

ROKAS GROUP

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2006

(IN ACCORDANCE WITH IFRS)



These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language.

In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.



(All amounts in € thousands unless otherwise stated in text)

ROKAS GROUP

Consolidated Financial Statements for the year ended 31/12/2006

It is hereby certified that the presented accounts refer to the Consolidated Financial Statements that were approved by the Board of Directors of the C. Rokas SA on 13/03/2007, that have been publicised by their submission to the Athens Exchange and the Hellenic Capital Markets Committee, and have been posted on the Company's website, at the address www.rokasgroup.gr.

It is noted that the condensed financial facts that have been published in the press are meant to present to the reader several general financial information, yet do not provide a complete picture of the financial position and results of the Company and the Group, according to IFRS.

Furthermore, it is noted that, for simplification purposes, the condensed financial facts that have been published in the press contain certain aggregations and reclassifications.

George Rokas
Chairman of the BoD



(All amounts in € thousands unless otherwise stated in text)

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(All amounts in € thousands unless otherwise stated in text)

Independent Auditors' Report

Translation from Greek original audit report text

To the shareholders of "C. Rokas SA"

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of C.ROKAS SA and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2006, and the consolidated income statement, statement of changes in shareholders' 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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating 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 aforementioned consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2006 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors' Report is consistent with the aforementioned consolidated financial statements.

Athens, 13 March 2007

THE CERTIFIED AUDITOR ACCOUNTANT

John Mystakidis
S.O.E.L. R.N. 16511
ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.





(All amounts in € thousands unless otherwise stated in text)

Consolidated Balance Sheet

	Note	As at 31 December 2006	As at 31 December 2005
ASSETS			
Non current assets			
Property, plant, and equipment	6	138.508	165.245
Derivative financial instruments	8	599	112
Deferred income tax assets	16	6.232	855
Other receivables	9	32	33
		145.371	166.245
Current assets			
Inventories	10	8.007	6.704
Trade and other receivables	9	46.535	20.395
Available for sale financial assets	7	1.545	1.493
Cash and cash equivalents	11	35.097	35.521
		91.184	64.113
Total assets		236.555	230.358
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	12	11.887	11.887
Share premium	12	49.329	49.329
Other reserves	13	15.841	30.362
Retained earnings		12.694	(14.108)
		89.751	77.470
Minority interest		2.035	2.422
Total equity		91.786	79.892
LIABILITIES			
Non current liabilities			
Borrowings	15	44.316	52.161
Derivative financial instruments	8	64	567
Deferred income tax liabilities	16	3.833	1.794
Retirement benefit obligations	17	427	352
Grants	18	45.207	45.331
Provisions	19	3.108	22.273
		96.955	122.478
Current liabilities			
Borrowings	15	28.663	12.433
Trade and other payables	14	7.097	4.224
Current income tax liabilities		12.054	11.331
		47.814	27.988
Total liabilities		144.769	150.466
Total equity and liabilities		236.555	230.358

The notes on pages 9 - 30 are an integral part of these consolidated financial statements.

THE CHAIRMAN OF
THE BOD

GEORGE ROKAS
GREEK ID NO. AB 287690

THE CHIEF EXECUTIVE
OFFICER

MATTHEW TROULIS
GREEK ID NO. AB 634497

THE GROUP FINANCE &
ADMINISTRATION DIRECTOR

CHRISTIAN THOMAS
GREEK ID NO. II 062606

THE GROUP FINANCIAL
CONTROLLER

EKATERINI KAPOGLOU
GREEK ID NO. P 552055



(All amounts in € thousands unless otherwise stated in text)

Consolidated Income Statement

		Year ended	Year ended
	Note	31 December 2006	31 December 2005
Sales	5	50.188	53.479
Cost of goods sold		(28.055)	(36.695)
Gross profit		22.133	16.784
Selling and marketing costs		(618)	(690)
Administrative expenses		(4.860)	(3.897)
Other operating income – net	20	6.672	3.368
Operating profit		23.327	15.565
Financial income	22	1.130	1.248
Financial expenses	22	(3.473)	(3.764)
Profit before income tax		20.984	13.049
Income tax expense	23	(4.743)	(3.641)
Profit for the year		16.241	9.408
Attributable to:			
Equity holders of the Company		16.003	8.998
Minorities		238	410
		16.241	9.408
Earnings per share for profit attributable to the equity holders of the Company (€ per share)			
– Basic and diluted	24	0,67	0,39

The notes on pages 9 - 30 are an integral part of these consolidated financial statements.



(All amounts in € thousands unless otherwise stated in text)

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					Minority interest	Total equity
	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings		
Balance at 1 January 2005	11.887	(4.369)	49.329	25.625	(17.638)	2.122	66.956
Profit for the year	-	-	-	-	8.998	410	9.408
Sale of treasury shares	-	4.369	-	2.602	-	-	6.971
Distributed dividends	-	-	-	-	(3.333)	(110)	(3.443)
Other movements	-	-	-	2.135	(2.135)	-	-
Balance at 31 December 2005	11.887	-	49.329	30.362	(14.108)	2.422	79.892
Balance at 1 January 2006	11.887	-	49.329	30.362	(14.108)	2.422	79.892
Profit for the year	-	-	-	-	16.003	238	16.241
Distributed dividends	-	-	-	(3.546)	(495)	(327)	(4.368)
Mvnt. from reserves to retained earnings	-	-	-	(12.139)	12.139	-	-
Other movements	-	-	-	1.164	(845)	(298)	21
Balance at 31 December 2006	11.887	-	49.329	15.841	12.694	2.035	91.786

The notes on pages 9 - 30 are an integral part of these consolidated financial statements.



