

F.G. EUROPE S.A.

INTERIM FINANCIAL STATEMENTS COMPANY AND CONSOLIDATED AS OF SEPTEMBER 30, 2006 ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IAS 34)

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on October 27, 2006 and have been published on the company website <http://www.fgeurope.gr>.

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F.G. EUROPE S.A.
Statements of Income (Consolidated)
For the Nine-Months periods ended September 30, 2006 and 2005
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated			
		For the Nine-Months Period Ended September 30,		For the Three-Months Period Ended September 30,	
		2006	2005	2006	2005
Sales.....	4	121.160	120.051	41.567	47.001
Less: Cost of sales.....	4	(105.541)	(108.622)	(35.994)	(42.622)
Gross profit		15.619	11.429	5.573	4.379
Other operating income.....		1.532	1.555	528	249
Distribution expenses.....	5	(9.688)	(5.097)	(3.462)	(1.774)
Administrative expenses.....	5	(1.916)	(2.944)	(686)	(829)
Other operating expenses.....		(21)	(190)	-	(63)
Earnings before interests and taxes		5.526	4.753	1.953	1.962
Finance costs, net.....	5	(1.274)	(2.567)	(869)	(1.163)
Earnings before taxes		4.252	2.186	1.084	799
Income tax expense.....	14	(1.364)	(906)	(354)	(333)
Net profit from continuing operations.....		2.888	1.280	730	466
Net profit from discontinuing operations.....		-	-	-	-
Net profit for the period		2.888	1.280	730	466
Attributable as follows:					
Parent company.....		2.734	1.214	726	463
Minority interest.....		154	66	4	3
Net profit (after tax) attributable to the Group		2.888	1.280	730	466
Earnings per share (expressed in Euros):					
Basic earnings per share.....	8	0,0518	0,0228	0,0138	0,0087

The accompanying Notes on pages 9 to 20 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, 2006 and 2005
(All amounts in Euro thousands unless otherwise stated)

	Note	Company			
		For the Nine-Months Period Ended September 30,		For the Three-Months Period Ended September 30,	
		2006	2005	2006	2005
Sales.....	4	120.339	119.678	41.441	46.361
Less: Cost of sales.....	4	(104.907)	(107.889)	(35.738)	(41.802)
Gross profit		15.432	11.789	5.703	4.559
Other operating income.....		1.409	1.472	495	269
Distribution expenses.....	5	(9.774)	(5.801)	(3.566)	(2.169)
Administrative expenses.....	5	(1.657)	(2.488)	(502)	(688)
Other operating expenses.....		(10)	(116)	-	(62)
Earnings before interests and taxes		5.400	4.856	2.130	1.909
Finance costs, net.....	5	(1.603)	(2.888)	(921)	(1.246)
Income from subsidiaries		24	-	-	-
Earnings before taxes		3.821	1.968	1.209	663
Income tax expense.....		(1.239)	(871)	(383)	(305)
Net profit from continuing operations.....		2.582	1.097	826	358
Net profit from discontinuing operations.....		-	-	-	-
Net profit for the period		2.582	1.097	826	358
 Earnings per share (expressed in Euros):					
Basic earnings per share.....	8	0,0489	0,0157	0,0206	0,0067

The accompanying Notes on pages 9 to 20 are an integral part of the interim Financial Statements.

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Balance Sheets (Company and Consolidated) As of September 30, 2006 and December 31, 2005 (All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment.....		3.550	3.487	443	362
Intangible assets.....		49	61	8	10
Investments in associates.....		34	34	5.012	729
Long term receivables.....		430	380	428	378
Deferred tax assets.....		533	560	484	528
Total non-current assets		4.596	4.522	6.375	2.007
Current assets					
Inventories.....	6	32.897	26.455	32.882	26.343
Assets held for sale.....		395	477	395	477
Receivables and prepayments.....	7	64.002	56.845	63.864	56.622
Cash and cash equivalents.....	9	12.378	3.824	2.194	3.760
Total current assets		109.672	87.601	99.335	87.202
Total assets		114.268	92.123	105.710	89.209
<u>SHAREHOLDERS' EQUITY</u>					
Shareholders equity attributable to the shareholders of the parent company					
Share capital.....	10	16.374	16.279	16.374	16.279
Share premium.....		6.726	5.376	6.726	5.376
Reserves.....		(1.681)	(290)	(2.616)	(1.226)
Retained earnings.....		1.686	(1.048)	2.525	(57)
		23.105	20.317	23.009	20.372
Minority interest.....		6.669	532	-	-
Total shareholders' equity		29.774	20.849	23.009	20.372
<u>LIABILITIES</u>					
Non-current liabilities					
Long term Borrowings.....	12	26.787	35.715	26.787	35.715
Retirement benefit obligations.....		269	248	214	174
Deferred government grants.....		926	969	-	-
Deferred tax liabilities.....		372	315	365	306
Total non-current liabilities		28.354	37.247	27.366	36.195
Current liabilities					
Short term Borrowings.....	12	33.738	16.965	33.410	15.869
Short term portion of long term borrowings.....	12	7.873	7.873	7.873	7.873
Current tax liabilities.....		772	98	588	-
Trade and other payables.....	13	13.757	9.091	13.464	8.900
Total current liabilities		56.140	34.027	55.335	32.642
Total liabilities		84.494	71.274	82.701	68.837
Total equity and liabilities		114.268	92.123	105.710	89.209

