

Demetra Investment Public Limited

Report and Consolidated Financial Statements for the year ended 31 December 2005

	Page
Board of Directors and Professional Advisors	1
Report of the Board of Directors	2 – 5
Statement of the Board of Directors	6
Report of the Auditors	7 – 8
Consolidated Income Statement	9
Consolidated Balance Sheet	10
Consolidated Statement of Changes in Equity	11
Consolidated Cash Flows Statement	12
Notes to Consolidated Financial Statements	13 – 29

Demetra Investment Public Limited

Board of Directors and Professional Advisors

Board of Directors

Stavros Evagorou (Chairman)
Michalakis Serafides (Vice-Chairman)
Christos Rotsas (Vice-Chairman)
Demos Demou
Kriton Georgiades
Evangelos Georgiou
Fotis Demetriades

Company Secretary

Nicos Michaelas (Appointed 17 May 2005)

Registered Office

Demosthenis Severis 34, 4th Floor
1080 Nicosia
Cyprus

Investments Manager

Lefkoniko Chrimatistiriaki Ltd
(until 10 May 2005)

Lawyers

Georgiades & Pelides
Antis Triantafyllides & Sons
Christofi & Associates
LicaLaw Partners Orphanides
Dinos Mastoroudes
Argentoula Ioannou
Costakis Constantinou
Panicos Christofi

Bankers

Co-operative Central Bank Ltd
Co-operative Credit Companies and Savings Companies
Alpha Bank Limited

Auditors

PricewaterhouseCoopers Limited

Demetra Investment Public Limited

Report of the Board of Directors

The Board of Directors of Demetra Investment Public Limited (the "Company") presents its report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2005.

Principal Activities

On 7 March 2005 the Board of Cyprus Stock Exchange in agreement with the Securities and Exchange Commission, approved the Prospectus of the holding Company dated 4th March 2005 for the expansion of its activities and its release from investment limitations. The Prospectus was approved by the shareholders of the holding Company on 15 June 2005.

The principal activity of the Group is the management of an investments portfolio which comprises of investments in securities, business participations and strategic investments, including inter alia, dividend earning and interest earning securities, deposits and financial instruments such as derivatives and forward contracts, as well as investments in the sector of land and immovable property development.

Review of developments, current position and performance of the Group's business

The financial results of Demetra Investment Public Limited Group for the year ended 31 December 2005 are very satisfactory. The profit after tax was £14.335.741 compared to losses of £10.484.651 in 2004. The net assets per share were 48,67 cents compared to 41,50 cents on 31 December 2004, an increase of 17,3%.

On 31 December 2005, the assets of the Group comprised of financial assets listed on the Cyprus Stock Exchange and on foreign Stock Exchanges amounting to 46,8%, of deposits amounting to 36,3%, of government and corporate bonds amounting to 12,5% and of other investments and assets amounting to 4,4%.

The year 2005 was a landmark year for Demetra Investment Public Ltd. On 4th March 2005 the Company obtained a license from the appropriate regulatory body for the expansion of its activities, which was approved at the General Meeting of the Company on 15 June 2005. Expansion of activity in substance means wider investment options and investments in additional sectors which were not previously allowed under its status as Approved Investment Firm.

The expansion of its activities is of strategical importance for the future course and the development of the Group. By expanding its activities the Company, and furthermore the Group, is released from the investment limitations which it was facing as an Approved Investment Firm. The purpose of this expansion was to allow the Company to carry out investments in immovable property and in other businesses so that the profitability of the Group becomes immune to stock market performance fluctuations and to ensure a wider spread of investment risk.

The year 2005 was a year of great changes as regards to the way the Company is operated and administrated. On 10th May 2005 the Investment Management Agreement between Demetra Investment Public Limited and Lefkoniko Crimatistiriaki Limited was terminated. Because of the expansion of activities, the Company's new Board of Directors has assumed a more active role in the administration of the Group. Also, during 2005 the Company employed its own staff targeting the creation of an efficient organisational structure. The Company also relocated to its own offices at 34 Dimosthenis Severis Avenue, 4th floor, 1080 Nicosia.

The profitability and performance of the Group depend on the performance of the stocks in which it invests, both in Cyprus and abroad. Taking also into consideration the shareholders' interests, the main objective of the Company is the best possible management of the investments portfolio and its strategic allocation in such a way that a better return can be achieved.

The Company's Board of Directors, having as a main objective the protection of the interests of its shareholders, adopted on 25th February 2005 the Code of Corporate Governance. The policy of the Company is the application and the maintenance of the main principles and requirements of the Code. The Board of Directors believes that correct Corporate Governance, based on the Code, constitutes a fundamental factor for the achievement of corporate goals.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Main risks and uncertainties

The main risks for the Group are market price risk, interest rate risk, credit risk, liquidity risk and currency risk which arise from the financial instruments it holds. These risks and the risk management policy adopted by the Group are explained in Note 3 of the financial statements.

The Group does not face any other significant risks and uncertainties, except from those referred to in Note 3 of the financial statements.

Future development of the Group

The Board of Directors does not anticipate any significant changes in the activities of the Group in the foreseeable future.

