

F.G. EUROPE S.A.

128, Vouliagmenis Ave.

166 74 Glyfada

P.C. Reg. No. 13413/06/B/86/111

**ANNUAL FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)**

**In accordance with
article 4 of L. 3556/2007**

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**DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS
(in accordance with article 4 par. 2g of L. 3556/2007)**

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Konstantinos Koutsoumbelis, Vice-President of the Board and Mr. Ioannis Pantousis, Managing Director, under their aforementioned capacity as Members of the Board, declare that to their best knowledge:

- The annual Financial Statements Company and Consolidated for the period ended on December 31, 2008, which were prepared in accordance with the international accounting standards, present in a truthful manner the figures pertaining to assets, liabilities, shareholders equity and financial results of the Company and the F.G. EUROPE S.A. Group and companies consolidated.
- The Board's of Directors Report on the annual Financial Statements Consolidated and Company for the period ended on December 31, 2008 presents in a truthful manner the development, performance and financial position of F.G. EUROPE S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Glyfada, March 11, 2009

**Chairman of the
Board of Directors**

Vice President

Managing Director

Georgios Fidakis

**Konstantinos
Koutsoumbelis**

John Pantousis

F.G. EUROPE S.A.
SOCIETE ANONYME WHOLESALE OF ELECTRICAL AND ELECTRONIC
APPLIANCES

BOARD OF DIRECTORS ANNUAL REPORT
ON THE FISCAL YEAR PERIOD ENDED 31/12/2008

To the Shareholders of F.G. EUROPE S.A.,

The Company's Board of Directors hereby submits its Annual Report on the Fiscal Year period ended December 31st, 2008 prepared in compliance with provisions set forth in article 136, Law 2190/1920 and paragraph 7, article 4, Law 3556/2007.

The Report at hand provides information on the financial results, current financial status and any changes thereto, recent developments, and overall outcome of the Company and the Group during the fiscal year period from January 1st, 2008 until December 31st, 2008.

Reference is also made to any significant events that took place during the 2008 fiscal year period and in any way affecting the Annual Financial Statements Company and Consolidated, to any significant risks that may arise for the Company and the Group, and to any transactions that took place between the Company and any related parties in accordance with IAS 24.

Companies of the F.G. EUROPE Group:

F.G. EUROPE S.A.: Parent Company of the Group. Listed on Athens Stock Exchange since 1968. Active in the Durable Consumer Goods market (importing and acting as wholesaler of Air-conditioning Units of all types, both for residential and professional use, White Electrical Home Appliances, and Consumer Electronics), and Mobile Telephony products market.

F.G. EUROPE is a longtime wholesaler and distributor of durable consumer goods as the exclusive trusted partner of two of the largest manufacturers, Fujitsu and Sharp. Meanwhile, F.G. EUROPE carries its own line of white electrical home appliances under its own brand name, ESKIMO.

F.G. EUROPE is active in 10 countries in total (Greece and Southeastern Europe) as the exclusive distributor of Fujitsu General Ltd products (mainly air-conditioners).

FIDAKIS LOGISTICS S.A.: Wholly owned subsidiary of F.G. EUROPE S.A. F.G. LOGISTICS is active in the field of logistics services, managing and controlling on behalf of F.G. EUROPE 25,000 m² of warehouses in Aspropyrgos, Attica and Glyfada, Athens.

FIDAKIS SERVICE S.A.: Wholly owned subsidiary of F.G. EUROPE S.A. FIDAKIS SERVICE S.A. renders pre & after sales services. FIDAKIS SERVICE is responsible for the service of the air-conditioning units that F.G. EUROPE trades in the Greek market, while also the company undertakes planning, installation and service of central air-conditioning units.

R.F. ENERGY S.A.: Subsidiary to F.G. EUROPE S.A. which owns a 40% stake in R.F. ENERGY (while the remainder 50% is owned by the Restis Family, and 10% by Mr. G. Fidakis). R.F. ENERGY is a holding company, owning and controlling energy production projects, focused on Renewable Energy Sources.

R.F. ENERGY S.A., through its 100% subsidiary KALLISTI ENERGIAKI S.A. has completed construction and on 24/04/2008 launched commercial operations of the first Wind Farm of the company in Tsouka, Arkadia. The Wind Farm is of 15MW of installed power and consists of five Vestas 3MW wind turbine.

Construction of a 10MW Wind Farm of the wholly owned subsidiary AIOLIKI KYLINDRIAS S.A. in Kylindria, Kilkis is expected to be completed within the current month, while the wind farm is expected to launch commercial operations within April 2009.

Within 2008 construction of a 1.015 MW Small-scale Hydro Power Plant in Kerynitis river, Achaia, commenced and was completed, consequently increasing the total installed capacity of hydro power plants owned by the company to 3.615 MW.

R.F. ENERGY, through its subsidiaries, has applied for production licenses for projects of 70 MW of total planned capacity. Furthermore in May 2008 the company established 10 new subsidiary companies (in which R.F. Energy owns 84%) for the purposes of developing 11 new Wind Farms in South Evia, of a total of 387 MW. The companies have applied for production licenses to the competent authorities.

R.F. ENERGY's business plan provides for investments in the amount of Euro 250 million until the end of 2010.

A. Recent Developments – Changes to the Financial Figures of the Company and the Group

During the fiscal year 2008 F.G. EUROPE S.A. has successfully managed to maintain an upwards trend in aggregated sales of durable consumer goods, which led to an important 13.40% increase in net profits after tax for the period, which rose to €16.50m compared to €14.55m in the previous corresponding period.

In valuating of the abovementioned achieved results such factors should also be taken into consideration as a) the consequences of the recent global financial crisis, especially during the last quarter of 2008, as well as b) the fact that sales of durable consumer goods, and air-conditioners in particular, for the fiscal year 2007, had increased by 73%, then restraining growth estimates for 2008, fact which was contradicted by actual achieved results.

More specifically, with regard to figures at parent company level:

Revenue from sales of durable consumer goods amounted for 2008 to €127.17m compared to €119.01m in 2007, representing an increase of 6.86% or €8.16 million.

Said increase in aggregated durable consumer goods sales came mainly as a result of the increase in sales of air-conditioners, which amounted for the fiscal year 2008 to €110.45m compared to €97.87m in 2007, representing an increase of 12.85%.

Sales of air-conditioners in the Greek market rose to €66.80m compared to €61.50m in 2007, representing an increase of 8.62%.

Exports of air-conditioners also posted an increase of 20.05%, amounting to €43.65m against €36.36m in 2007. Exports in Turkey, where the Company is active since January 1st 2008, rose to €6.85 million.

Total revenue from sales for the Company rose in 2008 to €142.50m compared to €153.71m in 2007, posting a marginal decrease of 7.29%.

Said decrease can be attributed to a) the ongoing decrease in sales of mobile telephony products, which for the fiscal year 2008 reached the percentage of 55.83% (and which came in accordance with the Company's policy of gradual withdrawal from the market of mobile telephony), and b) the decrease by 17.39% noted in sales of ESKIMO and SHARP white electrical home appliances (sales of which amounted to €9.69m in 2008, against €11.73m in 2007) and decrease by 25.37% noted in sales of SHARP consumer electronics (sales of which amounted to €7.03m in 2008, against €9.42m in 2007).

The abovementioned increase in aggregated sales of durable consumer goods, despite the decrease noted in sales of white electrical consumer goods and consumer electronics, resulted in an overall

increase of 12.66% in the Company's earnings before tax, which rose to €22.59m in fiscal 2008 compared to €20.05m in the previous corresponding period of 2007.

Earnings Before Interest Tax Depreciation and Amortization (EBITDA) in the fiscal year 2008 amounted to €26.29m against €22.36m in 2007, posting an increase of 17.58%. EBITDA margin accordingly rose to 18.45% as opposed to 14.55% in 2007.

Consolidated Group figures, mainly affected by the parent company figures:

Sales revenue: Total Group revenue in fiscal 2008 amounted to €144.56m, compared to €154.48m in 2007, representing a decrease of 6.42%, due to the abovementioned impact from the decrease in sales of mobile telephony products and white electrical consumer appliances and consumer electronics of the parent company.

It is also worth mentioning that revenue from sales of electricity from the Group's subsidiary undertaking active in the energy sector highly contributed to the Group's financial outcome, as it amounted to €1.611m in 2008, against €0.268m in 2007, representing an increase of 501%. The spectacular increase noted came mainly as a result of the launch of operation in April 2008 of the wind farm owned by the subsidiary company KALLISTI ENERGI AKI S.A.

Gross Profit: Gross profit posted an increase of 17.47%, amounting to €46.12m compared to €39.26m for the fiscal year 2007.

The increase in gross profit noted can be attributed to a) the decrease in cost of goods sold, and b) the change noted in sales mix due to the ongoing increase in durable consumer goods from the parent company and the decrease in sales of mobile telephony products.

Gross Profit Margin thus accordingly rose to 31.90% in fiscal 2008, against 25.41% in 2007.

EBITDA: Earnings before interest, tax, depreciation and amortization, as a percentage of total sales revenue rose to 18.57% for the fiscal 2008 compared to 14.40% in fiscal 2007, representing an increase of €4.61m or 20.72%.

Administrative – Distribution – Other Expenses: Administrative, distribution and other expenses amounted in 2008 to €22.92m compared to €18.37m in 2007, representing an increase of 24.77% or €4.55m.

Said increase mainly pertains to distribution expenses of the parent company which can mainly be attributed to: a) increased cost of logistics due to the increase noted in sales of durable consumer goods, b) increased transportation costs, due to the important increase noted in oil prices, and c) the almost doubled promotion and advertising expenses, which came as a result of the corporate communication and product advertising campaigns executed (for a significant period of time through various media outlets), and amounted to €3.56m as opposed to €1.71m for 2007.

Financial Result, net: Net financial expenses for the Group, increased by €0.73m, reached a total of €3.66m in 2008 against €2.93m in 2007. Said 24.91% increase noted in net financial expenses came as a result of the increase noted in short-term bank borrowings, as well as the significant increase noted during the second half of the fiscal year 2008 in interest rates. Said increase in financial expenses was not counterbalanced by the increase noted to financial income, which amounted to €4.33m against €2.20m in fiscal 2007.

Liabilities: Total liabilities for the Group posted an increase of 86.93% in 2008, amounting to €189.47m against €101.36m in 2007.

Said increase in total liabilities came mainly as a result of the increase in long-term and short-term borrowings from banks, which on the other hand is largely counterbalanced by the significant increase in cash and cash equivalents, which as at 31/12/2008 amounted to €67.73 million.

More specifically, as at 31/12/2008, total amount of obligations towards banks was €142.69m against €74.81m in the respective period of 2007. Accordingly net obligations towards banks for the Group reached €15.61m which were used to finance additional needs resulting from the

increase noted in sales of durable consumer goods, as well as financing needs for the development of R.F. ENERGY S.A. subsidiary undertakings.

A further €15.20m increase of obligations towards vendors is counterbalanced by an increase of 80.63% in inventories, which as at 31/12/2008 amounted to €64.06 million. Such increase in inventories, mainly pertaining to air-conditioners, constitutes Management's strategic decision, given the significant gains expected to arise from sales of inventories, due to the fact that imported items are priced in dollars and, under the current exchange rates, such gains are estimated at 19% of cost, which offsets any contingent financial cost and logistics cost.

Earnings Before Tax: Earnings before tax posted an increase of 9.96%, amounting to €20.42m in fiscal 2008, compared to €18.57m in 2007. Thus Earnings Before Tax to Sales Ratio accordingly increased to 14.13% in 2008 against 12.02% in 2007.

Earnings Before Tax and Minority Interest: Earnings before tax and minority interest amounted in 2008 to €14.67m compared to €13.23m in 2007, representing an increase of 10.88%. Said amount pertains to €15.25m attributable to shareholders of the parent company minus €0.58m attributable to minority interests.

Other Financial Ratios:

- Current Ratio for the Company in FY 2008: 1.78 (In FY 2007 was 1.47)
- Current Ratio for the Group in FY 2008: 1.67 (In FY 2007 was 1.33)
- Quick Ratio for the Company in FY 2008: 1.11 (In FY 2007 was 1.01)
- Quick Ratio for the Group in FY 2008: 1.15 (In FY 2007 was 0.95)
- Inventory Turnover Ratio in FY 2008 (in days): 240 (In FY 2007 was 112)
- Return on Equity Ratio in FY 2008: 47.30% (In FY 2007 was 39.71%)
- EBITDA Ratio in FY 2008: 75.36% (In FY 2007 was 61.04%)

B. Other Significant Events

Mention is made below to any significant events that took place after the end of the fiscal period:

The Company has been audited for the Fiscal Year 2006 and Fiscal Year 2007. The audit has been completed on 11/02/2009 and resulted in tax obligations in the total amount of €0.327 million. The Company had already previously made provisions for contingent tax liabilities for FY 2006 and FY 2007, in the amount of €0.15 million. Taking the additional tax amount into consideration, the Company updated its provisions, decreasing financial results for the Fiscal Year 2008 in the amount of €0.177 million.

There are no other significant events having occurred after December 31st, 2008 concerning the Company that should have been disclosed.

C. Risk Factors

Financial Risk Management

Financial risk factors: The Group's operations result in exposure to various financial risks (including foreign exchange risk, interest rates risk, cash flow risk and price risk credit risk and liquidity risk). The Group's risk management policy is focused in the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the Group. The Group uses in certain cases financial derivative products in order to hedge its exposure to certain risks.

The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non financial instruments as well as the investment of additional liquidity.

Market risks

Foreign exchange risk: The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and JPY) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

Price volatility risk: The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Cash flow and interest rate risks: The Group is exposed to cash flow risk that may arise: a) through the volatility noted in variable interest rates which may cause positive or negative variations in cash inflows and/or outflows of assets and/or liabilities connected with these variable interest rates, b) through the increase in receivables which may be caused due to extension in the time when receivables are due, as suggested current market conditions, or c) through the increase in reserves, due to failure to realize expected sales growth.

Interest rate risk results mainly from short and long term borrowing in Euro and in variable interest rates. The Group assesses its exposure to interest rate variation on a constant basis taking under examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid term and long term financing facilities.

According to the Bond Loan Term Sheet under which the Company entered the bond loan agreement, in case of a set back in financial figures of the Company and failure to comply with the terms, the current spread of interest rates of 1.15%, may respectively rise up to 1.6%, thus accordingly having an effect on the cost of the debt financing. In the opposite case of further improvement of the Company's financial rates spread rates would further decrease to 0.9%.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises out of from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client, the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. During the FY 2008 no excess in credit levels was noted and the Group does not expect any substantial potential losses which come as a result of inability to liquidate receivables. Moreover, part of the receivables arising from the international operations is secured through credit insurance and part of receivables in the mobile telephony business is covered through bank guarantees.

Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing. The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

Seasonality in sales of air-conditioners: Over the last years sales in the air-conditioners market segment showed signs of a seasonal trend mainly during the summer months, which caused troubles with regard to a) satisfying of increased demand within a short period, overcoming the risk of loss of potential sales, b) sustaining added expenses due to maintaining of large stock to satisfy demand, as well as c) potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.

However over the last couple of years this seasonal trend seems to steadily decrease, and demand seems to spread more evenly throughout the year, nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions, such as heat waves. This fact contributes towards achievement of better client services and mitigating of the abovementioned risks.

D. Future Outlook

Having taken into consideration the progress noted over the recent years in the financial results of the Company and the Group, as well as the steadily increasing profitability, the Board of Directors remains optimistic with regard to fiscal 2009, despite the generally adverse market conditions due to the global financial crisis.

Management, having taken the impact of the financial crisis to the market and consequent difficulties in corporate financing into thorough consideration, has fully re-estimated and planned its corporate policy, in its constant effort to secure the company against any potential financial threats.

Despite the market's harsh conditions, Management estimates that sales, especially of air-conditioners, will not be substantially influenced, as weather conditions, due to high temperatures, are expected to remain favorable in the near future.

Finally, the contribution of RF Energy and its subsidiaries, already active in the energy sector, is expected to significantly support total revenues and the financial result of the Group in 2009 and the forthcoming years.

