



## **F.G. EUROPE S.A.**

**SOCIETE ANONYME WHOLESALE OF ELECTRICAL AND  
ELECTRONIC APPLIANCES**

**128, Vouliagmenis Ave.**

**166 74 Glyfada - Greece**

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

## **NINE - MONTHS FINANCIAL REPORT**

**ended September 30, 2008**

**In accordance with  
article 6 of L. 3556/2007**

## **CONTENTS**

	Page
- Statements of Income (Company and Consolidated) for the nine-months periods ended September 30, 2008 and 2007.....	4
- Balance Sheets (Company and Consolidated) as of September 30, 2008 and December 31, 2007 .....	6
- Statements of Changes in Shareholders' Equity (Company and Consolidated) for the nine-months periods ended September 30, 2008 and 2007 .....	7
- Statements of Cash Flows (Company and Consolidated) for the nine-months periods ended September 30, 2008 and 2007.....	9
- Notes to the interim Financial Statements (Company and Consolidated).....	10
1. Incorporation and Business of the Group .....	10
2. Significant Accounting Policies.....	12
2.1 Basis of Preparation of Financial Statements .....	12
2.2 New Standards, Interpretations and Amendments of Existing Standards .....	12
3. Segment Reporting .....	15
4. Income Taxes .....	16
5. Earnings per share .....	17
6. Property, plant and equipment .....	18
7. Inventories .....	19
8. Receivables from customers .....	19
9. Cash and cash equivalents .....	19
10. Borrowings .....	19
11. Related party transactions .....	20
12. Reclassifications of amounts .....	22
13. Contingencies .....	22
14. Employee benefits: pension obligations .....	22
15. Commitments .....	22
16. Post Balance Sheet Events .....	22

**INTERIM FINANCIAL STATEMENTS  
COMPANY AND CONSOLIDATED FOR THE NINE - MONTHS PERIOD  
ENDED SEPTEMBER 30, 2008  
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IAS)**

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on October 31, 2008 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 (Consolidated)**  
**For the Nine-Months periods ended September 30, 2008 and 2007**  
(All amounts in Euro thousands unless otherwise stated)

		<b>Consolidated</b>			
		<b>For the Nine-Months</b>		<b>For the Three-Months</b>	
		<b>Periods Ended September</b>		<b>Periods Ended September</b>	
		<b>30,</b>		<b>30,</b>	
	<b>Note</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Sales.....	3	126.289	128.678	37.716	44.306
Less: Cost of sales.....	3, 12	(86.784)	(96.494)	(26.477)	(31.945)
<b>Gross profit</b>		<b>39.505</b>	<b>32.184</b>	<b>11.239</b>	<b>12.361</b>
Other operating income.....	3	667	359	201	46
Distribution expenses.....	3	(13.978)	(11.248)	(4.609)	(3.904)
Administrative expenses.....	3	(3.252)	(2.506)	(927)	(892)
Other operating expenses.....	3	(19)	(43)	(12)	(1)
<b>Earnings before interests and taxes</b>		<b>22.923</b>	<b>18.746</b>	<b>5.892</b>	<b>7.610</b>
Finance costs.....	3	(4.793)	(3.685)	(1.941)	(1.899)
Finance revenues.....	1, 3	2.728	2.043	224	1.183
<b>Earnings before taxes</b>		<b>20.858</b>	<b>17.104</b>	<b>4.175</b>	<b>6.894</b>
Income tax expense.....	4	(5.658)	(5.005)	(1.307)	(1.866)
<b>Net profit for the period</b>		<b>15.200</b>	<b>12.099</b>	<b>2.868</b>	<b>5.028</b>
<b>Attributable as follows:</b>					
Parent company.....		15.862	12.263	3.118	5.127
Minority interest.....		(662)	(164)	(250)	(99)
<b>Net profit (after tax) attributable to the Group</b>		<b>15.200</b>	<b>12.099</b>	<b>2.868</b>	<b>5.028</b>
<b>Earnings per share (expressed in Euros):</b>					
Basic earnings per share.....	5	0,3004	0,2323	0,0591	0,0971

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

**F.G. EUROPE S.A.**  
**Statements of Income (Company)**  
**For the Nine-Months periods ended September 30, 2008 and 2007**  
(All amounts in Euro thousands unless otherwise stated)

		<b>Company</b>			
		<b>For the Nine-Months</b>		<b>For the Three-Months</b>	
		<b>Periods Ended September 30,</b>		<b>Periods Ended September 30,</b>	
		<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>Note</b>				
Sales.....		124.929	128.113	37.059	44.114
Less: Cost of sales.....	12	(86.054)	(96.411)	(25.919)	(31.946)
<b>Gross profit</b>		<b>38.875</b>	<b>31.702</b>	<b>11.140</b>	<b>12.168</b>
Other operating income.....		638	358	209	61
Distribution expenses.....		(13.981)	(11.045)	(4.453)	(3.714)
Administrative expenses.....		(2.182)	(1.900)	(729)	(620)
Other operating expenses.....		(18)	(25)	(6)	-
<b>Earnings before interests and taxes</b>		<b>23.332</b>	<b>19.090</b>	<b>6.161</b>	<b>7.895</b>
Finance costs.....		(4.051)	(3.508)	(1.656)	(1.861)
Finance revenues.....	1	3.542	1.863	181	1.100
Income from subsidiaries.....		-	228	-	-
<b>Earnings before taxes</b>		<b>22.823</b>	<b>17.673</b>	<b>4.686</b>	<b>7.134</b>
Income tax expense.....	4	(5.917)	(5.100)	(1.383)	(1.929)
<b>Net profit for the period</b>		<b>16.906</b>	<b>12.573</b>	<b>3.303</b>	<b>5.205</b>
<b>Earnings per share (expressed in Euros):</b>					
Basic earnings per share.....	5	0,3202	0,2381	0,0626	0,0986