The accompanying Notes on pages 9 to 20 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statement of Changes in Shareholders' Equity (Consolidated)
For the Nine-Months Periods ended September 30, 2006 and 2005
(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, 2005	15.956	819	958	30	2.786	-	(430)	20.119	437	20.556
Period's changes:										
Net profit for the period.....	-	-	-	-	-	-	1.214	1.214	66	1.280
Dividend distribution.....	-	-	-	-	-	-	(1.596)	(1.596)	-	(1.596)
Purchase of treasury shares	-	-	-	-	-	(4.200)	-	(4.200)	-	(4.200)
Share capital increase.....	323	4.557	-	-	-	-	-	4.880	-	4.880
Income recognized directly in shareholders' equity:										
Net fair value changes in available-for-sale securities.....	-	-	-	65	-	-	-	65	-	65
Balance on September 30, 2005.....	16.279	5.376	958	95	2.786	(4.200)	(812)	20.482	503	20.985
Balance on January 1, 2006	16.279	5.376	1.015	109	2.786	(4.200)	(1.048)	20.317	532	20.849
Period's changes:										
Net profit for the period....	-	-	-	-	-	-	2.734	2.734	154	2.888
Dividend distribution.....	-	-	-	-	-	-	-	-	(18)	(18)
Purchase of treasury shares	-	-	-	-	-	(1.390)	-	(1.390)	-	(1.390)
Share capital increase.....	95	1.350	-	-	-	-	-	1.445	6.001	7.446
Income recognized directly in shareholders' equity:										
Net fair value changes in available-for-sale securities.....	-	-	-	(1)	-	-	-	(1)	-	(1)
Balance on September 30, 2006.....	16.374	6.726	1.015	108	2.786	(5.590)	1.686	23.105	6.669	29.774

The accompanying Notes on pages 9 to 20 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statement of Changes in Shareholders' Equity (Company)
For the Nine-Months Periods ended September 30, 2006 and 2005
(All amounts in Euro thousands unless otherwise stated)

Company

	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	Retained earnings	Total
Balance on January 1, 2005.....	15.956	819	958	30	1.856	-	672	20.291
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	1.097	1.097
Dividend distribution.....	-	-	-	-	-	-	(1.596)	(1.596)
Purchase of treasury shares...	-	-	-	-	-	(4.200)	-	(4.200)
Share capital increase.....	323	4.557	-	-	-	-	-	4.880
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities.....	-	-	-	65	-	-	-	65
Balance on September 30, 2005.....	16.279	5.376	958	95	1.856	(4.200)	173	20.537
Balance on January 1, 2006.....	16.279	5.376	1.009	109	1.856	(4.200)	(57)	20.372
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	2.582	2.582
Purchase of treasury shares...	-	-	-	-	-	(1.390)	-	(1.390)
Share capital increase.....	95	1.350	-	-	-	-	-	1.445
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities.....	-	-	-	-	-	-	-	-
Balance on September 30, 2006.....	16.374	6.726	1.009	109	1.856	(5.590)	2.525	23.009