E. Related Party Transactions

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Company sales to related parties primarily concern sales of products and merchandise. Sale prices are at cost plus a low profit margin. Services rendered to the Company primarily concern storage services (logistics etc.) as well as after sales services.

The compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive Independent members. The compensation of Directors concern compensation of regular payment according to employment contracts.

The following paragraph lists important transactions between the company and its related parties, having occurred within fiscal year 2008, in accordance with provisions of IAS 24:

FG EUROPE S.A. sold mechanical parts to FIDAKIS SERVICE S.A. amounting to €141 thousands (€164 thousands in 2007). From the sales above, the liability of FIDAKIS SERVICE S.A. to F.G EUROPE is € 93 thousands.

FG EUROPE S.A. was charged by FIDAKIS SERVICES S.A. with the amount of €788 thousands in 2008 (€ 701 thousands in 2007), concerning the guarantee and service of air conditioners which FG EUROPE S.A. sells in Greek Market.

RF ENERGY S.A. owes to F.G EUROPE the amount of €229 thousands, pertaining to transfer of the shares of HYDROELECTIKI AHAIAS S.A.

FIDAKIS LOGISTICS S.A. invoiced F.G EUROPE the amount of €3.351 thousands, according to their agreement for providing logistics services in 2008. The equivalent amount for the year 2007 was € 3.186 thousands.

FG EUROPE receivable from FEIDAKIS LOGISTICS in the amount of €298 thousands, pertains to a guarantee payment made by FG EUROPE in advance, in accordance with an intercompany agreement.

CYBERONICA S.A.'s income from leasing offices and storing facilities rose to €2.725 thousands in 2008 (€2.571 in 2007). From that amount the contribution of FG EUROPE S.A. was €563 thousands and the rest was paid from the other firms of the Group. The biggest share was paid by FEIDAKIS LOGISTICS S.A. as it leases storage facilities of 25.000 s.m. in Aspropyrgos.

Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 471 thousands in 2008 (from € 511 thousands in 2007). The amount paid as guarantee from FG EUROPE S.A. is € 95 thousands.

F. Own Shares

As at December 31st 2007, the Company held 1,780,220 own common shares with average bid price €3.14 per share and total cost of € 5.590 million. Under the Shareholders General Assembly resolution, dated 26/3/2008, the equity of the Company reduced by € 534 thousands, by limiting the amount of common shares from 54,580,374 to 52,800,154, due to cancellation of own shares, according to Law 2190/1920. The amount of own shares, cancelled on 26/4/08, was 1,780,220 and from that point and beyond the account «Reserves for obtaining own shares» closed.

As at December 31st 2008, FG EUROPE S.A. does not hold any own common shares.

G. Information in accordance with article 4, par. 7 Law 3556/2007

a. Share Capital of the Company

The company's share capital amounts to Euro 15,840,046.20 and is divided into 52,800,154 ordinary registered shares, with par value of Euro 0.30 each. Company's shares are listed in ASE (in Big Capitalization category). Each share provides the right for a single vote. The responsibility of each shareholder is limited to the value of the share he owns.

b. Limitation in transfer of Company's shares.

Transfer of Company's shares may only takes place are according to the direction of Law and if only there are no limitations from Company's statute.

c. Significant direct or indirect participation in company's shares, under the meaning of articles 9 to 11, Law 2556/2007

As at December 31st, 2008 the shareholders below possessed a percentage bigger than 5% of the total Company's votes:

- Georgios Fidakis direct participation, percentage 49.27% and indirect participation of 5,34%. Total participation of 54.61%.
- SILANER INVESTMENT LIMITED, direct participation 5.34%
- FIRST EUROPEAN RETAIL CORP. indirect participation of 10.99%.

d. Premium Equity Shares.

No provisions are included in the Company's Articles of Association with regard to premium equity shares.

e. Shareholders agreements

Company is not under any such agreement and its Articles of Association include no provisions with regard to any agreement among shareholders which provide extra limitations concerning transfer of shares or voting rights.

f. Rules for selection or replacement of members in the Board of Directors and modifications of statute, different from the provisions under Codified Law 2190/20

Company's Articles of Association with regard to the election or replacement of members in the Board of Directors and amendments thereto do not materially differ from provisions set forth under C.L. 2190/20.

g. Competence of the Board of Directors or certain members thereof for the issuance of new shares or the purchase of own company's shares, according to the article 6, C.L 2190/20

The Board of Directors is permitted, for a period of five years, to increase Company's equity, at a time when the BoD will deem appropriate, determining certain terms concerning the level of the equity increase, the number and the offer price of new shares. Board of Directors is not permitted to purchase other own shares, after the cancellation of 1,780,220 shares held by the company in 26/4/2008, under the Shareholders General Assembly resolution dated 26/03/2008.

h. Significant agreements in force, modified or expired, in case of any change in the management of the Company following a public offer.

Such agreements do not exist.

i. Significant agreements with members of Board of Directors or the Company's employees.

There are no agreements between the Company and any member of the Board of Directors or its employees, which provide for any form of compensation especially in case of resignation or lay-outs without reasonable cause or ending of service or employment due to public offer.

H. Explanatory Report in accordance with article 4 par. 7 Law 3556/2007

Clarifications on information in chapter G above follow:

1. Shareholders General Assembly on 26/3/2008, authorized the Company's Board of Directors in accordance with provisions set forth under paragraph 1 (b), and 4 (a), article 13, Codified Law 2190/1920 to proceed within a five-year period to an increase of the Company's Share Capital at any time the BoD shall deem appropriate, and accordingly determining the terms referring to the level of the increase, the number and the purchase value of new shares.

2. Said Shareholders General Assembly also resolved to cancel (annul) 1,780,220 own shares, representing 3.26% of the Company's total Share Capital which were acquired Shareholders General Assembly resolution dated 8/2/2005. Cancellation (annulment) of shares consequently reduced the Company's Share Capital by Euro 534,066. After the decrease, Company's Share Capital amounts to Euro 15,840,046.20, divided to 52,800,154 shares, with par value of Euro 0.30 each.

3. Shareholders General Assembly of March 26th, 2008 elected the Company's Board of Directors with a two-year term, as follows:

Executive Members:

Fidakis Georgios of Athanasios, Koutsoumbelis Konstantinos of Stylianos, Pantousis Ioannis of Dimitrios, Demenagas Andreas – Fotios of Konstantinos and Vlamis Georgios of Antonios

Independent Non-executive Members:

Stroggiopoulos Georgios of Athanasios, Katsoulakos Ioannis of Socrates, Lioukas Spyros of Konstantinos and Pimblis Nicolaos of Evarestos.

The Board of Directors convened on 28/3/2008, as follows:

Fidakis Georgios of Athanasios	Chairman of the Board
Koutsoumbelis Konstantinos of Stylianos	Vice-Chairman of the Board
Pantousis Ioannis of Dimitrios	Managing Director
Vlamis Georgios of Antonios	Executive Member
Demenagas Andreas – Fotios of Konstantinos	Executive Member
Lioukas Spyros of Konstantinos	Independent Non-executive Member
Katsoulakos Ioannis of Socrates	Independent Non-executive Member
Stroggiopoulos Georgios of Athanasios	Independent Non-executive Member
Pimblis Nicolaos of Evarestos	Independent Non-executive Member

5. Changes in participations of shareholders to the company in fiscal 2008:

- Georgios Fidakis, direct participation changed from 47.49% in FY2007 to 49.27% in FY 2008 and indirect participation changed from 5.28% in FY 2007 to 5.34% in FY 2008. Total participation increased to 54.61% from 52.77%.
- SILANER INVESTMENTS LIMITED, participation increased from 5.28% to 5.34%

I. Corporate Governance

F.G. EUROPE S.A. pays great significance and undertakes all necessary actions to secure the necessary levels of transparency for all its actions and internal procedures, aiming to further strengthening its credibility for the sake of its shareholders and the investment community in general.

The Company fully abides by and implements all provisions set forth by the statutory laws and legal framework. Corporate Governance practices implemented by the Board of Directors' relevant sub-committees, are a major factor towards achieving the Company's corporate mission, which is maximizing the value of the shareholders' equity.

J. Internal Code of Conduct

The Company operates under an internal code of conduct, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

K. ISO 9001:2000 Certified

F.G. EUROPE S.A. implements the Quality Management System ISO 9001:2000 and is certified by the internationally recognizes Certification Organization, TÜV Austria.

The implementation of the Quality Management System, plays a pivotal role towards improving efficiency for the Company and its daily operations, and thus lays the ground for the optimal use of the Company's resources, as well as for the provision of excellent services for the Company's customers, partners and shareholders.

L. Corporate Social Responsibility

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection. Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in FG Europe's strategy.

The abovementioned elements define the Company's new corporate identity and guided the design of the new corporate logo of F.G. EUROPE S.A.

M. Dividend Policy

The Company' Board of Directors intends to propose to the Shareholders General Assembly that a dividend in the amount of Euro 26.50 cents per share is disbursed to shareholders of the Company's shares (against dividend in the amount of Euro 22 cents in fiscal 2007). Under the Board of Directors resolution on 31/7/2008, an interim dividend against dividend attributable for the fiscal year 2008 in the amount of Euro 12 cents per share was disbursed to the company's shareholders. Beneficiaries for the interim dividend were shareholders of company shares as at the closing of the Athens Exchange on August 21, 2008. Payment of the interim dividend began on Friday, August 29, 2008. Consequently, the remainder dividend to be paid to shareholders for the fiscal year 2008 amounts to Euro 14.50 cents per share.

All information mentioned above with regard to the financial standing of the Company and the Group is accurate and can be confirmed through the Financial Statements for the period ended December 31st, 2008.

Glyfada, March 11th, 2009

- The -
CHAIRMAN OF THE BOARD OF DIRECTORS

GEORGIOS FIDAKIS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **F.G. EUROPE S.A.**

Report on the Financial Statements

We have audited the accompanying financial statements as well as the consolidated financial statements of **F.G. EUROPE S.A.** (the "Company"), which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2008, 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 European Union (EU).

Report on Other Legal and Regulatory Requirements

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying financial statements, under the legal frame of the articles 37, 43a, and 107 of c.L. 2190/1920.

Athens, March 12 2009

Panagiotis Papakonstantinou
SOEL Reg. No 16651

Panagiotis Vroustouris
SOEL Reg. No 12921

Certified Public Accountant Auditor
SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

F.G. EUROPE S.A.
ANNUAL FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2008
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on March 11, 2009 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>.

Chairman of the Board
of Directors

Managing Director

Finance Manager

Accounting Supervisor

Georgios Fidakis
ΑΔΤ Ν 000657

John Pantousis
ΑΔΤ Ξ 168490

Michael Poulis
ΑΜ ΟΕΕ 016921

Athanasios Harbis
ΑΜ ΟΕΕ 0002386

F.G. EUROPE S.A.
Statements of Income (Company and Consolidated)
For the Years ended December 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
		For the Years Ended December 31,			
	Note	2008	2007	2008	2007
Sales.....	6	144.555	154.477	142.502	153.714
Less: Cost of sales.....	7	(98.435)	(115.222)	(97.264)	(115.074)
Gross profit		46.120	39.255	45.238	38.640
Other operating income.....	6	877	626	846	581
Distribution expenses.....	7	(18.694)	(14.819)	(18.558)	(14.577)
Administrative expenses.....	7	(4.184)	(3.496)	(2.819)	(2.678)
Other operating expenses.....	7	(41)	(58)	(40)	(35)
Earnings before interests and taxes		24.078	21.508	24.667	21.931
Finance costs.....	7	(7.987)	(5.131)	(6.921)	(4.889)
Finance income.....	7	4.331	2.197	4.841	2.781
Income from subsidiaries.....		-	-	-	228
Earnings before taxes		20.422	18.574	22.587	20.051
Income tax expense.....	8	(5.748)	(5.347)	(6.085)	(5.502)
Net profit for the period		14.674	13.227	16.502	14.549
Attributable as follows:					
Parent company.....		15.251	13.468	-	-
Minority interest.....		(577)	(241)	-	-
Net profit (after tax) attributable to the Group		14.674	13.227	16.502	14.549
Earnings per share (expressed in Euros):					
Basic earnings per share.....	9	0,2888	0,2551	0,3126	0,2755

The accompanying Notes on pages 22 to 62 are an integral part of the Financial Statements.

F.G. EUROPE S.A.
Balance Sheets (Company and Consolidated)
As of December 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
		December 31,			
	Note	2008	2007	2008	2007
ASSETS					
Non-current assets					
Property, plant and equipment.....	10	36.652	19.087	261	479
Investment in real estate.....	10	332	-	332	-
Intangible assets.....		1.896	1.915	5	4
Investments in subsidiaries.....		-	-	17.321	6.713
Long term receivables.....		665	585	585	527
Deferred tax assets.....	20	583	145	328	322
Available for sale investments	11	251	550	251	550
Total non-current assets		40.379	22.282	19.083	8.595
Current assets					
Inventories.....	12	64.058	35.464	64.018	35.416
Receivables and prepayments.....	13	71.913	71.974	62.062	71.012
Cash and cash equivalents.....	14	67.727	15.464	44.931	7.472
Total current assets		203.698	122.902	171.011	113.900
Total assets		244.077	145.184	190.094	122.495
SHAREHOLDERS' EQUITY					
Shareholders equity attributable to the shareholders of the parent company					
Share capital.....	15	15.840	16.374	15.840	16.374
Share premium.....	16	6.644	6.669	6.726	6.726
Reserves.....	17	5.491	(615)	4.558	(1.571)
Retained earnings.....		4.677	12.815	7.763	15.109
		32.652	35.243	34.887	36.638
Minority interest.....		21.952	8.582	-	-
Total shareholders' equity		54.604	43.825	34.887	36.638
LIABILITIES					
Non-current liabilities					
Long term Borrowings.....	19	59.301	7.843	58.824	7.843
Retirement benefit obligations.....	21	421	334	285	239
Deferred government grants.....		7.983	1.044	21	31
Total non-current liabilities		67.705	9.221	59.130	8.113
Current liabilities					
Short term Borrowings.....	19	72.865	59.096	48.396	46.006
Short term portion of long term borrowings.....	19	10.523	7.873	10.400	7.873
Current tax liabilities.....		2.366	4.357	2.450	4.340
Trade and other payables.....	18	36.014	20.812	34.831	19.525
Total current liabilities		121.768	92.138	96.077	77.744
Total liabilities		189.473	101.359	155.207	85.857
Total equity and liabilities		244.077	145.184	190.094	122.495

The accompanying Notes on pages 22 to 62 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Statements of Changes in Shareholders' Equity (Consolidated)

For the Years ended December 31, 2008 and 2007

(All amounts in Euro thousands unless otherwise stated)

	Consolidated									
	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	Retained earnings	Total	Minority interest	Total Shareholders' equity
Balance on January 1, 2007.....	16.374	6.687	1.195	115	2.782	(5.590)	2.309	23.872	6.120	29.992
Year's changes:										
Net profit for the year.....	-	-	-	-	-	-	13.468	13.468	(241)	13.227
Legal reserve.....	-	-	758	-	-	-	(757)	1	-	1
Dividend distribution.....	-	-	-	-	-	-	(2.112)	(2.112)	(185)	(2.297)
Share capital increase... (Note 15)	-	-	-	-	-	-	-	-	3.282	3.282
Income recognized directly in shareholders' equity:										
Expenses of issuance of shares....	-	(18)	-	-	-	-	-	(18)	(27)	(45)
Minority interests from sale of subsidiary.....	-	-	-	-	-	-	(93)	(93)	(367)	(460)
Net fair value changes in a-f-s securities.....	-	-	-	125	-	-	-	125	-	125
Balance on December 31, 2007.....	16.374	6.669	1.953	240	2.782	(5.590)	12.815	35.243	8.582	43.825
Balance on January 1, 2008.....	16.374	6.669	1.953	240	2.782	(5.590)	12.815	35.243	8.582	43.825
Year's changes:										
Net profit for the period.....	-	-	-	-	-	-	15.251	15.251	(577)	14.674
Legal reserve.....	-	-	854	-	-	-	(854)	-	-	-
Tax free reserves.....	-	-	-	-	-	-	-	-	-	-
Dividend distribution for fiscal year 2007.....	-	-	-	-	-	-	(11.616)	(11.616)	-	(11.616)
Interim dividend for fiscal year 2008.....	-	-	-	-	-	-	(6.329)	(6.329)	-	(6.329)
Cancellation of treasury shares....	-	-	-	-	-	5.590	(5.056)	534	-	534
Share capital increase/ (decrease)..... (Note 15)	(534)	-	-	-	-	-	-	(534)	16.296	15.762
Income recognized directly in shareholders' equity:										
Expenses of issuance of shares....	-	(25)	-	-	-	-	-	(25)	(38)	(63)
Minority interests from sale of subsidiary.....(Note 1)	-	-	(30)	-	-	-	466	436	(2.311)	(1.875)
Net fair value changes in a-f-s securities.....	-	-	-	(308)	-	-	-	(308)	-	(308)
Balance on December 31, 2008	15.840	6.644	2.777	(68)	2.782	-	4.677	32.652	21.952	54.604

The accompanying Notes on pages 22 to 62 are an integral part of the Financial Statements.

