



Herhof Recyclingcenter
Osnabrück GmbH



**REPORT AND FINANCIAL STATEMENTS
31ST DECEMBER 2005**

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Report and Financial Statements

31st December 2005

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HERHOF RECYCLINGCENTER OSNABRÜCK GMBH

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Athanasios Katris (Managing Director)

Authorised signatures:

Dimitris Grammatas

Registration:

Registered at Court of Osnabrück
HR B 200090

Office:

Administration: Riemannstraße 3
35606 Solms-Niederbiehl
Germany

Operation: Fürstenauer Weg 73
49090 Osnabrück
Germany

Shareholder:

51 % Helector S.A.
44 % Elliniki Technodomiki TEB
5 % Herhof GmbH

Herhof Recyclingcenter Osnabrück GmbH

Report of the Board of Directors

General introduction

1. The company was established on 14th June 2005 in order to execute the operation of the mechanical-biological waste treatment plant at Osnabrück. The company has signed a 17 years contract with the county and the city of Osnabrück to treat all municipal solid waste in this region and sell the recyclables.

Principal activities

2. The principal activities of the company is the operation of the MBT-plant at Osnabrück and all connected activities, e.g. disposal of combustibles (Stabialt®), sale of inert fraction as well as metals.

Review of developments, positions and performance of the company's business

3. As shown in the financial accounts 31.12.2005 (see the following pages) the financial situation of the company is satisfactory. The company has invested 13 million Euro for the completion of the MBT-plant at Osnabrück.

Principal risks and uncertainties

4. The principal risk of the company at this stage is to overcome the typical difficulties of starting a regular operation of a new plant. This period will last until the processes and the plant itself becomes optimized.

Future developments

5. The company is proceeding with an investment into new storage capacities and additional into machineries for processing the final products as well as exploring the possibilities in treating commercial waste.

Results

6. The company's results for the year are set out on page 9. The managing director does not recommend a payment of the dividend and the net profit for the year is retained.

Share capital

7. The company was purchased from the shareholders as a shell company on 14th June 2005 in order to start the business without undue delay. The shell company itself was already established on 11th April 2002. The initial share capital of 25.000 Euro was increased to 3.000.000 Euro on 26th September 2005.

Directors

8. The members of the board of directors at 31st December 2005 and at the date of this report are shown on page 1. The Managing Director Athanasios Katris was managing director of the company since the establishment on 14th June 2005.

Auditors

9. The auditors, Grau & Partner GmbH, Germany, have performed an audit review of the German financial statements at 31st December 2005 and reported this to the board of directors. The statement of the audit review is set out on pages 4 to 7. For the year 2006 Grau & Partner GmbH will perform a full audit for the company. A resolution giving authority to the directors to execute the necessary order and to fix their remuneration will be proposed at the annual general meeting.

Events after the Balance Sheet Date

10. There were no material events which occurred after the end of the financial year.

By Order of the Board

Athanasios Katris
Managing Director

10 March 2006

Herhof Recyclingcenter Osnabrück GmbH

Audit Review Certification of Independent Auditors

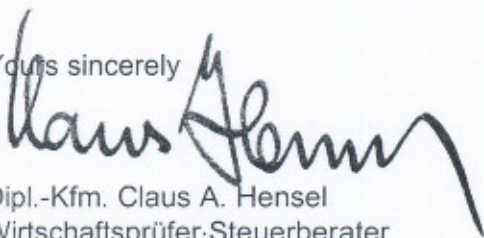
We have reviewed the balance sheet, income statement, and cash flow statement and disclosures which are included in the IFRS reporting package of the **Herhof Recyclingcenter Osnabrück GmbH** as of and for the year ended **31 December 2005**. These statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit review.

We conducted our audit review in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit review to obtain reasonable assurance about whether the statements are free of material misstatement. Our audit review includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. The audit review also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit review provides a reasonable basis for our opinion.

The balance sheet, the income statement, and the cash flow statement were prepared in accordance with the International Financial Reporting Standards and for the purpose of providing the company's parent, Elliniki Technodomiki TEB, Greece, with financial information necessary for the preparation of Elliniki Technodomiki Group consolidated financial statements.

In our opinion, the IFRS reporting package present fairly, in all material respects, the financial position of the company as of **31 December 2005** and the results of its operations and its cash flows for the year then ended, in accordance with the International Financial Reporting Standards. In our opinion, after due inspections and having considered the effects of the above exception, if any, the statements in the reporting package are suitable for inclusion in the consolidated financial statements of Elliniki Technodomiki TEB and for the year ended **31 December 2005**.

