



**ANONYMOUS INDUSTRIAL, COMMERCIAL & AGRICULTURAL
COMPANY**

**ANNUAL REPORT
2007
PERIOD 1/1/2007 - 31/12/2007**

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I. INFORMATION ON THE PREPARATION OF THE ANNUAL REPORT

The present Annual Report contains all the information and financial data deemed necessary for an accurate evaluation of the assets, financial position, results as well as the strategy and prospects of the Company “EURODRIP S.A.”, by investors and their investment advisors.

The preparation and distribution of the Annual Report has taken place according to the provisions of the current legislation (Resolutions No. 5/204/14.11.2000 and 7/372/15.02.2006 of the Hellenic Capital Markets Commission and related circulars).

Investors interested in additional information may contact the shareholders department during working days and hours at the Company’s offices, 55th km Athens-Lamia National Road, Inofita, tel. 22620 54800, fax. 22620 54801, email: ir@eurodrip.gr

The persons responsible for the drafting of the Annual Report and the accuracy of the data contained therein are:

- M. Michael Panagis, Vice president and CEO, 55th km Athens-Lamia National Road, Inofita, tel. 22620 54800
- M. Petros Delis, Chief Financial and Administrative Officer, 55th km Athens-Lamia National Road, Inofita, tel. 22620 54800

The Company’s Board of Directors hereby declares that all its members are aware of the content of the present Annual Report and certify that:

- All the information and data provided herein are complete and accurate.
- There are no other figures, nor have any events taken place, whose non-disclosure or omission could render the figures and information contained in the Annual Report partly or totally misleading.
- There are no pending legal proceedings or arbitrations against the Company or its subsidiaries, which could have a significant impact on their financial position,

2. COMPANY INFORMATION

2.1 GENERAL INFORMATION

EURODRIP AVEGE is a Greek Société Anonyme and is subject to the Codified Law 2190/1920 regarding Sociétés Anonymes. The Company is registered in the East Attica Prefecture Registry of Société Anonyme Companies, with registration number 4719/06/B/86/91, and operates under the name “EURODRIP Anonymous Industrial, Commercial and Agricultural Company” and the distinctive title “EURODRIP S.A..”. The Company’s registered office is located in the Municipality of Agia Paraskevi, 396 Mesogion Avenue, 153 41, tel. 210 600 1140.

The Company was established in 1979 as a Limited Liability Company (Ltd), and in 1983 it converted to its present legal form, following the merger of the companies ARDEFTIKI SA and EURODRIP LTD (government gazette No 1369/30-5-83). The term of the Company is fixed at ninety nine (99) years. The objects of the Company, as modified by the decision of the Ordinary General Meeting of Shareholders dated 25.06.2001 and in accordance with the article 4 of its Articles of Association are as follows:

1. The manufacture, sale, distribution and marketing of irrigation and water supply products and systems which indicatively include: driplines, drippers, hoses and fittings, filters, tanks, pumps, automation systems and related, in general, products. Also, the sale, distribution and marketing of irrigation, water supply and feed machinery and systems. The import of such products as well as their export.
2. The sale, distribution and marketing of agricultural products and supplies in general, such as fertilizers, herbicides, plant and crop protection systems.
3. The provision of services regarding the installation and/or the use of such products and systems. The study, installation, supervision, technical assistance and provision of advisory services for agricultural installations and all types of works.
4. The study, undertaking and execution of all types of technical works in agricultural installations, urban green spaces, mines and other sites, as well as of works for the protection of the environment and water management systems.
5. The purchase, letting, valorization and all forms of exploitation of agricultural lands and urban immovable property.
6. The sale or hiring out of machinery for the production of irrigation and all types of water supply systems, of agricultural machinery and all types of work construction machinery, as well as the purchase, transfer, use, ownership, sale, exploitation or granting of know-how, technology and patent rights, as well as of new patents and production systems developed by the company’s research efforts.
7. The creation, management and exploitation of distribution networks and systems for products and services. Franchising in the field of distribution of products and services. The creation, management and exploitation of franchising networks and systems, the provision of all types of related services.
8. The establishment of a consulting company to develop EU or Greek programmes. The provision of educational services and technical assistance to farmers and agricultural undertakings in the field of management and development of agricultural holdings, irrigation, water supply and related activities. The provision of educational services to traders of relevant products in order to enable the establishment, operation and development of their business. In general, all similar or related activities.

9. The creation of subsidiaries, undertakings, offices, storage areas and agencies in Greece and abroad. The participation in every appropriate way and form in companies whose objects agree with all or part of the aforementioned objects, and the administration or management of such companies or enterprises in general. The representation of, cooperation with or participation in Greek or foreign companies with related activities.

2.2 MAIN SECTORS OF ACTIVITY

The Company is mainly engaged in the production and trading of driplines, as well as providing comprehensive drip irrigation system in the agricultural sector and landscape market. Drip irrigation is the most sophisticated on-site irrigation method and may be applied to all row crops, such as vineyards, cotton fields, orchards and vegetable crops. It is also used in landscape and athletic fields, since it represents the most efficient irrigation method in terms of water and energy consumption.

Irrigation with controlled amounts of water was developed and introduced in the 1960's in Israel and has expanded initially in countries affected by water scarcity. Nowadays, the USA, Latin America, Australia, South Africa, the Mediterranean and Middle East countries are among the most important markets. Global warming and continuing decline in water supplies call for a rational use of water resources. Water demand for agriculture represents 70% of the total global water consumption. Since the increase of water supply for agricultural irrigation purposes is a highly improbable scenario, it is absolutely necessary to improve irrigation and efficiency in the use of water through new irrigation methods, in order to support agriculture and food production.

Drip irrigation leads to a decrease in the water consumption up to 45% in comparison to other methods, as well as with the effective and controlled use of fertilizers, insecticides and herbicides. It also brings considerable environmental benefits: a) improvement of the groundwater table, b) fuel economy because of reduced use of pumps in drillings, c) reduced emission of pollutants into the atmosphere because of reduced combustions, d) reduction of chemical substances in crops. Fertilizers, herbicides and fungicides are supplied, through the dripline, directly at the base of each plant and in the right dose needed in each crop, thus preventing leaching into the subsoil and aquifer. There are also important financial benefits for the farmers in terms of higher yields, increased productivity, higher income and lower costs of basic input.

The factors influencing the demand for driplines are, in the long-term, the wider economic environment and the evolving agricultural policies (production quotas, crop switching), and, in the short-term, subsidy policies (agricultural policy), bank financing, as well as weather conditions, and prices of agricultural products.

The aforementioned factors also influence, to a considerable degree, retail prices of driplines, which may be further affected by the eventual changes in the price of raw materials (ex. polyethylene).

The Company manufactures plastic (polyethylene) pipes with embodied drippers. The production method was developed at the end of the 1970's and still remains the world's most advanced system in technical terms.

The end product is in the form of coils of plastic pipes (25 - 2.600 m long, depending on the product) with small outlets spaced at pre-determined intervals (15-200 cm). Each outlet corresponds to one dripper, a plastic fitting emitter designed to control water supply. Part of the water runs along the pipe to the surface (flow path) of the dripper and flows through the dripper outlets.

Each type of dripline is available in a wide range of emitter spacing, and flow rates, depending on crop needs.

Drippers covered by patents owned by the Company in the past, owe their exceptional functional properties to the design of the water flow path and their hydraulic characteristics.

The Company is highly specialized in drip irrigation systems and manufactures a diverse range of products, which meet the needs of the entire market.

- **GR DRIPLINE:** The first product ever developed by EURODRIP. GR has been used by millions of farmers all over the world the last 23 years. The name GR has earned worldwide

recognition, and is associated with the product type that has achieved an ongoing worldwide commercial success.

- **EOLOS DRIPLINE (LS) - EOLOS GRANDE (LSG) - EOLOS GARDEN - EOLOS JUNIOR:** Eolos is the first thin wall dripline with flat drippers ever manufactured in Europe, in 1993. This product may be used during one or more crop seasons, depending on its wall thickness (5-40 mm). It is easily exportable because of its competitive price and small packaging, and represents a low budget solution for short-time low profitability crops without compromising quality and reliability.
- **PRESSURE COMPENSATING DRIPLINE PC² AND PC² LITE:** PC² ensures great uniformity of flow rate in larger distances (400 - 500 m in comparison to 100 - 200 m for the respective GR product), as well as in steep terrains. PC² was manufactured for the first time in 2001. It is the most advanced pressure compensating dripline on the market and provides double resistance to clogging from suspended particles in the water or from fertilizer residues (a patent application has been submitted).
- **DRIPLITE (DL) DRIPPER LINE:** DL production began in 1996. This is a high quality dripline, equipped with an embodied new cylindrical dripper ensuring unmatched clogging resistance. The dripper is incorporated in a thinner wall tubing thus providing a more cost-effective solution. Because of the design and specific technical specifications of its raw materials, this product has almost the same mechanical strength with GR but it is cheaper.
- **The NEW DRIPLINES NEW GR AND GR LITE** represent alternative designs of the above basic products. These pipes combine the DRIPLITE and GR drippers, in thicker or thinner wall tubing, respectively, thus providing flexibility in both use and price, without however compromising their mechanical strength and technical specifications. NEW GR is available in 16, 18 and 20 mm diameter tubing and GR LITE in 16 and 20 mm. Emitters' nominal flow rate ranges from 1 to 4 lph.
- **POLYETHYLENE (PE) PIPES** for water supply. a) Agricultural and b) PE 80 manufactured at the Inofyta unit since the end of 2006. The first type is manufactured in accordance with standards fixed by the market of this pipe type itself, while its thorough control is ensured by internal methods developed by our company in order to achieve the excellent quality of the end product and maximum customer satisfaction. PE 80 pipes are manufactured and controlled in accordance with the CEN 12201-2 and DIN 8074/8075 international standards. The pipe diameters range from 16 to 90 mm.
- **CORONA ONLINE DRIPPER:** This dripper belongs to the category of pressure compensating driplines and is applied exteriorly to the tubing. It is perfect for trees planted far from each other, and vineyards in steep terrains, where the online dripper eliminates run-off. The design characteristics of each dripper ensure the desired emission uniformity and prevent clogging along the irrigation line. These drippers have flow rates of 2, 3, 4, 8 and 24 liters per hour. Especially for nurseries, drippers with flow rates of 2, 3, 4 and 8 liters per hour may be manufactured in such a way that water supply begins with 0,45 bar opening pressure and stops with 0,25 bar sealing pressure. This way there is always water inside the irrigation network. This system is known as NO DRAIN.

