# AKTOR FACILITY MANAGEMENT SA

Annual Financial Statements
in line with the International Financial Reporting Standards
for the year ended on 31 December 2009

AKTOR FACILITY MANAGEMENT SA
FACILITY MANAGEMENT SERVICES
25 Ermou str., 13th km Athens-Lamia NR, 145 64 Kifissia
Tax ID No.: 999631652 Tax Office FOR COMMERCIAL ENTERPRISES (FAEE)
SA Reg.No. 52560/01AT/B/02/281

## Contents of Annual Financial Statements

# Audit Report of Independent Certified Auditor-Accountant

**Report on the Financial Statements**

We have audited the accompanying financial statements of AKTOR FACILITY MANAGEMENT SA, which comprise the statement of financial position as of 31 December 2009, the income and comprehensive income statements, the statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting principles and methods and other explanatory notes.

**Management's Responsibility for the Financial Statements**

The management is responsible for the preparation and fair presentation of these financial statements, in accordance with the International Financial Reporting Standards, as adopted by the European Union, and for those safeguards the management thinks necessary to enable the preparation of financial statements free of material misstatements due to fraud or error.

**Auditor's Responsibility**

Our responsibility lies in the expression of opinion on these financial statements, on the basis of our audit. We conducted our audit in accordance with the International Auditing Standards. 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 any material misstatement. An audit involves performing procedures to obtain audit evidence with regard to the amounts and disclosures in the financial statements. The procedures selected are based on the auditor's judgment including the assessment of risks of material misstatements in the financial statements whether due to fraud or error. In making such risk assessments, the auditor considers the safeguards related to the preparation and fair presentation of the financial statements of the company, with the purpose of planning audit procedures appropriate to the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the company's safeguards. Such audit also includes an evaluation of the appropriateness of accounting principles and methods 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.

**Basis of Qualified Opinion**

Our audit demonstrated that no provisions have been formed for additional taxes and surcharges in relation to unaudited FY 2007-2009.

**Qualified opinion**

In our opinion, other than the implications of the issue set out in paragraph "Basis for Qualified Opinion", the attached financial statements fairly present, in all material aspects, the Company's financial position as of 31 December 2009, as well as its financial performance and cash flows for the year then ended, according to the International Financial Reporting Standards, as endorsed by the European Union.

**Reference to Other Legal and Regulatory Requirements**

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 43(a) and 37 of Codified Law 2190/1920.

Athens, 28 May 2010

THE CERTIFIED AUDITOR- ACCOUNTANT

ΣΟΛ
ΟΡΚΩΤΟΙ ΛΟΓΙΣΤΕΣ
Crowe Horwath

IOANNIS A. KROKOS
SOEL Reg.No. 13641
Associate Certified Accountants
Member of Crowe Horwath International
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# Statement of Financial Standing

| *Amounts in EUR* | Note | 31-Dec-09 | 31-Dec-08 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 4,389 | 53,941 |
| Intangible assets | 6 | 21,216 | - |
| Deferred tax receivables | 12 | 4,160 | 3,046 |
| Other non-current receivables | 8 | 1,220 | - |
| | | **30,984** | **56,987** |
| **Current assets** | | | |
| Inventory | 7 | 3,723 | - |
| Trade and other receivables | 8 | 706,074 | 281,206 |
| Cash and cash equivalents | 9 | 127,716 | 162,892 |
| | | **837,513** | **444,098** |
| **Total assets** | | **868,497** | **501,085** |
| **EQUITY** | | | |
| **Attributable to equity holders** | | | |
| Share capital | 10 | 300,000 | 300,000 |
| Profit/ (loss) carried forward | | (73,126) | (104,942) |
| | | **226,874** | **195,058** |
| **Total equity** | | **226,874** | **195,058** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Retirement benefit obligations | 13 | 17,719 | 12,185 |
| | | **17,719** | **12,185** |
| **Current liabilities** | | | |
| Trade and other payables | 11 | 623,904 | 293,842 |
| | | **623,904** | **293,842** |
| **Total liabilities** | | **641,623** | **306,027** |
| **Total Equity and Liabilities** | | **868,497** | **501,085** |

The notes on pages 10 to 27 form an integral part of these financial statements.

