



HELECTOR GROUP

Annual Financial Statements
prepared according to the International Financial Reporting Standards
for the year ended 31 December 2006

HELECTOR S.A.
ENERGY & ENVIRONMENTAL;
APPLICATIONS
12 GRAVIAS str & KRITIS str, ARGYROUPOLI 164 51
VAT no.: 094003954 PIRAEUS FAE: TAX OFFICE
PUBLIC COMPANIES REG. NO. 883/01NT/B/86/81 (03)

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Independent Certified Auditor-Accountant's Audit report

UNQUALIFIED – POINTS OF EMPHASIS

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

Report on the financial statements

We have audited the attached financial statements of HELECTOR S.A. (the 'Company'), as well as the consolidated financial statements of the Company and its subsidiaries (the 'Group') which are comprised from the corporate and consolidated balance sheet as at December 31, 2006, and the income statements, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Such responsibility also includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We performed our audit according to the Greek Review Standards, harmonised with the respective International Review Standard. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned corporate and consolidated financial statements present fairly, in all material aspects, the financial position of the Company and the Group as of December 31, 2006 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Without expressing any reservation as to the conclusions of our review, we draw your attention to notes 7 and 27 to the Financial Statements, making reference to the fact that the Group's companies have not been audited for various years from 2001 until 2006. Consequently each company's tax obligations regarding unaudited years have not been finalised

Report on Other Legal and Regulatory Requirements

The content of the Board of Directors report is consistent to the attached financial statements.

Athens, 30.05.07

The Certified Auditor-Accountant

PricewaterhouseCoopers

S.A.

Certified Auditors Accountants

268 Kifissias ave

152 32 Halandri

Kyriakos Riris

SOEL Reg.No. 12111

PRICEWATERHOUSECOOPERS 

BALANCE SHEET

	Note	Consolidated		Company	
		31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
ASSETS					
Non-current assets					
Tangible assets	5	56.222.881	46.392.691	10.052.878	8.291.807
Intangible assets	6	18.625	13.325	-	-
Investments in subsidiaries	7	-	-	5.922.361	4.110.809
Investments in Affiliated Companies (with the equity method)	8	71.300	218.189	81.183	254.103
Investments in joint ventures	7	5.300	53.300	350.590	295.844
Long-term available-for-sale financial assets	10	300	300	300	300
Deferred tax receivables	18	626.026	1.037	610.240	-
Other non-current receivables	12	1.438	12.235	1.438	12.235
		56.945.870	46.691.077	17.018.990	12.965.098
Current assets					
Αποθέματα	11	894.721	209.047	495.140	-
Trade debtors and other receivables	12	21.659.542	22.124.111	11.701.138	14.070.302
Cash and cash equivalents	13	9.867.699	12.273.349	2.580.430	4.421.138
		32.421.962	34.606.507	14.776.708	18.491.440
Total Assets		89.367.832	81.297.584	31.795.698	31.456.538
EQUITY CAPITAL					
Equity capital attributed to shareholders					
Share capital	14	1.312.657	1.312.657	1.312.657	1.312.657
Share premium reserve	14	408.182	408.182	408.182	408.182
Other reserves	15	7.218.229	7.173.753	6.861.556	6.861.556
Profit/(loss) carried forward		16.762.494	11.916.883	10.618.595	8.010.649
		25.701.562	20.811.475	19.200.990	16.593.044
Minority interest		5.696.385	5.758.215	-	-
Total equity		31.397.947	26.569.690	19.200.990	16.593.044
CREDITORS					
Non-current liabilities					
Long-term Loans	17	17.731.446	8.414.012	-	-
Deferred tax obligations	18	805.107	749.038	-	702
Staff compensation provisions	20	125.317	42.976	71.791	40.000
Grants	19	14.596.402	12.155.081	2.294.124	1.828.416
Other non-current liabilities	16	-	7.100	-	-
		33.258.271	21.368.207	2.365.915	1.869.118
Current Liabilities					
Suppliers and other liabilities	16	19.607.894	19.403.031	9.331.672	2.994.376
Current tax obligations (Income tax)		2.299.668	629.596	897.122	-
Short-term loans	17	2.220.887	13.154.472	-	10.000.000
Other Short-term Provisions		583.161	172.586	-	-
		24.711.610	33.359.685	10.228.794	12.994.376
Total liabilities		57.969.881	54.727.892	12.594.709	14.863.494
Total equity and liabilities		89.367.832	81.297.582	31.795.699	31.456.538

The notes on pages 11Error! No bookmark name given. to 46 are an integral part of these financial statements.

Income statement

	Note	Consolidated		Company	
		12 months to		12 months to	
		31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Sales		59.354.759	29.418.550	16.994.453	17.145.528
Cost of sales	23	-45.317.556	-19.401.247	-13.281.940	-12.579.452
Gross Profit		14.037.202	10.017.303	3.712.513	4.566.076
Distribution expenses	23	-2.487.569	-1.502.969	-1.514.915	-1.386.828
Administration expenses	23	-2.611.095	-1.724.242	-999.414	-1.026.711
Other operating income / (expenses) (net)	25	347.127	781.514	93.446	415.257
Operating results		9.285.665	7.571.606	1.291.630	2.567.794
Profit/(loss) from affiliated undertakings	8	-11.889	-77.377	-	-
Profit/(loss) from joint ventures		2.246	243.289	2.347.937	826.530
Financial income (expenses) - net	21	-901.558	-455.923	5.412	106.275
Profit before tax		8.374.465	7.281.595	3.644.979	3.500.599
Income tax	24	-3.205.075	-2.469.919	-1.037.034	-975.279
Net profit for the period		5.169.390	4.811.676	2.607.945	2.525.321
Appropriated to:					
Parent company shareholders		4.732.278	3.498.488		
Minority interest		437.111	1.313.188		
		5.169.390	4.811.676		