F.G. EUROPE S.A.
Statements of Changes in Shareholders' Equity (Company)
For the Years ended December 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

	Share capital	Share premium	Company Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	Retained earnings	Total
Balance on January 1, 2007.....	16.374	6.726	1.171	115	1.856	(5.590)	3.425	24.077
Year's changes:								
Net profit for the year.....	-	-	-	-	-	-	14.549	14.549
Legal reserve	-	-	752	-	-	-	(752)	-
Dividend distribution	-	-	-	-	-	-	(2.113)	(2.113)
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities...	-	-	-	125	-	-	-	125
Balance on December 31, 2007.....	16.374	6.726	1.923	240	1.856	(5.590)	15.109	36.638
Balance on January 1, 2008.....	16.374	6.726	1.923	240	1.856	(5.590)	15.109	36.638
Year's changes:								
Net profit for the year.....	-	-	-	-	-	-	16.502	16.502
Legal reserve	-	-	847	-	-	-	(847)	-
Dividend distribution for fiscal year 2007.....	-	-	-	-	-	-	(11.616)	(11.616)
Interim dividend for fiscal year 2008.....	-	-	-	-	-	-	(6.329)	(6.329)
Cancellation of treasury shares.....	-	-	-	-	-	5.590	(5.056)	534
Share capital increase/ (decrease).....	(534)	-	-	-	-	-	-	(534)
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities...	-	-	-	(308)	-	-	-	(308)
Balance on December 31, 2008.....	15.840	6.726	2.770	(68)	1.856	-	7.763	34.887

The accompanying Notes on pages 22 to 62 are an integral part of the Financial Statements.

F.G. EUROPE S.A.
Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Years Ended December 31,			
	2008	2007	2008	2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	20.422	18.574	22.586	20.051
Add / (less) adjustments for:				
Depreciation and amortization.....	1.257	298	125	133
Government grants recognized in income.....	(396)	(78)	(11)	(11)
Exchange rate differences.....	(1.907)	(513)	(1.508)	(310)
Provisions.....	1.521	549	1.521	296
Employee benefits.....	87	43	46	24
Result of investment activity.....	(1.167)	(334)	(2.076)	(1.120)
Interest and similar expenses.....	6.730	3.781	5.665	3.539
Operating result before changes in working capital	26.547	22.320	26.348	22.602
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories.....	(28.622)	1.157	(28.630)	1.190
(Increase) / decrease in receivables and prepayments.....	6.240	(26.093)	7.196	(25.415)
Increase / (decrease) in trade and other payables.....	16.127	1.391	15.830	(196)
(Increase) in long term receivables.....	(80)	(156)	(58)	(100)
Total cash inflow / (outflow) from operating activities	20.212	(1.381)	20.686	(1.919)
Interest and similar expenses paid.....	(6.853)	(4.780)	(5.242)	(4.538)
Income taxes paid.....	(8.177)	(2.008)	(7.981)	(1.859)
Total net inflow / (outflow) from operating activities	5.182	(8.169)	7.463	(8.316)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income.....	1.406	403	1.399	361
Dividend income.....	23	-	23	232
(Purchase) of subsidiaries and other investments.....	(1.885)	(489)	(11.159)	(2.355)
Proceeds from the sale of subsidiaries and other investments.....	-	16	1.459	1.233
Proceeds from government grants.....	-	139	-	45
(Purchase) of PPE and intangible assets.....	(19.323)	(17.757)	(427)	(217)
Proceeds from the sale of PPE and intangible assets.....	187	28	187	28
Total net cash inflow / (outflow) from investing activities	(19.592)	(17.660)	(8.518)	(673)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from short term borrowings.....	68.971	25.255	56.445	12.468
Share capital increase.....	15.633	3.282	-	-
Dividends paid.....	(17.931)	(2.441)	(17.931)	(2.256)
Total net cash inflow from financing activities	66.673	26.096	38.514	10.212
Net increase / (decrease) in cash and cash equivalents	52.263	267	37.459	1.223
Cash and cash equivalents at beginning of period	15.464	15.197	7.472	6.249
Cash and cash equivalents at end of period	67.727	15.464	44.931	7.472

The accompanying Notes on pages 22 to 62 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

1. Incorporation and Business of the Group

The parent company F.G. EUROPE S.A. (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter referred to as “the Group”) activate:

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, LCD – Plasma televisions and in the wholesale of products and services of mobile telephony.
- The subsidiaries FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. cover supplementary fields like after sales services, inventory management (logistics), etc. while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.
 - HYDROELECTRICAL ACHAIAS S.A.
 - CITY ELECTRIC S.A.
 - AEOLIC KYLINDRIAS S.A.
 - KALLISTI ENERGIKI S.A.
 - R.F. ENERGY S.A. MISOHORIA S.A.
 - R.F. ENERGY S.A. OMALIES S.A.
 - R.F. ENERGY S.A. KORAKOVRAHOS S.A.
 - R.F. ENERGY S.A. GARBIS S.A.
 - R.F. ENERGY S.A. DEXAMENES S.A.
 - R.F. ENERGY S.A. LAKOMA S.A.
 - R.F. ENERGY S.A. TSOUKKA S.A.
 - R.F. ENERGY S.A. PRARO S.A.
 - R.F. ENERGY S.A. XESPORTES S.A.
 - R.F. ENERGY S.A. SHIZALI S.A.
 - R.F. ENERGY S.A. KALAMAKI S.A.
 - R.F. ENERGY S.A. ZEFIROS S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2008 is 82 for the Company and 144 for the Group.

The Company’s shares are listed on the primary market segment of the Athens Exchange.

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

Name	Country	Share as of September 30, 2008	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• FIDAKIS LOGISTICS S.A.	Greece	100,00% (a)	Full consolidation
• FIDAKIS SERVICE S.A.	Greece	100,00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	40,00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	40,00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	40,00% (b)	Full consolidation
• AEOLIC KYLINDRIAS S.A.	Greece	40,00% (b)	Full consolidation
• KALLISTI ENERGIKI S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY GARBIS S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY ZEFIROS S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY MISOHORIA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY OMALIES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY KORAKOVRAHOS S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY DEXAMENES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY LAKOMA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY TSOUKKA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY PRARO S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY XESPORTES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY SHIZALI S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY KALAMAKI S.A.	Greece	33,60% (b)	Full consolidation

F.G. EUROPE S.A.
Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2008
(All amounts in Euro thousands unless otherwise stated)

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE's holding share in the company R.F. ENERGY S.A. is to 40%. Due to the fact that the main shareholder and Chairman of the Board of Directors of F.G. EUROPE S.A., Mr. George Fidakis also participates with 10% in R.F. ENERGY S.A. and the existing shareholders' agreement concerning the appointment of the majority of Board Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company's financial statements, with the method of full consolidation.

F.G. EUROPE S.A. participates with 11,11% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements (Available for sale securities).

During the second three-month period of 2008, R.F. ENERGY S.A. established the below companies having the holding share 84%, which are fully consolidated in the Company's financial statements with the method of full consolidation (consolidated for the first consolidation in the financial statements ended June 30, 2008).

- R.F. ENERGY S.A. MISOHORIA S.A.
- R.F. ENERGY S.A. OMALIES S.A.
- R.F. ENERGY S.A. KORAKOVRAHOS S.A.
- R.F. ENERGY S.A. DEXAMENES S.A.
- R.F. ENERGY S.A. LAKOMA S.A.
- R.F. ENERGY S.A. TSOUKKA S.A.
- R.F. ENERGY S.A. PRARO S.A.
- R.F. ENERGY S.A. XESPORTES S.A.
- R.F. ENERGY S.A. SHIZALI S.A.
- R.F. ENERGY S.A. KALAMAKI S.A.

Furthermore two new wholly owned subsidiary to R.F. ENERGY S.A. companies, namely R.F. ENERGY GARBIS S.A. and R.F. ENERGY ZEPHYROS S.A., were incorporated under Greek Law during the third quarter of 2008 and have been integrated for the first time by method of full consolidation to the annual financial statements for the year period ended December 31, 2008.

On January 17, 2008 the subsidiary company of the group, R.F. ENERGY S.A. purchased from third parties the 25% of the shares of HYDROELECTRICAL ACHAIAS S.A. for the amount of EURO 1.340 and on February 4, 2008 the 10% of the shares for the amount of EURO 536. Finally, on February 4, 2008 the remaining 32,25% of HYDROELECTRICAL ACHAIAS S.A. were purchased from the parent Company for the amount of EURO 1.459. The gain for the parent Company from this transaction amounts to EURO 917. On a Group level the result of these transactions with the minority amounts to EURO 1.875 analysed EURO (2.311) to minority interests, EURO 436 to parent company and was recognized directly in Equity.

Based on the decision of February 11, 2008 of the General Assembly of Shareholders of the Company AEOLIC KYLINDRIAS S.A. the equity of the company was increased by EURO 350 (share capital increase EURO 35 and share premium EURO 315). R.F. ENERGY S.A. as sole shareholder of the above company paid on February 20, 2008 the amount of EURO 350.

The annual General Assembly of shareholders of the Company on March 26, 2008 decided the share capital decrease by EURO 534 with reduction of the total number of shares from 54.580.374 to 52.800.154 common shares because of the cancellation of treasury shares according to article 16 of C.L 2190/1920. The above 1.780.220 shares were acquired during the period from April 1, 2005 to February 8, 2006, executing the decision of the extraordinary General Assembly of shareholders of the Company dated February 8, 2008 and the decisions of the Board of Directors dated March 24, 2005, May 10, 2005 and January 10, 2006. After the decrease the Company's share capital amounts to EURO 15.840 divided into 52.800.154 common shares with 0,30 Euro par value each. The shares were cancelled on April 26, 2008.

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

Furthermore, based on the decision of May 20, 2008, of the General Assembly of Shareholders of the Company AEOLIC KYLINDRIAS S.A. the equity of the company was increased by EURO 3.700 (share capital increase EURO 370 and share premium EURO 3.330). R.F. ENERGY S.A. as sole shareholder of the above company paid on May 30, 2008 the amount of EURO 3.700.

Based on the decision of May 20, 2008, of the General Assembly of Shareholders of the Company R.F. ENERGY S.A. the equity of the company was increased by EURO 6.000 (share capital increase EURO 3.000 and share premium EURO 3.000). F.G. EUROPE S.A. based on its holding share (40%), paid on May 30, 2008 the amount of EURO 2.400.

Based on the decision of October 2, 2008, of the extraordinary General Assembly of Shareholders of the Company R.F. ENERGY S.A. the equity of the company was increased by EURO 21.000 (share capital increase EURO 3.000 and share premium EURO 18.000). F.G. EUROPE S.A. based on its holding share (40%), paid on October 10, 2008 the amount of EURO 8.400.

The result (loss) of EURO 308, that arose on September 30, 2008 from the valuation of securities classified as available for sale was recognized directly in Group's and Company's Equity. The amount (loss) of EURO 63 that concerns expenses of issuance of shares and the amount (loss) of EURO 1.876 that concerns minority interests from sale of subsidiary were recognized directly in Group's Equity.

The subsidiaries on the Company financial statements are valued at cost less any impairment losses.

2. Significant Accounting Policies used by the Group

2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS).

The Financial Statements have been prepared under the historical cost convention as modified for certain assets and liabilities to fair values. The principal accounting policies adopted in the preparation of these Financial Statements are described below.

The preparation of Financial Statements according to IFRS requires the use of accounting estimates and the use of judgment for the application of the accounting principles followed. These cases are described in note 4.

2.2 New Standards, Interpretations and Amendments of Existing Standards

2.2.1 Standards and Interpretations effective for the fiscal year ended December 31, 2008

The following Standards and Interpretations became effective within the current period. None of the Standards and Interpretations had an impact in the consolidated financial statements.

Amendment to IAS 39, Financial instruments: Recognition and Measurement and amendment to IFRS 7 Financial instruments: Disclosures (effective to annual accounting periods beginning on or after July 1, 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

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(All amounts in Euro thousands unless otherwise stated)

entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the financial statements of the Group and the Company.

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

This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent. IFRIC 11 is not relevant to the Group's and Company's operations.

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

The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset. IFRIC 12 is not relevant to the Group's and Company's operations.

IFRIC 14, IAS 19 The limit on a defined benefit asset, Minimum funding requirements and their interaction *(effective for financial years beginning on or after 1 January 2008)*

This interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. This interpretation is not applicable to the Group and the Company.

2.2.2 Standards and Interpretations effective after the fiscal year ended December 31, 2008

New International Accounting Standards have been issued, including amendments and interpretations, which are compulsory for annual accounting periods beginning after January 1, 2008. The management's estimation of both the Group and the Company, relating to the impact from the enforcement of these new amendments and interpretations, is referred further:

Amendment to IAS 1, Presentation of Financial Statements *(effective to annual accounting periods beginning on or after January 1, 2009)*

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with 'other comprehensive income'; and the requirement to present restatements of financial statements or retrospective application of an new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. This standard will be applied from January 1, 2009. The application of this standard except for the different presentation has no impact on the financial statements of the Group and the Company.

Amendments to IAS 16, Property, plant and equipment *(effective to annual accounting periods beginning on or after January 1, 2009)*

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This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 'Statement of cash flows' states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment is not expected to have an impact on the financial statements of the Group and the Company.

Amendments to IAS 19, Employee benefits (effective to annual accounting periods beginning on or after January 1, 2009)

This amendment states that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The amendment is not expected to have an impact on the financial statements of the Group and the Company.

Amendments to IAS 20, Accounting for government grants and disclosure of government assistance (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 'Financial instruments: Recognition and measurement' and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment has no impact on the financial statements of the Group and the Company.

Replacement of IAS 23, Borrowing Costs (effective to annual accounting periods beginning on or after January 1, 2009)

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalized. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group's and the Company's estimate is that there will be no impact of this standard.

Amendments to IAS 27, Consolidated and separate financial Statements (effective to annual accounting periods beginning on or after January 1, 2009)

The new standard requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The Group and the Company will apply this amendment from January 1, 2010. In May 2008 the IAS 27 has been amended and it's effective to annual accounting periods beginning on or after January 1, 2009) and it states that where an investment in a subsidiary that is accounted for under IAS 39 'Financial instruments: Recognition and measurement' is classified as held for sale under IFRS 5 'Non-current assets held for sale and discontinued operations' that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone accounts.

Amendments to IAS 28, Investment in associates (effective to annual accounting periods beginning on or after January 1, 2009)

This amendment states that an investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any

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impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. Furthermore where an investment in associate is accounted for in accordance with IAS 39 'Financial instruments: Recognition and measurement' only certain, rather than all disclosure requirements in IAS 28 need to be made. The Group will apply this amendment where applicable from January 1, 2009.

Amendments to IAS 29, Financial reporting in hyperinflationary economics (effective to annual accounting periods beginning on or after January 1, 2009)

The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment has no impact on the financial statements of the Group and the Company.

