Annual Financial Statements

for the period from 1st of January to 31st of December 2006

It is certified that the attached Financial Statements were approved by the Board of Directors of IKTINOS HELLAS SA on the 29.05.2007 and have already been published on the web through a posting at www.iktinos.gr It is noted that the consolidated financial data that were published in the press provide the reader with general knowledge on the financial data, but do not provide an overview of the Company's and Group's financial position and results, according to the International Financial Reporting Standards. Moreover, it is noted that for the sake of convenience some items have been summarized and reclassified in the consolidated financial data that were published in the press.

Evaggelos Nik. Chaidas

Chairman of the Board of Directors of IKTINOS HELLAS S.A.

AUDIT REPORT OF THE INDEPENDENT PUBLIC CERTIFIED ACCOUNTANT AUDITOR

To the Shareholders of the Public Limited Company "IKTINOS HELLAS SA"

Report on the Financial Statements.

We audited the attached (Company and Consolidated) Financial Statements of "IKTINOS HELLAS S.A." (the Company), consisting of the balance sheet as at 31st of December 2006 and the profit and loss account statements, equity changes and cash flow statements for the period ended at this date, as well as the summary of the important accounting policies and other explanatory notes.

Management Responsibility for the Financial Statements

The company Management is responsible for the preparation and due presentation of the Financial Statements according to the International Financial Reporting Standards, as adopted by the European Union. This responsibility includes the planning, application and maintenance of an internal audit system for the preparation and due presentation of the financial statements, free of substantial inaccuracies, attributed either to fraud or to errors. This responsibility also includes the selection and application of the appropriate accounting policies and the performance of accounting assessments, to a reasonable extent, under the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements, based on our audit. We conducted the audit according to the Greek Audit Standards, which conform to the International Audit Standards. These Standards require our compliance to the rules of conduct and the planning and performance of our audit in order to reasonably ensure that the financial statements are free from any substantial inaccuracy.

The audit includes the performance of procedures in collecting auditory evidence relative to the amounts and information included in the financial statements. Procedures are selected at the auditor's discretion and include risk assessment in case of a substantial inaccuracy in the financial statements, due to fraud or error. To assess this risk, the auditor takes into consideration the internal audit system relative to the drawing up and due presentation of the financial statements, with the purpose of planning auditory procedures for specific circumstances and not expressing an opinion on the effectiveness of the company's internal audit system. Furthermore, the audit includes the evaluation of the appropriateness of the implemented accounting policies and the reasonability of the assessments made on the part of the Management, as well as the evaluation of the overall presentation of the financial statements.

We believe that the auditory evidence which we have collected is sufficient and appropriate to substantiate our opinion.

Opinion

In our opinion, the attached Financial Statements fairly present the Company's financial position as at 31st of December 2006, its financial performance and its Cash Flows for the period ended at this date, according to the International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and regulatory issues.

The content of the Report of the Board of Directors is consistent with the attached financial statements.

Athens, 30th of May 2007

Konstantinos I. Niforopoulos
Register Number of the Public Certified Accountants Auditors Association 16541

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Note: All the amounts in the following tables are reported in euros

ΙΚΤΙΝΟΣ - ΕΛΛΑΣ Α.Ε.
ΕΛΛΗΝΙΚΗ ΒΙΟΜΗΧΑΝΙΑ ΜΑΡΜΑΡΩΝ

Profit and loss account statement

	Σημ.	THE GROUP		THE COMPANY	
Assets		**31/12/2006**	**31/12/2005**	**31/12/2006**	**31/12/2005**
Non current assets					
Tangible assets	6.1	8.855.036	9.196.502	7.020.481	7.346.007
Real estate investments	6.2	0	785.000	0	785.000
Company goodwill	6.3	355.891	0	-	-
Intangible assets	6.4	567.667	412.619	551.517	391.669
Investments in subsidiaries	6.5	-	-	927.807	7.881.116
Investments in associate companies		4.828.295	-	7.877	-
Deferred tax liabilities	6.6	828.815	957.355	778.499	886.023
Other long-term liabilities	6.7	15.206	9.697	10.707	5.252
		15.450.910	**11.361.172**	**9.296.889**	**17.295.067**
Non current assets held for sale	6.8	0	16.651.321	-	-
Current Assets					
Inventories	6.9	9.766.118	9.777.597	9.561.742	9.343.590
Trade and other commercial receivables	6.10	10.852.981	11.192.600	11.492.819	11.594.063
Other liabilities	6.11	1.609.418	1.271.940	1.507.289	1.242.833
Cash flows and equivalents	6.12	1.176.630	449.519	1.144.976	412.204
		23.405.146	**22.691.657**	**23.706.826**	**22.592.689**
Receivables directly related to assets characterized as held for sale	6.8	0	196.799	-	-
Total Assets		**38.856.056**	**50.900.949**	**33.003.715**	**39.887.756**
Equity & Liabilities					
Equity					
Share Capital	6.13	5.906.554	5.906.554	5.906.554	5.906.554
Above par	6.13	7.081.973	6.807.226	7.081.973	6.807.226
Fair value reserves	6.13	0	7.928.305	0	413.995
Other reserves	6.13	2.171.486	2.122.384	2.171.486	2.122.384
Results carried forward		9.479.031	(215.977)	4.840.355	4.160.306
Equity attributed to the Parent Company's shareholders		**24.639.043**	**22.548.492**	**20.000.368**	**19.410.465**
Minority Interests		76.420	3.004.368	-	-
Total Equity		**24.715.464**	**25.552.860**	**20.000.368**	**19.410.465**
Long-term Liabilities					
Long-term borrowings	6.14	6.520.596	7.740.991	6.239.346	7.740.991
Deferred tax liabilities	6.6	572.686	519.888	264.896	201.528
Staff pensions due to retirement	6.15	219.956	202.899	207.139	194.594
Subsidies	6.17	38.578	17.940	0	17.940
Provisions	6.16	82.199	319.336	77.772	319.336
Total Long-term Liabilities		**7.434.016**	**8.801.053**	**6.789.154**	**8.474.389**
Short-term Liabilities					
Suppliers and other liabilities	6.18	3.266.975	3.474.201	3.030.304	3.131.398
Current tax liabilities	6.19	466.777	557.283	463.717	542.971
Short-term borrowings	6.14	766.612	5.611.849	593.922	5.461.897
Long-term liabilities payable during next year	6.14	1.368.750	1.350.000	1.350.000	1.350.000
Short-term liabilities from financial derivatives	6.20	0	56.164	0	56.164
Other short-term liabilities	6.21	634.547	1.285.725	573.336	1.408.953
Short-term provisions	6.16	202.914	55.946	202.914	51.519
Total Short-term Liabilities		**6.706.576**	**12.391.169**	**6.214.193**	**12.002.902**
Liabilities directly related to assets characterized as held for sale	6.8	0	4.155.867	-	-
Total Liabilities		**14.140.592**	**25.348.089**	**13.003.347**	**20.477.291**
Total Equity and Liabilities		**38.856.056**	**50.900.949**	**33.003.715**	**39.887.756**

Balance Sheet

	Note	THE GROUP		THE COMPANY	
		01/01-31/12/2006	01/01-31/12/2005	01/01-31/12/2006	01/01-31/12/2005
Turnover	6.22	**15.528.129**	**14.573.217**	**15.098.741**	**14.171.496**
Sales cost	6.23	(10.631.963)	(9.935.406)	(9.721.880)	(9.800.264)
Gross profit		**4.896.166**	**4.637.811**	**5.376.861**	**4.371.232**
Other operating income	6.24	630.023	498.852	602.749	471.365
Disposal expenses	6.23	(1.764.463)	(1.337.597)	(1.691.814)	(1.291.932)
Administrative expenses	6.23	(2.010.354)	(1.629.018)	(1.880.961)	(1.453.154)
Other operating expenses	6.24	(466.549)	(126.606)	(349.433)	(125.267)
Financing and investing results profit/(loss) before tax		**1.284.824**	**2.043.442**	**2.057.401**	**1.972.244**
Financial income	6.25	77.165	3.072	77.165	3.072
Financial expenses	6.25	(1.054.827)	(904.406)	(1.026.990)	(873.468)
Other financial results	6.26	0,00	(55.007)	53.191	3.092
Investing activity results	6.27	3.245.579	0	276.025	0
Profit/(loss) before tax		**3.552.742**	**1.087.101**	**1.436.792**	**1.104.940**
Income tax	6.28	(465.667)	(644.564)	(454.767)	(591.055)
Net operating profit/(loss)		**3.087.074**	**442.538**	**982.025**	**513.885**
Operating rofit/(loss) from discontinued	6.8	(892.819)	367.872	-	-
Net profit/(loss) after tax and from discontinued activities		**2.194.255**	**810.409**	**982.025**	**513.885**
Split up between:					
Parent company's shareholders		2.318.872	710.054	982.025	513.885
Minority interests		(124.617)	100.355		
Shares weighted number		***9.460.950***	***9.376.700***	***9.460.950***	***9.376.700***
Basic Profits per Share	6.29	0,245	0,076	0,104	0,055
Summary of operating results:					
Financing and Investing Results and Amortizations before taxes		1.842.514	2.558.904	2.528.227	2.285.765
Financing and Investing Results before taxes		1.284.824	2.043.442	2.057.401	1.972.244
Operating rofit/(loss) from discontinued		(892.819)	367.872		
Profit/(loss) before tax		3.552.742	1.087.101	1.436.792	1.104.940
Net profit/(loss) after tax and from discontinued activities		**2.194.255**	**810.409**	**982.025**	**513.885**

Equity changes consolidated statement

Equity changes consolidated statement

	Attributed to the parent company's shareholders							
	Share Capital	**Above par**	**Fair value reserves**	**Other reserves**	**Results carried forward**	**Total**	**Minority Interests**	**Total**
Balances on the 1st of January 2005, according to the IFRS	**5.906.554**	**6.807.226**	**7.405.173**	**2.002.098**	**376.733**	**22.497.784**	**2.890.255**	**25.388.039**
Equity change for the period 01/01 - 31/12/05								
Tax rate change				7.524		*7.524*		*7.524*
Dividends					(666.869)	*(666.869)*		*(666.869)*
Funds changes due to company merger				48.499	(48.499)	*0*		*0*
Decrease of minority interests due to Company liquidation						*0*	(1.183)	*(1.183)*
Increase of minority insterests due to company formation						*0*	14.940	*14.940*
Net Operating Results **01/01-31/12/2005**			523.132	64.264	122.658	*710.053*	100.355	*810.409*
Total Recognized Operating Profit/loss			523.132	120.286	(592.710)	50.708	114.112	**164.820**
Equity Balance on the 31st of December 2005	**5.906.554**	**6.807.226**	**7.928.305**	**2.122.384**	**(215.977)**	**22.548.492**	**3.004.368**	**25.552.860**
Balances on the 1st of January 2006	**5.906.554**	**6.807.226**	**7.928.305**	**2.122.384**	**(215.977)**	**22.548.492**	**3.004.368**	**25.552.860**
Equity change for the period 01/01 - 31/12/06								
Real estate investment sale			(413.995)		413.995	*0*		*0*
Equity change due to the purchase of a subsidiary's share					163.800	*163.800*	(42.909)	*120.891*
Dividends					(666.869)	*(666.869)*	(160)	*(667.029)*
Decrease of minority interests due to the sale of a subsidiary						*0*	(2.760.261)	*(2.760.261)*
Net income entered directly in equity		274.747				*274.747*		*274.747*
Operating profit/(loss) from discontinued activities			(7.514.310)		6.694.008	*(820.302)*	(72.517)	*(892.819)*
Profit/(loss) from participation in the results of an associated company					2.969.554	*2.969.554*		*2.969.554*
Net Operating Results **01/01-31/12/2006**				49.101	120.519	*169.620*	(52.100)	*117.521*
Total Recognized Operating Profit/loss	0	274.747	(7.928.305)	49.101	9.695.008	**2.090.551**	(2.927.947)	**(837.396)**
Equity Balance on the 31st of December 2006	**5.906.554**	**7.081.973**	**0**	**2.171.486**	**9.479.030**	**24.639.043**	**76.421**	**24.715.464**

Parent Company's equity changes statement

	Share Capital	Above par	Fair value reserves	Other reserves	Results carried forward	Total
Balances on the 1st of January 2005	**5.906.554**	**6.807.226**	**292.585**	**2.011.916**	**6.414.096**	**21.432.377**
Equity change for the period 01/01 - 31/12/2005:						
Funds changes due to company merger				38.681	(1.915.133)	*(1.876.452)*
Tax rate change				7.524		*7.524*
Dividends					(666.869)	*(666.869)*
Net Operating Results **01/01-31/12/2005**			121.410	64.264	328.211	*513.885*
Total Recognized Operating Profit/loss			121.410	110.468	(2.253.791)	(2.021.913)
Equity Balance on the 31st of December 2005	**5.906.554**	**6.807.226**	**413.995**	**2.122.384**	**4.160.306**	**19.410.465**
Balances on the 1st of January 2006	**5.906.554**	**6.807.226**	**413.995**	**2.122.384**	**4.160.306**	**19.410.465**
Equity change for the period 01/01 - 31/12/06:						
Real estate investment sale			(413.995)		413.995	*0*
Dividends					(666.869)	*(666.869)*
Net income entered directly in equity		274.747				*274.747*
Net Operating Results **01/01-31/12/2006**				49.101	932.924	*982.025*
Total Recognized Operating Profit/loss	0	274.747	(413.995)	49.101	680.050	***589.903***
Equity Balance on the 31st of December 2006	**5.906.554**	**7.081.973**	**0**	**2.171.485**	**4.840.355**	***20.000.368***

Cash flow statement

	THE GROUP		THE COMPANY	
	01/01-31/12/2006	01/01-31/12/2005	01/01-31/12/2006	01/01-31/12/2005
Net profit/ (loss) of the period before tax	**3.552.742**	**1.087.101**	**1.436.792**	**1.104.940**
Net profit/ (loss) of the period for discontinued operations	**(864.865)**	**(52.226)**	-	-
Plus / minus adjustments for:				
Amortizations	557.689	515.462	470.826	313.524
Provisions	(265.619)	63.337	(270.131)	63.195
Exchange rate differences	65.150	(42.765)	65.150	(42.765)
Results (income, expenses, profits and loss) of investing activity	(3.499.135)	(186.982)	(571.080)	(188.935)
Debit interest and similar expenses	1.054.736	904.406	1.026.899	873.468
Plus/ minus adjustments for working capital account modifications or modifications relative to operating activities:				
Decrease / (increase) of nventories	11.479	(471.333)	(218.151)	(129.035)
Decrease / (increase) of receivables	(15.327)	(1.287.507)	(180.627)	1.736.864
(Decrease) / increase of payables (except banks)	(267.709)	464.934	(282.272)	(2.714.753)
Minus:				
Debit interest and similar expenses paid up	(837.061)	(665.110)	(834.481)	(649.099)
Paid up taxes	(943.479)	(555.776)	(943.479)	(526.011)
Discontinued Activity Operating activities	588.891	154.887	-	-
Total inflows / (outflows) from operating activities (a)	**(862.508)**	**(71.572)**	**(300.556)**	**(158.606)**
Investing activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	(623.210)	0	(623.210)	(71.207)
Liquidation - Sale of subsidiaries, associated companies, joint ventures and other investments	7.853.623	(3.135)	7.853.623	56.000
Purchase of tangible and intangible fixed assets	(433.858)	(557.074)	(361.985)	(488.172)
Proceeds from sales of tangible and intangible assets	128.145	1.300	127.975	1.300
Proceeds from real estate investment sales	785.000	0	785.000	0
Proceeds from financial assets sales	274.747	59.075	274.747	59.075
Collected interests	77.165	3.072	77.165	3.072
Collected dividends	10.500	80	10.500	80
Discontinued activity Investing activities	(214.124)	(125.078)	-	-
Total inflows / (outflows) from investing activities (b)	**7.857.988**	**(621.760)**	**8.143.815**	**(439.851)**
Financing activities				
Proceeds from share capital increase	0	14.940	0	0
Proceeds from investment subsidies	55.849	53.820	0	53.820
Proceeds from issued / raised bank borrowings	32.346.250	32.857.435	31.245.820	32.648.121
Repayment of borrowings	(38.244.394)	(31.486.496)	(37.466.702)	(31.427.349)
Repayment of liabilities from leasings (amortizations)	(148.738)	(145.012)	(148.738)	(24.829)
Paid up dividends	(767.436)	(583.058)	(740.868)	(583.058)
Discontinued Activity **Financing activities**	470.948	0	-	-
Total inflows / (outflows) from financing activities (c)	**(6.287.521)**	**711.629**	**(7.110.487)**	**666.705**
Net increase / (decrease) in cash flow and equivalents for the period (a) + (b) + (c)	**707.959**	**18.297**	**732.772**	**68.248**
Cash flows and equivalents at the beginning of the period	449.520	410.655	412.204	343.955
Cash flows and equivalents at the beginning of the Discontinued Activity **period**	19.151	39.719	-	-
Cash flows and equivalents at the end of the period	**1.176.630**	**449.571**	**1.144.976**	**412.204**
Cash flows and equivalents at the end of the Discontinued Activity period	**0**	**19.100**	-	-
TOTAL	**1.176.630**	**468.671**	**1.144.976**	**412.204**

Board of Directors executive report

A) General Overview

General

During 2006, the Company has completed 32 years of successful presence in the Greek and foreign markets.

The year 2006 was a very good one for both the Company and the IKTINOS HELLAS SA Group, since it managed on the one hand to increase all fundamentals and on the other hand to substantially improve its liquidity by decreasing substantially its Short-Term Bank borrowing.

Important events for the Group of IKTINOS HELLAS SA.

The most important events during 2006 were the following:

1. **Transfer of majority shares package of IKTINOS CONSTRUCTION & TOURISM SA subsidiary and cooperation with Dolphin Capital Investors LTD.**

On the 19th of December 2006, the final contracts for the transfer of a majority shares package of IKTINOS CONSTRUCTION & TOURISM SA were executed (a subsidiary of IKTINOS HELLAS SA) to DolphinCI Thirteen Limited of Cyprus, a 100% subsidiary of Dolphin Capital Investors LTD, listed in the Alternative Investment Market of London Stock Exchange (AIM).

To this end, IKTINOS HELLAS S.A. formed the Cypriot company under the name LATIRUS ENTERPRISES LIMITED to which 94.155% of the shares of IKTINOS CONSTRUCTION & TOURISM SA was transferred, in other words all the shares held by IKTINOS HELLAS SA (77.99%) and Evaggelos Chaidas (16.165%).

