

BIOSAR ENERGY SA

Annual Financial Statements
prepared according to the International Financial Reporting Standards
for the period ended on 31 December 2009

BIOSAR ENERGY SA
7 KAVALIERATOU STR. - 145 64 KIFISSIA
Tax ID No.: 099360356 Tax Office: ATHENS FABE
SA Reg. No. 44533/01AT/B/99/42/4481

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INDEPENDENT CERTIFIED AUDITOR-ACCOUNTANT'S REPORT

To the Shareholders of BIOSAR ENERGY SA

Report on the Financial Statements

We have audited the accompanying financial statements of BIOSAR ENERGY SA (the "Company"), which comprise the balance sheet as of 31 December 2009, and the statements of accounts and comprehensive income, the 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'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 either due to fraud or to 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 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 attached financial statements fairly present, in all material aspects, the financial standing of the Company BIOSAR ENERGY SA as of 31 December 2009, as well as of its financial performance and cash flow for the year then ended, according to the International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory 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, 27 May 2010

THE CERTIFIED AUDITOR- ACCOUNTANT

PriceWaterhouseCoopers

Marios Psaltis



S.O.E.L. R.N. 38081

268 Kifisias Ave.

15232 Halandri

S.O.E.L. R.N. 113

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Statement of Financial Standing

	Note	31-Dec-09	31-Dec-08
ASSETS			
Non-current assets			
Tangible Assets	5	200,496	109,632
Intangible assets	6	3,501	5,657
Investments in subsidiaries	7	120,000	-
Deferred tax receivables	15	4,776	-
Other long-term receivables		7,678	878
		336,452	116,167
Current assets			
Inventories	10	941,871	2,822,869
Trade and other receivables	8	6,087,240	3,219,460
Cash and cash equivalents	9	2,022,055	274,659
		9,051,167	6,316,988
Total Assets		9,387,618	6,433,155
EQUITY			
Equity attributable to shareholders			
Share capital	11	392,599	1,339,857
Other reserves	12	145,228	-
Profit/ (loss) carried forward		2,764,110	(949,524)
Total Equity		3,301,937	390,333
LIABILITIES			
Long term liabilities			
Provisions for staff compensation	16	23,881	-
Other long term provisions	17	100,000	-
		123,881	-
Short-term liabilities			
Trade and other payables	14	5,061,020	4,072,311
Current income tax liabilities		900,781	-
Short-term loans	13	-	1,970,511
		5,961,801	6,042,822
Total liabilities		6,085,682	6,042,822
Total equity and liabilities		9,387,618	6,433,155

The notes on pages 10 to 30 form an integral part of these financial statements.

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Income statement

		31-Dec-09	31-Dec-08
	Note		
Sales		30,348,815	11,978,319
Cost of goods sold	18	(24,914,485)	(11,567,377)
Gross profit		5,434,330	410,942
Selling expenses	18	(351,338)	-
Administrative expenses	18	(981,977)	(331,125)
Other operating income/(expenses) (net)	19	29,619	(5,589)
Operating results		4,130,634	74,228
Financial income (expenses) - net	20	(109,853)	(34,290)
Earnings before taxes		4,020,781	39,939
Income tax	22	(1,109,177)	-
Net profits for the period		2,911,604	39,939

The notes on pages 10 to 30 form an integral part of these financial statements.

Statement of comprehensive income

	31-Dec-09	31-Dec-08
Net profits for the period	2,911,604	39,939
Other comprehensive income for the period (net after taxes)	-	-
Total comprehensive income for the period	2,911,604	39,939

The notes on pages 10 to 30 form an integral part of these financial statements.

