

«MICHANIKI S.A.»



**MICHANIKI**  

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**GROUP OF COMPANIES**

INFORMATION DOCUMENT ON THE ESTABLISHMENT OF  
SUBSIDIARY COMPANIES IN CYPRUS

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ATHENS  
MAY 2008

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The Information Document was edited with by the Company which is responsible for its accuracy and completeness

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## 1. THE PURPOSE OF THE INFORMATION DOCUMENT

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MICHANIKI Group of Companies would like to inform investors of the following information: In the context of the proposed reorganisation of the MICHANIKI Group of Companies, the consolidation of all foreign affiliated companies' shares ("Subsidiaries") in a single Cyprus Special Purposed Vehicle is being investigated.

This proposed intra-group restructure shall initially be implemented via the aforementioned foreign affiliated companies' shares being contributed at book value from the relevant Greek parent companies to the relevant Cypriot holding company (the 1st phase). Upon completion of the 1st phase, the newly established Cypriot holding companies will each transfer their shares to a subsidiary Cyprus special purpose vehicle ("SPV") (the 2nd phase), the securities of which may be listed on a foreign stock exchange if deemed appropriate by the board of directors of the Company in light of prevailing market conditions. The SPV also may contemplate the undertaking a capital raising transaction in the future.

In return for the contribution of the shares in Subsidiaries to the relevant Cypriot holding company during the 1st phase, the Greek parent companies will receive the number of new shares in the Cypriot holding companies whose aggregate nominal value and premiums equate to the aggregate book value of the shares in the Subsidiaries.

We have investigated the financial figures of our companies in-question, including the:

- Terms and conditions of the intended reorganisation,
- Competition conditions and the macroeconomic environment influence on the sectors in which the Companies in question are incorporated,
- Core factors and relative trends which affected the historical financial figures of the Companies,
- Financial data of the Companies in-question as it was the date of the Balance-sheet of the December 31st 2007,
- The relevant companies' asset structure,
- Results of the implementation of the appropriate generally accepted evaluation methodologies,
- Other relevant information, studies, and analysis as well as financial and other stock market indexes which as been considered relevant and appropriate for the purposes of our analysis.

All of the Subsidiaries are active in the same sector and are aiming to achieve similar business goals. Management believes that the reorganisation will contribute to a) a more effective business operation, b) the reduction in administration costs and c) will help provide the reorganised group with the opportunity to benefit from enhanced economics of scale.

## 2. PERSONS RESPONSIBLE FOR THE EDITING OF THE INFORMATION DOCUMENT

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According to the terms of the Regulation (EK) 809/2004 of the European Communities Commission, the Company's plenipotentiaries responsible for the editing of the Information Document are the following: Mr Alexandros Dimitrakopoulos, Financial Analysis Director, 91 Meg.Alexandrou Str., GR-15124 Amaroussio, Greece, phone: (+30) 210-8097100 and Mrs Dariya Rublova, Financial Assistant, 91 Meg.Alexandrou Str., GR-15124 Amaroussio, Greece, phone: (+30) 210-8097100.

Mr A.Dimitrakopoulos and Mrs D.Rublova certify the Information Document's completeness and that all figures presented in corresponds to real data without omissions that could diversify the contents or/and the matter of the establishment of the in question subsidiaries.

The investors can obtain the Information Document in the working days, 9 am to 5 pm from the Company's offices, 91 Meg.Alexandrou Str., GR-15124 Amaroussio, Athens, Greece (Investor Relations, phone: (+30) 210-8097100). The Information Document is also available on the Company site, <http://www.michaniki.gr>, as well as in the site of the ASE, <http://www.ase.gr>.

### 3. THE COMPANY (MICHANIKI SA)

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MICHANIKI S.A. was established in 1974 (Official Legal Notice Issue 2160/31.12.1974), its registered office since January 1st, 1997 is in the Municipality of Marousi and its headquarter is located in its privately owned building the total net surface of which including communal and underground areas is equal to 4.400 sq.m. The Company's S.A. Registration No. is 8440/06/B86/16 (Ministry of Development, General Secretariat of Commerce). The Company's T.I.N. is 094047453. The Company's duration was set to 50 years (that is up to 2024) and its initial share capital amounted to Grd 20.000.000, paid-up in full and divided in 20.000 shares of Grd 1.000 face value each. On December 31, 2007, MICHANIKI completed 33 years of continuous business operations and development and it currently employs 921 people in the company and 1176 people in the group.