Then, DolphinCI Thirteen Ltd took over a share to cover the share capital increase of LATIRUS ENTERPRISES Ltd. As a result, it holds 79.656% of LATIRUS ENTERPRISES LIMITED. IKTINOS HELLAS SA maintained the remaining shares (20.344%), aiming at the development and operation of the tourism and residential land of around 2,000,000 square meters owned by IKTINOS CONSTRUCTION % TOURISM SA in the Faneromenis Bay, Municipality of Siteia, Crete.

It is noted that by means of the same contracts, Mr. Evaggelos Chaidas, who is also the Chairman and Managing Director of IKTINOS HELLAS SA, transferred his entire personal share in Latirus Enterprises Ltd to DolphinCi Thirteen Ltd. It is noted that this transfer was carried out with the same price and the same terms per share.

This transaction had the following results:

a) IKTINOS HELLAS S.A. received in cash an amount of 7,844,576 euros.

b) IKTINOS HELLAS S.A. acquired shares representing 20.344% of LATIRUS ENTERPRISES LIMITED, which holds 94.155% of the shares of IKTINOS CONSTRUCTION & TOURISM S.A.

c) From this sale a loss incurred amounting to € 820,301, broken down as follows:

Loss from sale of IKTINOS CONSTRUCTION & TOURISM	**(2.410.568,05)**
Plus Profit from sale of associate's share [1]	1.850.864,07
Loss from sale of discontinued activity assets	**(559.703,97)**
The operation result of IKTINOS CONSTRUCTION & TOURISM amounts to 329,473.42 and the operating result of IKTINOS SUPPLIES corresponds to 3,640.88	(333.114,30)
	(892.818,27)
To IKTINOS	(820.301,17)
To minority	(72.517,10)
	(892.818,27)

[1] The increase of LATIRUS LTD's share capital by 9,126,557 in which IKTINOS HELLAS S.A. did not participate is part of the sale of IKTINOS CONSTRUCTION & TOURISM S.A., and therefore, proper transaction presentation calls for its report in the Discontinued Activities and not in the results before taxes, and more particularly under the "Results from investing activities" entry and from that resulted a profit of 1,850,864 (proportion based on the withholding rate of 20.344%)

d) IKTINOS HELLAS S.A. shall receive an amount of 4,157,673 euros provided that, based on the Sale and Purchase Agreement, it manages to obtain the building permits and purchase at least 400,000 square meters of land. It is noted that this amount shall be entered in the Operating Results of IKTINOS HELLAS SA upon fulfilment of the above terms.

Moreover, the following special terms are also provided: a) if the above terms are not met, this property shall be sold and DolphinCi Thirteen Ltd shall keep the initially paid amount with 8% annual interest rate and the remaining amount shall be allocated proportionately, b) that if DolphinCi Thirteen Ltd sells its share in Latirus Ltd to a third party, it shall immediately pay the price of 4,157,673 €

The benefits from this agreement were:

- A substantial improvement in the Liquidity of the Company. It is noted that the largest part of the amount collected in cash was allocated for the repayment of the Short-term Bank borrowings of

IKTINOS HELLAS SA. Consequently, the Short-term Bank borrowing on a Consolidated basis was decreased from 6,961,849 euros to 2,135,362 euros

- IKTINOS HELLAS SA continues to participate by investments in the real estate sector through IKTINOS CONSTRUCTION & TOURISM SA that is now an associated company not a subsidiary one, and to expect more goodwill once this Investment is completed.
- The Management believes that on a medium-term basis the terms of the agreement shall be met (the acquisition of the relative permits) and therefore the Results of the next Years, hence the Company's liquidity, shall be increased by 4,157,673 euros.

The business plan is as follows:

A. The business Plan for the development of the tourism and residential area that has been agreed to be implemented by IKTINOS CONSTRUCTION & TOUR8ISM SA through the Cypriot company LATIRUS ENTERPRISES LTD, which IKTINOS HELLAS SA controls by 20.344% provides:

1. the construction of a Tourism Facility, including a 700-bed and 5-star Hotel, a convention centre which can accommodate 500 people, a thalassotherapy centre for 100 people and a marina for 85 leisure crafts, in the location of Faneromenis Bay, Municipality of Siteia.
2. First residential area – private city planning (construction of summer residences and shops for the residents), according to paragraph 6, Article 24, Law 2508/1997 regarding areas of especially regulated city planning in the location of Faneromenis Bay, Municipality of Siteia.
3. Construction of an 18-hole golf course in the location of SOPATA - MESORACHI near the Faneromenis Bay, Municipality of Siteia.
4. Second residential area – private city planning according to paragraph 6, Article 24, Law 2508/1997 regarding areas of especially regulated city planning, in the location of SOPATA – MESORACHI.
5. Purchases of adjacent land of around 400,000 square meters in the location of SOPATA – MESORACHI.

B. To realize the business plan and in order to receive the remaining amount of €5,300,000, (IKTINOS €4,157,673 & EVAGGELOS CHAIDAS €1,142,327) IKTINOS HELLAS SA and EVAGGELOS CHAIDAS, based on the contract for the transfer of the majority share package of IKTINOS CONSTRUCTION & TOURISM SA to DOLPHINCI

THIRTEEN LIMITED (a wholly owned subsidiary of DOLPHIN CAPITAL PARTNERS), must do the following:

1. Mediate and negotiate with the landowners of the 400,000 square meters to have this land purchased by IKTINOS CONSTRUCTION & TOURISM (by 30/04/207 65,000 square meters had already been bought).

   The price for the purchase of the above land, which shall be paid by the shareholders of IKTINOS CONSTRUCTION & TOURISM SA by gradual capital increases, must remain within predefined price limits, beyond which it shall incur the decrease of the amount due.

2. Issue the necessary permits for the implementation of the business plan, as described in paragraphs A1-A2A3-A4 herein, as follows:

2.1. Regarding the tourist facility as described in paragraph A1 herein, Environmental Conditions approval under reference number 3203/10.10.05 has already been acquired and the relative Architectural etc. projects are still pending in order to be submitted to the competent authorities so as to obtain the building permits for the facility.

LATIRUS ENTERPRISES LTD, supported by DOLPHIN CAPITAL PARTNERS must find and assign the above projects to an independent consultancy, as well as to find hotel operators.

Once the projects have been drawn up and submitted for approval, IKTINOS HELLAS SA and Evaggelos Chaidas shall mediate for the promotion and issuance of the building permits.

2.2. For the first residential area the Preliminary Environmental Assessment under reference number 12975/11.5.07 has already been received, as well as the positive opinion of the Special Environmental Authority relating to the provision of certificate on private city planning listed under par. 6, article 24, Law 2508/1997.

Moreover, a project under reference number 20179/16.5.07 has been submitted to the City Planning Division of the Ministry for the Environment, Physical Planning & Public Works for the provision of the said certificate listed under par. 6, article 24, L. 2508/1997.

After the provision of the certificate, an environmental study shall be prepared and the city planning design shall follow by a special designing office which shall be found by LATIRUS ENTERPRISES LTD with the support of DOLPHIN CAPITAL PARTNERS.

After the preparation and submission of the designs for approval, IKTINOS HELLAS SA and Evaggelos Chaidas shall mediate for the promotion and issuance of the environmental studies and the building permits.

2.3 For the construction of an 18-hole golf course in the location of Sopata – Mesorachi the approval of the preliminary Environmental Assessment from the Environmental Planning

Division of the Ministry for the Environment, Physical Planning and Public Works is expected within June.

LATIRUS ENTERPRISES LTD, with the support of DOLPHIN CAPITAL PARTNERS, must assign the planning and construction project of the Golf Course to a special consultancy, as well as to find a Golf operator.

2.4 Second residential area (area of especially regulated city planning) in the location of SOPATA - MESORACHI.

A preliminary Environmental Assessment shall be submitted and the procedure of paragraph B2.2 shall be followed.

3. Out of the adjacent land of 400,000 square meters mentioned in paragraph A5, approximately 65,000 square meters had been bought by 30/4/07.

As regards the implementation of this Investment, it should be noted that:

i) This subsidiary, after purchasing new lands during the year 2006 (an amount of 36,737 euros was allocated) disposes another lot of around 2,000,000 square meters in the locations of Faneromenis Bay on the seaside and in the plateau of Sopata – Mesorachi which are included in the General City Plan of the Municipality of Siteia for land uses such as private city planning and tourism facilities. Moreover, a substantial step towards the implementation of the Investment was the inclusion of the area in zones which were appropriate for development through the mechanism of especially regulated city planning, whereby the land use included in the category of "Tourism - Recreation" is permitted. This decision (Nr. 4420 / Approval of General City Planning of the Municipality of Siteia, Prefecture of Lasithi/ General Secretariat of the District of Crete), was published in the Official Government Gazette (Official Government Gazette 227 / 29-16-2006 Bulletin of Forced Expropriation and City Planning Issues).

ii) The cooperation with the investment company Dolphin Capital Investors LTD (listed in the London Stock Exchange (AIM) shall contribute to implementing this Investment faster.

Two members selected by IKTINOS HELLAS SA participate in the new Board of Directors of IKTINOS CONSTRUCTION & TOURISM SA (one of which will be Mr. Evaggelos Chaidas as the Managing Director). The other members of the company’s BoD will be selected by the investor.

2. Purchase of an additional share in the “VIS LAPIS LTD” Subsidiary

VIS LAPIS LTD, a 50.2% of which is held by IKTINOS HELLAS SA (for which it paid 15,060 euros), was founded on the 12.05.2005, aiming at the expansion of activities in project undertaking and the construction of special marble applications (the remaining share was held by Mr. Petroulas Michail, who is very experienced in the execution of such projects).

The decision of IKTINOS HELLAS SA to establish VIS LAPIS LTD falls within the framework of its wider strategy to enter know-how and state-of-the art sectors with products and services that meet the needs of today's market, with high added value and make the company stand out from its competitors.

During 2006, IKTINOS HELLAS SA acquired 495 company shares from Mr. Petroulas Michail, namely 49.5% of VIS LAPIS LTD for an amount of 230,000 euros and therefore it holds 99.7%. It is noted that the total Company value was estimated by an independent expert (Mavromitros Leonidas, Public Certified Accountant Auditor of the Auditing Company BAKER TILL HELLAS S.A.) to the amount of 505,000 euros. This acquisition meant to restructure this Company smoothly in order for it to become the exclusive distributor of IKTINOS HELLAS SA's products and to extend to the undertaking of integrated supply and installation projects (applications). This would lead to an increase of IKTINOS HELLAS SA's turnover and to more profits for VIS LAPIS LTD.

3. Sale of a real estate owned by IKTINOS HELLAS SA in Thasos.

This was a real estate located in the island of Thasos and more specifically in the site of Mourgena, comprised of a 9,037 square meter lot with an industrial plant of 960 square meters which had not been used for many years (in the Financial Statements it was under the "Real Estate investments" entry valued at 785,000) for an amount of 785,000 euros in cash. The above amount increased the liquidity of the Company.

4. Value assessment of the real estate in Crete owned by IKTINOS CONSTRUCTION & TOURISM SA

The value of the land owned now amounts to 32,210,000 euros, following its inclusion in zones appropriate for development through the mechanism of the especially regulated city planning areas whereby land uses included in the "Tourism - Recreation" category are permitted and according to the assessment of "Colliers International" on the 31-12-2006.

B Fundamentals – operations progress

The Company

The company's Fundamentals during the Year 2006 compared to the previous Year 2005 give the following picture:

General Observations

The following data concerning the Year 2005 report changes compared to the respective published data for the Year due to a modification which was announced and published in the Stock Exchange website on 21/12/2006.

<< ANNOUNCEMENT ABOUT THE FINANCIAL STATEMENTS OF THE PERIOD 30/6/2005, 30/9/2005, 31/12/2005, 30/6/2006 and 30/9/2006

Remunerations to the members of the BoD burden the operating results of the period during which they are approved and are not deducted directly from the company's own capital, according to the decision of the Accounting Standardization Committee number 318ΑΠ/2-11-2006 and upon our query. Therefore, the following published data have been modified as follows:

The operating results before taxes for the Group for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are as follows:

Before entering the Bod remunerations, the results before taxes for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 662,98 euros, 963,571 euros and 1,134,875 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 562,698 euros, 30/9/2005 to 863,571 euros and 31/12/2005 to 1,034,875 euros.

The operating results before taxes for the Company for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are formed as follows:

Before entering the Bod remunerations, the results before taxes for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 697,053 euros, 1,007,643 euros and 1,204,940 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 597,053 euros, 30/9/2005 to 907,643 euros and 31/12/2005 to 1,104,940 euros.

The results after taxes for the Group for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are formed as follows:

Before entering the Bod remunerations, the results after taxes for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 445,711 euros, 548,375 euros and 910,409 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 345,711 euros, 30/9/2005 to 448,375 euros and 31/12/2005 to 810,409 euros.

The results after taxes for the Company for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are formed as follows:

Before entering the Bod remunerations, the results after taxes for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 473,996 euros, 618,635 euros and 613,885 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 373,996 euros, 30/9/2005 to 518,635 euros and 31/12/2005 to 513,885 euros.

The results after taxes and minority interests for the groups for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are formed as follows:

Before entering the Bod remunerations, the results after taxes and minority interests for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 452,675 euros, 542,551 euros and 910,053 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 352,675 euros, 30/9/2005 to 442,551 euros and 31/12/2005 to 810,053 euros.

The earnings per share for the Group for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are formed as follows: Before entering the Bod remunerations, the earnings per share for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 0.048 euros, 0.058 euros and 0.086 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 0.038 euros, 30/9/2005 to 0.047 euros and 31/12/2005 to 0.076 euros.

Earnings per shares for the Company, for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 are as follows:

Before entering the Bod remunerations, the earnings per share for the periods of 30/6/2005, 30/9/2005 and 31/12/2005 amounted to 0.051 euros, 0.066 euros and 0.065 euros respectively.

After entering the Bod remunerations, they were formed as follows: 30/6/2005 to 0.040 euros, 30/9/2005 to 0.055 euros and 31/12/2005 to 0.076 euros.

There is no change to the company’s and Group’s Equity. >>

Turnover – Operating results

(amounts in thousands of euros)	2006	2005	Change
- Turnover	15,098	14,171	+6.5%
- Gross Results	5,376	4,371	+23.0%
- Profits before taxes	1,436	1,104	+30.1%

The profits before taxes for 2005 changed by

Note: *The Profits before taxes for the Year 2005 are found less by 100,000 euros compared to the published ones due to a relative modification which was announced and published in the Stock Exchange website on the 21/12/2006.*

Net – Company's Equity

(amounts in thousands of euros)	31-12-2006	31-12-2005	Change
- Total company	20,000	19,410	+ 3.0 %

Held securities – own shares

On 31.12.2006 the company held shares only in holdings of the subsidiaries and associated companies.

It is noted that during the Year 2006 and pursuant to a decision adopted by the Company's Board of Directors on 15/03/2006, all the Company's shares would be sold, namely 150,000 shares in its own capital. Within the period from 07.04.2006 to 07.07.2006 all shares in its own capital (150,000 shares) were sold at an average selling price of 1.84 euros each. More particularly, the shares were sold as follows:

On 07/04/2006 55,000 own shares were sold for 1,55 euros each, on 06/07/2006 35,000 own shares were sold for 2,01 euros each and on 07/07/206 the remaining 60,000 own shares were sold for 2,01 euros each. It should be reminded that the total of own shares was purchased during the year 2003 by virtue of the decision of the Company's Shareholders Extraordinary General Meeting on 17.02.2003.

Company Real Estates

The company owns the following real estates:

A 7,175 square meter real estate located at 7, Likovriseos Str.—Metamorfosi, with a 964 square meter industrial plant and an office complex of 738 square meters.

Real estates in Marousi, on 56 Herakleion Motorway, a basement of 112 square meters and 6 underground parking lots of total 99 square meters.

On the real estate of 7, Likovriseos str., charges have been registered amounting to 7,000,000 euros to cover a five-year term bond loan of an initial amount of 9,000,000 issued by EUROBANK. The unpaid balance of this loan amounted to 7,589,346 euros on 31-12-2006.

Branches

The company operates the following branches, quarries and warehouses as well as a Public Relations office.

1. LARISA – 4TH KM OF THE LARISA – ATHENS MOTORWAY
2. CRETE – 4TH KM OF HERAKLION – MOIRON ROAD
3. CORINTH 79TH KM OF THE ATHENS – CORINTH MOTORWAY

Quarries

1. VOLAKAS DRAMA
2. PLATANOTOPOS KAVALA
3. THASOS KAVALA

Warehouses

1. METAMORFOSI – 12TH KM ATHENS – LAMIA (integrated to a central one)
2. METAMORFOSI – 16 AMALIADOS STR. – LYMATA location
3. PUBLIC RELATIONS OFFICE
4. 7, PAGAIOU STR., DRAMA

Research and quarries sector

During the fiscal year 2006, the company furthered its efforts to exploit more quarries.

