



**I. KLOUKINAS - I. LAPPAS S.A.
CONSTRUCTION & COMMERCE S.A.
(K.L.M. S.A.)**



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD
FROM
1st OF JANUARY TO THE 30th OF SEPTEMBER 2007**

ATHENS NOVEMBER 2007

We hereby confirm that the attached Interim Financial Statements for the period 01/01- 30/09/2007 are those approved by the Board of Directors of "I. KLOUKINAS - I. LAPPAS Construction and Commerce S.A." on 21/11/2007 and are disclosed to the company's website www.klmate.gr . It is noted that the summary financial data published in the press are intended to provide to the reader with certain general information but do not provide a comprehensive picture of the financial position and results of the company and the Group in accordance with the International Accounting Standards. It is also noted that certain items in the summary financial data have been condensed for the sake of simplicity.

Ioannis Kloukinas
Chairman of Board of Directors
I. KLOUKINAS – I. LAPPAS S.A.

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1. Balance Sheet

Amounts reported in €

	NOTES	GROUP		COMPANY	
		30/9/2007	31/12/2006	30/9/2007	31/12/2006
ASSETS					
Non current assets					
Tangible Assets		23.482.047	21.329.484	17.355.669	16.774.289
Intangible Assets		2.042.612	2.122.478	0	0
Goodwill		3.009.854	3.009.854	2.710.160	2.710.160
Investment Property		27.709.091	27.709.091	27.709.091	27.709.091
Investment in Subsidiaries		0	0	6.775.034	4.713.534
Investment in Associates		27.935	29.735	39.310	39.310
Other long term receivables		325.756	269.669	377.951	322.214
Deferred Tax		86.671	127.404	0	0
		56.683.967	54.597.716	54.967.215	52.268.597
Current assets					
Inventories		8.319.466	7.967.075	7.120.064	6.651.084
Trade debtors and other trading receivables		25.689.551	23.788.026	24.467.885	23.525.706
Prepayments		955.483	696.784	825.047	604.746
Other receivables		168.382	89.606	19.412	36.862
Financial Assets		284.043	284.043	284.043	284.043
Cash and cash equivalents		4.829.897	6.881.825	1.183.678	5.356.593
		40.246.822	39.707.358	33.900.129	36.459.035
Total Assets		96.930.788	94.305.075	88.867.343	88.727.632
EQUITY AND LIABILITIES					
Share Capital	8.11	7.425.086	6.187.572	7.425.086	6.187.572
Share Premium		10.988.065	11.275.656	10.988.065	11.275.656
Reserves of fair value		-32.877	-32.877	-32.877	-32.877
Exchange differences		21.739	36.039	0	0
Other Reserves		2.717.462	2.531.577	2.647.826	2.465.273
Accumulated profits/(losses)		36.153.457	34.133.672	35.504.887	34.385.083
Attributable to ordinary shareholders		57.272.933	54.131.638	56.532.988	54.280.707
Minority Interest		775.296	568.358	0	0
Total Shareholders' Equity		58.048.228	54.699.996	56.532.988	54.280.707
Liabilities					
Non-current liabilities					
Interest bearing borrowings		17.498.868	17.973.421	16.322.410	17.590.172
Deferred Tax		1.093.534	819.487	1.095.238	802.087
Retirement benefit obligation		547.875	515.232	547.875	515.232
Other long term liabilities		433.934	381.435	345.066	292.567
Total Non-current liabilities		19.574.212	19.689.575	18.310.590	19.200.058
Current Liabilities					
Trade and other payables		13.630.185	15.863.389	11.414.519	14.036.913
Short term borrowings		2.332.480	1.358.863	1.006.975	6.873
Current portion of interest bearing borrowings		1.840.722	953.784	1.572.715	953.784
Other current liabilities		1.504.960	1.739.467	29.556	249.296
Total current liabilities		19.308.348	19.915.504	14.023.765	15.246.866
Total Liabilities		38.882.560	39.605.078	32.334.356	34.446.924
Total Equity and Liabilities		96.930.788	94.305.075	88.867.343	88.727.632