The accompanying Notes on pages 9 to 20 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statement of Cash Flows (Company and Consolidated)
For the Nine-Months Periods ended September 30, 2006 and 2005
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Nine-Months Period Ended September 30,	For the Nine-Months Period Ended September 30,	For the Nine-Months Period Ended September 30,	For the Nine-Months Period Ended September 30,
	2006	2005	2006	2005
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	4.252	2.186	3.821	1.968
Add / (less) adjustments for:				
Depreciation and amortization.....	214	214	86	72
Government grants recognized in income.....	(22)	(36)	-	-
Non-cash impairment of assets.....	-	42	-	426
Exchange rate differences.....	(574)	767	(562)	767
Provisions.....	560	17	903	(99)
Employee benefits.....	22	20	40	11
Result of investment activity.....	(642)	(647)	(637)	(647)
Interest and similar expenses.....	2.490	2.405	2.459	2.342
Operating result before changes in working capital	6.300	4.968	6.110	4.840
Add / (less) adjustments for changes in working capital items:				
(Increase) in receivables and prepayments.....	(8.281)	(14.475)	(8.345)	(15.005)
(Increase) in inventories.....	(6.442)	(4.579)	(6.539)	(4.635)
Increase / (decrease) in trade and other payables.....	5.237	(2.780)	5.127	(2.322)
(Increase) / decrease in long term receivables.....	(50)	7	(50)	6
Total cash (outflow) from operating activities	(3.236)	(16.859)	(3.697)	(17.116)
Interest and similar expenses paid.....	(2.100)	(2.078)	(2.070)	(2.015)
Income taxes paid.....	(53)	(1.367)	-	(1.366)
Total net (outflow) from operating activities	(5.389)	(20.304)	(5.767)	(20.497)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income.....	594	126	589	126
(Purchase) of subsidiaries and other investments.....	-	-	(4.626)	(150)
Proceeds from the sale of subsidiaries and other investments.....	125	-	125	-
Proceeds from government grants.....	-	-	-	-
(Purchase) of PPE and intangible assets.....	(266)	(154)	(165)	(16)
Total net cash inflow / (outflow) from investing activities	453	(28)	(4.077)	(40)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from short term borrowings.....	9 8.897	15.219	9.668	15.543
Share capital increase.....	6.001	-	-	-
Dividends paid.....	(18)	(1.596)	-	(1.596)
(Purchase) of treasury shares.....	(1.390)	(4.200)	(1.390)	(4.200)
Total net cash inflow from financing activities	13.490	9.423	8.278	9.747
Net increase / (decrease) in cash and cash equivalents	8.554	(10.909)	(1.566)	(10.790)
Cash and cash equivalents at beginning of period	3.824	15.361	3.760	15.087
Cash and cash equivalents at end of period	12.378	4.452	2.194	4.297

The accompanying Notes on pages 9 to 21 are an integral part of the interim Financial Statements.

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Notes to the interim Financial Statements (Company and Consolidated)

For the Nine-Months Period ended September 30, 2006

(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 cover supplementary fields like after sales services, inventory management (logistics), etc. while Hydroelectrical Ahaias S.A., City Electric S.A. and Aeolic Kylindrias Ltd. activate in the energy production sector.

The Company and the Group are domiciled 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, 2006 is 71 for the Company and 118 for the Group.

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

The company’s and group’s financial statements for the Nine-Months Period ended on September 30, 2006 have been approved by the Board of Directors on its meeting on October 27, 2006.

The subsidiaries contained in the attached consolidated financial statements of the group are the following:

<u>Name of Subsidiary</u>	<u>Business</u>	Share as of September 30, 2006
• Fidakis Service S.A.	After sales service	100%
• F.G. Logistics S.A.	Logistics	100%
• City Electric S.A.	Energy production	100%
• Hydroelectrical Ahaias S.A..	Energy production	55,25%
• Fidakis Service Ltd.	After sales service	100%
• Aeolic Kylindrias S.A.	Energy production	99,67%
• R.F. Energy S.A.	Energy Holding Company	40%

The investment in F.G. Italia S.p.A. has been sold out of the Group on December 20, 2005. Therefore the results of operations and assets and liabilities are contained in the interim Financial Statements for the period January 1, to September 30, 2005 but are not included in the related Financial Statements of the current period from January 1, to September 30, 2006.

On March 30, 2006 the share capital of the subsidiary City Electric S.A. has been increased by EURO 100,5 that has been covered completely by the parent company.

The General Assembly of shareholders of the company Hellenic Aeolic Kylindrias Ltd. decided the conversion in to a Societe Anonyme and the change of the company name to Aeolic Kylindrias S.A. of energy production and distribution.

With the decision number 8550/6-9-2006, the Athens Prefecture granted permission of incorporation and approved the article of incorporation of the S.A. with the company name Aeolic Kylindrias S.A. of Energy production and distribution and title Aeolic Kylindrias S.A. that resulted form the conversion into a S.A. of Hellenic Aeolic Kylindrias Ltd. Based on the above

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Notes to the interim Financial Statements (Company and Consolidated)

For the Nine-Months Period ended September 30, 2006

(All amounts in Euro thousands unless otherwise stated)

conversion the share capital of the company was increased by EURO 282 of which EURO 281 was covered through F.G. Europe S.A. and the remaining EURO 1 by individuals. Therefore F.G. Europe's participation share in Aeolic Kyliandrias was reduced to 99,67%.

On May 26, 2006, the General Assembly of shareholders of the company Fidakis Service Ltd. decided the merger through absorption by the company Fidakis Service S.A.

On June 22, 2006 the share capital of the subsidiary Fidakis Service S.A. has been increased by EURO 249,9 that has been covered completely by the parent company.

With the decision number 10480/2-8-2006, the Athens Prefecture granted permission of incorporation and approved the article of incorporation of the S.A. with the company name R.F. Energy S.A. and title R.F. Energy S.A. The initial share capital of R.F. Energy amounts to EURO 10.000 and F.G. Europe's holding share 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.