# Income statement

| *Amounts in EUR* | **Note** | **31-Dec-09** | **31-Dec-08** |
|---|---|---|---|
| **Sales** | | **1,880,535** | **470,469** |
| Cost of sales | 14 | (1,771,344) | (474,697) |
| **Gross profit** | | **109,191** | **(4,228)** |
| Administrative expenses | 14 | (109,383) | (80,501) |
| Other operating income/(expenses) (net) | 15 | (470) | (850) |
| Profit /(Loss) from Joint Ventures | | 31,502 | - |
| **Operating results** | | **30,840** | **(85,580)** |
| Financial income/ (expenses) - net | 16 | (138) | 1,542 |
| **Profit before taxes** | | **30,702** | **(84,038)** |
| Income tax | 18 | 1,114 | 766 |
| **Net profit for the period** | | **31,815** | **(83,272)** |
| **Attributable to:** | | | |
| Company Shareholders | | 31,815 | (83,272) |
| | | **31,815** | **(83,272)** |

The notes on pages 10 to 27 form an integral part of these financial statements.

# Statement of Comprehensive Income

| *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| **Net profit for the year** | **31,815** | **(83,272 )** |
| | | |
| **Other Comprehensive Income** | | |
| **Other comprehensive income for the period (net after taxes)** | **-** | **-** |
| **Comprehensive income for the year** | **31,815** | **(83,272 )** |

The notes on pages 10 to 27 form an integral part of these financial statements.

# Statement of Changes in Equity

| *Amounts in EUR* | Note | Share capital | Results carried forward | Total |
|---|---|---|---|---|
| **1-Jan-08** | | **60,000** | **(21,670)** | **38,330** |
| Net profit for the period | | - | (83,272) | (83,272) |
| **Other Comprehensive Income** | | | | |
| **Other comprehensive income for the year (net after taxes)** | | - | - | - |
| **Comprehensive income for the year** | | - | **(83,272)** | **(83,272)** |
| Issue of share capital / (reduction) | 10 | 240,000 | - | 240,000 |
| | | **240,000** | **-** | **240,000** |
| **31-Dec-08** | | **300,000** | **(104,942)** | **195,058** |
| | | | | |
| **1-Jan-09** | | **300,000** | **(104,942)** | **195,058** |
| Net profit for the period | | - | 31,815 | 31,815 |
| **Other Comprehensive Income** | | | | |
| **Other comprehensive income for the year (net after taxes)** | | **-** | **-** | **-** |
| **Comprehensive income for the year** | | **-** | **31,815** | **31,815** |
| **31-Dec-09** | 10 | **300,000** | **(73,127)** | **226,873** |

The notes on pages 10 to 27 form an integral part of these financial statements.

# Statement of Cash Flows

| *Amounts in EUR* | Note | 1.1 - 31.12.2009 | 1.1 - 31.12.2008 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash flows from operating activities | 19 | (50,404) | (49,432) |
| Income tax paid | | - | (2,280) |
| **Net cash flows from operating activities** | | **(50,404)** | **(51,712)** |
| **Cash flows from investing activities** | | | |
| Purchase of tangible assets | | (14,816) | (59,965) |
| Purchases of intangible assets | | (24,670) | (5,365) |
| Sales of tangible assets | | 54,331 | - |
| Interest received | | 383 | 1,604 |
| **Net cash flows from investing activities** | | **15,228** | **(63,726)** |
| **Cash flows from financing activities** | | | |
| Issue of common shares | | - | 240,000 |
| **Net Cash flows from financing activities** | | **-** | **240,000** |
| **Net (decrease)/ increase in cash and cash equivalents** | | **(35,176)** | **124,562** |
| Cash and cash equivalents at year start | | 162,892 | 38,330 |
| Cash and cash equivalents at year end | | **127,716** | **162,892** |

The notes on pages 10 to 27 form an integral part of these financial statements.

# Notes to the financial statements

## 1 General information

The Company mainly operates in construction, and particularly in facility management and maintenance.

The Company was incorporated and established in Greece with registered and central offices at 25 Ermou st., 13th km, Athens-Lamia National Road, 14564, Kifissia.

The Company is a subsidiary of TOMI SA, a wholly-owned subsidiary of AKTOR SA being the parent. AKTOR SA is a wholly-owned subsidiary of ELLAKTOR SA, and its financial figures are included in the consolidated financial statements of the companies.

