HELECTOR GROUP

Annual Financial Statements
prepared according to the International Financial Reporting Standards
for the year ended 31.12.05

HELECTOR S.A.
ENERGY & ENVIRONMENTAL;
APPLICATIONS
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VAT no.: 094003954 PIRAEUS FAE: TAX OFFICE
PUBLIC COMPANIES REG. NO. 883/01NT/B/86/91 (03)

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Independent Certified Auditor-Accountant's Audit report

To the Shareholders of HELECTOR S.A. Energy and Environmental Applications

We have audited the attached Company and Consolidated Financial Statements (the Financial Statements), pages 5 through 50, of HELECTOR SA Energy and Environmental Applications (the Company) for the year ended 31 December 2005. The responsibility for preparing the financial statements lies with the Company's Management. Our responsibility is limited to acquiring and expressing an opinion on the financial statements, based on the audit performed.

We performed our audit according to the Greek Review Standard, harmonised with the respective International Review Standard. Such Standards require the audit to be planned and conducted in a manner ensuring, with a reasonable degree of certainty, that the financial statements are free of material inaccuracies and deficiancies. The audit includes an examination of (samples of) evidence offered in support of the amounts and information included in the financial statements. The audit also includes an evaluation of the accounting principles followed, of Company management's assessments, and in general the way figures are presented on the financial statements, as well as the agreement with the Board of Directors Report. We believe that the audit conducted offers a sufficient base to help us shape our opinion.

In our opinion, the aforementioned financial statements give a fair and true picture of the Company's financial position and the group's consolidated financial position (the company being the Parent company) as at 31 December 2005, and of the results of company and group operations, changes in cash flows and shareholders' equity for the year then ended, in accordance with the International Financial Reporting Standards adopted by the European Union, and the Board of Directors' Report is consistent with the aforementioned financial statements

Athens, 21 March 06

THE CERTIFIED AUDITOR-ACCOUNTANT

Homer D. Delifotis

SOEL REG, NO, 10461

BALANCE SHEET

	Note	Consolidated		Company	
		31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
ASSETS					
Non-current assets					
Tangible assets	6	44,204,111	20,144,173	8,291,807	3,650,483
Intangible assets	7	13,325	-	-	-
Investments in subsidiaries	8	-	-	4,110,809	1,761,361
Investments in Affiliated Companies (with the equity method)	9	218,189	103,383	254,103	211,920
Investments in joint ventures	10	53,300	193,704	295,844	193,704
Long-term available-for-sale financial assets	11	300	20,300	300	20,300
Deferred tax receivables	19	1,037	61,823	-	-
Other non-current receivables	13	12,235	12,235	12,235	12,235
		44,502,498	**20,535,618**	**12,965,098**	**5,850,003**
Current assets					
Αποθέματα	12	209,047	90,454	-	90,454
Trade debtors and other receivables	13	22,124,111	7,044,573	14,070,302	3,186,353
Cash and cash equivalents	14	12,273,349	15,671,176	4,421,138	12,081,287
		34,606,507	**22,806,203**	**18,491,440**	**15,358,094**
Total Assets		**79,109,004**	**43,341,821**	**31,456,537**	**21,208,097**
EQUITY CAPITAL					
Equity capital attributed to shareholders					
Share capital	15	1,312,657	1,312,657	1,312,657	1,312,657
Share premium reserve	15	408,182	408,182	408,182	408,182
Other reserves	16	7,173,753	7,106,864	6,861,556	6,861,556
Profit/(loss) carried forward		11,450,082	8,021,729	8,010,649	5,485,328
		20,344,674	**16,849,432**	**16,593,044**	**14,067,723**
Minority interest		5,291,413	3,044,954	-	-
Total equity		**25,636,087**	**19,894,387**	**16,593,044**	**14,067,723**
CREDITORS					
Non-current liabilities					
Long-term Loans	18	8,414,012	4,812,500	-	-
Deferred tax obligations	19	437,838	5,134	702	5,134
Staff compensation provisions	21	42,976	55,623	40,000	23,956
Grants	20	11,211,304	8,425,968	1,828,416	854,291
Other non-current liabilities	17	7,100	-	-	-
Other long-term provisions		-	-	-	172
		20,113,230	**13,299,225**	**1,869,118**	**883,553**
Current Liabilities					
Suppliers and other liabilities	17	19,001,437	6,986,127	2,994,376	4,720,862
Current tax obligations (Income tax)		629,596	1,857,468	-	1,535,960
Short-term loans	18	13,154,472	875,128	10,000,000	-
Dividend payable		401,594	429,314	-	-
Other Short-term Provisions		172,586	172	-	-
		33,359,686	**10,148,210**	**12,994,376**	**6,256,822**
Total liabilities		**53,472,917**	**23,447,434**	**14,863,494**	**7,140,375**
Total equity and liabilities		**79,109,004**	**43,341,821**	**31,456,537**	**21,208,097**

The notes on pages 10 to 50 are an integral part of these financial statements.

Income statement

		Consolidated		Company	
		12 months to		12 months to	
	Note	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Sales		**29,418,550**	**41,958,019**	**17,145,528**	**28,594,887**
Cost of sales		-20,105,047	-28,294,823	-12,579,452	-18,879,017
Gross Profit		**9,313,503**	**13,663,196**	**4,566,076**	**9,715,870**
Distribution expenses		-1,502,969	-669,655	-1,386,828	-654,069
Administration expenses		-1,724,242	-1,609,706	-1,026,711	-1,358,941
Other operating income / (expenses) (net)	26	1,093,471	912,635	415,257	182,027
Operating results		**7,179,763**	**12,296,470**	**2,567,794**	**7,884,887**
Income from dividend		324,285	789,247	826,530	789,247
Profit/(loss) from affiliated undertakings		-77,377	-96,803	-	-
Profit/(loss) from joint ventures		-80,996	-	-	-
Financial income (expenses) - net	22	-455,923	-498,589	106,275	67,641
Profit before tax		**6,889,752**	**12,490,325**	**3,500,600**	**8,741,775**
Income tax	25	-2,371,958	-2,702,631	-975,279	-1,758,057
Net profit for the period		**4,517,794**	**9,787,694**	**2,525,321**	**6,983,718**
Appropriated to:					
Parent company shareholders		3,671,408	9,148,936	2,525,321	6,983,718
Minority interest		846,387	638,759	-	-
		4,517,794	**9,787,694**	**2,525,321**	**6,983,718**

The notes on pages 10 to 50 are an integral part of these financial statements.

Statement of changes in equity

CONSOLIDATED

	Attributed to parent company shareholders				Minority interest	Total
	Share capital	Other reserves	Results carried forward	Total		
01.01.04	**1,181,391**	**3,723,815**	**2,255,843**	**7,161,049**	**2,386,579**	**9,547,628**
Net profit/(loss) directly recognised in equity	-	-	-	-	19,617	19,617
Net profit for the period	-	-	9,148,935	9,148,935	638,759	9,787,694
Total recognised net profit for the period	1,181,391	3,723,815	11,404,778	16,309,984	3,044,955	19,354,939
Share capital issue / (Reduction)	539,448	-	-	539,448		539,448
Carried to reserves	-	3,383,048	-3,383,048	-		-
	539,448	3,383,048	-3,383,048	539,448	-	539,448
31.12.04	**1,720,839**	**7,106,863**	**8,021,729**	**16,849,432**	**3,044,955**	**19,894,387**
01.01.05	**1,720,839**	**7,106,863**	**8,021,729**	**16,849,432**	**3,044,955**	**19,894,387**
FX differences	-	8,590	-	8,590		8,590
Net profit/(loss) directly recognised in equity	-	-	-	-	1,400,071	1,400,071
Net profit for the period	-	-	3,671,408	3,671,408	846,387	4,517,795
Total recognised net profit for the period	-	8,590	3,671,408	3,679,998	2,246,458	5,926,456
Carried to reserves	-	58,300	-58,300	-		-
Dividend allocation	-	-	-184,755	-184,755		-184,755
	-	58,300	-243,055	-184,755	-	-184,755
31.12.05	**1,720,839**	**7,173,752**	**11,450,082**	**20,344,674**	**5,291,413**	**25,636,088**

The notes on pages 10 to 50 are an integral part of these financial statements.

