

C. CARDASSILARIS & SONS "CARDICO"



ΚΩΝ. ΚΑΡΔΑΣΣΙΑΡΗΣ & ΥΙΟΙ ΑΕΒΕ

Interim Financial Statements for the period ended 30 June 2007

It is confirmed that the attached Financial Statements are those approved by the Board of Directors of "CARDICO S.A." on 28/08/2007 and have been published with their posting on the internet, at the web page www.cardico.com. It is noted that the published in the press brief financial data, aim at providing general financial information but do not provide a complete depiction of the Company's and Group's economic status and financial results, according to the International Accounting Standards. Also, it is noted that in order to simplify, the published in the press brief financial data include certain compressions and re-classifications of accounts.

Nikolaos C. Cardassilaris
Chairman of the Board of Directors
C. CARDASSILARIS & SONS – "CARDICO"

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Report on Review of Interim Financial Information

To the Shareholders of "CARDASILARIS & SONS A.E.B.E."

Introduction

We have reviewed the accompanying balance sheet of **CARDASILARIS & SONS A.E.B.E.** (the company), the consolidated balance sheet of the company and its subsidiaries (the group) as of June 30, 2007, the related statements of income, changes in equity and cash flows of the company and the group, for the six-month period then ended and the selected explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards that have been adopted by European Union and apply for interim financial information ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" to which the Greek Auditing Standards indict. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Our review was performed for the sixth month period as a whole, and did not include the review of the individual financial information and results for the second quarter of 2007 separately, which are presented in the attached financial information.

Conclusion

Except for the adjustments to the interim financial information for the second quarter of 2007 that we might have become aware of had we have conducted the review of the financial information and results for that quarter, based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34. Without qualifying our report, we draw your attention to the note 6.6 to the interim condensed financial statements which refers to the tax position of the



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company and the group and especially the unaudited fiscal years. The liability, if any, that may result for such audits cannot be estimated with reasonable accuracy, and hence no additional provision has been made.

Athens, 29 August 2007

The Chartered Accountant

SOTIRIS A. CONSTANTINOU

A.M. S.O.E.L. 13671

Grant Thornton 

Vassileos Konstantinou 44

116 35 Athens

A.M. S.O.E.L. 127



KON. KAPAZIAAPHE & YIOIABEBE

INCOME STATEMENT

| | GROUP | | | | COMPANY | | | |
|--|-------------------|-------------------|--------------------|--------------------|-------------------|------------------|-------------------|-------------------|
| | 30/6/2007 | 1/4 - 30/6/2007 | 30/6/2007 | 1/4 - 30/6/2007 | 30/6/2007 | 1/4 - 30/6/2007 | 30/6/2006 | 1/4 - 30/6/2006 |
| Sales | 65.022.626 | 33.571.471 | 86.930.089 | 40.851.785 | 21.398.554 | 9.772.199 | 27.395.229 | 12.857.240 |
| Cost of goods sold | (57.719.621) | (29.699.318) | (84.972.779) | (41.358.853) | (19.505.662) | (9.224.472) | (24.758.260) | (11.440.996) |
| Gross Profit | 7.303.006 | 3.872.153 | 1.957.310 | (507.068) | 1.892.892 | 547.726 | 2.636.969 | 1.416.245 |
| Other operating income | 206.328 | (367.235) | 2.226.945 | 920.055 | 176.583 | 47.486 | 1.943.106 | 636.758 |
| Administration expenses | (2.265.839) | (1.083.526) | (2.465.002) | (1.172.668) | (802.825) | (393.615) | (877.012) | (411.985) |
| Distribution expenses | (3.419.986) | (1.719.584) | (3.729.970) | (1.949.803) | (912.418) | (364.424) | (1.314.630) | (694.256) |
| Other operating expenses | (247.449) | (136.338) | (1.016.474) | (291.659) | (157.448) | (46.803) | (902.571) | (253.755) |
| Results Before Taxes Financing and Investments Results | 1.576.060 | 565.469 | (3.027.191) | (3.001.143) | 196.785 | (209.629) | 1.485.862 | 693.006 |
| Financial Income | 634.595 | 104.737 | 1.108.020 | 512.085 | 612.351 | 191.755 | 3.865.179 | 341.469 |
| Financial Expenses | (3.518.387) | (2.783.348) | (2.094.888) | (1.623.374) | (2.817.945) | (2.376.966) | (1.632.011) | (1.345.262) |
| Profit / Loss from affiliated companies | (7.626) | (3.372) | (39.450) | (402) | | | | |
| Profit from readjustment of property investments | 2.060.000 | 2.060.000 | | | 2.060.000 | 2.060.000 | | |
| Earnings before taxes | 744.642 | (56.514) | (4.053.509) | (4.112.833) | 51.191 | (334.840) | 3.719.030 | (310.787) |
| Income tax | (197.795) | (43.039) | 1.159.371 | 1.502.497 | (179.426) | (25.748) | (591.719) | (235.486) |
| Earnings after taxes | 546.847 | (99.553) | (2.894.138) | (2.610.336) | (128.235) | (360.588) | 3.127.311 | (546.273) |
| Allocated to : | | | | | | | | |
| The parent's shareholders | 417.571 | (181.984) | 3.224.235 | (2.893.003) | | | | 0 |
| Minority interest | 129.276 | 82.431 | 330.095 | 282.667 | | | | 0 |
| Basic Earnings per share | 0,02 | (0,01) | (0,15) | (0,13) | (0,01) | (0,02) | 0,14 | (0,03) |
| Brief results for the period | | | | | | | | |
| Earnings Before Taxes Financing and Investments Results, Depreciations and Amortizations | 2.371.211 | 949.263 | (2.267.561) | (2.604.234) | 724.801 | 55.082 | 2.003.881 | 950.624 |
| Earnings Before Taxes Financing and Investments Results | 1.576.060 | 565.469 | (3.027.191) | (3.001.143) | 196.785 | (209.629) | 1.485.862 | 693.006 |
| Earnings before taxes | 744.642 | (56.514) | (4.053.509) | (4.112.833) | 51.191 | (334.840) | 3.719.030 | (310.787) |
| Earnings after taxes | 546.847 | (99.553) | (2.894.138) | (2.610.336) | (128.235) | (360.588) | 3.127.311 | (546.273) |