Yours sincerely



Dipl.-Kfm. Claus A. Hensel
Wirtschaftsprüfer · Steuerberater

II C Income Statement 12-months

| <i>Amounts in Euro</i> | Note | IFRS | |
|--|---------------|-----------------|------------|
| | | 12 months until | |
| | | 00. Jan 00 | 00. Jan 00 |
| Sales | 200 | 310.317 | |
| Cost of Sales | 201 | -204.078 | |
| Gross profit | 202 | 106.239 | 0 |
| Selling expenses | 203 | -22.450 | |
| Administrative expenses | 204 | -29.418 | |
| Other operating income/(expenses) (net) | 34 205 | -68.121 | |
| Operating results | 206 | -13.751 | 0 |
| Income from dividends | 207 | 0 | |
| Share of profit/(loss) from associates | 208 | 0 | |
| Profit/(Loss) from Joint Ventures | 209 | 0 | |
| Financial income (expenses) – net | 32 210 | -182.240 | |
| Profits before income tax | 211 | -195.991 | 0 |
| Income tax | 33 212 | 274 | |
| Net profit for the period | 213 | -195.717 | 0 |
| Distributed to: | | | |
| Shareholders of the parent company | | -195.717 | 0 |
| Minority rights | | | |
| | | -195.717 | 0 |
| Profits per share that correspond to the shareholders of the parent company for the period (expressed in Euros per share) | | | |
| Basic | | | |

Balance Sheet

IFRS

| <i>Amounts in Euro</i> | Note | 31. Dez 05 | 31. Dez 04 |
|--|-------------------|-------------------|------------|
| ASSETS | 100 | | |
| Non-current assets | 101 | | |
| Property, plant and equipment | 10 102 | 8.914.295 | 0 |
| Intangible assets | 11 103 | 0 | 0 |
| Investment in property | 12 104 | 0 | 0 |
| Investments in subsidiaries | 13 105 | 0 | 0 |
| Investments in associates (consolidated using the equity method) | 14 106 | 0 | 0 |
| Investments in Joint Ventures | 15 107 | 0 | 0 |
| Other investments | 16 108 | 0 | 0 |
| Financial assets available for sale | 16 109 | 0 | 0 |
| Deferred tax asset | 18 110 | 0 | 0 |
| Other non-current receivables | 20 111 | 0 | 0 |
| | 112 | 8.914.295 | 0 |
| Current assets | 113 | | |
| Inventory | 19 114 | 0 | 0 |
| Trade and other receivables | 20 115 | 1.306.106 | 0 |
| Financial assets available for sale | 16 116 | 0 | 0 |
| Securities | 16, 17 117 | 0 | 0 |
| Financial assets at fair value through profit or loss | 17 118 | 0 | 0 |
| Cash and cash equivalents | 21 119 | 4.053.736 | 0 |
| | 120 | 5.359.842 | 0 |
| Total assets | 121 | 14.274.137 | 0 |
| EQUITY | 122 | | |
| | 123 | | |
| Share capital | 22 124 | 3.000.000 | 0 |
| Premium on capital stock | 22 125 | 0 | 0 |
| Own shares | 22 126 | 0 | 0 |
| Other reserves | 23 127 | 0 | 0 |
| Profits/(losses) carried forward | 128 | -195.716 | 0 |
| | 129 | 2.804.284 | 0 |
| Minority interest | 130 | 0 | 0 |
| Total equity | 131 | 2.804.284 | 0 |
| LIABILITIES | 132 | | |
| Non-current liabilities | 133 | | |
| Borrowings | 24 134 | 10.027.500 | 0 |
| Deferred tax liabilities | 18 135 | 0 | 0 |
| Retirement benefit obligations | 25 136 | 0 | 0 |
| Grants | 26 137 | 0 | 0 |
| Other long-term liabilities | 27 138 | 0 | 0 |
| Other long-term provisions | 28 139 | 0 | 0 |
| | 140 | 10.027.500 | 0 |
| Current liabilities | 141 | | |
| Trade and other payables | 27 142 | 1.134.051 | 0 |
| Current income tax liabilities | 143 | 0 | 0 |
| Borrowings | 24 144 | 233.137 | 0 |
| Dividends payable | 145 | 0 | 0 |
| Other short-term provisions | 28 146 | 75.165 | 0 |
| | 147 | 1.442.353 | 0 |
| Total liabilities | 148 | 11.469.853 | 0 |
| Total equity and liabilities | 149 | 14.274.137 | 0 |
| | | 0 | 0 |

