

# Interim Financial Statements

as of and for the six months ended 30 June 2008



(compiled in accordance with the  
International Financial Reporting Standards  
that have been adopted by  
the European Union)

and

**Independent Auditors'  
Review Report Thereon**



**HELESI**  
2008 A



In August, Helesi was saddened to announce the death of Roger Parsons, our Chairman of recent years. Roger passed away unexpectedly following a short illness. His presence at the company will be sadly missed, having contributed heavily to our IPO on AIM and the development of Helesi and our team over the last two years.

Roger chaired Helesi with great skill through an exciting period in the company's history. He developed a deep understanding of our people and our business and we all benefited from his considerable experience, thoughtfulness and leadership. His guidance, wisdom, values and experience will be greatly missed.

Roger's business achievements include:

- Chief Executive of Rea Brothers Group Plc., a publicly quoted UK banking and financial services company. (1988 - 1999)
- 25 years in international banking, first with Citibank and subsequently with Grindlays Bank Plc, where he was a Managing Director.
- Director for both public and private companies in the UK, United States and Greece
- Board of American Standard Companies, Inc. (an S & P 500 company) where he had been a non-executive director for ten years.
- Chairman of Gulf Keystone Petroleum Ltd., which is quoted on AIM
- Director of Hoegh Capital Partners Advisors Limited, an investment advisory company.

Out of work, Roger was a loyal family man, surrounded by those that loved and admired him. Other than his family, his passions included exploring the beauties of the Greek country side, and keeping fit as an avid runner.



# Interim Financial Statements

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# Review by the Interim Chairman and Chief Executive

## Introduction

Firstly may I start by expressing my deep regret that we have had to recently announce the loss of our Chairman Roger Parsons. Roger passed away unexpectedly last month following a short illness.

Roger chaired Helesi with great skill through an exciting period in the Company's history. He developed a deep understanding of our people and our business and we all benefited from his considerable experience, thoughtfulness and leadership. His guidance, wisdom, values and experience will be greatly missed. In his absence I have taken on the role of Interim Chairman. Together with my Board colleagues, I will be focusing on appointing a successor to Roger in the knowledge that his expertise and contribution will be very hard to match. For these results, I have combined the Chairman's statement with my Chief Executive's Review.

The first half of 2008 has proven to be yet another successful period for Helesi. The Company has made good progress towards the realisation of its strategic goals. The principal themes throughout the period were a continuation of our organic growth in our manufacturing operations in Europe, the progress made on our 2006–2009 €83 million investment program, which I am happy to report is both on schedule and budget, and the further development of our Waste Management Services capabilities.

## Financial Performance

Helesi has had a strong six months, reporting solid growth which is continuing into the second half. Margins remained in line with our projections. Revenues for the six months to 30 June 2008 increased by 46% to €33 million (H1 2007: €22.6 million). This top line growth produced a net profit after tax of €3.07 million, an increase of 21% (H1 2007: € 2.54 million) while earnings per share increased to €0.09 (H1 2007: €0.08)\*. \*Percentage increase is subject to rounding criteria; EPS H1 2008: €0.094 (H1 2007: €0.077)

Revenue and profit growth are principally organic resulting from Helesi's traditional manufacturing businesses - but also include, for the first full period, results from the activities of Perivallontiki AE. During these challenging economic times, the environmental industry and particularly the waste industry has shown strong resilience which supports our optimistic outlook for the future.

Capital expenditure remained at high levels as our ambitious €83 million expansion program nears completion. The expansion program has been financed to a large extent from committed bank facilities and government and EU grants. Net borrowings stood at €55 million as at 30 June, which is expected to be the peak of Helesi's borrowings. Debt is expected to decrease due to (a) the expected contribution of the added capacity in 2009 and (b) the anticipation of some €20 million of (already awarded) grants to be received over the next 12 months, with a considerable amount expected in the second half of 2008.

In this period of record investment, Helesi has been fortunate to have the full support of its banking institutions, which has allowed the Company to continue with its expansion plans. In addition, Helesi currently enjoys comfortable headroom of approximately €10 million of committed facilities.

The blended average rate for our borrowings during the period was approximately 6% and interest costs of €1.28 million were covered 4.8 times by EBITDA.

Finally, the seasonality of our business adversely affects Helesi's working capital requirements during the half year period. Management has concentrated on managing working capital more efficiently which has produced tangible results with operating cash flow improving to -€0.9 million (2007: -€2.1 million) and is expected to turn positive at the end of the year.

## Board

In addition to my interim role as Chairman, further changes were made to the Board, following a strategic review. Apostolos Binomakis, 33, has been appointed to the Board as Chief Financial Officer, and Yiannis Riskakis, 39, appointed as head of Waste Management Services (WMS), both of whom have joined the Board as executive directors. These appointments are subject to ratification by the shareholders in the next general meeting. In addition, Dimitrios Karaiskos, the executive director in charge of the Plastic Products division, has recently stepped down from the Board, but continues to manage, with full commitment, the international development of the Plastics Products division.