ΚΩΝ. ΚΑΡΑΛΙΑΑΠΗΣ & ΥΙΟΙ ΑΕΒΕ

Balance Sheet

| ASSETS | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2007 | 31/12/2006 | 30/6/2007 | 31/12/2006 |
| Non – current assets | | | | |
| Tangible Assets | 44.496.699 | 50.362.412 | 36.235.811 | 41.862.203 |
| Goodwill | 761.240 | 823.171 | 189.431 | 223.827 |
| Investments in Subsidiary Companies | 0 | 0 | 56.290.935 | 56.290.935 |
| Investments in Associate Companies | 63.224 | 70.850 | 286.370 | 286.370 |
| Property Investment | 8.065.687 | 0 | 7.700.000 | 0 |
| Other Long – term receivables | 377.718 | 342.235 | 50.809 | 50.809 |
| | 53.764.568 | 51.598.668 | 100.753.356 | 98.714.143 |
| Current assets | | | | |
| Inventories | 23.428.181 | 25.766.800 | 7.580.618 | 9.706.134 |
| Customers and other Trade Receivables | 33.987.318 | 32.968.996 | 17.373.439 | 18.227.260 |
| Financial assets in fair value through retained earnings | 40.238 | 46.657 | 40.238 | 46.657 |
| Subsidiary companies receivables | 294.802 | 281.304 | 3.673.854 | 3.841.367 |
| Other Receivables | 15.445.728 | 14.815.679 | 11.963.137 | 9.747.996 |
| Other Current Assets | 692.235 | 568.533 | 322.690 | 340.527 |
| Cash and cash equivalents | 1.485.499 | 3.272.033 | 707.815 | 2.013.965 |
| | 75.374.002 | 77.720.002 | 41.661.791 | 43.923.906 |
| Total Assets | 129.138.570 | 129.318.670 | 142.415.147 | 142.638.050 |
| EQUITY & LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 6.576.171 | 6.576.171 | 6.576.171 | 6.576.171 |
| Share premium reserves | 887.366 | 887.366 | 887.366 | 887.366 |
| Fair value reserves | 6.993.150 | 6.567.422 | 35.924.992 | 35.750.279 |
| Other reserves | 9.145.554 | 11.059.825 | 9.294.770 | 8.704.959 |
| Retained earnings | (3.744.033) | (5.976.592) | 217.129 | 833.370 |
| Total assets classified as held for sale | 19.858.208 | 19.114.191 | 52.900.428 | 52.752.145 |
| Minority interest | 2.405.295 | 2.308.395 | | |
| Exchange differences from conversion of subsidiaries abroad | (281.689) | (246.693) | | |
| Total equity | 21.981.815 | 21.175.893 | 52.900.428 | 52.752.145 |
| Long – term liabilities | | | | |
| Long – term bank liabilities | 16.032.584 | 16.755.719 | 14.701.379 | 15.228.571 |
| Deferred tax liabilities | 984.743 | 846.413 | 10.404.705 | 10.167.042 |
| Liabilities for pension plans | 418.378 | 410.662 | 198.111 | 184.195 |
| Other long – term liabilities | 4.844.617 | 5.061.840 | 3.783.735 | 3.857.229 |
| Total long – term liabilities | 22.280.322 | 23.074.633 | 29.087.931 | 29.437.037 |
| Short – term liabilities | | | | |
| Suppliers and related liabilities | 10.233.129 | 11.514.583 | 4.475.932 | 5.855.342 |
| Current tax liabilities | 479.407 | 635.939 | 168.129 | 549.413 |
| Short – term bank liabilities | 63.995.228 | 63.274.995 | 47.724.496 | 46.111.125 |
| Long – term liabilities payable in the next period | 7.666.898 | 7.902.429 | 7.429.898 | 7.671.429 |
| Other short – term liabilities | 2.501.772 | 1.740.198 | 628.335 | 261.560 |
| Total Short – term Liabilities | 84.876.433 | 85.068.143 | 60.426.788 | 60.448.868 |
| Total Liabilities | 107.156.755 | 108.142.777 | 89.514.719 | 89.885.905 |
| Total Equity & Liabilities | 129.138.570 | 129.318.670 | 142.415.147 | 142.638.050 |



KON. KAPLIZIAPHE & VIOI AEBE

Consolidated Statement of changes in equity

Consolidated statement of changes in equity

Attribute to the parent's shareholders

| | Share capital | Share premium | Legal reserve | Fair value reserves | Other reserves | Retained earnings | Total | Minority interest | Exchange differences from conversion of subsidiaries abroad | Total |
|---|------------------|----------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---|-------------------|
| Balance as at January 1st 2006 according to IFRS | 6.576.171 | 887.366 | 1.237.401 | 4.970.054 | 5.643.094 | -1.229.923 | 18.084.163 | 1.904.307 | 102.815 | 20.091.285 |
| Change in Equity for the period 01/01 – 30/6/2006 | | | | | | | | | | |
| Other Adjustments | | | | | | -204.213 | -204.213 | 0 | | -204.213 |
| Transfer of dividends to a liability account | | | | | | -1.753.646 | -1.753.646 | | | -1.753.646 |
| Transfer from retained earnings to reserve | | | 28.610 | | 1.228.000 | -1.256.610 | 0 | | | 0 |
| Change due to sale/purchase of own shares | | | | | 3.740.106 | | 3.740.106 | | | 3.740.106 |
| Net results for the period 01/01-30/6/2006 | | | | | | -3.224.235 | -3.224.235 | 330.095 | | -2.894.140 |
| Change in minority interest | | | | | | | 0 | | | 0 |
| Change in exchange differences from conversion of subsidiaries abroad | | | | | | | 0 | -71.151 | -176.870 | -248.021 |
| Total recognized Profit /loss for the Period | 0 | 0 | 28.610 | 0 | 4.968.106 | -6.438.704 | -1.441.988 | 258.944 | -176.870 | -1.359.914 |
| Balance of Equity as at June 30, 2006 | 6.576.171 | 887.366 | 1.266.011 | 4.970.054 | 10.611.200 | -7.668.627 | 16.642.175 | 2.163.251 | -74.055 | 18.731.371 |
| Balance as at January 1st 2007 according to IFRS | 6.576.171 | 887.366 | 1.266.011 | 6.567.422 | 9.793.814 | -5.976.592 | 19.114.191 | 2.308.395 | -246.693 | 21.175.893 |
| Change in Equity for the period 01/01 – 30/6/2007 | | | | | | | | | | |
| Deferred tax amendment | | | | | | | 0 | | | 0 |
| Property revaluation | | | | 425.729 | | | 425.729 | | | 425.729 |
| Change due to sale/purchase of own shares | | | | | 540.216 | | 540.216 | | | 540.216 |
| Transfer from retained earnings to reserve | | | 49.594 | | | -49.594 | 0 | | | 0 |
| Transfer of dividends to a liability account | | | | | | -438.411 | -438.411 | | | -438.411 |
| Change in exchange differences from conversion of subsidiaries abroad | | | | | | | 0 | | -34.996 | -34.996 |
| Transfer from a liability account to a subsidiary reserve | | | | | -2.503.000 | 2.303.000 | -200.000 | | | -200.000 |
| Other adjustments | | | | | -1.082 | -5 | -1.087 | -32.376 | | -33.463 |
| Net results for the period 01/01-30/6/2007 | | | | | | 417.571 | 417.571 | 129.276 | | 546.847 |
| Change in minority interest | | | | | | | 0 | | | 0 |
| Revaluation reserve | | | | | | | 0 | | | 0 |
| Total Recognized Profit / loss for the Period | 0 | 0 | 49.594 | 425.729 | -1.963.865 | 2.232.559 | 744.017 | 96.901 | -34.996 | 805.922 |
| Balance of Equity as at June 30, 2007 | 6.576.171 | 887.366 | 1.315.605 | 6.993.150 | 7.829.948 | -3.744.033 | 19.858.208 | 2.405.295 | -281.689 | 21.981.815 |