(All amounts in € thousands unless otherwise stated in text)

Consolidated Cash Flow Statement

	Note	Year ended 31 December 2006	Year ended 31 December 2005
Profit before income tax	5	20.984	13.049
Depreciation and amortization	20, 21	8.485	12.967
Provisions		236	2.522
Results of investing activity and profit from sale of fixed assets		(1.256)	(1.258)
Interest expenses and related expenses	22	3.473	3.764
(Increase) / decrease in inventories	10	(1.303)	(2.348)
(Increase) / decrease in receivables	9	(8.095)	(2.186)
Increase / (decrease) in payables (excluding borrowings)		2.872	1.051
Interest and similar expenses paid	22	(3.473)	(3.764)
Income tax paid		(7.358)	(4.231)
Total cash inflows /(outflows) from operating activities		14.565	19.566
Proceeds from sale of investments	7	(52)	6.100
Proceeds from sale of treasury shares		-	6.971
Purchases of property, plant and equipment	9, 6	(24.079)	(5.739)
Proceeds from sale of property, plant and equipment		217	472
Government grants received	18	4.767	1.434
Interest received	22	140	451
Total cash (outflows) / inflows from investing activities		(19.007)	9.689
Proceeds from borrowings		54.401	-
Repayments of borrowings		(43.114)	(5.097)
Repayments of finance lease borrowings	15	(2.901)	(3.984)
Dividends paid	25	(4.368)	(3.443)
Total cash (outflows) from financing activities		4.018	(12.524)
Net increase / (decrease) in cash and cash equivalents		(424)	16.731
Cash and cash equivalents at beginning of the year	11	35.521	18.790
Cash and cash equivalents at end of the year	11	35.097	35.521

The notes on pages 9 - 30 are an integral part of these consolidated financial statements.



(All amounts in € thousands unless otherwise stated in text)

Notes to the consolidated financial statements

1. General information

The Rokas Group of Companies (“the Group”) operates mainly in the segments of electromechanical projects and wind energy.

The Group’s activities are mainly in Greece, and its total number of employees is 240 as at 31 December 2006 (236 as at 31 December 2005).

The parent company (“the Company”) of the Group is the C. Rokas SA, which is a societe anonyme (SA) incorporated and domiciled in Greece at the address Rizareiou 3, Halandri 152 33, Athens, Greece.

The Group’s website address is: www.rokasgroup.gr

The Company is listed on the Athens Exchange.

On 13 March 2007, the Board of Directors of the Company approved these consolidated financial statements for issue, and they are still subject to final approval by the General Assembly of Shareholders.

2. Group accounting policies

2.1 Basis of preparation

The consolidated financial statements of C. Rokas SA of 31 December 2006 cover the year ended 31 December 2006 and have been prepared in accordance with International Financial Reporting Standards, as those have been adopted by the European Union.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of specific assets and liabilities (available-for-sale financial assets and derivative financial instruments) to fair value.

The preparation of financial statements, in conformity with IFRS, requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4: Significant accounting estimates and judgments.

2.2 Changes in accounting policies

The Group has adopted the following new standards and interpretations during the year 2006:

- IAS 19 (Amendment): Employee benefits
- IAS 21 (Amendment): The effects of changes in foreign exchange rates
- IAS 39 (Amendment): Financial instruments: Recognition and measurement
- IFRIC 4: Determining whether an arrangement contains a lease
- IFRIC 5: Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
- IFRIC 6: Liabilities arising from participating in a specific market

The adoption of these standards and interpretations did not have any effect on the financial statements of the Group.

2.3 Consolidation

These consolidated financial statements consist of the financial statements of the Company, C. Rokas SA and of its subsidiaries. The subsidiary companies that have been included in the consolidation are presented in Note 27, together with the relevant percentage holding of the Company and the country of incorporation and domicile of each subsidiary.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another



(All amounts in € thousands unless otherwise stated in text)

entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used, in order to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary, in order to ensure consistency with the policies adopted by the Group.

2.4 Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments.

2.5 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euro (€), which is the functional and presentational currency of the Company.

Foreign currency transactions are translated 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss.

2.6 Property, plant and equipment

Property, plant and equipment is presented in these consolidated financial statements at historical cost less subsequent depreciation and potential accumulated provision for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other fixed assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows:

Buildings	50	years
Plant and machinery	5–15	years
Equipment, motor vehicles, and furniture	3–8	years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

Own assets constructed include the direct payroll expenses of the personnel involved in the construction, the cost of the used materials, as well as other direct general expenses.



(All amounts in € thousands unless otherwise stated in text)

2.7 Impairment of assets

a) Non financial assets:

The Group at each balance sheet date examines whether there are indications of impairment for its non financial assets. The carrying values of other non-current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

b) Financial assets:

At each reporting date the Group assesses any potential indicative factor regarding whether a financial asset or group of financial assets has been impaired. The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in the separate balance sheet), assets measured at amortized cost (non current receivables) and available for sale investments. The recoverable amount of investments in subsidiaries and associates is determined similarly with the non-financial assets. The recoverable amount of the remaining financial assets is generally determined, for the purpose of performing the related impairment tests, based on the estimated future cash flows discounted either at the initial effective interest rate of the financial asset or the group of financial assets, or at the current market rate of return for a similar financial asset. The resulting impairment losses are recognized in the consolidated income statement.

2.8 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted-average method.

The cost of finished goods and work in progress comprises raw materials, direct labour, design costs, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Financial assets

The Group classifies its financial assets depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: 'financial assets held for trading', and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as 'held for trading' unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Not applicable to the Group.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet.

See Note 2.11

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when



(All amounts in € thousands unless otherwise stated in text)

the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising, from changes in the fair value of the 'financial assets at fair value through profit or loss' category, including interest and dividend income, are presented in the income statement within 'other (losses)/gains – net', in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary securities classified as available for sale and non-monetary securities classified as available for sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established. The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Applicable to the Group.

