



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



**Colours & Beauty**  
M I L A N O

**INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD  
FROM  
1<sup>st</sup> OF JANUARY TO THE 30<sup>th</sup> OF JUNE 2007**

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ATHENS AUGUST 2007

We hereby confirm that the attached Interim Financial Statements for the period 01/01- 30/06/2007 are those approved by the Board of Directors of "I. KLOUKINAS - I. LAPPAS Construction and Commerce S.A." on 17/8/2007 and are disclosed to the company's website [www.klmate.gr](http://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. Report on review of Interim Financial Information**

To The Shareholders of I.KLOUKINAS-I.LAPPAS CONSTRUCTION & COMMERSE S.A.

### *Introduction*

We have reviewed the accompanying company and consolidated balance sheet of I.KLOUKINAS-I.LAPPAS CONSTRUCTION & COMMERSE S.A. as at 30 June 2007, and the related income statements, statements of changes in equity, and cash flow statements of the Company and the Group for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### *Scope of review*

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

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Athens, 23<sup>th</sup> AUGUST 2007  
The Certified Public Accountant

John V. Kalogeropoulos  
SOEL. Reg. No: 10741



**BAKER TILLY HELLAS**

Certified Public Accountants-  
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## 2. Balance Sheet

Amounts reported in €

	NOTES	GROUP		COMPANY	
		30/6/2007	31/12/2006	30/6/2007	31/12/2006
<b>ASSETS</b>					
<b>Non current assets</b>					
Tangible Assets		23.448.043	21.329.484	17.196.200	16.774.289
Intangible Assets		2.069.765	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	6.773.534	4.713.534
Investment in Associates		28.042	29.735	39.310	39.310
Other long term receivables		312.185	269.669	364.730	322.214
Deferred Tax		120.555	127.404	0	0
		<b>56.697.534</b>	<b>54.597.716</b>	<b>54.793.025</b>	<b>52.268.597</b>
<b>Current assets</b>					
Inventories		8.115.616	7.967.075	6.709.452	6.651.084
Trade debtors and other trading receivables		22.009.346	23.788.026	21.472.518	23.525.706
Prepayments		1.211.819	696.784	1.031.970	604.746
Other receivables		142.718	89.606	12.023	36.862
Financial Assets		284.043	284.043	284.043	284.043
Cash and cash equivalents		6.229.432	6.881.825	2.594.356	5.356.593
		<b>37.992.974</b>	<b>39.707.358</b>	<b>32.104.362</b>	<b>36.459.035</b>
<b>Total Assets</b>		<b>94.690.508</b>	<b>94.305.075</b>	<b>86.897.387</b>	<b>88.727.632</b>
<b>EQUITY AND LIABILITIES</b>					
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		112.302	36.039	0	0
Other Reserves		2.717.462	2.531.577	2.647.826	2.465.273
Accumulated profits/(losses)		33.161.898	34.133.672	32.886.148	34.385.083
<b>Attributable to ordinary shareholders</b>		<b>54.371.938</b>	<b>54.131.638</b>	<b>53.914.248</b>	<b>54.280.707</b>
<b>Minority Interest</b>		<b>647.861</b>	<b>568.358</b>	<b>0</b>	<b>0</b>
<b>Total Shareholders' Equity</b>		<b>55.019.799</b>	<b>54.699.996</b>	<b>53.914.248</b>	<b>54.280.707</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing borrowings		18.087.447	17.973.421	16.846.340	17.590.172
Deferred Tax		1.084.243	819.487	1.086.334	802.087
Retirement benefit obligation		549.432	515.232	549.432	515.232
Other long term liabilities		433.934	381.435	345.066	292.567
<b>Total Non-current liabilities</b>		<b>20.155.056</b>	<b>19.689.575</b>	<b>18.827.172</b>	<b>19.200.058</b>
<b>Current Liabilities</b>					
Trade and other payables		13.186.455	15.863.389	10.932.415	14.036.913
Short term borrowings		3.066.965	1.358.863	1.710.095	6.873
Current portion of interest bearing borrowings		1.530.741	953.784	1.266.260	953.784
Other current liabilities		1.731.492	1.739.467	247.197	249.296
<b>Total current liabilities</b>		<b>19.515.652</b>	<b>19.915.504</b>	<b>14.155.967</b>	<b>15.246.866</b>
<b>Total Liabilities</b>		<b>39.670.709</b>	<b>39.605.078</b>	<b>32.983.139</b>	<b>34.446.924</b>
<b>Total Equity and Liabilities</b>		<b>94.690.508</b>	<b>94.305.075</b>	<b>86.897.387</b>	<b>88.727.632</b>