Results

The Group's results for the year are presented on page 9. The Board of Directors recommends that the net profit for the year be transferred to reserves.

Share Capital

There were no changes in the share capital of the Company.

Changes in Group's structure

During the year, a subsidiary company was formed (Demetra Overseas Investments Limited) with the purpose of investing in immovable property abroad. The subsidiary company had no operations during the year.

Board of directors

The members of the Board of Directors at 31 December 2005 and on the date of this report are shown on page 1. All of them were members of the Board throughout the year 2005 except for Mr. Stavros Evagorou and Mr. Christos Rotsas who were appointed as Directors on 15 June 2005. Mr. Stephanos Ioannou, who was a Director from 3 June 2004, did not seek re-election and resigned on 15 June 2005. Mr. Stavros Evagorou was elected Chairman of the Board of Directors on 15 July 2005 and on the same date Mr. Michalakis Seraphides and Mr. Christos Rotsas were elected as Vice-Chairmen.

During the Annual General Meeting one third of the directors will resign from office, but they reserve the right to put themselves forward for re-election.

There were no significant changes in the assignment of responsibilities or the remuneration of the members of the Board of Directors.

Events after the balance sheet date

As mentioned in Note 20 of the financial statements, the Board of Directors of the Company in its meeting dated 17 February 2006 decided to appoint the Co-operative Central Bank as its Investment Manager, responsible for the management of the portfolio of the Company which is invested in share titles listed on the Cyprus Stock Exchange.

In February 2006, a subsidiary company was established in Romania (Demetra Investment Public S.R.L.) with the purpose of carrying out investments in the sectors of land development and immovable property in Romania. The Company holds 100% of shares in Demetra Investment Public S.R.L.

There were no other material events which occurred after the balance sheet date.

Demetra Investment Public Limited

Report of the Board of Directors

Branches

The Group did not operate through any branches during the year.

Directors' interests in Company's capital

The percentages of participation in the Company's capital, direct or indirect, by the members of the Board of Directors, according to article 60(4) of the Securities and Cyprus Stock Exchange Act at 31 December 2005 and 30 days before the date of the notification for the Annual General Meeting are as follows:

	31 December 2005 %	30 days before the date of notification for Annual General Meeting %
Stavros Evagorou	0,000	0,000
Michalakis Serphides	0,000	0,000
Christos Rotsas	0,000	0,000
Demos Demou	0,001	0,001
Kriton Georgiades	0,003	0,003
Evangelos Georgiou	0,019	0,019
Photis Demetriades	0,004	0,004

Agreements with Directors and affiliated persons

On 19 December 2005, the Board of Directors of the Company decided the purchase of a bond for the amount of £1.000.000 from the company A. Panayides Contracting Public Ltd ("APC"). The bond carries interest equal to basic rate plus 2%, its duration is 7 years, and interest is paid every six months. Mr. Evangelos Georgiou is a member of the Company's Board of Directors and a related person to APC.

For security, the Company has signed two simultaneous agreements with APC. The first agreement relates to a purchase option in respect of the shares of the company Bivange Holdings Limited, which holds 100% of the share capital of company Domux Lux Imob SRL. Domux Lux Imob SRL is a company established in Romania and holds 100 residential building plots near Bucharest, the capital of the country. APC holds 100% of the share capital of Bivange Holdings Limited. With the second agreement and with the purpose of securing the purchase option (referred to above) APC has agreed to pledge in favour of the Company all the shares which it holds in Bivange Holdings Limited. The Company has the right to buy the shares of Bivange Holdings Limited and consequently to acquire ownership of the 100 building plots for the price of €1.550.000 (i.e. €15.500 per plot) plus basic interest rate plus 2% from the date of signing the Share Purchase Option Agreement, i.e. 19th December 2005.

The decision for the exercise of the purchase option will be taken when the Board, with the assistance of its professional associates, considers this action to be favourable, after taking into account the risks, and also the prospects of the specific developing market. The agreement has taken place at arm's length and all procedures required to be followed in such cases have been complied with.

In addition, on 7 February 2005, the Company bought 1.450 bonds of the company A. Panayides Contracting Public Ltd of £100 each for a total amount of £145.000. These bonds are listed on the Cyprus Stock Exchange and they have a maturity date of 31 October 2011. These bonds bear interest equal to basic rate plus 2%, and the interest is paid every 6 months.

Code of Corporate Governance

On 25 February 2005 the Company's Board of Directors decided to adopt The Code of Corporate Governance. As opposed to the provisions of the revised Principle A2 of the Code, all the Directors on the Company's Board are non-executive.

Demetra Investment Public Limited

Report of the Board of Directors

Key shareholders

On 31 December 2005 and during the period between 1 January 2006 and 30 days from the notification for the convergence of the Annual General Meeting, the shareholder below held more than 5% of the issued capital of the Company without any change to the percentage.

	Percentage Shareholding
Investment Group of Co-operative Companies "Lefkoniko" Limited	10%

Auditors

On 17 February 2006 the Board of Directors decided the adoption of a policy of rotating the Company's auditors every 5 years. Because of the fact that the auditors, PricewaterhouseCoopers Limited, acted as the Company's auditors for a period of 6 years, the Board of Directors will suggest the change of the auditors at the Annual General Meeting.