KON. KAPLIZIAPIE & YIOI AEBE

Statement of changes in the Parents Company's Equity

| | Share Capital | Share premium | Legal reserve | Attribute to the parent's shareholders Reserve from fixed assets revaluation | Reserve of affiliated companies revaluation | Other reserves | Retained earnings | Total |
|--|------------------|----------------|------------------|---|---|------------------|-------------------|-------------------|
| Balance as at January 1st 2006 according to IFRS | 6.576.171 | 887.366 | 1.218.082 | 4.844.116 | 27.862.636 | 4.854.846 | (772.229) | 45.470.988 |
| <i>Change in Equity for the period 01/01 – 30/6/2007</i> | | | | | | | | 0 |
| Transfer of dividends to a liability account | | | | | | | (1.753.646) | (1.753.646) |
| Legal reserve | | | 28.610 | | | | (28.610) | 0 |
| Change from sale/purchase of own shares | | | | | | 3.739.806 | | 3.739.806 |
| Net results for the period 01/01-31/12/2004 | | | | | | | 3.127.311 | 3.127.311 |
| Total recognized Profit /loss for the Period | - | - | 28.610 | - | - | 3.739.806 | 1.345.055 | 5.113.471 |
| Balance of Equity as at June 30, 2006 | 6.576.171 | 887.366 | 1.246.692 | 4.844.116 | 27.862.636 | 8.594.652 | 572.826 | 50.584.459 |
| Balance as at January 1st 2007 according to IFRS | 6.576.171 | 887.366 | 1.246.692 | 7.887.643 | 27.862.636 | 7.458.267 | 833.370 | 52.752.145 |
| <i>Change in Equity for the period 01/01 – 30/6/2007</i> | | | | | | | | |
| Decrease of shareholder's equity | | | | | | | (438.411) | (438.411) |
| Transfer of dividends to a liability account | | | | | | | (49.594) | 0 |
| Legal reserve | | | 49.594 | | | | (49.594) | 0 |
| Change from sale/purchase of own shares | | | | | | 540.216 | | 540.216 |
| Property revaluation | | | | 174.713 | | | | 174.713 |
| Net results for the period 01/01-30/6/2007 | | | | | | | (128.235) | (128.235) |
| Total recognized Profit /loss for the Period | 0 | 0 | 49.594 | 174.713 | 0 | 540.216 | (616.240) | 148.283 |
| Balance of Equity as at June 30, 2007 | 6.576.171 | 887.366 | 1.296.287 | 8.062.356 | 27.862.636 | 7.998.483 | 217.129 | 52.900.428 |



ΚΩΝ. ΚΑΡΑΑΖΙΤΑΡΗΣ & ΥΙΟΙ ΑΕΒΕ

Cash flow statement

| Cash Flow Statement | GROUP period | | COMPANY period | |
|--|-------------------|--------------------|-------------------|--------------------|
| | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 |
| Cash flows from operating activities | | | | |
| Earnings for the period before taxes | 744.642 | -4.053.510 | 51.191 | 3.719.030 |
| Plus / less adjustments for : | 0 | 0 | 0 | 0 |
| Depreciations for the period | 795.151 | 759.631 | 528.016 | 518.019 |
| Provisions | 24.077 | -25.100 | 30.277 | 0 |
| Exchange difference | 12.991 | 366.937 | 0 | 401.144 |
| Results (revenues, expenses, earnings and losses) from investment activities | -2.087.704 | 14.068 | -2.060.000 | 0 |
| Loss from sale of tangible assets | 0 | 0 | 0 | 0 |
| - Grants of tangible assets | -31.735 | -61.108 | -61.653 | -61.108 |
| Interest payable and similar charges | 2.448.321 | -2.006.894 | 2.168.176 | -2.233.168 |
| Plus / less adjustments for changes of working capital or similar with operating activities | 0 | 0 | 0 | 0 |
| Reduction /(increase) of inventories | 2.268.891 | 96.915 | 2.125.516 | -2.581.455 |
| Reduction /(increase) of receivables | -1.206.178 | -3.277.443 | -1.193.806 | -6.905.618 |
| Reduction /(increase) of prepayments | -114.871 | 3.915.463 | 17.836 | 3.913.826 |
| Reduction /(increase) of short – term liabilities (except for banks and taxes) | -1.608.284 | -4.033.325 | -1.420.797 | -8.894.081 |
| Reduction /(increase) of liabilities from taxes | 211.736 | -16.933 | 0 | 0 |
| Reduction /(increase) of accruals and deferred income accounts (receive payment for grant) | 26.462 | -53.673 | 26.877 | -58.403 |
| Less : | 0 | 0 | 0 | 0 |
| Interest payable /interest receivable | -2.521.572 | -1.798.660 | -2.241.427 | -1.598.786 |
| Income tax /Tax differences / Other not charged to the operating cost taxes | -186.086 | -1.951.008 | 0 | -51.992 |
| Total of inputs /(outputs) form operating activities | -1.224.158 | -12.124.640 | -2.029.792 | -13.832.593 |
| Cash flows from investment activities | | | | |
| Acquisition of subsidiaries, affiliated companies, joint ventures and other investments | 602.117 | 8.148.357 | 602.117 | 8.148.357 |
| Purchase of tangible and intangible fixed assets | -325.275 | -883.891 | -274.278 | -445.478 |
| Amounts collected from sales tangible and intangible assets | 17.354 | 1.882 | 0 | 0 |
| Increase in other long term receivables | -23.180 | -23.000 | 0 | 0 |
| Interest collected | 1.407 | 33.771 | 1.407 | 33.771 |
| Dividends collected | 0 | 2.000 | 0 | 3.002.000 |
| Total inflows / (outflows) from investing activities (b) | 272.422 | 7.279.119 | 329.246 | 10.738.650 |
| Cash flows from financing activities | | | | |
| Amounts collected from increase in share capital | 0 | 0 | 0 | 0 |
| Amounts collected from loans received | 5.069.543 | 7.821.474 | 4.043.817 | 5.699.630 |
| Loan Payments | -5.310.359 | -1.113.946 | -3.199.169 | -739.037 |
| Settlement of liabilities from leasing | -155.571 | 169.467 | -11.841 | -54.720 |
| Dividends paid | -438.411 | -1.753.646 | -438.411 | -1.753.646 |
| Total inflows / (outflows) from financing activities © | -834.798 | 5.123.350 | 394.396 | 3.152.228 |
| Net increase /(decrease) in cash and cash equivalent in the period (a) + (b) + (c) | -1.786.534 | 277.830 | -1.306.150 | 58.284 |
| Opening balance of cash and cash equivalents | 3.272.033 | 3.261.732 | 2.013.965 | 1.332.456 |
| Closing balance of cash and cash equivalents | 1.485.499 | 3.539.562 | 707.815 | 1.390.740 |

1. Information on the group

1.1 General Information

The company C. CARDASSILARIS & SONS – CARDICO S.A. is a societe anonyme and constitutes the group's parent company. It was established with its present legal status on 30.01.1980 after the merge of the companies C. N. CARDASSILARIS & SON and C. CARDASSILARIS & SONS S.A. (FEK issue S.A. and L.T.D. 33/05.01.1980). The company is registered in the Records of Societe Anonyme, number 3760/06/β/86/05.

The company's duration has been set at fifty years and ends on 05.01.2031 according to article 2 in its statutes.

The Group's headquarters are located in Athens, on Karageorgi Servias 2 street (Syntagma Square), Zip Code 105 62. The company's administrative, commercial and productive activities take place to the company's factory, which operates as branch at the 2nd kilometer of regional Road Inois – Sximatariou, prefecture Viotia and supervised from D.O.Y. Thevon.

The financial statements for the period ending on June 30th 2007 (including the comparative data for the period ending on June 30th 2006 as well as for the period ended on December 31st 2006) were approved by the Board of Directors of the company CARDICO S.A. on August 28th 2006.

Review concerning second quarter's independent results has not been carried out by the certified auditors thus justifying exemption in their review report. According to the clauses of the degree law 360/1985 auditors review is anticipated only for the first half condensed accounts.

1.2 Nature of activities

The company's activities are importing, exporting and processing nut products. It imports dried nuts mostly from the USA, Turkey, Iran, Moldavia, and Argentina and it exports its products to 26 countries, mostly Italy, France, Eastern Europe and Germany.