2.10 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The full fair value of hedging derivatives is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other (losses)/gains – net'. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

Not applicable to the Group.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within 'other (losses)/gains – net'. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial



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liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Not applicable to the Group

(c) Derivatives that do not qualify for hedge accounting

Certain derivatives do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

Applicable to the Group. See Note 8.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.13 Share capital

Ordinary and preference shares of the Company are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are sold or cancelled. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.15 Income tax and deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, 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 accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.



(All amounts in € thousands unless otherwise stated in text)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as other liabilities and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.17 Employee benefits

(a) Short term benefits

Monetary and non-monetary short-term employee benefits (excluding termination benefits) should be recognized as an expense when accrued. Any unpaid amounts should be recognized as a liability.

(b) Post-employment benefits

Post-employment benefits include pensions or lump-sum indemnities paid to employees in exchange for their service. Thus, they include both defined contribution plans and defined benefit plans. The accrued cost of defined contribution plans is recognized as an expense in the relevant period.

• Defined contribution plan

Based on the defined contribution plan, the Group's obligation (either legal or constructive) is limited to the amount agreed to be contributed to the entity (fund) that manages contributions and pays benefits. Thus the amount of the benefits to be received by an employee is determined based on the amounts paid by the Group (or by the employee too) and the investment performance of the relevant contributions.

The contribution payable by the Group as part of a defined contribution plan will be recognized either as an obligation after deducting the contribution made, or as an expense.

• Defined benefit plan

The obligation recorded in the balance sheet for the defined benefit plans is the present value of the obligation for the defined benefit less the fair value of the plan assets (if any) and the valuations resulting from any actuarial gains or losses and the cost of previous service. The defined benefit obligation is calculated on a yearly basis by an independent actuary by the use of the projected unit credit method. For prepayment thereof, the exchange rate of the long-term Greek Government bonds is used.

The actuarial profits or losses are part of both the benefit obligation of the Group and of the cost that will be recognized in the Income Statement. The actuarial profits or losses arise from adjustments based on historical data or a change of estimates for future data. If the accumulated actuarial profits or losses are higher than the 10% margin of the accumulated obligation, they are recorded in the Income Statement within the anticipated average insurance time of the participants to the plan. The cost of previous service is recognized directly in the Income Statement, except for the case where the changes in the plan are dependent upon the remaining time of service of the employees. In the said case, the cost of previous service is recorded in the Income Statement using the straight-line method within the maturity period.

(c) Employment termination benefits

The benefits due to termination of the employment relationship are paid when employees leave before their normal retirement date. The Group records such benefits when they are committed, either when it actually terminates current employees based upon a detailed formal plan without possibility of withdrawal, or when it provides the said benefits as an incentive for voluntary redundancy. When such benefits fall due more than twelve months after the balance sheet date, they should be discounted based on the yield return of top quality corporate bonds or government bonds.

When an offer is made to encourage voluntary redundancy, the measurement of the termination benefits should be based on the number of employees expected to accept the offer. When it is impossible to estimate the number of employees who will accept the benefits, no accounting is done, but the relevant costs are acknowledged as a potential obligation.



(All amounts in € thousands unless otherwise stated in text)

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

Revenue is recognized as follows:

(a) Construction contracts

Revenue from construction contracts is accounted for in the period in which the project is constructed, based on the stage of its completion. The Group uses the method of percentage of completion in order to determine the appropriate income and expense that is to be recognised in a particular period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(b) Sale of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

(c) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(d) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.20 Leases

A Group company is the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term. Leases where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the income statement on a straight-line basis over the period of the lease.



(All amounts in € thousands unless otherwise stated in text)

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 New standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2007 or later periods but which the Group has not early adopted, as follows:

- IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for financial years beginning on or after 1 January 2007)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. It is applicable to all entities that report under IFRS.

The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital.

- IFRS 8, Operating Segments (effective for financial years beginning on or after 1 January 2009)

IFRS 8 replaces IAS 14 Segment Reporting and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact this new standard will have on its financial statements.

- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for financial years beginning on or after 1 March 2006)

IFRIC 7 requires entities to apply IAS 29 Financial Reporting in Hyper-inflationary Economies in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary.

IFRIC 7 is not relevant to the Group's operations.

- IFRIC 8, Scope of IFRS 2 (effective for financial years beginning on or after 1 May 2006)

IFRIC 8 clarifies that IFRS 2 Share-based payment will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less than the fair value of the instruments given.

IFRIC 8 is not relevant to the Group's operations.

- IFRIC 9, Reassessment of Embedded Derivatives (effective for financial years beginning on or after 1 June 2006)

IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows.

IFRIC 9 is not relevant to the Group's operations.

- IFRIC 10, Interim Financial Reporting and Impairment (effective for financial years beginning on or after 1 November 2006)

This Interpretation may impact the financial statements should any impairment losses be recognised in the interim financial statements in relation to available for sale equity investments, unquoted equity instruments carried at cost and goodwill as these may not be reversed in later interim periods or when preparing the annual financial statements.

- IFRIC 11, IFRS 2-Group and Treasury Share Transactions (effective for financial years beginning on or after 1 March 2007)

This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent.

IFRIC 11 is not relevant to the Group's operations.

- IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after 1 January 2008)

The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset.

IFRIC 12 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.



(All amounts in € thousands unless otherwise stated in text)

3. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks such as market risk, credit risk, liquidity risk, and cash flow interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department, under policies approved by the Board of Directors. The treasury department identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The Board approves written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments, and non-derivative financial instruments, and the investment of excess liquidity.

