

**"TECHNICAL OLYMPIC"  
GROUP OF COMPANIES**



**REGISTRY NUMBER: 6801/06/B/86/08  
20, SOLOMOU STREET, ALIMOS**

**INTERIM FINANCIAL REPORT**  
**for the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2009**  
in Accordance with Law 3556/2007, Article 5



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**I. STATEMENTS MADE BY THE MEMBERS OF THE BOARD OF DIRECTORS  
IN ACCORDANCE WITH ARTICLE 5, PAR. 2, L. 3556/2007)**

The members of the Board of Directors of **TECHNICAL OLYMPIC SA**

1. Mr. Konstantinos Stengos son of Andreas, resident in Alimos, Attica, at 20, Solomou street, BoD Chairman;
2. Mr. Georgios Stengos son of Konstantinos, resident in Alimos, Attica at 20, Solomou street, Managing Director;
3. Mr. Panagiotis Kazantzis son of Nikolaos, resident in Alimos, Attica, at 20, Solomou street, BoD member and Financial Director of the Group

In our above capacities, appointed to that end by the Board of Directors of Société Anonyme "**TECHNICAL OLYMPIC SOCIÉTÉ ANONYME**" (hereinafter the "**Company**" or "**TECHNICAL OLYMPIC**") we hereby state and certify that to the best of our knowledge:

- (a) The interim corporate and consolidated financial statements of TECHNICAL OLYMPIC for the 01.01.09 – 30.06.09 period, which have been prepared under the International Financial Reporting Standards, depict in a true manner the asset and liabilities accounts, the equity position and the income statement of the Group and the Company as well as of the companies included in the consolidation taken as a whole, pursuant to the provisions of paragraphs 3 and 5 of article 5 of Law 3556/2007 and the authorized decisions of the Board of Directors of the Securities Market Commission.
- (b) The interim report of the Company's BoD truly presents the information required under Article 5 (6) of Law 3556/2007 and the authorized decisions of the Board of Directors of the Capital Market Commission.

**Alimos, 27 August 2009**

**The declarants**

KONSTANTINOS A.  
STENGOS

GEORGIOS K.  
STENGOS

PANAGIOTIS N.  
KAZANTZIS

Chairman of the Board of  
Directors

Managing Director

Member of the Board of  
Directors & Financial Director of  
the Group



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## II. INTERIM FINANCIAL REPORTING REVIEW REPORT

To the Shareholders of TECHNICAL OLYMPIC S.A.

### *Preface*

We have audited the attached company and consolidated summary financial position statement of the **TECHNICAL OLYMPIC SOCIÉTÉ ANONYME** (the Company) as of June 30, 2009, and the relevant company and consolidated total earnings accounts, statement of changes in equity and cash flow for the interim period which ended on that date, as well as selected explanatory notes, which comprise the summary interim financial report, which forms an integral part of the interim report under Law 3556/2009. The company's Management is responsible for the preparation and reasonable presentation of this interim financial report according to the International Financial Reporting Standards, as adopted by the European Union and applied to the Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review Work*

We have performed our review in accordance with the International Auditing Standard 2410 "Interim Financial Reporting Review performed by an Independent Auditor of the Financial Unit". A review of interim financial information consists of making inquiries for information, primarily from persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Thus, this review does not express an audit's result.



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*Conclusion*

Based on the review performed, we have not been made aware of anything which could lead to the conclusion that the attached interim financial report was not prepared, in all material aspects, according to IAS 34.

***Reference to Other Legal Requirements***

Based on the review performed, we concluded that the content of the article 5, L. 3556/2007 interim financial report is consistent with the attached interim financial reporting.

Athens, 28 August 2009

Certified Public Accountant -Auditor

GEORGIOS DELIGIANNIS  
Charter of Certified Auditors Reg. No. 15791





**III. INTERIM REPORT OF THE BOARD OF DIRECTORS**  
**on the consolidated and corporate Financial Statements**  
**of "TECHNICAL OLYMPIC SA"**  
**for the period from January 1<sup>st</sup> to June 30<sup>th</sup>, 2008**

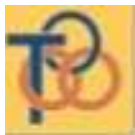
This Interim Report of the Board of Directors (hereinafter called the "**Report**"), concerns the first half of the year 2009 (01.01.09 - 30.06.09). The Report was drafted and is harmonized with the relevant provisions of law 3556/2007 (GG 91A/30.4.2007). And also the decisions of the Capital Market Commissions No. 1/434/2007, article 3 and No. 7/448/11.10.2007, article 4.

This Report presents in brief but in a clear and substantial manner all major individual sections that are required in accordance with the foregoing legislative framework and lays down in a true manner all relevant information required under the law to inform in a substantial and documented manner on the operations during the period of time at hand of TECHNICAL OLYMPIC SA (hereinafter called the **Company** or **TECHNICAL OLYMPIC**), as well as of the TECHNICAL OLYMPIC Group (besides TECHNICAL OLYMPIC, the Group includes the following associated companies:

<b>Group Companies in Greece</b>	<b>Country</b>
ALVITERRA HELLAS SA	GREECE
AGROTOURISTIKI	GREECE
ANAPTIKSEIS ATHINAIKON PROASTION SA	GREECE
DILOS MARINES SA	GREECE
KTIMA PORTO CARRAS	GREECE
MARKO MARINES SA	GREECE
MOCHLOS S.A.	GREECE
PORTO CARRAS S.A.	GREECE
PORTO CARRAS VILLAGE CLUB SA	GREECE
PORTO CARRAS GOLF SA	GREECE
PORTO CARRAS MARINA SA	GREECE
PORTO CARRAS MELITON BEACH SA	GREECE
PORTO CARRAS SITHONIA BEACH CLUB SA	GREECE
PORTO CARRAS TOURISTIKES ANAPTIKSEIS SA	GREECE
PORTO CARRAS HYDROPLANES SA	GREECE
SAMOS MARINES SA	GREECE
SKIATHOS MARINES SA	GREECE
STROFILI TECHNICAL SA	GREECE
TOXOTIS SA	GREECE

<b>Group Companies abroad</b>	<b>Country</b>
TECHNICAL OLYMPIC SERVICES INC	USE
EUROROM CONSTRUCT II SRL	ROMANIA
LAMDA OLYMPIC SRL	ROMANIA



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This Report has been prepared in accordance with the terms and conditions of Article 5 of Law 3556/2007 and of Article 4 of Decision 7/448/11.10.2007 of the BoD of the Capital Market Commission and accompanies the interim financial statements for such period (01.01.09 - 30.06.09).

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 associated companies. The Report in its entirety along with the Company's Financial Statements and all other information and statements required in accordance with the law are included in the interim report for the first half of 2009. The sections of the Report follow.

## **SECTION A**

### **Major Events in the 1<sup>st</sup> Half of 2009**

#### **Events and developments**

- - 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.).

The Group has completed or continues to carry out the following investments in the said resort, which have been included under development laws 2601/1998 & 3299/2004 in view of being granted a 30 - 40% subsidy:

- 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 mil and the total approved state subsidy is €9.52 mil, i.e. 40 percent of the approved outlay for the project.
- 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 mil and the total approved state subsidy is €1.71 mil, i.e. 30 percent of the approved outlay for the project.
- Investment plan of PORTO CARRAS MELITON BEACH SA for the creation of a spa at the hotel. The total approved outlay for this project is €7.12 mil and the eligible state subsidy is €2.49 mil, i.e. 35 percent of the total approved outlay.
- Investment plan of PORTO CARRAS MELITON BEACH SA to modernize the hotel. The total approved outlay for this project is €18.22 mil and the eligible state subsidy is €6.38 mil, i.e. 35 percent of the total approved outlay.



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- 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 mil and the eligible state subsidy is €4.38 mil, i.e. 39.77 percent of the total approved outlay.
  - Investment plan of PORTO CARRAS VILLAGE CLUB SA for the modernization and upgrading from 3 star to 5 star category, of the VILLAGE INN Hotel. The total approved outlay for this project is €4.29 mil and the total approved state subsidy is €1.71 mil, i.e. 40 percent of the approved outlay for the project.
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- In addition and as regards purely tourism operations for the year 2009, guaranteed contracts have been implemented to a great extent with foreign tour operators from former Soviet Union republics (Russia - Ukraine - Belorussia - 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 further increased dynamics in attracting customers from throughout Europe.
  - At the same time, the Group continued its construction activities either through its subsidiary, MOCHLOS SA, or through its subsidiary TOXOTIS SA. Mochlos SA, construction company, is one of the largest construction companies in the country and holds the highest MEEP (Register of Contractors) license (7<sup>th</sup> class), while TOXOTIS SA holds a 4<sup>th</sup> class MEEP license.
  - It should be noted that in June 2009 the MOCHLOS subsidiary submitted all the financial and other documents required for the regular review and reclassification of its contractor's license, in view of upgrading to MEEP class 7, to the competent Ministry of the Environment, Physical Planning and Public Works service. After assessment of the company's file by the competent services, the competent service of the Register of Contractors (MEEP) decided to classify the company in the highest MEEP category i.e. class 7.
  - Despite the difficult conditions in the construction market nowadays, MOCHLOS SA, either on its own or participating in joint ventures, or even through its subsidiaries, implemented in the first half of 2009 a 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 as at 30.06.09 was as follows:
    - MOCHLOS SA in 2007 entered into new public work contracts in Greece amounting to a total value of €118 mil, and continued their implementation in the first half of 2009. A breakdown is given below:



No	PROJECT NAME	PROJECT OWNER	VALUE OF CONTRACT €	% PARTICIPATION	MOCHLOS PRO RATA PROJECT VALUE (€)	DATE OF CONTRACT
1	MODERNIZATION AND RENOVATION OF IRRIGATION NETWORK OF ZONES A&B OF IOANNINA DISTRICT	MINISTRY OF RURAL DEVELOPMENT	20,663,629.69	100.00%	20,663,629.69	20/3/2007
2	CONSTRUCTION OF PARKING COMPLEX AT THRIASIO PEDIO (A OPERATING PHASE) (A.D. 540)	ERGOSE S.A.	59,353,600.97	100.00%	59,353,600.97	23/5/2007
3	CONSTRUCTION OF THE AIGIO TUNNEL AT THE KIATO-AIGIO PART OF THE ATHENS - PATRAS HIGH SPEED RAILWAY LINE	ERGOSE S.A.	53,573,027.91	70.00%	37,501,119.03	11/12/2007

- On 10/06/2009, MOCHLOS signed a contract with the Spanish company Dragados for the construction of project "Drilling and temporary support of the Makynia tunnel", which constitutes a part of the new Ionia Odos motorway, with an initial contract value of €4,040,000 and an 11-month construction term.
- In addition, on 09/07/2009, a construction contract was signed between the MOCHLOS subsidiary and the French VINCI CONSTRUCTION GRANDS PROJETS S.A. for the construction of project "Construction of three technical tunnel entry-exit (portals) works", which constitutes part of the new Korinthos-Patras motorway. The initial value of the contract is €249,000.
- The Dragados-Mochlos joint venture in which Mochlos has a 40% participation, has been finally pre-selected (after examination of objections on 22/7) by ATTIKO METRO SA to submit a financial offer for the construction of project "Extension of line 3 of the Athens Metro": Chaidari-Piraeus section', with a €515,000,000 study budget.
- On 10/7, the Dragados-Mochlos J/V participated in the ATTIKO METRO SA tender for the award of project "Study, construction and commissioning of the extension of the Thessaloniki metro to Kalamaria", with a €425,000,000 study budget. The tender is being carried out in two phases and any participants preselected in the first phase will be asked to submit a technical and financial offer in the second phase.
- The MOCHLOS SA – St. Kounnas J/V, in which Mochlos has a 60% participation, has been pre-selected by the Ministry of Transport and Works of the Republic of Cyprus, to participate in phase B of project "New House of Representatives Building, Study – Construction and Maintenance", with a €100,000,000 study budget.
- The MOCHLOS SA – St. Kounnas J/V, in which Mochlos has a 60% participation, participated on 31/07/2009 and 26/06/2009 respectively, in the tenders of the Ministry of Transport and Works of the Republic of Cyprus for the construction of projects "Vertical road from the Port to the Lemesos Hospital" and "Upgrading of the Alambra-Nikosia motorway", with a study budget of €37,500,000 and €44,000,000 respectively.
- On 29/07/2009, MOCHLOS participated in the tender carried out in Romania for project "Contract 6R15 Design and Build of DN 14 Sibiu - Medias - Sighisoara", with a study budget of €60,000,000.



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- Finally, on 19/3/2009, MOCHLOS participated in a tender carried out in Romania for a private project announced by PLAZA CENTERS, namely "Construction of Caza Radio Commercial Centre", with a study budget of €175,000,000.
  - Approval of the J/V agreement with the construction company AKTOR (with MOCHLOS holding 30% of its shares) for the execution of project "LINES INFRASTRUCTURE RENOVATION AND BACKING OF THE TUNNEL FROM OMONOIA TO MONASTIRAKI OF ISAP SA", is expected; the budgeted contractual value for our company is €39.32.
  - The projects implemented in Romania by MOCHLOS SA are:
    - Improvement of the Iacobeni - Sadova Road section in Northern Romania, with a contract value of €54.6 mil;
    - Improvement of the CALAFAT - DROBETA TURM - SEVERIN Road section, with a contract value of €27.3 mil.