The subsidiaries on the company financial statements are valued at cost less any impairment losses. During the period January 1, 2006 to September 30, 2006 an impairment loss of EURO 348 was recognized.

2. *Basis of Preparation of Financial Statements*

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared under the historical cost convention as modified for certain assets and liabilities to current values and based on the going concern principle for the group.

The Financial Statements have been prepared according to International Financial Reporting Standards (IFRS) that are prescribed by the International Accounting Standards Board (IASB) and which have been adopted by the European Union. The Financial Statements for the Nine-Months Period ended on September 30, 2006 have been prepared according to IAS 34 "Interim Financial Statements". This quarterly report has not been audited. The operating results for the interim periods are not necessarily indicative of the results to be expected for a full year.

The Company prepared for the first time Financial Statements according to International Financial Reporting Standards" with transition date January 1, 2004 applying IFRS 1 "First-time Adoption of International Financial Reporting Standards". There are no Standards adopted prospectively.

3. *Significant Accounting Policies*

The principal accounting policies adopted in the preparation of these interim Financial Statements are those accounting policies adopted for the preparation of the annual Financial Statements for the year ended on December 31, 2005.

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

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Notes to the interim Financial Statements (Company and Consolidated)

For the Nine-Months Period ended September 30, 2006

(All amounts in Euro thousands unless otherwise stated)

necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

The seasonality in the company's business may positively impact the sales and the results of operations for the periods of the second and third three-months period of the year.

4. 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 Nine-Months Periods ended September 30, 2006 and 2005 are presented below:

Nine-Months Period ended September 30, 2006	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues.....	52.947	67.392	3.338	123.677	(2.516)	121.161
Less: Cost of sales.....	(37.686)	(67.221)	(2.731)	(107.638)	2.096	(105.542)
Gross profit.....	<u>15.261</u>	<u>171</u>	<u>607</u>	<u>16.039</u>	<u>(420)</u>	<u>15.619</u>
Other operating income.....	937	473	122	1.532	-	1.532
Distribution expenses.....	(9.454)	(320)	(331)	(10.105)	417	(9.688)
Administrative expenses.....	(1.587)	(70)	(262)	(1.919)	3	(1.916)
Other operating expenses.....	(10)	-	(4)	(14)	(6)	(20)
Profit from operations.....	<u>5.147</u>	<u>254</u>	<u>132</u>	<u>5.533</u>	<u>(6)</u>	<u>5.527</u>
Finance costs (net).....	(1.607)	4	(19)	(1.622)	348	(1.274)
Income from subsidiaries.....	24	-	-	24	(24)	-
Profits before tax.....	<u>3.564</u>	<u>258</u>	<u>113</u>	<u>3.935</u>	<u>318</u>	<u>4.253</u>
Income tax expense.....	(1.164)	(76)	(125)	(1.365)	-	(1.365)
Net profit.....	<u>2.400</u>	<u>182</u>	<u>(12)</u>	<u>2.570</u>	<u>318</u>	<u>2.888</u>

Nine-Months Period ended September 30, 2005	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues.....	34.661	84.190	2.024	120.875	(824)	120.051
Less: Cost of sales.....	(23.453)	(83.766)	(1.562)	(108.781)	159	(108.622)
Gross profit.....	<u>11.208</u>	<u>424</u>	<u>462</u>	<u>12.094</u>	<u>(665)</u>	<u>11.429</u>
Other operating income.....	923	508	584	2.015	(460)	1.555
Distribution expenses.....	(5.175)	(392)	(636)	(6.203)	1.106	(5.097)
Administrative expenses.....	(1.921)	(391)	(635)	(2.947)	3	(2.944)
Other operating expenses.....	(111)	(2)	(77)	(190)	-	(190)
Profit from operations.....	<u>4.924</u>	<u>147</u>	<u>(302)</u>	<u>4.769</u>	<u>(16)</u>	<u>4.753</u>
Finance costs (net).....	(2.796)	(38)	(188)	(2.952)	385	(2.567)
Profits before tax.....	<u>2.128</u>	<u>109</u>	<u>(420)</u>	<u>1.817</u>	<u>369</u>	<u>2.186</u>
Income tax expense.....	(829)	(42)	(35)	(906)	-	(906)
Net profit.....	<u>1.299</u>	<u>67</u>	<u>(455)</u>	<u>911</u>	<u>369</u>	<u>1.280</u>

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Notes to the interim Financial Statements (Company and Consolidated)

For the Nine-Months Period ended September 30, 2006

(All amounts in Euro thousands unless otherwise stated)

Respectively, the allocation of assets and liabilities to the business segments as of September 30, 2006 and December 31, 2005 is as follows:

September 30, 2006	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Property, plant and equipment and intangible assets.....	411	40	3.191	3.642	(43)	3.599
Other long term assets.....	887	28	380	1.295	(298)	997
Inventories.....	31.536	1.346	9	32.891	6	32.897
Other investments.....	381	14	-	395	-	395
Receivables and prepaid expenses.....	61.956	1.908	648	64.512	(510)	64.002
Cash and cash equivalents.....	2.027	167	10.184	12.378	-	12.378
Total assets	<u>97.198</u>	<u>3.503</u>	<u>14.412</u>	<u>115.113</u>	<u>(845)</u>	<u>114.268</u>
Long term borrowings.....	26.787	-	-	26.787	-	26.787
Other long term liabilities.....	564	15	1.286	1.865	(298)	1.567
Short term borrowings.....	33.404	6	328	33.738	-	33.738
Short term portion of long term debt.....	7.873	-	-	7.873	-	7.873
Current tax liabilities.....	564	24	184	772	-	772
Trade and other payables.....	9.988	3.476	803	14.267	(510)	13.757
Total liabilities	<u>79.180</u>	<u>3.521</u>	<u>2.601</u>	<u>85.302</u>	<u>(808)</u>	<u>84.494</u>

December 31, 2005	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Property, plant and equipment and intangible assets.....	344	28	3.176	3.548	-	3.548
Other long term assets.....	807	99	365	1.271	(297)	974
Inventories.....	25.821	522	106	26.449	6	26.455
Other investments.....	467	10	-	477	-	477
Receivables and prepaid expenses.....	54.805	1.817	1.870	58.492	(1.647)	56.845
Cash and cash equivalents.....	3.681	79	64	3.824	-	3.824
Total assets	<u>85.925</u>	<u>2.555</u>	<u>5.581</u>	<u>94.061</u>	<u>(1.938)</u>	<u>92.123</u>
Long term borrowings.....	34.965	750	-	35.715	-	35.715
Other long term liabilities.....	444	36	1.349	1.829	(297)	1.532
Short term borrowings.....	15.536	333	1.096	16.965	-	16.965
Short term portion of long term debt.....	7.708	165	-	7.873	-	7.873
Current tax liabilities.....	-	-	98	98	-	98
Trade and other payables.....	8.099	802	1.837	10.738	(1.647)	9.091
Total liabilities	<u>66.752</u>	<u>2.086</u>	<u>4.380</u>	<u>73.218</u>	<u>(1.944)</u>	<u>71.274</u>

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5. Break down of expenses

The main categories of expenses are analyzed as follows:

	Consolidated				Company			
	Nine-Months Period ended September 30,		Three-Months Period ended September 30,		Nine-Months Period ended September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Personnel expenses...	(2.452)	(2.226)	(825)	(854)	(2.396)	(1.963)	(803)	(703)
Third party expenses...	(1.667)	(1.099)	(656)	(203)	(1.638)	(1.349)	(651)	(367)
Supplies.....	(3.105)	(2.192)	(1.013)	(850)	(3.410)	(2.235)	(1.166)	(693)
Taxes and duties.....	(264)	(309)	(71)	(68)	(182)	(228)	(48)	-
Various expenses.....	(3.453)	(2.001)	(1.023)	(903)	(3.165)	(2.442)	(841)	(1.414)
Depreciation & amortization.....	(107)	(214)	(29)	(68)	(86)	(72)	(30)	(24)
Provisions.....	(556)	-	(531)	343	(554)	-	(529)	344
Total	<u>(11.604)</u>	<u>(8.041)</u>	<u>(4.148)</u>	<u>(2.603)</u>	<u>(11.431)</u>	<u>(8.289)</u>	<u>(4.068)</u>	<u>(2.857)</u>

The amount of provisions concern in total provisions for doubtful accounts.

The personnel expenses are analyzed as follows:

	Consolidated				Company			
	Nine-Months Period ended September 30,		Three-Months Period ended September 30,		Nine-Months Period ended September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Salaries and wages.....	(2.009)	(1.655)	(670)	(546)	(1.965)	(1.474)	(647)	(448)
Employers' social security contributions..	(394)	(331)	(134)	(85)	(382)	(307)	(135)	(89)
Other compensation...	(3)	(220)	(2)	(209)	(3)	(171)	(2)	(162)
Retirement benefits...	(46)	(20)	(19)	(14)	(46)	(11)	(19)	(4)
Total	<u>(2.452)</u>	<u>(2.226)</u>	<u>(825)</u>	<u>(854)</u>	<u>(2.396)</u>	<u>(1.963)</u>	<u>(803)</u>	<u>(703)</u>

The reduction in administrative expenses during the Nine-months period of 2006 compared to the related Nine-months period of 2005 is due to:

- Increased organizational expenses for the first time adoption of IFRS included in the Nine-months period of 2005.
- Increased promotional expenses to potential international institutional investors.
- The transfer of resources from administrative to distributional departments for the coverage of additional needs following the significant increase in sales of long living consumer goods in 2006.

