F.G. EUROPE S.A.

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

ANNUAL FINANCIAL STATEMENTS
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on February 25, 2007 and are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**.

Chairman of the Board of Directors	Managing Director	Finance Manager	Accounting Supervisor
Georgios Fidakis ΑΔΤ Ν 000657	John Pantousis ΑΔΤ Ξ 168490	Michael Poulis AM OEE 020873	Athanasios Harbis AM OEE 0002386

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **F.G. EUROPE SA**

Report on the Financial Statements

We have audited the accompanying financial statements as well as the consolidated financial statements of F.G. EUROPE SA, which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.[1] An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of F.G. EUROPE SA and the Group as of December 31, 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

Without qualifying our audit conclusion, we draw attention to note 8 in the Notes to the financial statements, where reference is made to the fact that the tax returns of the companies of the Group have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

Report on Other Legal and Regulatory Requirements

The Report of the Board of Directors contains the information provided by articles 43 a paragraph 3, 107 paragraph 3 and 16 paragraph 0 of L. 2190/1920 as well as article 11 a of L. 3371/2005 and its content is reliable with the attached financial statements

Athens, February 28, 2007

Panagiotis Papakonstantinou	**Panagiotis Vroustouris**
SOEL Reg. No. 16651	**SOEL Reg. No. 12921**

SOL S.A. – Certified Public Accountants Auditors

DIRECTORS REPORT ON THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS OF F.G. EUROPE S.A. FOR FISCAL YEAR 2007

Dear Shareholders,

The year 2007 marks a milestone in the up to day history of the Company and Group of F.G. EUROPE S.A. The vast improvement of financial figures of the Group occurred as a result of the successful strategic planning and the applied growth policy of the operation of the parent company in the field of long living consumer goods.
The resulting significant increase in sales of long living consumer goods through the parent company was the most important factor in the impressive improvement of the result of the Group balancing the reduction in sales of prepaid mobile telephony sales at its largest part.
The key financial figures and ratios for the Company and the Group are as follows:

A) On Company level:

EBITDA : Earnings before interests, taxes, depreciation and amortization increased by € 16,34 mil., percentage 285%, compared to 2006 and amounted to € 22,06 mil., resulting in EBITDA margin of 14,35% compared to 3,70% for 2006.
Earnings before taxes amounted to € 20,05 mil. compared to € 4,55 mil. for 2006, posting an increase by 340%.
Net Earnings after Taxes: Net Earnings after Taxes increased by 355% and amounted to EURO € 14,55 mil. compared to € 3,20 mil. in 2006, resulting in basic earnings per share of € 0,28 compared to € 0,06 in 2006.
Based on the high profitability and in accordance to the policy of high dividend return for our shareholders the Board of Directors intends to propose to the General Assembly of Shareholders the distribution of a dividend of € 0,22 per share compared to € 0,04 in 2006.
Revenues: Revenues amounted to € 153,71 mil. compared to € 154,94 mil., of the related sales for 2006, posting a marginal decrease of 0,79%.
Sales of long living consumer goods increased by 73,29% amounting to € 119,01 mil. as opposed to € 68,68 mil. in 2006.
In detail:
In the segment of Air Conditioners, sales in 2007 rose by 87,85% amounting to € 97,87 mil. compared to € 52,10 mil. in 2006. Sales on the domestic market rose to € 61,50 mil., posting an increase of 107,17% compared to 2006, thus improving significantly the Company's dominant position on the Air Conditioners market. Exports also posted a significant increase by 62,90% and amounted to € 36,36 mil. in 2007 compared to € 22,32 mil. in 2006 also strengthening the company's position on the related markets in the Balkans and in Italy. Exports to the Balkans amounted to € 21,19 mil. compared to € 11,27 mil. in 2006, increased by 88,02%, while exports to Italy increased in 2007 by 37,24% compared to 2006, totaling to the amount of € 15,16 mil.

Sales of White Electrical Goods of ESKIMO and SHARP increased by 12,22% amounting to € 11,73 mil. compared to € 10,45 mil. for 2006. Especially sales of ESKIMO products posted an increase by 7,46%, amounting to € 6,66 mil. compared to € 6,19 mil. in 2006, while sales of SHARP products amounted in 2007 to € 5,08 mil. compared to € 4,26 mil. in 2006, increased by 19,14%.

Sales of SHARP's Consumer Electronics της SHARP though the manufacturing company experienced shortages in the supply covering the increased demand for LCD TVs increased by 85,89% and amounted in 2007 to €8,93 mil. compared to € 4,80 mil. in 2006.

A significant decrease of 59,77%, was posted in the sales of prepaid mobile telephony as a result of the Company's policy to cut back on mobile telephony activities. Sales were limited to € 34,70 mil. compared to € 86,27 mil. in 2006.

B) On Group level, with the operations of two subsidiaries covering primarily the needs of the parent Company in the field of service and technical support and logistics, operations in the Energy production sector (Wind, Hydroelectrical) through its 40% subsidiary company R.F. ENERGY S.A. and its controlled subsidiaries grew more important.
Detailed analysis of the Group's financial figures that are dominated by the Company figures follow shortly:

Revenues: Total revenues of the Group in 2007 amounted to € 154,48 mil., compared to € 155,74 mil. in 2006 posting a decrease of 0,81%.

Gross profit: Gross profits increased significantly by 97,59% amounting in 2007 to € 38,01 mil. compared to € 19,24 mil. in 2006. Gross profits' rise in 2007, which nearly doubled, despite the fact that revenues decreased marginally, is attributed to the clear improvement of the gross profit margin that in 2007 was 24,61% compared to 12,35% in 2006, as a result of the increase by 73,29% of the sales of long living consumer goods by the parent Company.

EBITDA: In 2007 earnings before interests, taxes, depreciation and amortization as a result of sales were 14,12% compared to 3,80% in 2006, posting an increase by € 15,88 mil. percentage 271,58%.
The resulting significant increase in EBITDA margin results from the fact that gross profit margin doubled and the increase in operating expenses was limited to 20,34%.

Administrative – Distribution Expenses - Other: The administrative and distribution expenses – other amounted in total for 2007 to € 18,37 mil. compared to € 15,27 mil. in 2006, increased by € 3,11mil. The absolute and relative increase in expenses for the fiscal year is significantly lower than the realized increase in sales of long living consumer goods and the increase of gross profit margin and as result improved definitely the result of the parent Company and the Group in 2007.

Financial Result, net: The net financial results of the Group are presented increased by € 1,49 mil. and amounted to € 2,93 mil. compared to € 1,44 mil. in 2006. The realized increase in financial costs is a result of the increased short term borrowing during the year and the reduced impact of exchange rate gains and the other financial income during the year that decreased from € 2,87 mil. in 2006 to € 2,20 mil in 2007.

Total Liabilities: Posted an increase by 38,36% and amounted in 2007 to € 101,36 mil. compared to € 73,26 mil. in 2006. The increase is due to an increase in short term borrowings from banks that resulted from the increased financing needs for the significantly increased sales of long living consumer goods and the repayment of a significant part of long term liabilities of € 19,09 mil.

On August 3, 2007 the convertible bond loan that was issued by the parent Company in 2004 matured and the beneficiaries that did convert their bonds were repaid € 11,74 mil. amount which represents the capital plus the additional return.

Earnings before taxes: Earnings before taxes increased by 339,52%, and amounted in 2007 to € 18,57 mil. compared to € 4,23 mil. in 2006, resulting in a percentage of sales of 12,02% compared to 2,71% in 2006.
The increase in earnings is a result of the increase in long living consumer goods and the significant improvement in gross profit margin in contrary to the moderate increase in general operating expenses during the year.

Earnings after taxes and minority interests: Profits after taxes and minority interests for the Group amounted in 2007 to € 13,23 mil. compared to € 2,75 mil. increased by 381,09%, though to the result was charged the amount of € 0,56 mil. from the tax audit of the fiscal years 2003 to 2005.

Other Financial Ratios

- Collection period: 167 days (108 days in 2006)
- Inventory turnover period: 109 days (97 days in 2006)
- Payment period: 64 days (54 in 2006)
- Liabilities / Equity: 2,14 (2,44 in 2006)
- EBITDA / Financial Result: 7,43 (4,11 in 2006)

Significant Events
By decision of the Board of Directors on December 21, 2007 the 23% of the shares of HYDROELECTRICAL ACHAIAS S.A. and the 100% of the shares of CITY ELECTRIC S.A. was transferred to its by 40% subsidiary company R.F. ENERGY S.A. for the total amount of € 1,21 mil.
These transactions were done within the framework to consolidate all energy related operations of the Group to R.F. ENERGY S.A.
In January and February 2008 R.F. ENERGY S.A. purchased from F.G. EUROPE S.A. and the other private shareholders the remaining shares of HYDROELECTRICAL ACHAIAS S.A., controlling now 100% of this company.
HYDROELECTRICAL ACHAIAS S.A. has already launched and is expected to complete within 2008 the construction of a second hydroelectrical plant of 1,015 MW capacity at the Kerinitis river increasing the installed capacity of Hydroelcetrical plants to 3,615 MW.
The construction of a 15 MW wind park in the area of Tsouka in Arkadia prefecture was completed by KALLISTI ENERGIAKI S.A., a 100% subsidiary of R.F. ENERGY S.A. and launch of operations is expected within March.
Moreover, as of January 1st, 2008 the agreement between F.G. EUROPE S. A. and Fujitsu General Ltd. which designates F.G. EUROPE S.A. as the exclusive distributor of Fujitsu products in Turkey stands in effect. This agreement is extremely important for the Company because of the size and considerable potential of the respective Turkish market.

On January 18, 2008 the Board of Directors decided the issuance of a syndicated bond loan according to L. 2190/1920 and L. 3156/2003 for the amount of EURO 75.000. The purpose of the loan according to the decision of the Board of Directors is the restructuring of the existing long and short term bank debt of the Company. The payment of the loan was agreed in two installments of which the first for the amount of EURO 56.250 was disbursed on January 28, 2008 and the second for the amount of EURO 18.750 will be payable with decision of the Board of Directors within 60 days after the payment of the first. The loan has duration of five years with the option of prolongation for further two years. The repayment of the loan based of the initial five years duration will be proceeded in ten semi-annual installments of which the first is payable six months after the issuance of the loan on January 27, 2008. The first nine installments amount to EURO 5.200 and the tenth installment to EURO 28.200.

Other Information

F.G. EUROPE S.A. holds 1.780.220 treasury shares that represent 3,28% of the total shares of the Company. These shares were purchased in the time from April 1, 2005 to February 8, 2006 executing the shareholders' decision of the ad hoc General Assembly of February 8, 2005. It is the Board of Directors' intention to propose to the General Assembly of Shareholders the cancellation of these shares because on April 1, 2008 three years are completed after the purchase according to the provisions of L. 2190/1920 as in force before the amendments of L. 3604/2007.

The Group employs a staff of 132 well-trained and specialized people. It is the Management's stated policy to reward employee effectiveness and adopt a bonus system for their productivity. The Management's basic concern is the continuous training and development of the personnel through special training seminars and programs with the goal to fully benefit and optimally use its human resources pool of capable, dedicated and experienced individuals.

F.G. EUROPE S.A. is certified from TUV AUSTRIA HELLAS according to ISO 9001/2000 Standards.

