HELECTOR GROUP

Annual Financial Statements
prepared according to the International Financial Reporting Standards
for the year ended 31 December 2008

HELECTOR S.A.
ENERGY &
ENVIRONMENTAL APPLICATIONS
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Directors' Annual report (separate & consolidated)

OF HELECTOR SA ENERGY & ENVIRONMENTAL APPLICATIONS

OVERVIEW

The actions of HELECTOR SA within the ELLAKTOR SA GROUP on ENERGY & ENVIRONMENT have established the company's leading presence in Greece and rendered it an important player in Cyprus and Germany. By expanding its activities and looking for new markets, the company has developed significant know-how in the following projects:

- **Construction and management,** through public and private assignments (indicatively, Ano Liosia sanitary landfill, Fyli sanitary landfill, Tagarades sanitary landfill-–Thessaloniki, Mavrorachi sanitary landfill- Thessaloniki, Lasithi sanitary landfill, Heraklion sanitary landfill, Paphos sanitary landfill- Cyprus, Marathounta biological treatment- Cyprus, Kozani sanitary landfill), Construction of an urban waste Management Unit in Trier and in Berlin, Germany. The company has established and is anticipated to hold its leading position among competitors in Greece and in Cyprus in this field.

- **Waste disposal,** including hazardous waste (operation of a hospital waste incinerator in Attica, urban waste treatment unit in Osnabrueck-Germany, collection of urban waste in Larnaca-Famagusta). Since similar projects have formed the objective of entrepreneurial activities on a worldwide scale, it is estimated that the know-how acquired and constantly expanding is an important asset for the company's development in this growing industry, which is actually the company's primary strategic choice for development.

- **RES development and exploitation projects** (biogas power generation plant in Ano Liosia, biogas power generation plant in Thessaloniki, development of wind farms in the Dodecanese). The development of these projects are also a main investment choice, with regard to the applicable institutional frameworks and development incentives.

In parallel, the company **implements pilot and research projects,** under the auspices of EU-funded programmes, from which it expects to obtain experience in new applications with prospective added value from their development into business plans.

The company's operation and growth is rather based on cooperation and complementarity than separated in the three categories above, and each time it is achieved through appropriate corporate schemes subject to the company's control and management. Therefore, the entire activity and growth is better depicted in the consolidated financial statements.

EVENTS – RESULTS FOR 2008

A. EVENTS

- This past year saw the construction of the Fyli sanitary landfill, the restoration of the Ano Liosia sanitary landfill, and the construction of the Mavrorachi- Thessaloniki, Tagarades, Lemnos, Thiva and Livadia sanitary landfills. Also, construction works continued as regards the biological treatment plant of Thessaloniki, the treatment plant in Kynouria, the Bouziani museum, and the water supply pipeline from Inofyta to Dilesi.

- A contract was signed for the construction of a recyclables plant in collaboration with the recycling organisation EPANA, a €6.5 million investment, and the plant was commissioned on a trial basis.

- The following contracts were signed in 2008:

  1) Construction of the Bouziani museum, budgeted at €2.08 million.
  2) Construction of a water supply and distribution from Inofyta to the settlement of Dilesi, budgeted at €1.01million.
  3) Construction of a sanitary landfill for the municipality of Livadia, 2nd stage of budget at €1.7 million.

- The company was recently announced as preferred bidder for the project "Integrated waste management for the Prefecture of Imathia". Subsequently, the contracting authority's Board of Directors unanimously approved the awarding, and the concession contract is expected to be signed in the first half of 2009, following an opinion of the Greek State Audit Committee.

- In terms of integrated waste management, the company, acting within the JV HELECTOR SA (45%)- ELLINIKI TECHNODOMIKI TEB SA (20%) -CYBARCO LTD (35%), was awarded in 2006 the project "DESIGN, CONSTRUCTION AND OPERATION OF WASTE TREATMENT AND DISPOSAL PLANTS IN THE PROVINCES OF LARNACA-FAMAGUSTA", with a construction and operation budget of about €160 million. The project is normally in progress within the implementation time limits, and is estimated to be commissioned on a trial basis in September 2009. Project exploitation-operation is anticipated to commence in 2010 for a 10-year period. It is worth noting that this project is the largest of this type ever constructed in Cyprus, and constitutes the first integrated waste management plant.

- As regards hazardous hospital waste management performed via the subsidiary company APOTEFROTIRAS SA, the company enhanced its presence with the acquisition of 10% in PANTECHNIKI SA. Thus the total participation percentage of the company in APOTEFROTIRAS SA reached 70%, therefore it is expected that this project will be particularly beneficial upon completion of 7 years of contractual operation.

- As regards RES, in this past year the Company ensured the rights to exploit biogas of the Fyli sanitary landfill for a 30-year period. At a first stage, the subsidiary BEAL will be supplied with biogas until construction of the new 14.5MW installed power capacity plant.

- Over this past year, the company enhanced its presence in the German market with the acquisition of LOOCK BIOGASSYSTEME GMBH through the 100% subsidiary HELECTOR GERMANY. LOOCK specialises in the technology of anaerobic treatment of organic parts in urban waste. The acquisition price stood at €1,478 thousand, and was covered by the share capital increase of €2.8 million of the subsidiary HELECTOR GERMANY GMBH.

- The JV LAMDA TECHNIKI- HELECTOR & MESOGEIOS (XYTA GRAMMATIKOU) was set up, with the aim of designing and implementing the project "Construction of a sanitary landfill at the integrated waste management plant of Northeast Attica, location Mavro Vouno-Grammatiko".

- Within the year, the share capital was increased by €164.13 thousand, upon waiver of ELLAKTOR as a shareholder of its pre-emptive right, and with the distribution of the shares to the BoD members and company executives, so as to provide them with a strong incentive to work towards the Company's growth and to implement other objectives. Thus, such increase was covered by Messrs. Athanasios Katris and Leonidas Bobolas, which resulted in the following shareholder's composition of the company: ELLAKTOR 80%, Ath. Katris 15%, and L. Bobolas 5%.

B. RESULTS – FINANCIAL FIGURES

This past year (2008), the sixth year of company operations, was another productive and profitable year, both at company and at consolidated level. The actual and complete financial standing and analysis is reflected in the consolidated rather in the parent company financial figures, mainly for the following reasons:

- Several public projects in Greece are undertaken by joint ventures, with the participation of the company, which are though not reflected as income for the parent.

- There exist intra-group transactions and trading which only demonstrate the actual financial standing after elimination on a consolidated basis.

- Since the implementation of investments is made by different corporate schemes with different financing structure (grants, loans), the capital structure and financial activities in general are accurately captured only in consolidated figures.

In more detail, the financial parent and consolidated figures are shown below:

- Turnover at parent level demonstrates an increase from €32.7 million to €40.8 million; significant is the increase of turnover on a consolidated basis from €74.8 million to €102.7 million.

- Earnings before taxes (EBT) at parent level appear decreased from €11.2 million to €7.2 million, while on a consolidated basis, EBT were decreased from €17.6 million to €13.1 million. It should be noted that due to the company's unaudited fiscal years (2007-2008), the results for the period have been charged with a relevant provision for expenses from possible audit taxes of €220 thousand.

- Earnings before taxes, interest, depreciation and amortisation (EBITDA) were decreased at parent level from €12.3 million to €8.2 million, and on a consolidated basis from €22.9 million to €18.1 million.

- As a result of increased profitability and the company's policy not to distribute dividends (subject to the GM approval), shareholder's equity was increased from €25.8 million to €36.8 million at parent level, and from €40.7 million to €49.9 million on a consolidated basis.

- Short-term bank borrowing on a consolidated basis was increased from €4.95 million to €16 million, part of which corresponds to financing against delayed subsidies (bridge financing) regarding projects implemented by subsidiaries. Long-term borrowing was reduced from €15.29 million to €14.3 million. This reduction is mainly due to the reclassification of long-term loans of subsidiaries by €10.8 million, as a result of non-performance of certain financial and other terms under their loan agreements.

- Cash flows from operating activities, both on parent and consolidated basis were positive at €4.04 million and €8.02 million, respectively (for 2007 the respective amounts were €6.38 million and €8.57 million, respectively), while the implementation of group investments is in progress (outflows of €12.96 million in 2008).

EVENTS AFTER 31.12.2008

- In February 2009, the affiliate EPANA SA purchased a plot of 9.5 stremma, including an unfinished metal structure and other investment works performed on that plot (fencing, excavations, etc), and also obtained a licence to construct and operate a waste separation and recovery centre. This plot is located in the area “Prari”, Municipality of Koropi, Attica, where a new recyclable material separation centre will be constructed to serve the Eastern Attica region.

FUTURE ACTIONS - ESTIMATES

A. OUTLOOK

- The company’s leading position in Greece and in Cyprus in environmental projects, combined with the sophisticated applied technology in the field of integrated waste management give the company a comparative advantage to play a leading role in relevant infrastructure projects anticipated to be implemented over the next years through public tenders and/ or private investments in this field. The primary form of waste management through the construction of sanitary landfills, also in line with EU requirements, is coming to an end. As regards the adoption of new integrated waste management solutions, the company is ready to offer solutions through integrated business plans, either acting individually or through participations.

- The company’s leading position through the participation in tender procedures and the undertaking of new public works (sanitary landfills, biological treatment plants) is expected to be maintained. Such projects are, of course, the company’s main choice as economies of scale have been created through the implementation mechanism, but mainly no excessive discounts as those seen in other public works are observed.

- Overall, the need for integrated and environmentally friendly waste management based on the “polluter pays” principle, and the increased awareness in energy application issues opens up a new business field in which the company is willing to implement important projects, subject to the appropriate institutional framework in line with the EU framework.

- Capital adequacy and the ability to draw additional capital, either within the robustness of the group or from third sources, is another important parameter, since the projects in which the company is interested are in their majority capital-intensive projects.

B. COMPETITION FACTORS

- The institutional framework for the development of energy and environmental projects in Greece still demonstrates deficiencies. Despite the will expressed at legislature level, but also at the level of central public services, local entities and services often hinder the implementation of these projects, in fact sometimes due to ignorance or unjustified suspiciousness.

- The "polluter pays" principle which is basic to the design and implementation of environmental projects needs to be consciously accepted before it can be expressed in business actions.

- Competition is expected to become more intensive over the years to come, since domestic new players are anticipated to enter the market. However, it is estimated that some of those players act as if the industry of energy and environmental projects in general is the golden opportunity for growth, without having experience or previous involvement in such projects.

FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to several financial risks such as market risk (volatility in market prices, interest rates), credit risk, liquidity risk, cash flow risk from interest rate changes. The Group's general risk management program focuses on the non-predictability of financial markets and seeks to minimise any possible negative impact on the Group's financial performance.

Risk management is monitored by the Treasury department, and in particular the Central Division of the Group's Financial Management, 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 short-term investment of cash.

a) Market risk

Market risk is related to the business sectors where the Group operates. Among others, the Group is exposed to the risk of a change in the prevailing conditions of the constructions sector and raw materials markets, as well as risks relating to the performance of work in joint ventures and the adequacy of capital required for participation in co-financed projects. The Group's departments are closely monitoring the individual markets in which it operates and plan actions for prompt and efficient adaptation to the individual markets' new circumstances.

b) Credit risk

The Group does not have significant accumulation of credit risk. It has developed policies in order to ensure that transactions are conducted with customers of sufficient credit rating. Apart from this, a large part of the Group's income, sources from projects implemented on behalf of the Greek State.

The Group has procedures in place which limit exposure to credit risk from individual credit institutes, and furthermore only trades with recognised financial institutions with high credit rating.

c) Liquidity risk

To manage the liquidity risk, the Group budgets and monitors its cash flows and acts accordingly so as to have adequate cash available and bank credit lines in place. The Group has significant credit lines in place to cover cash needs that may arise.

d) Interest Rate Risk

Regarding long-term loan liabilities, the Group’s Management systematically and constantly monitors interest rate fluctuations and assesses the need to take relevant positions to offset risks, when and if necessary. In the context of risk offsetting, Group companies may enter interest swap contracts and other derivatives.

Out of the Group’s borrowing, 73% is contracted under variable rates while all loans are denominated in Euro. The Group constantly monitors interest rate trends, as well as the duration and nature of subsidiaries’ financing needs. Decisions on loan terms as well as the relation between variable and fixed interest rate are considered separately on a case by case basis.

Cash management

Regarding cash management, the Group’s intention is to ensure its ability to continue its operations unhindered so as to secure shareholder value as well as benefits for all other parties involved with the Group, and to maintain an optimum capital structure so as to achieve capital cost reductions.

In order to preserve or change its capital structure, the Company may alter the dividend distributed to shareholders, the capital returns to shareholders, issue new shares or sell assets.

FINANCIAL RISK MANAGEMENT

The following table shows the development of the most important ratios:

Ratios	Consolidated figures	
	2007	2008
Working capital	€15,302,848	€18,288,879
Financial leverage	8.76%	10.41%
Equity ratio	18.16%	28.15%
Gross profit/ sales	21.24%	33.05%
Debt-to-equity ratio	65.22%	65.45%

(all amounts expressed in €, unless otherwise stated)

RELATED PARTIES

The Group is controlled by ELLINIKI TECHNODOMIKI TEB SA (registered in Greece), holding 80% of the parent company's shares. Out of the remaining percentage, 15% of the shares is held by Mr. Athanasios Katris, Managing Director of the company, and 5% is held by Mr. Leonidas Bobolas, Chairman of the company.

The following are transactions with related parties:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
a) Sales of goods and services	**5,775,835**	**14,466,985**	**9,915,544**	**19,765,899**
Sales to subsidiaries	-	-	1,758,960	4,407,600
Sales to associates	2,423,763	821,768	2,423,763	821,768
Sales to other related parties	22,761	20,203	22,761	20,203
Sales to JV	3,329,311	13,625,014	5,710,060	14,516,329
b) Purchases of goods and services	**2,011,573**	**3,228,581**	**1,393,175**	**3,346,746**
Purchases from subsidiaries	-	-	583,067	1,985,934
Purchases from associates	-	830,629	-	-
Purchases from other related parties	820,689	1,385,910	810,109	1,360,812
Purchases from JV	1,190,884	1,012,042	-	-
c) Fees to directors and managers	**3,720,422**	**3,271,643**	**2,996,043**	**2,697,705**
d) Equity-settled fees to directors	**1,840,466**	**-**	**1,840,466**	**-**
e) Income from dividends	**-**	**-**	**3,604,600**	**-**

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
f) Balance at year end (Receivables)	**12.062.832**	**14.088.775**	**16.097.157**	**18.178.685**
Receivables from subsidiaries	-	-	3.765.015	1.924.107
Receivables from associates	1,046,424	992,275	1,046,395	992,275
Receivables from other related parties	63,653	103,616	63,212	103,616
Receivables from JV	10,952,755	12,992,884	11,222,534	15,158,687
g) Balance at year end (Liabilities)	**4,734,241**	**5,952,327**	**1,354,588**	**3,669,320**
Liabilities to subsidiaries	-	-	5,154	782,127
Liabilities to associates	595	3,286,868	-	-
Liabilities to other related parties	1,074,955	830,602	766,219	524,571
Liabilities to JV	3,658,692	1,834,857	583,215	2,362,622
h)Receivables from directors and managers	**851,124**	**427,770**	**728,342**	**427,770**
i) Liabilities to directors and managers	**1,772,674**	**157,633**	**1,572,674**	**157,633**

j)Loans to related parties

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Balance on 1 January	**304,476**	**490,100**	-	-
Financing during the year	77,350	29,250		-
Repayment during the year	-7,047	-214,874		-
Balance on 31 December	**374,779**	**304,476**	-	-

Following the foregoing overview of operating and financial activities and the explanations we provided acting as authorised management, Shareholders are invited to approve the Financial Statements for 2008 and the accompanying Director's report, and release the members of the Board of Directors individually and the Board of Directors collectively, as well as the Auditor, from all liability to compensation for 2008.