The increase in distribution expenses during the Nine-months period of 2006 compared to the related period of 2005 is due to:

- The above mentioned transfer of resources.
- The significant increase in advertising expenses, that amounted to EURO 1.791 during the Nine-months period of 2006 compared to EURO 935 during the related period of 2005.
- The increased logistics costs (storage, transports etc.) for the coverage of the increased needs because of the significant increase in sales of long living consumer goods.

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Finance income and expenses are analyzed as follows:

	Consolidated				Company			
	Nine-Months Period ended September 30,		Three-Months Period ended September 30,		Nine-Months Period ended September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Finance costs:								
Interest and similar expenses.....	(2.490)	(2.405)	(867)	(1.141)	(2.459)	(2.342)	(865)	(1.122)
Provisions for impairment of subsidiaries and securities.....	(5)	-	(5)	-	(348)	(426)	(42)	(144)
Foreign exchange differences (expense)...	(850)	(1.110)	(345)	(15)	(850)	(1.110)	(345)	(15)
Other.....	-	-	-	(36)	-	-	-	(7)
Total Finance costs	<u>(3.345)</u>	<u>(3.515)</u>	<u>(1.217)</u>	<u>(1.192)</u>	<u>(3.657)</u>	<u>(3.878)</u>	<u>(1.252)</u>	<u>(1.288)</u>
Finance income:								
Interest and similar income.....	594	647	-	22	589	647	-	22
Foreign exchange differences (income)...	1.424	301	336	-	1.412	343	325	13
Other.....	53	-	12	7	53	-	6	7
Total Finance income	<u>2.071</u>	<u>948</u>	<u>348</u>	<u>29</u>	<u>2.054</u>	<u>990</u>	<u>331</u>	<u>42</u>
Finance costs, net	<u>(1.274)</u>	<u>(2.567)</u>	<u>(869)</u>	<u>(1.163)</u>	<u>(1.603)</u>	<u>(2.888)</u>	<u>(921)</u>	<u>(1.246)</u>

6. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
Merchandise.....	32.897	26.455	32.882	26.343

The cost of inventory for the Nine-Months Periods ended September 30, 2006 charged to cost of sales amounts to EURO 104.807 for the Group in 2006 (EURO 108.025 in 2005) and for the Company to EURO 104.798 in 2006 (EURO 107.889 in 2005).

During the period from January 1 to September 30, 2006 the value of inventories was written down by the amount of EURO 92.

7. Receivables and prepayments

Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
Customers.....	25.217	18.557	25.246	18.656
Postdated cheques.....	38.529	33.899	38.518	33.890
Notes receivables.....	156	52	156	52
Provision for doubtful accounts.....	(1.691)	(1.137)	(1.691)	(1.137)
Total	<u>62.211</u>	<u>51.371</u>	<u>62.229</u>	<u>51.461</u>
Other receivables and prepayments.....	1.791	5.474	1.635	5.161
Total	<u>64.002</u>	<u>56.845</u>	<u>63.864</u>	<u>56.622</u>

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8. 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 excluding ordinary shares purchased by the company and held as treasury shares.

	Consolidated				Company			
	Nine-Months Period September 30,		Three-Months Period ended September 30,		Nine-Months Period September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Net profit attributable to shareholders	2.734	1.214	726	463	2.582	1.097	826	358
Weighted average number of shares outstanding	52.751.029	53.254.432	52.751.029	53.254.432	52.751.029	53.254.432	52.751.029	53.254.432
Basic earnings per share (in Euro)	<u>0,0518</u>	<u>0,0228</u>	<u>0,0138</u>	<u>0,0087</u>	<u>0,0489</u>	<u>0,0206</u>	<u>0,0157</u>	<u>0,0067</u>

The diluted earnings per share are calculated by adjusting the amount of net profit for the year attributable to ordinary shareholders by the after-tax effect of any interest recognized in the period for the dilutive potential ordinary shares and any changes in income or expense that would result from the conversion of the dilutive potential ordinary shares. For the purpose of calculating diluted earnings per share the dilutive potential ordinary shares should be deemed to have been converted into ordinary shares at the beginning of the year or if later the date of the issue of the potential ordinary shares. The company has issued a convertible bond on August 3, 2004 for the amount of EURO 16.621,2 divided into 166.212 bond with par value of EURO 0,1. Each bond is convertible into 22 common shares of the Company. The convertible bond is repayable after 3 years.