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

# **F.G. EUROPE S.A.**

## **Balance Sheets (Company and Consolidated) As of September 30, 2008 and December 31, 2007 (All amounts in Euro thousands unless otherwise stated)**

		<b>Consolidated</b>		<b>Company</b>	
	<b>Note</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
Property, plant and equipment.....	6	28.125	19.087	260	479
Investments in real estate.....	6	333	-	333	-
Intangible assets.....	6	2.089	1.915	6	4
Investments in subsidiaries.....		-	-	8.921	6.713
Long term receivables.....		598	585	536	527
Deferred tax assets.....		367	145	245	322
Available for sale investments	12	373	550	373	550
<b>Total non-current assets</b>		<b>31.885</b>	<b>22.282</b>	<b>10.674</b>	<b>8.595</b>
<b>Current assets</b>					
Inventories.....	7	48.827	35.464	48.784	35.416
Receivables and prepayments.....	8	103.839	71.974	100.444	71.012
Cash and cash equivalents.....	9	11.590	15.464	8.556	7.472
<b>Total current assets</b>		<b>164.256</b>	<b>122.902</b>	<b>157.784</b>	<b>113.900</b>
<b>Total assets</b>		<b>196.141</b>	<b>145.184</b>	<b>168.458</b>	<b>122.495</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>					
<b>Shareholders equity attributable to the shareholders of the parent company</b>					
Share capital.....		15.840	16.374	15.840	16.374
Share premium.....		6.657	6.669	6.726	6.726
Reserves.....		4.759	(615)	3.833	(1.571)
Retained earnings.....		6.141	12.815	9.015	15.109
		<b>33.397</b>	<b>35.243</b>	<b>35.414</b>	<b>36.638</b>
Minority interest.....		9.288	8.582	-	-
<b>Total shareholders' equity</b>		<b>42.685</b>	<b>43.825</b>	<b>35.414</b>	<b>36.638</b>
<b><u>LIABILITIES</u></b>					
<b>Non-current liabilities</b>					
Long term Borrowings.....	10	59.441	7.843	58.783	7.843
Retirement benefit obligations.....	14	388	334	272	239
Deferred government grants.....		1.014	1.044	23	31
<b>Total non-current liabilities</b>		<b>60.843</b>	<b>9.221</b>	<b>59.078</b>	<b>8.113</b>
<b>Current liabilities</b>					
Short term Borrowings.....	10	44.008	59.096	27.388	46.006
Short term portion of long term borrowings.....	10	10.400	7.873	10.400	7.873
Current tax liabilities.....		5.317	4.357	5.300	4.340
Trade and other payables.....		32.888	20.812	30.878	19.525
<b>Total current liabilities</b>		<b>92.613</b>	<b>92.138</b>	<b>73.966</b>	<b>77.744</b>
<b>Total liabilities</b>		<b>153.456</b>	<b>101.359</b>	<b>133.044</b>	<b>85.857</b>
<b>Total equity and liabilities</b>		<b>196.141</b>	<b>145.184</b>	<b>168.458</b>	<b>122.495</b>

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

## **F.G. EUROPE S.A.**

### **Statements of Changes in Shareholders' Equity (Consolidated) For the Nine-Months Periods ended September 30, 2008 and 2007 (All amounts in Euro thousands unless otherwise stated)**