The management of F.G. EUROPE S.A. is especially aware of environmental protection issues which are also manifested in the Group's engagement in the energy production from renewable energy sources sector as well as through the participation as a founding member of the company ANAKYKLOSI SYSKEVON SYMMETOHIKI S.A. sole shareholder of ANAKYKLOSI SYSKEVON S.A. that is the first approved by the Ministry of YPEHODE collection system of alternative waste management of electric and eclectrical equipment.

In alignment with the Group's social responsibility awareness the Management decided to support financially the Charity Foundation "Hamogelo Tou Paidiou", while also undertook the cost of purchase and installation of a full air-conditioning and heating unit for the Foundation's children guest house in Melissia.

Moreover, the company fully covered the cost of replacing the heating unit for the building of Areopolis High School, which burned down during this summer's disastrous fires.

Outlook

Despite the fact that the course as well as the financial results of the Group in 2007 have risen the expectations in high levels, the Management of the Group taking into consideration and rough numbers of the first two-month period of 2008, expects that the Company will show further increase in sales of long living consumer for 2008, with further positive impacts on the results and profitability of the Group.

The consumers' need to climate most household spaces, the turn to branded and new technology products (INVERTER), the significant increase in oil prices are factors that create a constant increasing demand in the area of air conditioners, which as a result is expected to increase the sales of the Company on the domestic market also in 2008. Exports are expected to increase, except for the already designed development in the existing markets (Balkans, Italy), primarily on the Turkish market. Sales of central and

semi-central systems are expected to grow as well both on the Greek market but also on the Balkan and Turkish markets were an increasing demand is projected.
A significant increase is also forecasted in the sales of SHARP LCD TVs, under the precondition that the manufacturing company will not face delivery problems which were faced as production was not able to cover the constantly increasing demand for LCD TVs, Demand is expected to reach its peak in the first half of 2008, because of important sports events like the EURO 2008 and the Olympic games in Beijing.

Financial Risk Factors:

Foreign exchange risk: The Group operates internationally and is exposed to foreign exchange risks arising from the commercial operations in foreign currency (USD and JPY) with customers and suppliers other than the measurement currency. The Group uses forward contracts to hedge its exposure to currency risk in connection with the measurement currency.

Credit risk: The Group is exposed to credit risk primarily arising from the existence of doubtful receivables. For credit risk management the Group has policies in place to continuously ensure that sales of products and services are made to customers with an appropriate credit history not exceeding predefined credit levels. Moreover, part of the receivables arising from the international operations is secured through credit insurance and part of receivables in the mobile telephony business is covered through bank guaranties.

Cash flow risk: The Group is exposed to cash flow risk that may arise through the fluctuation of variable interest rates and may cause positive or negative fluctuations in cash inflows and/or outflows of assets and/or liabilities connected with these variable interest rates.

In conclusion we would like to mention that the work conducted by the management and staff of the Group during the fiscal year 2007 for both the parent Company but also the subsidiaries is valued as highly important and successful thus cultivating ideal potentials and solidifying the preconditions for carrying today's positive outcomes also in the future.

All the above information about the financial position of the Company and the Group can be confirmed by the Financial Statements for 2007 that were prepared according to IAS-IFRS.

Glyfada, February 25, 2008

THE
CHAIRMAN OF THE BOARD OF DIRECTORS

GEORGIOS FIDAKIS

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS OF F.G.EUROPE S.A

(According to Article 11a of L. 3371/2005 as amended with par. 7 and 8 of L.3556/2007)

1. The structure of the company's share capital

The company's share capital amounts to EURO 16.974.112, 2 and is divided into 54.580.374 ordinary registered shares with par value EURO 0, 30 each. All the shares are registered and listed for trading in the Securities Market of Athens Exchange (under 'Large Cap' classification). Each share carries all the rights and obligations set out in law and in the Articles of Association of the company. Each share entitles the owner to one vote. The liability of the shareholders is limited to the nominal value of the shares they hold.

2. Limits on transfer of company shares

The company's shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

3. Important direct or indirect holdings in the sense of articles 9 to 11 of L.3556/2007

On 31/12/2007, the following shareholders held more than 5% of the total voting rights of the company:

- FIDAKIS GEORGIOS, direct investment, percentage 47,49% and indirect party percentage 5,28% Total 52,77%.
- Valianatou Vasiliki, direct investment, percentage 7,67%
- First European Retail Corp, indirect investment, percentage 10,993%

4. Shares conferring special control rights

None of the company shares carry any special rights of control.

5. Limitations of voting rights

The Articles of Association make no provision for any limitations on voting rights.

6. Agreements among Company shareholders

The company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements.

7. Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Articles of Association deviating from those provided for in Codified Law 2190/20

The rules set out in the Articles of Association of the company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/20, before its amendment by the L.3604/2007.

8. Authority of the Board of Directors or certain of its members to issue new shares or to purchase the own shares of the company, pursuant to article 16 of Codified Law 2190/20.

There is not any specific authority of the Board of Directors or certain of its members to issue new shares. No other authorizations on behalf of the General Meeting have been given to the Board of Directors to purchase own shares, apart from the authorization given by the unscheduled General Meeting of 8/2/2008, according to which, 1.780.220 own shares held at present by the company acquired. The Board of Directors intends to suggest the annulment of these shares during the regular General Meeting.

9. Significant agreements put in force, amended or terminated in the event of a change in the control of the company, following a public offer.

The company has no agreements which are put in force, amended or terminated in the event of a change in the control of the company, following a public offer.

10. Significant agreements with members of the Board of Directors or employees of the company.

The company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to a public offer.

Glyfada, February 25, 2008

THE
CHAIRMAN OF THE BOARD OF DIRECTORS

GEORGIOS FIDAKIS

F.G. EUROPE S.A.

Statements of Income (Company and Consolidated)
For the Years ended December 31, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
		For the Years Ended December 31,			
	Note	2007	2006	2007	2006
Sales……………………………......................	6	154.477	155.737	153.714	154.943
Less: Cost of sales………………………………	7	(116.468)	(136.501)	(116.319)	(135.638)
Gross profit		**38.009**	**19.236**	**37.395**	**19.305**
Other operating income…………………………	6	1.872	1.696	1.826	1.578
Distribution expenses…………………………...	7	(14.819)	(12.889)	(14.577)	(13.068)
Administrative expenses………………………..	7	(3.496)	(2.331)	(2.678)	(2.193)
Other operating expenses…………....................	7	(58)	(47)	(35)	(13)
Earnings before interests and taxes		**21.508**	**5.665**	**21.931**	**5.609**
Finance costs, net..………………………………	7	(2.934)	(1.439)	(2.108)	(1.080)
Income from subsidiaries……………………….		-	-	228	24
Earnings before taxes		**18.574**	**4.226**	**20.051**	**4.553**
Income tax expense………………....................	8	(5.347)	(1.472)	(5.502)	(1.350)
Net profit from continuing operations…………..		13.227	2.754	14,549	3.203
Net profit from discontinuing operations……….		-	-	-	-
Net profit for the period		**13.227**	**2.754**	**14.549**	**3.203**
Attributable as follows:					
Parent company…………………………………		13.468	2.673	14.549	3.203
Minority interest………………………………..		(241)	81	-	-
Net profit (after tax) attributable to the Group		**13.227**	**2.754**	**14.549**	**3.203**
Earnings per share (expressed in Euros):					
Basic earnings per share………………………..	9	0,2551	0,0507	0,2755	0,0607

The accompanying Notes on pages 17 to 49 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Balance Sheets (Company and Consolidated)
As of December 31, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		December 31,			
		2007	2006	2007	2006
ASSETS					
Non-current assets					
Property, plant and equipment……...........	10	19.087	3.524	479	418
Intangible assets………………………….	10	1.915	47	4	8
Investments in subsidiaries………………			-	6.713	4.860
Investments in associates………………...		34	34	34	34
Long term receivables……………………		585	429	527	427
Deferred tax assets……………………….	20	145	477	322	393
Available for sale investments	11	516	402	516	402
Total non-current assets		**22.282**	**4.913**	**8.595**	**6.542**
Current assets					
Inventories……………………………….	12	35.464	36.647	35.416	36.632
Receivables and prepayments……………	13	71.974	46.494	71.012	46.220
Cash and cash equivalents……………….	14	15.464	15.197	7.472	6.249
Total current assets		**122.902**	**98.338**	**113.900**	**89.101**
Total assets		**145.184**	**103.251**	**122.495**	**95.643**
SHAREHOLDERS' EQUITY					
Shareholders equity attributable to the shareholders of the parent company					
Share capital……………………………...	15	16.374	16.374	16.374	16.374
Share premium……………...……………	16	6.669	6.687	6.726	7.726
Reserves…………………...……………..	17	(615)	(1.498)	(1.571)	(2.448)
Retained earnings………………………...		12.815	2.309	15.109	3.425
		35.243	**23.872**	**36.638**	**24.077**
Minority interest…………………………		8.582	6.120	-	-
Total shareholders' equity		**43.825**	**29.992**	**36.638**	**24.077**
LIABILITIES					
Non-current liabilities					
Long term Borrowings…………………..	19	7.843	15.691	7.843	15.691
Retirement benefit obligations………….	21	334	291	239	215
Deferred government grants……………..		1.044	983	31	40
Total non-current liabilities		**9.221**	**16.965**	**8.113**	**15.946**
Current liabilities					
Short term Borrowings…………………..	19	59.096	15.657	46.006	15.354
Short term portion of long term borrowings…….………………………	19	7.873	19.114	7.873	19.114
Current tax liabilities…………………….		4.357	918	4.340	768
Trade and other payables………………...	28	20.812	20.605	19.525	20.384
Total current liabilities		**92.138**	**56.294**	**77.744**	**55.620**
Total liabilities		**101.359**	**73.259**	**85.857**	**71.566**
Total equity and liabilities		**145.184**	**103.251**	**122.495**	**95.643**

The accompanying Notes on pages 17 to 49 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Statements of Changes in Shareholders' Equity (Consolidated)
For the Years ended December 31, 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**
Year's changes:										
Net profit for the year….........	-	-	-	-	-	-	2.673	2.673	81	2.754
Distribution to reserves……...	-	-	180	-	-	-	(180)	-	-	-
Tax free reserves…………….	-	-	-	-	(4)	-	4	-	-	-
Dividend distribution………..	-	-	-	-	-	-	-	-	(19)	(19)
Purchase of treasury shares…	-	-	-	-	-	(1.390)	-	(1.390)	-	(1.390)
Share capital increase……….	95	1.350	-	-	-	-	-	1.445	6.001	7.446
Income recognized directly in shareholders' equity:										
Expenses of issuance of shares………………………..	-	(39)	-	-	-	-	-	(39)	(56)	(95)
Minority interests from sale of subsidiary………………...	-	-	-	-	-	-	419	419	(419)	-
Net fair value changes in a-f-s securities……………..........	-	-	-	6	-	-	-	6	-	6
Balance on December 31, 2006…………………	**16.374**	**6.687**	**1.195**	**115**	**2.782**	**(5.590)**	**2.309**	**23.872**	**6.120**	**29.992**
Year's changes:										
Net profit for the period.…….	-	-	-	-	-	-	13.468	13.468	(241)	13.227
Distribution to reserves……...	-	-	758	-	-	-	(758)	-	-	-
Dividend distribution………..	-	-	-	-	-	-	(2.113)	(2.113)	(185)	(2.298)
Share capital increase……….	95	1.350	-	-	-	-	-	-	3.282	3.282
Income recognized directly in shareholders' equity:										
Expenses of issuance of shares………………………..	-	(18)	-	-	-	-	-	(18)	(27)	(45)
Minority interests from sale of subsidiary………(Note 1)	-	-	-	-	-	-	(91)	(91)	(367)	(458)
Net fair value changes in a-f-s securities……………..........	-	-	-	125	-	-	-	125	-	125
Balance on December 31, 2007…………………………	16.374	6.669	1.953	240	2.782	(5.590)	12.815	35.243	8.582	43.825