Statement of changes in equity

	Note	Share capital	Other reserves	Results carried forward	Total
1 January 2008		1,339,857	-	(989,462)	350,394
Net profits for the period		-	-	39,938	39,938
Other comprehensive income for the period (net after taxes)		-	-	-	-
Total comprehensive income for the period		-	-	39,938	39,938
31 December 2008		1,339,857	-	(949,524)	390,333
1 January 2009		1,339,857	-	(949,524)	390,333
Net profits for the period		-	-	2,911,604	2,911,604
Other comprehensive income for the period (net after taxes)		-	-	-	-
Total comprehensive income for the period		-	-	2,911,604	2,911,604
Issue of share capital / (reduction)		(947,258)	-	947,258	-
Transfer to reserves		-	145,228	(145,228)	-
31 December 2009		392,599	145,228	2,764,110	3,301,936

The notes on pages 1 to 31 form an integral part of these financial statements.

Cash flow statement

	Note	01.01.2009- 31.12.2009	01.01.2008- 31.12.2008
Operating activities			
Earnings before taxes		4,020,781	39,938
Depreciation	5,6,18	61,997	27,279
Provisions		23,881	-
Results (income, expenses, earnings and losses) from investing activities		(14,844)	(7,658)
Debit interest and related expenses	20	67,168	13,204
Plus/ less adjustments for changes of working capital accounts or related to operating activities:			
Increase/ (decrease) of inventories		1,880,998	(2,783,907)
Receivables Reduction / (Increase)		(2,985,473)	(3,003,260)
Liabilities (Reduction)/Increase (Except Bank Liabilities)		1,001,220	4,016,879
Less:			
Debit interest paid		(79,679)	(13,204)
Taxes paid		(2,280)	-
<i>Total inflows/ (outflows) from operating activities (a)</i>		<u>3,973,769</u>	<u>(1,710,729)</u>
Investment activities			
Acquisition/ sale of other subsidiaries, affiliates, joint ventures and other investments		(120,000)	-
Acquisition of tangible and intangible assets		(150,706)	(123,469)
Income from sales of tangible and intangible assets		-	360
Interest received		14,844	7,658
<i>Total inflows/ (outflows) from investments (b)</i>		<u>(255,862)</u>	<u>(115,452)</u>
Financing activities			
Amounts collected from loans issued / taken out		680,000	1,970,511
Loan repayments		(2,650,511)	-
<i>Total inflows/(outflows) from financing activities (c)</i>		<u>(1,970,511)</u>	<u>1,970,511</u>
Net increase/ (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		<u>1,747,396</u>	<u>144,331</u>
Cash and cash equivalents at year start		274,659	130,328
Cash and cash equivalents at year end		<u>2,022,055</u>	<u>274,659</u>

The notes on pages 11 to 31 form an integral part of these financial statements.

Notes to the financial statements

1 General information

Biosar Energy SA (the “Company”) mainly operates in the energy sector, and more specifically it designs, constructs and operates RES generated power plants (wind, photovoltaic farms, hydroelectric plants and hybrid systems), and at the same time it provides photovoltaic farm design, construction and management services to third parties, and supplies guaranteed and high-performance photovoltaic farm equipment.

The Company was incorporated on 1 December 1999 and is established in Greece, with registered office and central offices at 7 Kavalieratou str., Kifissia.

The Company’s financial statements are included (following the full consolidation method) in the consolidated financial statements of ELLAKTOR SA, available at www.ellaktor.com. ELLAKTOR SA participates in the Company’s share capital with 94.76%.

The financial statements were approved by the Board of Directors on 24 March 2010 and are subject to the approval of the General Meeting.

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.

These 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).

These financial statements have been prepared under the historical cost convention.

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 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 elected to present two statements.

IFRS 8 "Operating Segments"

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

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. This amendment does not affect the Company's financial statements.

Interpretations effective for year ended 31 December 2009

IFRIC 13 "Customer Loyalty Programs"

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

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

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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.

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

IFRS 3 (Revised) ‘Business Combinations’ and IAS 27 (Amended) ‘Consolidated and Separate Financial Statements’ (applicable to the annual accounting periods starting 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 costs related to acquisition and to recognition of subsequent changes in the fair value of a 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. These changes have no effect on the Company's financial statements.

