

F.G. EUROPE S.A.

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

**INTERIM FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE THREE-MONTH
PERIOD ENDED MARCH 31, 2008
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)**

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These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on May 20, 2008 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>.

Chairman of the Board
of Directors

Georgios Fidakis
ΑΔΤ Ν 000657

Managing Director

John Pantousis
ΑΔΤ Ξ 168490

Finance Manager

Michael Poulis
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Accounting Supervisor

Athanasios Harbis
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F.G. EUROPE S.A.
Statements of Income (Company and Consolidated)
For the Three-month Periods ended March 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		2008	2007	2008	2007
For the Three-month Periods Ended March 31,					
Sales.....	3	25.200	29.665	25.001	29.540
Less: Cost of sales.....	3	(17.905)	(24.852)	(17.904)	(24.801)
Gross profit		7.295	4.813	7.097	4.739
Other operating income.....	3	334	445	318	436
Distribution expenses.....	3	(3.415)	(2.727)	(3.486)	(2.676)
Administrative expenses.....	3	(1.021)	(859)	(662)	(669)
Other operating expenses.....	3	(4)	(17)	(3)	-
Earnings before interests and taxes		3.189	1.655	3.264	1.830
Finance costs, net.....	3	611	(505)	1.688	(596)
Income from subsidiaries.....		-	-	-	-
Earnings before taxes		3.800	1.150	4.952	1.234
Income tax expense.....	4	(1.148)	(847)	(1.228)	(876)
Net profit from continuing operations.....		2.652	303	3.724	358
Net profit from discontinuing operations.....		-	-	-	-
Net profit for the period		2.652	303	3.724	358
Attributable as follows:					
Parent company.....		2.801	348		
Minority interest.....		(149)	(45)		
Net profit (after tax) attributable to the Group		2.652	303		
Earnings per share (expressed in Euros):					
Basic earnings per share.....	5	0,0530	0,0066	0,0705	0,0068

The accompanying Notes on pages 8 to 17 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.

Balance Sheets (Company and Consolidated)

As of March 31, 2008 and December 31, 2007

(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment.....	6	21.213	19.087	285	479
Investments in real estate property	6	24	-	24	-
Intangible assets.....		1.910	1.915	4	4
Investments in subsidiaries.....		-	-	6.171	6.713
Investments in associates.....		34	34	34	34
Long term receivables.....		588	585	529	527
Deferred tax assets.....		122	145	197	322
Available for sale investments		598	516	598	516
Total non-current assets		24.489	22.282	7.842	8.595
Current assets					
Inventories.....		42.766	35.464	42.670	35.416
Receivables and prepayments.....		54.338	71.974	52.996	71.012
Cash and cash equivalents.....		40.527	15.464	38.019	7.472
Total current assets		137.631	122.902	133.685	113.900
Total assets		162.120	145.184	141.527	122.495
<u>SHAREHOLDERS' EQUITY</u>					
Shareholders equity attributable to the shareholders of the parent company					
Share capital.....		16.374	16.374	16.374	16.374
Share premium.....		6.669	6.669	6.726	6.726
Reserves.....		(563)	(615)	(1.489)	(1.571)
Retained earnings.....		4.430	12.815	7.217	15.109
		26.910	35.243	28.828	36.638
Minority interest.....		6.158	8.582	-	-
Total shareholders' equity		33.068	43.825	28.828	36.638
<u>LIABILITIES</u>					
Non-current liabilities					
Long term Borrowings.....	7	63.844	7.843	63.844	7.843
Retirement benefit obligations.....		347	334	246	239
Deferred government grants.....		1.034	1.044	28	31
Total non-current liabilities		65.225	9.221	64.118	8.113
Current liabilities					
Short term Borrowings.....	7	13.123	59.096	13	46.006
Short term portion of long term borrowings.....	7	10.599	7.873	10.400	7.873
Current tax liabilities.....		5.336	4.357	5.315	4.340
Trade and other payables.....		34.769	20.812	32.853	19.525
Total current liabilities		63.827	92.138	48.581	77.744
Total liabilities		129.052	101.359	112.699	85.857
Total equity and liabilities		162.120	145.184	141.527	122.495

The accompanying Notes on pages 8 to 17 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.