2. Income Statement

Amounts reported in €

	Notes	GROUP		COMPANY	
		01/01 - 30/9/2007	01/01 - 30/9/2006	01/01 - 30/9/2007	01/01 - 30/9/2006
Sales		42.673.430	37.161.411	37.254.723	33.970.719
Cost of Sales		-21.444.748	-21.005.741	-19.373.826	-19.593.450
Gross Profit		21.228.682	16.155.670	17.880.897	14.377.269
Other operating income	8.2	797.834	1.707.747	696.241	1.466.334
Distribution costs		-7.471.893	-6.583.662	-6.805.186	-6.369.758
Administrative expenses		-3.284.417	-3.606.478	-2.704.432	-2.781.282
Other operating expenses		-4.166	-361.615	-4.166	0
Operating profit		11.266.040	7.311.662	9.063.354	6.692.563
Finance cost		-893.291	-884.883	-812.032	-824.862
Income from associates		-1.801	5.560	508.047	5.560
Proceeds from acquisition of subsidiary		0	650.225	0	0
Profit before tax		10.370.948	7.082.564	8.759.369	5.873.261
Tax		-2.620.711	-1.854.736	-2.175.789	-1.653.108
Profit after tax		7.750.237	5.227.828	6.583.581	4.220.153
Net profit after tax attributable to:					
Shareholders of Kloukinas-Lappas		7.511.479	5.101.871	6.583.581	4.220.153
Minority interests		238.757	125.957	0	0
		7.750.237	5.227.828		
Basic earnings per share	8.10	0,30	0,21	0,27	0,17

3. Consolidated Statement of Changes in Equity

Amounts reported in €

Balance as of January 1 2006, according to IFRS
Changes in equity during the period 01/01-30/09/2006
Share capital increase by capitalization of accumulated profits
Reclassifications
Exchange differences
Profit/Loss from revaluation recognised directly in Equity
Net income recognised directly in Equity

	Attributable to the parent company shareholders						Minority Interests	Total	
	Share capital	Share premium	Reserves of fair value	Exchange differences	Other reserves	Accumulated profit/(losses)			Total
	2.062.524	11.275.656	1.540.203	7.753	2.400.003	24.301.256	41.587.395	212.229	41.799.624
4.125.048						-4.125.048	0		0
			-1.490.551	3.063	571.053	740.086	-176.349	176.349	0
				-946			-946		-946
					28.110		28.110		28.110
							0		0
Change in minority interests due to percentage change in subsidiary holding							0	-55.980	-55.980
Change in Equity due to percentage change								0	0
Net income recognised directly in Equity						-683.866	-683.866		-683.866
Net operating profit for the period 01/01-30/09/2006						5.101.871	5.101.871	125.957	5.227.828
Total recognised profit/loss for the period		0	-1.490.551	2.117	599.163	1.033.043	4.268.820	246.326	4.515.146
Balance as of September 30, 2006	6.187.572	11.275.656	49.651	9.870	2.999.166	25.334.299	45.856.215	458.555	46.314.770

Balance as of January 1 2007, according to IFRS
Changes in equity during the period 01/01-30/09/2007
Share capital increase
Share capital increase of subsidiary company
Dividends
Reclassifications
Net income recognised directly in Equity
Exchange differences
Transfer from accumulated profits
Change due to percentage change in subsidiary company
Net income recognised directly in Equity
Net operating profit for the period 01/01-30/09/2007

	Attributable to the parent company shareholders						Minority Interests	Total	
	Share capital	Share premium	Reserves of fair value	Exchange differences	Other reserves	Accumulated profit/(losses)			Total
	6.187.572	11.275.656	-32.877	36.039	2.531.577	34.133.672	54.131.638	568.358	54.699.996
1.237.514		-287.591				-949.924	0		0
							0	198.553	198.553
						-4.331.300	-4.331.300	-254.957	-4.586.257
							0		0
							0		0
				-14.300	182.552	-182.552	-14.300		-14.300
						-24.584	-24.584	24.584	0
					3.333	-3.333	0		0
						7.511.479	7.511.479	238.757	7.750.237
	1.237.514	-287.591	0	-14.300	185.885	2.019.785	3.141.295	206.937	3.348.232
Balance as of September 30, 2007	7.425.086	10.988.065	-32.877	21.739	2.717.462	36.153.457	57.272.933	775.296	58.048.228