<b>Consolidated</b>										
Note	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	Retained earnings	Total	Minority interest	Total Shareholders' equity
<b>Balance on January 1, 2007</b>										
.....	16.374	6.687	1.195	115	2.782	(5.590)	2.309	23.872	6.120	29.992
<b>Period's changes:</b>										
Net profit for the period.....	-	-	-	-	-	-	12.263	12.263	(164)	12.099
Legal reserve.....	-	-	3	-	-	-	(3)	-	-	-
Dividend distribution.....	-	-	-	-	-	-	(2.112)	(2.112)	(185)	(2.297)
Share capital increase.....	-	-	-	-	-	-	-	-	3.091	3.091
<b>Income recognized directly in shareholders' equity:</b>										
Expenses of issuance of shares.....	-	(20)	-	-	-	-	-	(20)	(27)	(47)
Net fair value changes in available-for-sale securities...	-	-	-	103	-	-	-	103	-	103
Goodwill.....	-	-	-	-	-	-	-	-	(819)	(819)
<b>Balance on September 30, 2007.....</b>	<u>16.374</u>	<u>6.667</u>	<u>1.198</u>	<u>218</u>	<u>2.782</u>	<u>(5.590)</u>	<u>12.457</u>	<u>34.106</u>	<u>8.016</u>	<u>42.122</u>
<b>Balance on January 1, 2008</b>										
.....	16.374	6.669	1.953	240	2.782	(5.590)	12.815	35.243	8.582	43.825
<b>Period's changes:</b>										
Net profit for the period.....	-	-	-	-	-	-	15.862	15.862	(662)	15.200
Dividend distribution for fiscal year 2007.....	-	-	-	-	-	-	(11.616)	(11.616)	-	(11.616)
Interim dividend for fiscal year 2008.....	-	-	-	-	-	-	(6.328)	(6.328)	-	(6.328)
Cancellation of treasury shares.....	1	-	-	-	-	5.590	(5.056)	534	-	534
Share capital increase (decrease).....	1	(534)	-	-	-	-	-	(534)	3.695	3.161
<b>Income recognized directly in shareholders' equity:</b>										
Expenses of issuance of shares.....	-	(12)	-	-	-	-	-	(12)	(18)	(30)
Minority interests from sale of subsidiary.....	1	-	(30)	-	-	-	464	434	(2.309)	(1.875)
Net fair value changes in available-for-sale securities...	1	-	-	(186)	-	-	-	(186)	-	(186)
<b>Balance on September 30, 2008.....</b>	<u>15.840</u>	<u>6.657</u>	<u>1.923</u>	<u>54</u>	<u>2.782</u>	<u>-</u>	<u>6.141</u>	<u>33.397</u>	<u>9.288</u>	<u>42.685</u>

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

**F.G. EUROPE S.A.**  
**Statements of Changes in Shareholders' Equity (Company)**  
**For the Nine-Months Periods ended September 30, 2008 and 2007**  
(All amounts in Euro thousands unless otherwise stated)

	Note	Company						Total
		Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	
<b>Balance on January 1, 2007.....</b>		<b>16.374</b>	<b>6.726</b>	<b>1.171</b>	<b>115</b>	<b>1.856</b>	<b>(5.590)</b>	<b>24.077</b>
<b>Period's changes:</b>								
Net profit for the period.....		-	-	-	-	-	12.573	<b>12.573</b>
Dividend distribution.....		-	-	-	-	-	(2.112)	<b>(2.112)</b>
<b>Income recognized directly in shareholders' equity:</b>								
Net fair value changes in available-for-sale securities.....		-	-	-	103	-	-	<b>103</b>
<b>Balance on September 30, 2007.....</b>		<b>16.374</b>	<b>6.726</b>	<b>1.171</b>	<b>218</b>	<b>1.856</b>	<b>(5.590)</b>	<b>34.641</b>
<b>Balance on January 1, 2008.....</b>		<b>16.374</b>	<b>6.726</b>	<b>1.923</b>	<b>240</b>	<b>1.856</b>	<b>(5.590)</b>	<b>36.638</b>
<b>Period's changes:</b>								
Net profit for the period.....		-	-	-	-	-	16.906	<b>16.906</b>
Dividend distribution for fiscal year 2007.....		-	-	-	-	-	(11.616)	<b>(11.616)</b>
Interim dividend for fiscal year 2008.....		-	-	-	-	-	(6.328)	<b>(6.328)</b>
Cancellation of treasury shares.....	1	-	-	-	-	-	5.590	<b>534</b>
Share capital increase (decrease).....	1	(534)	-	-	-	-	-	<b>(534)</b>
<b>Income recognized directly in shareholders' equity:</b>								
Net fair value changes in available-for-sale securities...	1	-	-	-	(186)	-	-	<b>(186)</b>
<b>Balance on September 30, 2008.....</b>		<b>15.840</b>	<b>6.726</b>	<b>1.923</b>	<b>54</b>	<b>1.856</b>	<b>-</b>	<b>35.414</b>