Athens, 27 March 2009

On behalf of the Board of Directors

The Chairman of the BoD

Leonidas G. Bobolas

Audit Report of an Independent Certified Auditor-Accountant

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

Report on the financial statements

We have audited the attached corporate and consolidated financial statements of HELECTOR SA, which comprise the company and consolidated balance sheets as at 31 December 2008, and the income statement, statement of changes in 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 the design, implementation and maintenance of an internal control system with regard to the preparation and fair presentation of financial statements, free from material misstatements, whether due to fraud or error. This responsibility also includes the selection and application of appropriate accounting policies, and the making of accounting estimates that are reasonable given the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with the International Standards on Auditing. These 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 regarding the amounts and disclosures included 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. To assess this risk, the auditor takes into account the internal audit system in relation to the preparation and fair presentation of financial statements, with the aim to plan audit procedures appropriate to the circumstances and not express an opinion on the effectiveness of the Company's internal audit system. Such audit also includes an evaluation of the appropriateness of accounting policies used and the fairness of accounting estimates made by the Management, as well as evaluation of 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 accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Limitation of Scope

Without expressing any reservation regarding our opinion, we draw your attention to Note 29 of the financial statements, regarding the un-audited tax financial years of the companies of the Group and to the possibility of imposing additional taxes and accessions within the period that the income-tax statement related to the aforementioned financial years will be audited and finalized by the tax authorities.

Reference to other legal issues

We have verified the agreement and reconciliation of the Board of Directors' Report with the attached financial statements, in the context of the provisions of articles 43a, 107 and 37 of Codified Law 2190/1920.

Athens, 5 June 2009

PRICEWATERHOUSECOOPERS

THE CERTIFIED AUDITOR-ACCOUNTANT

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(all amounts expressed in €, unless otherwise stated)

Balance Sheet

		Consolidated figures		Company figures	
	Note	**31-Dec-08**	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
ASSETS					
Non-current assets					
Property ,plant and equipment	5	51,969,898	53,848,099	8,040,421	9,233,488
Intangible assets	6	10,442,979	34,563	-	-
Investments in subsidiaries	7	-	-	9,560,562	6,730,562
Investments in associates	8	684,760	321,327	681,183	281,183
Investments in Joint Ventures	9	-	-	206,205	206,205
Deferred tax asset	18	3,599,109	3,457,275	2,335,256	2,094,663
Trade and other receivables	12	26,456	684,580	26,456	5,652
		66,723,202	**58,345,843**	**20,850,083**	**18,551,753**
Current assets					
Inventory	11	1,180,660	5,111,614	712,098	728,117
Trade and other receivables	12	50,236,242	38,888,897	29,041,827	25,624,861
Guaranteed receipt from grantor (IFRIC 12-current portion)		-	-	-	-
Cash and cash equivalents	13	25,444,680	15,512,201	12,694,609	8,119,759
		76,861,582	**59,512,712**	**42,448,534**	**34,472,737**
Total assets		**143,584,784**	**117,858,555**	**63,298,617**	**53,024,490**
EQUITY					
Equity attributable to shareholders					
Share capital	14	1,476,790	1,312,657	1,476,790	1,312,657
Premium on capital stock	14	5,216,215	408,182	5,216,215	408,182
Other reserves	15	7,365,852	7,171,578	6,861,556	6,861,556
Profits/(losses) carried forward		30,866,659	24,451,823	23,246,666	17,281,460
		44,925,516	**33,344,240**	**36,801,227**	**25,863,855**
Minority interest		5,010,514	7,379,231	-	-
Total equity		**49,936,030**	**40,723,471**	**36,801,227**	**25,863,855**
LIABILITIES					
Non-current liabilities					
Borrowings	16	14,272,001	15,291,959	-	-
Deferred tax liabilities	18	1,078,587	332,807	-	-
Retirment benefit obligations	19	165,667	173,684	93,806	102,510
Grants	20	16,230,481	14,911,424	2,161,928	2,368,796
Other long-term provisions	21	343,285	1,207,858	82,000	82,000
		32,090,020	**31,917,731**	**2,337,734**	**2,553,306**
Current liabilities					
Trade and other payables	17	39,456,422	33,388,509	23,527,338	19,740,789
Current income tax liabilities		2,605,197	6,877,806	632,317	4,866,540
Borrowings	16	15,964,451	4,951,038	-	-
Dividends payable		3,021,472	-	-	-
Other short-term provisions	21	511,193	-	-	-
		61,558,734	**45,217,353**	**24,159,655**	**24,607,329**
Total liabilities		**93,648,754**	**77,135,084**	**26,497,389**	**27,160,635**
Total equity and liabilities		**143,584,784**	**117,858,555**	**63,298,616**	**53,024,490**

The notes on pages 21 to 77 are an integral part of these financial statements.

(all amounts expressed in €, unless otherwise stated)

Income statement

		Consolidated figures 12 months up to		Company figures 12 months up to	
	Note	**31-Dec-08**	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Sales		**102,732,523**	**74,785,736**	**40,781,140**	**32,728,438**
Cost of Sales	22	-80,909,550	-50,071,693	-32,608,015	-18,782,967
Gross profit		**21,822,973**	**24,714,043**	**8,173,125**	**13,945,471**
Selling expenses	22	-1,671,122	-1,545,655	-1,229,058	-1,185,798
Administrative expenses	22	-8,219,403	-6,058,635	-5,689,662	-3,429,611
Other operating income/(expenses) (net)	23	1,898,444	1,644,937	281,396	304,416
Operating results		**13,830,892**	**18,754,690**	**1,535,800**	**9,634,478**
Income from dividends		-	-	3,604,600	-
Share of profit/(loss) from associates	8	-22,902	-145,424		-
Profit/(Loss) from Joint Ventures		-	-	1,564,127	1,288,178
Financial expenses		-1,525,529	-1,521,534	-11,095	-30,367
Financial income		812,288	534,146	460,297	317,739
Financial income (expenses) – net	24	-713,241	-987,388	449,202	287,372
Profits before income tax		**13,094,750**	**17,621,878**	**7,153,730**	**11,210,028**
Income tax	26	-4,028,389	-6,159,510	-1,188,524	-4,547,162
Net profit for the period		**9,066,361**	**11,462,368**	**5,965,206**	**6,662,866**
Distributed to:					
Shareholders of the parent company		6,781,541	9,843,761		
Minority rights		2,284,820	1,618,607		
		9,066,361	**11,462,368**		

The notes on pages 21 to 77 are an integral part of these financial statements.

(all amounts expressed in €, unless otherwise stated)

Statement of changes in equity

Consolidated figures	**Attributable to shareholders of the parent**					**Minority interest**	**Total**
	Share capital	**Other reserves**	**Treasury shares**	**Results carried forward**	**Total**		
Balance at 1 January 2007	**1,720,839**	**7,218,229**		**14,695,219**	**23,634,287**	**5,696,385**	**29,330,672**
Currency tranlation differences	-	-140,461		-	-140,461	-	-140,461
Effect of acquisitions and changes in participation interest in subsidiaries.	-	-		6,653	6,653	105,377	112,030
Net profit for the period	-	-		9,843,761	9,843,761	1,618,607	11,462,368
Total recognised net profit for the period	-	-140,461		9,850,414	9,709,953	1,723,984	11,433,937
Transfer to reserves (note 15)	-	93,810		-93,810	-	-	-
JVs result allocation	-	-		-	-	-41,138	-41,138
	-	93,810		-93,810	-	-41,138	-41,138
Balance at 31 December 2007	**1,720,839**	**7,171,578**		**24,451,823**	**33,344,240**	**7,379,231**	**40,723,471**
Balance at 1 January 2008	**1,720,839**	**7,171,578**		**24,451,823**	**33,344,240**	**7,379,231**	**40,723,471**
Currency tranlation differences	-	19,291		-	19,291	-	19,291
Effect of acquisitions and changes in participation interest in subsidiaries.	-	-		-191,722	-191,722	-1,048,937	-1,240,659
Net profit for the period	-	-		6,781,541	6,781,541	2,284,820	9,066,361
Total recognised net profit for the period	**-**	**19,291**		**6,589,819**	**6,609,110**	**1,235,883**	**7,844,993**
Issue of share capital	4,972,166	-		-	4,972,166	-	4,972,166
Transfer to reserves (note 15)	-	174,983		-174,983	-	-	-
Dividends	-	-		-	-	-3,604,600	-3,604,600
	4,972,166	174,983		-174,983	4,972,166	-3,604,600	1,367,566
Balance at 31 December 2008	**6,693,005**	**7,365,852**		**30,866,659**	**44,925,516**	**5,010,514**	**49,936,031**

(all amounts expressed in €, unless otherwise stated)

Company figures

	Share capital	Other reserves	Results carried forward	Total
Balance at 1 January 2007	**1,720,839**	**6,861,556**	**10,618,594**	**19,200,988**
Net profit for the period	-	-	6,662,866	6,662,866
Balance at 31 December 2007	**1,720,839**	**6,861,556**	**17,281,460**	**25,863,854**
Balance at 1 January 2008	**1,720,839**	**6,861,556**	**17,281,460**	**25,863,854**
Net profit for the period	-	-	5,965,206	5,965,206
Issue of share capital (note 14)	4,972,166	-	-	4,972,166
Balance at 31 December 2008	**6,693,005**	**6,861,556**	**23,246,666**	**36,801,226**

The notes on pages 21 to 77 are an integral part of these financial statements.

(all amounts expressed in €, unless otherwise stated)

Cash flow statement

	Note	Consolidated figures		Corporate figures	
		31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Cash flows from operating activities					
Cash generated from operations	27	19,428,615	14,450,859	11,767,711	8,470,652
Interest paid		-1,305,320	-1,344,750	-	-30,367
Income tax paid		-10,107,340	-4,535,544	-7,725,850	-2,062,166
Net cash flows from operating activities		**8,015,955**	**8,570,565**	**4,041,861**	**6,378,119**
Cash flows from investing activities					
Purchases of property,plant and equipment	5	-2,280,249	-4,739,049	-230,412	-619,977
Purchase of intangible assets	6	-8,936,345	-35,647	-32,145	-
Sale of property, plant and equipment (PPE)	27	2,671	89,117	-	81,909
Sale of intangible assets		-	208	-	-
Dividends received		-	-	600,000	-
Acquisition of Subsidiaries & increase of share capital of Subsidiaries	7	-1,862,325	-	-2,830,000	-408,201
Acquisition of Associates	8	-400,000	-200,000	-400,000	-200,000
Acquisition of Joint Ventures	10	-	-	-	-39,450
Interest received		586,327	326,870	293,847	151,430
Loans granted to related parties		-77,350	-29,250	-	-
Loan repayments received from related parties		7,047	214,874	-	-
Net cash flows from investment activities		**-12,960,224**	**-4,372,877**	**-2,598,711**	**-1,034,288**
Cash flows from financing activities					
Issue of ordinary shares		3,131,700	-	3,131,700	-
Loans received		14,331,397	5,056,164	-	-
Loans repaid		-4,121,543	-4,765,501	-	-
Grants received	20	2,135,198	1,072,851	-	195,499
Dividends distributed to minority rights		-600,000	-16,872	-	-
Third parties participation in Capital Increase/company establishment		-	105,377	-	-
Net cash flows from financing activities		**14,876,752**	**1,452,019**	**3,131,700**	**195,499**
Net (decrease)/increase in cash and cash equivalents		**9,932,483**	**5,649,707**	**4,574,851**	**5,539,329**
Cash and cash equivalents at beginning of the period	13	15,512,198	9,867,699	8,119,759	2,580,430
Currency translation differences on cash			-5,208		-
Cash and Cash equivalent at end of the period	13	**25,444,681**	**15,512,198**	**12,694,610**	**8,119,759**

The notes on pages 21 to 77 are an integral part of these financial statements.

Notes to the financial statements

1 General information

The financial statements include the corporate financial statements of HELECTOR SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (jointly the "Group"), for the year ending on 31 December 2008, according to the International Financial Reporting Standards ("IFRS").

The Group is active mainly in the sectors of construction, focusing on environmental technical projects (sanitary landfills), of solid and liquid waste management, and of RES utilisation projects. The Group operates in Greece, Germany and Cyprus.

The Company is established in Greece, headquartered at 2 Kritis str., & 12 Gravias str., Argyroupoli.

The Company is a subsidiary of ELLAKTOR SA, a company listed on ATHEX, holding 80% of its shares.

These financial statements have been approved for issue by the Company's Board of Directors on March 27, 2009 and are under approval by the General Meeting which will take place on 30.06.09. There are also available in the company's website: www.helector.gr.

2 Summary of significant accounting policies

The main accounting principles applied in the preparation of these financial statements are set out below. These principles have been consistently applied to all years presented, unless otherwise stated.

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 Board (IASB).

All IFRS issued by IASB and which are valid at the time of preparing these statements have been adopted by the European Council through the confirmation procedure of the European Union (EU), except for IAS 39 (Financial Instruments: Recognition and Valuation). Following the 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 according to the historic cost rule.

The preparation of the financial statements under IFRS requires the use of accounting estimations and assumptions by the Management in implementing 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 under Note 4.

2.2 New standards, interpretations and amendment of existing standards

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for accounting periods beginning during the current reporting period or later. The Company's evaluation of the effect of these new standards and interpretations is as follows:

Compulsory standards for the period ending on 31 December 2008

IAS 39 (Amendment) "Financial instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of financial assets (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group's financial statements.

Interpretations effective for year ended 31 December 2008

IFRIC 11 – IFRS 2: Company and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007)

This interpretation 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 have no impact on the Group's financial statements.