Since 1990 the Company's shares are listed in the Athens Exchange. Today MICHANIKI shares belong to the ASE in the sector of Big Capitalization Companies.

The company's participial capital reaches the €137,501,639.24 and is divided by 66,937,526 common registered shares and 25,968,987 preferred shares with nominal value of €1.48 each. Shares that are about to provide special control rights do not exist.

#### 3.1 COMPANY'S SCOPE

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According to article 3 of the Company's statute, as amended by the Company's B' Repetitive Extraordinary General Assembly decision dated June 9th, 2000, the Company's scope is:

- The resumption and construction of technical works, public or private, through any method, including the assumption of technical projects through the "Study-Construction-Self Financed-Utilization" system.
- The elaboration of studies regarding the construction of technical projects, public or private.
- Investments for the development of civil and non civil real estate (indicatively: buildings, apartments, offices, commercial malls, hotels) and the construction of large residence units.
- The organization, utilization and management of commercial, industrial, tourist or agricultural establishments.
- The reclamation, management and utilization of civil and non civil buildings that belong to the Company or to third parties.
- The resumption of construction works, the building and utilization of real estate complexes and establishments upon privately owned plots or upon plots owned by third parties through the turnkey consideration system and with the scope to resale them with profit.
- The rendering of technical services and advice for the reclamation of real estate and the control of investment costs, through the elaboration of any kind of studies and technical reports.
- The rendering of technical support for bids regarding the assignment of technical projects.
- The utilization of hotel units and in general tourist complexes and establishments, in addition to the performance of all kinds of tourist businesses (indicatively: hotel accommodations, hostels, establishments of specific tourist infrastructure, including the lease, purchase, sale, erection of the equipment and the utilization of hotel units and tourist establishments of any kind and form and the tourist reclamation of stretches or buildings either owned by the Company or belonging to third parties, in addition to their utilization).
- The participation in any way either through contribution or through the acquirement of company securities, in other companies, that exist or will be established, domestic or foreign, in addition to the participation through a share capital increase of the above companies. The above companies include companies of the general financial sector, indicatively such as, banks, portfolio investment companies, financial services companies, abiding to the occasional legal framework in effect.
- Investments for the study, construction, development and utilization of energy works and mainly thermoelectric, hydroelectric and works arising from renewable sources of energy.
- The establishment and utilization of quarrying units and quarry production products and building materials in general.
- The industrial production, disposal and marketing of building and in general construction materials.
- The study, construction and assembly of any kind of industrial equipment and industrial installation.
- The construction of any kind of equipment and in general metallic, wood and all kinds of structures.
- The construction, complete or partial, and marketing of cars, tractors, agricultural machinery and in general vehicles of every type and use, in addition to their components and spare parts.
- The industrial processing of wood, up to the production, disposal and marketing of wood structures.
- The industrial production, disposal and marketing of metallurgy products of any kind, including iron pipes, and in general piping and plating products.

- The resumption of works related to factory equipment and buildings structures.
- The domestic representation of domestic or foreign houses and in general of corporations that pursue the same or similar activities with the ones previously mentioned.
- The participation in companies, which have the same or similar scope, up to real estate investment companies.

In order to achieve its scope the Company can:

- Participate in any company with a same or similar scope, of any legal entity type.
- Participate either through contributions or through the acquisition of company shares upon establishment and establish companies and consortiums/joint ventures, acquire companies of any legal entity type and in any way, in addition to cooperate with any physical or legal entity in any way domestically or abroad.
- Incur loan contracts with affiliated companies, banks and financial institutions.
- Participate in Mutual Funds with the scope to incur profits in addition to invest its cash in stocks of other companies listed or non listed in the Athens Exchange.
- Establish anywhere branches, agencies or offices according to article 2, render guarantees in favor of companies and general businesses or consortiums/joint ventures, in which the Company participates or with which it cooperates in any way, rendering all kinds of securities, personal and collateral.
- Proceed in order to merge with other companies of any legal entity type or to assimilate other companies, up to levying one or more sectors to existing or constituted companies.
- Realize through appropriate investments all of the scopes and activities mentioned.

Since 1995, certain of the MICHANIKI group companies have focused on eastern European and former CIS countries as management believes that these countries offer rapidly developing potential for real estate opportunities. MICHANIKI's management believes that such opportunities can contribute to increased earnings opportunities for the group. Accordingly, Michaniki S.A. has established affiliated companies in the Bulgarian, Ukrainian, Russia, Egyptian and recently Belarusian markets.