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

**F.G. EUROPE S.A.**  
**Statements of Cash Flows (Company and Consolidated)**  
**For the Nine-months Periods ended September 30, 2008 and 2007**  
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Nine-Months period Ended September 30,			
	2008	2007	2008	2007
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before tax (and minority interest).....	20.858	17.104	22.823	17.673
<b>Add / (less) adjustments for:</b>				
Depreciation and amortization.....	856	215	93	100
Provisions.....	619	477	607	398
Exchange rate differences.....	(1.660)	388	(1.561)	386
Result of investment activity.....	(757)	(358)	(1.672)	(581)
Interest and similar expenses.....	4.483	3.166	3.742	3.090
Government grants recognized in income.....	(30)	(28)	(8)	(8)
Employee benefits.....	53	24	33	10
<b>Operating result before changes in working capital</b>	<b>24.422</b>	<b>20.988</b>	<b>24.057</b>	<b>21.068</b>
<b>Add / (less) adjustments for changes in working capital items:</b>				
(Increase) / decrease in inventories.....	(13.569)	10.360	(13.574)	10.375
(Increase) / decrease in receivables and prepayments.....	(32.200)	(50.552)	(29.838)	(50.159)
Increase / (decrease) in trade and other payables.....	12.775	(283)	11.951	(308)
(Increase)/ decrease in long term receivables.....	(13)	(59)	(9)	(16)
<b>Total cash inflow / (outflow) from operating activities</b>	<b>(8.585)</b>	<b>(19.546)</b>	<b>(7.413)</b>	<b>(19.040)</b>
Interest and similar expenses paid.....	(4.123)	(3.478)	(3.382)	(3.402)
Income taxes paid.....	(4.922)	(1.250)	(4.879)	(1.193)
<b>Total net inflow / (outflow) from operating activities</b>	<b>(17.630)</b>	<b>(24.274)</b>	<b>(15.674)</b>	<b>(23.635)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
(Purchase) of subsidiaries and other investments.....	(1.878)	(1.352)	(2.753)	(2.115)
Proceeds from the sale of subsidiaries and other investments.....	-	23	1.459	23
(Purchase) of PPE and intangible assets.....	(10.586)	(8.242)	(394)	(204)
Proceeds from the sale of PPE and intangible assets.....	185	21	185	21
Interest income.....	735	358	732	353
Dividend income.....	23	-	23	228
<b>Total net cash inflow / (outflow) from investing activities</b>	<b>(11.521)</b>	<b>(9.192)</b>	<b>(748)</b>	<b>(1.694)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Share capital increase.....	3.583	3.045	-	-
Proceeds from borrowings.....	39.625	26.416	35.437	22.589
Dividends paid.....	(17.931)	(2.441)	(17.931)	(2.256)
<b>Total net cash inflow from financing activities</b>	<b>25.277</b>	<b>27.020</b>	<b>17.506</b>	<b>20.333</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(3.874)</b>	<b>(6.446)</b>	<b>1.084</b>	<b>(4.996)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15.464</b>	<b>15.197</b>	<b>7.472</b>	<b>6.249</b>
<b>Cash and cash equivalents at end of period</b>	<b>11.590</b>	<b>8.751</b>	<b>8.556</b>	<b>1.253</b>

The accompanying Notes on pages 10 to 22 are an integral part of the interim Financial Statements.

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

### **For the Nine-Months Period ended September 30, 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. 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.

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 September 30, 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:

<b>Name</b>	<b>Country</b>	<b>Share as of September 30, 2008</b>	<b>Method of consolidation</b>
• 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 S.A. MISOHORIA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. KORAKOVRAHOS S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. DEXAMENES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. LAKOMA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. TSOUKKA S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. PRARO S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. XESPORTES S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. SHIZALI S.A.	Greece	33,60% (b)	Full consolidation
• R.F. ENERGY S.A. KALAMAKI S.A.	Greece	33,60% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008**

(All amounts in Euro thousands unless otherwise stated)

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.

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.

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.

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.

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 (2.310) to minority interests, EURO 435 to parent company and was recognized directly in Equity.

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 interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)**

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

The result (loss) of EURO 186, 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 30 that concerns expenses of issuance of shares and the amount (loss) of EURO 1.875 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**

### **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) issued by the International Accounting Standards Board and Interpretations that have been issued by the Standing Interpretations Committee. Concretely these financial statements have been prepared according to IAS 34 (Interim Financial Reporting).

These 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 Accounting policies, estimation and calculations adopted for the preparation of these interim Financial Statements are those used for the preparation of the Annual Financial Statements for the year ended December 31, 2007. These attached financial statements should be considered in combination with the audited financial statements as of December 31, 2007 that are accessible on the internet site of the Company.

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 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.

The operating results of the nine-month period ended September 30, 2008, are not indicative for the results expected by management for the year ending December 31, 2008 because of the seasonality of the core business. This seasonality results from fact that air conditioners sales that are the company's core business in terms of profitability multiply during the second and third quarter of the year dependent on the weather conditions.

### **2.2 New Standards, Interpretations and Amendments of Existing Standards**

New IFRS, amendments and interpretations that applicable to accounting periods starting from January 1, 2008 or thereafter has been issued. The Group's and the Company's estimations on the impact of these new standards and interpretations is described below:

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

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)**

The amended IAS 1 basically replaces the Statement of Income with the Statement of Comprehensive Income and inserts the additional Statement of Financial Position at the beginning of the first comparative period in case of retrospective application of accounting policy and reporting or reclassification of data of the financial statements. The application of this standard except for the different presentation has no impact on the financial statements.

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

The new standard removes the option provided by the old standard of immediately recognizing as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group's estimate is that there will be no impact of this standard.

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

The new standard introduces changes to recognition issues, valuation of assets, liabilities, goodwill and minority interests as well as to the required disclosures during business combination. Its application will impact future purchases of companies. The Group does not intend to apply the standard proactively as allowed for purchases that will be finalized before its effective application date.

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

IFRS 8 replaces IAS 14 Segment Reporting and applies a managing approach to segment financial information presented. The information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This information can be different from that presented on the balance sheet and the statement of income and the companies must provide explanations and reconciliations for these differences.

The Group's estimate is that there will be no material impact of this standard to the financial statements because it requires primarily information for operating segments. IFRS 8 has not been endorsed yet by the EU.