IFRIC 12 – Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)

This interpretation became effective as of 1 January 2008 and affected the accounting treatment of JV HELECTOR-ELLAKTOR-CYBARCO SA.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008)

This interpretation applies to post-employment and other long-term employee defined benefit plans. This interpretation clarifies when economic benefits, available in the form of refunds from the plan or reductions in future contributions to the plan, must be considered as cash available, how the minimum funding requirements could affect available economic benefits in the form of reductions in future contributions, and when minimum funding requirements would create a liability. Since the Group has no such employee benefit plans, this interpretation has no application for the Group.

Standards effective after year ended 31 December 2008

IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009)

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

IAS 23 (Amendment) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009)

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. This amendment will not have any impact on the Group's financial statements.

IAS 32 (Amendment) "Financial instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009)

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact its financial statements.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Group is considering the impact that the implementation of the amended IAS 39 could have on its financial statements.

IFRS 1 (Amendment) "First time adoption of IFRS" and IAS 27 (Amendment) "Consolidated and separate financial statements" (effective for annual periods beginning on or after 1 January 2009)

The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. Since the parent company and all subsidiaries have already adopted the IFRS, such amendment will not affect the Group's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009)

The amendment clarifies the definition of "vesting conditions" by introducing the term "non-vesting conditions" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group does not expect that this amendment will have an impact on its financial statements.

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will implement those changes as of the date of effectiveness.

IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009)

This standard 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 chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group is not obliged to present the financial statements by operating segment, therefore such amendment is not expected to impact its financial statements.

Interpretations which become effective after the period ending on 31 December 2008

IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008)

This interpretation clarifies the treatment of entities that grant loyalty award credits such as "points" and "travel miles" to customers who buy other goods or services. This interpretation is not relevant for the Group.

IFRIC 15 - Agreements for the construction of real estate (effective for annual periods beginning on or after 1 January 2009)

This interpretation addresses the diversity in accounting for real estate sales. Some financial entities recognise the revenue subject to IAS 18 (i.e. when risks and benefits of real estate ownership are transferred), and others recognize the revenue depending on the real estate completion stage, in line with IAS 11. The interpretation clarifies which standard applies to each case. The Group is considering the impact that the application of this interpretation could have on its consolidated financial statements.

IFRIC 16 - Hedges of a net investment in a foreign operation (effective for annual periods beginning on or after 1 October 2008)

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The interpretation does not apply to the Group, since no hedge accounting is applied with regard to any investments in foreign operations.

Amendments to standards that form part of the IASB's annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2008 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2009.

IAS 1 (Amendment) "Presentation of financial statements"

The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on its financial statements.

IAS 16 (Amendment) "Property, plant and equipment" (and consequential amendment to IAS 7 "Statement of cash flows")

This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The Group is considering the potential impact that said amendment could have on its financial statements.

IAS 19 (Amendment) "Employee benefits"

The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.

- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will implement these amendments as of 1 January 2009. The amendments are not expected to impact its financial statements.

IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations as no such grants have been received.

IAS 27 (Amendment) "Consolidated and separate financial statements"

This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" IAS 39 would continue to be applied. The amendment will have no impact on the Group's financial statements, since the Group's policy is that investments in subsidiaries are posted at cost on the separate financial statements.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply this amendment from 1 January 2009.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in an associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's financial statements, since it is the Group's policy that investments in associates are consolidated using the equity method in the consolidated financial statements.

IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not affect the Group's activities, since no subsidiary or associate operates in hyperinflationary economies.

IAS 31 (Amendment) "Interests in joint ventures" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")

This amendment states that where an investment in a joint venture is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in

IAS 31 "Interests in joint ventures" need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in terms of IAS 39.

IAS 36 (Amendment) "Impairment of assets"

This amendment requires that were fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosures where applicable for impairment audits from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"

This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets, except for goodwill, are amortised using the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, "Operating segments" which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

IAS 40 (Amendment) "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment")

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not affect the Group's activities, since the Group holds no investment property.

IAS 41 (Amendment) "Agriculture"

This amendment requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "'First-time adoption") (effective for annual periods beginning on or after 1 July 2009)

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. The consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment to all partial disposals of subsidiaries starting from 1 January 2010.

2.3 Consolidation

(a) Subsidiaries

All companies controlled by the parent company are considered subsidiaries. The existence of potential voting rights that are exercisable at the time the financial statements are prepared, are taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are fully consolidated 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 recorded 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 resulting 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 followed by the subsidiaries have been amended, where necessary, in order to be consistent with the ones adopted by the Group.

In the parent company's balance sheet subsidiaries are valued at cost less impairment.

The impact on results carried forward and on minority interests from the change in the stake in participations, is considered as transactions between Group shareholders and thus recognised directly 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 "Investments in associates" account also includes the goodwill resulting on acquisition (reduced by any impairment losses).

Following 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 following the acquisition is recognized in reserves. The cumulative changes affect the book value of the investments in associates. 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.

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 affiliates have been adjusted in order to be in conformity to the ones adopted by the Group. In the parent company's balance sheet, affiliates are valued at cost less impairment.

(c) Joint Ventures

The Group's investments in joint-ventures are recorded on the basis of proportionate consolidation (except for those which are inactive at the date of first adoption of IFRS, which are consolidated using the equity method as described above). The Group adds its share of 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 evidences a reduction in the net liquidation value of current 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 Foreign 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 effective rates at the date of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the year and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are recorded in 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 fair value differences.

(c) Group 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), using 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 balance sheet date of,)

ii) The income and expenses are converted using the average rates of the period (except if the average rate is not the reasonable 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.

Foreign exchange differences arising from the conversion of the net investment in a foreign company, as well as of the borrowing characterised as hedging of this investment are recorded to equity. At the sale of a foreign company, accumulated exchange differences are transferred to the income statement of the period as profit or loss resulting from the sale.

Goodwill and fair value adjustments arising from acquisitions made by foreign subsidiaries , are recognised as assets and liabilities of the foreign company and converted according to the foreign exchange spot price at the date of acquisition.

2.5 Leases

(a) *Group Company as a lessee*

i) Operating lease

Leases through which the lessor effectively undertakes all the risks and rewards of ownership are classified as operating leases. Operating lease expense is recognized in the income statement proportionally during the lease period and includes any restoration cost of the property if such clause is included in the leasing contract.

ii) Finance lease

Leases of fixed assets where all the risks and rewards related to their ownership are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are classified as finance leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of financial expenses, are reported as liabilities. The part of the financial expense that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful life and the lease term.

(b) *Group Company as a lessor*

The Group leases out properties as operating leases only. Operating lease income is recognized in the income statement of each period proportionally during the period of the lease.

2.6 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment. 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 recorded 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 recorded 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 - 20	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 recorded as an expense in the income statement. (Note 2.8).

Upon the sale of tangible fixed assets, any difference between the proceeds and the depreciable amount is recorded as profit or loss in the results.

Financial expenditure related to the construction of assets is capitalised during the period required for the completion of the construction. All other financial expenditure is recorded in the income statement.

2.7 Intangible assets

(a) Goodwill

Goodwill represents the difference between acquisition cost and the fair value of the subsidiary/ associate's equity share as at the date of acquisition. Goodwill arising from acquisitions of subsidiaries is recognised in intangible assets. Goodwill arising from acquisitions of associates is recognised in interests in associates.

Goodwill is tested for impairment annually and is recognised at cost, less any impairment losses.

Profits and losses from the sale of an entity include the carrying value of the goodwill corresponding to such sold entity.

For purposes of testing for goodwill impairment, goodwill is allocated to cash flow generation units.

Negative goodwill is written off in profit and loss.

(b) Software licenses

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

(c) Concession right

Concession rights are valued at the acquisition cost, less depreciation. Depreciation is carried out using the straight line method during the Concession Contract (note 2.21).

2.8 Impairment of non-financial assets

Assets, including goodwill, with indefinite useful life are not depreciated and are subject to annual impairment test. Assets that are depreciated are subject to an impairment test, when there is evidence that their book value will not be fully recoverable. Impairment recognised is equal to the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is considered as the greater between the fair value minus cost to sell and the value in use. For the calculation of impairment losses, assets are classified in the minimum cash generating units. At each year-end, impaired non-financial assets are reviewed for possible impairment reversal.

2.9 Financial assets

The financial instruments of the Group have been classified to the following categories according to the objective for which each investment was undertaken. The Group decides on 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

This category includes financial assets acquired in order to be sold in a short period of time. Derivatives are classified as held for trading purposes. Assets falling under this category are recorded as current assets if they are held for trading purposes or are expected to be sold within 12 months from the balance sheet date. During the year, the group had no investments in this category.

(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 for those with a maturity exceeding 12 months from the balance sheet date. The latter are included in the non-current assets as "Trade debtors and other receivables". The Group's loans and receivables include receivables from trade debtors and other receivables and cash and cash equivalent.

(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 as non-current assets if the Management does not intend to liquidate them within 12 months from the balance sheet date. During the year, the group had no investments in this category.

Purchases and sales of financial assets are recognised at the date of the transaction which is the date when the Group is committed to buy or sell the asset. For all financial assets not valued at fair value through the income statement investments are initially recognised at fair value plus transaction expenses. Financial assets valued at fair value through the income statement are initially recognised at fair value. All transaction expenses are recorded in the income statement. Investments are written off when the right on the cash flows sourcing from these investments ends or is transferred and the Group has effectively transferred all risks and rewards implied by the ownership.

Following initial recognition, available for sale financial assets, as well as financial assets valued at fair value through the income statement, are valued and presented at fair value. The loans and receivables are recorded in unamortized cost using the effective interest rate 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 account of the period they occur. Income from dividends sourcing form financial assets valued at fair value is recognised in the income statement as other income, when the Group establishes the right to receive it.

Profit or losses resulting from fair value changes of available for sale financial assets are recorded to an equity reserve until those assets are sold or become impaired. When sold or impaired, accumulated profit or loss shall be transferred to the income statement. Their interest, however, which is calculated on the basis of the effective interest rate method, shall be recognised as other income in the income statement. Dividends from available for sale financial assets shall be recognised in the income statements when the right to receive them is established.

The fair value of financial assets traded in stock markets, are defined by their spot market prices. For non-traded assets, fair values are calculated using valuation techniques such as analysis of recent transactions, analysis of traded comparative items and discounted cash flows.

On each balance sheet date, the Group examines whether there are objective indications that a financial asset, or a group of financial assets, has been impaired. In calculating the impairment of investments in stocks recognised as available for sale, any significant and extended decrease in the stock's fair value below its cost is taken into account. Where there is such indication for available for sale financial assets, the accumulated loss – calculated as the difference between acquisition cost and current fair value less impairment losses previously recognised in the income statement – shall be transferred from equity to the income statement. Impairment losses on stocks recognised in the income statement shall not be reversed through the income statement. The impairment test for receivables is described in note 2.11.

2.10 Inventories

Inventories are valued at the lower of acquisition cost and net realisable value. The cost is calculated using the weighted average cost method. The cost of end products and semi-finished inventories includes cost of design, materials, average working cost and a proportion of the general cost of production.

2.11 Trade receivables

Trade receivables are primarily recorded at fair value and subsequently valued at the amortised cost using the effective interest rate method minus the provision for doubtful debts. Provision for doubtful receivables is recognised when there is objective evidence that the Group is unable to collect all the amounts owed based on the terms of each agreement according to which the receivable was generated. Objective evidence that trade receivables have been impaired includes information that the Group acquires regarding the following loss-generating events: major financial hardship of the client, possibility that the client will enter bankruptcy process or any other financial restructuring of the client, as well as unfavourable changes to clients' debt payment status. The amount of the provision is the difference between the receivables book value and the present value of future cash flows, discounted based on the effective interest rate. The amount of the provision is recorded as an expense in the income statement of the period and is included in administration expenses. Moreover, in case receivables that have been written-off are collected, then this amount is credited in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in bank and at hand, sight deposits, short term (up to 3 months) highly liquid and low risk investments, as well as bank overdrafts. Bank overdrafts are included in Loans as current liabilities.

2.13 Share capital

The share capital includes the common shares of the Company.

Direct expenses of share issues, after income tax deduction, are charged to the issue proceeds.

Whenever, any Group company purchases shares of the Company (Own shares), the consideration paid is deducted from equity attributable to the Group's equity holders until the shares are cancelled or disposed of. The profit or loss from the sale of own shares is recognised directly to equity.

2.14 Liabilities to suppliers

Liabilities to suppliers are initially recognised at fair value and subsequently valued at their unamortised cost based on the effective interest rate method.

2.15 Loans

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

2.16 Taxation

Income tax is calculated according to tax legislation and tax rates applicable in countries where the Group operates, and is recorded as an expense in the period when the related income is generated.

Deferred income tax is calculated 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 recorded if it results from the initial recognition of an asset or liability in a transaction, except for a business combination which, when the transaction occurred, did not affect neither the accounting nor the taxable profit or loss. Deferred income tax is determined according to the tax rates (and laws) in effect on the balance sheet date, or expected to apply when the income from deferred tax receivable is generated or when the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be offset 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, as well as joint ventures, 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.

Deferred tax is calculated using the new tax rates arising from article 19(1) of Law 3607/25.09.2008.

2.17 Employee benefits

(a) Post-employment benefits

Group companies participate in various defined benefit schemes, financed through fund payments. Payments are defined by Greek law and the funds' regulations. A benefits scheme is a pension plan which defines the amount of money that an employee will receive upon retirement, usually depending on factors such as age, previous service history and remuneration. Benefits, payable to all the employees of the Group's country of origin, are considered as a defined benefits pension scheme.

The liability that is reported in the balance sheet with respect to defined benefit schemes is the present value of the liability for the defined benefit on the balance sheet date, less the fair value of the scheme's assets 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 current value of defined benefits is defined by discounting all budgeted future cash flows, using the interest rate of Greek State long-term bonds, at the currency that the benefits will be paid and on almost the same terms as those of the defined benefit commitment, until maturity.

The actuarial profit and losses that emerge from adjustments based on historical data and changes in actuarial assumptions, and are over or under the 10% margin of the scheme's assets value or of the defined benefit liability, are recorded in the results within 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 recorded in the results using the straight line method within the maturity period.

(b) Benefits for employment termination

Employment termination benefits are paid when employees leave the employment before the retirement date or in case of voluntary redundancy, in consideration of said benefits. The Group records these benefits when it is committed to either terminate 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 termination benefits are deemed payable in periods that exceed twelve months from the Balance Sheet date, then they must be discounted at their current value.

(c) Short-term benefits

Short-term benefits to staff in money or in kind are recorded as an expense when they are accrued.

Share-based payments

Within 2008, the share capital was increased upon waiver of the parent ELLAKTOR of its right to participate, in order to enable the BoD of HELECTOR SA to distribute part of the new shares to its members and to company executives, as an incentive to take strong efforts so that the Company can maintain-enhance its leading position in Greece and in other countries.

In execution of a relevant decision made by the General Meeting, the BoD distributed such shares to executive directors who paid the respective amount at the offer price determined by the GM.