More particularly:

a) It acquired a quarry operation permit in an area of 46,305 square meters in Platanotopos of Kavala. It is a quarry adjacent to our quarry from which GOLDEN SPIDER marble is extracted.

b) Acquired a research permit in two quarry areas of 82,500 square meters and 82,500 square meters respectively in the location of FTELIA in the Municipal Department of Makryplagio, Prefecture of Drama, (decisions under reference number 1774 and 1775/8.06.06 on the conduct of research by the District of East Macedonia - Thrace).

c) It acquired a research permit for the Quarry located in "Fountouklouki" of the Municipal Department of Ohyro, Municipality of Nevrokopi, Prefecture of Drama of 64,500 square meters. (decision under reference number 3667/15.12.06 on the conduct of research by the District of East Macedonia - Thrace).

d) Research Permit in Quarries of Stenopos, in Ag. Kosmas (decision under reference number 364 and 365/31.01.07 on the conduct of research by the District of East Macedonia - Thrace)

THE GROUP

The companies in which IKTINOS HELLAS SA participated on the 31-12-2006 are included in the consolidated Group financial statements as follows:

NAME	REGISTERED OFFIC	%
SUBSIDIARIES		
IKTINOS HELLAS S.A.	7, Likovriseos str., Metamorfosi, At	Parent Company
FIDIAS HELLAS S.A.	12A Tinou str., Vrillisia, Attica	90.00%
KALLITECHNOKRATIS LTD	7, Likovriseos str., Metamorfosi, At	30.00%
VIS LAPIS LTD	12A Tinou str., Vrillisia, Attica	99.70%
AFFILIATES		
LATIRUS ENTERPRISES Ltd	Nicosia, Cyprus	20.344%
Which controls:		
IKTINOS CONSTRUCTION & TOURISM S.A.	7, Likovriseos str., Metamorfosi, At	94.155%

As to the above participation, the following changes should be stressed, made based on 31-12-2005:

i) On 31-12-2005 using the method of Total Consolidation, IKTINOS HELLAS S.A. consolidated IKTINOS CONSTRUCTION & TOURISM S.A. in which it held a share of 77.99%. On 31-12-2006 used the method of Equity Consolidation to merge the company as an associated company, since it is a subsidiary of LATIRUS ENTERPRISES Ltd.

ii) On 31-12-2005 using the method of Total Consolidation, IKTINOS HELLAS S.A. consolidated IKTINOS SUPPLIES LTD, since it was a subsidiary of IKTINOS CONSTRUCTION & TOURISM S.A. and controlled it on the whole.

iii) Total Consolidation KALLITECHNOKRATIS LTD: The company has selected the method of total consolidation, since the parent company has the control of the subsidiary Kallitechnokratis LTD based on the IAS 27 § 13, according to which: The control is presumed when more than half of the voting rights of a financial entity belong, either directly or indirectly through subsidiaries, to the parent company, unless, under exceptional circumstances, it may be clearly evidenced that such an ownership does not constitute control. Moreover, the control exists even if the parent company owns half or less of the voting rights of a financial entity, when there is: (a) a control right exceeding half of the voting rights, by virtue of an agreement with other investors, (b) the right to direct the financial and business policy of the other financial entity, according to a statutory or contractual term, (c) the right to appoint or remove the majority of the members of the Board of Directors or other equivalent administrative body which governs the financial entity or (d) the right to influence the majority in the meetings of the Board of Directors or equivalent administrative body which governs the financial entity. The Company has the effective and formal management of this subsidiary, since a) Mrs. Ioulia Chaida (vice president of the Parent Company Board of Directors) is an administrator of the Kallitechnokratis LTD, with the right to sign alone all administrative deeds allowed by the articles of association (namely, with the exception of any issues which are resolved during the shareholders' meeting). b) Since it was founded, the company shares the same facilities with the Parent Company and its main operation is conducted using the administrative and financial services of the Parent Company.

Turnover – Operating results

The progress of the Group Fundamentals in the Year 2006 as compared to the previous Year 2005 was the following:

(amounts in thousands of euros)	2006	2005	Change
- Turnover	15.528	14.573	+6.5%
- Gross Results	4.896	4.638	+5.6%
- Profits before taxes	3.553	1.087	+226.9%

Note: *The Profits before taxes for the Year 2005 are found less by 47,774 euros as compared to the published ones, due to: a) A decrease by 100,000 euros due to a relative modification which was announced and published in the Stock Exchange website on 21/12/2006 and b) An increase by*

52,226 euros due to a relative modification which concerned a relative modification due to the appearance of a "Discontinued activity".

It is noted that the Profits before taxes were positively influenced by a) the increase of the Group Investing results and b) the increase of the Parent Company Profits and negatively by the increased loss of the Group's Subsidiaries a) FIDIAS SA and b) VIS LAPIS LTD

Net – Group Equity

The progress of the Group Fundamentals in the Year 2006 as compared to the previous Year 2005 was the following:

(amounts in thousands of euros)	31-12-2006	31-12-2005	Change
- Total company equity	24,639	22,549	+9.3%
-Minority interests	76	3,004	-97.5%
-Total Equity	24,715	25,553	-3.3%

The substantial decrease of the "Minority interests" is attributed to the sale of the subsidiary IKTINOS CONSTRUCTION & TOURISM SA.

Group Real Estates

Apart from the parent company's real estates (mentioned above), the Group owns the following real estates:
A 4,000 square meter lot with a 891 square meter industry plant in Vrilissia (FIDIAS HELLAS SA)

Bonded loan received by a Group subsidiary

On the 27/3/06 the company of the Group FIDIAS SA concluded a Bonded Loan amounting to 300,000 euros, payable in 16 equal quarterly instalments, the last of which expires on 15/7/2011. For this loan the Parent Company, IKTINOS HELLAS SA, has made guarantees to the Bank.

Approval to vary the allocation of the Collected Funds

On 27.06.2006, during the Shareholders' Annual Ordinary General Meeting of the subsidiary IKTINOS CONSTRUCTION & TOURISM SA, one of the issues in the agenda was to vary the allocation of the funds collected on 10.11.2001 through the decided share capital increase (Extraordinary General Meeting decision). This decision was unanimously approved. It should be reminded that according to the decision of the shareholders Extraordinary General Meeting of IKTINOS HELLAS SA on 24.04.2001 its share capital increase had been decided by 1,233,455.67 Euros through the issuance of 2,101,500 shares of a nominal value of 0.5869 euros each and a disposal price of 2.9347 each and a total amount of 6,167,278.06 euros was collected.

From the funds collected through this increase, an amount of 1,467,350 euros was allocated for the participation in the share capital increase of the subsidiary IKTINOS CONSTRUCTION & TOURISM SA, decided according to the Minutes of the Extraordinary General Meeting on 10.11.2001.
The funds collected from this share capital increase in cash were allocated during the 4th quarter of 2001 and the report was published in the EXPRESS newspaper of 28.02.2002.

The amount of 1,467,350 euros which resulted from this share capital increase as mentioned in detail in the Minutes of the General Meeting of our company "IKTINOS HELLAS SA" dated 24.04.2001 had been decided to be used for the first investments of IKTINOS CONSTRUCTION & TOURISM SA in the seaside lot owned by the subsidiary in the Faneromenis Bay of the Municipality of Siteia, Crete. More particularly, it had been decided:

1) To invest an amount of 100M GRD (namely around 293.47K euros) for the purchase of the necessary land which is adjacent to the company property. This investment was expected to be completed by the end of 2002.
2) To use an amount of 200M (namely around 586.94K euros) for infrastructure works (delineations, land arrangement, access roads, etc). This investment was expected to be completed by the end of 2002.
3) To use an amount of 200M (namely around 586.94K euros) in order to prepare the technical studies for a Hotel and the technical – financial studies, feasibility studies, consultant fees, permit issuance fees, placements, etc. The procedures had already begun (topographic maps, definition of seashore limits etc.), whereas within 2002 the other studies would have been completed. All collected funds of IKTINOS CONSTRUCTION AND TOURISM S.A. amounting to 1,467,350 Euros had been allocated by 31.12.2005.

As to the use of the above mentioned collected funds, the following differences occurred:
a) For the Purchase of land of 1,074.16K euros (foreseen amount 293.47K euros). This difference can be accounted for by the fact that larger areas of land were purchased than initially foreseen, since

the land increase was considered advantageous in view of the expanded development of tourism operations.

b) 188.49K euros were allocated for infrastructure works (foreseen amount 586.94K euros). This difference can be also attributed to the delay of competent authorities to grant the necessary approvals so as to complete the foreseen infrastructure works and

c) 291.48K euros were allocated for the drawing up of projects (foreseen amount 586.94K euros. This difference can be accounted for by the fact that the final project for the construction of the tourism complex shall be assigned after the completion of the required approvals and building restrictions which shall be determined by the competent authorities.

All the differences set forth above were unanimously approved by the Shareholders' Annual Ordinary General Meeting of the subsidiary IKTINOS CONSTRUCTION & TOURISM SA which was held on 27.06.2006, given that it was beneficial for the company.

It is noted that 5 years ago the total land of the real estate was less than 800,000 square meters, whereas today, after successive land purchases, the total land owned by this subsidiary exceeds 2,000,000 square meters.

Indeed, IKTINOS CONSTRUCTION & TOURISM SA (as mentioned in detail above) is an associated company of the Group and the value of the land owned by it, especially after the inclusion of the area to zones appropriate for development through the mechanism of the especially regulated city planning areas whereby land uses included in the category of "Tourism - Recreation" are permitted and according to the assessment of "Colliers International" on the 31-12-20‟6, amounts to 32,210,000 euros.

C) Important events after the 31/12/2006 (Date of the Balance Sheet)

There are no events subsequent to the financial statements which concern either the Group or the Company and may have a substantial impact on the Financial Situation or the operation of the company and/or the Group.

It is noted that during 2007 so far the following important decisions were taken:

a) During the company shareholders' Extraordinary General meeting which was convened on Thursday the 25th of January 2007, among others, the following decisions were taken: Approval of the company share capital increase by 5,525,486 euros, by capitalizing reserves from the "paid up difference from the issuance of shares above par" resulting to the increase of the company share capital which amounts today to 5,906,554 euros by 5,525,486 euros and subsequently to correspond to 11,432,040 euros, by issuing 19,053,400 new ordinary registered shares. Therefore, the total number of shares has hitherto increased from 9,526,700 ordinary registered shares to 28,580,100 ordinary registered shares, by decreasing at the same time the nominal value from 0.62 euros to 0.40 euros. The above 19,053,400 new shares shall be distributed, free of charge, to the company shareholders and shall correspond to 2 new ordinary registered shares for each 1 old registered share.

b) The associated company LATIRUS ENTERPRISES LTD with registered office in Cyprus, which holds 94.155% of the share capital of IKTINOS CONSTRUCTION & TOURISM SA, decided to increase its share capital by issuing 2,178 new ordinary registered shares of a nominal value of one (1) euro each and an acquisition price of 1,008.152 euros each.

The total payment amounts to 2,195,755.06 euros and is broken down as follows:
a. 2,178 euros in share capital and,
b. 2,193,577.06 euros in difference from the issuance of shares above par.

Following the share capital increase and the issuance of 2,178 new ordinary registered shares of a nominal value of one (1) euro each, the share capital now amounts to 21,230 euros, divided into 21,230 ordinary registered shares of a nominal value of one (1) euro each. The difference from the issuance of shares above par is analyzed as follows:
a. Before the share capital increase, it amounted to 9,117,504.59 euros and b. the difference from the issuance of shares above par for the new increase is 2,193,577.06 euros and now reaches 11,311,081.65 euros.

By decision of the Board of Directors, IKTINOS HELLAS SA participates in the above share capital increase while keeping its share (20.344%) and paying the amount of 446,611.34 euros.

This increase is meant to lead to the investment of these amounts in IKTINOS CONSTRUCTION & TOURISM SA for the project exploitation in the Faneromenis Bay of the Municipality of Siteia, Crete.

D) Corporate Governance

The Company has adopted the Principles of Corporate Governance, as provided by the applicable Greek legislation and international practice.

Corporate Governance, as a set of rules, principles and audit mechanisms around which the company is structured and managed, aims at fostering transparency for the investing public, as well as at safeguarding the interests of its shareholders and all parties engaged in its operations.

The Board of Directors of IKTINOS HELLAS SA is the guardian of the Group's Corporate Governance Principles. It currently consists of 4 executive and 3 non-executive members who meet the required prerequisites and according to the provisions of Law 3016/2002 on Corporate Governance are called "independent".

The Audit Committee consists of non-executive members of the Board of Directors and its mission is the objective conduct of internal and external audits and the effective communication between the auditory bodies and the Board of Directors. Its responsibilities include safeguarding compliance with the Corporate Governance rules, as well as ensuring the appropriate operation of the Internal Audit System and supervising the work of the company's Internal Audit Division.

Internal audit is a rudimentary and necessary prerequisite for Corporate Governance. Internal Audit Division of IKTINOS HELLAS SA is an independent organizational unit, which reports to the Company Board of Directors. Its responsibilities include the evaluation and improvement of risk management and internal audit systems, as well as the identification of compliance with the established policies and procedures, as determined in the Company Internal Regulation, the applicable legislation and regulatory provisions.

E) Objectives and perspectives for the year 2007

We believe that development, expansion and enlargement shall mark the Year 2007 as well. More particularly, per each field of activities we expect the following:

1. EXPANSION TO NEW MARKETS AND NEW PRODUCTS

More specifically, the Company shall continue to offer novel and innovative products that it represents and distributes, giving even more emphasis on modern applications, by offering innovative solutions to consumers whilst aiming at the promotion of products and services of added value.

Moreover, this increase shall be backed up regardless of the traditional Company activities, on the one hand, through the expansion of its activities to new geographical areas (10 new countries mainly in Eastern Europe), and on the other, through the undertaking and completion of large projects which also include the placement of marbles, a vital factor from which the Company is expected to earn significant benefits during the next few years.

2. APPLICATION DEVELOPMENT IN PROJECTS AND KNOW-HOW

A substantial effort is made on the part of the Management to make the company stand out from its competitors in the sector. Indeed, high specialization and know-how enable it to offer materials and services for the completion of modern applications with high demands.

3. QUARRIES OPERATION AND RESEARCH

As to the quarries operation, it was decided to intensify the productive procedures, aiming at the increase of the Golden Spider monopoly marble extraction rates, whose demand is constantly increasing. At the same time, the company conducts research to establish any possibilities for the exploitation of new reserves.

4. SUBSIDIARIES

As to the increased loss suffered by the subsidiaries, FIDIAS SA and VIS LAPIS LTD, efforts shall be made to limit the loss of the former and to create profitability for the latter. Finally, as regards KALLITECHNOKRATIS LTD, we expect that the impediment in the issue of the grant shall end to our favour and it shall be received within the year 2007.

5. PROJECT IN THE FANEROMENIS BAY OF THE MUNICIPALITY OF SITEIA, CRETE

The Group activities in the real estate sector through the associated company IKTINOS CONSTRUCTION & TOURISM SA are about to be implemented. As to the implementation of the business plan, find the analysis in paragraph 1.

In general, the company Management believes that the Group of IKTINOS HELLAS SA shall mark a further positive development during the year 2007 as well.

F) Dividends policy – Net profit distribution

As to the dividend distribution, the company's management proposes to the Shareholders General Meeting the distribution of a dividend amounting to €857,403, increased by 28.5% as compared against the year 2005, corresponding to 0.03€ per share, compared to the dividend of 0.07€ per share for the year 2004 (It is noted that the total dividend for the Year 2005 amounted to 666,689€ because the number of shares was increased from 9,526,700 to 28,580,100 shares)

DATA OF EXPLANATORY REPORT

Explanatory report to the shareholders Ordinary General Meeting of "IKTINOS HELLAS SA" according to article 11a, Law 3371/2005

This explanatory report of the Board of Directors to its shareholders Ordinary General Meeting includes information according to the provisions of paragraph 1, article 11a, Law 3371/2005.

1. Share capital structure.
As to the company share capital, it is noted that, by decision of the company shareholders Extraordinary General Meeting on the 25/1/2007, it was decided, among others, to increase the company share capital by 5,525,486 euros by capitalizing reserves from the "paid up difference from the issuance of shares above par", resulting to the increase of the company's share capital from 5,906,554 euros to 11,432,040 euros, the decrease of the nominal value from 0.62 euros to 0.40 euros each and the issuance of 19,053,400 new ordinary registered shares. Therefore, the total number of shares amounts to 28,580,100 ordinary registered shares of a nominal value of 0.40 euros each. The 19,053,40 new ordinary registered shares are negotiated in the Athens Exchange from the 2/3/2007.
All the shares have been listed on the Securities Market of the Athens Exchange, in the Med-cap and Small-Cap. The company shares are ordinary registered shares with voting rights.

2. Limitations to the transfer of company shares.
The company shares are transferred as provided by the law and there are no limitations provided by its articles of association.

3. Important direct or indirect holdings in the meaning of the provisions of P.D. 51/1992.
On 10.05.2007 Mr. EVAGGELOS CHAIDAS holds 60.608% of the company's share capital. No other natural or legal person holds more than 5% of the share capital.

4. Holders of any kind of shares providing special control rights.
There are no company shares providing special control rights to their holders.

5. Limitations to voting rights – Exercise term of rights
No limitations to voting rights are provided by the company's articles of association, apart from the ones provided by L.2190/1920. More particularly:

The General Meeting is duly convened and deliberating on the issues of the agenda if at least twenty per cent (20%) of the paid up share capital is represented.
If less than a quorum is present at the first meeting, a reiterative meeting is convened within twenty (20) days from the date of adjournment. A notice is issued at least ten (10) days before. This reiterative session will be deemed to have achieved quorum and be duly convened regardless of the proportion of the paid up share capital represented. The decisions of the General Meeting are taken by absolute majority of the votes represented in the meeting.
Exceptionally, the General Meeting may hold meetings if two thirds of the paid up share capital is represented and the resolutions concern the following: change of the company's nationality, change of the company's object, increase of the shareholders' responsibilities, increase of share capital not provided for by the articles of association, according to article 13 par. 1 & 2 of Law 2190/1920 as applicable or enforced by legal provisions, decrease of share capital, issuance of a bonded loan without any prejudice to article 6, par. 1, change of the profit distribution method, merger, dissolution, modification, reinstatement, extension of the duration or company dissolution, granting or renewal of powers to the Board of Directors to increase the share capital or issue a bonded loan, according to article 13. par. 1 of the C.L. 2190/192 as applicable.

If no quorum is achieved in the first meeting, the first reiterative meetings is convened according to the above and this time it shall be deemed to have quorum and be duly convened when at least (1/2) of the paid up share capital is represented. If again no quorum is achieved, a second reiterative meeting is held following the same procedure, as above and will be deemed to have achieved quorum and be duly convened if one third (1/3) of the paid up share capital is represented.

All decisions of the General Meeting for which the above exceptional quorum is required are taken by a majority of the two thirds (2/3) of the votes represented.

According to the company's articles of association, the shareholders wishing to participate in the General Meeting must deposit their share titles in the company fund or the Consignations and Loans fund or any bank operating in Greece, at least five (5) clear days before the meeting. The shareholders entitled to participate in the General Meeting may be represented by a legally authorized person. The share deposit slips as well as the power of attorneys must be submitted to the company at least five (5) days before the General Meeting. Forty eight (48) hours before any General Meeting, the Board of Directors shall post on a conspicuous place in the company building a table listing the shareholders entitled to vote in the General Meeting, indicating their representatives, the number of shares and votes of each of them and the shareholders' and their representatives' addresses.

6. Agreements between the company shareholders.
No agreement between the shareholders resulting to limitations to the transfer of shares or the exercise of voting rights associated to the shares is known to the company.

7. Appointment and replacement rules for the members of the BoD and modification of the articles of association.
The company's Board of Directors consists of seven (7) members who are elected by the General Meeting for a six-year term.
The rules provided by the company's articles of association for the appointment and replacement of the members of its Board of Directors and the modification of the

provisions of its articles of association are no different than the provisions of the C.L. 2190/1920.