### 3. Income Statement

Amounts reported in €

	Notes	GROUP		COMPANY	
		01/01 - 30/6/2007	01/01 - 30/6/2006	01/01 - 30/6/2007	01/01 - 30/6/2006
Sales		26.337.961	23.426.701	23.566.095	21.179.204
Cost of Sales		-12.406.299	-12.938.428	-11.522.545	-11.841.511
<b>Gross Profit</b>		<b>13.931.662</b>	<b>10.488.273</b>	<b>12.043.551</b>	<b>9.337.694</b>
Other operating income	8.2	584.128	1.369.728	501.428	1.174.705
Distribution costs		-5.198.370	-4.681.715	-4.772.203	-4.544.106
Administrative expenses		-2.297.946	-1.950.635	-1.896.949	-1.392.563
Other operating expenses		-4.166	-299.789	-4.166	-16.925
<b>Operating profit</b>		<b>7.015.308</b>	<b>4.925.861</b>	<b>5.871.661</b>	<b>4.558.805</b>
Finance cost		-645.924	-525.971	-584.383	-478.441
Income from associates		-1.693	0	200.183	0
<b>Profit before tax</b>		<b>6.367.690</b>	<b>4.399.890</b>	<b>5.487.460</b>	<b>4.080.364</b>
Tax		-1.736.447	-1.292.396	-1.522.619	-1.155.029
<b>Profit after tax</b>		<b>4.631.244</b>	<b>3.107.494</b>	<b>3.964.841</b>	<b>2.925.335</b>
<b>Net profit after tax attributable to:</b>					
Shareholders of Kloukinas-Lappas		4.519.921	2.998.600	3.964.841	2.925.335
Minority interests		111.323	108.894	0	0
		<b>4.631.244</b>	<b>3.107.494</b>		
Basic earnings per share	8.8	0,18	0,12	0,16	0,12

## 4. Statement of Changes in Equity

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in €

#### Balance as of January 1 2006, according to IFRS

Changes in equity during the period 01/01-30/06/2006	
Share capital increase by capitalization of accumulated profits	
Reclassifications	
Net income recognised directly in Equity	
Change in minority interests due to percentage change in subsidiary holding	
Change in Equity due to percentage change	
Net income recognised directly in Equity	
Net operating profit for the period 01/01-30/06/2006	
<b>Total recognised profit/loss for the period</b>	

#### Balance as of June 30, 2006

	Attributable to the parent company shareholders						Total		
	Share Capital	Share premium	Reserves of fair value	Exchange differences	Other reserves	Accumulated profits			
	<b>2.062.524</b>	<b>11.275.656</b>	<b>1.540.203</b>	<b>7.753</b>	<b>2.400.003</b>	<b>24.301.256</b>	<b>41.587.395</b>	<b>212.229</b>	<b>41.799.624</b>
4.125.048			-1.490.551		569.770	725.804	-194.977	194.977	0
			2.196		47	-631.198	-628.955		-628.955
					-28.321		-28.321	-80.522	-80.522
					11.030		11.030		-28.321
							2.998.600	108.894	11.030
							2.157.377	223.349	3.107.494
	4.125.048	0	-1.490.551	2.196	552.526	-1.031.842	2.157.377		2.380.727
	<b>6.187.572</b>	<b>11.275.656</b>	<b>49.651</b>	<b>9.950</b>	<b>2.952.529</b>	<b>23.269.414</b>	<b>43.744.772</b>	<b>435.578</b>	<b>44.180.351</b>

#### Balance as of January 1 2007, according to IFRS

Changes in equity during the period 01/01-30/06/2007	
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 01/01-30/06/2007	
<b>Total recognised profit/loss for the period</b>	