These annual financial statements were approved by the Board of Directors on 23 March 2010 and are also available on the company's website: www.ellaktor.com

## 2 Summary of significant accounting policies

### 2.1 Basis of preparation

The basic 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.

The present financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as these have been adopted by the European Union, and the IFRS published by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements under IFRS requires the use of accounting estimates and assumptions by the Management in implementing the accounting policies adopted. The areas involving extensive judgment or complexity, or where assumptions and estimates have a significant impact on the financial statements are mentioned in Note 4.

### 2.2 New standards, amendments to standards and interpretations

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:

Standards mandatorily effective for the fiscal year ending on 31 December 2009

**IAS 1 (Revised) "Presentation of Financial Statements"**

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has opted to present two statements.

**IFRS 7 (Amendment) "Financial instruments: Disclosures"**

This amendment requires additional disclosures about the measurement of fair value and liquidity risk. Specifically, the amendment requires disclosures regarding the fair value measurement through a hierarchy of three levels. The interpretation has no effect on the Company's financial statements.

**IFRS 2 (Amendment) "Share-based Payment"**

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 amendment has no effect on the Company's financial statements.

**IAS 23 (Revised) "Borrowing Costs"**

This standard replaces the previous version of IAS 23. The main difference with the previous edition is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets, which need a substantial period of time to get ready for use or sale. The amendment has no effect on the Company's financial statements.

**IAS 32 (Amendment) "Financial instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements"**

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 amendments have no effect on the Company's financial statements.

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

The amendment clarifies that entities no longer have to use hedge accounting for transactions between sectors in their individual financial statements. The amendment has no effect on the Company's financial statements.

<u>Interpretations mandatorily effective for the fiscal year ending on 31 December 2009</u>

**IFRIC 13 "Customer Loyalty Programmes"**

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 to the Company's operations.

**IFRIC 15 "Agreements for the construction of real estate"**

This interpretation addresses the diversity in accounting for real estate sales. Some financial entities recognise the revenue subject to IAS 18 (i.e. when the risks and rewards incident to 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 interpretation has no effect on the Company's financial statements.

**IFRIC 16 "Hedges of a net investment in a foreign operation"**

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. This interpretation is not relevant to the Company's operations.

**IFRIC 18** "**Transfers of assets from customers**" (applies to transfers received on or after 1st July 2009).

The interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, that the entity must then use either to provide the customer with ongoing access to a supply of goods or services. In some cases, the entity receives cash from a customer that must be used only to acquire or construct the item of property. This interpretation is not relevant to the Company's operations.

<u>Standards mandatorily effective following the fiscal year ending on 31 December 2009</u>

**IFRS 9 "Financial Instruments"** <u>(effective for annual periods beginning on or after 1 January 2013)</u>

IFRS 9 is the first step in the project undertaken by IASB (International Accounting Standard Board) to replace IAS 39. IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, revoking recognition of financial instruments, impairment, and hedge accounting. Under IFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. Subsequent measurement of financial assets is done either at amortized cost or at fair value depending on the model used by the financial entity for the management of the financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. Under the principles set forth in IFRS 9, all equity investments must be measured at fair value. However, the management may elect to present the realized and unrealized fair value gains and losses from equity investments that are not held for trading in other comprehensive income. Such presentation is done at initial recognition for each separate financial instrument and is irrevocable. Fair value gains and losses are not subsequently transferred to profit and loss, whereas dividend income is still recognized in profit and loss. IFRS 9 dispenses with the exception of measurement at cost for unquoted equity investments and derivatives linked to unquoted equity investments, and guidance is provided to determine when the cost can be representative of fair value. The foregoing amendments are not relevant to the Company.

***IFRS 1 (Amended)*** "***First-time adoption of international financial reporting standards***" <u>(effective for annual accounting periods beginning on or after 1 January 2010)</u>

This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. The amendment will not have an effect on the financial statements, as the Company has already adopted the IFRS. This amendment has not yet been endorsed by the European Union.

• *IAS 24 (Amended)* "*Related Party Disclosures*" *(effective for annual accounting periods beginning on or after 1 January 2011)*

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments in the separate financial statements. The Company will apply these changes from their effective date. This amendment has not yet been endorsed by the European Union.

**IAS 39 (Amendment) "Financial instruments:** Recognition and Measurement" (effective for annual accounting periods beginning on or after 1 July 2009).

