



# **MICHANIKI**

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GROUP OF COMPANIES



**Presentation**  
April 2008

# Group Profile:

MICHANIKI (Reuters: MICr.AT) is a leading construction group of companies in Greece. It engages in the construction of major infrastructure and building projects like highways, bridges and tunnels as well as in the construction of mixed use building complexes mainly abroad.

Over its 33-year history of operations MICHANIKI has delivered a number of significant infrastructure projects that stand out for the introduction of major technical innovations.

## Activities & Sectors

- Greece (Construction-Industrial Plants-Energy-Real Estate)
- Bulgaria (Real Estate development)
- Ukraine (Real Estate development)
- Russia (Real Estate development)
- Egypt (Real Estate development)
- Belarus (Real Estate development)







# I. Greece, Construction - Projects in progress



In the construction sector, a series of public and private works is executed and the value of backlog is standing as of Dec '07 at €420 million.

The management of the company will continue the strategy of selective participation in projects that are announced taking into consideration the achievement of equivalent profit margins with those of the previous year.

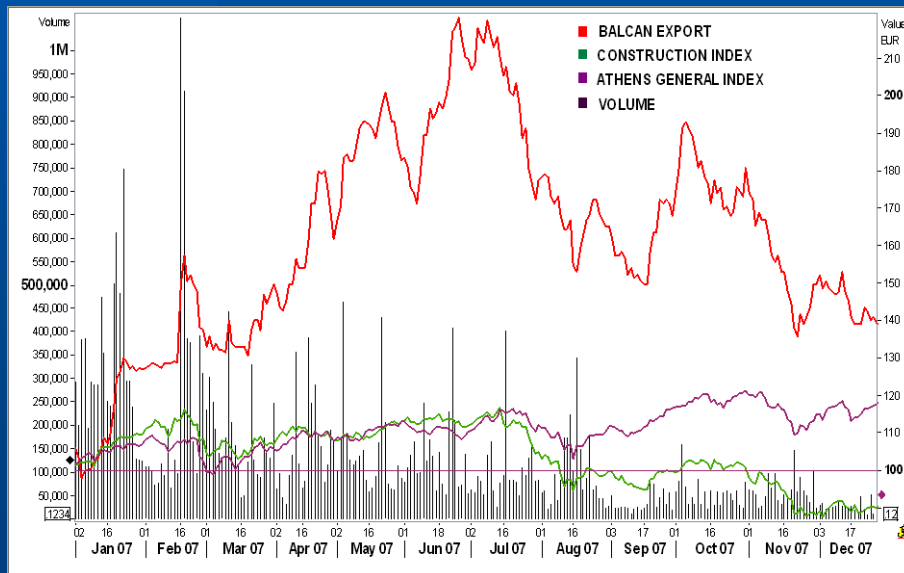
# II. Greece, Industrial Plants

## Balkan Export S.A.

### In General:

Balkan Export S.A., is an Athens Stock Exchange traded company, 53.9% owned by Michaniki S.A.

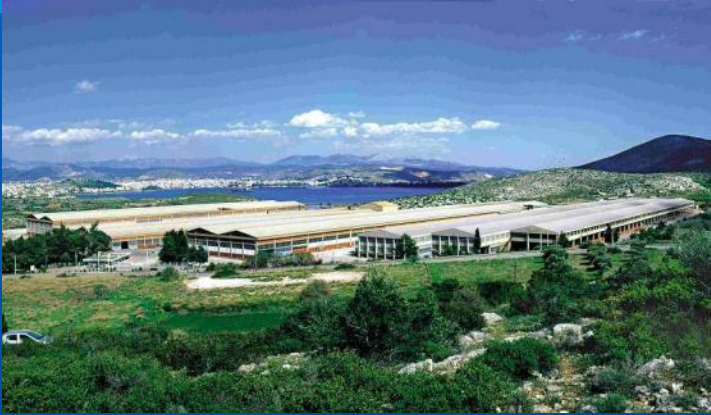
The company in cooperation with its parent company Michaniki SA will undertake investments for the development of urban and non-urban real estate projects and the construction of large residential units, the development, management and exploitation of them belonging to the company or to third parties.



- Publicly traded since: 1990
- Capitalization: € 60 m.
- Number of Shares: 20,121,710
- Plot - Buildings: 425,515 sq. m.