#### Balance as of June 30, 2007

	Attributable to the parent company shareholders						Total		
	Share Capital	Share premium	Reserves of fair value	Exchange differences	Other reserves	Accumulated profits			
	<b>6.187.572</b>	<b>11.275.656</b>	<b>-32.877</b>	<b>36.039</b>	<b>2.531.577</b>	<b>34.133.672</b>	<b>54.131.638</b>	<b>568.358</b>	<b>54.699.996</b>
1.237.514		-287.591				-949.924	0	198.553	0
						-4.331.300	-4.331.300	-254.957	198.553
							0		-4.586.257
							0		0
							0		0
				76.264			76.264		76.264
					182.552		-182.552		0
							-24.584	24.584	0
					3.333		-3.333		0
							4.519.921	111.323	4.631.244
	1.237.514	-287.591	0	76.264	185.885	-971.773	240.300	79.503	319.803
	<b>7.425.086</b>	<b>10.988.065</b>	<b>-32.877</b>	<b>112.302</b>	<b>2.717.462</b>	<b>33.161.898</b>	<b>54.371.938</b>	<b>647.861</b>	<b>55.019.799</b>



I. KLOUKINAS – I. LAPPAS S.A.

Amounts in €

	Share Capital	Share premium	Reserves of fair value	Other reserves	Accumulated profits	Total
<b>Balance as of January 1 2006, according to IFRS</b>	<b>2.062.524</b>	<b>11.275.656</b>	<b>949.924</b>	<b>2.494.035</b>	<b>25.325.700</b>	<b>42.107.839</b>
Changes in equity during the period 01/01-30/06/2006	4.125.048				-4.125.048	0
Share capital increase by capitalization of accumulated profits				11.030		11.030
Profit/Loss from revaluation recognised directly in equity			-900.273	381.176	519.096	0
Reclassifications					-683.866	-683.866
Net income recognised directly in Equity					2.925.335	2.925.335
Net operating profit for the period 01/01-30/06/2006					-1.364.482	2.252.499
<b>Total recognised profit/loss for the period</b>	<b>4.125.048</b>	<b>0</b>	<b>-900.273</b>	<b>392.207</b>	<b>-1.364.482</b>	<b>2.252.499</b>
<b>Balance as of June 30, 2006</b>	<b>6.187.572</b>	<b>11.275.656</b>	<b>49.651</b>	<b>2.886.242</b>	<b>23.961.217</b>	<b>44.360.338</b>
<b>Balance as of January 1 2007, according to IFRS</b>	<b>6.187.572</b>	<b>11.275.656</b>	<b>-32.877</b>	<b>2.465.273</b>	<b>34.385.083</b>	<b>54.280.707</b>
Changes in equity during the period 01/01-30/06/2007						
Share capital increase	1.237.514	-287.591			-949.924	0
Profit/Loss from revaluation recognised directly in equity					-4.331.300	-4.331.300
Dividends					-182.552	0
Transfer from accumulated profits				182.552		0
Net income recognised directly in Equity					3.964.841	3.964.841
Net operating profit for the period 01/01-30/06/2007					-1.498.936	-366.460
<b>Total recognised profit/loss for the period</b>	<b>1.237.514</b>	<b>-287.591</b>	<b>0</b>	<b>182.552</b>	<b>-1.498.936</b>	<b>-366.460</b>
<b>Balance as of June 30, 2007</b>	<b>7.425.086</b>	<b>10.988.065</b>	<b>-32.877</b>	<b>2.647.826</b>	<b>32.886.148</b>	<b>53.914.248</b>

