

F.G. EUROPE S.A.

**128, Vouliagmenis Ave.
166 74 Glyfada - Greece
P.C. Reg. No. 13413/06/B/86/111**

**INTERIM FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE SIX-MONTHS PERIOD
ENDED JUNE 30, 2007
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IAS 34)**

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These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on July 30, 2007 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>.

Chairman of the Board
of Directors

Georgios Fidakis
ΑΔΤ Ν 000657

Managing Director

John Pantousis
ΑΔΤ Ξ 168490

Finance Manager

Michael Poulis
ΑΜ ΟΕΕ 020873

Accounting Supervisor

Athanasios Harbis
ΑΜ ΟΕΕ 0002386

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the shareholders of F.G. EUROPE S.A.

Introduction

We have reviewed the accompanying (separate and consolidated) balance sheet of **F.G. EUROPE S.A.** as of June 30, 2007 and the related (separate and consolidated) statements of income, changes in equity and cash flows for the six month period then ended as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards, as these are adopted by the European Union and applied to interim financial information (“IAS 34,,). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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 Standards on Auditing refer”. 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying (separate and consolidated) condensed interim financial information is not prepared, in all material respects, in accordance with (“IAS 34,,). Without qualifying our conclusion, we draw attention to note 4 in the Notes, where reference is made to the fact that some of the tax returns of the companies of the Group, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in this respect.

Athens, 2 August 2007

Panagiotis Papakonstantinou

SOEL Reg. No. 16651

Panagiotis Vroustouris

SOEL Reg. No. 12921

SOL S.A. – Certified Public Accountants Auditors

3 Fokionos Negri, 112 57 Athens

F.G. EUROPE S.A.
Statements of Income (Consolidated)
For the Six-Months periods ended June 30, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated			
		For the Six-Months Periods Ended June 30,		For the Three-Months Periods Ended June 30,	
		2007	2006	2007	2006
Sales.....	3	84.372	79.593	54.707	47.002
Less: Cost of sales.....	3	(65.199)	(69.546)	(40.347)	(39.748)
Gross profit		19.173	10.047	14.360	7.254
Other operating income.....	3	962	1.003	518	203
Distribution expenses.....	3	(7.344)	(6.226)	(4.617)	(4.548)
Administrative expenses.....	3	(1.614)	(1.230)	(755)	(549)
Other operating expenses.....	3	(42)	(21)	(26)	(12)
Earnings before interests and taxes		11.135	3.573	9.480	2.348
Finance costs, net.....	3	(926)	(405)	(421)	27
Earnings before taxes		10.209	3.168	9.059	2.375
Income tax expense.....	4	(3.139)	(1.011)	(2.291)	(749)
Net profit for the period		7.070	2.157	6.768	1.626
Attributable as follows:					
Parent company.....		7.135	2.007	6.788	1.576
Minority interest.....		(65)	150	(20)	50
Net profit (after tax) attributable to the Group		7.070	2.157	6.768	1.626
Earnings per share (expressed in Euros):					
Basic earnings per share.....	9	0,1351	0,0381	0,1286	0,0299
Diluted earnings per share.....	9	-	-	0,1262	-

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statements of Income (Company)
For the Six-Months periods ended June 30, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Note	Company			
		For the Six-Months Periods Ended June 30,		For the Three-Months Periods Ended June 30,	
		2007	2006	2007	2006
Sales.....	6	83.999	78.897	54.459	46.727
Less: Cost of sales.....	7	(65.115)	(69.169)	(40.313)	(40.124)
Gross profit		18.884	9.728	14.146	6.603
Other operating income.....	6	947	915	510	196
Distribution expenses.....	7	(7.331)	(6.208)	(4.655)	(3.855)
Administrative expenses.....	7	(1.280)	(1.154)	(611)	(571)
Other operating expenses.....	7	(25)	(11)	(25)	(10)
Earnings before interests and taxes		11.195	3.270	9.365	2.363
Finance costs, net.....	7	(884)	(683)	(288)	(244)
Income from subsidiaries.....		228	24	228	24
Earnings before taxes		10.539	2.611	9.305	2.143
Income tax expense.....	4	(3.170)	(855)	(2.294)	(707)
Net profit for the period		7.369	1.756	7.011	1.436
 Earnings per share (expressed in Euros):					
Basic earnings per share.....	5	0,1396	0,0333	0,1328	0,0272
Diluted earnings per share.....	5	-	-	0,1303	-