# II. Greece, Industrial Plants

## Hellenic Pipeworks S.A



Hellenic Pipeworks is a 100% subsidiary of Michaniki S.A.

The long-lasting presence and experience in the manufacturing of steel-pipes, enables the company to strengthen its competitive advantage and to increase its market share in international markets.

**Plots-Buildings: 509,168 sq. m**

## Marmara Kavalas S.A.



Marmara Kavalas S.A. is a 77% subsidiary of Michaniki S.A. and its primary activities include quarrying, processing and sales of marble products in the domestic and foreign markets.

**Plots-Buildings: 59,043 sq. m**

# III. Greece, Energy production



Michaniki has entered the electricity production sector capitalizing on its know-how and expertise on hydroelectric-station-construction, aiming to be a player in the recently liberalized electricity market in Greece.

- Theodoriana Hydroelectric Station 4.0 MW (completed)
- Agios Nikolaos Hydroelectric Station 93.0 MW (approved)
- Karpenissioti Hydroelectric Station 5.4 MW (approved)
- Temenos Hydroelectric Station 15.0 MW (submission of offer)

# III. Greece, Energy production



## Theodoriana Hydro Station 4.0 MW (completed)

### Financial results FY 2007 vs. 2006:

- Revenues : € 1.1 / **1.2 m**
- Net: € 0.6 m. / **0.7 m**

## Karpenissioti Hydro Station 5.4 MW (approved)

- Annual electricity output: 21,779,000 KWh
- Estimated annual sales: € 1.5 m
- Investment: € **9.0 m.**

## Agios Nikolaos Hydro Station 93.0 MW (approved)

- Annual electricity output: 300,000,000 KWh
- Estimated annual sales: € 20.0 m
- Estimated pre tax profit: 35% of sales
- Investment: € **148.0 m.** in total – 2007 2010

## Temenos Hydro Station 15.0 MW (submission of offer)

- Annual electricity output: 60,000,000 KWh
- Estimated annual sales € 4.2 m.
- Investment: € **60.0 m.**

# IV. Greece, Real Estate Development

## “Dryades” Residential Complex, Greece



It is a Model Residential Complex that Michaniki is completing in the affluent Ekali suburb of Athens, Greece. It includes 55 two-floor residences that meet high quality requirements in a pine-forested area. The land area is totaling 28,000 sq.m. and is divided in integral plots each including two or three homes. Michaniki owns 31 residences of total surface 10.798 sq.m. Up today 90% of the project has already been completed and Michaniki has pre-sold 9 villas.

### Investment:

€ 24.0 m. in total

100% Michaniki financed

Expected ROIC +20%

# IV. International Activities

## Real Estate Development

### In General:

Michaniki Group is making a strategic shift in Real Estate Development abroad by capitalizing its long year experience and know-how in the market. The Company is seeking to increase and exploit investments opportunities in Ukraine and Russia and to investigate new projects in Egypt and Belarus.

Through the penetration in Real Estate markets abroad, along with the continuous growing acquisition of land resources, that is considered to be the key in Real Estate investments, Michaniki Group is going to achieve a significant growth of its financial results in the following five years.

According to a recent valuation report of Cushman and Wakefield, the commercial value of the nine land plots, totaling 855.220 sqm that the company has acquired in Russia, is estimated at US\$415 m.

# IV. Real Estate Development

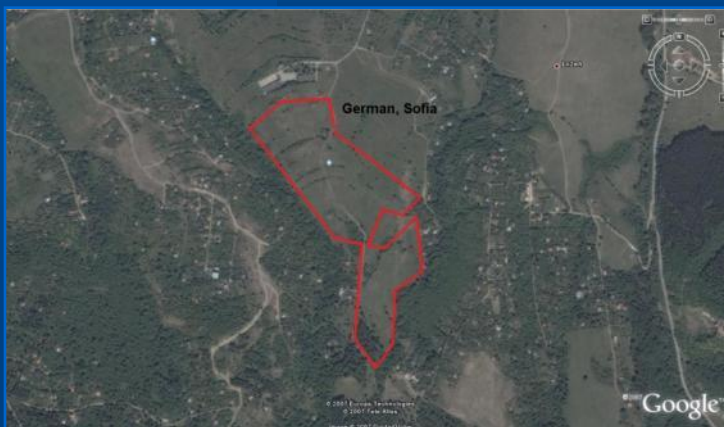
## In General:

In the year 2006, Michaniki accomplished and acquired surplus values of €10,4m from the sale of its first plot of 17,500 sq. m. in the "Tsarigraskoe" Avenue.