As a result, the most important construction works in progress, 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 mil;
- 2) Earthworks and Technical Works construction for the line connecting the N. Ikonio Port with the railway network, with a contract value of €31.57 mil;
- 3) Modernization and restoration of the irrigation system for zones A' and B' of the Ioannina basin, with a contract value of €25.38 mil;
- 4) Construction of the Thriacio Pedio station complex (1<sup>st</sup> operational phase) (A.Δ.540), with a contract value of €59.35 mil.
- 5) Drilling and temporary support of the Makynia tunnel, with a contractual value of €4.04 mil;
- 6) Construction of three tunnel entry-exit (portals) technical works, with a contractual value of €0.249 mil;
- 7) Renovation of the PORTO CARRAS Meliton hotel, with a budget of €18 mil;
- 8) Renovation of the PORTO CARRAS SITHONIA hotel, with a budget of €32.6 mil;
- 9) Renovation of the PORTO CARRAS VILLAGE INN hotel, with a budget of €4.5 mil;
- 10) Renovation of the winery and other facilities of the DOMAINE PORTO CARRAS, with a budget of €11 mil.

The unexecuted part of projects underway at the end of the first half of 2009 stood at €110.75 mil.

- On 23/02/2007, application no. 379/23.02.2007 for cancellation of decision no. 400/5.10.2006 of the Board of Directors of the Capital Market Commission, by which it was decided to delete the shareholders of PORTO CARRAS SITHONIA BEACH CLUB SA (former KAZINO PORTO CARRAS S.A.) from the Athens Stock Exchange, was submitted to the Athens Administrative Court of Appeal; this application has not been judged yet.



- On 07/04/2009, the Company collected share transfer tax amounting to \$9,665,912 that was refunded by the American tax authorities. The above tax refund had arisen after approval by the Bankruptcy Court of the transfer of a share package belonging to the former subsidiary of the TECHNICAL OLYMPIC USA Inc. Group, TOUSA, Inc.

### **Annual Ordinary General Meeting of the Company's Shareholders**

I. On 29 June 2009, the shareholders of TECHNICAL OLYMPIC SA held an Ordinary General Assembly at which the following decisions were made:

- A new 12-member Board of Directors was elected;
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to five hundred thousand (500,000) euros was pre-approved;
- It was decided to renew the contract for civil liability coverage-insurance of the members of the Board of Directors and company Executives, during the exercise of any competencies, obligations or powers.

II. On 13 July 2009, company shareholders convened again for a 1<sup>st</sup> Repeat General Assembly (the initial having been held on 29/06/2009), which after a request submitted by shareholders owning 5.17% of the paid-up share capital was postponed for the 3<sup>rd</sup> of August 2009.

III. On 3<sup>rd</sup> August 2009, company shareholders convened for the 1<sup>st</sup> Repeat General Assembly of 13/07/2009 that had been postponed, and the following decisions were made:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- The Control Committee of article 37, L.3693/2008 was set up consisting of the following persons:
  - Konstantinos Pl. Rizopoulos, Economist, resident in Pal. Faliro, Attica (2 Ioannou Fix Street), ID card no. Σ.332143/1998, independent and non executive member of the company's BoD;
  - Alexandros Dim. Papaioannou, Qualified Engineer, resident in Thessaloniki (41 Dimokratias Street – Oreokastro), ID card no. AE 199540/2007, independent and non executive member of the company's BoD;
  - Marianna Konstantinou Stengou, Qualified Engineer – P.W.C (Public Works Contractor), resident in Ano Kalamaki, Municipality of Alimos, Attica (20 Solomou Street), ID card no. AB 526124/2006, non executive member of the company's BoD;



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- It was decided to sell the 501,638 shares acquired by the company, in execution of the decision of the 2<sup>nd</sup> Repeat Assembly of 08/09/2008, in the period 08/10 - 29/10/2008;
  - Finally, it was decided not to discuss the issue of "Making a decision on extending the deadline for acquiring own shares, which had been decided by the 2<sup>nd</sup> Repeat General Assembly of shareholders of 8<sup>th</sup> September 2008".



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## Decisions and actions of the Group's subsidiaries

### **MOCHLOS SA**

- The Ordinary General Assembly of company shareholders of MOCHLOS SA took place on 26<sup>th</sup> June 2009; the most important decisions made are:
  - Ratification of decisions made by the BoD concerning redefinition of the qualities of members of the BoD and representation of the company, and also the valuations of Group real estate and the other decisions.
  - Election of the 10-member Board of Directors of the company, with a 3-year term ending on 26/06/2012.
  - It was decided to approve the fees paid during the current financial year to the members of the BoD, while total fees of 400,000 euros to be paid to the members of the Board of Directors for the 2009 financial year were pre-approved.
- The 1<sup>st</sup> Repeat Ordinary General Assembly of company shareholders (the initial one had been scheduled for 26<sup>th</sup> June) was carried out on 8<sup>th</sup> July 2009; at this meeting the following decisions were made on the items on the agenda of the initial Ordinary General Assembly:
  - It was decided and the BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates.
  - A Control Committee was elected according to article 37 of Law 3693/2008, consisting of:
    1. Konstantinos Pl. Rizopoulos, Economist, resident in Pal. Faliro, Attica (2 Ioannou Fix Street), ID card no. Σ.332143/1998, independent and non executive member of the company's BoD;
    2. Alexandros Dim. Papaioannou, Qualified Engineer, resident in Thessaloniki (41 Dimokratias Street – Oreokastro), ID card no. AE 199540/2007, independent and non executive member of the company's BoD;
    3. Marianna Konstantinou Stengou, Qualified Engineer - - P.W.C (Public Works Contractor), resident in Ano Kalamaki, Municipality of Alimos, Attica (20 Solomou Street), ID card no. AB 526124/2006, non executive member of the company's BoD;
  - It was decided to sell the 65,017 shares acquired by the company, in execution of the decision of the 2<sup>nd</sup> Repeat Assembly of 14.07.08, in the period 08/10 - 29/10/2008;
  - It was decided to extend the deadline for acquiring own shares, from the end date of 31/12/2009, decided during the 2<sup>nd</sup> Repeat General Assembly of shareholders of 14/7/2008, until 13/7/2010 when the allowed period for acquiring own shares ends (2 years).



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### **PORTO CARRAS SA**

I. The Ordinary General Assembly of company shareholders of MOCHLOS SA took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to five hundred and fifty thousand (550,000) euros was pre-approved.
- The Board of Directors was granted permission to agree on the signature of sale contracts for tourist accommodation or houses, for leased real estate, to be carried out by the owner Porto Carras SA.
- Election of the new 13-member Board of Directors of the company, with a 3-year term ending on 30.06.12.

### **PORTO CARRAS SITHONIA BEACH CLUB SA**

I. The Ordinary General Assembly of company shareholders took place on 23<sup>rd</sup> June 2009; the most important decisions made are:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- The Control Committee of article 37, L.3693/2008 was set up consisting of the following persons:
  - Konstantinos Pl. Rizopoulos, Economist, resident in Pal. Faliro, Attica (2, Ioannou Fix Street), ID card no. Σ.332143/1998, independent and non executive member of the company's BoD;
  - Alexandros Dim. Papaioannou, Qualified Engineer, resident in Thessaloniki (41 Dimokratias Street – Oreokastro), ID card no. AE 199540/2007, independent and non executive member of the company's BoD;
  - Marianna Konstantinou Stengou, Qualified Engineer – P.W.C (Public Works Contractor), resident in Ano Kalamaki, Municipality of Alimos, Attica (20 Solomou Street), ID card no. AB 526124/2006, non executive member of the company's BoD;



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- The Board of Directors was granted permission to agree on the signature of sale contracts for tourist accommodation or houses, for leased real estate, to be carried out by the owner Porto Carras SA.

### **STROFILI SA**

The Annual Ordinary General Meeting of the company's shareholders was held on 30<sup>th</sup> June 2009.

The most important decisions made are:

- Election of a new 7-member Board of Directors with a five-year term ending on 30/6/2014.
- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates.
- Reduction in the company's Share Capital by offsetting accumulated damages and amendments to the relevant articles of the articles of association, as follows:
  - cancellation of thirty four thousand (34,000) ordinary nominal shares with a nominal value of thirty (30) euros each.
  - Following the above decrease, the company's share capital shall now amount to one million one hundred and ten thousand (1,110,000) euros, divided into thirty seven thousand (37,000) ordinary nominal shares with a nominal value of thirty (30) euros each.
- Pre-approval of remuneration to be paid to the members of BoD for 2009 the financial year, on the basis of provision 24, par. 2, L.2190/1920. This fee was set at one thousand (1,000) euros.

### **DILOS MARINAS SA**

I. The Ordinary General Assembly of company shareholders took place on 26<sup>th</sup> June 2009; the most important decisions made are:

- Election of a new 9-member Board of Directors with a five-year term ending on 30/6/2014.
- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to one thousand (1,000) euros was pre-approved.

II. On 24<sup>th</sup> July 2009, company shareholders met again for the Ordinary General Assembly of 26/06/2009 that had been postponed and unanimously decided on the following:

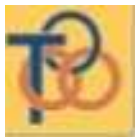
- To reduce the share capital and nullify the company's reserves - by offsetting an equal amount of existing damages – by two million seven hundred and sixty thousand three hundred and forty nine euros and twenty seven cents (2,760,349,27), the remaining temporary share capital amounting to one thousand (1,000) euros (in order for the existing shareholders to continue to have the same participation in the



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share capital and to exercise the preference right mentioned below) with a simultaneous proportionate cancellation of one hundred and fifty one thousand seven hundred and eighty six (151.786) shares worth twenty (20.00) euros each (balance: 1,000 shares = 152,786 – 151,786) and a simultaneous decrease in the nominal value of the remaining one thousand (1,000) ordinary shares from twenty (20.00) euros / share to (1.00) euro/share.

- A subsequent increase in the company's share capital, with a preference right for old shareholders in accordance with the law and the articles of association, not accepting the proposal from the BoD for abolition of the said right, by two hundred and twenty eight thousand euros (228,000.00) through:
- Cash payment made by the shareholders with a preference right for existing company shareholders depending on their participation in the existing share capital, in accordance with par. 7, article 13, L.2190/1920.
  - This increase shall be implemented by the issuance of two hundred and twenty eight thousand (228,000) ordinary shares with a nominal value of one euro (€1.00) each. After the above increase, the company's share capital shall amount to two hundred and twenty nine thousand euros (€229,000.00) divided into two hundred and twenty nine thousand (229,000) ordinary shares with a nominal value of one euro (€1.00) each.
  - These new shares shall initially be issued with a preference right for existing shareholders and provided they exercise the said right they shall be given to beneficiary shareholders in proportion to their participation in the above share capital increase. The period for payment by the shareholders of the respective amount corresponding to the share capital increase is from 19/8/2009 to 21/9/2009.
  - In the case of non participation or partial coverage of the above increase by existing shareholders all or part of the amount remaining for total coverage shall be covered by cash payment, on the basis of the decision made by the BoD or capitalisation of part or all the debt to the creditor of TECHNICAL OLYMPIC SA, provided the creditor agrees to this.



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## **SAMOS MARINAS SA**

I. The Ordinary General Assembly of company shareholders took place on 26<sup>th</sup> June 2009; the most important decisions made are:

- Election of the 9-member Board of Directors of the company, with a 5-year term ending on 30.06.2014.
- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to ten thousand (10,000) euros was pre-approved.

II. On 24<sup>th</sup> July 2009, following a request from one of the company's shareholders, company shareholders met again for the Ordinary General Assembly of 26/06/2009 that had been postponed. During the above meeting, the following were unanimously decided:

- To reduce the company's Share Capital - by offsetting an equal amount of existing damages - by four hundred and fifty thousand (450,000) euros, through a ten (10.00) euros reduction in the nominal value of each of the forty five thousand (45,000) existing shares.
- The subsequent increase in the company's share capital, with a preference right for old shareholders in accordance with the law and the articles of association, not accepting the proposal from the BoD for abolition of the said right, by one hundred thousand euros (100,000) through:
  - Cash payment made by the shareholders with a preference right for existing company shareholders depending on their participation in the existing share capital, in accordance with par. 7, article 13, L.2190/1920.
  - This increase shall be carried out through the issuance of five thousand (5,000) new nominal shares with a nominal value of twenty (20.00) euros each.
  - These new shares shall initially be issued with a preference right for existing shareholders and provided the said shareholders exercise the said right they shall be given to beneficiary shareholders in proportion to their participation in the above share capital increase. The period for payment by the shareholders of the respective amount corresponding to the share capital increase is from 19.08.09 to 21.09.09.
  - In the case of non participation or partial coverage of the above increase by existing shareholders all or part of the amount remaining for total coverage shall be covered by cash payment, on the basis of the decision made by the BoD or capitalisation of part or all the company's bond loan in favour of TECHNICAL OLYMPIC SA. Capitalisation of the bond loan shall be implemented through cancellation of part of the 19 bonds that have a nominal value of €45,000 each and a total value of €100,000
  - Following the above increase, the company's share capital shall amount to one million (1,000,000.00) euros, divided into fifty thousand (50,000) nominal shares with a nominal value of twenty (20.00) euros each.



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## **SKIATHOS MARINAS SA**

I. The Ordinary General Assembly of company shareholders took place on 26<sup>th</sup> June 2009; the most important decisions made are:

- Election of the 9-member Board of Directors of the company, with a 5-year term ending on 30.06.2014.
- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies in which it participates.
- Re-approval of the dissolution of the company and liquidation after finalisation and publication of the decision made by the Arbitration Court. Konstantinos Rizopoulos, ID card no. Σ 342434/2006, Panagiotis Kazantzis, ID card no. AZ 020040/2007 and Konstantina Alexopoulou, ID card no. AB 342434/2006, are appointed company liquidators.