4. Parent Company Statement of Changes in Equity

Amounts in €

	Share Capital	Share premium	Reserves of fair value	Other reserves	Accumulated profits	Total
Balance as of January 1, 2006, according to IFRS						
Changes in equity during the period 01/01-30/09/2006	2.062.524	11.275.656	949.924	2.494.035	25.325.700	42.107.839
Share capital increase by capitalization of accumulated profits	4.125.048				-4.125.048	0
Profit/Loss from revaluation recognised directly in equity				28.110		28.110
Reclassifications				381.176	519.096	0
Net income recognised directly in Equity			-900.273		-683.866	-683.866
Net operating profit for the period 01/01-30/09/2006					4.220.153	4.220.153
Total recognised profit/loss for the period	4.125.048	0	-900.273	409.286	-69.665	3.564.397
Balance as of September 30, 2006	6.187.572	11.275.656	49.651	2.903.322	25.256.035	45.672.236
Balance as of January 1, 2007, according to IFRS						
Changes in equity during the period 01/01-30/09/2007	6.187.572	11.275.656	-32.877	2.465.273	34.385.083	54.280.707
Share capital increase	1.237.514	-287.591			-949.924	0
Profit/Loss from revaluation recognised directly in equity						0
Dividends					-4.331.300	-4.331.300
Transfer from accumulated profits			182.552		-182.552	0
Net income recognised directly in Equity					6.583.581	6.583.581
Net operating profit for the period 01/01-30/09/2007					1.119.804	2.252.280
Total recognised profit/loss for the period	1.237.514	-287.591	0	182.552	1.119.804	2.252.280
Balance as of September 30, 2007	7.425.086	10.988.065	-32.877	2.647.826	35.504.887	56.532.988

5. Cash flow Statement

Amounts reported in €

Note	GROUP		COMPANY	
	01.01 - 30.09.2007	01.01 - 30.09.2006	01.01 - 30.09.2007	01.01 - 30.09.2006
Cash flows from operating activities				
8.1	6.072.772	1.728.987	4.889.152	1.474.449
Less: Interest paid	(843.512)	(768.438)	(757.873)	(738.922)
Less: Income taxes paid	(1.192.456)	(1.382.701)	(825.249)	(1.238.909)
Net Cash flows from operating activities(a)	4.036.804	(422.152)	3.306.031	(503.382)
Cash flows from investing activities				
Purchase of tangible and intangible assets	(3.144.965)	(1.501.905)	(1.386.015)	(745.031)
Proceeds from sale of tangible asset	200	0	200	0
Acquisition of subsidiaries, affiliates, joint venture and other investment	0	(2.025.621)	(2.061.500)	(2.152.344)
Proceeds from sale of subsidiaries, affiliates, joint venture and other investment	0	3.287.460	0	3.293.574
Interest received	7.750	15.662	3.371	15.267
Dividends received	8.674	5.560	8.674	5.560
Net Cash flows from investing activities(b)	(3.128.341)	(218.844)	(3.435.271)	417.026
Cash flows from financing activities				
Proceeds from share capital increase	198.553	19.950	0	0
Proceeds from issued/undertaken loans	11.874.229	10.643.127	10.500.000	10.223.597
Repayment of loans	(9.831.521)	(8.309.059)	(9.538.459)	(7.969.268)
Payment of finance lease liabilities	(722.909)	(1.166.675)	(676.473)	(1.166.675)
Dividends paid	(4.478.743)	0	(4.328.743)	0
Net Cash flows from financing activities(c)	(2.960.391)	1.187.343	(4.043.675)	1.087.654
Net increase in cash and cash equivalents(a)+(b)+©	(2.051.928)	546.347	(4.172.916)	1.001.298
Cash and cash equivalents at beginning of period	6.881.825	5.373.828	5.356.593	3.406.610
Net increase in cash and cash equivalents at end of period	4.829.897	5.920.175	1.183.678	4.407.908

6. ADDITIONAL INFORMATION

6.1 General Information

The financial statements include the company financial statements of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION & COMMERCE SOCIETE ANONYME" operating as K.L.M. S.A. (the Company), and the consolidated financial statements of the company and its subsidiaries (the Group) for the period ended on 30st September 2007, according to the International Financial Reporting Standards (IFRS).

The Group engages in the execution of construction projects of any nature, whether as contractors or not, and the import, production and sale of clothing and footwear products, baby and child products, toys, furniture, cosmetics and houseware.

The Company was established in Greece, with headquarters located since 1993 at 3 Pasteur Street, Athens. Its telephone number is: 210-6451591-6.

The company's website is: www.klmate.gr

The company's shares are traded on the Athens Stock Exchange.

6.2 Basis of Preparation

The financial statements include the company financial statements of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION & COMMERCE SOCIETE ANONYME" operating as K.L.M. S.A. (the Company), and the consolidated financial statements of the company and its subsidiaries (the Group) for the nine month period of 2007 covering the period from the 1st of January to the 30st of September 2007, have been prepared on the principles of the historic cost, adjusted for certain assets and liabilities to fair value and going concern.

They are in accordance with the International Financial Reporting Standards (I.F.R.S.) and more specifically with International Financial Reporting Standard (I.A.S.) 34 "Interim Financial Statements".