The accompanying Notes on pages 17 to 49 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Statements of Changes in Shareholders' Equity (Company)
For the Years ended December 31, 2007 and 2006

(All amounts in Euro thousands unless otherwise stated)

	Company							
	Share capital	**Share premium**	**Legal reserve**	**Fair value reserves**	**Special tax reserves**	**Treasury shares**	**Retained earnings**	**Total**
Balance on January 1, 2006…………………………	16.279	5.376	1.009	109	1.856	(4.200)	384	20.813
Year's changes:								
Net profit for the year…..…...	-	-	-	-	-	-	3.203	3.203
Distribution to reserves……..	-	-	162	-	-	-	(162)	-
Purchase of treasury shares…	-	-	-	-	-	(1.390)	-	(1.390)
Share capital increase……….	95	1.351	-	-	-	-	-	1.446
Income recognized directly in shareholders' equity:								
Expenses of issuance of shares………………………..	-	(1)	-	-	-	-	-	(1)
Net fair value changes in available-for-sale securities…	-	-	-	6	-	-	-	6
Balance on December 31, 2006…………………………	16.374	6.726	1.171	115	1.856	(5.590)	3.425	24.077
Year's changes:								
Net profit for the year…..…...	-	-	-	-	-	-	14.549	14.549
Distribution to reserves……..	-	-	752	-	-	-	(752)	-
Dividend distribution……….	-	-	-	-	-	-	(2.113)	(2.113)
Income recognized directly in shareholders' equity:								
Net fair value changes in available-for-sale securities…	-	-	-	125	-	-	-	125
Balance on December 31, 2007…………………………	16.374	6.726	1.923	240	1.856	(5.590)	15.109	36.638

The accompanying Notes on pages 17 to 49 are an integral part of the Financial Statements.

F.G. EUROPE S.A.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2007 and 2006
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Years Ended December 31,			
CASH FLOWS FROM OPERATING ACTIVITIES	**2007**	**2006**	**2007**	**2006**
Profit before tax (and minority interest)…………………………………	18.574	4.226	20.051	4.553
Add / (less) adjustments for:				
Depreciation and amortization……………………………………………	298	258	133	120
Government grants recognized in income………………………………..	(78)	(32)	(11)	(2)
Exchange rate differences…………………………………………………	(310)	(1.319)	(310)	(1.319)
Provisions…………………………………………………………………	623	765	477	997
Employee benefits………………………………………..……………..	43	43	24	41
Result of investment activity……………………………..……………..	(513)	(339)	(1.301)	(1.278)
Interest and similar expenses…………………………….……………..	3.780	3.497	3.539	3.461
Operating result before changes in working capital	**22.320**	**7.099**	**22.602**	**6.573**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories…………...…………………………..	1.157	(10.192)	1.190	(10.290)
(Increase) / decrease in receivables and prepayments...………...………...	(26.093)	9.851	(25.415)	9.952
Increase / (decrease) in trade and other payables…………………………	1.391	12.387	(196)	12.457
(Increase) in long term receivables………………………….…	(156)	(50)	(100)	(49)
Total cash inflow / (outflow) from operating activities	**(1.381)**	**19.096**	**(1.919)**	**18.643**
Interest and similar expenses paid……………………….……………..	(4.780)	(2.961)	(4.538)	(2.926)
Income taxes paid…………………………………………………………	(2.008)	(98)	(1.859)	-
Total net inflow / (outflow) from operating activities	**(8.169)**	**16.037**	**(8.316)**	**15.717**
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income.……………………………………….……………..	403	109	361	16
Dividend income………………………………………………………….	-	10	232	34
(Purchase) of subsidiaries and other investments…………………………	(489)	-	(2.355)	(4.446)
Proceeds from the sale of subsidiaries and other investments……………	16	125	1.233	1.120
Proceeds from government grants……………………………………...	139	-	45	-
(Purchase) of PPE and intangible assets…………………………………..	(17.757)	(282)	(217)	(177)
Proceeds from the sale of PPE and intangible assets……………………..	28	3	28	3
Proceeds from government grants……………………………………...	139	-	45	-
Total net cash inflow / (outflow) from investing activities	**(17.660)**	**(35)**	**(673)**	**(3.450)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short term borrowings…………………………………….	25.255	-	12.468	-
Repayments of borrowings………………………………………………..	-	(9.219)	-	(8.388)
Share capital increase……………………………………………………...	3.282	6.000	-	-
Dividends paid…………………………………………………………….	(2.441)	(20)	(2.256)	-
(Purchase) of treasury shares…..………………………………………….	-	(1.390)	-	(1.390)
Total net cash inflow from financing activities	**26.096**	**(4.629)**	**10.212**	**(9.778)**
Net increase / (decrease) in cash and cash equivalents	**267**	**11.373**	**1.223**	**2.489**
Cash and cash equivalents at beginning of period	**15.197**	**3.824**	**6.249**	**3.760**
Cash and cash equivalents at end of period	**15.464**	**15.197**	**7.472**	**6.249**

The accompanying Notes on pages 17 to 49 are an integral part of the Financial Statements.

(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., KALLISTI ENERGIAKI S.A. and R.F. ENERGY S.A. activate in the field of electric energy production from renewable energy sources.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2007 is 78 for the Company and 132 for the Group.

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

The Company's and Group's financial statements for the year ended on December 31, 2006 have been approved by the Board of Directors on its meeting on February 25, 2007.

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

Name of Subsidiary	Business	Share as of December 31, 2006
Direct investments:		
• FIDAKIS SERVICE S.A.	After sales service	100%
• F.G. LOGISTICS S.A.	Logistics	100%
• HYDROELECTRICAL ACHAIAS S.A..	Energy production	32,25%
• R.F. ENERGY S.A.	Energy Holding Company	40%
Indirect investments:		
• HYDROELECTRICAL ACHAIAS S.A..	Energy production	13,10%
• CITY ELECTRIC S.A.	Energy production	100%
• AEOLIC KYLINDRIAS S.A.	Wind energy	40,00%
• KALLISTI ENERGIAKI S.A.	Wind energy	40,00%

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 99% of the 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. The gain of the parent Company from this transaction in fiscal year 2006 amounts to EURO 697.

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 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 started within the year 2007 and are expected to be completed at the beginning of 2008 when the operation of the wind park will start.

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.

The extraordinary general assembly of shareholders of the company KALLISTI ENERGIAKI S.A. on July 31, 2007 decided the share capital increase by EURO 5.020. R.F. ENERGY S.A participated in the increase injecting on August 29, 2007 the amount of EURO 5.020 that represents the holding stake in the company of 100%.

The general assembly of shareholders of the company HYDROELECTRICAL ACHAIAS S.A. on July 31, 2007 decided the share capital increase by EURO 425,02. F.G. EUROPE S.A. participated in the share capital increase and paid on December 21, 2007 the amount of EURO 234,82 representing its holding stake of 55,25%.

On December 28, 2007 the subsidiary company of the group R.F. ENERGY S.A. purchased the 32,75% of the shares of HYDROELECTRICAL ACHAIAS S.A. for the amount of EURO 1.482. Within the first 2 months of 2008 R.F. ENERGY S.A. continued with the purchase of the remaining 67,25% of the shares of HYDROELECTRICAL ACHAIAS S.A. for the amount of EURO 3.335. The gain of the parent Company from this transaction in fiscal year 2007 amounts to EURO 654.

On December 28, 2007 the subsidiary company of the group R.F. ENERGY S.A. purchased the 100% of the shares of CITY ELECTRIC S.A. for the amount of EURO 170. The gain of the parent Company from this transaction in fiscal year 2007 amounts to EURO 47.

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).

On a Group level during the fiscal year 2007 the results (loss) that arose from transaction with the minority amounted to €458 and was recognized directly in Equity.

The subsidiaries on the Company financial statements are valued at cost less any impairment losses.

2. Significant Accounting Policies used by the Group

2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared according to International Financial Reporting Standards (IFRS).

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 preparation of Financial Statements according to IFRS requires the use of accounting estimates and the use of judgment for the application of the accounting principles followed. These cases are described in note 4.

2.2 New Standards, Interpretations and Amendments of Existing Standards

New IFRS, amendments and interpretations that applicable to accounting periods starting from January 1, 2007 or thereafter has been issued. The Group's and the Company's estimations on the impact of these new standards and interpretations is described below:

Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures
(effective to annual accounting periods beginning on or after January 1, 2009)
The amended IAS 1 basically replaces the Statement of Income with the Statement of Comprehensive Income and inserts the additional Statement of Financial Position at the beginning of the first comparative period in case of retrospective application of accounting policy and reporting or reclassification of data of the financial statements. The application of this standard except for the different presentation has no impact on the financial statements.

Replacement of IAS 23, Borrowing Costs *(effective to annual accounting periods beginning on or after January 1, 2009)*
The new standard removes the option provided by the old standard of immediately recognizing as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group's estimate is that there will be no impact of this standard.

Replacement of IAS 24, Related Party Transactions *(effective to annual accounting periods beginning on or after January 1, 2005)*
The new standard introduces limited changes to the disclosure of transactions with related parties, to the definitions and the additional interpretations to the disclosures. Its application has no impact on the financial statements of the company.

Replacement of IFRS 3, Business Combinations *(effective to business combinations for annual accounting periods beginning on or after January 1, 2009)*
The new standard introduces changes to recognition issues, valuation of assets, liabilities, goodwill and minority interests as well as to the required disclosures during business combination. Its application will impact future purchases of companies. The Group does not intend to apply the standard proactively as allowed for purchases that will be finalized before its effective application date.

IFRS 8, Operating Segments *(effective to annual accounting periods beginning on or after January 1, 2009)*
IFRS 8 replaces IAS 14 Segment Reporting and applies a managing approach to segment financial information presented. The information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate

resources to operating segments. This information can be different from that presented on the balance sheet and the statement of income and the companies must provide explanations and reconciliations for these differences.
The Group's estimate is that there will be no material impact of this standard to the financial statements because it requires primarily information for operating segments. IFRS 8 has not been endorsed yet by the EU.

IFRIC 11, IFRS 2-Group and Treasury Share Transactions *(effective for financial years beginning on or after 1 March 2007)*
This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent.
IFRIC 11 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

IFRIC 12, Service Concession Arrangements *(effective for financial years beginning on or after 1 January 2008)*
The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset.
IFRIC 12 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

IFRIC 13, Customer Loyality Programs *(effective for financial years beginning on or after 1 July 2008)*
This interpretation describes the accounting treatment of an entity that grants loyalty award credits to its customers within the transaction of sale of goods and services the use of assets and that will be used in the future through free products or services. This interpretation is not relevant to the Group's operations.

IFRIC 14, The limit on a defined benefit asset, Minimum funding requirements and their interaction *(effective for financial years beginning on or after 1 January 2008)*
This interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. This interpretation is not applicable to the Group.

2.3 Basis of Consolidation

Subsidiary Companies
The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2007.

Control is presumed to exist when the parent company has the power to control the financial and operating policies of the subsidiary so as to obtain benefits from its activities.