Amendments to IAS 31, Interests in joint ventures (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment states that where an investment in joint venture is accounted for in accordance with IAS 39 Financial instruments: Recognition and measurement' only certain, rather than all disclosure requirements in IAS 31 need to be made. The amendment has no impact on the financial statements of the Group and the Company.

Amendments to IAS 32 Financial Instruments: Presentation (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment to IAS 32 requires that certain financial instruments available by the owner ("puttable" instruments) and obligations that arise following the liquidation of an entity be classified as equity if certain criteria are satisfied. The Group and the Company do not expect these amendments to impact its financial statements.

Amendments to IAS 36, Impairment of assets (effective to annual accounting periods beginning on or after January 1, 2009)

This amendment requires that where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group and the Company will apply this amendment where applicable from January 1, 2009.

Amendments to IAS 38, Intangible assets (effective to annual accounting periods beginning on or after January 1, 2009)

This amendment states that a payment can only be recognized as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. Furthermore this amendment deletes the wording that states that there is 'rarely, if ever' support for use of a method that results in a lower rate of amortization than the straight line method. The amendments are not expected to have an impact on the financial statements of the Group and the Company.

Amendments to IAS 39, Financial instruments: Recognition and measurement (effective to annual accounting periods beginning on or after January 1, 2009)

The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

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The amendment is not expected to have an impact on the financial statements of the Group and the Company.

Amendments to IAS 40, Investment properties (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the financial statements of the Group and the Company.

Amendments to IAS 41, Agriculture (effective to annual accounting periods beginning on or after January 1, 2009)

This amendment requires the use of a marked-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the financial statements of the Group and the Company.

Amendments to IFRS 1 First time adoption of IFRS (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment has no impact on the financial statements of the Company.

Amendments to IFRS 2 Share-based payments (effective to annual accounting periods beginning on or after January 1, 2009)

The amendment clarifies the definition of ‘vesting condition’ by introducing the term ‘non-vesting condition’ for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group and the Company do not expect that these amendments will have an impact on its financial statements.

Replacement of IFRS 3, Business Combinations (effective to business combinations for annual accounting periods beginning on or after July 1, 2009)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition – related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The Group and the Company will apply this amendment where applicable from January 1, 2010.

Amendments to IFRS 5, Non-current assets held for sale and discontinued operations (effective to annual accounting periods beginning on or after July 1, 2009)

The amendment clarifies that all of a subsidiary’s assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. The Group and the Company will apply this amendment where applicable.

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IFRS 8, Operating Segments (effective to annual accounting periods beginning on or after January 1, 2009)

IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. This amendment will be applied from January 1, 2010 and the estimation is that there will be no material impact of this standard to the financial statements of the Group.

IFRIC 13, Customer Loyalty Programs (effective for financial years beginning on or after 1 July 2008)

This interpretation describes the accounting treatment of an entity that grants loyalty award credits to its customers within the transaction of sale of goods and services the use of assets and that will be used in the future through free products or services. This interpretation is not relevant to the Group's and the Company's operations.

IFRIC 15, Agreements for the Construction of Real Estate (effective to annual accounting periods beginning on or after January 1, 2009)

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue'. This interpretation has no impact on the financial statements of the Group and the Company.

IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective to annual accounting periods beginning on or after October 1, 2008)

The interpretation states that a presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. This interpretation has no impact on the financial statements of the Group and the Company.

IFRIC 17, Distributions of Non-cash Assets to Owners (effective to annual accounting periods beginning on or after July 1, 2009)

The interpretation clarifies the following issues, namely:

- a dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity
- an entity should measure the dividend payable at the fair value of the net assets to be distributed.
- an entity should recognize the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss and

IFRS 17 applies to pro rata distributions of non-cash assets except for common control transactions. This interpretation has no impact on the financial statements of the Group and the Company.

IFRIC 18, Transfers of Assets from Customers (effective to annual accounting periods beginning on or after July 1, 2009)

The interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of good/ services. This interpretation has no impact on the financial statements of the Group and the Company.

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2.3 Basis of Consolidation

Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2008.

Control is presumed to exist when the parent company has the power to control the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method of accounting that measures the acquirer's assets and liabilities at their fair value at the date of acquisition.

The individual assets, liabilities and contingent liabilities acquired during a business combination are valued at the time of acquisition at fair values.

The cost exceeding the fair value of the acquisition is recorded as goodwill. If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

Minority interest is accounted for according to its percentage of the fair value. In subsequent periods any losses are allocated to minority interest according to its percentage plus the minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are adjusted appropriately to ensure consistency with the accounting policies of the Group.

All intercompany balances and transactions and any intercompany profit or loss on assets remaining within the Group are eliminated during the consolidation.

Investments in other companies

Investments in other companies are entities in which the group exercises substantive influence but not control or joint control. The substantive control is exercised through participation in financial or operational decisions of the economic entity.

The results of operation and the assets and liabilities of these economic entities are consolidated using the equity method excluding the case if classified as available for sale.

The investment is recognized at cost, and is adjusted to recognize the investor's share of the earnings or losses of the investee after the date of acquisition and is adjusted for any accumulated impairment loss.

The cost exceeding the fair value of the acquisition (assets – liabilities – contingent liabilities) is recorded as goodwill in the period of acquisition included in the account of investments in other companies.

If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

If the Group undertakes transactions with these companies the related gains or losses are eliminated in the extent of the Group's participation in the related company. Any losses in

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transactions indicate impairment of the transferred asset, in which case a related impairment provision is recorded.

2.4 Segment reporting

IAS 14 “Segment Reporting” sets criteria for the determination of the segment reporting format of the entity. Segments are determined based on the Group’s structure. The Group’s financial decision makers review financial information separately as reported by the parent company and each of the Group’s consolidated subsidiaries. The reportable segments are determined using the quantitative thresholds set by the Standard.

A business segment is defined as a group of assets or operations with different risks and returns from other business segments. A geographical segment is defined as a geographical area where goods are sold or services offered that is subject to different risk and returns than do other geographical areas.

2.5 Foreign currency translation

The Group’s functional currency is the Euro. Transactions involving other currencies are translated into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies, are adjusted using the official exchange rates. Gains or losses resulting from period end foreign currency remeasurement are reflected in the statements of income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes all directly related costs for the acquisition of the asset.

Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost. Repairs and maintenance are charged to the income statement as incurred.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income.

Depreciation: Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	7 – 9	11% - 14%
• Furniture and fixture	4 – 7	14% - 25%
• Vehicles	7 – 9	11% - 14%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	indefinite	-

Leasehold improvements are amortized over the term of the lease.

2.7 External costs of borrowing

Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are amortized using the effective interest

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rate method over the life of the debt. All borrowing costs are recognized as an expense when incurred.

2.8 Intangible assets

Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 10-15 years. Energy production licenses are long term licenses with continuous renewal rights and therefore are not amortized.

2.9 Impairment of assets except Goodwill

The intangible assets that have an infinite useful life and are not amortized are reviewed at least annually to determine whether there is an indication of impairment and the carrying amount.

Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.

The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate.

If the recoverable amount is less than the carrying amount the carrying amount is written down to the level of the recoverable amount.

An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.

When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods.

The reversal of an impairment loss is recorded as income in the income statement except for the case that the asset was value adjusted, case in which the reversal of the impairment loss increases the related special value adjustment reserve.

In order to evaluate impairment losses, assets are integrated into the smallest units creating cash flows.

2.10 Financial instruments

The financial instruments of the Group are classified in one of the following categories:

a) Financial assets or liabilities at fair value through the statement of income

A financial asset or financial liability that meets either of the following conditions:

- Is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments).
- Upon initial recognition it is designated by the entity as at fair value through the statement of income.
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments. Changes in fair value of these derivatives are charged to the statement of income.

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b) Available-for-sale financial assets

Available-for-sale financial assets include those non derivative financial assets that are designated in this category and cannot be classified in one of the above categories. Upon initial recognition the available-for-sale financial assets are valued at fair value and the related gains or losses are directly charged to reserves of equity until these assets are sold or characterized as impaired.

When sold or characterized as impaired the gains or losses are transferred to income. Impairment losses recognized in the statement of income are not reversed through the statement of income.

c) Recognition, Impairment, and definition of fair values

Acquisitions and disposals of investments are recognized at the date of the transaction that is the date when the Group commits the purchase or sale of the investment. The investments are initially recognized at fair value increased with incremental transaction costs directly attributable to the acquisition or disposal of the investment excluding those investments valued at fair value through the statement of income. The investments are derecognized when the right for cash flows matures or is transferred and the Group has transferred substantially all the risks and rewards associated with the investment.

Realized and unrealized gains or losses that arise from the variation in the fair value of the financial assets valued at fair value through the statement of income are recognized in the statement of income in the period of occurrence.

The fair values of the financial assets that are traded on organized markets are determined through the current ask prices. For non tradable assets the fair values are determined through the use of valuation techniques such as analysis of recent transactions, concrete traded assets and the discounting of cash flows. Equity instruments non traded on active markets have been classified as available-for-sale investments and have been valued at cost when a fair value was not determinable.

d) Impairment in value of Financial Instruments

On each balance sheet date the Group tests the financial asset for the existence of objective indications of impairment. Shares of companies that have been classified as financial assets available-for-sale, such an indication is the permanent and material decrease of their fair value compared to their purchase cost during a solid market environment. If impairment is objectively determinable the accumulated losses in fair value reserves in equity that is the difference between cost and fair value is transferred to the statement of income.

2.11 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost is determined using the annual weighted average cost method. Cost of inventories includes all cost and expenses to bring them to their current location. Borrowing costs are not included in the carrying amount of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Receivables from customers

Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses. Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due. The amount

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of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows. The amount of impairment loss is charged to the income statement. At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the consolidated statement of income of the reporting period. All accounts receivable for which collection is not considered probable are written-off.

2.13 Cash and cash equivalents

Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents.

2.14 Share Capital

The common shares are classified in Equity.

Stock issuance costs, net of related deferred tax, are reflected as a deduction of Paid-in-Surplus. Stock issuance costs related to business combinations are included in the cost carrying amount.

The purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled. Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity.

2.15 Borrowings

All loans and borrowings are initially recognized at fair value, net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains or losses through the amortization process are recognized in the statement of income.

2.16 Income tax

Income Tax expense for the period consists of current and deferred taxes, i.e. the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods. Income taxes are recognized in the statement of income, except for the tax that is related to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries. The current income tax is based on taxable profits of the Group companies adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force. Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse.

Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities.

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will

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be available against the above and can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Group writes off deferred tax assets against deferred tax liabilities only if:

- The Company has a legal right to write off current tax assets against current tax obligations and
- The deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority either:
 - To the same taxable entity or
 - To different taxable entities, that intends to write off the current tax obligations and assets or to settle the assets with the liabilities simultaneously in every future period in which significant amounts of deferred tax obligations or assets are expected to be settled.

2.17 Employee Benefits

a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

b) Provisions for defined benefit plans

The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 – “Employee benefits”. The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date. These obligations are calculated based on financial and actuarial assumptions. The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service and actuarial gains or losses. Unrecorded cost of experience is recognized on a straight basis on the average remaining service time of the employees expected to receive benefits. For discounting purposes the interest rate of long term Greek Government bonds is used.

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. Provisions are used only for expenditures for which they were originally recognized. Contingent assets and contingent liabilities are not recognized.

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2.19 Revenue Recognition

Revenues consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognized as follows:

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.
- **Dividend income:** Dividend income is recognized at the period approved by each entity's General Assembly Meeting.

2.20 Leases

Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability. Financial charges are recognized directly to income. Finance leases, that transfer to the Group substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments. Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount.

Leased assets are depreciated in the shorter time between useful life of the asset and the lease period.

Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement.

If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred.

2.21 Dividend Distribution

Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Assembly Meeting approves them.

2.22 Government Grants

Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations. Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized. Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset.

2.23 Earnings per share

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Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during each period.

2.24 Long term Receivables / Payables

Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value. Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of the receivable/payable.

2.25 Related parties

Related party transactions and balances are disclosed separately in the consolidated financial statements. Such related parties mainly refer to major shareholders management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies.

2.26 Capital Management

The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth. Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1.

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2008 and 2007 was 3,47 and 2,14 respectively for the Group and 4,44 and 2,43 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity:

The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law.

In case the share capital is below the ½ of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolution of the company or any other measure.

If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest.

Yearly at least the 1/20 of net earnings is distributed to legal reserves that is used to compensate before any dividend distribution the debit balance of retained earnings. The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital.

The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value. This is not applied if the general assembly of shareholders decides at least with 65% majority. In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries shareholders within four years. Finally, with 70% majority the general assembly can decide the non distribution of dividends.

The company is fully compliant with the related provisions imposed by law concerning equity.

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3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks (including currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses in certain instances derivative financial instruments to hedge certain risk exposures but does not apply hedge accounting.

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

The following sensitivity analysis of the results for the Group and the Company is based tax rate 25% for 2008 and for 2006.

3.1.1 Market Risks

3.1.1.1 Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and JPY. Foreign exchange risk arises from commercial transactions, recognized assets and liabilities in currencies other than the functional currency of the Group the Euro.

At December 31, 2008, if the Euro had weakened / strengthened by 12% against the USD with all other variables held constant, net profit and equity for the year would have been EURO 2.089,69 (EURO 948,26 in 2007) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD denominated liabilities compensated by foreign exchange gains / losses on translation of cash and cash equivalents held in USD.

At December 31, 2008, if the Euro had weakened / strengthened by 5% against the JPY with all other variables held constant, net profit and equity for the year would have been EURO 796,83 (EURO 14,45 in 2007) lower / higher mainly as a result of foreign exchange gains / losses on translation of JPY denominated trade receivables compensated by foreign exchange losses / gains on translation of JPY denominated liabilities.

At December 31, 2008, if the Euro had weakened / strengthened by 9% against the GBP with all other variables held constant, net profit and equity for the year would have been EURO 0,435 (EURO 0,567 in 2007) lower / higher mainly as a result of foreign exchange losses / gains on translation of JPY denominated liabilities.

At December 31, 2008, if the Euro had strengthened by 12% against the USD with all other variables held constant, net profit and equity for the year would have been EURO 2.719,49 (EURO 0,00 in 2007) lower and if the Euro had weakened by 12% against the USD with all other variables held constant, net profit and equity for the year would have been EURO 1.861,07 (EURO 0,00 in 2007) higher mainly as a result of foreign exchange losses / gains on translation of USD denominated liabilities compensated by foreign exchange gains / losses on translation of derivatives on December 31, 2008.

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3.1.1.2. Price Risk

The Group is exposed to equity securities price risk because of investments in Athens Stock Exchange listed equity securities classified for financial statements preparation purposes as available for sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the decisions of the Board of Directors for investments of liquidity in equity securities.

The portfolios equity securities are included in the General Index of the Athens Stock Exchange. The table below presents the impact on the Group's equity for the year of an increase / decrease of the General Index of the Athens Stock Exchange. The analysis is based on the assumption that the Athens Stock Exchange General index had increased / decreased by 25% (18% in 2007) with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2008	2007
ASE General Indes	49,80	90,32

Other reserves within equity would increase / decrease by EURO 49,80 (EURO 90,32 in 2007) as a result of valuation gains / losses on equity securities classified as available for sale.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk

The Group has no significant interest bearing assets and its income and operating cash flow are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term and short term borrowing from banks in Euro with variable interest rates.

The Group analyses its interest rate exposure on a continuous basis taking into consideration the possibility of restructuring debt with alternative terms and types as well as the renewal of existing positions. Based on these alternatives the Group calculates the impact on significant medium and long term debt positions a shift in interest rates would have.

At December 31, 2008, if interest rates on Euro denominated borrowings had been 50 basis points higher / lower with all other variables held constant, net profit and equity for the year would have been EURO 537,16 (EURO 280,20 in 2007) for the Group and EURO 443,24 (EURO 231,12 in 2007) for the company lower / higher mainly as a result of higher / lower interest expense on floating rate borrowings in Euro.

