



**MANAGEMENT REPORT OF THE BoD OF
AKTOR S.A SOCIETE ANONYME
ON THE FINANCIAL STATEMENTS FOR THE YEAR 2009**

AKTOR S.A

TECHNICAL SOCIETE ANONYME

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS OF THE SOCIETE ANONYME “AKTOR S.A.” ON THE FINANCIAL STATEMENTS FOR THE YEAR 2009

2009 was a difficult year for the Greek construction companies. The biggest problems to be dealt by construction industry are in principle the reduction of the public investment program leading to a reduction in public works, the decline in private building activity and delays in the tendering of major concession projects and projects implemented through PPP. According to the National Statistical Service, the overall building activity (public and private projects) in Greece has declined by 22% compared to last year. Additional difficulties arise in the construction industry due to delays in the recovery of Greek government debts and the crisis in the banking sector. The result of all these negative factors was that many Greek construction companies came in 2009 to an unfavorable financial position.

To address the crisis, AKTOR is based on its comparative advantages which set it apart from other companies of the industry, including: the high unexecuted part of projects at its disposal, which amounts to about €2.5 billion, the exploitation of economies of scale also through the vertical integration of its activity with quarries, as well as its high credit rating allowing it to raise the necessary funds from the banks.

1. Financial Results

On a consolidated basis, AKTOR reported a turnover of €1,663.2 million, increased by 32.1% compared to the previous fiscal year. 68% of total revenues derives from projects in Greece and the remaining 32% from projects abroad. Operating results (earnings before taxes, financial and investment results) amounted to €72.8 million, increased by 18.4% compared to 2008. The operating margin at consolidated level for 2009 was 4.38% against 4.88% in 2008. The decrease in the operating margin is mainly due to the lower profitability of projects abroad. Profit before taxes stood at €59.2 million, staying at the levels of 2008. Profit after taxes for the year 2009 amounted to €36.0 million.

The consolidated cash and cash equivalents at year end amounted to €246.3 million, compared to €301.3 million in 2008. The total loans of AKTOR and its subsidiaries amounted to €252.2 million, increased by 2.9% compared to 2008.

On a company basis, AKTOR reported a turnover of €27.6 million, increased by 3.2% compared to the previous fiscal year. Operating results (earnings before taxes, financial and investment results) amounted to €37.4 million, compared to €39.4 million in 2008, and profit after tax reached €24.6 million, kept at the levels of the previous fiscal year.

2. Major events in the year 2009

As already mentioned, 2009 was a hard year for AKTOR and its subsidiaries due to the limitation of tenders for new projects in the public sector and a significant decline in private construction activity. Therefore, the increase of AKTOR's unexecuted part of new projects was limited. New contracts signed in 2009 by AKTOR include: a contract with EYDAP S.A. for the operation and maintenance of the facilities of the Psyttaleia Wastewater Treatment plant, for €100 million, a contract for the construction of Chalkida hospital for €50 million, contracts with HELLENIC PETROLEUM for €52 million and a contract for the completion and construction of a section to the Cretan North Road Axis for €30 million.

AKTOR's subsidiary HELLENIC QUARRIES SA, which operates in the field of quarries, marked an upward course in 2009, given that in addition to its quarrying activity, the company undertook a great number of contracts for the production of aggregates and the supply of concrete and cement. Most of them involve the construction of highways implemented as part of concessions in which the Group participates. Such work contracts ensure a substantial turnover for 3-4 years and very good profitability. In addition, the company enhanced its equipment through the purchase of machinery.

3. Prospects

Despite the unfavourable economic circumstances, the Group is in a better position than its domestic competitors, due to the fact that its unexecuted part of projects is very high.

Based on signed contracts, it amounted to €2,527 million on 31/12/2009 and consists in co-funded projects for €1,222 million, other infrastructure projects in Greece for €589 million, construction projects in Greece for €366 million and projects abroad for €350 million. Furthermore, there are projects worth €60 million, the contracts of which are expected to be signed shortly.

2010 is expected to be another hard year for the construction industry of Greece with a further drop in the overall activity. The aim of AKTOR for the next fiscal year is to implement as best as possible its unexecuted part of projects and to limit its administrative costs, with a view to keep construction margins at satisfactory levels.

On a worldwide level, the Group is pursuing projects in the Balkans, Qatar, Abu Dhabi and Oman, which are countries not affected by the crisis. The goal is to pursue governmental projects with low credit risk and emphasis will be given to their implementation in the most rational and economical manner.

4. Risks

The risks in the construction industry primarily involve delays in the tendering of new public works and non collection of public debts for other ongoing or completed infrastructure works. There is a risk of a further decline in the profitability margin for building (private) projects, due to the decrease in business and an increase in competition. An additional high risk of these projects is the delay of collections from customers and precarities, as well as the increase of interest rates.

Difficulties are foreseen abroad in pursuing new projects, since, due to the economic crisis, there is a decline in the construction business and, in certain cases, there is a difficulty in achieving financing from banks. The majority of our projects in the Middle East are governmental and, therefore, the risk of collection is relatively small. However, in some cases there are temporary delays in collection.

The greatest risk faced by quarries is the delay in collection from small clients and precarities, a fact that is expected to obtain a greater dimension, since many small companies and private clients are facing liquidity issues.

In view of the foregoing, Shareholders are invited to approve the Company's Annual Financial Statements for the fiscal year 1/1/2009 – 31/12/2009 and the accompanying reports by the Board of Directors and the Certified Auditor, and release the members of the Board of Directors individually and the Board of Directors collectively, as well as the Certified Auditor, from all liability to compensation for the fiscal year 1/1/2009 – 31/12/2009.

Kifissia, March 24th 2010
On behalf of the Board of Directors

BoD Chairman
DIMITRIOS A. KOUTRAS

This report comprised of six (6) pages is the one mentioned in the audit certificate granted today.

Athens, 25 May 2010
The Certified Auditor -Accountant

Marios Psaltis
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