The principal accounting policies adopted in the preparation of the Financial Statements as of December 31, 2006 were consistently applied herein.

6.3 New standards, amendments and interpretations to existing standards

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2006 or later periods but that the Group has not early adopted. The Group's assessment regarding the effect of the aforementioned new standards and interpretations, is as follows:

IAS 1 (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The group will apply the amendments of IAS 1 from 1/1/2007.

IFRS 7. Disclosures of Financial Instruments

IFRS 7 applies to all risks arising from all financial instruments, except those instruments specifically excluded (eg. interests in subsidiaries, associates and joint ventures, etc.). The objective of the disclosures is to provide an overview of the entity's use of financial instruments and the exposure to risks they create. IFRS 7 supersedes IAS 30 and the disclosure requirements of IAS 32 but the presentation requirements of IAS 32 remain unchanged. The Group will apply IFRS 7 from 1/1/2007.

IFRS 8 Operating Segments

IFRS 8 retains the general scope of IAS 14. It requires entities whose equity or debt securities are publicly traded and entities that are in the process of issuing equity or debt securities in public securities markets to disclose segment information. If a financial report contains both the consolidated financial statement of a parent that is within the scope of IFRS 8 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. IFRS 8 applies for annual periods beginning on or after 1 January 2009.

IFRS 23 (Amendment) Borrowing Cost

In the revised standard, the previous benchmark treatment of recognizing borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets form part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

IFRIC 11 IFRS 2- Group and Treasury Share Transactions

This interpretation is effective for the financial statements from March 1st 2007. IFRIC 11 provides guidance on whether specific share-based payment arrangements should be accounted for as equity settled or cash-settled schemes. This is an important distinction because there are significant differences in the required accounting treatment. For example, obligations under cash-settled schemes are measured to fair value at each reporting date. By contrast, in an equity-settled scheme the fair value of the award is determined at the grant date and recognized over the period in which the related services are provide.

I. KLOUKINAS – I. LAPPAS S.A.

IFRIC 12 Service Concession Arrangements

This interpretation is effective for the financial statements from January 1st 2008. IFRIC 12 provides guidance on accounting for some arrangements in which (i) a public sector body ("the grantor") engages a private sector entity ("the operator") to provide services to the public; and (ii) those services involve the use of infrastructure by the operator ("public to private service concessions"). IFRIC 12 is an extensive interpretation that is referred to a complicated subject.

6.4 Group `s structure and consolidation method

Group companies that are included in the consolidated financial statements are:

GROUP STRUCTURE				
Name	Headquarters	Participation %	Relation that dictated consolidation	Consolidation method
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	Parent Company	-	-
KLTH Carpentry works Ltd	Greece	99,59%	Direct	Full Consolidation
I.Kloukinas-I.Lappas Energy S.A.	Greece	93,14%	Direct	Full Consolidation
MYIE Kerasovou S.A.	Greece	82,89%	Indirect(I.Kloukinas-I.Lappas Energy S.A µε 89%)	Full Consolidation
KLM SA-TEDRA SA joint venture	Greece	70,00%	Direct	Full Consolidation
KLM SA-ISTOS LTD joint venture	Greece	75,00%	Direct	Full Consolidation
NET STYLE AE	Greece	100,00%	Direct	Full Consolidation
YSMEROM COM SRL	Romania	100,00%	Direct	Full Consolidation
KLM BULGARIA EOOD	Bulgaria	100,00%	Direct	Full Consolidation
KLMS COM DOOEL	FYROM	100,00%	Direct	Full Consolidation
KLSAL LTD	Albania	100,00%	Direct	Full Consolidation
KLSE COMMERCE LTD	Serbia	100,00%	Direct	Full Consolidation
KLM TRGOVINA KROATIA	Croatia	100,00%	Direct	Full Consolidation
KLSLV D.O.O	Slovenia	100,00%	Direct	Full Consolidation
KLOUKINAS-LAPPAS SA-ERGO SA joint venture	Greece	50,00%	Direct	Equity
K.L.M.SA &SIA ERGO PALLINIS EE	Greece	70,00%	Direct	Equity
K.L.M.SA &SIA EE	Greece	70,00%	Direct	Equity
ATHONIKI TECHNIKI-KLM SA joint venture	Greece	50,00%	Direct	Equity
ATTIKAT ATE & SIA ETE	Greece	10,00%	Direct	Equity

The method of full consolidation is not applicable in the case of companies consolidated using the equity method, insofar the company does not exercise control on the basis of an agreement with the remaining shareholders.