3.2 Credit Risk

Credit risk is managed on Group basis. Credit risk arises mainly from credit exposures to customers including accounts receivables. The commercial departments assess the credit quality of the customer taking into consideration its financial position, past experience and other factors and sets predefined credit limits that are monitored regularly and each customer cannot exceed. Sales to retail customers are settled in cash. No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of accounts receivables. Moreover, Company's receivables are distributed at a wide number of customers, and as a consequence, credit risk is significantly restricted.

The maximum exposure of both the Group and the Company to credit risk arising from commercial receivables on December 31, 2008, is analyzed at note 13.

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3.3 Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities for working capital and issuance of letters of guarantee to suppliers which on December 31, 2008 amounted to € 98.250.

The Group's management monitors and adjusts its cash flow program on a daily basis based on expected cash inflows and outflows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows including interests and therefore may not reconcile to the amounts disclosed on the balance sheet.

Consolidated December 31, 2008	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	86.675	11.018	51.603	100
Derivative financial instruments.....	542	-	-	-
Trade and other payables.....	38.979	-	-	-
Total	<u>126.196</u>	<u>11.018</u>	<u>51.603</u>	<u>100</u>

Consolidated December 31, 2007	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	70.985	8.345	-	-
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	25.169	-	-	-
Total	<u>96.154</u>	<u>8.345</u>	<u>=</u>	<u>=</u>

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and therefore may not reconcile to the amounts disclosed on the balance sheet.

Company December 31, 2007	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	60.957	10.889	51.303	-
Derivative financial instruments.....	542	-	-	-
Trade and other payables.....	37.281	-	-	-
Total	<u>98.780</u>	<u>10.889</u>	<u>51.303</u>	<u>=</u>

Company December 31, 2008	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	57.112	8.345	-	-
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	23.865	-	-	-
Total	<u>80.977</u>	<u>8.345</u>	<u>=</u>	<u>=</u>

4. Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting

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period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

4.1 Significant accounting estimates and assumptions

The Company / Group makes estimates and assumptions related to the outcome of future events. There are no estimates and assumptions that include significant risk able to require material adjustments to the carrying values of the assets and liabilities within the next 12 months. The estimates and assumptions of the management are under continuous review based on historical data and expectations of future events, that are believed to be appropriate based on the existing.

5. Segment reporting

The group's business segments cover primarily one geographical area of Europe with Greece as country of origin and main area of business plus the countries of the European Union and furthermore the countries of South East Europe. Therefore, the only financial reporting format is focused on the different business segments of the group where different business practices meet different business risks and opportunities.

It is pointed out that the energy sector was included for a first time in the analysis of the Group's results, since a significant part of the investments in this sector has been completed. The Group's business plan includes extra investments of EURO 250 millions, till 2010.

The segment results of the business segments for the Years ended December 31, 2008 and 2007 are presented below:

Year ended December 31, 2008	Long Living Consumer Goods	Mobile Telephony	Energy	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	126.935	15.416	1.611	593	144.555	-	144.555
Sales revenues within the Group...	141	-	-	5.559	5.700	(5.700)	-
Less: Cost of sales.....	(81.743)	(15.380)	(1.179)	(133)	(98.435)	-	(98.435)
Less: Cost of sales within the Group.....	(141)	-	-	(4.583)	(4.724)	4.724	-
Gross profit.....	<u>45.192</u>	<u>36</u>	<u>432</u>	<u>1.436</u>	<u>47.096</u>	<u>(976)</u>	<u>46.120</u>
Other operating income.....	97	749	26	5	877	-	877
Distribution expenses.....	(17.331)	(774)	-	(589)	(18.694)	-	(18.694)
Distribution expenses within the Group.....	(453)	-	-	-	(453)	453	-
Administrative expenses.....	(2.789)	(30)	(1.140)	(225)	(4.184)	-	(4.184)
Administrative expenses within the Group.....	-	-	-	(523)	(523)	523	-
Other operating expenses.....	(39)	-	(1)	(1)	(41)	-	(41)
Profit from operations.....	<u>24.677</u>	<u>(19)</u>	<u>(683)</u>	<u>103</u>	<u>24.078</u>	<u>=</u>	<u>24.078</u>
Finance costs.....	(6.921)	-	(1.066)	-	(7.987)	-	(7.987)
Finance income.....	4.776	64	408	-	5.248	(917)	4.331
Income from subsidiaries.....	-	-	-	-	-	-	-
Profits before tax.....	<u>22.532</u>	<u>45</u>	<u>(1.341)</u>	<u>103</u>	<u>21.339</u>	<u>(917)</u>	<u>20.422</u>
Income tax expense.....	(6.073)	(11)	392	(56)	(5.748)	-	(5.748)
Net profit.....	<u>16.459</u>	<u>34</u>	<u>(949)</u>	<u>47</u>	<u>15.591</u>	<u>(917)</u>	<u>14.674</u>

Year ended December 31, 2007	Long Living Consumer Goods	Mobile Telephony	Energy	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	118.887	34.703	266	621	154.477	-	154.477

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Sales revenues within the Group...	171	-	-	3.887	4.058	(4.058)	-
Less: Cost of sales.....	(80.259)	(34.643)	(182)	(138)	(115.222)	-	(115.122)
Less: Cost of sales within the Group.....	(171)	-	-	(3.521)	(3.692)	3.692	-
Gross profit.....	<u>38.628</u>	<u>60</u>	<u>84</u>	<u>849</u>	<u>39.621</u>	<u>(366)</u>	<u>39.255</u>
Other operating income.....	49	531	45	1	626	-	626
Distribution expenses.....	(13.673)	(559)	-	(587)	(14.819)	-	(14.819)
Distribution expenses within the Group.....	(366)	-	-	-	(366)	366	-
Administrative expenses.....	(2.650)	(28)	(681)	(137)	(3.496)	-	(3.496)
Administrative expenses within the Group.....	-	-	-	-	-	-	-
Other operating expenses.....	(35)	-	(6)	(17)	(58)	-	(58)
Profit from operations.....	<u>21.953</u>	<u>4</u>	<u>(558)</u>	<u>109</u>	<u>21.508</u>	<u>=</u>	<u>21.508</u>
Finance costs	(4.363)	-	(241)	-	(4.604)	(527)	(5.131)
Finance income.....	1.869	84	244	-	2.197	-	2.197
Income from subsidiaries.....	228	-	-	-	228	(228)	-
Profits before tax.....	<u>19.687</u>	<u>88</u>	<u>(555)</u>	<u>109</u>	<u>19.239</u>	<u>(755)</u>	<u>18.574</u>
Income tax expense.....	(5.377)	(22)	155	(103)	(5.347)	-	(5.347)
Net profit.....	<u>14.310</u>	<u>66</u>	<u>(400)</u>	<u>6</u>	<u>13.982</u>	<u>(755)</u>	<u>13.227</u>

Respectively, the allocation of assets and liabilities to the business segments as of December 31, 2008 and December 31, 2007 is as follows:

December 31, 2008	Long Living Consumer Goods	Mobile Telephony	Energy	Other	Total	Intercompany elimination / not allocated	Group
Property, plant and equipment and intangible assets.....	544	54	41.902	448	42.948	(4.068)	38.880
Inventories.....	63.998	60	-	-	64.058	-	64.058
Receivables and prepaid expenses.....	62.577	251	9.712	138	72.678	(765)	71.913
Cash and cash equivalents.....	44.820	111	22.750	46	67.727	-	67.727
Other assets.....	-	-	-	-	-	-	1.499
Total assets	<u>171.939</u>	<u>476</u>	<u>74.364</u>	<u>632</u>	<u>247.411</u>	<u>(4.833)</u>	<u>244.077</u>
Long term borrowings.....	58.824	-	477	-	59.301	-	59.301
Short term borrowings.....	48.103	293	24.469	-	72.865	-	72.865
Short term portion of long term debt.....	10.400	-	123	-	10.523	-	10.523
Trade and other payables.....	34.776	55	1.341	607	36.779	(765)	36.014
Other liabilities.....	-	-	-	-	-	-	10.771
Equity.....	-	-	-	-	-	-	54.603
Total liabilities	<u>152.103</u>	<u>348</u>	<u>26.410</u>	<u>607</u>	<u>179.468</u>	<u>(765)</u>	<u>244.077</u>

December 31, 2007	Long Living Consumer Goods	Mobile Telephony	Energy	Other	Total	Intercompany elimination / not allocated	Group
Property, plant and equipment and intangible assets.....	745	28	21.041	182	21.996	(994)	21.002
Inventories.....	35.404	60	-	-	35.464	-	35.464
Receivables and prepaid expenses.....	70.220	791	1.063	155	72.229	(255)	71.974
Cash and cash equivalents.....	7.387	84	7.919	74	15.464	-	15.464
Other assets.....	-	-	-	-	-	-	1280
Total assets	<u>113.756</u>	<u>963</u>	<u>30.023</u>	<u>411</u>	<u>145.153</u>	<u>(1.249)</u>	<u>145.184</u>
Long term borrowings.....	7.843	-	-	-	7.843	-	7.843
Short term borrowings.....	32.916	-	13.090	-	46.006	-	46.006
Short term portion of long term debt.....	7.873	-	-	-	7.873	-	7.873
Trade and other payables.....	18.615	910	1.193	349	21.067	(255)	20.812
Other liabilities.....	-	-	-	-	-	-	18.825
Equity.....	-	-	-	-	-	-	43.825

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Total liabilities	<u>67.247</u>	<u>910</u>	<u>14.283</u>	<u>349</u>	<u>82.789</u>	<u>(255)</u>	<u>145.184</u>
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6. Income

Analysis of the Groups' income:

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Sales of goods and services	144.555	154.477	142.502	153.714
Other income	877	626	846	581
Total	<u>145.432</u>	<u>155.103</u>	<u>143.348</u>	<u>154.295</u>

7. Break down of expenses

The main categories of expenses are analyzed as follows:

	Consolidated					
	Table of allocation of expenses year ended December 31, 2008					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	(73)	(1.966)	(4.288)	-	-	(6.327)
Third party expenses...	(337)	(909)	(1.568)	-	-	(2.814)
Supplies.....	(208)	(622)	(4.775)	-	-	(5.605)
Taxes and duties.....	(48)	(152)	(251)	-	-	(451)
Various expenses.....	(18)	(476)	(6.178)	-	(41)	(6.713)
Financial expenses.....	-	-	-	(7.987)	-	(7.987)
Depreciation & amortization.....	(1.048)	(70)	(141)	-	-	(1.259)
Subsidies of fixed assets.....	386	11	-	-	-	397
Provisions.....	(29)	-	(1.493)	-	-	(1.522)
Inventories.....	(97.060)	-	-	-	-	(97.060)
Total	(98.435)	(4.184)	(18.694)	(7.987)	(41)	(129.341)

	Consolidated					
	Table of allocation of expenses year ended December 31, 2007					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	(190)	(1.702)	(3.726)	-	-	(5.618)
Third party expenses...	(218)	(637)	(1.954)	-	-	(2.809)
Supplies.....	(28)	(253)	(4.573)	-	-	(4.854)
Taxes and duties.....	-	(144)	(267)	-	-	(411)
Various expenses.....	(5)	(689)	(3.680)	-	(58)	(4.432)
Financial expenses.....	-	-	-	(5.131)	-	(5.131)
Depreciation & amortization.....	(117)	(71)	(106)	-	-	(294)
Provisions.....	(26)	-	(513)	-	-	(539)
Inventories.....	(114.638)	-	-	-	-	(114.638)
Total	(115.222)	(3.496)	(14.819)	(5.131)	(58)	(139.972)

Company					
Table of allocation of expenses year ended December 31, 2008					
Cost of	Administrative	Distribution	Financial	Other	Total

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	Sales	expenses	expenses	expenses	expenses	
Personnel expenses...	-	(1.685)	(2.702)	-	-	(4.387)
Third party expenses...	(310)	(405)	(2.173)	-	-	(2.888)
Supplies.....	(185)	(456)	(5.909)	-	-	(6.550)
Taxes and duties.....	-	(24)	(148)	-	-	(172)
Various expenses.....	-	(213)	(6.055)	-	(40)	(6.308)
Financial expenses.....	-	-	-	(6.921)	-	(6.921)
Depreciation & amortization.....	-	(47)	(78)	-	-	(125)
Subsidies of fixed assets.....	-	11	-	-	-	11
Provisions.....	(29)	-	(1.493)	-	-	(1.522)
Inventories.....	(96.740)	-	-	-	-	(96.740)
Total	<u>(97.264)</u>	<u>(2.819)</u>	<u>(18.558)</u>	<u>(6.921)</u>	<u>(40)</u>	<u>(125.602)</u>

	Company					
	Table of allocation of expenses year ended December 31, 2007					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	(173)	(1.497)	(2.240)	-	-	(3.910)
Third party expenses...	(218)	(324)	(2.507)	-	-	(3.049)
Supplies.....	(4)	(166)	(5.639)	-	-	(5.809)
Taxes and duties.....	-	(110)	(110)	-	-	(220)
Various expenses.....	(5)	(529)	(3.513)	-	(35)	(4.082)
Financial expenses.....	-	-	-	(4.889)	-	(4.889)
Depreciation & amortization.....	(9)	(52)	(72)	-	-	(133)
Provisions.....	(26)	-	(496)	-	-	(522)
Inventories.....	(114.637)	-	-	-	-	(114.637)
Total	(115.074)	(2.678)	(14.577)	(4.889)	(35)	(138.498)

The reduction in administrative expenses during the Year 2008 compared to the related Year 2007 is due to increased organizational expenses for the start of operations of the subsidiary company R.F. ENERGY S.A.

The increase in distribution expenses during the Year 2008 compared to the related Year 2007 is due to both the increased advertising costs for the promotion of the Company's goods during the fiscal period of 2008 and to the increased logistics costs (storage, transports etc.) because of the significant increase in sales of long living consumer goods and especially the air conditioners in the year 2007.

The personnel expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Salaries and wages.....	(5.266)	(4.680)	(3.661)	(3.255)
Employers' social security contributions.....	(969)	(867)	(673)	(603)
Other compensation.....	(5)	(28)	(6)	(28)
Retirement benefits.....	(87)	(43)	(47)	(24)
Total	<u>(6.327)</u>	<u>(5.618)</u>	<u>(4.387)</u>	<u>(3.910)</u>

Finance income and expenses are analyzed as follows:

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	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Finance costs:				
Interest and similar expenses.....	(6.414)	(3.596)	(5.374)	(3.354)
Bank charges and commissions.....	(316)	(185)	(291)	(185)
Provisions for impairment of subsidiaries and securities.....	-	(84)	-	(84)
Foreign exchange differences (expense).....	(715)	(1.266)	(714)	(1.266)
Valuation of Derivatives.....	(542)	-	(542)	-
Total Finance costs	<u>(7.987)</u>	<u>(5.131)</u>	<u>(6.921)</u>	<u>(4.889)</u>
Finance income:				
Interest and similar income.....	1.144	403	1.136	361
Dividend income.....	23	15	23	15
Gain from the sale of subsidiary*.....	-	-	917	700
Foreign exchange differences (income).....	3.164	1.779	2.764	1.576
Other.....	-	-	-	128
Total Finance income	<u>4.331</u>	<u>2.197</u>	<u>4.840</u>	<u>2.780</u>
Finance costs, net	<u>(3.656)</u>	<u>(2.934)</u>	<u>(2.081)</u>	<u>(2.109)</u>

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Foreign exchange differences	1.907	513	1.508	310
Result of investment activity.....	1.167	334	2.076	1.120
Interest and similar expenses.....	(6.730)	(3.781)	(5.665)	(3.539)
Finance costs (net)	(3.656)	(2.934)	(2.081)	(2.109)

* Detail information on gain from sale of subsidiary are included in Note 1: Incorporation and Business of the Group.