This amendment clarifies the way in which the principles that determine whether a hedged risk or portion of cash flows falls within the scope of hedge accounting should be applied in specific cases. This amendment does not affect the Company's financial statements.

<u>Interpretations mandatorily effective after the fiscal year ending on 31 December 2009</u>

**IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (<u>effective for annual accounting periods beginning on or after 1 July 2010</u>)**

Interpretation 19 addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This amendment has not yet been endorsed by the European Union.

**IFRIC 14 (Amended)** "**The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction**" <u>(effective for annual accounting periods beginning on or after 1 January 2011)</u>

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Company's operations. This amendment has not yet been endorsed by the European Union.

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

The following amendments describe the most important changes brought to the IFRS as a result of the IASB annual improvement project published in July 2009. These amendments have not been adopted yet by the European Union. Unless otherwise stipulated, the following amendments will apply to annual accounting periods starting on or after 1 January 2010. In addition, unless otherwise stipulated, these amendments are not expected to have a significant impact on the Company's financial statements.

**IFRS 2** "**Share Based Payment**" (effective for annual accounting periods beginning on or after 1 July 2009)

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

**IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"**

The amendment clarifies the disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

**IAS 1 "Presentation of Financial Statements"**

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

**• *IAS 7 "Cash Flow Statements"***

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

**• *IAS 17 "Leases"***

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

**• *IAS 18 "Revenue"***

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

## 2.3 Foreign exchange conversions

*(a) Functional and presentation currency.*

The items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates ("functional currency"), being the reporting currency. The annual financial statements are reported in Euros, which is the functional currency and the reporting currency of the Company.

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates 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.

## 2.4 Leases

*Company as lessee*

Leases under which the risks and rewards incident to ownership remain with the lessor 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.

## 2.5 Property, Plant and Equipment

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 costs are posted to increase the tangible assets' carrying amount or recognised as a separate asset, only when it is probable that future economic benefits will flow to the Company and their cost can be measured reliably. The repair and maintenance cost is recorded in the results when such is realized.

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

| | | |
|---|---|---|
| - Mechanical equipment | 5 - 7 | years |
| - Other equipment | 5 - 7 | years |

The residual values and useful economic life of PPE are subject to reassessment at least at each balance sheet date.

When the book values of PPE exceed their recoverable value, the difference (impairment) is posted in profit and loss as expense (note 2.7).

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

Financial assets concerning the construction of assets are being capitalized for the period needed until the completion of the construction. All other financial expenses are recognized in the income statement.

## 2.6 Intangible assets

*Software*

Software licenses are valued at acquisition cost less depreciation. Depreciation is accounted for with the straight line method during the useful lives which vary from 1 to 3 years.

## 2.7 Impairment of assets

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

## 2.8 Inventory

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.

Investments in properties to which a construction initiates aiming at a future sale are re-classified as inventories at book value at the balance sheet date. From now on they will be calculated at the lowest value between the cost and net realisable value. Financial expenses are not included in the acquisition cost of inventories. The net realizable value is estimated based on the stock's current sales price, within the framework of ordinary business activities, less any possible selling expenses, wherever such a case concurs.

### 2.9 Trade and other receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, except if the discount outcome is not important, less provision for impairment. Impairment losses for trade receivables arise when objective indications are in place that the Company is not in the position to collect all receivables under contractual terms.

Serious problems that the customer encounters, the possibility of bankruptcy or financial reorganization and the inability of scheduled payments considered to be evidence that the receivable value must be impaired. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized as an expense in the income statement.

### 2.10 Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, and short-term investments of up to 3 months, with high liquidity and low risk.

### 2.11 Share capital

The share capital includes the Company's ordinary shares.

### 2.12 Deferred Income Tax

Deferred income tax is determined using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting or the taxable profit or loss. Deferred tax is valued taking into consideration the tax rates that have been put into effect or are essentially in effect at the balance sheet date.

Deferred tax receivables are recognised to the extent that there will be future taxable gains to use the temporary difference that gives rise to the deferred tax receivables.

### 2.13 Employee benefits

*(a) Post-employment benefits*

The employee benefits after their retirement include defined contribution programs and defined benefit programs. The accrued cost of defined contribution programs is recognized as expense during the relevant period.