II. On 24<sup>th</sup> July 2009, following a request from one of the company's shareholders, company shareholders met again for the Ordinary General Assembly of 26/06/2009 that had been postponed, and unanimously decided on the following:

- To reduce the company's Share Capital by offsetting an equal amount of existing losses, as follows: By six hundred and eighty nine thousand two hundred and ten euros (689,210), the remaining temporary share capital amounting to one thousand (1,000) euros (in order for the existing shareholders to continue to have the same participation in the share capital and to exercise the preference right mentioned below) with a simultaneous proportionate cancellation of twenty two thousand and seven (22,007) shares worth thirty (30.00) euros each (balance: 1,000 shares = 23,007 – 22,007) and a simultaneous decrease in the nominal value of the remaining one thousand (1,000) ordinary shares from thirty (30.00) euros / share to (1.00) euro/share
- The subsequent increase in the company's share capital, with a preference right for old shareholders in accordance with the law and the articles of association, not accepting the proposal from the BoD for abolition of the said right, by one hundred and ninety two thousand euros (192,000) through:
  - Cash payment made by the shareholders with a preference right for existing company shareholders depending on their participation in the existing share capital, in accordance with par. 7, article 13, L.2190/1920.
  - This increase shall be implemented by the issuance of one hundred and ninety two thousand (192,000) new ordinary shares with a nominal value of one euro (€1.00) each.
  - Following the above increase, the company's share capital shall amount to one hundred and ninety three thousand (193,000.00) euros, divided into one hundred and ninety three thousand (193,000) ordinary nominal shares with a nominal value of one (1.00) euro each.
  - These new shares shall initially be issued with a preference right for existing shareholders and provided these shareholders exercise the said right they shall be given to beneficiary shareholders in



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proportion to their participation in the above share capital increase. The period for payment by the shareholders of the respective amount corresponding to the share capital increase is from 19.08.09 to 21.09.09.

- In the case of non participation or partial coverage of the above increase by existing shareholders all or part of the amount remaining for total coverage shall be covered by cash payment, on the basis of the decision made by the BoD, or capitalisation of debts to the creditor of TECHNICAL OLYMPIC SA, provided the creditors agree to this.

### **ANAP SA**

I. The Annual Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- Election of a new 7-member Board of Directors with a five-year term ending on 30/6/2014.
- All decisions made by the competent instruments concerning the merger procedures through absorption of the company by TOXOTIS SA were ratified.

### **ALVITERRA HELLAS A.T.E.O.E**

I. The Annual Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- Election of the new 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.
- All decisions made by the competent instruments concerning the merger procedures through absorption of the company by TOXOTIS SA were ratified.

### **PORTO CARRAS HYDROPLANES AND STUDIES**

I. The Ordinary General Assembly of the subsidiary's shareholders took place on 29<sup>th</sup> June 2009; the most important decisions made are:

- To reduce the company's Share Capital by offsetting an equal amount of existing losses, as follows:
  - By forty nine thousand five hundred (49,500) euros.
  - Following the above decrease, the company's share capital shall amount to forty nine thousand five hundred (49,500) euros, divided into one hundred and twenty three thousand seven hundred and fifty (123,750) ordinary nominal shares with a nominal value of forty (0.4) euro cents each.
- The subsequent increase in the company's share capital by twenty thousand five hundred (20,500) euros through cash payments made by the shareholders. This increase shall be carried out through the issuance of fifty one thousand two hundred and fifty (51,250) new nominal shares with a nominal value



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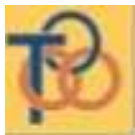
of forty (0.40) euro cents each. These new shares shall initially be issued with a preference right for existing shareholders and provided these shareholders exercise the said right they shall be given to beneficiary shareholders in proportion to their participation in the above share capital increase. Following the above increase, the company's share capital shall amount to seventy thousand (70,000) euros, divided into one hundred and seventy five thousand (175,000) nominal shares with a nominal value of forty (0.40) euro cents each.

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to five hundred (500) euros was pre-approved.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 29.06.2012.

### **PORTO CARRAS VILLAGE CLUB**

I. The Ordinary General Assembly of company shareholders of MOCHLOS SA took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- To increase the company's capital through cash payments made by the shareholders amounting to €6,200,000 through the issuance of 620,000 new ordinary shares with a nominal value of €10 euros each. These new shares shall initially be issued with a preference right for existing shareholders and provided these shareholders exercise the said right they shall be given to beneficiary shareholders in proportion to their participation in the above share capital increase. After the above increase, the company's share capital shall amount to €9,700,000 and shall be divided into 970,000 ordinary shares with a value of €10.00 each. Capital raised from the above increase in company capital shall be allocated as follows:
  - a) The amount of €1,200,000 for required coverage of the company's participation, and €150,000 for floating capital, in order to implement the investment programme for modernization of an integrated form of the VILLAGE CLUB hotel complex and upgrading from 3 to 5-star, at Porto Carras, Municipality of Sithonia, Halkidiki County, which was approved by virtue of decision no. 51324/ΥΠΕ/4/00476/Ε/Ν.3299/2004 made by the Minister and Deputy Minister of Economy and Finance within the framework of L.3299/2004.
  - b) The amount of €4,850,000 for required coverage of the company's participation in order to implement the investment plan for the extension and upgrading of a hotel complex from 3 to 5-star and the creation of extra facilities with the addition of new common areas, new uses in order to provide additional services, which shall be implemented in the area of N. Marmara, Halkidiki County; the



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investment plan had been submitted for approval under the provisions of L.3299/2004 (prot. no. 685/8-1-2008) and was approved as eligible on 14/5/2008 by the competent services of the Ministry of Economy within the framework of L.3299/2004.

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- The Board of Directors was granted permission to agree on the signature of sale contracts for tourist accommodation or houses, for leased real estate, to be carried out by the owner PORTO CARRAS SA.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to one thousand (1,000) euros was pre-approved.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.

### **PORTO CARRAS GOLF SA**

I. The Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- To reduce the company's Share Capital by offsetting an equal amount of existing losses, as follows:
  - By two million (2,000,000) euros.
  - Following the above decrease, the company's share capital shall amount to nine million (9,000,000) euros, divided into nine hundred thousand (900,000) ordinary shares with a nominal value of ten (10.00) euros each.
- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to one thousand (1,000) euros was pre-approved.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.

### **PORTO CARRAS DOMAIN SA**

I. The Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:



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- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
  - Remuneration to be paid to the members of the BoD for financial year 2009, amounting to fifty thousand (50,000) euros was pre-approved.
  - Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.

### **PORTO CARRAS MARINA SA**

I. The Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to one thousand (1,000) euros was pre-approved.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.

### **PORTO KARRAS MELITON BEACH SA**

I. The Ordinary General Assembly of company shareholders of MOCHLOS SA took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to one hundred and fifty thousand (150,000) euros was pre-approved.
- The Board of Directors was granted permission to agree on the signature of sale contracts for tourist accommodation or houses, for leased real estate, to be carried out by the owner Porto Carras SA.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.



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## **PORTO CARRAS TOURISM DEVELOPMENT SA**

I. The Ordinary General Assembly of company shareholders took place on 30<sup>th</sup> June 2009; the most important decisions made are:

- The BoD was authorised to begin the technical/economic studies elaboration procedure and explore the alternative legal possibilities provided by the current provisions in order to find an ideal plan for any transformations to the company or other group companies. Subsequently, in accordance with the procedure stipulated by law, the details of the above studies and searches, as well as the relevant decisions of the company's BoD shall be submitted for approval to the General Assembly of shareholders.
- Remuneration to be paid to the members of the BoD for financial year 2009, amounting to five hundred (500) euros was pre-approved.
- Election of the 11-member Board of Directors of the company, with a 3-year term ending on 30.06.2012.

## **SECTION B**

### **A. Financial Developments and performance in the reporting period**

The financial statements as at 30 June 2009 present the Group's progress as well as the main financial figures, as follows:

1. Consolidated turnover for the first half of year 2009 amounted to €47.73 million compared to €75.37 million in the corresponding 2008 period (1<sup>st</sup> half of the year).
2. Respectively, company turnover in the 1<sup>st</sup> half of 2009 was €0.9 million compared to €1.73 mil in the 1<sup>st</sup> half of 2008.
3. Consolidated gross profit for the 1<sup>st</sup> half of 2009 amounted to €3.6 mil from €10.2 mil in the respective 2008 period. Corporate gross profit for the 1<sup>st</sup> half of 2009 amounted to €0.6 mil from €1.01 mil in the corresponding 2008 period.
4. Consolidated operating results (before taxes, financial and investment results) in the 1<sup>st</sup> half of 2009 show a loss and amounted to €1.6 mil compared to a loss of €3.99 mil in the corresponding 2008 period. Corporate operating results (before taxes, financial and investment results) for the 1<sup>st</sup> half of 2009 show profit of €0.48 mil compared to a loss of €2.59 mil in the corresponding 2008 period.
5. Consolidated results before taxes for the 1<sup>st</sup> half of 2009 show a loss of €3.4 mil compared to a loss of €7.3 mil in the corresponding 2008 period. Corporate results before taxes in the 1<sup>st</sup> half of 2009 show profit of €1.47 million compared to a loss of €4.17 million in the corresponding 2008 period.
6. Consolidated net results (after taxes) for the 1<sup>st</sup> half of 2009 show a loss of €5.9 million against a loss of €9.04 mil in the corresponding 2008 period; corporate net results after taxes for the 1<sup>st</sup> half of 2009 show profit of €1.47 million against €3.9 mil in the 1<sup>st</sup> half of 2008.



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### **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 each segment 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):** This is the ratio of profit before taxes and financial results to total capital employed and in the 1<sup>st</sup> half of 2009 the ratio was -0.32%, on a consolidated basis, and 0.12% on a company basis.
- **ROE (Return on Equity):** This is the ratio of profit after taxes and Net Position; in the 1<sup>st</sup> half of 2009 the ratio was -1.31% on a consolidated basis and -0.41% on company basis.

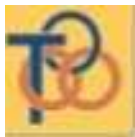
### **B. Major risks and uncertainties for the second half of the year**

The Group operates in an intensely competitive environment. Its specialized know-how and increased investments in human resources and infrastructures help it to become increasingly competitive in order to rise to the challenges that arise. Another growth factor for the Group is the expansion of its activities in the wider area of the Balkans as well as in other countries in the EU and third countries, as well as the strengthening of its construction potential through new projects.

### **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.



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**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 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. 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. Given that there are no loans in currencies other than the euro and relatively low exposure to risks due to fluctuations in the RON/Euro exchange rate, the Group's Management estimates that exposure to foreign exchange risk is low.

**Credit Risk & Liquidity Risk**

The Group is not exposed to credit risk, save in 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.

Due to the above, the Group's Management considers its exposure to credit risk to be important 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.

**Fair value change risk due to changes in interest rates**

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.

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.



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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 this case, results for the period and Group equity would be burdened with €345 thousand and €409 thousand on 30.06.2009 and 30.06.2008, respectively.

**B. Decrease in interest rates by 1%:**

In this case, results for the period and Group equity would be increased by €345 thousand and €409 thousand on 30.06.2009 and 30.06.2008, respectively.

### **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 a company 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 company invests in the continuing education and training of the persons on its staff, so that they are in a position to respond to modern corporate needs and developments, aiming at providing quality products and services, that satisfy the market's needs and, at the same time, promote values that serve society and protect the environment.

### **Information on the course of the company's operations during the 2nd half of 2009.**

I. On 27.07.2009, merger through absorption by the Group's subsidiary, TOXOTIS SA, was completed with a relevant decision made by the Southern Athens County, on the basis of L.D. 1297/72 and the provisions of L.2190/20:



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- a) Of the following subsidiary companies: 1.a) ATHENS SUBURBS DEVELOPMENT S.A. (in which subsidiary company TOXOTIS held a 99% participation, 2.a) ALVITERRA HELLAS ATEOE (in which TOXOTIS held 50%)
- b) Of the following independent companies: 1.b) HELLENIC REAL ESTATE MANAGEMENT SA, 2.b) BEI CENTER SOLE TRADER COMPANY SA and 3.b) TC PARKING LTD.

It is noted that after the above mergers, the participating interests of Mochlos SA in the subsidiary Toxotis SA amount to 57.68%, while the parent company of Technical Olympic SA holds 2.87%.

II. By virtue of a relevant decision made by the competent committee of the Register of Contractors (MEEΠ), after regular review, it was decided to classify the company in the highest 7<sup>th</sup> class of the MEEΠ.

The principal uncertainties that the Management has to face in the 2nd half of 2009 regard mainly:

- a. Delays in the collection of sums from the Greek State (construction projects);
- b. Possible increases in interest rates

Such uncertainties are anticipated to possibly affect the 2<sup>nd</sup> half of the year with additional debit interest. Further, the estimates of the budgets regarding the construction contracts which due to their nature may be modified during the fiscal year as a result of the collection of more complete information may also constitute an uncertainty that may affect the results of the 2nd half of the year.