8. Power of the BoD or certain members to issue new shares or to purchase own shares.
Power of the BoD to issue new or to purchase own shares. (a) According to the provisions of article 13 par. 1 of the C.L. 2190/1920 and in conjunction with the provisions of article 6 of its articles of association, the Company's Board of Directors is entitled, following a decision taken by the majority of at least two thirds (2/3) of its members, to increase the share capital, either partially or totally, by means of issuing new shares, by an amount that may not exceed the amount of the paid up capital at the date when this responsibility was granted to it. The above powers may be granted to the board of directors following a decision of the general meeting as well, which falls within the publicity formalities of article 7b of the C.L. 2190/1920. The above powers assigned to the board of directors may be renewed by the general meeting for a period not exceeding five years for each renewal and they are put into force after the end of each five-year period. However, if the company's reserves exceed one forth (1/4) of the paid up share capital, the General Meeting should take a decision according to the provisions of article 29, par. 2 of the C.L. 2190/1920 as applicable to increase its share capital. 3, 4 & 31 par. .

9. Important agreement concluded by the company and put into force, modified or expired if there is a change of control in the company after a Public Proposal and results of this agreement.
There is no such agreement.

10. Each agreement concluded by the company with the Members of the BoD or its staff, providing compensation rights in case of resignation or unfair removal from office or tenure termination or cessation of employment due to the Public Proposal.
There is no agreement concluded by the company with the Members of the BoD or its staff, providing compensation rights in case of resignation or unfair removal from office or tenure termination or cessation of employment due to the Public Proposal.

Metamorfosi, the 29/05/2007.

The Board of Directors

1. Group Information

1.1 General Information

IKTINOS HELLAS is a Greek corporation and is the parent company of the Group. It was founded on the 12.03.1974 by Architect Engineer Evaggelos Nik. Chaidas who hitherto remains the main shareholder. It operates as "IKTINOS HELLAS SA HELLENIC MARBLE INDUSTRY AND TOURISM SA" and under distinctive name "IKTINOS HELLAS SA" (Official Government Gazette 244/12-3-1974 Bulletin on Corporations and LLP companies). It is registered in the Corporations' Register of the Ministry of Development under register number 2304/06/B/86/53.

The Group's head offices are located in Metamorfosi, Attica (7, Likovriseos Str., P.C. 14452). The company's shares were listed on the Athens Exchange in 2000 (On 21-23.2.2000 the Company was publicly listed and 460,000 new shares were distributed by Public Offering and 22,500 by Private Placement of a nominal value of 200 GRD each and a selling price of 3,000 GRD. The issue was covered 513 times. On 15.3.2000 the trading of the shares began). Since its listing on the Athens Exchange, there has been no modification to the company's goal.

The duration of the Company, upon a decision of the shareholders General Meeting on 12.1.1999 was extended to 11.3.2049. Mr. Evaggelos Chaidas is the Company Chairman and Managing Director.

1.2 Scope

The company's goal as determined in ***article 2*** of the company articles of association consists in the following:

- The exploitation of quarries of marble, granites, decorative rocks, agglomerates and similar materials and their sub-products, as well as the research, tunnelling and formation or operation of these quarries as a contractor or in any other form of relation, as well as the provision of know-how.
- The processing of these products and their subsequent export as well as their trade domestically.
- The conclusion of contracts to place all the abovementioned products in building works of any kind, both domestically and abroad.
- The construction of any kind of structures in real estates owned by the company or third parties, particularly using the return system that is common to transactions of this kind, the purchase and sale of real estates, the undertaking of technical projects or studies of any kind, in combination and/or separately, both domestically and abroad, on behalf of legal or natural persons of the State, Public Organizations as well as Utilities, legal persons of public law, etc., as well as the building material industry and the technical project materials in general.
- The exercise of Tourism Operations of any kind, particularly the ones for the construction and operation of B&Bs, guesthouses, kiosks, settlements, beaches and seaside areas or not in Greece or abroad either in owned real estates or in leased ones.

- The undertaking of any kind of dealerships, as well as the representation of several domestic or foreign houses and enterprises, as well as the distribution of any kind similar to the company's goal on commission. The participation in any way and under any legal form in any relative similar or alike enterprises operating by a natural or legal person in which they have already been established or are to be established either by the company or by other persons with similar or alike scope to the ones mentioned herein.
- The production and trade of building materials, their import and export.

All the mentioned purposes of the Company are conducted both domestically, in Greece and in any other foreign country. It is noted that during the last three years three additions were made to the Company's goal (by decision of the Ordinary General Meeting of 30.6.99, reference number 10262/20,07,99 Prefecture of Athens sector of East Athens):

IKTINOS HELLAS SA operates mainly is the extraction of marbles, the processing and trade of marbles and granites and other decoratives. According to the current codified statistical classification of the financial activity sectors (STAKOD 2003) of the National Statistical Service of Greece, IKTINOS HELLAS SA is classified to the category 267.0 "Cutting, formation and processing of stones".

1.3 Shares in other undertakings

IKTINOS HELLAS S.A. holds shares in the following companies:

FIDIAS HELLAS S.A.

The company was founded in 1981 as a LTD, whereas in 1986 it was transformed to an SA. Its registered office is located in the Municipality of Vrilissia, Attica, 12A Tinou Str. Its main scope is the processing of marbles, mainly the split of volumes for third parties (customized works) as well as the export of the above products abroad, any similar or alike work, which is related to the above mentioned scope. Finally, the company also concludes project agreements for the placement of all the abovementioned products to building works of any kind

IKTINOS CONSTRUCTION & TOURISM S.A.

On 11th of December 2000, "IKTINOS HELLAS S.A." acquired 77.99% of "CEMENT INDUSTRY OF CRETE SA", which was renamed into "IKTINOS CONSTRUCTION & TOURISM SA". "IKTINOS

CONSTRUCTION & TOURISM SA" owns big stretches of land in Crete, the exploitation of which shall bring in important benefits, given that in Greece perspectives for quality tourism are better. More particularly, after purchasing new areas of land during the year 2005, this subsidiary owns now around 2,000,000 square meters, of which around 500,000 square meters on the seaside in the Faneromenis Bay and around 1,500,000 square meters more to the south, 1,000 meters from the plateau of Sopata – Mesorachi of the Municipality of Siteia, Crete.

On 19th of December 2006, the final contracts for the transfer of a majority shares package of IKTINOS CONSTRUCTION & TOURISM SA (a subsidiary of IKTINOS HELLAS SA) to DolphinCI Thirteen Limited of Cyprus were concluded. The latter is a wholly controlled by Dolphin Capital Investors LTD listed in the Alternative Investment Market of London Stock Exchange (AIM).
To this end, IKTINOS HELLAS S.A. established the Cypriot company LATIRUS ENTERPRISES LIMITED to which 94.155% of the shares of IKTINOS CONSTRUCTION & TOURISM SA was transferred. In other words, all the shares held by IKTINOS HELLAS SA (77.99%) and Evaggelos Chaidas (16.165%).

Then, DolphinCI Thirteen Ltd took over a share to cover the share capital increase of LATIRUS ENTERPRISES Ltd. As a result, it holds 79.656% of LATIRUS ENTERPRISES LIMITED. IKTINOS HELLAS SA maintained the remaining shares (20.344%), aiming at the development and operation of the tourism and residential land of around 2,000,000 square meters owned by IKTINOS CONSTRUCTION % TOURISM SA in the Faneromenis Bay, Municipality of Siteia (Crete).

It is noted that by means of the same contracts, Mr. Evaggelos Chaidas, who is also the Chairman and Managing Director of IKTINOS HELLAS SA, transferred his entire personal share in Latirus Enterprises Ltd to DolphinCi Thirteen Ltd. It is noted that this transfer was carried out with the same price and the same terms per share.
(An analysis about to this transaction is available under paragraph 1 of the Report of the Board of Directors)

KALLITECHNOKRATIS LTD

KALLITECHNOKRATIS SERVICES PROVISION LTD was founded in 1999. KALLITECHNOKRATIS LTD has its registered office in Metamorfosi, Attica and its offices are located in 7, Likovriseos Str. The goal of the company consists in developing a sales and marbles network abroad. Its business plan

has been approved by the Ministry of Development and has been integrated into the grants of the Industry Operational Program (subprogram 4, measure 2, action 9 – CLUSTERS)
IKTINOS HELLAS SA holds a 25% share of that company and a 5% of FIDIAS HELLAS SA. The Ministry of Development has refused to approve the grants and KALLITECHNOKRATIS LTD has appealed to the Council of the State. **It is noted that the case was heard on the 9th of May 2006 and the proposal of the judge (canvasser) was in favour of the Company. The decision is pending issuance.**

VIS LAPIS LTD

IKTINOS HELLAS SA holds a 50.2% share in VIS LAPIS LTD (for an amount of 15,060 euros). The latter was founded on the 12.05.2005 and it aimed at the expansion of the activities to undertake works and construct special marble applications. The purpose of VIS LAPIS LTD is the purchase, sale and trade of any kind of marbles, granites, bars and other decorative stones, the provision of know-how and the undertaking of any kind of applications of the above products to technical works.

The decision of IKTINOS HELLAS SA to establish VIS LAPIS LTD falls within the framework of its wider strategy to enter know-how and state-of-the art sectors with products and services that meet the needs of today's market, with high added value and make the company stand out from its competitors.

By means of the notary's deed under reference number 7386/29-12-2006 prepared by Efthymia Mastrapostoli – Kousai, notary public, IKTINOS HELLAS SA acquired 495 company shares from Petroulas Michail, namely 49.5% of VIS LAPIS LTD for an amount of 230,000 euros and therefore it holds 99.7%. It is noted that the total Company value was estimated by an independent expert (Mavromitros Leonidas, Public Certified Accountant Auditor of the Auditing Company BAKER TILL HELLAS S.A.) to the amount of 505,000 euros. The reason for the acquisition was the unimpeded restructuring of this Company with a view to increasing its turnover and enabling the Company to regain profitability.

LATIRUS ENTERPRISES LIMITED

On 12/12/2006 IKTINOS HELLAS SA purchased the Cypriot company under the name LATIRUS ENTERPRISES LIMITED for the price of 8,283 euros to which it transferred the shares package of IKTINOS CONSTRUCTION & TOURISM SA. Subsequently, the Share Capital was increased above par (the total increase amount of the Share Capital and above par amounted to 9,126,557 euros) a share of which was also held by DolphinCI Thirteen Limited, a Cyprus-based company, wholly controlled by Dolphin Capital Investors LTD and listed in the London Stock Exchange (AIM). Following that and after the direct sale of shares IKTINOS HELLAS SA maintained 20.344% of the shares.

1.5 Companies included in the consolidated financial statements of the Group

The companies included in the consolidated financial statements are presented in the following table:

NAME	REGISTERED OFFICE	PARTICIPATION SHARE	CONSOLIDATION METHOD
IKTINOS HELLAS S.A.	7, Likovriseos str., Metamorfosi, Attica	Parent	Total Consolidation
FIDIAS HELLAS S.A.	12A Tinou str., Vrillisia, Attica	90,00%	Total Consolidation
LATIRUS LTD	11 Florinis str. - Nicosia	20,344%	Total Consolidation
KALLITECHNOKRATIS LTD	7, Likovriseos str., Metamorfosi, Attica	30,00%	Total Consolidation
VIS LAPIS LTD	12A Tinou str., Vrillisia, Attica	99,70%	Total Consolidation

It is noted that for the current period IKTINOS ITALIANA SRL was not consolidated, since it was liquidated in January 2005. The loss that incurred from the discontinuance of the operation amounted in total to € 58,392.96 of which € 1,952.67 burdened the results of 2005. Moreover, it is noted that during the period under examination IKTINOS QUARRY SA was integrated through absorption and the merger procedure was completed on the 23/12/2005 by registering the company in the Register of Corporations of the approval of the Ministry of Development.

In the individual financial statements of the parent company the subsidiaries are valued at their acquisition value.

Kallitechnokratis LTD is consolidated using the method of total consolidation, since the parent company holds the control.

Based on IAS 27 § 13, according to which: "*The control is presumed when more than half of the voting rights of a financial entity belong, either directly or indirectly through subsidiaries, to the parent company, unless, under exceptional circumstances, it may be clearly evidenced that such an* *ownership does not constitute control. Moreover, control exists even if the parent company owns half of less of the voting rights of a financial entity, when there is:*

(a) a control right exceeding half of the voting rights, by virtue of an agreement with other investors,

(b) the right to direct the financial and business policy of the other financial entity, according to a statutory or contractual term,

c) *the right to appoint or remove the majority of the members of the Board of Directors or other equivalent administrative body which governs the financial entity or*

(d) the right to influence the majority in the meetings of the Board of Directors or equivalent administrative body which governs the financial entity."

The Company has the **effective and formal management** of this subsidiary, since a) Mrs. Ioulia Chaida (Vice president of the Parent Company Board of Directors) is an administrator of the subsidiary company "Kallitechnokratis LTD", with the right to sign all the administrative deeds allowed by the articles of association (namely, with the exception of any issues for which the partners meeting is responsible), and b) since it was founded, the company shares the same facilities with the Parent Company and its main operation is carried out using the administrative and financial services of the Parent Company.

2. Framework for the preparation of financial statements

The financial statements of IKTINOS HELLAS S.A. as at 31st of December 2006 which cover the period from the 1st of January 2006 to the 31st of December 2006, have been prepared based on the principle of historical cost, as amended by the readjustment of certain assets and liabilities to fair-current values, the principle of going concern and comply to the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), as well as their interpretations, as issued by the International Financial Reporting Interpretation Committee (IFRIC) of the IASB.

The Company applies the following IAS / IFRS from the 1st of January 2005 (with any reviews or modifications until 31/12/2006):

IAS 1	Presentation of Financial Statements

IAS 2	Inventories
IAS 7	Cash flow statements
IAS 8	Net Operating Profit or Loss, Basic Errors and changes in the Accounting Methods
IAS 10	Events after the balance sheet date
IAS 11	Construction contracts
IAS 12	Income taxes
IAS 14	Segment reporting
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for government grants and disclosure of government assistance
IAS 21	The effects of changes in foreign exchange rates
IAS 23	Borrowing costs
IAS 24	Affiliated parties disclosures
IAS 26	Accounting and reporting by retirement benefit plans
IAS 27	Consolidated financial statements and accounting of investments in subsidiaries
IAS 28	Accounting of investments in affiliated companies
IAS 29	Financial reporting in hyperinflationary economies
IAS 30	Disclosures in financial statements of banks and financial institutions
IAS 31	Financial reporting of interests in joint ventures
IAS 32	Financial instruments: Disclosures and reporting
IAS 33	Profits per share
IAS 34	Interim financial reporting
IAS 36	Impairment of assets
IAS 37	Provisions, contingent liabilities and contingent assets
IAS 38	Intangible assets
IAS 39	Financial instruments: Recognition and measurement
IAS 40	Investment Property
IAS 41	Agriculture
IFRS 1	First time adoption of the IFRS
IFRS 2	Share based payment
IFRS 3	Business combination
IFRS 4	Insurance contracts
IFRS 5	Non current assets held for sale and Discontinued

	Operations
IFRS 6	Exploration and Evaluation of Mineral Resources
IFRS 7	Financial instruments: Disclosures

The Group applies the IFRS 6 from this period, according to its provisions.

- The assets originating from research and evaluation are measured in cost.
- They are examined to the extent where an expense is related to the research of particular mineral resources based on the inventory of § 9 of the IFRS 6, as follows:

(a) Acquisition of the research right,
(b) Topographic, geological, geochemical and geophysical studies,
(c) Trial drillings,
(d) Excavation by research trenches,
(e) Sampling and,
(f) Activities relative to the evaluation of the technical capability and the financial viability of the extraction of a mineral resource.

It controls property originating from research and evaluation for depreciation based on the provisions of § 18 to § 21 of the IFRS 6 at the end of each year.
When research and development expenses do not create an intangible capital commitment, according to the above, they are transferred directly to the operating results for the period when they were incurred.

The preparation of the financial statements according to the IFRS requires the use of estimates and judgment in application of the accounting principles of the Company. Substantial assumptions on the part of the management for the application of the company accounting methods have been stressed where appropriate.

The accounting principles based on which the financial statements were prepared are consistent with the ones used for the preparation of the Group's annual financial statements for the year 2005 and have been applied consistently to all the reported periods.

3. Basic accounting principles

The accounting principles based on which the attached financial statements are prepared and which are applied systematically by the Group are the following:

3.1 Segment reporting

As a business segment is defined a group of assets and activities providing products and services which are subject to different risks and yields than the ones of other business segments.

As a geographical segment is defined a geographical area in which products and services are provided and which is subject to different risks and yields than other areas

The Group operates mainly in the exploration of marble quarries (extraction and trade of Marbles). Geographically, the Group is activated in the Greek territory, in the Eurozone and in Other Countries.

3.2 Integration

Subsidiaries: All the companies managed or controlled, either directly or indirectly, by another company (parent company), either through holding of the majority of the company shares in which the investment was made, or through is dependence on the know-how provided by the Group are called subsidiaries. In other words, subsidiaries are the companies controlled by the parent company. Iktinos Hellas acquires and exercises control through the voting rights. The presence of any possible voting rights which are exercisable during the preparation of the financial statements is taken into consideration in order to establish whether the parent company exercises control on the subsidiaries. The subsidiaries are fully consolidated (total consolidation) using the acquisition method from the date when the control on them is acquired and cease to be integrated from the date when there is no such control.

The acquisition of a subsidiary from the Group is accounted for based on the purchase method. The acquisition cost of a subsidiary is the fair value of the provided assets, the issued shares and the liabilities undertaken on the date of the exchange, plus any cost which is directly related to the transaction. The individual assets, liabilities and contingent liabilities acquired in a business integration are admeasured during the acquisition in their fair values regardless of the participation percentage. The purchase cost beyond the fair value of the individual acquired assets is entered as goodwill. If the total purchase cost is less than the fair value of the individual acquired assets, the difference is entered directly in the results.
Especially for the business consolidations that took place before the adoption of the IFRS by the Group (the 1st of January 2004) the exception of the IFRS 1 was used and the acquisition method

was not applied retrospectively. As part of the above exception the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired before adopting the IFRS, nor the fair value of the acquired assets and liabilities on the date of the acquisition, nor has it recognized any goodwill in its consolidated financial statements according to the IFRS.