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Balance Sheets (Company and Consolidated)
As of June 30, 2007 and December 31, 2006
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		June 30, 2007	December 31, 2006	June 30, 2006	December 31, 2006
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment.....	6	10.652	3.524	545	418
Goodwill.....	7	546	-	-	-
Intangible assets.....	6	130	47	7	8
Investments in subsidiaries.....		-	-	6.967	4.860
Investments in associates.....		34	34	34	34
Long term receivables.....		488	429	443	427
Deferred tax assets.....		804	477	653	393
Available for sale investments		473	402	473	402
Total non-current assets		13.127	4.913	9.122	6.542
Current assets					
Inventories.....		33.690	36.647	33.669	36.632
Receivables and prepayments.....		74.876	46.494	74.418	46.220
Cash and cash equivalents.....		6.710	15.197	1.565	6.249
Total current assets		115.276	98.338	109.652	89.101
Total assets		128.403	103.251	118.774	95.643
<u>SHAREHOLDERS' EQUITY</u>					
Shareholders equity attributable to the shareholders of the parent company					
Share capital.....		16.374	16.374	16.374	16.374
Share premium.....		6.671	6.687	6.726	6.726
Reserves.....		(1.391)	(1.498)	(2.345)	(2.448)
Retained earnings.....		7.329	2.309	8.682	3.425
		28.983	23.872	29.437	24.077
Minority interest.....		8.116	6.120	-	-
Total shareholders' equity		37.099	29.992	29.437	24.077
<u>LIABILITIES</u>					
Non-current liabilities					
Long term Borrowings.....	8	11.772	15.691	11.772	15.691
Retirement benefit obligations.....		295	291	212	215
Deferred government grants.....		965	983	37	40
Total non-current liabilities		13.032	16.965	12.021	15.946
Current liabilities					
Short term Borrowings.....	8	19.031	15.657	18.576	15.354
Short term portion of long term borrowings.....	8	19.372	19.114	19.372	19.114
Current tax liabilities.....		3.795	918	3.613	768
Trade and other payables.....		36.074	20.605	35.755	20.384
Total current liabilities		78.272	56.294	77.316	55.620
Total liabilities		91.304	73.259	89.337	71.566
Total equity and liabilities		128.403	103.251	118.774	95.643

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.

Statements of Changes in Shareholders' Equity (Consolidated)

For the Six-Months Periods ended June 30, 2007 and 2006

(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, 2006	16.279	5.376	1.015	109	2.786	(4.200)	(607)	20.758	532	21.290
Period's changes:										
Net profit for the period.....	-	-	-	-	-	-	2007	2.007	150	2.157
Dividend distribution.....	-	-	-	-	-	-	-	-	(19)	(19)
Purchase of treasury shares	-	-	-	-	-	(1.390)	-	(1.390)	-	(1.390)
Share capital increase.....	95	1.350	-	-	-	-	-	1.445	-	1.445
Income recognized directly in shareholders' equity:										
Net fair value changes in a-f-s securities.....	-	-	-	(2)	-	-	-	(2)	-	(2)
Balance on June 30, 2006	16.374	6.726	1.015	107	2.786	(5.590)	(1.400)	22.818	663	23.481
Balance on January 1, 2007	16.374	6.687	1.195	115	2.782	(5.590)	2.309	23.872	6.120	29.992
Period's changes:										
Net profit for the period....	-	-	-	-	-	-	7.135	7.135	(65)	7.070
Dividend distribution.....	-	-	-	-	-	-	(2.112)	(2.112)	(185)	(2.297)
Distribution to reserves.....	-	-	3	-	-	-	(3)	-	-	-
Share capital increase.....	-	-	-	-	-	-	-	-	3.091	3.091
Income recognized directly in shareholders' equity:										
Expenses of issuance of shares.....	-	(16)	-	-	-	-	-	(16)	(25)	(41)
Goodwill.....	-	-	-	-	-	-	-	-	(819)	(819)
Net fair value changes in a-f-s securities.....	-	-	-	103	-	-	-	103	-	-
Balance on June 30, 2007	16.374	6.671	1.198	218	2.782	(5.590)	7.329	28.982	8.117	37.099