COMPANY FIGURES

	Share capital	Other reserves	Results carried forward	Total
01.01.04	**1,181,391**	**3,723,815**	**1,639,351**	**6,544,557**
Net profit for the period			6,983,718	6,983,718
Total recognised net profit for the period	-	-	6,983,718	6,983,718
Share capital issue / (Reduction)	539,448	-	-	539,448
Carried to reserves	-	3,137,741	-3,137,741	-
	539,448	3,137,741	-3,137,741	539,448
31.12.04	**1,720,839**	**6,861,556**	**5,485,328**	**14,067,723**
01.01.05	**1,720,839**	**6,861,556**	**5,485,328**	**14,067,723**
Net profit for the period	-	-	2,525,321	2,525,321
Total recognised net profit for the period	-	-	2,525,321	2,525,321
31.12.05	**1,720,839**	**6,861,556**	**8,010,649**	**16,593,044**

The notes on pages 10 to 50 are an integral part of these financial statements.

Cash flow statement

	Note	Consolidated		Company	
		31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Cash flows from operating activities					
Cash flows from operating activities	27	5,796,051	18,853,116	-588,136	12,173,877
Interest paid		-821,952	-623,977	-184,838	-15,936
Income tax paid		-3,357,231	-1,835,201	-2,039,988	-638,128
Net cash flows from operating activities		**1,616,868**	**16,393,938**	**-2,812,963**	**11,519,812**
Cash flows from investment activities					
Tangible fixed assets purchased	6	-26,289,456	-3,809,328	-5,356,530	-3,493,518
Intangible assets purchased	7	-8,000	-34,813	-	-31,455
Tangible fixed assets sold	27	63,074	8,481	50,000	-
Intangible assets sold	27	-	18,912	-	18,912
Dividend collected		-	-	826,530	789,247
Acquisition & SC increase of subsidiaries and JVs		-1,876,550	-28,406	-1,830,000	-146,331
Cash available of 1st time consolidated subsidiaries		3,300,000	-	-	-
Affiliates purchased		-172,183	-	-22,183	-
Joint Ventures purchased	10	-	-	-102,140	-
Available for sale investments sold	27	-	57,305	-	-
Interest collected		368,416	125,387	291,114	83,577
Loans to related parties		-	-	-10,000,000	-
Net cash flows from investment activities		**-24,614,699**	**-3,662,463**	**-16,143,209**	**-2,779,568**
Cash flows from financing activities					
Ordinary shares issued	15	-	539,448	-	539,448
Loans drawn		19,140,324	-	10,000,000	-
Loan full payment		-3,259,468	-1,315,719	-	-
Grants received		3,719,148	845,840	1,296,022	118,708
Net cash flows from financing activities		**19,600,004**	**69,569**	**11,296,022**	**658,156**
Net (drop) / increase in cash and cash equivalents		**-3,397,827**	**12,801,044**	**-7,660,149**	**9,398,400**
Cash and cash equivalents at beginning of period		15,671,176	2,870,132	12,081,287	2,682,887
Cash and cash equivalents at end of period		**12,273,349**	**15,671,176**	**4,421,138**	**12,081,287**

The notes on pages 10 to 50 are an integral part of these financial statements.

Notes to the financial statements

1 General information

The Group operates especially in construction, mainly focusing on environmental technical projects (sanitary landfills), solid and liquid waste management, and RES utilisation projects. The Group mostly operates in Greece.

The Company has been organised and is established in Greece, headquartered at 12 Kritis str., & 12 Gravias str., Argyroupoli.

The company is a subsidiary of ELLINIKI TECHNODOMIKI TEB A.E., a company listed in ATHEX, holding 90% of its shares.

The financial statements were approved by the Board of Directors on 16.03.06.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared according to the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee, as adopted by the European Union, as well as the IFRS issued by the International Accounting Standards Boards (IASB).

All IFRS issued by IASB and are valid at the time of preparing these statements and adopted by the European Council through the confirmation procedure of the European Union (EU), except for IAS 39 (Financial Instruments: Recognition and Valuation). After suggestion of the Accounting Standardisation Committee, the Board adopted the Regulations 2086/2004 and 1864/2005 which require the use of IAS 39, except for specific stipulations regarding the deposits portfolio hedging, from 1 January 2005 for all listed companies.

The financial statements have been prepared under the IFRS as issued by IASB and adopted by the EU. The Group is not influenced by the stipulations regarding the deposits portfolio hedging, as presented in IAS 39.

According to the transitional provisions of IFRS 1 'First-time adoption of IFRS' and other standards the Group applied the IFRS applicable on 31 December 2005 to the financial figures as of 1 January 2004, excluding the standards concerning financial assets, that will be applied as of 1 January 2005 (IAS 32 and IAS 39) and are not included in the comparative figures (2004), according to IFRS 1.

Greek GAAP differs in some areas from IFRS. In preparing the financial statements, Group Management changed certain accounting operations and valuation methods that were applied to the financial statements according to the Greek GAAP, in order to comply with the IFRS. In relation to 2004, items have been restated so as to consider such changes, except if otherwise stated in the accounting policies below.

Note 5 contains all reconciliations and a description of how transition from GGAAP to the IFRS has affected Company equity and results.

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets that carried at fair value.

The preparation of the financial statements under IFRS requires the use of accounting estimations and assumptions of the Management upon implementation of the accounting policies adopted. The areas requiring large extent of assumptions or where assumptions and estimations have a significant effect on the financial statements are mentioned in Note 4.

2.2 New standards, interpretations and amendment of existing standards

New IFRS, amendments and interpretations have been issued, which are mandatory for accounting periods starting January 1st 2006 or later. Group Management's assessment regarding the effect of the aforementioned new standards and interpretations is as follows:

- **IAS 19 (amendment) Employee Benefits (effective 1.1.2006).**

This amendment provides the company with the choice of an alternative method of actuarial gains and losses recognition. It is possible to impose new recognition conditions for cases where there are multi-employer plans for which there are no sufficient information on the application of the defined benefit plans accounting. In addition, it adds new disclosures requirements. This amendment is not relevant to the Group's operations.

- **IAS 39 (amendment) Cash Flow Hedge Accounting for intragroup transactions (effective 1 January 2006)**

This amendment allows an exchange difference risk from a highly likely intragroup transaction to be designated as an item to be hedged in the consolidated financial statements on condition that: (a) the transaction is conducted in a currency other than the company's functional currency and (b) the exchange difference risk will affect the consolidated statement. This amendment is not relevant to the Group's operations, since the Group has no intra-group transactions that could be designated as a hedged item.

- **IAS 39 (amendment) Fair Value Option (effective 1 January 2006).**

This amendment changes the definition of financial instruments which have been classified at fair value through profit and loss and restricts the possibility of classifying financial instruments in this category. The Group feels that this amendment will not have any significant impact on financial instruments classification, since the Group will be in a position to harmonise with amended criteria for designating financial instrument at current value through profit and loss. The Group will apply this amendment on 1 January 2006.

- **IAS 39 and IFRS 4 (amendment) Financial Guarantee Contracts (effective 1 January 2006)**

This amendment requires the issued financial guarantees – except for those proven to be insurance contracts – to be recognized initially at fair value and then at the highest value between (a) the unamortized balance of the relevant remunerations received and deferred and (b) the cost required to cover the commitment at the balance sheet date. Management has reached the conclusion that this amendment is not applicable to the Group.

- **IFRS 1 (amendment) First-time Adoption of International Financial Reporting Standards and IFRS 6, Exploration for and Evaluation of Mineral Resources (effective 1 January 2006).**

The above amendments are not relevant to the Group's operations.

- **IFRS 7 – Financial Instruments: Disclosures and complementary adaptation to IAS 1, Presentation of Financial Statements, Capital Disclosures (effective 1 January 2007).**

IFRS7 introduces new disclosures relating to financial instruments. It requires disclosure of quality and quantity information regarding exposure to risk from financial instruments. It specifically pre-defines minimum required disclosures relating to credit, liquidity and market risk (imposes sensitivity analysis as regards market risk). IFRS 7 supersedes IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Presentation Disclosure provisions). This is applicable to all companies preparing financial statements according to the IFRS. Adaptation to IAS 1 introduces disclosures regarding the capitals of an undertaking, as well as the way in which such capitals are managed. The Group has assessed the impact of IFRS 7 and asaptation to IAS 1, and concluded that it will not have any significant effect on required disclosures.

- **Interpretation 4, Determining whether a business arrangement contains a lease (effective 1 January 2006)**

Interpretation 4 requires the determination whether a business arrangements is or includes a finance lease. It specifically requires an assessment of the following elements a) whether conclusion of the arrangement depends on the use of a specific fixed asset(s) and b) whether the arrangement gives the lessor the right to use the assets, and only that. Interpretation 4 shall apply only if relevant business arrangements are concluded.