Intracompany transactions, balances and unrealized profits from transactions between the companies of the Group are deleted. The unrealized loss is also deleted, unless the transaction provides depreciation evidence of the transferred asset. The accounting principles of the subsidiaries have been modified so as to be uniform to the ones adopted by the Group.

Associated companies: All companies, on which the Group may exercise substantial influence, yet do not meet the requirements to be considered subsidiaries or joint venture undertakings are, called associated companies. Investments in associated companies are initially recognized by cost and subsequently it is considered that they use the method of equity consolidation. At the end of each period, the cost is increased proportionately to the investing company in the equity consolidation changes of the invested company and is decreased by the dividends received from the associated company.

As to the acquisition goodwill, it decreases the participation value by burdening the operating results, when its value is decreased.

The Group share in the profits or loss of the affiliated companies after the acquisition is recognized in the results, whereas the share of the changes in the reserves after the acquisition is recognized in the reserves. The cumulative changes influence the accounting value of the investments in affiliated companies. When the Group's share in the loss of an associated company is equal or larger than its participation in the associated company, including any other doubtful debts, the Group does not recognize any further loss, unless it has covered liabilities or has made payments on behalf of the associated company and those resulting from the shareholder capacity in general.

Unrealized profits from transactions between the Group and the associated companies are deleted by the Group's share in the affiliated companies. The unrealized loss is also deleted, unless the transaction provides depreciation evidence of the transferred asset.

3.3 Foreign currency conversion

The consolidated financial statements are reported in Euros, which is also the operating and presentation currency of the parent Company and all its subsidiaries. "Operating" is called the currency of the primary financial environment in which the Group operates and based on which the assets of the Group companies financial statements are measured.

The transactions in foreign currencies are converted into the operating currency by using the exchange rates applicable on the date of the transactions.

Profit and loss from exchange rate differences resulting from the clearance of such transactions during the period and from the conversion of currency assets denominated in foreign currencies by the applicable exchange rates on the date of the balance sheet are entered in the results. The exchange rate differences from non currency assets which are valued at their fair value are considered part of the fair value and therefore are entered along with the fair value differences.

3.4 Tangible assets

Fixed assets are presented in the financial statements at their acquisition values or the imputed cost values as determined based on the fair values on the transfer dates, minus, firstly the cumulative amortizations and secondly any fixed assets depreciations. The acquisition cost includes all the directly attributable expenses for asset acquisition.

Subsequent expenses are entered additionally on the accounting value of the tangible assets or as a separate fixed asset only to the extent where these expenses increase the future financial benefits that are expected to flow in from the use of the fixed asset and their cost may be measured reliably. The cost for repairs and maintenance is entered in the results when they are realized.

The amortizations of other items of the tangible assets (apart from the lots which are not amortized) are calculated using the fixed method within their useful life cycle, as follows:

Buildings	12.5-20 years
Machinery	6.6-8.3 years
Cars	5-6.6 years
Other equipment	3-5 years

Residual values and useful life cycles of the tangible assets are under re-examination on the date of each balance sheet. When the accounting values of the tangible assets exceed their recoverable value, the difference (depreciation) is entered directly as an expense in the results.

During the sale of tangible assets, the difference between the acquired price and their accounting value is posted as profit or loss in the results. The repairs and maintenance are entered in the expenses of the period.

The tangible assets of own production are added to the acquisition cost of the tangible assets in values which comprise the direct payroll cost for the staff working at the construction (employer contributions), the cost of the consumed materials and other overhead costs.

3.5 Investments in Real Estates

The investments in real estates are the investments concerning all the real estates (including land, buildings, part of buildings or both) which are held by the owner (or the leaseholder in case of a leasing), either to receive rents from their leasing or to increase their value (capital increase) or both.
The investments in real estates are initially recognized at their acquisition cost, which is increased by all the expenses related to the transaction for their acquisition (e.g. notary's fees, broker's fees, transfer taxes).
After the initial recognition, the investments in real estates are valued at their fair value, namely in the price in which the real estate may be exchanged between informed and willing parties in a common transaction. The fair value of the investments in real estates is determined annually by an independent recognized appraiser.
Any change to the fair value of the investments in real estates is shown in the operating results of the period when it occurred.

3.6 Intangible assets

Intangible assets are the use and exploitation rights of Quarries and Other Tangible Assets, as well as software licenses.

Exploitation Right of Quarries and Other tangible Assets: They include the right to lease land as well as the exploitation rights of mineral resources. The Group initially recognizes them with their acquisition cost or their nominal value. After the initial recognition, the Group follows the Accounting reporting principle of the cost model and presents its intangible assets in their cost minus any cumulative amortization and any cumulative depreciation loss.

Software: Software licenses are valued at their acquisition cost minus the amortizations. Amortizations are calculated using the fixed method during the useful life cycle of these assets which spans from 1 to 3 years.

3.7 Depreciation of Assets

The assets with undetermined useful life cycle are not amortized and are subject to a depreciation audit on an annual basis and when some events suggest that the accounting value may not be recoverable. The assets which are amortized are subject to a depreciation audit when there is evidence that their accounting value shall not be recovered. The recoverable value is the largest percentage between the net selling price and the value of use. The loss due to the decrease of the assets value is recognized by the company when the accounting value of those assets (or the Cash Flows Creation Unit) is larger than their recoverable amount.

The net selling price is considered the amount resulting from the sale of an asset as part of a bilateral transaction in which the parties are fully aware and enter willingly, after deducting any additional direct disposal cost of the asset, whereas the value of use is the current value of the estimated future cash flows that are expected for the company due to the use of an asset and its disposal at the end of its estimated useful life cycle.

3.8 Financial instruments

A financial instrument is any contract that creates a financial asset in an undertaking and a financial liability or an equity instrument in another undertaking.

The financial instruments of the Group are classified in the following categories based on the scope of the contract and the purpose for which they were acquired.

i) Financial instruments valued at their fair value through the profit and loss statement
These are financial assets which meet any of the following requirements:
- Financial assets held for commercial purposes (including derivatives, apart from the ones being defined and efficient hedging instruments, the ones acquired or created with the purpose to selling or repurchasing and finally the ones that are part of a portfolio of recognized financial instruments.)
- During the initial recognition it is determined by the company as an asset valued at the fair value, by recognizing the changes in the Profit and Loss Statement.

ii) Borrowing and receivables

They include non derivative financial assets with fixed or defined payments, which are not negotiated in active markets. This category (Borrowings and Receivables) does not include

a) Receivables related to tax transaction, which are imposed by the state legislation,

b) Anything that is not covered by a contract which would entitle the company to receive cash or other financial assets.

The Borrowings and receivables are included in the current assets, apart from the ones with maturities longer than 12 months from the date of the balance sheet. The latter are included in the non current assets.

iii) Investments held to maturity

It includes non derivative financial assets with fixed or defined payments and specific maturity which the Group intends and is able to hold to maturity.

The Group did not hold any investments of this category.

iv) Financial assets available for sale

It includes non derivative financial assets which are either determined in this category or may not be integrated to any of the above.

Subsequently, the financial assets available for sale are valued in their fair value and the relative profits or loss are registered in an equity reserve until these assets are sold or characterized as depreciated.

During the sale or when they are characterized as depreciated, the profits or loss are transferred to the results. Any depreciation loss which has not be recognized in the results is not reversed through the results.

The Group did not hold any investments of this category on the transfer date.

The investment purchases and sales are recognized on the date of the transaction, which is also the date on which the Group undertakes to purchase or sell the asset. The investments are initially recognized at their fair value plus the expenses directly attributable to the transaction, with the exception to the expenses directly attributable to the transaction for the assets that are valued at their fair value by modifying the results. The investments are deleted when the interest from investments to the cash flows ends or is transferred and the Group has substantially transferred all the risks and remunerations resulting from the property.

The borrowing and receivables are recognized in the unamortized cost based on the method of the real interest rate.
The realized and unrealized profit or loss which result from the changes of the fair value of the financial assets that are valued in their fair value by modifying the results are recognized in the results of the period when they occur.

The fair values of the financial assets which are no negotiable in active markets are determined by the current buyer's prices. For the non negotiable assets the fair values are determined by using valuation techniques such as the analysis of recent transactions, comparable negotiable assets and prepayment of cash flows. The participating securities that are not negotiable in an active market and are classified in the category "financial assets available for sale" and whose fair value may not be reliably determined are valuated at their acquisition cost.

On each balance sheet date, the Group examines whether there is objective evidence leading to the conclusion that the financial assets have been depreciated. For company shares classified as financial assets available for sale, such evidence is the substantial or extended decrease of the fair value compared to the acquisition cost. If the depreciation is substantiated, the cumulative equity loss, which is the difference between the acquisition cost and the fair value, is transferred to the results.

3.9 Inventories

On the date of the balance sheet, the inventories are valued at the lowest price between the cost or the net liquefiable value. The net liquefiable value is the estimated selling price during the normal course of the company’s operations minus any relative selling expenses. The inventories cost does not include any financial expenses.

The inventories cost must include all purchase costs, transformation costs, as well as the expenses incurred in order for the inventories to reach their current position and status.

The purchase cost includes the purchase price, the import duties and other taxes (apart from those which may later on be recovered by the entity from the tax authorities, as well as the transportation cost, delivery expenses and the directly attributable expenses. Discounts, decreases in prices and other similar items are deducted during the determination of the purchase cost.

The inventories transformation cost includes the expenses directly related to the production units, such as direct labor expenses. Moreover, it includes a systematic allocation of the fixed and variable general production expenses which incur during the transformation of the raw materials to finished goods. Fixed general production expenses are the indirect production expenses remaining relatively invariable, regardless of the production volume, such as the amortization and maintenance of the facilities and equipment, as well as the plant management and administration cost. Variable general production expenses are the indirect production expenses which are varied directly or almost directly, depending on the production volume, such as the indirect raw materials and the indirect labor. The allocation of the fixed general production expenses in the manufacturing cost is based on the regular capacity of the production facilities. Regular capacity is the expected average production during a series of periods or seasons under normal circumstances, taking into consideration the capacity losses due to scheduled maintenance. The actual production level may be used, if it approaches regular capacity.

The other expenses are included in the inventories cost only to the extent where they are incurred in order to render the inventories to their present position and situation. For example, non productive general expenses or product designing expenses for particular customers may be necessary to be included in the inventories cost.

3.10 Trade receivables

Trade receivables are initially entered at their fair value and later valued at their unamortized cost, using the method of the real interest rate minus the provision for their depreciation. If the unamortized value or the cost of a financial asset exceeds the current value, this asset is valuated in its recoverable amount that is in the current value of the asset future flows, which is calculated based on the real initial interest rate. The relative loss is transferred immediately to the operating results. The depreciation loss, that is when there is objective evidence that the Group is not able to collect all the due amounts based on the contractual terms, is recognized in the results.

3.11 Cash flows and cash equivalents

Cash flows and cash equivalents include the cash in the bank and the cash at hand, as well as the high liquidity short-term investments such as money market products and bank deposits. Money market products are financial assets which are valued at their fair value through the profit and loss statement.

3.12 Non current assets classified as held for sale

The assets which are held for sale include the other assets (including the goodwill) and the tangible fixed assets which the Group intends to sell within one year from the date of their classification as "held for sale".

The assets classified as "held for sale" are valued at the lowest value between their accounting value immediately before their classification as held for sale and their fair value minus the selling cost. The assets classified as "held for sale" are not subject to amortization. The profit or loss resulting from the sale and revaluation of the assets "held for sale" is included in the profit and loss statement.

3.13 Share capital

Expenses incurred for the issuance of shares appear after the deduction of the relative income tax, decreasing the product of the issue. The expenses relative to the issuance of shares for the acquisition of companies are included in the acquisition cost of the company which is acquired.

During the acquisition of own shares, the paid price, including the relative expenses, is presented as a decrease in equity (reserve above par).

3.14 Income tax & deferred tax

The income tax for the period consists of the current taxes and the deferred taxes, namely the taxes or tax relief relative to the financial benefits which occur within the period but have already been imputed or shall be imputed by the tax authorities to different periods. The income tax is recognized in the operating profit and loss account, apart from the tax which concerns the transactions directly entered in equity, when it is proportionately entered directly to equity.

The current income taxes include the short-term liabilities and/ or payables to the fiscal authorities relative to the taxes payable on the taxable operating income and any additional income taxes relative to previous periods.

The current taxes are measured according to the tax rates and the tax laws applicable to the accounting periods to which they are related, based on the taxable profit for the year. All the changes to the short-term tax assets or liabilities are recognized as part of the tax expenses in the operating profit and loss statement.

The deferred income tax is determined using the liability method resulting from the temporary differences between the accounting value and the tax basis of the assets and liabilities. A deferred income tax is not accounted for if it results from the initial recognition of an asset or liability in a transaction, apart from the company consolidation, which when the transaction was made did not influence neither the accounting nor the tax profit or loss.

The deferred tax payables and liabilities are valued based on the tax rates that are expected to be applied within the period during which the debt or liability shall be settled, taking into consideration the tax rates (and tax laws) in force or substantially in force until the Balance Sheet date. In case of failure to clearly determine the reverse time of the temporary differences, the tax rate which is in force on the day immediately after the balance sheet date is applied.

The deferred tax receivables are recognized to the extent where a future taxable profit shall occur to use the temporary difference which creates the deferred tax debt.

The deferred income tax is recognized for the temporary differences resulting from investments in subsidiaries and affiliates, excluding the case where the reverse of the temporary differences is controlled by the Group and it is possible that the temporary differences shall not be reversed in the near future.

Most of the changes in the deferred tax receivables or liabilities are recognized as a part of the tax expenses in the operating profit and loss statement. Only the changes in the assets or liabilities which influence the temporary differences are recognized directly in the Group's equity, such as the reassessment of the real estate value, result to the charge of the relative change in the deferred tax receivables or liabilities against the relative equity account.

3.15 Staff benefits

Short-term benefits: Short-term benefits to the employees (apart from the benefits for the termination of the employment relation) in cash and in kind are recognized as an expense when they are accrued. Any due amount is entered as a liability, whereas if the amount already paid exceeds the benefits amount the company recognizes the excess amount as an asset (prepaid expense) only to the extent where the prepayment shall lead to the decrease of future payments or a return.

Benefits due to retirement: Benefits after cessation of employment include pensions or other benefits (life and healthcare insurances) provided by the company after cessation of employment, in exchange for the service of the employees. Therefore, they include both the fixed contributions plans and the fixed benefits plans. The accrued cost of the fixed contributions plans is entered as an expense in the respective period.

Fixed contributions plan

Based on the fixed contributions plan, the responsibility of the company (legal or implied) is limited to the amount that has been agreed to contribute to the body (e.g. fund) managing the contributions and providing the benefits. Therefore, the amount of benefits received by the employee is determined by the amount paid by the company (or the employee) and by the paid investments of these contributions.

The contribution paid by the company as part of a fixed contributions plan is recognized either as a liability after deducting the paid contribution or as an expense.

Fixed benefits plan

The liability entered in the balance sheet for the fixed benefits plans is the current liability value for the fixed benefit minus the fair value of the plan's assets (if any) and the changes resulting from any actuarial profit or loss and the previous employment cost. The fixed benefit is calculated on an annual basis by an independent actuary using the projected unit credit method. For the prepayment the interest rate which applies on the long-term Greek government bonds is used.

The actuarial profit and loss are part of the company's liability and the expense which shall be recognized in the results. The ones resulting from the adjustments based on historical data and are over or under the margin of 10% of the cumulative liability, are entered as results within the expected average insurance period of the participants in the plan. The previous employment cost is recognized directly in the results, excluding the case where the changes of the plan depend on the remaining service time of the employees. In this case the previous employment cost is entered in the results using the fixed method within the maturity period.

Employment cessation benefits: The benefits due to the termination of the employment relation are paid when the employees leave before their retirement date. The Group enters these binding benefits either when it terminates the employment of the current staff according to a detailed schedule which may not be recalled, or when it provides these benefits as a motive for voluntary retirement. When these benefits are payable within more than twelve months from the Balance Sheet date, they must be prepaid based on the returns of the high quality corporate bonds or government bonds.

If an offer is made to encourage voluntary retirement, the valuation of the employment termination benefits must be based on the number of employees which are expected to accept the offer.

If the employment is terminated and it is not possible to determine the employees that shall receive these benefits, they are not accounted for, but they are disclosed as a contingent liability.

3.16 Subsidies

The Group recognizes the state subsidies which meet cumulatively the following criteria: a) There is an implicit certainty that the company has complied or is about to comply to the terms of the subsidy and b) it is assumed that the amount of the subsidy shall be paid back. They are entered at the fair value and are recognized in a systematic way in the proceeds, based on the principle of the subsidy correlation to the respective costs which they finance.

The subsidies concerning assets are included in the long-term liabilities as proceeds of next periods and are recognized systematically and rationally to the proceeds during the useful life cycle of the asset.

3.17 Provisions

Provisions are recognized when the Group has current legal or imputed liabilities resulting from previous events, their clearance through outflows is possible and the precise due amount may be reliably estimated. The provisions are overviewed during the preparation date of each balance sheet and are adjusted so as to reflect the current value of the expense that is expected to be required to settle the liability. The contingent liabilities are not recognized in the financial statements, but are disclosed, unless the possibility for outflows including financial benefits is minimal. The contingent receivables are not recognized in the financial statements, but are disclosed if the inflow of financial benefits is possible.

3.18 Recognition of revenue and expenses

Revenue: The revenue includes the fair value of completed projects, sales of goods and provision of services, net of Value Added Tax, discounts and refunds. The intracompany revenue within the Group is completely deleted. Revenue is recognized as follows:

- Sales of goods: Sales of goods are recognized when the Group delivers goods to the customers, the goods are accepted by them and the collection of the due amount is reasonably ensured.

- Provision of services: The revenue from the provision of services is estimated within the period when the services are provided, based on the completion phase of the provided service compared to all the provided services.

- Income from the sale and lease renewal of tangible assets: The positive difference between the fair price value and the value of the provided asset is entered as a revenue of the next periods and is amortized according to the amortization rate (based on the useful life cycle or the lease period) of the leased asset.

- Income from interest: Income from interest is recognized based on the time and using the real interest rate. When the receivables are depreciated, their accounting value is decreased to their recoverable amount which is the current value of the future expected cash flows prepaid in their initial real interest rate. Subsequently, the interests are estimated using the same interest rate on the depreciated (new accounting) value.

- Dividends: The dividends are reported as income when their collection right is substantiated.