By Order of the Board

Stavros Evagorou
Chairman

Nicosia, 17 March 2006

Demetra Investment Public Limited

Statement of the Members of the Board of Directors

We, the members of the Board of Directors and the Company officials responsible for the drafting of the financial statements of Demetra Investment Public Limited and on the basis of our knowledge, which is the result of careful and conscientious work, declare that the particulars which are specified in the consolidated financial statements are true and complete.

Members of the Board of Directors

Stavros Evagorou, Non-Executive Chairman

Michalakis Seraphides, Non-Executive Vice Chairman

Christos Rotsas, Non-Executive Vice Chairman

Demos Demou, Non-Executive Director

Kriton Georgiades, Non-Executive Director

Evangelos Georgiou, Non-Executive Director

Photis Demetriades, Non-Executive Director

Financial Controller

Costas Paphitis

Report of the auditors to the members of Demetra Investment Public Limited

Report on the financial statements

1 We have audited the financial statements of Demetra Investment Public Limited (the "Company") and its subsidiaries (the "Group") on pages 9 to 29, which comprise the consolidated balance sheet as at 31 December 2005 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and the related notes. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to the Company's members, as a body, in accordance with Section 156 of the Companies Law, Cap. 113. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

3 In our opinion, the financial statements give a true and fair view of the financial position of Demetra Investment Public Limited Group as of 31 December 2005 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the International Accounting Standards Board and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

4 Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 5 is consistent with the financial statements.

PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 17 March 2006

Demetra Investment Public Limited

Consolidated Income Statement for the year ended at 31 December 2005

	Note	2005 C£	2004 C£	2005 Euro*
Revenue				
Dividends receivable		1.230.686	754.806	2.145.344
Interest receivable and other financing income		1.978.915	1.670.138	3.449.664
Profit/(loss) from financial assets	5	11.932.004	(12.253.959)	20.799.989
		15.141.605	(9.829.015)	26.394.997
Administrative expenses	6	(663.977)	(630.894)	(1.157.451)
Profit/(loss) before tax		14.477.628	(10.459.909)	25.237.546
Tax	7	(141.887)	(24.742)	(247.339)
Net profit/(loss) for the year		14.335.741	(10.484.651)	24.990.207
Profit/(loss) per share (cents)	8	7,17	(5,24)	12,50

* Supplementary information (Note 21)

The notes on pages 13 to 29 are an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Balance sheet as at 31 December 2005

	Note	2005 C£	2004 C£	2005 Euro*
Assets				
Equipment	9	58.445	-	101.882
Held-to-maturity financial assets	10	5.048.649	6.598.669	8.800.855
Corporate bonds and participations	11	7.176.349	4.279.622	12.509.883
Trade and other receivables	12	2.500.771	2.859.201	4.359.369
Tax refundable		10.972	22.613	19.127
Financial assets at fair value through profit or loss	13	47.353.214	36.592.036	82.546.596
Cash and cash equivalents	14	35.370.845	33.151.544	61.658.811
Total assets		97.519.245	83.503.685	169.996.523
Equity and liabilities				
Capital and reserves				
Share capital	15	200.000.000	200.000.000	348.642.000
Reserves		(102.662.528)	(116.998.269)	(178.962.344)
		97.337.472	83.001.731	169.679.654
Current liabilities				
Short sales of investments abroad		-	249.184	-
Trade and other payables	16	181.773	252.770	316.869
Total liabilities		181.773	501.954	316.869
Total equity and liabilities		97.519.245	83.503.685	169.996.523
Net assets per share (cents)	8	48,67	41,50	84,84

On 17 March 2006 the Board of Directors of Demetra Investment Public Limited authorised these financial statements for issue.

Stavros Evagorou, Chairman

Michalakis Seraphides, Vice-Chairman

* Supplementary information (Note 21)

The notes on pages 13 to 29 are an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2005

	Share capital C£	Accumulated losses (1) C£	Total C£
Balance at 1 January 2004	200.000.000	(106.513.618)	93.486.382
Net loss for the year	-	(10.484.651)	(10.484.651)
Balance at 31 December 2004/ 1 January 2005	200.000.000	(116.998.269)	83.001.731
Net profit for the year	-	14.335.741	14.335.741
Balance at 31 December 2005	200.000.000	(102.662.528)	97.337.472

- (1) As from 1 January 2003, companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 13 to 29 are an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Cash Flows Statement for the year ended 31 December 2005