- **Interpretation 5, Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds (effective 1 December 2006)**

Interpretation 5 is not relevant for the Group.

- **Interpretation 6, Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment (effective 1 December 2005).**

Interpretation 6 is not relevant for the Group.

2.3 Consolidation

(a) Subsidiaries

All the companies that are controlled by the parent company. The existence of potential voting rights that are exercisable at the time the financial statements are prepared, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately transferred to the income statement.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated in consolidation. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to be in conformity to the ones adopted by the Group. In the parent company's balance sheet subsidiaries are valued at cost less impairment.

When increasing its participating interest in subsidiaries, the Group calculates goodwill based on the book values of the subsidiary's assets. Goodwill results from comparing transaction price to the book value of third party rights purchased, and is immediately recognised in equity.

(b) Associates

Associates are companies on which the Group can exercise significant influence but not "control", which is generally the case when the Group holds a percentage between 20% and 50% of a company's voting rights. Investments in associates are initially recognized at cost and are subsequently valued using the Equity method. The account of Investments in associates also includes the goodwill resulting from the acquisition (reduced by any impairment losses).

After the acquisition, the Group's share in the profits or losses of associates is recognized in the income statement, while the share of changes in reserves is recognized in reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than the carrying amount of the investment the Group does not recognize any further losses, unless it has guaranteed for liabilities or made payments on behalf of the associate or those that emerge from ownership.

Unrealized profits from transactions between the Group and its associates are eliminated according to the Group's percentage ownership in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of associates have been adjusted in order to be in conformity to the ones adopted by the Group. In the parent company's balance sheet, associates are valued at cost less impairment.

(c) Joint Ventures

Group investments in joint ventures are accounted for based on proportional consolidation. The Group adds its share from the income, expenses, assets and liabilities and cash flows of each joint-venture with the respective figures of the Group.

The Group recognises the share in the gains or losses from sales of the Group to the joint-ventures which is attributed to the other partners of the joint-venture. The Group does not recognise its share in the gains or losses of the joint-ventures which resulted from purchases of the Group by the joint-ventures until the assets acquired are sold to a third party. Occurring losses from such a transaction is recognised directly if it shoes a reduction of the net realizable value of assets or impairment. The accounting principles of the joint-ventures have been adjusted in order to be in conformity to the ones adopted by the Group. In the parent company's balance sheet, joint ventures are valued at cost less impairment.

2.4 Exchange conversions

(a) Functional and presentation currency.

The items in the financial statements of the Group's companies are measured in the currency of the primary economic environment in which the Group operates (functional currency). The consolidated financial statements are reported in euros, which is the functional currency and the reporting currency of the parent Company.

(b) Transactions and balances

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results. Foreign exchange differences from non-monetary items that are valued at their fair value are considered as part of their fair value and are thus treated similarly to Group fair value differences.

(c) Companies

The conversion of the individual financial statements of the companies included in the consolidation (none of which has a currency of a hyperinflationary economy), which have a different operating currency than the presentation currency of the Group is as follows:

i) The assets and liabilities are converted using the rates in effect at the date of the balance sheet, ii)

ii) The income and expenses are converted using the average rates of the period (except if the average rate is not the logical approach of the accumulated impact of the rates in effect at the dates of the transactions, in which case income and expenses are converted using the rates in effect at the dates of the transactions) and

iii) Any differences arising from this process are recorded to an equity reserve and are transferred to the income statement upon sale of these companies.

FX differences resulting from the conversion of a net investment in an undertaking abroad, are recognised in equity. At the sale of a foreign company, accumulated exchange differences are transferred to the income statement of the period as profit or loss from the sale.

2.5 Leases

(a) Group Company as a lessee

The leases of assets through which the Group undertakes in effect all the risks and rewards of ownership are classified as operating leases. Operating leasing payments (net of any incentives offered by the lessor) shall be recognised in profit and loss, pro rata during the lease period.

(b) Group Company as a lessor

The Group leases fixed assets only as operating leases, included in the Balance Sheet, under Intangible Assets.

2.6 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Land is not depreciated. Depreciation of the other tangible assets is calculated using the straight line method over their useful life as follows:

- Buildings	20 - 22	Years
- Mechanical equipment	6 - 9	Years
- Special mechanical equipment and facilities	18 - 22	Years
- Vehicles	5 - 7	Years
- Other equipment	1 - 5	Years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date.

When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement. (Note 2.8).

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results.

Expenditure on construction of assets is capitalised for the period required for the completion of the construction. All other expenditure are recognised to the income statement.

2.7 Intangible assets

Software

Software licenses are valued at acquisition cost less depreciation. Depreciation are accounted for with the straight line method during the useful lives which vary from 1 to 5 years.

2.8 Impairment of assets

Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. For the calculation of impairment losses they are included in the minimum cash generating units. Impairment losses are recorded as expenses in the income statement when they arise.

2.9 Investments and other financial instruments

1 January to 31 December 2004

Financial assets include investments in enterprises that are not subsidiaries, affiliated or joint ventures, and in receivables and other instruments. Financial assets are recognised at cost.

As of 1 January 2005

Group financial instruments have been classified to the following categories according to the reason for which each investment was made. The Group defines the classification at initial recognition and reviews the classification at each balance sheet date

(a) Financial instruments valued at fair value through the income statement

These comprise assets that are held for trading purposes. Assets falling under this category are recorded in the current assets if they are held for trading purposes or are expected to be sold within 12 months from the balance sheet date. Such assets shall be classified as held for trading purposes except if they are designated as hedges. The Group hold no such financial assets

(b) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets and there is no intention of selling them. They are included in current assets except those with a maturity date exceeding 12 months from the balance sheet date. The latter are included in the non-current assets. Loans and receivables are included in the trade and other receivables account in the balance sheet.

(c) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories. They are included in the non-current assets given that the Management does not intend to liquefy them within 12 months from the balance sheet date.

Purchases and sales of investments are recognised at the date of the transaction which is the date when the Group is committed to buy or sell the asset. Investments are recognised at fair value plus expenditure directly related to the transaction, with the exception, with regard to directly related expenditure, of those assets which are valued at fair value with changes in the income statement. Investments are eliminated when the right on cash flows from the investments ends or is transferred and the Group has transferred in effect all risks and rewards implied by the ownership.

Then available for sale financial assets are valued at fair value and the relative gains or losses are recorded to an equity reserve till those assets are sold or characterised as impaired. When sold or impaired, profit or loss shall be carried to the results. Impairment losses appearing in profit and loss are not reversible.

The loans and receivables are recognized in amortized cost using the effective interest method.

The realized and unrealized profits or losses arising from changes in the fair value of financial assets valued at fair value through the income statement, are recognized in the profit and loss of the period they occur.

The fair values of financial assets that are traded in active markets, are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, any accumulated loss in Equity, which is the difference between acquisition cost and fair value, is transferred to the results. Impairment losses of shares are recorded to the income statement and are not reversed through the income statement.

2.10 Reserves

Inventories are valued at the lower of cost and net realisable value.

2.11 Trade receivables

From 1 January 2004 until 31 December 2004

Trade receivables are recognised at face value less the provision for doubtful receivables. Provision for doubtful receivables is recognised when there is objective evidence that the Group is unable to collect all the amounts owed based on contractual terms. The provision amount is the difference between book value and the amount expected to be collected. The amount of the provision is recognised as an expense in the income statement of the period.

As of 1 January 2005

Trade receivables are recorded at book value less the provision for doubtful receivables. Provision for doubtful receivables is recognised when there is objective evidence that the Group is unable to collect all the amounts owed based on contractual terms. The amount of the provision is the difference between the book value and the present value of future cash flows. The amount of the provision is recognised as an expense in the income statement of the period.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand, sight deposits, short term (up to 3 months) highly liquid and low risk investments.

2.13 Share capital

The share capital includes the common shares of the Company. Where any Group company purchases the Company's equity share capital (Treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. The profit or loss from the sale of treasury stock is recognised directly to equity.

2.14 Loans

Loans are recorded initially at fair value, net of any direct expenses of the transaction. Then they are valued at unamortized cost using the real interest rate method. Any difference between the amount received (net of any relevant expenses) and the value of the payment is recognised to the income statement during the borrowing using the real interest rate method.

Loans are recorded as short term liabilities except when the Group has the right to postpone the settlement of the liability for at least 12 months from the balance sheet date.

2.15 Deferred income tax

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss Deferred tax assets and liabilities are valued taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

2.16 Employee benefits

(a) Post-employment benefits

Benefits include defined contributions plans (insurance funds etc.) and defined benefits plans. The accrued cost of defined contribution schemes is booked as an expense in the period it refers to.