Expenses: The expenses are recognized in the results on an accrued basis. The payments for operating leases are transferred to the results as expenses during the use of the leasehold. The expenses from taxes are recognized on an accrued basis.

3.19 Leases

The **leases of tangible assets** during which all the risks and benefits related to the ownership of an asset are transferred to the Group, regardless of the final transfer or not of the ownership title of this asset, are financial leases. These leases are capitalized at the beginning of the lease at the lowest value between the fair value of the asset and the current value of the minimum rents. Each rent is allocated between the liability and the financial expenses so as to achieve a fixed interest rate for the remaining financial liability. The respective liabilities from rents, net of financial expenses, are reported in the liabilities. The part of the financial expense which concerns financial leases is recognized in the operating results during the lease. The fixed assets received by financial lease are amortized within the smaller period between the useful life cycle of the fixed assets and the term of their lease.

Lease agreements where the lessor transfers the right to use an asset for an agreed period of time, without, however, transferring the risks and benefits of the asset ownership, are classified as operating leases. The payments for operating leases (net of any motives offered by the lessor) are recognized in the operating results proportionately during the term of the lease.
The financial sale and lease renewal of tangible assets are entered according to the IAS 17 "Leases". Therefore, any positive difference in favor of the sale product of this asset, compared to its accounting value, is not recognized immediately as revenue from the vendor-leaseholder. On the contrary, it appears in the financial statements of the vendor-leaseholder as revenue of the next periods and it is amortized during the entire term of the lease.

3.20 Distribution of dividends

The distribution of dividends to the parent company shareholders is recognized as a liability in the consolidated financial statements on the date when the distribution is approved by the shareholders General Meeting.

3.21 Discontinued Operations

A discontinued operation is an integral part of an entity which has either been disposed for sale or classified as held for sale and represents a separate large part of business activities or geographical area of operations, being part of a unique, coordinated disposal plan of a large part of activities or a geographical area of operations or is a subsidiary recently acquired with the intention to be resold. According to the IFRS 5 "Non current Assets held for sale and discontinued operations" the group disclosures all the necessary information determined by the standard.

3.22 Affiliated Parties

The transactions and intracompany balances between affiliated parties of the Group are disclosed according to the IAS 24 "Disclosures of Affiliated Parties". These transactions concern the transactions between the management, the principal shareholders and the subsidiaries of a group with the parent company and the other subsidiaries forming the Group.

4. Risk management

Financial risk factors

The Group is exposed to certain financial risks such as market risks (changes in the exchange rates, interest rates, and market prices), credit risk, cash flows risk and fair value risk due to interest rate changes. The general risk management plan of the Group focuses on the unpredictability of the financial markets and aims at decreasing their possible negative impact on the financial performance of the Group. Occasionally, the Group uses financial derivatives, such as futures / forwards to hedge its exposure to certain risks.

Risk management is carried out by the cash flows management service which determines, estimates and hedges financial risks in cooperation with the services dealing with these risks. Before making any such transactions, an approval is taken by the executives who are entitled to bind the company against its counterparties.

Market risk

Exchange rate risk

The Group makes commercial transactions on an international level and therefore is exposed to exchange rate risk resulting mainly from the US Dollar. This risk results mainly from future transactions, receivables and payables in foreign currency.

To manage the exchange rate risk, the central cash flows management department occasionally concludes future exchange rate contracts for the account and in the name of individual units of the Group with external counterparties.

On the Group level, future exchange rate contracts with external counterparties are characterized as exchange rate risk hedges for certain assets, liabilities or future commercial transactions.

ΙΚΤΙΝΟΣ - ΕΛΛΑΣ Α.Ε.
ΕΛΛΗΝΙΚΗ ΒΙΟΜΗΧΑΝΙΑ ΜΑΡΜΑΡΩΝ

The Group is exposed to exchange rate risk due to the receivables in foreign currency from its commercial transactions. This kind of exchange rate risk results from the US Dollar and is hedged through borrowings in this currency.

Credit risk

The Group has no substantial credit risk concentration. Wholesale transactions are made mostly with customers whose credit history has been ascertained.

5. Financial information per sector

Primary information sector – business sectors

The Group operates mainly in the production and trade of marbles and granites.

The Group results per sector are broken down as follows:

Primary imaging type - operating sectors

The results for each sectors for the period until the 31st of December 2006 were as follows:

1/1 - 31/12/2006

	Marbles	Granites	Other	Total
Sales per sector	10.834.690,84	4.415.596,00	277.842,16	**15.528.129**
Cost	-7.301.132,52	-3.027.544,25	-303.281,23	**(10.631.958)**
Gross results	**3.533.558,32**	**1.388.051,75**	**-25.439,07**	**4.896.171**
Other operating results				(1.343.429)
Profits before taxes				**3.552.742**
Income tax				-465.667
Net profit				**3.087.075**

The results for each sectors for the period until the 31st of December 2005 were as follows:

1/1 - 31/12/2005

	Marbles	Granites	Other	Total
Sales per sector	9.089.508	4.457.958	1.025.751	**14.573.217**
Cost	(6.051.942)	(3.094.142)	(789.322)	**(9.935.406)**
Gross results	**3.037.566**	**1.363.816**	**236.429**	**4.637.811**
Other operating results				(3.550.710)
Profits before taxes				**1.087.102**
Income tax				(644.564)
Net profit				**442.538**

The distribution of the consolidated assets and liabilities to the business sectors is broken down as follows:

Other items per sector

31/12/2006

	Marbles	Granites	Other	Total
Sector Assets	8.361.410,09	1.184.490,95	220.216,96	**9.766.118**
Non allocated Assets		-		**29.089.938**
Consolidated Assets				**38.856.056**
Sector Liabilities	**0**	**0**	**0**	
Non allocated Liabilities	**-**	**-**	**-**	14.140.592
Consolidated Liabilities				**14.140.592**

31/12/2005

	Marbles	Granites	Other	Total
Sector Assets	**8.206.429**	**1.571.168**	**-**	**9.777.597**
Non allocated Assets				**41.123.351**
Consolidated Assets				**50.900.949**
Sector Liabilities	**-**	**-**	**-**	**0**
Non allocated Liabilities				**25.348.088**
Consolidated Liabilities				**25.348.088**

Secondary information sector – geographical areas

The Group's registered office and the main country for its activities is Greece. The areas where the company operates are Greece, the Eurozone, Asia and third countries.

The Group sales per geographical area are analyzed as follows:

Secondary imaging type - geographical areas

	1/1 - 31/12/2006	1/1 - 31/12/2005
Eurozone	1.089.210,00	402.206
Other European countries	35.619,00	403.320
Asia	3.367.860	2.309.796
US	306.781	213.751
Africa	20.923,00	23.397
Australia	-490,00	10.070
Greece	10.708.226	11.210.677
Total	**15.528.129**	**14.573.217**

6. Notes to the Financial Statements

6.1 Tangible assets

The lots and buildings of the company were valued on the date when the IFRS were adopted (01/01/2004) at the fair value which was determined after a study by an independent appraiser. The resulting difference was transferred to the undistributed profits.

On the fixed assets of the parent company charges have been registered amounting to € 7,000,000 to cover a bonded loan of € 9,000,000 which now amounts to € 7,589,346.

	THE GROUP			
	Lots & Buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Accounting value as at 1st of January 2005	**7.706.024**	**1.540.370**	**51.670**	**9.298.064**
Gross Accounting Value	8.076.554	3.586.732	399.385	12.062.671
Cumulative amortization and value depreciation	(411.607)	(2.121.033)	(333.529)	(2.866.169)
Accounting value as at 31st of December 2005	**7.664.947**	**1.465.699**	**65.855**	**9.196.502**
Gross Accounting Value	8.315.082	3.587.541	446.746	12.349.369
Cumulative amortization and value depreciation	(771.489)	(2.354.817)	(368.028)	(3.494.333)
Accounting value as at 31st of December 2006	**7.543.593**	**1.232.724**	**78.718**	**8.855.036**

	Lots & Buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Accounting value as at 1st of January 2005	**7.706.024**	**1.540.370**	**51.670**	**9.298.064**
Additions	94.297	219.323	40.243	353.863
Sales - Decreases	0	(1.300)	0	(1.300)
Amortizations	(121.067)	(292.427)	(26.058)	(439.552)
Sales - Amortizations decreases	0	1.300	0	1.300
Transportation	(14.307)	(1.566)	0	(15.873)
Accounting value as at 31st of December 2005	**7.664.947**	**1.465.700**	**65.855**	**9.196.502**
Additions	11.974	119.059	52.163	183.197
Sales - Decreases	0	(115.879)	(270)	(116.149)
Amortizations	(127.578)	(266.721)	(38.503)	(432.802)
Sales - Amortizations decreases	0	43.066	170	43.236
Transportation	(5.750)	(12.500)	(697)	(18.947)
Accounting value as at 31st of December 2006	**7.543.593**	**1.232.725**	**78.718**	**8.855.036**

	THE COMPANY			
	Lots & Buildings	**Vehicles & machinery**	**Furniture and other equipment**	**Total**
Accounting value as at 1st of January 2005	**6.013.081**	**570.156**	**42.490**	**6.625.727**
Gross Accounting Value	6.297.401	3.130.808	375.555	9.803.765
Cumulative amortization and value depreciation	(286.565)	(1.855.552)	(315.641)	(2.457.758)
Accounting value as at 31st of December 2005	**6.010.837**	**1.275.255**	**59.914**	**7.346.007**
Gross Accounting Value	**6.538.707**	**3.062.855**	**423.638**	**10.025.200**
Cumulative amortization and value depreciation	(601.721)	(2.052.598)	(350.400)	(3.004.719)
Accounting value as at 31st of December 2006	**5.936.986**	**1.010.257**	**73.238**	**7.020.481**

	Lots & Buildings	Vehicles & machinery	Furniture and other equipment	Total
Accounting value as at 1st of January 2005	**6.013.081**	**570.156**	**42.490**	**6.625.727**
Additions	83.205	182.868	34.612	300.685
Sales - Decreases	0	(1.300)	0	(1.300)
Amortizations	(79.875)	(148.737)	(22.187)	(250.799)
Sales - Amortizations decreases	0	1.300	0	1.300
Transportation	(14.307)	(1.566)	0	(15.873)
Addition from merger with subsidiary	10.935	1.227.628	12.701	1.251.264
Cumulative amortizations from merger with subsidiary	(2.202)	(555.094)	(7.702)	(564.998)
Accounting value as at 31st of December 2005	**6.010.837**	**1.275.255**	**59.914**	**7.346.007**
Additions	11.974	50.298	49.052	111.323
Sales - Decreases	0	(115.879)	(100)	(115.979)
Amortizations	(85.824)	(229.983)	(34.932)	(350.739)
Sales - Amortizations decreases	0	43.066	0	43.066
Transportation	0	(12.500)	(697)	(13.197)
Accounting value as at 31st of December 2006	**5.936.987**	**1.010.257**	**73.237**	**7.020.481**

6.2 Investments in Real Estates

Investments in real estates of the company were valued on the date when the IFRS were adopted (01/01/2004) at the fair value which was determined after a study by an independent appraiser.

	THE GROUP	THE COMPANY
Accounting value as at 1st of January 2005	**598.127**	**598.127**
Additions	-	-
Sales - Decreases	-	-
Profit / (loss) from fair value	171.000	171.000
Transportation	15.873	15.873
Accounting value as at 31st of December 2005	**785.000**	**785.000**
Additions	**-**	**-**
Sales - Decreases	(785.000)	(785.000)
Profit / (loss) from fair value	-	-
Accounting value as at 31st of December 2006	**0**	**0**

6.3 Company goodwill

	THE GROUP 31/12/2005
Subsidiary's equity 29/12/2006	**(244.224)**
Purchase share of 49.5% on equity	(120.891)
Minus paid up price	235.000
Company goodwill	**(355.891)**

It involves the purchase of the share of 49.5% of VIS LAPIS LTD by Petroulas Michail on 29/12/2006

6.4 Intangible assets

	THE GROUP			
	Software	**Interests**	**Other**	**Total**
Accounting value as at 1st of January 2005	**80.822**	**173.742**	**0**	**254.564**
Gross Accounting Value	240.142	381.754	24.000	645.896
Cumulative amortization and value depreciation	(115.543)	(114.684)	(3.050)	(233.277)
Accounting value as at 31st of December 2005	**124.599**	**267.070**	**20.950**	**412.619**
Gross Accounting Value	261.497	611.058	24.000	896.555
Cumulative amortization and value depreciation	(186.794)	(134.243)	(7.850)	(328.887)
Accounting value as at 31st of December 2006	**74.702**	**476.815**	**16.150**	**567.667**

	Software	**Interests**	**Other**	**Total**
Accounting value as at 1st of January 2005	**80.822**	**173.742**	**0**	**254.564**
Additions	73.739	105.472	24.000	203.211
Amortizations	(60.716)	(12.144)	(3.050)	(75.910)
Transportation	30.755	0	0	30.755
Accounting value as at 31st of December 2005	**124.600**	**267.070**	**20.950**	**412.620**
Additions	21.357	229.304	0	250.661
Amortizations	(71.254)	(48.833)	(4.800)	(124.888)
Transportation	0	29.274	0	29.274
Accounting value as at 31st of December 2006	**74.703**	**476.815**	**16.150**	**567.667**

	THE COMPANY		
	Software	**Interests**	**Total**
Accounting value as at 1st of January 2005	**80.822**	**0**	**80.822**
Gross Accounting Value	240.142	381.754	621.896
Cumulative amortization and value depreciation	(115.543)	(114.684)	(230.227)
Accounting value as at 31st of December 2005	**124.599**	**267.070**	**391.669**
Gross Accounting Value	261.497	611.058	872.555
Cumulative amortization and value depreciation	(186.794)	(134.243)	(321.037)
Accounting value as at 31st of December 2006	**74.702**	**476.815**	**551.517**

	Software	**Interests**	**Total**
Accounting value as at 1st of January	**80.822**	**0**	**80.822**

2005			
Additions	73.499	0	73.499
Amortizations	(62.725)	0	(62.725)
Transportation	32.782	0	32.782
Addition from merger with subsidiary	240	381.754	381.994
Cumulative amortizations from merger with subsidiary	(18)	(114.684)	(114.702)
Accounting value as at 31st of December 2005	**124.599**	**267.070**	**391.669**
Additions	21.356	229.304	250.661
Amortizations	(71.254)	(48.833)	(120.087)
Transportation	0	29.274	29.274
Accounting value as at 31st of December 2006	**74.702**	**476.815**	**551.517**

The amount of € 238,000 involves assets resulting from the research and evaluation of mineral resources pursuant to the IFRS 6. More particularly, they involve works for the commercial exploitation of quarries in the location of Platanotopos of Kavala and FTELIA in the Municipal Department of Makryplagio, Prefecture of Drama.

6.5 Investments in subsidiaries

	Acquisition Value 31/12/06	**Acquisition Value 31/12/05**
FIDIAS S.A. (Share by 90.00%)	666.742,34	666.742,34
VIS LAPIS LTD (Share by 99.70%)	250.060,00	15.060,00
KALLITECHNOKRATIS LTD (Share by 25.00%)	11.005,14	11.005,14
IKTINOS CONSTRUCTION & TOURISM S.A. (Share by 77.99%)	-	7.188.308,79
Total investments in associated companies	**927.807,48**	**7.881.116,27**

6.6 Investments in associated companies

Investments in associated companies

	THE GROUP	
	31/12/2006	**31/12/2005**
Associated company acquisition value	7.877	0
Profit from associated participation sale	1.850.864	0
profit on the participation in the associated results	2.969.554	0
Total	**4.828.295**	**0**

The associated company involves LATIRUS ENTERPRISES Ltd which is held by IKTINOS HELLAS SA by 20,344% and the remaining 79.656% is held by DolphinCI Thirteen Ltd.

The Consolidated Balance Sheet of 31/12/2006 and the Profit and Loss Account of 13/12-31/12/2006 of LATIRUS ENTERPRISES LIMITED are attached, to which the subsidiary of IKTINOS CONSTRUCTION & TOURISM SA was consolidated using the method of total consolidation (holds 94.155% of the subsidiary).

Assets	**31/12/2006**
Non current assets	
Real estate investments	32.354.300
Deferred tax liabilities	5.553
	32.359.853
Current Assets	
Other liabilities	54.477
Cash flows and equivalents	108.949
	163.426
Total Assets	**32.523.280**
Equity & Liabilities	
Equity	
Share Capital	19.052
Above par	9.117.505
Results carried forward	14.596.707
Equity attributed to the Parent Company's shareholders	**23.733.264**
Minority interests	1.471.472
Total Equity	**25.204.736**
Long-term Liabilities	
Deferred tax liabilities	7.247.116
Short-term Liabilities	
Current tax liabilities	5.757
Other short-term liabilities	65.670
Total Short-term Liabilities	**71.427**
Total Liabilities	**7.318.544**
Total Equity and Liabilities	**32.523.280**

	31/10-31/12/2006
Turnover	**0**
Sales cost	0
Gross profit	**0**
Administrative expenses	(1.810)
Financing and investing results profit/(loss) before tax	**(1.810)**
Financial income	125
Financial expenses	(664)
Other financial results	(13)
Investing activity results	18.723.845
Profit/(loss) before tax	**18.721.483**

Income tax	(3.414.831)
Net operating profit/(loss)	**15.306.652**
Split up between:	
Parent company's shareholders	***14.596.707***
Minority interests	***709.945***

6.7 Deferred taxes

The deferred tax receivables / payables as resulting from the relative temporary tax differences are as follows:

	THE GROUP			
	31/12/2006		**31/12/2005**	
	Receivables	**Payables**	**Receivables**	**Payables**
Μη Κυκλοφοριακά Στοιχεία				
Άυλα Περιουσιακά Στοιχεία	614.592	0	656.721	0
Ενσώματες Ακινητοποιήσεις	4.063	401.402	4.516	420.987
Επενδύσεις Σε ακίνητα	0	0	0	49.590
Κυκλοφοριακά Στοιχεία				
Αποθέματα	104.021	0	116.934	0
Απαιτήσεις	2.618	16.555	0	0
Αποθεματικά				
Αποφορολόγηση αποθεματικών	0	137.736	0	72.729
Μακροπρόθεσμες Υποχρεώσεις				
Παροχές σε Εργαζομένους	35.258	0	33.485	0
Λοιπές Μακροπρόθεσμες Υποχρεώσεις	56.115	0	0	(25.916)
Βραχυπρόθεσμες Υποχρεώσεις				
Προβλέψεις	675	0	96.314	2.498
Υποχρεώσεις από Χρηματοοικονομικές Μισθώσεις	0	0	49.385	0
Λοιπές Βραχυπρόθεσμες Υποχρεώσεις	11.472	16.994	0	0
Σύνολο	**828.815**	**572.686**	**957.355**	**519.888**

	Η ΕΤΑΙΡΙΑ			
	31/12/2006		**31/12/2005**	
	Απαίτηση	**Υποχρέωση**	**Απαίτηση**	**Υποχρέωση**
Μη Κυκλοφοριακά Στοιχεία				
Άυλα Περιουσιακά Στοιχεία	568.114	0	610.243	0
Ενσώματες Ακινητοποιήσεις	4.063	94.250	4.516	105.125
Επενδύσεις Σε ακίνητα	0	0	0	49.590
Κυκλοφοριακά Στοιχεία				
Αποθέματα	104.021	0	94.490	0
Απαιτήσεις	0	16.555	0	0
Αποθεματικά				
Αποφορολόγηση αποθεματικών	0	137.736	0	72.729
Μακροπρόθεσμες Υποχρεώσεις				
Παροχές σε Εργαζομένους	34.714	0	31.076	0
Λοιπές Μακροπρόθεσμες Υποχρεώσεις	56.115	0	0	(25.916)
Βραχυπρόθεσμες Υποχρεώσεις				
Προβλέψεις	0	0	96.314	0
Υποχρεώσεις από Χρηματοοικονομικές Μισθώσεις	0	0	49.384	0
Λοιπές Βραχυπρόθεσμες Υποχρεώσεις	11.472	16.356	0	0
Σύνολο	**778.499**	**264.896**	**886.023**	**201.528**

The income tax rate to which the Group is subject equals to 29% for the year 2006.