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

Actuarial gains and losses arising from adjustments based on historical data which are less or more than 10% of the accumulated liability are posted to the income statement over the average remaining service lives of the employees participating in the plan. The cost for the service time is directly recognized in the results except for the case where the scheme's changes depend on the employees' remaining service with the company. In such a case the service cost is booked in the results using the straight line method within the maturity period.

*(b) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted.

In case of employment termination where the number of employees to use such benefits cannot be determined, the benefits are disclosed as contingent liability, but are not accounted for.

### 2.14 Provisions

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

### 2.15 Recognition of revenues

The main source of income is the provision of services for facility management and maintenance.

### 2.16 Rounding

The amounts contained in these financial statements have been rounded in Euros. Possible differences that may occur are due to rounding.

## 3 Financial risk management

### 3.1 Financial risk factors

The Company is exposed to various financial risks, such as market risks, credit risk and liquidity risk. Financial risks are associated with the following financial instruments: accounts receivable, cash and cash equivalents, accounts payable and other liabilities. The accounting principles referred to the above financial instruments are presented in Note 2.

Risk management is monitored by the Treasury department, and in particular the Central Division of Financial Management, and is determined by rules approved by the Board of Directors. The Finance Division determines and estimates the financial risks in collaboration with the services managing those risks. The Board of Directors provides guidelines and instructions on general risk management and special instructions on managing specific risks such as credit risk.

*(a) Credit Risk*

The Company has no material concentrations of credit risk. It has developed policies in order to ensure that transactions are conducted with customers of sufficient credit rating.

Cash and cash equivalents also involve potential credit risk. In order to minimize this credit risk, the Company sets limits to the degree of exposure for each financial institution, within the scope of the policies of the Board f Directors. Also, with respect to deposit products, the Company only performs transactions with accredited financial institutions with high credit ratings.

*(b) Liquidity Risk*

To manage liquidity risk, the Company makes estimates of and monitors its cash flows and takes appropriate action to ensure availability of liquid assets and unused credit limits with banks. The Company possesses significant non utilized credit lines in order to fulfil its needs for cash in hand that may arise.

### 3.2 Cash management

Capital management aims to ensure the Company's going concern, and achieve its development plans, combined with its creditworthiness. For the evaluation of Company's credit rating, net debt must be evaluated (i.e. total long term and short term liabilities to financial institutions minus cash and cash equivalents). The Company has not received any borrowings.

## 4 Critical accounting estimates and judgments of the management

Estimates and judgments are continuously evaluated and are based on historic data and expectations for future events, as considered reasonable under the circumstances.

### 4.1 Significant accounting estimates and assumptions

The annual financial statements and the accompanying notes and reports might contain certain assumptions and calculations pertaining to future events in relation to the Company's operations, growth and financial performance. Although such assumptions and calculations are based on the best knowledge of the Company's Management with regard to current conditions and actions, the actual results may be different from such calculations and assumptions taken into account in the preparation of the Company's annual financial statements.

Income tax involves the risk of potentially causing material adjustments to the book values of assets and liabilities. Estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

# 5 Property, plant and equipment

| *Amounts in EUR* | Mechanical equipment | Furniture & other equipment | PPE under construction | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **1-Jan-08** | **-** | **-** | **-** | **-** |
| Additions except for leasing | 1,027 | 4,998 | 53,941 | 59,965 |
| **31-Dec-08** | **1,027** | **4,998** | **53,941** | **59,965** |
| | | | | |
| **1-Jan-09** | **1,027** | **4,998** | **53,941** | **59,965** |
| Additions except for leasing | - | 14,816 | - | 14,816 |
| Disposals | - | (390) | (53,941) | (54,331) |
| **31-Dec-09** | **1,027** | **19,424** | **-** | **20,450** |
| | | | | |
| **Accumulated depreciation** | | | | |
| **1-Jan-08** | **-** | **-** | **-** | **-** |
| Depreciation for the year | (1,027) | (4,998) | - | (6,025) |
| **31-Dec-08** | **(1,027)** | **(4,998)** | **-** | **(6,025)** |
| | | | | |
| **1-Jan-09** | **(1,027)** | **(4,998)** | **-** | **(6,025)** |
| Depreciation for the year | - | (10,038) | - | (10,038) |
| **31-Dec-09** | **(1,027)** | **(15,036)** | **-** | **(16,062)** |
| | | | | |
| **Net book value as of 31 December 2008** | **-** | **-** | **53,941** | **53,941** |
| **Net book value as of 31 December 2009** | **-** | **4,388** | **-** | **4,388** |