All the Company's products are manufactured in accordance with ISO 9261 and are certified by IGEMK (Agricultural Machinery & Construction Institute) and respective institutes abroad (CIT and CEMAGREF). Moreover, since 1996 the Company is certified to ISO 9000 quality system standard, and since 2003 to the revised ISO 9001:2000 standard.

All drippers, either cylindrical or flat, are made of a special polyethylene mix. They are incorporated in the pipeline during the production process forming a plain dripline without external attachments or ridges. This ensures consistent emission uniformity and high clogging resistance.

Each dripline type is available in a wide range of emitter spacing, and therefore adapted to the needs of each crop.

Services - Design and installation of integrated systems

EURODRIP has developed the TERRADRIP programme: "Turnkey" agricultural packages, which undertakes integrated agricultural projects for private, cooperative, public and all types of large agricultural enterprises, in order to meet the producers' needs.

TERRADRIP programme is based on a long-term relationship with the customers and covers the entire production cycle.

- Studies the climate and environmental conditions of the specific area
- Analyses the quality of the water and the cropping capacity
- Chooses the appropriate plants and the most effective fertilizers
- Designs and suggests the ideal solution in order to obtain maximum yield at the lowest cost
- Draws up a financial and technical study
- Installs the irrigation system
- Trains the users
- Provides ongoing technical assistance
- Replaces and recycles old damaged driplines

The Company's contribution continues through post-installation assistance. It provides advice and guidance to farmers regarding crops and their maximum exploitation.

3. MANAGEMENT

3.1 MANAGEMENT - CORPORATE GOVERNANCE

According to its articles of association, the Company's BoD includes 7 to 9 members, which are elected by the General Assembly for a 3-year term.

The current Board of Directors was elected by the Ordinary General Assembly of the Company's Shareholders held on 29/06/2007.

The Board of Directors consists of:

Theodoros Kiakidis	Chairman
Michael Panagis	Vice-president & CEO
Aggelos Plakopitas	Non-executive member
Constantinos Gklavas	Non-executive member
Eva Paraskevopoulou	Non-executive member
Constantinos Gianniris	Independent non-executive member
Menelaos Tassopoulos	Independent non-executive member

CVs of the Company's Board members:

THEODOROS THEOFILOU KIAKIDIS - BoD CHAIRMAN

Born in 1963. He holds a BA degree in mathematics & economics from Georgetown University, College of Arts and Sciences, Washington, and a Masters degree from Harvard University, Kennedy School of Government, Boston, USA. He has worked as a consultant in the field of strategic development and organisation of enterprises for a 3-year period in France. He joined Global Finance SA in 1993. He is a member of the BoD and a Private Equity Partner.

MICHAEL PANAGIS - VICE-PRESIDENT & CEO

Born in 1961. He holds a degree in chemical engineering from the National Technical University of Athens (Metsovio), and an MBA from Imperial College, UK. He has worked as a senior manager and has served as a BoD member in Maillis Group. He joined Eurodrip Group as CEO in September 2005 and as vice-president in July 2006.

AGGELOS PLAKOPITAS - NON-EXECUTIVE MEMBER

Born in 1939. He holds a BA degree from the Athens University of Economics and Business and an MBA from Graduate School of Business Administration, New York University. He has worked as CEO in banks and companies in Greece and abroad. He is the founder, main shareholder and Managing Director of Global Finance SA.

CONSTANTINOS GLAVAS - NON-EXECUTIVE MEMBER

Born in 1969. He holds a BSBA with a concentration in finance from Ohio State University and an MBA from Harvard University School. He has worked in the Marketing Department (Consumer Goods Division) of L'OREAL in Greece. Since 1997 he works in Global Finance SA as a Private Equity Investment manager.

EVA PARASKEVOPOULOU - NON-EXECUTIVE MEMBER

Born in 1949. She studied law in Munich and Heidelberg Universities and has worked in EURODRIP as legal counselor for many years.

CONSTANTINOS GIANNIRIS - INDEPENDENT NON-EXECUTIVE MEMBER

He studied economics in the University of Piraeus and law in the Athens University Law School. He has broad experience in management positions in large Greek companies of the private sector. He has founded the company PMS Consultants specializing in Corporate Governance, Organisation and Internal Audit. He was the founder and president of the Hellenic Institute of Internal Auditors and is

currently working on the establishment of the Institute of Corporate Governance. M. Gianniris is also member of the BoD of companies listed on the Athens Stock Exchange.

MENELAOS TASSOPOULOS – INDEPENDENT NON-EXECUTIVE MEMBER

Born in 1961. He holds a BA degree in chemical engineering from the National Technical University of Athens (Metsovio), a MSc in industrial engineering and business administration from Columbia University and a Ph.D. in chemical engineering from Yale University. He has been a member of the management team of Viohalco Group since 1997. Currently, he works as Managing Director of Halcor S.A.

The Company is run by experienced managers, as follows:

GEORGIOS VEZYRAKIS

Born in 1966. He studied in the Agricultural University of Athens, Department of Land Reclamation and Agricultural Engineering. Since December 1990 he has held various management positions, and in 2002 he joined Eurodrip as Logistics manager.

ANTONIS GERONDIS

Born in 1967. He holds a degree in agronomy from the Agricultural University of Athens, Department of Land Reclamation and Agricultural Engineering. He has worked in the companies ALFA LAVAL and PHYTOORGAN S.A. He joined the company in November 2000, and since February 2007 he holds the position of Internal Sales manager.

ALEXANDROS DELATOLAS

Born in 1971. He holds a degree in chemical engineering from the National Technical University of Athens (Metsovio), and a Masters degree in Computational Fluid Mechanics. For many years, he has held various management positions in the companies ANKER SA and M.I. MAILLIS SA. He joined EURODRIP AVEGE in January 2006, and since January 2007 he holds the position of External Sales manager.

PETROS DELIS

Born in 1961. He holds a BA from the Athens University of Economics and Business, Department of Business Administration. He has worked for many years in the company Petrola Hellas, and in various management positions in the companies YKK, Petrolina SA and FAGE SA. Until February 2006, he worked as CFO in the companies M.I. Maillis SA and Straptech SA. In March 2006, he joined Eurodrip Group as Chief Financial and Administrative Director.

VASILIOS KIKRILIS

Born in 1976. He holds a BA degree in economic sciences from the University of Piraeus, and an MBA from the Rotterdam School of Management. He has worked as CEO in the group Plastika Kritis SA. In November 2007, he joined Eurodrip Group as Subsidiary Marketing Manager.

PANAGIOTIS PARASKEVOPOULOS

Born in 1971. He holds a BSc in International Business from Deree College. During the period May 1999 - October 2002, he worked as plant manager and later on as general manager of Eurodrip USA Inc. Since November 2002, he holds the position of Plant manager in EURODRIP AVEGE.

ANDRONIKI TSIAMAKI

Born in 1978. She holds a BSc in accounting and finance from Deree College. She has worked as internal auditor in PWC and various multinational companies and industries listed on the Athens Stock Exchange. She is a member of the Hellenic and International Institute of Internal Auditors. In May 2006, he joined Eurodrip Group as Internal Auditor.

4. RELATED COMPANIES

4.1 PLAN OF RELATED COMPANIES

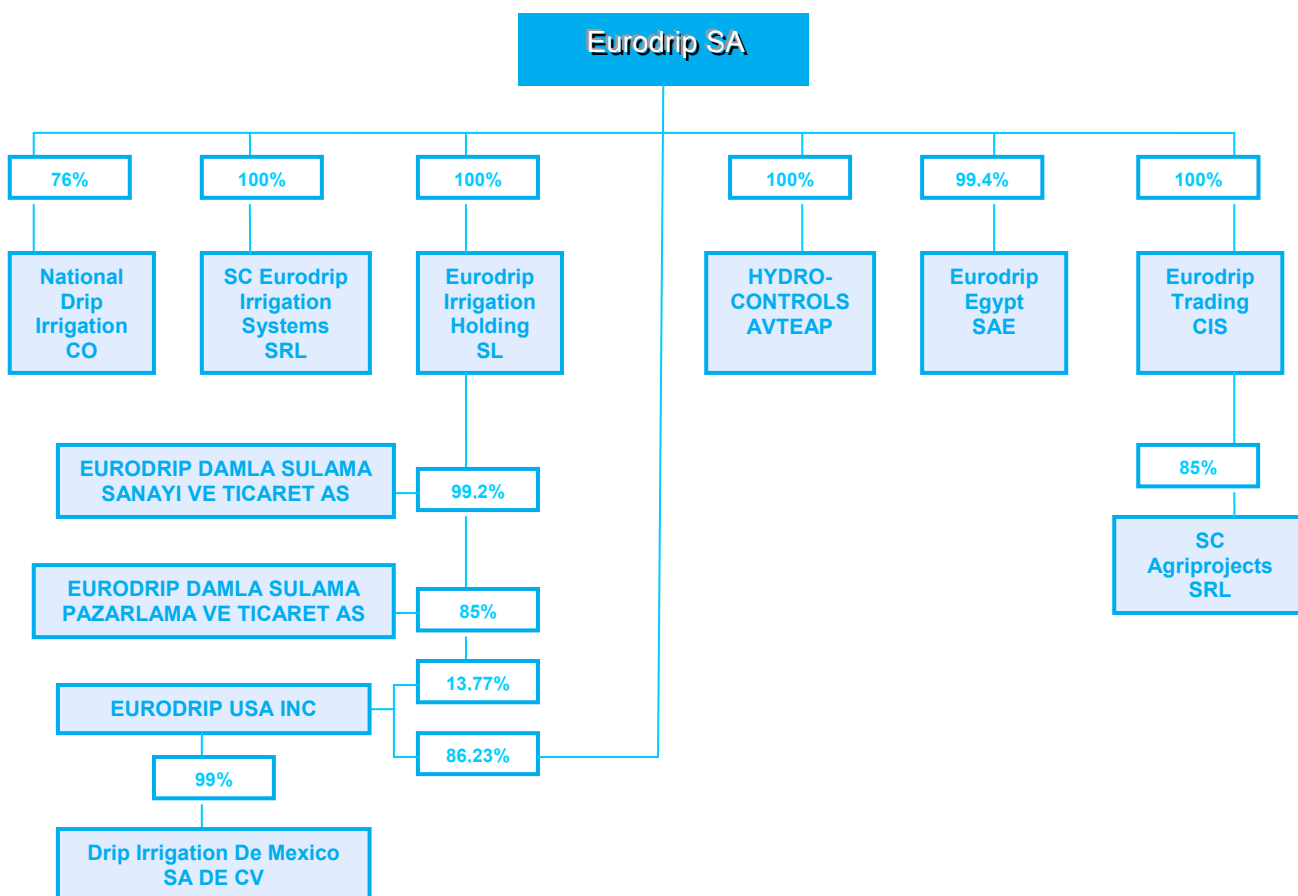
On 25/04/2007 Eurodrip AVEGE founded a fully owned subsidiary company in Romania. The initial capital was € 60.

