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**Corporate Governance, Structure and Profitability:  
Evidence from Hellenic Listed Firms.**

**Stavros E. Arvanitis<sup>7</sup>, Theodoros V. Stamatopoulos<sup>8</sup>, and Dimitrios Terzakis<sup>9</sup>**

**Abstract**

We investigated the relationship of corporate governance and profitability, using a balanced cross-sectional dataset, concerning 42 firms of high capitalization, listed in the Athens Stock Exchange, for the period 2004-2009. This is the first time, as far as we know, that the subject is approached both by “fixed and random effects” econometric modeling. We estimated negative relationship between earnings and, dualism (both major stockholder and CEO or Chairman of the Board), or share concentration ratio (degree of Majority shareholders), as well as, financial leverage or age & life cycle of these firms.

On the opposite, we found strong evidence that their earnings were positively related with EBIT-margin or firms' size. The paper provides useful information for policy makers, academics and stockholders.

**Key words:** corporate governance, profitability, Athens Stock Exchange, fixed-effect, random-effect.

**JEL Classification:** G34, G32, C21, C01.

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