The liability that is reported in the balance sheet with respect to this scheme is the present value of the liability for the defined benefit less the fair value of the scheme's assets (if there are such) and the changes that arise from any actuarial profit or loss and the service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the projected unit credit method. The yield of long-term Greek Government Bonds is used as a discount rate.

The actuarial profit and losses that emerge from adjustments based on historical data and are over or under the 10% margin of the accumulated liability, are booked in the results in the expected average service time of the scheme's participants. The cost for the service time is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is booked in the results using the straight line method within the maturity period.

(b) Benefits for employment termination

Termination benefits are payable when employment is terminated before the normal retirement date. The Group books these benefits when it is committed, either when it terminates the employment of existing employees according to a detailed formal plan for which there is no withdrawal possibility, or when it provides such benefits as an incentive for voluntary redundancy. When such benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted.

In case of an employment termination where there is inability to asses the number of employees to use such benefits, a disclosure for a contingent liability is made but no accounting treatment is followed.

2.17 Provisions

Provisions for pending legal cases are recognized when there are existing obligations (legal or constructive) as a result of past events, settlement of which through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated.

2.18 Recognition of income

Income is mostly generated from technical projects, energy production and sale, and waste management services.

Income and profit from construction contracts are recognised according to IAS 11 as described in note 2.19 hereinafter.

Income from the provision of services are recorded in the period during which the services are rendered, based on the stage of completion of the service in relation to total services to be provided.

In the case where the Group acts as a representative, the commission or not to the net income is recorded as income.

Dividend is accounted for as income when the right to receive payment is established.

2.19 Contracts for projects under construction

Expenses regarding construction contracts are recognised when they occur.

When the result of a construction contract cannot be reliably assessed, as income from the contract are recognised only the expenses realised or expected to be collected.

When the result of a construction contract can be reliably assessed, the income and the expenses relating to the contract are recognised for the period of the contract as an income and expense respectively. The Group uses the percentage of completion method to define the appropriate amount of income and expense to be recognised for a certain period. The stage of completion is calculated based on the expenses which have been realised through the balance sheet date in relation to the total estimated expenses for each contract. When it is likely that the total cost of a contract exceeds the total income, then the expected loss is recognised directly to the income statement as an expense.

In order to determine the cost realised till the end of the period, any expenses relating to future tasks included in the contract are exempted and presented as a project under construction. The total realised cost and recognised profit/ loss for each contract is compared with progressive invoices till the end of the financial year.

Wherever the realised expenses plus the net profit (less losses) recognised exceed the progressive invoices, the occurring difference is presented as a receivable from construction contract customers in the account "Customers and other trade receivables". When the progressive invoices exceed realised expenses plus net profit (less losses) recognised, the balance is presented as a liability towards construction contract customers in the account "Suppliers and sundry creditors".

2.20 Dividend allocation

The distribution of dividends to the shareholders of the parent company is recognized as a liability at the date on which the distribution is approved by the General Meeting of the shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group is exposed to several financial risks such as market risk (volatility in foreign exchange rates, interest rates, market prices), credit risk and liquidity risk.

The risk management is monitored by the Treasury department and is determined by rules approved by the Board of Directors. The Treasury department determines and estimates the financial risks in collaboration with the services managing those risks. The Board of Directors provides directions on the general management of the risk as well as specialised directions on the management of specific risks such as the interest rate risk, the credit risk, the use of derivative and non-derivative financial instruments, as well as the investment of cash.

(a) Credit risk

The Group does not have significant accumulations of credit risk.

(b) Liquidity risk

The liquidity risk is kept at low levels by retaining sufficient cash and immediately liquidated financial assets as well as credit lines.

(c) Cash flow risk due to interest rate changes

The interest rate risk is mainly resulting from long term loans. Group's policy is to constantly monitor the tendencies of interest rates as well as the financing needs of the Group.

(d) Exchange rate risk

The exchange rate risk is not considered as a significant risk for the Group, given that most transactions are carried out in euro.

3.2 Determination of fair values

The fair value of the financial assets not traded in active markets is determined using valuation techniques and admittances based on market data at the balance sheet date.

The nominal value less provisions for doubtful receivables is estimated to approach their real value.

4 Critical accounting estimates and judgements of the management

The management's estimates and judgements are constantly reviewed and are based on historic data and expectations for future events which are deemed fair according to existing data.

4.1 Critical accounting estimates and judgments

The Group makes estimates and assumptions regarding the development of future events. Especially in determining income tax, if the end result of a tax audit is different from the one originally recognised, the difference shall affect the period's income tax.

5 Transition to IFRS

5.1 Application of IFRS 1

The Group's financial statements for the year ended 31 December 2005 are the first annual financial statements prepared according to the IFRS and as detailed in Note 2.1. The Group has applied IFRS 1 in preparing financial statements.

The Group's transition date is 1 January 2004. The Group prepared its opening IFRS balance sheet on that date. 31 December 2005 is the reference date for these financial statements. The Group adopted the IFRS on 1 January 2005.

In preparing these consolidated financial information in accordance with IFRS 1, the Group has applied certain of the optional exemptions and all the mandatory exceptions from full retrospective application of IFRS, as follows:

5.2 Exemptions from full retrospective application elected by the Group

The Group has elected to apply the following optional exemptions from full retrospective IFSR application.

(a) Business combinations exemption

The Group has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the 1 January 2004 transition date.

(b) Employee benefits exemption

The Group has elected to recognise all cumulative actuarial gains and losses as at 1 January 2004.

(c) Exemption from restatement of comparatives for IAS 32 and IAS 39

The Group has elected to apply this exemption. It applies Greek GAAP rules to financial assets and financial liabilities for 2004. The adjustments required for differences between Greek GAAP and IAS 32 and IAS 39 will be determined and recognised at 1 January 2005.

(d) Designation of financial assets and financial liabilities exemption

The Group has elected to apply the comparatives exemption for IAS 32 and IAS 39 (see (c) above). The Group has reclassified investments in the share capital of non-consolidated companies as available-for-sale investments and as financial assets at fair value through profit and loss. The adjustments relating to IAS 32 and IAS 39 will take place as appropriate on the opening balance sheet date of 1 January 2005, the IAS 32/39 transition date.

5.3 Reconciliations between IFRS and Greek GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS.

- Balance sheet 1 January 2004 (Note 5.3.1)
- Balance sheet 31 December 2004 (Note 5.3.2)
- Year 2004 Income Statement (Note 5.3.3)
- Equity at 1 January and 31 December 2004 (Note 5.3.4)
- Year 2004 Net Profit (Note 5.3.5)

5.3.1 Balance Sheet Reconciliation at 1 January 2004

COMPANY FIGURES

	GGAAP	RESTATEMENTS	IFRS
ASSETS			
Non-current assets			
Tangible assets	507,097	-321,080	186,017
Investments in subsidiaries	1,603,330	-	1,603,330
Investments in Affiliated Companies (with the equity method)	384,840	-	384,840
Other non-current receivables	12,235	-	12,235
	2,507,502	**-321,080**	**2,186,422**
Current assets			
Αποθέματα	210,478	-210,478	-
Trade debtors and other receivables	5,311,882	298,446	5,610,328
Cash and cash equivalents	2,682,887	-	2,682,887
	8,205,248	**87,968**	**8,293,216**
Total Assets	**10,712,751**	**-233,113**	**10,479,638**
EQUITY CAPITAL			
Equity capital attributed to shareholders			
Share capital	1,181,391	-	1,181,391
Other reserves	4,622,020	-898,205	3,723,815
Profit/(loss) carried forward	1,654,004	-14,563	1,639,441
	7,457,415	**-912,768**	**6,544,647**
Minority interest			
Total equity	**7,457,415**	**-912,768**	**6,544,647**
CREDITORS			
Non-current liabilities			
Staff compensation provisions	-	21,463	21,463
Grants	-	898,205	898,205
Other long-term provisions	260	-	260
	260	**919,668**	**919,928**
Current Liabilities			
Suppliers and other liabilities	1,758,350	-	1,758,350
Current tax obligations (Income tax)	1,496,726	-240,013	1,256,713
	3,255,076	**-240,013**	**3,015,063**
Total liabilities	**3,255,336**	**679,655**	**3,934,991**
Total equity and liabilities	**10,712,751**	**-233,113**	**10,479,638**