## 5. Cash flow Statement

Amounts reported in €

Note	GROUP		COMPANY	
	01.01 - 30.06.2007	01.01 - 30.06.2006	01.01 - 30.06.2007	01.01 - 30.06.2006
	<b>Cash flows from operating activities</b>			
8.1	<b>4.934.133</b>	<b>8.180.346</b>	<b>4.079.932</b>	<b>7.549.438</b>
Less: Interest paid	(440.054)	(525.971)	(378.513)	(478.441)
Less: Income taxes paid	(590.383)	(862.658)	(413.499)	(786.564)
<b>Net Cash flows from operating activities(a)</b>	<b>3.903.697</b>	<b>6.791.716</b>	<b>3.287.920</b>	<b>6.284.433</b>
	<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible assets	(2.687.269)	(750.987)	(945.565)	(433.637)
Proceeds of sale of tangible asset	200	19.218	200	0
Acquisition of subsidiaries, affiliates, joint venture and other investment	0	(355.674)	(2.060.000)	(355.674)
Interest received	3.096	0	3.096	0
Dividends received	8.674	211.414	8.674	211.414
<b>Net Cash flows from investing activities(b)</b>	<b>(2.675.300)</b>	<b>(876.029)</b>	<b>(2.993.596)</b>	<b>(577.896)</b>
	<b>Cash flows from financing activities</b>			
Proceeds from share capital increase	198.553	0	0	0
Proceeds from issued/undertaken loans	9.714.377	(1.635.401)	8.264.061	(785.561)
Repayment of loans	(6.861.439)	(3.329.425)	(6.538.343)	(3.772.285)
Payment of finance lease liabilities	(453.853)	(439.572)	(453.853)	(439.572)
Dividends paid	(4.478.428)	(251.242)	(4.328.428)	(1.242)
<b>Net Cash flows from financing activities(c)</b>	<b>(1.880.790)</b>	<b>(5.655.640)</b>	<b>(3.056.562)</b>	<b>(4.998.660)</b>
<b>Net increase in cash and cash equivalents(a)+(b)+©</b>	<b>(652.393)</b>	<b>260.047</b>	<b>(2.762.238)</b>	<b>707.877</b>
Cash and cash equivalents at beginning of period	6.881.825	5.373.828	5.356.593	3.406.610
<b>Net increase in cash and cash equivalents at end of period</b>	<b>6.229.432</b>	<b>5.633.875</b>	<b>2.594.356</b>	<b>4.114.487</b>

## **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 June 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.klimate.gr](http://www.klimate.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 six month period of 2007 covering the period from the 1st of January to the 30st of June 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".

### **6.3 Group `s structure and consolidation method**

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

## I. KLOUKINAS – I. LAPPAS S.A.

### GROUP STRUCTURE

Name	Headquarters	Participation %	Relation that dictated consolidation	Consolidation method
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	<b>Parent Company</b>	-	-
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
SYSMEROM 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
KLSEK 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
S.SIGALAS S.A.	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.

During the first semester 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 operates in four business segments: Commerce, Construction, Energy and Woodwork activity.

The results of these activities are presented in detail below:

#### COMPANY (01.01-30.06.07)

	Commercial segment	Construction segment	Total
<i>Amounts reported in €</i>			
Sales	14.819.221,78	8.746.873,70	23.566.095,48
Cost of Sales	-5.455.300,88	-6.067.244,06	-11.522.544,94
<b>Gross Profit</b>	<b>9.363.920,90</b>	<b>2.679.629,64</b>	<b>12.043.550,54</b>
Other operating income	474.104,36	27.323,41	501.427,77
Distribution costs	-4.772.202,65	0,00	-4.772.202,65
Administrative expenses	-828.473,49	-1.068.475,58	-1.896.949,07
Other operating expenses	-4.165,99	0,00	-4.165,99
<b>Operating profit</b>	<b>4.233.183,13</b>	<b>1.638.477,47</b>	<b>5.871.660,60</b>
Finance cost	-357.668,71	-226.714,63	-584.383,34
Income from associates	0,00	200.182,92	200.182,92
<b>Profit before tax</b>	<b>3.875.514,42</b>	<b>1.611.945,76</b>	<b>5.487.460,18</b>
Tax			-1.522.619,35
<b>Profit after tax</b>			<b>3.964.840,83</b>