The notes on pages 11 to 46 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		
01.01.05	1.720.839	7.106.863	8.341.590	17.169.292	3.364.815	20.534.107
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	-	-	3.818.348	3.818.348	993.328	4.811.676
Total recognised net profit for the period	-	8.590	3.818.348	3.826.938	2.393.399	6.220.337
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	7.173.753	11.916.883	20.811.475	5.758.214	26.569.689
01.01.06	1.720.839	7.173.753	11.916.883	20.811.475	5.758.214	26.569.689
Συναλλαγματικές διαφορές	-	-22.728	-	-22.728	-	-22.728
Επίπτωση εξαγορών και αλλαγών σε ποσοστό συμμετοχής σε θυγατρικές	-	-	180.536	180.536	-321.536	-141.000
Καθαρό κέρδος περιόδου	-	-	4.732.278	4.732.278	437.111	5.169.390
Σύνολο αναγνωρισμένου καθαρού κέρδους περιόδου	-	-22.728	4.912.815	4.890.087	115.575	5.005.662
Μεταφορά σε αποθεματικά	-	67.204	-67.204	-	-	-
Αναλογία μειοψηφίας στην διανομή του αποτελέσματος Θυγατρικής Ο.Ε	-	-	-	-	-177.404	-177.404
	-	67.204	-67.204	-	-177.404	-177.404
31.12.06	1.720.839	7.218.229	16.762.494	25.701.562	5.696.385	31.397.947

The notes on pages 11 to 46 are an integral part of these financial statements.

COMPANY FIGURES

	Share capital	Other reserves	Results carried forward	Total
01.01.05	1.720.839	6.861.556	5.485.328	14.067.723
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
01.01.06	1.720.839	6.861.556	8.010.649	16.593.044
Καθαρό κέρδος περιόδου	-	-	2.607.946	2.607.946
31.12.06	1.720.839	6.861.556	10.618.595	19.200.990

The notes on pages 11 to 46 are an integral part of these financial statements.

Cash flow statement

	Note	Consolidated		Company	
		31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Cash flows from operating activities					
Cash flows from operating activities	26	11.320.662	5.796.051	3.651.221	-588.136
Interest paid		-1.084.882	-821.952	-287.909	-184.838
Income tax paid		-2.017.932	-3.357.231	-614.208	-2.039.988
Net cash flows from operating activities		8.217.847	1.616.868	2.749.104	-2.812.963
Cash flows from investment activities					
Tangible fixed assets purchased	5	-12.931.678	-26.289.456	-2.853.104	-5.356.530
Intangible assets purchased	6	-33.497	-8.000	-7.380	-
Purchases of investments in property		-	-	-	-
Tangible fixed assets sold	5	263.700	63.074	254.234	50.000
Intangible assets sold	6	-	-	-	-
Sales of investments in property		-	-	-	-
Dividend collected		-	-	-	826.530
Acquisition & SC increase of subsidiaries and JVs		-	-1.876.550	-1.811.552	-1.830.000
Cash available of 1st time consolidated subsidiaries		-	3.300.000	-	-
Subsidiaries sold	35	-	-	-	-
Affiliates purchased	8	-30.000	-172.183	-30.000	-22.183
Affiliates sold	8	15.000	-	15.000	-
Joint Ventures purchased	7	48.000	-	-54.746	-102.140
Joint Ventures sold	35	-	-	-	-
Available for sale investments purchased	16	-	-	-	-
Available for sale investments sold		-	-	-	-
Investments purchased at fair value through profit and loss	17	-	-	-	-
Investments sold at fair value through profit and loss	35	-	-	-	-
Interest collected		183.325	368.416	293.321	291.114
Loans to related parties		-	-	-	-10.000.000
Collections from associates' loan payments		354.640	-	8.847.500	-
Other (please specify)		-	-	-	-
Net cash flows from investment activities		-12.130.510	-24.614.699	4.653.272	-16.143.209
Cash flows from financing activities					
Ordinary shares issued		-	-	-	-
Sale / (Purchase) of own shares	22, 23	-	-	-	-
Dividend paid		0	-	-	-
Loans drawn		15.297.162	19.140.324	-	10.000.000
Loan full payment		-16.909.625	-3.259.468	-10.000.000	-
Leasing principal payments		-3.689	-	-	-
Grants received		3.137.045	3.719.148	756.916	1.296.022
Divident paid to minority interest		-	-	-	-
Other		-13.879	-	-	-
Net cash flows from financing activities		1.507.014	19.600.004	-9.243.084	11.296.022
Net (drop) / increase in cash and cash equivalents		-2.405.650	-3.397.827	-1.840.708	-7.660.149
Cash and cash equivalents at beginning of period		12.273.349	15.671.176	4.421.138	12.081.287
FX differences in cash and cash equivalents		-	-	-	-
Cash and cash equivalents at end of period		9.867.699	12.273.349	2.580.430	4.421.138

The notes on pages 11 to 46 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., Argypoli.

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

These financial statements have been approved for issue by the Company's Board of Directors on March 16, 2007 and are under approval by the General Meeting which will take place on 27/06/07. There are also available in the company's website: www.helector.gr.

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.

These financial statements have been prepared under the historical cost convention, except for valuation of available-for-sale financial assets and at fair value through profit and loss, that have been valued 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

A series of new accounting standards, modified standards and interpretations has been issued, which are mandatory for accounting periods beginning from January 1st 2007. The Group's assessment regarding the effect of the aforementioned new standards and interpretations is as follows:

Mandatory standards for year 2006

- **IAS 19 (amendment) Employee Benefits**

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. The Group has not changed the accounting principle adopted for the recognition of actuarial gains and losses and does not participate in any multi-employer plans and therefore the only impact is on the expanded disclosures that are presented in the financial statements.

