALVITERRA HELLAS SA, and b) the independent companies: EDAP SA, BEI CENTER LTD, T.C. PARKING PLOT LTD.
  - ✓ By the resolutions of the Board of Directors of the aforementioned companies involved, dated 6.3.2009, the jointly prepared Merger Draft was approved and the company representatives were appointed for the signing thereof.
  - ✓ On 7.3.2009, the authorized representatives signed the jointly prepared Merger Draft (MD) which was, together with all necessary supporting documents, submitted to the competent authorities (Eastern Attica Prefecture) for further actions pursuant to articles 69 & 70 of Codified Law 2190/1920, as well as a joint application of the amalgamated companies on the set-up of a three-member assessment board under article 9 of Codified Law 2190/1920, whose task will be to assess and determine the value of contributed assets of the amalgamated companies to the Group subsidiary TOXOTIS SA.
  - ✓ The company's Board of Directors decided on 30.12.2008 not to exercise the right to collect approved Board of Directors fees for 2008, of € 200,000 in total.
- In implementation of a relevant decision of the Ordinary GM of the subsidiary SAMOS MARINAS SA as of 6.6.2008, approved prior period fees of €2,250,000 were certified as payable to the members of the company's Board of Directors for 2008, of € 300,000 in total.

- The Board of Directors of the subsidiary DELOS MARINAS SA decided on 30.12.2008 not to exercise the right to collect Board of Directors fees for 2008, as these had been approved by the ordinary GM of shareholders as of 6.6.2008, of € 300,000 in total.

- The Board of Directors of the subsidiary ANAP SA decided on 30.12.2008 not to exercise the right to collect Board of Directors fees for 2008, as these had been approved by the ordinary GM of shareholders as of 30.06.08, of € 5,000 in total.

- The Board of Directors of the subsidiary STROFYLI SA decided on 30.12.2008 not to exercise the right to collect Board of Directors fees for 2008, as these had been approved by the ordinary GM of shareholders as of 30.06.08, of € 5,000 in total.

- The Board of Directors of the subsidiary ALVITERRA HELLAS SA decided on 30.12.2008 not to exercise the right to collect Board of Directors fees for 2008, as these had been approved by the ordinary GM of shareholders as of 30.06.08, of € 5,000 in total.

- The 1st liquidation balance sheet of the subsidiary MARCO MARINAS SA closed on 6 December 2008, in implementation of a relevant decision of the Extraordinary GM of the Company's Shareholders as of 6 December 2007, which decided the winding up and liquidation of the Company. Such decision was registered with the Register of the Societes Anonyme and Trade Directorate of the South Sector of the Prefecture of Athens on 17.1.2008 (Ref. No. 20392/07). In the above company TECHNICAL OLYMPIC SA had as of 5.12.2007 a holding of 67.58% in the share capital.

- The Group subsidiary SAMOS MARINAS SA challenged the decision of the Opinion Committee of the Ministry of Economy and Finance, whose meeting on 05.12.2008 regarding the approval of project completion, approved investment costs reduced by € 0.52 mil. By challenging such decision, the company claims the amount of € 0.18 mil, corresponding to the grant which was reduced as aforementioned.

- The Group continued its construction operations through its subsidiaries MOCHLOS SA and TOXOTIS SA. Construction company MOCHLOS SA is one of the largest construction companies in the country holding the highest contracting certificate (class 7) of the Register of Contractors (MEEP). This allows it to rise to the challenges of the current business environment both in Greece and abroad in the most dynamic and efficient manner.

More specifically, despite the difficult conditions currently in the construction market ,in 2008 MOCHLOS SA, either alone or participating in joint ventures, or even through its subsidiaries, implemented a quite significant number of works under already concluded contracts, but also maintained its important presence in the sector by taking part in tender procedures for the awarding of new project contracts, expanding at the same time its activities abroad.

More specifically the picture of the Company's construction activities at the end of 2008 was as follows:

✓ The most important construction works in progress as of 31 December 2008 in Greece, are the following:

1. Construction of the Aigio tunnel at the KIATO – AIGIO part of the high speed railway line between ATHENS – PATRAS, with a contract value of € 37.5 million;
2. Construction of the right branch line from the exit of the Aniliou tunnel to the exit of the Malakasiou tunnel, with a contract value of € 38.5 million;

3. Earthworks and Technical Works construction for the line connecting the N. Ikonio Port with the railway network, with a contract value of € 31.57 million;
4. Modernization and restoration of the irrigation system for zones A and B' of the Ioannina basin, with a contract value of €25.38 million;
5. Construction of the Thriacio Pedio station complex (1st operational phase) (Α.Δ.540), with a contract value of € 59.35 million.

✓ The projects implemented in Romania on behalf of MOCHLOS SA are:

1. improvement of the Road Iacobeni - Sadova in North Romania;
2. improvement of the Road artery CALAFAT - DROBETA TURM - SEVERIN;
3. whereas in 2008 the project " extension of the Costantza Port" was successfully completed and delivered to the master of the project.

✓ It is expected to obtain approval from the master of the project, of the construction joint venture with AKTOR SA (where MOCHLOS SA participates with 30%), to undertake the execution of the project "RENOVATION OF THE INFRASTRUCTURE - SUPERSTRUCTURE OF ISAP LINES AND REINFORCEMENT OF THE TUNNEL BETWEEN THE OMONIA AND MONASTIRAKI STATIONS".

✓ Based on a relevant Letter of Award from the public motorway authority of Romania (RNCOMANR), the joint venture of our subsidiary MOCHLOS SA with the Romanian company ROMSTRADE S.R.L. was awarded the project "Roads Rehabilitation VI Programme LOT B Contract 6R6 Sandominic Toplita", with a bid budget at €56 mil., plus VAT plus revision. On 12.1.2009 the aforementioned joint venture deposited to the authority the signed contract and a proper performance guarantee letter.

✓ On 13.2.2009 MOCHLOS SA participated in a joint venture with the Spanish company DRAGADOS S.A. taking part in the preliminary selection tender procedure proclaimed by ATTIKO METRO SA for the project "Extension of Athens Metro Line 3 to Piraeus", with an estimated budget of € 515,000,000. The preliminary selection results are expected within three (3) to four (4) months from the date of the tender procedure.

✓ With regard to private projects, the subsidiaries MOCHLOS SA & TOXOTIS SA completed at year end the investment projects for the renovation of the MELITON hotel – PORTO CARRAS, budgeted at € 18 million, and the renovation of SITHONIA hotel- PORTO CARRAS, budgeted at € 32.75 million, while the projects "Renovation of PORTO CARRAS VILLAGE CLUB", budgeted at € 4.5 million and "Renovation of the winery and other facilities of PORTO CARRAS DOMAIN", budgeted at € 11 million, are in progress.

✓ The unexecuted part of projects in progress at the end of 2008 stood at € 131.55 mil for the Group.

- - The Group is active in the tourism industry through PORTO CARRAS S.A. company, which owns the resort of the same name in Sithonia, Halkidiki, and its other subsidiary companies which manage the different activities of the resort (4 hotels, marina, golf course, casino, winery etc.). As of 31.12.2008:

✓ the Group continues implementing the following investments in such resort, which have been included in development laws 2601/1998 & 3299/2004 to be subsidized by 30 - 40%:

- Investment plan of PORTO CARRAS DOMAIN SA for the establishment of a winery in order to replace an existing one in the Porto Carras resort. The total approved outlay for this project is € 11.00 million and the eligible state subsidy is € 4,38 million, i.e. 39.77 percent of the total approved outlay.

- Investment plan of PORTO CARRAS VILLAGE CLUB SA for the modernization and upgrading from the 3 star the 5 star category, of the VILLAGE CLUB Hotel. The total approved outlay for this project is € 4.29 million and the total approved state subsidy is € 1.71 million, i.e. 40 percent of the approved outlay for the project.

✓ Completed the following investment plans:

- Investment plan of the company PORTO CARRAS SITHONIA BEACH CLUB SA for the renovation and upgrading of the hotel from category 4* to category 5*. The total approved outlay for this project is € 23.81 million and the total approved state subsidy is € 9.52 million, i.e. 40 percent of the approved outlay for the project. This project was completed by the end of 2008, and was audited by the Central Audit Agency of the Ministry of Economy and Finance in January 2009. Collection of part of the eligible grant is anticipated.
- Investment plan of PORTO CARRAS SITHONIA BEACH CLUB SA for the creation of the SPA and new facilities for the public spaces at SITHONIA Hotel. The total approved outlay for this project is € 5.70 million and the total approved state subsidy is € 1.71 million, i.e. 30 percent of the approved outlay for the project. This project was completed by the end of 2008. We anticipate the setup of the Central Audit Agency of the Ministry of Economy and Finance to perform completion inspections, and to collect part of the eligible grant.
- Investment plan of PORTO CARRAS MELITON BEACH SA to modernize the hotel. The total approved outlay for this project is € 18.22 million and the eligible state subsidy is € 6.38 million, i.e. 35 percent of the total approved outlay. This project was completed in 2008. The Central Audit Agency of the Ministry of Economy and Finance audited the project in January 2009, certified completion, and in March 2009 50% of the eligible State grant was paid. The approval of the Opinion Committee of the Ministry of Economy and Finance is anticipated before collection of the remaining 50% of the eligible grant can be collected.

✓ The Group subsidiary PORTO CARRAS MARINA SA challenged the decision of the Opinion Committee of the Ministry of Economy and Finance, whose meeting on 16.5.2008 with regard to the approval of project completion approved investment costs lower than those certified by the Central Audit Agency by € 1.08 mil. By challenging such decision, the company claims the amount of € 0.38 mil, corresponding to the grant which was reduced as aforementioned.

✓ The Group subsidiary PORTO CARRAS MELITON BEACH SA challenged the decision of the Opinion Committee of the Ministry of Economy and Finance, whose meeting on 11.6.2008 with regard to the approval of project completion, approved less investment costs than those certified by the Central Audit Agency by € 1.51 mil. By challenging this decision, the company claims the amount of € 0.53 mil, corresponding to the grant which was reduced as aforementioned.

✓ The Group has commenced procedures for time-sharing sales in SITHONIA hotel, pursuant to the relevant inclusion approval No.7527/19.8.2008 granted by the Central Macedonia Tourism Division of the Ministry of Tourism, under which the PORTO CARRAS SITHONIA hotel is subject to a time-sharing status. Such inclusion relates to 255 rooms, 551 beds out of a total of 485 rooms and 1135 beds, i.e. 48.55% of the total hotel capacity. Time-sharing contracts will be entered into by means of a notarial deed. The term of such contracts may not exceed the term of lease between the owner lessor (PORTO CARRAS SA) and the lessee

(PORTO CARRAS SITHONIA BEACH CLUB SA). The first contract had been signed by 31.12.2008 (contract No.116196/30.10.2008), while agreements on time-sharing rights have also been made.

In addition, with respect to purely tourist operations for the year of 2008, contracts were implemented to a great extent with foreign tour operators from former Soviet Union republics (Russia - Ukraine - Belarus - Lithuania - Estonia - Latvia), the UK, as well as from countries of Central Europe (Germany - Switzerland - Austria). At the same time, allotment contracts were implemented with tour operators of about the same extent. Also taking into account the synergies that arose from contractual markets (Greek - Balkans - Congresses) in which the company has greatly penetrated during the past five years, an integrated multifaceted purchase platform has been created which greatly increased the prospects of increase in sales. In addition, for the first time a contract has been implemented with the largest and most important, worldwide tour operator, TUI GROUP, as well as with THOMSON, which added even more increased dynamics in attracting customers from throughout Europe.

2. Financial Figures Overview

In the middle of a particularly challenging and volatile business environment, the group managed to improve most of its financial figures during 2008, as a result of its disengagement from the former subsidiary TOUSA Inc., as well as the achievement of significant economies of scale due to the rationalization of its entire structure and operation.

The financial statements as at 31 December 2008 provide the picture of the Group's progress as well as the main financial figures, as follows:

1. The consolidated turnover for the period ended on 31 December 2008 from ongoing activities stood at € 175.64 mil. compared to € 154.04 mil. for the previous year of 2007, demonstrating an increase of 14.02%, mainly resulting from an increase in turnover for the construction sector from non-Group activities, and a minor improvement seen in the results of PORTO CARRAS resort.
2. Accordingly, the company's turnover from ongoing activities stood at € 6.32 mil against € 4.96 mil in 2007, showing a 27.41% increase.
3. The consolidated gross results (earnings) from ongoing activities for 2008 stood at € 20.49 mil compared to € 19.02 mil in 2007, up by 7.73%. Accordingly, corporate gross results (earnings) for 2008 stood at € 4.07 mil compared to € 1.97 mil in 2007.
4. The consolidated operating results (before taxes, financing, investment results and total depreciation - EBITDA) for 2008 from ongoing activities stood at losses of € 7.41 mil compared to earnings of € 11.45 mil for 2007. Corporate operating results (before taxes, financing, investment results and total depreciation - EBITDA) for 2008 stood at earnings of € 7.7 mil compared to losses of € 0.71 mil in 2007.
5. The consolidated results before taxes for 2008 from ongoing activities corresponded to losses standing at the amount of € 22.78 mil from € 4.39 mil in 2007. Accordingly, the corporate results before taxes for 2008 corresponded to earnings of € 7.40 mil, from losses of € 173.54 mil in 2007. The results of 2007 reflect losses as a result of the impairment of the company's participation in the former subsidiary TOUSA Inc.

6. The consolidated net results (after taxes) for 2008 from ongoing activities also reflected losses, standing at € 29.32 mil compared to € 10.18 mil in 2007, while corporate net results after taxes for 2008 reflected gains standing at € 7.58 mil compared to losses of € 173.54 mil in 2007. The difference also seen between results after taxes is due to the same cause mentioned in previous paragraph 5.

7. The total Group Equity reached € 454.76 mil, as a result of both the effect of non-consolidation of the former subsidiary TOUSA Inc., and the assessed goodwill of the Group's tangible assets. Accordingly, the company's total equity reached € 356.22 mil compared to € 255.90 mil in 2007.

8. Total Fixed Assets for the Group stood at € 529.24 mil compared to € 351.46 mil in 2007, as a result of both the completion of part of the investment projects at the PORTO CARRAS resort and the aforementioned reassessment thereof.

The relevant ratios are shown in the following tables:

EFFICIENCY RATIOS	**31.12.2008**	**31.12.2007**
Net results before taxes, financing and investing results and depreciation/ Total income (ON A CONSOLIDATED BASIS)	-4,22%	7,43%
Net results before taxes, financing and investing results and depreciation/ Equity (ON A CONSOLIDATED BASIS)	-1,63%	-

EFFICIENCY RATIOS	**31.12.2008**	**31.12.2007**
Net results after taxes, financing and investing results and depreciation/ Total income (ON A CONSOLIDATED BASIS)	-12,97%	-2,85%
Net results after taxes, financing and investing results and depreciation/ Equity (ON A CONSOLIDATED BASIS)	-5,01%	-

FINANCIAL EFFICIENCY RATIO	**31.12.2008**	**31.12.2007**
Equity/ Total liabilities (ON A CONSOLIDATED BASIS)	195,72%	-
DEBT TO EQUITY RATIO	**31.12.2008**	**31.12.2007**
Total debts/ Total liabilities (ON A CONSOLIDATED BASIS)	33,82%	106,64%
Equity/ Total liabilities (ON A CONSOLIDATED BASIS)	66,18%	-6,64%

3. Value generating and performance measurement factors

The Group monitors its performance through the analysis of the main business segments. The Group evaluates the results and the performance of segments on a monthly basis identifying in a timely and efficient manner deviations from its goals and taking corrective action accordingly. The Company's performance is measured using internationally used financial performance ratios:

- **ROCE (Return on Capital Employed)**: In calculating the ratio, earnings before taxes and financial results are divided by the total capital employed and for the year 2008 this stood at -61.95% on a consolidated basis.
- **ROE (Return on Equity)**: In calculating this ratio earnings after taxes are divided by Equity and for the year 2008 this stood at-6.45% on a consolidated basis and at -2.86% at company level.

SECTION B

Significant Events

- In February 2009, the parent company TECHNICAL OLYMPIC SA filed an application, for the return of goodwill tax on the transfer of shares for the amount of $ 9,665.9121, with the US tax authorities. The issue for this return arose following the transfer of shares of the former subsidiary TOUSA Inc., approved by the South Florida Bankruptcy court. Following the aforementioned transfer, the participation of TECHNICAL OLYMPIC in the share capital of the former subsidiary TOUSA Inc, stood at 56.20% compared to 66.94% the parent company held before such transfer.
- In implementation of relevant decisions of the Board of Directors on 29.12.2008:

✓ The Boards of Directors of the companies involved decided on 29.12.2008 to commence merger procedures, in accordance with the provisions of articles 68-77 of Codified Law 2190/1920 and Legislative Decree 1297/1972, by absorption by TOXOTIS SA of: a) the subsidiaries: ANAP SA, ALVITERRA HELLAS SA, and b) the independent companies: EDAP SA, BEI CENTER LTD, T.C. PARKING PLOT LTD.

✓ The Boards of Directors of the companies TOXOTIS SA (absorbing company) and ANAP SA, ALVITERRA HELLAS SA, EDAP SA, BEI CENTER LTD T.C. PARKING PLOT LTD (absorbed companies), decided at the meetings on 6.3.2009 to approve the jointly prepared Merger Draft (MD) and appointed the companies representatives to sign such draft.

✓ On 7.3.2009, the authorized representatives signed the jointly prepared Merger Draft (MD) which was, together with all necessary supporting documents, submitted to the competent authorities (Eastern Attica Prefecture) for further actions pursuant to articles 69 & 70 of Codified Law 2190/1920, as well as a joint application of the amalgamated companies on the set-up of a three-member assessment board under article 9 of Codified Law 2190/1920, whose task will be to assess and determine the value of contributed assets of the amalgamated companies to the Group subsidiary TOXOTIS SA.

On 13.2.2009 MOCHLOS SA participated in a joint venture with the Spanish company DRAGADOS S.A. taking part in the preliminary selection tender procedure proclaimed by ATTIKO METRO SA for the project "Extension of Athens Metro Line 3 to Piraeus", with an estimated budget of € 515,000,000. The preliminary selection results are expected within three (3) to four (4) months from the date of the tender procedure.

SECTION C

Risks and Uncertainties

Risk management

Financial risk factors

The Group is exposed to financial risks, such as changes in the exchange rates, the interest rates, credit risk, liquidity risk and fair value risk due to changes in the interest rates. The Group's general risk management plan is focused on the timely financial markets forecasting and aims at minimizing their possible negative effect in the financial performance of the Group.

Risk management is performed from the central cash management service, which identifies and estimates the financial risks in cooperation with the operations facing these risks. Before proceeding to the relevant transactions, approval is obtained from officers with the right to bind the Group towards its counterparties. The usual risks to which the Group is exposed are:

Foreign exchange risk

Foreign exchange risk is the risk involving fluctuations in the value of financial instruments, assets, as well as receivables and liabilities due to changes in rates of foreign exchange. The Group engages in activities internationally hence it is exposed to foreign exchange risk mainly due the fluctuations of the RON-Euro exchange rate, as a result of the Group's activities in the Romanian market. This risk results mainly from future commercial transactions and liabilities in RON. In case of major changes in foreign exchange rates, it is possible that the Group's results are seriously affected. The Group, for the time being, has not adopted the use of foreign exchange risk hedging tools, since no RON-specific hedging instruments are currently in place, also due to the general volatility of the financial system. However, within the framework of responding adequately to the above risk, it is in constant contact with its financial advisors in order to determine on an ongoing basis the best offsetting policy in an environment which changes constantly.

Detailed information is provided in chapter 14 of the financial statements.

Credit Risk & Liquidity Risk

The Group is not exposed to credit risk, save the construction sector, since a significant part of its income from such sector is generated by sales to the Greek State. Hence these incomes in their majority are received from customers with a delay, which ranges between 1 and 4 months in Greece and up to 3 to 6 months abroad. To cover for such delays and secure the necessary liquidity, the Group aims to maintain sufficient banking limits to prepay accounts signed by banking institutes. Where the foregoing delays in the collection of income become longer, it is possible that the Group's results shall be significantly affected. In general, the Group Management estimates that liquidity risk will be limited, since none of the PORTO CARRAS resorts has been pledged to secure loans with banks.

Moreover, the Group's Management systematically evaluates exposure to credit risk and for that reason it is constantly in touch with its financial advisors for a more adequate credit risk reduction or elimination policy to be constantly established in an ever changing environment.
Detailed information is provided in chapter 14 of the financial statements.

Fair value change risk due to changes in interest rates

The Group's operational revenues and cash flows are affected by changes on the prices of interest rates. The main source of the interest rate change risk is loan obligations as well as leasing obligations. The Group has among its assets significant interest bearing items and its policy is for almost all of its borrowings to consist of floating interest rate products. It is the Group's policy to maintain its loan balances at the lowest possible levels, securing at the same time such funding lines from cooperating banks which can uninterruptedly satisfy the Group's ongoing growth and expansion.

Group's operational revenues and cash flows are affected by changes on the prices of interest rates. The main source of the interest rate change risk is loan obligations as well as leasing obligations. The Group has among its assets significant interest bearing items and its policy is almost for all of its borrowings to consist of floating interest rate products.
In any case and due to the small effect on the Group's operating income and cash flows of changes in interest rates, the Group's Management considers that exposure to such risk is low.

The sensitivity of the results for the period and Equity in a change in interest rates of +1% or -1% is presented below:

A. Interest rate increase by 1%:
In such a case, period results and Group equity would be charged by € 648 thousand and € 741 thousand on 31.12.2008 and 31.12.2007, respectively.

B. Decrease in interest rates by 1%:
In such a case, period results and Group equity would increase by € 648 thousand and € 741 thousand on 31.12.2008 and 31.12.2007, respectively.
Detailed information is provided in chapter 14 of the financial statements.

Risks Associated with the Company's Ability to Effectively Manage Companies that are Active in Different Sectors

The Group participates in a series of different sectors such as construction, land and real estate development, hotel corporations, and tourist marina operations, commerce (PORTO CARRAS WINERY – DOMAIN) and other activities (e.g. casino management). The effective management of different sectors is a complicated and significant project, which requires special care in making investment decisions and choosing priorities. In the event that the Group's management proceeds to implement insufficiently founded investment decisions or in

the event of ineffective implementation of those, it is expected to affect negatively the activities and the profits of the TECHNICAL OLYMPIC Group.

Risks arising from Changes in the Conditions Prevailing in the Construction Sectors

The construction activities depend heavily on the progress of the investment programs for infrastructure projects implemented by the Greek and Romanian states. Therefore, the outcome of the financial results of the subsidiary company, "MOCHLOS S.A.", and subsequently that of the entire Group will be affected in the immediate future by the extent and rate of implementation of projects under the 3rd Community Support Framework funded by the European Union and public investment programs of these countries. We cannot rule out the fact that future changes in the procedure of distribution of public or community resources for infrastructure projects will significantly affect the activities and the financial results of the Group.

Risks Associated with the Proper Execution of Construction Projects

The construction projects undertaken by the Group's companies include explicit clauses regarding their proper and timely execution. Even though the Group companies have extensive experience and know-how on completing complicated and major construction projects, we cannot rule out the possibility that in the future extraordinary expenses may arise from unforeseen events, which may adversely affect the Group's activities and financial results.

Risks Associated with the Execution of Projects by Subcontractors

In several projects, the Group Companies will assign sections of the works to third party companies under a subcontractor agreement. In these cases, the Group will make sure to sign agreements with subcontractors that include the latter's obligation to correct any errors at their own risk; however we cannot rule out the possibility, although small, that in certain cases the subcontractors will be unable to fulfill the said obligations which consequently will be carried over to the Group.

Risks Associated with the Applicable Law Governing the Tender, Award, Execution and Supervision of Public and Private Projects

Activities of Group companies in the construction sector depend on legislation that regulates the public projects (tender, awarding, execution, supervision) as well as issues related to the environment, safety, public health, labour and taxation. It is a fact that the Group is large enough and has the infrastructure to respond effectively to any changes to the relevant legislation, but it cannot rule out the possibility of future legislative changes causing, even temporarily, adverse effects on the Group's financial results.

Risks Arising from Injury/Damage to Persons, Equipment and the Environment (insurance coverage)

The Group's activities are at risk from adverse events that may arise at any time, such as, among others, accidents, injuries and damage to individuals (employees and/or third parties),environmental damage, damage to equipment and third party property. All the above quite probably may cause delays or, in a worst-case

scenario, suspension of the works in the projects involved. However, all necessary preventative measures have been taken in order to avoid such adverse events, while at the same time, the recommended insurance agreements have been signed. However, we cannot rule out the possibility that the amount of the liabilities of the Group's companies arising from such adverse events may exceed the insurance compensation that same will receive; therefore, a portion of the said liabilities shall be demanded to be covered by the Group's companies.

Usually, the insurance coverage they provide, covers the cost of repairs of design or construction defects. However, in many cases this coverage is not enough to cover all the warranty claims for which the construction companies are liable and are usually very expensive.
Even though the Group demands compensation from its subcontractors for defects that may arise, it cannot always enforce such compensations in the agreements it signs. For that reason, the insurance coverage cost and non-coverage of insurance claims may lead to a negative effect on its operating results.

Risks Related to the Dependency on Corporate Executives

The administration of the Company as well as the other companies included in the Group, is based on a team of experienced executives, most of which have been working in the Group for several years and have acquired deep knowledge in the their field of expertise. In the current phase the said executives are in synchronized cooperation with the sole objective the Company's progress and development. The Company has the required infrastructure to handle any loss of any executive(s) without significant effects to same's objectives.

Risks Related to the Hotel-Tourist Sector

Any fluctuation of the Hotel-Tourist sector may affect the profitability of subsidiary companies and therefore the Group's results. The effects of the current crisis are expected to become evident in 2009 in the tourism business at international level, however its impact on the financial results of the Group may not be quantified, since it also depends on the development of other factors.

Corporate governance

The Group has adopted the Principles of Corporate Governance, as these are defined by the current Greek Legislation and international practices. Corporate Governance as a set of rules, principles and control mechanisms, on the basis of which each company in the Group is organized and governed, aims at transparency towards the investing public, as well as ensuring the interests of its shareholders and of all those connected to its operation.

The Board of Directors of TECHNICAL OLYMPIC S.A. comprises eight (8) executive and four (4) non-executive members. From the non-executive members, two (2) of them qualify based on the provisions of Law 3016/2002 on Corporate Governance to be called "Independent".

The evaluation and improvement of risk management and internal control systems, as well as verification of compliance with institutionalized policies and procedures, as these are laid down in the Company's Internal Operation Regulations, applicable legislation (mainly stock exchange legislation) and the decisions of the Board of Directors, has been assigned to the Internal Audit Division, which operates as an independent organizational unit and reports directly to the Board of Directors.

Social Reporting

The Group's contribution on a technological, social infrastructure and socioeconomic level is important. The Group invests in providing continuous training and updated information to the people that work for its companies, so that they are able to respond to today's business requirements and developments, so that quality products and services are provided which satisfy the requirements of the market while promoting values that serve and protect the community.

SECTION D

Anticipated progress and development

The further operation of the PORTO CARRAS complex, strengthening of the construction segment operations, mainly through the Group's subsidiaries engaged in this sector, and the general restructuring of investments in Greece and abroad, are the goals for 2009.

Facing the adverse financial conditions

The Group's outlook is expected to be affected by the adverse business environment on a global scale, the decline in economic growth and, as a consequence, in demand. Two major Group operations, constructions and tourism, have been and are still affected by international conditions. The Group estimates that the effect of the deteriorating environment cannot by quantified, since this will depend on:

1. the general economic condition of the Public Sectors in Greece and Romania where the Group is exposed mainly due to the execution of public works , which are financed by the State or State agencies;
2. the decline in demand for tourism services, as a consequence of the limited demand by end consumers;.
3. the competitive environment in Greece and abroad;
4. the offering of new public works.

Under these circumstances, the Group focuses its efforts on protecting capital and cash flows, in order to retain its capital structure. The Group Management estimates that over the many years of its operation, the Group has set strong foundations and obtained flexible and competitive cost structures, which should enable it to deal with the negative consequences of these adverse financial circumstances. Furthermore, the Group Management will take all actions to enhance flexibility and adaptability, so as to perform any necessary adjustments. A negative development of these uncertainties could have an adverse effect on the Group’s financial results

SECTION E

Company transactions with affiliates

Company	Type of affiliation	Income from the sale of merchandise and services offering	Priced Income from project implementation	Purchases of Goods and services	Receivables	Liabilities
MOCHLOS	SUBSIDIARY COMPANY	2,015,033	3,726,200	0	4,351,907	0
TOXOTIS SA	SUBSIDIARY COMPANY	101,290	0	2,291,751	0	3,745,986
ANAPTIXEIS ATHINAIKON PROASTION SA	SUBSIDIARY COMPANY	2,057	0	0	0	43,443
ALVITERRA HELLAS SA	SUBSIDIARY COMPANY	1,636	0	0	1,240	0
MELITON BEACH PORTO CARRAS SA	SUBSIDIARY COMPANY	598,257	0	0	9,664,307	0
SITHONIA BEACH CLUB PORTO CARRAS SA	SUBSIDIARY COMPANY	150,720	0	0	178,105	0
PORTO CARRAS VILLAGE CLUB SA	SUBSIDIARY COMPANY	58,983	0	0	1,224,366	0
PORTO CARRAS GOLF SA	SUBSIDIARY COMPANY	122,860	0	0	2,306,152	0
PORTO CARRAS MARINAS SA	SUBSIDIARY COMPANY	48,875	0	0	886,981	0
PORTO CARRAS SA	SUBSIDIARY COMPANY	102,113	0	0	0	2,568,671
KTIMA PORTO CARRAS SA	SUBSIDIARY COMPANY	129,336	0	0	2,845,952	0
PORTO CARRAS TOURISTIKES ANAPTIXEIS SA	SUBSIDIARY COMPANY	2,148	0	0	0	0
PORTO CARRAS HYDROPLANES SA	SUBSIDIARY COMPANY	1,500	0	0	0	0
STROFILI TECHNICAL SA	SUBSIDIARY COMPANY	2,057	0	0	240	1,095
DILOS MARINAS SA	SUBSIDIARY COMPANY	51,440	0	0	282,810	0
SAMOS MARINAS SA	SUBSIDIARY COMPANY	322,090	0	0	7,058,146	0
SKIATHOS MARINAS SA	SUBSIDIARY COMPANY	1,440	0	0	303,196	0
MARKO MARINAS SA	SUBSIDIARY COMPANY	720	0	0	986	0
EUROROM CONSTRUCTI	SUBSIDIARY COMPANY	0	0	0	0	97,898
PORTO CARRAS ENERGY SA	AFFILIATED COMPANY	1,360	0	0	0	0
OLYMPIAKI PLOTA SA	AFFILIATED COMPANY	2,113	0	0	16,782	0
VILLA GALINI SA	OTHER ASSOCIATED COMPANIES	1,634	0	0	0	0
JOINT VENTURES	OTHER ASSOCIATED COMPANIES	2,196	0	0	13,082	0
OTHER ASSOCIATED COMPANIES	OTHER ASSOCIATED COMPANIES	216	0	0	298	0
MEMBERS OF THE BoD	OTHER ASSOCIATED COMPANIES	0	0	0	5,399	1,518,870
MANAGEMENT EXECUTIVES	OTHER ASSOCIATED COMPANIES	0	0	0	0	1,900
TOTAL		**3,720,072**	**3,726,200**	**2,291,751**	**29,139,948**	**7,977,862**

Group transactions with affiliates

Company	Type of affiliation	Income from the sale of merchandise and services offering	Priced Income from project implementation	Purchases of Goods and services	Receivables	Liabilities
PORTO CARRAS ENERGEIAKA SA	AFFILIATED COMPANY	1,600	0	0	160	0
OLYMPIAKI PLOTA SA	AFFILIATED COMPANY	2,113	0	0	433,129	0
VILLA GALLINI SA	OTHER ASSOCIATED COMPANIES	29,578	0	0	32,880	0
TC PARKING PLOT NOTION PROASTION SA	OTHER ASSOCIATED COMPANIES	360	146,880	0	1,522,130	0
JOINT VENTURES	OTHER ASSOCIATED COMPANIES	3,660	2,518,125	88,225	5,430,469	1,838,906
OTHER ASSOCIATED COMPANIES	OTHER ASSOCIATED COMPANIES	0	72,847	26,110	51,489	223,667
MEMBERS OF THE BoD	OTHER ASSOCIATED COMPANIES	0	0	0	15,614	3,486,003
MANAGEMENT EXECUTIVES	OTHER ASSOCIATED COMPANIES	0	0	0	4,936	17,286
TOTAL		**37,311**	**2,737,852**	**114,335**	**7,490,806**	**5,565,863**

SECTION F

Treasury shares

In implementation of a relevant decision of the 2nd repeated Ordinary General Meeting of shareholders of TECHNICAL OLYMPIC as of 8 September 2008 (initial as of 30.6.2008, adjourned as of 30.7.2008 and 1st repeated as of 19.8.2008), 501,638 treasury shares were purchased on different dates, with the purpose of offering stock options for a two-year period to members of the Board of Directors and Company executives, as well as to members of the Board of Directors and executives of affiliates, , in accordance with the provisions of article 16 of Codified Law 2190/1920. As of 31.12.2008 and to this day, these shares have remained undistributed. Upon expiry of the twelve-month deadline from acquisition, the provisions of article 16(3) of Codified Law 2190/1920 will apply. The fair capitalization market of treasury shares on 31.12.2008 stood at € 120,393.12.

SECTION G

Information of para.7 and explanatory report of article 4(8) of Law 3556/2007

Structure of the Company's share capital

The Company's share capital stands at € 165,625,000 and is divided into 165,625,000 common registered shares with the nominal value of €1.00 each.

All shares are registered and listed for trading on the Athens Stock Exchange.

Each common share grants the right to one vote at the General Meeting.

Each share grants all the rights and obligations set by the Law and the Company's Articles of Association. The liability of shareholders is limited to the nominal value of the shares they hold.

Restrictions to the transfer of Company shares

The transfer of Company shares is subject to the provisions of the Law and no restrictions apply to the transfer of shares under the Company's Articles of Association.

Significant direct or indirect holding within the meaning of Presidential Decree 51/1992.

On 31.12.2008, the following shareholders held more than 5% of the total voting rights in the Company:

SHAREHOLDER	% HOLDING
KONSTANTINOS STENGOS	34,31%
FORTIS BANQUE (SUISSE) S.A.	6,43%

Shares granting special rights to audit

There are no Company shares that grant special audit rights.

Restrictions to the right to vote

No restrictions to voting rights are imposed under the Company's Articles of Association.

Company shareholder agreements

The Company is not aware of nor is there in the Company's Articles of Association any provision allowing for shareholder agreements which might entail restrictions on the transfer of shares or restrictions to the exercise of voting rights.

Rules concerning the appointment and replacement of members of the Board of Directors and rules concerning the modification of the articles of association that differ from the provisions of Codified Law 2190/1920, as it applies today

The rules provided for in the Company's Articles of Association on the appointment and replacement of Directors, and the modification of provisions of the Articles of Association are no different from those provided for in Codified Law 2190/1920, as it applies today.

Authority of the Board of Directors or some of its members for the issuance of new shares or the purchase of own shares of the Company according to article 16 of Codified Law 2190/20, as it applies today

A) In accordance with the provisions of Article 13 (1) (b) and (c) of Codified Law 2190/1920 and in conjunction with the provisions of Article 6 of its Articles of Association, the Company's Board of Directors is entitled to increase the Company's share capital by issuing new shares by decision made by a majority of at least two thirds (2/3) of its members, following a decision taken to that respect by the General Meeting which is subject to the disclosure formalities of Article 7b of Codified Law 2190/1920 . In that case, the share capital may be increased up to the amount of the paid up capital as at the date on which the Board of Directors was granted such power by the General Meeting. Such power of the Board of Directors may be renewed by the General Meeting for a time period not over 5 years for each such renewal.

B) In accordance with the provisions of Article 13 (9) of Codified Law 2190/1920, by decision of the General Meeting made by increased quorum and majority in accordance with the provisions of Articles 29 (3) and (4) and 31 (2) of Codified Law 2190/1920, a program may be setup for the offer of shares to members of the

Board of Directors and personnel of the Company as well as of its associated companies in the form of stock options, in accordance with the specific terms of such decision, a summary of which is subject to the disclosure formalities under Article 7b of Codified Law 2190/1920. More specifically, the General Meeting decision determines the maximum number of shares to be issued, which may not exceed 1/10 of existing shares, the price and the terms of distribution to beneficiaries. The Board of Directors establishes by its decision all other related details not otherwise established by the General Meeting, issues stock option certificates and in December each year issues shares to the beneficiaries that have exercised the stock option, increasing the Company's capital accordingly. Further, it certifies the capital increase in accordance with Article 11 of Codified Law 2190/1920.

After all, in accordance with the provisions of Article 16 (5) - (13) of Codified Law 2190/1920, companies listed on the Athens Exchange may by decision of the General Meeting of their Shareholders acquire treasury shares through the Athens Exchange for up to 10% of the total number of shares.

Important agreements enforced, modified or terminated in case of change of Company control following a public proposal

No Company agreements are in place which are enforced, modified or terminate in case of change of control of the Company following a public proposal.

Important Agreements with Board of Directors members or Company staff

No agreements made by the Company with members of the Board of Directors or personnel are in place, which provide for compensation in case of resignation or dismissal on other than serious grounds, or termination of office or employment due to a public proposal.

Amendment of the Company's Articles of Association

The General Meeting as of 30.06.2008 decided to amend the following articles of the Company's Articles of Association:

Article 11

1) If the position of a member or members of the Board becomes vacant for any reason whatsoever, the remaining members may continue with the company's management and representation without the replacement of missing members, provided that their number exceeds half the number of members that existed before the occurrence of the aforementioned events. In any case, these members may not be less than three (3).