#### ***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 operations.

#### ***Amendments of Existing Standards (effective to annual accounting periods beginning on or after January 1, 2009)***

In May, 2008 the IASB amended totally 20 standards. There will be no material impact on the financial statements from the above amendments.

#### ***Amendments to IAS 27, Company and Consolidated Statements (effective to annual accounting periods beginning on or after July 1, 2009)***

In January, 2008 the IASB amended the IAS 27. The amendments refer to transactions with minority and disposals of subsidiaries control. Futures companies consolidations will be affected by the above amendments, to which the Group maybe proceed.

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)**

***Amendments to IAS 32 and IAS 1, Financial Instruments available by the owner (or “puttable” instruments (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 amendment to IAS 1 requires the publication of information concerning the “puttable” instruments that are classified as equity. The Group does not expect these amendments to impact its financial statements.

***IFRIC 15, Agreements for the Construction of Real Estate (was issued on July 3, 2008 and is effective to annual accounting periods beginning on or after January 1, 2009 and must be applied retrospectively)***

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’ and, accordingly, when revenue from such construction should be recognized. The Group is in the process of assessing the impact of this interpretation on its financial statements. This Interpretation has not yet been endorsed by the EU.

***IFRIC 16, Hedges of a Net Investment in a Foreign Operation (was issued on July 3, 2008 and is effective to annual accounting periods beginning on or after October 1, 2008 and can be applied retrospectively or prospectively)***

IFRIC 16 clarifies three main issues, namely:

- i) 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.
- ii) Hedging instrument(s) may be held by any entity or entities within the group.
- iii) While IAS 39, ‘Financial Instruments: Recognition and Measurement’, must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ must be applied in respect of the hedged item. The Group is in the process of assessing the impact of this interpretation on its financial statements. This Interpretation has not yet been endorsed by the EU.

IFRS and IFRIC Interpretations that became effective in the year ending 31 December 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.

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

This interpretation requires arrangements whereby an employee is granted rights to an entity’s equity instruments to be accounted for as an equity. The implementation of the Interpretation had no impact on the financial statements of the Group.

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

This Interpretation is not applicable to the Group and has not yet been endorsed by the EU.

***IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective to annual accounting periods beginning on or after January 1, 2008)***

# F.G. EUROPE S.A.

## Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)

This Interpretation has not yet been endorsed by the EU and the Group does not expect this Interpretation to impact its financial statements, since all the funded defined benefits programs exist, resulting in net obligation.

### 3. 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. The segment results of the business segments for the Nine-months periods ended September 30, 2008 and 2007 are presented below:

Nine-Months Period ended September 30, 2008	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	111.091	13.774	1.424	126.289	-	126.289
Sales revenues within the Group...	64	-	3.554	3.618	(3.618)	-
Less: Cost of sales.....	(72.258)	(13.733)	(793)	(86.784)	-	(86.784)
Cost of sales within the Group.....	(64)	-	(2.990)	(3.054)	3.054	-
<b>Gross profit.....</b>	<b><u>38.833</u></b>	<b><u>41</u></b>	<b><u>1.195</u></b>	<b><u>40.069</u></b>	<b><u>(564)</u></b>	<b><u>39.505</u></b>
Other operating income.....	71	566	30	667	-	667
Distribution expenses.....	(13.090)	(577)	(311)	(13.978)	-	(13.978)
Distribution expenses within the Group.....	(375)	-	-	(375)	375	-
Administrative expenses.....	(2.143)	(39)	(1.070)	(3.252)	-	(3.252)
Administrative expenses within the Group.....	-	-	(189)	(189)	189	-
Other operating expenses.....	(17)	-	(2)	(19)	-	(19)
<b>Profit from operations.....</b>	<b><u>23.279</u></b>	<b><u>(9)</u></b>	<b><u>(347)</u></b>	<b><u>22.923</u></b>	<b><u>=</u></b>	<b><u>22.923</u></b>
Finance costs.....	(4.051)	-	(742)	(4.793)	-	(4.793)
Finance revenues.....	3.467	75	103	3.645	(917)	2.728
<b>Profits before tax.....</b>	<b><u>22.695</u></b>	<b><u>66</u></b>	<b><u>(986)</u></b>	<b><u>21.775</u></b>	<b><u>(917)</u></b>	<b><u>20.858</u></b>
Income tax expense.....	(5.914)	(16)	272	(5.658)	-	(5.658)
<b>Net profit for the period.....</b>	<b><u>16.781</u></b>	<b><u>50</u></b>	<b><u>(714)</u></b>	<b><u>16.117</u></b>	<b><u>(917)</u></b>	<b><u>15.200</u></b>

  