#### GROUP (01.01-30.06.07)

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
<i>Amounts reported in €</i>					
Sales	16.420.008,08	9.559.874,83	317.287,20	40.790,78	26.337.960,89
Cost of Sales	-5.963.467,89	-6.352.468,72	-54.190,95	-36.171,28	-12.406.298,84
<b>Gross Profit</b>	<b>10.456.540,19</b>	<b>3.207.406,11</b>	<b>263.096,25</b>	<b>4.619,50</b>	<b>13.931.662,05</b>
Other operating income	551.055,46	27.323,41	2.406,67	3.342,49	584.128,03
Distribution costs	-5.179.458,83	0,00	0,00	-18.911,21	-5.198.370,04
Administrative expenses	-1.056.329,83	-1.120.463,28	-44.971,32	-76.181,28	-2.297.945,71
Other operating expenses	-4.165,99	0,00	0,00	0,00	-4.165,99
<b>Operating profit</b>	<b>4.767.641,00</b>	<b>2.114.266,24</b>	<b>220.531,60</b>	<b>-87.130,50</b>	<b>7.015.308,34</b>
Finance cost	-362.802,78	-229.715,24	-13.342,82	-40.063,61	-645.924,45
Income from associates	0,00	-1.693,41	0,00	0,00	-1.693,41
<b>Profit before tax</b>	<b>4.404.838,22</b>	<b>1.882.857,59</b>	<b>207.188,78</b>	<b>-127.194,11</b>	<b>6.367.690,48</b>
Tax					-1.736.446,63
<b>Profit after tax</b>					<b>4.631.243,85</b>

**COMPANY (01.01-30.06.06)**

	<b>Commercial segment</b>	<b>Construction segment</b>	<b>Total</b>
<i>Amounts reported in €</i>			
Sales	12.033.431,34	9.145.772,84	21.179.204,18
Cost of Sales	-4.877.188,82	-6.964.321,83	-11.841.510,65
<b>Gross Profit</b>	<b>7.156.242,52</b>	<b>2.181.451,01</b>	<b>9.337.693,53</b>
Other operating income	1.164.887,81	9.817,67	1.174.705,48
Distribution costs	-4.544.105,78	0,00	-4.544.105,78
Administrative expenses	-514.093,54	-878.469,95	-1.392.563,49
Other operating expenses	-2.961,56	-13.963,46	-16.925,02
<b>Operating profit</b>	<b>3.259.969,45</b>	<b>1.298.835,27</b>	<b>4.558.804,72</b>
Finance cost	-263.046,74	-215.393,97	-478.440,71
<b>Profit before tax</b>	<b>2.996.922,71</b>	<b>1.083.441,30</b>	<b>4.080.364,01</b>
Tax			-1.155.028,68
<b>Profit after tax</b>			<b>2.925.335,33</b>

**GROUP (01.01-30.06.06)**

	<b>Commercial segment</b>	<b>Construction segment</b>	<b>Energy segment</b>	<b>Carpentry segment</b>	<b>Total</b>
<i>Amounts reported in €</i>					
Sales	12.805.728,93	10.447.766,65	0,00	173.205,70	23.426.701,28
Cost of Sales	-5.116.298,92	-7.698.638,29	0,00	-123.491,10	-12.938.428,31
<b>Gross Profit</b>	<b>7.689.430,01</b>	<b>2.749.128,36</b>	<b>0,00</b>	<b>49.714,60</b>	<b>10.488.272,97</b>
Other operating income	1.192.682,74	170.212,46	0,00	6.832,73	1.369.727,93
Distribution costs	-4.606.609,15	0,00	0,00	-125.039,37	-4.731.648,52
Administrative expenses	-872.508,50	-924.556,14	-28.531,21	-75.106,26	-1.900.702,11
Other operating expenses	-122.531,89	-177.257,55	0,00	0,00	-299.789,44
<b>Operating profit</b>	<b>3.280.463,21</b>	<b>1.817.527,13</b>	<b>-28.531,21</b>	<b>-143.598,30</b>	<b>4.925.860,83</b>
Finance cost	-279.074,88	-220.329,30	0,00	-26.566,73	-525.970,91
<b>Profit before tax</b>	<b>3.001.388,33</b>	<b>1.597.197,83</b>	<b>-28.531,21</b>	<b>-170.165,03</b>	<b>4.399.889,92</b>
Tax					-1.292.395,59
<b>Profit after tax</b>					<b>3.107.494,33</b>

**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).

	30/6/2007		30/6/2006	
	Domestic	Abroad	Domestic	Abroad
<b>Group Sales</b>	<b>24.636.597</b>	<b>1.701.364</b>	<b>22.367.866</b>	<b>1.058.835</b>

### 7.3 Review of construction segment

The revenue recognized from construction contracts as at 30/06/07 and 30/06/06 is 34.904.420,10 € and 24.317.630,32 € 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:

Amounts in €	Company	
	2007	2006
Realized cost	11.296.340,91	16.471.385,04
Plus: recognized profit	3.494.882,50	1.923.892,56
Less: total recognized losses	0,00	0,00
Less: invoiced amounts	<u>13.393.535,89</u>	<u>18.816.861,92</u>
<b>Amounts receivables/ payables</b>	<b>1.397.687,52</b>	<b>-421.581,31</b>

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

### 8.1 Cash flow from operating activities

Amounts reported in €

	GROUP		COMPANY	
	01.01 - 30.06.2007	01.01 - 30.06.2006	01.01 - 30.06.2007	01.01 - 30.06.2006
<b>Cash flows from operating activities</b>				
<b>Net profit before taxation</b>	<b>6.367.690</b>	<b>4.399.890</b>	<b>5.487.460</b>	<b>4.080.364</b>
<b>Adjustments for</b>				
Depreciation	649.233	605.074	493.101	518.958
Provisions	34.200	(34.901)	34.200	(34.901)
Exchange differences	(80.246)	(9.950)	(56.387)	0
Depreciation of government grant	(5.749)	0	0	0
Dividends received	(8.674)	0	(8.674)	0
Proceeds of sale of tangible assets	(200)	0	(200)	0
Income/Loss from associates	1.693	0	(200.183)	0
Interest received	(3.096)	0	(3.096)	0
Interest expense	657.694	525.971	596.153	478.441
<b>Operating profit before working capital changes</b>				
(Increase) /Decrease in inventories	(148.541)	(1.875.686)	(58.368)	(1.865.713)
(Increase)/Decrease in trade receivables	1.168.017	4.412.691	1.808.470	4.068.730
Increase/(Decrease) in trade payables	(3.697.889)	157.256	(4.012.545)	303.559
<b>Cash flows from operating activities</b>	<b>4.934.133</b>	<b>8.180.346</b>	<b>4.079.932</b>	<b>7.549.438</b>

### 8.2 Other operating income

In the Income statement regarding the first semester 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.

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### GROUP STRUCTURE

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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	100,00%	(1)
KLSER COMMERCE LTD	Serbia	100,00%	(2)
KLM TRGOVINA KROATIA	Croatia	100,00%	(3)
KLSLV D.O.O	Slovenia	100,00%	(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

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## 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	Athens-"Ambelokipi	Mortgage	"Alpha-Pisteos"	265.444
	building 177,10sqm	Attica" at 3 Loudovikou	prenotations dated	"Eurobank-EFG"	265.444
1.	with all buildings	Pasteur St.	31.12.2002	"Commercial Bank"	654.483
		Spata, location	Mortgage	"National Bank"	486.236
	Plot of land fit for	"Mazareko" O.T.(135) on	prenotations dated	"Alpha-Pisteos"	383.419
2.	building 558,00sqm	Irakliou St.	28.02.2002	"Eurobank-EFG"	265.444
			<b>Total :</b>		<b>3.228.174</b>

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	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
Performance guarantees issued	8.413.702	7.340.614	8.380.202	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 the banking société anonyme «EGNATIA BANK S.A.», having its headquarters in Thessaloniki at 4 Danaïdon Street and is legally represented, for an amount of €389,046,02. The initial hearing was set for 16/01/2003 (Calendar H1/41), postponed for 25/11/2004 (Calendar H1/15), postponed for 25/05/2006, when it was postponed again for 17/05/2007, when it was cancelled in view of pending settlement talks only to be re-scheduled for 18/10/2007 upon request of the Company.

The company has filed lawsuit GNA 87626 against Ekaterini Maragou, 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 Ekaterini Maragou 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, Ekaterini Maragou 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	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
<b>Salaried</b>	<b>350</b>	<b>320</b>	<b>301</b>	<b>270</b>
<b>Wage-earners</b>	<b>70</b>	<b>64</b>	<b>70</b>	<b>48</b>
<b>Total</b>	<b>420</b>	<b>384</b>	<b>371</b>	<b>318</b>