## Operations

### **Waste Management Products**

*Waste Containers* continued to grow in line with projections, despite the limitations of current capacity. Helesi's manufacturing operations have continued to operate at or near capacity, reflecting strong demand from a broad range of customers. As shareholders may have seen, press reports indicate that there has been record demand this year for wheelie bins, causing shortages both in the UK and continental Europe. This has contributed to an increase in sales of our four and two wheeled waste bins, manufactured at our facilities in Komotini and Bradford, which have seen a volume growth of 22%. In addition, we remain confident that the level of political and public pressure (at EU and country level) to tackle the issue of waste management, will continue to increase opportunities for this business.

The price of HDPE (high density polyethylene), the Company's principal raw material, increased to an all time high in the period, following the trend in oil prices. However, this has not impacted margins materially, as the Company has been able to pass on most of the associated increased costs. We have also been able to mitigate the effects of the HDPE price increase on our financial results due to changes to our sales mix, with increasing contributions from higher margin products and activities.

*Waste Vehicles and Accessories*, acquired in November 2007, had a strong first half. Revenues from this seasonal division were approximately €8 million for the first six months of the year, in line with management projections.

### **Waste Management Services**

Services have continued to grow at a successful pace with another year of strong growth as Helesi continues to lead the markets in which it operates in collection services. In Cyprus, Helesi is working on the construction of a *Waste Transfer Station* - expected to complete by the first half of 2009. It is hoped that the operation of this 10 year concession will be initiated shortly thereafter, paving the way for Helesi's entrance into yet another waste management area and adding to the portfolio of services Helesi provides. Helesi currently owns 100% of this contract as it concluded the acquisition of the 30% minority stake in June of this year.

### **Plastic Pallets and Pallet Boxes**

Our relatively new range of plastic pallets and pallet boxes continues to be well received in our target markets. This line of products is produced utilising the same injection moulding infrastructure as the waste containers and is expected to contribute materially with the addition of the new Italian capacity. Currently, the strong demand for waste containers has diverted existing capacity away from pallets and pallet boxes.

### **Integration of the Perivallontiki Acquisition**

The period has also seen the successful integration of the Perivallontiki AE businesses, acquired last November. Revenues include that from the vehicles division of Perivallontiki ATEBE which distributes waste collection and related specialist vehicles and accessories to local authorities in Greece; AZ Perivallontiki - a Cyprus based distributor of vehicles and Helesi products (formerly a subsidiary of Perivallontiki); and Helesi Trans, a Cyprus based logistics company that operates a fleet of trucks primarily for the distribution needs of Helesi.

## Investment Program

Our €83 million investment program is nearing completion. The principal remaining projects are the expansion in Komotini, Greece and the new plant in Italy, due to be completed in Q1 2009 and Q4 2008 respectively. These two projects, accounting for the bulk of the investment program, will only begin to make a significant positive contribution to revenues and profits from 2009 onwards.

The new €25 million plant in southern Italy is almost complete. The plant is on schedule to start operations in the last quarter of this year and will manufacture pallet boxes and recycling containers for the European market. At Komotini, the €35 million expansion program will double its existing capacity.

These facilities will allow Helesi to satisfy increased demand for our products, as we continue to grow and address new markets. The investment will provide the Company with the latest generation of manufacturing technology that will increase efficiency, lower costs and free up older equipment for use elsewhere.

## Strategy

Our continuing focus has been on the investment program to significantly expand our manufacturing capability and our geographic reach in waste management products as well as targeting the core territory of south east Europe for expansion of our waste management and waste treatment services, seeking to take advantage of the growth in this well developed market.

Whilst we continue to focus on organic growth, we will also be assessing opportunities for selective acquisitions to complement our business divisions.

## Outlook

Helesi has made a strong start to the year despite the uncertain overall economic background and outlook. The global focus on the environment and the knock-on effects this has for the waste management industry continues to result in strong demand for both our products and services. We remain encouraged by the high level of interest both for our traditional products and for our new products and services, and look forward to the remainder of the year with optimism and enthusiasm. Already, we have revenue visibility of over 85% of the year's expected total with 2008 seeing the first full year's contribution from the Perivallontiki acquisition.

We are confident that we will see growth within the Services division for the foreseeable future with increasing activity on the waste management front in our target markets of Greece and Cyprus, and tenders expected to contribute from next year. Similarly, we are optimistic about the prospects for the Vehicles and Accessories division, having reviewed the current pipeline of tenders. Within Waste Management, any easing of oil and oil derivatives prices will result in margin growth.

While pressing ahead with the completion of our investment program, we continue to seek to broaden our global presence with sales to new territories and, look forward to delivering further positive results to shareholders at the full year and beyond.

**Sakis Andrianopoulos**  
**Chief Executive and Interim Chairman**

26 September 2008

# Independent Auditors' Review Report

## To the Shareholders of Helesi PLC

### Introduction

We have reviewed the accompanying interim financial information of **Helesi PLC** (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position and the consolidated statement of financial position of the Company and the Group, as at 30 June 2008, and the respective statements of comprehensive income, the statements of changes in shareholders' equity and the statements of cash flows for the six-month period then ended, and the notes thereon. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Financial Reporting Standards, adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Helesi Group and of Helesi PLC, as at 30 June 2008, and of their financial performance and their cash flows for the six-month period then ended, in accordance with the International Financial Reporting Standards, adopted by the European Union.