The acquisition of subsidiaries is accounted for using the purchase method of accounting that measures the acquirer's assets and liabilities at their fair value at the date of acquisition. The individual assets, liabilities and contingent liabilities acquired during a business combination are valued at the time of acquisition at fair values.

The cost exceeding the fair value of the acquisition is recorded as goodwill. If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

Minority interest is accounted for according to its percentage of the fair value. In subsequent periods any losses are allocated to minority interest according to its percentage plus the minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The financial statements of the subsidiaries are adjusted appropriately to ensure consistency with the accounting policies of the Group.

All intercompany balances and transactions and any intercompany profit or loss on assets remaining within the Group are eliminated during the consolidation.

Investments in other companies
Investments in other companies are entities in which the group exercises substantive influence but not control or joint control. The substantive control is exercised through participation in financial or operational decisions of the economic entity.

The results of operation and the assets and liabilities of these economic entities are consolidated using the equity method excluding the case if classified as available for sale.

The investment is recognized at cost, and is adjusted to recognize the investor's share of the earnings or losses of the investee after the date of acquisition and is adjusted for any accumulated impairment loss.

The cost exceeding the fair value of the acquisition (assets – liabilities – contingent liabilities) is recorded as goodwill in the period of acquisition included in the account of investments in other companies.

If the total cost is below the fair value of the assets and liabilities the difference is charged directly to the statement of income of the respective period.

If the Group undertakes transactions with these companies the related gains or losses are eliminated in the extent of the Group's participation in the related company. Any losses in transactions indicate impairment of the transferred asset, in which case a related impairment provision is recorded.

2.4 Segment reporting

IAS 14 "Segment Reporting" sets criteria for the determination of the segment reporting format of the entity. Segments are determined based on the Group's structure. The Group's financial decision makers review financial information separately as reported by the parent company and each of the Group's consolidated subsidiaries. The reportable segments are determined using the quantitative thresholds set by the Standard.

(All amounts in Euro thousands unless otherwise stated)

A business segment is defined as a group of assets or operations with different risks and returns from other business segments. A geographical segment is defined as a geographical area where goods are sold or services offered that is subject to different risk and returns than do other geographical areas.

2.5 *Foreign currency translation*

The Group's functional currency is the Euro. Transactions involving other currencies are translated into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies, are adjusted using the official exchange rates. Gains or losses resulting from period end foreign currency remeasurement are reflected in the statements of income.

2.6 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes all directly related costs for the acquisition of the asset.

Expenses in subsequent periods are capitalized in the cost amount of the related assets if they increase the useful life of the asset and / or its production potential or reduce its operating cost. Repairs and maintenance are charged to the income statement as incurred.

The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the consolidated statements of income.

The carrying values of property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. When the carrying amount of the asset exceeds the estimated recoverable amount an impairment loss is recognized and the asset is written down to its recoverable amount. The recoverable amount is the greater between fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

According to IAS 16 the Group recognizes the costs related to obligations arising from the removal of assets in the period of occurrence and in the extent in which an estimate of its fair value is feasible. The related costs of removal are capitalized in the assets carrying amount and are depreciated relatively.

Depreciation: Depreciation of property, plant and equipment is computed based on the straight-line method at rates, which approximate average economic useful lives reviewed on an annual basis. The useful lives and depreciation rates assumed per asset category are set out below:

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	7 – 9	11% - 14%
• Furniture and fixture	4 – 7	14% - 25%
• Vehicles	7 – 9	11% - 14%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	indefinite	-

Leasehold improvements are amortized over the term of the lease.

2.7 *External costs of borrowing*

Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are amortized using the effective interest rate method over the life of the debt. All borrowing costs are recognized as an expense when incurred.

2.8 *Intangible assets*

a. Goodwill

Goodwill is the excess of the purchase price over the fair value of net identifiable assets acquired in business combinations accounted for as a purchase. Goodwill resulting from the acquisition of subsidiaries or associates is contained in the cost of the investment.

The useful life of the intangible assets is reviewed on an annual basis. An impairment loss recognized for goodwill will not be reversed in any subsequent period.

Gains and losses arising from the sale of an economic entity are determined considering goodwill related to the sold entity.

For controlling purposes of goodwill and in order to determine if impairment exists, goodwill is attributed to the cash flow generating entities that represent the primary segment information (Note 5).

b. Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 10-15 years. Energy production licenses are long term licenses with continuous renewal rights and therefore are not amortized.

2.9 *Impairment of assets except Goodwill*

The intangible assets that have an infinite useful life and are not amortized are reviewed at least annually to determine whether there is an indication if impairment and the carrying amount.
Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.
The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate.
If the recoverable amount is less that the carrying amount the carrying amount is written down to the level of the recoverable amount.
An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.
When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods.
The reversal of an impairment loss is recorded as income in the income statement except for the case that the asset was value adjusted, case in which the reversal of the impairment loss increases the related special value adjustment reserve.

2.10 Financial instruments

The financial instruments of the Group are classified in one of the following categories:

a) Financial assets or liabilities at fair value through the statement of income

A financial asset or financial liability that meets either of the following conditions:

- Is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments).
- Upon initial recognition it is designated by the entity as at fair value through the statement of income.
- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments. Changes in fair value of these derivatives are charged to the statement of income.

b) Available-for-sale financial assets

Available-for-sale financial assets include those non derivative financial assets that are designated in this category and cannot be classified in one of the above categories.

Upon initial recognition the available-for-sale financial assets are valued at fair value and the related gains or losses are directly charged to reserves of equity until these assets are sold or characterized as impaired.

When sold or characterized as impaired the gains or losses are transferred to income. Impairment losses recognized in the statement of income are not reversed through the statement of income.

c) Recognition, Impairment, and definition of fair values

Acquisitions and disposals of investments are recognized at the date of the transaction that is the date when the Group commits the purchase or sale of the investment. The investments are initially recognized at fair value increased with incremental transaction costs directly attributable to the acquisition or disposal of the investment excluding those investments valued at fair value through the statement of income. The investments are derecognized when the right for cash flows matures or is transferred and the Group has transferred substantially all the risks and rewards associated with the investment.

Realized and unrealized gains or losses that arise from the variation in the fair value of the financial assets valued at fair value through the statement of income are recognized in the statement of income in the period of occurrence.

The fair values of the financial assets that are traded on organized markets are determined through the current ask prices. For non tradable assets the fair values are determined through the use of valuation techniques such as analysis of recent transactions, concrete traded assets and the discounting of cash flows. Equity instruments non traded on active markets have been classified as available-for-sale investments and have been valued at cost when a fair value was not determinable.

d) Impairment in value of Financial Instruments

On each balance sheet date the Group tests the financial asset for the existence of objective indications of impairment. Shares of companies that have been classified as financial assets available-for-sale, such an indication is the permanent and material decrease of their fair value compared to their purchase cost. If impairment is objectively determinable the accumulated losses in fair value reserves in equity that is the difference between cost and fair value is transferred to the statement of income.

2.11 Inventories

Inventories are stated at the lower of cost or net realizable value. The cost is determined using the annual weighted average cost method. Cost of inventories includes all cost and expenses to bring them to their current location. Borrowing costs are not included in the carrying amount of inventories. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Receivables from customers

Accounts receivable are recognized and carried at originally invoiced amounts and subsequently are valued at amortized cost with the use of the effective interest rate less any impairment losses. Impairment losses (losses from doubtful accounts) are recognized when objective indication exists that the Group will be unable to collect all amounts due. The amount of impairment loss is the difference between the carrying amount of the receivables and the net present value of the discounted with the effective interest rate future cash flows. The amount of impairment loss is charged to the income statement. At each reporting period/date, all accounts receivable are assessed based on historical trends and statistical information and a provision is recorded for the probable and reasonably estimated loss for these accounts. The balance of such allowance for doubtful accounts is adjusted by recording a charge to the consolidated statement of income of the reporting period. All accounts receivable for which collection is not considered probable are written-off.

2.13 Cash and cash equivalents

Cash, time deposits and other highly liquid, low risk investments with original maturities of three months or less are considered to be cash equivalents.

2.14 Share Capital

The common shares are classified in Equity.
Stock issuance costs, net of related deferred tax, are reflected as a deduction of Paid-in-Surplus.
Stock issuance costs related to business combinations are included in the cost carrying amount.
The purchase cost of treasury shares less any income tax (if applicable) is presented as a deduction of equity unless the treasury shares are sold or cancelled. Gains or losses from the sale of treasury shares net of any direct transaction costs or income tax, if applicable, are presented as reserve in equity.

2.15 Borrowings

All loans and borrowings are initially recognized at fair value, net of issue costs associated with the borrowing. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains or losses through the amortization process are recognized in the statement of income.

2.16 Income tax

Income Tax expense for the period consists of current and deferred taxes, i.e. the tax (or the tax discount) associated with income (or loss) that are reported, for accounting purposes, in the current period but will generate a tax liability or asset in future accounting periods. Income taxes are recognized in the statement of income, except for the tax that is related to transactions charged directly to equity. In the latter case, the tax is also charged directly to equity.

Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries. The current income tax is based on taxable profits of the Group companies adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force.

Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse.

Deferred taxes are calculated using the liability method for all temporary tax differences as of the balance sheet date between taxable base and accounting base of the assets and liabilities.

Expected impacts from temporary tax differences are recognized and recorded either as future (deferred) tax liabilities or as deferred tax assets.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the above and can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

The Group writes off deferred tax assets against deferred tax liabilities only if:

- The Company has a legal right to write off current tax assets against current tax obligations and
- The deferred tax assets and the deferred tax liabilities relate to income tax and are imposed by the same tax authority either:
    - To the same taxable entity or
    - To different taxable entities, that intends to write off the current tax obligations and assets or to settle the assets with the liabilities simultaneously in every future period in which significant amounts of deferred tax obligations or assets are expected to be settled.

2.17 Employee Benefits

a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

b) Provisions for defined benefit plans

The programs for employee benefits concerning their service termination are included in defined benefit plans according to IAS 19 – "Employee benefits". The obligations resulting from the defined benefit plans are calculated as the discounted fair value of the future benefits to employees accrued as of the balance sheet date. These obligations are calculated based on financial and actuarial assumptions. The net cost for the period / year is charged to the income statement and is comprised from the present value of accrued benefits during the period / year, the discounting of the future obligation, the cost of experience of service and actuarial gains or losses. Unrecorded cost of experience is recognized on a straight basis on the average remaining service time of the employees expected to receive benefits. For discounting purposes the interest rate of long term Greek Government bonds is used.

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or accrued) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be calculated. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each balance sheet date and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provisions are reversed. Provisions are used only for expenditures for which they were originally recognized. Contingent assets and contingent liabilities are not recognized.

2.19 Revenue Recognition

Revenues consist of the fair value of the sale of goods and services, net of value-added tax, rebates and discounts. Revenue is recognized as follows:

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.

- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.

- **Dividend income:** Dividend income is recognized at the period approved by each entity’s General Assembly Meeting.

2.20 Leases

Leases which transfer to the Company substantially all benefits and risks incidental to ownership of the item property are considered financial leases and are accounted for by the lessee as the acquisition of an asset and the incurrence of a liability. Financial charges are recognized directly to income. Finance leases, that transfer to the Group substantially all risk and benefits following the ownership of the leased asset are recorded as assets with amount equal to the initial lease amount, the fair value of the leased asset or if lower the present value of the minimum future lease payments. Lease payments are included in finance costs and deducted from the remaining liability, in such way that a constant interest rate applies to the remaining liability amount.