I. KLOUKINAS – I. LAPPAS S.A.

During the nine month period of 2007 the percentage of the company in I. Kloukinas-I. Lappas Energy SA (subsidiary holding) has increased from 85% to 93,14% due to an increase of share capital in which only the company has participated.

Moreover on 26/06/07 was established in Albania a 100% subsidiary company in accordance with the expansion plan of the network of Mothercare shops in Balcans.

7. SEGMENT INFORMATION

7.1 Review by business segment

The Group activates in four business segments: Commerce , Construction, Energy and Woodwork activity.

The results of these activities are presented in detail below:

COMPANY (01.01-30.09.07)

	Commercial segment	Construction segment	Total
<i>Amounts reported in €</i>			
Sales	23.602.767,73	13.651.954,96	37.254.722,69
Cost of Sales	-9.087.326,24	-10.286.499,80	-19.373.826,04
Gross Profit	14.515.441,49	3.365.455,16	17.880.896,65
Other operating income	654.929,31	41.311,99	696.241,30
Distribution costs	-6.805.185,77	0,00	-6.805.185,77
Administrative expenses	-1.157.079,00	-1.547.352,81	-2.704.431,81
Other operating expenses	-4.165,99	0,00	-4.165,99
Operating profit	7.203.940,04	1.859.414,34	9.063.354,38
Finance cost	-519.924,94	-292.106,97	-812.031,91
Income from associates	0,00	508.046,96	508.046,96
Profit before tax	6.684.015,10	2.075.354,33	8.759.369,43
Income Tax			-2.175.788,92
Profit after tax			6.583.580,51

COMPANY (01.01-30.09.06)

I. KLOUKINAS – I. LAPPAS S.A.

	Commercial segment	Construction segment	Total
<i>Amounts reported in €</i>			
Sales	18.758.302	15.212.417	33.970.719
Cost of Sales	-7.677.223	-11.916.227	-19.593.450
Gross Profit	11.081.079	3.296.190	14.377.269
Other operating income	1.437.104	29.230	1.466.334
Distribution costs	-6.369.758	0	-6.369.758
Administrative expenses	-1.471.716	-1.309.566	-2.781.282
Other operating expenses	0	0	0
Operating profit	4.676.709	2.015.854	6.692.563
Finance cost	-395.708	-429.154	-824.862
Other non allocated net expenses	0		5.560
Profit before tax	4.281.001	1.586.700	5.873.261
Income Tax			-1.653.108
Profit after tax			4.220.153

GROUP (01.01-30.09.07)

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
Sales	26.189.264,17	15.845.207,40	381.101,65	257.857,04	42.673.430,26
Cost of Sales	-9.744.750,63	-11.411.337,72	-119.102,50	-169.557,36	-21.444.748,21
Gross Profit	16.444.513,54	4.433.869,68	261.999,15	88.299,68	21.228.682,05
Other operating income	741.881,48	41.311,99	9.626,66	5.013,74	797.833,87
Distribution costs	-7.457.357,43	0,00	0,00	-14.535,50	-7.471.892,93
Administrative expenses	-1.504.497,20	-1.616.936,18	-51.220,21	-111.763,65	-3.284.417,24
Other operating expenses	-4.165,99	0,00	0,00	0,00	-4.165,99
Operating profit	8.220.374,40	2.858.245,49	220.405,60	-32.985,73	11.266.039,76
Finance cost	-524.402,13	-295.174,68	-29.320,94	-44.393,69	-893.291,44
Income from associates	0,00	-1.800,50	0,00	0,00	-1.800,50
Profit before tax	7.695.972,27	2.561.270,31	191.084,66	-77.379,42	10.370.947,82
Tax					-2.620.711,15
Profit after tax					7.750.236,67

GROUP (01.01-30.09.06)

I. KLOUKINAS – I. LAPPAS S.A.

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
<i>Amounts reported in €</i>					
Sales	20.050.358,00	16.899.340,00	0,00	211.712,00	37.161.410,00
Cost of Sales	-7.950.088,00	-12.890.935,00	0,00	-164.718,00	-21.005.741,00
Gross Profit	12.100.270,00	4.008.405,00	0,00	46.994,00	16.155.670,00
Other operating income	1.509.618,00	189.624,00	0,00	8.504,00	1.707.746,00
Distribution costs	-6.473.148,00	0,00	0,00	-110.514,00	-6.583.662,00
Administrative expenses	-2.022.607,00	-1.405.461,00	-9.195,00	-169.216,00	-3.606.479,00
Other operating expenses	-198.321,00	-163.294,00	0,00	0,00	-361.615,00
Operating profit	4.915.812,00	2.629.274,00	-9.195,00	-224.232,00	7.311.661,00
Finance cost	-418.284,00	-436.109,00	0,00	-30.490,00	-884.883,00
Income from associates	0,00	0,00	0,00	0,00	0,00
Other non allocated net expenses	0,00	0,00	0,00	0,00	655.785,00
Profit before tax	4.497.528,00	2.193.165,00	-9.195,00	-254.722,00	7.082.564,00
Tax					-1.854.736,00
Profit after tax					5.227.828,00