Nine-Months Period ended September 30, 2007	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	98.843	29.160	675	128.678	-	128.678
Sales revenues within the Group...	109	-	2.989	3.098	(3.098)	-
Less: Cost of sales.....	(67.209)	(29.092)	(193)	(96.494)	-	(96.494)
Cost of sales within the Group.....	(109)	-	(2.700)	(2.809)	2.809	-
<b>Gross profit.....</b>	<b><u>31.634</u></b>	<b><u>68</u></b>	<b><u>771</u></b>	<b><u>32.473</u></b>	<b><u>(289)</u></b>	<b><u>32.184</u></b>
Other operating income.....	24	333	2	359	-	359
Distribution expenses.....	(10.493)	(266)	(489)	(11.248)	-	(11.248)
Distribution expenses within the Group.....	(286)	-	-	(286)	286	-
Administrative expenses.....	(1.877)	(23)	(606)	(2.506)	-	(2.506)
Administrative expenses within the Group.....	-	-	(3)	(3)	3	-
Other operating expenses.....	(25)	-	(18)	(43)	-	(43)
<b>Profit from operations.....</b>	<b><u>18.977</u></b>	<b><u>112</u></b>	<b><u>(343)</u></b>	<b><u>18.746</u></b>	<b><u>=</u></b>	<b><u>18.746</u></b>
Finance costs.....	(3.527)	-	(158)	(3.685)	-	(3.685)
Finance revenues.....	1.966	22	55	2.043	-	2.043
<b>Profits before tax.....</b>	<b><u>17.416</u></b>	<b><u>134</u></b>	<b><u>(446)</u></b>	<b><u>17.104</u></b>	<b><u>=</u></b>	<b><u>17.104</u></b>
Income tax expense.....	(5.066)	(34)	95	(5.005)	-	(5.005)
<b>Net profit for the period.....</b>	<b><u>12.350</u></b>	<b><u>100</u></b>	<b><u>(351)</u></b>	<b><u>12.099</u></b>	<b><u>=</u></b>	<b><u>12.099</u></b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

### **For the Nine-Months Period ended September 30, 2008**

(All amounts in Euro thousands unless otherwise stated)

It is noted that the energy segment is included in Other because of the minor contribution of the segment's companies revenues to the total revenue of the Group apart from the HYDROELECTRICAL ACHAIAS S.A. for the hydroelectrical of 2,6 MW that is in operation since three years now and the KALLISTI ENERGIAKI S.A. for the wind energy production of 15 MW that is in operation since April this year, are in the stage of realization of investments.

#### **4. 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.	2006 to 2007
• Fidakis Service S.A.	2003 to 2007
• Fidakis Logistics S.A.	2003 to 2007
• City Elektrik S.A.	2003 to 2007
• Hydroelectrical Achaia S.A.	2004 to 2007
• Aeolic Kyllindrias 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)
• 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)

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

	Consolidated				Company			
	Nine-months ended September 30,		Three-months ended September 30,		Nine-months ended September 30,		Three-months ended September 30,	
	2008	2007	2008	2007	2008	2007	2008	2007
Income tax (current period).....	(5.439)	(4.513)	(1.259)	(1.620)	(5.649)	(4.500)	(1.287)	(1.629)
Deferred tax.....	(6)	68	177	(246)	(57)	(40)	115	(300)
Adjustments of deferred taxes due to change in tax rate.....	(20)	-	(20)	-	(20)	-	(20)	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities.....	(205)	-	(205)	-	(191)	-	(191)	-
Tax audit differences.....	-	(560)	-	-	-	(560)	-	-
<b>Income taxes</b>	<b><u>(5.658)</u></b>	<b><u>(5.005)</u></b>	<b><u>(1.307)</u></b>	<b><u>(1.866)</u></b>	<b><u>(5.917)</u></b>	<b><u>(5.100)</u></b>	<b><u>(1.383)</u></b>	<b><u>(1.929)</u></b>

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 191 for the company and EURO 205 for the Group as of September 30, 2008.

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008** (All amounts in Euro thousands unless otherwise stated)

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

<b>Fiscal year</b>	<b>Tax rate</b>
2008	25%
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 20.

#### **5. 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.

	<b>Consolidated</b>				<b>Company</b>			
	<b>Nine-months ended September 30,</b>		<b>Three-months ended September 30,</b>		<b>Nine-months ended September 30,</b>		<b>Three-months ended September 30,</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Net profit attributable to shareholders.....	15.862	12.263	3.118	5.127	16.906	12.573	3.303	5.205
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154	52.800.154	52.800.154	52.800.154	52.800.154
<b>Basic earnings per share (in Euro)</b>	<b><u>0,3004</u></b>	<b><u>0,2323</u></b>	<b><u>0,0591</u></b>	<b><u>0,0971</u></b>	<b><u>0,3202</u></b>	<b><u>0,2381</u></b>	<b><u>0,0626</u></b>	<b><u>0,0986</u></b>

The ordinary annual General Assembly of Shareholders of the company of March 26, 2008 decided to fix Friday, 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 Euro 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 Friday, April 4, 2008.

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.