## Botanical Garden, Boyana:

For its 33,000 sq.m. plot in this area, Michaniki Bulgaria has applied to the local authorities for new general plan of the area in order to increase the construction coefficient of the land. After the implementation of the new general plan the company will immediately start the master planning of the project for the optimum exploitation.



## German:

The new acquisition of the company concerns a total area of more than 93,000 sq. m. in the Sofia's suburb German, and is proposed for an upper middle social class low rise residential project on a amphitheatrically location under Vitosha mountain.

The company evaluates various architectural concepts one of which will be chosen for the land development.



# IV. Real Estate Development

## “Athena” Shopping Center, Odessa



The Commercial Center “Athena” is located in the heart of Odessa, Ukraine. Totalling 30,000 sq. m. of surface area, the shopping center accommodates 162 shops, department stores, recreational areas, and office space for international and local companies.

100% shops, offices and parking spaces are sold.

**Investment realized:**      \$ 23 m. in total  
ROIC: +30%

# IV. Real Estate Development

## “Artemis”, Building Complex, Kiev



Totaling 53,381 sq.m., the Artemis Complex is located in the eastern suburbs of Kiev, Ukraine and will include two floors of 6,000 sq.m. for shopping and recreational activities, 2,000 sq. m. for office use and 7,000 sq.m underground parking places Above the commercial space area, MICHANIKI is constructing two towers of 6 and 20 floors respectively, including 198 apartments totaling 22,200 sq.m. Up today, 76 apartments, two offices and more than 900 sq. meters of commercial space have been pre-sold.

### Investment:

\$ 43 m. in total (2006-2009)

## “Odessa Dream” Housing & Recreational Park, Odessa



The “Odessa Dream” Recreational and Park Development Complex in Odessa, Ukraine, is located at the city’s harbor in the Black Sea. Odessa Dream is a development of total surface area of 252,124 sq.m. including 28 buildings of six distinctive building types.

90% of the total building area will be for residential premises, 8% for hotel premises and 2% for commercial spaces. Construction license is expected in Q2 2008.

### Investment:

\$ 303 m. in total (2008-2013)

# Michaniki Ukraine Projects

Project Type	ARTEMIDA		ODESSA DREAM		TOTAL
	Premium Class Multifunctional Project - (Residential/ Commercial & Offices)		Residential & Recreational Complex - Elite Class		
START/EXPECTED FINALIZATION DATES	Q1 2006 - Q1 2009		Q2 2008 - Q2 2013		
Plot size	in sq m	7.900	201.800	209.700	
Land Aqc price	US \$	200.000	6.000.000	6.200.000	
Current NAV *	US \$	42.500.000	252.600.000	295.100.000	
Total Project Vol	in sq m	53.381	252.124	305.505	
Cost/sqm built incl Land Cost	US \$/sqm	800	1.200		
Total Project Budget	US \$	43.000.000	303.000.000	346.000.000	
Total Saleable	in sq m	30.200	154.668	184.868	
Avg Selling Price	US \$/sqm	2.500	3.500		
Parking plots		155	858	1.013	
Price/place (w/o VAT)	US \$/place	20.000	25.000		
<b>Total Revenues (US\$m)</b>	<b>US \$</b>	<b>78.600.000</b>	<b>562.788.000</b>	<b>641.388.000</b>	
<b>Total Cost Projected</b>		<b>42.704.800</b>	<b>302.548.800</b>	<b>345.253.600</b>	
<b>EBITDA</b>	<b>US \$</b>	<b>35.895.200</b>	<b>260.239.200</b>	<b>296.134.400</b>	
<b>Δ (% on Total Rev.)</b>	<b>%</b>	<b>45,7%</b>	<b>46,2%</b>	<b>46,2%</b>	

## Moscow



**1. "ALEXANDER THE GREAT"** Business & Apartments Complex **2. "HERA"** Residential Complex with Commercial Spaces  
**3. "APHRODITE"** Residential Complex with Commercial Spaces **4. "DEMITRA"** Hotel Apartments & Villas Complex **5. "OLYMPUS"**  
Business & Apartments Tower **6. "ATHENA"** Commercial & Residential Complex **7. "APOLLO"** Hotel Apartments & Business  
Complex **8. "HELLAS"** Business & Apartments Complex **9. "CHIMKI TOWERS"** Residential Complex with Commercial Spaces.