7.2 Review by geographical segment

Domestic sales are generated by the companies I.KLOUKINAS - I.LAPPAS S.A., KLTH CARPENTRY WORKS Ltd., MYHE KERASOVO, KLM SA-TEDRA SA joint venture, KLM SA-ISTOS LTD joint venture and NET STYLE S.A.

Sales abroad are generated by the companies SYSMEROM COM SRL (Romania), KLMS KOM DOOEL (FYROM) and KLM BULGARIA LTD (Bulgaria).

	30/9/2007		30/9/2006	
	Domestic	Abroad	Domestic	Abroad
Group Sales	39.916.825	2.756.605	35.393.866	1.767.545

7.3 Review of construction segment

The revenue recognized from construction contracts as at 30/09/07 and 30/09/06 is 39.809.501,36 € and 30.809.501,36 € respectively.

The group uses the percentage of completion method of accounting in order to determine the suitable revenue and costs to be recognized in a specific period. The stage of completion of a contract is measured on the basis of the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

The gross amount receivable (payable) from (to) customers is analyzed as follows:

I. KLOUKINAS – I. LAPPAS S.A.

Amounts in €	Company	
	30.09.2007	30.09.2006
Realized cost	33.148.514,58	26.613.292,84
Plus: recognized profit	6.660.986,78	3.767.789,44
Less: total recognized losses	0,00	0,00
Less: invoiced amounts	38.383.814,73	30.103.883,93
Amounts receivables/ payables	1.425.686,63	277.198,35

8. Additional Information and Notes on the Interim Financial Statements.

8.1 Cash flow from operating activities

Amounts reported in €

	GROUP		COMPANY	
	01.01 - 30.09.2007	01.01 - 30.09.2006	01.01 - 30.09.2007	01.01 - 30.09.2006
Cash flows from operating activities				
Net profit before taxation	10.370.948	7.082.564	8.759.369	5.873.261
<i>Adjustments for</i>				
Depreciation	1.044.723	829.371	774.083	689.603
Provisions	32.643	64.150	32.643	57.357
Tax	0	(1.378)	0	0
Exchange differences	(83.419)	1.939	(83.419)	0
Depreciation of government grant	(14.640)	(17.666)	0	0
Dividends received	(8.674)	(655.785)	(8.674)	(5.560)
Proceeds of sale of tangible assets	(200)	0	(200)	0
Income/Loss from associates	1.801	0	(508.047)	0
Interest received	(7.750)	(15.662)	(3.371)	(15.267)
Interest expense	909.715	854.378	824.076	824.862
Operating profit before working capital changes				
(Increase) /Decrease in inventories	(352.391)	(2.906.888)	(468.980)	(2.292.863)
(Increase)/Decrease in trade receivables	(2.295.087)	(1.246.108)	(692.720)	(1.179.702)
Increase/(Decrease) in trade payables	(3.524.896)	(2.259.928)	(3.735.610)	(2.477.242)
Cash flows from operating activities	6.072.772	1.728.987	4.889.152	1.474.449

8.2 Other operating income

In the Income statement regarding the nine month period of 2006 an amount of € 890.000 has been included, representing the retroactive rent increase for the ZARA store in 44 Ermou str.

8.3 Tax Un-audited fiscal year

The Company has undergone tax audits up to the 2004 fiscal year included.

The non audited fiscal years for the Group, are presented as follows :

I. KLOUKINAS – I. LAPPAS S.A.

GROUP STRUCTURE

Name	Headquarters	Tax Un-audited fiscal year	Notes
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	2005-2006	
KLTH Carpentry works Ltd	Greece	2005-2006	
I.Kloukinas-I.Lappas Energy S.A.	Greece	2003-2006	
MYIE Kerasovou S.A.	Greece	2001-2006	
KLM SA-TEDRA SA joint venture	Greece	2004-2006	
KLM SA-ISTOS LTD joint venture	Greece	2005-2006	
NET STYLE AE	Greece	2005-2006	
SYSMEROM COM SRL	Romania	2005-2006	
KLM BULGARIA EOOD	Bulgaria	2005-2006	
KLMS COM DOOEL	FYROM	2005-2006	
KLSAL LTD	Albania	-	(1)
KLSER COMMERCE LTD	Serbia	-	(2)
KLM TRGOVINA KROATIA	Croatia	-	(3)
KLSLV D.O.O	Slovenia	-	(4)