# F.G. EUROPE S.A.

## Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)

### 6. Property, plant and equipment

Property, plant and equipment is analyzed as follows:

Fixed Assets							
	Land	Buildings	Total	Vehicles	Furniture & fixture	Work in progress	Total
<b>January 1, 2007</b>							
Value at cost.....	5	1.760	<b>1.235</b>	270	955	212	<b>4.437</b>
Accumulated depreciation..	=	<u>(102)</u>	<u>(114)</u>	<u>(87)</u>	<u>(611)</u>	=	<u>(914)</u>
<b>Net book value.....</b>	<u><b>5</b></u>	<u><b>1.658</b></u>	<u><b>1.121</b></u>	<u><b>183</b></u>	<u><b>344</b></u>	<u><b>212</b></u>	<u><b>3.523</b></u>
<b>January 1 to December 31, 2007</b>							
Additions	-	4	<b>20</b>	45	106	15.691	<b>15.866</b>
Work in progress.....	-	-	-	-	-	-	-
Disposals / Transfers.....	-	-	-	(38)	(4)	-	<b>(42)</b>
Depreciation.....	-	(47)	<b>(56)</b>	(41)	(133)	-	<b>(277)</b>
Depreciation of disposals...	-	-	-	14	2	-	<b>16</b>
<b>December 31, 2007</b>							
Value at cost.....	5	1.764	<b>1.255</b>	277	1.057	15.903	<b>20.261</b>
Accumulated depreciation..	=	<u>(149)</u>	<u>(170)</u>	<u>(114)</u>	<u>(742)</u>	=	<u>(1.175)</u>
<b>Net book value.....</b>	<u><b>5</b></u>	<u><b>1.615</b></u>	<u><b>1.085</b></u>	<u><b>163</b></u>	<u><b>316</b></u>	<u><b>15.903</b></u>	<u><b>19.087</b></u>
<b>January 1 to September 30, 2008</b>							
Additions.....	-	161	<b>111</b>	46	125	9.613	<b>10.056</b>
Work in progress .....	-	1.765	<b>16.645</b>	-	-	(18.410)	-
Disposals / transfers.....	-	-	-	(6)	(33)	(183)	<b>(222)</b>
Depreciation.....	-	(101)	<b>(592)</b>	(29)	(108)	-	<b>(830)</b>
Depreciation of disposals...	-	-	-	2	33	-	<b>35</b>
<b>September 30, 2008</b>							
Value at cost.....	5	3.690	<b>18.011</b>	317	1.149	6.923	<b>30.095</b>
Accumulated depreciation..	=	<u>(250)</u>	<u>(762)</u>	<u>(141)</u>	<u>(817)</u>	=	<u>(1.970)</u>
<b>Net book value.....</b>	<u><b>5</b></u>	<u><b>3.440</b></u>	<u><b>17.249</b></u>	<u><b>176</b></u>	<u><b>332</b></u>	<u><b>6.923</b></u>	<u><b>28.125</b></u>

Investments in real estate				Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
<b>January 1, 2007</b>						
Value at cost.....	-	-	-	-	98	<b>98</b>
Accumulated depreciation..	=	=	=	=	<u>(51)</u>	<u>(51)</u>
<b>Net book value.....</b>	=	=	=	=	<u><b>47</b></u>	<u><b>47</b></u>
<b>January 1 to December 31, 2007</b>						
Additions.....	-	-	-	1.800	89	<b>1.889</b>
Work in progress.....	-	-	-	-	-	-
Disposals / Transfers.....	-	-	-	-	-	-
Depreciation.....	-	-	-	-	(21)	<b>(21)</b>
Depreciation of disposals....	-	-	-	-	-	-
<b>December 31, 2007</b>						
Value at cost.....	-	-	-	1.800	187	<b>1.987</b>
Accumulated depreciation..	=	=	=	=	<u>(72)</u>	<u>(72)</u>
<b>Net book value.....</b>	=	=	=	<u><b>1.800</b></u>	<u><b>115</b></u>	<u><b>1.915</b></u>
<b>January 1 to September 30, 2008</b>						
Additions.....	52	284	<b>336</b>	-	197	<b>197</b>
Work in progress .....	-	-	-	-	-	-

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

### **For the Nine-Months Period ended September 30, 2008**

(All amounts in Euro thousands unless otherwise stated)

Disposals / transfers.....	-	-	-	-	(1)	(1)
Depreciation.....	-	(3)	(3)	-	(23)	(23)
Depreciation of disposals...	-	-	-	-	1	1
<b>September 30, 2008</b>						
Value at cost.....	52	284	336	1.800	383	2.183
Accumulated depreciation..	-	(3)	(3)	-	(94)	(94)
<b>Net book value.....</b>	<b><u>52</u></b>	<b><u>281</u></b>	<b><u>333</u></b>	<b><u>1.800</u></b>	<b><u>289</u></b>	<b><u>2.089</u></b>

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 September 30, 2008, and will be included in the value at cost less depreciations and impairments.

It is also noted that Work in progress amount EURO 6.923 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.

#### **7. Inventories**

The Company’s inventory has been reduced to net realizable value during the period January 1 to September 30, 2008 by EURO 206. During the related period from January 1 to September 30, 2007 the provision amounted to EURO 380.

#### **8. Receivables from customers**

During the period from January 1 to September 30, 2008 Company’s Provisions of doubtful accounts of customers amounted to EURO 406 and during the related previous period amounted to EURO 496.