The difference between fair value (as calculated using the cash flow discount method) and the offer price is recognised as an expense in profit and loss and as reserves above par in equity.

2.18 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.

Where there are various similar liabilities, the likelihood of an outflow shall be determined after examining the overall category of liabilities. A provision shall be recognised even if the outflow likelihood in relation to any item in the same category of liabilities might be small.

Provisions are calculated at the current value of expenses required in order to cover the current liability on the balance sheet day. The discount interest rate used to define the current value reflects the current market estimates for the value of money, and any increases concerning the said liability.

2.19 Recognition of income

Income is mainly generated from technical projects, from the production and sale of energy, and from waste management services.

Income is recognised as follows:

i) Income and profit from construction contracts

Income and profit from construction contracts is recognised according to IAS 11 as described in note 2.20 hereinafter.

ii) Income from the provision of services

Income from the provision of services is 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 and not to the gross income is recorded as income.

iii) Income from interest

Income from interest is recognised based on time proportion and using the effective interest rate. When there is impairment of receivables, their book value is reduced to their recoverable amount being the current value of expected future cash flows, discounted at the initial effective interest rate. Then, interest is calculated on the impaired (new book) value, at the same rate.

iv) Income from dividends

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

2.20 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, only the expenses realised or expected to be collected are recognised as income from the contract.

When it is possible to reliably assess the outcome of a construction contract, and there is a likelihood that the contract is profitable, the contractual income shall be recognised during the contract's duration. If it is likely that the overall construction cost will be greater than the contractual income, then the anticipated loss shall be immediately recognised as an expense in the income statement.

The Group uses the percentage of completion method to estimate 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 up to the balance sheet date compared to the total estimated expenses for each contract.

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 work in progress. The total realised cost and recognised profit / loss for each contract is compared with sequential invoices till the end of the financial year.

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

2.21 Service Concession Arrangements

With regard to Service Concession Arrangements whereby a public sector body contracts with a private operator for the provision of services, the Group applies IFRIC 12, provided that the following two conditions are met:

a) the grantor controls or determines which services the operator should provide to whom and at which price, and

b) the grantor controls any other significant interests in the infrastructure upon completion of the concession arrangement period.

In accordance with IFRIC 12, such infrastructures are not recognised as tangible assets of the operator, but as a Financing Contribution of the State under financial assets (financial asset model), and/ or as a Concession Right under intangible assets (intangible asset model), depending on the contractually agreed terms.

i) Financing Contribution of the State (Financial Asset model)

As an operator, the Group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction services. In the case of service concession contracts, the operator has the unconditional right to receive cash if the grantor contractually guarantees to pay the operator:

a) specified or determinable amounts, or

b) the shortfall, if any, between amounts received from users of the public service and specific or determinable amounts provided for in the Service Concession Contract.

The financial assets resulting from the application of IFRIC 12 are recorded in the Balance Sheet as “Financing Contribution of the State” and recognised at undepreciated cost based on the effective rate method, also deducting any impairment losses. The effective rate is equal to the average weighted capital cost for the operator, unless otherwise stipulated in the Concession Contract.

ii) Concession Right (Intangible Asset Model)

As an operator, the Group recognises an intangible asset to the extent that it receives a right (licence) to charge users of the public service.

Intangible assets resulting from the application of IFRIC 12 are recorded under Intangible Assets in the Balance Sheet, analysed as a “Concession Right” and valued at acquisition cost less depreciation. Depreciation is carried out using the straight line method during the Concession Contract.

iii) Financing Contribution of the State and Concession Right (Mixed Model)

When the service concession contract anticipates that the operator will be remunerated for the construction services partly with a financial asset and partly with an intangible asset, the Group recognises each component of its remuneration separately, according to the above (Financing Contribution of the State and Concession Right).

The Group recognises and accounts for the revenues and costs associated with the construction or upgrading services in accordance with IAS 11 (note 2.20), while revenues and costs associated with operation services are recognised and accounted for in accordance with IAS 18 (note 2.19).

2.22 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.

2.23 Government grants

Government 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.

Government grants regarding expenses are postponed and are recognized in the results so as to be offset with the expenses that are deemed to compensate.

Government grants regarding the purchase of fixed assets or the construction of projects are included in long term liabilities as deferred state grants and are recognized as income in the profit and loss statement using the straight line method according to the asset expected useful life.

Grants received to finance Concession Contracts are presented in accordance with IFRIC 12 as a reduction to the Financing Contribution of the State (note 2.21).

2.24 Non current assets for sale and discontinued operations

Non current assets (or groups of assets for sale) are classified as assets intended for sale and recognised at the book value or net sale price, whichever is lower, if the book value is expected to be recovered through their sale and not through continued use.

A discontinued operation has been either disposed of or classified as held for sale and (a) represents a separate large segment of business activities or a geographical area of operations, (b) forms part of a single coordinated program for the disposal of a large segment of the activity or a geographical area of operations, or (c) is a subsidiary acquired exclusively with a view to being re-sold.

2.25 Comparative figures and rounding-off

Any differences appearing between the amounts in these financial statements and the respective amounts in the notes, as well as in the sums, are due to rounding.

3 Financial risk management

3.1 Financial risk factors

The Group is exposed to several financial risks such as market risk (volatility in market prices, interest rates), credit risk, liquidity risk, cash flow risk from interest rate changes. The Group's general risk management program focuses on the non-predictability of financial markets and seeks to minimise any possible negative impact on the Group's financial performance.

Risk management is monitored by the Treasury department, and in particular the Central Division of the Group's Financial Management, 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 short-term investment of cash.

(a) Market risk

Market risk is related to the business sectors where the Group operates. Among others, the Group is exposed to the risk of a change in the prevailing conditions of the constructions sector and raw materials markets, as well as risks relating to the performance of work in joint ventures and the adequacy of capital required for participation in co-financed projects. The Group's departments are closely monitoring the individual markets in which it operates and plan actions for prompt and efficient adaptation to the individual markets' new circumstances.

(b) Credit risk

The Group does not have significant accumulation of credit risk. It has developed policies in order to ensure that transactions are conducted with customers of sufficient credit rating. Apart from this, a large part of the Group's income, sources from projects implemented on behalf of the Greek State.

The Group has procedures in place which limit exposure to credit risk from individual credit institutes, and now only trades with recognised financial institutes with high credit rating.

(c) Liquidity risk

To manage the liquidity risk, the Group budgets and monitors its cash flows and acts accordingly so as to have adequate cash available and bank credit lines in place. The Group has significant credit lines in place to cover cash needs that may arise.

The table below describes Group and Company financial liabilities, classified in relevant grouped expiry dates calculated according to the time remaining from the balance sheet date to the contractual expiry date. Specified amounts refer to non-discounted cash outflows.

	Consolidated figures			
	31-Dec-08			
	Up to 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Bank borrowing	15,964,451	2,271,345	8,304,983	8,133,419
Trade and other liabilities	22,314,526			
	31-Dec-07			
	Up to 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Bank borrowing	4,951,038	4,119,766	8,604,776	5,571,822
Trade and other liabilities	19,279,890			

	Company figures	
	31-Dec-08	**31-Dec-07**
	Up to 1 year	
Trade and other liabilities	10,922,280	10,781,922

Amounts in the “Up to 1 year” column reflect the balances as at 31 December 2007 at their book values, as their discounting impact is not significant.

(d) *Interest rate risk*

Regarding long-term loan liabilities, the Group’s Management systematically and constantly monitors interest rate fluctuations and assesses the need to take relevant positions to offset risks, when and if necessary. In the context of risk offsetting, Group companies may enter interest swap contracts and other derivatives.

Out of the Group’s lending, 73% is contracted under variable rates while all loans are denominated in Euro. The Group constantly monitors interest rate trends, as well as the duration and nature of subsidiaries’ financing needs. Decisions on loan terms as well as the relation between variable and fixed interest rate are considered separately on a case by case basis.

Analysis of the Group’s Loan Vulnerability to Interest Rate Fluctuations.

If on 31 December 2008, loan rates were increased / decreased by 1%, all other variables being equal, the Group’s results would appear reduced / increased by €131,000 (2007: € 94,000.) mainly due to the increased / decreased financial cost of variable rate loans. There would also be a proportional impact on the company’s and the Group’s equity.

(all amounts expressed in €, unless otherwise stated)

3.2 Cash management

Regarding cash management, the Group's intention is to ensure its ability to continue its operations unhindered so as to secure shareholder value as well as benefits for all other parties involved with the Group, and to maintain an optimum capital structure so as to achieve capital cost reductions.

In order to preserve or change its capital structure, the Company may alter the dividend distributed to shareholders, the capital returns to shareholders, issue new shares or sell assets.

In line with common practices in the sector, the group monitors the capital structure using the leverage ratio. Leverage is calculated as the ratio of net debt (long-term loans and short-term loans less cash available) over net debt plus equity capital. The following table shows the leverage ratios as of 31 December 2008 and 2007:

	Consolidated figures	
	31-Dec-08	**31-Dec-07**
Total debts	30,236,452	20,242,997
Less: Cash and cash equivalents	-25,444,680	-15,512,201
Net debts	4,791,772	4,730,796
Total Equity	49,936,030	40,723,471
	54,727,802	**45,454,267**
Leverage ratio	**8.76%**	**10.41%**

Similar to 2007, the 2008 Group's strategy was to maintain a leverage ratio of 8% to 11%.

The leverage drop in 2008 was mainly due to an increase in cash available as well as to the Group's increased equity.

3.3 Determination of fair values

The fair value of the financial instruments traded in active markets (stock markets) (e.g. derivatives, stocks, bonds, mutual funds), is determined from the published prices available at the balance sheet date. The offer price is used for financial assets. The fair value of interest rate swaps is calculated as the current value of the estimated future cash flows.

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

The nominal value less provisions for doubtful settlements can be considered as a fair approach to the actual value of trade receivables and liabilities. For the purpose of being recorded in the financial statements, the actual values of financial liabilities are calculated on the basis of the current value of future cash flows resulting from specific contracts, using the current rate available for the Group for the use of similar financial instruments.

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

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 calculations and assumptions taken into consideration in the preparation of the Company's and the Group's annual 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 percentage completion of the project.

For the estimation of the percentage completion of the construction projects in progress according to which the Group recognizes income from construction contracts, the 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.

The Group's Management estimates the amount to be received for additional work and recognizes income under the percentage of completion as long as it considers that the collection of this amount is probable.

(b) Restoration of the environment

According to Ministerial Decision 1726/2003, art 9, para. 4, companies operating wind farms should remove the facilities and restore the landscape upon termination of operation of the Energy Production Station.

The Group has calculated a provision for the equipment removal and landscape restoration cost, for the wind farm it operates.

(c) Income tax

Estimates are required in determining the provision for income taxes. There are several transactions and calculations for which the final tax outcome is uncertain. The Group recognises liabilities from anticipated tax audits based on estimates regarding whether additional taxes will be imposed. If the final tax outcome 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 difference is recognized.

(d) Pending court cases and contractual obligations to clients

The Group recognises a provision for legal cases, based on information drawn from the Group's Legal Department regarding pending court cases at balance sheet date. Where the final outcome of such cases is different from the originally recognised amount, such difference will impact the provisions in the period in which such difference is recognized.

(e) Service concession arrangements

To determine the recognition amount of an intangible asset from service concession arrangements falling under IFRIC 12, significant estimates are required. The Group recognises such intangible asset based on a calculated reasonable profit percentage on the construction costs incurred.

(f) Employee benefits

The present value of employee benefit liabilities is based on various factors which are proportionately determined using certain assumptions. The assumptions used to determine the net cost for employee benefits include the discount rate, future salary increases and inflation rates. Any changes to these assumptions will affect the carrying value of the liability.

The current value of defined benefits is determined using the appropriate discount rate (the rate of long-term Greek government bonds in the currency that the benefits will be paid and on almost the same terms as those of the defined benefit commitment, until maturity). Furthermore, another basic economic assumption relates to increases in employee remuneration. The assumptions used are shown in detail in note 19.

4.2 Considerable judgments of the Management on the application of the accounting principles

The Group's Management has re-assessed the ability of offsetting tax losses brought forward with future taxable profit for the subsidiary "JV Helector-Ellaktor-Cybarco SA" and has recognised deferred tax receivables for carrying tax losses amounting to € 8,290,040, out of which the realization of future economic benefit is considered probable due to future taxable profit.

(all amounts expressed in €, unless otherwise stated)

5 Tangible assets

Consolidated figures

	Land & buildings	Transportation equipment	Mechanical equipment	Furniture & other equipment	PPE under construction	Total
Cost						
1-Jan-07	**7,566,959**	**1,193,816**	**43,035,174**	**1,099,779**	**7,944,728**	**60,840,455**
Currency translation differences	-	-332	-	-85	-	-417
Additions	87,745	407,537	3,643,379	124,099	520,636	4,783,396
Disposal (note 27)	-2,900	-95,000	-4,617	-5,118	0	-107,635
Reclassifications from assets under construction	-	-	7,292,519	-	-7,292,519	-
31-Dec-07	**7,651,804**	**1,506,021**	**53,966,455**	**1,218,675**	**1,172,845**	**65,515,799**
1-Jan-08	**7,651,804**	**1,506,021**	**53,966,455**	**1,218,675**	**1,172,845**	**65,515,799**
Currency translation differences	-	591	1,422	148	-	2,161
Acquisition/absorption of a subsidiary	-	84,575	-	22,182	-	106,757
Additions	-	335,633	346,244	246,757	1,351,615	2,280,249
Disposal (note 27)	-	-11,440	-	-22,460	-	-33,900
Reclassifications from assets under construction	-	-	225,518	- -	225,518	0
31-Dec-08	**7,651,804**	**1,915,380**	**54,539,639**	**1,465,302**	**2,298,942**	**67,871,066**
Accumulated depreciation						
1-Jan-07	**-771,488**	**-543,417**	**-5,496,952**	**-562,085**	**-**	**-7,373,942**
Currency translation differences	-	-1,668	812	-5,998	-	-6,854
Depreciation for the period (note 23)	-350,636	-323,335	-3,449,980	-227,151	-	-4,351,102
Disposal (note 27)	-	60,167	517	3,513	-	64,197
31-Dec-07	**-1,122,124**	**-808,253**	**-8,945,603**	**-791,721**	**-**	**-11,667,701**
1-Jan-08	**-1,122,124**	**-808,253**	**-8,945,603**	**-791,721**	**-**	**-11,667,701**
Currency translation differences	-	-134	-280	-38	-	-452
Acquisition/absorption of a subsidiary	-	-16,915	-	-3,143	-	-20,058
Depreciation for the period (note 22)	-350,635	-383,380	-3,266,806	-261,892	-	-4,262,713
Disposal (note 27)	-	8,769	18,526	22,460	-	49,755
31-Dec-08	**-1,472,759**	**-1,199,913**	**-12,194,163**	**-1,034,334**	**-**	**-15,901,168**
Undepreciated value at 31 December 2007	**6,529,680**	**697,768**	**45,020,852**	**426,953**	**1,172,845**	**53,848,099**
Undepreciated value at 31 December 2008	**6,179,045**	**715,467**	**42,345,477**	**430,967**	**2,298,942**	**51,969,898**