Athens, 27 September 2008

#### **BDO PROTYPOS HELLENIC AUDITING CO. AE**



#### **BDO Prottypos Hellenic Auditing Company AE**

Certified & Registered Auditors

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# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### Statements of Comprehensive Income

	Notes	<b>The Group</b>			<b>The Company</b>		
		<b>First half of 2008 €'000</b>	First half of 2007 €'000	Year 2007 €'000	<b>First half of 2008 €'000</b>	First half of 2007 €'000	Year 2007 €'000
Sales revenue		<b>32,989</b>	22,577	50,033	-	-	-
Other revenue		<b>459</b>	236	660	<b>613</b>	480	1,034
		<b>33,448</b>	22,813	50,693	<b>613</b>	480	1,034
Changes in inventories of finished goods		<b>12</b>	452	228	-	-	-
Cost of materials used		<b>(17,853)</b>	(13,236)	(27,709)	-	-	-
Personnel-related costs	7	<b>(2,586)</b>	(2,058)	(4,537)	<b>(10)</b>	(48)	(28)
Directors' emoluments		<b>(167)</b>	(130)	(346)	<b>(150)</b>	(130)	(310)
Depreciation charges		<b>(1,115)</b>	(775)	(1,652)	-	-	-
Other operating expenses		<b>(6,698)</b>	(3,444)	(7,968)	<b>(133)</b>	(100)	(421)
Profit, before finance charges		<b>5,041</b>	3,622	8,709	<b>320</b>	202	275
Cost of financing, net		<b>(1,276)</b>	(587)	(1,695)	<b>(1)</b>	158	315
Profit from ordinary activities		<b>3,765</b>	3,035	7,014	<b>319</b>	360	590
Income taxes	8	<b>(697)</b>	(496)	(789)	<b>(32)</b>	(38)	(67)
Net profit, after taxes		<b>3,068</b>	2,539	6,225	<b>287</b>	322	523
Basic earnings per share (in Euro)		<b>0.09</b>	0.08	0.19	<b>0.01</b>	0.01	0.02
Diluted earnings per share (in Euro)		<b>0.09</b>	0.08	0.19	<b>0.01</b>	0.01	0.02

The attached notes form an integral part of this interim financial information

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### Statements of Financial Position

	Notes	<i>The Group</i>			<i>The Company</i>		
		<b>30 June</b>	30 June	31 December	<b>30 June</b>	30 June	31 December
		<b>2008</b>	2007	2007	<b>2008</b>	2007	2007
		€'000	€'000	€'000	€'000	€'000	
Tangible fixed assets	9	<b>82,852</b>	34,280	56,488	<b>1</b>	-	1
Intangible fixed assets	11	<b>665</b>	246	429	-	-	-
Goodwill		<b>12,558</b>	1,545	12,254	-	-	-
Investments in subsidiaries		-	-	-	<b>34,863</b>	27,539	33,883
Loan advanced to Helesi AE		-	-	-	-	5,000	-
Other long-term assets		<b>51</b>	41	51	-	-	-
		<b>96,126</b>	36,112	69,222	<b>34,864</b>	32,539	33,884
<b>Long-term assets</b>							
Inventories		<b>13,329</b>	9,009	11,310	-	-	-
Receivables		<b>35,493</b>	21,918	29,107	<b>1,147</b>	735	753
Cash and cash equivalents		<b>2,094</b>	4,974	10,396	-	506	89
		<b>50,916</b>	35,901	50,813	<b>1,147</b>	1,241	842
<b>Current assets</b>							
<b>Total assets</b>		<b>147,042</b>	72,013	120,035	<b>36,011</b>	33,780	34,726
Payables		<b>(43,234)</b>	(13,290)	(33,041)	<b>(2,610)</b>	(335)	(1,251)
Income taxes payable		<b>(261)</b>	(434)	(231)	<b>(73)</b>	(-)	(42)
Short-term borrowings	10	<b>(41,483)</b>	(10,081)	(30,900)	<b>(2)</b>	(-)	(-)
		<b>(84,978)</b>	(23,805)	(64,172)	<b>(2,685)</b>	(335)	(1,293)
<b>Current liabilities</b>							
Long-term interest bearing loans	10	<b>(16,038)</b>	(8,224)	(12,457)	<b>(-)</b>	(-)	(-)
Employee retirement benefits		<b>(83)</b>	(24)	(58)	<b>(-)</b>	(-)	(-)
Deferred tax liabilities		<b>(1,779)</b>	(1,112)	(1,364)	<b>(-)</b>	(-)	(-)
		<b>(17,900)</b>	(9,360)	(13,879)	<b>0</b>	0	0
<b>Long-term liabilities</b>							
<b>Net assets</b>		<b>44,164</b>	38,848	41,984	<b>33,326</b>	33,445	33,433
Share capital		<b>3,278</b>	3,278	3,278	<b>3,278</b>	3,278	3,278
Share premium		<b>29,950</b>	29,950	29,950	<b>29,950</b>	29,950	29,950
Capital reserves		<b>6,202</b>	1,261	6,202	-	16	-
Currency translation adjustments		<b>(801)</b>	30	(307)	-	-	-
Retained earnings		<b>5,535</b>	4,329	2,861	<b>98</b>	201	205
		<b>44,164</b>	38,848	41,984	<b>33,326</b>	33,445	33,433
<b>Shareholders' equity</b>							

The attached notes form an integral part of this interim financial information

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### Statements of Changes in Shareholders' Equity