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statements of Changes in Shareholders' Equity (Company)
For the Six-Months Periods ended June 30, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Company						Retained earnings	Total
	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares		
Balance on January 1, 2006	16.279	5.376	1.009	109	1.856	(4.200)	384	20.813
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	1.756	1.756
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...	-	-	-	(2)	-	-	-	(2)
Balance on June 30, 2006	16.374	6.726	1.009	107	1.856	(5.590)	2.140	22.622
Balance on January 1, 2007	16.374	6.726	1.171	115	1.856	(5.590)	3.425	24.077
Period's changes:								
Net profit for the period.....	-	-	-	-	-	-	7.369	7.369
Dividend distribution.....	-	-	-	-	-	-	(2.112)	(2.112)
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities...	-	-	-	103	-	-	-	103
Balance on June 30, 2007	16.374	6.726	1.171	218	1.856	(5.590)	8.682	29.437

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.
Statements of Cash Flows (Company and Consolidated)
For the Six-Months Periods ended June 30, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Six-Months period Ended June 30,			
	2007	2006	2007	2006
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	10.209	3.168	10.539	2.611
Add / (less) adjustments for:				
Depreciation and amortization.....	144	127	67	56
Government grants recognized in income.....	(18)	(15)	(5)	-
Exchange rate differences.....	(193)	(582)	(193)	(582)
Provisions.....	353	29	237	331
Employee benefits.....	4	27	(3)	27
Result of investment activity.....	(352)	(635)	(580)	(635)
Interest and similar expenses.....	1.695	1.618	1.664	1.594
Operating result before changes in working capital	11.842	3.737	11.726	3.402
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories.....	2.957	(14.527)	2.963	(14.618)
(Increase) / decrease in receivables and prepayments.....	(28.749)	(368)	(28.542)	(380)
Increase / (decrease) in trade and other payables.....	15.580	30.406	15.596	30.253
(Increase) in long term receivables.....	(59)	(20)	(16)	(19)
Total cash inflow / (outflow) from operating activities	1.571	19.228	1.727	18.638
Interest and similar expenses paid.....	(992)	(1.599)	(961)	(1.332)
Income taxes paid.....	(589)	(54)	(585)	-
Total net inflow / (outflow) from operating activities	(10)	17.575	181	17.306
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income.....	352	635	352	635
Dividend income.....	-	-	228	-
(Purchase) of subsidiaries and other investments.....	(1.352)	-	(2.114)	(350)
Proceeds from the sale of subsidiaries and other investments.....	23	-	23	-
Proceeds from government grants.....	-	(21)	-	-
(Purchase) of PPE and intangible assets.....	(7.367)	(195)	(204)	(129)
Proceeds from the sale of PPE and intangible assets.....	21	-	21	-
Total net cash inflow / (outflow) from investing activities	(8.323)	419	(1.694)	156
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Repayments of borrowings.....	(764)	(11.307)	(916)	(11.044)
Share capital increase.....	3.050	-	-	-
Dividends paid.....	(2.440)	(19)	(2.255)	-
(Purchase) of treasury shares.....	-	(1.390)	-	(1.390)
Total net cash inflow from financing activities	(154)	(12.716)	(3.171)	(12.434)
Net increase / (decrease) in cash and cash equivalents	(8.487)	5.278	(4.684)	5.028
Cash and cash equivalents at beginning of period	15.197	3.824	6.249	3.760
Cash and cash equivalents at end of period	6.710	9.102	1.565	8.788

The accompanying Notes on pages 10 to 19 are an integral part of the interim Financial Statements.

F.G. EUROPE S.A.