Company figures

(all amounts expressed in €, unless otherwise stated)

	Land & buildings	Transportation equipment	Mechanical equipment	Furniture & other equipment	PPE under construction	Total
Cost						
1-Jan-07	**76,040**	**1,069,544**	**3,810,864**	**939,107**	**6,069,041**	**11,964,596**
Additions	87,745	23,000	263,560	31,364	214,307	619,976
Disposal (note 27)	-	-95,000	-4,595	-4,831	-	-104,426
Reclassifications from assets under construction	-	-	6,045,642	-	-6,045,642	-
31-Dec-07	**163,785**	**997,544**	**10,115,471**	**965,640**	**237,706**	**12,480,146**
1-Jan-08	**163,785**	**997,544**	**10,115,471**	**965,640**	**237,706**	**12,480,146**
Additions	-	14,286	75,753	140,373	-	230,412
Disposal (note 27)	-	-	-	-22,460	-	-22,460
Reclassifications from assets under construction	-	-	225,518	-	-225,518	-
31-Dec-08	**163,785**	**1,011,830**	**10,416,743**	**1,083,553**	**12,188**	**12,688,098**
Accumulated depreciation						
1-Jan-07	**-**	**-474,963**	**-952,593**	**-484,161**	**-**	**-1,911,718**
Depreciation for the period (note 22)	-	-206,500	-1,002,828	-189,809	-	-1,399,137
Disposal	-	60,167	517	3,513	-	64,197
31-Dec-07	**-**	**-621,296**	**-1,954,904**	**-670,457**	**-**	**-3,246,658**
1-Jan-08	**-**	**-621,296**	**-1,954,904**	**-670,457**	**-**	**-3,246,658**
Depreciation for the period (note 22)	-	-197,845	-1,024,971	-200,663	-	-1,423,479
Disposal (note 27)	-	-	-	22,460	-	22,460
31-Dec-08	**-**	**-819,142**	**-2,979,876**	**-848,660**	**-**	**-4,647,677**
Undepreciated value at 31 December 2007	**163,785**	**376,248**	**8,160,567**	**295,183**	**237,706**	**9,233,488**
Undepreciated value at 31 December 2008	**163,785**	**192,688**	**7,436,867**	**234,894**	**12,188**	**8,040,421**

No impairment loss was recognized regarding tangible assets during 2008 and 2007.

Leases amounting to € 1,491,872 (2007: € 777,501.) € 729.516) and € 762,337 (2007: € 163,310) for the Group and the Company respectively, regarding tangible assets operating leases are included in the income statement (note 22)

No guarantees have been placed over the tangible assets in order to secure liabilities.

(all amounts expressed in €, unless otherwise stated)

6 Intangible assets

Consolidated figures

	Software	Concession Right	Goodwill	Total
Cost				
1-Jan-07	**88,253**	-	-	**88,253**
Additions	35,647	-	-	35,647
Disposal	-208	-	-	-208
31-Dec-07	**123,692**	**-**	**-**	**123,692**
1-Jan-08	**123,692**	**-**	**-**	**123,692**
Acquisition of a subsidiary			1,521,327	1,521,327
Additions	35,045	8,901,300	-	8,936,345
31-Dec-08	**158,737**	**8,901,300**	**1,521,327**	**10,581,364**
Accumulated depreciation				
1-Jan-07	**-69,627**	-	-	**-69,627**
Currency translation differences	-5,126	-	-	-5,126
Depreciation for the period (note 22)	-14,377	-	-	-14,377
31-Dec-07	**-89,130**	**-**	**-**	**-89,130**
1-Jan-08	**-89,130**	**-**	**-**	**-89,130**
Depreciation for the period (note 22)	-46,966	-	-	-46,966
Disposal	-2,289	-	-	-2,289
31-Dec-08	**-138,385**	**-**	**-**	**-138,385**
Undepreciated value at 31 December 2007	**34,563**	**-**	**-**	**34,563**
Undepreciated value at 31 December 2008	**20,353**	**8,901,300**	**1,521,327**	**10,442,979**

(all amounts expressed in €, unless otherwise stated)

Corporate figures

	Software	Total
Cost		
1-Jan-07	**38,835**	**38,835**
31-Dec-07	**38,835**	**38,835**
1-Jan-08	**38,835**	**38,835**
Additions	32,145	32,145
31-Dec-08	**70,980**	**70,980**
Accumulated depreciation		
1-Jan-07	**-38,835**	**-38,835**
31-Dec-07	**-38,835**	**-38,835**
1-Jan-08	**-38,835**	**-38,835**
Depreciation for the period (note 22)	-32,145	-32,145
31-Dec-08	**-70,980**	**-70,980**
Undepreciated value at 31 December 2007	-	-
Undepreciated value at 31 December 2008	-	-

Concession right

The Joint Venture Helector-Ellaktor-Cybarco has entered into a service concession arrangement with the government of Cyprus. The contractual amount reaches €39.5 million, plus the right to charge for the services provided during the management period. The arrangement term is 13 years, 3 years of which correspond to the construction period. As regards the method in which the service concession arrangement is accounted for, the Joint Venture applies the provisions of Interpretation 12 “Service Concession Arrangements”.
Under the service concession contract, the Joint Venture will be paid for its services partly with payments for the construction works and partly with the right to charge the government for management services during the management period. According to the provisions of that Interpretation, the Joint Venture recognised the payments for the construction works by reference to the completion stage of construction works, while the second component of the payment was recognised as an intangible asset whose cumulated balance as of 31 December 2008 was €8,901,300 (2007: null).
The depreciation of the intangible asset will start upon completion of the construction works and will last until the end of the management period.

Acquisitions in 2008

The goodwill of €1,521,327 generated during 2008 resulted from the acquisition of 100% of LOOCK BIOGAS GmbH by the subsidiary HELECTOR GERMANY GmbH (Group percentage: 100%) during Q3 2008, upon payment of the amount of €1,250,000 and expenses of €228,292.

The finalisation of goodwill allocation will be completed within 12 months from the dates of acquisitions, as provided for in IFRS 3.

(all amounts expressed in €, unless otherwise stated)

7 Investments in subsidiaries

	Corporate figures	
	31-Dec-08	**31-Dec-07**
At beginning of the period	**6,730,562**	**5,922,361**
Additions	2,830,000	808,201
At end of the period	**9,560,562**	**6,730,562**

During the year, there was no need to calculate impairment losses on investments.

Subsidiaries are analyzed as follows:

Name	**Seat**	**Stake 2008**	**Stake 2007**
AEIFORIKI DODEKANISSOU S.A.	GREECE	99.50%	99.50%
AEIFORIKI KOUNOU SA	GREECE	80.00%	80.00%
APOTEFROTIRAS SA	GREECE	70.00%	60.00%
BEAL SA	GREECE	50.00%	50.00%
ENERMEL SA	GREECE	92.00%	92.00%
EXANTAS SHIPPING SERVICES	GREECE	100.00%	100.00%
HELECTOR CYPRUS (formerly ELEMAX LTD)	CYPRUS	100.00%	100.00%
HELECTOR GERMANY GMBH	GERMANY	100.00%	100.00%
HERHOF GMBH	GERMANY	100.00%	100.00%
HERHOF RECYCLING CENTER OSNABRUCK GM	GERMANY	100.00%	56.00%
HELECTOR SA	GREECE	100.00%	100.00%
LOOCK BIOGASSYSTEME GMBH	GERMANY	100.00%	-
JV HELECTOR-ELLAKTOR-CYBARCO	CYPRUS	100.00%	45.00%
IKW	GERMANY	100.00%	-

Note:

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

-Joint Venture HELECTOR-ELLAKTOR-CYBARCO was consolidated on 31.12.2007 using the proportional consolidation method at the consolidation percentage of 45%, while on 31.12.2008 the JV is consolidated using the full consolidation method due to acquisition of the joint venture by the Company.

<u>Additions during the year</u>

a) LOOCK BIOGASSYSTEME GMBH

Being a new acquisition (28.08.2008), the company LOOCK BIOGASSYSTEME GMBH is consolidated for the first time in 2008 using the full consolidation method. The subsidiary HELECTOR GERMANY GMBH which paid the amount of €1,250,000 and expenses of €228,292 participates in the company with 100%. The company operates in the development and application of technological innovations in energy cultivations. The company's activities include full design of anaerobic organic waste and biofuel treatment plants, construction supervision, commissioning and monitoring of operation. The company's seat is located in Germany.

b) IKW BECKUM GMBH

IKW BECKUM GMBH was established in 2008 and is consolidated for the first time using the full consolidation method. The subsidiary HELECTOR GERMANY GmbH holds 100% of the company's share capital, and has paid the amount of €25,000. The company's objective is the construction of power generation plants using secondary fuel (treated urban waste). The company's seat is located in Germany.

c) HELECTOR GERMANY GMBH

The subsidiary HELECTOR GERMANY GMBH increased its share capital during the year, to which Helector SA contributed the amount of € 2,800,000.

d) HERHOF RECYCLING CENTER OSNABRUCK GM

In 2008, the subsidiary HELECTOR GERMANY GmbH acquired an additional 44% in the share capital of HERHOF RECYCLING CENTER OSNABRUCK GM paying the amount of € 1,220,000, which resulted in the increase of its direct stake from 56% to 100%.

The above transaction generated a loss of €331,125 that was recognised directly in Equity (Results carried forward).

e) APOTEFROTIRAS SA

In 2008, Helector SA acquired an additional percentage of 10% in the share capital of the subsidiary Apotefrotiras SA, paying the amount of € 30,000, which resulted in the increase of its direct stake from 60% to 70%.

The above transaction generated a profit of €130,062 that was recognised directly in Equity (income carried forward).

Additions during the previous year

a) AEIFORIKI KOUNOU SA

Aeiforiki Kounou SA was established in 2007 and is consolidated for the first time using the full consolidation method. Helector SA holds a direct stake of 80% and paid a participation cost of €48,000. The scope of the company is to undertake and implement technical projects and works, and to design, study, construct, operate and exploit integrated environmental and energy management systems.

b) ENERMEL SA

Enermel SA was established in the 2nd quarter of 2007 and is consolidated for the first time using the full consolidation method. Helector SA holds a direct stake of 92% and paid a participation cost amounting to €55,200. The scope of the company is to study, develop, construct, operate and exploit a co-generation energy plant, and to design, study, construct, operate and exploit integrated waste management systems and facilities.

c) HELECTOR GERMANY GMBH

Helector Germany GmbH was established during the 4th quarter of 2007 and is consolidated for the first time using the full consolidation method. Helector SA holds a direct stake of 100% and paid a participation cost amounting to €200,000. The scope of the company is to manage investments in company participations in energy, waste management and constructions industries, and to provide management and logistics, public relations and marketing services to Group companies.

d) HELECTOR CONSTRUCTIONS SA

(all amounts expressed in €, unless otherwise stated)

Helector Constructions SA was established during the 4th quarter of 2007 and is consolidated for the first time using the full consolidation method. Helector SA holds a direct stake of 100% and during the next year will pay cost amounting to €400,000. The scope of the company is to undertake and implement technical projects of any nature and form, to undertake and elaborate designs for technical projects and works of any kind, to plan, design, construct, finance and operate integrated management systems for water resources, water supply, waste, wind potential, environmental and in general energy projects.

e) APOTEFROTIRAS SA

During the year, subsidiary Apotefrotiras SA performed a share capital increase, and Helector SA paid €105,000, and as a result its direct stake was reduced from 75% to 60%.

The above transaction generated a profit of €6,653 that was recognised directly in Equity Capital (Results carried forward).

8 Investments in associates

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
At beginning of the period	**321,327**	**71,300**	**281,183**	**81,183**
Additions	400,000	200,000	400,000	200,000
Share in profit / loss (after taxes)	-36,567	50,027	-	-
At end of the period	**684,760**	**321,327**	**681,183**	**281,183**

Note: The share in associates' profit/ (losses) as this appears in the income statement includes the elimination of intra-company profit/ (loss) between the Group's companies amounting to €(13,665) (2007:€ 195,451).

(all amounts expressed in €, unless otherwise stated)

Additions

EPANA SA
In 2008 and 2007, subsidiary Epana SA performed a share capital increase, and Helector SA paid €400,000 and €200,000 respectively, with no change in its stake (20%).

During the year, there was no need to calculate impairment losses on investments.

The Group's share in the Assets, Liabilities, income and profit of affiliates stands as follows:

Name	Country of establishment	Assets	Liabilities	Income	Profits/ (losses)	Stake
2008						
ADEYP SA	GREECE	7,785	-	-	-	36.00%
DOAL SA	GREECE	12,360	11	-	-762	24.00%
TOMI EDL LTD	GREECE	147,536	104,181	-	1,440	50.00%
EPANA SA	GREECE	1,581,565	960,294	103,246	-23,580	20.00%
		1,749,246	**1,064,486**	**103,246**	**-22,902**	

Name	Country of establishment	Assets	Liabilities	Income	Profits/ (losses)	Stake
2007						
ADEYP SA	GREECE	7,784	-	-	0	36.00%
DOAL SA	GREECE	13,111	-	-	-404	24.00%
TOMI EDL LTD	GREECE	461,363	405,782	512,925	-139,871	50.00%
EPANA SA	GREECE	678,341	433,490	-	-5,150	20.00%
		1,160,599	**839,273**	**512,925**	**-145,424**	

The company AKTOR HELECTOR BILFINGER LTD in which the Group participates with 33.33% is not consolidated using the equity method because it is inactive and insignificant and is therefore shown in the financial statements at the acquisition cost of €7,783.