2) In any case, the Board of Directors may elect members in replacement of members who have resigned, deceased, or otherwise forfeited their capacity. Such election by the Board of Directors shall be made by resolution of the remaining members, who must be at least three, and shall apply for the remainder of the replaced member's term of office. The election decision shall be subject to the publication formalities of article

7b of Law 2190/1920, and shall be announced by the Board of Directors at the immediately following General Meeting, which may replace the elected directors, even when such issue is not included in the agenda.
3) In the event of a resignation of a non-executive member, his/her replacement must also be a non-executive member. The same applies to independent members.
4) The election will be made in a ballot, and will be subject to certification by the first General Meeting thereafter. The actions of members so elected by the Board of Directors taken during the period from their election and any non-certification of the election will be valid in all cases. The term of office of a new Director will be the remaining term of office of the replaced director. Outgoing Directors will always be re-electable.
5) In any case, the remaining members of the Board of Directors, regardless of their number, may convene a General Meeting for the election of a new Board of Directors only.

Article 13

1) The Board of Directors mat meet at the company's registered office whenever dictated by the law, by these articles or the company's needs, upon invitation of the Chairman or the Vice-Chairman, specifying the place, time and items on the agenda, or upon request of two (2) Directors in writing.
2) The Board of Directors may meet at a video conference meeting, also according to a decision which may be issued by the Minister of Development on the establishment of minimum technical security requirements to ensure validity of the meeting.
In this case, the invitation to the members of the board of directors will contain the necessary information for participation in the meeting.
3) The Board of Directors may elect in a ballot and with absolute majority the Chairman and Vice-Chairman among its executive members, as well as one Managing Director and one CEO. Two (2) of the aforementioned capacities may coincide in the same person. In case of the Chairman's impediment to perform his/her duties, he will be replaced by the Vice-Chairman or any other Director designated by the Board of Directors in that respect. The Board of Directors will meet for the first time after the election of its members by the General Meeting.
4) The Chairman, and in case of his/her absence, the Vice-Chairman, will convene the Board of Directors, direct discussions, oversee proper preparation of the Minutes, see to the implementation of decisions and in general supervise the smooth carrying out of corporate affairs.
5) The Managing Director will direct the internal operation of the Company Offices, regulate relations with the personnel, suppliers and customers, and replace the CEO.
The assignment of the aforementioned capacities and tasks is potential and revocable.
6) The CTO will manage the company and direct its operations within the framework of Law and the decisions of the General Meeting and the Board of Directors, and will replace the Managing Director. Such a replacement of the Managing Director will not be effective at the meetings of the Board of Directors, since the CEO is not a Director. The CTO must be a technical executive of the Company, since the Company is registered as a contracting companies, in accordance with the provisions of article 7(4) of Presidential Decree 472/85.
7) Each member of the Board of Directors will be liable to the Company in the pursuance of corporate affairs. Such liability will cease to exist if proven that such member acted in due diligence in the pursuance of corporate

affairs. This will not apply to the Managing Director, who will be held personally liable. Of course, such liability will not exist when arising from actions or omissions based on legal decisions of the General Meeting. Each and every member of the Board of Directors must keep business information confidential.

Article 14

1) The Board of Directors shall have a quorum and validly meet when half (1/2) plus one member are present or represented; however, the number of members present may in no case be less than three (3). In all cases of quorum, the number of non-executive members of the Board of Directors must be at least equal to one third (1/3) of the members present. To achieve a quorum, any resulting fractions shall be disregarded.

2) The decisions of the Board of Directors will be taken in absolute majority of the members present and represented. In the event of a tie, the Chairman's vote shall not be decisive. In terms of personal matters, the decisions of the Board shall be taken voting in a ballot.

3) The discussions and decisions of the Board of Directors will be kept in minutes and filed in special records as provided for by law. Such minutes shall be signed by the Chairman and the members who are present at a meeting.

4) A member may not refuse to sign the minutes if he/she has attended the meeting; however he/she may request that his/her disagreement be recorded.

5) Copies and abstracts of the minutes of the Board of Directors that must be procured at court or before any other authority will be certified by the Chairman or the Vice-Chairman, or in case of their impediment, by the legal replacement Director.

6) The preparation and signing of minutes by all members of the Board of Directors or their representatives shall be equivalent to a decision of the Board of Directors, even when a meeting has not been held.

Article 18

1) The General Meeting of the Company's shareholders is the supreme body of the Company which may decide on all affairs associated with the Company, and represent the company and shareholders, while its legal decisions shall be binding upon all shareholders, even those who are absent or dissenting.

2) The General Meeting must meet at ordinary or extraordinary meetings at the company's registered office or in another municipality in the prefecture where such registered office is located, or in another adjacent municipality. It may also meet in the municipality where the stock exchange is located, on which the company's share are listed. The Ordinary General Meeting must be held once every fiscal year and within six (6) months at the latest from year end, while the Extraordinary General Meeting may be held whenever deemed appropriate by the Board of Directors.

3) The General Meeting may be held through video conference, also in accordance with the minimum security specifications which might be established by a legally issued decision of the Minister of Development, following the opinion of the Capital Market Commission.

4) Shareholders may participate in votes at the General Meeting from a distance, when the items on the agenda of the General Meeting have been sent to the shareholders, together with the relevant voting papers showing such items, also in accordance with the decision which may be issued by the Minister of Development, following

the opinion of the Capital Market Commission, which will specify the shareholders' information requirements, the procedure for distant participation, as well as how to handle the votes in case of cancellation or adjournment of the meeting.

5) With the exception of adjourned meetings and those considered as such, the General Meeting must be convened at least twenty (20) clear days before the date set for the meeting, also taking into account the days excluded. The date of publication of the invitation to the General Meeting and the date of meeting shall not count.

6) The invitation to the General Meeting, which shall include at least the place, date and time of the meeting, and clearly state the items on the agenda, shall be posted at a visible location at the Company's branch and published in the Hellenic Government Gazette issue for SA and Ltd companies, pursuant to article 3 of Presidential Decree as of 16 January 1930, regarding the Societes Anoyme Issues, in one daily Athenian political newspaper, or to the discretion of the Board of Directors in more journals, and in one daily financial newspaper of those which are issued daily for at least three (3) consecutive years and of which at least 5,000 daily copies have been circuited, also in accordance with the provisions of article 26 of Codified Law 2190/1920, as amended by Presidential Decree 409/86. It shall also be published in one daily or weekly newspaper issued in Patras, or, should such newspaper not be issued in the area where the Company keeps its registered office, in one of the newspapers issued within the Prefecture capital where the Company keeps its registered office. In case of a repeated General Meeting, the invitation disclosed through daily or financial newspapers will be published at least ten (10) clear days earlier, and in the Issue on SA and LTD companies of the Government Gazette at least five (5) clear days earlier.

Article 22

1) A quorum shall exist and the General Meeting shall validly meet on the items on the agenda when Shareholders representing at least 1/5 of the paid up share capital are present in person or via proxies.

2) Unless such quorum is achieved, the General Meeting will be convened again within twenty (20) days from the date of such adjourned meeting, through an invitation communicated at least ten (10) clear days earlier. Such repeated meeting will have a quorum and validly meet on the items on the original agenda, regardless of the percentage of the paid up share capital represented. No new invitation shall be required if the initial invitation specifies the location and time for repeat meetings provided for by law, in the case where no quorum is achieved.

Exceptionally, in the event of decisions pertaining to change of company nationality, change of scope and objectives, the increase of shareholder obligations, a share capital increase (save as provided in article 6(1) of the Articles or a share capital increase imposed by law or made with capitalization of reserves), a share capital reduction, the issue of a bonded loan involving bonds convertible into company shares, pursuant to article 3(a) of Codified Law 2190/1920 or bonds which grant bondholders the right to participate in Company profit, pursuant to article 3(b) of Codified Law 2190/1920, change to the profit distribution method, merger, split, conversion, revival, extension of term or winding up of the company, provision or renewal of powers to the Board of Directors for a share capital increase or issue of a bonded loan involving bonds convertible into company shares pursuant to articles 3(a)(1)(b) and 13(1) of Codified Law 2190/1920, the Meeting shall be held

at a quorum and validly meet on the items on the agenda when at least 2/3 of the paid up share capital are present in person or represented.
4) Unless this quorum is achieved, the General Meeting shall be convened again, according to the provisions of paragraph 2 hereof, and shall be held in quorum and validly meet on the items of the agenda when at least 1/2 of the paid up share capital is represented thereat.
5) Unless this quorum is achieved, the General Meeting shall be convened again, as per above, and shall be held in quorum and validly meet on the items of the agenda when at least 1/5 of the paid up share capital is represented thereat.

Important direct or indirect holdings within the meaning of articles 9 to 11 of Law 3556/2007
On 31.12.2008, the following shareholders held more than 5% of the total voting rights in the Company: Konstantinos Stengos 34.31%, FORTIS BANQUE (SUISSE) S.A. 6.43%.
The only shareholder that changed the participation percentage during 2008 was FORTIS BANQUE (SUISSE) S.A., which increased its participation in the voting rights from 4.85% to 6.43%.

No post balance events are in place which would require reporting in accordance with the International Financial Reporting Standards (IFRS).

The Chairman
of the Board of Directors

KONSTANTINOS A. STENGOS

SA Registration No.: 6801/06/B/86/08

20, SOLOMOU STREET, ALIMOS

D. ANNUAL FINANCIAL STATEMENTS

FOR THE FISCAL YEAR 2008

(JANUARY 1 – DECEMBER 31 2008)

The attached Financial Statements are the Financial Statements that the BoD of TECHNICAL OLYMPIC SA approved at its meeting on 27/03/2009 and have been posted on the Internet at www.techol.gr as well as on the ATHEX website, where it shall be available to investors for at least five (5) years from the day of its preparation and posting.

The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with general information on the financial position and the results of the company but they do not illustrate a full view of the financial position, the results of operation and the cash flows of the Company and the Group, in accordance with the International Financial Reporting Standards.

TABLE OF CONTENTS

BALANCE SHEET 38
PROFIT/ LOSS STATEMENT 39
PROFIT/ LOSS STATEMENT ANALYSIS 40
STATEMENT OF CHANGES IN THE GROUP'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2007 41
STATEMENT OF CHANGES IN THE GROUP'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2008 42
STATEMENT OF CHANGES IN THE PARENT COMPANY'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2007 43
STATEMENT OF CHANGES IN THE PARENT COMPANY'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2008 44
CASH FLOW STATEMENT (INDIRECT METHOD) 45
ANNOTATIONS ON THE ANNUAL FINANCIAL STATEMENTS 47
1. GENERAL INFORMATION 47
2. ACTIVITIES 49
3. FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS 50
4. CHANGES IN ACCOUNTING PRINCIPLES (AMENDMENTS IN THE PUBLISHED STANDARDS WITH START OF USE IN 2008) 50
5. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS IN EXISTING ACCOUNTING STANDARDS ALREADY IN EFFECT BUT DO NOT APPLY TO THE COMPANY 51
6. STANDARDS, AMENDMENTS AND INTERPRETATIONS IN CURRENT STANDARDS WITH SUBSEQUENT APPLICATION (THE COMPANY HAS NOT OPTIONALLY APPLIED ANY OF THEM) 53
7. SIGNIFICANT ACCOUNTING JUDGMENTS, ASSESSMENTS AND HYPOTHESES 58
8. BASIC ACCOUNTING PRINCIPLES 60
8.1. Segment reporting 60
8.2. Consolidation - investments in associated companies and joint ventures 60
8.3. Group Structure 62
8.4. Conversion Of Foreign Currency 63
8.5. Tangible assets 63
8.6. Investment property 64
8.7. Intangible assets 65
8.8. Impairment of the Value of Assets 65
8.9. Financial instruments 66
8.10. Inventory 68
8.11. Trade receivables 68
8.12. Cash-In-Hand and Cash Equivalents 68
8.13. Share capital 68
8.14. Income Tax & Deferred Tax 69
8.15. Provisions of Personnel Compensation Due to Retirement 70
8.16. Subsidies 71
8.17. Provisions 71
8.18. Loans 71
8.19. Provisions and Contingent Liabilities and Receivables 71
8.20. Revenue recognition 72
8.21. Borrowing Cost 73
8.22. Leases 74

8.23. Construction Contracts 74
8.24. Biological Assets 75
8.25. Dividend distribution 76
9. INFORMATION PER SEGMENT 77
9.1. Primary Reporting Sector - Business Sectors 77
9.2. Secondary Reporting Sector - Geographical Sectors 80
10. EXPLANATORY ANNOTATIONS ON THE ANNUAL FINANCIAL STATEMENTS 83
10.1. Tangible assets used by the Company 83
10.2. Intangible assets 86
10.3. Investments in subsidiaries 88
10.4. Investment in associates 90
10.5. Investments in Joint Ventures 91
10.6. Available for sale financial assets 91
10.7. Investment property 92
10.8. Other long-term receivables 93
10.9. Deferred tax Claims and Liabilities 94
10.10. Inventory 96
10.11. Receivables from construction contracts 96
10.12. Receivables from customers and other trade receivables 97
10.13. Receivables from joint ventures / liabilities to joint ventures 98
10.14. Other receivables 101
10.15. Financial assets at fair value through profit and loss statement 102
10.16. Cash and cash equivalents 102
10.17. Share capital 103
10.18. Capital at a premium 103
10.19. Fair Value Reserve 104
10.20. Other reserves 105
10.21. Treasury Shares 106
10.22. Profit balance carried forward 107
10.23. Foreign currency exchange differences 107
10.24. Liability for personnel compensation due to retirement or dismissal 107
10.25. Future Income from State Subsidies 109
10.26. Loan Liabilities 110
10.27. Other provisions 114
10.28. Other Long-term Liabilities 114
10.29. Suppliers and other liabilities 115
10.30. Current tax liabilities 115
10.31. Other short-term liabilities 115
10.32. Turnover 116
10.33. Expense Analysis per category 116
10.34. Other operating expenses 118
10.35. Other operating income 119
10.36. Financial expenses 119
10.37. Financial income 119
10.38. 6.37. Other financial results 120
10.39. Dividend income 120
10.40. Results from Investments 120
10.41. 6.40. Profit/ loss from the valuation of investment property 120

10.42. Results from Joint Ventures 121
10.43. Proportion of results of associated companies 121
10.44. Income tax 121
10.45. Profits per share 122
11. PRESENTATION OF THE LAST YEAR BASIC FINANCIAL STATEMENTS (01/01/2007 - 31/12/2007) WITHOUT THE CONSOLIDATION OF THE FORMER SUBSIDIARY TOUSA INC. 124
12. DISCONTINUED OPERATIONS 128
13. ADDITIONAL INFORMATION AND EXPLANATIONS 130
13.1. Existing liens 130
13.2. Commitments from Construction Contracts 130
13.3. Tax Un-audited Financial Years 130
13.4. Contingent liabilities 131
13.5. Contingent Claims 134
13.6. Operating lease commitments 135
13.7. Commitments for Investment Programs 136
13.8. Transactions with related parties 138
13.9. Receivables / liabilities with related parties 139
13.10. Receivables from the execution of projects: 139
13.11. Management fees and benefits 140
13.12. Provisions 140
13.13. Number of Personnel Employed 140
14. RISK MANAGEMENT OBJECTIVES AND POLICIES 141
14.1. Currency Risk 141
14.2. Sensitivity Analysis of Interest Rate Risks 144
14.3. Analysis of Credit Risk 144
14.4. Liquidity Risk Analysis 145
14.5. Price risk analysis 146
14.6. Capital Management Policies and Procedures 146
15. EVENTS FOLLOWING THE BALANCE SHEET DATE 149

BALANCE SHEET

Amounts in € '000	NOTE	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
ASSETS					
Non Current Assets					
Ownused Fixed Assets	**10.1**	496,084	333,465	4,754	4,290
Intangible Assets	**10.2**	14,202	14,441	21	61
Investments in Subsidiaries	**10.3**	0	0	368,667	258,868
Investments in Associates	**10.4**	314	6,206	2	4,891
Investments in Joint Ventures	**10.5**	0	6,126	0	0
Financial assets available for sale	**10.6**	11	10,190	0	0
Investments in real estate	**10.7**	18,166	15,059	3,918	3,934
Other long-term receivables	**10.8**	465	1,517	28,462	16,024
Total		**529,242**	**387,004**	**405,824**	**288,068**
Current Assets					
Inventories	**10.10**	8,585	812,394	0	0
Receivables from construction contracts	**10.11**	41,827	31,501	1	1
Trade receivables and other commercial receivables	**10.12**	38,584	37,479	712	3,315
Receivables from Joint Ventures	**10.13**	1,664	1,565	0	0
Other Receivables	**10.14**	54,179	243,019	7,919	303
Financial assets at fair value through results	**10.15**	24	202	0	0
Cash and cash equivalent	**10.16**	13,011	76,935	565	482
Total		**157,874**	**1,203,095**	**9,198**	**4,101**
Non Current Assets available for sale	**12**	0	4,170	0	0
TOTAL ASSETS		**687,116**	**1,594,269**	**415,022**	**292,169**
EQUITY AND LIABILITIES					
Shareholders Equity					
Share Capital	**10.17**	165,625	165,625	165,625	165,625
Share Premium	**10.18**	253,784	253,784	253,784	253,784
Reserves from asset valuations in current values	**10.19**	254,168	127,778	2,166	1,453
Reserves from financial asset valuations available for sale	**10.19**	0	0	165,358	73,253
Other Reserves	**10.20**	22,932	8,958	7,877	7,877
Own shares	**10.21**	(117)	0	(117)	0
Retained Earnings	**10.22**	(325,896)	(691,218)	(238,587)	(246,181)
Foreign Exchange Differences	**10.23**	(172)	(14,204)	112	85
Equity Attributable to Parent Company Shareholders		**370,324**	**(149,277)**	**356,217**	**255,896**
Third Party Rights		84,439	43,472	0	0
Total Equity		**454,763**	**(105,805)**	**356,217**	**255,896**
Long-term Liabilities					
Deferred tax liabilities	**10.9**	78,159	46,539	44,393	24,067
Liabilities for employee retirement benefits	**10.24**	864	684	50	69
Future income from state grants	**10.25**	30,644	33,633	0	0
Long-term loans	**10.26**	6,615	10,365	0	0
Other Provisions	**10.27**	2,917	7,040	779	0
Other long-term Liabilities	**10.28**	5,439	37,267	12	12
Total long-term Liabilities		**124,638**	**135,528**	**45,233**	**24,148**
Short-term Liabilities					
Trade creditors and similar Liabilities	**10.29**	38,463	83,229	4,305	3,806
Current tax Liabilities	**10.30**	1,693	9,412	0	386
Short-term loans	**10.26**	43,178	1,208,403	3,301	5,703
Liabilities to Joint Ventures	**10.13**	0	567	0	0
Other short-term Liabilities	**10.31**	24,381	262,290	5,965	2,230
Total short-term Liabilities		**107,715**	**1,563,901**	**13,571**	**12,125**
Total Liabilities		**232,353**	**1,699,429**	**58,805**	**36,273**
Liabilities refered to the non current assets available for sale	**12**	0	645	0	0
TOTAL SHAREHOLDERS EQUITY & LIABILITIES		**687,116**	**1,594,269**	**415,022**	**292,169**

The attached notes are an integral part of these financial statements.

PROFIT/ LOSS STATEMENT

Amounts in € '000		GROUP		COMPANY	
Continued operations	**NOTE**	**1/1/-31/12/2008**	**1/1/-31/12/2007**	**1/1/-31/12/2008**	**1/1/-31/12/2007**
Turnover (Sales)	**10.32**	175,640	154,044	6,320	4,963
Cost of Sales	**10.33**	(155,151)	(135,028)	(2,254)	(2,998)
Gross profit/(loss) from continued operations		**20,489**	**19,016**	**4,066**	**1,965**
Administrative Expenses	**10.33**	(38,346)	(13,940)	(3,796)	(2,857)
Selling Expenses	**10.33**	(5,880)	(5,603)	(62)	(77)
Other Operating Expenses	**10.34**	(18,766)	(9,189)	(1,055)	(158)
Other Operating Income	**10.35**	20,371	8,971	8,347	194
Operating Profits / (Losses)		**(22,132)**	**(745)**	**7,500**	**(932)**
Financial Expenses	**10.36**	(5,052)	(5,950)	(2,191)	(1,385)
Financial Income	**10.37**	151	49	1,135	887
Other Financial Results	**10.38**	(1,219)	(925)	(784)	(275)
Income from Dividends	**10.39**	0	42	0	19
Impairment of current assets from financial results available for		0	0	(1,012)	(173,669)
Profits / (losses) from investments	**10.40**	3,309	288	2,753	258
Profit / (losses) from the real estate valuation	**10.41**	2,011	2,607	0	1,560
Profits / (losses) from joint ventures	**10.42**	123	(494)	0	0
Pro rata results from affiliated companies	**10.43**	30	734	0	0
Profit / (Loss) before Income Tax from continued operations		**(22,779)**	**(4,394)**	**7,401**	**(173,536)**
Income Tax	**10.44**	(6,536)	(5,789)	181	(5)
Profit / (Loss) after Income Tax from continued opperations		**(29,315)**	**(10,183)**	**7,582**	**(173,541)**
Discontinued operations					
Results from discontinued opperations	**12**	395,341	(925,335)	0	0
Profit/ (losses) after tax		**366,026**	**(935,518)**	**7,582**	**(173,541)**
Attributable to:					
Minority interest		(900)	(156,567)		
Shareholders of the Parent		366,926	(778,951)		
Basic Profit / (Loss) per share (€ / share)	**10.45**	**2.2167**	**(5.4118)**	**0.0458**	**(1.2057)**
Basic Profit / (Loss) per share (€ / share) from continued opperations	**10.45**	**(0.1717)**	**(0.0839)**	**0.0458**	**(1.2057)**
Basic Profit / (Loss) per share (€ / share) from continued disopperations	**10.45**	**2.3884**	**(5.3279)**	**0.0000**	**0.0000**

The attached notes are an integral part of these financial statements.

PROFIT/ LOSS STATEMENT ANALYSIS

Amounts in € '000		GROUP		COMPANY	
Continued operations	**NOTE**	**1/1/-31/12/2008**	**1/1/-31/12/2007**	**1/1/-31/12/2008**	**1/1/-31/12/2007**
EBITDA	**(A)**	(7,414)	11,447	7,703	(707)
EBIT		(22,132)	(745)	7,500	(932)
Profit / (Loss) after Income Tax from continued opperations		(29,315)	(10,183)	7,582	(173,541)
Profit/ (losses) after tax		366,026	(935,518)	7,582	(173,541)

(A) CALCULATION OF THE ACCOUNT: PROFIT/ LOSS BEFORE FINANCING, INVESTMENT RESULTS AND TOTAL DEPRECIATION (EBITDA)

Amounts in € '000	GROUP		COMPANY	
Continued operations	**1/1/-31/12/2008**	**1/1/-31/12/2007**	**1/1/-31/12/2008**	**1/1/-31/12/2007**
Earnings before tax	(22,779)	(4,394)	7,401	(173,536)
Plus: Financial Results	6,120	6,826	1,840	772
Plus: Invesment results	(5,473)	(3,177)	(1,741)	171,832
Plus: Depreciation	14,718	12,192	203	224
EBITDA	**(7,414)**	**11,447**	**7,703**	**(707)**

The attached notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN THE GROUP'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2007

Amounts in € '000	note	Share Capital	Share Premium	Reserves from asset valuations in current values	Other Reserves	Own shares	Retained Earnings	Foreign Exchange Differences	Equity Attributable to Parent Company Shareholders	Third Party Rights	Total Equity
Balance as of 31/12/2006		**132,500**	**252,127**	**129,176**	**8,928**	**0**	**38,136**	**(23,614)**	**537,253**	**195,295**	**732,548**
Adaptation because change of accounting principles		**0**	**0**	**0**	**0**	**0**	**(698)**	**0**	**(698)**	**(345)**	**(1,043)**
Restated Balance as of 31/12/2006		**132,500**	**252,127**	**129,176**	**8,928**	**0**	**37,438**	**(23,614)**	**536,555**	**194,950**	**731,505**
Losses of the period		**0**	**0**	**0**	**0**	**0**	**(778,951)**	**0**	**(778,951)**	**(156,567)**	**(935,518)**
Equity Changes for period 1/1 - 31/12/2007											
Foreign Exchange Differences		0	0	0	0	0	0	10,173	10,173	4,919	15,092
Increase in subsidiary share capital		33,125	1,657	0	0	0	0	0	34,782	0	34,782
Decrease in subsidiary share capital		0	0	0	0	0	5	0	5	(5)	0
Transfer in minority interests		0	0	0	0	0	24	0	24	(24)	0
Transfer of Retained Earnings to New Ordinary Reserve	**10.20**	0	0	0	50	0	(50)	0	0	0	0
Reconciliation of Taxes Held to a reserve account	**10.20**	0	0	0	(15)	0	0	0	(15)	(1)	(16)
Transfer of marked to market valuation of real state to retained earnings due to sale	**10.19**	0	0	(292)	0	0	292	0	0	0	0
Deferred Taxation from the transfer of marked to market valuation of real state to retained earnings due to sale	**10.19**	0	0	71	0	0	(71)	0	0	0	0
Depreciation of Reserves from marked to market valuation of real state to retained earnings	**10.19**	0	0	(1,766)	0	0	1,766	0	0	0	0
Deferred Taxation from the depreciation of marked to market valuation of real state to retained earnings due to sale	**10.19**	0	0	452	0	0	(452)	0	0	0	0
Transfer of reserves from evaluation of property at current values	**10.19**	0	0	180	0	0	0	0	180	193	373
Deferred Taxation from the transfer of marked to market valuation of real state	**10.19**	0	0	(45)	0	0	0	0	(45)	(48)	(93)
Capital increase expenses		0	0	0	0	0	(589)	0	(589)	(23)	(612)
Deffered taxation of capital increase expenses		0	0	0	0	0	147	0	147	6	153
Adaptation accounts		0	0	0	0	0	769	(769)	0	0	0
Fair value of preferred shares rights and other rights of a foreign subsidiary		0	0	0	0	0	48,527	0	48,527	0	48,527
Other adjustments	**10.20**	0	0	3	(5)	0	2	0	0	0	0
Change in Percentages		0	0	0	0	0	(76)	6	(70)	71	1
Profit/ (loss) recorded directly in the equity		**33,125**	**1,657**	**(1,398)**	**30**	**0**	**50,294**	**9,410**	**93,118**	**5,089**	**98,207**
Total recorded profit/ (loss) of the financial year		**33,125**	**1,657**	**(1,398)**	**30**	**0**	**(728,657)**	**9,410**	**(685,833)**	**(151,478)**	**(837,311)**
Balance on 31/12/2007		**165,625**	**253,784**	**127,778**	**8,958**	**0**	**(691,219)**	**(14,204)**	**(149,278)**	**43,472**	**(105,806)**

The attached notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN THE GROUP'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2008

Amounts in € '000	σημ.	Share Capital	Share Premium	Reserves from asset valuations in current values	Other Reserves	Own shares	Retained Earnings	Foreign Exchange Differences	Equity Attributable to Parent Company Shareholders	Third Party Rights	Total Equity
Balance as of 31/12/2007		**165,625**	**253,784**	**127,778**	**8,958**	**0**	**(691,218)**	**(14,204)**	**(149,277)**	**43,472**	**(105,805)**
Profits of the period		**0**	**0**	**0**	**0**	**0**	**366,926**	**0**	**366,926**	**(900)**	**366,026**
Equity Changes for period 1/1 - 31/12/2008											
Foreign Exchange Differences		0	0	0	0	0	0	(87)	(87)	(108)	(195)
Increase in subsidiary share capital		0	0	0	0	0	0	0	0	7,154	7,154
Transfer of Retained Earnings to New Ordinary Reserve	**10.20**	0	0	0	40	0	(40)	0	0	0	0
Depreciation of Reserves from marked to market valuation of real state to retained earnings	**10.19**	0	0	(1,852)	0	0	1,852	0	0	0	0
Deferred Taxation from the depreciation of marked to market valuation of real state to retained earnings due to sale	**10.19**	0	0	461	0	0	(461)	0	0	0	0
Transfer of reserves from evaluation of property at current values	**10.19**	0	0	161,059	0	0	0	0	161,059	25,811	186,870
Deferred Taxation from the transfer of marked to market valuation of real state	**10.19**	0	0	(29,825)	0	0	0	0	(29,825)	(4,669)	(34,494)
Deferred tax from the change of the tax rate of the depletion of reserve at fair value	**10.19**	0	0	7,698	0	0	0	0	7,698	1,278	8,976
Acquisition cost of own shares	**10.45**	0	0	0	0	(117)	0	0	(117)	0	(117)
Impact from non consolidation of foreign subsidiaries		0	0	0	0	0	(14,119)	14,119	0	0	0
Impact from non consolidation of domestic subsidiaries+		0	0	0	0	0	0	0	0	(571)	(571)
Reserve for the issuance of stock options	**10.20**	0	0	0	13,935	0	0	0	13,935	2,357	16,292
Impact from change of participation in subsidiaries	**10.19**	0	0	(11,151)	0	0	11,162	0	11	10,616	10,627
Profit/ (loss) recorded directly in the equity		**0**	**0**	**126,390**	**13,975**	**(117)**	**(1,606)**	**14,032**	**152,674**	**41,868**	**194,542**
Total recorded profit/ (loss) of the financial year		**0**	**0**	**126,390**	**13,975**	**(117)**	**365,320**	**14,032**	**519,600**	**40,968**	**560,568**
Balance on 31/12/2008		**165,625**	**253,784**	**254,168**	**22,933**	**(117)**	**(325,898)**	**(172)**	**370,323**	**84,440**	**454,763**

The attached notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN THE PARENT COMPANY'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2007

Amounts in€ '000	note	Share Capital	Share Premium	Reserves from asset valuations in current values	Reserves from financial asset valuations available for sale	Other Reserves	Own shares	Retained Earnings	Foreign Exchange Differences	Total Equity
Balance as of 31/12/2006		**132,500**	**252,127**	**1,463**	**178,800**	**7,877**	**0**	**(72,247)**	**0**	**500,520**
Adaptation because change of accounting principles		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Restated Balance as of 31/12/2006		**132,500**	**252,127**	**1,463**	**178,800**	**7,877**	**0**	**(72,247)**	**0**	**500,520**
Losses of period		**0**	**0**	**0**	**0**	**0**	**0**	**(173,541)**	**0**	**(173,541)**
Equity Changes for period 1/1 - 31/12/2007										
Foreign Exchange Differences		0	0	0	0	0	0	0	85	85
Increase in share capital		33,125	1,657	0	0	0	0	0	0	34,782
Revaluation of financial assets available for sale		0	0	0	(134,382)	0	0	0	0	(134,382)
Deferred taxes from revaluation of financial assets available for sale		0	0	0	24,586	0	0	0	0	24,586
Reverse from revaluation of financial assets available for sale		0	0	0	4,249	0	0	0	0	4,249
Fair value reserve amortization	**10.19**	0	0	(13)	0	0	0	13	0	0
Deferred taxes from fair value reserve amortization	**10.19**	0	0	3	0	0	0	(3)	0	0
Capital increase expenses		0	0	0	0	0	0	(538)	0	(538)
Deffered taxation of capital increase expenses		0	0	0	0	0	0	134	0	134
Profit/ (loss) recorded directly in the equity		**33,125**	**1,657**	**(10)**	**(105,547)**	**0**	**0**	**(393)**	**85**	**(71,083)**
Total recorded profit/ (loss) of the financial year		**33,125**	**1,657**	**(10)**	**(105,547)**	**0**	**0**	**(173,934)**	**85**	**(244,624)**
Balance on 31/12/2007		**165,625**	**253,784**	**1,453**	**73,253**	**7,877**	**0**	**(246,181)**	**85**	**255,896**

The attached notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN THE PARENT COMPANY'S EQUITY FOR THE PERIOD THAT ENDED ON 31/12/2008

Amounts in € '000	note	Share Capital	Share Premium	Reserves from asset valuations in current values	Reserves from financial asset valuations available for sale	Other Reserves	Own shares	Retained Earnings	Foreign Exchange Differences	Total Equity
Balance as of 31/12/2007		**165,625**	**253,784**	**1,453**	**73,253**	**7,877**	**0**	**(246,181)**	**85**	**255,896**
Adaptation because change of accounting principles		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance as of 31/12/2007		**165,625**	**253,784**	**1,453**	**73,253**	**7,877**	**0**	**(246,181)**	**85**	**255,896**
Profits of the period		**0**	**0**	**0**	**0**	**0**	**0**	**7,582**	**0**	**7,582**
Equity Changes for period 1/1 - 31/12/2008										
Foreign Exchange Differences		0	0	0	0	0	0	0	27	27
Revaluation of financial assets available for sale		0	0	0	112,702	0	0	0	0	112,702
Deferred taxes from revaluation of financial assets available for sale		0	0	0	(25,241)	0	0	0	0	(25,241)
Reverse from revaluation of financial assets available for sale		0	0	0	4,645	0	0	0	0	4,645
Depreciation of Reserves from marked to market valuation of real state to retained earnings	**10.19**	0	0	(13)	0	0	0	13	0	0
Deferred Taxation from the depreciation of marked to market valuation of real state to retained earnings due to sale	**10.19**	0	0	2	0	0	0	(2)	0	0
Deferred tax from the change of the tax rate of the depletion of reserve at fair value	**10.19**	0	0	140	0	0	0	0	0	140
Transfer of reserves from evaluation of property at current values	**10.19**	0	0	643	0	0	0	0	0	643
Deferred Taxation from the transfer of marked to market valuation of real state	**10.19**	0	0	(59)	0	0	0	0	0	(59)
Purchase of own shares	**10.45**	0	0	0	0	0	(117)	0	0	(117)
Profit/ (loss) recorded directly in the equity		**0**	**0**	**713**	**92,106**	**0**	**(117)**	**11**	**27**	**92,739**
Total recorded profit/ (loss) of the financial year		**0**	**0**	**713**	**92,106**	**0**	**(117)**	**7,593**	**27**	**100,321**
Balance on 31/12/2008		**165,625**	**253,784**	**2,166**	**165,359**	**7,877**	**(117)**	**(238,587)**	**112**	**356,218**

The attached notes are an integral part of these financial statements.

CASH FLOW STATEMENT (INDIRECT METHOD)

Amounts in € .000	THE GROUP 1/1/-31/12/2008	THE GROUP 1/1/-31/12/2007	THE COMPANY 1/1/-31/12/2008	THE COMPANY 1/1/-31/12/2007
Cash flows from operating activities				
Profit (losses) for the period (before taxes) from continued operations	(22,779)	(1,681)	7,401	(173,536)
Profit (losses) for the period (before taxes) from discontinued operations	395,341	0	0	0
Adjustments to profits	(360,677)	13,453	(6,607)	172,892
	11,885	**11,772**	**794**	**(644)**
Change in working capital				
(Increase) / Decrease of inventories	(796)	(2,518)	0	0
(Increase) / Decrease of trade receivables	(362)	(20,685)	(2,153)	(2,981)
(Increase) / Decrease of other receivables	(11,822)	20,664	(3,349)	4,577
(Increase) / Decrease of liabilities	1,252	(3,704)	4,266	(5,562)
Retirement benefits outflow	(249)	(128)	0	0
	(11,977)	**(6,371)**	**(1,236)**	**(3,967)**
Cash flows from operating activities	**(92)**	**5,400**	**(442)**	**(4,611)**
minus: Income tax payments	(1,542)	(1,860)	(395)	(421)
Foreign exchange (F/E) differences	(38)	(32)	27	85
Operating cash flow from discontinued operations	0	(178)	0	0
Net Cash flows from operating activities	**(1,672)**	**3,330**	**(809)**	**(4,947)**
Cash flows from investing activities				
Purchase of tangible fixed assets	(14,574)	(29,022)	(45)	(430)
Own production of tangible assets	(213)	0	0	0
Purchase of intangible assets	(46)	(61)	(4)	(17)
Increase/ (losses) share capital of affiliated parties	(520)	(2)	0	(2)
Purchase of financial instruments at fair value through results	0	1,169	0	743
Sales of Financial Assets Available for sale	10,275	(0)	9,532	0
Acquisition cost of own shares	(117)	0	(117)	0
Share capital increase of subsidiaries	7,154	(1,233)	0	0
Dividends received	0	42	0	19
Loans granted	0	0	(5,660)	0
Sales of tangible fixed assets	1,171	586	0	0
Sales of investments in real estate	179	935	0	0
Proceeds from State subsidies	9,029	1,508	0	0
Purchases of investments in real estate	(65)	(65)	0	0
Investing cash flow from discontinued operations	0	(12)	0	0
Net Cash flows from investing activities	**12,273**	**(26,153)**	**3,706**	**313**
Cash flows from financing activities				
Increase in share capital	0	34,781	0	34,781
Share Capital Increase Expenses	(67)	(589)	0	(538)
Loans issued	74,624	64,460	3,542	7,169
Loan repayment	(82,789)	(64,625)	(5,945)	(33,681)
Interest received	148	47	21	19
Interest paid	(4,979)	(5,441)	(451)	(1,393)
Payments from leasing liabilities	(2,216)	(2,518)	0	0
Dividends paid to parent company's shareholders	(6)	(2,370)	0	(2,368)
Financing cash flow from discontinued operations	0	2	0	0
Net Cash flows from financing activities	**(15,285)**	**23,746**	**(2,832)**	**3,989**
Net increase / (decrease) in Cash-in-hand and cash equivalents	**(4,684)**	**923**	**65**	**(645)**
Cash and cash equivalents at beginning of period	17,677	16,788	482	1,161
Foreign exchange differences cash equivalents at end of period	18	(35)	18	(34)
Cash and cash equivalents at end of period	**13,011**	**17,677**	**565**	**482**

The attached notes are an integral part of these financial statements.