(a) Foreign exchange risk

The Group does not operate internationally, neither does it have long-term borrowings in foreign exchange, and therefore is not exposed to foreign exchange risk arising from currency fluctuations.

(b) Interest rate risk

The operating income and cash flows of the Group are in effect independent from interest rate fluctuations. The Group does not hold significant interest earning investments.

The danger of interest rate fluctuations relates mainly to long-term borrowings. It is Group policy to maintain the majority of its borrowings under floating rates, and to manage this danger via derivative financial instruments.

(c) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history.

(d) Liquidity risk

Prudent liquidity risk management implies the availability of funding through adequate amounts of committed credit facilities, cash and marketable securities and the ability to close out those positions as and when required by the business. The Group manages liquidity risk by proper management of working capital and cash flows. This is done by monitoring forecasted cash flows and ensuring that adequate banking facilities and reserve borrowing facilities are maintained. The Group has sufficient undrawn call/demand borrowing facilities that could be utilized to fund any potential shortfall in cash resources.

4. Significant accounting estimates and judgements

Management makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Decommissioning provisions

The Group, based on current domestic legislation as well as on Group practices, has a future obligation to dismantle its wind parks and to restore the land on which they are situated. Against such obligation, the Group establishes a provision, reflecting the present value (based on a relevant discount rate) of the future decommissioning expense. For more information, see Note 19.

(b) Provision for income tax

According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities, and includes the current income tax for each fiscal year, as well as a provision for extra taxes which may arise from future tax audits. The final clearance of income taxes may be different (but not materially) from the relevant amounts which are included in these financial statements. For more information, see Note 23.



(All amounts in € thousands unless otherwise stated in text)

5. Segment reporting

Primary reporting format - business segments

The Group is organised mainly into the following segments:

1. Electromechanical projects: Study, construction and installation of lifting and transportation equipment, as well as metal constructions for the wind park subsidiaries.
2. Wind energy: Production of electricity via wind energy.

The segment results of the Group are as follows:

For the year ended 31 December 2006	E/M projects	Wind energy	Other	Group
Total gross segment sales	16.154	39.995	1.297	57.446
Inter-segment sales	(6.812)	(446)	-	(7.258)
Net sales	9.342	39.549	1.297	50.188
Operating profit / (loss)	1.293	22.268	(234)	23.327
Finance (expenses) / income – net	(89)	(2.236)	(18)	(2.343)
Profit / (loss) before income tax	1.204	20.032	(252)	20.984
Income tax expense				(4.743)
Profit / (loss) for the year				16.241

For the year ended 31 December 2005	E/M projects	Wind energy	Other	Group
Total gross segment sales	25.097	36.266	1.890	63.253
Inter-segment sales	(9.774)	-	-	(9.774)
Net sales	15.323	36.266	1.890	53.479
Operating profit / (loss)	4.241	11.419	(95)	15.565
Finance (expenses) / income – net	(540)	(1.964)	(12)	(2.516)
Profit / (loss) before income tax	3.701	9.455	(107)	13.049
Income tax expense				(3.641)
Profit / (loss) for the year				9.408

The segment assets and liabilities of the Group are as follows:

As at 31 December 2006	E/M projects	Wind energy	Other	Group
Total assets	109.565	124.864	2.126	236.555
Total liabilities	12.820	130.246	1.703	144.769
Depreciation	980	12.243	153	13.376
Capital expenditure	1.157	12.721	8	13.886

As at 31 December 2005	E/M projects	Wind energy	Other	Group
Total assets	102.795	125.442	2.121	230.358
Total liabilities	8.734	140.287	1.445	150.466
Depreciation	919	16.287	174	17.380
Capital expenditure	3.293	4.824	69	8.186

Inter-segment transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Secondary reporting format – geographical segments

The Group operates in Greece, which is the country of incorporation and domicile of the parent Company and its subsidiaries, except for the subsidiary company Rokas Aeoliki Cyprus Ltd, which is domiciled in Cyprus, but has no significant activity yet.



(All amounts in € thousands unless otherwise stated in text)

6. Property, plant, and equipment

	Land and buildings	Plant, machinery, equipment, and vehicles	Machinery under finance leases	Assets under construction	Total
Cost					
As at 1 January 2005	42.460	158.491	19.473	198	220.622
Additions	1.377	2.685	-	4.124	8.186
Sales / Destructions / Reductions	(2.915)	(347)	-	(179)	(3.441)
As at 31 December 2005	40.922	160.829	19.473	4.143	225.367
Accumulated depreciation					
As at 1 January 2005	(4.096)	(38.017)	(1.623)	-	(43.736)
Sales / Destructions / Reductions	994	-	-	-	994
Depreciation (Note 21)	(2.663)	(13.354)	(1.363)	-	(17.380)
As at 31 December 2005	(5.765)	(51.371)	(2.986)	-	(60.122)
Cost					
As at 1 January 2006	40.922	160.829	19.473	4.143	225.367
Additions	37	2.211	-	3.787	6.035
Mvnt. of decommissioning (Note 19)	-	(24.877)	-	-	(24.877)
Transfer from assets under construction	-	5.279	-	(5.279)	-
Sales / Destructions / Reductions	(77)	(121)	-	-	(198)
Movements / Adjustments	(3.880)	2.045	-	932	(903)
As at 31 December 2006	37.002	145.366	19.473	3.583	205.424
Accumulated depreciation					
As at 1 January 2006	(5.765)	(51.371)	(2.986)	-	(60.122)
Mvnt. of decommissioning (Note 19)	-	5.592	-	-	5.592
Sales / Destructions / Reductions	8	79	-	-	87
Depreciation (Note 21)	(2.125)	(9.888)	(1.363)	-	(13.376)
Movements / Adjustments	(4.158)	5.029	32	-	903
As at 31 December 2006	(12.040)	(50.559)	(4.317)	-	(66.916)
Net book value					
As at 31 December 2005	35.157	109.458	16.487	4.143	165.245
As at 31 December 2006	24.962	94.807	15.156	3.583	138.508

On the property, plant, and equipment of the Group, there are pledges worth €108 million, relating to guarantees on project finance loans of the energy subsidiaries of the Group.