IFRS 9 “Financial Instruments” (effective for annual accounting periods beginning on or after 1 January 2013)

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 forbids reclassifications, except for rare cases where the financial entity's business model changes; in that particular event, the entity must reclassify the 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 Company is currently assessing the effect of IFRS 9 on its financial statements. IFRS 9 may not be adopted early by the Company as it has not been adopted by the European Union. Following adoption, the Company will decide whether it will apply IFRS 9 earlier than 1 January 2013.

IFRS 1 (Amended) “First-time adoption of international financial reporting standards” (effective for annual accounting periods beginning on or after 1 January 2010)

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

IFRS 2 (Amended) “Share Based Payment” (effective for annual accounting periods beginning on or after 1 January 2010)

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting methods governing for fees dependent on share values settled in cash appearing in the consolidated or individual financial statements of the financial entity receiving goods or services, where the financial entity has no obligation to settle the share-based payments. The amendment is not expected to have an effect on the Company's financial statements. The amendment has not yet been adopted by the European Union.

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

This amendment reduces the disclosure requirements for transactions between government-related entities and clarifies the definition of "related party." In particular, it abolishes the obligation of public sector related parties to disclose details of all transactions with the public sector and other public sector related parties, it clarifies and simplifies the definition of "related-party" and requires disclosure not only of the relationships, transactions and balances between related parties but also commitments in both individual and consolidated financial statements. The Company will apply these changes from their effective date. The amendment has not yet been adopted by the European Union.

IAS 32 (Amendment) "Financial instruments: Presentation" (effective for annual accounting periods beginning on or after 1 February 2010)

The amendment provides clarifications relating to rights issue. More specifically, interest, options or puts for the acquisition of a certain number of an entity's own equity instruments against a fixed amount denominated in any currency constitute equity instruments if such entity offers these to equity holders of the same class of own, non-derivative equity instruments. The amendment is not expected to have an effect on the Company's financial statements.

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.

Interpretations mandatorily effective after the fiscal year ending on 31 December 2009

IFRIC 17 "Distributions of non-cash assets to owners" (effective for annual accounting periods beginning on or after 1 July 2009)

This interpretation provides guidance on accounting treatment for the following types of non-reciprocal distributions of assets by a financial entity to its shareholders acting in their capacity as shareholders: a) distributions of non-cash assets, and b) distributions when the owners are given a choice of taking cash in lieu of the non-cash assets. The Company will apply this interpretation from its effective date.

IFRIC 19 "Extinguishing Financial Liabilities" (effective for annual accounting periods beginning on or after 1 July 2010)

Interpretation 19 refers to the accounting treatment to be used by a financial entity issuing equity instruments to a creditor in order to fully or partially settle a financial obligation. The amendment has not yet been adopted by the European Union.

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

The amendments apply to specific cases: where a financial entity is subject to minimum funding requirements (MRF) and makes an early payment of contributions to cover those requirements. The amendments enable such an entity to treat the benefit of this early payment as an asset. This interpretation is not relevant to the Company's operations. The amendment has not yet been adopted by the European Union.

Amendments to standards constituting a part of the annual improvement plan implemented by IASB (International Accounting Standard Board).

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 the contributions made by a business entity for the establishment of a joint venture and the transactions of joint control are not subject to the scope of IFRS 2.

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

The amendment clarifies the disclosures required for non-current assets held for sale or discontinued operations.

IFRS 8 "Operating Segments"

The amendment clarifies the disclosure of information relating to a segment's assets.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies that a possible settlement of a liability through the issue of equity instruments is irrelevant to its classification as current or non-current asset.

IAS 7 "Cash Flow Statements"

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

IAS 17 "Leases"

The amendment provides clarifications on the classification of a lease of land and buildings as financial or operating leases.

IAS 18 "Revenue"

The amendment provides additional guidance for determining whether the financial entity is acting as a principal or as an agent.