6.8 Other long-term liabilities

The other long-term liabilities of the Group and the Company are analyzed in the following table:

	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Provided Securities	15.206	9.697	10.707	5.252

6.9 Non current assets held for sale – Discontinued activities

To compare the financial statements and for their correct presentation adjustments were made to the Consolidated Balance Sheet of 31/12/2005 and the Consolidated Operating Results of 01/01-31/12/2005 and 01/1-31/12/2006.

The adjustments to the Consolidated Balance Sheet of the 31/12/2005 regard the subsidiary IKTINOS CONSTRUCTION AND TOURISM SA which was reclassified as held for sale according to the IFRS 5 and appears separately in the Balance Sheet.

Moreover, the adjustments to the Consolidated Operating Results of the 01/01-31/12/2005 and the 01/01-31/12/2006 concern the subsidiary IKTINOS CONSTRUCTION AND TOURISM SA which was reclassified as a discontinued activity according to the IFRS 5.
The analysis of the items appearing in the Consolidated Balance Sheet of the 31/12/2005 and the 19/12/2006 is as follows:

Non current assets held for sale

	THE GROUP
Accounting value as at 1st of January 2005	**16.526.243**
Additions	125.078
Sales - Decreases	-
Profit / (loss) from fair value	-
Transportation	-
Accounting value as at 31st of December 2005	**16.651.321**

	DISCONTINUED
Accounting value as at 1st of January 2006	**16.651.321**
Additions	105.238
Sales - Decreases	-
Profit / (loss) from fair value	-
Transportation	-
Accounting value as at 19th of December 2005	**16.756.559**

Receivables directly related to assets characterized as held for sale

	DISCONTINUED 19/12/2006	THE GROUP 31/12/2005
Deferred liabilities	54.945	66.708
Other liabilities	44.477	110.939
Cash flow	108.837	19.151
Total	**208.259**	**196.799**

Liabilities directly related to assets characterized as held for sale

	DISCONTINUED 19/12/2006	THE GROUP 31/12/2005
Deferred tax liabilities	3.883.310	3.883.310
Suppliers and other liabilities	0	10.567
Current tax liabilities	5.757	10.192
Other short-term liabilities	63.860	251.797
Total	**3.952.927**	**4.155.867**

The analysis of the items appearing in the Consolidated Operating Results of 01/01-31/12/2006 and 01/01/31/12/2005 is as follows:

Discontinued activities in the Group results

	THE GROUP	
	01/01-31/12/2006	**01/01-31/12/2005**
Operating result from discontinued activities	(333.114)	367.872
Loss from sale of discontinued activity assets	(559.705)	0
Operating results from discontinued activity	**(892.819)**	**367.872**
Split up between:		
Parent company's shareholders	(820.302)	286.903
Minority Interests	(72.517)	80.969

The above are analyzed as follows:

Analytically, the Results of IKTINOS CONSTRUCTION AND TOURISM SA and IKTINOS SUPPLIES LTD (a subsidiary of IKTINOS CONSTRUCTION AND TOURISM SA) for the periods of 01/01-19/12/2006, 01/10-19/12/2006 και 01/01-31/12/2005 are as follows:

	01/01-19/12/2006	01/10-19/12/2006	01/01-31/12/2005
Κύκλος εργασιών	**0**	**0**	**0**
Κόστος πωληθέντων	0	0	0
Μικτό κέρδος	**0**	**0**	**0**
Έξοδα διοίκησης	(88.764)	(48.178)	(49.282)
Λοιπά έξοδα εκμετάλλευσης	(37.147)	(241)	(500)
Κέρδη/(ζημίες) προ φόρων χρηματοδοτικών και επενδυτικών αποτελεσμάτων	**(125.911)**	**(48.419)**	**(49.782)**
Χρηματοοικονομικά έξοδα	(3.249)	(804)	(2.443)
Αποτελέσματα επενδυτικής δραστηριότητας	(176.000)	(176.000)	0
Κέρδη/(ζημίες) προ φόρων	**(305.161)**	**(225.223)**	**(52.225)**
Φόρος εισοδήματος	(27.954)	(11.763)	420.097
Καθαρά κέρδη/(ζημίες) περιόδου	**(333.114)**	**(236.986)**	**367.872**

Loss from sale of IKTINOS CONSTRUCTION & TOURISM	**(2.410.568,05)**
Plus Profit from sale of associate's share [1]	1.850.864,07
Loss from sale of discontinued activity assets	**(559.703,97)**
The operation result of IKTINOS CONSTRUCTION & TOURISM amounts to 329,473.42 and the operating result of IKTINOS SUPPLIES corresponds to 3,640.88	(333.114,30)
	(892.818,27)
To IKTINOS	(820.301,17)
To minority	(72.517,10)
	(892.818,27)

[1]The increase of LATIRUS LTD's share capital by 9,126,557 in which IKTINOS HELLAS S.A. did not participate is part of the sale of IKTINOS CONSTRUCTION & TOURISM S.A., and therefore, proper transaction presentation calls for its report in the Discontinued Activities and not in the results before taxes, and more particularly under the "Results from investing activities" entry and from that resulted a profit of 1,850,864 (proportion based on the withholding rate of 20.344%)

6
1
0

Inventories

The Group's and Company's inventories are analyzed as follows:

Inventories

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Raw material	1.749.879	1.113.578	1.727.804	1.089.581
Semi-finished & finished products	6.086.259	6.418.382	6.086.259	6.418.382
Production in progress	0	3.663	0	3.663
Merchandize	2.705.776	3.322.075	2.524.694	2.834.670
Other	28.790	0	27.571	0
Total	**10.570.704**	**10.857.698**	**10.366.328**	**10.346.296**
Minus: Provisions for obsolete, delayed and damaged inventories:				
Semi-finished & finished products	(727.145)	(925.264)	(727.145)	(925.264)
Merchandize	(77.441)	(154.837)	(77.441)	(77.441)
	(804.587)	**(1.080.101)**	**(804.587)**	**(1.002.705)**
Total net liquifiable value	**9.766.118**	**9.777.597**	**9.561.742**	**9.343.590**

6.11 Trade and other commercial receivables

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

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Customers	5.369.279	4.513.477	6.235.041	5.240.858
Notes receivable	340.940	234.222	115.016	234.222
Cheques receivable	5.410.537	6.303.484	5.410.537	5.923.397
Minus: Depreciation provisions	(267.776)	(11.481)	(267.776)	(194.329)
Net Trade Receivables	**10.852.981**	**11.039.702**	**11.492.819**	**11.204.148**
Prepayments for stock purchases	0	152.898	0	389.915
Total	**10.852.981**	**11.192.600**	**11.492.819**	**11.594.063**
The receivables' fair values are as follows:				
Customers	5.369.279	4.513.477	6.235.041	5.240.858
Notes receivable	340.940	234.222	115.016	234.222
Cheques receivable	5.410.537	6.303.484	5.410.537	5.923.397
Minus: Depreciation provisions	(267.776)	(11.481)	(267.776)	(194.329)
Prepayments for stock purchases	0	152.898	0	389.915
Total	**10.852.981**	**11.192.600**	**11.492.819**	**11.594.063**

6.12 Other receivables

The other Group and Company receivables are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Various Debtors	487.998	576.348	467.728	617.314
Receivables from the Greek State	936.369	197.932	854.510	127.859

Prepayments	95.644	497.659	95.644	497.659
Other liabilities	89.408	0	89.408	0
Net Debtors receivables	**1.609.418**	**1.271.940**	**1.507.289**	**1.242.832**
The receivables' fair values are as follows:				
Various Debtors	487.998	576.348	467.728	617.314
Receivables from the Greek State	936.369	197.931	854.510	127.859
Prepayments	95.644	497.659	95.644	497.659
Other liabilities	89.408	0	89.408	0
	1.609.418	**1.271.939**	**1.507.289**	**1.242.832**

6.13 Cash flows and cash equivalents

The Group and Company cash flows are analyzed as follows:

	THE GROUP		**THE COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Cash in hand	36.678	37.590	34.070	48.016
Short-term bank deposits	1.139.951	411.929	1.110.906	364.188
Total	**1.176.629**	**449.519**	**1.144.976**	**412.204**

6.14 Equity

Share Capital

Share Capital		**VALUE**		
	Number of shares	**Share Capital**	**Above par**	**Total**
Balances as at 1/1/05	***9.526.700***	**5.906.554**	**6.807.226**	**12.713.780**
Issuance of New Shares	**-**	-	-	**-**
Parent Company's Shares Purchase (Equity)	**-**	-	-	**-**
Parent Company's Shares Sale (Equity)	**-**	-	-	**-**
Balances as at 31/12/05	***9.526.700***	**5.906.554**	**6.807.226**	**12.713.780**
Issuance of New Shares	-	-	-	**-**
Parent Company's Shares Purchase (Equity)	-	-	-	**-**
Parent Company's Shares Sale (Equity)	**-**	-	274.747	-
Balances as at 31/12/06	***9.526.700***	**5.906.554**	**7.081.973**	**12.988.527**

The Group share capital above par resulted from the issuance of shares for cash in a value above their nominal value.

The Company shares were listed in the Athens Exchange on the 15/03/2000. The share of IKTINOS HELLAS S.A. has been registered in the sector

2300	Constructions & Construction Materi	2353	Building Materials & Accessories

of the Athens Exchange Official List.

Fair value reserves

The fair value reserves of the Group are analyzed as follows:

Fair value reserves

Real estate investment valuation, at fair value	**THE GROUP**	**THE COMPANY**
Balance as at 1st of January 2005	**7.405.173**	**292.585**
Reserves taxation	401.722	0
Revaluation	121.410	121.410
Balance as at 31st of December 2005	**7.928.305**	**413.995**
Reserves taxation	-	-
Revaluation		
Sale	(7.928.305)	(413.995)
Balance as at 31st of December 2006	**0**	**0**

Other reserves

The other Group's and Company's reserves are analyzed as follows:

Other reserves

THE GROUP

	Ordinary reserve	**Special reserves**	**Tax-exempted reserves**	**Other reserves**	**Total**
Balance as at 1st of January 2005	**355.236**	**360.308**	**120.792**	**1.175.580**	**2.011.916**
Exchange rate differences	-	-	-	-	**-**
Changes during the period	22.984		79.961	7.524	**110.468**
Other	-	-	-	-	**-**
Balance as at 31st of December 2005	**378.220**	**360.308**	**200.752**	**1.183.104**	**2.122.384**
Exchange rate differences					**-**
Changes during the period	49.101				**49.101**
Other					**-**
Balance as at 31st of December 2006	**427.321**	**360.308**	**200.752**	**1.183.104**	**2.171.486**

THE COMPANY

	Ordinary reserve	**Special reserves**	**Tax-exempted reserves**	**Other reserves**	**Total**
Balance as at 1st of January 2005	**355.236**	**360.308**	**120.792**	**1.175.580**	**2.011.916**
Exchange rate differences	-	-	-	-	**-**
Changes during the period	22.984		79.961	7.524	**110.468**
Other	-	-	-	-	**-**
Balance as at 31st of December 2005	**378.220**	**360.308**	**200.752**	**1.183.104**	**2.122.384**
Exchange rate differences					**-**
Changes during the period	49.101				**49.101**

Other					-
Balance as at 31st of December 2006	**427.321**	**360.308**	**200.752**	**1.183.104**	**2.171.486**

6.15 Borrowings

The Group's and Company's borrowings are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Long-term borrowing				
Bank borrowing	6.520.596	7.739.364	6.239.346	7.739.364
Leasing liabilities	0	1.626	0	1.626
Total long-term borrowings	**6.520.596**	**7.740.991**	**6.239.346**	**7.740.991**
Long-term liabilities payable during Next Year	**1.368.750**	**1.350.000**	**1.350.000**	**1.350.000**
Short-term borrowings				
Bank borrowing	764.990	5.456.192	592.299	5.306.239
Leasing liabilities	1.623	155.657	1.623	155.657
Total short-term borrowings	**766.613**	**5.611.849**	**593.922**	**5.461.897**
Total borrowings	**8.655.959**	**14.702.840**	**8.183.268**	**14.552.887**

The debt from the lease is computed from a sale & lease back of machinery whose fair value amounts to € 450,000. The lease ends in April 2007.

The maturity dates for all the group borrowings are the following:

	Ο ΟΜΙΛΟΣ			
31 Δεκεμβρίου 2005	**2 έτη και λιγότερο**	**Μεταξύ 2 και 5 ετών**	**Άνω των 5 ετών**	**Σύνολο**
Σύνολο δανείων	8.313.476	6.389.364	-	**14.702.840**
31 Δεκεμβρίου 2006				
Σύνολο δανείων	2.135.363	6.520.596		**8.655.959**

The real weighted average borrowing interest rate of the group on the balance sheet date is 5.35%.

6.16 Staff benefits

	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Balance sheet liabilities for:				
Retirement benefits	219.956	202.899	207.139	194.594
Healthcare post-retirement benefits	-	-	-	-
Total	**219.956**	**202.899**	**207.139**	**194.594**
Charges in the results:				
Retirement benefits (provisions and payments)	17.057	26.469	12.545	22.083
Healthcare post-retirement benefits	-	-	-	-

Total	**17.057**	**26.469**	**12.545**	**22.083**

The main actuarial assumptions used are as follows:

	31/12/2006	31/12/2005
Προεξοφλητικό επιτόκιο	4,2%	4,5%
Μελλοντικές αυξήσεις μισθών	3,5%	3,5%
Πληθωρισμός	2,5%	2,5%
Ποσοστό αποχωρήσεων	2,0%	0,5%

6.17 Provisions

The provisions concerning the Group and the Company are recognized if there are current legal or imputed liabilities due to previous events, since it is possible to be settled through outflows, and if the debt may be reliably determined. Contingent receivables are not recognized in the financial statements, but are disclosed if the inflow of financial benefits is possible.

	THE GROUP				THE COMPANY			
	Pending litigation	**Other provisions**	**Tax provision for unaudited periods**	**Total**	**Pending litigation**	**Other provisions**	**Tax provision for unaudited periods**	**Total**
	315.000	**23.414**	**0**	**338.414**	**315.000**			**315.000**
Additional provisions	0	0	45.539	45.539	0	14.742	41.113	55.855
Used provision	0	(8.672)	0	(8.672)	-	-	-	0
31 December 2005	**315.000**	**14.742**	**45.539**	**375.281**	**315.000**	**14.742**	**41.113**	**370.855**
Additional provisions		188.173	36.660	224.833	0	188.173	36.660	224.833
Used provision	(315.000)			(315.000)	(315.000)	0	0	(315.000)
31 December 2006	**0**	**202.915**	**82.199**	**285.114**	**0**	**202.915**	**77.773**	**280.688**
Short term provisions	0	0	82.199	**82.199**	0	0	77.773	77.773
Long Term provisions	0	202.915	0	**202.915**	0	202.915	0	202.915
	0	**202.915**	**82.199**	**285.114**	**0**	**202.915**	**77.773**	**280.688**

6.18 Subsidies

The Group's and Company's subsidies are analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Machinery	60.872	15.070	5.023	15.070
Software	12.917	38.750	12.917	38.750
	73.789	**53.820**	**17.940**	**53.820**
Minus: Demortizations during the period	(35.211)	(35.880)	(17.940)	(35.880)

Total	**38.578**	**17.940**	**0**	**17.940**

6.19 Suppliers and other payables

The analysis of the other suppliers and relative Group's and Company's payables are as follows:

	THE GROUP		**THE COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Suppliers	608.543	1.204.373	1.014.273	1.179.730
Cheques Payable	2.031.615	1.959.345	1.834.476	1.810.427
Customers prepayments	626.817	310.483	181.555	141.241
Total	**3.266.975**	**3.474.201**	**3.030.304**	**3.131.398**

6.20 Current tax liabilities

The difference between the tax on the Group profits before tax is different than the theoretical amount which would result using the weighted average tax rate on the profits of the integrated companies. This difference is illustrated in the following table:

	THE GROUP		**THE COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Tax expense for the period	245.191	312.264	245.191	312.264
Tax liabilities	221.587	245.019	218.527	230.707
Total	**466.777**	**557.283**	**463.717**	**542.971**

6.21 Financial derivatives

	ΟΜΙΛΟΣ		**ΕΤΑΙΡΕΙΑ**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Προθεσμιακές συμβάσεις συναλλάγματος (forwards)	0	56.164	0	56.164

The liability amounting to € 56,164.48 on 31/12/205 concerns the valuation of a future exchange rate contract. A proportionate amount burdens the operating results.