Machinery under finance leases relate to wind park equipment, which will come under the ownership of the Group, once the lease period ends in April 2009.

Depreciation expense has been charged as follows:

	Year ended 31 December 2006	Year ended 31 December 2005
Cost of goods sold	12.919	17.025
Selling and marketing costs	18	12
Administrative expenses	439	343
	13.376	17.380

7. Available - for - sale financial assets



(All amounts in € thousands unless otherwise stated in text)

The available - for - sale financial assets of the Group are as follows:

	Listed equities	Shares in mutual funds	Debt securities	Total
As at 31 December 2005	-	-	1.493	1.493
Additions	-	-	52	52
As at 31 December 2006	-	-	1.545	1.545

8. Derivative financial instruments

	As at 31 December 2006		As at 31 December 2005	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	599	(64)	112	(567)
	599	(64)	112	(567)

The fair values of derivative financial instruments are based on marked to market valuations, which are confirmed by the financial institutions with which the Group has contracted them.

The notional principal amounts of the outstanding interest rate swap contracts, as at 31 December 2006, were €38.503 thousands (31 December 2005: €45.982 thousands).

At 31 December 2006, the fixed interest rates vary from 2,83% to 4,40% (31 December 2005: 2,83% to 4,40%) and the main floating rate is the 6-month EURIBOR.

The income statement credit of the movement in the fair values of derivative financial instruments during the year ended 31 December 2006 amounts to €990 thousands (31 December 2005: credit €797 thousands).

9. Trade and other receivables

	As at 31 December 2006	As at 31 December 2005
Trade receivables	12.267	12.957
Committed bank accounts	1.474	251
Other receivables	13.944	5.153
Prepaid expenses and accrued income	806	2.034
Prepayments	18.044	-
Total current receivables	46.535	20.395
Total long term guarantees & other non-current receivables	32	33

A series of committed bank accounts are held by the subsidiaries companies of the Group within the framework of their financing, aiming at serving the liabilities/receivables connected with the assignment of contracts for constructing the project, equipment procurement, insurance, sale of electricity to the National Grid, etc., which have been given to the banks as a guarantee for their loans.

Prepayments relate to payments to suppliers for the purchase of electromechanical equipment for the Group's wind parks.

Group management estimates that there is no further credit risk than for which provision has already been made in the receivables of the Group.

The values stated above reflect the fair values of the receivables.

All non-current receivables expire within 5 years of the balance sheet date.



(All amounts in € thousands unless otherwise stated in text)

10. Inventories

	<u>As at</u> <u>31 December 2006</u>	<u>As at</u> <u>31 December 2005</u>
Raw materials	3.966	3.103
Work in progress	3.513	3.509
Finished goods	528	92
	<u>8.007</u>	<u>6.704</u>

The cost of inventories recognized as expense in “cost of goods sold” amounted to €4.622 thousands (31 December 2005: €4.666 thousands).

11. Cash and cash equivalents

	<u>As at</u> <u>31 December 2006</u>	<u>As at</u> <u>31 December 2005</u>
Cash in hand	59	25
Short-term bank deposits	35.038	35.496
	<u>35.097</u>	<u>35.521</u>

The effective interest rate on short-term bank deposits of the Group was approximately 2% and their average maturity is 15 days.

12. Share capital & share premium

	<u>Number of</u> <u>shares</u>	<u>Number of</u> <u>treasury shares</u>	<u>Ordinary</u> <u>shares</u>	<u>Share</u> <u>premium</u>	<u>Treasury</u> <u>shares</u>	<u>Total</u>
At 1 January 2005	23.774.324	(818.350)	11.887	49.329	(4.369)	56.847
Sale of treasury shares	-	818.350	-	-	4.369	4.369
At 31 December 2005	23.774.324	-	11.887	49.329	-	61.216
At 31 December 2006	23.774.324	-	11.887	49.329	-	61.216

The total authorised number of ordinary shares is 23.774.324 shares with a par value of €0,50 per share, of which 3.229.872 are preference shares, also with a par value of €0,50 per share.

All issued shares are fully paid.

All treasury shares (800.260 common and 18.090 preference), which had been purchased by the Company in November 2004, were sold during 2005, yielding a profit of € 2.602 thousands that had been transferred directly to Group reserves in the year 2005.

The non-voting preference shares have the following privileges:

- The first dividend - from the fiscal year's earnings, amounting to 6% of the nominal value of the share, is first distributed to preference shares and then to common shares.
- As with common shares, they are entitled to additional dividends distributed in any form.
- They are entitled to a cumulative dividend. If the Company in one or more fiscal years cannot distribute a dividend or if it distributes a dividend which is less than the specified dividend (6%) of the nominal value of the share, then preference shareholders may collect the dividend of those years cumulatively out of the earnings of the following fiscal years.
- Upon wind-up or liquidation of the Company, preference shareholders shall have priority in receiving the share capital they have paid and at the same time they shall participate equally with common shareholders in the liquidation proceeds, by the amount exceeding the total capital of the Company.



(All amounts in € thousands unless otherwise stated in text)

13. Other reserves

	Statutory reserves	Special reserves	Tax-free reserves	Extraordinary & Other reserves	Total
At 1 December 2005	3.044	316	4.737	17.528	25.625
Movements during the year	569	-	-	1.566	2.135
Profit from sale of treasury shares	-	2.602	-	-	2.602
At 31 December 2005	3.613	2.918	4.737	19.094	30.362
Movements during the year	1.179	(2.602)	(1.810)	(11.288)	(14.521)
At 31 December 2006	4.792	316	2.927	7.806	15.841

During the year 2006, based on a relevant decision of the Company's Management, reserves totaling €12.139 thousands of the parent company, for which tax had been already paid, were transferred to retained earnings. This is included in the above movements.