(1). Establishment on 26.6.2007

(2). Establishment on 25.10.2006

(3). Establishment on 27.09.2006

(4). Establishment on 28.09.2006

8.4 Existing encumbrances

Encumbrances over company assets are reported in the following Table:

Serial no	Description	Location	Encumbrance	Bank	Amount in €
				"Commercial Bank"	453.104
				"National Bank"	336.625
	Plot of land fit for building 177,10sqm with all buildings	Athens-"Ambelokipi Attica" at 3 Loudovikou Pasteur St.	Mortgage prenotations dated 31.12.2002	"Alpha-Pisteos"	265.444
1.				"Eurobank-EFG"	265.444
				"Commercial Bank"	654.483
		Spata, location	Mortgage	"National Bank"	486.236
	Plot of land fit for building 558,00sqm	"Mazareko" O.T(135) on Irakliou St.	prenotations dated 28.02.2002	"Alpha-Pisteos"	383.419
2.				"Eurobank-EFG"	265.444
			Total :		3.228.174

Procedures for lifting the above mortgages have been initiated as all related loans have been settled in full.

8.5 Commitments

The Group's and the Company's commitments arising from construction contracts are as follows:

	GROUP		COMPANY	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
Performance guarantees issued	10.503.168	7.340.614	10.469.668	7.307.114

8.6 Contingent Claims and Liabilities

On 05.09.2001, the company has lodged a lawsuit with the Court of First Instance of Athens (Ordinary Proceedings), recorded under number 6942/2001, against a banking société anonyme, , for an amount of € 389,046,02. After several postponements the hearing is set for 09.10.08 while settlement talks are pending .

The company has filed lawsuit GNA 87626 against an individual, claiming the amount of €964,296,17 plus interest, as contractor's consideration for the execution of a project. The initial hearing was set for 17/5/2007, when it was postponed again for 22/05/2008 in view of pending settlement talks . In relation to the same claim, the Company has lodged a request for provisional measures, scheduled for hearing initially on 26/3/2007 at the Court of First Instance of Athens, when it was postponed again for 04/06/2007, when it was cancelled in view of pending settlement talks . In light of the evidence in this case, it is deemed likely for the Company's suit to be accepted, at least for its largest part.

On the other hand on 18/4/2007 the adverse individual has filed lawsuit GNA 89554/2007 against the company, demanding compensation for material and non material damages claiming the amount of € 3.027.275,40 and the initial hearing is set for 22/05/2008.

In relation to the same claim, has lodged a request for attachment of real property scheduled for hearing on 20/3/2007 at the Court of First Instance of Athens, when it was postponed for 04/06/2007, when it was cancelled in view of pending settlement talks

According to a letter by the I. KLOUKINAS – I. LAPPAS S.A. legal counsel, there are claims by private parties (against the company) for a total amount of approximately €1,279,000.

According to the estimates of the company's legal counsel, there are strong legal arguments for the rejection of the overwhelming majority of the above claims. It is also the opinion of management that the outcome of the above cases will not influence the company's financial results.

8.7 Employees and employee benefits

The company's and the Group's employees were as follows:

	GROUP		COMPANY	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
Salaried	376	339	326	277
Wage-earners	58	78	40	54
Total	434	417	366	331

8.8 Related party transactions

Inter-company transactions- Income statement 30.09.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
KLM SA		0	0	0	653.000	0	118.022	77.088	150.435	998.545
KLTH LTI	350.531									350.531
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
TOTAL	350.531	0	0	0	653.000	0	118.022	77.088	150.435	1.349.076

Inter-company transactions-Balance sheet 30.09.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	NET STYLE	TOTAL
KLM SA		49.538	748.836	170.021	60.000	511.263	73.786	139.657	230.964	67.850	2.051.914
KLTH LTI	88.133										88.133
TEDRA											
ENERGIAKI											
KERASOVO											
ISTOS											
ROMANIA											
FYROM											
BULGARIA											
TOTAL	88.133	49.538	748.836	170.021	60.000	511.263	73.786	139.657	230.964	67.850	2.140.047

Inter-company transactions- Income statement 30.09.06

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
KLM SA		0	0	0	630.500	0	215.890	106.945	152.653	1.105.988
KLTH LTI	115.519									115.519
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
TOTAL	115.519	0	0	0	630.500	0	215.890	106.945	152.653	1.221.507