The parent company increased its participation in Eurodrip Damla Sulama Sanayi ve Ticaret A.S. by € 984.010 paid in cash through its 100% subsidiary company Eurodrip Irrigation Holding SL. The participation rate increased from 99,2% to 98%.

The parent company increased its participation in Eurodrip USA Inc (direct and indirect participation 100%) by € 2.862.062,82, by capitalising current receivables.

The Company increased its participation by 5,16% in its subsidiary Hydrocontrols AVTEAP, by paying € 73.684. The participation rate in the company Hydrocontrols AVTEAP rises to 100%.

The plan below presents the companies related to EURODRIP AVEGE, following the aforementioned acquisitions.



4.2 REPORT ON TRANSACTIONS BETWEEN EURODRIP S.A.. AND RELATED COMPANIES FOR THE YEAR 2007

EURODRIP EGYPT SAE		SC AGRIPROJECTS SRL	
Purchases	211.935,08	Purchases	340.016,62
Sales	403.800,51	Sales	213.234,63
Receivables	28.234,89	Receivables	0,00
Liabilities	765.788,96	Liabilities	638.662,20
EURODRIP USA INC		NATIONAL DRIP IRRIGATION CO	
Purchases	719.539,01	Purchases	8.718,24
Sales	431.052,08	Sales	29.420,18
Receivables	51.323,80	Receivables	46.864,14
Liabilities	3.778.130,81	Liabilities	219.453,49
EURODRIP DAMLA SULAMA SANAYI VE TICARET AS		HYDROCONTROLS AVTEAP	
Purchases	2.506.524,01	Purchases	22.629,13
Sales	160.479,86	Sales	11.756,16
Receivables	133.645,31	Receivables	0,00
Liabilities	2.019.544,95	Liabilities	326.328,10
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET AS		EURODRIP IRRIGATION HOLDING SL	
Purchases	5.865,32	Purchases	0,00
Sales	23.842,91	Sales	0,00
Receivables	81.327,82	Receivables	0,00
Liabilities	0,00	Liabilities	92.367,59
EURODRIP TRADING LTD		SC EURODRIP IRRIGATION SYSTEMS SRL	
Purchases	0,00	Purchases	180.098,35
Sales	0,00	Sales	11.352,32
Receivables	0,00	Receivables	0,00
Liabilities	153.929,59	Liabilities	476.786,16
EURODRIP AVEGE			
Purchases	1.020.462,84		
Sales	3.730.849,95		
Receivables	8.227.783,83		
Liabilities	98.187,94		

5. INFORMATION ABOUT THE FINANCIAL STATEMENT AND RESULTS OF THE COMPANY

5.1 REPORT OF THE BOARD OF DIRECTORS

To the Shareholders,

In compliance with art. 136 of Codified Law 2190/1920, we hereby submit for approval to your General Meeting the Company's financial statements for the financial year 01/01/2007 – 31/12/2007, as well as our notes.

1. Balance sheet and income statement of the Group and the Company

The Group				
1. BALANCE				
	2007		2006	
ASSETS				
Assets amount to	73.077.813,42		65.898.954,31	
LIABILITIES				
Liabilities amount to				
Equity	39.578.399,45		40.075.816,60	
Provisions and Liabilities	33.499.413,97		25.823.137,71	
	73.077.813,42		65.898.954,31	
BREAKDOWN OF ASSETS				
Non-current assets				
Intangible assets	520.212,87	327.640,25	308.395,99	137.315,02
Less: Depreciation	192.572,62		171.080,97	
Goodwill		5.854,39		52.460,21
Tangible assets	44.206.756,78		40.874.770,73	
Less: Depreciation	13.014.920,28	31.191.836,50	11.309.173,33	29.565.597,40
Other Receivables		359.928,75		274.736,33
Current assets				
Inventories		14.607.812,83		10.610.318,69
Receivables		20.966.085,85		18.049.622,18
Cash and cash equivalents		2.409.952,86		3.263.929,65
Other liabilities		3.208.701,99		3.944.974,83
Total current assets		41.192.553,53		35.868.845,35
TOTAL ASSETS		73.077.813,42		35.868.845,35
BREAKDOWN OF EQUITY & LIABILITIES				
EQUITY				
Share capital		26.369.160,00		26.337.480,00
Share premium		23.245.125,41		23.231.348,61
Reserves		6.009.189,37		5.885.959,35
Balance of profits carried forward		-16.400.816,22		-15.795.599,37
Minority interest		355.740,89		416.628,01

TOTAL EQUITY	39.578.399,45	40.075.816,60
LIABILITIES		
Long-term liabilities	12.294.584,38	8.270.685,73
Short-term liabilities	21.204.829,59	17.552.451,98
TOTAL LIABILITIES	33.499.413,97	25.823.137,71
TOTAL EQUITY & LIABILITIES	73.077.813,42	65.898.954,31

2. PROFIT AND LOSS STATEMENT

	2007	2006
A. TURNOVER		
Sale of products, Merchandise and Services	48.007.470,80	41.606.569,95
Less: Cost of goods sold	33.142.617,34	29.990.263,45
Gross profit	14.864.853,46	11.616.306,50
Net results before tax	1.309.598,54	491.438,54

The Company

1. BALANCE

ASSETS

Assets amount to

75.554.941,68

71.169.940,26

LIABILITIES

Liabilities amount to

Equity

51.149.874,92

50.518.252,85

Provisions and Liabilities

24.405.066,76

20.651.687,41

75.554.941,68

71.169.940,26

BREAKDOWN OF ASSETS

Non-current assets

Intangible assets

450.774,08

256.504,48

Less: Depreciation

158.857,32

291.916,76

153.302,88

103.201,60

Tangible assets

22.664.027,50

23.060.426,72

Less: Depreciation

3.866.190,23

18.797.837,27

3.429.580,95

19.630.845,77

Investments in subsidiaries

29.022.136,90

25.102.380,47

Other Receivables

1.012.774,43

1.502.619,47

Current assets

Inventories

6.238.723,29

4.291.469,40

Receivables

13.058.726,88

15.222.912,13

Cash and cash equivalents

997.935,37

1.193.710,27

Other liabilities

6.134.890,78

4.122.801,15

Total current assets

26.430.276,32

24.830.892,95

TOTAL ASSETS

75.554.941,68

71.169.940,26

BREAKDOWN OF EQUITY & LIABILITIES

EQUITY

Share capital

26.369.160,00

26.337.480,00

Share premium	23.245.125,41	23.231.348,61
Reserves	4.495.969,40	4.495.969,40
Balance of profits carried forward	-2.960.379,89	-3.546.545,16
TOTAL EQUITY	51.149.874,92	50.518.252,85
LIABILITIES		
Long-term liabilities	10.936.606,06	6.911.673,40
Short-term liabilities	13.468.460,70	13.740.014,01
TOTAL LIABILITIES	24.405.066,76	20.651.687,41
TOTAL EQUITY & LIABILITIES	75.554.941,68	71.169.940,26

2. PROFIT AND LOSS STATEMENT

	2007	2006
A. TURNOVER		
Sales of products, Merchandise and Services	24.821.634,54	20.863.002,56
Less: Cost of goods sold	16.443.249,14	14.277.009,13
Gross profit	8.378.385,40	6.585.993,43
Net results before tax	543.554,99	223.767,80

Note

- Total depreciation amounted to € 1.062.738,69, of which € 1.062.738,69 were incorporated into the operating cost.
- At the end of the financial year 2007, the Company's fixed assets are unencumbered.
- The Company's share capital as of 31/12/2007 amounts to € 26.369.160 and is divided into 43.948.600 common shares.

2. The Group's structure

The Group's structure and the companies included in the consolidated financial statements are as follows. (All companies are consolidated with the method of full consolidation)

COMPANY NAME	COUNTRY	PARTICIPATION
EURODRIP AVEGE.	GREECE	100,00%
EURODRIP USA INC	USA	100,00%
DRIP IRRIGATION DE MEXICO C.C.V.C.	MEXICO	99,00%
EURODRIP DAMLA SULAMA SANAYI VE TICARET A.S.	TURKEY	99,20%
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET A.S.	TURKEY	85,00%
EURODRIP EGYPT S.A.E.	EGYPT	99,40%
EURODRIP TRADING (CIS) Ltd	CYPRUS	100,00%
NATIONAL DRIP IRRIGATION CO LTD	JORDAN	76,00%
AGRIPROJECTS S.R.L.	ROMANIA	85,00%
EURODRIP IRRIGATION HOLDING S.L	SPAIN	100,00%
HYDROCONTROLS AVETE	GREECE	100,00%
EURODRIP IRRIGATION SYSTEMS S.R.L.	ROMANIA	100,00%

The subsidiary company Agriproject SRL has applied to be placed under liquidation. In the consolidated balance sheet, the company's goodwill amounting to € 46.605,83 was impaired.