Notes to the interim Financial Statements (Company and Consolidated)

For the Six-Months Period ended June 30, 2007

(All amounts in Euro thousands unless otherwise stated)

1. Incorporation and Business of the Group

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

- The Company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, LCD – Plasma televisions and in the wholesale of products and services of mobile telephony.
- The subsidiaries FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. cover supplementary fields like after sales services, inventory management (logistics), etc. while HYDROELECTRICAL ACHAIAS S.A., CITY ELECTRIC S.A. and AEOLIC KYLINDRIAS S.A. and R.F. ENERGY S.A. activate in the electric energy production sector.

The Company and the Group are domiciled in Greece in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of June 30, 2007 is 74 for the Company and 128 for the Group.

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

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

<u>Name of Subsidiary</u>	<u>Business</u>	<u>Share as of June 30, 2007</u>
Direct investments:		
• FIDAKIS SERVICE S.A.	After sales service	100%
• F.G. LOGISTICS S.A.	Logistics	100%
• City Electric S.A.	Energy production	100%
• HYDROELECTRICAL ACHAIAS S.A..	Energy production	55,25%
• R.F. ENERGY S.A.	Energy Holding Company	40%
Indirect investments:		
• AEOLIC KYLINDRIAS S.A.	Wind energy	40%
• KALLISTI ENERGIAKI S.A. (through R.F. ENERGY S.A.)	Wind energy	40%

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

On December 22, 2006 an agreement for the sale of the total shares of AEOLIC KYLINDRIAS S.A. held by F.G. EUROPE S.A. to R.F. ENERGY S.A. was signed for the amount of EURO 995,67. R.F. ENERGY S.A. paid in cash a down payment of EURO 995. The transfer of the shares was completed on April 12, 2007. On the same day R.F. ENERGY S.A. purchased the remaining 1% held by third parties and therefore acquired the 100% of the share capital of AEOLIC KYLINDRIAS S.A. F.G. EUROPE’s percentage after the transfer amounts to 40,00% as indirect investment.

On January 16, 2007 the subsidiary company R.F. ENERGY S.A. purchased 100% of the shares of “Kallisti Energiaki Paragogi Ilektrikis Energias S.A. for the amount of EURO 1.350. The purchased company engages in the establishment, construction, operation and distribution of electricity production stations with the use of renewable energy sources and primarily wind

F.G. EUROPE S.A.

Notes to the interim Financial Statements (Company and Consolidated)

For the Six-Months Period ended June 30, 2007

(All amounts in Euro thousands unless otherwise stated)

energy, the construction of buildings and every similar technical assistance, the commerce and representation of all types of machines and materials useful for the above including all types of generators as well as the research for the production and distribution of all types of energy.

KALLISTI ENERGIAKI S.A. is holder of a production and construction license of a 15 MW wind park. The construction works for the wind park will start immediately within the year 2007.

The general assembly of shareholders of the company HYDROELECTRICAL ACHAIAS S.A. on January 18, 2007 decided the share capital increase by EURO 206. F.G. Europe S.A. participated in the increase injecting on May 7, 2007 the amount of EURO 113,82 that represents the holding stake in the company of 55,25%.

The Board of Directors of R.F. ENERGY S.A. decided on April 23, 2007 to increase the company's share capital by EURO 5.000. F.G. EUROPE S.A. paid on April 30, 2007 according to its holding stake (40%) the amount of EURO 2.000.

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

The subsidiaries on the Company financial statements are valued at cost less any impairment losses. During the period January 1, 2007 to June 30, 2007 an impairment loss of EURO 117 was reversed, included in Finance costs, net.

2. Significant Accounting Policies

These consolidated and Company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Interpretation from the Standing Interpretation Committee adopted by the European Union. Concretely the attached Financial Statements have been prepared according to IAS 34 "Interim Financial Reporting".

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

The principal accounting policies and estimations 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, 2006. The attached Financial Statements should be considered together with the audited Financial Statements as of December 31, 2006 which are available at the Company's website.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Using the available information and the implementation of subjective evaluation are necessary in order to conduct forecasts. Actual results may differ from estimates and deviations can have serious impacts on the Financial Statements.