## 3.2 BRIEF PRESENTATION OF THE FINANCIAL FIGURES 2007 vs 2006

The consolidated and company's financial results for 2007 for comparison with 2006 are summarized below:

### THE GROUP OF COMPANIES

| Financial Results (in thousands euros)              | 31.12.2007 | 31.12.2006 | % Change |
|-----------------------------------------------------|------------|------------|----------|
| Total Sales Turnover                                | 226.142    | 166.710    | 35,65    |
| Profits before Tax, Interest, Depreciation (EBITDA) | 78.806     | 38.235     | 106,11   |
| Profits before Tax (EBT)                            | 71.616     | 33.843     | 111,62   |
| Profits After Tax (EAT)                             | 53.512     | 25.947     | 106,24   |
| Profits After Tax and Minority Rights               | 47.119     | 25.287     | 86,34    |

| Balance-sheet Results (in thousands euros)       | 31.12.2007 | 31.12.2006 | % Change |
|--------------------------------------------------|------------|------------|----------|
| Share Capital                                    | 137.502    | 137.502    | -        |
| Equity Attributed to Parent Company Shareholders | 248.451    | 217.569    | 14,19    |
| Minority Rights                                  | 33.977     | 19.609     | 73,27    |
| Total Equity                                     | 282.428    | 237.178    | 19,08    |
| Total Assets                                     | 530.575    | 420.068    | 26,31    |

### THE COMPANY

| Financial Results (in thousands euros)              | 31.12.2007 | 31.12.2006 | % Change |
|-----------------------------------------------------|------------|------------|----------|
| Total Sales Turnover                                | 145.620    | 66.072     | 120,40   |
| Profits before Tax, Interest, Depreciation (EBITDA) | 24.287     | 11.265     | 115,60   |
| Profits before Tax (EBT)                            | 31.029     | 11.793     | 163,11   |
| Profits After Tax (EAT)                             | 24.767     | 8.549      | 189,71   |
| Profits per Share (in euros)                        | 0,27       | 0,09       | 200,00   |

| Balance-sheet Results (in thousands euros)       | 31.12.2007 | 31.12.2006 | % Change |
|--------------------------------------------------|------------|------------|----------|
| Share Capital                                    | 137.502    | 137.502    | -        |
| Equity Attributed to Parent Company Shareholders | 228.755    | 206.748    | 10,64    |
| Minority Rights                                  | -          | -          | -        |
| Total Equity                                     | 228.755    | 206.748    | 10,64    |
| Total Assets                                     | 391.915    | 309.816    | 26,50    |

### 3.3 SHARE / COMPANY'S CAPITAL

MICHANIKI S.A. is a public traded company at the Athens Stock Exchange since July 1990. The company's management has especially successful track record based on the results it demonstrated till now. The company's participial capital reached the €137,5 mln is divided in 66,937,526 common registered shares and 25,968,987 preferred shares.

### 3.4 BOARD OF DIRECTORS

The Board of Directors members by the date of the Information Document editing are the following:

| BOARD OF DIRECTORS MEMBERS    |                                      |                                            |
|-------------------------------|--------------------------------------|--------------------------------------------|
| Name                          | Position on the Board                | Duties                                     |
| 1. Prodromos S. Emfietzoglou  | Board Chairman (executive member)    | General & Technical Manager                |
| 2. Melina P. Emfietzoglou     | Managing Director (executive member) | Public Relations and Communication Manager |
| 3. Nikolaos I. Kampas         | Advisor (executive member)           | Legal Counsel                              |
| 4. Georgios I. Dimakis        | Advisor (executive member)           | New Projects Manager                       |
| 5. Eleftherios S.Trivoulidis  | Advisor (executive member)           | Head of Project Bidding & Supplies         |
| 6. Apostolos N.Athanasopoulos | Advisor (executive member)           | Chief Financial Officer                    |
| 7. Eleni G.Vozani             | Advisor                              | (non-executive member)                     |
| 8. Georgios N. Kalinoglou     | Advisor                              | (independent non-executive member)         |
| 9. Dimitrios Petrotos         | Advisor                              | (independent non-executive member)*        |

\* According to the Company's announcement dated 18/10/2007, published on the Companies' Press Releases of the ASE, on 16<sup>th</sup> October 2007 BoD Meeting, Mr. Petrotos Dimitrios was elected as an independent non-executive member of the Board of Directors, replacing the resigned independent non-executive member Mr. Kalinoglou Georgios.