- **IAS 39 (amendment) Cash Flow Hedge Accounting for intragroup transactions**

This amendment enables the definition of very probable forecasted intragroup transactions as an element to be hedged provided that the transaction is in a monetary unit different from the one used by the company participating in the transaction, and that the exchange difference risk are anticipated to influence results. This amendment is not relevant to the Group's operations.

- **IAS 39 (amendment) Fair Value Option**

This alteration changes the definition of financial means which have been graduated to fair value through results and restricts the possibility of graduated financial means in this category. The Group believes that this amendment should not have a significant impact on the classification of financial instruments, as the Group should be able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss.

- **IAS 39 and IFRS 4 (amendment) Financial Guarantee Contracts**

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 higher value between (a) the unamortized balance of the relevant remunerations received and postponed and (b) the cost required to cover the commitment at the balance sheet date. This amendment is not relevant for the Group.

- **IAS 21 (Amendment) - Net Investment in a Foreign Operation**

This amendment allows the reclassification of exchange differences on monetary items to equity irrespective of whether or not the monetary item is denominated in the functional currency of either the reporting entity or the foreign operation. This amendment is not relevant for the Group.

- **IFRS 6 - Exploration for and evaluation of mineral resources**

This standard provides specific accounting guidance for use by companies undertaking extractive activities. This standard is not relevant for the Group.

Mandatory interpretations for year 2006

- **IFRIC 4 - Determining whether an arrangement contains a lease**

This interpretation clarifies under which conditions an arrangement contains a lease and must therefore be accounted for in terms of IAS 17 – Leases. IFRIC 4 does not affect the accounting for existing business arrangements and has no impact on the Group’s financial statements

- **IFRIC 5 - Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds**

This interpretation sets out the accounting treatment where a company contributes to a fund with respect to decommissioning, restoration and environmental rehabilitation obligations that it has. This interpretation is not relevant for the Group.

- **IFRIC 6 - Liabilities arising from participating in a specific market – waste electrical and electronic equipment**

This interpretation is not relevant for the Group.

Mandatory standards after 1 January 2007

- **IFRS 7 – Financial Instruments: Disclosures** and the complementary amendment to IAS 1 - Presentation of Financial Statements: **Capital Disclosures**

This standard and amendment are effective for annual periods beginning on or after 1 January 2007 and introduces new disclosures relating to financial instruments. The Group assessed the impact of IFRS 7 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures. The Group will apply IFRS 7 and the amendment to IAS 1 from 1 January 2007.

- **IFRS 8 - Operating Segments** (not yet adopted by the EU)

This standard is effective for annual periods beginning on or after 1 January 2009 and supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8, segments are components of an entity regularly reviewed by the entity’s Managing Directors / Board of Directors, and reported in the financial statements based on their internal component classification. The Group will apply IFRS 7 and the amendment to IAS 1 from 1 January 2009.

Mandatory interpretations after 1 January 2007

- **IFRIC 7 - Applying the Restatement Approach under IAS 29**

This interpretation is effective for annual periods beginning on or after 1 March 2006 and provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. Given that none of the Group’s companies operates in a hyperinflationary economy, this interpretation shall not affect the Group’s financial statements.

- **IFRIC 8 - Scope of IFRS 2**

This interpretation is effective for annual periods beginning on or after 1 May 2006 and considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group’s financial statements.

- **IFRIC 9 - Reassessment of Embedded Derivatives**

This interpretation is effective for annual periods beginning on or after 1 June 2006 and requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. No subsequent reassessment is allowed, except if there is a change in the contractual terms, significantly affecting cash flows, otherwise required according to the contract. This interpretation is not relevant for the Group.

- **IFRIC 10 – Interim Financial Statements and Impairment**

This interpretation is effective for annual periods beginning on or after 1 November 2006 and prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is not relevant for the Group.

- **IFRIC 11 – IFRS 2: Group and Treasury share transactions** (not yet adopted by the EU)

This interpretation is effective for annual periods beginning on or after 1 March 2007 and clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation will not have any impact on the Group’s financial statements.

- **IFRIC 12 - Service Concession Arrangements** (not yet adopted by the EU)

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. The Group investigates the possible impact of this particular IFRIC on the consolidated financial statements.

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 shows 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

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. Derivatives are classified as held for trading purposes except when they are designated as hedges. 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.

(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

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.

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 assess 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.

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.

2.21 Grants

State grants are recognized at their fair value when it is certainly anticipated that the grant will be received and the Group shall comply with all required terms.

State grants concerning expenses are postponed and are recognized to the results so as to be offset with the expenses that are deemed to compensate.

State grants concerning fixed assets purchase are included in long term liabilities as differed state grants and are recognized as income in the profit and loss statement with straight line method according to the asset expected useful life.

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

Annual financial statements along with the accompanying notes and reports may involve certain judgments and calculations that refer to future events regarding operations, developments, and financial performance of the Group. Despite the fact that such assumptions and calculations are based on the best possible knowledge of the Company's and the Group's management, with regard to current conditions and actions, the actual results may eventually differ from those calculations and assumptions taken into consideration in the preparation of the Company's and the Group's interim financial statements.