	<i>The Group</i>					<b>Total</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Capital reserves</b>	<b>Currency translation adjustments</b>	<b>Retained earnings</b>	
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balances, as at 31 December 2006</b>	3,278	29,950	0	27	3,035	36,290
Profit for the first half of 2007, after tax	-	-	-	-	2,539	2,539
Transfer to reserves	-	-	1,245	-	(1,245)	0
Equity accounted transactions	-	-	16	-	-	16
Currency translation adjustments	-	-	-	3	-	3
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 30 June 2007</b>	3,278	29,950	1,261	30	4,329	38,848
Profit for the second half of 2007, after tax	-	-	0	-	3,686	3,686
Transfer to capital reserves	-	-	4,957	-	(4,957)	0
Equity accounted transactions	-	-	(16)	-	-	(16)
Dividends paid	-	-	-	-	(197)	(197)
Currency translation adjustments	-	-	-	(337)	-	(337)
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 31 December 2007</b>	3,278	29,950	6,202	(307)	2,861	41,984
Profit for the first half of 2008, after tax	-	-	-	-	<b>3,068</b>	<b>3,068</b>
Transfer to reserves	-	-	<b>920</b>	-	<b>(920)</b>	<b>0</b>
Dividends paid	-	-	-	-	<b>(394)</b>	<b>(394)</b>
Currency translation adjustments	-	-	-	<b>(494)</b>	-	<b>(494)</b>
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 30 June 2008</b>	<b>3,278</b>	<b>29,950</b>	<b>7,122</b>	<b>(801)</b>	<b>4,615</b>	<b>44,164</b>

	<i>The Company</i>					<b>Total</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Capital reserves</b>	<b>Currency translation adjustments</b>	<b>Retained earnings</b>	
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balances, as at 31 December 2006</b>	3,278	29,950	-	-	(121)	33,107
Equity accounted transactions	-	-	16	-	-	16
Profit for the first half of 2007, after tax	-	-	-	-	322	322
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 30 June 2007</b>	3,278	29,950	16	0	201	33,445
Equity accounted transactions	-	-	(16)	-	-	(16)
Profit for the second half of 2007, after tax	-	-	-	-	201	201
Interim dividends paid	-	-	-	-	(197)	(197)
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 31 December 2007</b>	3,278	29,950	0	0	205	33,433
Loss for the first half of 2008, after tax	-	-	-	-	<b>287</b>	<b>287</b>
Dividends paid	-	-	-	-	<b>(394)</b>	<b>(394)</b>
	-----	-----	-----	-----	-----	-----
<b>Balances, as at 30 June 2008</b>	<b>3,278</b>	<b>29,950</b>	<b>0</b>	<b>0</b>	<b>98</b>	<b>33,326</b>

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### Statements of Cash Flows

	<i>The Group</i>			<i>The Company</i>		
	<b>30 June</b>	30 June	31 December	<b>30 June</b>	30 June	31 December
Profit, before taxes	<b>3,765</b>	3,035	7,014	<b>319</b>	360	590
<i>Adjustments in respect of non-cash transactions:</i>						
Depreciation of fixed assets	<b>1,138</b>	808	1,722	-	-	-
Interest expense, net	<b>1,441</b>	587	1,956	-	(134)	(315)
Employee benefits	<b>26</b>	16	7	-	-	-
Other adjustments	<b>(110)</b>	(7)	(227)	-	-	-
	<b>6,260</b>	4,439	10,472	<b>319</b>	226	275
Increase in inventories	<b>(1,485)</b>	(2,838)	(2,863)	<b>(393)</b>	(486)	(730)
Increase in receivables	<b>(3,901)</b>	(2,270)	(5,341)	<b>(393)</b>	(486)	(730)
Increase (decrease) in payables	<b>5</b>	(795)	4,259	<b>378</b>	(93)	822
	<b>879</b>	(1,464)	6,527	<b>304</b>	(353)	367
Interest received (paid)	<b>(1,464)</b>	(559)	(1,895)	<b>(1)</b>	-	316
Income taxes paid	<b>(283)</b>	(65)	(257)	<b>(1)</b>	-	(12)
<i>Net operating cash inflows (outflows)</i>	<b>(868)</b>	(2,088)	4,375	<b>302</b>	(353)	671
<b>Cash flows related to investing activities</b>						
Acquisition of tangible fixed assets	<b>(20,148)</b>	(9,681)	(28,204)	-	(1)	(1)
Disposal of tangible fixed assets	<b>22</b>	-	409	-	-	-
Investment grants received	-	3,471	10,619	-	-	-
Acquisition of intangible fixed assets	<b>(380)</b>	(179)	(1,215)	-	-	-
Acquisition of shares in subsidiary	<b>(600)</b>	-	-	-	-	(6,344)
<i>Net investment cash inflows (outflows)</i>	<b>(21,106)</b>	(6,389)	(18,391)	<b>0</b>	(1)	(6,345)
<b>Cash flows related to financing activities</b>						
Loan repaid by (grantd to) Helesi AE	-	-	-	-	(100)	5,000
Dividends paid	<b>(393)</b>	-	(197)	<b>(393)</b>	-	(197)
Loans contracted (repaid)	<b>14,135</b>	5,840	17,059	<b>2</b>	-	-
Finance lease payments	<b>(65)</b>	(60)	(121)	-	-	-
<i>Net financing cash inflows (outflows)</i>	<b>13,677</b>	5,780	16,741	<b>(391)</b>	(100)	4,803
Increase of cash balances	<b>(8,297)</b>	(2,697)	2,725	<b>(89)</b>	(454)	(871)
Cash balances, at the beginning of the period	<b>10,396</b>	7,674	7,674	<b>89</b>	960	960
Effect of currency translation adjustments	<b>(5)</b>	(3)	(3)	-	-	-
<b>Cash balances, at the end of the period</b>	<b>2,094</b>	4,974	10,396	<b>0</b>	506	89