# IV. Real Estate Development

## “Alexander the Great”, Building Complex



In a land plot of 20,000 sq. m. in Moscow, Russia, Michaniki is developing a mixed-use building complex. It is, located on the 4<sup>th</sup> Ring Road (MKAD) of the Russian capital will include three towers of 157,190 sq. m. The split of the uses is 66% offices, 25% hotel/apartments, and 9% commercial spaces.

Construction works started in the end of 2007. Presales are expected in the 2<sup>nd</sup> half of 2008.

### Investment:

\$ 236 m. in total (2007-2010)

## “Hera”, Apartment Building



This project consists of a 9 floor contemporary luxury apartment building located right next to the Lobanovo park. 14,198 square meters of dwelling space will be the total size of the structure on the specific plot with 125 available spaces for parking.

Construction permit received in Q1 08 and construction works on the site along with presales will commence in Q2 2008.

### Investment:

\$ 16 m. in total (2008-2010)

# IV. Real Estate Development

## “Aphrodite”, Apartment Building



Michaniki Russia has concluded the preliminary architectural studies for the “business-class” residential premises of 27,000 sq.m.

Currently the final architectural and structural studies stage have commenced. Construction permit is expected in beginning of 2008 and presales will be available from Q3 08.

## “Dimitra”, Apartment Building



The company currently concluding the architectural concept and the real estate product mix to be delivered in the land of 26.700 sq.m in the Himki area. “Dimitra”, will include unique high - end residences and luxurious sport facilities. The construction permit for the 55,000sq.m Hotel Apartments is expected to be received in the beginning of 2009.

# IV. Real Estate Development

## “Melina Towers”, Apartment Building, Moscow, RU

### In General:

The latest land plot of Michaniki Russia includes a magnificent area of 65.000 sq. m. which is actually the last big land plot with such a long border on the river in the area of Moscow. The plot although offering a unique physical environment, it simultaneously offers a perfect accessibility to all around Moscow City and Oblast through its less than 1 Km distance from the major intersection of MKAD and Leningradski Avenue.

Concluded architectural concepts include high rise contemporary buildings that will create a new landmark for the entrance of the Moscow City. Currently there are processed feasibility studies in order to conclude the final real estate product mix to be developed.

Construction permit is planned for Q2 of 2009.



# IV. Real Estate Development

## Rest of the projects latest information:

- Michaniki Russia has finalized and received the preliminary approvals from the Moscow City Architectural Committee for the plans of the “Apollo” complex located in Taganka area of the historical centre of Moscow. Construction permit for the 45,300 sq.m. Business and Hotel Apartments complex that is located right on the “Rimskaya” metro station, is expected in the beginning of 2009.
- “Hellas”: The land acquisition is the largest ever land investment of the company. The acquired land plot of 701,100 sq. meters -located in the south west outskirts of Moscow- has been purchased on a free hold full ownership rights status and has official use mainly for residential development, including commercial shopping centers, school, sports facilities, etc. Michaniki Russia has already concluded the master plan of the area and is on the process of presentation and preliminary approvals from the Moscow Oblast Authorities. The construction permit is also expected in Q1 of 2009.

# IV. Real Estate Development

## Rest of the projects latest information:

- "Athena": In the Himki area, Michaniki Russia is planning to develop a commercial and residential complex of approximately 80.000 sq.m.. Architectural preliminary studies are currently under evaluation. Construction permit is expected during Q2 of 2009.
- "Olympus": Michaniki Russia tries to exploit, the prospects of the Business and Apartments tower next to the IKEA Business Park on Leningradski avenue that is currently under development. Currently company's architects and outsourced consultants work and the architectural and product mix designs for the best exploitation of the area. Construction permit is planned for Autumn of 2009.