Assessments and assumptions that involve important risk of causing future material adjustments to the assets' and liabilities':

- (a) *Assessments regarding the accounting for construction projects according to IAS 11 "Construction Contracts"*
- (i) Realization of income from construction contracts based on estimation of the completion percentage of the project.
- For the estimation of the completion percentage of the construction projects under process according to which Group recognizes income from construction contracts, Management estimates the expected expenses yet to be made until the completion of the projects.
- (ii) Requests for compensation for additional work made beyond the contractual agreement.
- Group Management estimates the amount to be received from the Group for additional work and recognizes income under the percentage of completion as long as it thinks that this amount will be probably received.
- (b) *Provisions*
- (i) Income tax
- Estimates are required in determining the provision for income taxes that the Group is subjected to. There are several transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5 Tangible assets

CONSOLIDATED

	Land & Buildings	Means of transport	Mechanical Equipment	Furniture and fixtures	Assets under constr.	Total
Cost						
01.01.05	3.048.703	1.001.740	18.265.772	878.015	1.559.245	24.753.475
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
31.12.05	3.057.142	1.056.405	19.317.363	985.062	26.588.311	51.004.282
01.01.06	3.057.142	1.056.405	19.317.363	985.062	26.588.311	51.004.282
FX differences	-	-	-	-	-	-
Subsidiary acquisition / absorption	-	-	-	154	-	154
Additions	1.842.132	148.948	9.497.398	134.517	1.308.683	12.931.678
Sales / write-offs	-	-11.537	-	-46.771	-207.500	-265.808
Depreciation	-	-	-	-73.483	-	-73.483
Reclassification from Assets under constr.	2.667.685	-	16.976.782	100.299	-19.744.766	-
31.12.06	7.566.958	1.193.816	45.791.542	1.099.778	7.944.728	63.596.822
Accumulated depreciation						
01.01.05	-564.793	-101.343	-2.302.793	-155.594	-	-3.124.523
Period depreciation	-91.437	-211.242	-1.012.585	-183.284	-	-1.498.548
Sales / write-offs	-	11.479	-	-	-	11.479
31.12.05	-656.230	-301.105	-3.315.379	-338.877	-	-4.611.590
01.01.06	-656.230	-301.105	-3.315.379	-338.877	-	-4.611.590
FX differences	-	-	-	-	-	-
Subsidiary acquisition / absorption	-	-	-	-	-	-
Period depreciation	-115.258	-244.420	-2.181.573	-223.209	-	-2.764.460
Sales / write-offs	-	2.108	-	-	-	2.108
31.12.06	-771.488	-543.417	-5.496.952	-562.085	-	-7.373.942
Carrying amount as at 31.12.05	2.400.912	755.300	16.001.984	646.185	26.588.311	46.392.692
Carrying amount as at 31.12.06	6.795.470	650.399	40.294.590	537.692	7.944.728	56.222.881

COMPANY FIGURES

	Land & Buildings	Means of transport	Mechanical Equipment	Furniture and fixtures	Assets under constr.	Total
COMPANY ITEMS - Cost						
01.01.05	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.	-	-	-	-	-	-
31.12.05	14.674	974.544	2.502.862	905.789	4.967.858	9.365.726
01.01.06	14.674	974.544	2.502.862	905.789	4.967.858	9.365.726
FX differences	-	-	-	-	-	-
Subsidiary acquisition / absorption	-	-	-	-	-	-
Additions	61.366	95.000	1.308.003	80.052	1.308.683	2.853.104
Sales / write-offs	-	-	-	-46.734	-207.500	-254.234
31.12.06	76.040	1.069.544	3.810.864	939.107	6.069.041	11.964.596
Accumulated depreciation						
01.01.05	-	-88.261	-182.985	-137.467	-	-408.713
FX differences	-	-	-	-	-	-
Period depreciation	-	-190.469	-303.930	-170.807	-	-665.206
31.12.05	-	-278.730	-486.915	-308.274	-	-1.073.919
01.01.06	-	-278.730	-486.915	-308.274	-	-1.073.919
FX differences	-	-	-	-	-	-
Period depreciation	-	-196.233	-465.678	-175.887	-	-837.799
31.12.06	-	-474.963	-952.593	-484.161	-	-1.911.718
Carrying amount as at 31.12.05	14.674	695.814	2.015.947	597.515	4.967.858	8.291.807
Carrying amount as at 31.12.06	76.040	594.581	2.858.271	454.946	6.069.041	10.052.878

6 Intangible assets

CONSOLIDATED

	Software	Other	Total
Cost			
01.01.05	3.358	31.455	34.813
Additions	19.971	-	19.971
31.12.05	23.330	31.455	54.784
01.01.06	23.330	31.455	54.784
Additions	12.345	21.152	33.497
Depreciation	-29	-	-29
31.12.06	35.646	52.607	88.253
Accumulated depreciation			
01.01.05	-3.359	-31.455	-34.814
Period depreciation	-6.645	-1	-6.646
31.12.05	-10.003	-31.456	-41.459
01.01.06	-10.003	-31.456	-41.459
Period depreciation	-7.517	-20.651	-28.168
31.12.06	-17.520	-52.107	-69.627
Carrying amount as at 31.12.05	13.327	-	13.325
Carrying amount as at 31.12.06	18.125	500	18.625

COMPANY FIGURES

	Other	Total
Cost		
01.01.05	31.455	31.455
31.12.05	31.455	31.455
01.01.06	31.455	31.455
Additions	7.380	7.380
31.12.06	38.835	38.835
Accumulated depreciation		
01.01.05	-31.455	-31.455
31.12.05	-31.455	-
01.01.06	-31.455	-31.455
Period depreciation	-7.380	-7.380
31.12.06	-38.835	-38.835