IAS 36 "Impairment of Assets"

The amendment clarifies that the largest possible cash-generating unit to which goodwill should be allocated for impairment testing purposes is an operating segment, as determined in paragraph 5 of IFRS 8 (i.e. before the aggregation of segments).

IAS 38 "Intangible Assets"

The amendments clarify (a) the requirements under IFRS 3 (revised) in relation to the accounting treatment of intangible assets acquired in a business combination, and (b) the description of valuation methods widely used by entities when measuring the fair value of intangible assets acquired in a business combination and are not traded on active markets.

IAS 39 "Financial instruments: Recognition and measurement"

The amendments pertain to (a) clarifications on how to deal with penalties/fines resulting from the repayment of loans as derivatives linked to the main contract, (b) the scope of exemption for business combination contracts, and (c) clarifications that the gains or losses from hedge accounting made for the cash flow from a forecasted transaction must be reclassified from equity to profit or loss in the period that the hedged forecast cash flow affects profit or loss.

IFRIC 9 “Reassessment of Embedded Derivatives” (effective for annual accounting periods beginning on or after 1 July 2009)

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination under common control.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” (effective for annual accounting periods beginning on or after 1 July 2009)

The amendment states that, in hedging of a net investment in a foreign operation, appropriate hedging instrument(s) may be held by any financial entity or entities within the group, including the foreign operation itself, if certain conditions are met.

2.3 Foreign exchange conversions

(a) Functional and presentation currency

The items in the Company’s financial statements are measured in the currency of the primary economic environment in which the Company operates (functional currency). The 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, if any, are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period exchange rates of monetary assets and liabilities denominated in foreign currencies, if any, are recognized in the income statement. 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 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 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 tangible assets, if any, is calculated using the straight line method over their useful life.

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

When the book values of tangible assets exceed their recoverable value, the difference (impairment) is posted in the income statement as expense (note 2.5).

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 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.

2.5 Impairment of non-financial assets

Assets that are depreciated are subject to impairment audit when indications exist that their book value is not 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 reported as expenses in profit and loss when incurred.

2.6 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.

2.7 Trade 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. The amount of provision is the difference between the carrying value and the market value of estimated future cash flows, discounted at the effective rate, and posted as expense in the income statement.

2.8 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.

2.9 Share capital

The share capital includes the common shares of the Company. Share capital increase expenses are recorded, net of taxes and reducing the equity, as a decrease to the issue proceeds.

2.10 Borrowings

Loans are initially reported at fair value reduced by any direct costs incurred to perform the transaction. These are subsequently valued at the unamortised cost based on the effective rate method. Any difference between the amount collected (net of relevant expenses) and the repayment value is recognised in profit and loss during the term of borrowing based on the effective rate.

Loans are classified as short-term obligations unless the Company has the right to defer settlement of the obligation for at least 12 months after the balance sheet date.

2.11 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. No deferred income tax is accounted for if this arises from the initial recognition of an asset or liability in a transaction other than a conglomeration, which, at the time of transaction, did not affect the book or tax gains or losses. 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.

2.12 Trade payables

Trade payables are initially recognised at fair value and measured in line with amortised cost, using the effective rate method.

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

2.14 Provisions

Provisions for outstanding litigations, if any, are recognized when: there is a present, legal or presumed, commitment as a result of past events, when their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated.

2.15 Revenue recognition

The Company draws revenues from the sale of merchandise and the provision of services.

Merchandise sales are recognised when the company delivers and the customers accept the goods.

Revenues from the provision of services are accounted over the period when the services are provided, based on the completion stage of the provided service.

2.16 Roundings

The amounts contained in these financial statements have been rounded in euros.

2.17 Comparative information

Comparative amounts have been adjusted, where necessary, to be in line with the changes in the disclosures for the current year.