### 3.5 COMPOSITION OF SHAREHOLDERS

Michaniki shareholders of common and preferred shares as of December 2007 are shown in the following table:

| COMPOSITION OF SHAREHOLDERS OF MICHANIKI S.A. |                           |                          |
|-----------------------------------------------|---------------------------|--------------------------|
| Shareholder's name                            | % shares                  | Number of shares in mln. |
|                                               | PRODRAMOS S. EMFIETZOGLOY | 18,60%                   |
| INVESTMENT PUBLIC (ASE)                       | 39,20%                    | 36,42                    |
| FOREIGN INSTITUTIONAL INVESTORS               | 33,76%                    | 31,36                    |
| GREEK INSTITUTIONAL INVESTORS                 | 8,44%                     | 7,84                     |
| <b>TOTAL:</b>                                 | <b>100,00%</b>            | <b>92,90</b>             |

## 3.6 GROUP STRUCTURE

Hereinafter there is information on the structure of the Group according to the published Consolidated Year-End Financial Statements as of December 31<sup>st</sup> 2007:

| Company name                | Headquarters      | Participation Percentage (Direct) | Participation Percentage (Indirect) |
|-----------------------------|-------------------|-----------------------------------|-------------------------------------|
| BALKAN EXPORT S.A.          | AGHIALOS SALONIKA | 52,52%                            |                                     |
| THOLOS S.A.                 | AMAROUSIO ATTICA  | 100%                              |                                     |
| HELLENIC PIPE WORKS S.A.    | CHALKIDA          | 100%                              |                                     |
| MARMARA KAVALAS S.A.        | KAVALA            | 77,07%                            |                                     |
| HELLENIC WOOD INDUSTRY S.A. | SAPES KOMOTINI    | 98,62%                            |                                     |
| MICHANIKI UKRAINE           | UKRAINE           | 100%                              |                                     |
| MICHANIKI BULGARIA S.A.     | BULGARIA          | 100%                              |                                     |
| MICHANIKI RUSSIA LLC        | RUSSIA            | 66,27% direct                     | 13,64% indirect                     |
| MICHANIKI EGYPT             | EGYPT             | 70,00% direct                     | 18,13% indirect                     |
| MICHANIKI BELARUS           | BELARUS           | 75,00% direct                     | 13,13% indirect                     |

During the current fiscal year, the subsidiary company "MICHANIKI RUSSIA" materialized sequential share capital increases amounting to a total of €80.000.000. The share capital incensements were based upon the decisions of the Board of Directors of the companies of the Group. After the above internal restructure, "MICHANIKI S.A." directly participates in its subsidiary "MICHANIKI RUSSIA" with a percentage of 66,27% and indirectly with a percentage of 13,64% that is a total percentage participation of 79,91%. The following projects are presented in the Russian market by the management of MICHANIKI (analytical presentation can be found in the Company's site, [www.michaniki.gr](http://www.michaniki.gr)):

- I. "Alexander the Great" Building Complex, Moscow: In a land plot of 20,000 sq. m. in Moscow, Russia, MICHANIKI is planning to develop a mixed-use building complex. The complex, located on the 4<sup>th</sup> Ring Road (MKAD) of the Russian capital will include three high rising towers, totalling surface area of 165,320 sq. m. The complex will include modern hotel apartments as well as commercial spaces and offices.
- II. "Aphrodite" Residential Complex, Moscow: In Ivakino region of Himki, only a few meters from the canals of Moskva River, Michaniki Russia is constructing the residential complex "Aphrodite"; a seven-floor premise of 34,480 square meters with 250 parking spaces.
- III. "Hera" Residential Complex, Moscow: This Project consists of a 9-floor contemporary luxury apartment building, located right next to the Lobanovo park. 17,040 square meters of dwelling space will be the total size of the structure on the specific plot with 175 available spaces for parking.