9 Investments in joint ventures consolidated with the proportional method

	Corporate figures	
	31-Dec-08	**31-Dec-07**
At beginning of the period	**206,205**	**350,590**
Additions	-	39,450
(Impairment)	-	-183,835
At end of the period	**206,205**	**206,205**

(all amounts expressed in €, unless otherwise stated)

Joint ventures are analyzed as follows:

s/n	Name	Seat	Stake 2008	Stake 2007
1	JV TOMI SA-HELECTOR SA (ANO LIOSIA LANDFILL SECTION II)	GREECE	40.39	40.39
2	JV HELECTOR- TECHNIKI PROSTASIAS PERIVALONTOS	GREECE	60.00	60.00
3	JV HELECTOR- MESOGIOS (TAGARADES LANDFILL)	GREECE	30.00	30.00
4	JV MESOGIOS SA-HELECTOR SA- BILFINGER (KOZANI LANDFILL)	GREECE	35.00	35.00
5	JV HELECTOR SA-BILFINGER BERGER (CYPRUS-PAPHOS LANDFILL)	CYPRUS	55.00	55.00
6	JV DETEALA-HELECTOR-EDL LTD	GREECE	30.00	30.00
7	JV HELECTOR SA- MESOGIOS SA (FYLI LANDFILL)	GREECE	99.00	99.00
8	JV HELECTOR SA- MESOGIOS SA (MAVRORACHI LANDFILL)	GREECE	65.00	65.00
9	JV HELECTOR SA- MESOGIOS SA (HERAKLION LANDFILL)	GREECE	30.00	30.00
10	JV HELECTOR SA- MESOGIOS SA (LASITHI LANDFILL)	GREECE	70.00	70.00
11	JV HELECTOR SA-BILFINGER BERGER (MARATHOUNTA LANDFILL & ACCESS WAY)	CYPRUS	55.00	55.00
12	JV HELECTOR-PANTECHNIKI-ARSI	GREECE	60.00	60.00
13	JV LAMDA TECHNIKI ITHAKI & HELECTOR	GREECE	30.00	30.00
14	JV HELECTOR-ERGOSYN SA	GREECE	70.00	70.00
15	JV BILFIGER BERGER - MESOGIOS- HELECTOR	GREECE	29.00	29.00
16	JV TOMI SA –HELECTOR SA	GREECE	21.75	21.75
17	JV TOMI SA- HELECTOR SA & CONSTANTINIDIS	GREECE	21.75	-

Additions during 2008

In 2008 the joint venture TOMI SA-HELECTOR SA & CONSTANTINIDIS was established, in which the JV TOMI SA-HELECTOR SA participates with a direct stake of 70% (indirect Group stake: 15.23%).

Additions during 2007

During 2007, the following joint ventures were established and Helector SA paid a total consideration of €39,450 for their establishment:

JV HELECTOR-PANTECHNIKI-ARSI
JV HELECTOR-ERGOSYN SA
JV BILFIGER BERGER - MESOGIOS- HELECTOR
JV HELECTOR-CYBARCO SA

Impairment during 2007

During 2007, an impairment provision of €178,535 was formed for the DETEALA-HELECTOR-EDL LTD joint venture. Moreover, there was a €5,300 impairment of the participation cost in inactive joint ventures and joint ventures under liquidation. These joint ventures have no assets and generated no profit or loss during the year.

(all amounts expressed in €, unless otherwise stated)

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

	Consolidated figures	
	31-Dec-08	**31-Dec-07**
Assets		
Non-current assets	48,563	242,684
Current assets	15,823,339	14,970,536
	15,871,902	**15,213,220**
Liabilities		
Long-term liabilities	484,392	209,000
Short-term liabilities	15,163,891	14,780,601
	15,648,283	**14,989,601**
Equity	**223,620**	**223,619**
Income	20,395,523	17,503,828
Expenses	-18,827,786	-16,324,741
Profits/ (losses) after taxes	**1,567,737**	**1,179,087**

There are no commitments or contingent liabilities related to the group's participation in the joint venture.

10 Financial assets and liabilities per category

The accounting principles regarding financial assets and liabilities apply in the following categories:

	Consolidated figures		Company figures	
Assets	**31-Dec-08**	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
	Debts and receivables		**Debts and receivables**	
Trade and other receivables	40,190,447	32,951,702	24,292,618	22,223,739
Cash and cash equivalents	25,444,680	15,512,201	12,694,609	8,119,759
Total	**65,635,127**	**48,463,903**	**36,987,227**	**30,343,498**

	Consolidated figures	
Liabilities	**31-Dec-08**	**31-Dec-07**
	Other financial liabilities	
Debts	30,236,452	20,242,997

(all amounts expressed in €, unless otherwise stated)

11 Inventories

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Raw materials	297,781	129,282	-	-
Finished products	712,098	728,117	712,098	728,117
Semi-finished products	128,331	231,799	-	-
Work in progress	30,450	4,019,416	-	-
Prepayment for products	12,000	3,000	-	-
Total net realisable value	**1,180,660**	**5,111,614**	**712,098**	**728,117**

The cost of inventories recorded as an expense in cost of goods sold amounted to €18,737,420 (2007: € 5,806,310) and € 7,198,608 (2007: € 2,789,009) for the Group and the Company, respectively.

During the year, there was no need to calculate impairment losses on inventories.

12 Trade debtors and other receivables

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Trade receivables net	16,532,258	13,286,044	3,564,513	1,309,431
Less : provision for receivables impairment	-132,264	-132,264	-132,264	-132,264
	16,399,994	13,153,780	3,432,249	1,177,167
Prepayments	2,743,186	3,797,962	1,856,719	2,661,823
Amount due from customers for contract work	6,697,608	2,119,961	2,918,946	744,951
Dividends receivable	-	-	3,004,600	-
Income tax	631,457	703,852	-	-
Loans to related parties (note 30)	374,779	304,476	-	-
Public Sector	6,486,698	2,572,353	1,974,085	342,200
Loans to third parties	2,000,000	2,160,000	2,000,000	2,160,000
Other receivables	2,232,756	462,286	278,521	155,653
Less : provision for other receivables impairment	-217,736	-217,736	-217,736	-217,736
	2,015,020	244,550	60,785	-62,083
Receivables from related parties (note 30)	12,913,956	14,516,543	13,820,899	18,606,455
Total	**50,262,698**	**39,573,477**	**29,068,283**	**25,630,513**

(all amounts expressed in €, unless otherwise stated)

Non-current assets	26,456	684,580	26,456	5,652
Current assets	50,236,242	38,888,897	29,041,827	25,624,861
	50,262,698	**39,573,477**	**29,068,283**	**25,630,513**

(all amounts expressed in €, unless otherwise stated)

There is no credit risk concentration in relation to receivables from clients, as the Group has a large number of clients from various business sectors.

The book value of receivables is almost the same as their fair value.

Loans to third parties concern a loan to ALBERT MALVASIA SA, amounting to €2,000,000, offered at a lending rate of 8% (3m Euribor + margin), and are included in current assets.

There are no other interest-bearing receivables from clients, or other receivable.

On 31.12.2008, trade debtor and other receivables amounting to €11,321,889 (2007: € 12,356,560) and € 2,572,694 (2006: € 925,420) related to receivables not in payment default, for Group and Company, respectively.

The Group's general policy for collecting trade debtor receivables is 90 days. Before 90 days, balances are not considered overdue. On 31 December 2008, trade debtor receivables of €7,093,125 (2007: € 1,041,770.) for the Group and € 920,340 (2007: € 189,664) for the Company were considered overdue, but still expected to be collected and therefore have not been impaired. The following table shows the maturity of such trade debtor receivables:

	Consolidated figures		**Company figures**	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
0 - 3 months	2,331,178	838,732	14,323	141,571
3 - 6 months	4,169,748	127,623	379,646	20,213
6 months - 1 year	592,199	75,415	526,371	27,880
	7,093,125	**1,041,770**	**920,340**	**189,664**

Receivables are denominated in the following currencies:

	Consolidated figures		**Company figures**	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
EURO	50.262.697	34.718.287	29.068.283	25.630.513
CYPRIOT POUND (CYP)	-	4.855.189	-	-
	50.262.697	**39.573.476**	**29.068.283**	**25.630.513**

The provision for doubtful trade debtors and other receivables stands as follows:

	Consolidated figures		**Company figures**	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Balance at 1 January	**350,000**	-	**350,000**	-
Provision for receivables impairment	-	350,000	0	350,000
Balance at 31 December	**350,000**	**350,000**	**350,000**	**350,000**

(all amounts expressed in €, unless otherwise stated)

Neither the Group or the Company have recognised a loss for impairment of trade debtors and other receivables for the year.

Amounts recognised as provision are usually written-off if collection from clients / debtors is not anticipated.

The Group and Company maximum exposure to credit risk on 31 December 2008 is the fair value of the above trade debtors and other receivables, which is close to their book value.

Amounts included in other receivables do not include impaired assets, except if otherwise specified.

On the balance sheet date, the Group holds no guarantees on trade debtors. All bank guarantees for good execution with clients appear under note 29.

13 Cash and cash equivalents

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Cash on hand and with banks	16.193.580	12.930.201	6.669.609	5.537.759
Short-term deposits with banks	9.251.100	2.582.000	6.025.000	2.582.000
Total	**25.444.680**	**15.512.201**	**12.694.609**	**8.119.759**

Cash and cash equivalents are broken down in the following currencies:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
EURO	25,444,680	14,497,578	12,694,609	8,119,759
CYPRIOT POUND (CYP)	-	1,014,623	-	-
	25,444,680	**15,512,201**	**12,694,609**	**8,119,759**

The following table shows deposits per credit rating class by Standard & Poor (S&P) as of 31.12.2008.

Consolidated figures

Financial institute credit rating	Cash and cash equivalents
BBB+	5,985,725
A+	2,355,916
A	727,320
A-	14,132,241
AA	880,318

(all amounts expressed in €, unless otherwise stated)

Other	1,363,159
	25,444,680

Other includes cash on hand, as well as unrated credit institutes.

Time deposit rates are determined following negotiations with selected banks based on the Euribor interbank offer rates of similar maturity with that of the selected position (e.g. week, month, etc).

14 Share capital

	Number of shares	Ordinary shares	Share premium	Total
Balance as of 1 January 2007	**128,440**	**1,312,657**	**408,182**	**1,720,839**
Balance at 31 December 2007	**128,440**	**1,312,657**	**408,182**	**1,720,839**
Balance as of 1 January 2008	**128,440**	**1,312,657**	**408,182**	**1,720,839**
Issue of new shares/(reduction)	16,060	164,133	4,808,033	**4,972,166**
Balance at 31 December 2008	**144,500**	**1,476,790**	**5,216,215**	**6,693,005**

The total number of approved common shares is 144,500 (2007: 128,440 shares) at par value of € 10.22 each (2007: € 10.22 each). All issued shares have been paid in full.

Within 2008, the share capital was increased upon waiver of the parent ELLAKTOR of its right to participate, in order to enable the BoD of HELECTOR SA to distribute part of the new shares to its members and to company executives, as an incentive to take strong efforts so that the Company can maintain-enhance its leading position in Greece and in other countries. In execution of a relevant decision made by the General Meeting, the BoD distributed such shares to executive directors who paid the respective amount at the offer price determined by the GM. The distribution of shares to the BoD is subject to the provisions of IFRS 2, and the company posted on administrative costs the amount of €1,840,466, which is the difference between the fair value (as calculated using the cash flow discount method) and the offer price.

15 Other reserves

Consolidated figures

	Statutory reserve	Special reserves	Untaxed reserves	Foreign exchange differences reserves	Other reserves	Total
Balance at 1 January 2007	**678,271**	**2,225,106**	**4,328,699**	**-14,138**	**292**	**7,218,230**

(all amounts expressed in €, unless otherwise stated)

Currency translation differences	-	-	-	-140,462	-	-140,462
Transfer from retained earnings	93,810	-	-	-	-	93,810
Balance at 31 December 2007	**772,081**	**2,225,106**	**4,328,699**	**-154,600**	**292**	**7,171,578**
Balance at 1 January 2008	**772,081**	**2,225,106**	**4,328,699**	**-154,600**	**292**	**7,171,578**
Currency translation differences	-	-	-	19,291	-	19,291
Transfer from retained earnings	174,983	-	-	-	-	174,983
Balance at 31 December 2008	**947,064**	**2,225,106**	**4,328,699**	**-135,309**	**292**	**7,365,852**

Company figures

	Statutory reserve	**Special reserves**	**Untaxed reserves**	**Other reserves**	**Total**
Balance at 1 January 2007	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**
Balance at 31 December 2007	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**
Balance at 1 January 2008	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**
Balance at 31 December 2008	**501,964**	**2,225,106**	**4,134,194**	**292**	**6,861,556**

(a) Legal reserve

The provisions of articles 44 and 45 of Law 2190/1920 regulate the way the legal reserve is formed and used: At least 5% of each year's actual (book) net profit must be withheld to create the legal reserve, until the reserve's accumulated amount rises to no less than 1/3 of the share capital. Following a General Shareholders Meeting decision, the legal reserve may be used to cover losses, and therefore cannot be used for any other purpose.

(b) Extraordinary reserves

Reserves of this category have been created by virtue of General Shareholders Meeting decisions from previous years, do not have any specific designation and can therefore be used for any purpose, following a General Shareholders Meeting decision.

(c) Tax-free reserves

Tax-free reserves of Law 3220/2004

The parent company's tax free reserves include reserves to the amount of €3,150,000 created in previous years according to Law 3220/2004. The European Commission has issued decision 18.VII 2007 whereby tax-free reserves of the above law constitute a form of state aid that eligible enterprises must return to the Greek State with interest, pursuant to the provisions of Law 3614/2007. To cover the above liability, the company charged it to the 2007 year results with a provision of €1,150,000. The company made use of this provision during 2008, since the interest-bearing return thereof to the Greek State was finalised by the Tax Authorities.

(all amounts expressed in €, unless otherwise stated)

Other tax-free reserves

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 the 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 Loans

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Long-term borrowings				
Bank borrowings	14,272,001	15,291,959		-
Total long-term borrowings	**14,272,001**	**15,291,959**	**-**	**-**
Short-term borrowings				
Bank overdrafts	361,799	1,589,575		-
Long-term borrowings	15,602,652	3,361,463		-
Total short-term borrowings	**15,964,451**	**4,951,038**	**-**	**-**
Total borrowings	**30,236,452**	**20,242,997**	**-**	**-**

As of 31 December 2008, one of the Group companies was in default in terms of certain non-financial terms under its loan agreements. The Group Management received a written confirmation from the bank after the date of the balance sheet that the loan has not been rendered due and immediately payable. Therefore, the long-term segment of the loan of €3,804,500 has been reclassified and included in short-term bank borrowing.

Furthermore, as of 31 December 2008 one of the Group companies was in default in terms of certain financial terms under its loan agreements, and therefore the long-term segment of the loan of €7,027,081 has been reclassified and included in short-term bank borrowing.

Long-term debts expire by year 2020.

Out of the Group's debts, 73% is under variable rate contracts while the remaining 27% in fixed rates. The average effective interest rate on 31 December 2008 was 5.8 % (2007: 6%) for bank loans.

No guarantees have been placed on the Group's tangible assets to secure loan liabilities.

The Group's exposure to the risk of changing bank loan interest rates and the contractual repricing dates for the interest rates are as follows:

	Consolidated figures	
	2008	2007
up to 6 months	22,192,942	12,475,473

(all amounts expressed in €, unless otherwise stated)

Long term debt maturity dates are as follows:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Between 1 and 2 years	1,425,611	3,126,301		-
Between 2 and 5 years	5,386,729	7,063,112		-
Over 5 years	7,459,662	5,102,546		-
	14,272,002	**15,291,959**	**-**	**-**

Long-term loans current value:

	Consolidated figures			
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
	Book value		Fair value	
Bank borrowings	14,272,001	15,291,959	14,381,879	14,918,635

Current value is based on discounted cash outflows using 4.6% as lending rate (2007: 6,31%).