5.3.2 Balance Sheet Reconciliation at 31 December 2004

COMPANY FIGURES

	GGAAP	RESTATEMENTS	IFRS
ASSETS			
Non-current assets			
Tangible assets	3,650,483	-	3,650,483
Investments in subsidiaries	1,892,034	130,673	1,761,361
Investments in Affiliated Companies (with the equity method)	295,251	83,331	211,920
Investments in joint ventures	-	-193,704	193,704
Long-term available-for-sale financial assets	-	-20,300	20,300
Other non-current receivables	12,235	-	12,235
	5,850,004	**-**	**5,850,003**
Current assets			
Αποθέματα	256,714	166,260	90,454
Trade debtors and other receivables	3,767,142	580,790	3,186,353
Cash and cash equivalents	12,081,287	-	12,081,287
	16,105,143	**747,049**	**15,358,094**
Total Assets	**21,955,147**	**747,049**	**21,208,097**
EQUITY CAPITAL			
Equity capital attributed to shareholders			
Share capital	1,312,657	-	1,312,657
Share premium reserve	408,182	-	408,182
Other reserves	7,715,846	854,290	6,861,556
Profit/(loss) carried forward	5,474,418	-10,910	5,485,328
	14,911,103	**843,380**	**14,067,723**
Minority interest			
Total equity	**14,911,103**	**843,380**	**14,067,723**
CREDITORS			
Non-current liabilities			
Deferred tax obligations	-	-5,134	5,134
Staff compensation provisions	40,000	16,044	23,956
Grants	-	-854,291	854,291
Other long-term provisions	172	-	172
	40,172	**-843,381**	**883,553**
Current Liabilities			
Suppliers and other liabilities	4,720,861	-	4,720,862
Current tax obligations (Income tax)	2,283,010	747,050	1,535,960
	7,003,871	**747,050**	**6,256,822**
Total liabilities	**7,044,043**	**-96,331**	**7,140,375**
Total equity and liabilities	**21,955,147**	**747,049**	**21,208,097**

5.3.3 Year 2004 Income Statement Reconciliation

COMPANY FIGURES

	GGAAP	RESTATEMENTS	IFRS
Sales	**28,594,887**	**-**	**28,594,887**
Cost of sales	-18,877,022	1,995	-18,879,017
Gross Profit	**9,717,865**	**1,995**	**9,715,870**
Distribution expenses	-654,069	-	-654,069
Administration expenses	-1,249,145	109,796	-1,358,941
Other operating income / (expenses) (net)	182,027	-	182,027
Operating results	**7,996,678**	**111,791**	**7,884,887**
Income from dividend	789,247	-	789,247
Financial income (expenses) - net	67,641	-	67,641
Profit before tax	**8,853,566**	**111,791**	**8,741,775**
Income tax	-1,745,411	12,646	-1,758,057
Net profit for the period	**7,108,155**	**124,437**	**6,983,718**

5.3.4 Equity Reconciliation

COMPANY FIGURES

	1-Jan-04	31-Jan-04
Company Equity according to the Greek Generally Accepted Accounting Principles	**7,457,415**	**14,911,104**
Restructuring of provisions for employee benefits, based on an actuarial study	-21,463	-23,956
Deferred taxation adjustment for additions employee benefits provisions	7,512	7,666
Write-off of intangible assets not meeting recognision criteria under IAS 38	-19,992	-
Adjustment of depreciation of intangible assets not meeting recognision criteria under IAS 38	18,912	-
Adjustment of deferred taxation from write-off of intangible assets not meeting recognision criteria under IAS 38	378	-
Write-off of provisions for employee benefits	-	40,000
Deferred taxation adjustment for written-off employee benefits provisions	-	-12,800
Grants restatement	-898,205	-854,291
Total IFRS transition restructuring	-912,858	-843,381
Total Equity Capital according to IFRS	**6,544,557**	**14,067,723**

5.3.5 Year 2004 Net Profit

COMPANY FIGURES

	31-Jan-04
Total profit pursuant to Greek Generally Accepted Accounting Principles	**8,853,566**
Income tax	-1,745,411
Reversal of staff compensation provision, pursuant to the Greek Generally Accepted Accounting Principles.	40,000
Reversal of deferred taxation for reversal of staff compensation provision pursuant to the Greek Generally Accepted Accounting Principles.	-12,800
Staff compensation provisions	-2,493
Deferred tax for staff compensation provisions	154
Reversal of intangibles written-off in 2003, as they were also written off in 2004	19,992
Reversal of depreciation of intangibles written-off in 2003, as they were also written off in 2004	-18,912
Reversal of deferred taxation for reversal of intangibles written-off in 2003, as they were also written off in 2004	-378
BoD fees	-150,000
Total IFRS transition restructuring	-1,719,848
Total Equity Capital according to IFRS	**6,983,718**

6 Tangible assets

CONSOLIDATED

	Land & Buildings	Means of transport	Mechanical Equipment	Furniture and fixtures	Assets under constr.	Total
Cost						
01-Jan-04	**2,926,668**	**48,197**	**16,653,010**	**49,127**	**1,270,117**	**21,119,672**
FX differences	-	-	-	-	-	-
Additions	122,035	953,543	1,612,762	831,860	289,128	3,809,328
Sales / write-offs	-	-	-	-2,972	-	-2,972
31-Dec-04	**3,048,704**	**1,001,740**	**18,265,772**	**878,015**	**1,559,245**	**24,753,476**
01-Jan-05	**3,048,703**	**1,001,740**	**18,265,772**	**878,015**	**1,559,245**	**24,753,476**
FX differences	-	-	-	-	-	-
Additions	8,438	74,624	1,051,592	107,046	25,079,066	26,320,766
Sales / write-offs	-	-19,960	-	-	-50,000	-69,960
31-Dec-05	**3,057,141**	**1,056,405**	**19,317,363**	**985,061**	**26,588,311**	**51,004,281**
Accumulated depreciation						
01-Jan-04	**-653,868**	**-10,091**	**-2,179,471**	**-38,725**	**-**	**-2,882,154**
Period depreciation	-399,459	-91,252	-1,119,569	-116,869	-	-1,727,149
31-Dec-04	**-1,053,326**	**-101,343**	**-3,299,040**	**-155,594**	**-**	**-4,609,303**
01-Jan-05	**-1,053,326**	**-101,343**	**-3,299,040**	**-155,594**	**-**	**-4,609,303**
Period depreciation	-220,397	-211,242	-1,587,425	-183,284	-	-2,202,347
Sales / write-offs	-	11,479	-	-	-	11,479
31-Dec-05	**-1,273,723**	**-301,106**	**-4,886,464**	**-338,877**	**-**	**-6,800,170**
Carrying amount as at 31 December 2004	**1,995,377**	**900,397**	**14,966,732**	**722,422**	**1,559,245**	**20,144,173**
Carrying amount as at 31.12.05	**1,783,418**	**755,299**	**14,430,899**	**646,185**	**26,588,311**	**44,204,111**

:Additions" include tangible assets of subsidiaries and joint ventures consolidated for the first time in 2005.

COMPANY FIGURES

	Land & Buildings	Means of transport	Mechanical Equipment	Furniture and fixtures	Assets under constr.	Total
COMPANY ITEMS - Cost						
1-Ιαν-04	**14,674**	**-**	**204,520**	**29,456**	**320,000**	**568,650**
FX differences	-	-	-	-	-	-
Additions	-	953,543	1,546,698	827,326	165,950	3,493,518
Sales / write-offs	-	-	-	-2,972	-	-2,972
Depreciation	-	-	-	-	-	-
Reclassification from Assets under constr.	-	-	-	-	-	-
31-Δεκ-04	**14,674**	**953,543**	**1,751,219**	**853,810**	**485,950**	**4,059,196**
1-Ιαν-05	**14,674**	**953,543**	**1,751,219**	**853,810**	**485,950**	**4,059,196**
FX differences	-	-	-	-	-	-
Additions	-	21,001	751,643	51,979	4,531,907	5,356,530
Sales / write-offs	-	-	-	-	-50,000	-50,000
Depreciation	-	-	-	-	-	-
Reclassification from Assets under constr.	-	-	-	-	-	-
31-Dec-05	**14,674**	**974,544**	**2,502,862**	**905,789**	**4,967,858**	**9,365,726**
Accumulated depreciation						
1-Jan-04	**-**	**-**	**-40,380**	**-22,252**	**-**	**-62,632**
FX differences	-	-	-	-	-	-
Period depreciation	-	-88,261	-142,605	-115,214	-	-346,081
Sales / write-offs	-	-	-	-	-	-
31-Dec-04	**-**	**-88,261**	**-182,985**	**-137,467**	**-**	**-408,713**
1-Jan-05	**-**	**-88,261**	**-182,985**	**-137,467**	**-**	**-408,713**
FX differences	-	-	-	-	-	-
Period depreciation	-	-190,469	-303,930	-170,807	-	-665,206
Sales / write-offs	-	-	-	-	-	-
31-Dec-05	**-**	**-278,730**	**-486,915**	**-308,274**	**-**	**-1,073,919**
Carrying amount as at 31 December 2004	**14,674**	**865,282**	**1,568,234**	**716,344**	**485,950**	**3,650,483**
Carrying amount as at 31.12.05	**14,674**	**695,814**	**2,015,947**	**597,515**	**4,967,858**	**8,291,807**

There is no impairment of tangible assets during 2004 and 2006.