MICHANIKI has been active in Ukraine since 1995, through its subsidiary, MICHANIKI UKRAINE. Since then, MICHANIKI reaps significant economic and strategic benefits for its Group of companies in the context of the constant flow of resources and the development of real estate properties in one of the fastest growing markets of Eastern Europe. The company presents in Ukraine the following projects:

- I. Apartments & Shops Building, "Square of the Greeks", Odessa: In 2004 the company launched a sales campaign and retained the management of the 9.954 sq.m building, located in the Square of the Greeks in Odessa. MICHANIKI has sold 100% of the building apartments and shops till present.
- II. Commercial Center, "Athena", Odessa: The project is an Ultra-Modern commercial Centre built by MICHANIKI in Odessa and was officially opened to the public on September 2004. It is one of the most impressive building is Ukraine today, occupying an area of more than 30,000 sq.m.
- III. The "Artemis" Building Complex is located in the eastern suburbs of Kiev, Ukraine. Totalling 53,381 sq.m., the Artemis Complex will include two floors of 6,000 sq.m. for shopping and recreational activities, and 2,000 sq. m. for office use. Above the commercial space area, MICHANIKI is constructing two towers of 6 and 20 floors respectively, including 198 apartments totalling 22,200 sq.m. The underground parking garage area is of 7,000 sq.m. Up to today, 85 apartments, 35 parking places as well as more than 1000 sq. meters of commercial space and offices have been pre-sold.

MICHANIKI has been active in Bulgaria since 1995, through its subsidiary, MICHANIKI BULGARIA. Since then, MICHANIKI reaps significant economic benefits for its Group of companies. The company has bought land plots in the area surrounding the capital of Bulgaria, Sofia and their exploitation is expected to commence shortly. During the fiscal year-end of 2007 “MICHANIKI S.A.” acquired the minority stake of its subsidiary “MICHANIKI BULGARIA”. Thus its participation percentage increased from 95,70% (31/12/2006) to 100%. The acquisition cost amounted to € 10.000. From the acquisition a profit resulted (negative surplus) for the group amounting to € 510.000 which was recognized to the results.

In 2007, Michaniki’s senior management proceeded to the establishment of a subsidiary company in Cairo, Egypt under the name of Michaniki Egypt S.A. The new entity will pursue its involvement and participation in construction and development of real estate projects (residential and commercial complexes, hotels and entertainment parks, office buildings) and in the construction of public and private works. Moreover, the company will promote the sale of industrial products of its Greek affiliated companies. The initial share capital of the company was set to €7 million, however, on February 2008 the management of Michaniki S.A. increased the share capital of the subsidiary company €20 million.

During the current period, Michaniki S.A. decided upon the establishment of a subsidiary company in Belarus under the name of “MICHANIKI BELARUS”. The company’s scope will be the construction, development and exploitation of settlement units, hotels, commercial and amusement centers, office buildings as well as other private and public works. The initial share capital of the company amounts to US\$1.000.000. The participating companies are MICHANIKI S.A. with the amount of US\$750.000 (75%) and “BALKAN EXPORT” with the amount of US\$250.000 (25%). The company had not yet launched its activity as of FY 2007.

## 4. OUR VISION TO THE FUTURE

MICHANIKI’s senior management is developing a business plan aimed the active expansion of its activities –including of all the subsidiaries- through their penetration in the real estate markets abroad, along with the continuous acquisition of land resources; the latter is considered to be the key factor in real estate investments, as will contribute to the incensement of potential earnings and surplus values of the parent company’s assets.

It is our belief that only positive results can be deferred from the further development, expansion and enlargement of our Company’s activities for the years to come. The Real Estate & development market nowadays is characterized by fast growth rates along with high profits, depending on the sizes of constructions and the availability of, not only financial, materials. Michaniki exercising of the know-how knowledge, has proven to its investors the success allocation of duties and tasks to their expatriated management teams and subcontractors, in order to successfully complete and deliver high standard buildings.

Setting as our main focus the continuous growth and development of the Greek business know how abroad, the MICHANIKI Group has expanded significantly in the developing foreign markets of Russia and Ukraine, taking advantage of the important opportunities for real estate development. Information related to the number and development of the subsidiary companies in Russia, Ukraine, Bulgaria, Egypt and Belarus could be found on the Company site. In order to achieve its goals abroad, the management of the MICHANIKI S.A. proceeded to the development of the business plan which is being analyzed in the present Information Document.