	Note	2005 C£	2004 C£
Cash flows from operating activities			
Profit/(loss) before tax		14.477.628	(10.459.909)
Adjustments for:			
Depreciation of equipment	9	1.031	-
(Profit)/loss from financial assets at fair value through profit or loss	5	(13.252.312)	10.273.106
Impairment in value of corporate bonds	5	1.300.000	1.253.000
Loss from revaluation of short sales	5	-	18.764
Interest receivable on corporate bonds		(69.671)	(44.279)
		2.456.676	1.040.682
Changes in working capital:			
Trade and other receivables		358.430	(203.131)
Net sales/(purchases) of financial assets at fair value through profit or loss		2.491.134	(2.435.892)
Trade and other payables		(320.181)	(23.664)
Cash from/(for) operations		4.986.059	(1.622.005)
Tax paid		(130.246)	(64.877)
Net cash from/(for) operations		4.855.813	(1.686.882)
Cash flows from investing activities			
Purchase of equipment	9	(59.476)	-
Purchase of financial assets held-to-maturity		(2.134.993)	-
Proceeds from the maturity of financial assets held-to-maturity		3.685.013	-
New corporate bonds granted		(4.240.000)	-
Repayment of corporate bonds granted		112.944	-
Net cash for investing activities		(2.636.512)	-
Net increase/(decrease) in cash and cash equivalents		2.219.301	(1.686.882)
Cash and cash equivalents at the beginning of the year		33.151.544	34.838.426
Cash and cash equivalents at the end of the year	14	35.370.845	33.151.544

The notes on pages 13 to 29 are an integral part of these financial statements.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

1. General information

Country of incorporation

Demetra Investment Public Limited (the "Company") was incorporated in Cyprus as a public limited liability company in accordance with the provisions of the Companies Law, Cap. 113 on 30 December 1999. The shares and the warrants of the Company were listed on the Cyprus Stock Exchange on 27 April 2000. The registered office of the Company is at 34 Dimosthenis Severis Avenue, 4th floor, 1080 Nicosia, Cyprus.

Principal Activities

On 7 March 2005 the Board of Cyprus Stock Exchange in agreement with the Securities and Exchange Commission approved the Prospectus of the holding Company dated 4th March 2005 for the expansion of its activities and its release from investment limitations. The Prospectus was approved by the shareholders of the holding Company on 15 June 2005.

The principal activity of the Group is the management of an investments portfolio which comprises of investments in securities, business participations and strategic investments, including, inter alia, dividend earning and interest earning securities, deposits and financial instruments, such as derivatives and forward contracts, as well as investments in the sector of land and immovable property development.

Investment Management

On 10 May 2000 Lefkoniko Chrimatistiriaki Limited was appointed as Investment Manager.

Lefkoniko Chrimatistiriaki Ltd is a wholly owned subsidiary of the Investment Group of Co-operative Companies "Lefkoniko" Limited, which holds 10% of the issued share capital of the Company.

The responsibilities of the Investment Manager included the investment and re-investment of funds, the provision of consultancy and the management of the investments portfolio according to the investments policy which was adopted by the Company.

For these services the Company agreed to be paying the following fees:

- Management fee for the total value of the funds under administration, amounting to 0,25% annually. The value of the funds under administration was determined every quarter based on the stock market value of the portfolio as it was calculated on the last day of the month of the respective quarter.
- Commission on the stock market transactions at the level of 0,30%. Commission fees do not include the required CSE fee or the special transaction fee.

The agreement with Lefkoniko Chrimatistiriaki Limited expired on 10th May 2005 and it was not renewed.

Administrative, accounting and secretarial services

According to the agreement between the Company and Lefkoniko Chrimatistiriaki Limited, the latter provided secretarial as well as accounting services to the Company, until 31 December 2005 when the above agreement was terminated.

For these services, the Company agreed to be paying £6.000 per month, plus any incurred expenses or third party commitments, plus value added tax.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group Demetra Investment Public Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Cyprus Companies Law, Cap. 113 and the Securities and Cyprus Stock Exchange Law and Regulations. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets measured at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of estimates and assumptions which affect the assets and liabilities, the disclosure of contingent assets and liabilities as at the balance sheet date and the revenues and expenses reported during the year. Despite the fact that these estimates are based on Management's best possible knowledge with reference to current circumstances and actions, actual results may ultimately differ from these estimates.

Consolidated financial statements

The consolidated financial statements include the financial statements of the holding company (the "Company"), its subsidiaries and the net interest of affiliated companies all of which together are referred to as the "Group".

- Subsidiary companies

The subsidiary companies are the companies in which the Group holds more than 50% of the voting rights or it exercises control over them by other means. The financial statements of subsidiary companies are consolidated from the date on which the Group acquires the right of control and cease to be consolidated from the date the Group ceased to hold the right of control. Revenues, profits and balances which are created by transactions between the Group companies are not included in the consolidated financial statements.

The consolidated financial statements include the company Demetra Overseas Investments Limited but do not include the company Cooper Security Systems Limited.

Demetra Overseas Investments Limited was incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 on 13 September 2005. The Company holds 100% of the shares of Demetra Overseas Investments Limited. The company had no operations during the year.

Cooper Security Systems Limited was incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113, on 17 November 1993. The Company holds 50.72% of the shares of Cooper Security Systems Limited.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

The net assets of Cooper Security Systems Limited at 31 December 2005 and the net loss for the year then ended, according to the unaudited financial statements of the company, are £16.799 and £17.080 respectively, and are not considered material for consolidation purposes.

Adoption of new and revised IFRS

In the current year the Group adopted all new and revised IFRS that are relevant to its operations and are effective for accounting periods beginning on 1 January 2005.

This adoption did not result in substantial changes to the Group's accounting policies.