ΚΩΝ. ΚΑΡΔΑΜΩΝΙΔΗΣ & ΥΙΟΙ ΑΕΒΕ

The company supplies industries producing chocolate and pastries, wholesalers of dried nuts, units processing dried nuts, super market chains and big stores selling in retail dried nuts.

Additionally the company elaborates and trades in pastry items.

2. Basis for preparation of the financial statements

The consolidated financial statements of **Cardico S.A.** as of June 30st, 2007 have been compiled based on the historic cost principle as this is amended by the readjustment of specific asset and liability items into market values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

During 2004 and 2004 the IASB has issued a series of standards that are referred to as the "IFRS Stable Platform 2005". The Group uses the IFRS Stable Platform 2005 from January 1st, 2005 onwards.

The policies mentioned below have been consistently applied throughout all the periods presented.

The compilation of financial statements according to the IFRS requires the use of estimates and judgments during the application of the Company's accounting principles. Important assumptions made by the management for the application of the company's accounting methods have been appropriately highlighted whenever this has been deemed necessary.

3. Basic accounting principles

The accounting principles according to which the attached financial statements are compiled and which the Group applies are consistent with the ones used for the year 2005.

3.1 New accounting principles and interpretations of IFRIC

The International Accounting Standards Board and the Interpretations Committee have already issued a series of new accounting standards and interpretation that are not included in the "IFRS Stable Platform 2005". The IFRS and IFRIC are mandatory for the accounting
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periods beginning from January 1st 2006. The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

- IAS 19. (Amendment) Employee Benefits (effective date 1/1/2006)

The particular amendment is obligatory for the accounting periods starting at or after the 1st of January 2006. This amendment gives an alternative way for the recognition of actuarial gains or losses. It is possible that it will enforce more ways of recognition for multi-employer plans, for which there isn't sufficient information about the accounting method for the determined benefits, also more disclosures are required. Since the company is not willing to change the accounting principle applied for the recognition of the actuarial gains or losses and is not participating in a multi-employer plan the implementation of this amendment is not expected to affect the company's financial statements.

- IAS 39(Amendment). Selection of Fair Value

This amendment constraints the classification of the financial instruments to financial instruments valued at fair value through the Profit & Loss account. The company is not expected to be affected by the adoption of the amendment since it does not have any financial instruments that are classified as financial instruments valued at fair value through the Profit & Loss account.

3.2 Standards, amendments and interpretations effective in 2006 that are not related with the company's activities

IFRS 1 (Amendment), First Time Adoption of IFRS

IAS 21 (Amendment), Effects of Changes in the Exchange Rates

IAS 39 and IFRS 4 (amendment), Insurance Contracts

IAS 39 (Amendment), Cash flow hedging in foreseeable inter-company transactions.

IFRS 6, Exploration for and evaluation of Mineral Resources

IFRIC 4, Determining whether a contract contains a lease

IFRIC5, Rights to Interests arising from Decommissioning, Restoration, and Environmental Rehabilitation Funds

IFRIC 6, Liabilities arising from participating in a specific Market- Waste Electrical and Electronic equipment.

IFRIC 7, Implementation of restatement method on Hyperinflationary economies.

IFRIC 8, Scope of IFRS 2



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IFRIC 9, Revaluation of Embedded Derivatives

IFRIC 10, Interim Financial Statements and Impairment.

3.3 Standards, amendments and interpretations of standards already in effect with future implementation date (no discretionary implementation by the company)

The IASB has already issued a series of new standards and interpretations that can be adopted at a later date of 1.1.2006. The company's estimation in regard to the effect of these new standards and interpretations is as follows:

IAS 1 (Amendment) Capital Disclosures

Due to the issuance of IFRS 7 more disclosures in regards with IAS 1 are required in order for the company to disclose more useful information relating to its policies and procedures in capital management . The company will implement the amendment of IAS 1 starting at 1/1/2007

IFRS 7 Financial Instruments: Disclosures

IFRS 7 is referred to all the risks that derive from all financial instruments, except those that are particularly excluded (e.g. interests in subsidiaries, related parties, and joint ventures). IFRS 7 requires to disclose the significance of the instruments for the performance and the financial position of the company. As well qualitative and quantitative information is required in regards to the risks from the use of instruments. The company will adopt IFRS starting at 1/1/2007.

IFRS 8 Segment Reporting

IFRS 8 will replace IAS 14 and sets different requirements in regards to segment reporting. IFRS's 8 Effective date is the 1/1/2009 and it is expected to be adopted by the company.

IFRIC 11 IFRS 2 Share Base payments

The interpretation gives guideline on whether a payment agreed based on the share price of the entity which receives goods or services in return for its shares will be recorded as transaction settled in shares or as transactions settled in cash. IFRIC's 11 effective date is 1/1/2007 and is not expected to be adopted by the company.

IFRIC 12 Service concession arrangements

IFRIC 12 deals with the way with which the managers of the concession of services right will need to apply IFRS's in order to record the obligations and rights deriving from the Service concession agreements. IFRIC's 12 effective date is 1.1.2008 and it is not expected to affect the financial statements of the company.

3.4 Important Accounting decisions, estimations and assumptions.

Compilation of the financial statements according to IFRS's, requires management to take decisions, carry out estimations and use assertions that have effect on the amounts according to which the assets, the liabilities income and expenses are presented. Real amounts may be altered due to these estimations. The estimations are constantly evolving and are base in historical facts and other factors, such as expectations of future events that are expected to occur under the current circumstances.

3.5 Segment reporting

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions.

A business segment is defined as a group of assets and activities that provide goods and services, that are subject to different risks and returns than other business segments.

The production, elaboration and trading of a massive variety of nut products is the main activities of the group. Geographically, the Group is active in the Greece, the Eurozone (mainly in France and U.K.) and Other Countries.

3.6 Consolidation

Subsidiaries: All the companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or through its dependence on the know-how provided from the Group. That is



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to say that subsidiaries are companies in which control is exercised by the parent. Cardico S.A. acquires and exercises control through voting rights. The existence of potential voting rights that are exercisable at the time the financial statements are compiled, is taken into account in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the results.

Specifically as regards to business combinations that had taken place prior to the Group's transition date to the IFRS (January 1st, 2004) the exemption provided under IFRS 1 was used and the purchase method was not used retroactively. Based on this exemption the Company did not recalculate the acquisition cost of the subsidiaries that had been acquired prior to the date of transition to the IFRS, nor the fair value of the acquired assets and liabilities at the date of acquisition. Consequently, the goodwill recognized as at the transition date, was based on the IFRS 1 exemption, was calculated based on the prior accounting principles and was presented in the same way as the group's last published financial statements before the transition to IFRS.

Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also written-off except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Associates: Associates are companies on which the Group can exert significant influence but which do not fulfill the conditions to be classified as subsidiaries or joint ventures. The



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assumptions used by the group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method. At the end of each period, the cost increases by the proportion of the investing company in the changes in net worth of the company it invests in and decreases by the dividends received from the associate.

As regards to the acquisition goodwill, it decreases the participation value by burdening the period's results, when its value decreases.

The Group consolidated using the net equity method an affiliated company which was not consolidated in accordance with the previous accounting principles. The surplus value arisen was disclosed in the transitional balance sheet as surplus value in the assets of the consolidated balance sheet. In the subsequent financial statements its value will be reduced.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition is recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, unless it has covered liabilities or made payments on behalf of the associate or those that emerge from ownership.