8. Income taxes

The parent company and its subsidiaries have not been audited by the tax authorities for the following fiscal years:

Company	Unaudited fiscal years
• F.G. Europe S.A.	2008
• Fidakis Service S.A.	2007 to 2008
• Fidakis Logistics S.A.	2007 to 2008
• City Elektrik S.A.	2007 to 2008
• Hydroelectrical Ahaia S.A.	2007 to 2008
• Aeolic Kylindrias S.A.	Unaudited from inception (2002)
• Kallisti Energiaki S.A.	Unaudited from inception (2004)
• R.F. Energy S.A.	Unaudited from inception (2006)
• R.F. Energy Misohoria S.A.	Unaudited from inception (2008)
• R.F. Energy Omalies S.A.	Unaudited from inception (2008)
• R.F. Energy Korakovrahos S.A.	Unaudited from inception (2008)
• R.F. Energy Dexamenes S.A.	Unaudited from inception (2008)
• R.F. Energy Lakoma S.A.	Unaudited from inception (2008)
• R.F. Energy Tsoukka S.A.	Unaudited from inception (2008)
• R.F. Energy Praro S.A.	Unaudited from inception (2008)

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- R.F. Energy Xesportes S.A. Unaudited from inception (2008)
- R.F. Energy Shizali S.A. Unaudited from inception (2008)
- R.F. Energy Kalamaki S.A. Unaudited from inception (2008)
- R.F. Energy Garbis S.A. Unaudited from inception (2008)
- R.F. Energy Zefiros S.A. Unaudited from inception (2008)

Income taxes as presented in the financial statements are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Income tax (current period).....	(5.536)	(4.887)	(5.524)	(4.872)
Deferred tax.....	366	100	33	(70)
Adjustments of deferred taxes due to change in tax rate.....	56	-	(28)	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities.....	(597)	-	(566)	-
Tax audit differences.....	(37)	(560)	-	(560)
Income taxes	(5.748)	(5.347)	(6.085)	(5.502)

The tax returns of the companies of the Group have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The provision in this respect that has been created for the first time in the current period, amounts to EURO 566 for the company and EURO 597 for the Group as of December 31, 2008.

The income tax related to the Group's earnings is different from the amount that would result as if the tax rate would be applied as follows:

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Profit before taxes	20.422	18.574	22.586	20.051
Tax rate	25%	25%	25%	25%
Tax at the corporate income tax rate	(5.106)	(4.644)	(5.647)	(5.013)
Tax effects from:				
Tax free income	6	-	6	90
Non tax deductible expenses.....	(1)	(8)	(1)	(8)
Non recognized fiscal losses.....	(233)	(150)	-	(26)
Non recognized fiscal gains.....	12	15	-	15
Tax effect of deductible expenses in next year	127	-	127	-
Others.....	25	-	24	-
Total	(5.170)	(4.787)	(5.491)	(4.942)
Adjustments of deferred taxes due to change in tax rate.....	56	-	(28)	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities.....	(593)	-	(566)	-
Tax audit differences.....	(41)	(560)	-	(560)
Effective income tax for the year	(5.748)	(5.347)	(6.085)	(5.502)

According to L. 3697/2008 the applicable tax rates for the next fiscal years will be as follows:

Fiscal year	Tax rate
--------------------	-----------------

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2009	25%
2010	24%
2011	23%
2012	22%
2013	21%
2014 hereafter	20%

The impact (loss) in the deferred taxes of the Group and the Company of the above tax rates amounts to EURO 56 for the company and EURO (28) for the Group.

9. Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	Consolidated		Company	
	Year ended December 31,			
	2008	2007	2008	2007
Net profit attributable to shareholders.....	15.251	13.468	16.502	14.549
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	0.2888	0.2551	0.3126	0.2755

10. Property, plant and equipment and intangible assets

Property, plant and equipment is analyzed as follows:

	Fixed Assets						Total
	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	
January 1, 2007							
Value at cost.....	5	1.760	1.235	270	955	212	4.437
Accumulated depreciation..	=	<u>(102)</u>	<u>(114)</u>	<u>(87)</u>	<u>(611)</u>	=	<u>(914)</u>
Net book value.....	<u>5</u>	<u>1.658</u>	<u>1.121</u>	<u>183</u>	<u>344</u>	<u>212</u>	<u>3.523</u>
January 1 to December 31, 2007							
Additions	-	4	20	45	106	15.691	15.866
Disposals / Transfers.....	-	-	-	(38)	(4)	-	(42)
Depreciation.....	-	(47)	(56)	(41)	(133)	-	(277)
Depreciation of disposals...	-	-	-	14	2	-	16
December 31, 2007							
Value at cost.....	5	1.764	1.255	277	1.057	15.903	20.261
Accumulated depreciation..	=	<u>(149)</u>	<u>(170)</u>	<u>(114)</u>	<u>(742)</u>	=	<u>(1.175)</u>
Net book value.....	<u>5</u>	<u>1.615</u>	<u>1.085</u>	<u>163</u>	<u>316</u>	<u>15.903</u>	<u>19.087</u>
January 1 to December 31, 2008							
Additions.....	-	218	202	39	168	18.355	18.982
Work in progress.....	-	1.773	17.080	-	-	(18.853)	-
Disposals / transfers.....	-	-	-	(4)	(41)	(183)	(228)
Depreciation.....	-	(148)	(901)	(32)	(149)	-	(1.230)
Depreciation of disposals...	-	-	-	1	40	-	41
December 31, 2008							
Value at cost.....	5	3.755	18.537	312	1.184	15.222	39.016

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Accumulated depreciation..	-	(297)	(1.071)	(145)	(851)	-	(2.364)
Net book value.....	<u>5</u>	<u>3.458</u>	<u>17.466</u>	<u>167</u>	<u>333</u>	<u>15.222</u>	<u>36.652</u>

	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2007						
Value at cost.....	-	-	-	-	98	98
Accumulated depreciation..	-	-	-	-	(51)	(51)
Net book value.....	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>47</u>	<u>47</u>
January 1 to December 31, 2007						
Additions.....	-	-	-	1.800	89	1.889
Work in progress.....	-	-	-	-	-	-
Disposals / Transfers.....	-	-	-	-	-	-
Depreciation.....	-	-	-	-	(21)	(21)
Depreciation of disposals....	-	-	-	-	-	-
December 31, 2007						
Value at cost.....	-	-	-	1.800	187	1.987
Accumulated depreciation..	-	-	-	-	(72)	(72)
Net book value.....	<u>=</u>	<u>=</u>	<u>=</u>	<u>1.800</u>	<u>115</u>	<u>1.915</u>
January 1 to December 31, 2008						
Additions.....	52	284	336	-	4	4
Work in progress.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	(1)	(1)
Depreciation.....	-	(4)	(4)	-	(23)	(23)
Depreciation of disposals...	-	-	-	-	1	1
December 31, 2008						
Value at cost.....	52	284	336	1.800	190	1.990
Accumulated depreciation..	-	(4)	(4)	-	(94)	(94)
Net book value.....	<u>52</u>	<u>281</u>	<u>332</u>	<u>1.800</u>	<u>96</u>	<u>1.896</u>

It is noted that fixed assets are not pledged.

‘Investments in real estate’ EURO 336 acquired by the Company during the period from January 1 to December 31, 2008, and will be included in the value at cost less depreciations and impairments.

Fair value coincides with book value as on December 31, 2008.

It is also noted that Work in progress amount EURO 15.222 concerns the cost of wind park construction and hydroelectrical plant construction of the subsidiaries of the Group. The impairment testing of licensees of electrical energy production hasn't resulted to impairment losses.

11. Available for Sale Financial Instruments

The available for sale securities contain shares of Athens Exchange listed companies that were valued with closing prices of December 31, 2008 as well as companies that were valued at cost and examined for impairment through the statement of income due to the fact that fair value cannot be specified in a reliable manner.

Valuation of

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Securities								
ASE Listed Companies								
	Cost	Gain / loss until December 31, 2007	Sales 2007	Valuation December 31, 2007	Purchases 2008	Gain / loss until December 31, 2008	Sales 2008	Valuation December 31, 2008
Alpha Bank S.A.....	74	1	-	75	-	(55)	-	20
National Bank of Greece S.A.....	147	41	-	188	-	(139)	-	49
Emboriki Bank S.A....	301	(171)	(130)	-	-	-	-	-
Vioter S.A.....	53	(41)	-	12	-	(7)	-	5
Mihaniki S.A.....	29	(16)	-	13	-	(10)	-	3
Mohlos S.A.....	41	(40)	-	1	-	(1)	-	-
Proodeftiki S.A.....	71	(68)	-	3	-	(2)	-	1
Benrubi S.A.....	77	(68)	-	9	-	(2)	-	7
A/B Vasilopoulos S.A.	79	20	-	99	-	(33)	-	66
EFG Eurobank S.A.....	144	(72)	-	72	6	(54)	-	24
Dionik S.A.....	614	(584)	-	30	-	(5)	-	25
Germanos S.A.....	17	7	(24)	-	-	-	-	-
Total	<u>1.640</u>	<u>(991)</u>	<u>(154)</u>	<u>502</u>	<u>6</u>	<u>(308)</u>	=	<u>200</u>
Not listed companies	132	(84)	-	48	3	-	-	51
Total investments (afs)	<u>1.779</u>	<u>(1.075)</u>	<u>(154)</u>	<u>550</u>	<u>9</u>	<u>(308)</u>	=	<u>251</u>

12. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Merchandise.....	64.300	35.678	64.260	35.630
Provisions for slow moving inventory.....	(242)	(214)	(242)	(214)
Total	64.058	35.464	64.018	35.416

The provision for slow moving inventories charged to the Statement of Income amounts to EURO 28 for the Group and the Company (EURO 26 for the Group and for the Company in 2007).

13. Receivables and prepayments

Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Customers.....	17.934	26.712	17.742	26.680
Postdated cheques.....	42.760	44.509	42.745	44.495
Notes receivables.....	2.200	-	2.200	-
Provision for doubtful accounts.....	(3.490)	(1.999)	(3.490)	(1.999)
Total	59.404	69.222	59.197	69.176
Other receivables and prepayments.....	12.509	2.752	2.865	1.836
Total	71.913	71.974	62.062	71.012

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The movement in the provision for doubtful accounts is as follows:

	Consolidated	Company
Balance on January 1, 2007.....	<u>(1.851)</u>	<u>(1.851)</u>
Provision charged as expense in 2007.....	(497)	(497)
Amounts written off in 2007.....	349	349
Balance on December 31, 2007.....	<u>(1.999)</u>	<u>(1.999)</u>
Provision charged as expense in 2008.....	(1.493)	(1.493)
Amounts written off in 2008.....	2	2
Balance on December 31, 2008.....	<u>(3.490)</u>	<u>(3.490)</u>

The provisions concern in its total accounts receivable from customer – debtors that has been characterized as doubtful because the credit period is overdue and have been transferred to the legal department to take legal action for the reimbursement of the receivable.

Both receivables and customers are divided into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Ageing of trade receivables				
0 - 30 days	11.106	7.104	11.106	7.104
31 - 60 days	5.595	8.577	5.595	8.577
61 - 90 days	5.368	6.406	5.368	6.406
91 - 120 days	4.698	7.329	4.698	7.329
121 - 150 days	3.227	7.081	3.227	7.081
151 - 180 days	14.205	16.784	14.205	16.784
181 - 360 days	26.309	18.373	16.458	17.411
Non – overdues trade receivables	70.508	71.654	60.657	70.692
361 + days	4.895	2.319	4.895	2.319
Impairment losses recognized on receivables.....	(3.490)	(1.999)	(3.490)	(1.999)
Overdues trade receivables	1.405	320	1.405	320
Total receivables	71.913	71.974	62.062	71.012

The maximum exposure to credit risk without taking into consideration guarantees and other credit insurances amounts as of December 31, 2008 for the Group to EURO 71.913 for the Company to EURO 62.062 and to EURO 71.974 and EURO 71.012 respectively as of December 31, 2007.

To reduce the credit risk the Group / Company have received from customers cheques receivables in form of guarantees for the amount of EURO 2.891 (EURO 4.018 in 2007) and has stored real assets of customers amounting to EURO 2.000 (EURO 2.000 in 2007).

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Greek state – taxes receivables.....	3.195	2.296	2.434	1.456
Insurance companies.....	-	151	-	151

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Subsidies.....	7.335	-	-	-
Prepayment expenses.....	1.788	-	363	-
Other	191	305	68	229
Total	<u>12.509</u>	<u>2.752</u>	<u>2.865</u>	<u>1.836</u>

The carrying values of receivables and prepayments do not differ materially from their fair values.

14. Cash and cash equivalents

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Cash on hand.....	47	21	35	11
Sight and time deposits.....	67.680	15.443	44.896	7.461
Total	67.727	15.464	44.931	7.472

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits callable at first sight.

15. Share capital

As of December 31, 2005 the company's share capital amounts to EURO 16.279 and is divided into 54.262.320 ordinary registered shares with par value of EURO 0,0003 each. As of December 31, 2006 the company's share capital amounts to EURO 16.374 and is divided into 54.580.374 ordinary registered shares with par value of EURO 0,0003 each.

The Board of Directors on its meeting of February 6, 2006 certified the second share capital increase of EURO 95 and the issuance of 318.054 new ordinary registered shares resulting from the conversion of 14.457 convertible bonds on February 3, 2006, being the twelve monthly anniversary of the conversion right for the bondholders according to the terms of the convertible bond.

According to the convertible bond terms, based on the conversion ratio (1/22) the 14.457 converted bonds equal to 318.054 common shares of the company. Based on the number of new shares that resulted from the conversion of the bonds the share capital of the company was increased by EURO 95 and remaining difference of EURO 1.350 that resulted from the premium of the issue price of the bonds ($14.457 \times 0,1 = 1.445 - 95 = 1.350$) was credited to the share premium account. After the above share capital increase the Company's share capital amounts to EURO 16.374 divided into 54.580.374 ordinary registered shares with par value of EURO 0,0003 each.

The annual General Assembly of shareholders of the Company on March 26, 2008 decided the share capital decrease by EURO 534 with reduction of the total number of shares from 54.580.374 to 52.800.154 common shares because of the cancellation of treasury shares according to article 16 of C.L 2190/1920. After the decrease the Company's share capital amounts to EURO 15.840 divided into 52.800.154 common shares with 0,30 Euro par value each. The shares were cancelled on April 26, 2008.

It is noted that the average number of shares outstanding during the year 2008 is 52.800.154 shares.

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16. Share premium

The share premium as of December 31, 2006 amounts to EURO 6.687.

During the year 2007 the subsidiary company of the Group KALLISTI ENERGIKI S.A. (indirect investment), proceeded with a share capital increase for the amount of EURO 5.020. Thus, the share capital of the company amounted to EURO 562 and the difference of EURO 4.518 was credited to the share premium account. After the related adjustments for consolidation purposes of the Group and subtracting the expenses of the aforementioned share capital increase of EURO 18 share premium account amounts to EURO 6.669 as of December 31, 2007.

During the fiscal year 2008, the subsidiary company of the Group AIOLIKI KYLINDRIAS S.A., proceeded with two successional share capital increases, initially on February 20, 2008 for the amount of EURO 350 and afterwards on May 30, 2008 for the amount of EURO 3.700. Thus, the share capital of the company amounted to EURO 405 and the difference of EURO 3.645 was credited to the share premium account.

Furthermore, during the fiscal year 2008, the subsidiary company of the Group R.F. ENERGY S.A., proceeded with two successional share capital increases, initially at May 5, 2008 for the amount of EURO 6.000 and afterwards at October 2, 2008 for the amount of EURO 21.000. Thus, the share capital of the company amounted to EURO 6.000 and the difference of EURO 21.000 was credited to the share premium account.

After the related adjustments for consolidation purposes of the Group and subtracting the expenses of the aforementioned share capital increase of EURO 25 share premium account amounts to EURO 6.644 as of December 31, 2008.