During the date of approval of these financial statements the following accounting standards were issued but not yet applied:

- IAS 19 (Amendment) Employee benefits (effective as of 1 January 2006)
- IAS 39 (Amendment) Financial Instruments: Recognition and Measurement – Cash Flow Hedge Accounting of Forecast Intragroup transactions (effective as of 1 January 2006)
- IAS 39 (Amendment) Fair value option (effective as of 1 January 2006)
- IAS 39 and IFRS 4 (Amendment) Financial Instruments: Recognition and Measurement and Insurance Contracts: Financial Guarantee Contracts (effective as of 1 January 2006)
- IAS 21 (Amendment) Net Investment in a Foreign Operation (effective from 1 January 2006)
- IFRS 1 (Amendment) First time adoption of International Financial Reporting Standards and IFRS 6 (Amendment) Exploration for and Evaluation of Mineral Recourses (effective as of 1 January 2006)
- IFRS 6 Exploration for and Evaluation of Mineral Recourses (effective as of 1 January 2006)
- IFRS 7 Financial Instruments: Disclosures and IAS 1 (Amendment) Presentation of Financial Statements (effective as of 1 January 2007)
- IFRIC 4 Determining whether an arrangement contains a lease (effective as of 1 January 2006)
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation funds (effective as of 1 January 2006)
- IFRIC 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment (effective for periods beginning on or after 1 December 2005)
- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 March 2006)
- IFRIC 8 Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006)

The Board of Directors expects that the adoption of these standards in future periods will not have significant effect on the financial statements of the Group.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

Change of accounting policy for the classification of investments

As of 1 January 2005 the Group with the adoption of the revised IAS 39 changed the accounting policy for the classification of its investments.

Until 31 December 2004:

- (1) government bonds were included in the category government securities and corporate bonds
- (2) listed securities on various stock exchanges and investments in private companies were included in the category investments available for sale, and
- (3) redeemable preference shares were included in the category government securities and corporate bonds

As of 1 January 2005 with the adoption of the revised IAS 39 the above investments were classified as follows:

- (1) financial assets held to maturity
- (2) financial assets at fair value through profit or loss
- (3) financial assets at fair value through profit or loss

This change presents a fairer view of the Group's investments.

The change in accounting policy was recognised retrospectively but required no adjustment for prior years since up to 31 December 2004 unrealised changes in the value of investments available for sale were included in the income statement.

Revenue recognition

Dividend income from investments is recognised when the Group's right to receive payment is established.

Interest from securities, bonds and deposits are recognised on a time basis, using the effective interest method.

Profit or loss from the sale of financial assets at fair values through profit or loss is calculated based on the cost price and the net selling proceeds, which includes the stock exchange selling costs.

The surplus or deficit which arises from the revaluation in fair value of financial assets at fair values through profit or loss at the balance sheet date is included in the income statement.

Foreign currency translation

(a) Functional and presentation currency

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Cyprus pounds (C£), which is the Group's functional and presentation currency.

(b) Transactions and balances

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.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange differences on translation of bonds and other monetary assets at fair values through profit or loss are included as part of foreign exchange currency profit or loss. Foreign exchange differences arising on translation of non monetary items are included in the fair value gain or loss.

Tax

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred 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 financial statements. Deferred tax is determined using the 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 tax asset is realised or the deferred tax liability is settled.

Deferred 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.

Equipment

All the items of equipment are shown at historical cost less depreciation. The historical cost includes any expenditure that is directly attributable to the acquisition of equipment.

Depreciation on equipment is calculated using the straight-line method to allocate their cost minus their residual values, over their estimated useful economic lives. The annual depreciation rates are as follows:

	%
Furniture and office equipment	10
Computer hardware	20 – 33.3

The 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.

Expenditure for repairs and maintenance of equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of equipment are determined by comparing proceeds with carrying amounts and are included in the income statement.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

Investments

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, corporate bonds, held to maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments 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 it was acquired with the main purpose of being disposed in the near future or if it was classified in this category by the management.

These investments are recognised initially at cost and they are subsequently adjusted to their fair values. Any surplus or deficit which arises from this adjustment is recognised in the income statement in the period in which it occurs.

(b) Corporate bonds

Corporate bonds are non-derivatives financial assets with fixed or determinable payments which are not traded in active market and for which no intention for trading of the receivable exists.

The corporate bonds are recognised at the initial value of the advance and subsequently are presented at amortised cost using the effective interest rate method.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

The held-to-maturity financial assets are presented at amortised cost using the effective interest rate method.

(d) 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.

These investments are initially recognised at purchase cost and they are subsequently adjusted at their fair value. Any surplus or deficit which arises from the fair value adjustment is transferred to investments revaluation reserve.

The Group did not hold such investments during the year.

Regular way purchases and sales of investments are recognised on the date of transaction which is the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when 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.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

(d) Investments (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other similar instruments and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for held to maturity financial assets or corporate bonds the impairment in their value is recognised in the income statement in the period in which it occurs.

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. The amount of the provision is the difference between the carrying amount and the recoverable amount, being 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.

Share Capital

Ordinary shares are classified as equity.