NOTE (I) ON THE CASH FLOW STATEMENT

The adjustments of profits are analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in€ '000	**1/1/-31/12/2008**	**1/1/-31/12/2007**	**1/1/-31/12/2008**	**1/1/-31/12/2007**
Adjustments to Profits for:				
Amortizations of tangible fixed assets	14,435	11,894	159	168
Amortizations of intangible assets	283	298	44	56
(Profit) / losses of subsidiaries fair value	0	50	0	0
(Profit) / losses of fair value financial assets at fair value through results	178	154	0	0
(Profit) / losses from sale of financial assets at fair value through results	0	(392)	0	(258)
(Profit) / losses from sale of financial assets available for sale	(2,871)	0	(2,753)	0
Provisions - Impairments	1,810	(385)	1,807	173,807
Revenues from dividends	0	(42)	0	(19)
(Profit) / losses from F/E differences	438	(86)	662	192
(Profit) / losses from sale of tangible fixed assets	128	(38)	0	0
Profit / (losses) from sale of investment real estate	0	(27)	0	0
Retirement benefits change	359	59	(22)	8
Profits /(losses) from evaluation of financial assets	(2,022)	(2,607)	0	(1,560)
Profits /(losses) from evaluation ownused assets	95	0	64	0
US tax credit	(7,626)	0	(7,626)	0
Proceeds from state subsidies	(2,099)	(862)	0	0
Results from discontinued operations	(395,686)	0	0	0
Reserve adjustment from share options offered	27,001	0	0	0
Income from interests	(152)	(49)	(1,135)	(887)
Expenses from interests	5,052	5,485	2,191	1,385
Total	**(360,677)**	**13,453**	**(6,607)**	**172,892**

The attached notes are an integral part of these financial statements.

ANNOTATIONS ON THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The consolidated financial statements as of December 31, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board. These financial statements have been approved by the Board of Directors on March 27 2009 and are under the approval of the Shareholders Annual General Meeting that is going to be held within the first semester of 2009. According to the provisions of the Hellenic Capital Market Commission after the date of the approval of the financial statements no amendments are allowed.

TECHNICAL OLYMPIC SA was established in 1965 as a Private Limited Company under the name "Pelops Studies & Constructions Technical Company Private Limited Company – K. Galanopoulos and K. Stengos" with its registered offices in Patras. In 1967, it changed its legal form to a societe anonyme under the name "PELOPS S.A.". In 1980 it changed its name to "TECHNICAL OLYMPIC S.A.". The registered offices of the company are at the Attica Alimos Municipality (20 Solomou St., Ano Kalamaki) and it is registered in the Societe Anonyme Register (S.A. Reg.) with the number 6801/02/B/86/8. The duration of the company has been set to 57 years, i.e. until 12/22/2037.

The initial activities of the Company during the years 1965-1970 were the study and construction of national and local roads in the Ileia and Achaia prefectures and the construction of various private construction woks in the area of Patras. Since 1971, the company made a dynamic entry into other categories of construction works, it made substantial investments in mechanical equipment and it constructed works of any kind (irrigation, hydraulic, sewage, harbor facilities, road construction, buildings, electromechanical e.t.c.). Over the years that followed, the Company continued its development policy by making significant investments in fixed asset equipment, buying out of shares, and establishing companies with the same or similar scope of operations in Greece and abroad.

TECHNICAL OLYMPIC S.A. participates in a series of companies which are active in the construction of public and private works, residences, tourism and in general in the hospitality and entertainment sector (operation and management of four hotels, golf facilities, operation and management of a yacht marina, e.t.c.), in energy production from renewable energy sources, Real Estate in Greece and abroad, Build Own Operate and Transfer (BOOT) works, such as the Samos marina. In summary, the basic information about the company is as follows:

Composition of the Board of Directors

Konstantinos Stengos (BoD Chairman)
Zoe Stengou (1st BoD Executive Vice-Chairman)
Andreas Stengos (2nd BoD Executive Vice-Chairman)
Georgios Stengos (Managing Director)
Maria Svoli (Executive member)
Athanasios Klapadakis (Executive member)
Nicolaos Stathakis (Executive member)
Elias Koukoutsis (Executive member)
Styliani Stengou (Non-executive member)
Marianna Stengou (Non-executive member)
Konstantinos Rizopoulos (Independent, non-executive member)
Alexandros Papaioannou (Independent, non-executive member)

Cooperating Banks

NATIONAL BANK OF GREECE
MARFIN EGNATIA BANK
ALPHA BANK
BANK OF CYPRUS
BNP PARIBAS
GENIKI BANK
EUROBANK
MILLENNIUM
ATTICA BANK
CITIBANK
EMPORIKI BANK
PIRAEUS BANK

Supervising Authority

MINISTRY OF DEVELOPMENT/DEPARTMENT OF COMMERCE/ DEPARTMENT OF SOCIETE ANONYMES & CREDIT INSTITUTIONS

Tax Registration Number

094105288

S.A. Reg. No.

6801/06/B/86/08

Legal Counsels

Stamoulis Georgios
Drilerakis & Associates Law Office

Auditors

Grant Thornton S.A.

2. ACTIVITIES

TECHNICAL OLYMPIC has created a strong system for the management of participations in the areas of constructions, land development, hotel businesses, energy, and operation of tourist marinas. More specifically, the company is active in the following sectors:

- In the construction sector, either directly or by participating in the MOCHLOS S.A., which allows the company to have access to the big technical works, as well as to smaller ones, through the TOXOTIS technical S.A. company of the Group.
- In the real estate construction area of the real estate investment sector, through its participation in the STROFYLI TECHNICAL S.A., ATHENS SUBURBS DEVELOPMENT S.A., PORTO CARRAS TOURIST DEVELOPMENT S.A. in Greece, EUROROM CONSTRUCTII SRL and LAMDA OLYMPIC SRL in Romania.
- In the tourism sector, through the participation in the PORTO CARRAS S.A., PORTO CARRAS SITHONIA BEACH CLUB S.A., PORTO CARRAS MELITON BEACH S.A., PORTO CARRAS VILLAGE CLUB S.A., PORTO CARRAS GOLF S.A. and PORTO CARRAS MARINA S.A.
- Management, operation and indirectly construction of marinas through DELOS MARINAS SA.
- From the agricultural and animal husbandry exploitation of land to the industrial production and marketing of agricultural and animal products, along with their exporting of these products through the PORTO CARRAS DOMAINE S.A.
- TECHNICAL OLYMPIC is the neuralgic center of the Group, monitoring and coordinating all the companies, determining and overseeing the goals and the works undertaken by them, and securing the organizational and operational synergy of the different sectors.

3. FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated and corporate financial statements have been prepared in accordance with the International Accounting Standards. The consolidated financial statements have been drafted on the basis of the historical cost, as this is amended with the re-adjustment of land and buildings, financial assets available for sale and financial claims and obligations at fair values through the income statement.

The preparation of financial statements under the International Financial Reporting Standards (IFRSs) requires the use of accounting estimates. It also requires assumptions of the Management in implementing the Company's accounting policies. Those cases where a higher level of assumptions and complexity is involved or cases where assumptions and estimates are important to the consolidated financial statements are given in Note 6.

FY 2003 and 2004, the International Accounting Standards Board (IASB) has issued a series of new International Accounting Reporting Standards (IFRS) and reviewed International Accounting Standards (IAS), which in conjunction with the non-reviewed International Accounting Standards (IAS) that were published by the Committee of International Accounting Standards, the predecessor of the International Accounting Standards Board (IASB), which is referred to as "the IFRS Stable Platform 2005". The group applies IFRS Stable Platform 2005 as of January 1, 2005.

4. CHANGES IN ACCOUNTING PRINCIPLES (AMENDMENTS IN THE PUBLISHED STANDARDS WITH START OF USE IN 2008)

No changes in the accounting principles and no new Standards and Interpretations have been adopted during the current fiscal year.

Note 5 presents the Standards that are in use in 2008 but they do not apply to the company and note 6 presents briefly the Standards and Interpretations that the company will adopt in upcoming periods if they have apply to the Group.

5. ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS IN EXISTING ACCOUNTING STANDARDS ALREADY IN EFFECT BUT DO NOT APPLY TO THE COMPANY

The following accounting standards, amendments and revisions are effective in 2008 but do not apply to the Company:

Amendments in IAS 39 and IFRS 7 - Reclassification of Financial Assets

For the preparation of the annual financial statements, the amendments in IAS 39 and IFRS 7 "Reclassification of Financial Assets" that have been published in October 2008 being in force from July 1, 2008 have not been adopted as they did not have any application.

Amendments in I.A.S. 39 allow in some cases the reclassification of non derivative financial assets from the trade investments category to other categories, as well as the reclassification of financial assets from the category available for sale to loans and receivables. The amendments to IFRIC 7 require additional disclosures in the financial statements of organizations that apply the previously mentioned amendments in I.A.S. 39.

IFRIC 11: IFRS 2 - Transactions in Equity Instruments of the Same Company or Companies of the Same Group

IFRIC 11 provides guidance regarding whether benefit agreements depending on the value of shares should be considered as cash remuneration or shareholding interest in the financial statements of the entity. This is an important distinction since it requires different accounting treatment in each occasion.

For example, cash payments are accounted at their fair value on the date of the balance sheet. On the contrary, equity options' fair value is calculated on the exercise date and accounted in the period that exercise date falls within.

Although IFRIC 11 concentrates on employee payments based on equity options, its concept can be also applied in other similar transactions with goods or services suppliers. Companies are obliged to apply this Interpretation for annual periods starting from March 1, 2007 onwards. Earlier application from that date is permitted. If an entity applies this interpretation for a period which begins earlier than March 1st, 2008 it must disclose this.

IFRIC 12: Service Concession Arrangement

IFRIC 12 provides instructions for the accounting treatment of arrangements in which (i) a state entity (the "granting entity") grants contracts to offer public services at private companies (the "grants administrators") and (ii) these services offered require the use of the infrastructure by the grants administrator (the private entity). IFRC 12 does not provide for all types of service concession arrangements. It is applicable only between public and private entities where the administrator uses the infrastructure. Hence, it does not cover concession arrangements contract between private sector entities.

The IFRIC 12 Application Guide clarifies that the above regulatory principles or the control of the service do not require that the granting entity has full control either over the invoicing or the way it may use the public infrastructure. As a result, in certain occasions subjective judgment is required to decide whether IFRIC 12 applies or not.

Service concession arrangements where IFRC 12 does not apply should be treated in accordance with other IFRSs. In service concession arrangements where the administrator is controlling the infrastructure it is possible to lead to its recognition according to IAS 16 or be considered as leased (under IFRIC 4).

IFRIC 12 applies for annual periods commencing on or after January 1st, 2008. Earlier application is allowed. Retrospective application is mandatory on the transition however there certain exclusion from this requirement in cases where retrospective application is not possible.

IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14 covers the interaction between the minimum funding requirements (usually forced by laws and regulations) and how to assess the value of a financial asset in a defined benefit scheme. IFRIC 14 examines limited cases of defined benefit retirement schemes that have a "surplus" or are subject to minimum funding requirements.

Among other subjects it scrutinizes the concept of "asset" as that is recognized under IAS 19. In general, the IFRIC explains an "asset" is available only when the entity has an unreserved right to recognize the benefit during or at the settlement of the defined benefits scheme. Its recognition does not depend on whether the financial benefit is available on the date of the balance sheet or the intended purpose of use for the surplus. The Interpretation also examines the accounting treatment of a liability for the minimum funding requirements from services already delivered to the Company. IFRC 14 applies for accounting periods commencing on or after January 1st, 2008. As an exception full retrospective application is not mandatory. Application is required at the commencement of the first period when this Interpretation is in effect.

6. STANDARDS, AMENDMENTS AND INTERPRETATIONS IN CURRENT STANDARDS WITH SUBSEQUENT APPLICATION (THE COMPANY HAS NOT OPTIONALLY APPLIED ANY OF THEM)

The International Accounting Standards Board as well as Interpretation Committee have already published new accounting standards and interpretations that is mandatory to be applied for accounting period starting from January 1st 2009. The company does not intent to apply earlier any standard or interpretation other than these presented below. The consideration of the company regarding the effect of these new standards and interpretations is presented below:

IFRS 8: Operating Segments

IFRS 8 maintains the general purpose of IAS 14. It requires that the economic entities the stock or bonds of which are publicly traded, as well as the economic entities that are in the process of issuing stock or bonds, should present financial information by sector or segment. IFRS 8 applies to the financial years starting on or after 1st January, 2009.

I.A.S. 23: Borrowing Cost

Revised IAS 23 eliminates the option of immediate expense recognition of borrowing costs relating to the acquisition, construction or production of fixed assets. The characteristic of this asset is that it needs a substantial period of time to be in the condition for its intended use or sale. Such borrowing costs, however, must be capitalized by the Company as part of the cost of the asset.

The revised standard does not require the capitalization of borrowing costs relating to assets accounted at their fair values and inventories that are constructed or produced regularly in large quantities even if it takes a substantial period of time to get ready for their intended use or sale.

The revised standard applies for borrowing costs related to qualifying assets and is effective on or after January 1, 2009. Earlier application is permitted. This standard is expected to have no significant impact in the Company.

I.A.S. 27 Consolidated Financial Statements and Accounting for Investment in Subsidiaries

The revised standard brings changes to the accounting treatment concerning the loss of control in a subsidiary and to the financial cost in subsidiaries. Management does not expect this to have a material impact on the Group's financial statements.

I.A.S. 1: Presentation of Financial Statements

The basic changes of this Standard can be summarized in the separate presentation of the changes in equity that arise from transactions with the shareholders and their respective position as shareholders (ex. dividends, share capital increases) from the rest of changes in equity (ex. transformation reserves). In addition, the

improved issue of the Standard creates changes in the terminology along with the presentation of the financial statements.

New definitions as set by the Standard do not change however the rules of recognition, calculation, or disclosure of certain transactions and other events that are being set by the other Standards.

The change of IAS 1 is obligatory for periods beginning on or after January 1, 2009 while these requirements have also effect in IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors». Changes caused by the modification of IAS 1 apply retroactively (IAS 8.19 (b)). Earlier application is encouraged, as long as this is disclosed in the explanatory notes accompanying the company's financial statements.

Amendments to IFRIC 2 Benefits linked to the value of shares

IASB proceeded to the issue of an amendment of IFRIC 2 regarding the investment conditions of a pension fund and its cancellation. None of the share benefit plans is affected by the said amendments. Management deems that the IFRIC 2 amendments will have no effect on the Group's accounting policies.

I.F.R.S. 3 Business combinations - I.A.S. 27 Consolidated Financial Statements and Accounting for Investment in Subsidiaries

Revised IFRS 3 applies to business combinations beginning on or after 1 July 2009 and applies from that date onwards. The revised IFRS changes the accounting treatment for business combinations, however it continues the mandatory application of the Purchase Method and it will have a significant impact on the business combinations that will take place on or after 1 July 2009.

The revised standard brings changes to the accounting treatment concerning the loss of control in a subsidiary and to the financial cost in subsidiaries. Management does not expect this to have a material impact on the Group's financial statements.

IAS 32: Financial Instruments Presentation and IAS 1: Presentation of Financial Statements Amendments to puttable financial instruments

Amendments to puttable financial instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation of an investment entity to be classified as part of equity if certain criteria are met.

The amendment to IAS 1 refers to the disclosure of certain information regarding the above instruments that have been classified as part of equity.

The Company does not expect these amendments to effect its financial statements.

The amendment to IAS 32 is applied from entities for annual periods beginning on or after 01/01/2009. Earlier application of the Interpretation is encouraged as long as it is disclosed in the notes to the financial statements of the company.

IAS 39: Recognition and Measurement

Amendment to IAS 39 for financial instruments that meet the hedge accounting requirements

Amendment to IAS 39 clarifies issues in hedge accounting and more particularly the inflation and the one-sided risk of a hedged financial instrument.

Amendments to IAS 39 are applied by entities for annual periods commencing on or after 01/07/2009.

Annual Improvements in 2008

The IASB issued in 2008 the publication "Improvements to IFRS 2008" The majority of these amendments are effective for periods beginning on or after January 1, 2009. The Group does not expect that the amendments to IAS 23 Borrowing Costs will affect the Group's accounting policies. The amendment clarifies the definition of borrowing costs in relation to the effective interest rate method. This amendment comes into effect on January 1, 2009, onwards, however management's estimations indicate that the effect will not be significant.

Minor amendments have been made to several Standards but the management does not expect that there will be any material impact on the Group's financial statements.

IFRIC 13: Customer Loyalty Programmes

Customer loyalty programmes give incentives to the clients to buy products or services from that entity. If a customer buys products or services, then the Company offers to the client award credits "points" which the client can redeem in the future for products or services free of charge or at a reduced price. These customer loyalty programmes may be run by the Company in house or assigned to a third party. IFRIC 13 applies to every award credits loyalty programmes a Company may offer to its customers as part of a sale transaction. IFRIC 13 is mandatory for periods beginning on or after July 1st, 2008. Retrospective application is mandatory

while earlier application in encouraged, provided that it will be disclosed in the notes to the financial statements.

IFRIC 15: Agreements for the Construction of Real Estate

The purpose of IFRIC 15 is to provide guidance for the following 2 issues:

- Whether an agreement for the construction of real estate is within the scope of IAS 11 or IAS 18.
- When the revenue resulting from such construction agreement should be recognized

This Interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The agreements that fall within the scope of IFRIC 15 are the agreements for the construction of real estate. In addition to the construction of real estate, these kind of agreements may also require the delivery of additional products or services. IFRIC 15 "Agreements for the Construction of Real Estate" is effective for annual periods beginning on or after 01/01/2009. Earlier implementation is encouraged provided that it will be disclosed in the notes to the financial statements. Changes in accounting policies should be recognized according to IAS 8.

IFRIC 16: Hedges of a Net Investment in a foreign operation

Investments in activities abroad may be held directly by the parent Company or indirectly through a subsidiary. IFRIC 16 aims at providing guidance regarding the nature of the risks hedged, the amount of the hedged item (net investment) for which there is a hedging relationship, and which balances should be reclassified from equity to the income statement as reclassification amendments, with the disposal of the foreign investment activity. IFRIC 16 applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and wishes to qualify for hedge accounting in accordance with IAS 39. The Interpretation applies only to hedging of net investments in foreign operations and does not apply to other types of hedge accounting such as hedging of fair values or cash flows. IFRIC 16 "Hedges of a Net Investment in a foreign operation" is applied by entities for annual periods beginning on or after 01/10/2008. Earlier application is encouraged provided that it will be disclosed in the notes to the financial statements.

IFRIC 17: Distributions of Non-cash Assets to Owners

When an entity announces the distribution of dividends and has the obligation to distribute a part of its assets to its owners, it should recognize a liability for those dividends payable.

The purpose of IFRIC 17 is to provide guidance on when a company should recognize dividends payable, how to calculate them and how it should record the difference between the book value of the net assets distributed and the book value dividend payable when the dividends payable are paid by the entity.

IFRIC 17 "Distributions of Non-cash Assets to Owners" is effective prospectively for annual periods starting on or after 01/07/2009. Earlier application of the Interpretation is allowed provided that it will be disclosed in the

notes to the financial statements and at the same time applies IFRS 3 (as revised in 2008), IFRS 27(as revised in May 2008) and IFRS 5 (as revised by the present Interpretation). Retrospective application is not allowed.

IFRIC 18: Transfers of Assets from Customers

IFRIC 18 mainly applies to entities or organizations that provide services of general interest. The purpose of IFRIC 18 is to clarify the IFRS requirements regarding the agreements where an entity receives from a client part of a tangible asset (land, buildings, equipment) which the entity must use in order for the customer to be part of a network or in order for the customer to acquire continuous access to the supply of products or services (i.e. supply of water or electricity).

In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of a facility in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to provide both).

The IFRIC clarifies the circumstances under which the definition of an asset is met, the recognition of the asset and the measurement of its initial cost. Furthermore it sets the method for the determination of the obligation for the provision of the said services in return for the asset as well as the method of recognition of the revenue and the accounting for cash collections from customers.

IFRIC 18 Transfers of Assets from Customers is effective for annual periods starting on or after 01/07/2009.

7. SIGNIFICANT ACCOUNTING JUDGMENTS, ASSESSMENTS AND HYPOTHESES

The preparation of the financial statements in accordance with the IFRSs requires by the administration the formation of judgments, assessments and hypotheses, which affect the published assets and liabilities on the date of drafting of the financial statements. The assessments and judgments are based on past experience as well as on other factors, including the expectations of future events, which are considered reasonable based on the given circumstances which are constantly reassessed based on available information.

Judgments

The company's management in order to apply the accounting policies with its main objective to provide complete information at hand is using its critical reasoning based on its knowledge of the company as well as the market where it is active in. Potential future changes of the current conditions are taken into consideration in order to apply the best accounting policy. The management's judgments in performing estimations as regards the accounting policies are summarized in the following categories:

- Audits of Equity Instruments Impairment

The Group conducts a relevant impairment audit equity instruments of subsidiaries / affiliated companies wherever the relevant indications are present. In order to perform the impairment audit, there is a determination of the value in use of the cash flow production units (which consist of each subsidiary or affiliate). The said determination of value in use requires that an assessment is made of the future cash flows of each cash flow production unit and to select the proper discount rate, based on which the current value of the above future cash flows is to be determined.

- Audit of the Casino License Impairment

The company is conducting an audit on an annual basis for any impairment of the value of the Casino license and, in the meantime, whenever events or conditions render impairment possible. Should there be evidence of impairment, the requirement is to evaluate the value of the licence, which is estimated using the method of discounting the cash flows. By applying this methodology, the company is based on a series of factors, which include the actual operating results, future company plans, economic effects and market data.

- Income tax

The Group is subject to income tax from various tax authorities. For the deposition of the income tax forecast material estimations are required. There are numerous transactions and calculations for which the exact tax deposition is uncertain according to the standard course of the company's activities. The Management of the Group recognizes obligations for anticipated tax audit issues, based on estimations for the additional tax obligations amount that probably exists. When the final result from the taxes of these issues differs from the

initially recorded amount that was in the financial statements, these differences will affect income tax and the provisions on deferred taxation in the period during which these amounts have been set.

- Provisions

Doubtful accounts appear at the amounts that my be recovered. Estimates of the amounts that are expected to be recovered are the result of analysis and from the experience of the Group with regard to the possibility of doubtful accounts. As soon as a certain account is in risk greater than the usual credit risk (e.g. low customer solvency, dispute regarding the existence or the amount of the claim, etc.) then the account is analyzed and recorded if conditions call for the claim to be non collectible.

- Forthcoming Events

The group is involved in legal claims and compensation during the usual course of its works. The Management judges that any settlements would not significantly affect the Group's financial standing as at 31 December 2008. Nevertheless, the determination of contingent liabilities related to legal claims and receivables is a complex process that comprises judgments related to the possible consequences and the interpretations related to the laws and regulations. Changes in the judgments or interpretations are likely to lead to an increase or reduction of the contingent liabilities of the group in the future. 1 January 2004 was the transition date for the Group.

- Accounting of Income from Construction Contracts

The handling of the income and expenses of a construction contract depends on whether the final result from the performance of the contractual project may be assessed in a reliable way (and is expected to bring profit to the contractor or the result from the performance generates loss). When the result of a contract for a project may be assessed reliably, then the income and expenses of the contract are accounted for during the contract, as income and expense respectively. The Group uses the method of percentage completion in order to determine the suitable amount of income and expense that will be accounted within a specific period. The completion stage is measured based on the contractual cost realised until the date of the balance sheet in relation to the overall estimated construction cost of every project. The accumulative effects of revisions / revaluations of the total budgeted cost of the projects and of the total contractual price (accounting for additional works), are recorded in the financial years during which the relevant revisions arise. The total budgeted cost and the total contract price of the projects result from assessment procedures and these are revaluated and reviewed on every balance sheet date. Thus, the requirement is for significant estimates by the management, regarding the gross result based on which the contract under execution shall be performed each time (estimated cost of execution).

- Useful Life of Depreciable Assets

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2008 the Company's management believes that the useful lives of the assets are in line with their expected usefulness. Undepreciated balances are analyzed in notes 10.01 and 10.02. Actual values though may differ due to the straight line depreciation of assets policy, especially for assets such as IT equipment and software.

8. BASIC ACCOUNTING PRINCIPLES

The important accounting principles adopted for the preparation of these consolidated financial statements, have been consistently applied for all fiscal years and are summarized below. Consolidated financial statements are presented in thousands of Euros. Please note that any changes in sums are due to roundings.

8.1. Segment reporting

Business sector shall mean a group of assets and activities that provide products and services that are subject to different risks and yields from those of other business sectors.

Geographical area shall mean a geographical area where products and services are provided and which is subject to various risks and yields different from those of other areas. As the primary format for the reporting by sector, the Group has selected the reporting by geographical sector.

The Group presents as basic business segments the construction sector, the hotel industry, the Casino operation and the Marinas Management. Geographically the Group presents the segments of Greece, Romania, America and Russia.

Due to non consolidation of the subsidiary TOUSA Inc. as of 2/1/2008, the Group's primary information segment is the business segment and its secondary one the geographic segment, as almost all of the Group's operations take place in Eurozone states.

8.2. Consolidation - investments in associated companies and joint ventures

The consolidated financial statements comprise the financial statements of the parent company (TECHNICAL OLYMPIC S.A.) as well as those of all the subsidiary companies.

Subsidiaries: These are all the companies managed and controlled, directly or indirectly, by the Company, either through holding the majority of the Company's shares or through the latter's dependence on know-how provided to it by the Group. That is, subsidiaries are the businesses over which the control is exercised by the parent company. TECHNICAL OLYMPIC acquires and exercises control through the voting rights. The existence of any voting rights that may be exercised during the time of drafting of the financial statements is taken into account, in order to substantiate whether the parent company exercises control over the subsidiaries. The

subsidiaries are fully consolidated (total consolidation) using the buy-out method from the date when control over them is acquired and they stop being consolidated from the date when such a control does not exist.

The buy-out of a subsidiary by the Group is accounted for based on the purchase method. The acquisition cost of a subsidiary is the fair value of the assets provided, stock provided, and liabilities undertaken on the date of the transaction, plus any cost directly associated with the transaction. The individual assets, liabilities and possibly obligations acquired in a business purchase are accounted for during the buy-out at their fair values irrespective of the percentage of participation. The purchase cost beyond the fair value of the individual assets acquired is recorded as goodwill. If the total purchase cost is less than the fair value of the individual assets acquired, the difference is recorded directly in the results.

Cross-company transactions, balances and non-realized profits from transactions between the companies of the Group are eliminated. The non-realized losses are also eliminated, unless the transaction provides indications of impairment of the transferred asset.

The accounting principles of the subsidiaries have been amended in order to be uniform with those adopted by the Group.

In the individual financial statements, the investments in subsidiaries were evaluated as assets available for sale based on the provisions of the IAS 39 (at fair values).

Associated: These are the businesses over which the Group can exercise a significant influence but do not satisfy the conditions to be designated either as subsidiaries or as participation in a joint venture. The assumptions used by the group imply that, the percentage between 20% and 50% of the voting rights of a Company indicates significant influence over such a Company. Investments in affiliates are initially accounted at cost and then evaluated in the consolidated financial statements using the net position method. On each balance sheet date, the cost of participation increases with the ratio of the group in the changes of the net position of the invested business and decreases with the dividends received by the affiliate.

The Group share in the profits or losses of the affiliated companies after the buy-out is accounted for in the results, while the share of the changes in the reserves after the buy-out is accounted for in the reserves. The accumulated changes influence the book value of the investments in affiliated companies. When the Group participation in the losses of an affiliated company is equal to or exceeds its participation in the affiliate, including any other bad debt receivables, the Group does not record further losses, unless it has covered the liabilities, or has made payments on behalf of the affiliate and, in general, payments arising from its shareholder capacity.

Non-realized profits from transactions between the Group and affiliated companies are eliminated by the percentage of participation of the Group in the affiliated companies. Non-realized losses are eliminated, unless the transaction provides indications of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended in order to be uniform to those adopted by the Group.

In the individual financial statements the investments in affiliated companies have been evaluated at fair values pursuant to the IAS 39 as financial assets available for sale. The results from their evaluation are recorded in

the Equity account, while any negative result, i.e. impairment, is recorded in the Results Statement of the financial year.

Joint Ventures: These are contractual agreements, in accordance with which two or more parties undertake an economic activity subject to joint control. Joint control is the contractually distributed allocation of control over a company, that is, of the possibility to run the economic and business policy of a company, so that benefits can be generated from its activities.

The participations of the Group in joint ventures were evaluated at acquisition cost, minus any accumulated impairment losses.

8.3. Group Structure

Group structure as at 31/12/2008 is:

Full consolidation method	Country	Equivalent participation %
TECHNICAL OLYMPIC S.A.	GREECE	PARENT
MOCHLOS S.A.	GREECE	48.23%
ALVITERRA HELLAS SA	GREECE	74.11%
TECHNICAL OLYMPIC USA INC (Group)	USA	56.20%
TECHNICAL OLYMPIC SERVICES INC	USA	100.00%
PORTO CARRAS S.A.	GREECE	86.20%
PORTO CARRAS MELITON BEACH SA	GREECE	92.94%
PORTO CARRAS SITHONIA BEACH CLUB SA	GREECE	56.67%
PORTO CARRAS MARINA SA	GREECE	90.00%
PORTO CARRAS GOLF SA	GREECE	90.00%
PORTO CARRAS VILLAGE CLUB SA	GREECE	96.57%
PORTO CARRAS HYDROPLANES SA	GREECE	58.75%
KTIMA PORTO CARRAS	GREECE	94.91%
PORTO CARRAS TOURISTIKES ANAPTIKSEIS SA	GREECE	30.60%
STROFILI TECHNICAL SA	GREECE	99.00%
DILOS MARINES SA	GREECE	67.58%
MARKO MARINES SA	GREECE	DILOS with 84%
SAMOS MARINES SA	GREECE	DILOS with 97%
SKIATHOS MARINES SA	GREECE	DILOS with 88%
EUROROM CONSTRUCT II SRL	ROMANIA	MOCHLOS with 100%
TOXOTIS SA	GREECE	MOCHLOS with 100%
ANAPTIKSEIS ATHINAIKON PROASTION SA	GREECE	TOXOTIS with 99%

Net Equity Method	Country	Equivalent participation %
AGROTOURISTIKI	GREECE	30.98%
LAMDA OLYMPIC SRL	ROMANIA	EUROROM με 50%

8.4. Conversion Of Foreign Currency

The consolidated financial statements are presented in euro, which is the functional currency and the presentation currency of the parent company. The items in the financial statements of the Group's companies are measured on the basis of the currency of the economic environment in which the Group operates each of its companies (functional currency). Transactions in foreign currency are converted to the functional currency using the exchange rates in effect on the transaction dates.

Profits and losses from foreign exchange differences arising from settlement of such transactions during the period and from the conversion of the monetary items denominated in foreign currencies at current exchange rates at the balance sheet date are recorded in the results account. Foreign exchange differences from non-monetary items measured at their fair value are deemed to be part of fair value and are therefore recorded along with the differences in fair value.

The individual financial statements of the companies involved in the consolidation, which initially are presented in a currency other than the presentation currency of the Group, have been converted into euro. Assets and liabilities have been translated into euro at the closing exchange rate on the balance sheet date. Income and expenses have been converted into the presentation currency of the Group at the average exchange rates for each period under consideration. Any differences arising from this procedure have been charged (credited) to the reserve, in net financial position, for conversion of subsidiaries' foreign currency balance sheets.

8.5. Tangible assets

Land and buildings are shown in the financial statements in readjusted values as determined in a relevant valuation by an independent assessor in fair values on the assessment date, less accumulated depreciation and any impairment losses.

Readjustments are made frequently enough to ensure that the book value of a fixed asset is not substantially different from the value that would be determined by using fair value as at the balance sheet date.

Mechanical equipment and other tangible fixed assets are shown at acquisition cost less accumulated amortizations and any impairment losses. The cost of acquisition includes all directly attributable expenses involved in their acquisition. Subsequent expenses are recorded as an increase in the book value of tangible fixed assets or as a separate fixed asset only to the degree that the said expenses increase the future financial rewards anticipated from the use of the fixed asset and their cost can be measured reliably. The cost of repair and maintenance works is recorded in the operating results of the relevant financial years.

Depreciation of other tangible assets (besides land, which is not depreciated) is calculated based on the straight-line method over their estimated useful life as follows:

Buildings	21 - 50 years
Mechanical equipment	5 - 15 years
Air transportation	18 - 20 years
Vehicles	7 - 9 years
Other equipment	4 - 7 years

The book value of buildings, plant and equipment is tested for impairment when there are indications, i.e. events or changes in circumstances indicate that the book value may not be recoverable. If such an indication exists and the book value is greater than the anticipated recoverable amount, the assets or cash generating units are written down to the recoverable amount. The recoverable value of property, plant and equipment is the net selling price or value-in-use, whichever is higher. To calculate value in use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

For assets that do not generate cash inflows from continuing use that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The residual values and useful lives of tangible fixed assets are reassessed at each balance sheet date. When the book value of tangible assets exceeds their recoverable value, the difference (impairment) is recorded initially as a reduction in the fair value reserve (if such exists for the specific asset), which is shown in the equity capital accounts. Each impairment, apart from the reserve formed for the specific asset, is immediately recorded as an expense in the statement of operating results.

Upon sale of tangible fixed assets, any difference between the proceeds and their book value is recorded as profit or loss in the operating results.

Self-constructed tangible assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of wages of employees involved in the construction (corresponding employer contributions), cost of materials used and other general costs.

8.6. Investment property

Investments in properties are held to earn rent or for capital appreciation or both. Investments in properties are investments referring to all properties (including land, buildings or parts of buildings or both) held by the Group, either to earn rent or to increase their value (capital appreciation) or both.

The Group estimates according to the recording criteria all the expenses it incurs for an investment in properties at the time they are incurred. Such expenses include expenses incurred initially to acquire the property and expenses incurred subsequently to add to or replace part of it. In accordance with the recording criteria, the Group does not include repair expenses in the book value of an investment in properties, as these are expenses that are recorded directly in the Statement of Operating Results.

Investments in properties are recorded initially at their acquisition cost, increased by all expenses relating to the transaction for their acquisition (e.g. notary's fees, real estate agent's fees, transfer taxes). The cost of an investment property is the cash equivalent price. In the event that the payment for the acquisition of an investment property is delayed beyond the usual credit limits, then the difference between the total payments and the cash equivalent amount will be recorded and shown in the statement of operating results, as interest (expenses) for the whole duration of the credit.

The Group has opted to assess investments in properties on the basis of fair value. In accordance with this policy, the fair value of an investment in properties is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value excludes an estimated price inflated or deflated by special terms or circumstances, such as atypical financing, sale and leaseback agreements, special considerations or concessions granted by anyone associated with the sale. A gain (or loss) arising from a change in the fair value of investment property constitutes a result and is recorded in the operating results of the year in which it arises.

The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

8.7. Intangible assets

Intangible assets acquired by a company are recorded at their acquisition cost. Intangible assets generated internally, excluding development costs, are not capitalised and expenditure is included in the results of the year in which they arise. Intangible assets include a casino license as well as software licenses.

CASINO License: The duration of the license is unlimited, since it cannot be taken away from the company unless there is a change in the situation through prior passage of a draft bill. Thus amortizations are not calculated, but the license is examined annually to check for potential loss of value. The accounting value of the license the day the balance sheet was drafted was EUR 13,935 thousand.

Software: Software licenses are recorded in intangible assets and are assessed at acquisition cost less accumulated amortizations. Amortizations are calculated on the basis of the straight-line method over the useful life of such assets, which ranges from three to five years. Software amortizations are included in the items "Cost of Goods Sold" and "Administration Costs" in the statement of results.

Amortizations of intangible assets are included in "Cost of Goods Sold" and "Administration Costs" in the statement of results.

8.8. Impairment of the Value of Assets

Assets that have an indeterminate service life are not amortised and are tested for impairment at least annually and whenever events or circumstances indicate that the book value may not be recoverable.

Assets that are amortised are tested for impairment of their value when indications exist that their book value is not recoverable. An assessment of whether any such indications exist is made on each balance sheet date.

The recoverable value is the higher amount of the net selling price and value-in-use.

Net selling price is deemed to be the amount obtainable from the sale of an asset in the framework of a reciprocal transaction between knowledgeable, willing parties, after deducting all additional direct costs for the sale of the asset, whereas value in use is the present value of estimated future cash flows expected to accrue to the company from the use of an asset and from its sale at the end of its estimated useful life.

When the book value of an asset exceeds its recoverable value, an impairment loss is recorded in the statement of results.

8.9. Financial instruments

Financial means is every contract that creates a financial asset in a company and a financial liability or equity holding in another company.

The financial assets and liabilities of the balance sheet comprise cash-in-hand, receivables, participations or subscriptions and short and long-term liabilities. The Company is not making use of any derivative financial products neither for risk compensation (hedging) nor for any profiteering purposes. The accounting principles for registration and evaluation of these assets are referring to the accounting principles that are presented in this Note. The financial products are presented as receivables, liabilities or elements of the net position based on the subject matter and contents of the relevant contracts from which they arise. Interests, dividends, profits and losses arising from the financial products that are designated as receivables or liabilities are accounted for as income or expenses respectively. The distribution of dividends to shareholders is recorded directly in the net position. The financial products are offset, pursuant to the law, when the Company has this right and is intended to offset the net basis (between them) or to recover the asset and offset the liability at the same time.

8.9.1. Categories of Financial instruments

The Group's financial instruments are classified under the following categories on the basis of the substance of the contract and the purpose for which they have been acquired.

8.9.1.1. Financial Means Evaluated At Their Fair Value Through The Results Statement Of The Financial Year

These are financial assets that meet any one of the following conditions:

- Financial assets held for commercial purposes
- During the initial recording it is defined by the Group as an asset evaluated at fair value, given that it satisfied the criteria of IAS 39, with the accounting of the changes in the Results (P& L) Statement of the Financial year.

The Company is not making use of any derivative financial products neither for risk compensation (hedging) nor for any profiteering purposes.