# 6 Intangible assets

| *Amounts in EUR* | **Software** | **Total** |
|---|---|---|
| **Cost** | | |
| **1-Jan-08** | **-** | **-** |
| Additions | 5,365 | 5,365 |
| **31-Dec-08** | **5,365** | **5,365** |
| | | |
| **1-Jan-09** | **5,365** | **5,365** |
| Additions | 24,670 | 24,670 |
| **31-Dec-09** | **30,035** | **30,035** |
| | | |
| **Accumulated depreciation** | | |
| **1-Jan-08** | **-** | **-** |
| Depreciation for the year | (5,365) | (5,365) |
| **31-Dec-08** | **(5,365)** | **(5,365)** |
| | | |
| **1-Jan-09** | **(5,365)** | **(5,365)** |
| Depreciation for the year | (3,454) | (3,454) |
| **31-Dec-09** | **(8,819)** | **(8,819)** |
| | | |
| **Net book value as of 31 December 2008** | **-** | **-** |
| **Net book value as of 31 December 2009** | **21,216** | **21,216** |

# 7 Inventory

| *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| Raw materials | 3,723 | - |
| **Total** | **3,723** | - |

## 8 Receivables

There is no credit risk concentration in relation to trade receivables since the Company has a large client base from several business segments.

| *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| Trade receivables (except for retentions receivable) | 144,821 | 132,622 |
| Retentions receivable (e.g. good performance) | 4,494 | 10,172 |
| **Trade receivables - Total** | **149,315** | **142,794** |
| Trade receivables – Related parties | 314,137 | 123,454 |
| **Trade Receivables - Net** | **463,452** | **266,248** |
| Receivables from JVs | 215,469 | - |
| Other receivables | 28,373 | 14,958 |
| **Total** | **707,294** | **281,206** |
| Non-current assets | 1,220 | - |
| Current assets | 706,074 | 281,206 |
| | **707,294** | **281,206** |

The “Other receivables” account for 2009, of €28,373 includes the amounts of €18,800 from “Prepaid and withheld taxes and VAT debit”, €4,141 from “Deferred expenses”, €4,212 from “Advances to suppliers/ creditors”, and €1,220 from “Other debtors”.

The ageing analysis for trade balances as of 31 December 2009 is as follows:

| | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| Not overdue and not impaired | 171,286 | 266,248 |
| Overdue: | | |
| 3 -6 months | 157,872 | - |
| 6 months to 1 year | 134,294 | - |
| | **463,452** | **266,248** |

All receivables are expressed in Euros.

## 9 Cash and cash equivalents

| *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| Cash in hand | 29 | 711 |
| Sight deposits | 127,687 | 162,181 |

| | | |
|---|---|---|
| **Total** | **127,716** | **162,892** |

All cash and cash equivalents are expressed in Euros.

## 10 Share capital

All amounts in EUR, except for the number of shares.

| *Amounts in EUR* | **Number of Shares** | **Share capital** | **Total** |
|---|---|---|---|
| **1-Jan-08** | **20,000** | **60,000** | **60,000** |
| Issue of new shares / (reduction) | 80,000 | 240,000 | 240,000 |
| **31-Dec-08** | **100,000** | **300,000** | **300,000** |
| | | | |
| **1-Jan-09** | **100,000** | **300,000** | **300,000** |
| Issue of new shares / (reduction) | - | - | - |
| **31-Dec-09** | **100,000** | **300,000** | **300,000** |

The Company's share capital amounts to EUR 300,000, divided into 100,000 ordinary shares at the face value of €3 each.

## 11 Trade and other payables

The Company's liabilities from trade activities are free of interest.

| *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|
| Trade payables | 283,826 | 251,822 |
| Social security and other taxes | 106,379 | 36,373 |
| Other liabilities | 167,562 | 78 |
| Total liabilities – Related parties | 66,137 | 5,569 |
| **Total** | **623,904** | **293,842** |
| | | |
| Non current | - | - |
| Short-term | 623,904 | 293,842 |
| **Total** | **623,904** | **293,842** |

The "Other payables" account for 2009, of €167,562 includes the amounts of €9,647 from "Fees and services payable", €156,199 from "Subcontractors", and €1,716 from "Other creditors".