## **SECTION C**

### **Significant Transactions with Related Parties**

This section includes the Company's major transactions with parties related to it, as such related parties are defined in IAS 24. Such transactions are as follows next:



## Transactions between the Company and associated companies:

Amounts in €

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	650,000	0	0	6,997,478	11,780,000
TOXOTIS SA	SUBSIDIARY COMPANY	50,645	0	0	0	3,745,318
ANAPTIXEIS ATHINAIKON PROASTION SA	SUBSIDIARY COMPANY	1,028	0	0	1,142	43,443
ALVITERRA HELLAS SA	SUBSIDIARY COMPANY	818	0	0	9,165	0
MELITON BEACH PORTO CARRAS SA	SUBSIDIARY COMPANY	539,724	0	0	7,554,043	0
SITHONIA BEACH CLUB PORTO CARRAS SA	SUBSIDIARY COMPANY	75,360	0	0	178,478	0
PORTO CARRAS VILLAGE CLUB SA	SUBSIDIARY COMPANY	34,536	0	0	1,257,914	0
PORTO CARRAS GOLF SA	SUBSIDIARY COMPANY	62,619	0	0	2,367,782	0
PORTO CARRAS MARINAS SA	SUBSIDIARY COMPANY	24,895	0	0	910,888	0
PORTO CARRAS SA	SUBSIDIARY COMPANY	51,056	0	0	0	2,567,577
KTIMA PORTO CARRAS SA	SUBSIDIARY COMPANY	80,033	0	0	2,923,496	0
PORTO CARRAS TOURISTIKES ANAPTIXEIS SA	SUBSIDIARY COMPANY	1,074	0	0	336	0
PORTO CARRAS HYDROPLANES SA	SUBSIDIARY COMPANY	750	0	0	0	0
STROFILI TECHNICAL SA	SUBSIDIARY COMPANY	1,028	0	0	1,142	0
DILOS MARINAS SA	SUBSIDIARY COMPANY	25,720	0	0	315,188	0
SAMOS MARINAS SA	SUBSIDIARY COMPANY	154,593	0	0	7,698,808	0
SKIATHOS MARINAS SA	SUBSIDIARY COMPANY	864	0	0	308,191	0
MARKO MARINAS SA	SUBSIDIARY COMPANY	360	0	0	8,579	0
EUROROM CONSTRUCTI	SUBSIDIARY COMPANY	0	0	0	0	94,751
PORTO CARRAS ENERGY SA	AFFILIATED COMPANY	186	0	0	186	0
OLYMPIAKI PLOTA SA	AFFILIATED COMPANY	1,095	0	0	17,877	0
VILLA GALINI SA	OTHER ASSOCIATED COMP	328	0	0	328	0
JOINT VENTURES	OTHER ASSOCIATED COMP	0	0	0	14,788	0
OTHER ASSOCIATED COMPANIES	OTHER ASSOCIATED COMP	1,818	0	0	410	0
MEMBERS OF THE BoD	OTHER ASSOCIATED COMP	0	0	0	0	106,981
MANAGEMENT EXECUTIVES	OTHER ASSOCIATED COMP	0	0	0	0	0
<b>TOTAL</b>		<b>1,758,533</b>	<b>0</b>	<b>0</b>	<b>30,566,219</b>	<b>18,338,070</b>



**Transactions between the Group and associated companies:**

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 ENERGEIACA SA	AFFILIATED COMPANY	311	0	0	186	0
OLYMPIAKI PLOTA SA	AFFILIATED COMPANY	1,824	0	0	17,877	0
VILLA GALLINI SA	OTHER ASSOCIATED COMP	28,069	2,741,463	0	3,084,004	0
TC PARKING PLOT NOTION PROASTION SA	OTHER ASSOCIATED COMP	0	0	0	1,522,515	0
JOINT VENTURES	OTHER ASSOCIATED COMP	129,278	0	13,525	5,291,352	2,155,848
OTHER ASSOCIATED COMPANIES	OTHER ASSOCIATED COMP	1,893	0	0	555,560	185,391
MEMBERS OF THE BoD	OTHER ASSOCIATED COMP	0	0	0	0	1,938,047
MANAGEMENT EXECUTIVES	OTHER ASSOCIATED COMP	0	0	0	53,956	0
<b>TOTAL</b>		<b>161,375</b>	<b>2,741,463</b>	<b>13,525</b>	<b>10,525,451</b>	<b>4,279,286</b>



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## **SECTION D**

### **Own shares**

In implementation of a relevant decision of the 2<sup>nd</sup> 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 1<sup>st</sup> 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 30.06.09 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 capitalisation value of treasury shares on 30.06.09 was €240,786.24.

## **SECTION E**

### **Prospects for the new year**

The second half of the year is expected to bring positive information and prospects for further growth and expansion of activities. The Group's strategy for continuing its growth aims at the following two main goals:

1. To expand its volume and budget, as well as the unexecuted part of projects to be executed.
2. Further growth of the tourism related activity of the PORTO CARRAS complex by strengthening its sales and by an increase of customers from all over Europe.
3. Expansion of the Group to new markets by expanding its activities abroad to other countries other than the ones where it is currently doing business.

**Alimos, 27 August 2009**

**The declarants**

**KONSTANTINOS A.  
STENGOS**

**GEORGIOS K.  
STENGOS**

**PANAGIOTIS N.  
KAZANTZIS**

**Chairman of the Board of  
Directors**

**Managing Director**

**Director**



**REGISTRY NUMBER: 6801/06/B/86/08**  
**20, SOLOMOU STREET, ALIMOS**

**IV. INTERIM FINANCIAL STATEMENTS**  
**for the period from January 1<sup>st</sup> to June 30<sup>th</sup>, 2009**

**In accordance with the International Financial Reporting Standards (IAS 34)**

It is hereby certified that the attached Financial Statements for the period 01/01/2009 - 30/06/2009, which constitute an integral part of the interim financial report of article 5, L. 3556/2007, are the ones approved by the Board of Directors of TECHNICAL OLYMPIC SA at its meeting of 27<sup>th</sup> August 2009. This Interim Financial Report for the period 01/01/2009 - 30/06/2009 is published on the Internet at [www.techol.gr](http://www.techol.gr), where it shall remain at the disposal of investors for at least five (5) years from the date of drafting and publication. The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not illustrate a full view of the financial position and the results of operation of the Company and the Group, in accordance with the International Financial Reporting Standards.



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## A. SUMMARY FINANCIAL POSITION

<i>Amounts in € '000</i>	NOTE	GROUP		COMPANY	
		30/6/2009	31/12/2008	30/6/2009	31/12/2008
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Ownused Fixed Assets		496,084	314,695	4,754	4,290
Intangible Assets		14,202	14,441	21	61
Investments in Subsidiaries		0	0	368,667	258,868
Investments in Associates		314	6,206	2	4,891
Financial assets available for sale		11	11	0	0
Investments in real estate		18,166	15,059	3,918	3,934
Other long-term receivables		465	1,052	28,462	16,024
<b>Total</b>		<b>529,242</b>	<b>351,464</b>	<b>405,824</b>	<b>288,068</b>
<b>Current Assets</b>					
Inventories		8,585	7,790	0	0
Receivables from construction contracts	6.1	41,827	31,501	1	1
Trade receivables and other commercial receivables	6.2	38,584	26,052	712	3,315
Receivables from Joint Ventures		1,664	1,352	0	0
Other Receivables	6.3	54,179	64,667	7,919	303
Financial assets at fair value through results		24	202	0	0
Cash and cash equivalent		13,011	17,677	565	482
<b>Total</b>		<b>157,874</b>	<b>149,241</b>	<b>9,198</b>	<b>4,101</b>
<b>TOTAL ASSETS</b>		<b>687,116</b>	<b>1,594,269</b>	<b>415,022</b>	<b>292,169</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders Equity</b>					
Share Capital		165,625	165,625	165,625	165,625
Share Premium		253,784	253,784	253,784	253,784
Reserves from asset valuations in current values		254,168	127,778	2,166	1,453
Reserves from financial asset valuations available for sale		0	0	165,358	73,253
Other Reserves		22,932	8,958	7,877	7,877
Own shares		(117)	0	(117)	0
Retained Earnings		(325,896)	(691,218)	(238,587)	(246,181)
Foreign Exchange Differences		(172)	(14,204)	112	85
<b>Equity Attributable to Parent Company Shareholders</b>		<b>370,324</b>	<b>(149,277)</b>	<b>356,217</b>	<b>255,896</b>
Third Party Rights		84,439	43,472	0	0
<b>Total Equity</b>		<b>454,763</b>	<b>(105,805)</b>	<b>356,217</b>	<b>255,896</b>
<b>Long-term Liabilities</b>					
Deferred tax liabilities		78,159	46,539	44,393	24,067
Liabilities for employee retirement benefits		864	684	50	69
Future income from state grants		30,644	33,633	0	0
Long-term loans	6.4	6,615	10,365	0	0
Other Provisions		2,917	1,788	779	0
Other long-term Liabilities		5,439	25	12	12
<b>Total long-term Liabilities</b>		<b>124,638</b>	<b>93,034</b>	<b>45,233</b>	<b>24,148</b>
<b>Short-term Liabilities</b>					
Trade creditors and similar Liabilities	6.5	38,463	49,031	4,305	3,806
Current tax Liabilities		1,693	4,516	0	386
Short-term loans	6.4	43,178	49,685	3,301	5,703
Other short-term Liabilities	6.6	24,381	13,992	5,965	2,230
<b>Total short-term Liabilities</b>		<b>107,715</b>	<b>117,791</b>	<b>13,571</b>	<b>12,125</b>
<b>Total Liabilities</b>		<b>232,353</b>	<b>210,825</b>	<b>58,805</b>	<b>36,273</b>
<b>TOTAL SHAREHOLDERS EQUITY &amp; LIABILITIES</b>		<b>687,116</b>	<b>1,594,269</b>	<b>415,022</b>	<b>292,169</b>

*The accompanying notes are an integral part of these interim financial statements.*



## B. SUMMARY TOTAL INCOME FOR THE PERIOD

<i>Amounts in € '000</i>	NOTE	GROUP				COMPANY			
		1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008	1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008
Sales from construction contracts		35,257	18,775	60,118	31,905	0	0	786	501
Sales of goods		1,268	731	1,242	761	0	0	946	946
Sales of services		11,202	7,949	14,010	10,561	934	467	0	0
Turnover (Sales)		<b>47,727</b>	<b>27,455</b>	<b>75,370</b>	<b>43,227</b>	<b>934</b>	<b>467</b>	<b>1,732</b>	<b>1,447</b>
Cost of Sales		(44,132)	(24,972)	(65,190)	(33,123)	(335)	(163)	(719)	(323)
<b>Gross profit/(loss) from continued operations</b>		<b>3,595</b>	<b>2,483</b>	<b>10,180</b>	<b>10,104</b>	<b>599</b>	<b>304</b>	<b>1,013</b>	<b>1,124</b>
Administrative Expenses		(4,809)	(2,731)	(12,307)	(8,012)	(281)	(134)	(3,172)	(580)
Selling Expenses		(2,999)	(1,844)	(2,438)	(1,480)	(7)	(7)	(41)	(13)
Other Operating Expenses		(420)	(280)	(1,936)	(1,856)	(18)	0	(829)	(827)
Other Operating Income		2,975	1,972	2,511	1,547	184	110	440	415
<b>Operating Profits / (Losses)</b>		<b>(1,658)</b>	<b>(400)</b>	<b>(3,990)</b>	<b>304</b>	<b>477</b>	<b>273</b>	<b>(2,589)</b>	<b>119</b>
Financial Expenses		(2,095)	(1,043)	(2,862)	(1,727)	(164)	(70)	(2,037)	(1,975)
Financial Income		159	77	100	13	949	598	547	286
Other Financial Results		(98)	(701)	(407)	(667)	207	(123)	(91)	1,761
Income from Dividends		0	0	3	0	0	0	0	0
Profits / (losses) from investments		0	0	(151)	(131)	0	0	0	0
Profits / (losses) from joint ventures		264	264	0	0	0	0	0	0
Pro rata results from affiliated companies		20	(4)	9	11	0	0	0	0
<b>Profit / (Loss) before Income Tax from continued operations</b>		<b>(3,408)</b>	<b>(1,807)</b>	<b>(7,298)</b>	<b>(2,197)</b>	<b>1,469</b>	<b>678</b>	<b>(4,170)</b>	<b>191</b>
Income Tax	7.11	(2,457)	(716)	(1,745)	(1,146)	(2)	(4)	261	289
<b>Profit / (Loss) after Income Tax from continued operations</b>		<b>(5,865)</b>	<b>(2,523)</b>	<b>(9,042)</b>	<b>(3,343)</b>	<b>1,467</b>	<b>674</b>	<b>(3,909)</b>	<b>480</b>
Results from discontinued operations		0	0	395,563	(11)	0	0	0	0
<b>Profit/ (losses) after tax</b>		<b>(5,865)</b>	<b>(2,523)</b>	<b>386,521</b>	<b>(3,354)</b>	<b>1,467</b>	<b>674</b>	<b>(3,909)</b>	<b>480</b>

*The accompanying notes are an integral part of these interim financial statements.*



<i>amounts in € '000</i>	note	GROUP				COMPANY			
		1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008	1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008
<b>Other comprehensive income/ (expenses)</b>									
Exchange differences from the conversion of the financial statements of business activities abroad		(165)	22	(18)	71	(1)	(3)	10	(28)
Revaluation of financial assets available for sale		0	0	0	0	(2,968)	(1,906)	(8,498)	(1,770)
Deferred taxes reserve of financial assets available for sale		0	0	4	4	(98)	(98)	0	0
<b>Other comprehensive income of the period after tax</b>		<b>(165)</b>	<b>22</b>	<b>(15)</b>	<b>75</b>	<b>(3,067)</b>	<b>(2,007)</b>	<b>(8,488)</b>	<b>(1,798)</b>
<b>Accumulated comprehensive results of the period</b>		<b>(6,030)</b>	<b>(2,501)</b>	<b>386,506</b>	<b>(3,279)</b>	<b>(1,600)</b>	<b>(1,333)</b>	<b>(12,397)</b>	<b>(1,318)</b>
<b>Profits of the period attributable to</b>									
Shareholders of the parent		(5,374)	(2,388)	384,993	(4,731)	1,467	674	(3,909)	480
Minority interest		(491)	(135)	1,528	1,377	0	0	0	0
		<b>(5,865)</b>	<b>(2,523)</b>	<b>386,521</b>	<b>(3,354)</b>	<b>1,467</b>	<b>674</b>	<b>(3,909)</b>	<b>480</b>
<b>Cumulative comprehensive results of the period attributable to:</b>									
Shareholders of the parent		(5,454)	(2,379)	384,991	(4,709)	(1,600)	(1,333)	(12,397)	(1,318)
Minority interest		(576)	(122)	1,515	1,430	0	0	0	0
		<b>(6,030)</b>	<b>(2,501)</b>	<b>386,506</b>	<b>(3,279)</b>	<b>(1,600)</b>	<b>(1,333)</b>	<b>(12,397)</b>	<b>(1,318)</b>
<b>Basic Profit / (Loss) per share (€ / share)</b>	<b>7.14</b>	<b>(0.0325)</b>	<b>(0.0145)</b>	<b>2.3245</b>	<b>(0.0286)</b>	<b>0.0089</b>	<b>0.0041</b>	<b>(0.0236)</b>	<b>0.0029</b>
<b>Basic Profit / (Loss) per share (€ / share) from continued operations</b>	<b>7.14</b>	<b>(0.0325)</b>	<b>(0.0145)</b>	<b>(0.0638)</b>	<b>(0.0285)</b>	<b>0.0089</b>	<b>0.0041</b>	<b>(0.0236)</b>	<b>0.0029</b>
<b>Basic Profit / (Loss) per share (€ / share) from continued disoperations</b>	<b>7.14</b>	<b>0.0000</b>	<b>0.0000</b>	<b>2.3883</b>	<b>(0.0001)</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0.0000</b>