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### Notes to the Interim Financial Statements

#### 1. Accounting Policies

These interim financial statements have been compiled and are presented in accordance with IAS 34 *Interim Financial Reporting*. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the compilation of the audited financial statements for the year ended 31 December 2007 and the six months ended 30 June 2007.

Costs that occur evenly during the financial year are anticipated or deferred in the interim financial statements, only if it would be appropriate to anticipate or defer such costs at the end of the financial year.

Income tax expense is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

#### 2. New Activities

As a result of the acquisition of the Vehicles Division of *Perivallontiki AE*, in 2007, the Helesi Group acquired a 70% interest in a joint venture that was established in Cyprus for undertaking the construction and operation of two wastage disposal plants in south-eastern Cyprus. In early 2008, the *Helesi Group* purchased the 30% minority interest in this venture for €700 thousand. Accounting wise, the two distinct stages of this project (construction and operation) have been recognised and fair values have been assigned to each stage. The first stage (construction) is in progress and it has been estimated that, as at 30 June 2008, this stage was 75% complete. The revenues and costs relating to the construction phase of this project that have been recognised in these interim financial statements correspond to the percentage of completion of the project referred to above.

#### 3. Capital Structure

In the six-month period ended 30 June 2008, there have been no changes in the capital structure of the Group.

The *Helesi PLC Group* operates an employee share options scheme (ESOS) under which employees of any of the entities forming part of the Group may be given the option to purchase shares of Helesi PLC. These options are exercisable not earlier than three years and not later than seven years after the grant date, at an exercise price which is specified, in Euros, at the time of granting the options.

The Board of Directors is empowered to grant options on a maximum of 10 million shares. As at 30 June 2008 and 31 December 2007, the options granted under this scheme, which were outstanding, covered a total of 618,100 shares.

The terms under which these options were granted, in the year ended 31 December 2006, are described in the notes to the audited financial statements as of 31 December 2007.

#### 4. Earnings per Share

The basic earnings per share in a given period are calculated by dividing the net profit attributable to the Group by the weighted average number of issued and outstanding shares in that period.

The calculation of the diluted earnings per share takes into consideration the options on shares granted to employees of the Group. The equivalence of these share options to shares is quantified by reference to the exercise price of the options granted and the average listed price (in the accounting period reported upon) of the shares on which the options have been granted.

#### 5. Related Party Transactions

Included in accounts receivable, as at June 30, 2008, is an amount of €202 thousand (30 June 2007: €5,843 thousand; 31 December 2007: €4,186 thousand) due from related parties (companies under common management) while in accounts payable is an amount of €4,917 thousand due to related parties (30 June 2006: €506 thousand; 31 December 2007: €7 thousand).

Revenues from related parties, in the six-month periods to 30 June 2008 and 2007, amounted to €2,612 thousand and €6,405 thousand, respectively, while the costs generated by related parties, in the same periods, amounted to €1,315 thousand and €1,627 thousand, respectively. The majority of these transactions and related balances result from the sales activities of these related entities, which serve as distributors of the products of the Group, in certain geographic areas, notably that of Greece.

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### 6. Segmental Analysis

As from 2007, the Helesi PLC Group recognises two business segments: the environmental products segment and the environmental services segment. The financial results and the financial position of these two business segments are set out below.

	First half of 2008		
	Environmental products	Environmental services	Helesi PLC Group
	€'000	€'000	€'000
Third-party sales	27,779	5,210	32,989
Other third-party revenues	459	-	459
	-----	-----	-----
Total revenues	28,238	5,210	33,448
Cost of materials and accessories used	(17,841)	-	(17,841)
Personnel-related costs	(1,920)	(833)	(2,753)
Depreciation charges	(811)	(304)	(1,115)
Third-party costs and expenses	(4,012)	(2,686)	(6,698)
Intersegment expenses	300	(300)	-
	-----	-----	-----
Segmental profit, before finance charges	3,954	1,087	5,041
	-----	-----	-----

	First half of 2007		
	Environmental products	Environmental services	Helesi PLC Group
	€'000	€'000	€'000
Third-party sales	20,962	1,615	22,577
Other third-party revenues	225	11	236
	-----	-----	-----
Total revenues	21,187	1,626	22,813
Cost of materials and accessories used	(12,784)	-	(12,784)
Personnel-related costs	(1,605)	(583)	(2,188)
Depreciation charges	(679)	(96)	(775)
Third-party costs and expenses	(3,062)	(382)	(3,444)
Intersegment expenses	100	(100)	-
	-----	-----	-----
Segmental profit, before finance charges	3,157	465	3,622
	-----	-----	-----