3. Ratios

The Group				
	2007		2006	
a. Asset consolidation ratio				
Fixed assets	31.191.836,50		29.565.597,40	
Total assets	73.077.813,42	42,68%	65.898.954,31	44,87%
Current assets	41.192.553,53		35.868.845,35	
Total assets	73.077.813,42	56,37%	65.898.954,31	54,43%
b. Gearing ratio				
Equity	39.578.399,45		40.075.816,60	
Total liabilities	33.499.413,97	118,15%	25.823.137,71	155,19%
c. Fixed asset cover ratio				
Equity	39.578.399,45		40.075.816,60	
Fixed assets	31.191.836,50	126,89%	29.565.597,40	135,55%
d. Short-term liabilities cover ratio				
Current assets	41.192.553,53		35.868.845,35	
Short-term liabilities	21.204.829,59	194,26%	17.552.451,98	2,04
e. Gross profit on sales ratio				
Gross profit	14.864.853,46		11.616.306,50	
Sales	48.007.470,80	30,96%	41.606.569,95	27,92%
f. Gross profit on cost of goods sold ratio				
Gross profit	14.864.853,46		11.616.306,50	
Cost of goods sold	33.142.617,34	44,85%	29.990.263,45	38,73%
g. Equity recycling ratio				
Sales	48.007.470,80		41.606.569,95	
Equity	39.578.399,45	121,30%	40.075.816,60	103,82%
h. Average collection period (DSO)				
Receivables x 365	20.966.085,85 x 365		18.606.569,95 x 365	
Sales	48.007.470,80	159	40.075.816,60	158
i. Inventory turnover ratio				
Cost of inventories sold	33.142.617,34		29.990.263,45	
Inventories	14.607.812,83	2,27	10.610.318,69	2,83

The Company

	2007		2006	
a. Asset consolidation ratio				
Fixed assets	18.797.837,27		19.630.845,77	
Total assets	75.554.941,68	24,88%	71.522.434,75	27,45%
Current assets	26.430.276,32		24.830.892,95	
Total assets	75.554.941,68	34,98%	71.169.940,96	34,89%
b. Gearing ratio				
Equity	51.149.874,92		50.518.252,85	
Total liabilities	24.405.066,76	209,59%	20.651.687,41	244,62%
c. Fixed asset cover ratio				
Equity	51.149.874,92		50.518.252,85	
Fixed assets	18.797.837,27	272,11%	19.630.845,77	166,85%
d. Short-term liabilities cover ratio				
Current assets	26.430.276,32		24.830.892,35	
Short-term liabilities	13.468.460,70	196,24%	13.740.014,01	180,72%
e. Gross profit on sales ratio				
Gross profit	8.378.385,40		6.585.993,43	
Sales	24.821.634,54	33,75%	20.863.002,56	31,57%
f. Gross profit on cost of goods sold ratio				
Gross profit	8.378.385,40		6.585.993,43	
Cost of goods sold	16.443.249,14	50,95%	14.277.009,13	46,13%
g. Equity recycling ratio				
Sales	24.821.634,54		20.047.487,87	
Equity	51.149.874,92	48,53%	50.518.252,85	39,68%
h. Average collection period (DSO)				
Receivables x 365	13.058.726,88 x 365		15.222.912,13 x 365	
Sales	24.821.634,54	192	20.863.002,56	266
i. Inventory turnover ratio				
Cost of inventories sold	16.443.249,14		14.277.009,13	
Inventories	6.238.723,29	2,64	4.291.469,40	3,33

4. Description of manufacturing and commercial units

The address of the Company's headquarters is: 396, Mesogion Av., Agia Paraskevi The Company's manufacturing units are located at Inofyta, Viotia (55th km. National Road Athens-Lamia). The administrative and financial services are located in the same premises. The site of Inofyta is privately owned. The Company has two branches, in leased premises. The first branch is located in Larisa (7th km. Larisa-Karditsa). The second branch is located in Ionia, Thessaloniki. Both branches have storage areas.

5. Report on liquidity risk, cash flow risk, credit risk and price change risk

The current year has also demonstrated the Company's sound growth and has confirmed that the target related to the improvement of the Company's and Group's gains and indicators was reached. Risk management is presented in detail in the notes to financial statements. The administration is convinced that during the last two years the Company applies policies, programmes and methods that keep its exposure to the aforementioned risks as low as possible.

6. Explanatory report pursuant to art. 11 of Law 3371/2005 to be submitted to Hellenic Capital Market Commission

The President reads the following report, to be approved by the BoD: A) The Company's share capital amounts to twenty six million three hundred sixty nine thousand six hundred Euros (EUR 26.369.160), is fully paid-in, and is divided into 43.948.600 common shares, with a par value of EUR 0,60 each. All shares are listed on the Athens Stock Exchange.

B) There are no restrictions on the transfer of the Company's shares.

C) The Company's most important participations, by virtue of the provisions of Presidential Decree 51/1992, are as follows:

COMPANY NAME	COUNTRY	% PARTICIPATION
EURODRIP AVEGE	GREECE	100,00%
EURODRIP USA INC	USA	100,00%
DRIP IRRIGATION DE MEXICO C.C.V.C.	MEXICO	99,00%
EURODRIP DAMLA SULAMA SANAYI VE TICARET A.S.	TURKEY	99,20%
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET A.S.	TURKEY	85,00%
EURODRIP EGYPT S.A.E.	EGYPT	99,40%
EURODRIP TRADING (CIS)	CYPRUS	100,00%

NATIONAL DRIP IRRIGATION CO LTD	JORDAN	76,00%
AGRIPROJECTS S.R.L.	ROMANIA	85,00%
EURODRIP IRRIGATION HOLDING S.L	SPAIN	100,00%
HYDROCONTROLS AVETE	GREECE	100,00%
EURODRIP IRRIGATION SYSTEMS S.R.L	ROMANIA	100,00%

Furthermore, and on the basis of data that have come to the notice of the Company, the major holdings in the Company's share capital as at 31.12.07 are as follows:

Company name	Shares	Percentage
AQUANOVA INTERNATIONAL HOLDINGS BV	22.199.263	50,5%
BELLARIA HOLDING LIMITED	4.905.920	11,2%

D) There are no shares conferring special control rights.

F) There are no limitations on voting rights for the Company's shareholders.

G) To the Company's knowledge, there are no agreements between its shareholders limiting the transfer of shares or the exercise of voting rights deriving from its shares.

H) Regulations regarding the appointment and replacement of the members of the Company's Board of Directors and the amendment of the Articles of Association: the regulations do not differ from the provisions of Codified Law 2190/1920.

I) The Company's Board of Directors has no competence to issue new shares or purchase own shares.

J) There is no agreement between the Company and its BoD members or its personnel which allows compensation in the event of resignation or dismissal without a grounded reason, or the termination of the service or of their occupation due to public offer.

K) There is no important agreement concluded by the Company which enters into force, can be modified or terminated in the event of a change in the control of the Company, following a public offer.

7. Progress of Company activities – Company progress forecast

PROGRESS OF COMPANY ACTIVITIES

The year 2007 was important for the Company's progress and has been characterised mainly by the Group's ongoing restructuring initiated in 2006. The profitability indicators have considerably improved for both the parent company and the Group. Also, major investments in mechanical equipment were made. The main points concerning the Group's activities and results for the financial year 2007 are as follows:

- Consolidated sales of the Group: € 48.007.470,80 against € 41.606.569,95 of the year 2006, i.e. an increase of 15,38%
- Consolidated profit before tax, interest and depreciation (E.B.I.T.D.A.): € 5.330.180,17 against € 3.827.656,16 of the year 2006, i.e. an increase of 39,25%
- Consolidated profit before tax: € 1.309.598,54 against € 491.438,54 of the year 2006.

The main points concerning the parent company's activities and results for the financial year 2007 are as follows:

- Sales: € 24.821.634,54 against € 20.863.002,56 of the year 2006, i.e. an increase of 18,97%
- Profit before tax, interest and depreciation (E.B.I.T.D.A.): € 2.541.583,62 against € 1.949.355,04 of the year 2006, i.e. an increase of 23,30%
- Profit before tax: € 543.554,99 versus € 223.767,80 of the year 2006.

It should be noted that the turnover as well as the 2007 results were largely affected by the continuing weakening of the dollar against the euro. The impact on the income statement is demonstrated by the fact that the percentage increase of the consolidated sales in comparison with 2006 would amount to 20%, in case the exchange rates for the conversion of foreign currencies were those of 2006.

COMPANY PROGRESS FORECAST

In the context of the positive results of the year 2007, the Group's growth prospects are strong. This will be based on two main axes as follows: a) organic growth and b) new investments including selective collaborations and/or buy-outs. The management's strategic goals for the year 2008 can be summarised as follows:

- Geographic expansion and growth which will be fueled by the network of subsidiary companies as well as the penetration and further expansion into markets where growth opportunities in the field of irrigated lands and agricultural activities in general are most promising.
- New investments will be made in the field of research and development of new products. A wider range of products will enable the Group to offer integrated irrigation solutions and, at the same time, improve its competitiveness at international level.
- Increase of productive capacity through new investments and improvement of the current mechanical equipment, which will considerably contribute to the optimisation of quality and the reduction of the products' cost for both the parent company and the subsidiaries.
- Improvement of the awareness of the company name and products.
- The implementation of new, innovative production procedures will lead to the reduction of the industrial cost and the improvement of gross profit. Further rationalisation of the operating expenses will improve the results. A more rational management of inventories, receivables and liabilities will reduce the needs in working capital and the negative impact on results due to interest increase.
- Consolidation and implementation of common procedures and policies in the crucial fields for all subsidiaries, with a view of ensuring synergies and economies of scope at Group level.