There are no mortgages – prenotations on the Group's or parent Company's real property.

7 Intangible assets

CONSOLIDATED

	Software	Other	Total
Cost			
01-Jan-04	-	-	-
Additions	3,358	31,455	34,813
Sales / write-offs	-	-	-
Depreciation	-	-	-
31-Dec-04	**3,358**	**31,455**	**34,813**
01-Jan-05	**3,358**	**31,455**	**34,813**
Additions	19,971	-	19,971
31-Dec-05	**23,330**	**31,455**	**54,785**
Accumulated depreciation			
01-Jan-04	-	-	-
Period depreciation	-3,359	-12,543	-15,902
Sales / write-offs	-	-18,912	-18,912
31-Dec-04	**-3,359**	**-31,455**	**-34,814**
01-Jan-05	**-3,359**	**-31,455**	**-34,814**
Period depreciation	-6,645	- 1	-6,646
31-Dec-05	**-10,004**	**-31,456**	**-41,459**
Carrying amount as at 31 December 2004	-	-	-
Carrying amount as at 31.12.05	**13,325**	-	**13,325**

:Additions" include intangible assets of subsidiaries and joint ventures consolidated for the first time in 2005.

COMPANY FIGURES

	Software	Other	Total
Cost			
1-Ιαν-04	-	-	-
Additions		31,455	31,455
31-Dec-04	**-**	**31,455**	**31,455**
1-Jan-05	-	31,455	31,455
31-Dec-05	**-**	**31,455**	**31,455**
Accumulated depreciation			
1-Jan-04	-	-	-
Period depreciation	-	-12,543	-12,543
Sales / write-offs	-	-18,912	-18,912
31-Dec-04	**-**	**-31,455**	**-31,455**
1-Jan-05	-	-31,455	-31,455
31-Dec-05	**-**	**-31,455**	**-31,455**
Carrying amount as at 31 December 2004	-	-	-
Carrying amount as at 31.12.05	-	-	-

8 Group participating interests in consolidated companies.

Group Companies consolidated with the full consolidation method are the following:

no.	COMPANY	REG. OFFICE	PARTICIPATION %	PARTICIPATION COST
1	AIFORIKI DODEKANISSOU S.A.	GREECE	95%	€ 576.448
2	APOTEFROTIRAS OE	GREECE	75%	€ 75.000
3	EXANTAS MARITIME CO.	GREECE	100%	€ 48.600
4	ELEMAX LTD	CYPRUS	100%	€ 1.731
5	HERHOF GMBH	GERMANY	100%	€ 300.000
6	HERHOF RECYCLINGCENTER OSNABRUK GmbH	GERMANY	51%	€ 1.530.000
7	BEAL S.A.	GREECE	50%	€ 1.579.030

Note: BEAL SA is consolidated using the full consolidation method, since, albeit the Group has a 50% holding, it has control over the company.

Group Companies consolidated with the equity method are the following:

no.	COMPANY	REG. OFFICE	PARTICIPATION %	PARTICIPATION COST
1	KIFISSOS HYDROELECTRIC EPE	GREECE	50%	€ 15.000
2	TOMI EDL EPE	GREECE	50%	€ 9.000
3	ADEYP S.A.	GREECE	36%	€ 187.920

Book value changes of parent company investments in consolidated companies:

Subsidiaries

	31-Dec-05	31-Dec-04
Start of period	**1,761,361**	**1,615,030**
Additions - new	2,349,448	146,331
End of period	**4,110,809**	**1,761,361**

Associates

	31-Dec-05	31-Dec-04
Start of period	**211,920**	**211,920**
Additions - new	22,183	-
Transfer from / to Subsidiaries. JVs, Available for Sale	20,000	-
End of period	**254,103**	**211,920**

Joint Ventures

	31-Dec-05	31-Dec-04
Start of period	**193,704**	**193,704**
Additions	102,140	-
End of period	**295,844**	**193,704**

9 Group investments in associates

.

CONSOLIDATED

	31-Dec-05	31-Dec-04
Start of period	**103,383**	**200,186**
Additions - new	172,183	-
Profit / loss share (after tax)	-77,377	-96,803
Transfer from / to Subsidiaries. JVs, Available for Sale	20,000	-
End of period	**218,189**	**103,383**

Summary financial information on affiliated companies:

no.	COMPANY	ASSETS	CREDITORS	INCOME	PROFIT	PARTICIPATION %
1	KIFISSOS HYDROELECTRIC EPE	12.712	0	0	-45	50%
2	TOMI EDL EPE	340.364	378.434	0	-142.539	50%
3	ADEYP S.A.	77.174	996	0	-16.902	36%

10 Joint Ventures

The following amounts represent the Company's share in the assets and liabilities of Joint Ventures, consolidated with the proportional consolidation method, and are included in the balance sheet.

	31-Dec-05
Receivables	
Non-current assets	31,395
Current assets	1,866,231
	1,897,626
Liabilities	
Non-current liabilities	0
Current Liabilities	1,736,079
	1,736,079
Equity	**161,547**
Income	3,629,893
Expenses	-3,612,553
Profit/loss (after taxes)	**17,340**

11 Other investments / Available-for-sale investments

Available-for-sale investments include the following:

CONSOLIDATED

	31-Dec-05	31-Dec-04
Start of period	**20,300**	**20,300**
Transfer from / to Subsidiaries, Associates, JVs	-20,000	-
End of period	**300**	**20,300**
Non-current assets	300	20,300
Current assets	-	-
	300	**20,300**

COMPANY FIGURES

	31-Dec-05	31-Dec-04
Start of period	**20,300**	**20,300**
Transfer from / to Subsidiaries, Associates, JVs	-20,000	-
End of period	**300**	**20,300**

Non-current assets	300	20,300
Current assets	-	-
	300	**20,300**

12 Αποθέματα

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Raw material	116,320	-	-	-
Semi-finished products	92,727	90,454	-	90,454
Total net realisable value	**209,047**	**90,454**	**-**	**90,454**

13 Receivables

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Net trade debtor receivables	4,392,451	3,723,295	1,471,380	1,995,446
Advance payments	295,119	390,848	262,270	166,260
Income Tax advance payment	276,245	143,823	136,647	-
Loans to related parties	354,640	-	-	-
Other receivables	3,985,169	2,184,471	27,410	1,036,882
Total Receivables - Associates	12,832,722	614,371	12,184,831	-
Total	**22,136,347**	**7,056,808**	**14,082,537**	**3,198,588**
Non-current assets	12,235	12,235	12,235	12,235
Current assets	22,124,111	7,044,573	14,070,302	3,186,353
	22,136,347	**7,056,808**	**14,082,537**	**3,198,588**

14 Cash and cash equivalents

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Cash at hand and in Banks	8,128,271	4,796,674	4,421,138	2,081,287
Short-term bank deposits	4,145,078	10,874,503	-	10,000,000
Total	**12,273,349**	**15,671,176**	**4,421,138**	**12,081,287**

15 Share capital

COMPANY FIGURES

	Number of shares	Common shares	Share premium	Own Shares	Total
01.01.04	128,440	1,181,391		-	1,181,391
New shares issue / (Reduction)		131,266	408,182	-	539,448
Own Shares (purchased) / sold		-	-	-	-
31 December 2004	**128,440**	**1,312,657**	**408,182**	**-**	**1,720,839**
01.01.05	**128,440**	**1,312,657**	**408,182**	**-**	**1,720,839**
New shares issue / (Reduction)		-	-	-	-
Own Shares (purchased) / sold		-	-	-	-
31.12.05	**128,440**	**1,312,657**	**408,182**	**-**	**1,720,839**

16 Reserves

CONSOLIDATED

	Legal reserve	Special & extra reserves	Tax-free reserves	FX differences reserve	Other reserves	Total
01.01.04	**214,223**	**2,225,106**	**1,284,194**	**-**	**292**	**3,723,815**
Brought from P&L	338,544	-	3,044,505	-	0	3,383,049
31 December 2004	**552,767**	**2,225,106**	**4,328,699**	**-**	**292**	**7,106,864**
01.01.05	**552,767**	**2,225,106**	**4,328,699**	**-**	**292**	**7,106,864**
FX differences	-	-	-	8,589	-	8,589
Brought from P&L	-	58,300	-	-	-	58,300
31.12.05	**552,767**	**2,283,406**	**4,328,699**	**8,589**	**292**	**7,173,753**

COMPANY FIGURES

	Legal reserve	Special & extra reserves	Tax-free reserves	Other reserves	Total
01.01.04	214,223	2,225,106	1,284,194	292	**3,723,815**
Brought from P&L	287,741	-	2,850,000	-	3,137,741
31 December 2004	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**
01.01.05	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**
31.12.05	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**

17 Suppliers and other liabilities

The Group’s liabilities from trade activities are interest free.