3 Financial risk management

3.1 Financial risk factors

The Company is exposed to various financial risks, such as market risks, credit risk, liquidity risk, currency risk and interest rate risk.

Risk management is monitored by the finance division of the parent Company ELLAKTOR SA, and more specifically, by the Central Financial Management Division, 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 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

i) Currency risk

The Company is not exposed to any foreign currency risks. Currency risks arise from transactions made in foreign currencies. The Company's assets and liabilities were initially recognised in Euros, being the functional currency. Currency risks might arise from future trade transactions.

ii) Cash flow risk and risk from changes in fair value due to changes in interest rates

The Company holds significant interest-bearing assets which include sight deposits and short-term deposits with banks.

(b) 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. In addition, a significant portion of revenues comes from transactions with related parties, in line with IAS 24.

(c) 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. Liquidity risk is kept low, ensuring adequate cash and credit limits.

The Company's liquidity is monitored by the Management at regular intervals.

3.2 Cash management

Capital management aims to ensure the Company's going concern and to achieve its development plans, combined with its creditworthiness.

To evaluate the Company's creditworthiness, the Company's Net Debt should be evaluated (i.e. total long and short-term loans with banks less cash and cash equivalents), however excluding non-recourse debt and respective cash and cash equivalents connected to the financing of self/ co-financed projects.

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The Company had no loan obligations as of 31.12.2009. The Company's Net Debt as of 31.12.08 is detailed in the table below:

	31-Dec-09	31-Dec-08
Short term bank loans	-	1,970,511
Long term bank loans	-	-
Total loans	-	1,970,511
Less: Cash and cash equivalents	2,022,055	274,659
Net Debt/Cash	(2,022,055)	1,695,852
Total Equity	3,301,937	390,333
Total capital	1,279,882	2,086,185
Capital Leverage Ratio	0	0.813

No capital leverage ratio applies to the Company for 2009 due to the absence of borrowing; the same ratio was calculated at 81.3% in 2008. This ratio is defined as the quotient of net debt (i.e. total long and short-term loans with banks less cash and cash equivalents, plus long-term time deposits) to total capital (i.e. total equity plus net debt).

3.3 Fair value estimation

Starting from 1 January 2009, the Company has adopted the revised version of IFRS 7 for financial assets accounted for at fair value at the balance sheet date. According to this revision, disclosures are required in relation to fair value measurement in three tiers. As of 31 December 2009, the Company had no financial assets subject to the aforementioned disclosures.

4 Significant accounting estimates of the management

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.

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

Income tax

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.

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5 Tangible Assets

	Transportation equipment	Mechanical Equipment	Furniture & accessories	Total
1-Jan-08	-	187	37,929	38,116
Transfer	-	15,882	(15,882)	-
Additions except for leasing	15,000	65,570	36,073	116,643
31-Dec-08	15,000	81,639	58,120	154,759
1-Jan-09	15,000	81,639	58,120	154,759
Additions except for leasing	27,255	105,666	14,995	147,916
31-Dec-09	42,255	187,305	73,115	302,675
Accumulated depreciation				
1-Jan-08	-	(94)	(19,800)	(19,894)
Transfer	-	(9,857)	9,857	-
Depreciation for the year	(250)	(7,924)	(17,060)	(25,234)
31-Dec-08	(250)	(17,875)	(27,003)	(45,127)
1-Jan-09	(250)	(17,875)	(27,003)	(45,127)
Depreciation for the year	(4,363)	(31,873)	(20,815)	(57,051)
31-Dec-09	(4,613)	(49,748)	(47,818)	(102,178)
Net book value as at 31 December 2008	14,750	63,765	31,117	109,632
Net book value as at 31 December 2009	37,642	137,557	25,297	200,496