Agia Paraskevi, 17 March 2008

CHAIRMAN OF THE BOARD OF
DIRECTORS

THEODOROS T.
KIAKIDIS

ID.C. Nr: K 217608

C.E.O. & VICE
PRESIDENT

MICHAEL N.
PANAGIS

ID.C. Nr: P 539635

GROUP CFO

PETROS I.
DELIS

ID.C. Nr: P
578226

ACCOUNTING
MANAGER

ANDREAS N.
KARANDREAS
AAR Nr.: 36878-Class
A

ID.C. Nr: X 166535

5.3 FINANCIAL STATEMENTS OF THE FISCAL YEAR 2007

5.3.1. BALANCE SHEET

		CONSOLIDATED DATA		PARENT COMPANY	
		31.12.2007	31.12.2006	31.12.2007	31.12.2006
ASSETS					
Non-current assets					
Tangible fixed assets	2	31.191.836,50	29.565.597,40	18.797.837,7	19.630.845,77
Intangible assets	3	327.640,25	137.315,02	291.916,76	103.201,60
Goodwill	5	5.854,39	52.460,21		
Investments in affiliates	4			29.022.136,90	25.102.380,47
Deferred tax from assets	13	221.619,79	170.813,51		
Other claims	7	138.308,96	103.922,82	1.012.774,43	1.502.619,47
		31.885.259,89	30.030.108,96	49.124.665,36	46.339.047,31
Current assets					
Inventories	6	14.607.812,83	10.610.318,69	6.238.723,29	4.291.469,40
Trade receivables & other Receivables	7	24.174.787,84	21.994.597,01	19.193.617,66	19.345.713,28
Cash and cash equivalents	8	2.409.952,86	3.263.929,65	997.935,37	1.193.710,27
		41.192.553,53	35.868.845,35	26.430.276,32	24.830.892,95
Total Assets		73.077.813,42	65.898.954,31	75.554.941,68	71.169.940,26
EQUITY					
Equity attributable to shareholders					
Share capital	9	26.369.160,00	26.337.480,00	26.369.160,00	26.337.480,00
Share Premium Reserves	9	23.245.125,41	23.231.348,61	23.245.125,41	23.231.348,61
Other reserves		6.009.189,37	5.885.959,35	4.495.969,40	4.495.969,40
Profits/ (losses) carried forward		-16.400.816,22	-15.795.599,37	-2.960.379,89	-3.546.545,16
		39.222.658,56	39.659.188,59	51.149.874,92	50.518.252,85
Minority interest		355.740,89	416.628,01		
Total Equity		39.578.399,45	40.075.816,60	51.149.874,92	50.518.252,85
LIABILITIES					
Long-term liabilities					
Loans	12	10.918.735,82	7.198.992,45	10.000.000,00	6.150.018,74
Deferred tax from liabilities	13			19.898,36	83.947,38
Liabilities to personnel due to exit from service	17	462.098,80	412.553,90	312.807,78	297.707,28
Tangible fixed asset subsidies	10	603.899,92	380.000,00	603.899,92	380.000,00
Other liabilities	11	83.563,70	8.031,87		
Provisions		226.286,14	271.107,51		
		12.294.584,38	8.270.685,73	10.936.606,06	6.911.673,40
Short-term liabilities					
Trade and other liabilities	11	7.230.753,47	5.016.113,28	4.436.943,88	3.470.611,78
Loans	12	13.974.076,12	12.536.338,70	9.031.516,82	10.269.402,23
		21.204.829,59	17.552.451,98	13.468.460,70	13.740.014,01
Total Liabilities		33.499.413,97	25.823.137,71	24.405.066,76	20.651.687,41
Total Equity and Liabilities		73.077.813,42	65.898.954,31	75.554.941,68	71.169.940,26

5.3.2. PROFIT AND LOSS STATEMENT

CONSOLIDATED DATA							
		CONTINUING		DISCONTINUING		TOTAL	
		OPERATIONS		OPERATIONS		OPERATIONS	
		1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006
Sales	1	47.399.916,80	40.109.313,95	607.554,00	1.497.256,00	48.007.470,80	41.606.569,95
Cost of Sales	14	-32.685.557,92	-28.770.965,45	-457.059,42	-1.219.298,00	-33.142.617,34	-29.990.263,45
Gross profit		14.714.358,88	11.338.348,50	150.494,58	277.958,00	14.864.853,46	11.616.306,50
Sales expenses	14	-4.934.520,05	-4.100.718,45	-68.695,91	-10.080,32	-5.003.215,96	-4.110.798,77
Administrative expenses	14	-6.377.279,52	-5.761.915,73	-89.370,87	-164.167,80	-6.466.650,39	-5.926.083,53
Other operating (net) income (expenses)	15	-89.694,17	314.910,54	-94.929,82	4.972,83	-184.623,99	319.883,37
Operating Profit		3.312.865,14	1.790.624,86	102.502,02	108.682,71	3.210.363,12	1.899.307,57
Net Financial expenses	16	-1.899.063,50	-1.407.468,01	-1.701,08	-401,02	-1.900.764,58	-1.407.869,03
Profit before tax		1.413.801,64	383.156,85	-104.203,10	108.281,69	1.309.598,54	491.438,54
Income tax	13	-209.991,94	-158.832,16		-31.604,28	-209.991,94	-190.436,44
Net profit after tax		1.203.809,70	224.324,69	-104.203,10	76.677,41	1.099.606,60	301.002,10
Allocated to:							
Parent company shareholders		1.159.421,21	174.787,96	-88.572,64	65.175,80	1.070.848,57	239.963,76
Minority interest		44.388,49	49.536,73	-15.630,46	11.501,61	28.758,03	61.038,34
Profit per share (basic)		0,0264	0,0064	-0,0020	0,0015	0,0244	0,0079

Discontinuing operations are related to the subsidiary Agriproject SRL in Romania, which has applied to be placed under liquidation.

PARENT COMPANY			
		1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006
Sales	1	24.821.634,54	20.863.002,56
Cost of Sales		-16.443.249,14	-14.277.009,13
Gross profit		8.378.385,40	6.585.993,43
Sales expenses	14	-3.833.569,55	-3.335.081,70
Administrative expenses	14	-3.053.352,91	-2.680.607,72
Other operating (net) income (expenses)	15	-12.618,01	368.431,43
Operating Profit		1.478.844,93	938.735,44
Net Financial expenses	16	-935.289,94	-714.967,64
Profit before tax		543.554,99	223.767,80
Income tax	13	42.610,28	-210.894,27
Net profit after tax		586.165,27	12.873,53
Profit per share (basic)		0,0133	0,0003

During the period 1/1-31/12/2007, certain amounts of the previous period 1/1-31/12/2006 are re-classified to ensure comparability with the current period. More specifically, the amounts of € 539.483,22 and 815.514,69 are transferred from "other income" to "sales" in both the consolidated and parent company data, respectively.

5.3.3. STATEMENT OF CHANGE IN EQUITY

CONSOLIDATED DATA

	Share capital	Shares above par	Other reserves	Retain earnings	Minority interest	Total
Balance, 1.1.2006	6.570.720,00	23.423.475,48	5.807.646,11	-13.292.676,75	3.115.512,44	25.624.677,28
Profit 31.12.2006 after tax				239.963,76	61.038,34	301.002,10
Allocation of profits			160.295,17	-227.853,59		-67.558,42
Non consolidated subsidiary profit				17.047,29		17.047,29
Foreign exchange differences			-81.981,94	-2.073.678,39	-17.987,19	-2.173.647,52
Share capital increase expenses		-246.726,87				-246.726,87
Buy-out of new subsidiaries					14.110,64	14.110,64
Modification of rate of participation in subsidiaries				-458.401,68	-2.756.046,22	-3.214.447,90
Employee stock option	54.600,00	54.600,00				109.200,00
Share capital increase	19.712.160,00					19.712.160,00
Balance at 31.12.2006	26.337.480,00	23.231.348,61	5.885.959,34	-15.795.599,36	416.628,01	40.075.816,60

	Share capital	Shares above par	Other reserves	Retain earnings	Minority interest	Total
Balance, 1.1.2007	26.337.480,00	23.231.348,61	5.885.959,35	-15.795.599,37	416.628,01	40.075.816,60
Profit 31.12.2007 after tax				1.070.848,57	28.758,03	1.099.606,60
Allocation of profits			111.313,62	-214.493,62	700,00	-102.480,00
Foreign exchange differences			-26.294,04	-1.461.571,80	-52.134,71	-1.540.000,55
Share capital increase expenses		-4.315,20				-4.315,20
Employee stock option	31.680,00	18.092,00				49.772,00
Modification of rate of participation in subsidiaries			38.210,44		-38.210,44	
Balance at 31.12.2007	26.369.160,00	23.245.125,41	6.009.189,37	-16.400.816,22	355.740,89	39.578.399,45

PARENT COMPANY

	Share capital	Shares above par	Other reserves	Retain earnings	Total
Balance, 1.1.2006	6.570.720,00	23.423.475,48	4.495.969,40	-3.559.418,69	30.930.746,19
Profit 31.12.2006 after tax				12.873,53	12.873,53
Share capital increase expenses		-246.726,87			-246.726,87
Employee stock option	54.600,00	54.600,00			109.200,00
Share capital increase	19.712.160,00				19.712.160,00
Balance at 31.12.2005	26.337.480,00	23.231.348,61	4.495.969,40	-3.546.545,16	50.518.252,85

	Share capital	Shares above par	Other reserves	Retain earnings	Total
Balance, 1.1.2007	26.337.480,00	23.231.348,61	4.495.969,40	-3.546.545,16	50.518.252,85
Profit 31.12.2007 after tax				586.165,27	586.165,27
Share capital increase expenses		-4.315,20			-4.315,20
Employee stock option	31.680,00	18.092,00			49.772,00
Balance at 31.12.2007	26.369.160,00	23.245.125,41	4.495.969,40	-2.960.379,89	51.149.874,92