	Consolidated		Company	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Suppliers	15,557,910	4,524,379	1,379,485	4,056,162
Accrued expenses	68,303	41,146	42,178	-
Insurance organisations and other taxes/ duties	1,086,603	649,782	303,413	-
Other liabilities	2,266,221	1,387,945	281,204	664,700
Total liabilities - Associates	29,500	382,876	988,096	-
Total	**19,008,537**	**6,986,127**	**2,994,376**	**4,720,862**
Non-current	7,100	-	-	-
Current	19,001,437	6,986,127	2,994,376	4,720,862
Total	**19,008,537**	**6,986,127**	**2,994,376**	**4,720,862**

18 Loans

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Long-term loans				
Bank loans	7,429,366	4,812,500	-	-
Other	984,646	-	-	-
Total long-term loans	**8,414,012**	**4,812,500**	**-**	**-**
Short-term loans				
Bank loans	12,921,335	875,128	10,000,000	-
Other	233,137	-	-	-
Total short-term loans	**13,154,472**	**875,128**	**10,000,000**	**-**
Total loans	**21,568,484**	**5,687,628**	**10,000,000**	**-**

Long-term loans expiry dates:

	Consolidated	
	31-Dec-05	31-Dec-04
Between 1 and 2 years	1,750,000	1,750,000
Between 2 and 5 years	3,500,000	2,625,000
Over 5 years	3,164,012	437,500
	8,414,012	**4,812,500**

19 Deferred taxation

Deferred tax receivables and liabilities shall be set off when there is a applicable legal right that allows the setting off of current tax receivables to current tax liabilities, and when deferred income tax concerns the same taxation authority. Offset sums follow:

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Deferred tax liabilities:				
Recoverable after 12 months	367,664	-	-	-
Recoverable within 12 months	70,174	5,134	702	5,134
	437,838	5,134	702	5,134
Deferred tax receivables:				
Recoverable after 12 months	744	61,140	-	-
Recoverable within 12 months	293	683	-	-
	1,037	61,823	-	-
	436,801	**-56,689**	**702**	**5,134**

Total change in deferred income tax:

	Consolidated		Company	
	31-Δεκ-05	31-Δεκ-04	31-Δεκ-05	31-Δεκ-04
Start of period balance	**-56,689**	**-217,820**	**5,134**	**-7,512**
Income statement debit / (credit) (Note 33)	493,490	171,264	-4,432	12,646
Debit / (credit) to equity capital	-	-10,133	-	-
End of period balance	**436,801**	**-56,689**	**702**	**5,134**

Changes in deferred tax receivables and liabilities during the year, without taking into account offsetting of balances within the same tax authority, are:

CONSOLIDATED

Deferred tax liabilities:

	Misc tax depreciation	Construction Contracts	Other	Total
01.01.04	**-**	**-**	**-7,512**	**-7,512**
Income statement debit / (credit)	-	-	12,646	12,646
31 December 2004	**-**	**-**	**5,134**	**5,134**
01.01.05	**-**	**-**	**5,134**	**5,134**
Income statement debit / (credit)	-	367,664	65,040	432,704
31.12.05	**-**	**367,664**	**70,174**	**437,838**

Deferred tax receivables:

	Receivables provisions	Misc tax depreciation	Tax losses	Other	Total
01.01.04	**-**	**98,730**	**-**	**111,578**	**210,308**
Income statement debit / (credit)	-	-97,957	-	-60,661	-158,618
(Debit) / credit to equity capital	10,133	0	-	0	10,133
31 December 2004	**10,133**	**773**	**-**	**50,917**	**61,823**
01.01.05	**10,133**	**773**	**-**	**50,917**	**61,823**
Income statement debit / (credit)	-10,133	-390	-	-50,263	-60,786
31.12.05	**-**	**383**	**-**	**654**	**1,037**

COMPANY FIGURES

Deferred tax liabilities:

	Misc tax depreciation	Construction Contracts	Other	Total
01.01.04	-	-	**-7,512**	**-7,512**
Income statement debit / (credit)	-	-	12,646	12,646
31 December 2004	-	-	**5,134**	**5,134**
01.01.05	-	-	**5,134**	**5,134**
Income statement debit / (credit)	-	-	-4,432	-4,432
31.12.05	-	-	**702**	**702**

There are no significant non recognised deferred tax receivables or liabilities.

20 Grants

	Consolidated		Company	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Start of period	**8,425,968**	**8,362,518**	**854,291**	**898,205**
FX differences	0	0	0	
Additions	3,719,148	845,840	1,296,022	118,708
Carried to P&L (-)	-933,812	-782,390	-321,897	-162,622
End of period	**11,211,304**	**8,425,968**	**1,828,416**	**854,291**

21 Employee benefits liabilities due to retirements

Amounts recognised in the Balance Sheet, are:

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
BS liabilities for:				
Pension benefits	42,976	55,623	40,000	23,956
Total	**42,976**	**55,623**	**40,000**	**23,956**

Amounts recognised in profit and loss, are:

	Ενοποιημένα στοιχεία		Εταιρικά στοιχεία	
	31-Δεκ-05	31-Δεκ-04	31-Δεκ-05	31-Δεκ-04
Χρεώσεις στα αποτελέσματα (Σημ. 31):				
Συνταξιοδοτικές παροχές	-10.465	6.347	16.043	6.347
Σύνολο	**-10.465**	**6.347**	**16.043**	**6.347**

Changes in liabilities as appear in the Balance sheet are :

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Charged to income statement (Note 31):				
Pension benefits	-10,465	6,347	16,043	6,347
Total	**-10,465**	**6,347**	**16,043**	**6,347**

Amounts entered in the income statement:

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Current employment cost	17,228	5,602	16,043	5,602
Finance cost	960	745	-	745
Losses from cuts	-28,654	-	-	-
Total included in staff benefits (note 31)	**-10,465**	**6,347**	**16,043**	**6,347**

Changes in balance sheet liability:

	Consolidated		Company	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Start of period balance	55,624	21,463	23,957	21,463
Compensation paid	-2,182	-3,853	-	-3,853
Total charge to profit and loss	-10,466	38,014	16,043	6,347
End of period balance	**42,976**	**55,624**	**40,000**	**23,957**

Major actuarial assumptions used for accounting purposes:

Discount interest:	
- As at 31.12.04	3,03%
- As at 31/12/05	3,59%
- Future salary increases	4,00%

22 Financial income (expenses) - net

	Consolidated		Company	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Interest expenses				
- Bank loans	821,952	623,977	184,838	15,936
- Finance leasing	-	-	-	-
	821,952	623,977	184,838	15,936
Interest income	368,416	125,387	291,114	83,577
Net expenses / (income) from interest	**453,536**	**498,590**	**-106,275**	**-67,641**
Net profit / (loss) from exchange differences of loans denominated in FX	-2,387	-	-	-
Total	**455,923**	**498,590**	**-106,275**	**-67,641**

23 Staff benefits

	Consolidated		Company	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Salaries and wages	3,104,623	1,201,629	1,585,271	1,201,629
Social insurance expenses	877,373	350,876	487,101	350,876
Cost of defined benefits programs	-10,465	6,347	16,044	6,347
Other staff benefits	153,412	150,360	150,057	150,360
Total	**4,124,943**	**1,709,212**	**2,238,474**	**1,709,212**

