



**BoD REPORT OF THE AKTOR TECHNICAL COMPANY S.A.
ON THE FINANCIAL STATEMENTS OF THE YEAR 2007**

AKTOR S.A.
TECHNICAL COMPANY S.A.
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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY “AKTOR TECHNICAL COMPANY S.A.” ON THE FINANCIAL STATEMENTS OF THE YEAR 2007

1. Overview of Activities

With over 50 years of activity in the construction segment in Greece and with unique experience and know-how of the entire range of construction works, AKTOR S.A. remains the leader in the Greek construction market. The Company is synonymous with all the major projects taking place in Greece, having a large participation in shared cost projects. At the same time, it has been expanding its activities abroad, focusing on the Gulf countries (Oman, Qatar, Kuwait, Dubai, United Arab Emirates) as well as the Balkans (Romania and Bulgaria). At the end of 2007, the remaining construction backlog for AKTOR and its subsidiaries in Greece and overseas amounted to EUR 5 billion. 30% of the total remaining construction backlog concern overseas projects.

In the past few years, AKTOR has been active in the Quarry and Mine Segments. Through ELLINIKA LATOMEIA and its subsidiaries, it has quarries in different parts of Greece at its disposal, with the purpose of better serving its projects, as well as developing the sale of materials to third parties. Furthermore, it participates (directly and indirectly) in HELLAS GOLD, which holds mining rights in the Mines of Kassandra, Halkidiki in an area of 300,000,000 square meters. The Company has already submitted an investment plan regarding the overall exploitation of the Mines and gold mining. The Company is currently mining and trading lead, zinc, and silver quite profitably on the international market.

2. Significant Events of the Financial Year 2007

The most significant events for AKTOR and its subsidiaries in financial year 2007 were the following:

- Further consolidation of the construction segment through the unification of the strengths of ELTEB and PANTECHNIKI, which is expected to lead to the boost in the economies of scale and the utilisation of synergies for AKTOR.
- Strategic partnership between AKTOR and EUROPEAN GOLDFIELDS, which is listed on the Toronto and London Stock Exchanges, with the objective to jointly

develop mining activities, both in Greece as well as in other countries. In order to realise this partnership, 30% of HELLENIC GOLD (of the 35% owned by AKTOR) was exchanged with 19.9% of EUROPEAN GOLDFIELDS, which now owns 95% of HELLENIC GOLD.

- Signing of an agreement for the construction of the Elefsina-Corinth-Patras-Pirgos-Tsakona motorway, with a total budget of EUR 2.1 billion, as part of a joint venture in which AKTOR participates with 18%.
- Signing of a contract with a total budget of EUR 865 million for the construction of the Corinth-Tripoli-Kalamata motorway and the Lefktro-Sparti branch by a joint venture, in which AKTOR is the leader and participates with 86.67%.
- Signing of an agreement for the construction of the Maliakos-Klidi section of the Patras-Athens-Thessalonica-Evzones (PATHE) motorway, with a total budget of EUR 718 million, by a joint venture in which AKTOR participates with 20%.
- Assignment of a design-construction project, amounting to USD 670 million for an aircraft maintenance hangar for the new airport at Doha, by a joint venture in which AKTOR is the leader.
- AKTOR and its subsidiary in Dubai AL AHMADIAH –AKTOR L.L.C. were awarded the construction of a wastewater treatment plant in Jebel Ali, with a total budget of approximately EUR 325 million. €
- Singing of a contract between AKTOR and ERGOSE S.A. for the construction of the infrastructure for the New High-speed Railway Line Lianokladi-Domokos, with a budget of EUR 324 million.
- Signing of a contract between AKTOR and TOURISM ENTERPRISES OF MESSINIAS S.A. for the completion – operational finalisation of the Integrated Tourism Development Area «NAVARINO RESORTS - NAVARINO DUNES” in Messinia, with a total budget of EUR 277 million. This project includes the construction of luxury hotel units and golf courses.
- Signing of a contract between Attica Gas Supply Company and a joint venture, in which AKTOR participates with 65%, for the construction of distribution networks and natural gas supply pipelines (a length of 250 kilometres of natural gas pipelines) in the area of Northeast and Central Attica, amounting to approximately EUR 38 million.
- Signing of a contract between AKTOR and the Municipality of Plovdiv (Philippoupolis), Bulgaria, for the renovation and upgrade project of the City Culture and Heritage Hall (Opera). The overall investment in this project is estimated at EUR 22 million.
- Acquisition of 51% of LATOMIA STILIDAS S.A. and LATOMIA MARKOPOULOU S.A. which have quarries in the corresponding areas.