5.3.4. CASH FLOW STATEMENT

	CONSOLIDATED DATA	
	1.1- 31.12.2007	1.1- 31.12.2006
<u>Cash Flows from Operating Activities</u>		
Profit before Tax	1.309.598,54	491.438,54
Adjustments for:		
Depreciation	2.119.817,05	1.928.348,59
Provisions	140.616,00	565.807,44
Non cash operation results and Foreign Exchange Differences	-97.646,39	-1.115.159,35
Results (Income, Expenses, Gain, Loss) from Investment Activities	-148.520,14	-166.842,20
Interest and Similar Expenses	2.049.284,72	1.645.376,25
Adjustment for working capital account differences or related to operating activities		
Increase / (decrease) Inventories	-4.173.549,87	883.356,21
Increase / (decrease) Trade Receivables	-5.194.688,40	2.868.755,36
Increase / (decrease) Trade Payables (excluding Banks)	5.016.771,43	-6.194.933,34
Less:		
Interest and Similar Expenses Paid	-2.049.284,72	1.645.376,25
Taxes Paid	-305.572,86	-289.871,60
Total Cash Flows from Operating Activities (a)	-1.333.174,64	-6.766.611,07
<u>Investment Activities</u>		
Acquisition of subsidiaries and similar investments	-73.684,21	3.303.231,65
Purchase of tangible and intangible fixed assets	-5.720.500,20	-4.892.019,64
Start of period cash for newly acquired companies		11.222,50
Proceeds from the sales of tangible and intangible assets	965.510,38	271.074,65
Proceeds from fixed asset subsidies		364.098,08
Income from Holdings sale		
Interest Received	148.520,14	220.095,53
Total Investment Activities (b)	-4.680.153,89	-7.328.760,53
<u>Cash flow from Financing Activities</u>		
Collections from Capital Increase	31.680,00	19.766.760,00
Inflows from Loans	5.348.622,90	6.949.882,37
Repayment of borrowing	-778,39	-11.944.290,83
Payments to Leasing	-18.689,52	-15.089,57
Dividends Paid		
Total Financial Activities (c)	5.360.834,99	14.757.261,97
Net Increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)	-652.493,54	661.890,37
Cash and cash equivalents at the beginning of the period	3.263.929,65	2.813.141,22
Exchange differences adjustment	-201.483,25	-211.101,94
Cash and cash equivalents at the end of the period	2.409.952,86	3.263.929,65

	PARENT COMPANY	
	31.12.2007	31.12.2006
<u>Cash Flows from Operating Activities</u>		
Profit before Tax	543.554,99	223.767,80
Adjustments for:		
Depreciation	1.062.738,69	1.010.619,60
Provisions	15.100,50	290.033,90
Foreign exchange differences		
Results (Income, Expenses, Gain, Loss) from Investment Activities	-197.592,76	-147.708,10
Non cash operation results and Foreign Exchange Differences	-218.457,04	-581.729,39
Interest and Similar Expenses	1.132.882,70	862.675,74
Adjustment for working capital account differences or related to operating activities:		
Increase / (decrease) Inventories	-1.928.624,32	1.311.698,84
Increase / (decrease) Trade Receivables	-2.817.052,72	-5.103.613,21
Increase / (decrease) Trade Payables (excluding Banks)	1.005.761,28	3.243.510,69
Less:		
Interest and Similar Expenses Paid	-1.132.882,70	-862.675,74
Taxes Paid	-95.455,98	247.311,12
Total Cash Flows from Operating Activities (a)	-2.630.027,36	6.487.752,37
<u>Investment Activities</u>		
Acquisition of subsidiaries, affiliated, and similar investments	-73.744,21	7.803.231,65
Purchase of tangible and intangible fixed assets	-3.002.906,94	3.100.618,01
Proceeds from the sales of tangible and intangible assets	2.669.535,00	1.100.464,40
Proceeds from fixed asset subsidies		364.098,08
Income from Holdings sale		
Interest Received	197.592,76	88.367,99
Dividends Received		
Total Investment Activities (b)	-209.523,39	-9.350.919,19
<u>Cash flow from Financings Activities</u>		
Collections from Capital Increase	31.680,00	19.766.760,00
Inflows from Loans	2.612.095,85	6.000.000,00
Repayment of borrowing		-10.076.688,23
Payment to Leasing		
Dividends Paid		
Total Financial Activities (c)	2.643.775,85	15.690.071,77
Net Increase/ (decrease) in cash and cash equivalents (a) + (b) + (c)	-195.774,90	-148.599,79
Cash and cash equivalents at the beginning of the period	1.193.710,27	1.342.310,06
Cash and cash equivalents at the end of the period	997.935,37	1.193.710,27

5.3.5. Basis of preparation

A. General Company and Group information

The Company EURODRIP INDUSTRIAL COMMERCIAL and AGRICULTURAL SA, with the distinctive title "EURODRIP S.A.", (hereinafter the "Company" or the "Parent Company") and its subsidiaries (hereinafter the "Group") are active in the sector of Irrigation Systems. The Company and the Group have their registered seat in the Municipality of Agia Paraskevi - Attica, 396 Mesogion Ave., and employ a total of 386 people.

The Company's shares are listed on the Athens Stock Exchange (category **RUBBER – PLASTICS**).

The Company's and the Group's financial statements for the period ended 31 December 2007 were approved for publication by the Board of Directors' decision dated 17 March 2008.

The Company's subsidiaries included in the Group's attached consolidated financial statements are presented in the note B (ii).

B. Summary of significant accounting policies

I. New standards, interpretations and amendments to existing standards

a) In force during the financial year in question

The accounting principles applied in the preparation of these financial statements are consistent with those used for the preparation of the Group's annual financial statements for the year ended 31 December 2006, except for the adoption of new standards whose application became mandatory for periods beginning on 1 January 2007. These standards are mentioned below and had no impact whatsoever on the financial position and performance of the Company and the Group.

IAS 1, (amendment)-Capital Disclosures (effective for annual periods beginning on or after 1 January 2007).

Due to the publication of IFRS 7, additional disclosures were included in IAS 1 (Presentation of Financial Statements) according to which an entity shall disclose information that enables users to evaluate the entity's objectives, policies and processes for managing capital.

IFRS 4, Insurance Contracts (including reinsurance contracts) (effective for annual periods beginning on or after 1 January 2007).

IFRS 4 is not relevant to the Company or the Group.

IFRS 7, Financial Instruments: Disclosures and a complementary amendment to IAS 1, Presentation of Financial Instruments-Capital Disclosures (effective for annual periods beginning on or after 1 January 2007).

IFRS 7 introduces new requirements to improve the information on financial instruments, and in particular, it requires disclosures of qualitative and quantitative information about exposure to risks arising from financial instruments. More specifically, the standard includes specified minimum disclosures about credit risk, liquidity risk and market risk (it requires a market risk sensitivity analysis). IFRS 7 replaces IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions) and some of the requirements in IAS 32 (Financial Instruments: Disclosure and Presentation). The standard applies to all entities that present financial statements according to IFRS.

IFRIC (Interpretation) 7, Applying the Restatement Approach under IAS 29-Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 May 2006).

IFRIC 7 requires that in the period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Company or the Group.

IFRIC 8, Scope of IFRS 2 (effective for annual periods beginning on or after 1 May 2006).

IFRIC 8 clarifies that IFRS 2 *Share-based Payment* applies to transactions in which an entity has granted equity instruments or incurred a liability to transfer cash or other assets (for amounts that are based on the price (or value) of the entity's shares), if the identifiable consideration given appears to be less than the fair value of the equity instruments granted or liability incurred.

IFRIC 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006).

IFRIC 9 requires an entity to assess whether any embedded derivatives are contained at the date it first became a party to the contract, in which case subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows. IFRIC 9 is not relevant to the Company or the Group.

IFRIC 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006).

IFRIC 10 may have an impact on financial statements, as it states that where an entity has recognised an impairment loss in an interim period in respect of goodwill or on an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements nor in annual financial statements. IFRIC 10 has not yet been adopted by the EU.

b) In force after the financial year in question

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) have already issued a number of new accounting standards and interpretations whose application is mandatory for future accounting periods beginning after 1 January 2007. The Company management assesses the impact of these new standards and interpretations as follows.

IAS 23 Borrowing Costs-amendment (effective for annual periods beginning on or after 1 January 2009).

In the amended version of IAS 32, the previous basic method of immediate expensing borrowing costs has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, that fulfils the conditions set out by IAS 23, should form part of the cost of that asset.

IFRS 8, Operating Segments (effective for annual periods beginning on or after 1 January 2009).

IFRS 8 replaces IAS 14 "Segment Reporting" and adopts a management-based approach to reporting on the financial performance of its operating segments. The information to be reported would be what management uses internally for evaluating segment performance and deciding how to allocate resources to operating segments. Such information may be different from what is used to prepare the income statement and balance sheet. The IFRS therefore requires explanations and reconciliations of the differences. IFRS 8 has not yet been adopted by the EU.

IFRIC 11, IFRS 2: Group and Treasury Share Transactions (effective for annual periods 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, even if the entity buys these instruments from another party, or the shareholders provide the equity instruments needed. IFRIC 11 also extends to the way in which subsidiaries account for schemes, in their separate financial statements, when their employees receive rights to the equity instruments of the parent. IFRIC 11 is not relevant to the Company or the Group.

IFRIC 12, Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008).

IFRIC 12 outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset or an intangible asset. IFRIC 12 is not relevant to the Company or the Group. This interpretation is not yet adopted by the EU.

IFRIC 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008).

The International Financial Reporting Interpretations Committee (IFRIC) issued a new interpretation relating to the application of IAS 18 Revenue. IFRIC 13 clarifies that where entities grant award credits (e.g. points) as part of a sales transaction and customers can redeem those award credits in the future for free or discounted goods or services, IAS 18 paragraph 13 applies. This requires that the award credits are

treated as a separate component of the sales transaction and an amount of the consideration received or receivable needs to be allocated to the award credits. The timing of the recognition of this element of revenue is deferred until the entity satisfies its obligations relating to the award credits, either by supplying the rewards directly or by transferring the obligation to a third party. The Group is considering the possible impact of the specific interpretation.

IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. IFRIC 14 is not relevant to the Company or the Group.

The basic accounting principles applied during the preparation of the consolidated financial statements are analysed below:

II. Financial Statements Basis of Preparation

The financial statements have been prepared in accordance with historical cost convention, except for the assessment of specific assets and liabilities at fair value, and on an ongoing-concern basis for the Group's operation.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC, former Standing Interpretations Committee), and adopted by the European Union.

Since 1 January 2004, the company has adopted the International Financial Reporting Standards as a basis for the preparation of its financial statements. There are no Standards applied prior to the date of their first application.

These consolidated statements are based on the financial statements prepared by the Group in accordance with the Greek Commercial Law, and adjusted by non-book entries to ensure compliance with IFRS.

The preparation of the financial statements in accordance with the generally accepted accounting principles requires the use of estimations and assumptions that affect the balances of the assets and liabilities as well as the reported income and expenses during the financial years in question. It also requires disclosure of the potential assets and liabilities at the date the financial statements are prepared.