17. Reserves

The movements in the reserves of the Group are presented in the following table:

Consolidated					
Reserve	January 1, 2007	Additions / (reductions)	December 31, 2007	Additions / (reductions)	December 31, 2008
Legal reserve.....	1.195	758	1.953	824	2.777
Treasury shares.....	(5.590)	-	(5.590)	5.590	-
Fair value reserves.....	115	125	240	(308)	(68)
Extraordinary reserves.....	1.566	-	1.566	-	1.566
Tax free reserves.....	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90).....	926	-	926	-	926
Total Reserves	<u>(1.498)</u>	<u>883</u>	<u>(615)</u>	<u>6.106</u>	<u>5.491</u>

Company					
Reserve	January 1, 2007	Additions / (reductions)	December 31, 2007	Additions / (reductions)	December 31, 2008
Legal reserve.....	1.171	752	1.923	847	2.770
Treasury shares.....	(5.590)	-	(5.590)	5.590	-
Fair value reserves.....	115	125	240	(308)	(68)
Extraordinary reserves.....	1.566	-	1.566	-	1.566
Tax free reserves.....	290	-	290	-	290
Total Reserves	<u>(2.448)</u>	<u>877</u>	<u>(1.571)</u>	<u>6.129</u>	<u>4.558</u>

17.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to 1/3 of the paid in share

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capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

17.2 Treasury Shares

As of December 31, 2005, the company held 1.330.220 treasury shares with total purchase cost of EURO 4.200 presented in Shareholders' Equity special treasury shares reserves account.

Following the decision of the Extraordinary General Assembly of Shareholders of February 8, 2005 and the decision of the Board of Directors of January 10, 2006 450.000 treasury shares were purchased in the time between January 13, 2006 to February 8, 2006 increasing the number of treasury shares to 1.780.220 with the average purchase price of EURO 0,00314 and the treasury shares reserve to EURO 5.590.

The annual General Assembly of shareholders of the Company on March 26, 2008 decided the share capital decrease by EURO 534 with reduction of the total number of shares from 54.580.374 to 52.800.154 common shares because of the cancellation of 1.780.220 treasury shares according to article 16 of C.L 2190/1920. The shares were cancelled on April 26, 2008 and the treasury shares reserve amounted to EURO 0.

17.3 Special reserve of Article 44 (Law 1892/90)

The subsidiary F.G. Logistics S.A. (formerly General Data Applications S.A.) was submitted to the provisions of Article 44 par. 1 of Law 1892/1990 with decision number 7927/2002 of the appeal court of Athens. According to this decision the liabilities to suppliers, creditors, public except social security organization were reduced effectively December 31, 2001. The resulting surplus is presented in special tax reserves.

18. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Suppliers.....	28.967	16.629	28.758	15.718
Cheques payables postdated.....	2.867	2.114	2.695	1.987
Accrued expenses.....	2.285	1.079	2.039	1.012
Derivatives.....	542	-	542	
Other short term obligations.....	1.353	990	797	808
Total	36.014	20.812	34.831	19.525

19. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
<u>Long term borrowings:</u>				
Bonded loan.....	69.824	15.716	69.224	15.716
Long term debt payable within the next 12 months.....	(10.523)	(7.873)	(10.400)	(7.873)
Long term debt payable between 1 & 5 years.....	(59.301)	(7.843)	(58.824)	(7.843)
Total long term borrowings	(69.824)	(15.716)	(69.224)	(15.716)

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Short term borrowings	<u>72.865</u>	<u>59.096</u>	<u>48.396</u>	<u>46.006</u>
------------------------------	----------------------	----------------------	----------------------	----------------------

Based on the decision of the Board of Directors of July 6, 2004 the company issued a straight bonded loan according to the provisions of Law 3156/2003 for the amount of EURO 33.500, for a five year term which will be repaid in nine installments of which the first of EURO 2.010 was paid 12 months after the issue date. The remaining installments of EURO 3.936 are payable every six months until the maturity of the loan. On January 28, 2008 all loan installments had been paid.

On January 18, 2008 the Board of Directors decided the issuance of a syndicated bond loan according to L. 2190/1920 and L. 3156/2003 for the amount of EURO 75.000. Purpose of the loan according to the decision of the Board of Directors is the restructuring of the existing long and short term bank debt of the Company. It is noted that on January 1, 2008 the long term borrowings amount to EURO 15.716 and the short term borrowings amount to EURO 46.006. The payment of the loan was agreed in two installments of which the first for the amount of EURO 56.250 was on January 28, 2008 and the second for the amount of EURO 18.750 will be payable with decision of the Board of Directors within 60 days after the payment of the first. The loan has duration of five years with the option of prolongation for further two years. The repayment of the loan based of the initial five years duration will be proceeded in ten semi-annual installments of which the first is payable six months after the first payment of the loan on July 28, 2008. The first nine installments amount to EURO 5.200 and the tenth installment to EURO 28.200.

The net cash inflows from borrowings during the period from January 1 to December 31, 2008 amounted to EURO 68.971 for the Group and EURO 56.445 for the Company. During the related previous period the net cash inflows amounted to EURO 25.255 for the Group and EURO 12.468 for the Company.

The fair values of the loans are approximately the carrying values. The interest rates for the bonded loan were approximately 5,60% and 5,50% approximately for the short term borrowings.

20. Deferred taxes

Deferred tax assets are offset with deferred tax liabilities when a legal right for offsetting exists and are due to the same tax authority.

The amounts are offset as follows:

	Consolidated					
	Deferred tax assets / (liabilities)					
	January 1, 2007	Changes 2007	December 31, 2007	Changes 2008	Adjustments of deferred taxes due to change in tax rate 2008	December 31, 2008
Intangible assets.....	66	(239)	(173)	(79)	84	(168)
Expenses for the acquisition of fixed assets...	-	-	-	(9)	8	(1)
Depreciation of the expenses for the acquisition of fixed assets.....	-	-	-	(1)	(6)	(7)
Investments.....	75	-	75	(75)	-	-
Inventories.....	22	6	28	32	(3)	57
Receivables and prepayments.....	286	(67)	219	187	(18)	388
Long term borrowings.....	224	(231)	(7)	(137)	7	(137)
Employee benefits.....	59	8	67	12	(14)	65

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

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(All amounts in Euro thousands unless otherwise stated)

Deferred state subsidies.....	-	(1)	(1)	-	-	(1)
Trade and other payables.....	(337)	295	(42)	107	(2)	63
Tax credits on recognized losses.....	-	(116)	(67)	330	-	263
Other.....	49	31	31	(2)	-	29
Total	<u>444</u>	<u>(314)</u>	<u>130</u>	<u>365</u>	<u>56</u>	<u>551</u>
Deferred tax assets / (liabilities) charged directly to Equity						
Share capital increase expenses.....	-	15	15	17	-	32
Total	<u>444</u>	<u>(299)</u>	<u>145</u>	<u>382</u>	<u>56</u>	<u>583</u>

Company						
Deferred tax assets / (liabilities)						
	January 1, 2007	Changes 2007	December 31, 2007	Changes 2008	Adjustments of deferred taxes due to change in tax rate 2008	December 31, 2008
Intangible assets.....	69	(48)	21	(20)	-	1
Expenses for the acquisition of fixed assets...	-	-	-	(9)	8	(1)
Depreciation of the expenses for the acquisition of fixed assets.....	-	-	-	(1)	(6)	(7)
Investments.....	(174)	175	-	(1)	-	(1)
Inventories.....	22	6	28	32	(3)	57
Receivables and prepayments.....	286	(62)	224	188	(19)	393
Long term borrowings.....	224	(231)	(7)	(137)	7	(137)
Employee benefits.....	54	6	60	12	(14)	58
Deferred state subsidies.....	(1)	1	-	-	-	-
Trade and other payables.....	(88)	84	(4)	(29)	(2)	(35)
Total	<u>392</u>	<u>(69)</u>	<u>322</u>	<u>35</u>	<u>(29)</u>	<u>328</u>

The maturity of deferred tax assets and liabilities is analyzed as follows:

	Consolidated		Company	
	December 31,			
	2008	2007	2008	2007
Short term.....	220	(250)	13	(251)
Long term.....	(75)	727	309	644
Total long term borrowings	145	477	322	393

21. Employee benefits: pension obligations

According to the Greek labour legislation employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits. The termination benefit in case of retirements amounts to 40% of the termination benefit in case of dismissal.

The provision for employee termination benefits is presented in the financial statements according to IAS 19 and is based on an independent actuarial study calculated as of December 31, 2006. The basic underlying assumptions of the study for the fiscal years 2006 – 2007 are as follows:

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

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(All amounts in Euro thousands unless otherwise stated)

	<u>Estimate / assumption</u>
Average increase in personnel expenses.....	4%
Discount rate.....	4,1%
Retirement age: men / women.....	65 years / 60 years

Furthermore, the possibility of employees leaving deliberately was also taken into account.

The calculation of the forecast for the employee termination benefits for the fiscal year 2008 was based on the above assumptions, since the number of employees of the Group and the Company has not been remarkably changed.

The movement of the account from January 1, 2007 to December 31, 2008 was as follows:

	<u>Consolidated</u>		<u>Company</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current value of non-financing liabilities.....	526	439	340	294
Unrecognized actuarial gains / (losses).....	(105)	(105)	(55)	(55)
Net liability recognized on balance sheet	<u>421</u>	<u>334</u>	<u>285</u>	<u>239</u>
<u>Amounts charged to the Statement of Income for the year</u>				
Current employment cost.....	69	51	37	34
Interest of liability.....	19	16	12	11
Recognized actuarial gains / (losses).....	4	4	2	2
Cost of termination of service.....	-	-	-	-
Total cost to the statement of income	<u>92</u>	<u>71</u>	<u>51</u>	<u>47</u>
<u>Changes in the net liability recognized on the balance sheet</u>				
Net liability at beginning of year.....	334	291	239	215
Benefits paid by the employer.....	(5)	(28)	(5)	(23)
Total cost recognized on the statement of income.....	92	71	51	47
Net liability at end of year	<u>421</u>	<u>334</u>	<u>285</u>	<u>239</u>
<u>Changes in the current value of the liability</u>				
Current value at beginning of year.....	334	291	239	215
Current employment cost.....	69	51	37	33
Interest cost.....	19	16	12	11
Benefits paid by the employer.....	(5)	(28)	(5)	(23)
Additional payments or expenses.....	-	-	-	-
Actuarial gains / (losses).....	109	109	57	58
Current value of liability at end of year	<u>526</u>	<u>439</u>	<u>340</u>	<u>294</u>

The amount of forecast, calculated by the Group on December 12, 2008, for employee termination benefits amounts to EURO 421, and by the Company to EURO 285. The amount of forecast that aggravated the financial results of the fiscal year ended on December 31, 2008 was EURO 87, as for the Group, and EURO 46, as for the Company. In the fiscal year 2007, the respective amounts were EURO 43 as for the Group and EURO 24 as for the Company.

22. Dividends

According to Greek Corporate law, companies are obliged to distribute each year to their shareholders at least the maximum between 35% of their net profit after the distribution to legal reserve and 6% of the paid in share capital.

The General Assembly of Shareholders on its meeting of March 26, 2008, decided to fix Friday, March 28, 2008 as dividend ex date for the interim dividend of the fiscal year 2007. The dividend authorized by the General Assembly of Shareholders amounts to 0,22 Euro per share. Beneficiaries of the dividend were holders of the Company's share at closing of the Athens

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Notes to the Financial Statements (Company and Consolidated)
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(All amounts in Euro thousands unless otherwise stated)

Stock Exchange on March 27, 2008. The payment of the dividend began on Friday, April 4, 2008.

The Board of Directors will propose a dividend distribution for the fiscal year 2008 of Eurocent 26,50 per share (Eurocent 22 per share in 2007). The Board of Directors of the company on its meeting of July 31, 2008, decided to fix Friday, August 22, 2008 as dividend ex date for the interim dividend of the fiscal year 2008. The dividend authorized by the Board of Directors amounts to 0,12 Euro per share. The payment of the dividend began on Friday, August 29, 2008. Consequently, the remainder dividend to be paid to shareholders for the fiscal year 2008 amounts to EURO 14,50 cents per share.

23. Reclassifications of amounts

1. In the balance sheet of the Company and the Group, the investments in associates EURO 34 has been reclassified to available for sale investments for the correct presentation.
2. On the Statements of Income (Company and Consolidated) for the period ended December 31, 2007, the other operating income EURO 1.246 has been reclassified to cost of sales for the correct presentation.
3. In the Company's Statements of Cash Flows for the period ended December 31, 2007, the 'Financial results (income, expense, profit and loss) of investment activities' EURO 181 has been reclassified to provisions for the correct presentation.
4. In the Consolidated Statements of Cash Flows for the period ended December 31, 2007, the 'Financial results (income, expense, profit and loss) of investment activities' EURO 74 has been reclassified to provisions for the correct presentation.

24. Related party transactions

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company's products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin. The receipt of services from company primarily covers (logistics etc.) as well as after sales service.

The compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

Subsidiaries	Company	
	December 31, 2008	December 31, 2007
Receivables from:		
F.G. Logistics S.A.....	298	298

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

Fidakis Service S.A.....	93	214
City Electric S.A.....	-	1
HYDROELECTRICAL ACHAIAS S.A.....	-	1
R.F. Energy.....	229	7
Total	<u>620</u>	<u>521</u>

Subsidiaries

Obligations to:

	Company
	December 31, 2008 December 31, 2007
F.G. Logistics S.A.....	145 69
Total	<u>145</u> <u>69</u>

Companies with common shareholding structure

Receivables from:

	Consolidated	Company
	December 31, 2008 December 31, 2007	December 31, 2008 December 31, 2007
CYBERONICA S.A.....	471 511	95 90
Total	<u>471</u> <u>511</u>	<u>95</u> <u>90</u>

The transactions with the related parties for the Years ended December 31, 2008 and 2007 are analyzed as follows:

Subsidiaries

Sales of goods and services:

	Company
	Year ended December 31,
	2008 2007
Administrative support.....	1 5
Inventories.....	141 164
Other.....	8 6
Total	<u>150</u> <u>175</u>

Subsidiaries

Purchases of goods and services:

	Company
	Year ended December 31,
	2008 2007
Warranties.....	(788) (701)
Logistics.....	(3.351) (3.186)
Total	<u>(4.139)</u> <u>(3.887)</u>

Companies with common shareholding structure

Purchases of goods and services:

	Consolidated	Company
	Year ended December 31,	Year ended December 31,
	2008 2007	2008 2007
Cyberonica S.A.....	(2.725) (2.571)	(563) (525)
Total	<u>(2.725)</u> <u>(2.571)</u>	<u>(563)</u> <u>(525)</u>

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

The compensation and the transactions of the members of the Board of Directors and the Directors analyzed as follows:

	Consolidated		Company	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
Obligations to:				
Members of the Board and Directors.....	31	7	31	7
Total	<u>31</u>	<u>7</u>	<u>31</u>	<u>7</u>

	Consolidated		Company	
	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2007
Compensation:				
Personnel expenses.....	(2.086)	(1.617)	(1.911)	(1.617)
Provision for staff leaving indemnity.....	(35)	(21)	(23)	(21)
Total	<u>(2.121)</u>	<u>(1.638)</u>	<u>(1.934)</u>	<u>(1.638)</u>

25. Contingencies

The group has contingent liabilities in relation to banks, other guarantees and other issues that arise from the ordinary course of the business. No material impact is expected to arise from contingent liabilities.

26. Commitments

Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2008. The future aggregate minimum lease payments arising from building lease agreements until year 2016 are estimated to amount to EURO 21.478 approximately. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2011 are estimated to amount to EURO 340 approximately.

	Consolidated					Total
	Year 2008	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	
Future lease agreements for						
- buildings.....	2.725	2.818	2.936	9.491	3.528	21.498
- cars.....	123	110	90	17	-	340
Total	<u>2.848</u>	<u>2.928</u>	<u>3.026</u>	<u>9.508</u>	<u>3.528</u>	<u>21.838</u>

	Company					Total
	Year 2008	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	
Future lease agreements for						
- buildings.....	563	584	608	1982	994	4.731
- cars.....	123	110	90	17	-	340
Total	<u>686</u>	<u>694</u>	<u>698</u>	<u>1.999</u>	<u>994</u>	<u>5.071</u>

F.G. EUROPE S.A.
Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2008
(All amounts in Euro thousands unless otherwise stated)

27. Post Balance Sheet Events

The Company has been audited for the Fiscal Year 2006 and Fiscal Year 2007. The audit has been completed on February 11, 2009 and resulted in tax obligations in the total amount of EURO 327. The Company had already previously created provisions for contingent tax liabilities for FY 2006 and FY 2007, in the amount of EURO 150. Taking the additional tax amount into consideration, the Company updated its provisions, decreasing financial results for the Fiscal Year 2008 in the amount of EURO 177.