6.22 Other short-term liabilities

The other Group's and Company's liabilities are analyzed as follows:

	THE GROUP		**THE COMPANY**	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Accrued expenses	0	56.012	0	56.011
Insurance organizations	155.093	131.686	142.608	117.109
Payable dividends	105.454	181.525	105.454	181.525
Other liabilities	374.000	916.502	325.274	1.054.308

Total	**634.547**	**1.285.725**	**573.336**	**1.408.953**

6.23 Sales

Sales

	THE GROUP		THE COMPANY	
	31/12/2006	**31/12/2005**	**31/12/2006**	**31/12/2005**
Merchandize	4.419.596	4.457.958	4.419.596	4.457.958
Products	7.759.933	7.031.264	7.759.933	7.031.264
Raw material	2.699.008	2.518.669	2.699.008	2.518.669
Services	432.120	408.993	2.732	7.272
Other	217.472	156.334	217.472	156.334
TOTAL	**15.528.129**	**14.573.217**	**15.098.741**	**14.171.496**

6.24 Expenses per category

The Group's and Company's expenses per category are analyzed as follows:

Sales cost

Sales cost

	THE GROUP		THE COMPANY	
	01/01-31/12/2006	**01/01-31/12/2005**	**01/01-31/12/2006**	**01/01-31/12/2005**
Staff Remuneration	1.651.265	1.437.988	1.482.537	1.002.129
Third Parties Remuneration	875.462	732.750	537.710	575.981
Third Parties Allowances	373.000	501.136	250.846	188.092
Taxes Duties	43.621	165.118	43.621	17.042
General Expenses	371.549	334.576	279.209	63.779
Amortizations	375.962	345.823	290.386	146.955
Provisions	5.106	0	-	-
Total	**3.695.965**	**3.517.391**	**2.884.309**	**1.993.977**
Reserves cost	7.187.783	6.418.015	7.089.356	7.806.287
Minus Own Production	(251.785)	0	(251.785)	0
Sales cost	**10.631.963**	**9.935.406**	**9.721.880**	**9.800.264**

Administrative / disposal expenses

Administrative expenses

	THE GROUP		THE COMPANY	
	01/01-31/12/2006	**01/01-31/12/2005**	**01/01-31/12/2006**	**01/01-31/12/2005**
Staff Remuneration	861.144	612.350	805.308	542.628
Third Parties Remuneration	397.093	339.120	384.586	301.365
Third Parties Allowances	150.123	165.224	131.726	138.381
Taxes Duties	107.625	76.411	91.847	53.529
General Expenses	326.088	266.804	300.203	254.363
Amortizations	156.034	143.875	154.746	140.805

Provisions	12.247	25.234	12.545	22.083
Total	**2.010.354**	**1.629.018**	**1.880.961**	**1.453.154**

Disposal expenses

	THE GROUP		THE COMPANY	
	01/01-31/12/2006	**01/01-31/12/2005**	**01/01-31/12/2006**	**01/01-31/12/2005**
Staff Remuneration	689.610	530.122	633.773	505.276
Third Parties Remuneration	332.250	128.277	332.250	128.277
Third Parties Allowances	169.276	152.890	158.754	149.799
Taxes Duties	3.987	5.453	3.987	5.453
General Expenses	543.944	493.856	537.357	477.363
Amortizations	25.694	25.764	25.694	25.764
Provisions	(297)	1.235	-	-
Total	**1.764.463**	**1.337.597**	**1.691.814**	**1.291.932**

6.25 Other operating revenues/ expenses

The other Group's and Company's operating revenues/ expenses are analyzed as follows:

Income	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	**1/1 - 31/12/2005**	**1/1 - 31/12/2006**	**1/1 - 31/12/2005**
Real estate investment profits in fair value	0	181.000	0	181.000
Received grants amortizations	13.455	35.880	13.455	35.880
Income from Subsidies	112.144	34.981	108.135	18.955
Duties & Tax Return	26.764	8.964	26.764	8.964
Exchange Rate Difference Profits	4.009	126.540	4.009	126.540
Income from Rents	18.926	16.226	15.326	14.126
Sales & Lease Back Agreements Income	0	10.406	0	1.734
Income from amortizations	30.726	0	13.455	0
Profits from fixed assets sale	57.283	1.300	57.113	1.300
Other	366.716	83.555	364.491	82.866
Total	**630.023**	**498.852**	**602.749**	**471.365**

Expenses	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	**1/1 - 31/12/2005**	**1/1 - 31/12/2005**	**1/1 - 31/12/2005**
Real estate investment profits in fair value	0	10.000	0	10.000
Exchange rate differences loss from derivatives	0	56.164	0	56.164
Exchange rate differences loss	69.159	23.253	69.159	23.253
Provisions for doubtful debts	73.447	0	73.447	0
Receivables depreciation	60.068	0	0	0

Previous Years Expenses	37.975	35.004	37.975	33.803
Other	225.900	2.185	168.851	2.046
Total	**466.549**	**126.606**	**349.433**	**125.267**

6.26 Financial revenues/ expenses

The other Group's and Company's financial revenues/ expenses are analyzed as follows:

Financial Income from:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	**1/1 - 31/12/2005**	**1/1 - 31/12/2006**	**1/1 - 31/12/2005**
Banks	0	118	0	118
Notes Interests	3.502	2.637	3.502	2.637
Other Credit Interests	11.989	318	11.989	318
Interest rate grant	61.675	0	61.675	0
	77.165	**3.072**	**77.165**	**3.072**

Financial Expenses from:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	**1/1 - 31/12/2005**	**1/1 - 31/12/2006**	**1/1 - 31/12/2005**
Bank borrowings & overdrafts	928.041	755.050	903.164	743.194
Commissions of Letters of Guarantees	13.554	23.963	13.554	19.029
Cheques & Notes Receivable Expenses	35.472	32.461	35.472	32.461
Factoring	0	5.928	0	5.928
Leasing	0	17.118	0	2.191
Other Bank Expenses	77.760	69.886	74.800	70.665
	1.054.827	**904.406**	**1.026.990**	**873.468**

6.27 Other financial results

The other Group's and Company's financial results are analyzed as follows:

Other financial results

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	**1/1 - 31/12/2005**	**1/1 - 31/12/2006**	**1/1 - 31/12/2005**

Proceeds from dividends	0	80	53.191	80
Profits / (loss) from financial assets sale through results	0	3.012	0	3.012
Operating profits / (loss) from subsidiary's liquidation	0	(1.953)	-	-
Operating profits / (loss) from merger with subsidiary	0	(56.147)	-	-
	0	**(55.007)**	**53.191**	**3.092**

6.28 Investing activity results

The Group's and Company's investing activity results are analyzed as follows:

Investing activity results

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Profits from the sale of the associated company's share	276.025	0	276.025	0
Profits from associated company	2.969.554	0	-	-
	3.245.579	**0**	**276.025**	**0**

The profits from the associated company Latirus Ltd in its consolidated basis resulted mainly a) from the revaluation of the real estates of the subsidiary of IKTINOS CONSTRUCTION AND TOURISM SA from Colliers International on the 31/12/2006. The valuation of the real estates amounted to € 32,210,000, whereas previously it corresponded to 16,612,258 and therefore profits of €15,597,742 before taxes occurred b) Profit (goodwill) of €3,126,103 from the purchase of IKTINOS CONSTRUCTION AND TOURISM SA, c) operating loss for Latirus Ltd of -€2,361 and d) deferred tax of 3,414,831.
Of those, €709,945 is attributed to a minority and € 14,596,707 is attributed to parent company shareholders.
IKTINOS HELLAS SA holds 20.344% and therefore €2,969,554 is attributed to it.

They are analytically presented in the following table:

Latirus Results	-2.361,48
Profit from real estate valuation	15.597.741,86
Goodwill	3.126.103,10
	18.721.483,48
Tax for the period	(3.414.831,20)
	15.306.652,28
Parent company's shareholders	***14.596.707,46***

Minority interests *709.944,82*

6.29 Income tax

The Group's and Company's income tax is analyzed as follows:

	THE GROUP		THE COMPANY	
	1/1 - 31/12/2006	1/1 - 31/12/2005	1/1 - 31/12/2006	1/1 - 31/12/2005
Tax for the period	245.191	384.591	245.191	355.093
Deferred tax expense /(income)	181.338	60.777	170.892	54.669
Tax provision for unaudited period	36.660	45.539	36.660	41.113
Other taxes not charged to the operating cost	2.025	13.477	2.025	0
Conclusion of the years 2002-2004	0	140.180	0	140.180
Other taxes	454	0	-	-
Total	**465.667**	**644.564**	**454.767**	**591.055**

6.30 Profits per share

The Group and Company profits per share are analyzed as follows:

Profits per share

	THE GROUP		THE COMPANY	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
Profits attributed to the parent company's shareholders	**2.318.872**	**710.053**	**982.025**	**513.885**
Number of shares	*9.526.700*	*9.526.700*	*9.526.700*	*9.526.700*
Minus: parent company's equity	*0*	*150.000*	*0*	*150.000*
Weighted average number of shares	**9.460.950**	**9.376.700**	**9.460.950**	**9.376.700**
Basic earnings per share (Euros per share)	**0,245**	**0,076**	**0,104**	**0,055**

6.31 Contingent receivables – payables

Information on contingent payables

There are no litigations or disputes under arbitration by court or arbitrary bodies which may influence substantially the financial situation or operation of the Group.

The unaudited tax periods of the Group companies are as follows:

NAME	REGISTERED OFFICE	UNAUDITED PERIODS
IKTINOS HELLAS S.A.	7, Likovriseos str., Metamorfosi, Attica	2005 - 2006
FIDIAS HELLAS S.A.	12A Tinou str., Vrillisia, Attica	2003 - 2006
KALLITECHNOKRATIS LTD	7, Likovriseos str., Metamorfosi, Attica	2003 - 2006
VIS LAPIS LTD	12A Tinou str., Vrillisia, Attica	2005 - 2006
LATIRUS LTD	11 Florinis str. - Nicosia	-

The group has made a provision of a total amount of 82,199 euros for unaudited periods of which 36,660 euros involve the year 2006 and were charged to the respective Operating Results.

6.32 Transactions with affiliated parties

The amounts of the company purchases and sales from and to affiliated parties as determined by the IAS 24, cumulatively from the beginning of the current period1/1-31/12/2006 and 1/1-31/12/205 as well as the remaining receivables and payables of the above companies on the 31/12/206 and the 31/12/2005 are analyzed as follows:

ΔΙΕΤΑΙΡΙΚΕΣ ΠΩΛΗΣΕΙΣ ΑΓΟΡΕΣ 1/1 - 31/12/2005

ΠΩΛΗΤΗΣ \ ΑΓΟΡΑΣΤΗΣ	ΙΚΤΙΝΟΣ ΑΕ	ΙΚΤΙΝΟΣ ΛΑΤΟΜΙΚΗ ΑΕ	ΦΕΙΔΙΑΣ ΑΕ	ΙΚΤΙΝΟΣ ΙΤΑΛΙΑΝΑ	ΙΚΤΙΝΟΣ ΤΟΥΡΙΣΤΙΚΗ ΑΕ	ΙΚΤΙΝΟΣ ΠΡΟΜΗΘ. ΕΠΕ	ΚΑΛΛΙΤΕΧΝΟΚΡΑΤΗΣ ΕΠΕ	VIS LAPIS ΕΠΕ	ΣΥΝΟΛΟ
ΙΚΤΙΝΟΣ ΑΕ	-	-	-	-	-	-	-	449.449	**449.449**
ΙΚΤΙΝΟΣ ΛΑΤΟΜΙΚΗ ΑΕ	558.920	-	-	-	-	-	-	-	**558.920**
ΦΕΙΔΙΑΣ ΑΕ	382.192	-	-	-	-	-	-	-	**382.192**
ΙΚΤΙΝΟΣ ΙΤΑΛΙΑΝΑ	-	-	-	-	-	-	-	-	**0**
ΙΚΤΙΝΟΣ ΤΟΥΡΙΣΤΙΚΗ ΑΕ	-	-	-	-	-	-	-	-	**0**
ΙΚΤΙΝΟΣ ΠΡΟΜΗΘΕΥΤΙΚΗ ΕΠΕ	-	-	-	-	-	-	-	-	**0**
ΚΑΛΛΙΤΕΧΝΟΚΡΑΤΗΣ ΕΠΕ	-	-	-	-	-	-	-	-	**0**
VIS LAPIS ΕΠΕ	41.718								**41.718**
ΣΥΝΟΛΟ	**982.829**	**0**	**0**	**0**	**0**	**0**	**0**	**449.449**	**1.432.279**

ΔΙΕΤΑΙΡΙΚΕΣ ΑΠΑΙΤΗΣΕΙΣ - ΥΠΟΧΡΕΩΣΕΙΣ 31/12/2005

ΥΠΟΧΡΕΩΣΗ

ΑΠΑΙΤΗΣΗ	ΙΚΤΙΝΟΣ ΑΕ	ΙΚΤΙΝΟΣ ΛΑΤΟΜΙΚΗ ΑΕ	ΦΕΙΔΙΑΣ ΑΕ	ΙΚΤΙΝΟΣ ΙΤΑΛΙΑΝΑ	ΙΚΤΙΝΟΣ ΤΟΥΡΙΣΤΙΚΗ ΑΕ	ΙΚΤΙΝΟΣ ΠΡΟΜΗΘ. ΕΠΕ	ΚΑΛΛΙΤΕ ΧΝΟΚΡΑΤΗΣ ΕΠΕ	VIS LAPIS ΕΠΕ	ΣΥΝΟΛΟ
ΙΚΤΙΝΟΣ ΑΕ	-	-	699.319	-	168.624	2.136	46.329	317.511	**1.233.919**
ΙΚΤΙΝΟΣ ΛΑΤΟΜΙΚΗ ΑΕ	-	-	-	-	-	-	-	-	**0**
ΦΕΙΔΙΑΣ ΑΕ	-	-	-	-	-	-	-	-	**0**
ΙΚΤΙΝΟΣ ΙΤΑΛΙΑΝΑ	-	-	-	-	-	-	-	-	**0**
ΙΚΤΙΝΟΣ ΤΟΥΡΙΣΤΙΚΗ ΑΕ	-	-	-	-	-	208			**208**
ΙΚΤΙΝΟΣ ΠΡΟΜΗΘΕΥΤΙΚΗ ΕΠΕ	-	-	-	-	-	-	-	-	**0**
ΚΑΛΛΙΤΕΧΝΟΚΡΑΤΗΣ ΕΠΕ	-	-	-	-	-	-	-	-	**0**
VIS LAPIS ΕΠΕ	-	-	-	-	-	-	-	-	**0**
ΣΥΝΟΛΟ	**0**	**0**	**699.319**	**0**	**168.624**	**2.344**	**46.329**	**317.511**	**1.234.127**

INTRACOMPANY SALES AND PURCHASES 1/1 - 31/12/2006

PURCHASER

VENDOR	IKTINOS SA	FIDIAS SA	KALLITE CHNOKRATIS LTD	VIS LAPIS LTD	TOTAL
IKTINOS SA				676.967	**676.967**
FIDIAS SA	392.112				**392.112**
KALLITECHNOKRATIS LTD					**0**
VIS LAPIS LTD					**0**
TOTAL	**392.112**	**0**	**0**	**676.967**	**1.069.079**

INTRACOMPANY RECEIVABLES - PAYABLES 31/12/2006

ΥΠΟΧΡΕΩΣΗ

RECEIVABLES	IKTINOS SA	FIDIAS SA	KALLITE CHNOKRATIS LTD	VIS LAPIS LTD	TOTAL
IKTINOS SA		471.342	52.477	554.839	**1.078.658**
FIDIAS SA				3.730	**3.730**
KALLITECHNOKRATIS LTD					**0**
VIS LAPIS LTD					**0**
TOTAL	**0**	**471.342**	**52.477**	**558.569**	**1.082.388**

The above transactions and balances have been deleted from the consolidated financial data of the Group. There are no intracompany sales and purchases nor intracompany receivables and payables with the associated company Latirus Ltd. Whereas, with its subsidiary IKTINOS CONSTRUCTION AND

TOURISM SA the following transactions were made: Rents for the period of 1/1-31/12/2006 amounting to €8,804.16 and for the period of 1/-31/12/2005 amounting to €8,804.16 and there were no sales and purchases, nor any receivables and payables balances for the respective periods.

Benefits to the Management

			2006 BoD REMUNERATIONS	2006 PAYROLL	2005 BoD REMUNERATIONS	2005 PAYROLL
Evaggelos Chaidas	Chairman & Managing Director	Executive	100.000	0	64.000	0
Ioulia Chaida	Vice chairman	Executive	30.000	53.779	12.000	32.273
Anastasia Chaida	Member	Executive	30.000	36.974	12.000	15.704
Lydia Chaida	Member	Executive	30.000	25.171	12.000	14.086
Stamatis Marinos	Member	Independent non executive member	4.950	0	0	0
Despoina Kalogirou	Member	Independent non executive member	4.950	0	0	0
Efthymios Hatzistefanidis	Member	Independent non executive member	4.950	0	0	0
Kouroumalos Spyridon	Husband of Ioulia Haida	-	0	53.381	0	37.428
Pomaricci Francesco	Husband of Lydia Haida	-	0	61.364	0	41.123
		Total	**204.850**	**230.669**	**100.000**	**140.614**

There are no borrowings, receivables and payables balances to the members of the management for the respective periods of 1/1-31/12/2006 and 1/1-31/12/2005

6.33 Dividends

During the period the Company paid dividends amounting to € 740,868.

6.34 Number of employed staff

The Group's and Company's employed staff is analyzed as follows:

	THE GROUP 31/12/2006	THE GROUP 31/12/2005	THE COMPANY 31/12/2006	THE COMPANY 31/12/2005
Employees on salary	57	50	54	37
Employees on wage	58	56	51	34
Total	**115**	**106**	**105**	**71**

6.35 Proposal for Distribution of the Year 2006

The proposal of the board of directors to the Shareholders General Meeting shall be to distribute a dividend from the profits of the year 2006 amounting in total to € 857,403, which corresponds to € 0.03 per share (28,580,100 shares) compared to the dividend of € 0.07 per share (9,526,700 shares) for the year 2005 (amounting in total to € 666,689)

6.36 Events after the balance sheet date

Apart from the events already mentioned, there are no events subsequent to the financial statements which concern either the Group or the Company, for which a reference is required to be made by the International Financial Reporting Standards.

A) Share Capital Increase by 5,525,486 through reserves capitalization from the "paid difference from the issuance of shares above par" (see relative analysis in the Report of the Board of Directors)

B) Participation in the Share Capital increase of the affiliated company LATIRUS ENTERPRISES LTD (see analysis in the Report of the Board of Directors).