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### The Group

	30 June 2008		
	Environmental products €'000	Environmental services €'000	Helesi PLC Group €'000
Total Assets	134,126	12,916	147,042
Total Liabilities to third parties	(108,407)	5,529	(102,878)
	-----	-----	-----
Net Assets	25,719	18,445	44,164
	-----	-----	-----

### The Group

	30 June 2007		
	Environmental products €'000	Environmental services €'000	Helesi PLC Group €'000
Total Assets	68,840	3,173	72,013
Total Liabilities to third parties	(32,528)	(637)	(33,165)
	-----	-----	-----
Net Assets	36,312	2,536	38,848
	-----	-----	-----

The *Helesi PLC Group* operates two production units – one in Greece and one in the United Kingdom, under the corporate umbrellas of *Helesi AE* and *Helesi UK Ltd*, respectively. The financial results and the financial position of these two operations are set out below. It is noteworthy that the amounts reported under "Greece" are inclusive of the following revenues and costs that relate to the construction of two waste disposal plants in Cyprus, by *Helesi AE*:

	Total	% of completion	Recognised
Estimated construction revenues*	10,400	75%	7,800
Estimated construction costs	-7,678	75%	-5,759
Estimated construction profit	2,722	75%	2,042

(\*) at fair values

	First half of 2008			
	Greece €'000	UK €'000	Elimination of intersegment transactions €'000	Helesi PLC Group €'000
Third-party sales	29,743	3,246	-	32,989
Intersegment sales	1,987	623	(2,610)	0
	-----	-----	-----	-----
Total sales	31,730	3,869	(2,610)	32,989
Other third-party revenues	459	-	-	459
	-----	-----	-----	-----
Total revenues	32,189	3,869	(2,610)	33,448
Cost of materials and accessories used	(15,420)	(2,681)	-	(18,101)
Cost of intersegment use of materials	(1,789)	(561)	2,610	260
Third-party costs and expenses	(9,735)	(831)	-	(10,566)
	-----	-----	-----	-----
Segmental profit, before finance charges	5,245	(204)	0	5,041
	-----	-----	-----	-----

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

	First half of 2007			Helesi PLC Group €'000
	Greece €'000	UK €'000	Elimination of intersegment transactions €'000	
Third-party sales	18,846	3,731	-	22,577
Intersegment sales	3,151	347	(3,498)	0
Total sales	21,997	4,078	(3,498)	22,577
Other third-party revenues	236	-	-	236
Total revenues	22,233	4,078	(3,498)	22,813
Cost of materials and accessories used	(9,899)	(2,885)	-	(12,784)
Cost of intersegment use of materials	(3,151)	(347)	3,498	0
Third-party costs and expenses	(5,413)	(994)	-	(6,407)
Segmental profit, before finance charges	3,770	(148)	0	3,622

	Year 2007			Helesi PLC Group €'000
	Greece €'000	UK €'000	Elimination of intersegment transactions €'000	
Third-party sales	42,242	7,791	0	50,033
Intersegment sales	5,181	615	(5,796)	0
Total sales	47,423	8,406	(5,796)	50,033
Other third-party revenues	660	-	0	660
Total revenues	48,083	8,406	(5,796)	50,693
Cost of materials and accessories used	(21,371)	(6,110)	0	(27,481)
Cost of intersegment use of materials	(4,663)	(553)	5,216	0
Personnel-related costs	(4,120)	(417)	0	(4,537)
Directors' emoluments	(346)	0	0	(346)
Depreciation charges	(1,515)	(137)	0	(1,652)
Other operating expenses	(6,647)	(1,321)	0	(7,968)
Segmental profit, before finance charges	9,421	(132)	(580)	8,709
Cost of financing	(1,716)	21	0	(1,695)
Segmental profit (loss), before taxes	7,705	(111)	(580)	7,014
Elimination of intersegmental profits	(518)	(62)	580	0
Profit (loss), before taxes	7,187	(173)	0	7,014
Income taxes	(789)	0	0	(789)
Net profit (loss), after taxes	6,398	(173)	0	6,225

	30 June 2008			Helesi PLC Group €'000
	Greece €'000	UK €'000	Elimination of intersegment balances €'000	
Intersegment investments	46	-	(46)	0
Intersegment receivables/payables	6,255	(6,255)	-	0
Unrealised intersegment profits	-	50	(50)	0
Total other assets	140,710	6,332	-	147,042
Total liabilities to third parties	(102,123)	(755)	-	(102,878)
Net assets	44,888	(628)	(96)	44,164

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

	30 June 2007			Helesi PLC Group €'000
	Greece €'000	UK €'000	Elimination of intersegment balances €'000	
Intersegment investments	46	-	(46)	0
Intersegment receivables/payables	6,743	(6,743)	-	0
Unrealised intersegment profits	-	50	(50)	0
Total other assets	64,447	7,566	-	72,013
Total liabilities to third parties	(32,208)	(969)	12	(33,165)
Net assets	39,028	(96)	(84)	38,848

	31 December 2007			Helesi PLC Group €'000
	Greece €'000	UK €'000	Elimination of intersegment balances €'000	
Intersegment investments	46	-	(46)	0
Intersegment receivables/payables	6,728	(6,728)	-	0
Unrealised intersegment profits	-	50	(50)	0
Total other assets	112,476	7,559	-	120,035
Total liabilities to third parties	(76,697)	(1,354)	-	(78,051)
Net assets	42,553	(473)	(96)	41,984