The financial statements for the period ended 31/12/2007 are prepared in accordance with the basic accounting principles of the annual financial statements of 31/12/2006.

III. Consolidation

(1) Consolidation Basis

The consolidated financial statements consist of the financial statements of the parent company and its subsidiaries. In the table below are listed all the subsidiaries that have been included in the consolidation along with their percentages of group participation.

Company Name	Country	Participation (N)
HYDROCONTROLS AVETE	HELLAS	100,00%
EURODRIP USA	USA	100,00%
NATIONAL DRIP IRRIGATION Co Ltd	JORDAN	76,00%
EURODRIP EGYPT SAE	EGYPT	99,40%
EURODRIP TRADING (CIS) Ltd	CYPRUS	100,00%
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET AS	TURKEY	85,00%
EURODRIP DAMLA SULAMA SANAYI VE TICARET AS	TURKEY	99,20%
EURODRIP IRRIGATION HOLDING SL	SPAIN	100,00%
EURODRIP IRRIGATION SYSTEMS SRL	ROMANIA	100,00%

(2) Subsidiaries

These are companies over which the parent company exercises control. The existence of potential voting rights that are exercisable at the time financial statements are prepared, is considered when assessing whether an enterprise controls its subsidiaries. Subsidiaries are fully consolidated from the moment the Group is able to exercise control and are deconsolidated when control ends.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is the fair value of the assets given, of the equity instruments issued and liabilities assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary, the difference is recognised directly in the income statement.

Intercompany transactions – All inter-company transactions, balances and profits resulting from transactions between Group companies are eliminated. The accounting policies of the subsidiaries have been revised to ensure consistency with the policies adopted by the Group.

IV. Conversion of foreign currency

(1) Functional and presentation currency

As from 1 January 2002, the Group's functional (measurement) and presentation currency is the Euro. Accordingly, the consolidated financial statements are expressed in Euros (€), the valuation currency of the reporting parent company.

(2) Transactions and balances

Transactions in foreign currency are converted into Euro using the applicable exchange rates at the date of the transaction. Receivables and liabilities in foreign currency, at the date the financial statements are prepared, are adjusted in order to reflect exchange rates at such date. Profits and losses incurred from such transactions (and from the conversion of assets and liabilities denominated in foreign currency) are recognised in the profit and loss statement; otherwise they are recorded in equity as recognised cash flow hedges.

(3) Group Companies

The translation of the financial statements of the Group companies, which have different functional currency from the parent company, is conducted as follows

- Assets and liabilities are translated at the closing exchange rate at the date of the balance sheet.
- Equity is translated at the exchange rates prevailing at the date it resulted.
- Income and expenses are converted at the average exchange rates for the year.

The resulting translation differences are recorded in an equity reserve and are transferred to the income statement upon sale of these companies.

Any goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as part of the assets and liabilities of the foreign operation and translated at the closing rate.

V. Property, plant and equipment

Tangible assets are valued at their acquisition cost, less depreciation. The cost of acquisition includes all expenses directly attributable to the acquisition of the assets. The cost may also include profits or losses resulting from hedging the currency risk at the purchase of these assets, which have been recorded in the equity reserve.

Repairs and maintenance works are recognised as expenses in the financial year they are incurred. Significant subsequent additions and improvements are capitalised to the cost of the relevant fixed assets, provided they increase the useful life and/or the productive capacity of the fixed asset or decrease its operating cost.

Land plots are not depreciated. Depreciation of other tangible fixed assets is calculated on a straight-line basis over the asset's useful life, as follows:

Buildings	30-40	Years
Mechanical equipment:		
- Machinery	20	Years
- Molds	25	Years
- Other production equipment	20	Years
Vehicles	15	Years
Other equipment	10	Years

Residual values and useful lives of tangible fixed assets are subject to review at each balance sheet date.

In case the carrying amounts of the tangible assets exceed their recoverable value, the differences (impairment) are recorded as expenses in the income statement.

The cost and 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 income statement. In case the retired or sold tangible assets are valued at their fair values, any revaluation reserve recorded in equity during the retirement or sale is transferred to profits carried forward.

VI. Intangible assets

• Software and licenses

Software refers to the cost of purchase or own production of computer programmes, such as wages, materials, services, as well as any expense incurred during the development of the software in order to ensure its operation. Any expenses enhancing or expanding the programmes' efficiency beyond their initial specifications are recognised as capital expenditure and are added to the initial cost of the software. Depreciation of the cost of purchase and development of software recognised as intangible asset is calculated on a straight-line basis over the asset's useful life (10 - 13 years).

Licenses refer to the acquisition cost.

VII. Goodwill

Goodwill represents the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

VIII. Impairment of assets

Assets which have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Assets that are subject to amortisation

are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable value, an impairment loss is recognised in the income statement. An asset's recoverable value is measured as the higher of its net selling price and its value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties after deducting from the amount obtainable from the sale of an asset the incremental costs that are directly attributable to the disposal of the asset, whereas the value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset, and from its disposal at the end of its useful life. If a company is unable to estimate an asset's recoverable value for which there is evidence of impairment, then it defines the recoverable value of the unit that produces cash flows to which the specific asset belongs.

Impairment losses recognised in prior periods are reversed only when there is sufficient evidence that the loss has decreased or no longer exists. In these circumstances the reversal is recognised as income.

Management estimates that there is no depreciation of the Company's fixed assets; therefore, it has not proceeded to the valuation of the recoverable amounts of the Company's fixed assets.

IX. Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company's and the Group's financial instruments are classified based on the nature of the contract and the purpose for which they are acquired in the following categories.

i) Financial assets at fair value through profit and loss

A financial asset at fair value through profit or loss is one that either:

- is classified as held for trading (a derivative, except for one that is designated and effective hedging instrument, an asset acquired principally for the purpose of selling it in the near term or which is part of a portfolio of identified financial instruments).
- upon initial recognition it is designated as at fair value through profit or loss.

Gains and losses arising from changes in the fair value of financial assets through profit or loss are included in the income statement in the period in which they arise.

ii) Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. This category (Loans and Receivables) does not include: a) receivables from down payments for the purchase of goods or services, b) receivables relating to tax transactions, which have been legislatively imposed by the state, c) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are measured at amortised cost using the effective interest method.

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

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity.

The Company and the Group do not have such investments.

iv) Available-for-sale financial assets

Available-for-sale assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the previous categories.

Available-for-sale financial assets are valued at fair value subsequent to initial recognition, with gains and losses being recognised in equity until the assets are sold or become impaired.

At sale or impairment, profits or losses are transferred to the income statement. Impairment losses that have been recognised in the income statement are not reversed through profit or loss.

All purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell an asset. Investments are initially recognised at fair value plus transaction costs directly attributable to the acquisition of the asset, for all financial assets not carried at fair value through income. All investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The fair value of quoted investments is based on current bid prices. If a market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis. Unlisted securities, which are classified as available-for-sale financial assets and whose fair value cannot be determined with credibility, are valued at acquisition cost.

At each balance sheet date the Company assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication consists of a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, the accumulated loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results.

X. Inventories

Inventories are valued at the lower of cost and net realisable value. The cost is calculated using the weighted average cost method. The cost of end products and semi-finished inventories includes the cost of design, the cost of materials, the average labour cost and a proportion of the general common production cost. Lending cost is not included in the acquisition cost of the reserves. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

XI. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables (provision for doubtful receivables) is established when there is objective evidence that the Group is not able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

XII. Cash and cash equivalents

Cash and cash equivalents include any cash available and sight deposits.

XIII. Share capital

The Company's share capital consists of 43.895.800 common shares having a par value of € 0.60 each. On 22/12/2007 the Company's share capital was increased by € 31.680 through payment in cash from the employees stock option benefit.

XIV. Borrowings

Borrowings are recognised initially at cost, net of direct transaction costs incurred.

The Group's management considers that the interest rates paid for loans are equal to the current fair market interest rates; therefore, there is no need to readjust the value at which these liabilities are reported.

Any difference between the proceeds (net of acquisition costs) and the redemption value is recognised in the income statement over the period of the borrowings.

XV. Income tax (current and deferred)

Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax laws effective in Greece and any other country where subsidiaries are located. The current income tax refers to tax imposed on the taxable profits of the Group's companies as these were revised in accordance with the tax laws, and calculated based on the effective tax rate.

Deferred income tax is provided using the liability method on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying values.

The expected tax consequences from the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax receivables.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred income 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 utilised.

Current tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

XVI. Employee benefits

According to provisions of Law 2112/1920, the Group provides benefits to any outgoing or dismissed employee, the amount of benefit depending on the number of past service years, the amount of remunerations and the way of termination (dismissal or retirement). In case of retirement, the amount of benefit payable is equal to 40% of the amount payable in case of redundancy.

Employee benefit plans as regards post-employment benefits belong to the defined benefit plans, according to IAS 19 – “Employee Benefits”. The liability recognised in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit the changes deriving from any actuarial profit or loss and the past service cost. The defined benefit commitment is calculated on an annual basis by an independent actuary with the use of the projected unit credit method. A long-term Greek State bond’s rate is used for discounting.

Short-term employee benefits in money or in kind are recorded as expenses when accrued.

XVII. Provisions and Contingencies

A provision is recognised when the Company has a present or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made

The Group recognises a provision for loss-making contracts when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Group becomes legally or constructively committed to the implementation of the related restructuring programme.

Provisions are reviewed at the end of each financial year and are adjusted to reflect the best possible estimations. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

XVIII. Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

(a) Sale of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Rendering of services

Sales of services are recognised by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised on a time proportion basis that takes into account the effective yield.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

XIX. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

XX. FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks arising from the use of its financial instruments: Credit risk, Market risk, Liquidity risk.

This note presents information about the Group's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The Group's risk management policies are applied in order to recognise and analyse the risks faced by the Group, to establish the risk taking limits and control them. Risk management policies and related systems are periodically reviewed in order to

incorporate the changes observed in the market conditions and the Group's activities.

The Management is responsible for the risks mentioned below.

1. Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables and investments in securities.

Trade and other receivables

There is no credit risk concentration related to trade receivables, as the Group has a large number of customers and the credit risk is spread.