*The accompanying notes are an integral part of these interim financial statements.*



## C.I. BREAKDOWN OF RESULTS FOR THE PERIOD

<i>amounts in € '000</i>	note	GROUP				COMPANY			
		1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008	1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008
<b>EBITDA</b>	<b>(A)</b>	#TIMH!	2,789	1,902	3,273	#TIMH!	312	(2,483)	170
EBIT		(1,658)	(400)	(3,990)	304	477	273	(2,589)	119
Profit/(losses) before taxes		(3,408)	(1,807)	(7,298)	(2,197)	1,469	678	(4,170)	191
Profit after taxes		(5,865)	(2,523)	386,521	(3,354)	1,467	674	(3,909)	480

### NOTE (A): ITEM DEFINITION: PROFIT/ LOSS BEFORE TAXES, FINANCING, INVESTMENT RESULTS AND TOTAL DEPRECIATION (CIRCULAR 34 OF THE CAPITAL MARKET COMMISSION)

<i>amounts in € '000</i>	GROUP				COMPANY			
	1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008	1/1 - 30/6/2009	1/4 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2008
Earnings before tax	(3,408)	(1,808)	(7,298)	(2,197)	1,469	677	(4,170)	191
Plus: Financial Results	2,034	1,667	3,169	2,381	(992)	(404)	1,581	(73)
Plus: Investment results	(284)	(260)	139	120	0	0	0	0
Plus: Depreciation	6,752	3,190	5,892	2,969	88	39	106	52
<b>EBITDA</b>	<b>5,094</b>	<b>2,789</b>	<b>1,902</b>	<b>3,273</b>	<b>565</b>	<b>312</b>	<b>(2,483)</b>	<b>170</b>

*The accompanying notes are an integral part of these interim financial statements.*



## D.1 SUMMARY STATEMENT OF CHANGES TO GROUP EQUITY FOR THE PERIOD ENDING ON 30/06/2009

<i>Amounts in € '000</i>	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
<b>Balance on 31/12/2008</b>	165,625	253,784	254,168	22,932	(117)	(325,896)	(172)	370,324	84,439	454,763
<b>Losses of the period</b>	0	0	0	0	0	(5,374)	0	(5,374)	(491)	(5,865)
<b>Equity Changes for period 1/1 - 30/6/2009</b>										
Foreign Exchange Differences	0	0	0	0	0	0	(80)	(80)	(85)	(165)
Depreciation of Reserves from marked to market valuation of real state to retained earnings	0	0	(2,741)	0	0	2,741	0	0	0	0
Deferred Taxation from the transfer of marked to market valuation of real state	0	0	548	0	0	(548)	0	0	0	0
<b>Profit/ (loss) recorded directly in the equity</b>	0	0	(2,193)	0	0	2,193	(80)	(80)	(85)	(165)
<b>Total recorded profit/ (loss) of the financial year</b>	0	0	(2,193)	0	0	(3,181)	(80)	(5,454)	(576)	(6,030)
<b>Balance on 30/6/2009</b>	165,625	253,784	251,975	22,932	(117)	(329,077)	(252)	364,870	83,863	448,733

*The accompanying notes are an integral part of these interim financial statements.*



## D.2. SUMMARY STATEMENT OF CHANGES TO GROUP EQUITY FOR THE PERIOD ENDING ON 30.06.08

<i>Amounts in € '000</i>	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
<b>Balance on 31/12/2007</b>	165,625	253,784	127,778	8,958	0	(691,218)	(14,204)	(149,277)	43,472	(105,805)
<b>Profits of the period</b>	0	0	0	0	0	384,993	0	384,993	1,528	386,521
<b>Equity Changes for period 1/1 - 30/6/2008</b>										
Foreign Exchange Differences	0	0	0	0	0	0	(3)	(3)	(15)	(18)
Transfer of Retained Earnings to New Ordinary Reserve	0	0	0	44	0	(44)	0	0	0	0
Depreciation of Reserves from marked to market valuation of real state to retained earnings	0	0	(871)	0	0	871	0	0	0	0
Deferred Taxation from the transfer of marked to market valuation of real state	0	0	218	0	0	(218)	0	0	0	0
Deffered taxation of capital increase expenses	0	0	0	0	0	2	0	2	2	4
Impact from the non-consolidation of subsidiaries	0	0	0	0	0	(14,119)	14,119	0	0	0
Other adjustments	0	0	0	0	0	(42)	0	(42)	42	0
<b>Profit/ (loss) recorded directly in the equity</b>	<b>0</b>	<b>0</b>	<b>(653)</b>	<b>44</b>	<b>0</b>	<b>(13,550)</b>	<b>14,116</b>	<b>(43)</b>	<b>28</b>	<b>(15)</b>
<b>Total recorded profit/ (loss) of the financial year</b>	<b>0</b>	<b>0</b>	<b>(653)</b>	<b>44</b>	<b>0</b>	<b>371,443</b>	<b>14,116</b>	<b>384,950</b>	<b>1,556</b>	<b>386,506</b>
<b>Balance on 30/6/2008</b>	<b>165,625</b>	<b>253,784</b>	<b>127,125</b>	<b>9,002</b>	<b>0</b>	<b>(319,775)</b>	<b>(88)</b>	<b>235,673</b>	<b>45,028</b>	<b>280,701</b>

*The accompanying notes are an integral part of these interim financial statements.*



### D.3 SUMMARY STATEMENT OF CHANGES TO PARENT COMPANY EQUITY FOR THE PERIOD ENDING ON 30/06/2009

<i>Amounts in € '000</i>	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
<b>Balance as of 31/12/2008</b>	<b>165,625</b>	<b>253,784</b>	<b>2,166</b>	<b>165,358</b>	<b>7,877</b>	<b>(117)</b>	<b>(238,587)</b>	<b>112</b>	<b>356,217</b>
<b>Profits of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,467</b>	<b>0</b>	<b>1,467</b>
<b>Equity Changes for period 1/1 - 30/6/2009</b>									
Foreign Exchange Differences	0	0	0	0	0	0	0	(1)	(1)
Revaluation of financial assets available for sale	0	0	0	2,968	0	0	0	0	2,968
Deferred taxes from revaluation of financial assets available for sale	0	0	0	(97)	0	0	0	0	(97)
Depreciation of Reserves from marked to market valuation of real state to retained earnings	0	0	(6)	0	0	0	6	0	0
Deferred Taxation from the transfer of marked to market valuation of real state	0	0	1	0	0	0	(1)	0	0
<b>Profit/ (loss) recorded directly in the equity</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>2,871</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>(1)</b>	<b>2,870</b>
<b>Total recorded profit/ (loss) of the financial year</b>	<b>0</b>	<b>0</b>	<b>(5)</b>	<b>2,871</b>	<b>0</b>	<b>0</b>	<b>1,472</b>	<b>(1)</b>	<b>4,337</b>
<b>Balance at 30/6/2009</b>	<b>165,625</b>	<b>253,784</b>	<b>2,161</b>	<b>168,229</b>	<b>7,877</b>	<b>(117)</b>	<b>(237,115)</b>	<b>111</b>	<b>360,555</b>

*The accompanying notes are an integral part of these interim financial statements.*



#### D.4 SUMMARY STATEMENT OF CHANGES TO PARENT COMPANY EQUITY FOR THE PERIOD ENDING ON 30.06.08

<i>Amounts in € '000</i>	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
<b>Balance as of 31/12/2007</b>	<b>165,625</b>	<b>253,784</b>	<b>1,453</b>	<b>73,253</b>	<b>7,877</b>	<b>0</b>	<b>(246,181)</b>	<b>85</b>	<b>255,896</b>
<b>Losses of period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,909)</b>	<b>0</b>	<b>(3,909)</b>
<b>Equity Changes for period 1/1 - 30/6/2008</b>									
Foreign Exchange Differences	0	0	0	0	0	0	0	10	10
Revaluation of financial assets available for sale	0	0	0	(8,498)	0	0	0	0	(8,498)
<b>Profit/ (loss) recorded directly in the equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,498)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>(8,488)</b>
<b>Total recorded profit/ (loss) of the financial year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,498)</b>	<b>0</b>	<b>0</b>	<b>(3,909)</b>	<b>10</b>	<b>(12,397)</b>
<b>Balance as of 30/6/2008</b>	<b>165,625</b>	<b>253,784</b>	<b>1,453</b>	<b>64,755</b>	<b>7,877</b>	<b>0</b>	<b>(250,089)</b>	<b>95</b>	<b>243,500</b>

*The accompanying notes are an integral part of these interim financial statements.*



## E. SUMMARY CASH FLOW

<i>Amounts in€ '000</i>	note	GROUP		COMPANY	
		1/1 - 30/6/2009	1/1 - 30/6/2008	1/1 - 30/6/2009	1/1 - 30/6/2008
<b>Cash flows from operating activities</b>					
Profit (losses) for the period (before taxes) from continued operations		(3,408)	(7,298)	1,469	(4,170)
Profit (losses) for the period (before taxes) from discontinued operations		0	395,563	0	0
Adjustments to profits	(i)	8,431	(383,271)	(916)	4,195
		<b>5,023</b>	<b>4,994</b>	<b>553</b>	<b>25</b>
(Increase) / Decrease of inventories		(374)	(6,681)	0	0
(Increase) / Decrease of trade receivables		849	(12,276)	(2,851)	16
(Increase) / Decrease of other receivables		(28,284)	(30,393)	(907)	(1,062)
(Increase) / Decrease of liabilities		27,378	44,318	10,043	6,172
		<b>(431)</b>	<b>(5,032)</b>	<b>6,285</b>	<b>5,126</b>
<b>Cash flows from operating activities</b>		<b>4,592</b>	<b>(38)</b>	<b>6,838</b>	<b>5,151</b>
minus: Income tax payments		(1,406)	(901)	0	(210)
Foreign exchange (F/E) differences		(15)	23	(1)	10
<b>Net Cash flows from operating activities</b>		<b>3,171</b>	<b>(916)</b>	<b>6,837</b>	<b>4,951</b>
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets		(2,383)	(4,687)	(4)	(41)
Own production of tangible assets		0	(213)	0	0
Purchase of intangible assets		(29)	(43)	(1)	(4)
Tax credit from the sale of subsidiary abroad shares		7,281	0	7,281	0
Share capital increase of subsidiaries		0	4	0	0
Dividends received		0	3	0	0
Loans granted		0	0	0	(5,660)
Proceeds from loans		0	0	2,600	0
Sales of tangible fixed assets		374	74	0	0
Proceeds from State subsidies		5,928	2,952	0	0
<b>Net Cash flows from investing activities</b>		<b>11,171</b>	<b>(1,910)</b>	<b>9,876</b>	<b>(5,705)</b>
<b>Cash flows from financing activities</b>					
Loans issued		41,916	23,560	0	3,436
Loan repayment		(43,012)	(28,610)	(217)	(2,500)
Interest received		159	99	136	9
Interest paid		(1,577)	(2,949)	(104)	(226)
Payments from leasing liabilities		(353)	(887)	0	0
<b>Net Cash flows from financing activities</b>		<b>(2,867)</b>	<b>(8,787)</b>	<b>(185)</b>	<b>719</b>
<b>Net increase / (decrease) in Cash-in-hand and cash equivalents</b>		<b>11,475</b>	<b>(11,613)</b>	<b>16,528</b>	<b>(35)</b>
Cash and cash equivalents at beginning of period		13,011	17,678	565	482
Foreign exchange differences cash equivalents at end of period		(109)	(21)	(109)	(21)
<b>Cash and cash equivalents at end of period</b>		<b>24,377</b>	<b>6,044</b>	<b>16,984</b>	<b>426</b>

*The accompanying notes are an integral part of these interim financial statements.*



## NOTE (i) ON THE CASH FLOW STATEMENT

The adjustments of profits are analyzed as follows:

<i>Amounts in€ '000</i>	GROUP		COMPANY	
	1/1 - 30/6/2009	1/1 - 30/6/2008	1/1 - 30/6/2009	1/1 - 30/6/2008
<b>Adjustments to Profits for:</b>				
Amortizations of tangible fixed assets	7,747	6,813	76	80
Amortizations of intangible assets	111	151	12	26
(Profit) / losses of fair value financial assets at fair value through results	0	151	0	0
Provisions - Impairments	22	1,445	0	2,553
Revenues from dividends	0	-3	0	0
(Profit) / losses from F/E differences	-371	18	-220	46
(Profit) / losses from sale of tangible fixed assets	6	2	0	0
Retirement benefits change	73	31	2	0
Proceeds from state subsidies	-1,106	-1,072	0	0
Results from discontinued operations	0	-395,686	0	0
Income from interests	-159	-638	-949	-547
Expenses from interests	2,108	5,517	163	2,037
<b>Total</b>	<b>8,431</b>	<b>-383,271</b>	<b>-916</b>	<b>4,195</b>

*The accompanying notes are an integral part of these interim financial statements.*



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## NOTES ON THE INTERIM SUMMARY FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Group's Financial Statements have been drafted in accordance with the International Financial Reporting Standards that have been approved by the European Union, were approved by the Company's Board of Directors on 27<sup>th</sup> August 2009. In accordance with the provisions of the Capital Market Commission, no amendments to the Financial Statements are permitted after their approval.