# Michaniki Russia Projects

PROJECTS' NAMES & LOCATIONS	PROJECT TYPE	PROJECTS' DATES START/ EXPECTED FINALIZATION	PLOT SIZE	LAND ACQ/TION PRICE	CURRENT (30/09/07) NAV*	TOTAL PROJECT VOLUME	COST PER SQ. METER BUILT (INCL. LAND COST)	TOTAL PROJECT BUDGET	TOTAL SALEABLE (NET)
"ALEXANDER THE GREAT" Chimki - I / MKAD & Leningradski Avenue intersection	Business & Apartments Complex Class A	Q4 2007 Q4 2010	21,40	2,80	80,30	157,19	\$1,500	236,0	96,0
"HERA" Chimki - II / Lobanovo river side	Residential Complex with Commercial Spaces - Elite Class	Q2 2008 Q1 2010	5,00	3,00	12,70	15,50	\$1,100	17,0	9,8
"APHRODITE" Chimki - III / Ivakino river side	Residential Complex with Commercial Spaces - Premium Class	Q3 2008 Q3 2010	9,60	3,00	12,70	30,00	\$1,000	30,0	25,0
"DEMITRA" Chimki - IV / Vasutino	Hotel Apartments & Villas Complex	Q1 2009 Q1 2011	26,70	3,70	5,90	55,00	\$1,000	55,0	36,0
"APOLLO" (Taganka) Rimskaya Metro Station - Sergey Radonevskovo & Ragovski Val	Hotel Apartments & Business Complex	Q1 2009 Q3 2011	3,60	0,00	22,80	45,30	\$1,500	68,0	21,3
"HELLAS" Zedotsi / 5th Ring Road – Betonka	Business & Apartments Complex Class B	Q1 2009 Q4 2013	701,10	40,50	105,90	900,00	\$1,000	900,0	625,0
"ATHENA" Chimki - V / Ivakino	Commercial & Residential Complex	Q2 2009 Q4 2011	29,00	5,00	17,00	80,00	\$1,100	88,0	50,0
"MELINA TOWERS" MKAD –Moscv River Side	Residential & Commercial Complex	Q2 2009 Q1 2013	65,00	26,00	148,50	190,00	\$1,500	285,0	155,0
"OLYMPUS" Chimki VI / Leningradski Avenue	Business & Apartments Tower	Q3 2009 Q4 2011	3,80	2,60	10,10	42,00	1.200,00	50,0	28,0
<b>GRAND TOTAL</b>			<b>865,20</b>	<b>86,60</b>	<b>415,90</b>	<b>1.514,99</b>		<b>1.729,0</b>	<b>1.046,1</b>

(\*) (CUSHMAN & WAKEFIELD MOSCOW)

# Michaniki Russia Projects

PROJECTS' NAMES & LOCATIONS	PROJECT TYPE	PROJECTS' DATES START/ EXPECTED FINALIZATION	PLOT SIZE	AVG SELLING PRICE PER NET SQ. M. (W/O VAT)	UNDERGROUND PARKING PLACES	PRICE/ PLACE (W/O VAT)	TOTAL REVENUE PROJECTED	EBITDA	Δ% (on Total Revenue)
			in '000 sqm	US\$		US\$	US\$m	US\$m	
"ALEXANDER THE GREAT" Chimki - I / MKAD & Leningradski Avenue intersection	Business & Apartments Complex Class A	Q4 2007 Q4 2010	21,4	\$4,000	1350	\$25,000	\$418	\$182	44%
"HERA" Chimki - II / Lobanovo river side	Residential Complex with Commercial Spaces - Elite Class	Q2 2008 Q1 2010	5,0	\$3,500	125	\$25,000	\$39	\$22	56%
"APHRODITE" Chimki - III / Ivakino river side	Residential Complex with Commercial Spaces - Premium Class	Q3 2008 Q3 2010	9,6	\$3,000	300	\$20,000	\$80	\$50	63%
"DEMITRA" Chimki - IV / Vasutino	Hotel Apartments & Villas Complex	Q1 2009 Q1 2011	26,7	\$3,000	400	\$20,000	\$116	\$61	53%
"APOLLO" (Taganka) Rimskaya Metro Station - Sergey Radonevskovo & Ragovski Val	Hotel Apartments & Business Complex	Q1 2009 Q3 2011	3,6	\$8,000	540	\$40,000	\$192	\$124	65%
"HELLAS" Zedotsi / 5th Ring Road – Betonka	Business & Apartments Complex Class B	Q1 2009 Q4 2013	701,1	\$2,500	5000	\$15,000	\$1,638	\$738	45%
"ATHENA" Chimki - V / Ivakino	Commercial & Residential Complex	Q2 2009 Q4 2011	29,0	\$3,500	380	\$20,000	\$183	\$95	52%
"MELINA TOWERS" MKAD –Moscvu River Side	Residential & Commercial Complex	Q2 2009 Q1 2013	65,0	\$5,500	2500	\$30,000	\$928	\$643	69%
"OLYMPUS" Chimki VI / Leningradski Avenue	Business & Apartments Tower	Q3 2009 Q4 2011	3,8	\$4,000	700	\$25,000	\$130	\$79	61%
<b>GRAND TOTAL</b>			<b>865,2</b>		<b>11.295</b>		<b>\$3,721</b>	<b>\$1,992</b>	<b>54%</b>