Inter-company transactions-Balance sheet 30.09.06

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
KLM SA		61.941	0	170.021	1.072.482	129.578	436.426	153.118	252.065	2.275.631
KLTH LTI	27.090									27.090
TEDRA	11.111									11.111
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
TOTAL	38.201	61.941	0	170.021	1.072.482	129.578	436.426	153.118	252.065	2.313.831

8.9 Benefits of Board of Directors

Management compensation for the Group and the Company were as follows:

Amounts in €	GROUP		COMPANY	
	30/9/2007	30/9/2006	30/9/2007	30/9/2006
Salaries and other short-term benefits				
Senior management executives	143.203	134.674	143.203	134.674
Salaries of BOD members (salaried)	62.494	62.361	62.494	62.361
BOD fees	360.000	360.000	360.000	360.000
Total	565.697	557.035	565.697	557.035

8.10 Earnings per share

Earnings per share were calculated on the basis of the average weighted number of shares outstanding.

Amounts in €	GROUP		COMPANY	
	01.01 - 30.09.2007	01.01 - 30.09.2006	01.01 - 30.09.2007	01.01 - 30.09.2006
Profits after income tax	7.750.237	5.227.828	6.583.581	4.220.153
Profits after income tax (1)	7.750.237	5.227.828	6.583.581	4.220.153
Distributed as follows:				
Parent company shareholders (2)	7.511.479	5.101.871	6.583.581	4.220.153
Minority rights	238.757	125.957		
	7.750.237	5.227.828	6.583.581	4.220.153
Weighted number of shares outstanding (3)	24.750.288	24.750.288	24.750.288	24.750.288
Basic earnings per share (euro/share) (2/3)	0,30	0,21	0,27	0,17

The mean number of shares for 2006 has been adjusted at a 2:10 ratio to account for the issuing of bonus shares approved by the General Meeting of 17/05/2007

8.11 Share Capital

The General Shareholder's Meeting on 17/5/2007 approved an increase of the company's share capital through the capitalization of reserves and the issuance of two (2) bonus shares for every ten (10) shares existing.

Following the above increase, the company's share capital amounts to € 7.425.086,40 comprised of 24.750.288 shares with a par value of € 0,30 each.

I. KLOUKINAS – I. LAPPAS S.A.

	Share Capital	Share Premium	Total
Balance at January 1st, 2006	6.187.572,00	11.275.656,00	17.463.228,00
Balance at December 31st, 2006	6.187.572,00	11.275.656,00	17.463.228,00
Balance at January 1st, 2007	6.187.572,00	11.275.656,00	17.463.228,00
Issue of bonus shares 2 new for 10 existing shares held	1.237.514,40	-287.590,53	949.923,87
Balance at September 30st, 2007	7.425.086,40	10.988.065,47	18.413.151,87

Issued shares

Balance at January 1st, 2006	20.625.240
Balance at December 31st, 2006	20.625.240

Issued shares

Balance at January 1st, 2007	20.625.240
Issue of bonus shares 2 new for 10 existing shares held	4.125.048
Balance at September 30st, 2007	24.750.288

8.12 Divident Distribution

The dividend distribution to the Equity holders of the parent company is recognized as a liability in the consolidated statements at the date that is decided by the Annual General Shareholders Meeting.

The Annual General Shareholders Meeting of 17/05/2007 approved the Financial Statement of year 2006 and also approved the distribution of dividend equal to 0.21euro per share.

8.13 Other Contingent Liabilities

None incurred.

8.14 Subsequent events

- 1) KLM Group's hydro-electric plant commenced its operation during the second trimester 2007.
- 2) The company participated by 40% in the share capital of the newly established company "ENTELIA ANONYMOUS CARPENTRY COMPANY" amounting to 100.000 €. The company's strategic goal is to expand into emerging and profitable markets. The company is active, on import, process and trade of composite materials, solid surfaces and engineered stone, which can be used in the manufacture of flat surfaces in kitchens, hotels, hospitals, operating rooms, ship's cabins etc.
- 3) The company absorbed its 100% subsidiary Net Style SA in accordance with the approval no K2-14998/25/10/07 of the Ministry of Development on 26th October 2007.

THE CHAIRMAN OF
THE BOARD OF
DIRECTORS

THE VICE CHAIRMAN OF
THE BOARD OF
DIRECTORS

THE CHIEF FINANCIAL
OFFICER & ACCOUNTING
MANAGER

IOANNIS KLOUKINAS

IOANNIS LAPPAS

PANAYOTIS KANDIROS