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 works in the area of Patras. From 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 all kinds (irrigation, hydraulic, sewage, harbour 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, 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.), 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:



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**Members of the Board of Directors**

Konstantinos Stengos (BoD Chairman)  
Zoi Stengou (BoD 1<sup>st</sup> Executive Vice-Chairman)  
Andreas Stengos (BoD 2<sup>nd</sup> Executive Vice-Chairman)  
Georgios Stengos (Managing Director)  
Maria Svoli (Executive member)  
Athanasios Klapadakis (Executive member)  
Panagiotis Kazantzis (Executive member)  
Konstantinos Lyringos (Executive member)  
Styliani Stengou (Non-executive member)  
Marianna Stengou (Non-executive member)  
Konstantinos Rizopoulos (Independent non-Executive member)  
Alexandros Papaioannou (Independent non-Executive member)

**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

**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

**Legal Counsels**

Stamoulis Georgios  
Drilerakis & Associates Law Office

**Auditors**

GRANT THORNTON S.A.



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## **2. OBJECTIVE OF ACTIVITY**

TECHNICAL OLYMPIC has created a strong system for the management of participation 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 MOCHLOS S.A., which allows the company to have access to large 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..
- In the management, operation and indirectly construction of marinas through DELOS MARINAS SA.
- In agricultural and animal husbandry exploitation of land and industrial production and trade of agricultural and animal products, and export of these products through PORTO CARRAS DOMAIN S.A.
- TECHNICAL OLYMPIC is the nerve centre 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.



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### **3. FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS**

#### **3.1. Framework for drafting financial statements and accounting principles**

The attached interim consolidated financial statements (hereinafter referred to as "financial statements") are drawn up in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union and more specifically according to the provisions of IAS 34 "Interim Financial Reporting". No Standards have been applied before their date of entry into force. Moreover, financial statements have been drafted on the basis of the historical cost principle, as amended by the adjustment of specific assets and liabilities to current values and the going concern principle, and comply with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and the interpretations thereof, as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB.

The Euro is used as the presentation currency (the currency of the country in which the Group's Parent company is established) and all amounts appear in Euros unless specified otherwise.

The interim summary financial statements include limited information compared to that of the annual financial statements. Therefore, the interim summary financial statements attached must be read in conjunction with the last published annual financial statements as of December 31<sup>st</sup>, 2008.

The compilation of financial statements according to IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. The major assumptions made by the management in applying the Company's accounting principles have been noted where necessary.

The accounting principles based on which the financial statements have been drawn are consistent with those used for drawing up the annual financial statements for the year 2008 and have been applied consistently to all periods presented.



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### **3.2. Changes in accounting principles (amendments to published standards entering into force in the year December 2009)**

The changes to accounting principles adopted are presented below:

- **Adoption of IFRS 8: Operating Segments**

The Group adopted IFRS 8 "Operating Segments", which replaces IAS 14 "Segment Reporting". Despite the fact that the adoption of the new Standard has not influenced the way in which the group recognizes its operating segments for the purpose of reporting, the results for each segment are presented on the basis of the data available and used by Management for internal reporting purposes. The main changes to this Standard can be summarized as follows:

The results for each segment are based on the operating results of each separate reporting segment. Operating Segment results do not include financial expenses and income, including results arising from investments in the share capital of companies, and results arising from taxes and discontinued operations. Furthermore, the Group's Management, for the purpose of managerial decision-making referring to the distribution of resources between its operating segments, and for the purpose of measuring the efficiency of the segments, does not take into account the expenses attached to retirement benefits or the cost arising from settling share based transactions. The presentation of operating segments is presented in note 5.

- **Adoption of IAS 1 "Presentation of Financial Statements"**

The main changes made to the Standard can be summarized as a separate presentation of changes in net position arising from transactions with owners in their capacity as shareholders (e.g. dividends, capital increases) from other changes in net position (e.g. conversion reserves). Furthermore, the improved version of the Standard will result in changes of definitions as well as in the presentation of the financial statements. The new definitions of the Standard, however, do not change the rules for recognition, measurement and disclosure of specific transactions and other events required by the rest of the Standards. The amendment to IAS 1 is mandatory for the periods starting as at or after 1<sup>st</sup> January 2009, while the requirements are also applicable to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The changes arising from the review of IAS 1 shall apply retroactively.

- **Adoption of IAS 23 "Cost of Borrowing"**

The revised IAS 23 cancels the option of immediately recognising borrowing costs that relate to acquisition, construction or production of a fixed asset as an expense. The characteristic of the aforementioned fixed asset is that a substantial period of time is required for assets to become available for use or sale. Despite that, an enterprise is required to capitalize such borrowing costs as part of the cost of that fixed asset. The revised Standard does not require capitalization of borrowing costs pertaining to assets measured at fair value and inventories created or systematically produced in big quantities, even if they take a substantial period of time to



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be ready for use or sale. The revised Standard is applied for borrowing costs associated with fixed assets that fulfil the conditions and the date of entry into force is on or after the 1<sup>st</sup> of January 2009. As a result of this review, the alternative way available for handling the cost of borrowing as an expense is abolished. The change in the method of the accounting policy for recognition of such expenses will influence the moment in time of recognition of the expense and also the way of presenting this expense (financial expense against depreciation). The application of the new Standard has no effect on the current financial statements.

### **3.3. Standards, amendments and interpretations for existing standards that have entered into force and that are not applicable to the Group.**

The following standards, amendments and interpretations are applicable to year 2009 but are not applicable to the Group:

- **IFRIC 13: Customer Loyalty Programmes**

Customer Loyalty Programmes provide the customers with incentives to purchase the goods or services of a company. Companies that grant their customers loyalty award credits ('points') when buying goods or services should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. These programmes can be applied by the company or a third party. IFRIC 13 can be applied to all award credits of customer loyalty programmes that a company can offer to its customers as part of a sales transaction. IFRIC 13 shall be applied, on a mandatory basis, to the annual financial statements for periods commencing on or after the 1<sup>st</sup> of July 2008. Retroactive application of the Interpretation is required while prior application is encouraged provided this fact is notified in the explanatory notes accompanying the company's financial statements.

- **Amendments to IFRS 2 "Share-based Payment"**

IASB has issued an amendment to IFRS 2 as regards the investment conditions of the chapter, drafting and cancellation. None of the current payment programmes based on equity instruments are influenced by these amendments. Management believes that the amendments to IFRS 2 shall not affect the Group's accounting principles.

- **IAS 32 Financial Instruments: Notification and Presentation of IAS 1: Presentation of Financial Statements**

Amendments to Financial Instruments available from the "puttable" holder.

On the basis of the amendment to IAS 32, provided that specific criteria are fulfilled, requirements that certain financial instruments available from the "puttable" holder and obligations arising during liquidation of a corporate entity are classified as part of Equity.



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The amendment to IAS 1 refers to notification of information concerning the above instruments that have been classified as part of Equity.

The Group does not expect these amendments to impact its financial statements.

Amendments to IAS 32 are applied by companies for annual periods commencing on or after 01/01/2009. Prior application of the Interpretation is encouraged provided this fact is notified in the Explanatory Notes to the company's Financial Statements.

- **IFRIC 15 Agreements for Construction of Real Estate**

The purpose of IFRIC 15 is to provide instructions with respect to the following two issues:

- Whether construction of real estate falls within the field of application of IAS 11 or IAS 18.
- When the income arising from agreements for construction of real estate is to be recognised.

This Interpretation is applied during accounting recognition of income and any associated expenses, for businesses undertaking the construction of real estate either directly or through subcontractors. Agreements falling within the field of application of IFRIC 15 are agreements for construction of real estate. In addition to the construction of real estate, these type of agreements may include delivery of goods or services. IFRIC 15 "Agreements for Construction of Real Estate" is applicable by companies for annual periods commencing on or after 01/01/2009. Prior application is encouraged provided this fact is notified in the Explanatory Notes to the Financial Statements. Changes to accounting policies shall be recognised in accordance with the stipulations of IAS 8.



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### **3.4. Standards, amendments and interpretations for existing standards that have not entered into force and that have not been adopted.**

- **IFRS 3 Business Combinations and IAS 27 – Consolidated and Separate Financial Statements**

IFRS 3 shall apply to business combinations occurring during these periods and its scope of implementation has been amended to include business combinations under common control and combinations without consideration (dual listed shares). IFRS 3 and IAS 27, among others, require greater use of the fair value through the income statement and the fostering of the reporting entity's financial statement. Moreover, these standards introduce the following requirements: (1) recalculation of the participating interest should be made when control is re-acquired or lost, (2) the impact of all transactions between controlled and not controlled parties must be promptly recognized in equity, when control has not been lost, and (3) emphasis is put on the type of the consideration given to the seller rather than the amount of the acquisition cost. More specifically, items such as costs directly related to acquisition, changes in the value of the potential price, share-based payments and reimbursement of existing contracts shall be accounted for separately from business combinations and shall often affect the income statement as well. The amendment to IFRS 3 and IAS 27 are valid for financial years commencing on or after the 1<sup>st</sup> of July 2009. The Group is currently evaluating the effect of application of this amendment to the Financial Statements.

- **IAS 39 Recognition and Measurement: Amendment to IAS 39 for items fulfilling the conditions of account offsetting**

The amendment to IAS 39 clarifies issues of account offsetting and in particular inflation and the one-sided risk of an item that is subject to offsetting.

The amendments to IAS 39 are applied by companies for annual periods commencing on or after 01/07/2009.

- **IFRIC 16: Offsetting of Net Investment in a Business Activity Abroad**

Investments in business activities abroad may be owned directly by a parent company or indirectly by a subsidiary of the parent company. The objective of IFRIC 16 is to provide guidance as regards the nature of risks offset and the amount that is recognized in the item subject to offsetting for which an offsetting ratio has been specified, and also which amounts require reclassification by equity in the results as reclassification adjustments, with the sale of business activity abroad.

IFRIC 16 is applied by businesses that offset foreign exchange risk arising from a net investment in a business activity abroad and aims at fulfilling the conditions of account offsetting, in accordance with IAS 39. This Interpretation is only applicable to offsetting of net investments in business activities abroad, while it is not applicable to other types of offsetting, such as e.g. offsetting of fair value or cash flow.



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IFRIC 16 "Offsetting of Net Investment in a Business Activity Abroad" is applied by companies for annual periods commencing on or after 01.10.2008. Prior application of the Interpretation is encouraged provided this fact is notified in the Explanatory Notes to the company's Financial Statements.

- **IFRIC 17. Distribution of non cash assets to Owners**

When a business announces distribution while not being obliged to distribute assets concerning its owners, it has to recognize an obligation for these payable dividends.

The purpose of IFRIC 17 is to provide guidance with respect to when a company should recognize dividends payable and to how it should measure the same and to how it should account for the differences between the accounting value of assets distributed and the accounting value of dividends payable if the company settles the dividends payable.

IFRIC 17 "Distribution of non cash assets to Owners" is applied by businesses in the future for annual periods commencing on or after 01/07/2009. Prior application of the Interpretation is permitted provided the company notifies this fact in the Explanatory Notes to the Financial Statements and simultaneously applies IFRS 3 (as reviewed in 2008), IAS 27 (as reviewed in May 2008) and IFRS 5 (as amended by this Interpretation). Retroactive application of the Interpretation is not permitted.

- **IFRIC 18. Transfers of assets from Customers**

IFRIC 18 is applicable mainly to utilities businesses or organisations. The purpose of IFRIC 18 is to clarify the requirements if the IFRS concerning agreements on the basis of which a business obtains from a customer part of tangible assets (land, buildings or equipment that the business should use either in order for the customer to constitute part of a network or in order for the customer to gain continuous access to the provision of goods or services (such as e.g. electricity or water supply).

In certain cases, a business receives cash from its customers that is to be used for the acquisition or construction of an installation for the purpose of interconnection of the customer with a network or uninterrupted access to a network of goods or services (or both simultaneously).

The IFRIC clarifies the cases in which the definition of tangible fixed asset is fulfilled, the recognition and measurement of the initial cost. Moreover, it determines the way in which the obligation to provide the above services in exchange for the tangible fixed asset is confirmed and the way of recognizing the income and the way of handling cash received from customers.

IFRIC 18 "Transfers of assets from Customers" is applied by businesses in the future for annual periods commencing on or after 01/07/2009.

### **3.5. Significant Management Accounting Evaluations Assumptions and Judgments**

The preparation of financial statements in accordance with the IFRSs requires that the administration makes judgments, assessments and assumptions, 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.



#### 4. GROUP STRUCTURE AND COMPANY CONSOLIDATION METHOD

The consolidated financial statements include the following subsidiaries, according to the full consolidation method:

Full consolidation method	Country	Equivalent participation %
TECHNICAL OLYMPIC S.A.	GREECE	PARENT
MOCHLOS S.A.	GREECE	48.23%
ALVITERRA HELLAS SA	GREECE	74.12%
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%

In addition, the following affiliated companies are consolidated according to the net position method:

Net Equity Method	Country	Equivalent participation %
LAMDA OLYMPIC SRL	ROMANIA	EUROROM with 50%

Moreover, TECHNICAL OLYMPIC holds 56.20% of the shares of former subsidiary TOUSA Inc, which has ceased to be consolidated since 02/01/2008. Furthermore, it owns 30.98% of the shares of AGROTOURISTIKI SA, which is under liquidation.