The operating results for the Six-Month period ended June 30, 2007 are not indicative for the results expected for the year ending on December 31, 2007 because of the seasonality in the Company's business. This seasonality is affected by the sales of air conditioners that are the

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Notes to the interim Financial Statements (Company and Consolidated)

For the Six-Months Period ended June 30, 2007

(All amounts in Euro thousands unless otherwise stated)

core business in terms of profitability for the Company and the Group and multiply in the second and third quarter of the year.

3. Segment reporting

The Group's business segments cover primarily one geographical area of Europe with Greece as country of origin and main area of business plus the countries of the European Union and furthermore the countries of South East Europe. Therefore, the only financial reporting format is focused on the different business segments of the Group where different business practices meet different business risks and opportunities that comprise the segment of Long Living Consumer goods including air conditioners, white electrical and consumer electronics appliances and the segment of Mobile Telephony including products and services and the segment of Other including all other businesses of the subsidiary companies of the Group such as energy production and logistics and after sales services.

The segment results of the business segments for the Six-Month Periods ended June 30, 2007 and 2006 are presented below:

Six-Months Period ended June 30, 2007	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	61.524	22.423	425	84.372	-	84.372
Sales revenues within the Group...	52	-	1.917	1.969	(1.969)	-
Less: Cost of sales.....	(42.654)	(22.409)	(136)	(65.199)	-	(65.199)
Cost of sales within the Group.....	(52)	-	(1.655)	(1.707)	1.707	-
Gross profit.....	<u>18.870</u>	<u>14</u>	<u>551</u>	<u>19.435</u>	<u>(262)</u>	<u>19.173</u>
Other operating income.....	700	246	16	962	-	962
Distribution expenses.....	(6.890)	(179)	(275)	(7.344)	-	(7.344)
Distribution expenses within the Group.....	(262)	-	-	(262)	262	-
Administrative expenses.....	(1.245)	(35)	(334)	(1.614)	-	(1.614)
Other operating expenses.....	(24)	-	(18)	(42)	-	(42)
Profit from operations.....	<u>11.149</u>	<u>46</u>	<u>(60)</u>	<u>11.135</u>	<u>=</u>	<u>11.135</u>
Finance costs (net).....	(750)	(18)	(51)	(819)	(107)	(926)
Profits before tax.....	<u>10.399</u>	<u>28</u>	<u>(111)</u>	<u>10.316</u>	<u>(107)</u>	<u>10.209</u>
Income tax expense.....	(3.162)	(8)	31	(3.139)	-	(3.139)
Net profit.....	<u>7.237</u>	<u>20</u>	<u>(80)</u>	<u>7.177</u>	<u>(107)</u>	<u>7.070</u>

Six-Months Period ended June 30, 2006	Long Living Consumer Goods	Mobile Telephony	Other	Total	Intercompany elimination	Group
Sales revenues to third parties.....	33.333	45.564	696	79.593	-	79.593
Sales revenues within the Group...	181	-	1.657	1.838	(1.838)	-
Less: Cost of sales.....	(23.759)	(45.409)	(378)	(69.546)	-	(69.546)
Cost of sales within the Group.....	(181)	-	(1.432)	(1.613)	1.613	-
Gross profit.....	<u>9.574</u>	<u>155</u>	<u>543</u>	<u>10.272</u>	<u>(225)</u>	<u>10.047</u>
Other operating income.....	605	309	89	1.003	-	1.003
Distribution expenses.....	(5.760)	(225)	(241)	(6.226)	-	(6.226)
Distribution expenses within the Group.....	(223)	-	-	(223)	223	-
Administrative expenses.....	(1.108)	(46)	(78)	(1.232)	2	(1.230)
Other operating expenses.....	(10)	-	(11)	(21)	-	(21)
Profit from operations.....	<u>3.078</u>	<u>193</u>	<u>302</u>	<u>3.573</u>	<u>=</u>	<u>3.573</u>
Finance costs (net).....	(675)	(7)	(29)	(711)	306	(405)
Profits before tax.....	<u>2.403</u>	<u>186</u>	<u>273</u>	<u>2.862</u>	<u>306</u>	<u>3.168</u>
Income tax expense.....	(800)	(55)	(156)	(1.011)	-	(1.011)
Net profit.....	<u>1.603</u>	<u>131</u>	<u>117</u>	<u>1.851</u>	<u>306</u>	<u>2.157</u>

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The segment of Mobile Telephony realizes a decrease of 51% in revenues that is primarily caused by the reduction of prepaid mobile telephony cards not affecting significantly the results given the low profit margins of this business.