Changes In Equity

| | IFRS | | | | |
|---|------------------|----------------|-----------------|-------------------------|------------------|
| | Share capital | Other reserves | Treasury shares | Results carried forward | Total |
| Balance at 1 January 2004 | | | | | 0 |
| Currency translation differences | | | | | 0 |
| Effect of acquisitions and changes in participation interest in subsidiaries. | | | | | 0 |
| Profit/(loss) recognised directly in equity | | | | | 0 |
| Net profit for the period | | | | 0 | 0 |
| Total recognised net profit for the period | 0 | 0 | 0 | 0 | 0 |
| Issue of Share capital/ (reduction) | 0 | 0 | | | 0 |
| (Purchase)/Sale of treasury shares | | | | | 0 |
| Transfer to reserves | | 0 | | 0 | 0 |
| Dividends | | | | | 0 |
| | 0 | 0 | 0 | 0 | 0 |
| Balance at 31 December 2004 | 0 | 0 | 0 | 0 | 0 |
| Balance at 1 January 2005 | 0 | 0 | 0 | 0 | 0 |
| Application of IAS 32 & 39 | 0 | 0 | 0 | 0 | 0 |
| Currency translation differences | 0 | 0 | 0 | 0 | 0 |
| Effect of acquisitions and changes in participation interest in subsidiaries. | 0 | 0 | 0 | 0 | 0 |
| Profit/(loss) recognised directly in equity | 0 | 0 | 0 | 0 | 0 |
| Net profit for the period | 0 | 0 | 0 | -195.717 | -195.717 |
| Total recognised net profit for the period | 0 | 0 | 0 | -195.717 | -195.717 |
| Issue of Share capital/ (reduction) | 3.000.000 | 0 | 0 | 0 | 3.000.000 |
| (Purchase)/Sale of treasury shares | 0 | 0 | 0 | 0 | 0 |
| Transfer to reserves | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 |
| | 3.000.000 | 0 | 0 | 0 | 3.000.000 |
| Balance at 31 December 2005 | 3.000.000 | 0 | 0 | -195.717 | 2.804.283 |
| Check with Balance sheet 31 December 2004 | 0 | 0 | 0 | 0 | 0 |
| Check with Balance sheet 31 December 2005 | 0 | 0 | 0 | -1 | -1 |
| Balance reconciliation 31/12/2004 - 1/1/2005 | 0 | 0 | 0 | 0 | 0 |

Cash flow statement

| Amounts in Euro | Note | IFRS | |
|--|--------|-------------------|------------|
| | | 31. Dez 05 | 31. Dez 04 |
| Cash flows from operating activities | | | |
| Cash generated from operations | 35 | (110.534) | 0 |
| Interest paid | | (229.258) | 0 |
| Income tax paid | | 274 | 0 |
| Net cash flows from operating activities | | -339.518 | 0 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | 10 | (8.914.402) | 0 |
| Purchase of intangible assets | 11 | 0 | 0 |
| Purchase of investment property | 12 | 0 | 0 |
| Sale of property, plant and equipment (PPE) | 35 | 0 | 0 |
| Sale of intangible assets | 35 | 0 | 0 |
| Sales of investment property | 35 | 0 | 0 |
| Dividends received | | 0 | 0 |
| Acquisition of Subsidiaries & increase of share capital of Subsidiaries | 13 | 0 | 0 |
| Sales of Subsidiaries | 35 | 0 | 0 |
| Acquisition of Associates | 14 | 0 | 0 |
| Sales of Associates | 35 | 0 | 0 |
| Acquisition of Joint Ventures | 15 | 0 | 0 |
| Sales of Joint Ventures | 35 | 0 | 0 |
| Purchase of financial assets available for sale | 16 | 0 | 0 |
| Sale of financial assets available for sale | 35 | 0 | 0 |
| Purchase of financial assets at fair value through P&L | 17 | 0 | 0 |
| Sale of financial assets at fair value through P&L | 35 | 0 | 0 |
| Interest received | | 47.018 | 0 |
| Loans granted to related parties | | | |
| Loan repayments received from related parties | | | |
| Other (please clarify) | | | |
| Net cash flows from investment activities | | -8.867.384 | 0 |
| Cash flows from financing activities | | | |
| Issue of ordinary shares | 22, 23 | 2.975.000 | 0 |
| Sale/(Purchase) of treasury shares | 22, 23 | 0 | 0 |
| Dividends paid | | 0 | 0 |
| Loans received | | 10.260.638 | |
| Loans repaid | | | |
| Financial Lease capital repayment | | | |
| Grants received | | 0 | 0 |
| Dividends distributed to minority rights | | | |
| Other (please clarify) | | | |
| Net cash flows from financing activities | | 13.235.638 | 0 |
| Net (decrease)/increase in cash, cash equivalents and bank overdrafts | | 4.028.736 | 0 |
| Cash, cash equivalents and bank overdrafts at beginning of the period | | 25.000 | |
| Currency translation differences on cash and bank overdrafts | | | |
| Cash and Cash equivalent at end of the period | | 4.053.736 | 0 |
| | | 0 | 0 |
| | | 0 | |