## 8.8 Related party transactions

I. KLOUKINAS – I. LAPPAS S.A.

Inter-company transactions- Income statement 30.06.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
<b>Sales</b>										
KLM SA		0	0	0	653.000	0	53.037	44.213	82.594	832.844
KLTH LTD	279.671									279.671
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
<b>TOTAL</b>	<b>279.671</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>653.000</b>	<b>0</b>	<b>53.037</b>	<b>44.213</b>	<b>82.594</b>	<b>1.112.515</b>

Inter-company transactions-Balance sheet 30.06.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
<b>Receivables</b>										
KLM SA		289.241	470.972	170.021	60.000	331.951	8.801	106.781	163.619	1.601.386
KLTH LTD	3.810									3.810
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
<b>TOTAL</b>	<b>3.810</b>	<b>289.241</b>	<b>470.972</b>	<b>170.021</b>	<b>60.000</b>	<b>331.951</b>	<b>8.801</b>	<b>106.781</b>	<b>163.619</b>	<b>1.605.196</b>

Inter-company transactions- Income statement 30.06.06

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
<b>Sales</b>										
KLM SA		0	0	0	220.000	0	134.051	56.937	95.549	506.537
KLTH LTD	56.798									56.798
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
<b>TOTAL</b>	<b>56.798</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>220.000</b>	<b>0</b>	<b>134.051</b>	<b>56.937</b>	<b>95.549</b>	<b>563.336</b>

Inter-company transactions-Balance sheet 30.06.06

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
<b>Receivables</b>										
KLM SA		140.000	0	170.021	821.680	101.478	547.820	144.561	195.117	2.120.677
KLTH LTD	22.105									22.105
TEDRA	11.111									11.111
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
<b>TOTAL</b>	<b>33.216</b>	<b>140.000</b>	<b>0</b>	<b>170.021</b>	<b>821.680</b>	<b>101.478</b>	<b>547.820</b>	<b>144.561</b>	<b>195.117</b>	<b>2.153.893</b>

## 8.9 Benefits of Board of Directors

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

Amounts in €	GROUP		COMPANY	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
Salaries and other short-term benefits				
Senior management executives	85.006	75.776	85.006	75.776
Salaries of BOD members (salaried)	31.153	31.625	31.153	31.625
BOD fees	360.000	360.000	360.000	360.000
<b>Total</b>	<b>476.159</b>	<b>467.401</b>	<b>476.159</b>	<b>467.401</b>

## 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 - 30.06.2007	01.01 - 30.06.2006	01.01 - 30.06.2007	01.01 - 30.06.2006
Profits after income tax	<b>4.631.244</b>	<b>3.107.494</b>	<b>3.964.841</b>	<b>2.925.335</b>
<b>Profits after income tax (1)</b>	<b>4.631.244</b>	<b>3.107.494</b>	<b>3.964.841</b>	<b>2.925.335</b>
<b>Distributed as follows:</b>				
<b>Parent company shareholders (2)</b>	4.519.921	2.998.600	3.964.841	2.925.335
Minority rights	111.323	108.894		
	<b>4.631.244</b>	<b>3.107.494</b>	<b>3.964.841</b>	<b>2.925.335</b>
<b>Weighted number of shares outstanding (3)</b>	<b>24.750.288</b>	<b>24.750.288</b>	<b>24.750.288</b>	<b>24.750.288</b>
<b>Basic earnings per share (euro/share) (2/3)</b>	0,18	0,12	0,16	0,12

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.

#### Share capital

	Share Capital	Share Premium	Total
Balance at January 1st, 2006	6.187.572,00	11.275.656,00	17.463.228,00
<b>Balance at January 31st, 2006</b>	<b>6.187.572,00</b>	<b>11.275.656,00</b>	<b>17.463.228,00</b>
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
<b>Balance at June 30st, 2007</b>	<b>7.425.086,40</b>	<b>10.988.065,47</b>	<b>18.413.151,87</b>

#### Issued shares

Balance at January 1st, 2006	20.625.240
<b>Balance at January 31st, 2006</b>	<b>20.625.240</b>

#### Issued shares

Balance at January 1st, 2007	20.625.240
Issue of bonus shares 2 new for 10 existing shares held	4.125.048
<b>Balance at June 30st, 2007</b>	<b>24.750.288</b>

### **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**

KLM Group's hydro-electric plant commenced its operation during the second trimester 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