7 Group participating interests in consolidated companies.

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

no.	COMPANY	REG. OFFICE	PARTICIPATION %	UNAUDITED YEARS
1	AIFORIKI DODEKANISSOU S.A.	GREECE	99,5%	2003-2006
2	APOTEFROTIRAS OE	GREECE	75%	2004-2006
3	EXANTAS MARITIME CO.	GREECE	100%	2002-2006
4	ELEMAX LTD	CYPRUS	100%	2004-2006
5	HERHOF GMBH	GERMANY	100%	2004-2006
6	HERHOF RECYCLINGCENTER OSNABRUK GmbH	GERMANY	51%	2004-2006
7	BEAL S.A.	GREECE	50%	2002-2006

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 %	UNAUDITED YEARS
1	DOAL SA	GREECE	24%	2006
2	TOMI EDL EPE	GREECE	50%	2005-2006
3	ADEYP S.A.	GREECE	36%	2003-2006

Book value changes of parent company investments in consolidated companies:

Subsidiaries

	31-Dec-06	31-Dec-05
Start of period	4.110.809	1.761.361
Additions - new	1.811.552	2.349.448
End of period	5.922.361	4.110.809

Associates

	31-Dec-06	31-Dec-05
Start of period	254.103	211.920
Additions - new	30.000	22.183
(Sales)	-15.000	-
(Depreciation)	-187.920	-
Transfer from / to Subsidiaries. JVs, Available for Sale	-	20.000
End of period	81.183	254.103

Joint Ventures

	31-Dec-06	31-Dec-05
Start of period	295.844	193.704
Additions	54.746	102.140
End of period	350.590	295.844

8 Group investments in associates

CONSOLIDATED

	31-Dec-06	31-Dec-05
Start of period	218.189	103.383
Additions - new	30.000	172.183
(Sales)	-15.000	-
(Depreciation)	-25.976	-
Profit / loss share (after tax)	14.086	-77.377
Other changes in equity (please specify)	-	-
Transfer from / to Subsidiaries. JVs, Available for Sale	-150.000	20.000
End of period	71.300	218.189

Summary financial information on affiliated companies:

no.	COMPANY	ASSETS	CREDITORS	INCOME	PROFIT	PARTICIPATION %
1	DOAL SA	60.945	4.632	0	-3.686	24%
2	TOMIEDL EPE	235.959	412.822	0	-138.794	50%
3	ADEYP S.A.	72.373	219	0	-4.024	36%

ADEYP SA is under liquidations and an impairment provision of €187,920 has been made.

9 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-06
Assets	
Non-current assets	37.996
Current assets	8.854.477
	8.892.474
Liabilities	
Non-current liabilities	273.203
Current Liabilities	8.435.105
	8.708.308
Equity Capital	184.166
Income	21.088.929
Expenses	-19.259.727
Profit/loss (after taxes)	1.829.202

10 Other investments / Available-for-sale investments

Available-for-sale investments include the following:

CONSOLIDATED

	31-Dec-06	31-Dec-05
Start of period	300	20.300
Transfer from / to Subsidiaries, Associates, JVs	-	-20.000
End of period	300	300
Non-current assets	300	300
Current assets	-	-
	300	300

COMPANY FIGURES

	31-Dec-06	31-Dec-05
Start of period	300	20.300
Transfer from / to Subsidiaries, Associates, JVs	-	-20.000
End of period	300	300
Non-current assets	300	300
Current assets	-	-
	300	300

11 Αποθέματα

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Raw material	585.003	116.320	495.140	-
Semi-finished products	306.118	92.727	-	-
Other	3.600	-	-	-
Total net realisable value	894.721	209.047	495.140	-

12 Receivables

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Net trade debtor receivables	8.051.198	4.392.451	1.913.008	1.471.380
Advance payments	6.009	295.119	-	262.270
Receivables from construction contracts	2.045.899	-	-	-
Income Tax advance payment	190.253	276.245	-	136.647
Receivables from JV	3.936.272	-	6.196.119	-
Loans to related parties	-	354.640	-	-
Advances for operating leases	47.213	-	-	-
Other receivables	6.734.101	3.985.169	1.747.439	27.410
Total Receivables - Associates	650.036	12.832.722	1.846.010	12.184.831
Total	21.660.980	22.136.347	11.702.576	14.082.537
Non-current assets	1.438	12.236	1.438	12.235
Current assets	21.659.542	22.124.111	11.701.138	14.070.302
	21.660.980	22.136.347	11.702.576	14.082.537

13 Cash and cash equivalents

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Cash at hand and in Banks	9.867.699	8.128.271	2.580.430	4.421.138
Short-term bank deposits	-	4.145.078	-	-
Total	9.867.699	12.273.349	2.580.430	4.421.138

14 Share capital

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	Number of shares	Common shares	Share premium	Total
01.01.05	128.440	1.312.657	408.182	1.720.839
31.12.05	128.440	1.312.657	408.182	1.720.839
31.12.06	128.440	1.312.657	408.182	1.720.839

Share par value at €10.22

15 Reserves

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	Legal reserve	Special & extra reserves	Tax-free reserves	FX differences reserve	Other reserves	Total
01.01.05	552.767	2.225.106	4.328.699	-	292	7.106.864
FX differences	-	-	-	8.590	-	8.589
Brought from P&L	58.300	-	-	-	-	58.300
31.12.05	611.067	2.225.106	4.328.699	8.590	292	7.173.753
01.01.06	611.067	2.225.106	4.328.699	8.590	292	7.173.753
FX differences	-	-	-	-22.728	-	-22.728
Brought from P&L	67.204	-	-	-	-	67.204
31.12.06	678.271	2.225.106	4.328.699	-14.138	292	7.218.229

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	Legal reserve	Special & extra reserves	Tax-free reserves	Other reserves	Total
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
01.01.06	501.964	2.225.106	4.134.194	292	6.861.556
31.12.06	501.964	2.225.106	4.134.194	292	6.861.556

According to Greek Law, tax-free reserves are exempt of income tax on condition that they shall not be distributed to shareholders. The Group does not intend to distribute said reserves in the following year, and therefore has not calculated the amount of income tax that would result in such case. Should the Group decide to distribute tax-free reserves, they shall be taxed at the tax rate applicable at the time of distribution.