3.7 Group Structure

The structure of the Group on 30st June 2007 is as follows:



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| CONSOLIDATION METHOD AND PERCENTAGES | | |
|--------------------------------------|--------------------|---------|
| CARDICO ABEE | MOTHER | |
| ECHALIE S.A | FULL CONSOLIDATION | 100,00% |
| TESCO S.A | FULL CONSOLIDATION | 51,00% |
| XIROFRUIT S.A. | FULL CONSOLIDATION | 57,69% |
| NUT COMPANY AEBET | FULL CONSOLIDATION | 57,50% |
| SIFAKIS S.A | FULL CONSOLIDATION | 51,00% |
| SDOUKOS S.A | EQUITY | 24,92% |
| CARDICO SRL (MOLDOVA) | FULL CONSOLIDATION | 92,86% |
| CARDICO LTD GEORGIA | FULL CONSOLIDATION | 100,00% |

During the presented period the company's structure has not been changed.

3.8 Foreign currency conversion

The measurement of the items in the financial statements of the Group's companies is based on the currency of the primary economic environment in which the Group operates (operating currency). The consolidated financial statements are reported in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries.

Transactions in foreign currencies are converted to the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the results.

The Group's foreign activities in foreign currency (which constitute an inseparable part of the parent's activities), are converted to the operating currency using the rates in effect at the date of the transaction, while the asset and liability items of foreign activities, including surplus value and fair value adjustments, that arise during the consolidation, are converted to euro using the exchange rates that are in effect as at the balance sheet date.

The individual financial statements of companies included in the consolidation, which initially are presented in a currency different than the Group's reporting currency, have been converted to euros. The asset and liability items have been converted to euros using the



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exchange rate at close of the balance sheet date. The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period. Any differences that arise from this process, have been debited / (credited) to the equity reserve for translation of subsidiaries' balance sheets in foreign currency.

3.9 Tangible assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as such was determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured. The repair and maintenance cost is booked in the results when such is realized.

Depreciation of tangible fixed assets (other than plots which are not depreciated) is calculated using the straight line method over their useful lives, as follows:

| | |
|----------------------|--------------|
| Land | 9 – 50 years |
| Mechanical equipment | 6 – 20 years |
| Vehicles | 6 – 10 years |
| Other equipment | 4 – 7 years |

(*) The new premises of the parent company have useful life 50 years.

The residual values and useful economic lives of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the results.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value are booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed tangible fixed assets constitute an addition to the acquisition cost of tangible assets at a value that includes the direct cost of employee's salaries (including the relevant employer's contributions), the cost of materials used and other general costs.

3.10 Intangible assets

The intangible assets include software programs, software licenses and the goodwill arose from the consolidation of an associate company.

Software: Software licenses are valued at their acquisition cost less any accumulated depreciations. Depreciations are conducted with the straight-line method over their useful lives, which ranges from 3 to 6 years.

Goodwill: The Group recorded in that account the surplus value arising from the consolidation of an affiliated company, based on the net equity method, which had not been included in the consolidated financial statements in compliance with the previous accounting principles. This surplus value will not be amortized but instead it will be examined on an annual basis for any reduction in its value, if there are facts providing indication for loss according to IAS 36.

Surplus value arisen from the acquisition of subsidiary companies in previous years which had been recorded according to the previous accounting principles as negative in consolidated capital and reserves continues to reduce capital and reserves (at results carried forward of the Group).

Any new surplus value arising in the future the company may, according to IFRS 3 – Companies consolidation, disclose it as an item in assets instead of an item reducing capital and reserves of the Group.

In general, surplus value is recorded as the difference between cost value and a fair value in assets and liabilities of a subsidiary / associated company as at the date of acquisition. The

company at the purchase date recognizes the surplus value arising from the purchase, as an item in assets and discloses it in cost. This cost is equal to the amount by which the consolidation cost exceeds the share of the company, in assets, liabilities and contingent liabilities of the acquired company.

Following the initial recognition the surplus value is evaluated at cost less accumulated losses due to the reduction in its value. Surplus value is not amortized but instead it is examined on an annual basis for any reduction in its value, if there are facts providing indication of a loss according to IAS 36.

If acquisition cost is lower than the company's share in the acquired company's capital and reserves, the former recalculates the acquisition cost, evaluates asset items, liabilities and contingent liabilities of the acquired company and records directly to profit and loss account any difference outstanding after the recalculation as profit.

3.11 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

3.12 Financial instruments

Financial instrument is any contract that creates a financial asset in an enterprise and a financial liability or equity instrument in another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise financial assets that held for trading purposes.

Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and receivables

They include non-derivative financial assets with fixed or predefined payments which are not traded in active markets. The following are not included in this category (loans and receivables):

- a) Receivables from down payments for the purchase of goods or services,
- b) receivables relating to tax transactions, which have been legislatively imposed by the state,
- c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is farther than 12 months from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non derivative financial assets with fixed or defined payments and specific maturity and which the Group intends to hold until their maturity.

iv) Financial assets available for sale

These include non derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Following, the financial assets available for sale are valued at fair value and the relevant profit or loss is booked in equity reserves until such assets are sold or characterized as impaired.

During the sale, or when they are characterized as impaired, the profit or loss is transferred to the results. Impairment losses that have been booked to the results are not reversed through the results.

The purchases and sales of investments are recognized during the transaction date, which is also the date the Group commits to purchase or sell the item. Investments are initially recognized at fair value plus the directly related to the transaction costs. The costs directly related to the transaction is not added for items that are valued at fair value with changes in the results. Investments are written-off when the right on cash flows from investments mature or is transferred and the Group has essentially transferred all the risks and rewards implied by the ownership.

The loans and receivables are recognized in the net book value based on the real interest rate method.

The realized and unrealized profit or losses that arise from changes in the fair value of financial assets valued at fair value with changes in the results, are recognized in the results of the period they result in.

The fair values of financial assets that are traded in active markets, are defined by the current ask prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category Financial assets available for sale, and whose fair value cannot be determined with credibility, are valued at their acquisition cost.

At each balance sheet date the Group assess whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If



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impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

3.13 Inventories

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any relevant sales expenses. The cost of inventories does not include financial expenses.

3.14 Trade receivables

Receivables from customers are initially booked at their fair value and are subsequently valued at their net book cost using the method of the effective interest rate, less the provision for impairment. In the event that the net book value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the real initial interest rate.

The relevant loss is immediately transferred to the period's results. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.15 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the profit and loss account.

3.16 Non-current assets classified as held for sale

The assets available for sale also include other assets (including Goodwill) and tangible fixed assets that the Group intends to sell within one year from the date such are classified as "Held for sale".

The assets classified as "Held for sale" are valued at the lowest value between their book value immediately prior to their classification as available for sale, and their fair value less the sale cost. Assets classified as "Held for sale" are not subject to depreciation. The profit or loss that results from the sale and reassessment of assets "Held for sale" is included in "other income" and "other expenses" respectively, in the income statement.

3.17 Own shares

After the acquisition of own shares, the amount paid, including any relevant expenses, is disclosed reducing capital and reserves.

3.18 Income tax & deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.

Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods (tax audit differences).

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.

Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities.

Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, such as the revaluation of property value, that results in the relevant change in deferred tax assets or liabilities being charged against the relevant equity account.

3.19 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. The company officially or unofficially does not implement any special plan for benefits to its employees. The only plan implemented is the conventional obligation (based on Greek law 2112/20) to provide a lump sum. For the above amount the company makes a provision when considered necessary according to an actuarial study.

3.20 Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria:

- a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and
- b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

3.21 Provisions

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed during the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.22 Recognition of income and expenses

Income: Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.