#### **9. Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>
Cash on hand.....	19	21	6	11
Sight and time deposits.....	11.571	15.443	8.550	7.461
<b>Total</b>	<b><u>11.590</u></b>	<b><u>15.464</u></b>	<b><u>8.556</u></b>	<b><u>7.472</u></b>

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

#### **10. Borrowings**

The company’s borrowings are analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b><u>Long term borrowings:</u></b>				
Bonded loan.....	69.841	15.716	69.183	15.716
	<u>69.841</u>	<u>15.716</u>	<u>69.183</u>	<u>15.716</u>
Long term debt payable within the next 12 months.....	10.400	7.873	10.400	7.873
Long term debt payable between 1 & 5 years...	59.441	7.843	58.783	7.843

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008 (All amounts in Euro thousands unless otherwise stated)**

<b>Total long term borrowings</b>	<b><u>69.841</u></b>	<b><u>15.716</u></b>	<b><u>69.183</u></b>	<b><u>15.716</u></b>
<b>Short term borrowings</b>	<b><u>44.008</u></b>	<b><u>59.096</u></b>	<b><u>27.388</u></b>	<b><u>46.006</u></b>

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 September 30, 2008 amounted to EURO 39.625 for the Group and EURO 35.437 for the Company. During the related previous period the net cash inflows amounted to EURO 26.416 for the Group and EURO 22.589 for the Company.

#### ***11. 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:

	<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b>Receivables from:</b>		
Fidakis Logistics S.A.....	298	298
Fidakis Service S.A.....	-	214
HYDROELECTRICAL ACHAIAS S.A.....	-	1
City Electric S.A.....	-	1
R.F. Energy S.A.....	17	7
<b>Total</b>	<b><u>315</u></b>	<b><u>521</u></b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008** (All amounts in Euro thousands unless otherwise stated)

	<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b>Obligations to:</b>		
Fidakis Logistics S.A.....	314	69
Fidakis Service S.A.....	91	-
<b>Total</b>	<b><u>405</u></b>	<b><u>69</u></b>

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b>Receivables from:</b>				
Cyberonica S.A.....	454	511	95	90
<b>Total</b>	<b><u>454</u></b>	<b><u>511</u></b>	<b><u>95</u></b>	<b><u>90</u></b>

The transactions with the related parties for the period ended September 30, 2008 and 2007 are analyzed as follows:

	<b>Company</b>	
	<b>Nine-months period ended September 30, 2008</b>	<b>2007</b>
<b>Sales of goods and services:</b>		
Inventories.....	119	92
Other.....	2	4
<b>Total</b>	<b><u>121</u></b>	<b><u>96</u></b>

	<b>Company</b>	
	<b>Nine-months period ended September 30, 2008</b>	<b>2007</b>
<b>Purchases of goods and services:</b>		
Warranties.....	(767)	(647)
Logistics.....	(2.544)	(2.338)
<b>Total</b>	<b><u>(3.311)</u></b>	<b><u>(2.985)</u></b>

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>September 30, 2007</b>	<b>September 30, 2008</b>	<b>September 30, 2007</b>
<b>Purchases of goods and services:</b>				
Cyberonica S.A.....	(2.026)	(1.909)	(419)	(390)
<b>Total</b>	<b><u>(2.026)</u></b>	<b><u>(1.909)</u></b>	<b><u>(419)</u></b>	<b><u>(390)</u></b>

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>December 31, 2007</b>	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b>Obligations to:</b>				
Members of the Board and Directors.....	19	7	19	7
<b>Total</b>	<b><u>19</u></b>	<b><u>7</u></b>	<b><u>19</u></b>	<b><u>7</u></b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated) For the Nine-Months Period ended September 30, 2008** (All amounts in Euro thousands unless otherwise stated)

	<b>Consolidated</b>		<b>Company</b>	
	<b>September 30, 2008</b>	<b>September 30, 2007</b>	<b>September 30, 2008</b>	<b>September 30, 2007</b>
<b>Compensation:</b>				
Personnel expenses.....	(1.504)	(1.093)	(1.377)	(1.093)
Provision for staff leaving indemnity.....	(35)	(16)	(23)	(16)
<b>Total</b>	<b><u>(1.539)</u></b>	<b><u>(1.109)</u></b>	<b><u>(1.400)</u></b>	<b><u>(1.109)</u></b>

### ***12. Reclassifications of amounts***

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.

On the Statements of Income (Company and Consolidated) for the nine-months and three-months periods ended September 30, 2008, the other operating income EURO 1.133 and EURO 483 respectively has been reclassified to cost of sales for the correct presentation.

### ***13. 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.

### ***14. 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 obligation for employee termination benefits amounts to EURO 388 for the Group and EURO 272 for the Company as of September 30, 2008. The amount charged to the income statement for the nine-month period ended September 30, 2008 is EURO 53 for the Group and EURO 33 for the Company.

### ***15. Commitments***

#### **Capital Commitments**

The group has no uncompleted purchasing commitments with its suppliers as of September 30, 2008. The future aggregate minimum lease payments arising from building lease agreements until year 2016 are estimated to amount to EURO 19.462 approximately. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2011 are estimated to amount to EURO 248.

### ***16. Post Balance Sheet Events***

Based on the decision of October 2, 2008, of the 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.

There are no other significant events after September 30, 2008, that should have been released or are able to adjust the financial statements.