8.9.1.2. Loans and Receivables

These comprise non-derivative financial assets with fixed or defined payments, which are not traded in active markets. This category (Loans and Receivables) does not include

- receivables from advance payments for the purchase of goods or services,
- receivables involving tax transactions, which have been imposed legally by the state,
- anything not covered by contract, in order to give the company the right to receive cash or other financial fixed assets.

The Loans and receivables are included in the floating assets, apart from those with expiration longer than 12 months from the date of the balance sheet. The latter are included in the non-floating assets.
The loans and receivables are recorded for in the un-amortized cost, based on the method of actual interest rate.

8.9.1.3. Investments Held to Their Maturity

Includes non-derivative financial assets with fixed or determined payments and specific maturity, which the Group has the intention and possibility to withhold until their maturity. Investments held to maturity are evaluated at the un-amortized cost, based on the method of actual interest rate. The Group does not hold any investments of this category.

8.9.1.4. Financial Assets Available for Sale

Includes non-derivative financial assets which, are either determined in this category or they cannot be included in any of the above.
The financial means of this category are evaluated at their fair value and the relevant profits or losses are recorded in the reserve of equity until these assets are sold or designated as impaired.
During the sale or when designated as impaired, the profits and losses are carried over to the results. Impairment losses that have been recognized in profit or loss shall not be reversed through the latter.

8.9.2. Initial Accounting And Later Evaluation Of Financial Means

The purchase and sales of investments are recorded for on the date of the transaction, which is the date that the Group is committed to purchase or sell the asset. The investments are initially accounted for at their fair value plus the direct expenses ascribed to the transaction, with the exception of direct expenses ascribed to the transaction for those assets that are evaluated at their fair value with changes in the results. The investments are eliminated when the right to the cash flows from investments expires or is transferred and the Group has essentially transferred all of the risks and rewards that the ownership entails.
The loans and receivables are recorded for in the un-amortized cost, based on the method of actual interest rate.
The realised and non-realised profits or losses arising from the changes in the fair values of the financial assets evaluated at fair value with changes in the results are recorded for in the results during the period that they arise.
The fair values of the financial assets that are traded in active markets are determined by the current demand prices. As regards non traded assets, their fair value is established using measurement techniques such as the analysis of recent transactions, comparable assets traded and cash flow prepayment. The equity instruments not traded in an active market that have been classified in the category financial means available for sale and the fair value of which cannot be determined in a reliable way are evaluated at their acquisition cost.

On every balance sheet date the Group estimates whether there is objective evidence leading to the conclusion that the financial assets have been subject to impairment. As regards shares of companies classified as available for sale financial assets, such evidence shall be significant or extended decrease in their fair value as compared to the cost of acquisition. If impairment is demonstrated, accumulated loss in equity which is the difference between the cost of acquisition and the fair value shall be recognized in loss or profit.

8.10. Inventory

On the date of the balance sheet, the inventory are evaluated at the lower value between the cost and the net liquidating value. The acquisition cost is determined by the FIFO method. The net liquidating value is the estimated sale price in the usual course of business of the company, minus any relevant sale costs.

The inventory include goods, which were acquired with a view to their future sale.

The cost of inventory includes all of the costs incurred for the purchase of the inventory. If the inventory are disposed by the Group in different form or used for the production of other products, then the cost of purchase and the conversion cost are added, as well as other expenses that are made in order for the inventory to take their final form and become ready for sale. The cost of the inventory is determined by the FIFO method and does not include finance expenses.

8.11. Trade receivables

The receivables from clients are recorded initially at their fair value and later they are evaluated at un-amortized cost using the method of effective rate minus every provision for a potential reduction in their value. Every relevant impairment loss, that is, when there is objective evidence that the Group is in no position to collect all of the amounts due pursuant to the contractual terms, is recorded for in the results of the financial year that it arises.

8.12. Cash-In-Hand and Cash Equivalents

The cash-in-hand and cash equivalents include the cash in the bank and at the cashier's office as well as the short-term investments of high liquidity instruments, such as repos and bank deposits.

8.13. Share capital

Direct expenses that were made for the issue of stock appear following the subtraction of the relevant income tax, in reduction of the issue product. The expenses that are related to the issue of stock for the acquisition of companies are included in the acquisition cost of the company acquired.

During the acquisition of own shares, the price paid, including the relevant expenses, is depicted minus equity (reserve above par).

8.14. Income Tax & Deferred Tax

The charge of the financial year with income taxes consists of the current taxes and deferred taxes, that is, the taxes or tax relieves related to the economic benefits arising in the period but which have already been accounted for or will be accounted for by the tax authorities in other periods. The income tax is recorded in the account of the results of the financial year, apart from the tax that refers to transactions recorded directly to equity, in which case it is recorded directly to equity accordingly.

The current income taxes include the short-term liabilities and/or claims to the fiscal authorities that are related to the taxes payable on the taxable income of the financial year and any additional income taxes involving previous financial years.

Current taxes are established based on tax rates and tax legislation that are in force during the management periods to which they relate, based on the taxable profit for the year. All of the changes in the short-term tax assets or liabilities are accounted for as part of the tax expenses in the results statement of the financial year.

The deferred income tax is determined using the method of obligation in all of the provisional differences on the date of the Balance Sheet, between the tax base and the book value of the assets and liabilities. No deferred income tax shall be recognized if it results from the initial recognition of an asset or liability in a transaction, with the exception of business consolidation which when carried out did not affect the accounting or taxable profit or loss.

The deferred tax liabilities and obligations are evaluated based on the tax scales expected to be applied during the period in which the liability or obligation will be settled, taking into account the tax scales (and tax laws) that are into effect or are essentially in effect until the date of the Balance Sheet.

Deferred tax liabilities are accounted for to the extent that there will be future taxable profit for the use of the provisional difference generated by the deferred tax liability.

Deferred income tax is accounted for the provisional differences arising from investments in subsidiaries and affiliated companies, with the exception where the Group controls reversal of the provisional differences and it is likely that the provisional differences will not be reversed in the foreseeable future.

The changes in the deferred tax liabilities or obligations are accounted for as an income tax element in the statement of results of the financial year, except those arising from specific changes in the assets or liabilities, which are recorded directly in the Group's equity, such as the revaluation of the value of real estate property and which have as a result the relevant change in the deferred tax liabilities or obligations to be debited/credited against the relevant account of the net position.

8.15. Provisions of Personnel Compensation Due to Retirement

Short-term Benefits

The short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in kind are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits, the company records the excess amount as its asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

Retirement benefits

The benefits following the termination of employment include pensions and other contributions (lump sum compensation) that the company provides following the end of employment, in exchange for the services of the employees. Thus, they only include specific contribution plans. The accrued cost of defined contribution termination plans is recognized as expense during the relevant period.

Specific Contribution Plans

The Company personnel are mainly covered by the main State Social Security Organization of the private sector (IKA), which grants pensions and healthcare benefits. Every employee is required to contribute part of his/her monthly salary to this fund, while the Company covers part of the overall contribution. During retirement, the pension fund is responsible for the payment of pensions to the employees. Consequently, the Company has no legal or presumed obligation for the payment of future benefits on the basis of this plan.

Based on the specific contributions plan, the obligation of the company (legal or presumed) is limited to the amount it has agreed to contribute to the organization (e.g., fund) managing the contributions and granting the benefits. Thus, the amount of benefits that the employee will receive is determined by the amount that the company will pay (and/or the employee) and by the paid investments of these contributions.

The payable contribution by the company to specific contributions plans is recorded for as a liability, following the subtraction of the contribution paid and as a respective expense.

Specific Benefits Plans

The liability that is recorded in the balance sheet for the specific benefits plans represents the current value of the liability for the specific benefit, based on the law 2112/20, and the changes arising from any appropriate profit or loss and the cost of previous service. The present value of the defined benefit obligation is determined by an independent actuarial using the Projected Unit Credit Method. To discount them, the interest rate of long-term Greek Government bonds is used.

The proportional profits and losses are elements of the liability of the benefit of the company, as well as of the expense, which will be recorded in the results. Those arising from the adjustments based on the historical data and exceeding the margin of 10% of the accumulated liability are recorded in the results within the expected

average time of employment of those participating in the plan. The cost of previous service is recorded directly in the results with the exception of the case where the changes of the plan depend on the remaining time of service of the employees. In that case the cost of past service is recognized in profit loss using the fixed method in the maturity period.

8.16. Subsidies

The Group records the state subsidies, which overall satisfy the following criteria:

- there is a presumed certainty that the company has complied or will comply with the terms of the subsidy and
- it is likely that the amount of the subsidy will be collected.

Subsidies are recorded at fair value and accounted in a systematic way in the income, based on the principle of correlation of the subsidies with the respective costs that they also subsidise.

Subsidies that are involving assets are included in the long-term liabilities as income of future financial years.

8.17. Provisions

Provisions are recorded when the Group has current legal or presumed liabilities as a result of past events, and their settlement is likely through the outflow of resources and the estimation of the exact amount of the liability may be effected in a reliable way. The provisions are reviewed on the date of drafting of each balance sheet and adjusted in order to reflect the current value of the expenditure expected to be required for the settlement of the liability.

Possible liabilities shall not be recognized in the financial statements but they shall be disclosed, unless the possibility of outflow of resources that incorporate financial benefits is minimum.

Possible liabilities shall not be recognized in the financial statements, but they shall be disclosed provided there is possibility for financial benefit inflow.

8.18. Loans

The loans are recorded initially at their fair value reduced by any direct costs for the effect of the transaction. They are later evaluated at the un-amortized cost, using the actual interest rate method. The cost of borrowing is recorded in the results of the financial year in which it is realised.

8.19. Provisions and Contingent Liabilities and Receivables

Provisions are recorded when the Group has current legal or presumed liabilities as a result of past events, and their settlement is likely through the outflow of resources and the estimation of the exact amount of the liability may be effected in a reliable way. The provisions are reviewed on the date of drafting of each balance sheet and adjusted in order to reflect the current value of the expenditure expected to be required for the settlement of the liability.

Possible liabilities shall not be recognized in the financial statements but they shall be disclosed, unless the possibility of outflow of resources that incorporate financial benefits is minimum.
Possible liabilities shall not be recognized in the financial statements, but they shall be disclosed provided there is possibility for financial benefit inflow.

8.20. Revenue recognition

Income is recorded to the extent that it is likely that the economic benefits will inflow in the Group and the relevant amounts can be measured reliably. The income includes the fair value of unperformed projects, sales of goods and provision of services, free from Value Added Tax, discounts and returns. Cross-company income within the Group is deleted entirely.
Revenue is recognized as follows:

Sales of Property and Construction of Homes

The income is recorded when the legal title is transferred to the buyer and the following conditions apply:

- the sale has been completed,
- a significant part of the receivable from the client has been collected,
- the income has become payable and
- the payment of the balance due by the client is considered certain

Supply of Financial Services

Income from the supply of financial services is recorded when the mortgaged loans and rights from different finance plans are sold to third parties.

Project Construction Contracts

Income from the performance of construction contracts are accounted for in the period during which the project is constructed, based on the method of percentage completion of the project (as described in detail in note 3.23).

Hotel revenues

Income from the stay at the hotel is recorded when the service has been provided (for each day of stay separately).

Casino Income

The games are conducted based on the Regulation of Administrative Control and Supervision of Casino Operations. The control and supervision are exercised by the Casino Directorate of the General Secretariat for Tourism of the Ministry of Development, on site, daily and throughout the duration of operation of the Casino, through the groups of its employees authorised for the control.

The management of the entirety of the games is performed using software programs approved by the Casino Supervision and Operations Committee.

The casino is required, on a daily basis, to proceed with the accounting opening of all its gaming tables, and it is entitled, depending on the number of its clients, to operate the entirety or part of these tables.

Following the end of the closing of a table, the cash counted and recorded in the printed form of the closing result, which includes the initial advance payment, the closing of the table with chips, the balance of chips remaining on the table, the additional advance payment, the supplement made and then the banknotes, separately for each denomination, from which the day's result is calculated and recorded in the books.

Mooring of Boats

The income from marina services is recorded during the mooring of boats, based on their actual time of stay. The entry and exit of the boats is recorded and invoiced for the period of stay in accordance with predefined prices arising from executed contracts as well as from the price list for services.

Services Rendered

Provision of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Sales of Goods

The income is recorded when the essential risks and benefits arising from the ownership of the goods have been transferred to the buyer.

Dividends

Dividend income shall be recognized when the right to collect it is substantiated.

Interest income

Income from interest is recorded based on the time ratio and by applying the actual interest rate method.

When a receivable is impaired, the Group reduces the accounting value to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Thereafter, interests are calculated by using the same rate on the impaired value (new accounting value).

8.21. Borrowing Cost

The borrowing cost that does not involve building of homes for sale is accounted as income in the period when it is realized in accordance with the benchmarking method of the IAS 23 "Borrowing Cost".

8.22. Leases

Group Company as the Lessee

Financial leasing is the leasing of fixed assets according to which, all risks and benefits related to the ownership of an asset, are transferred to the Group, irrespective of whether the ownership title of the said asset is transferred in the end or not. Such leasing is capitalized upon the start of the lease at their lower value between the fair value of the fixed asset or the current value of the minimum number of rents. Each rent is allocated between the liability and the financial expenses to attain a fixed interest rate in the remaining financial liability. The respective costs from rents, net of financial expenses shall be reported under liabilities. The part of a financial expense that pertains to financial leases shall be recognized in profit or loss during the term of the lease.

The amortized value of the fixed assets acquired by leasing is distributed –on a systematic and even basis– over the years that these fixed assets are expected to be utilized, pursuant to the fixed amortization method, which is applied for the own fixed assets as well. When there is certainty that the Group will acquire the ownership of these fixed assets upon the end of the leasing, the expected period of use is taken to be the useful life of these fixed assets, while in the opposite case these fixed assets are amortized in the shortest period between useful life of the fixed assets and the duration of their lease.

Leasing agreements where the lessor transfers the right of use of an asset for an agreed period, without however transferring the risks and rewards of ownership of such fixed asset, are classified as operating leasing. The payments made for operating leasing (not including any motives offered by the lessor) are accounted in the results of the financial year at equal amounts during the leasing.

Group Company as the Lessor

When fixed assets are rented by leasing, the current value of the rents is recorded as receivable. The difference between the gross amount of the receivable and the current value of the receivable is recorded as deferred financial income. The income from the lease is recorded in the results of the financial year of the leasing applying the method of net investment, which represents a fixed periodical return.

Fixed assets leased by operating leasing are included in the tangible assets of the balance sheet. They are amortized during their expected useful life on a basis consistent with similar owned tangible assets. The income from the rent (not including any motives offered to the lessees) is recorded by applying using the fixed method of the period of the leasing.

8.23. Construction Contracts

The construction contracts involve the construction of assets or group of associated assets especially for clients, in accordance with the terms provisioned in the relevant contracts and the performance of which usually lasts for a period longer than one financial year.

The expenses concerning each contract are accounted when realized.

Income is recorded as follows:

a) In the case where the result of a project construction contract cannot be evaluated in a reliable way, and mainly in the case where the project is at an early stage:

- the income is recorded only to the extent that the undertaken contractual cost is likely to be recovered and
- the contractual cost is recorded in the results of the financial year in which it was undertaken.

Thus, for these contracts such an income is recorded so that the profit from the specific project is zero.

b) When the result of a contractual project may be assessed reliably, then the income and expenses of the contract are recorded during the term of the contract as income and expense, respectively.

The Group uses the method of percentage completion in order to determine the suitable amount of income and expense that will be accounted within a specific period.

The completion stage is measured based on the contractual cost incurred until the date of the balance sheet in relation to the overall estimated construction cost of every project. The above percentage is applied over the overall (revised) contract price, in order to determine the accumulated expenses of the project based on which the invoiced expenses will be readjusted.

When it is likely that the overall cost of the contract will exceed the total income, then the expected loss is accounted directly in the results of the financial year as expense.

For the estimation of the cost incurred up to the end of the financial year, any expenses related to future works with reference to the contract are excluded and appear as a project in progress. The total of the cost realized and of the profit/ loss recorded for each contract is compared with the progressive invoicing until the end of the financial year.

Where the expenses realized plus net profits (minus losses) that have been recorded exceed the progressive invoicing, the difference appears as receivable from clients of project contracts in the fund "Pertaining to construction contracts." When the progressive invoicing exceeds the expenses realized plus net profits (minus losses) that have been recorded, the balance appears as liability to the clients of project contracts in the fund "Liabilities from construction contracts.".

8.24. Biological Assets

The Group, pursuant to the I.A.S. 41, records a biological asset, when and only when:

- it controls the biological asset due to a certain past event.
- it is likely that future benefits related to the asset will flow into the Group.
- the fair value of the asset may be evaluated reliably.

The biological assets are evaluated at the time of their initial recording in the financial statements and on the date of each subsequent Balance sheet, at their fair value reduced by the estimated expenses until their sale (commission to brokers and sellers, contributions to statutory agents and commodity exchanges, transfer taxes and duties).

In the case in which the value of a biological asset cannot be evaluated reliably (e.g., in cases where at the time of the initial accounting of the asset there are no values available in the market and the Group cannot be based on alternative estimations because they appear to be unreliable), this asset is evaluated at its cost minus any accrued amortization and any accrued loss from impairment of its value.

It is noted that, the expenses estimated until the sale do not include the transportation expenses and other respective costs, the payment of which is required, in order for the biological assets to reach a market. The evaluation of the biological assets at their fair value is intended to depict as reliably as possible, the change that came about on the biological assets as a consequence of their transformation.

Agricultural produce, which is the product of harvest from the biological assets, is evaluated at its fair value at the moment of its harvest less the estimated, until the sale, costs and this value is the cost of reserves of the agricultural produce.

The Group did not proceed with the evaluation of its biological assets, which are mainly vineyards, as it estimates that this value would not have any significant effect on its financial statements.

8.25. Dividend distribution

The distribution of dividends to shareholders of the parent company is recorded as a liability in the consolidated financial statements on the date on which the distribution is approved by the General meeting of shareholders.

9. INFORMATION PER SEGMENT

9.1. Primary Reporting Sector - Business Sectors

The registered office of the Group is Greece. The areas of activity of the Group are Greece, Romania and Russia. Due to non consolidation of the subsidiary TOUSA Inc. as of 2/1/2008, the Group's primary information segment is the business segment and its secondary one the geographic segment, as almost all of the Group's operations take place in Eurozone states. The results from every sector during the period 1/1 - 31/12/2007 and 1/1 - 31/12/2008 are analyzed as follows:

Amounts in€ '000	GROUP							
Assets and liabilities as of 31/12/2008	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Total Gross Sales per Sector	0	163,628	22,730	14,967	1,454	2,849	6,508	212,136
Internal revenues	0	(30,678)	(63)	(10)	(11)	(317)	(5,417)	(36,496)
Net sales	**0**	**132,950**	**22,667**	**14,957**	**1,443**	**2,532**	**1,091**	**175,640**
Sales Cost	0	(120,470)	(19,007)	(8,372)	(2,639)	(1,934)	(2,729)	(155,151)
Gross profit / (loss)	**0**	**12,480**	**3,660**	**6,585**	**(1,196)**	**598**	**(1,638)**	**20,489**
Other income / expenses	(33)	(12,258)	(5,260)	(3,540)	(143)	(499)	(20,888)	(42,621)
Operating Profit / (losses)	**(33)**	**222**	**(1,600)**	**3,045**	**(1,339)**	**99**	**(22,526)**	**(22,132)**
Financial Results	0	(4,813)	(477)	(7)	(209)	(158)	(456)	(6,120)
Results from investments	0	4,950	0	0	0	0	370	5,320
Results from Joint-Ventures executed	0	123	0	0	0	0	0	123
Income share of affiliated companies	0	30	0	0	0	0	0	30
Operating Profit / (losses) before taxes	**(33)**	**512**	**(2,077)**	**3,038**	**(1,548)**	**(59)**	**(22,612)**	**(22,779)**
Income tax	(9)	(3,176)	(151)	163	(3)	(15)	(3,345)	(6,536)
Operating Profit / (losses) after taxes	**(42)**	**(2,664)**	**(2,228)**	**3,201**	**(1,551)**	**(74)**	**(25,957)**	**(29,315)**
Results from discontinued operations	0	(30)	0	0	0	0	395,371	395,341
Profit / (losses) after tax	**(42)**	**(2,694)**	**(2,228)**	**3,201**	**(1,551)**	**(74)**	**369,414**	**366,026**

Amounts in€ '000	GROUP							
Segment Results as of 31/12/2007	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Total Gross Sales per Sector	0	169,126	20,904	16,861	1,018	2,329	228,056	438,294
Internal revenues	0	(62,234)	0	0	0	0	(222,016)	(284,250)
Net sales	**0**	**106,892**	**20,904**	**16,861**	**1,018**	**2,329**	**6,040**	**154,044**
Sales Cost	0	(100,480)	(18,373)	(9,209)	(2,195)	(1,255)	(3,516)	(135,028)
Gross profit / (loss)	**0**	**6,412**	**2,530**	**7,653**	**(1,177)**	**1,074**	**2,524**	**19,016**
Other income / expenses	(35)	(8,347)	(3,244)	(5,171)	(114)	(701)	(2,149)	(19,761)
Operating Profit / (losses)	**(35)**	**(1,935)**	**(714)**	**2,482**	**(1,291)**	**373**	**375**	**(745)**
Financial Results	0	(5,071)	(774)	0	(493)	(191)	(255)	(6,784)
Results from investments	0	2,895	0	0	0	0	0	2,895
Results from Joint-Ventures executed	0	(494)	0	0	0	0	0	(494)
Income share of affiliated companies	0	734	0	0	0	0	0	734
Operating Profit / (losses) before taxes	**(35)**	**(3,871)**	**(1,488)**	**2,482**	**(1,784)**	**182**	**120**	**(4,394)**
Income tax	(48)	(4,404)	(113)	(435)	(31)	(13)	(745)	(5,789)
Operating Profit / (losses) after taxes	**(83)**	**(8,275)**	**(1,600)**	**2,046**	**(1,815)**	**169**	**(625)**	**(10,183)**
Results from discontinued operations	0	0	0	0	0	0	(925,335)	(925,335)
Profit / (losses) after tax	**(83)**	**(8,275)**	**(1,600)**	**2,046**	**(1,815)**	**169**	**(925,960)**	**(935,518)**

The allocation of consolidated assets and liabilities by business sector is as follows:

Amounts in€ '000	GROUP							
Assets and liabilities as of 31/12/2008	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Non current assets	1,477	479,407	86,401	17,157	13,172	10,596	452,542	1,060,752
Current assets	239	127,917	26,763	1,550	4,528	11,294	15,112	187,403
Intercompany eliminations	(1,663)	(451,249)	(63,708)	(11,528)	(6,432)	(7,001)	(19,458)	(561,039)
Total	**53**	**156,075**	**49,456**	**7,179**	**11,268**	**14,889**	**448,196**	**687,116**
Non current assets available for sale	0	0	0	0	0	0	0	0
Consolidated Assets	**53**	**156,075**	**49,456**	**7,179**	**11,268**	**14,889**	**448,196**	**687,116**
Long term liabilities	0	79,385	30,237	3,580	12,605	7,143	83,778	216,728
Short term liabilities	1	87,838	25,619	5,100	1,715	3,861	6,591	130,725
Non current assets available for sale	0	(67,314)	(20,027)	(1,465)	(8,875)	(3,431)	(13,988)	(115,100)
Total	**1**	**99,909**	**35,829**	**7,215**	**5,445**	**7,573**	**76,381**	**232,353**
Consolidated liabilities	**1**	**99,909**	**35,829**	**7,215**	**5,445**	**7,573**	**76,381**	**232,353**

Amounts in€ '000	GROUP							
Assets and liabilities as of 31/12/2007	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Non current assets	0	350,662	74,906	17,557	14,483	9,105	259,719	726,432
Current assets	1,965	114,144	38,463	1,667	6,372	12,702	10,710	186,023
Intercompany eliminations	(1,874)	(322,259)	(74,974)	(16,368)	(7,043)	(9,891)	20,659	(411,750)
Total	**91**	**142,547**	**38,395**	**2,856**	**13,812**	**11,916**	**291,088**	**500,705**
Non current assets available for sale	1,093,564	0	0	0	0	0	0	1,093,564
Consolidated Assets	**1,093,655**	**142,547**	**38,395**	**2,856**	**13,812**	**11,916**	**291,088**	**1,594,269**
Long term liabilities	0	40,789	28,424	5,269	9,955	4,408	58,411	147,256
Short term liabilities	203	98,671	29,565	1,668	4,979	7,353	4,759	147,198
Non current assets available for sale	(196)	(38,610)	(14,300)	(2,421)	(7,717)	(3,337)	(17,048)	(83,629)
Total	**7**	**100,850**	**43,689**	**4,516**	**7,217**	**8,424**	**46,122**	**210,825**
Liabilities regarding non current assets available for sale	1,489,249	0	0	0	0	0	0	1,489,249
Consolidated liabilities	**1,489,256**	**100,850**	**43,689**	**4,516**	**7,217**	**8,424**	**46,122**	**1,700,074**

Also depreciation information per sector is given below:

Amounts in€ '000	GROUP							
Depreciation as of 31/12/2008	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Depreciation of tangible assets	0	4,649	6,989	1,252	966	1,118	(642)	14,332
Depreciation of intangible assets	0	90	131	44	5	0	3	273
Discontinued operations	0	0	0	0	0	0	113	113
Total depreciation for the period	**0**	**4,739**	**7,120**	**1,296**	**971**	**1,118**	**(526)**	**14,718**

Amounts in€ '000	GROUP							
Depreciation as of 31/12/2007	**HOME BUILDING / REAL ESTATE**	**CONSTRUCTION SECTOR**	**HOSPITALITY SECTOR**	**CAZINO OPERATION**	**MARINA MANAGEMENT**	**SALES OF ALCOHOOL AND OTHER PRODUCTS**	**OTHER**	**TOTAL**
Depreciation of tangible assets	0	4,708	4,422	1,249	1,010	148	357	11,894
Depreciation of intangible assets	0	104	98	87	5	0	5	299
Discontinued operations	10,765	0	0	0	0	0	232	10,997
Total depreciation for the period	**10,765**	**4,812**	**4,520**	**1,336**	**1,015**	**148**	**594**	**23,190**

9.2. Secondary Reporting Sector - Geographical Sectors

The analysis of the turnover and assets of the Group by geographical sector is as follows:

Amounts in € '000	GROUP				
Segment result as of 31/12/2008	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Total Gross Sales per Sector	170,287	41,849	0	0	212,136
Internal revenues	(35,781)	(715)	0	0	(36,496)
Net sales	**134,506**	**41,134**	**0**	**0**	**175,640**
Sales Cost	(118,935)	(35,839)	(377)	0	(155,151)
Gross profit / (loss)	**15,571**	**5,295**	**(377)**	**0**	**20,489**
Other income / expenses	(39,677)	(2,928)	0	(15)	(42,620)
Operating Profit / (losses)	**(24,106)**	**2,367**	**(377)**	**(15)**	**(22,131)**
Financial Results	(4,942)	(1,176)	0	(2)	(6,120)
Results from investments	5,320	0	0	0	5,320
Results from Joint-Ventures executed	123	0	0	0	123
Income share of affiliated companies	0	30	0	0	30
Operating Profit / (losses) before taxes	**(23,605)**	**1,221**	**(377)**	**(17)**	**(22,778)**
Income tax	(7,165)	629	0	0	(6,536)
Operating Profit / (losses) after taxes	**(30,770)**	**1,850**	**(377)**	**(17)**	**(29,314)**
Results from discontinued operations	(345)	0	395,686	0	395,341
Profit / (losses) after tax	**(31,115)**	**1,850**	**395,309**	**(17)**	**366,027**

Amounts in € '000	GROUP				
Segment result as of 31/12/2007	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Total Gross Sales per Sector	150,628	65,285	222,380	0	438,293
Internal revenues	(62,234)	0	(222,015)	0	(284,249)
Net sales	**88,394**	**65,285**	**365**	**0**	**154,044**
Sales Cost	(72,372)	(62,656)	0	0	(135,028)
Gross profit / (loss)	**16,022**	**2,629**	**365**	**0**	**19,016**
Other income / expenses	(19,106)	(343)	(312)	0	(19,761)
Operating Profit / (losses)	**(3,084)**	**2,286**	**53**	**0**	**(745)**
Financial Results	(4,839)	(1,945)	0	0	(6,784)
Results from investments	2,895	0	0	0	2,895
Results from Joint-Ventures executed	(494)	0	0	0	(494)
Income share of affiliated companies	729	5	0	0	734
Operating Profit / (losses) before taxes	**(4,793)**	**346**	**53**	**0**	**(4,394)**
Income tax	(5,312)	(477)	0	0	(5,789)
Operating Profit / (losses) after taxes	**(10,105)**	**(131)**	**53**	**0**	**(10,183)**
Results from discontinued operations	(1,766)	0	(923,569)	0	(925,335)
Profit / (losses) after tax	**(11,871)**	**(131)**	**(923,516)**	**0**	**(935,518)**

The allocation of consolidated assets and liabilities by geographical sector is as follows:

Amounts in€ '000	GROUP				
Assets and liabilities as of 31/12/2008	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Non current assets	1,058,939	1,813	0	0	1,060,752
Current assets	162,502	22,147	2,723	31	187,403
Intercompany eliminations	(560,310)	(728)	0	0	(561,038)
Total	**661,131**	**23,232**	**2,723**	**31**	**687,117**
Consolidated Assets	**661,131**	**23,232**	**2,723**	**31**	**687,117**
Long term liabilities	214,203	2,525	0	0	216,728
Short term liabilities	109,959	17,798	2,965	1	130,723
Non current assets available for sale	(114,377)	(722)	0	0	(115,099)
Total	**209,785**	**19,601**	**2,965**	**1**	**232,352**
Consolidated liabilities	**209,785**	**19,601**	**2,965**	**1**	**232,352**

Amounts in€ '000	GROUP				
Assets and liabilities as of 31/12/2007	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Non current assets	723,219	3,213	0	0	726,432
Current assets	158,983	26,451	590	0	186,024
Intercompany eliminations	(410,894)	(856)	0	0	(411,750)
Total	**471,308**	**28,808**	**590**	**0**	**500,706**
Non current assets available for sale	0	0	1,093,564	0	1,093,564
Consolidated Assets	**471,308**	**28,808**	**1,094,154**	**0**	**1,594,270**
Long term liabilities	146,342	914	0	0	147,256
Short term liabilities	119,890	26,876	432	0	147,198
Non current assets available for sale	(83,629)	0	0	0	(83,629)
Total	**182,603**	**27,790**	**432**	**0**	**210,825**
Liabilities regarding non current assets available for sale	0	0	1,489,250	0	1,489,250
Consolidated liabilities	**182,603**	**27,790**	**1,489,682**	**0**	**1,700,075**

Also depreciation information per sector is given below:

Amounts in€ '000	GROUP				
Depreciation as of 31/12/2008	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Depreciation of tangible assets	13,700	632	0	0	14,332
Depreciation of intangible assets	272	1	0	0	273
Discontinued operations	113	0	0	0	113
Total depreciation for the period	**14,085**	**633**	**0**	**0**	**14,718**

Amounts in€ '000	GROUP				
Depreciation as of 31/12/2007	**GREECE**	**ROMANIA**	**USA**	**RUSSIA**	**TOTAL**
Depreciation of tangible assets	11,287	608	0	0	11,895
Depreciation of intangible assets	296	1	0	0	297
Discontinued operations	232	0	10,765	0	10,997
Total depreciation for the period	**11,815**	**609**	**10,765**	**0**	**23,189**

10. EXPLANATORY ANNOTATIONS ON THE ANNUAL FINANCIAL STATEMENTS

10.1. Tangible assets used by the Company

On 31/12/2008 all plots and buildings of the PORTO CARRAS complex were evaluated from independent professional valuator and more specifically from the valuation company PIRAEUS REAL ESTATE SA in application of the following valuation methods:

- discounted cash flow method (DCF)
- depreciated replacement cost method (DRC)

The values derived were properly adjusted in order to present their fair value on December 31, 2008.

On 31/12/2008 the rest of the Group's plots and buildings were evaluated from independent professional valuator and more specifically from the company KING HELLAS SA in application of the following valuation methods:

- the Income Method
- the real estate market comparative data method

The values derived were properly adjusted in order to present their fair value on December 31, 2008.

The tangible fixed assets used by the Group are analyzed as follows:

Amounts in € '000	THE GROUP						
	Land Plots	**Buildings**	**Mechanical Equipment**	**Means of Transport**	**Furniture and Other Equipment**	**Assets under construction**	**Total**
Acquisition Cost on 1/1/2007	152,756	95,607	53,908	14,015	15,561	19,060	350,907
minus: Accumulated Amortizations	(971)	(7,783)	(25,702)	(10,392)	(7,995)	0	(52,843)
Book Value on 1/1/2007	**151,786**	**87,824**	**28,206**	**3,623**	**7,566**	**19,060**	**298,065**
Additions	20	182	3,689	310	7,777	17,055	29,033
Sales-Annulments	(8)	(270)	(9)	(252)	(48)	(275)	(862)
Carried Forward	5,229	25,007	1,363	0	1,191	(32,789)	0
Exchange differences costs	0	0	0	0	0	0	0
Readjustment at fair value	4	369	0	0	0	0	373
Amortizations for the Financial Year	(574)	(3,027)	(5,567)	(840)	(2,112)	0	(12,120)
Amortizations fof Items Sold - Written Off	0	12	10	164	0	0	186
Depreciation transfer	(373)	373	0	0	0	0	0
Exchange differences depreciation	0	0	21	0	0	0	21
Acquisition Cost on 31/12/2007	158,001	120,895	58,951	14,073	24,481	3,050	379,451
minus: Accumulated Amortizations	(1,917)	(10,425)	(31,238)	(11,069)	(10,107)	0	(64,756)
Book Value on 31/12/2007	**156,084**	**110,470**	**27,713**	**3,005**	**14,374**	**3,050**	**314,695**
Additions	0	2,915	2,922	86	5,119	3,532	14,574
Sales-Annulments	(80)	(167)	(603)	(2,043)	(48)	(133)	(3,074)
Acquisition value write down due to sale of subsidiary	0	(38)	(6,336)	(28)	(29)	(355)	
Carried Forward	0	2,455	0	0	0	(2,481)	(26)
Exchange differences costs	(8)	(13)	(263)	(1)	(19)	0	(305)
Readjustment at fair value	63,529	107,856	0	0	0	0	171,385
Impairment loss accounted for in the income statement	0	(34)	0	0	0	(138)	(172)
Impairment loss reversal accounted for in the income statement	73	0	0	0	0	0	73
Amortizations for the Financial Year	(528)	(3,853)	(5,910)	(470)	(3,656)	0	(14,417)
Amortizations fof Items Sold - Written Off	0	11	456	1,078	58	0	1,603
Depreciation write down due to sale of subsidiary	0	51	2,795	27	28	0	
Exchange differences depreciation	0	0	131	0	16	0	148
Adjusted depreciation	2,446	13,038	0	0	0	0	15,484
Acquisition Cost on 31/12/2008	221,515	233,870	54,670	12,087	29,503	3,475	555,121
minus: Accumulated Amortizations	1	(1,178)	(33,767)	(10,432)	(13,661)	0	(59,037)
Book Value on 31/12/2008	**221,516**	**232,693**	**20,903**	**1,655**	**15,842**	**3,475**	**496,084**

The assets or fixed assets under construction at the level of the group mainly involve the renovation of the VILLAGE CLUB hotel and the winery.

The above investments are being implemented in the context of approved investment plans and more specifically the following:

a) Subjection to the provisions of Law 3299/2004 (Decisions 51324/ΥΠΕ/4/00476/Ε/Ν.3299/2004/13.12.2006) on the modernization and upgrading of VILLAGE CLUB hotel from 3* to 5*. The total approved outlay for this project is € 4.29 million and the total approved state subsidy is € 1.71 million, i.e. 40 percent of the approved outlay for the project. By the end of 2008 part of the foregoing hotel renovation and upgrading works had been completed, and

b) Subsidy from the Ministry of Rural Development and Food that was integrated in Measure 2.1 of EPAA & AY 2000-2006 for the provision of support for the investment of the construction of Winery in order to replace an existing one. The total approved outlay for this project is € 11.00 million and the eligible state subsidy is € 4,37 million, i.e. 40 percent of the total approved outlay.

The tangible fixed assets used by the Company are analyzed as follows:

	COMPANY						
Amounts in € '000	**Land Plots**	**Buildings**	**Mechanical Equipment**	**Means of Transport**	**Furniture and Other Equipment**	**Assets under construction**	**Total**
Acquisition Cost on 1/1/2007	1,098	1,395	0	1,469	910	708	5,581
minus: Accumulated Amortizations	0	(86)	0	(527)	(799)	0	(1,413)
Book Value on 1/1/2007	**1,098**	**1,309**	**0**	**942**	**111**	**708**	**4,168**
Additions	0	0	0	0	2	428	430
Sales-Annulments	0	0	0	0	0	(140)	(140)
Amortizations for the Financial Year	0	(26)	0	(90)	(52)	0	(168)
Acquisition Cost on 31/12/2007	1,098	1,395	0	1,469	912	997	5,871
minus: Accumulated Amortizations	0	(113)	0	(617)	(851)	0	(1,581)
Book Value on 31/12/2007	**1,098**	**1,283**	**0**	**852**	**61**	**997**	**4,290**
Additions	0	0	0	0	4	41	45
Readjustment at fair value	673	(168)	0	0	0	0	505
Impairment loss accounted for in the income statement	0	0	0	0	0	(138)	(138)
Impairment loss reversal accounted for in the income statement	73	0	0	0	0	0	73
Amortizations for the Financial Year	0	(26)	0	(90)	(43)	0	(159)
Adjusted depreciation	0	138	0	0	0	0	138
Acquisition Cost on 31/12/2008	1,844	1,227	0	1,469	916	900	6,356
minus: Accumulated Amortizations	0	(1)	0	(707)	(894)	0	(1,602)
Book Value on 31/12/2008	**1,844**	**1,226**	**0**	**762**	**22**	**900**	**4,754**

The company includes in the assets under construction costs for the construction of an office building of the parent company located at 26-28 Solomou Street, Alimos. The building of offices has been undertaken by the subsidiary TOXOTIS SA under the Private Agreement dated 03/02/2004.