- **Provision of services:** Income from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Income Interest:** Interest income is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial real interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.
- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.
- **Compensations:** Compensations are accounted as revenue when the right to receive payment is established.
- **Profits of assets disposal:** These profits (i.e. profits from the disposal of tangible assets), are recorded as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the results on an accrued basis. The payments made for operating leases are transferred to the results as an expense, during the time the lease is used. Interest expenses are recognized on an accrued basis.

3.23 Leases

Group company as Lessee: Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases.

These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.

Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating



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leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.

3.24 Dividend distribution

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date on which the distribution is approved by the General Meeting of the shareholders.

4. Business Risk Management

Financial Risk Factors

Group is exposed to risks that emerge from changes in foreign exchange rates, interest rates as well as to credit risks and liquidity risks.

Market Risk

Foreign Exchange Risk

The Group operates worldwide and therefore it is exposed to an foreign exchange risk. This risk mostly derives from future transactions, receivables and payables in foreign currency and net investments in companies abroad.

Price risk

The Group is exposed to the risk arising due to changes in the value of raw material and merchandise and to changes in the value of shares held for trading or selling.

Credit Risk

The Group does not have a significant credit risk. Wholesales are mostly made to clients with a reliable credit record.



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The company's client list is quite wide given that it includes 550 different clients. Key clients of the company are the following:

- Big Super Market chains
- Commercial business for wholesale or retail sale of dried nuts
- Chocolate and pastry industrial units
- Units processing dried nuts

Liquidity Risk

Liquidity risk is kept at normal levels with sufficient cash available and credit limits.

5. Financial information by sector

Primary information sector – Geographic segments

The Group is active in seven geographic segments: Greece – France – Other countries

The results for each segment are analyzed as follows:

1/1 - 30/6/2006

| | GREECE | FRANCE | OTHERS | TOTAL | INTER – COMPANY ELIMINATIONS | CONSOLIDATED BALANCE |
|---|------------------|-------------------|------------------|-------------------|---------------------------------|-------------------------|
| Sales | 31.901.355 | 46.488.000 | 15.301.509 | 93.690.864 | 6.760.775 | 86.930.089 |
| Cost of goods sold | 28.505.022 | 49.571.000 | 13.657.532 | 91.733.554 | | 84.972.779 |
| Gross Profit | 3.396.333 | -3.083.000 | 1.643.976 | 1.957.310 | | 1.957.310 |
| Other operating income | 2.226.945 | 0 | | 2.226.945 | 0 | 2.226.945 |
| Administration expenses | 1.164.141 | 703.000 | 597.860 | 2.465.002 | | 2.465.002 |
| Distribution expenses | 1.836.970 | 1.893.000 | | 3.729.970 | | 3.729.970 |
| Other operating expenses | 931.874 | 111.000 | | 1.042.874 | 26.400 | 1.016.474 |
| Operating Results | 1.690.292 | -5.790.000 | 1.046.116 | -3.053.592 | | -3.027.192 |
| Financial Income | 3.865.182 | 229.000 | 13.838 | 4.108.020 | 3.000.000 | 1.108.020 |
| Financial Expenses | 1.779.209 | 263.000 | 52.680 | 2.094.888 | | 2.094.888 |
| Loss from investments in affiliated companies | | | | | -39.450 | -39.450 |
| Earnings before taxes | 3.776.265 | -5.824.000 | 1.007.275 | -1.040.459 | | -4.053.509 |
| Tax Expense | -574.931 | 1.913.000 | -178.698 | 1.159.371 | | 1.159.371 |
| Earnings after tax | 3.201.334 | -3.911.000 | 828.577 | 118.911 | | -2.894.139 |
| Net earnings | 3.201.334 | -3.911.000 | 828.577 | 118.911 | | -2.894.139 |
| Minority Interests | 20.955 | 0 | 406.003 | 426.958 | -96.863 | 330.095 |
| Net earnings for the period | 3.222.289 | -3.911.000 | 1.234.579 | 545.869 | | -3.224.235 |



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1/1 - 30/6/2007

| | GREECE | FRANCE | OTHERS | TOTAL | INTER - COMPANY ELIMINATIONS | CONSOLIDATED BALANCE |
|---|------------------|------------------|------------------|------------------|---------------------------------|-------------------------|
| Sales | 25.343.434 | 29.701.000 | 15.440.222 | 70.484.655 | 5.462.029 | 65.022.626 |
| Cost of goods sold | 22.634.005 | 26.211.000 | 14.336.645 | 63.181.650 | | 57.719.621 |
| Gross Profit | 2.709.429 | 3.490.000 | 1.103.577 | 7.303.006 | | 7.303.006 |
| Other operating income | 187.678 | 0 | 18.650 | 206.328 | 0 | 206.328 |
| Administration expenses | 1.070.369 | 579.000 | 616.470 | 2.265.839 | | 2.265.839 |
| R&D expenses | 0 | | | 0 | | 0 |
| Distribution expenses | 1.436.986 | 1.983.000 | 0 | 3.419.986 | | 3.419.986 |
| Other operating expenses | 193.276 | 89.000 | 373 | 282.649 | 35.200 | 247.449 |
| Operating Results | 196.477 | 839.000 | 505.383 | 1.540.860 | | 1.576.060 |
| Financial Income | 612.351 | 21.000 | 1.244 | 634.595 | 0 | 634.595 |
| Financial Expenses | 3.039.805 | 378.000 | 100.581 | 3.518.387 | | 3.518.387 |
| Profit revaluation of property investments | 2.060.000 | | | 2.060.000 | | 2.060.000 |
| Loss from investments in affiliated companies | | | | 0 | | -7.626 |
| Earnings before taxes | -170.978 | 482.000 | 406.046 | 717.068 | | 744.642 |
| Tax Expense | -168.125 | -26.000 | -3.670 | -197.795 | | -197.795 |
| Earnings after tax | -339.103 | 456.000 | 402.376 | 519.273 | | 546.847 |
| Net earnings | -339.103 | 456.000 | 402.376 | 519.273 | | 546.847 |
| Minority Interests | -96.805 | 0 | 184.255 | 87.450 | 41.826 | 129.276 |
| Net earnings for the period | -435.908 | 456.000 | 586.631 | 606.723 | | 417.571 |

Secondary information sector

The group is active in three business segments:

- Industrial activity
- Commercial activity
- Sales of other stocks

The Group's sales by Business segment and item are analyzed as follows:

| | 1/1 - 30/6/2007 | 1/1/-30/6/2006 |
|---------------------|-------------------|-------------------|
| COMMERCIAL ACTIVITY | 43.857.414 | 63.740.671 |
| INDUSTRIAL ACTIVITY | 26.337.261 | 29.536.046 |
| OTHER ACTIVITIES | 289.980 | 414.147 |
| TOTAL | 70.484.655 | 93.690.864 |
| Less : | | |
| Internal sales | 5.462.029 | 6.760.775 |
| TOTAL | 65.022.626 | 86.930.089 |