6 Intangible assets

Cost	Software	Total
1-Jan-08	2,877	2,877
Additions	6,826	6,826
31-Dec-08	9,703	9,703
1 January 2009	9,703	9,703
Additions	2,790	2,790
31 December 2009	12,493	12,493
Accumulated depreciation	(1,642)	(1,642)
1-Jan-08	(2,404)	(2,404)
Depreciation for the year		
31-Dec-08	(4,046)	(4,046)
1 January 2009	(4,046)	(4,046)
Depreciation for the year	(4,946)	(4,946)
31 December 2009	(8,992)	(8,992)
Net book value as at 31 December 2008	5,657	5,657
Net book value as of 31 December 2009	3,501	3,501

7 Investments in subsidiaries

	31-Dec-09	31-Dec-08
At year start	-	-
Additions new	120,000	-
At year end	<u>120,000</u>	-

Subsidiaries are analyzed as follows:

- 1) ILIAKI ADERES SA, 100% PARTICIPATION, COST AT €60,000
- 2) EOLIKI ADERES SA, 100% PARTICIPATION, COST AT €60,000

These two companies were incorporated in 2009 and will prepare their first balance sheet on 31.12.2010, pursuant to the deed of incorporation.

8 Trade and other receivables

All receivables are expressed in euros.

	31-Dec-09	31-Dec-08
Customers	4,258,241	2,739,564
Customers – Related parties	1,788,316	-
Prepayments for operating leases	7,678	-
Other receivables	36,360	480,597
Other receivables -Related parties	4,323	177
Total	6,094,918	3,220,338
Non-current assets	7,678	878
Current assets	6,087,240	3,219,460
	<u>6,094,918</u>	<u>3,220,338</u>

The “Other receivables” account included as of 31.12.2008 the amount of € 412,476 which represents prepaid and withheld taxes and debit VAT balance, and € 35,600 which represents post-dated cheques from customers.

Remaining customer maturity analysis

	31-Dec-09	31-Dec-08
0 -3 months	2,320,474	964,091
3 -6 months	3,422,145	1,775,472
6 months to 1 year	303,938	-
	<u>6,046,557</u>	<u>2,739,563</u>

9 Cash and cash equivalents

	31-Dec-09	31-Dec-08
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Cash on hand	3,529	20,282
Demand Deposits	2,018,527	246,345
Cheques receivable on sight accounts	-	8,033
Total	2,022,055	274,659

10 Inventories

	31-Dec-09	31-Dec-08
Raw materials	20,610	71,703
Finished products	898,080	2,751,166
Prepayment for inventories purchase	23,180	-
Total	941,871	2,822,869

11 Share capital

	Number of shares	Share capital	Total
1 January 2008	45,651	1,339,857	1,339,857
31 December 2008	45,651	1,339,857	1,339,857
1 January 2009	45,651	1,339,857	1,339,857
Issue of new shares / (decrease)	-	(947,258)	(947,258)
31 December 2009	45,651	392,599	392,599

The Company's share capital as of 31.12.2009 amounts to EUR 392,599, divided into 45,651 voting shares with the face value of € 8.60 each. Within the year, Share Capital was reduced by €947,258 to amortise accumulated losses, and article 5 of the Articles was amended accordingly.

12 Other reserves

	Ordinary reserves	Total
1 January 2008	-	-
31 December 2008	-	-
1 January 2009	-	-
Transfer from retained earnings	145,228	145,228
31 December 2009	145,228	145,228

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(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.

13 Borrowings

	31-Dec-09	31-Dec-08
Short-term loans		
Loans with banks	-	1,970,511
Total short-term loans	-	1,970,511

All loans with banks as these were reported as of 31.12.2008 were repaid in 2009.

14 Trade payables

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

	31-Dec-09	31-Dec-08
Suppliers	2,469,387	3,756,298
Suppliers – Related parties	1,362,211	48
Social security institutions and other taxes/ duties	477,122	53,696
Other liabilities	742,562	237,633
Other liabilities -Related parties	9,738	24,636
Total	5,061,020	4,072,311
Long-term	-	-
Short-term	5,061,020	4,072,311
Total	5,061,020	4,072,311

Other liabilities also include the amount of € 600000 representing advance payments received during 2009.