Leased assets are depreciated in the shorter time between useful life of the asset and the lease period.

Criterion for the classification of a lease as finance or operating is the type or transaction itself and not the type of agreement.

If from a lease agreement arises that the lessor substantially holds all benefits and risks incidental to ownership of the asset, it is classified as an operating lease by the lessee and the rental payments are recognized as an expense as incurred.

2.21 Dividend Distribution

Dividends payable to the shareholders are recognized and presented as liability in the period in which the General Assembly Meeting approves them.

2.22 Government Grants

Government grants are initially recognized as deferred income on the balance sheet, when the reimbursement of the grant is fairly secure and the Group has met its required obligations. Grants related to the Groups expenses are recognized as other operating income on a systematic base in the period the related expenses are recognized. Grants related to the purchase cost of the Group's assets are recognized as other operating income on a systematic base according to the useful estimated life of the asset.

2.23 Earnings per share

Basic earnings per share are computed by dividing net income by the weighted average number of shares outstanding during each period.

2.24 Long term Receivables / Payables

Long-term receivables and payables, which are interest free or bear interest significantly lower than the prevailing market rates, are recognized in their net present value. Differences between the present value and the face amounts are created as discount or premium and amortized as interest expense or income over the life of the receivable/payable.

2.25 Related parties

Related party transactions and balances are disclosed separately in the consolidated financial statements. Such related parties mainly refer to major shareholders management, companies with common ownership and/or management with the company and its consolidated subsidiaries, or other affiliates of these companies.

2.26 Capital Management

The Group's policy is the maintenance of a solid capital structure to have confidence of investors and creditors and to support its future growth. Management monitors Equity in its total excluding minority interests so that the ratio to liabilities subtracting the Company's deposits is approximately 3 to 1.

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2007 and 2006 was 2,14 and 2,71 respectively for the Group and 2,44 and 2,43 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity.
The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law.

I case the share capital is below the ½ of the paid in share capital the Board of Directors has to invite the General Assembly of shareholders within 6 months from the end of the fiscal year to decide about the dissolvement of the company or any other measure.

If the total equity is below 1/10 of the paid in share capital and the general assembly does not apply appropriate measures the company can be dissolved by court decision after the request of any party that has legal interest.

Yearly at least the 1/20 of net earnings is distributed to legal reserves that is used to compensate before any dividend distribution the debit balance of retained earnings. The distribution to reserves is not mandatory if its level is 1/3 of the paid in share capital.

The distribution of the yearly cash dividend is mandatory for 35% of the net earnings after the deduction of the legal reserve and the distribution to special valuation reserves from the fair value valuation of assets and liabilities at fair value. This is not applied if the general assembly of shareholders decides at least with 65% majority. In this case the not distributed dividend is presented in a special reserves account for capitalization and new shares are distributed without any charge to the beneficiaries shareholders within four years. Finally, with 70% majority the general assembly can decide the non distribution of dividends.

The company is fully compliant with the related provisions imposed by law concerning equity.

3. Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks (including currency risk, fair value interest rate risk, cash flow risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses in certain instances derivative financial instruments to hedge certain risk exposures but does not apply hedge accounting.

Risk management is carried out by the treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

The following sensitivity analysis of the results for the Group and the Company is based tax rate 25% for 2007 and 29% for 2006.

3.1.1 Market Risks

3.1.1.1 Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and JPY. Foreign exchange risk arises from commercial transactions, recognized assets and liabilities in currencies other than the functional currency of the Group the Euro.

At December 31, 2007, if the Euro had weakened / strengthened by 12% against the USD with all other variables held constant, net profit and equity for the year would have been EURO 948,26 (EURO 997,74 in 2006) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD denominated liabilities compensated by foreign exchange gains / losses on translation of cash and cash equivalents held in USD.

At December 31, 2007, if the Euro had weakened / strengthened by 5% against the JPY with all other variables held constant, net profit and equity for the year would have been EURO 14,45

(All amounts in Euro thousands unless otherwise stated)

(EURO 0,00 in 2006) lower / higher mainly as a result of foreign exchange gains / losses on translation of JPY denominated trade receivables compensated by foreign exchange losses / gains on translation of JPY denominated liabilities.

At December 31, 2007, if the Euro had weakened / strengthened by 9% against the GBP with all other variables held constant, net profit and equity for the year would have been EURO 0,567 (EURO 0,26 in 2006) lower / higher mainly as a result of foreign exchange losses / gains on translation of JPY denominated liabilities.

At December 31, 2007, if the Euro had weakened / strengthened by 12% against the USD with all other variables held constant, net profit and equity for the year would have been EURO 0,00 (EURO 1,30 in 2006) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD denominated liabilities compensated by foreign exchange gains / losses on translation of derivatives on December 31, 2007.

3.1.1.2. Price Risk

The Group is exposed to equity securities price risk because of investments in Athens Stock Exchange listed equity securities classified for financial statements preparation purposes as available for sale. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the decisions of the Board of Directors for investments of liquidity in equity securities.

The portfolios equity securities are included in the General Index of the Athens Stock Exchange. The table below presents the impact on the Group's equity for the year of an increase / decrease of the General Index of the Athens Stock Exchange. The analysis is based on the assumption that the Athens Stock Exchange General index had increased / decreased by 18% with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2007	**2006**
ASE General Indes	90,32	69,47

Other reserves within equity would increase / decrease by EURO 90,32 (EURO 69,47 in 2006) as a result of valuation gains / losses on equity securities classified as available for sale.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk

The Group has no significant interest bearing assets and its income and operating cash flow are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long term and short term borrowing from banks in Euro with variable interest rates.

The Group analyses its interest rate exposure on a continuous basis taking into consideration the possibility of restructuring debt with alternative terms and types as well as the renewal of existing positions. Based on these alternatives the Group calculates the impact on significant medium and long term debt positions a shift in interest rates would have.

At December 31, 2007, if interest rates on Euro denominated borrowings had been 50 basis points higher / lower with all other variables held constant, net profit and equity for the year would have been EURO 280,20 (EURO 138,91 in 2006) lower / higher mainly as a result of higher / lower interest expense on floating rate borrowings in Euro.

(All amounts in Euro thousands unless otherwise stated)

3.2 Credit Risk

Credit risk is managed on Group basis. Credit risk arises mainly from credit exposures to customers including accounts receivables. The commercial departments assess the credit quality of the customer taking into consideration its financial position, past experience and other factors and sets predefined credit limits that are monitored regularly and each customer cannot exceed. Sales to retail customers are settled in cash. No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of accounts receivables.

3.3 Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities.

The Group's management monitors and adjusts its cash flow program on a daily basis based on expected cash inflows and outflows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows including interests and therefore may not reconcile to the amounts disclosed on the balance sheet.

Consolidated December 31, 2007	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	70.985	8.345	-	-
Derivative financial instruments……..	-	-	-	-
Trade and other payables…………….	25.169	-	-	-
Total	**96.154**	**8.345**	**-**	**-**

Consolidated December 31, 2006	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	35.850	16.690	-	-
Derivative financial instruments……..	151	-	-	-
Trade and other payables…………….	21.372	-	-	-
Total	**55.373**	**16.690**	**-**	**-**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and therefore may not reconcile to the amounts disclosed on the balance sheet.

Company December 31, 2007	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	57.112	8.345	-	-
Derivative financial instruments……..	-	-	-	-
Trade and other payables…………….	23.865	-	-	-
Total	**80.977**	**8.345**	**-**	**-**

(All amounts in Euro thousands unless otherwise stated)

Company **December 31, 2006**	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………...	35.530	16.690	-	-
Derivative financial instruments……..	151	-	-	-
Trade and other payables…………….	21.151	-	-	-
Total	**56.832**	**16.690**	**-**	**-**

3.4 Accounting for derivatives financial instruments and hedging

Derivatives initially and subsequently are values at fair value. The recognition of gains and losses depends on whether the derivatives are used as hedging or trading instruments. The group determines during the derivatives agreement the relation between hedging instrument and hedged risk as well as the related risk management strategy. During the agreement and subsequently assessment exists for the high hedging efficiency as well as for the hedging of the fair value and the hedging of cash flow.

3.5 Determining fair values

The fair value of the financial instruments that are traded on active markets (exchanges) is determined by the published prices as of the balance sheet date.

The fair value of the financial instruments that are not traded on active markets is determined through valuation techniques, with the use of methods and assumptions based on market data as of the balance sheet date.

The fair value of receivables and liabilities is their face value appropriately adjusted in order to reflect the time value of money and assessments for the default resulting from credit risk.

4. Use of estimates

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.

4.1 Significant accounting estimates and assumptions

The Company / Group makes estimates and assumptions related to the outcome of future events. There are no estimates and assumptions that include significant risk able to require material adjustments to the carrying values of the assets and liabilities within the next 12 months.
The estimates and assumptions of the management are under continuous review based on historical data and expectations of future events, that are believed to be appropriate based on the existing.

5. 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.

(All amounts in Euro thousands unless otherwise stated)

The segment results of the business segments for the Years ended December 31, 2007 and 2006 are presented below:

Year ended December 31, 2007	**Long Living Consumer Goods**	**Mobile Telephony**	**Other**	**Total**	**Intercompany elimination**	**Group**
Sales revenues to third parties…...	119.011	34.703	4.821	158.535	-	158.535
Sales revenues within the Group...	171	-	3.887	4.058	(4.058)	-
Less: Cost of sales……………….	(81.676)	(34.643)	(3.841)	120.160	-	120.160
Less: Cost of sales within the Group……………………………	(171)	-	(3.521)	(3.692)	3.692	-
Gross profit…………………..….	**37.335**	**60**	**1.346**	**38.741**	**(366)**	**38.375**
Other operating income………….	1.295	531	46	1.872	-	1.872
Distribution expenses……………	(14.039)	(559)	(587)	(15.185)	-	(15.185)
Distribution expenses within the Group……………………………	(366)	-	-	(366)	366	-
Administrative expenses………...	(2.650)	(28)	(818)	(3.496)	-	(3.496)
Other operating expenses………..	(35)	-	(23)	(58)	-	(58)
Profit from operations…………	**21.540**	**4**	**(36)**	**21.508**	**-**	**21.508**
Finance costs (net)………………	(2.320)	84	(825)	(3.061)	127	(2.934)
Income from subsidiaries…….....	228	-	-	228	(228)	-
Profits before tax….……………	**19.448**	**88**	**(207)**	**19.239**	**(101)**	**18.574**
Income tax expense……………...	(5.377)	(22)	52	(5.347)	-	(5.347)
Net profit……………………..….	**14.071**	**66**	**(155)**	**13.982**	**(755)**	**13.227**