Legal Reserve

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed during the lifespan of the companies of the Group.

Tax-free and Special Reserves

These reserves are not distributed to the shareholders based on the special provisions of laws (under the condition that there are enough profits for their formation). These reserves relate mainly to investments and are exempt from income tax, provided they are not distributed to shareholders. At this phase, the Group has no intention of distributing these reserves and, accordingly, has not provided for deferred income tax.

Extraordinary and Other Reserves

Specially taxed reserves represent interest income and are non taxable or have been specially taxed at source. These reserves, excluding any prepaid taxes, are subject to income tax in case of distribution to shareholders. At this phase, the Group has no intention of distributing these reserves and, accordingly, has not provided for deferred income tax.

14. Trade and other payables

	As at 31 December 2006	As at 31 December 2005
Trade payables	3.217	1.227
Social security and other taxes	330	352
Accrued expenses and deferred income	596	949
Other liabilities	2.954	1.696
	7.097	4.224



(All amounts in € thousands unless otherwise stated in text)

15. Borrowings

	As at 31 December 2006	As at 31 December 2005
Bank borrowings	38.401	43.145
Finance lease liabilities	6.217	9.640
Less: future finance charges on finance leases	(302)	(624)
Non-current borrowings	44.316	52.161

	As at 31 December 2006	As at 31 December 2005
Bank borrowings	24.985	8.955
Finance lease liabilities	4.152	3.998
Less: future finance charges on finance leases	(474)	(520)
Current borrowings	28.663	12.433

The maturity of the Group's borrowings is as follows:

	As at 31 December 2006	As at 31 December 2005
Less than 1 year	28.663	12.433
Between 1 and 5 years	40.316	43.888
Over 5 years	4.000	8.273
Total borrowings	72.979	64.594

The finance lease liabilities are as follows:

	As at 31 December 2006	As at 31 December 2005
Less than 1 year	(474)	(520)
Between 1 and 5 years	(302)	(624)
Over 5 years	-	-
	(776)	(1.144)
Less: future finance charges on finance leases	72.979	64.594
Present value of finance lease liabilities	72.203	63.450

The present value of finance lease liabilities is as follows:

	As at 31 December 2006	As at 31 December 2005
Less than 1 year	28.189	11.913
Between 1 and 5 years	44.014	51.537
Over 5 years	-	-
Present value of finance lease liabilities	72.203	63.450

The Group's borrowings consist mainly of project finance loans. No guarantee is required by the parent company, but the bank receives as a guarantee the contracts for constructing the project, for equipment procurement, insurance, sale of electricity to the National Grid, etc. Within this framework, the subsidiaries hold a series of committed bank accounts so as to service the above matters.

The above values of the Group's borrowings also approximate their fair values.

The effective borrowing interest rate of the Group at the balance sheet date is approximately 4% variable.

All Group borrowings have been contracted and denominated in Euro.

On the property, plant, and equipment of the Group, there are pledges worth €108 million, relating to guarantees on project finance loans of the energy subsidiaries of the Group.



(All amounts in € thousands unless otherwise stated in text)

16. Deferred income tax

Deferred income tax is provided in total on temporary differences, with the method of the contingent liability, using a standard tax rate of 25%. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred income tax assets and liabilities are presented as follows:

	As at 31 December 2006	As at 31 December 2006	As at 31 December 2005	As at 31 December 2005
	Assets	Liabilities	Assets	Liabilities
Intangible assets	438	(225)	3.428	(3.652)
Property, plant, equipment	6.360	(5.160)	4.568	(6.795)
Grants	1.683	-	1.690	-
Provisions	209	-	426	(54)
Finance leases	-	(960)	422	(1.339)
Other	163	(109)	539	(172)
Total before offsetting	8.853	(6.454)	11.073	(12.012)
Offsetting of balances	(2.621)	2.621	(10.218)	10.218
Total after offsetting	6.232	(3.833)	855	(1.794)

All deferred tax assets and liabilities of the Group are to be recovered after more than 12 months from the balance sheet date.

As at 31 December 2006, the Group had €1.870 thousands worth of tax losses for which no deferred tax asset was calculated, because of the uncertainty regarding their tax usage. Based on fiscal legislation, the Group has the right to make usage of the aforementioned tax losses for a period of five years after the year they were created.

The movement on the deferred income tax account has been (charged) or credited in the income statement as follows:

	As at 31 December 2006	As at 31 December 2005
Intangible assets	437	(1.439)
Property, plant, equipment	3.427	3.386
Grants	(7)	7
Provisions	(163)	170
Finance leases	(43)	(654)
Other	(313)	95
	3.338	1.565



(All amounts in € thousands unless otherwise stated in text)

17. Retirement benefit obligations

Under Greek labour law, employees and workers are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's or worker's compensation, length of service and manner of termination (dismissed or retired). Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that pension plans are not funded. In accordance with this practice, the Company does not fund these plans. The Company charges income from continuing operations for benefits earned in each period with a corresponding increase in retirement indemnity liability. Benefits payments made each period to retirees are charged against this liability.

The retirement benefit obligations were estimated through an actuarial report.