All liabilities are expressed in Euros.

## 12 Deferred taxation

Deferred tax receivables and liabilities are compensated when there is an applicable legal right to compensate the current tax receivables against the current tax liabilities and when the deferred income taxes involve the same tax authority. Offset amounts are as follows:

*Amounts in EUR*

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| **Deferred tax receivables:** | | |
| Recoverable after 12 months | 4,160 | 3,046 |
| | 4,160 | 3,046 |
| | | |
| | **(4,160)** | **(3,046)** |

Total change in deferred income tax is presented below:

*Amounts in EUR*

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| **Opening balance** | **(3,046)** | **-** |
| Income statement debit/ (credit) | (1,114) | (3,046) |
| **Closing balance** | **(4,160)** | **(3,046)** |

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:

### Deferred tax receivables:

*Amounts in EUR*

| | Accelerated tax depreciation | Other | Total |
|---|---|---|---|
| **1-Jan-08** | **-** | **-** | **-** |
| Income statement debit/(credit) | - | 3,046 | 3,046 |
| **31-Dec-08** | **-** | **3,046** | **3,046** |
| **1-Jan-09** | **-** | **3,046** | **3,046** |
| Income statement debit/(credit) | 616 | 498 | 1,114 |
| **31-Dec-09** | **616** | **3,544** | **4,160** |

## 13 Retirement benefit obligations

All amounts in EUR

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

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| **Balance sheet liabilities for:** | | |
| Retirement benefits | 17,719 | 12,185 |
| **Total** | **17,719** | **12,185** |

The amounts recognised in the Income Statement are the following:

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| **Income statement charge for:** | | |
| Retirement benefits | 5,534 | 12,185 |
| **Total** | **5,534** | **12,185** |

The amounts posted in the Balance Sheet are:

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Present value of non-financed liabilities | 15,795 | 12,185 |
| Actuarial profit/(loss) not posted | 1,923 | - |
| **Liability in the Balance Sheet** | **17,719** | **12,185** |

The amounts posted in the Income Statement are as follows:

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Current employment cost | 5,528 | 12,185 |
| Financial cost | 670 | - |
| Past service cost | (664) | - |
| **Total included in staff costs** | **5,534** | **12,185** |

Change to liabilities as presented in the Balance Sheet is as follows:

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Opening balance | 12,185 | - |
| Total expense charged in the income statement | 5,534 | 12,185 |
| **Closing balance** | **17,719** | **12,185** |

The main actuarial assumptions used for accounting purposes are:

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Discount rate | 6.10% | 5.50% |
| Future wage increases | 4.00% | 4.00% |

## 14 Expenses per category

| Amounts in EUR | 31-Dec-09 | | | 31-Dec-08 | | |
|---|---|---|---|---|---|---|
| | **Cost of sales** | **Administrative expenses** | **Total** | **Cost of sales** | **Administrative expenses** | **Total** |
| Employee benefits | 398,994 | 8,801 | **407,795** | 86,198 | 14,413 | **100,611** |
| Inventories used | 96,172 | 632 | **96,804** | 36,136 | 150 | **36,286** |
| Depreciation of PPE | - | 10,038 | **10,038** | 1,027 | 4,998 | **6,024** |

| | | | | | | |
|---|---|---|---|---|---|---|
| Amortisation of intangible assets | - | 3,454 | **3,454** | - | 5,365 | **5,365** |
| Repair and maintenance expenses of PPE | 1,475 | 1,281 | **2,756** | 1,793 | - | **1,793** |
| Operating lease rents | 25,095 | 13,923 | **39,018** | 600 | 8,109 | **8,709** |
| Third party fees | 816,957 | 33,119 | **850,076** | 236,370 | 28,106 | **264,476** |
| Other | 432,652 | 38,136 | **470,787** | 112,573 | 19,361 | **131,934** |
| **Total** | **1,771,344** | **109,383** | **1,880,727** | **474,697** | **80,501** | **555,198** |

## 15 Other operating income/ expenses

Amounts in EUR

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Other profit/ (losses) | (470) | (850) |
| **Total** | **(470)** | **(850)** |