The Group has acquired machinery and transportation means through leasing agreements. The book value of these assets, which is included in the previous tables, is analyzed below:

	GROUP		
Amounts in € '000	**Mechanical & Other Equipment**	**Means of Transport**	**Total**
Acquisition Cost on 31/12/2007	27,667	863	28,530
minus: Accumulated Amortizations	(12,496)	(246)	(12,742)
Net Book Value on 31/12/2007	**15,171**	**617**	**15,788**
Purchases for the period	27	0	27
Sales for the period	(396)	0	(396)
Depreciation sold	232	0	232
Depreciation for the Financial Year	(2,881)	(73)	(2,954)
Acquisition Cost on 31/12/2008	27,298	863	28,161
minus: Accumulated Amortizations	(15,145)	(319)	(15,464)
Net Book Value on 31/12/2008	**12,153**	**544**	**12,697**

There are no mortgages or pledges, or any other encumbrances on the fixed assets to secure borrowing.

10.2. Intangible assets

The intangible assets of the Group involve software programs and industrial property rights (Casino operation licence). The analysis of the intangible assets at the level of the Group is as follows:

Amounts in € '000	GROUP			COMPANY	
	Idustrial Property Rights	**Computer Software**	**Total**	**Computer Software**	**Total**
Acquisition Cost on 1/1/2007	15,000	1,700	16,700	188	188
minus: Accumulated Amortizations	(1,065)	(952)	(2,017)	(88)	(88)
Book Value on 1/1/2007	**13,935**	**748**	**14,683**	**100**	**100**
Additions	0	62	62	18	18
Sales-Annulments	0	(1)	(1)	0	0
Amortizations for the period	0	(304)	(304)	(57)	(57)
Acquisition Cost on 31/12/2007	15,000	1,761	16,761	206	206
Accumulated Amortizations	(1,065)	(1,256)	(2,321)	(145)	(145)
Book Value on 31/12/2007	**13,935**	**505**	**14,441**	**61**	**61**
Additions	0	45	45	4	4
Exchange differences depreciation	0	(2)	(2)	0	0
Decreases due to the sale of subsidiary	0	(20)	(20)	0	0
Amortizations for the period	0	(283)	(283)	(44)	(44)
Exchange differences depreciation	0	1	1	0	0
Decrease amortization due to the sale of subsidiary	0	20	20	0	0
Sales-Annulments	23	(23)	0	0	0
Acquisition Cost on31/12/2008	15,000	1,784	16,784	210	210
Accumulated Amortizations	(1,042)	(1,541)	(2,583)	(189)	(189)
Book Value on 31/12/2008	**13,958**	**243**	**14,201**	**21**	**21**

Pursuant to decision No. 2096/ 9-12-94 of the Minister of Tourism, a license was granted for the operation and exploitation of the casino to the concessionaire of the company "PORTO KARRAS CASINO S.A." The as above ministerial decision was published in GG No. 994/30-12-1994 (Issue B). Among the most important terms in the concession of the license are the following:

- It is prohibited to the holder of the license to transfer the Casino operation outside the facilities of Porto Karras in Chalkidiki.
- There is provision for participation of the State in the gross profits of the games (percentage of 20%).
- The State undertakes the obligation for a period of twelve (12) years from the start of operation of the business not to grant any other casino license apart from those provisioned by the stipulations of article 1, par. 1 of Law 2206/1994.

In accordance with the provision of article 43, of Law 3105/2003, until 31.8.2014, there will be no other casino license granted in the Prefecture of Chalkidiki and at a perimeter of 30 km from the Prefecture's boundaries.
The term of the license is indefinite, as the Company cannot remove it without a change in status, preceded by the voting of a life-term law and therefore there is no foreseeable limit to the period of time during which this license is expected to generate cash flows for the Group. Thus amortizations are not calculated, but the license is examined annually to check for potential loss of value. The Company carried out an audit during the fiscal year at hand for any impairment of the value of the Casino license using the method of discounted cash flows.

No impairment was found. The term of the license is also reviewed annually in order to ascertain whether the events and circumstances continue to support the evaluation of indefinite useful life.

Based on the previous accounting principles the Group amortized the license within a twelve-year period. As this treatment was inconsistent with IAS 38, which was in effect until 31.12.03, upon the date of transition here was no adjustment made for previous financial years and thus, the unamortized balance on 01.01.04 was considered an assumed cost.

There are no mortgages and pledges, or any other encumbrance on the intangible fixed assets to secure borrowing. There are no contractual commitments for the acquisition of intangible fixed assets

10.3. Investments in subsidiaries

The company MOCHLOS S.A. was evaluated based on the stock exchange value on the dates of drafting of the financial statements, as a company listed on the Stock Exchange. Its fair value as at 31 December 2008 and 2007, was € 5.67 million and € 16.29 million respectively.

The companies PORTO CARRAS SITHONIA BEACH CLUB SA, PORTO CARRAS DOMAINE SA, PORTO CARRAS MELITON BEACH SA and DILOS MARINES SA were valued based on the respective valuation report by the Company's Management using the discounted free cash flow model, and the company PORTO CARRAS SA was valued using the adjusted accounting net position method respectively. Their fair value as at 31 December 2008 and 2007, was € 363 million and € 240 million respectively.

The other companies, given that it was not possible to determine their fair value reliably, were evaluated at their acquisition cost. Their book value as at 31 December 2008 and 2007 was € 0.25 million and € 2.62 million respectively. For all of the companies, there is an audit carried out in order to ascertain any impairment of value.

Investments in subsidiaries are broken down as follows:

	COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Begining of the period	**258,867**	**562,397**
Profit from evaluation at fair value recognized in equity	127,235	7,397
Decrease in adjusted reserves due to impairment	(14,828)	(138,111)
Sale of Subsidiary	(2,374)	0
Profit / losses from evaluation at fair value in the Income Statement	(234)	(172,816)
End of the period	**368,667**	**258,867**

The earnings recognized in Equity of the fiscal year 2008 mainly comes from the company PORTO CARRAS SA and more specifically from the valuation of the assets of the said company. The loss from holdings recognized

in profit or loss, as well as the reduction in reserves in both fiscal years listed, mainly come from the impairment of TOUSA Inc.

The Group structure, as well as the direct or indirect participation percentages of the parent company in the other companies of the Group, is presented in par. 8.3.

The Company's subsidiaries included in the "Investments in subsidiaries" account are:

Amounts in € '000		**31/12/2008**		**31/12/2007**	
Subsidiary Name	**Country**	**% participation**	**Own Equity**	**% participation**	**Own Equity**
MOCHLOS SA	GREECE	48.23%	79,986	48.23%	65,443
STROFILI SA	GREECE	99.00%	567	99.00%	597
PORTO CARRAS SA	GREECE	86.20%	373,356	94.82%	199,792
ALVITERRA HELLAS SA	GREECE	74.12%	212	74.12%	226
DILOS MARINES SA	GREECE	67.58%	(154)	67.58%	347
KTIMA PORTO CARRAS AGR/KI	GREECE	94.91%	10,886	94.91%	10,046
PORTO CARAS MELITON BEACH SA	GREECE	92.94%	26,684	92.94%	31,461
PORTO CARRAS MARINA SA	GREECE	90.00%	4,428	90.00%	4,765
PORTO CARRAS GOLF SA	GREECE	90.00%	4,891	90.00%	5,747
PORTO CARRAS CLUB SA	GREECE	96.57%	1,792	96.57%	1,843
PORTO CARRAS HYDROPLANA AND STUDIES SA	GREECE	58.75%	32	96.93%	23
PORTO CARRAS TOURISTIKES ANAPTIKSEIS SA	GREECE	30.60%	303	51.00%	122
PORTI CARRAS SITHONIA BEACH CLUB SA	GREECE	56.67%	37,667	62.34%	33,710
TECHNICAL OLYMPIC SERVICES INC	U.S.A	100.00%	(243)	100.00%	147
TOUSA INC	U.S.A	56.20%	0	66.94%	(395,686)

It is considered that MOCHLOS SA has control, as the company has control over the majority of the votes of the BoD hence guiding the Company's decisions.

The subsidiary DELOS MARINAS SA has given all of its shares in its subsidiary Samos Marinas SA as pledge under the long-term loan agreement of the subsidiary Samos Marinas SA with Emporiki Bank. Further, the subsidiary MARCO MARINAS SA, was placed under liquidation.

On 20/2/2008 the shares of MELTEMI KASTRI SA were transferred in their entirety to MELTEMI KASTRI CYPRUS LTD for a total consideration of € 3,330,000. MELTEMI KASTRI CYPRUS LTD transferred on 8/8/2008 the shares of MELTEMI KASTRI SA to PILSBY LTD for an overall consideration of € 3,000,000, and in the respective agreement provision is also made for an additional consideration of €2,625,000, provided doubts on the validity of administrative permits regarding the Lakonia Aeolic Park are lifted.

10.4. Investment in associates

The investments in affiliated companies for the Group and the Company are the following:

Amounts in € '000					31/12/2008				
Affiliated Companies	**% Part.**	**Country**	**Equity**	**Non Current Assets**	**Current Assets**	**Long-term liabilities**	**Short-term liabilities**	**Income**	**Expenses**
AGROTOURISTIKI SA	31.00%	GREECE	0	0	0	0	0	0	0
LAMDA OLYMPIC SRL	EUROROM with 50%	ROMANIA	715	0	1,009	0	294	0	60
ZACOLA VENTURES LIMITED	4.82%	ROMANIA	0	0	0	0	0	0	0
P. CARRAS ENERGEIAKA SA (i)	4.00%	GREECE	20	0	26	0	6	0	43

Amounts in € '000					31/12/2007				
Affiliated Companies	**% Part.**	**Country**	**Equity**	**Non Current Assets**	**Current Assets**	**Long-term liabilities**	**Short-term liabilities**	**Income**	**Expenses**
AGROTOURISTIKI SA	31.00%	GREECE	(1,131)	22	350	6	1,496	997	1,219
LAMDA TECHNOL FLOISVOS HOL	29.74%	GREECE	16,797	16,807	26	0	36	0	70
LAMDA OLYMPIC SRL	EUROROM with 50%	ROMANIA	1,179	0	1,325	0	146	730	708
ZACOLA VENTURES LIMITED	4.82%	ROMANIA	0	0	0	0	0	0	0
P. CARRAS ENERGEIAKA SA (i)	4.00%	GREECE	0	0	0	0	0	0	0

Amounts in € '000					31/12/2008				
Affiliated Companies	**% Part.**	**Country**	**Equity**	**Non Current Assets**	**Current Assets**	**Long-term liabilities**	**Short-term liabilities**	**Income**	**Expenses**
AGROTOURISTIKI SA (i)	31.00%	GREECE	0	0	0	0	0	0	0
P. CARRAS ENERGEIAKA SA	4.00%	GREECE	20	0	26	0	6	0	43

Amounts in € '000					31/12/2007				
Affiliated Companies	**% Part.**	**Country**	**Equity**	**Non Current Assets**	**Current Assets**	**Long-term liabilities**	**Short-term liabilities**	**Income**	**Expenses**
AGROTOURISTIKI SA	31.00%	GREECE	(1,131)	21	350	0	1,502	997	1,224
LAMDA TECHNOL FLOISVOS HOL	25.00%	GREECE	16,797	16,807	26	0	36	0	70
P. CARRAS ENERGEIAKA SA (ii)	4.00%	GREECE	0	0	0	0	0	0	0

Notes:

(i) The company is on liquidation process and the company's data are not available on the financial statements preparation date.

(ii) The company Porto Carras Energy SA is currently in its first over-twelve-month fiscal year and shall prepare its financial statements on 31.12.2008.

The change of the Group's account Participations in associated companies is described as follows:

Amounts in € '000	THE GROUP 31/12/2008	THE GROUP 31/12/2007	THE COMPANY 31/12/2008	THE COMPANY 31/12/2007
Begining of the period	**6,206**	**6,607**	**4,890**	**5,159**
Increase Share Capital	0	2	0	2
Decrease Share Capital	(199)	(1,020)	0	0
Sale of affiliate company	(5,657)		(4,888)	0
Value impairment	0	0	0	(852)
Profit from evaluation at fair value recognized in equity	0	0	0	581
Results from Affiliated Companies	30	734	0	0
Foreigh Exchange Differenses	(66)	(117)	0	0
End of the period	**314**	**6,206**	**2**	**4,890**

On 14/7/2008 the parent company TECHNICAL OLYMPIC SA and the subsidiary PORTO CARRAS SA sold their participation of 25% the former and 5% the latter in the company LAMDA TECHNOL FLISVOS HOLDING SA, to the company ZERLAN ENTERPRISES COMPANY Ltd for a total price of € 7,900,000.

10.5. Investments in Joint Ventures

Investments in Joint Ventures are presented in these financial statements with zero balances as the Group's last year amounts referred totally on joint ventures of the subsidiary TOUSA Inc. Note 11.

10.6. Available for sale financial assets

The financial assets available for sale of the Group comprise:

Amounts in € '000	GROUP Other Participations	GROUP Total
Balance as of 1/1/2007	**11**	**11**
Additions (+)	0	0
Disposal (-)	0	0
Other changes	0	0
Balance as of 31/12/2007	**11**	**11**
Additions (+)	0	0
Disposal (-)	0	0
Other changes	0	0
Balance as of 31/12/2008	**11**	**11**

10.7. Investment property

The amounts recorded in the balance sheet concern real estate investments, as follows:

Amounts in € '000	GROUP	COMPANY
Book Value on 31/12/2006	**13,273**	**2,374**
Additions	65	0
Revaluation Appreciation	2,607	1,560
Sales/ Reduction	(885)	0
Book Value on 31/12/2007	**15,059**	**3,934**
Carried Forward from Own Usage	1,112	0
Revaluation Appreciation	2,022	0
Sales/ Reduction	(27)	(16)
Book Value on 31/12/2008	**18,166**	**3,918**

The income recorded in the financial year results and concerning real estate investments is as follows:

	GROUP		COMPANY	
Amounts in € '000	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Leasing Income	678	630	64	52

Please note that within 2008 the Group's investment property located in Patras were evaluated by independent evaluator using the following valuation method:

- the Income Method and
- the real estate market data

The above appraisal of the property fair value resulted in an adjustment goodwill of € 2,022 thousand., which also appeared in the Group's discontinued results.

As regards the Company's remaining investment property, the Company relied on the appraisal of its plots and buildings by an independent professional appraiser on 31/12/2007 who applied the aforementioned appraisal methods in conjunction with comparative information from the real estate market with regard to such property, aiming at establishing any impairments of their fair value.

On 31.12.08, the company determined the current value of the investments of the Group and the Company in land and buildings. The company revaluated the above methods that the independent appraiser applied and the differences were recorded in the results of the financial year. The changes in the values of real estate investments as well as the amounts recorded in the results of the financial year are as follows:

Amounts in € '000	GROUP						
	GLYFADAS PROPERTY	ANDRAVIDAS PLOT	PATRAS PROPERTY	PILAIAS PROPERTY	PATRAS BLOCK OF FLATS	OTHER PROPERTIES	TOTAL
Book Value on 31/12/2007	3,694	141	2,051	5,800	0	767	12,453
Fair Value on 31/12/2007	6,300	141	2,051	5,800	0	767	15,059
Profit / Losses	**(2,607)**	**0**	**0**	**0**	**0**	**0**	**(2,607)**
Book Value on 31/12/2008	6,273	141	2,051	5,800	1,112	767	16,144
Fair Value on 31/12/2008	6,273	141	4,068	5,800	1,116	767	18,165
Profit / Losses	**0**	**0**	**(2,017)**	**0**	**(4)**	**0**	**(2,021)**

	COMPANY			
Amounts in € '000	GLYFADAS PROPERTY	ANDRAVIDAS PLOT	OTHER PROPERTIES	TOTAL
Book Value on 31/12/2007	2,220	141	13	2,374
Fair Value on 31/12/2007	3,780	141	13	3,934
Profit / Losses	**1,560**	**0**	**0**	**1,560**
Book Value on 31/12/2008	3,764	141	13	3,918
Fair Value on 31/12/2008	3,764	141	13	3,918
Profit / Losses	**0**	**0**	**0**	**0**

There are no limitations to the liquidation of investments in real estate (besides the property in Pilea, Thessaloniki which was sold and leased back as set forth above) or to the return of income or the proceeds from possible disposal thereof. There are no contractual obligations for the purchase, construction or utilization of real estate investments or for any potential repairs and maintenance made to same.

10.8. Other long-term receivables

The analysis of other long-term receivables of the Group and the Company is as follows:

	GROUP		COMPANY	
Amounts in € '000	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Quarantees offered	465	1,052	0	0
Loans in Group's Companies	0	0	24,926	18,900
Loans valuation	0	0	(3,801)	(2,876)
VAT receivable	0	0	7,338	0
Total	**465**	**1,052**	**28,462**	**16,024**

These are receivables, which will be collected after the end of the next financial year.

Company's long – term receivables from subsidiary companies were agreed to be collected after 31/12/2009 in order to increase their liquidation.

Receivables from loans to companies of the Group concern loans granted to associate parties. During the initial recording, these assets were evaluated at fair value using a market rate for relevant loans, due to the fact that these are interest-free, while all the subsequent changes, based on the actual interest rate method, are recorded as financial income in the Statement of Results of the Financial Year. An analysis of these loans is given in the table below:

Amounts in € '000

Loan provision to:	**PORTO CARRAS MELITON BEACH A**	**PORTO CARRAS MELITON BEACH B1**	**PORTO CARRAS MELITON BEACH B2**	**PORTO CARRAS GOLF**	**PORTO CARRAS MARINAS**	**KTIMA PORTO KARRAS**	**VILLAGE CLUB PORTO KARRAS**	**SAMOS MARINAS**	**TOTAL**
Date of provision	29/3/2004	15/11/2005	30/1/2006	29/3/2004	29/3/2004	29/2/2008	14/2/2008	7/9/2005	
Loan amount	4,350	4,890	2,110	2,600	1,000	3,960	1,700	3,950	24,560
Loan valuation in current values	(492)	(917)	(396)	(294)	(113)	(1,114)	(476)	0	(3,802)
Interest paid	0	0	0		0	0	0	366	366
Book Value of loan	**3,858**	**3,973**	**1,714**	**2,306**	**887**	**2,846**	**1,224**	**4,316**	**21,124**

These loans are interest free, bond loans and convertible to stock. For the evaluation of these loans, at their fair value on the date of granting we used a discount rate of 5.5%, which is considered also the actual interest rate for future evaluation.

The bonded loan with SAMOS MARINAS SA is an interest bearing loan, at an interest rate of the 3-month EURIBOR plus 2.5%.

On 02/15/2008 and 02/29/2008, the company granted the amounts of € 1,700,000.00 and € 3,960,000.00 to its subsidiary companies PORTO CARRAS VILLAGE INN S.A. and PORTO CARRAS DOMAIN S.A. in the form of convertible bond loans, as decided by the Ordinary General Meetings of its companies on 06/29/2006 and 06/30/2005 respectively.

10.9. Deferred tax Claims and Liabilities

The deferred tax receivables and liabilities are offset when there is an enforceable legal right for the current tax receivables to be offset against current tax liabilities and when the deferred income taxes concern the same tax (IRS) authority.

The offset amounts for the Group are the following:

	GROUP						
	31/12/2008		31/12/2007		31/12/2008		31/12/2007
Amounts in € '000	Receivables	Liabilities	Receivables	Liabilities	Impact in result from the change of tax rate Income / (Expenses)	Deffered taxation for the period Income / (Expenses)	Income / (Expenses)
Tangible Assets	300	(71,562)	754	(43,192)	2,105	1,175	2,547.97
Intangible Assets	17	(2,381)	47	(2,890)	(589)	124	129
Investments in Subsidiaries	0	6	0	6	0	0	0
Receivables from Construction Contracts	267	(4,870)	267	(2,056)	0	2,555	433
Clients and Other Commercial Receivables	0	(661)	74	(689)	(15)	61	843
Capital Reserves	0	0	19	0	0	0	0
Personnel Benefits	155	0	167	0	8	3	15
Other liabilities	0	0	1	0	0	1	(1)
Other long-term liabilities	0	(536)	0	(313)	93	130	99
Bond loan	0	459	0	101	(62)	(296)	(158)
Other short-term liabilities	0	0	0	0	0	0	(126)
Fixed Assets Acquired with Financial Leasing	58	(760)	84	(1,409)	(288)	(336)	(1,591)
Accounting of Tax Losses	1,351	0	2,492		0	1,141	737
Total	**2,147**	**(80,306)**	**3,904**	**(50,443)**	**1,252**	**4,558**	**2,927**
Deferred Tax Receivables/ (Liabilities)		**(78,159)**		**(46,539)**		**5,809**	**2,927**

The respective amounts that are recorded for the company are the following:

	COMPANY						
	31/12/2008		31/12/2007		31/12/2008		31/12/2007
Amounts in € '000	Receivables	Liabilities	Receivables	Liabilities	Impact in result from the change of tax rate Income / (Expenses)	Deffered taxation for the period Income / (Expenses)	Income / (Expenses)
Tangible Assets	0.00	-779.58	0.00	-1,103.27	(81)	(162)	381
Intangible Assets	0	75	0	120	24	22	20
Investments in Subsidiaries	0	(43,965)	0	(23,368)	0	0	0
Personnel Benefits	10	0	17	0	3	4	(3)
Receivables from Construction Contracts	267	0	267	0	0	(0)	(267)
Other short-term liabilities	0	0	0	0	0	0	(126)
Total	**277**	**-44,670**	**284**	**-24,351**	**(53)**	**(137)**	**5**
Deferred Tax Receivables/ (Liabilities)		**(44,393)**		**(24,067)**		**(190)**	**5**

During the current fiscal the company presented the effect of the reduction of the tax rate in deferred taxation. More specifically, according to L.3697/25.09.2008 the tax rate, used for the calculation of tax over Company's earnings, is gradually reduced for one percentage point every year from 2010 until 2014, resulting in 20%.

More specifically, for accounts that their differed taxation is going to be settled in the near future, the gradual reduction of the tax rate until 2014 has been chosen, while for other Group's long term accounts a tax rate of 20% has been chosen.

In accordance to the tax law, certain income is tax-free at the time of acquisition, but also at the time of distribution to the shareholders. The accounting principle of the Group is to record a deferred tax liability for such income at the time of distribution.

The income tax scale that applies to the parent Company and the other companies with registered office in Greece for the year 2008 is equal to 25%.

The subsidiary EUROROM, with registered office in Romania, is subject to actual income tax at a scale of 16%.

On 31/12/2008 the Company saw taxation losses for which no deferred tax receivable was calculated as the company's management does not estimate that they shall be offset with any future gains. In accordance with taxation legislation, the company is entitled to apply the above losses as a tax benefit within five years from the financial years that the losses were incurred.

10.10. Inventory

The analysis of the inventory of the Group and the Company is set out as follows:

	GROUP	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Commodities	215	213
Finished & Semi-Finished Products - By-products & Residues	4,597	3,918
Raw & Secondary Materials -Consumables - Spare Parts & Packaging Materials	3,773	3,659
Total Liquidating Value	**8,585**	**7,790**
Total Net Liquidating Value	**8,585**	**7,790**

All these inventory have been evaluated at the end of the year at the lower between the acquisition cost and the net liquidation price. There are no pledges on the Group's inventory over borrowings or other liabilities.

10.11. Receivables from construction contracts

The construction contracts concern the construction of assets or group of associated assets especially for clients in accordance with the terms provisioned in the relevant contracts, the implementation of which usually lasts for a period longer than one financial year. The analysis of the receivables and liabilities of the Group and the Company from construction contracts is as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Contractual Income Accounted for in Financial Year Results	100,555	108,417	3,726	3,074
Project Accumulated Cost	583,361	605,351	5,162	2,911
plus: Profit Recorded (Accumulated)	79,615	72,504	1,638	163
minus: Loss Recorded (Accumulated)	(15,027)	(23,092)	0	0

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Receivable from Construction Contracts (from	41,827	31,501	1	1
Liability from Construction Contracts (to Customers)	(90)	(1,799)	(1,068)	(1,068)
Total Advance Payments Received	(2,955)	6,095	0	0
Customer Deductions for Good Performance	3,544	5,411	0	0

10.12. Receivables from customers and other trade receivables

The analysis of receivables from clients and other trade receivables for the Group and the Company is set out as follows:

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Customers	36,453	22,398	223	266
Notes receivable	120	120	0	0
Receivable Cheques (post-dated)	2,085	4,383	357	3,061
Receivables from Associated Companies	0	0	285	140
Receivables from the Greek State	1,009	76	0	0
Total Receivables	**39,667**	**26,977**	**865**	**3,467**
Minus: Impairment Provision	(1,083)	(925)	(153)	(153)
Total Net Receivables	**38,584**	**26,052**	**712**	**3,314**

The increase of the Customers balance is mainly due to the delayed payment of approved balances by the Greek and Romanian State. The ageing of trade receivables (commercial and otherwise under Notes 10.12, 10.13 and 10.14) is given in the following table:

Amounts in € '000	GROUP 1/1/-31/12/2008	GROUP 1/1/-31/12/2007	COMPANY 1/1/-31/12/2008	COMPANY 1/1/-31/12/2007
Less than 3 months	20,556	39,978	89	140
Between 3 and 6 months	30,540	27,997	6,945	3,383
Between 6 months and 1 year	64,917	19,817	13,231	113
Up to 1 year	0	24,435	0	11,995
Lee: Provisions	(21,587)	(20,155)	(11,635)	(12,013)
Total	**94,426**	**92,072**	**8,630**	**3,618**

On all Group and Company receivables, estimation of probable impairment has been realized. Certain receivables have been impaired and the respective provisions accounted for amount to € 21,587 thousand (2007: € 20,155 thousand) and € 11,635 thousand (2007: € 12,013 thousand).

The above sums are exclusive of receivables from construction contracts due to the different nature of receivables, as these are calculated based on the percentage of completion of the project which differs depending on each period.

10.13. Receivables from joint ventures / liabilities to joint ventures

The Group is mainly participating through the subsidiaries MOCHLOS SA and TOXOTIS SA in several joint ventures that are involved in construction. Receivables from and liabilities to Joint Ventures are presented in the following tables:

	GROUP	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Receivables from MOCHLOS Joint-venture	4,497	1,706
Receivables from TOXOTI Joint-venture	647	627
Total receivables from Joint-ventures	**5,145**	**2,332**
Less: Provision devaluation	(3,481)	(980)
Total net receivables from Joint-ventures	**1,664**	**1,352**

	GROUP	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Liabilities from MOCHLOS Joint-venture	0	567
Total Liabilities from Joint-ventures	**0**	**567**

The joint ventures have been consolidated with the Net Equity method and as a result the respective receivables and liabilities have not been eliminated from the consolidated balance sheet.

Joint ventures are consolidated with the net equity method. Group's participation in these joint ventures along with selected financial figures of these joint ventures are presented in the following table:

Amounts in € '000		31/12/2008							
J/V	**note**	**participation percentage**	**Country**	**Own equity**	**Non current assets**	**Current assets**	**Total Liabilties**	**Income**	**Expenses**
J/V MOCHLOS-INTRAKOM CONSTRUCTIONS - GANTZOULAS FOR THE SWIMMING CENTER	(i)	32.50%	Greece	0	14	1,193	1,207	0	0
J/V MOCHLOS - INTRAKAT FOR THE OAKA TENNIS CENTER	(i)	50.00%	Greece	15	3	77	65	0	42
J/V MOCHLOS SA - ATHINAIKI TECHNIKI SA - INTRAKAS FOR THE PANTHESSALIKO STADIUM N.IONIAS VOLOU PROJECT	(i)	32.50%	Greece	(481)	0	2,635	3,116	0	(113)
J/V MOCHLOS SA - ATHINA SA FOR THE DODONIA PROJECT	(i)	50.00%	Greece	0	65	2,942	3,007	2,189	3,807
J/V AKTOR - MOCHLOS	(i)	30.00%	Greece	10	31	6,737	6,758	10,783	9,470

Amounts in € '000		31/12/2007							
J/V	**note**	**participation percentage**	**Country**	**Own equity**	**Non current assets**	**Current assets**	**Total Liabilties**	**Income**	**Expenses**
J/V MOCHLOS-INTRAKOM CONSTRUCTIONS - GANTZOULAS FOR THE SWIMMING CENTER	(i)	32.50%	Greece	(1,304)	0	2,723	4,027	428	132
J/V MOCHLOS - INTRAKAT FOR THE OAKA TENNIS CENTER	(i)	50.00%	Greece	(21)	12	8,152	8,185	37	205
J/V MOCHLOS SA - ATHINAIKI TECHNIKI SA - INTRAKAS FOR THE PANTHESSALIKO STADIUM N.IONIAS VOLOU PROJECT	(i)	32.50%	Greece	28	0	3,673	3,645	0	64
J/V MOCHLOS SA - ATHINA SA FOR THE DODONIA PROJECT	(i)	50.00%	Greece	0	96	4,953	5,049	2,129	3,099

Note:

(i) It refers to MOCHLOS SA participations in these specific Joint Ventures. TECHNICAL OLYMPIC participation in MOCHLOS SA stands at 48.23%.

Some of the companies of the Group participate in joint ventures that are not included in the consolidated financial statements. The following table presents the joint ventures that are not consolidated, companies of the Group participation in these joint ventures, the reason of no consolidation and the basic financial figures for FY 2008:

Amounts in € '000		**31/12/2008**					
J/V	**NOTE**	**participation percentage**	**country**	**turnover**	**results before tax**	**total assets**	**own equity**
J/V T.O.- MOCHLOS	(i)	60.00%	Greece	0	0	10	1
J/V TEO-MOCHLOS	(ii)	49.00%	Greece	1,060	70	348	1
J/V T.O.-MOCHLOS	(i)	50.00%	Greece	0	(3)	18	1
J/V MOCHLOS -TO	(i)	60.00%	Greece	0	5	351	1
J/V MOCHLOS SA-GEK SA	(ii)	99.80%	Greece	0	0	191	1
J/V MOCHLOS-ORION	(i)	50.00%	Greece	0	(2)	314	15
J/V MOCHLOS-THEMELIODOMI	(i)	90.00%	Greece	0	0	19	2
J/V MICHANIKI-J&P-AVAX-ATHINA-MOCHLOS	(ii)	34.46%	Greece	0	0	289	59
J/V MOCHLOS-EFLKEIDIS	(i)	50.00%	Greece	0	0	217	6
J/V MOCHLOS-ATTIKAT-VIOTER	(ii)	40.00%	Greece	250	(1)	58	29
J/V TOXOTIS-AGOLMA	(i)	89.40%	Greece	304	107	897	0
J/V TOXOTIS-GOUSGOUNIS	(i)	99.00%	Greece	0	6	571	2
J/V T.O.-MOCHLOS	(ii)	50.00%	Greece	0	0	10	1
J/V DE LIETO SPA-SIGALAS SA-METRO SA-ELTEK SA- MOCHLOS SA- GEK SA- ERGOMICHANIKI SA- DORIKI SA- INIOCHOS SA- EUROPAIKI TECHNIKI SA- OMIROS SA-TERNA SA	(i)	20.00%	Greece	0	0	141	31

Amounts in € '000		31/12/2007					
J/V		**participation percentage**	**country**	**turnover**	**results before tax**	**total assets**	**own equity**
J/V T.O.- MOCHLOS	(i)	60.00%	Greece	0	8	9	1
J/V TEO-MOCHLOS	(ii)	49.00%	Greece	1,710	118	493	1
J/V MOCHLOS -TO	(i)	50.00%	Greece	0	(1)	13	1
J/V MOCHLOS - TO	(i)	60.00%	Greece	0	1	320	1
J/V MOCHLOS SA-GEK SA	(ii)	99.80%	Greece	0	(1)	174	1
J/V MOCHLOS-ORION	(i)	50.00%	Greece	0	(166)	317	15
J/V MOCHLOS-THEMELIODOMI	(i)	90.00%	Greece	0	(1)	20	2
J/V MICHANIKI-J&P-AVAX-ATHINA-MOCHLOS	(ii)	34.46%	Greece	4,685	0	3,498	59
J/V MOCHLOS-EFLKEIDIS	(i)	50.00%	Greece	367	356	465	6
J/V MOCHLOS-ATTIKAT-VIOTER	(ii)	40.00%	Greece	0	(25)	33	29
J/V TOXOTIS-AGOLMA	(i)	89.40%	Greece	99	(2)	575	0
J/V TOXOTIS-GOUSGOUNIS	(i)	99.00%	Greece	365	9	571	2
J/V T.O.-MOCHLOS	(ii)	50.00%	Greece	0	(0)	10	1
J/V DE LIETO SPA-SIGALAS SA-METRO SA-ELTEK SA- MOCHLOS SA- GEK SA- ERGOMICHANIKI SA- DORIKI SA- INIOCHOS SA- EUROPAIKI TECHNIKI SA- OMIROS SA-TERNA SA	(i)	20.00%	Greece	0	(6)	135	31

Notes:

(i) Refers to inactive joint ventures, that still exist due to unsettled legal claims of these joint ventures against the Greek State.

(ii) Refers to joint ventures between the contractor and the members of the joint venture, where the revenues and the expenses are directly included in the members books.

10.14. Other receivables

The other receivables of the Group and the Company are analyzed as follows:

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Income from Accounts Receivable	2,693	4,053	0	96
Other Advance Payments	5,000	4,859	28	67
Pre-paid Expenses	411	371	62	3
Various Debtors	7,440	11,474	1,885	1,819
Receivables from the Greek State	29,615	28,049	10,481	10,178
Receivables from income tax of America	6,945	0	6,945	0
Personnel Advance Payments	70	65	0	0
VAT Receivables	2,601	4,757	0	0
Withheld Customer Bonds	1,244	1,203	0	0
Accounting of Subsidy	18,925	27,953	0	0
Total of Other Receivables	**74,944**	**82,784**	**19,401**	**12,163**
Minus: Impairment Provision	(20,766)	(18,117)	(11,482)	(11,860)
Total Net Receivables	**54,178**	**64,667**	**7,919**	**303**

The reduction of Group's Other Investments is mainly due to the collection of part of merited grants from the Greek State for executed investment projects.

10.15. Financial assets at fair value through profit and loss statement

With regard to high liquidity investments in shares with a short-term investment period.

Amounts in € '000	GROUP	COMPANY
Balance as of 1/1/2007	**1,079**	**481**
Sales	(773)	(481)
Readjustments of fair value	(104)	0
Balance as of 31/12/2007	**202**	**0**
Readjustments of fair value	(177)	0
Balance as of 31/12/2008	**25**	**0**

Financial assets are part of the portfolio of the subsidiary company MOCHLOS S.A.

10.16. Cash and cash equivalents

The cash-in-hand represent cash in the company's cashier and bank accounts available upon demand. The cash-in-hand and cash equivalents of the Group and the Company are as follows:

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Cash-in-hand	798	460	5	26
Cash in Banks	9,812	15,060	560	456
Cash Equivalents - Repos	2,400	2,084	0	0
Accounts of blocked deposits	0	73	0	0
Total Cash & Cash Equivalents	**13,010**	**17,677**	**565**	**482**

10.17. Share capital

The company's share capital is €165,625,000 divided into 165,625,000 common registered shares, with a par value of €1.00 each. With regard to the company's share capital, there are no special restrictions aside from those dictated by applicable legislation.

10.18. Capital at a premium

The company's above par share capital as at 31/12/2008 amounts to € 253,783,681, and is the result of the issue of shares for cash with a value higher than their nominal value.

10.19. Fair Value Reserve

The Company's fair value reserves are broken down as follows:

Amounts in € '000	GROUP			COMPANY		
	Fixed Assets Measured at Fair Value	Reserves from Valuation of Financial Assets Available for Sale	Total	Fixed Assets Measured at Fair Value	Reserves from Valuation of Financial Assets Available for Sale	Total
Balance on 1 January 2007	**129,175**	**0**	**129,175**	**1,463**	**178,800**	**180,263**
Increase of fair value	180	0	180	0	0	0
Minus: Deferred tax	(45)	0	(45)	0	0	0
Decrease of participation value	0	0	0	0	(138,111)	(138,111)
Increase of participation value	0	0	0	0	3,730	3,730
Plus: Deferred tax	0	0	0	0	24,586	24,586
Goodwill reversal	0	0	0	0	4,248	4,248
Depreciation of reserve at fair value	(1,847)	0	(1,847)	(13)	0	(13)
Deferred tax the depletion of reserve at fair value	462	0	462	3	0	3
Reserves Carried Forward	(292)	0	(292)	0	0	0
Reserve Deferred Tax Carried Forward	71	0	71	0	0	0
Other adjustments	3	0	3	0	0	0
Minus: Minority interest	71	0	71	0	0	0
Balance on 31 December 2007	**127,777**	**0**	**127,777**	**1,453**	**73,253**	**74,706**
Increase of fair value	161,059	0	161,059	643	0	643
Minus: Deferred tax	(29,825)	0	(29,825)	(59)	0	(59)
Decrease of participation value	0	0	0	0	(14,828)	(14,828)
Increase of participation value	0	0	0	0	127,235	127,235
Transfer of reserve to the income statement due to impairment	0	0	0	0	777	777
Transfer of reserve to the income statement due to sale	0	0	0	0	(483)	(483)
Deferred taxation from change of the tax rate of reserve from financial assets available for sale	0	0	0	0	4,645	4,645
Minus: Deferred taxation for the period	0	0	0	0	(25,241)	(25,241)
Depreciation of reserve at fair value	(1,852)	0	(1,852)	(13)	0	(13)
Deferred tax the depletion of reserve at fair value	461	0	461	2	0	2
Deferred tax from the change of the tax rate of the depletion of reserve at fair value	7,698	0	7,698	140	0	140
Impact from change of participation in subsidiaries	(11,151)	0	(11,151)	0	0	0
Balance on 31 December 2008	**254,167**	**0**	**254,167**	**2,166**	**165,358**	**167,524**

The Group and the Company have recorded the deferred tax liability over the asset revaluation profit at fair value. Moreover, the Company had recognized the deferred tax liability on goodwill that resulted mainly from the evaluation of the subsidiary company PORTO CARRAS S.A.