15 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:

Deferred tax receivables:	31-Dec-09	31-Dec-08
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(23) / (29)

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Recoverable after 12 months	4,776	-
Recoverable within 12 months	-	-
	4,776	-

Total change in deferred income tax is presented below:

	31-Dec-09	31-Dec-08
Opening balance	-	-
Income statement debit/(credit)	4,776	-
Closing balance	4,776	-

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:

	Other	Total
1 January 2008	-	-
31 December 2008	-	-
1 January 2009	-	-
Income statement (debit)/ credit	4,776	4,776
31 December 2009	4,776	4,776

16 Provisions for staff compensation

The amounts identified in the statement of financial standing are the following:

	31-Dec-09	31-Dec-08
Balance sheet liabilities for:		
Retirement benefits	23,881	-
Total	23,881	-

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

	31-Dec-09	31-Dec-08
Income statement charge:		
Retirement benefits	23,881	-
Total	23,881	-

The amounts reported in the statement of financial standing are:

	31-Dec-09	31-Dec-08
Present value of non-financed liabilities		

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23,881	-
23,881	-

The amounts reported in profit and loss are:

	31-Dec-09	31-Dec-08
Current employment cost	23,881	-
Total included in employee benefits	23,881	-

Change to liabilities as presented in the statement of financial standing is as follows:

	31-Dec-09	31-Dec-08
Balance at start	-	-
Total expense charged in the income statement	23,881	-
Closing balance	23,881	-

The main actuarial assumptions used for accounting purposes are as follows:

	31-Dec-09
Discount rate	6.10%
Future salary increases	4.00%

17 Provisions

	Other provisions	Total
1 January 2008	-	-
31 December 2008	-	-
1 January 2009 Additional provisions for fiscal year	100,000	100,000
31 December 2009	100,000	100,000
Total provision analysis:	31-Dec-09	31-Dec-08
Long-term	100,000	-
Short-term	100,000	-
Total	200,000	-

The above amount pertains to provisions for unaudited periods.

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18 Expenses per category

	31-Dec-09				31-Dec-08			
	Cost of goods sold	Selling expenses	Administrative expenses	Total	Cost of goods sold	Selling expenses	Administrative expenses	Total
Employee benefits	254,230	46,462	193,201	493,893	30,409	-	82,088	112,497
Inventories used	20,637,678	-	-	20,637,678	11,169,275	-	-	11,169,275
Depreciation of tangible assets	36,236	-	20,815	57,051	3,772	-	21,462	25,234
Amortization of intangible assets	-	-	4,946	4,946	1,859	-	186	2,045
Repair and maintenance expenses of tangible assets	-	-	3,679	3,679	4,048	-	3,248	7,296
Operating lease rental fees	50,068	4,605	78,285	132,959	5,344	-	24,096	29,440
Charges for outside services	69,847	2,984	15,380	88,210	10,409	-	5,941	16,350
Third party fees	3,634,359	261,687	539,934	4,435,980	307,309	-	146,981	454,290
Other	232,067	35,600	125,737	393,404	34,952	-	47,123	82,075
Total	24,914,485	351,338	981,977	26,247,800	11,567,377	-	331,125	11,898,502

19 Other income/ operating expenses

	31-Dec-09	31-Dec-08
Amortisation of grants received	-	1,763
Rental fees	32,331	-
Other profits/(losses)	(2,712)	(7,352)
Total	29,619	(5,589)

20 Financial income (expenses) - net

	31-Dec-09	31-Dec-08
Interest expenses		
- Loans with banks	67,168	13,204
	67,168	13,204
Income from interest		
- Interest income	14,844	7,658
Net (expenses)/ income from interest	52,325	5,546
Other financial expenses		
- Guarantee letter commissions	35,843	17,790
- Various bank expenses	21,686	10,954
	57,529	28,744
Total	109,853	34,290