## 16 Financial income (expenses) - net

*Amounts in EUR*

| | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Interest income | 383 | 1,604 |
| Net interest (expenses)/ income | **383** | **1,604** |
| Other financial expenses | | |
| Commissions paid for letters of guarantee | (210) | - |
| Miscellaneous bank expenses | (311) | (62) |
| | **(521)** | **(62)** |
| **Financial income/ (expenses) - net** | **(138)** | **1,542** |

## 17 Employee benefits

| *Amounts in EUR* | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Wages and salaries | 308,372 | 71,735 |
| Social security expenses | 83,995 | 16,692 |
| Pension costs - defined benefit plans | 5,534 | 12,185 |
| **Other employee benefits** | **9,893** | - |
| **Total** | **407,795** | **100,611** |

## 18 Income tax

| Amounts in EUR | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| Tax for the year | - | 2,280 |
| Deferred tax | (1,114) | (3,046) |
| **Total** | **(1,114)** | **(766)** |

Tax on earnings before tax of the company is different from the theoretical amount that would arise if we used the company's tax rate, as follows:

| Amounts in EUR | 31-Dec-09 | 31-Dec-08 |
|---|---|---|
| **Accounting profit / (losses) before tax** | 30,702 | (84,038) |
| Tax calculated on profits under current tax rates applied in the respective countries | 7,675 | (21,010) |
| **Adjustments** | | |
| Differences from tax audit | - | 2,280 |
| Use of tax losses from prior fiscal years | (2,109) | - |
| Difference between current tax rate and deferred tax rate | (6,680) | - |
| Tax losses for the year | - | 17,963 |
| **Taxes** | **(1,114)** | **(766)** |

## 19 Cash flows from operating activities

| *Amounts in EUR* | Note | 31-Dec-09 | 31-Dec-08 |
|---|---|---|---|
| Net earnings/ (losses) for the period | | 31,815 | (83,272) |
| Adjustments for: | | | |
| Income tax | 18 | (1,114) | (766) |
| Depreciation of PPE | 5 | 10,038 | 6,024 |
| Depreciation of intangible assets | 6 | 3,454 | 5,365 |
| Interest income | | (383) | (1,604) |
| | | **43,810** | **(74,252)** |
| **Changes in working capital** | | | |
| (Increase)/decrease in inventory | | (3,723) | - |
| Increase of receivables (non-current & current) | | (426,088) | (281,206) |
| Increase of liabilities (non-current & current) | | 330,062 | 293,842 |
| Increase of obligation to provide retirement benefits | | 5,534 | 12,185 |
| | | **(94,214)** | **24,821** |
| **Net cash flows from operating activities** | | **(50,404)** | **(49,432)** |

## 20 Contingent receivables and liabilities

The company's unaudited years are 2007-2009.

The Company's tax liabilities for these periods have not been finalised; therefore it is possible that additional charges are imposed when the relevant audits are performed by the tax authorities.

## 21 Transactions with related parties

The aggregate amounts of sales and purchases from year start, as well as the closing balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

| | *Amounts in EUR* | **31-Dec-09** | **31-Dec-08** |
|---|---|---|---|
| **(a)** | **Sales of goods and services** | **1,235,281** | **303,718** |
| | Sales to subsidiaries | 358,443 | - |
| | Sales to related parties | 876,838 | 303,718 |
| **b)** | **Purchases of goods and services** | **36,923** | **5,017** |
| | Purchases from related parties | 36,923 | 5,017 |

| | | **31-Dec-09** | **31-Dec-08** |
|---|---|---|---|
| **(a)** | **Receivables** | **314,137** | **123,454** |
| | Receivables from related parties | 314,137 | 123,454 |
| **b)** | **Liabilities** | **66,137** | **5,569** |
| | Payables to related parties | 66,137 | 5,569 |

## 22 Other notes

1. No liens exist on fixed assets.
2. As of 31.12.2009 the Company employed 23 personnel, while as of 31.12.2008 it employed 7 personnel.

Kifissia, 23 March 2010

| THE CHAIRMAN OF THE BOARD OF DIRECTORS | THE CEO | THE ACCOUNTING MANAGER |
|---|---|---|

| | | |
|---|---|---|
| LEONIDAS G. BOBOLAS | LOUKAS I. GIANNAKOULIS | ANDREAS TSOUKALAS |
| ID Card No. Σ 237945 | ID Card No. Σ 095375 | Licence No. 0017214 A CLASS |