# IV. Real Estate Development

## In General:

In 2007 Michaniki's management has decided to establish a subsidiary company in Egypt named Michaniki Egypt, headquartered in Cairo. The share capital of the company is €20m and it is covered by Michaniki S.A. 70%, Balkan Export S.A. 25% and Hellenic Pipeworks S.A. 5%. As of March '08 the company has purchased two land plots in Cairo.

## Investments:

- The first plot has an area of 17.820 sq.m. and is located in Kerdasa, 2 klm from the Giza Pyramids. The area is currently characterized by the single/multiple luxurious villas developments its unique accessibility to the Alexandria Desert Road (Cairo - Alexandria Highway, less than 1 klm from the Cairo Ring Road intersection.
- The second land plot has a total surface of 147,500 sq.m. It is located in the region of El Azezeya-Cairo, in the 20th klm of Alexandria Desert Road (the main highway connecting Cairo with Alexandria), 6.5 klm from El-Remaya Square where the new archaeological museum of Cairo is developed, 7.5klm from the archaeological site of Pyramids and 2 klm from Cairo Ring Road. The plot is located between brand new elite residential complexes and the new business centre of Cairo where the headquarters of foreign multinational companies are residing.

Soon feasibility studies and architectural designs will commence in order to conclude the most financially efficient solution for the exploitation of both land plots.

# IV. Real Estate Development

## MICHANIKI BELARUS



### In General:

The latest subsidiary of Michaniki Group of Companies was established in Q4 of 2007 in the Belarusian Capital, Minsk. The newly established company will also have a real estate orientation.

The reason for the establishment of the new subsidiary is the belief of Michaniki's management to the future of the high potential Minsk city mainly because of non existence of customs and the sort distance with the powerful and very expensive Moscow.

Michaniki's management is currently investigating the Minsk real estate market in order for the company to be well prepared before competition for its first project when the conditions will be appropriate for it.