16 Suppliers and other liabilities

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

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Suppliers	11.334.079	15.557.910	3.600.122	1.379.485
Accrued expenses	-	68.303	-	42.178
Insurance organisations and other taxes/ duties	1.263.509	1.086.603	638.618	303.413
Liabilities to Construction Contracts	2.181.250	-	2.181.250	-
Other liabilities	4.044.919	2.667.815	1.662.339	281.204
Total liabilities - Associates	784.137	29.500	1.249.344	988.096
Total	19.607.894	19.410.131	9.331.673	2.994.376
Non-current	-	7.100	-	-
Current	19.607.894	19.403.031	9.331.673	2.994.376
Total	19.607.894	19.410.131	9.331.673	2.994.376

17 Loans

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Long-term loans				
Bank loans	17.731.446	7.429.366	-	-
Other	-	984.646	-	-
Total long-term loans	17.731.446	8.414.012	-	-
Short-term loans				
Bank overdrafts	210.864	-	-	-
Bank loans	2.010.023	12.921.335	-	10.000.000
Other	-	233.137	-	-
Total short-term loans	2.220.887	13.154.472	-	10.000.000
Total loans	19.952.333	21.568.484	-	10.000.000

Exposure to interest rate changes and contract re-pricing dates:

	Consolidated		Company	
	Up to 6 months	6-12 month	Up to 6 months	6-12 month
31.12.05				
Total loans	8.578.032	12.990.452	-	-
	8.578.032	12.990.452	-	-
	Consolidated		Company	
	Up to 6 months	6-12 month	Up to 6 months	6-12 month
31.12.06				
Total loans	11.483.381	8.468.952	-	-
	11.483.381	8.468.952	-	-

Long-term loans expiry dates:

	Consolidated		Company	
	<u>31 Dec 06</u>	<u>31 Dec 05</u>	<u>31 Dec 06</u>	<u>31 Dec 05</u>
Between 1 and 2 years	11.231.446	1.750.000	-	10.000.000
Between 2 and 5 years	3.400.000	3.500.000	-	-
Over 5 years	<u>3.100.000</u>	<u>3.164.012</u>	-	-
	<u>17.731.446</u>	<u>8.414.012</u>	=	<u>10.000.000</u>

18 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-06	31-Dec-05	31-Dec-06	31-Dec-05
Deferred tax liabilities:				
Recoverable after 12 months	805.107	749.038	-	-
Recoverable within 12 months	-	-	-	702
	805.107	749.038	-	702
Deferred tax receivables:				
Recoverable after 12 months	626.027	744	610.240	-
Recoverable within 12 months	-	293	-	-
	626.027	1.037	610.240	-
	179.080	748.002	-610.240	702

Total change in deferred income tax:

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Start of period balance	311.201	261.911	702	5.134
Income statement debit / (credit) (Note 24)	-568.922	591.451	-610.942	-4.432
End of period balance	-257.721	853.362	-610.240	702

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

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Deferred tax liabilities:

	Misc tax depreciation	Construction Contracts	Other	Total
01.01.05	213.240	-	5.134	218.374
Income statement debit / (credit)	97.961	367.664	65.040	530.665
31.12.05	311.201	367.664	70.174	749.038
1 Ιανουαρίου 2006	311.201	367.664	70.174	749.039
Income statement debit / (credit)	105.359	-48.617	-674	56.068
31.12.06	416.560	319.047	69.500	805.107

Deferred tax receivables:

	Receivables provisions	Misc tax depreciation	Construction Contracts	Other	Total
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
1 Ιανουαρίου 2006	-	383	-	654	1.037
Income statement debit / (credit)	-	4.698	545.313	74.979	624.990
31.12.06	-	5.081	545.313	75.633	626.027

COMPANY FIGURES

Deferred tax liabilities:

	Misc tax depreciation	Construction Contracts	Other	Total
01.01.05	-	-	5.134	5.134
Income statement debit / (credit)	-	-	-4.432	-4.432
31.12.05	-	-	702	702
01/01/06	-	-	702	702
Income statement debit / (credit)	-	-	-702	-702
31.12.06	-	-	-	-

Deferred tax receivables:

	Receivables provisions	Misc tax depreciation	Construction Contracts	Other	Total
1-Ιαν-06	-	-	-	-	-
Income statement debit / (credit)	-	-	545.313	64.928	610.240
31.12.06	-	-	545.313	64.928	610.240

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

19 Grants

	Consolidated		Company	
	31/12/06	31/12/05	31/12/06	31/12/05
Start of period	12.155.081	9.057.788	1.828.416	854.291
Additions	3.137.045	3.719.148	756.916	1.296.022
Carried to P&L (-)	-695.724	-621.855	-291.208	-321.897
End of period	14.596.402	12.155.081	2.294.124	1.828.416

Out of the total Group's grants:

i) €10,785 thousand relates to grant collected by subsidiary BEAL SA from "OP Competitiveness" in order to construct an electrical power co-generation plant from biogas of the Ano Liossia Sanitary Landfill. The grant amount covers 40% of the investment's budget.

ii) €1,710 thousand relates to grant collected by HELECTOR SA from “OP Competitiveness” for the “Electrical power generation from biogas of the Tagarades, Thessaloniki Sanitary Landfill” project, With a 5 MW capacity. The grant amount covers 40% of the investment’s budget.

iii) €1,517 thousand related to a grant collected by subsidiary AIFORIKI DODEKANISSOU S.A. from “OP Competitiveness” for the “Wind power potential utilisation for electrical power generation on the islands of Rodos (3.0 MW), Kos (3.6 MW and Patmos (1.2 MW)” project. The grant amount covers 30% of the investment’s budget.

iv) The remaining amount is a grant to parent company HELECTOR SA, for participating in research programs.