10.20. Other reserves

The Group's other reserves are analyzed as follows:

Amounts in € '000	GROUP				
	Ordinary Reserve	**Extraordinary Reserves**	**Special & Tax-Exempt Reserves**	**Reserve from stock options offered**	**Total**
Balance on 1/1/2007	**4,689**	**5,480**	**(1,241)**	**0**	**8,928**
Formation of Ordinary Reserve	50	0	0	0	50
Other Adjustments	0	(20)	0	0	(20)
Balance on 31/12/2007	**4,739**	**5,460**	**(1,241)**	**0**	**8,958**
Stock option intrisic value reserves	40	0	0	13,935	13,975
Balance on 31/12/2008	**4,779**	**5,460**	**(1,241)**	**13,935**	**22,933**

In execution of the relevant decision of the Ordinary GSM of PORTO CARRAS SITHONIA BEACH CLUB S.A. as of 05/06/2008, stock options were offered to the Chairman of the BoD representing 3,270,000 shares at offer price equal to the share's par value that is ninety cents (0.90), or € 2,943,088. Moreover, in execution of the relevant decision of the Ordinary GSM of PORTO CARRAS S.A. as of 30/06/2008, stock options were offered to the Chairman of the BoD representing 1,324,000 shares at offer price equal to the share's par value that is EUR three (3.00), or € 3,972,000. The valuation at the fair value of the above stock options resulted to a reserve of the amount of € 13.93 mil.

The Company's other reserves are analyzed as follows:

	COMPANY			
Amounts in € '000	**Ordinary Reserve**	**Extraordinary Reserves**	**Special & Tax-Exempt Reserves**	**Total**
Balance on 1/1/2007	**4,174**	**1,095**	**2,608**	**7,877**
Formation of Ordinary Reserve	0	0	0	0
Formation of Other Reserves	0	0	0	0
Other Adjustments	0	0	0	0
Part of Reserves Carried Forward to Results Carried Forward	0	0	0	0
Balance on 31/12/2007	**4,174**	**1,095**	**2,608**	**7,877**
Formation of Ordinary Reserve	0	0	0	0
Formation of Other Reserves	0	0	0	0
Other Adjustments	0	0	0	0
Part of Reserves Carried Forward to Results Carried Forward	0	0	0	0
Balance on 31/12/2008	**4,174**	**1,095**	**2,608**	**7,877**

Ordinary Reserve: According to Greek trade legislation, all companies are obligated to reserve 5% from the financial year's profits, as ordinary reserve until that amounts to one third of the paid share capital. Distribution of ordinary reserves is prohibited throughout the company's term.

Tax Free and Specially Taxed Reserves: Reserves from tax exempt proceeds and reserves taxed in a special way, regard proceeds from interest and sale of shares of companies that are not listed on the Stock Exchange and which are non-taxable or tax has been withheld at source. Despite any pre-paid tax, these reserves are subject to taxation in the event of distribution. In the present phase, the Company has no intention of distributing these reserves and therefore the relevant deferred tax obligation has not been accounted for.

Tax-free Reserves Subject to Special Legislative Provisions and Other Special Reserves: Tax-free reserves subject to special legislative provisions refer to non-distributed profits, which are tax exempt pursuant to special provisions of development laws (under the condition that sufficient profits exist for their formulation). These reserves are primarily for investments and are not distributed. The deferred tax obligation has not been accounted for these reserves.

10.21. Treasury Shares

In execution of the decision of the 2nd Repeat Ordinary General Shareholders Meeting as of September 8, 2008 (as of 30/6/2008 first, as of 30/7/2008 after the cancellation and the as of 19/8/2008 1st repeat) on several dates 501,638 treasury shares of total value of € 116.9 thou. Were purchased, in order to grant within two

years option rights to purchase Company shares to the members of the BoD and the Company's executives, as well as to Directors and executives of associated companies pursuant to the provisions of article 16 of C.L. 2190/1920. On 31/12/2008, until today these shares are still non disposed and should the required 12 month deadline as of its acquisition be reached without any action, the provisions of paragraph 3, article 16 of L.2190/1920 will be enforced.

10.22. Profit balance carried forward

Dividend has not been paid to company shareholders for the 2008 financial year.

10.23. Foreign currency exchange differences

The change in the foreign currency exchange account for the Group and the Company follows next:

Amounts in € '000€ '000	**GROUP**	**COMPANY**
Balance of 1/1/2007	**(23,614)**	**0**
Exchange Rate Differences from abroad	85	85
Exchange Rate Differences from subcidiaries	9,325	0
Balance of 31/12/2007	**(14,204)**	**85**
Exchange Rate Differences from abroad	27	27
Exchange Rate Differences from subcidiaries	14,005	0
Balance of 31/12/2008	**(172)**	**112**

10.24. Liability for personnel compensation due to retirement or dismissal

The Group and the Company record as a liability for personnel benefits due to voluntary retirement, the current value of the legal commitments that have been undertaken for the payment of a lump sum compensation to retiring personnel. The relevant liability has been calculated according to an actuarial study that was carried out by an independent actuary. In particular, the relevant study regarded the examination and calculation of the actuary amounts that are required according to the specifications set out by International Accounting Standards (IAS 19) and which amounts must be recorded in the Balance Sheet and results statement of each enterprise.

The Group and the Company have not officially or unofficially activated any special benefit program in favour of the employees, which commits to benefits in the event of personnel retirement. The only program currently in force, is the contractual obligation pursuant to applicable legislation of Law 2112/1920 and 3198/1955 on payment of a lump sum in the event of personnel retirement.

The relevant obligations of the Group and the Company, as well as the amounts that have been recorded in the results statement are as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Balance Sheet Liabilities	**678**	**735**	**69**	**58**
Pension Benefits	186	(51)	(19)	11
Total	**864**	**684**	**50**	**69**
Charges in Results				
Pension Benefits (Provisions and Payments)	186	(51)	(19)	11
Total	**186**	**(51)**	**(19)**	**11**

The company's and the group's liability is analyzed as follows

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Current Value of Non-Funded Liabilities	913	956	30	57
Non-Recorded Proportional Profits / (Losses)	77	(139)	20	12
Non-Recorded Work Experience Cost	(126)	(133)	0	0
Total	**864**	**684**	**50**	**69**

The amounts that have been recorded in the results statement of the financial year are the following:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Cost of Current Employment	232	160	9	8
Financial Cost	44	38	3	2
Benefits Paid by the Employer	(265)	(418)	0	(10)
Cutbacks/Settlements/Termination of Employment Cost	205	165	0	11
Other Income/Expenses	(41)	0	(30)	0
Accounted for Proportional Profit/Loss	10	3	0	0
Accounted for Work Experience Cost	3	2	0	0
Total	**188**	**(51)**	**(18)**	**11**

The primary actuary assumptions that were applied for the above accounting purposes are the following:

	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Discount Rate	5.67%	4.80%	5.67%	4.80%
Future Price Increases	4.00%	4.00%	4.00%	4.00%
Inflation	2.50%	2.50%	2.50%	2.50%

Demographic Assumptions:

Mortality: We have used the Swiss mortality rate table EVK2000 for men and women.

Morbidity [mor BID ih tee]: Considering the long-term evaluation period, we have taken into consideration sickness probabilities using the relevant Swiss table EVK2000 for men and women, modified by 50%.

Normal Retirement Ages: We have used the retirement terms of the Social Insurance Fund that each employee is registered to, as those terms have been amended pursuant to recent legislative provisions.

10.25. Future Income from State Subsidies

Fixed asset subsidies are included in this fund.

	GROUP					
Amounts in € '000	**Grants for Aeolian Parks Construction**	**Grants for Marinas Construction**	**Other Grants**	**Hotel Renovation**	**SPA Construction**	**Total**
Book Value on 1/1/2007	**906**	**3,746**	**2,852**	**2,628**	**2,100**	**12,232**
Grants Accounted for	0	280	4,375	15,901	1,711	22,267
Amortization	(14)	(241)	(227)	(251)	(133)	(866)
Book Value on 31/12/2007	**892**	**3,785**	**7,000**	**18,278**	**3,678**	**33,633**
Amortization	0	(241)	(579)	(1,044)	(233)	(2,097)
Grants reduction due to the sale of subsidiary	(892)	0	0	0	0	(892)
Book Value on 31/12/2008	**0**	**3,544**	**6,421**	**17,234**	**3,445**	**30,644**

The most important subsidized investment programs undertaken by the Group are:

- Subsidy by the Ministry of Economy and Finance to company PORTO CARRAS MELITON BEACH S.A. with investment objective the modernization of the hotel's 1st and 3rd wings. The cost of the selected investment expenses in accordance with the approving decision stands at € 18.22 mil, whereas the subsidy amount stands at € 6.38 mil. The said project was completed within 2008, while in January 2009 it was audited by the Central Audit Body of the Ministry of Economy and Finance, the completion of the project was confirmed and in March 2009 the 50% of the Governments grant was paid. The confirmation of the completion of the project by the Advisory Committee of the Ministry of Economy and Finance and the payment of the rest 50% of the grant is expected.
- Subsidy from the Ministry of Economy and Finance to PORTO CARRAS SITHONIA BEACH CLUB regarding the investment for the renovation and upgrading from 4* to 5* of SITHONIA hotel. The total approved outlay for this project is € 23.81 million and the total approved state subsidy is € 9.52 million, i.e. 40 percent of the approved outlay for the project. The said project was completed in 2008 while in January 2009 it was audited by the Central Audit Body of the Ministry of Economy and Finance was anticipated the submission thereafter of the respective part of the subsidy.
- Subsidy from the Ministry of Economy and Finance to PORTO CARRAS SITHONIA BEACH CLUB SA for the creation of the SPA and new facilities for the public spaces at SITHONIA Hotel. The total approved outlay for this project is € 5.70 million and the total approved state subsidy is € 1.71 million, i.e. 30 percent of the approved outlay for the project. The said project was completed at the end of 2008, and it is expected the composition of Central Audit Body of the Ministry of Economy and Finance for the completion of the audit and the submission thereafter of the respective part of the subsidy.
- Subsidy from the Ministry of Economy and Finance to DOMAIN PORTO CARRAS SA for the creation of a winery to replace the existing one at the Porto Carras complex. The total approved outlay for this project

is € 11.00 million and the eligible state subsidy is € 4,38 million, i.e. 39.77 percent of the total approved outlay. By the end of 2008 the implementation of approximately 81% of the overall project has been certified and payment of respective subsidy payment is pending.

- Subsidy from the Ministry of Economy and Finance to VILLAGE CLUB PORTO CARRAS SA for the modernization and upgrading from 3* to 5* of VILLAGE CLUB Hotel. The total approved outlay for this project is € 4.29 million and the total approved state subsidy is € 1.71 million, i.e. 40 percent of the approved outlay for the project. By the end of 2008 part of the foregoing hotel renovation and upgrading works had been completed.
- The group's commitments regarding these subsidies are stated in par. 13.7.

10.26. Loan Liabilities

The loan liabilities of the Group and the company (long and short-term) are analyzed as follows:

Long-term loans	**GROUP**		**COMPANY**	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Bank Loans	745	1,975	0	0
Leasing	5,870	7,248	0	0
Bond Loan	0	1,142	0	0
Total Long-term loans	**6,615**	**10,365**	**0**	**0**

Short-term loans	**GROUP**		**COMPANY**	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Bank Loans	42,177	45,054	3,301	2,203
Leasing	1,001	1,131	0	0
Bond Loan	0	3,500	0	3,500
Total Short-term loans	**43,178**	**49,685**	**3,301**	**5,703**

The decrease of the Group's loan liabilities is mainly due to the Management's effort for the decrease of the dependence from external sources of funding.

The expiry date of loans taken out by the group (in years) is as follows:

Borrowings as of 31/12/2008	**GROUP**		
Amounts in € '000	**Banks and Bond Loans**	**Leasing**	**Total**
1 year and less	42,177	1,001	43,178
Between 1 and 5 years	745	3,801	4,546
Up to 5 years	0	2,068	2,068
Total	**42,922**	**6,870**	**49,792**

Borrowings as of 31/12/2007	GROUP		
Amounts in € '000	**Banks and Bond Loans**	**Leasing**	**Total**
1 year and less	48,554	1,131	49,685
Between 1 and 5 years	3,117	1,598	4,715
Up to 5 years	0	5,650	5,650
Total	**51,671**	**8,379**	**60,050**

The expiry date of loans taken out by the company (in years) is as follows:

Borrowings as of 31/12/2008	COMPANY		
Amounts in € '000	**Banks and Bond Loans**	**Leasing**	**Total**
1 year and less	3,301	0	3,301
Between 1 and 5 years	0	0	0
Up to 5 years	0	0	0
Total	**3,301**	**0**	**3,301**

Borrowings as of 31/12/2007	COMPANY		
Amounts in € '000	**Banks and Bond Loans**	**Leasing**	**Total**
1 year and less	5,703	0	5,703
Between 1 and 5 years		0	0
Up to 5 years	0	0	0
Total	**5,703**	**0**	**5,703**

The actual weighted mean borrowing interest rates for the Group are listed next:

	31/12/2008	**31/12/2007**
Shortterm bank loan rate	**B.E.X. - 1.0%**	**Euribor+2.5%**
Long-term bank loan rate	**Euribor+2.0%**	**Euribor+2.0%**

The loan terms provide for the calculation of the loan's interest rate, repayment terms, payment and prepayment and termination events.

10.26.1. Financial Lease Liabilities

The main clauses of company financial leases, in force on 31 December 2007, are as follows:

COMPANY	AGREEMENT DATE	LEASE DESCRIPTION	VALUE (in thousand €)	ACQUISITION VALUE (in €)	INTEREST RATE	NO. OF LEASES	LEASE AMOUNT (in thousand €)	AGREEMENT TERM
PORTO CARRAS SITHONIA BEACH CLUB	04/05/07	4 token collection and separation machines	67	10	EURIBOR M.O 1M +2%	20 quarterly	4	10/09/12
PORTO CARRAS SITHONIA BEACH CLUB	09/07/07	1 electronic roulette system	230	10	EURIBOR M.O 1M +2%	12 quarterly	11	10/07/10
MOCHLOS SA	05/02/05	2 HM2300 Marathon-Atlas Copco/KRUPP Hydraulic HammersP	59	100	EURIBOR 3M	20 quarterly	3	05/02/10
MOCHLOS SA	25/05/06	2 SAFI MOD GAMMA AS worksite elevators	59	100	EURIBOR 3M	20 quarterly	3	25/05/11
MOCHLOS SA	07/03/06	Tunnel mold	175	10	EURIBOR 3M + 2%	12 quarterly	16	07/03/09
MOCHLOS SA	05/09/06	Tamrock Axera Drill	540	0	EURIBOR 3M + 2.2%	20 quarterly	31	05/09/11
MOCHLOS SA	14/09/06	WIRTGEN W50 DC Cold Cut Milling Machine	150	0	EURIBOR 3M	20 quarterly	9	14/09/11
MOCHLOS SA	26/08/06	SIMMA Construction Site Crane CIFA Concrete jetting machine MERCEDES ACTROS Truck & Hydraulic crane AUTOGRU	275	1	EURIBOR 3M	16 quarterly	19	25/08/10
MOCHLOS SA	11/10/06	HYUNDAI R200 W7 Excavator on Wheels	115	1	EURIBOR 3M	16 quarterly	8	10/10/10
MOCHLOS SA	27/11/06	CIFA CSS-2 PAS307 Concrete jetting machine	218	3	EURIBOR 3M + 2.4%	20 quarterly	13	27/11/11

COMPANY	AGREEMENT DATE	LEASE DESCRIPTION	VALUE (in thousand €)	ACQUISITION VALUE (in €)	INTEREST RATE	NO. OF LEASES	LEASE AMOUNT (in thousand €)	AGREEMENT TERM
MOCHLOS SA	05/02/07	SOILMEC Crawler Drill	608	0	EURIBOR 3M + 2.2%	20 quarterly	35	05/12/12
MOCHLOS SA	26/02/07	Standard Aero Helicopter Engine	71	10	EURIBOR 3M + 2%	12 quarterly	5	26/10/10
MOCHLOS SA	24/04/07	Tamrock Axera Drill	500	0	EURIBOR 3M + 2.2%	12 quarterly	44	24/04/10
MOCHLOS SA	04/05/07	Property in Thessaloniki rented out to Vodafone SA (SLB)	5,000	1,000,000	EURIBOR M.O 1M	240 monthly	32	04/05/27
MOCHLOS SA	15/05/07	LIEBHERR 932 Crawler Excavator	135	0	EURIBOR 3M + 2.2%	12 quarterly	12	15/05/10
MOCHLOS SA	16/07/07	2 HYUNDAI Excavators on wheels τύπου R200W-7	230	0	EURIBOR 3M + 2%	12 quarterly	15	13/07/11
MOCHLOS SA	13/02/08	Excavator Caterpillar (Engine AR-CM)	27	0	EURIBOR 3M + 2.2%	12 quarterly	3	13/02/11
SAMOS MARINAS	11/04/07	Travel Lift	196	0	EURIBOR 3M + 2.2%	12 quarterly	18	12/04/10
KTIMA PORTO CARRAS	01/06/05	2 Agricultural tractors MASSEY FERGUSON 3435 CF	53	100	EURIBOR 3M	20 quarterly	1	05/06/10

10.27. Other provisions

The provisions included in this fund are analyzed as follows:

Amounts in€ '000	GROUP			COMPANY		
	Provisions for tax audit diferenses	Other provisions for contingent liabilities	Total	Provisions for tax audit diferenses	Other provisions for contingent liabilities	Total
Book Value as of 1/1/2007	**0**	**592**	**592**	**0**	**0**	**0**
Additional Provisions	800	396	1,196	0	0	0
Book Value as of 31/12/2007	**800**	**988**	**1,788**	**0**	**0**	**0**
Additional Provisions	350	779	1,129	0	779	779
Book Value as of31/12/2008	**1,150**	**1,767**	**2,917**	**0**	**779**	**779**

Moreover, the Groups companies create a provision on the insurance and judicial claims that arise from construction agreements with subcontractors, based on historical data from its activities.

The overall provisions for the unaudited fiscal years of the Group's companies amount to € 1,150 thousand out of which € 350 thousand burdened the results of the current year.

10.28. Other Long-term Liabilities

The other long-term liabilities of the Group and the Company are analyzed as follows:

Amounts in € '000	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Other long-term liabilities	12	25	12	12
Long-term advanced clients payments	1,092	0	0	0
Long-term advanced Romanian payments	510	0	0	0
Long-term advanced payments through Joint ventures	1,272	0	0	0
Romania Guarantee received	1,143	0	0	0
Fees beneficiaries	910	0	0	0
Other long-term liabilities	500	0	0	0
Total	**5,439**	**25**	**12**	**12**

In order to increase its liquidity, the Group agreed with several suppliers and creditors to proceed with these payments after 31/12/2009.

10.29. Suppliers and other liabilities

The balance from suppliers and other relevant liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Suppliers	30,303	30,253	334	280
Intercompany Accounts, Payable	0	0	3,791	3,245
Cheques Payable (post-dated)	8,160	18,778	181	281
Total Liabilities	**38,463**	**49,031**	**4,306**	**3,806**

10.30. Current tax liabilities

The current tax liabilities of the Group and the Company regard income tax liabilities.

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Income Tax on Taxable Profits	81	404	0	0
Previous Financial Years Income Tax	390	1,475	0	386
Tax Audit Differences	1,223	2,637	0	0
TOTAL	**1,694**	**4,516**	**0**	**386**

10.31. Other short-term liabilities

The other short-term liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Customers Advance Payments	1,806	1,675	9	4
Salaries and Daily Wages, Payable	1,295	1,515	11	19
Insurance Funds	1,387	933	4	6
Other Taxes (except Income Tax)	7,832	5,109	286	536
Dividends Payable	470	476	399	399
Provisions for Construction Contracts (IAS11)	90	1,799	1,068	1,068
Tax payable	6	6	0	0
Payable Fees for BoD Members	3,248	462	1,519	0
Payable Expenses	253	582	2	43
Liabilities from Affiliated Companies	0	0	2,667	0
Next Period Income - Grants	0	6	0	0
Other short term liabilities	7,992	1,429	0	155
Total Liabilities	**24,379**	**13,992**	**5,965**	**2,230**

10.32. Turnover

The breakdown of the Group's and Company's turnover from their continuing operations is given in the following table:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
CONSTRUCTION SECTOR	132,950	106,891	3,726	3,074
HOSPITALITY SECTOR	22,667	16,861	0	0
CAZINO OPERATION	14,957	20,903	0	0
MARINA MANAGEMENT	1,443	1,018	0	0
SALES OF ALCOHOOL AND OTHER PRODUCTS	2,532	0	2,594	1,889
OTHER	1,091	8,370	0	0
Total	**175,640**	**154,044**	**6,320**	**4,963**

10.33. Expense Analysis per category

The group's expense analysis per category is as follows:

	GROUP - 31/12/2008			
Amounts in € '000	**Cost of Sales**	**Administrative Expenses**	**Selling Expenses**	**Total**
Cost of Inventories Recorded as Expense	55,628	0	0	55,628
Amortizations Cost	13,620	986	0	14,606
Provision of losses due to construction projects	5,945	0	0	5,945
Personnel Fees & Expenses	28,355	3,599	668	32,622
Third Party Fees & Expenses	35,276	14,003	281	49,560
Fees of the BoD members fronm the stock option plan issuance	0	16,291	0	16,291
Third Party Benefits	2,161	710	46	2,917
Operating Leasing Rents	1,259	281	20	1,560
Insurance expenses	681	64	2	747
Repairs & Maintenance Expenses	1,097	111	0	1,208
Taxes-Duties	1,822	1,266	86	3,174
Financial Services Expenses	99	69	4,347	4,515
In-house Production	(12,770)	0	0	(12,770)
Other Expenses	21,977	969	429	23,375
Total	**155,150**	**38,349**	**5,879**	**199,378**

Amounts in € '000	GROUP - 31/12/2007			
	Cost of Sales	**Administrative Expenses**	**Selling Expenses**	**Total**
Cost of Inventories Recorded as Expense	34,266	0	0	34,266
Amortizations Cost	10,976	1,215	1	12,192
Provision of losses due to construction projects	6,741	0	0	6,741
Personnel Fees & Expenses	26,296	3,789	660	30,745
Third Party Fees & Expenses	49,915	5,447	467	55,829
Third Party Benefits	2,122	564	39	2,725
Operating Leasing Rents	1,265	304	21	1,590
Insurance expenses	1,025	14	2	1,041
Repairs & Maintenance Expenses	1,042	123	0	1,165
Taxes-Duties	1,282	1,144	64	2,490
Financial Services Expenses	53	(73)	3,817	3,797
In-house Production	(25,355)	0	0	(25,355)
Other Expenses	25,401	1,412	530	27,343
Total	**135,029**	**13,939**	**5,601**	**154,569**

The company's expense analysis per class is as follows:

Amounts in € '000	COMPANY - 31/12/2008			
	Cost of Sales	**Administrative Expenses**	**Selling Expenses**	**Total**
Amortizations Cost	0	203	0	203
Personnel Fees & Expenses	0	253	0	253
Third Party Fees & Expenses	2,251	2,774	59	5,084
Third Party Benefits	0	258	0	258
Operating Leasing Rents	0	12	0	12
Insurance expenses	0	12	0	12
Repairs & Maintenance Expenses	3	3	0	6
Taxes-Duties	0	143	0	143
Financial Services Expenses	0	9	0	9
Other Expenses	0	130	3	133
Total	**2,254**	**3,797**	**62**	**6,113**

Amounts in € '000	COMPANY - 31/12/2007			
	Cost of Sales	**Administrative Expenses**	**Selling Expenses**	**Total**
Amortizations Cost	0	224	0	224
Personnel Fees & Expenses	0	405	0	405
Third Party Fees & Expenses	2,947	1,848	68	4,863
Third Party Benefits	44	176	0	220
Operating Leasing Rents	0	4	0	4
Repairs & Maintenance Expenses	6	2	0	8
Taxes-Duties	0	72	0	72
Financial Services Expenses	0	4	2	6
Other Expenses	1	122	8	131
Total	**2,998**	**2,857**	**78**	**5,933**

Personnel benefits for the group and the company are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Salaries, Daily Wages & Benefits	24,282	22,367	209	328
Social Insurance Expenses	7,413	7,144	35	58
Pension Benefits (Provisions)	422	296	9	8
Termination Compensations	80	498	0	10
Stock Option Benefits	0	2,876	0	0
Other Personnel Benefits	446	439	0	1
Total	**32,643**	**33,621**	**253**	**405**

	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Number of employees	**1,496**	**1,134**	**6**	**10**

10.34. Other operating expenses

The other operating expenses are analyzed as follows:

	GROUP		COMPANY	
Amounts inε € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Bad Debt Provisions	1,019	0	0	0
Contingent Liabilities Provisions	779	0	779	0
Tax Fines & Surcharges	31	47	1	4
Other Fines & Surcharges	8	1	0	0
Previous Financial Years Expenses	4,125	6,324	45	9
Losses from Sale & Write-off of Tangible Assets	441	972	154	140
Impact of participation percentage changes in subsidiaries	10,625	0	0	0
Other Operating Expenses	1,738	1,845	76	5
Total	**18,766**	**9,189**	**1,055**	**158**

10.35. Other operating income

The other operating income is analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Operational Leasing Rents	1,015	786	90	69
Income from Grants	2,797	1,682	0	0
Profits from Sale of Tangible Fixed Assets	155	1,401	73	0
Income tips	7,626	0	7,626	0
Income from Previous Financial Years	1,345	1,955	35	17
Income from Provision of Services to Third Parties	138	337	2	42
Other income from Romania	1,218	380	0	0
Proceeds from legal claims	5,412	0	378	0
Other Operating Income	665	2,430	143	66
Total	**20,371**	**8,971**	**8,347**	**194**

10.36. Financial expenses

The financial operating expenses are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Interest from Financial Leases	431	417	0	0
Discounting of loans granted to affiliated parties	0	0	1,770	0
Loan Interest	4,569	5,464	419	1,383
Advance Payments Interest	8	31	0	0
Financial Cost of Employee Benefits	44	38	3	2
Total	**5,052**	**5,950**	**2,192**	**1,385**

10.37. Financial income

Financial income are analysed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Discount on Loans provided to Affiliated Parties	0	0	844	772
Interest Awarded from Litigious Claims	0	0	270	96
Revenues from Bank Interest	151	49	21	19
Total	**151**	**49**	**1,135**	**887**

10.38. 6.37. Other financial results

Other financial results are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Debits from Exchange Rate Differences	(1,558)	(141)	(732)	(194)
Credits from Exchange Rate Differences	1,231	180	40	1
Other Bank Expenses	(173)	(114)	(37)	(29)
Commission of letters of guarantee	(719)	(851)	(55)	(53)
Total	**(1,219)**	**(925)**	**(784)**	**(275)**

10.39. Dividend income

Dividend income is analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Other dividend	0	42	0	19
Total	**0**	**42**	**0**	**19**

10.40. Results from Investments

The Group's and the Company's results from investments are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Profits and Losses from Valuation of Shares and Securities	(178)	(104)	0	0
Profits and Losses from Sale of Shares and Securities	3,486	392	2,752	258
Profits from sale of TOUSA stock option	1	0	1	0
Total	**3,309**	**288**	**2,753**	**258**

10.41. 6.40. Profit/ loss from the valuation of investment property

The profit and loss that resulted from the revaluation of investment property are analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Profits from Fair Value Changes in Real Estate Investments	2,011	2,607	0	1,560
Total	**2,011**	**2,607**	**0**	**1,560**

10.42. Results from Joint Ventures

Profit and loss from joint ventures is analyzed as follows:

	GROUP	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Profits from Joint Ventures		
AKTOR - MOCHLOS J/V	296	
AQUARICS VENUE J/V (MOCHLOS)	0	96
PANTHESSALIAN STADIUM J/V (MOCHLOS)	711	0
Profits from other Joint Ventures	83	0
Total (a)	**1,090**	**96**
Losses from Joint Ventures		
AKTOR - MOCHLOS J/V	0	(84)
DODONI J/V (MOCHLOS)	(809)	(485)
LEFKOPETRA PROJECT J/V	(149)	0
PANTHESSALIAN STADIUM J/V (MOCHLOS)	0	(21)
Losses from other Joint Ventures	(9)	0
Total (b)	**(967)**	**(590)**
Total (a+b)	**123**	**(494)**

10.43. Proportion of results of associated companies

	GROUP	
Amounts in € '000	**31/12/2008**	**31/12/2007**
Profits		
Lamda Olympic SRL	30	5
Lamda Technol Flisvos Holdings	0	1,199
Total (1)	**30**	**1,205**
Losses		
Agrotouristiki S.A.	0	(471)
Total (2)	**0**	**(471)**
Total (1+2)	**30**	**734**

10.44. Income tax

The Group is subject to different income tax scales depending on the country of operations and therefore a certain judgment is required for determining a tax estimate. There are several transactions and calculations for which the final tax estimate is uncertain.

Expenses for income tax for the financial years that ended on 31 December 2008 and 2007 are analyzed as follows:

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Tax for Financial Year	122	463	0	0
Previous Financial Years Tax Audit Difference	604	2,399	9	0
Deferred Tax	5,809	2,927	(190)	5
Total	**6,535**	**5,789**	**-181**	**5**
Pre-Tax Profits	23,124	(6,206)	(7,402)	173,536
Tax Coefficient	25%	25%	25%	25%
Expected Tax Expense	(5,781)	1,551	1,850	(43,384)
Adjustments for Tax-Exempt Income				
- Deferred Tax for Financial Year	(1,343)	0	(53)	0
- Restatements for Financial Year	1,580	1,644	212	467
Other Adjustments (Tax Exempt Reserves - Other Tax Benefits)	11,475	194	(2,200)	42,922
- Tax Audit Differences	604	2,399	9	0
Actual Tax Expense	**6,535**	**5,788**	**-182**	**5**

10.45. Profits per share

The profits per share were computed based on the average weighted number of outstanding shares on the total of the Company's shares and are broken down next:

Amounts in € '000	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Profit / (Losses) after taxes from continued operations	(28,415)	(12,073)	7,582	(173,541)
Profit / (Losses) after taxes from discontinued operations	395,341	(766,878)	0	0
Consolidated Profits after taxes	**366,926**	**(778,951)**	**7,582**	**(173,541)**
Weighted average number of shares	165,525,643	143,934,932	165,525,643	143,934,932
Basic profits per share (€ / share) from continued operations	**(0.1717)**	**(0.0839)**	**0.0458**	**(1.2057)**
Basic profits per share (€ / share) from discontinued operations	**2.3884**	**(5.3279)**	**0.0000**	**0.0000**
Basic profits per share (€ / share)	**2.2167**	**(5.4118)**	**0.0458**	**(1.2057)**

The calculation of the average weighted average of shares is broken down in the following table:

			31/12/2008		
Changes in shares	**Till**	**Days**	**Number of shares**	**Total shares**	**Weighted average number of shares**
Shares on 31/12/2007	10/10/2008	283	165,625,000	165,625,000	128,065,232
Purchase of own shares	15/10/2008	5	-30,000	165,595,000	2,262,227
Purchase of own shares	16/10/2008	1	-90,000	165,505,000	452,199
Purchase of own shares	17/10/2008	1	-15,500	165,489,500	452,157
Purchase of own shares	20/10/2008	3	-3,000	165,486,500	1,356,447
Purchase of own shares	21/10/2008	1	-25,000	165,461,500	452,081
Purchase of own shares	22/10/2008	1	-126,000	165,335,500	451,736
Purchase of own shares	23/10/2008	1	-50,000	165,285,500	451,600
Purchase of own shares	24/10/2008	1	-16,708	165,268,792	451,554
Purchase of own shares	27/10/2008	3	-80,000	165,188,792	1,354,006
Purchase of own shares	29/10/2008	2	-54,610	165,134,182	902,373
Purchase of own shares	31/12/2008	64	-10,820	165,123,362	28,874,031
Weighted average number of shares					**165,525,643**

			31/12/2007		
Changes in shares	**Till**	**Days**	**Number of shares**	**Total shares**	**Weighted average number of shares**
Shares on 31/12/2006	27/8/2007	239	132,500,000	132,500,000	86,760,274
Increase in share capital	28/8/2007	126	33,125,000	165,625,000	57,174,658
Weighted average number of shares					**143,934,932**

11. PRESENTATION OF THE LAST YEAR BASIC FINANCIAL STATEMENTS (01/01/2007 - 31/12/2007) WITHOUT THE CONSOLIDATION OF THE FORMER SUBSIDIARY TOUSA INC.