## 5. ESTABLISHMENT OF SUBSIDIARY COMPANIES IN CYPRUS

The process of the establishment of subsidiary companies in Cyprus could be summarized as following:

The Companies of the MICHANIKI GROUP (MICHANIKI SA, BALKAN EXPORT SA and HELLENIC PIPE WORKS SA) are shareholders of Michaniki Russia, Ukraine, Bulgaria, Egypt, and Belarus. The existed Group structure and participation in the share capital (taking into consideration the other shareholders as well) may be depicted as following:

| in €                | RUSSIA     | UKRAINE   | BULGARIA | BELARUS | EGYPT      | TOTAL       |
|---------------------|------------|-----------|----------|---------|------------|-------------|
| MICHANIKI           | 53.016.000 | 8.763.900 | 652.107  | 525.000 | 14.000.000 | 76.957.007  |
| BALKAN              | 17.000.000 |           |          | 175.000 | 5.000.000  | 22.175.000  |
| HELLENIC PIPE WORKS | 1.984.000  |           |          |         | 1.000.000  | 2.984.000   |
| OTHERS              | 8.000.000  |           |          |         |            | 8.000.000   |
|                     | 80.000.000 | 8.763.900 | 652.107  | 700.000 | 20.000.000 | 110.116.007 |

| in %      | RUSSIA | UKRAINE | BULGARIA | BELARUS | EGYPT  | TOTAL  |
|-----------|--------|---------|----------|---------|--------|--------|
| MICHANIKI | 66,27% | 100,00% | 100,00%  | 75,00%  | 70,00% | 69,89% |

|                     |         |         |         |         |         |
|---------------------|---------|---------|---------|---------|---------|
| BALKAN              | 21,25%  |         | 25,00%  | 25,00%  | 20,14%  |
| HELLENIC PIPE WORKS | 2,48%   |         |         | 5,00%   | 2,71%   |
| OTHERS              | 10,00%  |         |         |         | 7,27%   |
|                     | 100,00% | 100,00% | 100,00% | 100,00% | 100,00% |

The 1<sup>st</sup> phase of the planned reorganization includes the transfer of the subsidiaries shares, hold the Group companies, into new established affiliated companies based in Cyprus. Specifically each Greek, belonging to the group, company is about to contribute the foreign shares it owns to a separate Cyprus holding company ("Cyprus HoldCo") with return of the Cypriot shares of the same value (nominal value+premium). Hereby, the fourth (4) Cypriot companies will be established held completely (by 100%) by the correspondent Greek ones.

During the 2<sup>nd</sup> phase of the restructure, the already established Cypriot holdings will contribute their shares of capital to the newly established Cypriot company under the trade name of Michaniki Real Estate Cyprus Ltd. The general purpose and aim of this contribution is the concentration of all of the shares into a single vehicle; the reasonability is based to a more effective operation of the businesses abroad, better utilization of resources, and to better controlling of the total costs.

As of March 31<sup>st</sup> 2008, MICHANIKI SA along with its subsidiaries -BALKAN EXPORT SA and HELLENIC PIPE WORKS SA- proceeded to the incorporation of the following four (4) Cypriot holding companies:

- MICHANIKI HOLDING (CYPRUS) LIMITED
- MICHANIKI REAL ESTATE (CYPRUS) LIMITED
- VALKAN HOLDING LIMITED
- HELLENIC PIPEWORKS HOLDING LIMITED

Currently the management of the MICHANIKI Group has hired Consultants to deliver and present of the final statute of the new legal entity to the Board of Directors, which will be announced to the investors upon the finalization of the process. The evaluation methods related to the unification of the MICHANIKI's five foreign companies (in Russia, Ukraine, Bulgaria, Belarus and Egypt) were carried out in accordance with the generally acceptable accounting concepts. As long as the appropriateness of each methodology is investigated, the final results will be provided. Both the appropriateness of the adopted for the case methodologies and the weightiness attributed to each of them will be the logic ones so that no trouble or difficulty appears in theirs implementation.

Among the internationally accepted accounting methodologies, the Readjusted Net Value methodology is considered to be the most appropriate because it is based exclusively on the static figures depicted by the financial statements which are being adjusted in relation with the real values of the Assets' and Liabilities' data of a company. A Readjusted Net Value can be defined as the difference between the company's readjusted Assets and readjusted Liabilities.

For the Net Value readjustment we are obligated to take into consideration the comments of the Auditors as well as the notes of the Management in the latest Financial Statements of the companies under evaluation. In case there are no real evaluations of the Assets' and Liabilities' data of a company or/and Auditors' comments or notes of the Management in the balance Sheets of the companies under evaluation, the value of Equity Capital is then considered as their actual value (net value).