20 Employee benefits liabilities due to retirements

Amounts recognised in the Balance Sheet, are:

	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
BS liabilities for:				
Pension benefits	125.317	42.976	71.791	40.000
Total	125.317	42.976	71.791	40.000

Amounts recognised in profit and loss, are:

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Charged to income statement (Note 22:				
Pension benefits	104.884	-10.465	54.334	16.043
Total	104.884	-10.465	54.334	16.043

Changes in liabilities as appear in the Balance sheet are :

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Current value of non-financed liabilities	134.736	42.796	80.217	40.000
Non-entered actuarial profit/(loss)	-9.420	179	-8.426	-
	125.317	42.976	71.791	40.000
Balance sheet liability	125.317	42.976	71.791	40.000

Amounts entered in the income statement:

	Ενοποιημένα στοιχεία		Εταιρικά στοιχεία	
	31-Δεκ-06	31-Δεκ-05	31-Δεκ-06	31-Δεκ-05
Κόστος τρέχουσας απασχόλησης	9.725	17.228	7.436	16.043
Χρηματοοικονομικό κόστος	755	960	655	-
Αποσβέσεις μη καταχωρημένων αναλογιστικών (κερδών) / ζημιών	374	-	374	-
Κόστος προϋπηρεσίας	75.186	-	27.027	-
Ζημιές από περικοπές	18.843	-28.654	18.843	-
Σύνολο περιλαμβανόμενο στις παροχές σε εργαζομένους (Σημ. 22)	104.884	-10.465	54.334	16.043

Changes in balance sheet liability:

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Start of period balance	42.976	55.624	40.000	23.957
Compensation paid	-22.543	-2.182	-22.543	-
Total charge to profit and loss	104.884	-10.466	54.334	16.043
End of period balance	125.317	42.976	71.791	40.000

Major actuarial assumptions used for accounting purposes:

	31-Dec-06	31-Dec-05
Discount interest	4,20%	3,50%
- Future salary increases	4%	4%

21 Financial income (expenses) - net

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Interest expenses				
- Bank loans	1.084.882	821.952	287.909	184.838
	1.084.882	821.952	287.909	184.838
Interest income	183.325	368.416	293.321	291.114
Net expenses / (income) from interest	901.558	453.536	-5.412	-106.275
Net profit / (loss) from exchange differences of loans denominated in FX	-	-2.387	-	-
Total	901.558	455.923	-5.412	-106.275

22 Staff benefits

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Salaries and wages	4.839.030	3.104.623	1.854.955	1.585.271
Social insurance expenses	1.197.829	877.373	452.600	487.101
Cost of defined benefits programs	104.884	-10.465	54.334	16.044
Other staff benefits	238.946	153.412	20.950	150.057
Total	6.380.689	4.124.943	2.382.838	2.238.474

23 Expenses per category

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	Notes	31-Dec-05			
		Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	22	2.580.575	550.000	994.368	4.124.943
Reserves Consumption		4.326.638	-	-	4.326.638
Depreciation of tangible fixed assets	5	1.306.875	-	176.649	1.483.524
Depreciation of intangible fixed assets	6	667	-	1	668
Tangible fixed assets repair and maintenance expenses		29.331	-	-	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	116.484	1.571.996
Total		19.401.247	1.502.969	1.724.241	22.628.457

	Notes	31-Dec-06			
		Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	22	5.160.157	136.574	1.083.959	6.380.689
Reserves Consumption		6.277.866	-	-	6.277.866
Depreciation of tangible fixed assets	5	2.733.930	-	30.531	2.764.460
Impairment of tangible fixed assets	5	-	-	73.483	73.483
Depreciation of intangible fixed assets	6	17.493	-	10.677	28.169
Impairment of intangible fixed assets	6	29	-	-	29
Tangible fixed assets repair and maintenance expenses		224.557	-	19.638	244.195
Operating lease rent amounts		560.481	-	169.035	729.516
Third party fees for technical projects		24.575.192	1.258.987	106.890	25.941.069
R&D expenses		-	407.213	-	407.213
Other		5.767.852	684.796	1.116.882	7.569.530
Total		45.317.556	2.487.569	2.611.095	50.416.220

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		31-Dec-05			
	Notes	Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	22	962.987	550.000	725.487	2.238.474
Reserves Consumption		2.749.837	-	-	2.749.837
Depreciation of tangible fixed assets	5	494.399	-	170.807	665.206
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	1.026.712	14.992.991

		31-Dec-06			
	Notes	Cost of sales	Distribution expenses	Administration expenses	Total
Staff benefits	22	1.589.982	102.679	690.178	2.382.839
Reserves Consumption		2.423.002	-	-	2.423.002
Depreciation of tangible fixed assets	5	818.924	-	18.875	837.799
Depreciation of intangible fixed assets	6	-	-	7.380	7.380
Tangible fixed assets repair and maintenance expenses		61.032	-	10.000	71.032
Operating lease rent amounts		85.945	-	103.755	189.700
Third party fees for technical projects		8.303.055	1.021.659	106.682	9.431.396
R&D expenses		-	390.577	-	390.577
Other		-	-	62.543	62.543
Total		13.281.940	1.514.915	999.413	15.796.268

24 Income tax

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Year tax	3.773.997	1.878.467	1.647.977	979.711
Deferred tax (Note 18)	-568.922	591.451	-610.942	-4.432
Total	3.205.075	2.469.919	1.037.034	975.279