21 Employee benefits

	31-Dec-09	31-Dec-08
Wages and salaries	367,568	88,522
Social security expenses	92,754	23,393
Cost of defined benefit plans	23,881	-
Other employee benefits	9,689	581
Total	493,893	112,496

22 Income tax

	31-Dec-09	31-Dec-08
Tax for fiscal year	1,113,953	-
Deferred tax	(4,776)	-
Total	1,109,177	-

Tax on earnings before tax of the company is different from the theoretical amount that would arise if we use the weighted average tax rate of the country from which the company originates, as follows:

	31-Dec-09	31-Dec-08
Accounting profit / (losses) before tax	4,020,781	39,938
Tax factor:	25,00%	25,00%
Tax calculated on profits under current tax rates applied in the respective countries	1,005,195	9,985
Adjustments		
Tax losses for the period	-	(9,985)
Expenses not deductible for tax purposes	508	-
Differences from tax audit	2,280	-
Income tax provisions	100,000	-
Difference between current tax rate and deferred tax rate	1,194	-
Taxes	1,109,177	(0)

23 Dividends per share

The Board of Directors decided not to distribute dividends for 2009. This decision is subject to approval at the annual General Meeting of Shareholders to be held in June 2010.

24 Contingent liabilities

(a) Tax unaudited years for the Company are 2007-2009. Tax liabilities for these years have not been finalized yet and therefore additional charges may arise when the audits from the relevant tax authorities will be performed. Provisions of €100,000 were formed during the year for potential differences which might arise from a future tax audit.

(b) The Company has contingent liabilities in relation to banks, other guarantees, and other matters that arise from its normal business activity and from which no substantial burden is expected to arise.

25 Transactions with related parties

The amounts of sales and purchases in aggregate from year start, and the balances of receivables and liabilities at year end, as these have arisen from transactions with related parties in accordance with IAS 24, are as follows:

	31-Dec-09	31-Dec-08
Sales of goods and services	10,228,119	0
<i>Sales to other related parties</i>	<i>10,228,119</i>	<i>-</i>
Purchases of goods and services	2,581,261	19,880
<i>Purchases from related parties</i>	<i>2,581,261</i>	<i>19,880</i>
Key management fees	480,436	173,500
Sales to key management	77,842	2,785,177

	31-Dec-09	31-Dec-08
Receivables	1,792,639	177
<i>Receivables from subsidiaries</i>	<i>4,323</i>	<i>-</i>
<i>Receivables from other related parties</i>	<i>1,788,316</i>	<i>177</i>
Liabilities	1,371,950	24,684
<i>Obligations to other related parties</i>	<i>1,371,950</i>	<i>24,684</i>
Key management receivables	229,476	1,754,501

26 Other notes

- As of 31.12.2009 the Company employed 14 personnel, while as of 31.12.2008 it employed 8 personnel.
- No liens exist on fixed assets.

27 Post balance sheet events

In 2010 the company signed contracts on the design, supply, construction and commissioning of the following photovoltaic plants:

- 500 KW PV plant in Andravida, Ilia, against the contractual consideration of €1.75 million.
- 100 KW PV plant in Molai, Lakonia, against the contractual consideration of €0.23 million.
- 297 KW PV plants in Kranidi, Argolida, against the contractual consideration of €0.81 million.
- 990 KW PV plants in the Prefecture of Ilia, against the contractual consideration of €3.13 million

There are no other significant events that took place after the balance sheet date.

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Kifissia, March 24th 2010

THE CHAIRMAN OF THE BOARD
OF DIRECTORS

THE CHAIRMAN OF THE BOD
& MANAGING DIRECTOR

The CFO

LEONIDAS G. BOBOLAS

EDOUARDOS K.
SARANTOPOULOS

GEORGIOS I. PLIATSIKAS

ID Card No. Σ 237945

ID Card No. AA 026141

ID Card No. Α-721253