	Consolidated				Company			
	Nine-Months Period September 30,		Three-Months Period ended September 30,		Nine-Months Period September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Net profit attributable to shareholders	2.734	1.214	726	463	2.582	1.097	826	358
Interest expense related to the convertible bond (net of tax)	468	401	179	79	468	401	179	79
Adjusted net profit attributable to shareholders	<u>3.202</u>	<u>1.615</u>	<u>905</u>	<u>542</u>	<u>3.050</u>	<u>1.498</u>	<u>1.005</u>	<u>437</u>
Weighted average number of shares outstanding	52.751.029	53.254.432	52.751.029	53.254.432	52.751.029	53.254.432	52.751.029	53.254.432
Number of shares resulting from the conversion of the convertible bond	2.264.130	3.656.664	2.264.130	3.656.664	2.264.130	3.656.664	2.264.130	3.656.664
Adjusted weighted average number of shares outstanding	55.015.159	56.911.096	55.015.159	56.911.096	55.015.159	56.911.096	55.015.159	56.911.096
Diluted earnings per share (in Euro)	<u>0,0582</u>	<u>0,0284</u>	<u>0,0165</u>	<u>0,0095</u>	<u>0,0554</u>	<u>0,0263</u>	<u>0,0108</u>	<u>0,0077</u>

9. Cash and cash equivalents

Cash and cash equivalents comprise petty cash of the group and short term bank deposits callable within 90 days.

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For the fair presentation of the Statement of Cash Flows for the Nine-months period ended on September 30, 2005, the amount of EURO 4.880 in the section of Cash Flows from financing activities has been reclassified from Share Capital Increase to Proceeds from Short term borrowing. The same reclassification entry was also processed in the Financial Statements of December 31, 2005.

10. Share capital

As of December 31, 2005 the company's share capital amounts to EURO 16.279 and is divided into 54.262.320 ordinary registered shares with par value of EURO 0,0003 each. As of September 30, 2006 the company's share capital amounts to EURO 16.374 and is divided into 54.580.374 ordinary registered shares with par value of EURO 0,0003 each.

The Board of Directors on its meeting of February 6, 2006 certified the second share capital increase of EURO 95 and the issuance of 318.054 new ordinary registered shares resulting from the conversion of 14.457 convertible bonds on February 3, 2006 and the credit to the share premium account of EURO 1.350 resulting from the premium of the issue price of the bonds.

After the above share capital increase the Company's share capital amounts to EURO 16.374 divided into 54.580.374 ordinary registered shares with par value of EURO 0,0003 each.

It is noted that the average number of shares outstanding during the period is 52.751.029 shares.

11. Treasury Shares

As of December 31, 2005, the company held 1.330.220 treasury shares with total purchase cost of EURO 4.200 presented in Shareholders' Equity special treasury shares reserves account. Following the decision of the Extraordinary General Assembly of Shareholders of February 8, 2005 and the decision of the Board of Directors of January 10, 2006 450.000 treasury shares were purchased in the time between January 13, 2006 to February 8, 2006 increasing the number of treasury shares to 1.780.220 with the average purchase price of EURO 0,00314 and the treasury shares reserve to EURO 5.590.

12. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
<u>Long term borrowings:</u>				
Bonded loan.....	23.542	31.353	23.542	31.353
Convertible bond loan.....	11.118	12.235	11.118	12.235
	<u>34.660</u>	<u>43.588</u>	<u>34.660</u>	<u>43.588</u>
Long term debt payable within the next 12 months.....	(7.873)	(7.873)	(7.873)	(7.873)
Total long term borrowings	<u>26.787</u>	<u>35.715</u>	<u>26.787</u>	<u>35.715</u>
Short term borrowings	<u>33.738</u>	<u>16.965</u>	<u>33.410</u>	<u>15.869</u>

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Based on the decision of the extraordinary General Assembly of shareholders of January 21, 2004 and the decision of the Board of Directors of June 11, 2004, approved by the decision number K2-1667/6-2-2004 of the Ministry of Development, the company issued a convertible bond listed on the Athens Stock Exchange of nominal value of EURO 16.621,2. The convertible bond was issued on August 3, 2004 with a maturity of 3 years and is divided into 166.212 bonds with a par value of EURO 0,1 each.

Each bond is convertible into 22 common shares with voting rights. The conversion can be executed for the first time after six months and at each month afterwards until the maturity of the loan. The coupon is fix at 3,8% p.a..

In case of holding until maturity (August 3, 2007) and not converted into ordinary shares the bonds will be redeemed at 112,2% of the nominal value of the bonds (EURO 0,1122 per bond).

On May 3, 2005, three months after the initial existence of conversions the right, 48.840 bonds were converted based on the conversion ratio of 1:22 into 1.074.480 ordinary registered shares of the Company.

Accordingly, the Company's share capital was increased by EURO 323 and the remaining amount of EURO 4.557 was credited to the share premium account. The fair values of the loan equal the carrying values.