Year ended December 31, 2006	**Long Living Consumer Goods**	**Mobile Telephony**	**Other**	**Total**	**Intercompany elimination**	**Group**
Sales revenues to third parties…...	68.381	86.562	4.443	159.376	-	159.376
Sales revenues within the Group...	215	-	3.424	3.639	(3.639)	-
Less: Cost of sales……………….	(49.520)	(86.118)	(3.719)	(139.357)		(139.357)
Less: Cost of sales within the Group……………………………	(215)	-	(2.641)	(2.856)	2.856	-
Gross profit…………………..….	**18.861**	**444**	**1.497**	**20.802**	**(783)**	**20.019**
Other operating income………….	1.255	323	118	1.696	-	1.696
Distribution expenses……………	(12.676)	(393)	(412)	(13.481)		(13.481)
Distribution expenses within the Group……………………………	(591)	-	-	-	591	-
Administrative expenses………...	(2.262)	(116)	(323)	(2.701)	185	(2.516)
Other operating expenses………..	(18)	(1)	(28)	(47)	(6)	(53)
Profit from operations…………	**4.569**	**257**	**852**	**5.678**	**(13)**	**5.665**
Finance costs (net)………………	(1.087)	6	58	(1.023)	(416)	(1.439)
Income from subsidiaries…….....	24	-	-	24	(24)	-
Profits before tax….……………	**3.506**	**263**	**910**	**4.679**	**(453)**	**4.226**
Income tax expense……………...	(1.273)	(77)	(122)	(1.472)	-	(1.472)
Net profit……………………..….	**2.233**	**186**	**788**	**3.207**	**(453)**	**2.754**

(All amounts in Euro thousands unless otherwise stated)

Respectively, the allocation of assets and liabilities to the business segments as of December 31, 2007 and December 31, 2006 is as follows:

December 31, 2007	**Long Living Consumer Goods**	**Mobile Telephony**	**Other**	**Total**	**Intercompany elimination / not allocated**	**Group**
Property, plant and equipment and intangible assets…………………………	745	28	21.223	21.996	(994)	21.002
Inventories……………………………….	35.404	60	-	35.464	-	35.464
Receivables and prepaid expenses………	70.220	791	1.218	72.229	(255)	71.974
Cash and cash equivalents……………….	7.387	84	7.993	15.464	-	15.464
Other assets……………………………...	-	-	-	-	-	1280
Total assets	**113.756**	**963**	**30.434**	**145.153**	**(1.249)**	**145.184**
Long term borrowings……………….……..	7.843	-	-	7.843	-	7.843
Short term borrowings…………………..	46.006	-	-	46.006	-	46.006
Short term portion of long term debt.…...	7.873	-	-	7.873	-	7.873
Trade and other payables………………..	18.615	910	1.542	21.067	(255)	20.812
Other liabilities…………………………..	884	46	17.895	18.825	-	18.825
Equity……………………………………	-	-	-	-	-	43.825
Total liabilities	**80.221**	**910**	**1.542**	**82.789**	**(255)**	**145.184**

December 31, 2006	**Long Living Consumer Goods**	**Mobile Telephony**	**Other**	**Total**	**Intercompany elimination /not allocated**	**Group**
Property, plant and equipment and intangible assets…………………………	407	40	3.121	3.568	(44)	3.524
Inventories……………………………….	36.509	123	15	36.647	-	36.647
Receivables and prepaid expenses………	45.728	529	491	46.748	(254)	46.494
Cash and cash equivalents……………….	5.724	525	8.948	15.197	-	15.197
Other assets……………………………...	-	-	-	-	-	1.389
Total assets	**88.368**	**1.217**	**12.575**	**102.160**	**(298)**	**103.251**
Long term borrowings……………….……..	15.691	-	-	15.691	-	15.691
Short term borrowings…………………..	15.354	-	303	15.657	-	15.657
Short term portion of long term debt.…...	19.114	-	-	19.114	-	19.114
Trade and other payables………………..	18.852	1.419	588	20.859	(254)	20.605
Other liabilities…………………………..	-	-	-	-	-	2.192
Equity……………………………………	-	-	-	-	-	29.992
Total liabilities	**69.011**	**1.419**	**891**	**71.321**	**(254)**	**103.251**

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

6. *Income*

Analysis of the Groups' income:

	Consolidated		**Company**	
	Year ended December 31,			
	2007	**2006**	**2007**	**2006**
Sales of goods and services	154.477	155.737	153.714	154.943
Other income	1.872	1.696	1.826	1.826
Total	**156.349**	**157.433**	**155.540**	**156.521**

(All amounts in Euro thousands unless otherwise stated)

7. *Break down of expenses*

The main categories of expenses are analyzed as follows:

	Consolidated					
	Table of allocation of expenses year ended December 31, 2007					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	(190)	(1.702)	(3.726)	-	-	(5.618)
Third party expenses…	(218)	(637)	(1.954)	-	-	(2.809)
Supplies……………....	(28)	(253)	(4.573)	-	-	(4.854)
Taxes and duties……..	-	(144)	(267)	-	-	(411)
Various expenses…….	(5)	(689)	(3.680)	-	(58)	(4.432)
Financial expenses…...	-	-	-	(2.850)	-	(2.850)
Depreciation & amortization………….	(117)	(71)	(106)	-	-	(294)
Provisions……………	(26)	-	(513)	(84)	-	(623)
Inventories…………...	(115.884)	-	-	-	-	(115.884)
Total	**(116.468)**	**(3.496)**	**(14.819)**	**(2.934)**	**(58)**	**(137.775)**

	Consolidated					
	Table of allocation of expenses year ended December 31, 2006					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	(679)	(1.320)	(2.055)	-	-	(4.054)
Third party expenses…	(134)	(354)	(2.107)	-	-	(2.595)
Supplies……………....	(190)	(299)	(3.826)	-	-	(4.315)
Taxes and duties……..	-	(67)	(203)	-	-	(270)
Various expenses…….	-	(244)	(3.834)	-	(47)	(4.125)
Financial expenses…...	-	-	-	(1.439)	-	(1.439)
Depreciation & amortization………….	(112)	(47)	(99)	-	-	(258)
Provisions……………	-	-	(765)	-	-	(765)
Inventories…………...	(135.386)	-	-	-	-	(135.386)
Total	**(136.501)**	**(2.331)**	**(12.889)**	**(1.439)**	**(47)**	**(153.553)**

	Company					
	Table of allocation of expenses year ended December 31, 2007					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	(173)	(1.497)	(2.240)	-	-	(3.910)
Third party expenses…	(218)	(324)	(2.507)	-	-	(3.049)
Supplies……………....	(4)	(166)	(5.639)	-	-	(5.809)
Taxes and duties……..	-	(110)	(110)	-	-	(220)
Various expenses…….	(5)	(529)	(3.513)	-	(35)	(4.082)
Financial expenses…...	-	-	-	(2.153)	-	(2.153)
Depreciation & amortization………….	(9)	(52)	(72)	-	-	(133)
Provisions……………	(26)	-	(496)	45	-	(477)
Inventories…………...	(115.884)	-	-	-	-	(115.884)
Total	**(116.319)**	**(2.678)**	**(14.577)**	**(2.108)**	**(35)**	**(137.717)**

(All amounts in Euro thousands unless otherwise stated)

	Company					
	Table of allocation of expenses year ended December 31, 2006					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses…	-	(1.307)	(1.984)	-	-	(3.291)
Third party expenses…	(117)	(291)	(2.101)	-	-	(2.509)
Supplies……………....	(163)	(290)	(4.265)	-	-	(4.718)
Taxes and duties……..	-	(45)	(199)	-	-	(244)
Various expenses…….	-	(214)	(3.801)	-	(13)	(4.028)
Financial expenses…...	-	-	-	(799)	-	(799)
Depreciation & amortization………….	-	(46)	(74)	-	-	(120)
Provisions……………	(72)	-	(644)	(281)	-	(997)
Inventories…………...	(135.286)	-	-	-	-	(135.286)
Total	(135.638)	(2.193)	(13.068)	(1.080)	(13)	(151.992)

The reduction in administrative expenses during the Year 2007 compared to the related Year 2006 is due to increased organizational expenses for the start of operations of the subsidiary company R.F. ENERGY S.A.

The increase in distribution expenses during the Year 2007 compared to the related Year 2006 is due to increased logistics costs (storage, transports etc.) for the coverage of the increased needs because of the significant increase in sales of long living consumer goods and especially the air conditioners in the year 2007.

The personnel expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2007	2006	2007	2006
Salaries and wages…………………	(4.680)	(3.328)	(3.255)	(2.695)
Employers' social security contributions………………………..	(867)	(667)	(603)	(539)
Other compensation………………..	(28)	(16)	(28)	(16)
Retirement benefits………………...	(43)	(43)	(24)	(41)
Total	(5.618)	(4.054)	(3.910)	(3.291)

Finance income and expenses are analyzed as follows:

(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	Year ended December 31,			
	2007	2006	2007	2006
Finance costs:				
Interest and similar expenses………	(3.596)	(3.276)	(3.354)	(3.239)
Bank charges and commissions……	(185)	(222)	(185)	(222)
Provisions for impairment of subsidiaries and securities………….	(84)	-	(84)	(281)
Foreign exchange differences (expense)...	(1.266)	(659)	(1.266)	(659)
Other………………………………..	-	(151)	-	(151)
Total Finance costs	**5.131**	**(4.308)**	**(4.889)**	**(4.552)**
Finance income:				
Interest and similar income………...	403	686	361	592
Foreign exchange differences (income)……………………………	1.779	2.129	1.577	2.129
Gain from the sale of subsidiary*...	15	-	700	697
Other………………………………..	-	54	128	54
Total Finance income	**2.197**	**2.869**	**2.781**	**3.472**
Finance costs, net	**(2.934)**	**(1.439)**	**(2.109)**	**(1.080)**

* Detail information on gain from sale of subsidiary are included in Note 1: Incorporation and Business of the Group.

8. *Income taxes*

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

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

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

Company	Unaudited fiscal years
• F.G. EUROPE S.A.	2006 to 2007
• FIDAKIS SERVICE S.A.	2003 to 2007
• FIDAKIS LOGISTICS S.A.	2003 to 2007
• CITY ELECTRIC S.A.	2003 to 2007
• HYDROELECTRICAL ACHAIAS S.A.	Unaudited from inception (2002)
• AEOLIC KYLINDRIAS S.A.	Unaudited from inception (2002)
• KALLISTI ENERGIAKI S.A.	Unaudited from inception (2004)
• R.F. ENERGY S.A.	Unaudited from inception (2006)

(All amounts in Euro thousands unless otherwise stated)

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

	Consolidated		Company	
	Year ended December 31,			
	2007	2006	2007	2006
Income tax (current period)………..	(4.887)	(1.230)	(4.872)	(1.079)
Deferred tax………………………..	100	(242)	(70)	(271)
Tax audit differences……………….	(560)	-	(560)	-
Income taxes	**(5.347)**	**(1.472)**	**(5.502)**	**(1.350)**

The income tax related to the Groups earnings is different from the amount that would result as if the tax rate would be applied as follows:

Reconciliation of income tax				
	Consolidated		Company	
	Year ended December 31,			
	2007	2006	2007	2006
Earnings before taxes…………………….	18.574	4.226	20.051	4.553
Tax rate	25%	29%	25%	29%
Income tax resulting from application of tax rate……………………………………	4.644	1.226	5.013	1.320
Non taxable income……………………..	(15)	(16)	(105)	(15)
Non deductible expenses…………………	8	45	8	45
Non deductible losses…………………….	150	217	26	-
Tax audit differences……………………..	560	-	560	-
Effective income tax	**5.347**	**1.472**	**5.502**	**1.350**

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

9. *Earnings per share*

The basic earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year.

	Consolidated		Company	
	Year ended December 31,			
	2007	2006	2007	2006
Net profit attributable to shareholders…………………..	13.468	2.673	14.549	3.203
Weighted average number of shares outstanding……………..	52.800.154	52.763.815	52.800.154	52.763.815
Basic earnings per share (in Euro)	**0,2551**	**0,0507**	**0,2755**	**0,0607**

After the maturity and the repayment of the remaining 102.915 bonds of the Convertible bond loan on the Company does no longer calculate diluted earnings per share.