Short selling

Short selling refers to sales of investments which the Group does not hold at the time of sale. Short sales are presented as liabilities at fair value at the balance sheet date and any profit or loss is included in profit or loss from investments.

Cash and cash equivalents

Cash and cash equivalents comprise of cash deposits.

Analysis by sector

Since the Group has activities mainly in Cyprus, an analysis by sector is not presented.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

3 Financial risk management

(a) Financial risk factors

The Group is exposed through its activities to market price risk, interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(i) Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Group's market price risk is managed through diversification of its investment portfolio in Cyprus and abroad, the selected placements and liquidations when this is considered necessary.

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its revenue, cash flows and financial position from interest rates fluctuations. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

(iii) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Group applies effective controls and procedures in order for this risk to be minimised. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures to minimise such losses such as maintaining sufficient cash deposits and other highly liquid assets.

(v) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from the investments in the United States of America in US Dollar and in Greece in Euro.

(b) Fair value estimation

The fair value of financial assets at fair value through profit or loss which are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows and makes assumptions that are based on market conditions existing at the balance sheet date.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

3 Financial risk management (continued)

(b) Fair value estimation (continued)

The nominal value for financial assets and liabilities are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

4. Critical judgements in applying the Group's accounting policies

The Group makes estimates and assumptions in relation to the future. As a result, the accounting estimates rarely equal the actual results. The estimates and assumptions that can possibly cause material adjustments in the accounting value of assets and liabilities during the next financial year are presented below.

Held-to-maturity investments

The Group follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for specific circumstances as explained in IAS 39 it will be required to reclassify the whole category as available-for-sale.

5 Profit/(loss) from financial assets

	2005 C£	2004 C£
Profit/(loss) from disposal and revaluation of financial assets at fair value through profit or loss	13.252.312	(10.273.106)
Impairment in value of corporate bonds (Note 11)	(1.300.000)	(1.253.000)
Commission payable to Lefkoniko Chrimatistiriaki for investments abroad	(20.308)	(105.359)
Loss from revaluation of short sales	-	(18.764)
Exchange losses	-	(603.730)
	11.932.004	(12.253.959)

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

6 Administrative expenses

	2005 C£	2004 C£
Fees to Lefkoniko Chrimatistiriaki Limited:		
Portfolio administration	129.230	255.085
Provision of administrative, accounting and secretarial services	75.900	82.800
Auditors remuneration – current year	5.750	5.750
Remuneration of Board of Directors members	3.250	3.000
Other expenses of Board of Directors members	9.100	-
Printing and dispatch of annual report, shareholders' certificates and General Meeting expenses	100.000	208.207
Annual subscription to Cyprus Stock Exchange	2.050	8.324
Cyprus Stock Exchange depository fees	25.089	15.000
Legal expenses	68.459	11.325
Other professional expenses	20.561	3.007
Salaries and related expenses	9.571	-
Impairment in receivables and other balances	12.763	509
Provision for impairment in receivables and other balances	97.537	-
Rents	18.820	-
Contributions and donations	11.215	955
Traveling abroad	12.232	-
Expenses for instruments abroad	126	9.630
Expenses for press announcements	17.488	23.103
Depreciation of equipment (Note 9)	1.031	-
Other administrative expenses	43.805	4.199
	663.977	630.894

7 Tax

	2005 C£	2004 C£
Current tax:		
Corporation tax	134.685	89.316
Defence contribution	7.202	6.183
Defence contribution for interest deducted in previous years	-	(70.757)
	141.887	24.742

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

7 Tax (continued)

The tax on the Group's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2005 C£	2004 C£
Profit/(loss) before tax	14,477,628	(10,459,909)
Tax calculated at the applicable corporation tax rate of 10%	1,447,763	(1,518,986)
Tax effect of expenses not deductible for tax purposes	13,683	1,832,807
Tax effect of allowances and income not subject to tax	(1,326,761)	(226,938)
Special contribution for defence	7,202	6,183
Defence contribution on interest deducted in previous years	-	(70,757)
Tax penalty	-	2,433
Tax charge	141,887	24,742

From 1 January 2003 onwards, the Group is subject to corporation tax on taxable profits at the rate of 10%. For the years 2003 and 2004 only any profits above C£1,000,000 were subject to an additional corporation tax rate of 5%.

Under certain conditions, non-trading interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax burden of approximately 15%. In certain cases dividends received from abroad may be subject to defence contribution at the rate of 15%.

There were no material temporary timing differences between the carrying values of assets and liabilities and their tax base. As a result, it was not deemed necessary to make any provision for deferred tax.

The Company is public for the purposes of Revenue Taxation Acts.

8 Profit/(loss) per share and net assets per share

The profit/(loss) per share is calculated by dividing the profit/(loss) for the year which is attributable to the shareholders of the Company by the weighted average number of issued shares during the year.

	2005	2004
Profit/(loss) for the year	£14,335,741	(£10,484,651)
Weighted average number of shares in issue during the year	200,000,000	200,000,000
Profit/(loss) per share (cents)	7,17	(5,24)

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

8 Profit/(loss) per share and net assets per share (continued)

The net assets per share is calculated by dividing the net assets at 31 December by the number of issued shares on that date.