On February 3, 2006, twelve months after the initial existence of the conversion right, 14.457 bonds were converted based on the conversion ratio of 1:22 into 318.054 ordinary registered shares of the Company.

Accordingly, the Company's share capital was increased by EURO 95 and the remaining amount of EURO 1.350 was credited to the share premium account. The fair values of the loan equal the carrying values.

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

13. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	September 30, 2006	December 31, 2005	September 30, 2006	December 31, 2005
Suppliers.....	5.423	4.258	5.384	4.349
Cheques payables postdated.....	4.268	1.657	4.146	1.498
Accrued expenses.....	3.387	1.113	3.346	1.111
Other short term obligations.....	679	2.063	588	1.942
Total	<u>13.757</u>	<u>9.091</u>	<u>13.464</u>	<u>8.900</u>

For the insurance of realized purchases with its suppliers the company has issued letters of guaranty in favour of domestic suppliers for the amount of EURO 3.634 and in favour of foreign suppliers for the amount of EURO 3.202.

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14. 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.

The Greek tax legislation and the respective provisions are subject to interpretation of the tax authorities. Income tax returns are submitted to the tax authorities on an annual basis but the profits or losses submitted for tax purposes remain temporary until the tax authorities conclude audits of the tax returns and records of the company, time at which the respective tax liabilities of the company become final. Tax losses, as far recognized by the tax authorities can be offset with profits for the next five years after their occurrence.

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.	2003 to 2006
• Fidakis Service S.A.	2003 to 2006
• F.G. Logistics S.A.	2003 to 2006
• City Elektrik S.A.	2003 to 2006
• Hydroelectrical Ahaias S.A.	Unaudited from inception (2002)
• Fidakis Service Ltd.	Unaudited from inception (2003)
• Aeolic Kylindrias 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			
	Nine-Months Period ended September 30,		Three-Months Period ended September 30,		Nine-Months Period ended September 30,		Three-Months Period ended September 30,	
	2006	2005	2006	2005	2006	2005	2006	2005
Income tax (current period).....	(1.274)	(801)	(722)	(486)	(1.135)	(777)	(720)	(462)
Deferred tax.....	(90)	(105)	368	153	(104)	(94)	337	157
Income taxes	<u>(1.364)</u>	<u>(906)</u>	<u>(354)</u>	<u>(333)</u>	<u>(1.239)</u>	<u>(871)</u>	<u>(383)</u>	<u>(305)</u>

Deferred income taxes arise from the existence of temporary differences between accounting basis and taxation base of assets and liabilities and are calculated based on the current income tax rate.

15. Post Balance Sheet Events

There are no events after the balance sheet date of September 30, 2006 that are able to have an impact on the financial condition of the Company or the Group as of the above date or its results of operation or cash flows ended on this date.

16. Capital commitments and Contingencies

The group has no uncompleted purchasing commitments with its suppliers as of September 30, 2006. The future aggregate minimum lease payments arising from building lease agreements until year 2014 are estimated to amount to EURO 1.949 approximately, while the amount

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charged to the income statement for the Nine-Months period ended September 30, 2006 for lease payments amounted to EURO 371.

17. 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 (e.g. spare parts). These transactions are executed at an arms' length conditions. 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:

	Company	
Receivables from:	September 30, 2006	December 31, 2005
F.G. Logistics S.A.....	298	1.191
Fidakis Service S.A.....	38	219
City Electric S.A.....	-	19
Hellenic Eolic Kylandrias Ltd.....	218	195
R.F. Energy.....	120	-
Total	<u>674</u>	<u>1.624</u>

	Company	
Obligations to:	September 30, 2006	December 31, 2005
F.G. Logistics S.A.....	125	243
Fidakis Service S.A.....	-	153
City Electric S.A.....	-	101
Fidakis Service Ltd.....	9	-
Total	<u>134</u>	<u>497</u>

The transactions with the related parties for the Nine-Months Periods ended September 30, 2006 and 2005 are analyzed as follows:

	Company	
Sales of goods and services:	September 30, 2006	September 30, 2005
Lease payments.....	-	4
Inventories.....	22	175
Other.....	3	2
Total	<u>25</u>	<u>628</u>

	Company	
Dividends:	September 30, 2006	September 30, 2005
Income from subsidiaries.....	24	-
Total	<u>25</u>	<u>=</u>

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	Company	
	September 30, 2006	September 30, 2005
Purchases of goods and services:		
Warranties.....	288	301
Inventories.....	181	54
Logistics.....	2.023	288
Third party expenses.....	-	460
Total	<u>2.492</u>	<u>1.103</u>

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

	Company	
	September 30, 2006	September 30, 2005
Compensation and benefits		
Personnel expenses.....	949	667
Provision for staff leaving indemnity.....	11	2
Total	<u>960</u>	<u>669</u>

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