6. Notes on the Financial Statements

6.1 Investment property

The Cardico's Group at the start of the second trimester of the year 2007 decided that it should redefine the use of its non current asset (tangible assets) as it expects more profitable investments. Specifically, the management of the company considering the

positive prospects (which have been made known to the press) about the growth of the region of Rouf (Athens suburb near the centre of the town) decided at April 2007 that his own building which is based in this area will not be used for industrial activities but other uses will be judged from the company, for more efficient utilization of the building. Thus, the management transferred this building (including the land) from the category of tangible assets of its own usage in the balance sheet, to the category of the investment property in the balance sheet. At 29/6/2007 the company revaluated the above asset and the amount of the revaluation € 2.060.000 benefited the profit and loss account of the interim period 1/1/2007 – 30/6/2007 as it shows the table below:

| | GROUP Investment Property | COMPANY Investment Property |
|---|--|--|
| Gross Book Value | 0,00 | 0,00 |
| Accumulated depreciation and value impairment | 0,00 | 0,00 |
| Book value as at January 1st 2006 | 0,00 | 0,00 |
| Gross Book Value | 0,00 | 0,00 |
| Accumulated depreciation and value impairment | 0,00 | 0,00 |
| Book value as at December 31st 2006 | 0,00 | 0,00 |
| Gross Book Value | 8.065.686,52 | 7.700.000,00 |
| Accumulated depreciation and value impairment | 0,00 | 0,00 |
| Book value as at June 30st 2007 | 8.065.686,52 | 7.700.000,00 |
| | Investment Property | Investment Property |
| Book value as at January 1st 2006 | 0,00 | 0,00 |
| Additions | 0,00 | 0,00 |
| Profit/loss from change in fair value | 0,00 | 0,00 |
| Other adjustments | 0,00 | 0,00 |
| Reductions | 0,00 | 0,00 |
| Depreciations | 0,00 | 0,00 |
| Book value as at December 31st 2006 | 0,00 | 0,00 |
| Additions | 0,00 | 0,00 |
| Profit/loss from change in fair value | 2.060.000,00 | 2.060.000,00 |
| Change made from revaluation | 2.673.584,08 | 2.319.337,74 |
| Adjustments - transfers | 3.332.102,44 | 3.320.662,26 |
| Reductions | 0,00 | 0,00 |
| Depreciations | 0,00 | 0,00 |
| Book value as at June 30st 2007 | 8.065.686,52 | 7.700.000,00 |

6.2 Total equity

i) Fair Value Reserves

The analysis of fair value reserves as regards to the Group, is as follows:

| | GROUP | | | COMPANY Reserve or affiliated companies | | |
|---|-----------------------------------|--|------------------|--|-------------------|-------------------|
| | Revaluation of tangible assets | Reserve of affiliated companies revaluation | Total | Revaluation of tangible assets | Total | Total |
| Balance as at 31st December 2005 | 4.968.938 | 1.115 | 4.970.054 | 4.844.116 | 27.862.635 | 32.706.752 |
| Deferred tax amendment | | (1.569.663) | (1.569.663) | | | 0 |
| Revaluation reserve | 3.167.031 | | 3.167.031 | 3.043.527 | - | 3.043.527 |
| Balance as at 31st December 2006 | 8.135.969 | (1.568.548) | 6.567.422 | 7.887.643 | 27.862.635 | 35.750.279 |
| Revaluation reserve | 425.729 | | 425.729 | 174.713 | | 174.713 |
| Balance as at 30st June 2007 | 8.561.698 | (1.568.548) | 6.993.151 | 8.062.356 | 27.862.635 | 35.924.992 |

ii) Other reserves

The Group's other reserves are analyzed as follows:

| | GROUP Reserve of own | | | |
|---|-------------------------|--------------------|-------------------|-------------------|
| | Legal reserve | shares | Other reserves | Total |
| Balance as at January 1st 2005 | 1.237.401 | (4.636.895) | 10.121.859 | 6.722.365 |
| Changes during the period | | | 246.000 | 246.000 |
| Other changes | - | - | (87.870-) | (87.870) |
| Balance as at December 31st 2005 | 1.237.401 | (4.636.895) | 10.279.989 | 6.880.495 |
| Changes during the period | 28.610- | | | 28.610 |
| Transfer of reserves of retained earnings from subsidiary | | | 1.547.000 | 1.547.000 |
| Sales of parent's shares (Own shares) | | 2.603.720- | | 2.603.720- |
| Balance as at 31st December 2006 | 1.266.011 | (2.033.175) | 11.826.989 | 11.059.825 |
| Changes during the period | 49.594 | | | 49.594 |
| Purchase/Sell of own shares | | 540.216 | | 540.216 |
| Other adjustments | | | (1.082) | (1.082) |
| Transfer of reserves of retained earnings from subsidiary | | | (2.503.000) | (2.503.000) |
| Balance as at 30st June 2007 | 1.315.605 | (1.492.959) | 9.322.907 | 9.145.553 |

6.3 Loan liabilities

| | GROUP | | COMPANY | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30/6/2007 | 31/12/2006 | 30/6/2007 | 31/12/2006 |
| Long – term loans | | | | |
| Debenture loans | 11.800.000,54 | 11.800.000,00 | 11.800.001 | 11.800.000 |
| Bank loans | 4.232.584 | 4.955.719 | 2.901.379 | 3.428.571 |
| Total of long – term loans | 16.032.584 | 16.755.719 | 14.701.379 | 15.228.571 |
| Short – term loans | | | | |
| Long – term liabilities payable at next period | 7.666.898 | 7.902.429 | 7.429.898 | 7.671.429 |
| Bank loans | 63.995.228 | 63.274.995 | 47.724.496 | 46.111.125 |
| Total of short – term loans | 71.662.126 | 71.177.423 | 55.154.393 | 53.782.553 |
| TOTAL | 87.694.710 | 87.933.142 | 69.855.772 | 69.011.125 |

The average interest of the loans receivable by the company is valued at 6%.

6.4 Current tax liabilities

The tax difference on the Group's profits before taxes is different from the amount which would have supposedly arisen if the weighted average tax rate had been used on the profits of the consolidated companies. This difference is presented in the following table:

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 30/6/2007 | 31/12/2006 | 30/6/2007 | 31/12/2006 |
| Tax expense that corresponds to the period | (29.670) | 2.651.904 | 0 | 213.425 |
| Other tax liabilities | 509.076 | (2.015.965) | 168.129 | 335.988 |
| TOTAL | 479.407 | 635.939 | 168.129 | 549.413 |

6.5 Earnings per share

| | GROUP | | COMPANY | |
|---|------------|-------------|------------|------------|
| | 30/6/2007 | 30/6/2006 | 30/6/2007 | 30/6/2006 |
| Earnings that correspond to the parents' shareholders | 417.571 | (3.224.235) | (128.235) | 3.127.311 |
| Weighted average number of shares | 21.686.172 | 21.819.533 | 21.726.172 | 21.819.533 |
| Basic earnings per share (euro per share) | 0,02 | (0,15) | (0,01) | 0,14 |

6.6 Contingencies

Information regarding contingent liabilities

Against the company there are legal claims a) of a company named "Hellenic Investments SA – Investment Consultants" of total amount €486.311,43 which arise from signed agreements pertaining to the supervision of the construction of the new plant in Schimatari. The above claims are under arbitration by the appropriate authority which is currently examining the relevant evidence. According to the company's legal consultant it is highly likely that the above claims be rejected. B) Of a company named KENTFORD LIMITED with seat in Ireland and in Moldavia of total amount €12.715.689. At the 10/09/2001 were signed a contract between Mrs.[Kardasilaris] and Sons S.A and the above company for the transfer of a Moldavian company of her property named KENTFORD SRL against price USD 200.000.