## 5. OPERATIONAL SECTORS

The main information sector for the Group is the business sector while the geographical sector is secondary, given that practically all the Group's business is in Eurozone countries.

The Group recognizes five business sectors (construction, hotel, casino operation, marina management and sale of alcoholic drinks) as its operating sectors. The aforementioned operating sectors are those used by the Management for internal purposes whereas the strategic decisions are made based on the adjusted results of each sector, which are used to measure performance. The sectors that are less important, for which the required quantitative limits for notification are not reached, are included in the 'other' category of the following table.

The results for the Group per sector for the current period are given in the following tables:

Segment Results as of 30/6/2009	GROUP							TOTAL
	HOME BUILDING / REAL ESTATE	CONSTRUCTION SECTOR	HOSPITALITY SECTOR	CAZINO OPERATION	MARINA MANAGEMENT	SALES OF ALCOHOL AND OTHER PRODUCTS	OTHER	
<b>Sales</b>								
Sales abroad	0	35,257	5,233	5,215	550	1,268	204	47,727
Sales in other segment	0	0	0	0	0	0	0	0
<b>Net sales segment</b>	<b>0</b>	<b>35,257</b>	<b>5,233</b>	<b>5,215</b>	<b>550</b>	<b>1,268</b>	<b>204</b>	<b>47,727</b>
<b>Operating profit</b>								
Cost of materials / inventory	0	(8,523)	(1,231)	(203)	(22)	(789)	(25)	(10,793)
Employee benefits	0	(4,693)	(3,159)	(2,075)	(562)	(320)	(378)	(11,187)
Third party fees	(4)	(11,472)	(654)	(231)	(68)	(127)	(525)	(13,081)
Depreciation of tangible and intangible assets and impairment of non-financial assets	0	(2,189)	(3,640)	(393)	(487)	(219)	(929)	(7,857)
Other revenues / (expenses)	(5)	(4,904)	(653)	(1,007)	(111)	(80)	291	(6,469)
<b>Operating results per segment</b>	<b>(10)</b>	<b>3,476</b>	<b>(4,103)</b>	<b>1,306</b>	<b>(700)</b>	<b>(266)</b>	<b>(1,361)</b>	<b>(1,658)</b>

Assets per segment as of 30/6/2009	GROUP							TOTAL
	HOME BUILDING / REAL ESTATE	CONSTRUCTION SECTOR	HOSPITALITY SECTOR	CAZINO OPERATION	MARINA MANAGEMENT	SALES OF ALCOHOL AND OTHER PRODUCTS	OTHER	
Segment assets	44	149,766	17,889	36,007	10,868	13,608	445,847	674,029
Investments in affiliated companies	0	317	0	0	0	0	4	321
Non current assets	0	0	0	0	0	0	0	0
<b>Total segment assets</b>	<b>44</b>	<b>150,083</b>	<b>17,889</b>	<b>36,007</b>	<b>10,868</b>	<b>13,608</b>	<b>445,851</b>	<b>674,350</b>
Impairment of segment assets	0	0	0	0	0	0	0	0

Segment Results as of 30/6/2008	GROUP							TOTAL
	HOME BUILDING / REAL ESTATE	CONSTRUCTION SECTOR	HOSPITALITY SECTOR	CAZINO OPERATION	MARINA MANAGEMENT	SALES OF ALCOHOL AND OTHER PRODUCTS	OTHER	
<b>Sales</b>								
Sales abroad	0	59,193	3,433	9,356	613	1,242	1,533	75,370
Sales in other segment	0	0	0	0	0	0	0	0
<b>Net sales segment</b>	<b>0</b>	<b>59,193</b>	<b>3,433</b>	<b>9,356</b>	<b>613</b>	<b>1,242</b>	<b>1,533</b>	<b>75,370</b>
<b>Operating profit</b>								
Cost of materials / inventory	0	(8,523)	(1,231)	(1,046)	(19)	(642)	(57)	(11,518)
Employee benefits	0	(4,693)	(3,159)	(3,890)	(224)	(370)	(436)	(12,772)
Third party fees	0	(11,472)	(654)	(1,081)	(113)	(228)	(1,666)	(15,214)
Depreciation of tangible and intangible assets and impairment of non-financial assets	0	(2,189)	(3,640)	(1,574)	(486)	(180)	278	(7,791)
Other revenues / (expenses)	0	(31,242)	2,371	(1,069)	(6)	(55)	(2,064)	(32,065)
<b>Operating results per segment</b>	<b>0</b>	<b>1,074</b>	<b>(2,880)</b>	<b>696</b>	<b>(235)</b>	<b>(233)</b>	<b>(2,412)</b>	<b>(3,990)</b>



Amounts in € '000

Assets per segment as of 31/12/2008	GROUP							TOTAL
	HOME BUILDING / REAL ESTATE	CONSTRUCTION SECTOR	HOSPITALITY SECTOR	CAZINO OPERATION	MARINA MANAGEMENT	SALES OF ALCOHOL AND OTHER PRODUCTS	OTHER	
Segment assets	53	155,794	19,401	37,268	11,268	14,889	448,129	686,802
Investments in affiliated companies	0	310	0	0	0	0	4	314
Non current assets	0	0	0	0	0	0	0	0
<b>Total segment assets</b>	<b>53</b>	<b>156,104</b>	<b>19,401</b>	<b>37,268</b>	<b>11,268</b>	<b>14,889</b>	<b>448,133</b>	<b>687,116</b>
Impairment of segment assets	0	0	0	0	0	0	0	0

The results concerning foreign customers and also the Group's non current assets are summarised below on the basis of geographical distribution:

Amounts in € '000

	GROUP - 30/06/2009	
	Sales	Non current assets
GREECE	39,066	522,220
POMANIA	8,661	1,483
RUSSIA	0	4
<b>Total</b>	<b>47,727</b>	<b>523,707</b>

Amounts in € '000

	GROUP - 30/06/2008	
	Sales	Non current assets
GREECE	53,320	527,434
POMANIA	22,051	1,807
RUSSIA	0	0
<b>Total</b>	<b>75,370</b>	<b>529,242</b>



Total amounts presented in the Group's operating sectors are in agreement with the basic financial data presented in the financial statements, as follows:

*amounts in € '000*

	<b>GROUP</b>	
	<b>30/6/2009</b>	<b>30/6/2008</b>
<b>Revenue sector</b>		
Total revenue sector	57,057	88,325
Other revenue	3,210	3,473
Elimination of intersector revenue	(9,565)	(13,917)
<b>Group income</b>	<b>50,702</b>	<b>77,881</b>
<b>Sector results</b>		
Total sector results	(107)	(4,717)
Non allocated revenues and expenses	0	0
Elimination of intersector operating results	(1,551)	727
<b>Group operating results</b>	<b>(1,658)</b>	<b>(3,990)</b>
Share from the profit - (loss) of affiliated companies	20	9
Financial cost	(2,095)	(2,862)
Financial income	159	103
Other financial results	(98)	(558)
Results from Joint venture activity	264	0
<b>Profit / (losses) before group's taxes sector for the period</b>	<b>(3,408)</b>	<b>(7,298)</b>
<b>Assets</b>		
Assets sector	1,271,281	1,248,154
Consolidation	(596,931)	(561,038)
<b>Group's assets</b>	<b>674,350</b>	<b>687,116</b>



## 6. EXPLANATORY NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### 6.1. Amount due from customers for contracted work

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.

<i>amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Contractual Income Accounted for in Financial Year Results	32,508	100,555	0	3,726
Project Accumulated Cost	652,557	583,361	5,162	5,162
plus: Profit Recorded (Accumulated)	81,482	79,615	1,638	1,638
minus: Loss Recorded (Accumulated)	(16,261)	(15,027)	0	0

The analysis of the receivables and liabilities of the Group and the Company from construction contracts is as follows:

<i>amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Receivable from Construction Contracts (from Customers)	42,234	41,827	1	1
Liability from Construction Contracts (to Customers)	(33)	(90)	(1,068)	(1,068)
Total Advance Payments Received	(2,440)	(2,955)	0	0
Customer Deductions for Good Performance	787	3,544	0	0

### 6.2. Claims from customers and other trade claims

The breakdown of claims from customers and other trade claims for the Group and the Company is presented below:



<i>Amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Customers	31,649	36,453	243	223
Notes receivable	120	120	0	0
Receivable Cheques (post-dated)	1,080	2,085	357	357
Receivables from Associated Companies	0	0	3,116	285
Receivables from the Greek State	174	1,009	0	0
<b>Total Receivables</b>	<b>33,023</b>	<b>39,667</b>	<b>3,716</b>	<b>865</b>
Minus: Impairment Provision	-1,083	-1,083	-153	-153
<b>Total Net Receivables</b>	<b>31,940</b>	<b>38,584</b>	<b>3,563</b>	<b>712</b>

The change in the figures concerning claims from customers is due mainly to collection of a significant part of claims from the Romanian State. On all Group receivables, estimation of probable impairment has been realized.

### 6.3. Other Debtors

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

<i>amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Income from Accounts Receivable	2,693	2,693	0	0
Other Advance Payments	5,529	5,000	560	28
Pre-paid Expenses	824	411	551	62
Various Debtors	7,526	7,440	1,877	1,885
Receivables from the Greek State	29,209	29,615	10,376	10,481
Receivables from income tax of America	22	6,945	0	6,945
Personnel Advance Payments	72	70	0	0
VAT Receivables	2,369	2,601	0	0
Withheld Customer Bonds	1,434	1,244	0	0
Accounting of Subsidy	12,996	18,925	0	0
<b>Total of Other Receivables</b>	<b>62,674</b>	<b>74,944</b>	<b>13,364</b>	<b>19,401</b>
Minus: Impairment Provision	-21,231	-20,765	-11,482	-11,482
<b>Total Net Receivables</b>	<b>41,443</b>	<b>54,179</b>	<b>1,882</b>	<b>7,919</b>

On 07/04/2009, the Company collected share transfer tax amounting to \$ 9,665,912 that was refunded by the American tax authorities. The above tax refund had arisen after approval by the Bankruptcy Court of the transfer of a share package belonging to the former subsidiary of the TECHNICAL OLYMPIC USA Inc. Group, TOUSA, Inc.



#### 6.4. Loan Liabilities

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

<b>Long-term loans</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2009</b>	<b>31/12/2008</b>	<b>30/6/2009</b>	<b>31/12/2008</b>
<i>Amounts in € '000</i>				
Bank Loans	11,037	745	0	0
Leasing	5,380	5,870	0	0
<b>Total Long-term loans</b>	<b>16,417</b>	<b>6,615</b>	<b>0</b>	<b>0</b>

<b>Short-term loans</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2009</b>	<b>31/12/2008</b>	<b>30/6/2009</b>	<b>31/12/2008</b>
<i>Amounts in € '000</i>				
Bank Loans	31,848	42,177	3,150	3,301
Leasing	137	1,001	0	0
<b>Total Short-term loans</b>	<b>31,985</b>	<b>43,178</b>	<b>3,150</b>	<b>3,301</b>

The observed decrease in short-term loan debts is due to collection of claims from the Romanian State and also repayment of short-term loans. As for the observed increase in long-term loan debts, it is due to a new loan taken out by subsidiary PORTO CARRAS SITHONIA BEACH CLUB SA, amounting to €11.78 million, for the purpose of financing an investment in SITHONIA hotel. The actual weighted mean borrowing interest rates for the Group are listed below:

	<b>30/6/2009</b>	<b>31/12/2008</b>
Short term bank loan rate	<b>BEX-1%</b>	<b>BEX-1%</b>
Long term bank loan rate	<b>Euribor+2%</b>	<b>Euribor+2%</b>

#### 6.5. Suppliers and other liabilities

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

<i>amounts in € '000</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2009</b>	<b>31/12/2008</b>	<b>30/6/2009</b>	<b>31/12/2008</b>
Suppliers	21,871	30,303	268	334
Intercompany Accounts, Payable	0	0	3,789	3,791
Cheques Payable (post-dated)	4,821	8,160	15	180
<b>Total Liabilities</b>	<b>26,692</b>	<b>38,463</b>	<b>4,072</b>	<b>4,305</b>

The observed change in liabilities to suppliers figures is due mainly to the aforementioned collection of executed tasks by the owners of works in Romania and also repayment of liabilities to suppliers and payment of a significant part of domestic liabilities.



## 6.6. Other current liabilities

The other current liabilities of the Group and the Company are analysed as follows:

<i>amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Customers Advance Payments	2,228	1,806	9	9
Salaries and Daily Wages, Payable	1,718	1,295	11	11
Insurance Funds	839	1,387	1	4
Other Taxes (except Income Tax)	7,338	7,832	164	286
Dividends Payable	470	470	399	399
Provisions for Construction Contracts (IAS11)	33	90	1,068	1,068
Tax payable	6	6	0	0
Payable Fees for BoD Members	1,815	3,248	140	1,519
Payable Expenses	4,037	255	6	2
Liabilities from Affiliated Companies	0	0	14,348	2,667
Next Period Income - Grants	-24	0	0	0
Other short term liabilities	13,465	7,992	0	0
<b>Total Liabilities</b>	<b>31,925</b>	<b>24,381</b>	<b>16,146</b>	<b>5,965</b>

The change in accrued expenses is due to budgeted works and fees that have not yet been invoiced. And the change in other current liabilities is due mainly to advances for bookings made by tourism agencies for hotels in the Porto Carras complex, as well as guarantees for sound execution within the framework of the contracts of the branch in Romania.