Statements of Changes in Shareholders' Equity (Consolidated)

For the Three-month Periods ended March 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
Period's changes:										
Net profit for the period.....	-	-	-	-	-	-	349	349	(46)	303
Distribution to reserves.....	-	-	4	-	-	-	(4)	-	-	-
Income recognized directly in shareholders' equity:										
Net fair value changes in a-f-s securities.....	-	-	-	16	-	-	-	16	-	16
Goodwill.....	-	-	-	-	-	-	-	-	(819)	-
Balance on March 31, 2007	16.374	6.687	1.199	131	2.782	(5.590)	2.654	24.237	6.074	30.311
Balance on January 1, 2008	16.374	6.669	1.953	240	2.782	(5.590)	12.815	35.242	8.582	43.825
Period's changes:										
Net profit for the period.....	-	-	-	-	-	-	2.801	2.801	(149)	2.652
Dividend distribution.....	-	-	-	-	-	-	(11.616)	(11.616)	-	(11.616)
Income recognized directly in shareholders' equity:										
Minority interests from sale of subsidiary within Group....	-	-	(30)	-	-	-	430	400	(2.275)	(1.875)
Net fair value changes in a-f-s securities.....	-	-	-	82	-	-	-	82	-	82
Balance on March 31, 2008	16.374	6.669	1.923	322	2.782	(5.590)	4.430	26.910	6.158	33.068

The accompanying Notes on pages 8 to 17 are an integral part of the interim Financial Statements.

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Statements of Changes in Shareholders' Equity (Company)
For the Three-month Periods ended March 31, 2008 and 2007
(All amounts in Euro thousands unless otherwise stated)

	Company						Retained earnings	Total
	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares		
Balance on January 1, 2007.....	16.374	6.726	1.171	115	1.856	(5.590)	3.425	24.077
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	358	358
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities...	-	-	-	16	-	-	-	16
Balance on March 31, 2007.....	16.374	6.726	1.171	131	1.856	(5.590)	3.783	24.451
Balance on January 1, 2008.....	16.374	6.726	1.923	240	1.856	(5.590)	15.110	36.638
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	3.724	3.724
Dividend distribution.....	-	-	-	-	-	-	(11.616)	(11.616)
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities...	-	-	-	82	-	-	-	82
Balance on March 31, 2008.....	16.374	6.726	1.923	322	1.856	(5.590)	7.218	28.828

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

	Consolidated		Company	
	For the Three-month Periods Ended March 31,			
	2008	2007	2008	2007
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	3.800	1.150	4.952	1.234
Add / (less) adjustments for:				
Depreciation and amortization.....	76	65	31	34
Provisions.....	351	50	345	99
Exchange rate differences.....	(1.373)	(75)	(1.335)	(75)
Result of investment activity.....	(344)	(319)	(1.261)	(250)
Interest and similar expenses.....	1.106	882	908	872
Government grants recognized in income.....	(10)	(10)	(3)	(3)
Employee benefits.....	13	3	7	2
Operating result before changes in working capital	3.619	1.746	3.644	1.913
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories.....	(7.403)	5.686	(7.355)	5.685
(Increase) / decrease in receivables and prepayments.....	17.387	916	17.772	1.047
Increase / (decrease) in trade and other payables.....	3.154	1.596	2.486	1.500
(Increase) in long term receivables.....	(3)	(17)	(2)	(2)
Total cash inflow / (outflow) from operating activities	16.754	9.927	16.545	10.143
Interest and similar expenses paid.....	(1.273)	(591)	(1.074)	(581)
Income taxes paid.....	(146)	(112)	(128)	(112)
Total net inflow / (outflow) from operating activities	15.335	9.224	15.343	9.450
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
(Purchase) of subsidiaries and other investments.....	(1.875)	(1.350)	-	-
Proceeds from the sale of subsidiaries and other investments.....	-	23	1.459	23
(Purchase) of PPE and intangible assets.....	(2.403)	(3.617)	(44)	(17)
Proceeds from the sale of PPE and intangible assets.....	183	-	183	-
Interest income.....	344	54	344	2
Total net cash inflow / (outflow) from investing activities	(3.751)	(4.890)	1.942	8
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from borrowings.....	13.479	-	13.262	-
Repayments of borrowings.....	-	(11.939)	-	(11.942)
Dividends paid.....	-	(148)	-	(148)
Total net cash inflow from financing activities	13.479	(12.087)	13.262	(12.090)
Net increase / (decrease) in cash and cash equivalents	25.063	(7.753)	30.547	(2.632)
Cash and cash equivalents at beginning of period	15.464	15.197	7.472	6.249
Cash and cash equivalents at end of period	40.527	7.444	38.019	3.617

The accompanying Notes on pages 8 to 17 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 Three-month Periods ended March 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 HYDROELECTRICAL ACHAIAS S.A., CITY ELECTRIC S.A. and AEOLIC KYLINDRIAS S.A., KALLISTI ENERGIAKI S.A. activate in the field of electric energy production from renewable energy sources.