24 Expenses per category

CONSOLIDATED

		31-Dec-05			
	Notes	Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	23	2,580,575	550,000	994,368	4,124,943
Reserves Consumption		4,326,638	-	-	4,326,638
Depreciation of tangible fixed assets	6	2,010,675	-	173,319	2,183,994
Depreciation of intangible fixed assets	7	667	-	1	668
Tangible fixed assets repair and maintenance expenses		29,331	-	0	29,331
Operating lease rent amounts		138,580	-	41,378	179,958
Third party fees for technical projects		9,368,078	500,000	395,361	10,263,439
R&D expenses		307,523	340,437	-	647,960
Other		1,342,980	112,532	119,814	1,575,326
Total		**20,105,047**	**1,502,969**	**1,724,241**	**23,332,257**

		31-Dec-04			
	Notes	Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	23	1,334,536	-	374,676	1,709,212
Reserves Consumption		3,034,434	-	-	3,034,434
Depreciation of tangible fixed assets	6	1,675,673	-	51,476	1,727,149
Impairment of tangible fixed assets	10	-	-	0	0
Depreciation of intangible fixed assets	7	-	-	12,543	12,543
Third party fees for technical projects		21,709,699	585,500	264,638	22,559,837
R&D expenses		-	15,586	-	15,586
Provision for doubtful receivables		-	-	-	-
Other		540,480	68,569	906,372	1,515,421
Total		**28,294,823**	**669,655**	**1,609,705**	**30,574,183**

COMPANY FIGURES

		31-Dec-05			
	Notes	**Cost of sales**	**Distribution expenses**	**Administration expenses**	**Total**
Staff benefits	23	962,987	550,000	725,487	2,238,474
Reserves Consumption		2,749,837	-	-	2,749,837
Depreciation of tangible fixed assets	6	494,399	-	170,807	665,206
Depreciation of intangible fixed assets	7	-	-	0	0
Operating lease rent amounts		138,580	-	41,378	179,958
Third party fees for technical projects		8,208,647	500,000	-	8,708,647
R&D expenses			318,448	-	318,448
Other		25,001	18,380	89,039	132,420
Total		**12,579,451**	**1,386,828**	**1,026,711**	**14,992,990**

		31-Dec-04			
	Notes	**Cost of sales**	**Distribution expenses**	**Administration expenses**	**Total**
Staff benefits	23	1,334,536	-	374,676	1,709,212
Reserves Consumption		3,004,434	-	-	3,004,434
Depreciation of tangible fixed assets	6	294,605	-	51,476	346,081
Depreciation of intangible fixed assets	7	-	-	12,543	12,543
Operating lease rent amounts		-	-	-	-
Third party fees for technical projects		14,195,442	585,500	-	-
R&D expenses				-	-
Other		50,000	68,569	920,246	15,819,757
Total		**18,879,017**	**654,069**	**1,358,941**	**20,892,027**

25 Income tax

	Consolidated		**Company**	
	31-Dec-05	**31-Dec-04**	**31-Dec-05**	**31-Dec-04**
Year tax	1,017,313	2,360,104	979,711	1,745,411
Deferred tax (Note 18)	1,354,645	342,528	-4,432	12,646
Total	**2,371,958**	**2,702,632**	**975,279**	**1,758,057**

Tax on the company's profit, is significantly different than the theoretical amount that would ensue if we were to apply the average weighted tax rate of the company’s country of origin, as follows:

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Profit before tax	7,482,366	12,529,823	3,500,600	8,741,775
Tax calculated based on applicable local tax rates on profit, in the respective countries	2,315,603	2,629,037	979,711	1,745,411
Income not subject to taxation	4,957	12,646	-4,432	12,646
Non-tax deductible expenses	51,007	60,571	-	-
Tax expenses, for which no assets income tax is recognised	390	378	-	-
Taxes	**2,371,958**	**2,702,632**	**975,279**	**1,758,057**

Tax authorities have audited the company up to year 2001, and therefore its tax obligations regarding the remaining years have not been finalised.

26 Other income - expenses

	Consolidated		Company	
	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Income / (expenses) from participations & securities (less dividend)	4,477	57,305	-	-
Profit/(Loss) from the disposal of tangible fixed assets	4,593	-2,972	-	-2,972
Depreciation of grants received (Note 20)	933,812	662,482	321,897	43,914
Rents	81,441	-	81,441	-
Other Profit/(Loss)	69,149	195,820	11,919	141,085
Total	**1,093,471**	**912,635**	**415,257**	**182,027**

27 Operating cash flows

		Consolidated		Company	
	Note	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Net profit for the period		4,517,795	9,787,694	2,525,321	6,983,718
Adjustments for:					
Income tax		2,371,958	2,702,631	975,279	1,758,057
Depreciation of tangible fixed assets	6	2,187,323	1,727,149	665,206	346,081
Depreciation of intangible assets	7	668	15,902	-	12,543
(Profit) / losses from the disposal of tangible fixed assets		-4,593	2,972	-	2,972
Depreciation of grants	20	-933,812	-782,390	-321,897	-162,622
Interest income	22	-368,416	-125,387	-291,114	-83,577
Interest expenses	22	821,952	623,977	184,838	15,936
Income from dividend		-324,285	-789,247	-826,530	-789,247
(Profit) / loss from affiliated undertakings		77,377	96,803	-	-
FX profit/(loss)		2,387	-	-	-
Goodwill from 1st consolidation of subsidiaries and JVs		12,992	(57,305)	-	-
		8,361,345	**13,202,798**	**2,911,104**	**8,083,861**
Working capital changes					
(Increase) / drop in inventories		-118,593	-90,454	90,454	-90,454
(Increase) / drop in recivables (non-current & current)		-13,431,246	3,455,350	-1,266,750	1,787,987
Increase / (drop) in recivables (non-current & current)		10,824,779	2,277,762	-2,338,816	2,327,170
Increase / (drop) in provisions (non-current & current)		172,414	-26,501	-172	-88
Increase / (drop) of obligations to staff retirement benefits		-12,647	34,160	16,044	2,493
Other		-	-	-	62,909
		(2,565,294)	**5,650,318**	**-3,499,240**	**4,090,016**
Net cash flows from operating activities		**5,796,051**	**18,853,116**	**(588,136)**	**12,173,877**

	Consolidated		Company	
Profit from the disposal of tangible fixed assets includes:	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Net book value	58,481	11,453	50,000	2,972
Profit/(Loss) from the disposal of tangible fixed assets	4,593	-2,972	-	-2,972
Income from the disposal of tangible fixed assets	**63,074**	**8,481**	**50,000**	**-**

Profit from the disposal of intangible fixed assets includes:	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Net book value	-	18,912	-	18,912
Profit/(Loss) from the disposal of intangible fixed assets	-	-	-	-
Income from the disposal of intangible fixed assets	**-**	**18,912**	**-**	**18,912**

Profit from the disposal of available-for-sale includes:	31-Dec-05	31-Dec-04	31-Dec-05	31-Dec-04
Net book value	-	-	-	-
Profit / (loss) from disposal of financial instruments available-for-sale	-	57,305	-	-
Profit from the disposal of available-for-sale:	**-**	**57,305**	**-**	**-**

28 Acquisitions

The parent company acquired 100% of the share capital in “Herhof GmbH’ for a cotal consideration fo €300,000, and 100% of the share capital in “Herhof Recyclingcenter Osnabruck GmbH”, for a total consideration of €25,000. After the share capital increase of “Herhof Recyclingcenter Osnabruck GmbH” by €2,975,000, participating interests became: HELECTOR SA 51%, ELLINIKI TECHNODOMIKI TEB AE 44%, Herhof GmbH 5%. Herhof Recycling Center Osnebruck GmbH will complete the construction an urban waste treatment plant in the region of Osnabruck, and will operate it for 17 years. Total investment is expected to rise to € 13 million. The company was consolidated for the first time in the current year with the full consolidation method, and consolidation generated no goodwill.

29 Contingent liabilities

	Company	
	31-Dec-05	**31-Dec-04**
Liabilities		
Guarantees to secure liabilities to suppliers	3,738,951	301,510
Guarantees in the form of performance bonds with trade debtors	10,183,769	3,073,898
Other	9,319,401	3,388,353
	23,242,122	**6,763,761**

30 Related-party transactions

Fees to the BoD and key management staff in 2005 rose to €957,500 and in 2004 to €940,000.

Related-party transactions are:

Sales: €54,804

Purchases: €25,420

Receivables: €53,447

Liabilities: €100,625

Athens, 16.03.06

Chairman of the Board of Directors Leonidas Bobolas (ID card no Σ-237945)

Vince-Chairman & Managing Director Athanassios Katris (ID card no. X-168388)

CFO Vassilis Pantelidis (ID card no Σ-540003)

Head of Accounting Irini Kirlaki (ID card no. Σ-073623)