	2005	2004
Net assets at 31 December	£97.337.472	£83.001.731
Number of shares in issue at 31 December	200.000.000	200.000.000
Net assets per share (cents)	48,67	41,50

The Company has no share options that can be exercised. As a result the diluted profit/(loss) per share and the diluted net assets per share was not calculated.

9 Equipment

	Furniture and office equipment C£	Computer Hardware C£	Total C£
At 1 January 2005			
Cost	-	-	-
Accumulated depreciation	-	-	-
Net book value	-	-	-
Year ended 31 December 2005			
Opening net book value	-	-	-
Additions	36.111	23.365	59.476
Depreciation charge	(529)	(502)	(1.031)
Closing net book value	35.582	22.863	58.445
At 31 December 2005			
Cost	36.111	23.365	59.476
Accumulated depreciation	(529)	(502)	(1.031)
Net book value	35.582	22.863	58.445

10 Financial assets held to maturity

	2005 C£	2004 C£
Government bonds	4.903.649	6.598.669
Corporate bonds listed on the Cyprus Stock Exchange	145.000	-
	5.048.649	6.598.669

The Government bonds bear interest 5,75% - 7% (2004: 6,75% - 7%) annually and the corporate bonds earn interest equal to base rate plus 2%.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

11. Corporate bonds and participations

	2005 C£	2004 C£
Corporate bonds and participations	7.176.349	4.279.622

The increase in corporate bonds and participations is mainly due to two agreements which the Company signed with the companies Cybarco Ltd and A. Panayides Contracting Public Ltd.

On 14 October 2005 the Company signed an agreement with Cybarco Ltd according to which the Company participates in the project Amathusa Coastal Heights. The total investment cost is £3.000.000. The participation percentage of the Company is 11,57%.

The project is situated in the area of Amathus, adjacent to the seaside, and comprises of 255 cottages and apartments.

In relation to the above bond, the Company has secured tangible security for the total amount of £3.000.000 plus interest by means of a mortgage on immovable property. Based on the agreement, the Company also has the right to terminate the present agreement in 6 years. In such a case the Company will be allowed (beyond the amounts which it will receive until the termination date) a return of the share of its initial capital contribution corresponding to any unsold cottages and apartments together with predetermined interest.

On 19 December 2005, the Board of Directors of the Company decided the purchase of a bond for the amount of £1.000.000 from A. Panayides Contracting Public Ltd, as disclosed in Note 17 of the financial statements.

In cases where there are doubts as to the recoverability of the corporate bonds and/or the related interest, the Company defers the recognition of interest.

The provision for impairment which was recognised in the income statement during the year amounts to £1.300.000 (2004: £1.253.000) and it relates to the bond of Libra Holidays Group Public Ltd. The cost of the investment in the above bond was £2.998.400 and its book value as at 31 December 2005 amounts to £1.698.400.

12. Trade and other receivables

	2005 C£	2004 C£
Amounts receivable from investment in new share issues	1.409.162	1.679.284
Receivables from reduction of investment capital	-	113.022
Receivables from short sales abroad	-	230.420
Dividend receivable	932.709	686.093
Interest receivable	146.234	150.382
Other receivables and advances	12.666	-
	2.500.771	2.859.201

The receivable amount from investment in new share issues bears interest 6% - 9% annually.

The fair value of trade and other receivables approximates their carrying amount at the balance sheet date.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

13. Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss are analysed as follows:

	Market value 2005 C£	Market value 2004 C£
Shares listed on the Cyprus Stock Exchange by sector:		
Financial	25.869.292	16.271.690
Industries	2.219.989	2.603.115
Retail services	5.836.139	6.445.702
Consumption goods	4.068.078	3.369.127
Basic materials	263.954	281.293
Technology	912.698	519.103
	39.170.150	29.490.030
Non-listed shares	1.690.464	1.641.489
Total investments in Cyprus	40.860.614	31.131.519
Investments abroad		
Structured products	1.189.412	-
Athens Stock Exchange	2.358.301	1.348.090
UBS (Lux) Money Market Fund	-	543.412
USA Stock Exchange	2.944.887	3.569.015
Total investments abroad	6.492.600	5.460.517
Total investments	47.353.214	36.592.036

The carrying value of the above financial assets is categorized as follows:

	2005 £	2004 £
Designated at fair value through profit or loss at inception	47.353.214	36.592.036

The financial assets at fair value through profit or loss are presented in the cash flow statement under "cash flows from operations" as part of changes in working capital.

The changes in fair values of financial assets at fair values through profit or loss is included in the income statement.

Financial assets designated at fair value through profit or loss at inception are those whose performance is evaluated on a fair value basis in accordance with a documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Group's key management personnel.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

14. Cash and cash equivalents

	2005 C£	2004 C£
Balances with Co-Operative Financial Institutions and Savings Companies and Commercial Banks	35.279.168	24.977.650
Balances with brokers	91.677	8.173.894
	35.370.845	33.151.544

The cash and cash equivalents earn interest 0%-5,75% (2004: 0%-5,75%) annually.