The provision for retirement benefits which was recognised in the balance sheet and charged in the income statement for the years 2006 and 2005 is as follows:

	As at 31 December 2006	As at 31 December 2005
Present value of obligations	690	586
Unrecognised traditional asset	-	-
Immediate recognition of obligation at transition	-	-
Unrecognised net loss	(187)	(152)
Unrecognised past service cost	(76)	(82)
Net liability in balance sheet	427	352
<i>Components of income statement charge</i>		
Service cost	49	38
Interest cost	22	21
Amortisation of net obligation at transition	-	-
Amortisation of unrecognised net loss	8	4
Recognition of past service cost	6	6
Regular income statement charge	85	69
Additional cost of extra benefits	39	48
Restructuring expenses	-	-
Other expenses	-	-
Total income statement charge	124	117
<i>Movements in net liability in balance sheet</i>		
Net liability at beginning of year	352	303
Contributions paid by the Group	-	-
Benefits paid directly by the Group	(49)	(68)
Total expense recognised in income statement	124	117
Net liability in balance sheet before adjustment	427	352
Adjustment	-	-
Net liability in balance sheet	427	352
<i>Reconciliation of benefit obligation</i>		
DBO at beginning of year	587	498
Service cost	49	38
Interest cost	22	21
Employee contributions	-	-
Benefits paid directly by the Group	(49)	(68)
Expenses	-	-
Extra payments or expenses	39	48
Past service cost arising over last year	-	-
Actuarial loss	42	50
DBO at end of the year	690	587
<i>Actuarial assumptions</i>		
Discount rate	4,00%	4,00%
Rate of compensation increase	4,00%	4,00%
Average future working life	10,9 - 17,18	10,5 - 18,29



(All amounts in € thousands unless otherwise stated in text)

18. Grants

	As at 31 December 2006	As at 31 December 2005
At beginning of year	45.331	48.310
Additions	4.767	1.434
Credited to income statement during the year	(4.891)	(4.413)
At end of year	45.207	45.331

19. Provisions

	Legal	Decommissioning	Other	Total
At 31 December 2005	409	21.833	31	22.273
Additions / (reductions)	161	(19.295)	(31)	(19.165)
At 31 December 2006	570	2.538	-	3.108

Legal

According to Group management, and following legal advisor consultations, it is estimated that the results of open legal cases shall not affect the Group further than for what has already been provided for.

Decommissioning

These provisions relate to the cost of dismantling wind parks and restoration of the land on which they currently operate, once the license period ends, and have been based on third party estimations, which are conducted every two years in order to determine more accurately the future expense.

The Group, based on the current domestic legislation, has the obligation to dismantle the wind parks and to restore the land on which they are situated upon the end of their license and if the latter are not extended. Against such obligation the Group had established a respective provision which as at 31 December 2005 amounted to € 21.8 million while the debit side of the respective entries is reflected in PPE and these amounts are depreciated based on the useful lives of the respective items of PPE (wind parks). This provision was initially assessed on the basis of a brief study performed in 2005 by an external firm.

During the last quarter of 2006 the Group based on:

- a) Its review of ongoing proposals for changes in the Environmental Conditions for Renewable Energy Sources by the Hellenic Ministry of Environment and Public Works, and
- b) Its policy to reassess periodically its estimation and forecasting processes, aiming also to further align its IFRS estimation processes with those of its parent in Spain,

conducted new research which allowed a more precise re-assessment of the provisions relating to the future decommissioning of its privately owned wind parks.

Based on this research the cumulative nominal balance of the respective provision was redetermined to €3,2 million (€2,5 million after the effect of discounting). The provision has been estimated using current prices, it was projected using an inflation rate of 3,5% and discounted using a discount rate of 6% (the Group's WACC).

The above issue was considered as a change in accounting estimates and the accounting amendments were made accordingly, on the basis of the provisions of "IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities". In that respect, the reduction in the amount of the provision (€19,3 millions) was credited against the carrying amount of the related items of PPE (wind parks).

As a result of the above, the adjusted depreciable amount of the related wind parks will be depreciated over their remaining useful operating lives and such wind parks will be depreciated up to their residual values (i.e. the steel scrap values).

The above accounting amendments did not have any effect on the Group's Net Equity or Income Statement at 31 December 2006.



(All amounts in € thousands unless otherwise stated in text)

20. Other operating income / (expenses)

	Year ended 31 December 2006	Year ended 31 December 2005
Amortisation of grants	4.891	4.413
Other income	2.078	2.479
Other operating income	6.969	6.892
Other operating expenses	(297)	(3.524)

21. Expenses by nature

	Year ended 31 December 2006	Year ended 31 December 2005
Cost of inventories recognised as expense	4.622	4.666
Depreciation expense	13.376	17.380
Personnel cost *	7.353	6.986
Third party fees and expenses	2.431	6.137
Third party charges	2.385	2.344
Taxes and tariffs	1.178	954
Other expenses	2.188	2.815
Total cost of goods sold, selling&marketing, and administration expenses	33.533	41.282

* Personnel cost is analyzed as follows:

	Year ended 31 December 2006	Year ended 31 December 2005
Wages and salaries	5.831	5.534
Social security costs	1.349	1.267
Compensations (see Note 17)	49	68
Other employee benefit costs (see Note 17)	124	117
	7.353	6.986

22. Financial income & expenses

	Year ended 31 December 2006	Year ended 31 December 2005
Income from investments	69	382
Other interest received	71	69
Credits from valuation of derivative financial instruments	990	797
Interest received and similar financial income	1.130	1.248
Interest paid	(2.907)	(3.201)
Finance lease interest expenses	(566)	(563)
Interest paid and similar financial expenses	(3.473)	(3.764)



(All amounts in € thousands unless otherwise stated in text)

23. Income tax expense

	Year ended 31 December 2006	Year ended 31 December 2005
Current income tax (29% and 32% equivalently)	(8.081)	(5.206)
Deferred income tax (Note16)	3.338	1.565
Income tax expense	(4.743)	(3.641)
Profit before income tax	20.984	13.049
Tax rate	29%	32%
Anticipated tax charge	(6.085)	(4.176)
Non-deductible expenses	(164)	(1.294)
Income tax provisions	(2.851)	-
Recognition of def. income tax from intercompany profits	4.235	1.829
Tax losses for which no def. income tax is recognised	(542)	-
Use of prior year tax losses	510	-
Other adjustments	154	-
Actual tax charge	(4.743)	(3.641)

Greek tax legislation and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

During 2006 the Group, based on new facts that occurred and which allowed a more precise review of the Group tax position, re-assessed the relevant provisions for open tax years and also reconsidered the recognition of a deferred tax asset with regards to eliminations of intercompany profits from the sale of fixed assets from the parent company to its subsidiaries.