4. Income taxes

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

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

Company	Unaudited fiscal years
• F.G. Europe S.A.	2006
• Fidakis Service S.A.	2003 to 2006
• Fidakis Logistics S.A.	2003 to 2006
• City Elektrik S.A.	2003 to 2006
• Hydroelectrical Ahaias S.A.	Unaudited from inception (2002)
• Aeolic Kylindrias S.A.	Unaudited from inception (2002)
• R.F. Energy S.A.	Unaudited from inception (2006)
• Kallisti Energiaki S.A.	Unaudited from inception (2004)

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

	Consolidated				Company			
	Six-months ended June 30,		Three-months ended June 30,		Six-months ended June 30,		Three-months ended June 30,	
	2007	2006	2007	2006	2007	2006	2007	2006
Income tax (current period).....	(2.893)	(552)	(2.506)	(503)	(2.870)	(414)	(2.491)	(461)
Deferred tax.....	314	(459)	215	(246)	260	(441)	197	(246)
Tax audit differences.....	(560)	-	-	-	(560)	-	-	-
Income taxes	<u>(3.139)</u>	<u>(1.011)</u>	<u>(2.291)</u>	<u>(749)</u>	<u>(3.170)</u>	<u>(855)</u>	<u>(2.294)</u>	<u>(707)</u>

In March of 2007 the tax audit for fiscal years 2003 and 2005 of the parent company was concluded. The maintained books and records were assessed satisfactory and correct and no irregularities or omissions were found that could influence their validity. The tax audit disallowed certain expenses and assessed additional taxes in total for the three audited fiscal years of EURO 560. The above amount is charged to the results of the current fiscal year given the fact that no provisions for such contingent liabilities are recorded.

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5. Earnings per share

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the period excluding ordinary shares purchased by the company and held as treasury shares.

	Consolidated				Company			
	Six-months ended June 30,		Three-months ended June 30,		Six-months ended June 30,		Three-months ended June 30,	
	2007	2006	2007	2006	2007	2006	2007	2006
Net profit attributable to shareholders.....	7.135	2.007	6.788	1.576	7.369	1.756	7.011	1.436
Weighted average number of shares outstanding.....	52.800.154	52.726.466	52.800.154	52.726.466	52.800.154	52.726.466	52.800.154	52.726.466
Basic earnings per share (in Euro)	<u>0,1351</u>	<u>0,0381</u>	<u>0,1286</u>	<u>0,0299</u>	<u>0,1396</u>	<u>0,0333</u>	<u>0,1328</u>	<u>0,0272</u>

The diluted earnings per share are calculated by adjusting the amount of net profit for the period 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 and matures on August 3, 2007.

	Consolidated				Company			
	Six-months ended June 30,		Three-months ended June 30,		Six-months ended June 30,		Three-months ended June 30,	
	2007	2006	2007	2006	2007	2006	2007	2006
Net profit attributable to shareholders.....	7.135	2.007	6.788	1.576	7.369	1.756	7.011	1.436
Interest expense related to the convertible bond (net of tax).....	343	289	162	152	343	289	162	152
Adjusted net profit attributable to shareholders..	7.478	2.296	6.950	1.728	7.712	2.045	7.173	1.588
Weighted average number of shares outstanding.....	52.800.154	52.726.466	52.800.154	52.726.466	52.800.154	52.726.466	52.800.154	52.726.466
Number of shares resulting from the conversion of the convertible bond.....	2.264.130	2.264.130	2.264.130	2.264.130	2.264.130	2.264.130	2.264.130	2.264.130
Adjusted weighted average number of shares outstanding.....	55.064.284	54.990.596	55.064.284	54.990.596	55.064.284	54.990.596	55.064.284	54.990.596
Diluted earnings per share (in Euro)	<u>0,1358</u>	<u>0,0418</u>	<u>0,1262</u>	<u>0,0314</u>	<u>0,1401</u>	<u>0,0372</u>	<u>0,1303</u>	<u>0,0289</u>