For comparison with the last year financial statements reason in the following tables the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement before and after the consolidation of the subsidiary TOUSA Inc. are presented:

INCOME STATEMENT

	1/1/-31/12/2007		
Amounts in € '000	**Published results**	**Non consolidation of subsidiary**	**Results excluding subsidiary**
Turnover (Sales)	1,755,852	(1,601,808)	154,044
Cost of Sales	(2,161,154)	2,026,127	(135,027)
Gross profit/(loss) from continued operations	**(405,302)**	**424,319**	**19,017**
Administrative Expenses	(148,839)	134,899	(13,940)
Selling Expenses	(135,386)	129,784	(5,602)
Other Operating Expenses	(79,911)	70,721	(9,190)
Other Operating Income	10,612	(1,641)	8,971
Operating Profits / (Losses)	**(758,826)**	**758,082**	**(744)**
Financial Expenses	(33,150)	27,199	(5,951)
Financial Income	1,292	(1,243)	49
Other Financial Results	(925)	0	(925)
Income from Dividends	513	(471)	42
Profits / (losses) from investments	3,047	(2,759)	288
Profit / (losses) from the real estate valuation	2,607	0	2,607
Profits / (losses) from joint ventures	(152,994)	152,501	(493)
Pro rata results from affiliated companies	734	0	734
Profit / (Loss) before Income Tax from continued operations	**(937,702)**	**933,309**	**(4,393)**
Income Tax	18,496	(24,285)	(5,789)
Profit / (Loss) after Income Tax from continued opperations	**(919,206)**	**909,024**	**(10,182)**
Discontinued operations			
Results from discontinued opperations	(16,312)	-	(925,336)
Profit/ (losses) after tax	**(935,518)**	**-**	**(935,518)**

BALANCE SHEET

Amounts in € '000	31/12/2007 Published results	Non consolidation of subsidiary	Results excluding subsidiary
ASSETS			
Non Current Assets			
Ownused Fixed Assets	333,465	(18,770)	314,695
Intangible Assets	14,441	0	14,441
Investments in Subsidiaries	0	0	0
Investments in Associates	6,206	0	6,206
Investments in Joint Ventures	6,126	(6,126)	0
Financial assets available for sale	10,190	(10,179)	11
Investments in real estate	15,059	0	15,059
Other long-term receivables	1,517	(465)	1,052
Deferred tax receivables	0	0	0
Total	**387,004**	**(35,540)**	**351,464**
Current Assets			
Inventories	812,394	(804,604)	7,790
Receivables from construction contracts	31,501	0	31,501
Trade receivables and other commercial receivables	37,479	(11,427)	26,052
Receivables from Joint Ventures	1,565	(213)	1,352
Other Receivables	243,019	(178,352)	64,667
Financial assets at fair value through results	202	0	202
Cash and cash equivalent	76,935	(59,258)	17,677
Total	**1,203,095**	**(1,053,854)**	**149,241**
Non Current Assets available for sale	4,170	1,089,394	1,093,564
TOTAL ASSETS	**1,594,269**	**0**	**1,594,269**
EQUITY AND LIABILITIES			
Shareholders Equity			
Share Capital	165,625	0	165,625
Share Premium	253,784	0	253,784
Reserves from asset valuations in current values	127,778	0	127,778
Other Reserves	8,958	0	8,958
Retained Earnings	(691,218)	0	(691,218)
Foreign Exchange Differences	(14,204)	0	(14,204)
Equity Attributable to Parent Company Shareholders	**(149,277)**	**0**	**(149,277)**
Third Party Rights	43,472		43,472
Total Equity	**(105,805)**	**0**	**(105,805)**
Long-term Liabilities			
Deferred tax liabilities	46,539	0	46,539
Liabilities for employee retirement benefits	684	0	684
Future income from state grants	33,633	0	33,633
Long-term loans	10,365	0	10,365
Other Provisions	7,040	(5,252)	1,788
Other long-term Liabilities	37,267	(37,242)	25
Total long-term Liabilities	**135,528**	**(42,494)**	**93,034**
Short-term Liabilities			
Trade creditors and similar Liabilities	83,229	(34,198)	49,031
Current tax Liabilities	9,412	(4,896)	4,516
Short-term loans	1,208,403	(1,158,718)	49,685
Liabilities to Joint Ventures	567	0	567
Other short-term Liabilities	262,290	(248,298)	13,992
Total short-term Liabilities	**1,563,901**	**(1,446,110)**	**117,791**
Total Liabilities	**1,699,429**	**(1,488,604)**	**210,825**
Liabilities refered to the non current assets available for sale	645	1,488,604	1,489,249
TOTAL SHAREHOLDERS EQUITY & LIABILITIES	**1,594,269**	**0**	**1,594,269**

CASH FLOW STATEMENT

Amounts in € '000	31/12/2007 Published results	Non consolidation of subsidiary	Results excluding subsidiary
Cash flows from operating activities			
Profit (losses) for the period (before taxes) from continued operations	(937,702)	(936,021)	(1,681)
Adjustments to profits	960,004	946,551	13,453
	22,302	**10,530**	**11,772**
Change in working capital			
(Increase) / Decrease of inventories	(9,723)	(7,205)	(2,518)
(Increase) / Decrease of trade receivables	(20,685)	0	(20,685)
(Increase) / Decrease of other receivables	(29,688)	(50,352)	20,664
(Increase) / Decrease of liabilities	(159,762)	(156,058)	(3,704)
Retirement benefits outflow	(128)	0	(128)
	(219,986)	**(213,615)**	**(6,371)**
Cash flows from operating activities	**(197,685)**	**(203,085)**	**5,400**
minus: Income tax payments	(15,592)	(13,732)	(1,860)
minus: Interests paid	0	0	0
Foreign exchange (F/E) differences	(41,392)	(41,360)	(32)
Operating cash flow from discontinued operations	(12,649)	(12,471)	(178)
Net Cash flows from operating activities	**(267,318)**	**(270,648)**	**3,330**
Cash flows from investing activities			
Purchase of tangible fixed assets	(39,284)	(10,262)	(29,022)
Own production of tangible assets	(61)	0	(61)
Sales of Financial Assets Available for sale	(10,179)	(10,179)	0
Increase/ (losses) share capital of affiliated parties	(2)	0	(2)
Sales of financial instruments at fair value through results	1,169	0	1,169
Sales of Financial Assets Available for sale	28,458	28,458	(0)
Increase in share capital of subsidiaries	(20,220)	(18,987)	(1,233)
Dividends received	513	471	42
Sales of tangible fixed assets	3,741	3,155	586
Sales of investments in real estate	935	0	935
Proceeds from State subsidies	1,508	0	1,508
Purchases of investments in real estate	(65)	0	(65)
Investing cash flow from discontinued operations	(12)	0	(12)
Net Cash flows from investing activities	**(33,497)**	**(7,344)**	**(26,153)**
Cash flows from financing activities			
Increase in share capital	34,781	0	34,781
Share Capital Increase Expenses	(589)	0	(589)
Loans issued	439,272	374,812	64,460
Loan repayment	(113,000)	(48,375)	(64,625)
Interest received	1,290	1,243	47
Interest paid	(82,947)	(77,506)	(5,441)
Payments from leasing liabilities	(2,518)	0	(2,518)
Dividends paid to parent company's shareholders	(2,370)	0	(2,370)
Financing cash flow from discontinued operations	38,351	38,349	2
Net Cash flows from financing activities	**312,269**	**288,523**	**23,746**
Net increase / (decrease) in Cash-in-hand and cash equivalents	**11,454**	**10,531**	**923**
Cash and cash equivalents at beginning of period	65,515	48,727	16,788
Foreign exchange differences cash equivalents at end of period	(35)	0	(35)
Cash and cash equivalents at end of period	**76,935**	**59,258**	**17,677**

Amounts in € '000	31/12/2007		
	Published results	**Non consolidation of subsidiary**	**Results excluding subsidiary**
Adjustments to Profits for:			
Amortizations of tangible fixed assets	22,659	10,765	11,894
Amortizations of intangible assets	298	0	298
(Profit) / losses of subsidiaries fair value	50	0	50
(Profit) / losses of fair value financial assets at fair value through results	154	0	154
(Profit) / losses from sale of financial assets at fair value through	(392)	0	(392)
Provisions - Impairments	753,486	753,871	(385)
Revenues from dividends	(42)	0	(42)
(Profit) / losses from F/E differences	(86)	0	(86)
(Profit) / losses from sale of tangible fixed assets	(38)	0	(38)
Profit / (losses) from sale of investment real estate	(27)	0	(27)
Retirement benefits change	3,023	2,964	59
Profits /(losses) from evaluation of financial assets	(2,607)	0	(2,607)
Results through Joint ventures	152,995	152,995	(0)
Income from government grand	(862)	0	(862)
Income from interests	(1,292)	(1,243)	(49)
Expenses from interests	32,684	27,199	5,485
Total	**960,004**	**946,551**	**13,453**

In the consolidated financial statements for the year 2008, due to lack of sales revenue (as there is no sale but non-consolidation) the difference between a) the value of the investment in shares of the former subsidiary appeared in assets; and b) the part of the former parent company held by it on the "consolidated carrying amount" of the shares held in the former subsidiary as at 31/12/2007 shall be posted. Hence the amount to benefit the results of 2008 and equity stands at € 395 mil. Such sum is broken down next:

Identification	Amount
Impaired investment value	0.00
Less:	
- Total impairment of the former subsidiary and of other entries that were reversed in previous fiscal years and now remain in the consolidated results.	(180,699,828.59)
- Subsidiary equity as at 31.12.2007 after removals	576,386,262.96
Result to be posted for the period	**395,686,434.37**

To this date it has not been possible for the parent company to obtain information about the financial progress of its former subsidiary. When such information shall become available any effect that would come about had the former parent company continued to consolidate the aforementioned subsidiary shall be announced.

Also, TECHNICAL OLYMPIC, up to this day, has not recognized in the fiscal year at hand any liabilities or receivables in its consolidated balance sheet as regards its former subsidiary.

12. DISCONTINUED OPERATIONS

Further, the Board of Directors of MOCHLOS SA decided on 7.1.2008 to interrupt the operation of all the (ready made concrete production and marketing) industrial units in Patras and Igoumenitsa due to the adverse conditions created, very intense competition and the persistent for a number of years negative results from the operation of such segment.

Further by decision of the Board of Directors of MOCHLOS SA, the company's Home Building operations in the USA in the framework of US based company TECHNICAL OLYMPIC USA (TOUSA Inc.) of the TECHNICAL OLYMPIC Group were interrupted.

The following shows an analysis of the result for the period due to the discontinuation of the operation of the branch of MOCHLOS SA in Patras and the USA:

Amounts in € '000	**GROUP**	
non current assets available for sale	**31/12/2008**	**31/12/2007**
Ownused tangible fixed assets	0	18,770
Investment in joint ventures	0	6,126
Financial assets available for sale	0	10,179
Other long term receivables	0	465
Inventory	0	804,604
Client and other commercial receivables	0	11,427
Receivables from joint ventures	0	213
Other receivables	0	178,352
Non current fixed assets available for sale	0	4,170
Cash and cash equivalents	0	59,258
Total	**0**	**1,093,564**

Amounts in € '000	GROUP	
Liabilities regarding the non current assets available for sale	**31/12/2008**	**31/12/2007**
Deffered tax liabilities	0	0
Other provisions	0	5,252
Other long-term liabilities	0	37,242
Suppliers and other liabilities	0	34,198
Current tax liabilities	0	4,896
Short term bank liabilities	0	1,158,718
Liabilities regarding the non current assets available for sale	0	645
Other short-term liabilities	0	248,298
Total	**0**	**1,489,249**

Amounts in € '000	GROUP	
Discontinued operation	**1/1/-31/12/2008**	**1/1/-31/12/2007**
Turnover (Sales)	10	1,605,375
Cost of Sales	(372)	(2,031,483)
Gross profit/(loss) from continued operations	**(362)**	**(426,108)**
Administrative Expenses	(14)	(134,966)
Selling Expenses	0	(129,841)
Other Operating Expenses	(125)	(70,751)
Other Operating Income	155	1,817
Operating Profits / (Losses)	**(346)**	**(759,849)**
Financial Expenses	0	(27,199)
Financial Income	1	1,245
Other Financial Results	(1)	0
Profit /(losses) from the valuation of investmant property	0	0
Income from Dividends	0	471
Profits / (losses) from investments	0	2,759
Profits / (losses) from joint ventures	0	(152,501)
Profit before Tax	**(346)**	**(935,074)**
Income Tax	0	24,285
Profit after Tax	**(346)**	**(910,789)**
Profit from the non consolidation of the subsidiary TOUSA	395,686	0
Loss from the sale of the discontinued operation	0	(14,546)
Results for the period from discontinued operations	**395,341**	**(925,335)**

13. ADDITIONAL INFORMATION AND EXPLANATIONS

13.1. Existing liens

There are no liens with the exception of the concession of all shares of the subsidiary SAMOS MARINAS SA owned by the subsidiary DELOS MARINAS SA as pledge under the long-term loan agreement of SAMOS MARINAS SA with Emporiki Bank. Further, there are no mortgages or pledges, or any other encumbrances on the fixed assets to secure borrowing.

13.2. Commitments from Construction Contracts

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Backlog of projects	131,554	227,058	5,131	7,943
Performance quarandee	73,682	108,624	1,440	9,964

13.3. Tax Un-audited Financial Years

TECHNICAL OLYMPIC has been audited for periods until 2005 inclusive, while it was settled its fiscal year 2006 according to L. 3697/2008

The overall provisions for the unaudited fiscal years of the Group's companies amount to € 1,150 thousand. Besides that, it is estimated that the result of the future tax audit for unaudited years shall not introduce other significant charges to the Company and the Group.

In summary, the tax un-audited financial years of the Group Companies are set out in the following table:

Company	Anaudited Fiscal years	Company	Anaudited Fiscal years
TECHNICAL OLYMPIC SA	2007-2008	PORTO CARRAS GOLF SA	2007-2008
MOCHLOS SA	2008	PORTO CARRAS MARINAS SA	2007-2008
TOXOTIS SA	2007-2008	PORTO CARRAS MELITON BEACH SA	2005-2008
ALVITERRA HELLAS SA	2007-2008	PORTO CARRAS SITHONIA BEACH CLUB SA	2005-2008
ANAPTIKSEIS ATHINAIKON PROASTION SA	2007-2008	PORTO CARRAS TOURISTIKES ANAPTIKSEIS SA	2007-2008
DILOS MARINAS SA	2007-2008	PORTO CARRAS HYDROPLANES AND STUDIES SA	2007-2008
KTIMA PORTO CARRAS SA	2007-2008	SAMOS MARINAS SA	2003-2007
MARKO MARINAS SA	2007-2008	SKIATHOS MARINAS SA	2007-2008
PORTO CARRAS SA	2007-2008	STROFILI TECHNICAL SA	2007-2008
PORTO CARRAS VILLAGE CLUB SA	2007-2008	EUROROM CONSTRUCT II SRL	From its foundation

13.4. Contingent liabilities

Information about litigations against the Company and the Group:

- Against the Parent Company

TECHNICAL OLYMPIC SA was initially included among the defendants in a class action filed with a US Federal Court of Justice but not notified to it. The defendants included Banking Organizations, its subsidiary TECHNICAL OLYMPIC USA (TOUSA Inc.), which was subjected to the protective provisions of Chapter 11 of the US Bankruptcy Code, as well as members of their Boards of Directors. The plaintiffs appear to be non-listed buyers of shares of TOUSA Inc. who claim that under US legislation they are entitled to claims for the period between 1 August 2005 and 19 March 2007 due to guarantees, which as they argue, TOUSA Inc. and the other parties involved gave them for TRANSEASTERN JV. In a later action filed on 19 September 2008 replacing the old one, TECHNICAL OLYMPIC and the members of the Stengos family as Directors of TOUSA Inc. who were included in the first action, are no longer included among the defendants, hence leading to a definite end to any claims against the Company and its BoD.

Further, a lawsuit has been filed against the Company for about € 1,557,600.00 by Design Firm DEKATHLON regarding designs pertaining to the 2003 European Union Summit held in PORTO CARRAS. The company's management estimates that the result of this litigation shall not have a significant effect on the Financial Statements.

- Against MOCHLOS SA

- PIRIDIS IOANNIDIS GENERAL INC.: It regards € 48,557.10 which has not been paid in respect of works at the Porto Carras Marina. At first instance it was admitted for the sum of about € 10,000. The company filed an appeal which was debated on 08/02/2008 at the Thessaloniki Court of Appeals, which refuted the lawsuit as being too vague, hence vindicating the company.
- DIEDROS: It regards € 256,475.43, in respect of fees for designs. It is estimated that the lawsuit shall be rejected.
- MOUSTAKAS: It regards € 42,727.01 in respect of the termination of a project contract. At first instance the court ruled payment of € 1,500.
- TRIGONO SA: It regards € 33,834.16 in respect of expense claims from participation in a joint venture. At first instance the company has been found innocent. The company has issued two payment warrants for a total amount of € 40,000 against THESSALIKI SA and "EXIDIKEVMENA ERGA".
- DIMOTSALI: It regards € 72,214.28 in respect of compensation for damage to materials. At first instance it was rejected, while an appeal was filed by the complainant.
- WEIST: It regards € 52,950.53, overdue part of agreed fees. It is estimated that the result of the litigation shall be positive.

- ASPIS PRONIA: It regards the MOCHLOS - ATTIKAT - VIOTER JV and the amount of € 220,000 in respect of insurance premium. At first instance the amount was reduced to € 58,800. The company filed appeal. It is estimated that the lawsuit shall be rejected or that the amount shall be reduced to one half.
- DAFNI: It regards € 416,129 in respect of receivables from a former partner of the President of ALPHA TECHNIKI and it was reviewed at the appeal court and the company was sentenced to pay € 13,000. An appeal shall be filed against such ruling at the Supreme Court.
- PROMETHEUS SA: It regards the AEGEK - MOCHLOS - EVROPAIKI TECHNIKI - EKTER JV and the amount of € 57,435.51 in respect of compensation for acts of God affecting the KOULOURA-KLIDI Project. It is estimated that the lawsuit shall be rejected.
- MUNICIPALITY OF ARKALOCHORI: It regards € 532,580.59 in respect of compensation for damages caused to roads. It is estimated that the company shall not be charged.
- LAMBROPOULOU: It regards MOCHLOS and EMEK and the amount of € 53,979 in respect of machinery damaged as a result of fire. At first instance it was rejected, while an appeal was filed by the complainant.
- PETITION FOR INJUNCTION RELIEF BY NAFTILIAKI TECHNIKI: It regards € 750,000 in rspect of failure to pay the contractor and to comply with the preliminary agreement. The claim is ungrounded. The company has entered into a preliminary cooperation agreement, but this would have only applied where MOCHLOS was awarded projects, which did not happen in the end. At first instance the company was sentenced to pay €16,000. The company has not yet lodged appeal.
- KLOUKINA: This lawsuit is against the Refinery JV and regards € 799,707 in respect of default salaries. At first instance it was rejected.

Further, lawsuits have been taken against the Company for work accidents for a total amount of € 2,656,400. With regards to such cases the company is not expected to be charged with more than €325,000. Lawsuits are pending regarding overtime pay claims for € 214,810.41 and car accidents for € 1,672,925.23 which are expected to be rejected in their entirety.

Lastly a fine has been imposed to the company for € 304,395.00 by the Competition Commission for the late notification of the concentration for the merger by absorption by MOCHLOS SA of Alpha Techniki, Theofilos Skordalos and Ellinikes Kataskeves, and the undertaking by the same of the split technical works segments of TECHNICAL OLYMPIC and DIEKAT. Review of the case by a Three-member Audit Committee is expected.

As regards the above assumed liabilities, the Company has formed a provision charging the among of about € 600,000 to the results of previous years.

- Against TOXOTIS SA

- A lawsuit by subcontractor FANTA REAL SA against the TOXOTIS SA - -ALGOMA SA JV for about € 1,700.00 as it considers that it has been illegally not included in the project. The lawsuit was postponed in March 2008 and since then no summons has been served for a new trial date.
- Lawsuit of ALGOMA SA for € 199,736, as it considers it has suffered non-pecuniary damages as a result of the use of power of attorney documents that regarded TOXOTIS SA -ALGOMA SA JV, the existence of which it

claims to had been unaware of, and as a result it never received the profit from the project pro rata its participation, approximately 10%. It is estimated that the lawsuit shall be rejected, as the power of attorney documents of which it was aware, had nothing to do with the joint venture's financial transactions.

- Against PORTO CARRAS SITHONIA BEACH CLUB SA

There are claims against the company from lawsuits for € 1,550 thousand as a result of entrance to the casino being prohibited to persons who have made such claims. The Management estimates that such claims are excessive and ungrounded and it considers that they will be rejected. By the date of approval of the financial statements, no ruling had been made in favor or against the Company. As regards such cases, the Company has made a provision of € 60 thousand.

Moreover on March 20, 2009 the settlement request of the company was rejected which was submitted before the Supervisor of tax authority (D.O.Y FAE Piraeus) for the resolution of the administrative dispute regarding the imposition of fine amounting 216,120 € resulting from the delivery of phony tax information according to the tax authority. The company appealed the aforementioned decision as it claims that these transactions were real – and existing and hence the company was unfairly been fined and is estimating that there will be no impact in its financial statements, as the company's management asserts that at the end of the process there will be no fine imposed and therefore there will be no reason to account for provision that will burden this fiscal year's results.

- Against PORTO CARRAS SA

There are no litigations or disputes in arbitration before courts of justice or arbitration courts that could significantly affect the Company's financial situation or business. The only pending litigations are the lawsuits of timesharers against the Company. As regards the time sharers in general, the Company has been found innocent at the Supreme Court and it is hence certain that all pending lawsuits shall be rejected.

- Against SKIATHOS MARINAS SA

The State is threatening to require the forfeiture of the letters of guarantee of the project for the construction of the Skiathos Marina. The company has applied for the settlement of the dispute by the administrative court for the letters of guarantee to be returned and for a sum over € 400 thousand to be paid, which represents its expenses for the project that have not been paid by the State.

The Company estimates that it shall be done justice in regards of this dispute, at least as regards the return of the letters of guarantee.

- Against PORTO CARRAS HYDROPLANES AND STUDIES SA

There is a claim against PORTO CARRAS HYDROPLANES AND STUDIES SA for € 75,000 by a student of the college who claims compensation because the college shut down and was forced to move to continue their studies, etc. The lawsuit was taken to court and Ruling No. 140/2005 was issued by the One-member First

Instance Court of Chalkidiki whereby the student shall receive compensation of €16,000. The Company has filed an appeal which has not yet been debated.

- Against PORTO CARRAS MELITON BEACH SA

Disputes are pending against the Company before the country's competent courts in respect of employment claims and claims for the payment of intellectual rights of actors and singers for a total of € 207,613.08. The Company's legal advisors estimate that he above lawsuits shall be found inadmissible by the respective courts.

13.5. Contingent Claims

- Claims of the TECHNICAL OLYMPIC GROUP from the Greek State

- There are sixty (60) motions to cassation pending before the Council of the State from Group companies or joint ventures in which they participate against decisions of the Administrative Courts of Appeal of Athens, Thessalonica, Ioannina and Patras, which have rejected in whole or in part Group companies pertaining to the performance of public works or provision of services. With these motions it is requested to cancel the decisions with a view to the adjudication to the companies of different amounts in each case. The overall amount of the claims by the companies is estimated to be in the order of twelve million euro, approximately. The outcome of these trials is not certain, due to the nature and variety of the issues under litigation; at any rate, it should be pointed out that until now the companies have been successful in Council of the State proceedings, in cases exceeding 50% of the total of pending cases.

- There are eleven (11) motions for cassation pending before the Council of the State by the Greek State against decisions of the Administrative Courts of Appeal which have ruled in favour of TECHNICAL OLYMPIC S.A. and MOCHLOS S.A. with regard to claims against the State for about € 15.7 mil from the performance of public works. Given that: A) Normally, the motion for cassation on the part of the State has suspended until now, the payment of the amounts that had been adjudicated to the companies, and b) Most of the motions for cassation by the State are not accepted apart from a few exceptions, it is estimated that the outcome of those specific cases not only will it not incur economic charges for the companies, but on the contrary they shall collect the biggest part if not all of the claims.

- There are twelve (12) motions for cassation of the companies pending before the Council of the State involving the legality of the procedures for the appointment of contractor. Even if the outcome of these proceedings is not positive for the companies, there will be no change to its liabilities.

- Claims of the subsidiary TOXOTIS SA

- FANTA REAL SA (two lawsuits), whereby the company asks for a total of € 547,000 because the former failed to return the advance payment it had receive in respect of the execution of the project. The trial date for the lawsuit was 14 January 2009 and the decision is still pending.

- SFAGIOTECHNIKI K. GOUMAS AND ASSOCIATES INC., which was a subcontractor. The lawsuit has been admitted in part by the Court of First Instance for approximately € 45,000, but an appeal has been lodged which is still pending.

- Prefecture of Magnisia in respect of the detour project in Zagora for a total sum of € 1,513,413.29. Such lawsuits regard damages caused by acts of God, delays in the payment of bills, designer fees and the return of letters of guarantee.

13.6. Operating lease commitments

- Group Companies as Lessors:

Amounts in € '000	GROUP				COMPANY			
Liabilities from operating leasing 31/12/2008	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**
Liabilities from real estate	57	9	0	66	0	0	0	0
Liabilties from transportation	115	59	0	174	0	0	0	0
Other operating leasing	205	821	6,367	7,393	0	0	0	0
Total	**377**	**890**	**6,367**	**7,634**	**0**	**0**	**0**	**0**

Amounts in € '000	GROUP				COMPANY			
Liabilities from operating leasing 31/12/2007	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**
Liabilities from real estate	30	47	0	76	0	0	0	0
Liabilties from transportation	155	152	0	306	0	0	0	0
Other operating leasing	239	957	7,217	8,413	0	0	0	0
Total	**424**	**1,155**	**7,217**	**8,796**	**0**	**0**	**0**	**0**

The major lease agreements of the Group's companies are:

- The parent company and the subsidiary MOCHLOS SA rent out a property in Glyfada, at 3, Xantou and Lazaraki street that includes a space of 394.07m^2 on the 4th floor and two parking spots in the basement numbered P30 and P31 of 29.11m^2 each. The monthly rent is € 10,250 which shall be increased yearly by 5%.

- MOCHLOS SA sublets a property in the Patriarchiko area in Thessaloniki which comprises a basement of 2,380m^2 and a ground floor of 2,380m^2 to VODAFONE at a monthly rent of € 30,056.43 increased annually based on the price index. The duration of the lease is 12 years.

- MOCHLOS SA rents out a property that comprises a basement of 294 m2, a ground floor of 543 m2 and a mezzanine of 185 m2 to RIDENCO SA. The monthly rent is set to 5% of the monthly net turnover (earned in the leased property) which shall not be under € 7,336.75 monthly and be increased annually by 6%.

- SAMOS MARINAS SA rents out three spots at the marina for use as Super Market, Coffee Shop, and Tourism Office to Boutique Travel Services SA. The annual rent is set to € 150,000.00 for the first 3 years of the lease term, and as of 2010 such rent shall be adjusted annual based on the price index. The duration of the lease is 24 years.

- SAMOS MARINAS SA rents out two sops of 31m^2 and 15m^2 at the marina to ECKER YACHTING SA. The monthly rent is set to € 1,175.00 which shall be increased annually by the price index rate plus 2%. The duration of the lease is 12 years.

- Group Companies as Lessees:

Amounts in € '000	GROUP				COMPANY			
Rent receivables pursuant to contracts on 31/12/2008	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**
Rent operating leasing	175	713	2,638	3,526	20	81	101	201
Income from leasing of investment property	678	2,333	1,486	4,497	64	117	117	298
Total	**853**	**3,046**	**4,125**	**8,023**	**84**	**198**	**218**	**499**

Amounts in € '000	GROUP				COMPANY			
Rent receivables pursuant to contracts on 31/12/2007	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**	**1 year or less**	**Between 1 and 5 years**	**Up to 5 years**	**Total**
Rent operating leasing	164	703	2,935	3,802	25	107	310	442
Income from leasing of investment property	631	2,296	2,164	5,091	9	9	10	28
Total	**795**	**2,999**	**5,099**	**8,893**	**34**	**116**	**320**	**470**

The Group's companies in Greece and Romania due to the nature of their operations they enter into operating lease agreements to rent vehicles as well as residences to serve their sites and usually the term of such agreements does not exceed 3 years as they are directly related to the works being performed.

13.7. Commitments for Investment Programs

- PORTO CARRAS SITHONIA BEACH CLUB SA

The Ministry of Economy and Finance approved with its 47334/ΥΠΕ/4/00435/Ε/Ν.3299/2004/31.12.2006 decision the submitted in June 2006 investment plan of the company PORTO CARRAS SITHONIA BEACH CLUB SA for the SITHONIA Hotel renovation and upgrading from category 4* to category 5*. The total approved outlay for this project is € 23.81 million and the total approved state subsidy is € 9.52 million, i.e. 40 percent of the approved outlay for the project. The said project has been completed until the end of 2008, while in January 2009 it has been audited by the Central Audit Body of the Ministry of Economy and Finance and the collection of the quantum of the grant is expected.

In addition, the Ministry of Economy and Finance approved with its 28620/ΥΠΕ/4/1056/Ε/Ν. 3299/2004/30.06.2007 decision the submitted in October 2006 investment plan of the company, for the establishment of a Thalassotherapy SPA Center and the creation of new uses for the common areas of SITHONIA Hotel. The total approved outlay for this project is € 5.70 million and the total approved state subsidy is € 1.71 million, i.e. 30 percent of the approved outlay for the project. The said project has been completed until the end of 2008, and it is expected the composition of the Central Audit Body of the Ministry of

Economy and Finance for the completion of the audit of the completion of the project and the collection of the quantum of the grant.

- PORTO KARRAS MELITON BEACH SA

The Private Investment Department of the Ministry of Economy and Finance approved by its Decision No. 43594/ΥΠΕ/4/00091/Ν.3299/2004/30.12.2006 the company's investment plan PORTO CARRAS MELITON BEACH SA submitted in August 2005 for the modernization of MELITON Hotel located in the Porto Carras complex in Sithonia. The total approved outlay for this project is € 18.22 million and the eligible state subsidy is € 6.38 million, i.e. 35 percent of the total approved outlay. The said project was completed within 2008, while in January 2009 it was audited by the Central Audit Body of the Ministry of Economy and Finance, the completion of the project was confirmed and in March 2009 the 50% of the Governments grant was paid. The confirmation of the completion of the project by the Advisory Committee of the Ministry of Economy and Finance and the payment of the rest 50% of the grant is expected.

- PORTO CARRAS VILLAGE CLUB SA

The Ministry of Economy and Finance approved with its 51324/ΥΠΕ/4/00476/Ε/Ν.3299/2004/13.12.2006 decision the investment plan of PORTO CARRAS VILLAGE CLUB SA, submitted in July 2006, for the modernization and upgrading, from the 3 star the 5 star category, of the VILLAGE CLUB Hotel. The total approved outlay for this project is € 4.29 million and the total approved state subsidy is € 1.71 million, i.e. 40 percent of the approved outlay for the project. By the end of 2008 part of the foregoing hotel renovation and upgrading works had been completed.

- DOMAIN PORTO CARRAS SA

The Planning and Agricultural Structuring Department of the Ministry of Rural Development approved with its 98205/05Γ 1725/675/09.02.2007 decision the submitted investment plan of DOMAINE PORTO CARRAS SA for the establishment of a Winery in order to replace an existing one in the Porto Carras resort. The total approved outlay for this project is € 11.00 million and the eligible state subsidy is € 4,38 million, i.e. 39.77 percent of the total approved outlay. By the end of 2008 the implementation of approximately 81% of the overall project has been certified and payment of respective subsidy payment is pending.

13.8. Transactions with related parties

The cross-company sales / purchases for the period from 1 January to 31 December 2008 and the respective comparative from 1 January to 31 December 2008 are detailed as follows:

Amounts in € '000	GROUP		COMPANY	
Income	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	3,713	2,771
Associates	4	44	3	44
Joint Ventures	4	1,690	0	0
Other Affiliated Parties	30	525	4	3
Total	**38**	**2,259**	**3,720**	**2,818**

Amounts in € '000	GROUP		COMPANY	
Priced Income from project implementation	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	3,726	3,074
Associates	0	1	0	1
Joint Ventures	2,518	1,445	0	0
Other Affiliated Parties	220	1,502	0	0
Total	**2,738**	**2,948**	**3,726**	**3,075**

Amounts in € '000	GROUP		COMPANY	
Purchases and Remuneration from services	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	2,251	2,911
Associates	0	0	0	0
Joint Ventures	88	48	0	0
Other Affiliated Parties	26	461	0	10
Total	**114**	**509**	**2,251**	**2,921**

Amounts in € '000	GROUP		COMPANY	
Sales of Assets	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Other Affiliated Parties	0	873	0	0
Total	**0**	**873**	**0**	**0**

Amounts in € '000	GROUP		COMPANY	
Purchase of Assets	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	41	0
Total	**0**	**0**	**41**	**0**

13.9. Receivables / liabilities with related parties

The analysis of the cross-company claims / liabilities on 31 December 2008 as well as for 31 December 2007 is as follows:

Amounts in € '000	GROUP		COMPANY	
Receivable	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	29,104	19,322
Associates	17	156	17	156
Joint Ventures	5,430	5,460	0	0
BoD members	16	7	5	6
Management Executives	5	80	0	0
Other Affiliated Parties	2,023	2,197	13	11
Total	**7,491**	**7,900**	**29,140**	**19,495**

Amounts in € '000	GROUP		COMPANY	
Credit Balance	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	6,457	3,245
Associates	0	0	0	0
Joint Ventures	1,839	843	0	0
BoD members	3,486	37	1,519	2
Management Executives	17	38	0	0
Other Affiliated Parties	224	344	2	57
Total	**5,566**	**1,262**	**7,978**	**3,304**

13.10. Receivables from the execution of projects:

Amounts in € '000	GROUP		COMPANY	
Receivables from from construction contracts	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	1	1
Other Affiliated Parties	96	796	0	0
Total	**96**	**796**	**1**	**1**

Liabilities from the execution of projects:

Amounts in € '000	GROUP		COMPANY	
Liabilities from from construction contracts	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Subsidiaries	0	0	1,068	1,068
Other Affiliated Parties	17	0	0	0
Total	**17**	**0**	**1,068**	**1,068**

The loans granted between the companies of the Group are detailed in the par. 6.8.

13.11. Management fees and benefits

Management fees and benefits at Group and Company level are detailed next:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Fees for BoD Members (except salary)	10,455	3,100	2,350	1,400
Fees from Operating Profits	0	0	0	0
Management Fees	963	1,131	108	198
Social Insurance Cost	0	0	0	0
Total	**11,418**	**4,231**	**2,458**	**1,598**

13.12. Provisions

Besides the provisions already mentioned and analyzed in the above paragraphs (par. 10.12, 10.27 and 13.3), the Company does not consider that it must form additional provisions for any balance sheet account up until 31/12/08.

13.13. Number of Personnel Employed

The average number of personnel employed in the Group and the Company for both financial years presented is as follows:

	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Number of employees	**1,496**	**1,134**	**6**	**10**

14. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks such as credit risk, market risk (interest rates, market prices, fluctuations in foreign exchange rates) and liquidity risk. The Group's financial instruments mainly comprise bank deposits, receivables from customers and liabilities to consumers - creditors, dividends payable and liabilities from leases. The Group's risk management program aims to limit the negative effects on the Group's financial results that arise from the inability to forecast the financial markets and the fluctuations in cost and sales variables.

The risk management policy is implemented by the Group's central financial division. The Board of Directors provides instructions and guidelines for overall risk management, as well as special instructions for the management of risks such as interest rate risk and credit . The procedure followed is outlined below:

- evaluation of risks associated with the Group's activities and operations,
- design of the methodology and selection of appropriate financial products in order to reduce risks, where required, and
  - execution/implementation of the risk management procedure, according to the procedure approved by management.

14.1. Currency Risk

Foreign exchange risk is the risk involving fluctuations in the value of financial instruments, assets, as well as receivables and liabilities due to changes in rates of foreign exchange. The Group engages in activities internationally hence it is exposed to foreign exchange risk from the fluctuations of the rate of the US dollar to the RON and the euro, as a result of the Group's activities in the Romanian market. This risk results mainly from future commercial transactions and liabilities in RON. In case of major changes in foreign exchange rates, it is possible that the Group's results are seriously affected. The Group, for the time being, has not adopted the use of hedging tools for foreign exchange risk. However, within the framework of responding adequately to the above risk, it is in constant contact with its financial advisors in order to determine on an ongoing basis the best offsetting policy in an environment which changes constantly. Trade and other receivables as well as the respective liabilities in foreign currency converted into euros at the closing rate are:

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
Nominal values	**US$**	**RON**	**US$**	**RON**
Trade and other receivables	10,027	22,865	2,849	26,036
Short-term liabilities	(3,017)	(8,781)	(3,075)	(13,604)
Short-term bank liabilitiesις	0	(20,317)	0	(25,916)
Short-term report	**7,010**	**(6,233)**	**(226)**	**(13,484)**
Long-term Liabilities	0	(1,241)	0	(1,107)
Long-term bank Liabilities	0	(167)	0	(464)
Long-term report	**0**	**(1,408)**	**0**	**(1,571)**
Total	**7,010**	**(7,641)**	**(226)**	**(15,055)**

The above tables list the sensitivity of the result of the period as well as of equity as regards financial assets and financial liabilities and the rate of exchange of the euro to the dollar and of the euro to the RON.

It is assumed that a change shall take place on 31 December 2008 in the rate of exchange of the euro to the dollar of 5.77% (2007: 7.15%) and of the euro to the RON of 11.49% (2007: 10.27%). This percentage has been based on the average volatility in the market of foreign exchange rates for 12 months in 2008. The sensitivity analysis is based on the financial instruments in foreign currency held by the Group in each reference period.

Where the rate of exchange of the euro to the above currencies undergoes a positive change at the above percentages, this shall have the following effect on the results and equity:

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
Nominal values	**US$**	**RON**	**US$**	**RON**
Results after tax	(383)	(197)	14	310
Shareholders Equity	(383)	(197)	14	310

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
Nominal values	**US$**	**RON**	**US$**	**RON**
Trade and other receivables	547	2,294	190	2,310
Short-term liabilities	(164)	(905)	(204)	(1,267)
Short-term bank liabilitiesις	0	(1,047)	0	(1,207)
Short-term report	**383**	**342**	**(14)**	**(164)**
Long-term Liabilities	0	(128)	0	(103)
Long-term bank Liabilities	0	(17)	0	(43)
Long-term report	**0**	**(145)**	**0**	**(146)**
Total	**(383)**	**(197)**	**14**	**310**

Where the rate of exchange of the euro to the above currencies undergoes a negative change at the above percentages, this shall have the following effect on the results and equity:

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
Nominal values	**US$**	**RON**	**US$**	**RON**
Results after tax	428	34	(17)	(22)
Shareholders Equity	428	34	(17)	(22)

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
Nominal values	**US$**	**RON**	**US$**	**RON**
Trade and other receivables	(613)	(306)	(220)	(277)
Short-term liabilities	185	118	237	144
Short-term bank liabilitiesις	0	135	0	138
Short-term report	**(428)**	**(53)**	**17**	**5**
Long-term Liabilities	0	17	0	12
Long-term bank Liabilities	0	2	0	5
Long-term report	**0**	**19**	**0**	**17**
Total	**428**	**34**	**(17)**	**(22)**

Exposure of the Group to foreign exchange risk varies during the year depending on the volume of transactions in foreign currency. However, this analysis is considered representative of the Group's exposure to foreign exchange risk.

14.2. Sensitivity Analysis of Interest Rate Risks

The Group's policy is to minimize its exposure to cash flow interest rate risk regarding long-term financing. Long-term financing is usually at a floating interest rate (euribor). On 31 December 2008, the Group is exposed to changes in the interest rate market as regards its bank loans, which are subject to a floating interest rate.

The following table shows the sensitivity of the result of the period and equity to a reasonable change of the interest rate of +1.0% or -1.0% (2007: +1.0/-1.0%). Changes in interest rates are estimated to be reasonable as compared to recent market conditions.

	GROUP			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
	1.00%	**-1.00%**	**1.00%**	**-1.00%**
Results after tax from change in rate	(648)	648	(741)	741
Net equity	(648)	648	(741)	741

	COMPANY			
Amounts in € '000	**31/12/2008**		**31/12/2007**	
	1.00%	**-1.00%**	**1.00%**	**-1.00%**
Results after tax from change in rate	(50)	50	(315)	315
Net equity	(50)	50	(315)	315

14.3. Analysis of Credit Risk

The Group's exposure to credit risk is limited to financial assets (means), which on the Balance Sheet date were analyzed as follows:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Financial Figures categories				
Cash and cash equivalents	13,011	17,677	565	482
Trade and other receivables	94,424	92,071	8,631	3,618
Other long-term receivables	465	1,052	28,462	16,024
Total	**107,900**	**110,800**	**37,658**	**20,124**

The Company has established and applies credit control procedures in order to minimize the bad debts and immediately cover receivables in securities. It is the Group's policy to only work with reliable customers. The BoD has put in place a credit policy whereby each new customer is investigated individually as to its solvency. The solvency check performed by the Group includes the investigation of solvency ranking from banks and

other sources if any as well as external exposures or analyses at reasonable cost. Credit lines are established for each customer and certain sales and collection terms apply, which are reviewed regularly and depending on prevailing conditions each time. Further, where possible collaterals or other sureties are taken.

The Group's Management considers that all the above financial assets which have not been depreciated in previous financial statement drafting dates are of high credit quality. Maximum exposure to credit risk as at the date of the balance sheet is the fair value of each category of financial assets as this is presented above.

14.4. Liquidity Risk Analysis

Liquidity risk management includes assuring sufficient cash and cash equivalents and its solvency through sufficient credit lines from cooperating banks.