The fair value of short-term loans is close to their book value.

Total loans are broken down in the following currencies:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
EURO	30,236,452	20,211,927		-
CYPRIOT POUND (CYP)	-	31,070		-
	30,236,452	**20,242,997**	**0**	**0**

(all amounts expressed in €, unless otherwise stated)

17 Suppliers and other liabilities

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Trade payables	8,188,655	7,719,921	5,032,432	3,865,139
JVs liabilities to members	-	-	-	-
Accrued interest	296,136	176,784	-	-
Accrued expenses	120,349	1,147,242	-	98,639
Advances from customers	4,522,036	4,703,358	17,211	3,608
Wages and salaries payable	148,165	251,347	9,123	109,976
Social security and other taxes	3,900,613	3,374,103	2,735,858	2,470,444
Amount due to customers for contract work	12,619,860	9,405,260	12,587,846	8,955,260
Prepayments for operating leases	-	-	-	400,000
Other liabilities	3,153,693	500,533	217,605	10,771
Less :Other liabilities-Related parties (note 31)	6,506,915	6,109,960	2,927,262	3,826,953
Total	**39,456,422**	**33,388,508**	**23,527,338**	**19,740,790**
Long-term	-	-	-	-
Short-term	39,456,422	33,388,508	23,527,338	19,740,790
Total	**39,456,422**	**33,388,508**	**23,527,338**	**19,740,790**

Total liabilities are broken down in the following currencies:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
EURO	39,456,423	30,204,733	23,527,338	19,740,790
CYPRIOT POUND (CYP)	-	3,183,775	-	-
	39,456,423	**33,388,508**	**23,527,338**	**19,740,790**

Company and Group liabilities from trade activities are interest free.

(all amounts expressed in €, unless otherwise stated)

18 Deferred taxation

Deferred tax receivables and liabilities are offset in cases 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 tax authority. Offset amounts are as follows:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Deferred tax liabilities :				
Recoverable after 12 months	1,078,587	332,807	-	-
Recoverable within 12 months	-	-	-	-
	1,078,587	332,807	-	-
Deferred tax claims:				
Recoverable after 12 months	3,599,109	3,457,275	2,335,256	2,094,663
Recoverable within 12 months	-	-		-
	3,599,109	3,457,275	2,335,256	2,094,663
	-2,520,522	**-3,124,468**	**-2,335,256**	**-2,094,663**

Total change in deferred income tax is presented below:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Balance at beginning of the period	**-3,124,469**	**-510,013**	**-2,094,663**	**-610,240**
Income statement debit/ (credit) (note 26)	603,949	-2,614,456	-240,592	-1,484,423
Balance at end of the period	**-2,520,520**	**-3,124,469**	**-2,335,255**	**-2,094,663**

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

CONSOLIDATED FIGURES

Deferred tax liabilities:

	Accelerated tax depreciation	Construction contracts	Tax losses	Other	Total
Balance as of 1 January 2007	**-**	**319,047**	**-**	**69,500**	**388,547**

(all amounts expressed in €, unless otherwise stated)

Income statement debit/(credit)	-	176,010	-	-69,500	106,510
Balance as of 31 December 2007	**-**	**495,057**	**-**	**- -**	**495,057**
Balance as of 1 January 2008	**-**	**495,057**	**-**	**-**	**495,057**
Income statement debit/(credit)		754,452		989,887	1,744,339
	-	**1,249,509**	**-**	**989,887**	**2,239,396**

Deferred tax claims:

	Provisions	**Accelerated tax depreciation**	**Tax losses**	**Construction contracts**	**Other**	**Total**
Balance as of 1 January 2007	**-**	**277,613**	**-**	**545,313**	**75,633**	**898,559**
Income statement (debit)/ credit	162,360	395,619	345,000	1,806,003	11,984	2,720,966
Balance as of 31 December 2007	**162,360**	**673,232**	**345,000**	**2,351,316**	**87,617**	**3,619,525**
Balance as of 1 January 2008	**162,360**	**673,232**	**345,000**	**2,351,316**	**87,617**	**3,619,525**
Income statement (debit)/ credit	-162,360	-284,849	484,004	1,158,080	-54,484	1,140,391
Balance as of 31 December 2008	**-**	**388,383**	**829,004**	**3,509,396**	**33,133**	**4,759,916**

COMPANY FIGURES

Deferred tax liabilities:

	Accelerated tax depreciation	**Construction contracts**	**Tax losses**	**Other**	**Total**
Balance as of 1 January 2007	-	-	-	-	-
Income statement debit/(credit)	4,042	186,238	-	-	190,280
Balance as of 31 December 2007	**4,042**	**186,238**	**-**	**-**	**190,280**
Balance as of 1 January 2008	**4,042**	**186,238**	**-**	**-**	**190,280**
Income statement debit/(credit)	-	514,309	-	-	514,309
Balance as of 31 December 2008	**4,042**	**700,547**	**-**	**-**	**704,589**

(all amounts expressed in €, unless otherwise stated)

Deferred tax claims:

	Provisions	Accelerated tax depreciation	Tax losses	Construction contracts	Other	Total
Balance as of 1 January 2007	**-**	**-**	**-**	**545,313**	**64,928**	**610,240**
Income statement debit/(credit)	20,500	-	-	1,693,503	-39,300	1,674,703
Balance as of 31 December 2007	**20,500**	**-**	**-**	**2,238,816**	**25,628**	**2,284,943**
Balance as of 1 January 2008	**20,500**	**-**	**-**	**2,238,816**	**25,628**	**2,284,943**
Income statement debit/(credit)	-20,500	-	-	782,268	-6,866	754,902
Balance as of 31 December 2008	**-**	**-**	**-**	**3,021,084**	**18,761**	**3,039,845**

Deferred tax receivables are recognised due to tax losses carried forward, provided that it is probable to generate financial benefit due to future taxable profit. The Group recognised a deferred tax receivable of €829,004 (2007: € 345,000) for tax losses totalling € 8,290,040 (2007: € 1,150,000) which may be carried forward and offset against future taxable profit.

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

19 Provision for staff indemnities

The amounts recognised in the Balance Sheet, are the following:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Balance sheet liabilities for :				
Retirement benefits	165,667	173,684	93,806	102,510
Total	**165,667**	**173,684**	**93,806**	**102,510**

The amounts recognised in profit and loss, are the following:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Income statement charge (note 25)				

(all amounts expressed in €, unless otherwise stated)

Retirement benefits	22,633	67,826	-6,641	33,841
Total	**22,633**	**67,826**	**-6,641**	**33,841**

Retirement benefits

The amounts that have been recorded in the balance sheet are:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Present value of unfunded obligations	205,596	171,171	135,789	110,346
Unrecognised actuarial (profits)/losses	-39,929	2,513	-41,983	-7,836
	165,667	**173,684**	**93,806**	**102,510**
Liability in the Balance Sheet	**165,667**	**173,684**	**93,806**	**102,510**

The movement in the liability recognised in the balance sheet is as follows:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Beginning of the year	**173,684**	**125,317**	**102,510**	**71,791**
Indemnities paid	-30,650	-19,459	-2,063	-3,122
Total expense charged in the income statement	22,633	67,826	-6,641	33,841
End of year balance	**165,667**	**173,684**	**93,805**	**102,510**

The amounts recognised in the income statement are as follows :

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Current service cost	41,076	49,611	14,147	30,420
Financial cost	3,807	5,659	888	3,369
Depreciation of unrecognised actuarial (profits)/ losses	-	52	-	52
Net actuarial profits/(losses) recognised during the year	-574	-	-	-
Losses on the curtailment	-21,676	12,504	-21,676	-

(all amounts expressed in €, unless otherwise stated)

Total ,included in staff costs (Note 25)	**22,633**	**67,826**	**-6,641**	**33,841**

The above amounts have been charged to cost of goods sold.

The principal actuarial assumptions used were as follows:

	31-Dec-08	31-Dec-07
Discount rate	5.5%	4.8%
Future salary increases	4.0%	4.0%
Inflation rise	2.5%	2.5%

Regarding mortality rates, the new 1990 Greek Mortality Table for men and women has been used (Min. Dec. K3-3974/99).

20 Government grants

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Balance at the beginning of the fiscal year	**14.911.424**	**14.596.402**	**2.368.796**	**2.294.124**
Additions	2.135.198	1.072.851	0	195.499
Transfer to P&L (note 23)	-816.141	-757.829	-206.868	-120.827
Balance at year end	**16.230.481**	**14.911.424**	**2.161.928**	**2.368.796**

Out of the total Group's government grants:

i) The unamortised amount for the year 2008: € 13.192 thousand (2007: € 11,954 thousand) relates to a grant received by subsidiary BEAL SA, 2008: € 12,481 thousand (2007: € 11,175 thousand), and HELECTOR SA, 2008: € 748 thousand (2007: € 779 thousand) provided through the Corporate Programme "Competitiveness", for the construction of a co-generation plant utilising biogas from the Ano Liosia Sanitary Landfill. The government grant amount covers 40% of the investment's budget.

ii) The unamortised amount for the year 2008: € 1,414 thousand (2007: €1,589 thousand) relates to a government grant received by HELECTOR SA from the Corporate Programme "Competitiveness" regarding the "Electrical power generation from Tagarades Thessaloniki Sanitary Landfill biogas" project, with a 5 MW capacity. The government grant amount covers 40% of the investment's budget.

iii) The unamortised amount for the year 2008: € 1.588 thousand (2007: €1,368 thousand) relates to a government grant received by subsidiary AEIFORIKI DODEKANISSOU S.A. from the Corporate Programme "Competitiveness" regarding the "Wind power utilisation for the production of electrical power in the islands of Rhodes (3.0 MW), Kos (3.6 MW) and Patmos (1.2 MW)" project. The government grant amount covers 30% of the investment's budget.

(all amounts expressed in €, unless otherwise stated)

21 Provisions

Consolidated figures

	Contractual obligations to clients	Pending court cases	Environment restoration	Total
Balance as of 1 January 2007	**583,161**	**-**	**-**	**583,161**
Additional provisions for the period	**350,788**	**291,000**	**5,002**	**646,790**
Used provisions for the period	**- 66,440**	**-**	**-**	**- 66,440**
Charge to PPE			**44,347**	**44,347**
Balance as of 31 December 2007	**867,509**	**291,000**	**49,349**	**1,207,858**

	Contractual obligations to clients	Pending court cases	Environment restoration	Total
Balance as of 1 January 2008	**867,509**	**291,000**	**49,349**	**1,207,858**
Additional provisions for the period	12,568	-	2,937	15,505
Unused amount reversed	-298,700	-		-298,700
Used provisions for the period	-70,185	-		-70,185
Balance as of 31 December 2008	**511,192**	**291,000**	**52,286**	**854,478**

Company figures

	Pending court cases	Total
Balance as of 1 January 2008	**82,000**	**82,000**
Balance as of 31 December 2008	**82,000**	**82,000**

Analysis of total provisions:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Long-term	343,285	1,207,858	82,000	82,000
Short-term	511,193	-	-	-
Total	**854,478**	**1,207,858**	**82,000**	**82,000**

(all amounts expressed in €, unless otherwise stated)

Provisions were recorded in P&L as follows

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Administrative expenses	12,568	641,788	-	82,000
Financial cost	2,937	5,002	-	-
	15,505	**646,790**	**0**	**82,000**

(a) Pending court cases

The entire provision has been made for third-party actions against the Company. The amount of the provision is based on estimates made by the Group's Legal Department. The company's management deems that the provision amount is adequate and no additional charges are expected to arise apart from the amounts specified as of 31.12.2008.

(b) Contractual obligations to clients

The provision made refers to losses that may ensue as a result of the company's contractual obligations towards its clients. The amount of the provision is based on estimates made by the Group's Legal Department. Additional provisions for the year have been charged to the administrative expenses account in the income statement. The company's management deems that the provision amount is adequate and no additional charges are expected to arise apart from the amounts specified as of 31.12.2008.

(c) Restoration of the environment

According to Ministerial Decision 1726/2003, art 9, para. 4, companies operating wind farms should remove the facilities and restore the landscape upon termination of operation of the Energy Production Station.

The Group has calculated a provision for the equipment removal and landscape restoration cost, for the wind farms it operates through the subsidiary Aeiforiki Dodecanissou SA. The provision has been calculated as the current value of expenses that will be borne for environment restoration. The Management of the Group has estimated that the total future expenses will amount to approximately €141,000. The amount of € 2,937 has been recognised in 2008 as financial cost.

22 Expenses per category

Consolidated figures

		31-Dec-08			
	Notes	**Cost of goods sold**	**Selling expenses**	**Administrative expenses**	**Total**
Employee benefits	25	9,622,949	62,878	3,536,258	**13,222,085**
Consumption of inventories	11	18,725,312	4,895	7,213	**18,737,420**
PPE depreciation	5	4,208,053	-	54,660	**4,262,713**
Depreciation of intangible assets	6	2,021	-	44,945	**46,966**
PPE repair & maintenance expenses		604,059	-	46,684	**650,743**
Operating leases		1,156,796	-	335,076	**1,491,872**
Third party fees for technical works		30,653,021	506,336	-	**31,159,357**
R&D expenses		2,521,377	342,887	-	**2,864,264**
Provisions	21	-	-	12,568	**12,568**
Other		13,415,962	754,126	4,181,999	**18,352,087**

(all amounts expressed in €, unless otherwise stated)

Total		**80,909,550**	**1,671,122**	**8,219,403**	**90,800,075**

		31-Dec-07			
	Notes	**Cost of goods sold**	**Selling expenses**	**Administrative expenses**	**Total**
Employee benefits	25	7,583,421	42,684	2,836,181	10,462,286
Consumption of inventories	11	5,804,817	-	1,493	5,806,310
PPE depreciation	5	4,310,459	-	40,645	4,351,104
Depreciation of intangible assets	6	6,006	-	8,371	14,377
PPE repair & maintenance expenses		507,302	-	28,655	535,957
Operating leases		708,165	-	69,336	777,501
Third party fees for technical works		24,806,263	1,198,407	375,277	26,379,947
R&D expenses		-	194,445	-	194,445
Provisions	21	-	-	991,788	991,788
Other		6,345,260	110,119	1,706,889	8,162,268
Total		**50,071,693**	**1,545,655**	**6,058,635**	**57,675,983**

Company figures

		31-Dec-08			
	Notes	**Cost of goods sold**	**Selling expenses**	**Administrative expenses**	**Total**
Employee benefits	25	3,184,939	49,457	2,335,814	5,570,210
Consumption of inventories	11	7,192,995	4,895	719	7,198,608
PPE depreciation	5	1,384,934	-	38,546	1,423,479
Depreciation of intangible assets	6	-	-	32,145	32,145
PPE repair & maintenance expenses		140,707	-	12,738	153,445
Operating leases		502,913	-	259,424	762,337
Third party fees for technical works		14,963,546	247,870	-	15,211,416
R&D expenses		-	342,887	-	342,887
Other		5,237,981	583,949	3,010,277	8,832,207
Total		**32,608,015**	**1,229,058**	**5,689,662**	**39,526,735**