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-06	31-Dec-05	31-Dec-06	31-Dec-05
Profit before tax	8.374.465	7.482.366	3.644.980	3.500.600
Tax calculated based on applicable local tax rates on profit, in the respective countries	3.032.278	2.315.603	1.057.044	979.711
Income not subject to taxation	-798.963	4.957	-798.963	-4.432
Non-tax deductible expenses	910.326	51.007	707.120	-
Additional tax deductible expenses (e.g. depreciation of intangible assets written-off in IFRS)	3.840	-	-	-
Use of previous non-recognised tax losses	-5.269	-	-	-
Tax expenses, for which no assets income tax is recognised	62.863	98.351	71.833	-
Taxes	3.205.075	2.469.919	1.037.034	975.279

The unaudited years of the Group's companies appear in the note 7.

The company has made a provision of €550,000 for unaudited years and any repercussions from taxes on reserves.

25 Other income - expenses

	Consolidated		Company	
	31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Income / (expenses) from participations & securities (less dividend)	-	4.477	-	-
Profit/(Loss) from the disposal of tangible fixed assets	-	4.593	-	-
Depreciation of grants received (Note 19)	404.516	621.855	-	321.897
Subsidiaries Impairment (-)	-	-	-187.920	-
Rents	214.328	81.441	179.768	81.441
Other Profit/(Loss)	-271.717	69.149	101.598	11.919
Total	347.127	781.515	93.445	415.257

26 Operating cash flows

	Note	Consolidated		Company	
		31-Dec-06	31-Dec-05	31-Dec-06	31-Dec-05
Net profit for the period		5.169.390	4.811.677	2.607.946	2.525.321
Adjustments for:					
Income tax		3.205.075	2.469.919	1.037.034	975.279
Depreciation of tangible fixed assets	5	2.764.460	1.483.524	837.799	665.206
Depreciation of intangible assets	6	28.168	668	7.380	-
Depreciation of investments in real property	12	-	-	-	-
Impairments	5 - 11	73.512	-	187.920	-
(Profit) / losses from the disposal of tangible fixed assets		-	-4.593	-	-
(Profit) / losses from the disposal of intangible fixed assets		0	0	0	0
(Profit) / losses from the disposal of investments in property		0	0	0	0
(Profit) / losses from the disposal of subsidiaries		0	0	0	0
(Profit) / losses from the disposal of affiliates		0	0	0	0
(Profit) / losses from the disposal of JVs		0	0	0	0
(Profit) / losses from the disposal of available-for-sale		0	0	0	0
(Profit) / losses from investments sold at fair value through profit and loss		0	0	0	0
(Profit) / losses from fair value assets at fair value through profit and loss	17	0	0	0	0
Depreciation of grants	19	-695.724	-621.855	-291.208	-321.897
Interest income	21	-183.325	-368.416	-293.321	-291.114
Interest expenses	21	1.084.882	821.952	287.909	184.838
Income from dividend		-	-324.285	-	-826.530
(Profit) / loss from affiliated undertakings		11.889	77.377	-	-
FX profit/(loss)		-	2.387	-	-
Goodwill from 1st consolidation of subsidiaries and JVs		-	12.992	-	-
		11.458.327	8.361.347	4.381.459	2.911.104
Working capital changes					
(Increase) / drop in inventories		-685.674	-118.593	-495.140	90.454
(Increase) / drop in receivables (non-current & current)		34.735	-13.431.246	-6.604.186	-1.266.750
Increase / (drop) in receivables (non-current & current)		20.358	10.824.779	6.337.297	-2.338.816
Increase / (drop) in provisions (non-current & current)		410.575	172.414	-	-172
Increase / (drop) of obligations to staff retirement benefits		82.341	-12.647	31.791	16.044
Other		-	-	-	-
		-137.666	-2.565.293	-730.238	-3.499.240
Net cash flows from operating activities		11.320.662	5.796.054	3.651.221	-588.136

27 Contingent liabilities

Unaudited years

The unaudited years of the companies consolidated with the Group appear in Note 7; for the parent company these are 2002-2006. The Group's tax liabilities for such years have not been finalised and it is consequently likely that additional charges may arise when tax authorities conduct the relevant audits.

Other contingent liabilities

The Group's contingent liabilities pertain to bank and other guarantees and other matters arising in the ordinary course of business, that are not expected to lead to significant charges.

28 Related-party transactions

Related party transactions (pursuant to IAS 24):

	31 Dec 06	
	Group	Company
a) Sales of goods and services	€ 34.077	€3.970.381
b) Purchases of goods and services	€ 578.700	€3.524.827
c) Receivables	€ 650.036	€1.846.010
d) Liabilities	€ 782.216	€ 925.291
e) Officers' and managers' fees	€876.304	€ 876.304

29 Post balance sheet events

- Jointly with ABET MALVAZIA SA the company set up KOUNOU SUSTAINABLE SA to develop a wind and photovoltaic farm in Lakonia – Peloponese. The start-up capital was set at €60,000, and the Company's participation at 80%.
- Jointly with MACEDONIAN PAPER SA, the company set up ENERMEL SA, in order to construct and operate the the Central Electrical Power and Heat Cogeneration Unit in the Thessaloniki area. The start-up capital was set at €60,000, and the Company's participation at 92.0%.
- The HELECTOR SA (60%)-ARSI SA(20%-PANTEHNIKI SA (20%) JV was set up to perform a new long-term contract for hospital waste collection and incineration, to replace the existing contract performed to date by "APOTEFROTIRAS OE". The Company expects significant benefits from this new contract.

Athens, 16 March 2007

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)