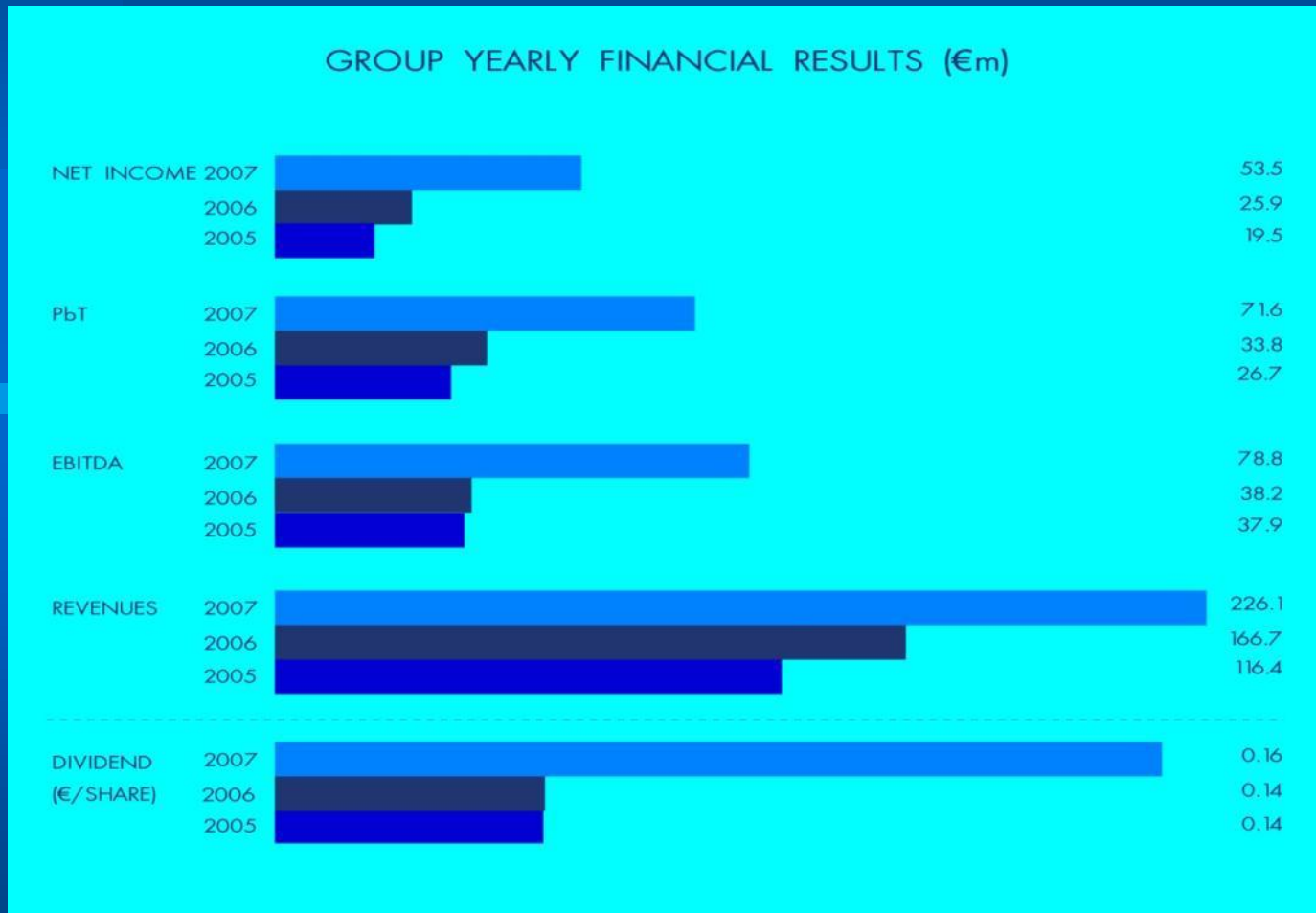


**MICHANIKI**

GROUP OF COMPANIES

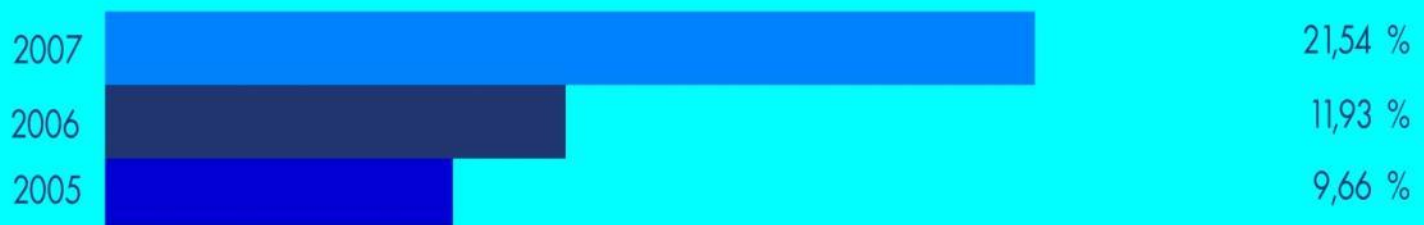
# Group Financial Results 2007

# Group Financial Data



# Group Financial Data

## RETURN ON EQUITY (ROE)



# Competition

## COMPETITION - CONSOLIDATED RESULTS FY 2007 VS. FY 2006 IN €m.





**MICHANIKI**  
GROUP OF COMPANIES

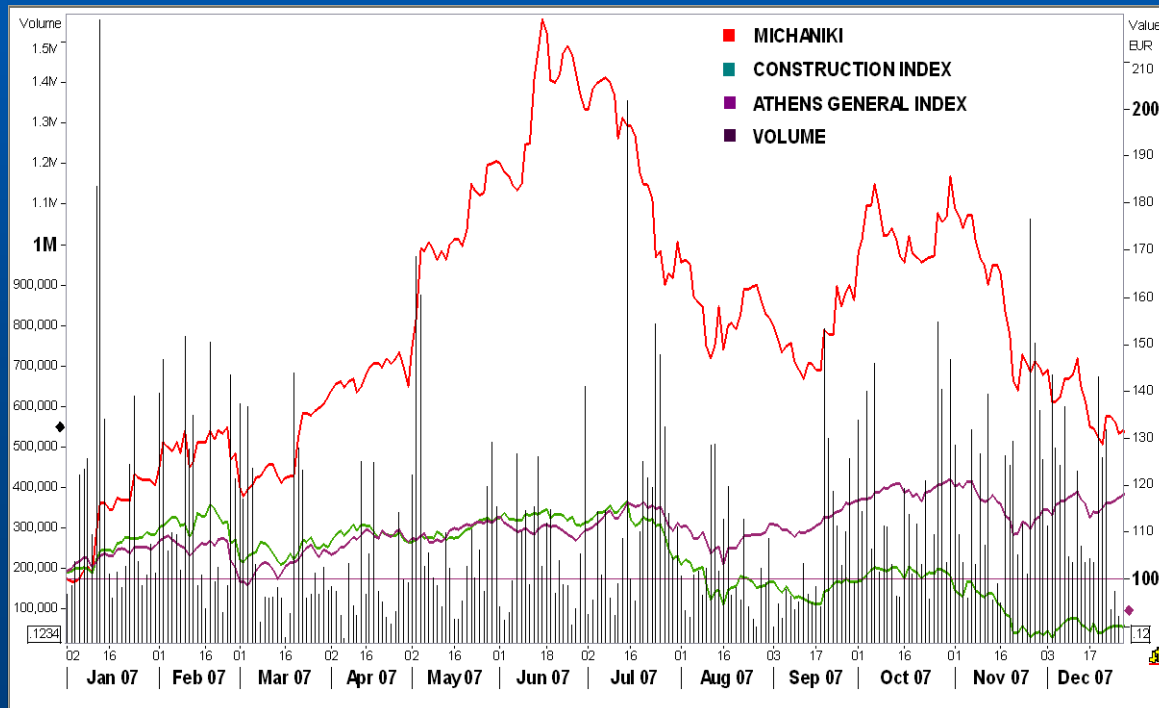
# Forecast

## Breakdown by Activity (in € m.):

	2005		2006		2007		2008 f	
	Turnover	Net	Turnover	Net	Turnover	Net	Turnover	Net
Construction:	77	12	99	11	175.6	21.9	230	29.5