The third-party sales and the value of the related trade receivables outstanding at year-end, on the basis of the location at which the customers operate (inclusive of the balances that are doubtful of collection and have been provided for), are analysed as follows:

	Greece €'000	United Kingdom €'000	Other European Union states €'000	Other (non-EU) states €'000	Helesi PLC Group €'000
<b>First half of 2008</b>					
Value of sales	11,065	2,221	18,166	1,537	32,989
Trade receivables, at period end	17,583	1,259	15,932	757	35,531
<b>First half of 2007</b>					
Value of sales	9,565	3,393	8,467	1,152	22,577
Trade receivables, at period end	8,754	1,869	7,879	1,968	20,470
<b>Year 2007</b>					
Value of sales	22,430	6,019	17,774	3,810	50,033
Trade receivables, at year end	12,820	1,436	8,820	827	23,903

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### 7. Persons Employed and Related Costs

	<b>30 June 2008</b>	30 June 2007	31 December 2007	<b>30 June 2008</b>	30 June 2007	31 December 2007
	<b>Number</b>	Number	Number	<b>Number</b>	Number	Number
Number of persons employed (at year end)	<b>265</b>	228	233	<b>4</b>	2	2
	-----	-----	-----	-----	-----	-----
	<b>First half of 2008</b>	First half of 2007	Year 2007	<b>First half of 2008</b>	First half of 2007	Year 2007
	<b>€'000</b>	€'000	€'000	<b>€'000</b>	€'000	€'000
Salaries and wages*	<b>(2,136)</b>	(1,689)	(3,672)	<b>(97)</b>	(44)	(26)
Social insurance costs	<b>(508)</b>	(440)	(996)	<b>(8)</b>	(4)	(2)
Other personnel costs	<b>(41)</b>	(18)	(84)	<b>0</b>	0	0
Employment termination benefits	<b>(30)</b>	(23)	(20)	<b>0</b>	0	0
Employment related costs, capitalised	<b>129</b>	112	235	<b>0</b>	0	0
	-----	-----	-----	-----	-----	-----
	<b>(2,586)</b>	(2,058)	(4,537)	<b>(105)</b>	(48)	(28)
	-----	-----	-----	-----	-----	-----
Cost per employee (in Euro)	<b>(10,245)</b>	(9,026)	(19,472)	<b>(26,250)</b>	(24,000)	(14,000)
	-----	-----	-----	-----	-----	-----

(\*) In the case of the Company the reported amounts are inclusive of the compensation paid to executive directors.

### 8. Income Taxes

	<b>The Group</b>			<b>The Company</b>		
	<b>First half of 2008</b>	First half of 2007	Year 2007	<b>First half of 2008</b>	First half of 2007	Year 2007
	<b>€'000</b>	€'000	€'000	<b>€'000</b>	€'000	€'000
Profit, before taxes, per the statement of earnings	<b>3,765</b>	3,035	7,014	<b>319</b>	360	644
	-----	-----	-----	-----	-----	-----
Tax rate	<b>21.4%</b>	23.8%	24%	<b>10.0%</b>	10.0%	10.0%
	-----	-----	-----	-----	-----	-----
Income taxes, at the nominal tax rate	<b>(792)</b>	(722)	(1,703)	<b>(32)</b>	(36)	(64)
Taxes on permanent differences between accounting and taxable profits	<b>(135)</b>	(41)	(72)	<b>-</b>	(2)	(3)
Tax relief associated with profits the taxation of which is indefinitely deferred	<b>230</b>	267	986	<b>-</b>	-	-
	-----	-----	-----	-----	-----	-----
Total tax charge	<b>(697)</b>	(496)	(789)	<b>(32)</b>	(38)	(67)
	-----	-----	-----	-----	-----	-----
Current tax charge	<b>(312)</b>	(181)	(222)	<b>(32)</b>	(25)	(54)
Deferred tax charge	<b>(385)</b>	(315)	(567)	<b>-</b>	(13)	(13)
	-----	-----	-----	-----	-----	-----
Total tax charge	<b>(697)</b>	(496)	(789)	<b>(32)</b>	(38)	(67)
	-----	-----	-----	-----	-----	-----

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### 9. Tangible Fixed Assets