3. FY 2007 Results and Prospects

In 2007, AKTOR recorded a consolidated turnover of EUR 782.9 million, increased by 23.2% compared to 2006. The consolidated operating earnings (exploitation results)

amounted to EUR 34.7 million, showing a decrease of 0.5%, while the consolidated net profits amounted to EUR 75.7 million, increased by 360.2% in relation to the previous financial year. This increase in net profits is mainly due to the exchange ratio transaction of AKTOR, in HELLENIC GOLD, with EUROPEAN GOLDFIELDS. Profit margins both on an operating level and a net profit level amounted to a percentage of 4.4% and 9.7% as compared to 5.5% and 2.6% in 2006, respectively.

On a company level, AKTOR's turnover amounted to EUR 419.8 million, increased by 8.5% compared to 2006, the operating profits were EUR 30.6 million, showing a decline by 5.3%, and net profits were EUR 21.1 million, down by 6.5%.

On a consolidated basis, AKTOR's equity amounted to EUR 322.9 million, loans amounted to EUR 171.6 million, and cash reserves to EUR 214.1 million.

The construction prospects appear to be positive for the future. In the domestic market, the large-scale co-funded projects have already begun being implemented in 2008, and they will yield significant construction activities to their concessionaires. Furthermore, AKTOR will pursue a significant share of new infrastructure projects that are expected to be tendered [the total public expenditure for the said projects that are included in the National Strategic Reference Framework (NSRF) amount to EUR 7.4 billion and will be available between 2008 and 2013]. It is expected that the majority of these will be channelled towards large road works.

International projects are also expected to contribute significantly. The countries of Southeast Europe are expected to absorb significant funds from the European Union, which will be made available for upgrading their infrastructure. Indicatively for Romania and Bulgaria, the said funds amount to EUR 19 billion and EUR 7 billion, respectively. The intense construction activity in the Gulf countries continues at an unwavering pace, with more than 2,500 projects in the development stage.

4. Risks

Basic risks that arise for AKTOR are:

- Delays in the implementation of signed agreements (such as co-funded projects) and the procurement of new projects.
- Penetration in foreign markets, which always has more potential risk due to the new market, competition, and human resources.
- Inflationary pressures on raw material prices (iron, fuel, cement, etc.)

- Exchange differences, mainly from activities abroad.

5. Events after 31.12.2007

The most significant developments after 31 December 2007 include:

- Signing of a contract between AKTOR and PANATHINAIKOS FC for the construction of the new football field of the latter in Votanikos.
- An agreement for a buyout by AKTOR, via its subsidiary AKTOR CONSTRUCTION INTERNATIONAL LTD, of the total amount of shares of SVENON INVESTMENTS LTD, which owns 60% of INSCUT BUCURESTI S.A., which is listed on the Bucharest Stock Exchange. The latter owns a significant amount of real estate, office automation equipment, and technical personnel and specialises in the control of structural machinery as well as the undertaking of subcontracted technical projects. The objective is for this company to act as the main pillar around which AKTOR S.A. will develop all its construction activities in the rapidly developing Romanian market.
- The buyout, via ELLINIKA LATOMEIA, of 100% of LATOMIKI IMATHIAS S.A. and of 51% of ERGANI S.A., which owns 100% of the share capital of ELLINIKO SKIRODEMA S.A.

Considering all of the above, we invite you, Dear Shareholders, to approve of the Company's Annual Financial Statements for the year 1/1/2007 – 31/12/2007, together with the accompanying Reports of the Board of Directors and Certified Auditor-Accountant, and to discharge the BoD members individually and the BoD as a whole, as well as the Certified Auditor-Accountant from any liability for the financial year 1/1/2007 – 31/12/2007.

Athens, March 27, 2008
For the Board of Directors

The President of the BoD

The present report consists of six (6) pages and is mentioned in the audit report, which is granted today.

Athens, May 21, 2008
THE CERTIFIED AUDITOR-ACCOUNTANT

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