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## 7. ADDITIONAL INFORMATION AND EXPLANATIONS

### 7.1. Accounting estimates and policies

The main accounting principles and assumptions used on 31<sup>st</sup> June 2009 have also been used in the interim Financial Statements as at 31 December 2008.

### 7.2. Existing real 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. There are no mortgages or pledges, or any other encumbrances on tangible assets to secure loan liabilities.

### 7.3. Commitments from Construction Contracts

The commitments of the group and the company regarding construction contracts are as follows:

<i>Amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Backlog of projects	110,752	131,554	5,131	5,131
Performance quarandee	78,320	73,682	1,247	1,440

### 7.4. Information about litigations against the Company and the Group:

- **Against the Parent Company**

Furthermore, a lawsuit has been filed against the Company for about €1,557,600.00 by DEKATHLON regarding studies 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 €45,087.10 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 has appealed and the appeal will be discussed on 17/02/2010 at the Chalkidiki Court of First Instance; it is believed that the lawsuit will be rejected.

- DIEDROS: It regards €256,475.43, in respect of fees for the elaboration of studies. It is believed that the lawsuit will be rejected.

- TRIGONO SA: It regards €147,453.73 in respect of expense claims from participation in a joint venture. At first instance the company has been found innocent.



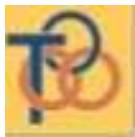
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- DIMOTSALI: It regards €72,214.28 in respect of compensation for damage to materials. The lawsuit was rejected at first instance but the plaintiff has appealed and the appeal will be discussed on 02/12/2009.
  - ASPIS PRONIA: It regards the MOCHLOS - ATTIKAT - VIOTER JV and the amount of €220,792 in respect of the insurance premium. At first instance the amount was reduced to €147,000. 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 the amount of €416,129. These are claims from a former partner, the president of ALPHA TECHNIKI, and has been tried at the court of appeal against the company; €13,000. An appeal shall be filed against such ruling at the Supreme Court.
  - PROMETHEUS SA: This concerns the AEGEK-MOCHLOS-EUR. TECHNIKI-EKTER JV and amounts to €459,484.09. This is compensation for a disaster that hit the KOULOURA-KLIDI project. It is estimated that the lawsuit shall be rejected.
  - GALAXIAS SA: Against MOCHLOS-ATHENS J/V; the amount is €162,130 and concerns a debt from subcontracted work. It will be tried on 05/11/2009. The quality of the works was poor and they were not accepted by Egnatia Odos. The loss suffered by the joint venture for restitution of poor workmanship was much larger. A cross bill will be filed by the joint venture for a much larger amount.
  - KLOUKINA: This lawsuit is against the Refinery JV and regards €799,707 in respect of default salaries. Rejected at first instance.

Furthermore, lawsuits have been filed against the Company for accidents at work for a total amount of €3,264,261. With respect to these cases the company is not expected to be charged with more than €385,694. Lawsuits are pending in view of claiming overtime amounting to €239,169 and subcontracting €2,968,859, which are all expected to be rejected.

Finally lawsuits claiming a total of €271,430.04 have been filed against the company, relating to court cases in Patras. As regards the above contingent liabilities, the Company has formed a provision charging the amount of about €600,000 to the results of previous years.

- **Against TOXOTIS SA**

- A lawsuit filed 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 excluded from the project. The lawsuit has been set for February 2010.
- Lawsuit filed by ALGOMA SA for €199,736, as it considers that it has suffered non-pecuniary damages as a result of the use of power of attorney documents regarding the TOXOTIS SA-ALGOMA SA JV, the existence of which it claims to have been unaware of; as a result, it never collected 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.



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- **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 20 March 2009, an application for conciliation submitted by the Company to the Director of the FAE Piraeus Tax Authority was rejected; the Company had applied for administrative settlement of the difference with respect to the imposition of tax amounting to €216,120, for having received, according to the Tax Authority, virtual tax data. The company filed an appeal against the above decision, given that it argues that these transactions were real and that the above fine was imposed unjustifiably. Moreover, it is estimated that there will be effects on its financial statements as the Management of the company considers that no fine will finally be imposed and, therefore, there is no reason to form a provision that would burden the closing financial year.

- **Against PORTO CARRAS SA**

There are no disputes before the courts or administrative bodies or in arbitration which could have a significant impact on the financial status or operation of the Company. The only pending litigations are the lawsuits of timesharers against the Company. As regards the timesharers 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 justice shall be done as regards this dispute, at least as regards the return of the letters of guarantee.

- **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 the above lawsuits shall be found inadmissible by the respective courts.



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- **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 million 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 will not only 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.

- **Against MOCHLOS SA**

- Company claims against third parties amount to a total of €186,246.10 million, of which €138,076.37 concern irrevocable court decisions but collection of such claims is considered doubtful due to the fact that the defendants do not have sufficient assets.

- Moreover, lawsuits from debtors for a debt of €4,500 are pending before the Patras Magistrate's court, while 70 appeals are pending for discussion and decision before the Patras Court of Appeal, the Patras Administrative Court of Appeal and the Council of State filed by MOCHLOS SA against ERGOSE SA, DEYAP Patras and the Greek State, by which the company requests that amounts ranging from €2,550 to €1,200,000 are paid to it.

- Finally, the company won its lawsuit against IFESTOS LEVITOPHIO SA at the court of appeal for an amount of about €85,000 and a lawsuit against PYRROS HELLAS SA, which is irrevocable, for an amount of about €62,000.



- **Against TOXOTIS SA**

FANTA REAL SA (two lawsuits), whereby the company requests a total of €547,000 because the former failed to return the advance payment it had received in respect of the execution of the project. The lawsuits were rejected by the Court of First Instance for formality reasons.

## 7.5. Open tax periods

TECHNICAL OLYMPIC has been tax audited until year 2005 while the company closed year 2006 by conclusion in accordance with L. 3697/2008. In year 2009, regular tax auditing of subsidiary SAMOS MARINAS SA commenced and was completed for years 2001-2006 without significant charges.

Total provisions made 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 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	2007-2008
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

## 7.6. Other contingent liabilities and contingent claims

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, besides those listed above.



## 7.7. Transactions with affiliated parties

Cross-company sales/ purchases for the period 01/01/2009 - 30/06/2009 and the respective comparative period 01/01/2008 - 30/06/2008 are presented below:

*amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
<b>Income</b>				
Subsidiaries	0	0	1,755	954
Associates	1	2	1	0
Joint Ventures	129	3	0	0
Other Affiliated Parties	31	4	2	0
<b>Total</b>	<b>161</b>	<b>9</b>	<b>1,758</b>	<b>954</b>

*Amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
<b>Priced Income from project implementation</b>				
Subsidiaries	0	0	0	1,202
Associates	0	0	0	0
Joint Ventures	0	1,521	0	0
Other Affiliated Parties	2,741	161	0	0
<b>Total</b>	<b>2,741</b>	<b>1,682</b>	<b>0</b>	<b>1,202</b>

*Amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
<b>Purchases and Remuneration from services</b>				
Subsidiaries	0	0	0	717
Associates	0	0	0	0
Joint Ventures	14	64	0	0
Other Affiliated Parties	0	2	0	0
<b>Total</b>	<b>14</b>	<b>66</b>	<b>0</b>	<b>717</b>



## 7.8. Claims / liabilities with affiliated parties

A breakdown of cross-company claims / liabilities on 30.06.09 and 31.12.08 is presented below:

*amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
<b><u>Receivable</u></b>				
Subsidiaries	0	0	30,533	29,104
Associates	18	17	18	17
Joint Ventures	5,291	5,430	0	0
BoD members	0	16	0	5
Management Executives	54	5	0	0
Other Affiliated Parties	5,162	2,023	16	13
<b>Total</b>	<b>10,525</b>	<b>7,491</b>	<b>30,567</b>	<b>29,140</b>

*Amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
<b><u>Credit Balance</u></b>				
Subsidiaries	0	0	18,231	6,457
Associates	0	0	0	0
Joint Ventures	2,156	1,839	0	0
BoD members	1,938	3,486	107	1,519
Management Executives	0	17	0	0
Other Affiliated Parties	185	224	0	2
<b>Total</b>	<b>4,279</b>	<b>5,567</b>	<b>18,338</b>	<b>7,978</b>

*Amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
<b><u>Receivables from from construction contracts</u></b>				
Subsidiaries	0	0	1	1
Other Affiliated Parties	1,773	96	0	0
<b>Total</b>	<b>1,773</b>	<b>96</b>	<b>1</b>	<b>1</b>

*Amounts in € '000*

	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
<b><u>Liabilities from from construction contracts</u></b>				
Subsidiaries	0	0	1,068	1,068
Other Affiliated Parties	0	17	0	0
<b>Total</b>	<b>0</b>	<b>17</b>	<b>1,068</b>	<b>1,068</b>



## 7.9. Management fees and benefits

Management fees and benefits at Group and Company level are presented below:

<i>Amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Fees for BoD Members (except salary)	406	5,357	0	2,350
Fees from Operating Profits	0	0	0	0
Management Fees	0	440	0	53
<b>Total</b>	<b>406</b>	<b>5,797</b>	<b>0</b>	<b>2,403</b>

No loans have been granted to members of the Board of Directors or to other executive members of the Group (including their families).

## 7.10. Provisions

Apart from the provisions that have already been mentioned, the company does not consider that by 30.06.2009 it should make additional provisions for any of the items on the balance sheet.

## 7.11. Income tax

A breakdown of income tax for the Group and the Company is presented below:

<i>Amounts in € '000</i>	GROUP		COMPANY	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
Tax for Financial Year	-592	-359	0	0
Previous Financial Years Tax Audit Difference	-18	-21	0	0
Deferred Tax	-1,847	-1,365	-2	261
<b>Total</b>	<b>-2,457</b>	<b>-1,745</b>	<b>-2</b>	<b>261</b>

## 7.12. Number of employed personnel

The number of persons employed by the Group and the Company during the 1<sup>st</sup> half of 2009 and 2008 is given below:

	GROUP		COMPANY	
	30/6/2009	31/12/2008	30/6/2009	31/12/2008
Number of employees	1,568	1,681	4	10



### 7.13. Employee benefits

The cost of the persons employed by the Group and the Company during the 1<sup>st</sup> half of 2009 and 2008 is presented below:

<i>amounts in € '000</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2009</b>	<b>30/6/2008</b>	<b>30/6/2009</b>	<b>30/6/2008</b>
Salaries, Daily Wages & Benefits	8,344	10,573	79	120
Social Insurance Expenses	2,379	3,287	11	22
Pension Benefits (Provisions)	95	97	2	4
Termination Compensations	223	55	0	0
Other Personnel Benefits	146	193	0	0
<b>Total</b>	<b>11,187</b>	<b>14,205</b>	<b>92</b>	<b>146</b>

### 7.14. Profit 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 as follows:

<i>amounts in € '000</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30/6/2009</b>	<b>30/6/2008</b>	<b>30/6/2009</b>	<b>30/6/2008</b>
Profit/(losses) after taxes attributed to the shareholders of the parent company	(5,374)	384,993	1,467	(3,909)
Weighted average number of shares	165,123,362	165,625,000	165,123,362	165,625,000
<b>Basic profits per share (€ / share)</b>	<b>(0.0325)</b>	<b>2.3245</b>	<b>0.0089</b>	<b>(0.0236)</b>



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## **8. DEVELOPMENTS CONCERNING FORMER SUBSIDIARY TOUSA INC**

To this date it has not been possible for the parent company to obtain information about the financial progress of its former subsidiary for the current period. When such information becomes available, any effect on the former parent company had it continued to consolidate the aforementioned subsidiary shall be announced.

Also, TECHNICAL OLYMPIC has not yet recognized any liabilities or claims in its consolidated balance sheet as regards its former subsidiary.



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## 9. OTHER SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

I. On 27.07.2009, merger through absorption by the Group's subsidiary, TOXOTIS SA, was completed with a relevant decision made by the Southern Athens County, on the basis of L.D. 1297/72 and the provisions of L.2190/20:

a) the following subsidiaries: 1.a) ATHENS SUBURBS DEVELOPMENT S.A. (in which subsidiary company TOXOTIS held a 99% participation, 2.a) ALVITERRA HELLAS ATEOE (in which TOXOTIS held 50%)

a) the following independent subsidiaries: 1.b) HELLENIC REAL ESTATE MANAGEMENT SA, 2.b) BEI CENTER SOLE TRADER COMPANY SA and 3.b) TC PARKING LTD.

After the above mergers, the participating interests of MOCHLOS SA in the subsidiary TOXOTIS SA amount to 57.68%, while the parent company of TECHNICAL OLYMPIC SA holds 2.87%.

II. On 17/08/2009, by virtue of a relevant decision made by the Ministry of the Environment, Physical Planning and Public Works, the 7<sup>th</sup> Class ΜΕΕΠ license of the MOCHLOS SA subsidiary was renewed.

There are no events subsequent to the financial statements' date regarding either the Group or the company that are required to be reported pursuant to the International Financial Reporting Standards.

**Alimos, 27 August 2009**

THE CHAIRMAN OF THE  
BOARD OF DIRECTORS

THE CHIEF  
DIRECTOR

THE FINANCIAL  
MANAGER

THE HEAD OF  
THE ACCOUNTING  
DIRECTOR

KONSTANTINOS A.  
STENGOS

GEORGIOS K.  
STENGOS

PANAGIOTIS N.  
KAZANTZIS

STYLIANI H.  
PAPADOPOULOU

ID card no. AB 342754

ID card no. AZ 592390

ID card no. AZ 020049

ID card no. Σ 576787