		31-Dec-07			
	Notes	**Cost of goods sold**	**Selling expenses**	**Administrative expenses**	**Total**
Employee benefits	25	2,459,144	-	2,247,000	4,706,144
Consumption of inventories	11	2,789,009	-	-	2,789,009
PPE depreciation	5	1,372,877	-	26,259	1,399,136
PPE repair & maintenance expenses		112,143	-	6,763	118,906
Operating leases		109,310	-	54,000	163,310
Third party fees for technical works		11,940,484	991,353	373,784	13,305,621
R&D expenses		-	194,445	-	194,445
Provisions		-	-	432,000	432,000
Other		-	-	289,805	289,805
Total		**18,782,967**	**1,185,798**	**3,429,611**	**23,398,376**

(all amounts expressed in €, unless otherwise stated)

23 Other operating income / expenses

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Profits/ (losses) from the sale of PPE	-	45,679	-	41,679
Profits/ (losses) from the sale of intangible assets	-514	-	-	-
Depreciation of grants received (note 20)	816,141	757,829	206,868	120,827
JV impairment	-	-5,300	-	-183,835
Rental fees	110,569	92,011	46,009	49,950
Other Profits/ (losses)	972,248	754,719	28,518	275,794
Total	**1,898,444**	**1,644,938**	**281,396**	**304,415**

24 Financial income (expenses) - net

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Interest expenses				
- Bank loans	1,475,382	1,486,165	-	-
- Financial cost for environment restoration	2,937	-	-	
- Other	47,210	35,369	11,095	30,367
	1,525,529	1,521,534	11,095	30,367
Interest income	812,288	530,752	460,297	317,739
Net interest expenses/ (income)	**713,241**	**990,782**	**-449,202**	**-287,372**
Net currency translation profits/ (losses)	-	3,394	-	-
Total	**713,241**	**987,388**	**-449,202**	**-287,372**

25 Employee benefits

Consolidated figures		Company figures	
31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07

(all amounts expressed in €, unless otherwise stated)

Wages and salaries	11,465,639	8,620,834	4,734,377	4,034,127
Social security expenses	1,484,763	1,508,756	838,590	632,220
Cost of defined benefit schemes (note 19)	22,633	67,826	-6,641	33,841
Other employee benefits	249,050	264,870	3,885	5,956
Total	**13,222,085**	**10,462,286**	**5,570,210**	**4,706,144**
Number of employees	306	147	99	73

26 Income tax

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Tax for the period	3,424,439	8,773,964	1,429,116	6,031,584
Deferred tax (note 18)	603,949	-2,614,454	-240,592	-1,484,423
Total	**4,028,388**	**6,159,510**	**1,188,524**	**4,547,162**

In September 2008, legislative arrangements were announced with regard to tax rates. Tax rates on company profits will be gradually reduced, and are as follows:

2009	25%
2010	24%
2011	23%
2012	22%
2013	21%
2014 and thereafter	20%

Deferred tax is determined according to the tax rates expected to apply when the receivable is generated or when the liability is settled. Calculation tax rates are determined according to the legislative arrangements on taxation and the respective rates communicated and effective as of the date of the Balance Sheet.

(all amounts expressed in €, unless otherwise stated)

The tax on the Group's profit before tax differs from the theoretical amount that would result by using the weighted average tax rate on the consolidated companies' profit. The difference is as follows:

	Consolidated figures		Company figures	
		0		
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Earnings before taxes	13,094,750	17,621,878	7,153,730	11,210,028
Tax calculated based on applicable local tax rates for parent earnings (2008: 25% & 2007: 25%)	3,273,687	4,405,470	1,788,432	2,802,507
Difference between current and deferred tax rates	99,655	0	97,040	0
Income not subject to tax	-9,548	-735,140	-1,309,884	-583,065
Expenses not deductible for tax purposes	672,881	1,455,811	594,403	1,050,357
Utilisation of previously unrecognised tax losses	-	-36,677	-	-
Tax rate differences between consolidated companies	-141,944	-300,161	-	-
Other taxes	58,103	13,613	-	0
Previous period tax audit adjustments	63,755	1,676,061	18,532	1,277,363
Deferred tax receivables from previous period tax losses initially unrecognised	-	-345,000	-	-
Period tax losses for which no deferred tax receivables have been accounted for	11,797	25,533	-	-
Income tax	**4,028,387**	**6,159,510**	**1,188,523**	**4,547,162**

27 Cash flows from operating activities

	Note	Consolidated figures		Company figures	
		31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Net profit for the period		9,066,361	11,462,368	5,965,206	6,662,866
Adjustments for:					
Income tax	26	4,028,389	6,159,510	1,188,524	4,547,162
PPE depreciation	5	4,276,378	4,351,102	1,423,479	1,399,136
Depreciation of intangible assets	6	46,966	14,377	32,145	-
Depreciation of investment property	12		-		-
Impairment		-	5,300	-	183,835
(Profits)/ losses from sale of PPE	analysis follows	-	-45,679	-	-41,679
(Profits)/ losses from sale of intangible assets		514	-		-
Amortisation of grants	20	-816,141	-757,829	-206,868	-120,827
Interest income	24	-812,288	-530,752	-460,297	-317,738
Provisions	12&21	-353,379	930,350	-	432,000
Interest expenses	24	1,478,319	1,521,534	-	30,367
Income from dividends			-	-3,604,600	-

(all amounts expressed in €, unless otherwise stated)

(Profits)/ losses from associates	8	22,902	145,424	-	-
Currency translation profits/ (losses)		-	144,974	-	-5,411
Equity-settled employee benefits	14	1,840,466	-	1,840,466	-
		18,778,486	**23,400,679**	**6,178,055**	**12,769,711**
Changes in working capital					
(Increase)/decrease in inventory		3,930,954	-4,216,893	16,019	-232,976
(Increase)/decrease in receivables (not current & current)		-7,500,049	-17,989,512	1,568,104	-14,111,330
Increase/(decrease) in payables (not current & current)		4,227,241	13,208,217	4,014,237	10,014,528
Increase/(decrease) in provisions(not current & current)		-8,017	48,367	-8,705	30,719
		650,129	**-8,949,820**	**5,589,655**	**-4,299,060**
Net cash flows from operating activities		**19,428,615**	**14,450,859**	**11,767,711**	**8,470,652**

In the cash flow statement, profit from the disposal of tangible fixed assets includes:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Net book value	2,669	43,438	-	40,229
Profits/(losses) from the sale of PPE	-	45,679	-	41,679
Income from the sale of PPE	**2,669**	**89,117**	**-**	**81,908**

28 Existing obligations

Capital obligations

There are no significant capital expenses undertaken but not performed as at the balance sheet date.

Operating lease obligations

The Group leases property through operating leases. Such leases have varying terms regarding rent adjustment, renewal rights and other clauses, while they have duration of 3 or more years' terms.

Future payable total rents according to operating leases are:

Commitments from operating leases

Consolidated figures

(all amounts expressed in €, unless otherwise stated)

	31-Dec-08	31-Dec-07
Up to 1 year	810,288	401,216
Between 1 and 5 years	1,947,897	1,746,741
More than 5 years	1,900,005	1,248,000
	4,658,190	**3,395,957**

29 Contingent liabilities

(a) The Group's contingent liabilities relates to bank and other guarantees and other matters arising in the ordinary course of business. Contingent liabilities are not expected to lead to significant charges. Both the Group and the Company have provided guarantees to third-parties in the context of their usual activities, totalling €12,087 thousand (2007: € 44,036) and € 27,428 thousand (2006: € 43,410 thousand) as collateral for obligations and good execution, respectively.

(b) Court and other disputes that the company has with third parties that were pending at the Balance Sheet date are:

	Consolidated figures		Company figures	
	31-Dec-08	31-Dec-07	31-Dec-08	31-Dec-07
Third party actions	1,486,218	1,190,549	956,881	981,549
Contractual obligations	511,192	867,509		-
	1,997,410	**2,058,058**	**956,881**	**981,549**

For the above liabilities, relevant provisions have been created (note 21) which are deemed adequate and no additional charges are expected to arise.

(c) The list of open tax years of the companies being consolidated are presented below: For the parent company, 2007 and 2008 are unaudited years. An adequate provision has been created against the year's results as well as those of previous years, and no other significant charges are expected to arise.

Subsidiaries

Name	Unaudited years
AEIFORIKI DODEKANISSOU S.A.	2007-2008
AEIFORIKI KOUNOU SA	2007-2008
APOTEFROTIRAS SA	2007-2008
BEAL SA	2007-2008
ENERMEL SA	2007-2008
EXANTAS SHIPPING SERVICES	2002-2008
HELECTOR CYPRUS (formerly ELEMAX LTD)	2004-2008

HELECTOR GERMANY GMBH	2007-2008
HERHOF GMBH	2008
HERHOF RECYCLING CENTER OSNABRUCK GM	2006-2008
HELECTOR SA	2007-2008
LOOCK BIOGASSYSTEME GMBH	2008
JV HELECTOR-ELLAKTOR-CYBARCO	2007-2008
IKW	2008

Associates

Name	**Unaudited years**
ADEYP SA	2007-2008
DOAL SA	2006-2008
TOMI EDL LTD	2007-2008
EPANA SA	2007-2008
AKTOR HELECTOR BILFINGER LTD	2005-2008

Joint Ventures

Name	**Unaudited years**
JV TOMI SA-HELECTOR SA (ANO LIOSIA LANDFILL SECTION II)	2005-2008
JV HELECTOR- TECHNIKI PROSTASIAS PERIVALONTOS	2006-2008
JV HELECTOR- MESOGIOS (TAGARADES LANDFILL)	2006-2008
JV MESOGIOS SA-HELECTOR SA- BILFINGER (KOZANI LANDFILL)	2004-2008
JV HELECTOR SA-BILFINGER BERGER (CYPRUS-PAPHOS LANDFILL)	2004-2008
JV DETEALA-HELECTOR-EDL LTD	2002-2008
JV HELECTOR SA- MESOGIOS SA (FYLI LANDFILL)	2006-2008
JV HELECTOR SA- MESOGIOS SA (MAVRORACHI LANDFILL)	2006-2008
JV HELECTOR SA- MESOGIOS SA (HERAKLION LANDFILL)	2006-2008
JV HELECTOR SA- MESOGIOS SA (LASITHI LANDFILL)	2006-2008
JV HELECTOR SA-BILFINGER BERGER (MARATHOUNTA LANDFILL & ACCESS WAY)	2005-2008
JV HELECTOR-PANTECHNIKI-ARSI	2007-2008
JV LAMDA TECHNIKI ITHAKI & HELECTOR	2007-2008
JV HELECTOR-ERGOSYN SA	2007-2008
JV BILFIGER BERGER - MESOGIOS- HELECTOR	2007-2008
JV TOMI SA –HELECTOR SA	2007-2008
JV TOMI SA- HELECTOR SA & CONSTANTINIDIS	2008

(all amounts expressed in €, unless otherwise stated)

30 Related parties transactions

The Group is controlled by ELLAKTOR SA (registered in Greece), holding 80% of the parent company's shares. Out of the remaining percentage, 15% of the shares is held by Mr. Athanasios Katris, Managing Director of the company, and 5% is held by Mr. Leonidas Bobolas, Chairman of the company.

The following are transactions with related parties:

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
a)Sales of goods and services	**5,775,835**	**14,466,985**	**9,915,544**	**19,765,899**
Sales to subsidiaries	-	-	1,758,960	4,407,600
Sales to associates	2,423,763	821,768	2,423,763	821,768
Sales to other related parties	22,761	20,203	22,761	20,203
Sales to JV	3,329,311	13,625,014	5,710,060	14,516,329
b)Purchases of goods and services	**2,011,573**	**3,228,581**	**1,393,175**	**3,346,746**
Purchases from subsidiaries	-	-	583,067	1,985,934
Purchases from associates	-	830,629	-	-
Purchases from other related parties	820,689	1,385,910	810,109	1,360,812
Purchases from JV	1,190,884	1,012,042	-	-
c)Fees to directors and managers	**3,720,422**	**3,271,643**	**2,996,043**	**2,697,705**
d)Equity-settled fees to directors	**1,840,466**	-	**1,840,466**	-
e)Income from dividends	-	-	**3,604,600**	-

	Consolidated figures		Company figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
f)Balance at year end (Receivables)	**12,062,832**	**14,088,775**	**16,097,157**	**18,178,685**
Receivables from subsidiaries	-	-	3,765,015	1,924,107
Receivables from associates	1,046,424	992,275	1,046,395	992,275
Receivables from other related parties	63,653	103,616	63,212	103,616
Receivables from JV	10,952,755	12,992,884	11,222,534	15,158,687
g)Balance at year end (Liabilities)	**4,734,241**	**5,952,327**	**1,354,588**	**3,669,320**
Liabilities to subsidiaries	-	-	5,154	782,127
Liabilities to associates	595	3,286,868	-	-
Liabilities to other related parties	1,074,955	830,602	766,219	524,571
Liabilities to JV	3,658,692	1,834,857	583,215	2,362,622
h)Receivables from directors and managers	**851,124**	**427,770**	**728,342**	**427,770**
i)Liabilities to directors and managers	**1,772,674**	**157,633**	**1,572,674**	**157,633**

(all amounts expressed in €, unless otherwise stated)

Services to and from related parties, as well as sales and purchases of goods, are performed in accordance with the price lists that apply for non related parties.

Amounts that are due to or collectable from related parties, are without guarantees, have no specific payment terms and are interest free.

j)Loans to related parties

	Consolidated figures		Corporate figures	
	31-Dec-08	**31-Dec-07**	**31-Dec-08**	**31-Dec-07**
Balance on 1 January	**304,476**	**490,100**	-	-
Financing during the year	77,350	29,250		-
Repayment during the year	-7,047	-214,874		-
Balance on 31 December	**374,779**	**304,476**	-	-

The collectability of the above collectable amounts is considered safe, and therefore no impairment provision has been made.

31 Post balance sheet events

In February 2009, the affiliate EPANA SA purchased a plot of 9.5 stremma, including an unfinished metal structure and other investment works performed on that plot (fencing, excavations, etc), and also obtained a licence to construct and operate a waste separation and recovery centre. This plot is located in the area “Prari”, Municipality of Koropi, Attica, where a new recyclable material separation centre will be constructed to serve the Eastern Attica region.

Athens, 27 March 2009

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

Vice-Chairman & Managing Director — Athanasios Katris (ID card no. X-168388)

Accounting Office Manager — Georgios I. Pliatsikas (ID Card No. Λ-721253)