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 March 31, 2008 is 77 for the Company and 137 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:

<u>Name of Subsidiary</u>	<u>Business</u>	Share as of March 31, 2008
Direct investments:		
• FIDAKIS SERVICE S.A.	After sales service	100%
• F.G. LOGISTICS S.A.	Logistics	100%
• R.F. ENERGY S.A.	Energy Holding Company	40%
Indirect investments: (through R.F ENERGY S.A.)		
• HYDROELECTRICAL ACHAIAS S.A..	Energy production	40%
• CITY ELECTRIC S.A.	Energy production	40%
• AEOLIC KYLINDRIAS S.A.	Energy production	40%
• KALLISTI ENERGIAKI S.A.	Energy production	40%

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.

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 315. R.F. ENERGY S.A. as sole shareholder of the above company paid on February 20, 2008 the amount of EURO 350.

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 (loss)

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For the Three-month Periods ended March 31, 2008

(All amounts in Euro thousands unless otherwise stated)

of these transactions with the minority amounts to EURO 1.875 and was recognized directly in Equity.

The result (gain) of EURO 82 that arose from the valuation of securities classified as available for sale was recognized directly in Equity.

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).

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) 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 and estimation 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 three-month period ended March 31, 2008, though significantly increased, 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, 2007 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:

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Notes to the interim Financial Statements (Company and Consolidated)

For the Three-month Periods ended March 31, 2008

(All amounts in Euro thousands unless otherwise stated)

Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures

(effective to annual accounting periods beginning on or after January 1, 2009)

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 IAS 24, Related Party Transactions (effective to annual accounting periods beginning on or after January 1, 2005)

The new standard introduces limited changes to the disclosure of transactions with related parties, to the definitions and the additional interpretations to the disclosures. Its application has no impact on the financial statements of the company.

Replacement of IFRS 3, Business Combinations (effective to business combinations for annual accounting periods beginning on or after January 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 11, IFRS 2-Group and Treasury Share Transactions (effective for financial years beginning on or after 1 March 2007)

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

IFRIC 11 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

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(All amounts in Euro thousands unless otherwise stated)

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

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

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

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.

IFRIC 14, 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.

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 that comprise the segment of Long Living Consumer goods including air conditioners, white electrical and consumer electronics appliances and the segment of Mobile Telephony including products and services and the segment of Other including all other businesses of the subsidiary companies of the Group such as energy production and logistics and after sales services.

The segment results of the business segments for the three-month period ended March 31, 2008 and 2007 are presented below:

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Notes to the interim Financial Statements (Company and Consolidated)

For the Three-month Periods ended March 31, 2008

(All amounts in Euro thousands unless otherwise stated)

Three-month period ended March 31, 2008	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	20.675	4.299	226	25.200	-	25.200
Sales revenues within the Group...	26	-	1.049	1.075	(1.075)	-
Less: Cost of sales.....	(13.851)	(4.296)	(28)	(17.905)	-	(17.905)
Less: Cost of sales within the Group.....	(26)	-	(998)	(1.024)	1.024	-
Gross profit.....	<u>7.094</u>	<u>3</u>	<u>249</u>	<u>7.346</u>	<u>(51)</u>	<u>7.295</u>
Other operating income.....	179	139	16	334	-	334
Distribution expenses.....	(3.294)	(140)	19	(3.415)	-	(3.415)
Distribution expenses within the Group.....	(51)	-	-	(51)	51	-
Administrative expenses.....	(643)	(6)	(372)	(1.021)	-	(1.021)
Other operating expenses.....	(3)	-	(1)	(4)	-	(4)
Profit from operations.....	<u>3.282</u>	<u>(4)</u>	<u>(89)</u>	<u>3.189</u>	<u>=</u>	<u>3.189</u>
Finance costs (net).....	1.683	5	(160)	1.528	(917)	611
Profits before tax.....	<u>4.965</u>	<u>1</u>	<u>(249)</u>	<u>4.717</u>	<u>(917)</u>	<u>3.800</u>
Income tax expense.....	(1.228)	-	80	(1.148)	-	(1.148)
Net profit.....	<u>3.737</u>	<u>1</u>	<u>(169)</u>	<u>3.569</u>	<u>(917)</u>	<u>2.652</u>