	<i>The Group</i>						
	Land	Buildings and building installations	Plant and machinery	Vehicles	Furniture and other equipment	Assets under constr. or installation	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>At cost or valuation</b>							
As at 31 December 2006	2,908	6,591	17,516	2,581	234	4,852	34,682
Effect of currency traslation	-	-	(31)	-	-	-	(31)
Additions 2007	132	2,276	6,342	203	200	18,470	27,623
Capitalised interest charge	-	-	-	-	-	153	153
Disposals 2007	(53)	-	(7)	(173)	-	(13)	(246)
	-----	-----	-----	-----	-----	-----	-----
As at 31 December 2007	2,987	8,867	23,820	2,611	434	23,462	62,181
Effect of currency traslation	-	-	(266)	(1)	(1)	-	(268)
Newly consolidated entities	74	9	(57)	1,948	53	-	2,141
Additions of first half 2008	-	<b>142</b>	<b>1,422</b>	<b>493</b>	<b>308</b>	<b>24,859</b>	<b>27,224</b>
Investments grants	-	<b>(25)</b>	-	-	<b>(73)</b>	<b>(854)</b>	<b>(952)</b>
Disposals in first half 2008	<b>(147)</b>	<b>(8)</b>	-	<b>(2)</b>	-	-	<b>(157)</b>
	-----	-----	-----	-----	-----	-----	-----
As at 30 June 2008	<b>2,914</b>	<b>8,985</b>	<b>25,033</b>	<b>5,049</b>	<b>721</b>	<b>47,467</b>	<b>90,169</b>
	-----	-----	-----	-----	-----	-----	-----
<b>Accumulated depreciation</b>							
As at 31 December 2006	0	(630)	(2,577)	(725)	(102)	0	(4,034)
Depreciation charge 2007	-	(215)	(1,162)	(346)	(59)	-	(1,782)
Recapitalised depreciation	-	-	72	-	-	-	72
Disposals 2007	-	-	-	51	-	-	51
	-----	-----	-----	-----	-----	-----	-----
As at 31 December 2007	0	(845)	(3,667)	(1,020)	(161)	0	(5,693)
Newly consolidated entities	-	-	(21)	(452)	(40)	-	(513)
Depreciation charge 2008	-	<b>(158)</b>	<b>(1,056)</b>	<b>(348)</b>	<b>(72)</b>	-	<b>(1,634)</b>
Grant-related relief 2008	-	<b>50</b>	<b>390</b>	<b>62</b>	<b>21</b>	-	<b>523</b>
	-----	-----	-----	-----	-----	-----	-----
As at 30 June 2008	<b>0</b>	<b>(953)</b>	<b>(4,354)</b>	<b>(1,758)</b>	<b>(252)</b>	<b>0</b>	<b>(7,317)</b>
	-----	-----	-----	-----	-----	-----	-----
<b>Net book values</b>							
As at 30 June 2008	<b>2,914</b>	<b>8,032</b>	<b>20,679</b>	<b>3,291</b>	<b>469</b>	<b>47,467</b>	<b>82,852</b>
	-----	-----	-----	-----	-----	-----	-----
As at 30 June 2007	2,908	6,113	14,915	1,698	180	8,466	34,280
	-----	-----	-----	-----	-----	-----	-----
As at 31 December 2007	2,987	8,022	20,153	1,591	273	23,462	56,488
	-----	-----	-----	-----	-----	-----	-----

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### 10. Borrowings

The bank loans and other bank financing facilities (including the debenture loan) contracted by the *Helesi PLC Group* are analysed as follows:

	Short-term liabilities €'000	Long-term liabilities €'000	Scheduled repayment (to year)	Applicable interest rate
Debenture loan	1,536	9,982	2012	Euribor+1.6%
Long term bank loans	-	6,056	2009	Euribor+1.5% to 1.65%
Short term bank loans	39,947	-	2008-2009	Euribor+1.1% to 1.65%
	-----	-----		
	41,483	16,038		
Finance lease obligations	32	-		
	-----	-----		
	41,515	16,038		
	-----	-----		

### 11. Research & Development (R & D)

The *Helesi Group* invests substantial amounts in research and development and, in particular, in the development of new moulds and techniques that are instrumental in the lowering of costs and in attaining higher levels of operational efficiency. Such developments costs are capitalised if, and only if, the following conditions are satisfied:

- the technical feasibility of completing the work undertaken (so that it will be available for use) is evident;
- the commitment and ability to complete such work and use its outcome exists;
- the generation of future economic benefits through the use of such R & D work is highly probable;
- the necessary technical, financial and other resources to complete the development work and to place it into use are available;
- the ability to measure reliably the expenditure attributable to such development work exists.

In the first half of 2008, the development costs that have satisfied these criteria amounted to €58 thousand (Year 2007: €245 thousand). These costs comprised:

	€'000
Personnel related costs	27
Depreciation charges	10
Miscellaneous other expenses	21
	-----
	58
	-----

# Interim Financial Statements

## as of and for the six months ended 30 June 2008

### 12. Capital Commitments

The two major investment projects that were in progress, as at 30 June 2008, were the upgrading/expansion of the Komotini production facilities and the erection of the Italian production plant.

Investment project	Total capital expenditure	Approved grants	Net investment	Total amount already incurred	Outstanding commitment as at 30 June 2008 *	Grants already collected
	€'000	€'000	€'000	€'000	€'000	€'000
Upgrading of production facilities at Komotini	38,021	(20,876)	17,145	37,569	452	(7,655)
Erection of Italian plant	25,365	(16,990)	8,375	24,369	996	(5,663)
	-----	-----	-----	-----	-----	-----
	<b>63,386</b>	<b>(37,866)</b>	<b>25,520</b>	<b>61,938</b>	<b>1,448</b>	<b>(13,318)</b>
	-----	-----	-----	-----	-----	-----

\* of which €15.3 million is likely to be incurred in the second half of 2008. The timing of the collection of grants varies depending on the type of the grant and the terms under which it has been approved. The collection of the grants may precede or follow the expending of the funds.

### 13. Post Balance Sheet Events

There are no reportable post-balance sheets events.



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