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6. Property, plant and equipment

Property, plant and equipment is analyzed as follows:

Consolidated								
	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total	Intangible Assets
January 1, 2006								
Value at cost.....	5	1.738	1.235	191	786	237	4.192	92
Accumulated depreciation..	-	<u>(56)</u>	<u>(61)</u>	<u>(56)</u>	<u>(532)</u>	-	<u>(705)</u>	<u>(31)</u>
Net book value.....	<u>5</u>	<u>1.682</u>	<u>1.174</u>	<u>135</u>	<u>254</u>	<u>237</u>	<u>3.487</u>	<u>61</u>
Additions	-	22	-	82	170	92	366	6
Sales / Transfers	-	-	-	(3)	-	(117)	(120)	-
Depreciation	-	(46)	(53)	(31)	(79)	-	(209)	(20)
December 31, 2006								
Value at cost.....	5	1.760	1.235	270	956	212	4.438	98
Accumulated depreciation..	-	<u>(102)</u>	<u>(114)</u>	<u>(87)</u>	<u>(611)</u>	-	<u>(914)</u>	<u>(51)</u>
Net book value.....	<u>5</u>	<u>1.658</u>	<u>1.121</u>	<u>183</u>	<u>345</u>	<u>212</u>	<u>3.524</u>	<u>61</u>
Additions.....	-	4	17	42	58	54	175	94
Under construction.....	-	-	-	-	-	7.098	7.098	-
Disposals / transfers.....	-	-	-	(13)	(1)	-	(14)	-
Depreciation.....	-	(23)	(28)	(18)	(64)	-	(133)	(11)
Depreciation of disposals...	-	-	-	2	-	-	2	-
June 30, 2007								
Value at cost.....	5	1.764	1.252	299	1.013	7.364	11.697	192
Accumulated depreciation..	-	<u>(125)</u>	<u>(142)</u>	<u>(103)</u>	<u>(675)</u>	-	<u>(1.045)</u>	<u>(62)</u>
Net book value.....	<u>5</u>	<u>1.639</u>	<u>1.110</u>	<u>196</u>	<u>338</u>	<u>7.364</u>	<u>10.652</u>	<u>130</u>

It is noted that fixed assets are not pledged.

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7. Goodwill

The amount of EURO 1.365 represents the difference between cost and fair value of the assets and liabilities of KALLISTI ENERGIKI S.A. that was acquired on January 16, 2007 by 100% through R.F. ENERGY S.A. controlled by F.G. EUROPE S.A. through its 40% participation. An independent valuer has assessed the fair value of the company.

The resulting Goodwill has been capitalized and will be tested at least annually for impairment and any impairment loss will be charged irreversibly to the income statement.

In detail the fair value is as follows:

Assets of KALLISTI ENERGIKI	January 16, 2007	
	Book Value	Fair value
Property, plant and equipment and intangible assets.....	12	12
Receivables and prepayments.....	13	13
Cash and cash equivalents.....	2	2
Payables and other liabilities.....	(42)	(42)
Equity	<u>(15)</u>	<u>(15)</u>
Purchase cost		<u>1.350</u>
Goodwill		<u>1.365</u>
Attributable to shareholders of the parent company (40%).....		546
Attributable to minority interest (60%).....		819
Total		<u>1.365</u>

During the next period the fair value of the individual assets and liabilities will be re-examined and will eventually result in a different goodwill than the initially recognized, because of the impracticability to determine at this time the fair values primarily of the not recognized intangible assets (licences).

The results of operation of this company are included in the consolidated financial statements of the Group from the acquisition date of January 16, 2007. Based on the business plans of the management the resulted goodwill will be regained. The company for the period January 1 to January 16, 2007 did not realize any income nor expense.

8. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
<u>Long term borrowings:</u>				
Bonded loan.....	19.645	23.563	19.645	23.563
Convertible bond loan.....	11.499	11.242	11.499	11.242
	<u>31.144</u>	<u>34.805</u>	<u>31.144</u>	<u>34.805</u>
Long term debt payable within the next 12 months.....	(19.372)	(19.114)	(19.372)	(19.114)
Total long term borrowings	<u>11.772</u>	<u>15.691</u>	<u>11.772</u>	<u>15.691</u>
Short term borrowings	<u>19.031</u>	<u>15.657</u>	<u>18.576</u>	<u>15.354</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.

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 five installments are already paid.

9. *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.

To the related parties in the sense of IAS 24 has been added CYBERONICA S.A. that is controlled from December 22, 2006 from G. Fidakis, Chairman of the Board of Directors and main shareholder of F.G. EUROPE S.A. and members of his family.

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

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Receivables from:	Company	
	June 30, 2007	December 31, 2006
	F.G. Logistics S.A.....	301
Fidakis Service S.A.....	44	5
City Electric S.A.....	1	1
R.F. Energy.....	1	1
Total	<u>347</u>	<u>305</u>

Obligations to:	Company	
	June 30, 2007	December 31, 2006
	F.G. Logistics S.A.....	173
Fidakis Service S.A.....	80	114
Total	<u>253</u>	<u>364</u>

Receivables from:	Consolidated		Company	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
	Cyberonica S.A.....	431	389	90
Total	<u>431</u>	<u>389</u>	<u>90</u>	<u>75</u>

The transactions with the related parties for the period ended June 30, 2007 and 2006 are analyzed as follows:

Sales of goods and services:	Company	
	Six-months period ended June 30,	
	2007	2006
Inventories.....	52	12
Other.....	2	2
Total	<u>54</u>	<u>14</u>

Purchases of goods and services:	Company	
	Six-months period ended June 30,	
	2007	2006
Warranties.....	(443)	(191)
Inventories.....	-	(169)
Logistics.....	(1.471)	(1.284)
Total	<u>(1.914)</u>	<u>(1.644)</u>

Purchases of goods and services:	Consolidated		Company	
	June 30, 2007	June 30, 2006	June 30, 2007	June 30, 2006
	Cyberonica S.A.....	(1.261)	-	(254)
Total	<u>(1.261)</u>	≡	<u>(254)</u>	≡

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

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	Consolidated		Company	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
Obligations to:				
Members of the Board and Directors	14	-	14	-
Total	<u>14</u>	<u>=</u>	<u>14</u>	<u>=</u>
	Consolidated		Company	
	June 30, 2007	December 31, 2006	June 30, 2007	December 31, 2006
Compensation:				
Personnel expenses.....	(686)	(631)	(686)	(631)
Provision for staff leaving indemnity.....	(8)	(11)	(8)	(11)
Total	<u>(694)</u>	<u>(642)</u>	<u>(694)</u>	<u>(642)</u>

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

10. Commitments

Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of June 30, 2007. The future aggregate minimum lease payments arising from building lease agreements until six 2016 are estimated to amount to EURO 22.767 approximately, while the amount charged to the income statement for the six-months period ended June 30, 2007 for lease payments amounted to EURO 1.261.

Furthermore, the future aggregate minimum lease payments arising from car lease agreements until year 2011 are estimated to amount to EURO 278 approximately, while the amount charged to the income statement for the six-months period ended June 30, 2007 for lease payments amounted to EURO 27.

11. Contingencies

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

12. Dividends

The ordinary General Assembly of Shareholders of April 26, 2007 approved a dividend payments for fiscal year 2006 of 4,00 Eurocents per share compared to 0,00 Eurocents for fiscal year 2005. The dividend payment started on May 8, 2007.

13. Post Balance Sheet Events

There are no subsequent events after June 30, 2007, material litigations and pending cases against third parties or of third parties against the company able to have an impact on the financial position of the Company or the Group as of the above date and for the period ending on this date.