The Group manages its liquidity needs by carefully monitoring its long term financial obligations, as well as day-to-day payments. Liquidity needs are monitored daily and weekly, as well as by 30-day rotation. Long-term liquidity needs for the next 6 months and the next year are established quarterly. The time frame of the Group's financial liabilities is analyzed next:

	GROUP - 31/12/2008			
	Short-term		Long-term	
Amounts in € '000	**in 6 months**	**6 till 12 months**	**1 till 5 years**	**up to 5 years**
Bank loan	23,741	18,436	745	0
Liabilities of financial leasing	500	501	3,801	2,068
Trade liabilities	22,087	16,376	0	0
Other short term liabilities	12,139	12,152	0	0
Total	**58,467**	**47,465**	**4,546**	**2,068**

	GROUP - 31/12/2007			
	Short-term		Long-term	
Amounts in € '000	**in 6 months**	**6 till 12 months**	**1 till 5 years**	**up to 5 years**
Bank loan	24,277	24,277	3,117	0
Liabilities of financial leasing	565	566	1,598	5,650
Trade liabilities	20,396	30,998	0	0
Other short term liabilities	5,917	6,278	0	0
Total	**51,155**	**62,119**	**4,715**	**5,650**

The respective time frame for the Company's financial liabilities was:

	COMPANY -31/12/2008			
	Short-term		Long-term	
Amounts in € '000	**in 6 months**	**6 till 12 months**	**1 till 5 years**	**up to 5 years**
Bank loan	1,650	1,650	0	0
Trade liabilities	336	3,969	0	0
Other short term liabilities	312	4,585	0	0
Total	**2,298**	**10,204**	**0**	**0**

	COMPANY -31/12/2007			
	Short-term		Long-term	
Amounts in € '000	**in 6 months**	**6 till 12 months**	**1 till 5 years**	**up to 5 years**
Bank loan	2,500	3,203	0	0
Trade liabilities	561	3,245	0	0
Other short term liabilities	1,018	1,598	0	0
Total	**4,079**	**8,046**	**0**	**0**

The above contractual expiration dates reflect mixed cash flows, which may differ from the carrying amounts of liabilities as at the date of the balance sheet.

The above sums are exclusive of liabilities from construction contracts due to the different nature of liabilities, as these are calculated based on the percentage of completion of the project which differs depending on each period.

14.5. Price risk analysis

The Group is exposed to other price risks related to the prices of the traded shares of its subsidiary MOCHLOS SA. As regards the listed shares during 2008 there has been a 65% approximately fluctuation of the share price. Should MOCHLOS SA share price will increase or decrease by this rate then the shareholders equity will increase / decrease accordingly by the amount of € 3.68 mil. These shares are classified as "Financial assets available for sale" and therefore there will be no impact on the income statement.

14.6. Capital Management Policies and Procedures

The company's policy in terms of capital management is to:

- ensure that the company is able to uninterruptedly continue its operations;
- provide sufficient return to shareholders by pricing its services based on cost and taking care of its capital structure.

The Management monitors all of its debt as compared to its equity. In order to achieve the desirable capital structure, the company may adjust dividends, return capital or issue new shares. Equity shall mean all of its share capital above par value, profits carried forward and other reserves (with the exception of minority rights).

The Group monitors its capital based on the net borrowing to EBITDA ratio as well as on the equity to total capital employed ratio.

The Group defines net borrowing to be its total interest bearing loans less its total cash. Total capital employed is calculated as equity less net borrowing as they appear on the balance sheet. For the periods that ended on 31 December 2008 and 2007 respectively, such ratios are presented next:

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Total Equity	454,762	(105,806)	356,217	255,897
Minus: Cash Reserves and Equivalents	(13,011)	(17,678)	(565)	(482)
Capital	**441,751**	**(123,484)**	**355,652**	**255,415**
Total Equity	454,762	(105,806)	356,217	255,897
Plus: Loans	49,793	60,050	3,301	5,703
Total Capital	**504,555**	**(45,756)**	**359,518**	**261,600**
Capital towards Equity	**87.55%**	**269.87%**	**98.92%**	**97.64%**

	GROUP		COMPANY	
Amounts in € '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Total Borrowing	49,793	60,050	3,301	5,703
Minus: Cash and cash equivalents	(13,011)	(17,678)	(565)	(482)
Minus: Financial Instruments Available for Sale	(11)	(11)	0	0
Net Borrowing	**36,771**	**42,361**	**2,736**	**5,221**
Total Equity Paid to Parent Company Shareholders	370,324	(149,278)	356,217	255,897
Total Employed Capital	**407,095**	**(106,917)**	**358,953**	**261,118**
Leverage Coefficient	**9.03%**	**-39.62%**	**0.76%**	**2.00%**

Under the provisions of the law on Societes Anonymes (Codified Law 2190/1920 as is currently in force), restrictions apply to equity. Such restrictions are:

- The acquisition of treasury stock, with the exception of the cases listed in Article 16 (3) and (4) of Codified Law 2190/1920, as is currently in force, may not exceed (in terms of the face value of the stock acquired) 10% of the fully paid up share capital and may not lead to a decrease in equity under the share capital plus reserves, the distribution of which is not permitted in accordance with the Law or the Articles of Association.

- Where the company's total equity drops below ½ of the share capital, the BoD must convene a General Meeting within six months from the end of the fiscal year to decide the dissolution of the company or the adoption of another measure.
- When the company's total equity drops under 1/10 of the share capital and the General Meeting fails to take suitable measures, in accordance with Article 47 of Codified Law 2190/1920, as is currently in force, the company may be dissolved by court ruling upon petition of any party with legal interests.
- At least 1/20 of net earnings is taken each year to form the Statutory reserve, which is used exclusively to equalize, before any dividend distribution, any debit balance in the Profit/ loss carried forward account. Establishing this reserve is optional when the respective sum equals 1/3 of the share capital.
- Payment of annual dividend to shareholders in cash and at a percentage of at least 35% of net profit, is mandatory after the statutory reserve has been taken, as well as the net result from the measurement of assets and liabilities at their fair value. This does not apply if it is so decided by the General Meeting of the Shareholders by a majority of at least 65% of the paid up share capital. In that case the undistributed dividend up to at least 35% of such net profit, shall appear in a special Reserve for capitalization account within four years with the issue of new shares given free of charge to beneficiary shareholders. Lastly by majority of at least 70% of the paid up share capital, the General Meeting of the Shareholders may decide that the above provisions shall not be implemented.

The Group has performed its contractual obligations, including the maintenance of the rationality of its capital structure and fully complies with the relevant legal provisions on equity.

15. EVENTS FOLLOWING THE BALANCE SHEET DATE

- On February 2009, the parent company Technical Olympic S.A. filed an application before the American tax authorities for a tax refund due to the goodwill from the sale of shares amounting $ 9,665,912. The above refund is the result of the sale of block of shares of the Group's former subsidiary Technical Olympic USA Inc. (TOUSA Inc) that has been approved by the Bankruptcy Court of South Florida. Following the completion of the sale of Technical Olympic S.A.'s above participation in the Group former subsidiary Technical Olympic USA Inc. share capital, Technical Olympic S.A.'s stake formed at 56.20% versus 66.94% stake prior to the transaction.

- In execution of relevant BoD decisions taken on 29/12/2008:
  - ✓ Following the as of 29/12/2008 decisions of the Board of Directors of the related companies, it was decided the start of merger by absorption process by the company TOXOTIS SA, according to the provisions of articles 68-77 of C.L. 2190/1920 and the P.D. 1297/1972: a) of the subsidiary companies: ANAP S.A., ALVITERRA HELLAS S.A., and b) of the independent companies: EDAP S.A., BEI CENTER LTD, T.C. PARKING PLOT ONE PERSON LTD.
  - ✓ The Board of Directors of the companies TOXOTIS S.A. (absorbing company) and ANAP S.A., ALVITERRA HELLAS S.A, EDAP S.A., BEI CENTER LTD, T.C. PARKING PLOT ONE PERSON LTD (absorbed companies), on their sessions on 6/3/2009, decided the approval by all the parties of the prepared Draft Merger Agreement (D.M.A.) and the representatives of the companies for the sign of it were determined.
  - ✓ On 7/3/2009 the entitled for this reason granted representatives, signed the prepared by all parties Draft Merger Agreement (D.M.A.), that along with all the required supporting documents submitted to the competent authorities (Prefecture of Eastern Attica) for the following actions according to articles 69 & 70 of C.L. 2190/1920, along with the common application of the transformed companies regarding the composition of the three-members valuation committee under article 9 of C.L. 2190/1920, with the purpose of the valuation and the determination of the value of the contributed assets of the transformed companies to the Group's subsidiary TOXOTIS S.A.

- On 13/02/2009 the subsidiary MOCHLOS S.A. participated in joint venture with the Spanish company DRAGADOS S.A. for the qualification competition of ATTIKO METRO SA for the project "Extension of Line 3 of the Athens metro to Piraeus", of estimated budget of € 515.000.000. The results of the pre-election are expected in approximately three (3) to four (4) months from the competition date.

ALIMOS, 30 MARCH 2009

THE CHAIRMAN OF THE BOD

KONSTANTINOS A. STENGOS
ID Card No. AB 342754

THE MANAGING DIRECTOR

GEORGIOS K. STENGOS
ID Card No. 342752

THE FINANCIAL MANAGER

PANAGIOTIS N. KAZANTZIS

ID Card No. AZ 020049

THE CHIEF ACCOUNTANT

STYLIANI H. PAPADOPOULOU
ID Card No. Σ 576787
A CLASS LICENSE NUMBER 29518

E. DATA AND INFORMATION 01/01/2008 - 31/12/2008

TECHNICAL OLYMPIC
GROUP OF COMPANIES

TECHNICAL OLYMPIC S.A.

S.A. Registration Number: 6801/06/B/86/8
20 Solomou str., 17456 Alimos
DATA AND INFORMATION FOR THE FISCAL YEAR
from January 1 2008 till December 31 2008

(published based on Law 2190, article 135 for companies issuing annual financial statements, consolidated or not, in accordance with IAS)

The following data and information aim at a general briefing on the financial position and results of "TECHNICAL OLYMPIC S.A.". We suggest, therefore to the reader, before advancing any investing decision or other transaction with the company, to visit the website of the company where interim financial statements under International Financial Reporting Standards (IFRS) and chartered auditor - accountant's review report are presented.

GENERAL INFORMATION FOR THE COMPANY

Competent Authority - Prefecture:	MINISTRY OF DEVELOPMENT/SECRETARY OF COMMERCE/ SOCIETE ANANYME ADMINISTRATION & CREDIT
Company's website:	www.technil.gr
Date of approval of the annual financial statements by the BoD	27/3/2009
Certified Auditors:	DELIGIANNIS GEORGIOS (SOEL Reg. No. 15791)
Auditing Company:	GRANT THORNTON (SOEL Reg. No. 127)
Auditors certificate:	Unqualified opinion

Board of directors composition

Konstantinos Stengos (President of BoD)	Maria Svoli (Executive Member)	Stiliani Stengou (Non-Executive Member)
Zoi Stengou (1st Executive Vice President)	Athanasios Klapadakis (Executive Member)	Marianna Stengou (Non-Executive Member)
Andreas Stengos (2nd Executive Vice-President	Nikolaos Statthakis (Executive Member)	Alexandros Papaioannou (Indipendent Non-Executive Member)
George Stengos (Managing Director)	Ilias Koukoutsis (Executive Member)	Konstantinos Rizopoulos (Indipendent Non-Executive Member)

BALANCE SHEET

(Amounts in thousand Euros)

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS				
Owncaed fixed assets	496.084	314.695	4.754	4.290
Intangible assets	14.202	14.441	21	61
Investments in properties	18.166	15.059	3.918	3.934
Other non-current assets	790	7.269	397.131	279.783
Total non current Assets	**529.242**	**351.464**	**405.824**	**288.068**
Inventories	8.585	7.790	0	0
Trade receivables	38.584	26.052	712	3.315
Other current Assets	97.694	97.722	7.920	304
Cash & cash equivalents	13.011	17.677	565	482
Total current Assets	**157.874**	**149.241**	**9.197**	**4.101**
Non current assets available for sale	0	1.093.564	0	0
TOTAL ASSETS	**687.116**	**1.594.269**	**415.021**	**292.169**
EQUITY & LIABILITIES				
Share Capital	165.625	165.625	165.625	165.625
Other Shareholders Equity	204.699	(314.902)	190.592	90.271
Total Shareholders Equity (a)	**370.324**	**(149.277)**	**356.217**	**255.896**
Minority Rights **(b)**	84.439	43.472	0	0
Total Equity (c)=(a)+(b)	**454.763**	**(105.805)**	**356.217**	**255.896**
Long-term bank liabilities	6.615	10.365	0	0
Provisions / Other Long-term liabilities	118.023	82.669	45.233	24.148
Total long-term liabilities	**124.638**	**93.034**	**45.233**	**24.148**
Short-term bank liabilities	43.178	49.685	3.301	5.703
Liabilities to Suppliers	38.463	49.831	4.305	3.806
Current Tax Liabilities	1.693	4.516	0	386
Other Short-term liabilities	24.381	14.559	5.965	2.230
Total short-term liabilities	**107.715**	**117.791**	**13.571**	**12.125**
Total liabilities (d)	**232.353**	**210.825**	**58.804**	**36.273**
Liabilities regarding non current assets available for sale	0	1.489.249	0	0
TOTAL EQUITY & LIABILITIES (c)+(d)	**687.116**	**1.594.269**	**415.021**	**292.169**

CASH FLOW STATEMENT FOR THE YEAR

(Amounts in thousand Euros)

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash flow from operating activities				
Earnings before income tax from continued operations	(22.779)	(1.681)	7.401	(173.536)
Earnings before income tax from discontinued operations	395.341	0	0	0
Total Earnings	**372.562**	**(1.681)**	**7.401**	**(173.536)**
Plus/loss Adjustments for :				
Depreciations	14.718	12.192	203	224
Provisions-Impairments	2.822	(385)	1.807	173.807
(Earnings) /losses from foreign exchange differences	438	(86)	662	192
(Earnings) /losses from sale of tangible assets	128	(38)	0	0
Reserve adjustment from stock options offered	27.001	0	0	0
Results (income, expenses, profit and loss) from investing activity	(13.298)	(2.821)	(10.315)	(1.818)
Income from Government Grants	(2.099)	(862)	0	0
Change in the employees benefits	359	59	(22)	8
Interest expenses and related expenses	5.052	5.485	2.191	1.385
Income from Interest	(152)	(49)	(1.135)	(887)
Income from dividend	0	(42)	0	(19)
Earnings/(losses) from discont. operations (no consolidation of a subsi	(395.686)	0	0	0
(Increase)/Decrease in inventory	(796)	(2.518)	0	0
(Increase)/Decrease in trade and other receivables	(12.184)	(21)	(5.502)	1.595
(Increase)/Decrease in trade payables (except banks)	1.252	(3.704)	4.266	(5.562)
Outflow from liabilities due to employees retirement benefits	(249)	(128)	0	0
Income taxes paid	(1.542)	(1.860)	(395)	(421)
Foreign exchange differences	(38)	(32)	27	85
Operating cash flows from discontinued operations	0	(178)	0	0
Total inflows / (outflows) from operating activities (a)	**(1.672)**	**3.330**	**(809)**	**(4.947)**
Cash flow from investing activities				
Purchase of current and non-current assets	(14.620)	(29.082)	(49)	(447)
Proceeds from fixed and intagible assets sales	1.171	586	0	0
Loans received	0	0	(5.660)	0
Dividends receivables	0	42	0	19
Cost for the purchase of own shares	(117)	0	(117)	
(Increase) / decrease in Subsidiaries & affiliated share capital	6.634	(1.235)	0	(2)
Income from Government Grants	9.029	1.508	0	0
Purchase-Sale of financial assets available for sale	10.275	0	9.532	0
Own production of tangible assets	(213)	0	0	0
Purchase-Sale of financial assets available for sale	114	870	0	0
Sale of financial assets at fair value through the income statement	0	1.169	0	743
Investing cash flows from discontinued operations	0	(12)	0	0
Total inflows / (outflows) from investing activities (b)	**12.273**	**(26.153)**	**3.706**	**313**
Cash flow from financing activities				
Proceeds from issued / granted loans	74.624	64.460	3.542	7.169
Loan repayment	(82.789)	(64.625)	(5.945)	(33.681)
Share Capital Increase - Share Capital Increase expenses	(67)	34.192	0	34.243
Capital payments of financial leasing	(2.216)	(2.518)	0	0
Net interest payments / proceeds	(4.831)	(5.394)	(438)	(1.374)
Dividends paid	(6)	(2.370)	0	(2.368)
Financing cash flows from discontinued operations	0	2	0	0
Total inflows / (outflows) from financing activities (c)	**(15.285)**	**23.746**	**(2.832)**	**3.989**
Net increase in cash and cash equivalents of the year (a) + (b) + (c)	**(4.684)**	**923**	**65**	**(645)**
Cash and cash equivalents at beginning of year	**17.677**	**16.788**	**482**	**1.161**
Foreign exchange differences cash equivalents at end of period	18	(34)	18	(34)
Cash and cash equivalents at end of year	**13.011**	**17.677**	**565**	**482**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR

(Amounts in thousand Euros)

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Total Equity at the beginning of the year (On 1/1/2008 and 1/1/2007 respectively)	**(105.805)**	**732.548**	**255.896**	**500.520**
Adjustments due to the change in accounting principles	0	(1.043)	0	0
Profit / (Losses) after tax	366.026	(935.518)	7.582	(173.541)
Share capital Increase	7.154	34.782	0	34.782
Deffered taxation of Share Capital Increase Expenses	0	153	0	134
Reserves from stock options	16.292	0	0	0
Fair value of prefered stocks and other subsidiaries rights	0	48.527	0	0
Revaluation of financial assets available for sale	0	0	112.702	(130.133)
Deffered taxation of reserves from financial assets available for sale	0	0	(25.241)	24.586
Deffered taxation from the change of fair value reserve depreciation rate	8.976	0	4.785	0
Share capital increase expenses	0	(612)	0	(538)
Effect from the non consolidation of subsidiaries domestic companies	(573)	0	0	0
Revaluation of ownused fixed assets in current prices	186.870	373	643	0
Deffered taxation from revaluation of ownused fixed assets in fair values	(34.494)	(93)	(59)	0
Purchase of own shares	(117)	0	(117)	0
Foreign exchange differences	(195)	15.092	27	85
Effect from the change of participation percentages in subsidiaries	10.628	0	0	0
Other adjustments	0	(14)	0	0
Total Equity at the end of the year (On 31/12/2008 and 31/12/2007 respectively)	**454.763**	**(105.805)**	**356.217**	**255.896**

INCOME STATEMENT FOR THE YEAR

(Amounts in thousand Euros)

	GROUP 01/01/2008 - 31/12/2008			GROUP 01/01/2007 - 31/12/2007			COMPANY 01/01/2008 - 31/12/2008			COMPANY 01/01/2007 - 31/12/2007		
	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total	Continued operations	Discontinued operations	Total
Turnover	175.640	10	175.650	154.044	1.605.375	1.759.419	6.320		6.320	4.963		4.963
Gross profit / (loss)	**20.489**	**(362)**	**20.127**	**19.016**	**(426.108)**	**(407.092)**	**4.066**		**4.066**	**1.965**		**1.965**
Profit / (loss) before interest, taxes (EBIT)	(22.132)	(346)	(22.478)	(745)	(759.849)	(760.594)	7.500		7.500	(932)		(932)
Profit / (loss) before tax	**(22.779)**	**(346)**	**(23.125)**	**(4.394)**	**(935.074)**	**(939.468)**	**7.401**		**7.401**	**(173.536)**		**(173.536)**
Less: taxes	(6.536)		(6.536)	(5.789)	24.285	18.496	181		181	(5)		(5)
Results from the sale of the discontinued operation	0	0	0	0	(14.546)	(14.546)	0		0	0		0
Profits from the no consolidation of subsidiary	0	395.686	395.686	0	0	0	0		0	0		0
Profit / (loss) after taxes	**(29.315)**	**395.341**	**366.026**	**(10.183)**	**(925.335)**	**(935.518)**	**7.582**		**7.582**	**(173.541)**		**(173.541)**
The fiot earnings (loss) distributed to :												
Holdings' shareholders	366.926		366.926	(778.951)		(778.951)	0		0	0		0
Minority interest	(900)		(900)	(156.567)		(156.567)	0		0	0		0
Basic profits / (loss) per share (€/share)	(0,1717)	2,3884	2,2167	(0,0839)	(5,3279)	(5,4118)	0,0458		0,0458	(1,2057)		(1,2057)
Suggested dividend							0,0000		0,0000	0,0000		0,0000
Earnings before interest, taxes and depreciation (EBITDA)	**(7.414)**		**(7.414)**	**11.447**		**11.447**	**7.703**		**7.703**	**(707)**		**(707)**

ADDITIONAL NOTES

1. The companies of the Group with their respective addresses, the percentages with which the Group participates in their share capital, as well as their consolidation method in the Consolidated Financial Statements of the period 1/1-31/12/2008 are analytically presented in note 8.3 of the annual financial statements.

2. The unaudited tax years of the companies of the Group are presented in Note 13.3 of the annual financial statements.

3. The Basic accounting principles that are applied are in conformity with the International Financial Reporting Standards (I.F.R.S.), as they have been used after the last year 2007.

4. There are no liens or any other commitments on the fixed assets of the parent company and the Group's companies.

5. The contingent liabilities and claims of the Group from legislative assertions are presented analytically in note 13.4 & 13.5 of the annual financial statements.

6. Transaction within the period 1/1/-31/12/2008 and balances on 31/12/2008 with related parties, as defined under IAS 24, are analytically presented in the following table and in more details in notes 13.8 & 13.9 of the annual financial statements.

Amounts in thousand Euros	GROUP	COMPANY
- Income	2.775	7.446
- Expenses	114	2.251
- Receivables	7.470	26.135
- Liabilities	2.063	6.459
- Transactions of Management excecutive and members of the BoD	0	0
- Receivables from the Management excecutive and members of the Bo	21	5
- Liabilities to Management excecutive and members of the BoD	3.503	1.519

7. The number of employees at the end of the current year for the Group was 1.496 compared to 1,134 in the respective period in 2007. The number of employees at the end of the current year for the Company was 4 compared to 10 in the respective period in 2007 .

8. The Group and the Company has accounted for provisions for unaudited tax years of € 1,150 thou. The other provisions for contingent liabilities accumulated amount for the Group € 1.767 thou. and they are analytically presented in note 10.27 of the annual financial statements.

9. The management of TECHNICAL OLYMPIC SA decided that from 2/1/2008 will not consolidate its subsidiary TOUSA Inc. and as a result the consolidated comparable figures for fiscal year 2007 are different with those figures of 2007 published, while for comparative reasons the figures of the former subsidiaries are not included. Further details are presented in note 11 of the annual financial statements as well as in note 9 of the FY 2007 financial statements.

10. On 15/2/2008 and 29/2/2008 the company TECHNICAL OLYMPIC SA granted the amounts of € 1,700,000.00 and € 3,960,000.00 to its subsidiaries Village Club Porto Carras SA and Domain Porto Carras SA as convertible bond loans, that they have been decided by the Company's Ordinary General Meetings as of 29/6/2006 and 30/06/2005 respectively.

11. On 8/8/2008 "MELTEMI KASTRI CYPRUS LTD" proceeded to the sale of the MELTEMI KASTRI SA shares to PILSBY LTD for a total of € 3,000,000, while according to the agreement an additional amount of € 2,625,000 will be paid upon withdrawal of the dispute of the validity of the State licenses for the Lakonia Wind Park.

12. Pursuant to the decision of the BoD of TECHNICAL OLYMPIC dated 7/7/2008, the sale of 4,307,194 common registered shares of LAMDA TechnOL Filavos was approved for the amount of € 6,583,333.08. The transfer of the shares was completed on 11/7/2008.

13. Pursuant to the decision of the BoD of PORTO CARRAS SA dated 7/7/2008, the sale of 861,439 common registered shares of LAMDA TechnOL Filavos was approved for the amount of € 1,316,666.92. The transfer of the shares was completed on 11/7/2008.

14. MOCHLOS SA BoD in its session dated 7.1.2008 decided to cease operations of all plants of the industrial sector (production and trade of concrete) in the Patra and Igoumenitsa areas as well as the US branch. More details are presented in note 12 of the annual financial statements..

15. In execution of the relevant decision of the Ordinary GSM of PORTO CARRAS SITHONIA BEACH CLUB S.A., stock options were offered to the Chairman of the BoD representing 3,270,000 shares at offer price equal to the share's par value that is ninety cents (0.90), or € 2,943,088 and subsequently the cash deposit of the above amount was certified by the BoD at its session dated August 1st, 2008, and consequently the company's share capital formed at EUR 32,373,000 divided into 35,970,000 common registered shares at EUR 0.90 each.

16. In execution of the relevant decision of the Ordinary GSM of PORTO CARRAS S.A., stock options were offered to the Chairman of the BoD representing 1,324,000 shares at offer price equal to the share's par value that is EUR three (3.00), or € 3,972,000 and subsequently the cash deposit of the above amount was certified by the BoD at its session dated August 7th, 2008, and consequently the company's share capital formed at EUR 43,692,000 divided into 14,564,000 common registered shares at EUR 3.00 each..

17. The biggest approved remunerations of the members of the BoD by the Group's companies are as follow:
- Pursuant to the decision of the BoD of TECHNICAL OLYMPIC S.A. dated 23/7/2008 and in execution of former General Shareholders Meetings' decisions, remunerations to the members of the BoD of the company of the amount of € 2,350,000 were granted.
- Pursuant to the decision of the BoD of the subsidiary MOCHLOS S.A. dated 30/12/2008 and in execution of the decision of General Shareholders Meeting dated 30/6/2008, remunerations to the members of the BoD of the company of the amount of € 2,250,000 were granted.
- Pursuant to the decision of the BoD of the subsidiary PORTO CARRAS S.A. dated 23/7/2008 and in execution of the decision of General Shareholders Meeting dated 30/6/2008, remunerations to the members of the BoD of the company of the amount of € 3,000,000 were granted.
- Pursuant to the decision of the BoD of the subsidiary PORTO CARRAS SITHONIA BEACH CLUB S.A. dated 24/7/2008 and in execution of the decision of General Shareholders Meeting dated 05/06/2008, remunerations to the members of the BoD of the company of the amount of € 1,025,000 were granted.
- Pursuant to the decision of the BoD of the subsidiary SAMOS MARINES S.A. in execution of the decision of General Shareholders Meeting dated 6/6/2008, remunerations to the members of the BoD of the company of the amount of € 300,000 were granted.

18. Amounts that have burdened directly Company's Net Equity are analytically described in the Statement of Changes in Equity as well as in notes 10.19 and 10.20 of the annual financial statements.

19. The company following the decision of the 2nd Repeat General Meeting dated September 9, 2008 proceeded through BETA SECURITIES during the period from 08/10/2008 till 29/10/2008 to the purchase of 501,638 own shares with average acquisition price of € 0.23 of total value of € 116,896.80.

20. Within the framework of the expansion of the Group's activities abroad and in order to strengthen its presence in development markets, the Company on 29/10/2008 completed all necessary procedures for the operations of a branch-agency bureau in Russia. More specifically, all the necessary licenses and certifications have been obtained by the Russian Authorities as regards the establishment of the agency in Moscow. Through this branch the Group will promote its activities in the Russian market, a market where the Group foresees significant growth perspectives staring from the tourism industry. In the future the Group will examine the perspectives of the expansion in other sectors as well, as for example in the construction industry.

21. The most significant facts that took place after the Balance Sheet date are analytically described in note 15 of the Annual Financial Statements.

ALIMOS 27 MARCH 2009

PRESIDENT, Board of Directors	MANAGING DIRECTOR	FINANCIAL DIRECTOR	CHIEF ACCOUNTANT
KONSTANTINOS A. STENGOS ID No. AB 342754	GEORGE K.STENGOS ID No. AZ 592390	PANAGIOTIS N. KAZANTZIS ID No. AZ 020049	STILIANI X.PAPADOPOULOU ID No. Σ 576787

F. INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

THAT WERE PUBLISHED DURING FISCAL YEAR 2008

During the period 01/01/2008 - 31/12/2008 TECHNICAL OLYMPIC SA has released to the public, according to the legislation, the following announcements that are available on its website at www.techol.gr and on the Athens Exchange website at www.athex.gr.

DATE	SUBJECT	WEBSITE
17/01/2008	Response to the Hellenic Capital Markets Commission letter	http://www.techol.gr/files/press/2008/20080117_deltio_tupou_GR.pdf
23/01/2008	New Chief Financial Officer at the Group's subsidiary TOUSA Inc.	http://www.techol.gr/files/press/2008/20080123_TECHOL_DT_TOUSA_GR.pdf
29/01/2008	TOUSA Announces Pre-Negotiated Deal With Senior Noteholders to Implement Restructuring	http://www.techol.gr/files/press/2008/20080129_deltio_tupou_prodiapagmateutikis_sumfwnias_GR.pdf
01/02/2008	Details of the Pre-Negotiated Deal With Senior Noteholders and Financing Agreement with Citigroup	http://www.techol.gr/files/press/2008/20080201_DT_diapragmateusewn_xorigisi_egrisis.pdf
07/02/2008	TOUSA announces Mr Bokens appointment as Chief Restructuring Officer	http://www.techol.gr/files/press/2008/20080207_press_release_GR.pdf
08/02/2008	TOUSA announced the signing of the DIP credit agreement, approved by the U.S. Bankruptcy Court	http://www.techol.gr/files/press/2008/20080208_press_release_ypografi_simvasis-gr.pdf
20/02/2008	TOUSA announced several important facts	http://www.techol.gr/files/press/2008/20080220_press_release_tousa_facts_gr.pdf
27/02/2008	Appointment of Legal and Financial Advisors	http://www.techol.gr/files/press/2008/20080227_DT_GR.pdf
03/03/2008	Class action	http://www.techol.gr/files/press/2008/20080303_DT_GR.pdf
05/03/2009	Assumption of Office	http://www.techol.gr/files/press/2008/20080305_analipsi_kathinonton_mpileris_GR.pdf
18/03/2008	Financial Calendar for the year 2008	http://www.techol.gr/files/press/2008/20080318_skopoumenes_prakseis_GR.pdf
19/03/2008	Notification of TOUSA for the late submission of the FY 2007 Financial Results	http://www.techol.gr/files/press/2008/20080319_gnostopoiisi_TOUSA_GR.pdf
24/03/2009	Notification for the late submission of the FY 2007 Consolidated Financial Results	http://www.techol.gr/files/press/2008/20080324_gnostopoiisi_GR.pdf
27/03/2008	Press Release	http://www.techol.gr/files/press/2008/20080327_DT_GR.pdf
07/04/2008	Publication refutal published at the newspaper ELEFTHEROTYPIA	http://www.techol.gr/files/press/2008/20080407_DT_DIAPSEUSI_ELEUTHEROTIPIA_GR_final.pdf
24/04/2008	Notification for the late submission of the FY 2007 Consolidated Financial Results	http://www.techol.gr/files/press/2008/20080424_DT_GR.pdf
29/05/2008	Notification for the late submission of the Q1 2008 Consolidated Financial Results	http://www.techol.gr/files/press/2008/20080529_gnostopoiisi_GR.pdf

09/06/2008	DRAFT OF THE CHANGE OF THE COMPANY'S ARTICLES OF ASSOCIATION	http://www.techol.gr/files/press/2008/20080609_sxedio_tropopoiisis_katastatikou_GR.pdf
09/06/2008	Publication of Annual Financial Statements of the Company and the Group	http://www.techol.gr/files/press/2008/20080609_dimosiefsi_FY_2007_GR.pdf
09/06/2008	Invitation to the Ordinary General Shareholders Meeting	http://www.techol.gr/files/press/2008/20080609_proskliesi_GS_GR.pdf
13/06/2008	2007 Annual Report	http://www.techol.gr/files/press/2008/20080613_ANAKOINOSI_DIATHESIS_ETISIOU_DELTIOU_GR.pdf
30/06/2008	Notification of the Decisions of the Ordinary General Shareholders Meeting of TECHNICAL OLYMPIC S.A	http://www.techol.gr/files/press/2008/20080630_apofaseis_TGS_GR.pdf
14/07/2008	Sale of the participation of the company in Lamda Technol Flisvos Holding S.A.	http://www.techol.gr/files/press/2008/20080715_flisvos_GR.pdf
30/07/2008	Notification of the Cancellation of the Postponed Ordinary General Shareholders' Meeting	http://www.techol.gr/files/press/2008/20080730_apofaseis_TGS_GR.pdf
31/07/2008	Notification of the 1st Repeat Ordinary General Meeting	http://www.techol.gr/files/press/2008/20080731_SIGLISI%20A%20EPANAL_TGS_GR.pdf
08/08/2008	Sale of MELTEMI KASTRI percentage	http://www.techol.gr/files/press/2008/20080808_poliseis%20thygatrikon_MELTEMI%20KASTRI_GR.pdf
14/08/2008	Announcement of FY 2007 Consolidated Financial Results of US Subsidiary TOUSA	http://www.techol.gr/files/ΤΕΧΝΙΚΗ%20ΟΛΥΜΠΙΑΚΗ%20Ανακοίνωση%20των%20αποτελεσμάτων%20της%20θυγατρικής%20TOUSA%20Inc..pdf
19/08/2008	Notification of the Cancellation of the 1st Repeat Ordinary General Meeting	http://www.techol.gr/files/press/2008/20080819_apofaseis_A%20EPAN%20TGS.pdf
19/08/2008	Notification of the 2nd Repeat Ordinary General Meeting	http://www.techol.gr/files/press/2008/20080820_PROSKLISI%20B%20EPANAL_TGS_GR.pdf
09/09/2008	Notification of the Decisions of the 2nd Repeat Ordinary General Shareholders' Meeting	http://www.techol.gr/files/press/2008/20080909_apofaseis_TGS_GR.pdf
10/09/2008	Notification of Decision to Purchase Own Shares	http://www.techol.gr/files/press/2008/20080910_agora_idion_metxon_GR.pdf
22/09/2008	Release Date of the FY 2007, Q1 2008 and 6M 2008 Financial Results of Technical Olympic	http://www.techol.gr/files/press/2008/20080922_anakoinosi_apotelesmaton_GR.pdf
23/09/2008	George Durgin class action	http://www.techol.gr/files/press/2008/20080923_DT_CLASS_ACTION_GR.pdf
24/09/2008	Financial Results of year 2007, first quarter and first semester of year 2008	http://www.techol.gr/files/press/2008/20080923_techol_DT_FY_2007_Q1_2008_6M_2008_RESULTS_GR1.pdf
25/09/2008	Press release	http://www.techol.gr/files/press/2008/20080925_deltio_tupou_GR.pdf
30/09/2008	Invitation to the Shareholders to the General Meeting	http://www.techol.gr/files/press/2008/20080930_proskliesi_GR.pdf
08/10/2008	Notification of a change in the percent Participation of a Listed Company	http://www.techol.gr/files/press/2008/20081008_techol_metavoli_pososton.pdf
10/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081010_techol_agora_idion_metoxon_GR.pdf
15/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081015_techol_agora_idion_metoxon_GR.pdf
16/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081016_techol_agora_idion_metoxon_GR.pdf

16/10/2008	Assumption of Office	http://www.techol.gr/files/press/2008/20081016_techol_ANALIPSI_KATHIKONTON_GR.pdf
16/10/2008	Dissemination of 2007 annual report	http://www.techol.gr/files/press/2008/20081016_techol_diathesi_etisiou_deltiou_GR.pdf
17/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081017_techol_agora_idion_metoxon_GR.pdf
20/10/2008	Notification of the Decisions of the General Meeting following the as at 8.9.2008 2nd Repeat General Meeiting	http://www.techol.gr/files/press/2008/20081020_techol_apofaseis_B_epanaliptikis_GS.pdf
20/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081020_techol_agora_idion_metoxon_GR.pdf
21/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081021_techol_agora_idion_metoxon_GR.pdf
22/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081022_techol_agora_idion_metoxon_GR.pdf
23/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081023_techol_agora_idion_metoxon_GR.pdf
24/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081024_techol_agora_idion_metoxon_GR.pdf
27/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081027_techol_agora_idion_metoxon_GR.pdf
29/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081029_gnostopoihsh_sinalagon_lambos_gr.pdf
29/10/2008	Establishment of a new branch of the Group in Russia	http://www.techol.gr/files/press/2008/20081029_techol_enarksi_leitourgias_rosia_gr.pdf
29/10/2008	Own share buyback	http://www.techol.gr/files/press/2008/20081029_techol_agora_idion_metoxon_GR.pdf
26/11/2008	Notification of change in the voting rights	http://www.techol.gr/files/press/2008/20081126_techol_gnostopoiisi_metavolis_posostou_gr.pdf
27/11/2008	Release Date of the 9M 2008 Financial Results of the company TECHNICAL OLYMPIC S.A.	http://www.techol.gr/files/press/2008/20081127_anakoinosi_apotelesmaton_GR.pdf
27/11/2008	Announcement	http://www.techol.gr/files/press/2008/20081127_forologikos_elegxos_GR.pdf
28/11/2008	Announcement pursuant to chapter 4.1.4.4. of the ATHEX Rulebook	http://www.techol.gr/files/press/2008/20081128_anakoinosi_4144_GR.pdf
28/11/2008	Financial Results of 9M 2008	http://www.techol.gr/files/press/2008/20081128_DT_oikonomika_apotelesmata_GR.pdf

Additionally on the website at www.techol.gr and on the Athens Exchange website at www.athex.gr, Announcements of Regulated Information pursuant to L. 3556/2007 (Announcements of Transactions of eligible persons under L. 3340/2005) on the following dates were published:

DATE	SUBJECT
29/10/2008	Announcement of regulated information

21/11/2008	Announcement of regulated information
27/11/2008	Announcement of regulated information
09/12/2008	Announcement of regulated information
16/12/2008 (3)	Announcement of regulated information
17/12/2008 (3)	Announcement of regulated information
18/12/2008	Announcement of regulated information
19/12/2008	Announcement of regulated information
22/12/2008	Announcement of regulated information
23/12/2008	Announcement of regulated information
24/12/2008	Announcement of regulated information
29/12/2008 (3)	Announcement of regulated information
30/12/2008 (3)	Announcement of regulated information
31/12/2008 (3)	Announcement of regulated information

G. WEBSITE WERE THE FINANCIAL STATEMENTS ARE AVAILABLE

The annual financial statements of the company, the audit certificates of the certified auditor-accountant and the Board of Directors Reports can be found on the company's website: www.techol.gr