As result of the above:

- An extra provision worth €2.851 thousands was made for open tax years of certain companies.
- An extra deferred tax asset (worth €4.235 thousands) was recognized with regards to the eliminations of intercompany profits from the sale of fixed assets from the parent company to its subsidiaries.

The re-assessment of the above matters resulted in a net gain of €1.384 thousands, which reduced the income tax charge shown in the consolidated income statement, according to the principles of IFRS with regards to changes in accounting estimates.

24. Earnings per share

The basic earnings per share were calculated by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary share purchased by the Company and held as treasury shares (only for year 2005).

	Year ended 31 December 2006	Year ended 31 December 2005
Profit attrib. to equity holders of the Co (€ thousands)	16.003	8.998
Weighted average no. of shares in issue (thousands)	23.774	23.297
Basic and diluted earnings per share (€ per share)	0,67	0,39



(All amounts in € thousands unless otherwise stated in text)

25. Dividends per share

The dividends approved by the parent company for the years 2005 and 2004 (which were subsequently paid in the years 2006 and 2005) amounted to €4.041 thousands and €3.443 thousands.

At the Annual General Meeting of the Shareholders of C. Rokas SA, which is expected to take place in May 2007, a dividend of € 0,18 per share (€4.279 thousands) shall be proposed for the year ended 31 December 2006. These financial statements do not reflect this dividend as payable, as it will be charged directly to equity in the year ended 31 December 2007, once approved by the AGM.

26. Contingencies

Further to those for which provision has been made in these financial statements, there are no other cases that may have significant negative effect on the financial position or operation of the Group.

27. Subsidiary companies

The Rokas Group consists of the parent Company C. Rokas SA, as well as 34 further subsidiary companies, the details of which are as follows:

Name	% Holding	% Holding	Incorporation	Open tax years
	Direct & Indirect 31 December 2006	Direct & Indirect 31 December 2005		
C. Rokas SA (parent)	-	-	Greece	2004 - 2006
Rokas Aeoliki SA	99,00	99,00	Greece	2005 - 2006
Rokas Aeoliki Evia SA	99,13	99,13	Greece	2003 - 2006
Rokas Aeoliki Zarakes SA	99,13	99,13	Greece	2003 - 2006
Rokas Aeoliki Kriti SA	99,62	99,04	Greece	2003 - 2006
PPC Renewables Rokas SA	51,00	51,00	Greece	2003 - 2006
Rokas Aeoliki Thraki SA	99,00	99,00	Greece	2003 - 2006
Rokas Aeoliki Thraki II SA	99,09	99,00	Greece	2003 - 2006
Rokas Aeoliki Thraki III SA	98,97	98,97	Greece	2003 - 2006
Rokas Aeoliki Komito SA	99,99	98,97	Greece	2003 - 2006
Rokas Aeoliki Thessalia I SA	98,97	98,97	Greece	2003 - 2006
Rokas Aeoliki Thessalia II SA	98,97	98,97	Greece	2003 - 2006
Rokas Aeoliki Viotia SA	98,97	98,97	Greece	2003 - 2006
Rokas Aeoliki Achladotopos SA	98,97	98,97	Greece	2003 - 2006
Rokas Energy SA	99,11	99,11	Greece	2003 - 2006
Rokas Aeolos Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Vorios Ellas I Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Vorios Ellas II Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Kozani I Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Kozani II Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Macedonia I Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Macedonia II Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Macedonia III Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Macedonia IV Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Peloponnisos I Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Peloponnisos II Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Peloponnisos III Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Peloponnisos IV Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Sterea Ellas I Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Sterea Ellas II Ltd	100,00	100,00	Greece	-
Rokas Aeoliki Cyprus Ltd	75,00	70,00	Cyprus	-
Hellenic Fish SA	90,39	90,39	Greece	2003 - 2006
Rokas Logistics SA	100,00	-	Greece	-
Rokas Hydroelectric I Ltd	100,00	-	Greece	2006
Rokas Hydroelectric II Ltd	100,00	-	Greece	2006



(All amounts in € thousands unless otherwise stated in text)

28. Related party transactions

(a) Main shareholder

The main shareholder of the Company is IBERDROLA ENERGIAS RENOVABLES SA (subsidiary of the Spanish Group IBERDROLA SA), which, as at 31 December 2006, held 49,9% of the common share capital of the Company. Mr. C. Rokas held 6,5% and Mr. G. Rokas held 3,4%. The rest of the shares are widely held by individual investors.

(b) Transactions and balances with related parties and key management

	<u>Year ended</u> <u>31 December 2006</u>	<u>Year ended</u> <u>31 December 2005</u>
Sales of goods and services	-	-
Purchases of goods and services	-	-
Receivables	-	-
Liabilities	-	-
Salaries and benefits of the key management	1.359	963
Receivables from key management	-	-
Liabilities to key management	-	-

The transactions that were carried out between the companies of the Group, as well as the balances that resulted from these transaction, have been fully eliminated from these consolidated financial statements.

29. Post balance sheet events

There are no post balance sheet events which could have material adverse effects on the financial position of the Group.