Three-month period ended March 31, 2007	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	17.776	11.752	137	29.665	-	29.665
Sales revenues within the Group...	12	-	849	861	(861)	-
Less: Cost of sales.....	(13.069)	(11.720)	(63)	(24.852)	-	(24.852)
Less: Cost of sales within the Group.....	(12)	-	(722)	(734)	734	-
Gross profit.....	<u>4.707</u>	<u>32</u>	<u>201</u>	<u>4.940</u>	<u>(127)</u>	<u>4.813</u>
Other operating income.....	314	122	9	445	-	445
Distribution expenses.....	(2.427)	(122)	(178)	(2.727)	-	(2.727)
Distribution expenses within the Group.....	(127)	-	-	(127)	127	-
Administrative expenses.....	(651)	(18)	(190)	(859)	-	(859)
Other operating expenses.....	-	-	(17)	(17)	-	(17)
Profit from operations.....	<u>1.816</u>	<u>14</u>	<u>(175)</u>	<u>1.655</u>	<u>=</u>	<u>1.655</u>
Finance costs (net).....	(596)	-	91	(505)	-	(505)
Profits before tax.....	<u>1.220</u>	<u>14</u>	<u>(84)</u>	<u>1.150</u>	<u>=</u>	<u>1.150</u>
Income tax expense.....	(873)	(4)	30	(847)	-	(847)
Net profit.....	<u>347</u>	<u>10</u>	<u>(54)</u>	<u>303</u>	<u>=</u>	<u>303</u>

It is noted that the energy segment is included in Other because of the stage of realization of investments.

4. Income taxes

According to the provisions of the Greek tax legislation (Law 2992/2002, Article 9 Par. 1) and due to the completed merger as of June 11, 2003 the applicable taxation rate as of December 31, 2004 was 30%. According to Law 3296/2004, the taxation rate for the fiscal year 2005 amounts to 32%, for the fiscal year 2006 to 29% and to 25% for fiscal years 2007 onwards.

Tax losses, as far recognized by the tax authorities can be offset with profits for the next five years after their occurrence.

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(All amounts in Euro thousands unless otherwise stated)

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 outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

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 ELECTRIC S.A.	2003 to 2007
• HYDROELECTRICAL ACHAIAS S.A.	Unaudited from inception (2002)
• 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)

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

	Consolidated		Company	
	Three-month periods ended March 31,			
	2008	2007	2008	2007
Income tax (current period).....	(1.124)	(387)	(1.104)	(379)
Deferred tax.....	(24)	100	(124)	63
Tax audit differences.....	-	(560)	-	(560)
Income taxes	<u>(1.148)</u>	<u>(847)</u>	<u>(1.228)</u>	<u>(876)</u>

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.

	Consolidated		Company	
	Three-month periods ended March 31,			
	2008	2007	2007	2007
Net profit attributable to shareholders.....	2.801	348	3.724	358
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	<u>0,0530</u>	<u>0,0066</u>	<u>0,0705</u>	<u>0,0068</u>

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 through the bank EFG Eurobank Ergasias S.A.

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6. Property, plant and equipment and intangible assets

Property, plant and equipment are analyzed as follows:

Consolidated	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total	Real estate property	Intangible assets
January 1, 2007									
Value at cost.....	5	1.760	1.235	270	955	212	4.437	-	98
Accumulated depreciation..	=	<u>(102)</u>	<u>(114)</u>	<u>(87)</u>	<u>(611)</u>	=	<u>(914)</u>	=	<u>(51)</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>	=	<u>47</u>
January 1 to December 31, 2007									
Additions.....	-	4	20	45	106	3.525	3.700	-	1.889
Work in progress.....	-	-	-	-	-	12.166	12.166	-	-
Disposals / transfers.....	-	-	-	(38)	(4)	-	(42)	-	-
Depreciation.....	-	(47)	(56)	(41)	(133)	-	(277)	-	(21)
Depreciation of disposals...	-	-	-	14	2	-	16	-	-
December 31, 2007									
Value at cost.....	5	1.764	1.255	277	1.057	15.903	20.261	-	1.987
Accumulated depreciation..	=	<u>(149)</u>	<u>(170)</u>	<u>(114)</u>	<u>(742)</u>	=	<u>(1.174)</u>	=	<u>(72)</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>	=	<u>1.915</u>
January 1 to March 31, 2008									
Additions.....	-	-	4	-	20	1.515	1.539	24	1
Work in progress.....	-	-	-	-	-	838	838	-	-
Disposals / transfers.....	-	-	-	(4)	-	(183)	(187)	-	-
Depreciation.....	-	(12)	(14)	(3)	(34)	-	(63)	-	(6)
Depreciation of disposals...	-	-	-	-	-	-	-	-	-
March 31, 2008									
Value at cost.....	5	1.764	1.259	273	1.077	18.073	22.451	24	1.988
Accumulated depreciation..	=	<u>(161)</u>	<u>(184)</u>	<u>(117)</u>	<u>(776)</u>	=	<u>(1.238)</u>	=	<u>(78)</u>
Net book value.....	<u>5</u>	<u>1.603</u>	<u>1.075</u>	<u>156</u>	<u>301</u>	<u>18.073</u>	<u>21.213</u>	<u>24</u>	<u>1.910</u>

It is noted that fixed assets are not pledged.