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Mrs. [Kardasilaris] and Sons [AEBE] in year 2002 withdrew the agreement concerning the acquiring of buying the shares of company KENTFORD SRL, as it was initially provided by the convention, after the weakness of the co-contractor company to ensure us for the safety of the undertaking. This weakness resulted to our company decision not to remain in the unstable commercial market of Moldavia as exporter. According to the company's legal consultant the above claim is not to flourish. Other than the above there are no cases under dispute or arbitration which might have a significant effect on the financial situation or operation of the Group. The years for which the Group's companies have not been inspected by the tax authorities are as follows:

| COMPANY NAME | UNINSPECTED TAX YEARS |
|-----------------|-----------------------|
| CARDICO SA | 2004-2006 |
| NUT COMPANY SA | 2002-2006 |
| XIROFRUIT SA | 2003-2006 |
| SIFAKIS SA | 2003-2006 |
| SDOUKOS ANT. SA | 2003-2006 |

6.7 Transactions with affiliated parties

INTERCOMPANY SALES PURCHASES 1/1 - 30/06/2006 BUYER

| | CARDICO ABEE | ECHALIE S.A | TESCO S.A | XIROFRUIT S.A. | SIFAKIS S.A | NUT COMPANY S.A. | CARDICO MOLDAVIA | CARDICO GEORGIA | TOTAL |
|------------------|------------------|-------------|-----------|----------------|-------------|------------------|------------------|-----------------|-----------|
| S A L E | CARDICO ABEE | 1.223.412 | 1.038.978 | 757.192 | 399.456 | | | | 3.419.039 |
| | ECHALIE S.A | 918.749 | 1.456.000 | | | | | | 2.374.749 |
| | TESCO S.A | 621.697 | 331.000 | | | | | | 952.697 |
| | XIROFRUIT S.A. | | | | | | | | 0 |
| | SIFAKIS S.A | 12.000 | | | | | | | 12.000 |
| | NUT COMPANY S.A. | 2.292 | | | | | | | 2.292 |
| TOTAL | 1.554.737 | 1.554.412 | 2.494.978 | 757.192 | 399.456 | 0 | | | 6.760.775 |

INTER COMPANY RECEIVABLES - LIABILITIES 31/12/2006 Liability

| | CARDICO ABEE | ECHALIE S.A | TESCO S.A | XIROFRUIT ABEE | SIFAKIS S.A. | NUT COMPANY S.A. | CARDICO MOLDAVIA | CARDICO GEORGIA | TOTALS |
|--|---------------------------|-------------|-----------|----------------|--------------|------------------|------------------|-----------------|-----------|
| R e c e i v a b l e | CARDICO ABEE | 2.586.474 | 598.939 | 822.971 | 932.910 | 9.646 | 10.063 | -6.652 | 4.954.351 |
| | ECHALIE S.A | 913.191 | 694.000 | | | | | | 1.607.191 |
| | TESCO S.A | -8.814 | 598.000 | | | | | | 589.186 |
| | XIROFRUIT ABEE | | | | | | | | 0 |
| | SIFAKIS S.A. | 15.549 | | | | | | | 15.549 |
| | NUT COMPANY S.A. | -2.056 | | | | | | | -2.056 |
| | CARDICO MOLDAVIA | -158.784 | | | | | | | -158.784 |
| | CARDICO GEORGIA ΣΥΝΟΛΑ | -206.339 | | | | | | | -206.339 |
| | 552.747 | 3.184.474 | 1.292.939 | 822.971 | 932.910 | 9.646 | 10.063 | -6.652 | 6.799.097 |



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INTERCOMPANY SALES PURCHASES 1/1 - 30/6/2007
BUYER

| | CARDICO ABEE | ECHALIE S.A | TESCO S.A | XIROFRUIT ABEE | SIFAKIS S.A. | NUT COMPANY S.A. | CARDICO MOLDAVIA | CARDICO GEORGIA | ΣΥΝΟΛΑ |
|------------------|--------------|-------------|-----------|----------------|--------------|------------------|------------------|-----------------|-----------|
| CARDICO ABEE | | 1.275.901 | 680.405 | 439.583 | 255.067 | | | | 2.650.956 |
| ECHALIE S.A | 485.050 | | 1.156.000 | | | | | | 1.641.050 |
| TESCO S.A | 668.023 | 502.000 | | | | | | | 1.170.023 |
| XIROFRUIT ABEE | | | | | | | | | 0 |
| SIFAKIS S.A. | | | | | | | | | 0 |
| NUT COMPANY S.A. | | | | | | | | | 0 |
| CARDICO GEORGIA | | | | | | | | | 0 |
| ΣΥΝΟΛΑ | 1.153.073 | 1.777.901 | 1.836.405 | 439.583 | 255.067 | 0 | 0 | 0 | 5.462.029 |

INTER COMPANY RECEIVABLES -LIABILITIES 30/06/2007
Liability

| | CARDICO ABEE | ECHALIE S.A | TESCO S.A | XIROFRUIT S.A. | SIFAKIS S.A | NUT COMPANY S.A. | CARDICO MOLDAVIA | CARDICO GEORGIA | TOTAL |
|------------------|--------------|-------------|-----------|----------------|-------------|------------------|------------------|-----------------|-----------|
| CARDICO ABEE | | 3.069.509 | 655.761 | 428.648 | 734.432 | 139.646 | 12.550 | 8.605 | 5.049.149 |
| ECHALIE S.A | 905.507 | | 1.197.000 | | | | | | 2.102.507 |
| TESCO S.A | -131.201 | 1.100.000 | | | | | | | 968.799 |
| XIROFRUIT S.A. | | | | | | | | | 0 |
| SIFAKIS S.A | | | | | | | | | 0 |
| NUT COMPANY S.A. | -2.056 | | | | | | | | -2.056 |
| CARDICO MOLDAVIA | -185.998 | | | | | | | | -185.998 |
| CARDICO GEORGIA | -220.716 | | | | | | | | -220.716 |
| TOTAL | 365.535 | 4.169.509 | 1.852.761 | 428.648 | 734.432 | 139.646 | 12.550 | 8.605 | 7.711.684 |

The above transactions and balances have been written-off from the Group's consolidated financial statements.

Sales and purchases from the beginning of 2007 and the balances of receivables and liabilities of the company and the group at the end of the current period, as these derive from the transaction with related parties(per IAS 24) summarize as follows:

| | GROUP | Company |
|--|---------|-----------|
| Sales of goods and services | 0 | 2.650.956 |
| Purchase of goods and services | 0 | 1.153.073 |
| Receivables | 0 | 5.049.149 |
| Liabilities | 0 | 365.535 |
| Transactions and fees paid to board of Directors | 212.492 | 129.478 |
| Receivables from company directors | 400.000 | 0 |
| Liabilities to company Directors | 0 | 0 |



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6.8 Number of employees

The number of the engagement personnel of the Company as at 30.6.2007 was 100 employees and of the Group 212 employees.

6.9 Mortgages and prenotations

On the parent company's buildings and land there is a mortgage in favor of bond holding loaners for the amount of € 32.000.000, while on buildings and land of the subsidiary company SIFAKIS SA there is a prenotation of mortgage for the amount of € 2.530.000.

6.10 Dividends

The dividend distribution, at the shareholders of the parent, is recognized as liability in the consolidated financial statements on the date that this distribution is approved by the General Meeting of the shareholders.

The Company's administration, during the previous period suggested the distribution of dividend equal to 0,02 € per share, compared to 0,08 € per share on 2005. During the annual tactical General Meeting of the shareholders, which took place on June 29 2007, it was decided that the dividend payment for the period ended on December 31st 2006 would be equal to 0,02 € per each share, net and tax free.

6.11 Events after the balance sheet date

Apart from the aforementioned events, there are no events after the balance sheet date, which concern either the Group or the Company and whose disclosure is required by the International Financial Reporting Standards.