There are no other significant post balance sheet events having occurred after December 31, 2008 concerning the Company that should have been disclosed.

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

<i>Date</i>	<i>Information</i>
21/11/2008	Announcement about Interim Financial Statements
20/11/2008	Press Release
13/10/2008	Share Capital Increase for subsidiary R.F. Energy S.A.
10/10/2008	Confirmation - clarifications about published articles
17/9/2008	Announcement for other important events
17/9/2008	Presentation of F.G. Europe S.A. Group of companies at the Association of Greek Institutional Investors
11/9/2008	Presentation of F.G. Europe S.A. Group of companies at the Association of Greek Institutional Investors
5/9/2008	Commencement of market making on F.G. Europe S.A. shares
1/8/2008	Announcement for merit payment
31/7/2008	First Half 2008 Financial Results
22/7/2008	Announcement
19/6/2008	F.G. EUROPE S.A. New Logo
6/6/2008	Change of Management Directors
23/5/2008	Announcement about Interim Financial Statements
23/5/2008	First Quarter 2008 Results of F.G. EUROPE S.A. Group
24/4/2008	Announcement of change in voting rights in accordance to L. 3556/2007
24/4/2008	Shares cancellation
21/4/2008	Announcement of cancellation of treasury shares of the company with share capital decrease
9/4/2008	New Board of Directors
9/4/2008	Trade Acknowledgement
8/4/2008	Withdrawal of interest on behalf of R.F. ENERGY S.A., subsidiary to F.G. EUROPE S.A., regarding Hellenic Sugar Industry S.A. Units
31/3/2008	Trade Acknowledgement
27/3/2008	Confirmation - clarifications about published articles
26/3/2008	Announcement for merit payment
26/3/2008	General Assembly decisions
21/3/2008	Trade Acknowledgement
20/3/2008	Trade Acknowledgement
17/3/2008	Trade Acknowledgement
14/3/2008	Trade Acknowledgement
13/3/2008	Trade Acknowledgement
12/3/2008	Trade Acknowledgement
11/3/2008	Confirmation - clarifications about published articles
3/3/2008	Presentation of F.G. Europe S.A. Group of companies at the Association of Greek Institutional Investors
3/3/2008	Announcement of General Assembly
29/2/2008	Announcement about Interim Financial Statements
29/2/2008	Annual Results 2007
27/2/2008	Finance Calendar of the year 2008
22/2/2008	Trade Acknowledgement
21/2/2008	Trade Acknowledgement
11/2/2008	Announcement for intended Corporate Actions
4/2/2008	Announcement for intended Corporate Actions
4/2/2008	Trade Acknowledgement
1/2/2008	Honorable distinction awarded to R.F. ENERGY S.A., subsidiary to F.G. EUROPE S.A.

F.G. EUROPE S.A.

Notes to the Financial Statements (Company and Consolidated)

For the Year ended December 31, 2008

(All amounts in Euro thousands unless otherwise stated)

1/2/2008	Trade Acknowledgement
31/1/2008	Trade Acknowledgement
30/1/2008	Rights ammendments/Transformation or issue of Bond Loan
30/1/2008	Trade Acknowledgement
30/1/2008	First dose of Simple Bond Loan
22/1/2008	Trade Acknowledgement
21/1/2008	Trade Acknowledgement
18/1/2008	Trade Acknowledgement
17/1/2008	Trade Acknowledgement
17/1/2008	Trade Acknowledgement
16/1/2008	Trade Acknowledgement
15/1/2008	Trade Acknowledgement
14/1/2008	Trade Acknowledgement
11/1/2008	Trade Acknowledgement
10/1/2008	Trade Acknowledgement
9/1/2008	Trade Acknowledgement
8/1/2008	Trade Acknowledgement
7/1/2008	Trade Acknowledgement
4/1/2008	Trade Acknowledgement
3/1/2008	Trade Acknowledgement



F.G. EUROPE
SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES
P.C.S.A. Register Number 13413/06/B/86/111

Municipality of Glyfada, 128, Vouliagmenis Ave., Zip Code 166 74

FIGURES AND INFORMATION FOR THE YEAR OF 1 JANUARY UNTIL 31 DECEMBER 2008

(Published according to L. 2190, article 135 for companies preparing annual financial statements, company and consolidated, according to IFRS)

The financial data and information listed bellow is aiming to provide a general awareness about the financial results of FG EUROPE S.A.and its Group. Consequently, it is recommended to the reader, before any investment decision or transaction performed with the Company, to visit the website of the Company where the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are available together with the auditors review report.

COMPANY DATA	
Responsible Supervisory Body:	Ministry of Development
Company's website address:	http://www.fgeurope.gr
Composition of Board if Directors:	Georgios Fidakis, Konstantinos koutsoumpellis, Ioannis Pantousis, Andreas Demenagas, Georgios Vlamis, Georgios Stroggylopoulos, Spyros Lioukas, Ioannis Katsoulakos, Nikolaos Pibilis
Date of approval of the annual financial statements (from which the condensed data has been extracted):	March 11, 2009
Auditors:	Panagiotis Pappakonstantinou (SOEL Reg. No 16651) Panagiotis Vroustouris (SOEL Reg. No. 12921)
Audit Companies:	SOL, S.A. - Certified Auditors
Type of Audit Report:	Unqualified audit report

CONDENSED STATEMENT OF CHANGES IN NET EQUITY (amounts in € thousands)				
	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Equity balance at the beginning of the year (1/1/2008 and 1/1/2007 respectively)	43.825	29.992	36.638	24.077
Net profit after taxes	14.674	13.227	16.502	14.549
Share capital increase/(decrease)	15.762	3.282	(534)	----
Dividend distribution	(17.945)	(2.298)	(17.945)	(2.113)
Income recognized directly in shareholders' equity	(2.246)	(378)	(308)	125
Cancellation of treasury shares	534	----	534	----
Shareholders equity at the end of the year (31/12/2008 and 31/12/2007 respectively)	54.604	43.825	34.887	36.638

ADDITIONAL DATA AND INFORMATION

1) Group companies that are included in the consolidated financial statements are presented in note (1) of the annual financial statements including locations, percentages, Group ownership and consolidation method.

2) Information for the establishment, sales and purchases of companies from the Group and the Company are presented in note (1) in the annual financial statements.

3) The result (loss) of € 308 thousands, that arose on December 31, 2008 from the valuation of securities classified as available for sale was recognized directly in Group and Company's Equity. The amount (loss) of € 63 thousands that concerns expenses of issuance of shares and the amount (loss) of € 1.876 thousands that concerns minority interests from sale of subsidiary were recognized directly in Group's Equity.

4) Certain prior years amounts have been reclassified (Note 23 of the annual financial statements).

5) According to the decision 34/24.1.2008 of the Capital Market Commission the "Earnings before taxes, financing and investing activities" for the annual period of 2007 have been restated. The published figures for the year 1/1 - 31/12/2007 were for the Group € 21.508 thousands and for the Company € 21.931 thousands. The "Earnings before interest, depreciation, amortization and taxes" have been restated also and the published figures for the year 1/1-31/12/07 were for the Group € 21.806 thousands and for the Company € 22.064 thousands.

6) Based on the decision of the Board of Directors of January 18, 2008 the Company issued a straight bonded loan according to the provisions of Law 2190/20 and 3156/2003 for the amount of € 75.000 thousands, for a five year term with the right to extend it for two more years. The Company issued the above straight bonded loan in order to reimburse the existing short and long term loans.

7) The annual General Assembly of shareholders of the Company on March 26, 2008 decided the share capital decrease by € 534 thousands with reduction of the total number of shares from 54.580.374 to 52.800.154 common shares because of the cancellation of treasury shares according to article 16 of C.L 2190/1920. After the decrease the Company's share capital amounts to € 15.840 thousands divided into 52.800.154 common shares with € 0,30 par value each. The shares were cancelled on April 26, 2008.

8) The annual General Assembly of Shareholders of the company on March 26, 2008 decided to fix, March 28, 2008 as dividend ex date for the dividend of the fiscal year 2007. The dividend authorized by the General Assembly amounts to € 0,22 per share. Beneficiaries for the dividend are holders of company shares as of the closing of the Athens Exchange on March 27, 2008. The payment of the dividend began on April 4, 2008.

9) Based on the decision of the Board of Directors on July 31, 2008 the company decided to share dividend prepayment for the fiscal year 2008 the amount of € 0,12 per share. The ex date for the dividend prepayment was fixed August 22, 2008 and the payment began on August 29, 2008.

10) During the second three-month period of 2008, R.F. ENERGY S.A. established the bellow companies having the holding share of 84% and began to include them in the interim financial statements of first Semester 2008 with the method of full consolidation..• R.F. ENERGY S.A. MISOHORIA S.A. • R.F. ENERGY S.A. TSOUKKA S.A. • R.F. ENERGY S.A. OMALIES S.A. • R.F. ENERGY S.A. PRARO S.A. • R.F. ENERGY S.A. KORAKOVRAHOS S.A. • R.F. ENERGY S.A. XESPORTES S.A. • R.F. ENERGY S.A. DEXAMENES S.A. • R.F. ENERGY S.A. SHIZALI S.A. • R.F. ENERGY S.A. LAKOMA S.A. • R.F. ENERGY S.A. KALAMAKI S.A. Also during the forth three-month period of 2008, R.F. ENERGY S.A. established the companies R.F. ENERGY GARMPI S.A. and R.F. ENERGY ZEFIROS S.A. having the holding share of 100% and included them in the annual financial statements of 2008 with the method of full consolidation.

11) There are not companies which have not included in the consolidated financial statements of the year 2008 and had been consolidated in the previous year 2007. Also there are not companies which have not included in the consolidated financial statements and the consolidation method is the same as this applies in the previous periods.

12) On December 31, 2008 there are not own shares that are held from the Company or by its subsidiaries companies.

13) There are no legal or under arbitration differences or decisions of legal or arbitrary bodies that are able to have significant impact on the financial position of the Group and the Company.

14) The tax returns of the companies of the Group have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The Group and the Company have made provisions for additional taxes and penalties for the amount of € 597 thousands and € 566 thousands respectively. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (8) in the annual financials statements.

15) The Group and the Company have not made "Other provisions" on December 31, 2008.

16) The number of employed personnel as of December 31, 2008 was: Group 144, Company 82 persons.
December 31, 2007 was : Group 132, Company 78 persons.

17) The accumulated amounts in € thousands of revenues and purchases for the year 2008 and the balances of receivables and liabilities of the Group companies as of 31.12.2008 that arise from the Company's transactions with related parties according to IAS 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	-	150
b) Purchases of goods and services	2.725	4.702
c) Receivables from related parties	471	715
d) Payables to related parties	-	145
e) Key management personnel compensations	2.121	1.934
f) Receivables from key management personnel	-	-
g) Payables to key management personnel	31	31

18) On February 2, 2009 the Tax Authorities finished the Company's audit for the fiscal years 2006 and 2007. The total additional taxes that the Company charged was € 327 thousands. The Company had made provisions of € 150 thousands for contingency additional taxes for the years 2006 and 2007 and after the results of the above audit made in the year 2008 additional provision for the amount of € 177 thousands.

19) There are no subsequent events to the financial statements of December 31, 2008 concerning the Group and the Company, that should be reported according to the IAS principles.

CONDENSED BALANCE SHEET (all amounts in € thousands)				
ASSETS	CONSOLIDATED		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Tangible assets	36.652	19.087	261	479
Investments in Property	332	----	332	----
Intangible assets	1.896	1.915	5	4
Other non current assets	1.499	1.280	18.485	8.112
Inventories	64.058	35.464	64.018	35.416
Trade receivables	71.913	71.974	62.062	71.012
Other current assets	67.727	15.464	44.931	7.472
TOTAL ASSETS	244.077	145.184	190.094	122.495
NET EQUITY AND LIABILITIES				
Share Capital	15.840	16.374	15.840	16.374
Other elements of shareholders' equity	16.812	18.869	19.047	20.264
Total Shareholders' equity attributable to shareholders of parent company (a)	32.652	35.243	34.887	36.638
Minority interests (b)	21.952	8.582	----	----
Total shareholders equity (c)=(a)+(b)	54.604	43.825	34.887	36.638
Long term borrowings	59.301	7.843	58.824	7.843
Provisions / Other long-term liabilities	8.404	1.378	306	270
Short term borrowings	83.388	66.969	58.796	53.879
Other short term liabilities	38.380	25.169	37.281	23.865
Total liabilities (d)	189.473	101.359	155.207	85.857
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	244.077	145.184	190.094	122.495

CONDENSED INCOME STATEMENT (all amounts in € thousands)				
	CONSOLIDATED		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Turnover	144.555	154.477	142.502	153.714
Gross profit	46.120	39.255	45.238	38.640
Earnings before taxes, financing and investing activities	25.985	22.021	26.175	22.241
Earnings before taxes	20.422	18.574	22.587	20.051
Earnings after taxes	14.674	13.227	16.502	14.549
Attributable to:				
Shareholders of parent company	15.251	13.468	----	----
Minority interest	(577)	(241)	----	----
Earnings per share – basic (in Euro)	0,2888	0,2551	0,3126	0,2755
Proposed dividend distribution - (in Euro)	----	----	0,2650	0,2200
Earnings before interest, depreciation, amortization and taxes	26.846	22.241	26.289	22.363

CASH FLOW STATEMENT (all amounts in € thousands)				
Indirect method	CONSOLIDATED		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Operating Activities:				
Earnings before taxes	20.422	18.574	22.586	20.051
Add / (less) adjustments for:				
Depreciation and amortization	861	220	114	122
Provisions	1.608	592	1.567	320
Exchange rate differences	(1.907)	(513)	(1.508)	(310)
Result of investment activity	(1.167)	(334)	(2.076)	(1.120)
Interest and similar expenses	6.730	3.781	5.665	3.539
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(28.622)	1.157	(28.630)	1.190
Increase / (decrease) in receivables	6.160	(26.249)	7.138	(25.515)
(Decrease) / increase in liabilities (other than banks)	16.127	1.391	15.830	(196)
Less:				
Interest and similar expenses paid	(6.853)	(4.780)	(5.242)	(4.538)
Taxes paid	(8.177)	(2.008)	(7.981)	(1.859)
Total inflow / (outflow) from operating activities (a)	5.182	(8.169)	7.463	(8.316)
Investing Activities				
Acquisition of subsidiaries and other investments	(1.885)	(489)	(11.159)	(2.355)
Proceeds from sale of available for sale financial assets	----	16	1.459	1.233
Purchase of tangible and intangible assets	(19.323)	(17.757)	(427)	(217)
Proceeds from the sale of tangible and intangible assets	187	28	187	28
Interest income	1.406	403	1.399	361
Proceeds from Government grants	----	139	----	45
Proceeds from dividends	23	----	23	232
Total inflow / (outflow) from investing activities (b)	(19.592)	(17.660)	(8.518)	(673)
Financing Activities				
Proceeds from capital increase	15.633	3.282	----	----
Borrowings from banks	68.971	25.255	56.445	12.468
Dividends paid	(17.931)	(2.441)	(17.931)	(2.256)
Total inflow / (outflow) from financing activities (c)	66.673	26.096	38.514	10.212
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	52.263	267	37.459	1.223
Cash and cash equivalents at beginning of the year	15.464	15.197	7.472	6.249
Cash and cash equivalents at the end of the period	67.727	15.464	44.931	7.472

GLYFADA, ATTIKIS MARCH 11, 2009

CHAIRMAN OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

FINANCE DIRECTOR

ACCOUNTING CHIEF

GEORGIOS FIDAKIS
ID No N 000657

JOHN PANTOUSIS
ID No Ξ 168490

MIHALIS POULIS
R.G. 016921

ATHANASIOS HARBIS
R.G. 0002386

KRONOS S.A.