It is also noted that Work in progress amount EURO 18.073 concerns the cost of wind park construction and hydroelectrical plant construction of the subsidiaries of the Group.

7. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Long term borrowings:				
Bonded loan payable within next 12 months....	10.599	7.873	10.400	7.873
Bonded loan payable within next 2 to 5 years..	63.844	7.843	63.844	7.843
	<u>74.443</u>	<u>15.716</u>	<u>74.244</u>	<u>15.716</u>
Short term borrowings.....	13.123	59.096	13	46.006
Total borrowings	<u>87.566</u>	<u>74.812</u>	<u>74.257</u>	<u>61.722</u>

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

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and short term bank debt of the Company. 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 issuance of the loan on January 27, 2008. The first nine installments amount to EURO 5.200 and the tenth installment to EURO 28.200.

8. Related party transactions

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

Sales of company's products to related parties concern primarily sales of merchandise. The sale prices are at cost plus gross profit. The receipt of services from related parties primarily covers (logistics etc.) as well as after sales service. The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

Subsidiaries	Company	
	March 31, 2008	December 31, 2007
Receivables from:		
F.G. Logistics S.A.....	304	298
Fidakis Service S.A.....	135	214
City Electric S.A.....	-	1
HYDROELECTRICAL ACHAIAS S.A.....	-	1
R.F. Energy S.A.....	7	7
Total	<u>446</u>	<u>521</u>

Subsidiaries	Company	
	March 31, 2008	December 31, 2007
Obligations to:		
F.G. Logistics S.A.....	89	69
Fidakis Service S.A.....	86	-
Total	<u>175</u>	<u>69</u>

Companies with common shareholding structure	Consolidated		Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Receivables from:				
CYBERONICA S.A.....	445	511	91	90
Total	<u>445</u>	<u>511</u>	<u>91</u>	<u>90</u>

Subsidiaries	Company	
	Three-month periods ended March 31,	
Sales of goods and services:	2008	2007
Inventories.....	25	11
Other.....	1	1
Total	<u>26</u>	<u>12</u>

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Subsidiaries	Company			
Purchases of goods and services:	Three-month periods ended March 31,			
	2008	2007	2008	2007
Warranties.....	(273)	(174)		
Logistics.....	(776)	(675)		
Total	<u>(1.049)</u>	<u>(849)</u>		
Companies with common shareholding structure	Consolidated			
Purchases of goods and services:	Three-month periods ended March 31,			
	2008	2007	2008	2007
Cyberonica S.A.....	(669)	(617)	(138)	(130)
Total	<u>(669)</u>	<u>(617)</u>	<u>(138)</u>	<u>(130)</u>

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

Obligations to:	Consolidated		Company	
	March 31, 2008	December 31, 2007	March 31, 2008	December 31, 2007
Members of the Board and Directors.....	-	7	-	7
Total	<u>≡</u>	<u>7</u>	<u>≡</u>	<u>7</u>
Compensation:	Consolidated			
	Three-month periods ended March 31,			
	2008	2007	2008	2007
Personnel expenses.....	(391)	(334)	(361)	(334)
Provision for staff leaving indemnity.....	(5)	(5)	(5)	(5)
Total	<u>(396)</u>	<u>(339)</u>	<u>(366)</u>	<u>(339)</u>

No receivables or obligations exist between the group companies and the members of the Board of Directors and the Directors.

9. 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.

10. 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.

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The obligation for employee termination benefits amounts to EURO 347 for the Group and EURO 246 for the Company as of March 31, 2008. The amount charged to the income statement for the three-month period ended March 31, 2008 is EURO 13 for the Group and EURO 7 for the Company.

11. Commitments

Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of March 31, 2008. The future aggregate minimum lease payments arising from building lease agreements until year 2016 are estimated to amount to EURO 20.809 approximately. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2011 are estimated to amount to EURO 308.

12. Post Balance Sheet Events

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 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.