10. *Property, plant and equipment and intangible assets*

Property, plant and equipment is analyzed as follows:

(All amounts in Euro thousands unless otherwise stated)

Consolidated	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	Total	Intangible assets
December 31, 2006								
Value at cost……………....	5	1.738	1.235	191	786	237	4.192	92
Accumulated depreciation..	-	(56)	(61)	(56)	(532)	-	(705)	(31)
Net book value……………	5	1.682	1.174	135	254	237	3.487	61
January 1 to December 31, 2006								
Additions………………….	-	22	-	82	169	92	365	6
Disposals / transfers………	-	-	-	(3)	-	(117)	(120)	-
Depreciation………………	-	(46)	(53)	(31)	(79)	-	(209)	(20)
Depreciation of disposals…	-	-	-	-	-	-	-	-
December 31, 2006								
Value at cost……………....	5	1.760	1.235	270	955	212	4.437	98
Accumulated depreciation..	-	(102)	(114)	(87)	(611)	-	(914)	(51)
Net book value……………	5	1.658	1.121	183	344	212	3.523	47
January 1 to December 31, 2007								
Additions………………….	-	4	20	45	106	3.525	3.700	1.889
Work in progress………….	-	-	-	-	-	12.166	12.166	-
Disposals / transfers………	-	-	-	(38)	(4)	-	(42)	-
Depreciation………………	-	(47)	(56)	(41)	(133)	-	(277)	(21)
Depreciation of disposals…	-	-	-	14	2	-	16	-
December 31, 2007								
Value at cost……………....	5	1.764	1.255	277	1.057	15.903	20.261	1.987
Accumulated depreciation..	-	(149)	(170)	(114)	(742)	-	(1.174)	(72)
Net book value……………	5	1.615	1.085	163	316	15.903	19.087	1.915

It is noted that fixed assets are not pledged.
It is also noted that Work in progress amount € 15.903 concerns the cost of wind park construction of the subsidiaries of the Group.
The addition to intangible assets concern for the amount of € 1.800 wind energy production license and for the amount of € 89 other right of use.
The cost of the wind energy production license was determined at the value of the subsidiary KALLISTI ENERGIAKI S.A. The amount of € 1.800 represents the difference between cost and fair value of the assets and liabilities of KALLISTI ENERGIAKI S.A., that were purchased by 100% on January 16, 2007 through R.F ENERGY S.A. that is controlled by F.G. EUROPE S.A. participating with 40%. The determination of the fair value of the net assets of the company was done by an independent valuer and is as follows:

Assets of "KALLISTI ENERGIAKI S.A.	16.1.2007	
	Carrying value	Fair value
Property, plant and equipment and intangible assets………………….	12	12
Trade and other receivables………………………………………...	13	13
Cash and cash equivalents…………………………………………….	2	2
Trade and other payables……………………………………………..	(42)	(42)
Equity…………………………………………………………………	(15)	(15)
Purchase price………………………………………………………		1.350
Wind energy production license……………………………………		1.800
Recognized deferred tax…………………………………………		(450)
Total		**1.350**

(All amounts in Euro thousands unless otherwise stated)

The results of this company are included in the Financial Statements of the Group from the purchase date on January 16, 2007.
The company for the period January 1 to January 16, 2007 had no revenues and no results. In the interim financial statements for the year 2007 preliminary values were used for the assets and the total difference of € 1.365 related to the purchase price was reported as Goodwill. The above temporary Goodwill is presented in the attached Financial Statements as intangible asset € 1.800, and deferred tax liability (€ 350). From this finalization no other retrospective differences occurred.

11. Available for Sale Financial Instruments

The available for sale securities contain shares of Athens Exchange listed companies that were valued with closing prices of December 31, 2007 as well as companies with participation percentage of less than 20% that were valued at cost and examined for impairment through the statement of income.

Valuation of Securities ASE Listed Companies	**Cost**	**Gain / loss until December 31, 2006**	**Sales 2006**	**Valuation December 31, 2006**	**Purchases 2007**	**Gain / loss until December 31, 2007**	**Sales 2007**	**Valuation December 31, 2007**
Alpha Bank S.A……...	74	(5)	-	69	-	6		75
National Bank of Greece S.A…………...	147	(8)	-	140	-	48		188
Emboriki Bank S.A….	301	(171)	(130)	-	-	-		-
Vioter S.A……………	53	(41)	-	12	-	-		12
Mihaniki S.A………...	29	(19)	-	10	-	3		13
Mohlos S.A…………..	41	(40)	-	1	-	-		1
Proodeftiki S.A………	71	(69)	-	2	-	1		3
Benrubi S.A………….	77	(68)	-	8	-	-		9
A/B Vasilopoulos S.A.	79	(39)	-	40	-	58		99
EFG Eurobank S.A…..	137	(77)	-	60	7	5		71
Dionik S.A…………...	614	(578)	-	36	-	(6)		30
Germanos S.A………..	17	7	-	24	-	-	(24)	-
Total	**1.640**	**(1.108)**	**(130)**	**402**	**7**	**115**	**(24)**	**502**
Not listed companies	-	-	-	-	98	(84)	-	14
Total investments (afs)	**1.640**	**(1.108)**	**(130)**	**402**	**105**	**31**	**(24)**	**516**

12. Inventories

Inventories are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
	2007	**2006**	**2007**	**2006**
Merchandise………………………………..	35.678	36.835	35.604	36.820
Provisions for slow moving inventory……..	(214)	(188)	(188)	(188)
Total	**35.464**	**36.647**	**35.416**	**36.632**

(All amounts in Euro thousands unless otherwise stated)

The provision for slow moving inventories charged to the Statement of Income amounts to EURO 26 for the Group and the Company (EURO 0 for the Group and EURO 72 for the Company in 2006).

13. Receivables and prepayments

Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2007	2006	2007	2006
Customers…………………………………..	26.712	20.735	26.680	20.681
Postdated cheques………………………….	44.509	26.022	44.494	25.984
Notes receivables…………………………..	-	148	-	148
Provision for doubtful accounts……………	(1.999)	(1.851)	(1.998)	(1.851)
Total	**69.222**	**45.054**	**69.176**	**44.962**
Other receivables and prepayments………..	2.752	1.440	1.836	1.258
Total	**71.974**	**46.494**	**71.012**	**46.220**

The movement in the provision for doubtful accounts is as follows:

	Consolidated	Company
Balance on January 1, 2006………………………………………	**(1.137)**	**(1.137)**
Provision charged as expense in 2006……………………………..	(716)	(716)
Amounts written off in 2006………………………………………..	2	2
Balance on December 31, 2006………………………………...	**(1.851)**	**(1.851)**
Provision charged as expense in 2007……………………………..	(497)	(496)
Amounts written off in 2007……………………………………….	349	349
Balance on December 31, 2007………………………………...	**(1.999)**	**(1.998)**

The provisions concern in its total accounts receivable from customer – debtors that has been characterized as doubtful because the credit period is overdue and have been transferred to the legal department to take legal action for the reimbursement of the receivable.
The maximum exposure to credit risk without taking into consideration guarantees and other credit insurances amounts as of December 31, 2007 for the Group to EURO 69.222 for the Company to EURO 69.176 and to EURO 45.054 and EURO 44.962 respectively as of December 31, 2006.
To reduce the credit risk the Group / Company have received from customers cheques receivables in form of guarantees for the amount of EURO 4.018 (EURO 2.301 in 2006).

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2007	2006	2007	2006
Greek state – taxes receivables…………...	2.296	1.017	1.456	868
Insurance companies……………………….	151	281	151	281
Subsidies…………………………………...	-	43	-	43
Other	305	99	229	66
Total	**2.752**	**1.440**	**1.836**	**1.258**

(All amounts in Euro thousands unless otherwise stated)

The carrying values of receivables and prepayments do not differ materially from their fair values.

14. Cash and cash equivalents

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

	Consolidated		**Company**	
	December 31,			
	2007	**2006**	**2007**	**2006**
Cash on hand...………………………………..	21	15	11	5
Sight deposits………......……………………..	8.674	5.027	7.461	4.624
Time deposits...……………………………….	6.769	10.155	-	1.620
Total long term borrowings	**15.464**	**15.197**	**7.472**	**6.249**

15. Share capital

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

The Board of Directors on its meeting of February 6, 2006 certified the second share capital increase of EURO 95 and the issuance of 318.054 new ordinary registered shares resulting from the conversion of 14.457 convertible bonds on February 3, 2006, being the twelve monthly anniversary of the conversion right for the bondholders according to the terms of the convertible bond.

According to the convertible bond terms, based on the conversion ratio (1/22) the 14.457 converted bonds equal to 318.054 common shares of the company. Based on the number of new shares that resulted from the conversion of the bonds the share capital of the company was increased by EURO 95 and remaining difference of EURO 1.350 that resulted from the premium of the issue price of the bonds (14.457 x 0,1 = 1.445 – 95 = 1.350) was credited to the share premium account.

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

It is noted that the average number of shares outstanding during the year 2007 is 52.800.154 shares.

16. Share premium

The share premium as of December 31, 2005 amounts to EURO 5.376. Subsequently it was increased by EURO 1.350 as mentioned in the previous paragraph and subtracting the share capital increase expenses of EURO 39 amounts as of December 31, 2006 to EURO 6.687. During the year 2007 the subsidiary company of the Group KALLISTI ENERGIAKI S.A. (indirect investment), proceeded with a share capital increase for the amount of EURO 5.020 that was covered completely by R.F. ENERGY S.A. Thus, the share capital of the company amounted to EURO 562 and the difference of EURO 4.518 was credited to the share premium account. After the related adjustments for consolidation purposes of the Group and subtracting the expenses of the aforementioned share capital increase of EURO 18 share premium account amounts to EURO 6.669 as of December 31, 2007.

(All amounts in Euro thousands unless otherwise stated)

17. Reserves

The movements in the reserves of the Group are presented in the following table:

Consolidated					
Reserve	**January 1, 2006**	**Additions / (reductions)**	**December 31, 2006**	**Additions / (reductions)**	**December 31, 2007**
Legal reserve………………….	1.015	180	1.195	758	1.953
Treasury shares……………….	(4.200)	(1.390)	(5.590)	-	(5.590)
Fair value reserves……………	109	6	115	125	240
Extraordinary reserves………..	1.566	-	1.566	-	1.566
Tax free reserves……………...	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90)……………………	930	(4)	926	-	926
Total Reserves	**(290)**	**1.208**	**(1.498)**	**883**	**(615)**

Company					
Reserve	**January 1, 2006**	**Additions / (reductions)**	**December 31, 2006**	**Additions / (reductions)**	**December 31, 2007**
Legal reserve………………….	1.009	162	1.171	752	1.923
Treasury shares……………….	(4.200)	(1.390)	(5.590)	-	(5.590)
Fair value reserves……………	109	6	115	125	240
Extraordinary reserves………..	1.566	-	1.566	-	1.566
Tax free reserves……………...	290	-	290	-	290
Total Reserves	**(1.226)**	**(1.222)**	**(2.448)**	**877**	**(1.571)**

It is noted that the above extraordinary reserve has been credited in previous years, is taxed completely and is free for distribution.