The cash and cash equivalents which are included in the cash flow statement comprise of the above balance sheet amounts.

15. Share capital

	2005		2004	
	Number of Shares	C£	Number of shares	C£
Authorised				
Shares of £1 each	250.000.000	250.000.000	250.000.000	250.000.000
Issued and fully paid				
Shares of £1 each	200.000.000	200.000.000	200.000.000	200.000.000

16. Trade and other creditors

	2005 C£	2004 C£
Lefkoniko Chrimatistiriaki Limited	42.838	84.637
Other creditors and accrued expenses	138.935	168.133
	181.773	252.770

The fair value of trade and other creditors approximates their carrying amount at the balance sheet date.

17. Related party transactions

There were transactions with ex-investment manager, Lefkoniko Chrimatistiriaki Limited, which are shown below. The remuneration of the Group's Board of Directors is shown in Note 6 "Administrative Expenses".

	2005 C£	2004 C£
Lefkoniko Chrimatistiriaki Limited		
Portfolio administration fees	129.230	255.085
Administrative secretarial and accounting services fees	75.900	82.800
Brokerage commission	28.159	130.828

Lefkoniko Chrimatistiriaki Limited is a wholly owned subsidiary of the Investment Group of Co-Operative Companies "Lefkoniko" Limited which holds 10% of the Company. The balances with Lefkoniko Chrimatistiriaki are presented in Note 16.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

17 Related party transactions (continued)

Agreements with Directors and affiliated persons

On 19 December 2005, the Board of Directors of the Company decided the purchase of a bond for the amount of £1.000.000 from the company A. Panayides Contracting Public Ltd (“APC”). The bond, carries interest equal to basic rate plus 2%, its duration is 7 years, and interest is paid every six months. Mr. Evangelos Georgiou is a member of the Company’s Board of Directors and a related person to APC.

For security, the Company has signed two simultaneous agreements with APC. The first agreement relates to a purchase option in respect of the shares of the company Bivange Holdings Limited, which holds 100% of the share capital of company Domux Lux imob SRL. Domux Lux Imob SRL is a company established in Romania and holds 100 residential building plots near Bucharest the capital of the country. APC holds 100% of the share capital of Bivange Holdings Limited. With the second agreement and with the purpose of securing the purchase option (referred to above) APC has agreed to pledge in favour of the Company all the shares which it holds in Bivange Holdings Limited. The Company has the right to buy the shares of Bivange Holdings Limited and consequently to acquire ownership of the 100 building plots for a price of €1.550.000 (i.e. €15.500 per plot) plus basic rate plus 2% from the date of signing the Share Purchase Option Agreement, i.e. 19th December 2005.

The decision for the exercise of the purchase option will be taken when the Board, with the assistance of its professional associates, considers this action to be favourable, after taking into account the risks, and also the prospects of the specific developing market. The agreement has taken place at arm’s length and all procedures required to be followed in such cases have been complied with.

In addition, on 7 February 2005, the Company bought 1.450 bonds of the company A. Panayides Contracting Public Ltd of £100 each for a total amount of £145.000. These bonds are listed on the Cyprus Stock Exchange and they have a maturity date of 31 October 2011. These bonds bear interest equal to basic rate plus 2%, and the interest is paid every 6 months.

18. Contingencies

At 31 December 2005 there were pending litigations against the holding company in relation to its activities for the amount of £2.421.572 plus interest. Based on legal advice, the Directors believe that sufficient defence exists against any pursued claim and they do not expect that the Company will suffer any loss. Therefore, no provision has been made in the financial statements.

19. Significant Contracts

Except for the agreements with Lefkoniko Chrimatistiriaki Limited, which are described in Note 1 “General Information” and which were terminated in 2005, there are no other significant contacts.

20. Events after balance sheet date

In its meeting on 17 February 2006 the Board of Directors of the Company decided to appoint the Co-operative Central Bank as its Fund Manager of the portfolio of the Company which is invested in share titles listed on the Cyprus Stock Exchange.

Based on the Fund Management Agreement, the Company will pay the following fees to the Fund Manager:

- i. Fee as a percentage of the total value of the managed funds of 0,30% annually. The value of the managed funds is determined every six months on the basis of the stock market value of the portfolio.
- ii. Commission equal to 0,20% of the value of the transaction, which does not include the required Cyprus Stock Exchange fees or the special transaction fee.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

20. Events after balance sheet date (continued)

The Fund Management Agreement is at arm's length and its duration is one year.

In February 2006, a subsidiary company was established in Romania (Demetra Investment Public S.R.L.) with the purpose of carrying out investments in the sectors of land development and immovable property in Romania. The Company holds 100% of the shares in Demetra Investment Public S.R.L.

There were no other material post balance sheet events in relation to the understanding of the financial statements.

21. Supplementary information

The income statements for the year ended 31 December 2005, as well as the balance sheet as at 31 December 2005, presented in Euro, constitute supplementary information. The translation from Cyprus pounds (the Group's functional currency) to Euro for the purpose of this supplementary information was performed using the exchange rate for Euro as at 31 December 2005, which was 0,5737.

Report of the auditors on pages 7 to 8.