Real Estate:	9	6	20	9	25.9	39.8	130	46.8
Energy:	1	0.5	1.2	0.7	1.1	0.6	3	1.5
Industrial:	30	1	44	4	21.5	-1.6	20	2
Others:			2.5	1.2	2.0	-7.2		
<b>GROUP TOTAL:</b>	<b>117</b>	<b>19.5</b>	<b>166.7</b>	<b>25.9</b>	<b>226.1</b>	<b>53.5</b>	<b>383</b>	<b>79.8</b>

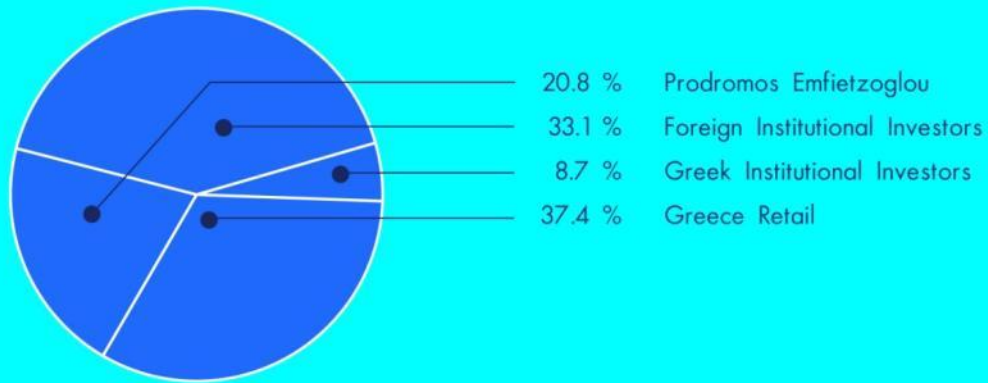
# Stock Exchange Data

- Publicly traded since: 1990
- Capitalization: € 420 m.
- Number of Shares (Common): 66,937,526
- Number of Shares (Preferred): 25,968,987



# Shareholders (Common)

## SHAREHOLDERS





# MICHANIKI

GROUP OF COMPANIES

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