17.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to ⅓ of the paid in share capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

17.2 Treasury Shares

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

17.3 Special reserve of Article 44 (Law 1892/90)

The subsidiary F.G. Logistics S.A. (formerly General Data Applications S.A.) was submitted to the provisions of Article 44 par. 1 of Law 1892/1990 with decision number 7927/2002 of the appeal court of Athens. According to this decision the liabilities to suppliers, creditors, public except social security organization were reduced effectively December 31, 2001. The resulting surplus is presented in special tax reserves.

18. Trade and other payables

Trade and other payables are analyzed as follows:

(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	December 31,			
	2007	2006	2007	2006
Suppliers………………………………………	16.629	15.951	15.718	16.053
Cheques payables postdated…………………..	2.114	2.414	1.987	2.149
Accrued expenses……………………………..	1.079	1.230	1.012	1.225
Other short term obligations………………….	990	1.010	808	957
Total	**20.812**	**20.605**	**19.525**	**20.384**

Derivatives concern options on exchange rate with underlying value of EURO 11.919 and maturity July 27, 2007.

19. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	December 31,			
Long term borrowings:	2007	2006	2007	2006
Bonded loan………………………………….….	15.716	23.563	15.716	23.563
Convertible bond loan……………………..……..	-	11.242	-	11.242
	15.716	34.805	15.716	34.805
Long term debt payable within the next 12 months...………...	(7.873)	(19.114)	(7.873)	(19.114)
Total long term borrowings	**7.843**	**15.691**	**7.843**	**15.691**
Short term borrowings	**59.096**	**15.657**	**46.006**	**15.354**

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.

(All amounts in Euro thousands unless otherwise stated)

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.

Except the above conversions no other conversion took place until the maturity of the loan on August 3, 2007 date on which the remaining 102.915 bonds were repaid at EURO 0,1122 per bond.

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 until December 31, 2007.

The fair values of the loans are approximately the carrying values. The interest rates for the bonded loan were approximately 6,38% (3,8% for the convertible bond loan) and 6,50% approximately for the short term borrowings.

20. *Deferred taxes*

Deferred tax assets are offset with deferred tax liabilities when a legal right for offsetting exists and are due to the same tax authority.
The amounts are offset as follows:

Consolidated Deferred tax assets / (liabilities)	January 1, 2006	Changes 2006	December 31, 2006	Changes 2007	December 31, 2007
Intangible assets	141	(75)	66	(239)	(173)
Investments	-	(174)	(174)	(68)	(242)
Inventories	5	17	22	6	28
Receivables and prepayments	382	(95)	286	(237)	49
Long term borrowings	90	134	224	11	235
Employee benefits	44	15	59	8	67
Deferred state subsidies	-	(1)	-	(1)	(1)
Trade and other payables	-	(88)	(88)	295	207
Tax credits on recognized losses	-	49	49	(114)	(65)
Other	25	(25)	-	-	-
Total	687	(243)	444	(339)	105
Deferred tax assets / (liabilities) charged directly to Equity					
Share capital increase expenses	-	33	33	8	40
Total	687	(210)	476	(331)	145

Company Deferred tax assets / (liabilities)	January 1, 2006	Changes 2006	December 31, 2006	Changes 2007	December 31, 2007
Intangible assets	141	(72)	69	(48)	21
Investments	-	(175)	(175)	175	-
Inventories	5	17	22	6	28
Receivables and prepayments	382	(95)	287	(62)	225
Long term borrowings	90	134	224	(231)	(7)
Employee benefits	44	10	54	6	60
Deferred state subsidies	-	(1)	(1)	1	-
Trade and other payables	-	(88)	(88)	83	(5)
Other	3	(2)	1	(1)	-
Total	665	(272)	393	(70)	322

(All amounts in Euro thousands unless otherwise stated)

The maturity of deferred tax assets and liabilities is analyzed as follows:

	Consolidated		Company	
	December 31,			
	2007	2006	2007	2006
Short term……………………………………..	(250)	220	(251)	13
Long term……………………………………..	727	(75)	644	309
Total long term borrowings	**477**	**145**	**393**	**322**

21. Employee benefits: pension obligations

According to the Greek labour legislation employees are entitled to termination benefits in case of dismissal or retirement dependent on their current remuneration, the length of service and the reason for leaving (dismissal or retirement). Employees who leave or are dismissed with cause are not entitled to termination benefits. The termination benefit in case of retirements amounts to 40% of the termination benefit in case of dismissal.

The provision for employee termination benefits is presented in the financial statements according to IAS 19 and is based on an independent actuarial study calculated as of December 31, 2006. The basic underlying assumptions of the study are as follows:

	Estimate / assumption
Average increase in personnel expenses…………………….	4%
Discount rate……………………………………………...	4,1%
Retirement age: men / women………………………………	65 years / 60 years

Furthermore, the possibility of employees leaving deliberately was also taken into account.

The movement of the account from January 1, 2005 to December 31, 2007 was as follows:

	Consolidated		Company	
	2007	2006	2007	2006
Current value of non-financing liabilities………………………	439	404	294	276
Unrecognized actuarial gains / (losses)…………………………	(105)	(113)	(55)	(61)
Net liability recognized on balance sheet	**334**	**291**	**239**	**215**
Amounts charged to the Statement of Income for the year				
Current employment cost………………………………………	51	56	34	36
Interest of liability……………………………………………...	16	12	11	9
Recognized actuarial gains / (losses)………………………...	4	-	2	-
Cost of termination of service……………………………….	-	51	-	7
Total cost to the statement of income	**71**	**119**	**47**	**52**
Changes in the net liability recognized on the balance sheet				
Net liability at beginning of year……………………………….	291	247	215	174
Benefits paid by the employer………………………………….	(28)	(75)	(23)	(11)
Total cost recognized on the statement of income……………...	71	119	47	52
Net liability at end of year	**334**	**291**	**239**	**215**
Changes in the current value of the liability				
Current value at beginning of year…………………………...	291	247	215	174
Current employment cost………………………………………	51	56	33	36
Interest cost…………………………………………………….	16	12	11	9
Benefits paid by the employer………………………………….	(28)	(75)	(23)	(11)
Additional payments or expenses………………………………	-	51	-	7
Actuarial gains / (losses)………………………………………..	109	113	58	61
Current value of liability at end of year	**439**	**404**	**294**	**276**

(All amounts in Euro thousands unless otherwise stated)

22. Dividends

According to Greek Corporate law, companies are obliged to distribute each year to their shareholders at least the maximum between 35% of their net profit after the distribution to legal reserve and 6% of the paid in share capital. The Board of Directors will propose a dividend distribution for the fiscal year 2007 of Eurocent 22 per share (Eurocent 4 per share in 2006).

23. Reclassifications of amounts

	Consolidated		
	December 31, 2006	**Adjustments**	**Adjusted balance December 31, 2006**
Revenues (as reported)……………….	156.083	(346)	155.737
Finance costs, net (as reported)………	(1.785)	346	(1.439)

	Company		
	December 31, 2006	**Adjustments**	**Adjusted balance December 31, 2006**
Revenues (as reported)……………….	155.289	(346)	154.943
Finance costs, net (as reported)………	(1.426)	346	(1.080)

The above adjustments concern interest included in sales that were charged to Finance costs, net instead to be subtracted from revenues.

24. Related party transactions

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

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

Subsidiaries	**Company**	
Receivables from:	**December 31, 2006**	**December 31, 2006**
F.G. Logistics S.A………………………………….………	298	298
Fidakis Service S.A………………………………………...	214	5
City Electric S.A…………………………………………...	1	1
HYDROELECTRICAL ACHAIAS S.A………………….	1	-
R.F. Energy………………………………………………...	7	1
Total	**521**	**305**

Subsidiaries	**Company**	
Obligations to:	**December 31, 2007**	**December 31, 2006**
F.G. Logistics S.A………………………………….………	69	250
Fidakis Service S.A………………………………………...	-	114
Total	**69**	**364**

(All amounts in Euro thousands unless otherwise stated)

Companies with common shareholding structure	Consolidated		Company	
Receivables from:	**December 31, 2007**	**December 31, 2006**	**December 31, 2007**	**December 31, 2006**
CYBERONICA S.A………	511	389	90	75
Total	511	389	90	75

The transactions with the related parties for the Years ended December 31, 2007 and 2006 are analyzed as follows:

Subsidiaries	Company	
Sales of goods and services:	**Year ended December 31,**	
	2007	**2006**
Aministrative support..…………………………………….	5	181
Inventories…………………………………………….………	164	31
Other…………………………………………………………...	6	3
Total	175	215

Subsidiaries	Company	
Purchases of goods and services:	**Year ended December 31,**	
	2007	**2006**
Warranties………………………………………………….	(701)	(433)
Inventories…………………………………………….………	-	(181)
Logistics……………………………………………….……...	(3.186)	(2.809)
Total	(3.887)	(3.423)

Companies with common shareholding structure	Consolidated		Company	
Purchases of goods and services:	**Year ended December 31,**		**Year ended December 31,**	
	2007	**2007**	**2007**	**2006**
Cyberonica S.A……………….	(2.571)	-	(525)	-
Total	(2.571)	-	(525)	-

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

	Consolidated		Company	
Obligations to:	**December 31, 2007**	**December 31, 2006**	**December 31, 2007**	**December 31, 2006**
Members of the Board and Directors……………………	7	-	7	-
Total	7	-	7	-

	Consolidated		Company	
	Year ended December 31,		**Year ended December 31,**	
Compensation:	**2007**	**2006**	**2007**	**2006**
Personnel expenses..…………	(1.617)	(1.376)	(1.617)	(1.376)
Provision for staff leaving indemnity...……………..…...…	(21)	(11)	(21)	(11)
Total	(1.638)	(1.387)	(1.638)	(1.387)

(All amounts in Euro thousands unless otherwise stated)

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

25. *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.

26. *Commitments*

Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2007. The future aggregate minimum lease payments arising from building lease agreements until year 2016 are estimated to amount to EURO 21.478 approximately, while the amount charged to the income statement for the year ended December 31, 2007 for lease payments amounted to EURO 2.588. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2011 are estimated to amount to EURO 338 approximately, while the amount charged to the income statement for the year ended December 31, 2007 for lease payments amounted to EURO 75.

Consolidated

	Year 2007	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total
Future lease agreements for						
- buildings………………..	2.588	2.704	2.818	9.178	6.778	24.066
- cars……………………..	75	125	93	120	-	413
Total	**2.663**	**2.829**	**2.911**	**9.298**	**6.778**	**24.479**

Company

	Year 2007	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total
Future lease agreements for						
- buildings………………..	2436	2532	2640	8601	6362	22.571
- cars……………………..	75	125	93	120	-	413
Total	**2.511**	**2.657**	**2.733**	**8.721**	**6.362**	**22.984**

27. *Post Balance Sheet Events*

On January 18, 2008 the Board of Directors decided the issuance of a syndicated bond loan according to L. 2190/1920 and L. 3156/2003 for the amount of EURO 75.000. Purpose of the loan according to the decision of the Board of Directors is the restructuring of the existing long and short term bank debt of the Company. The payment of the loan was agreed in two installments of which the first for the amount of EURO 56.250 was on January 28, 2008 and the second for the amount of EURO 18.750 will be payable with decision of the Board of Directors within 60 days after the payment of the first. The loan has duration of five years with the option of prolongation for further two years. The repayment of the loan based of the initial five years duration will be proceeded in ten semi-annual installments of which the first is payable six months after the issuance of the loan on January 27, 2008. The first nine installments amount to EURO 5.200 and the tenth installment to EURO 28.200.