The Group records an impairment provision which represents its assessment on losses relating to trade and other receivables. This provision mainly comprises impairment losses on specific receivables which given the circumstances are estimated to occur but are still not finalised.

The Group has also subscribed to credit risk insurance to cover the credit risk.

At the end of the year, the Company's management estimated that there is no substantial credit risk which is not covered by the doubtful debts provision or the insurance coverage.

The table below presents an analysis of the maturity of trade receivables as at 31.12.2007

GROUP

	Total	0 -180 days	181 -360 days	> 360 days
Not past due	20.710.922,8	15.804.798,09	3.319.349,98	1.586.774,73
Past due but not impaired	255.163,05	0,00	180.033,89	75.129,16
Past due and impaired	1.152.228,08	26.066,84	62.172,72	1.063.988,52
TOTAL	22.118.313,93	15.830.864,93	3.561.556,59	2.725.892,41

	Total	0 -180 days	181 -360 days	> 360 days
Not past due	12.908.961,93	8.160.058,73	3.216.467,71	1.532.435,49
Past due but not impaired	149.764,95	0,00	149.764,95	0,00
Past due and impaired	684.202,65	0,00	0,00	684.202,65
TOTAL	13.742.929,53	8.160.058,73	3.366.232,66	2.216.638,14

COMPANY

2. Market risk

Market risk is related to changes in the pricing of raw materials and changes in foreign currencies and interest rates that affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

A) Currency risk The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Currency risk arises from future commercial transactions, recognised assets and liabilities in foreign currencies and net investments in foreign operations.

The results of the possible changes in exchange rates are presented in the table below.

Assets and liabilities in foreign currency

Company

The Group has investments in foreign operations whose assets are exposed to currency risks.

31/12/2007			REVALUATION 10%	DIFFERENCE	DEVALUATION 10%	DIFFERENCE
	Euro	Dollar				
CUSTOMERS	2.135.069,87	3.143.036,30	1.940.972,57	194.097,30	2.372.299,81	-237.229,94
OTHER	0	0		0	0	
ASSETS	582.274,99	861.583,30	532.068,16	50.206,83	650.305,53	-68.030,54
TOTAL	2.717.344,86	4.004.619,60	2.473.040,73	244.304,13	3.022.605,34	-305.260,48
SUPPLIERS	64.687,15	95.225,96	58.806,50	5.880,65	71.874,62	-7.187,47
OTHER	0,00	0,00	0,00	0,00	0,00	0,00
LOANS	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	64.687,15	95.225,96	58.806,50	5.880,65	71.874,62	-7.187,47

A foreign currency devaluation or revaluation of 10% will affect the Group's income and equity as follows:

	Revaluation 10%		Devaluation 10%	
	Income	Equity	Income	Equity
US Dollar	-19.043,98	738.296,61	15.581,44	-604.060,86
Turkish lira	8.903,44	424.997,35	-7.284,63	-347.725,10
Egyptian pound	61.726,90	345.157,11	-50.503,83	-282.401,27
Jordanian dinar	18.919,10	115.874,73	-15.479,27	-94.806,60
Romanian leu	-20.832,98	-19.196,66	17.045,17	15.706,36
TOTAL	49.672,48	1.605.129,14	-40.641,12	-1.313.287,47

As shown above, a foreign currency revaluation of 10% would lead to an improvement of income by € 49.672,48 and of equity by € 1.605.129,14. A devaluation of 10% would burden income by € 40.641,12 and equity by € 1.313.129,14.

B) Interest rate risk

The Group finances its investments and its needs in working capital through bank and bond loans. As a result, the Group's income is burdened with interest owed. An increase trend in interest rates will have a negative impact on income, as the Group will be faced with an additional cost of borrowing. An increase or decrease of 0,5% in interest rate would affect the Group's income and equity as follows:

	Loans	Impact on results before tax (+ / -)
GROUP	24.892.811,94	124.464,06
COMPANY	19.031.516,82	95.157,58

C) Price risk

The Group is exposed to changes in the pricing of raw materials due to their relation with the oil price, as this is valued in the current market. Polyethylene is the most important raw material used by the Company in production. Polyethylene prices depend on oil prices, as well as on international demand which is very high. Therefore, traders may have difficulties in supplying this product, and prices will rise automatically.

3. Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations when they fall due. The table below analyses the Group and Company financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

31.12.2007 – The Group	Up to 1 year	1 to 5 years
Borrowings	13.974.076,12	10.918.735,82
Trade and other liabilities	7.230.833,69	687.463,62

31.12.2007 – The Company	Up to 1 year	1 to 5 years
Borrowings	9.031.516,82	10.000.000,00
Trade and other liabilities	4.436.943,88	603.899,92

Capital risk management

The Group objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group must adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group and Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

<u>2007</u>		<u>GROUP</u>	<u>COMPANY</u>

Total borrowings (note 12)	24.892.811,94	19.031.516,82
Less: Cash and cash equivalents (note 8)	-2.409.952,86	-997.935,37
Net debt	22.482.859,08	18.033.581,45
Total equity	39.578.399,45	51.149.874,92
Total capital	62.061.258,53	69.183.456,37
Gearing ratio	0,36	0,26

XXI. Segment reporting

Business segment is a group of assets and operations that provides products and services that are subject to risks and returns that are different from those of other business segments. Geographical segment is a geographical area that provides products and services and is subject to risks and returns that are different from those in other economic environments.

1. Segment information

Primary and secondary segments

On 31 December 2007 the Group's activities constitute one business segment: "distribution of pipes and irrigation accessories and production and trade of driplines and drippers". Therefore, the main interest of the financial information is the geographical distribution of the Group's activities where different economic environments are subject to different risks and benefits.

The Group's geographical segments operate in all continents and are managed by the Company's headquarters.

The Company is mainly active in Greece. The other areas of operation are mainly the places where its subsidiaries carry out and develop their activities.

The performance of these segments during the periods ended 31 December 2006 and 31 December 2007, is as follows:

	Sales	Inter-company sales	Sales to third parties	Total Assets	Participations	Investments in fixed assets
	1.1.2007 - 31.12.2007	1.1.2007 - 31.12.2007	1.1.2007 - 31.12.2007	31.12.2007	31.12.2007	1.1.2007 - 31.12.2007
Europe	26.719.150,06	3.619.482,77	23.099.667,29	41.660.774,30	29.022.136,90	19.308.173,12
Jordan, Turkey	11.546.395,99	184.034,72	11.362.361,27	12.452.470,10		2.960.652,55
Egypt	3.473.841,23	403.800,51	3.070.040,72	4.160.132,34		1.956.700,93
America	10.843.955,20	368.553,68	10.475.401,52	14.804.436,68		7.293.950,15
Total	52.583.342,48	4.575.871,68	48.007.470,80	73.077.813,42	29.022.136,90	31.519.476,75

	Sales	Inter-company sales	Sales to third parties	Total Assets	Participations	Investments in fixed assets
	1.1.2006 - 31.12.2006	1.1.2006 - 31.12.2006	1.1.2006 - 31.12.2006	31.12.2006	31.12.2006	1.1.2006 - 31.12.2006
Europe	23.820.882,90	3.552.464,09	20.268.418,81	47.925.401,26	25.102.380,47	19.973.387,14
Jordan, Turkey	7.603.418,84	22.652,04	7.580.766,80	5.386.015,46		1.365.553,07
Egypt	3.139.846,38	30.000,00	3.109.846,38	3.213.396,02		1.163.516,04
America	10.837.897,51	190.359,55	10.647.537,96	9.374.141,57		7.252.916,38
Total	45.402.045,63	3.795.475,68	41.606.569,95	65.898.954,31	25.102.380,47	29.755.372,63

Assets are reported according to their location. Capital expenditure is reported according to the location of the assets.

2. Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Furniture and fixtures	Fixed assets under construction	Total
CONSOLIDATED DATA							
1 January 2007	3.546.649,10	10.095.528,73	24.571.284,87	717.394,56	1.266.264,24	704.851,23	40.901.972,73
Foreign exchange differences	-53.887,67	-181.001,33	-830.652,06	-44.555,71	-24.065,93		-1.134.162,70
Additions	36.629,98	2.990,00	3.031.677,32	145.429,87	74.696,58	2.216.938,75	5.508.362,50
Disposals and write offs	-710.000,00	-295.000,00		-64.415,75			-1.069.415,75
Impairment charge							
Reclassifications	43.098,43	170.122,89	2.341.735,73			-2.554.957,05	
31 December 2007	2.862.489,84	9.792.640,29	29.114.045,86	753.852,97	1.316.894,89	366.832,93	44.206.756,78
Accumulated depreciation							
1 January 2007	-11.676,89	-1.433.352,04	-8.724.568,89	-375.438,72	-791.349,05		-
Foreign exchange differences	-1.091,42	10.504,91	278.143,69	30.375,57	18.745,71		336.678,46
Depreciation charge for the period	-2.562,55	-374.081,22	-1.514.642,66	-105.858,67	-102.485,90		-2.099.631,00
Disposals and write offs		23.590,92		60.826,93			84.417,85
Reclassifications							
31 December 2007	-15.330,86	-1.773.337,43	-9.961.067,86	-390.094,89	-875.089,24		-
Net book value at 31.12.2007	2.847.158,98	8.019.302,86	19.152.978,00	363.758,08	441.805,65	366.832,93	31.191.836,50

	Land	Buildings	Machinery	Vehicles	Furniture and fixtures	Fixed assets under construction	Total
PARENT COMPANY							
1 January 2007	2.710.000,00	7.158.037,43	11.817.140,15	155.053,80	515.344,11	704.851,23	23.060.426,72
Foreign exchange differences							
Additions		2.990,00	2.386.702,67	3.856,38	36.000,44	379.087,85	2.808.637,34
Disposals and write offs	-710.000,00	-295.000,00	-2.196.386,90	-3.649,66			-3.205.036,56
Impairment charge							
Reclassifications			717.106,15			-717.106,15	
31 December 2007	2.000.000,00	6.866.027,43	12.724.562,07	155.260,52	551.344,55	366.832,93	22.664.027,50
Accumulated depreciation							
1 January 2007		-852.145,87	-2.341.139,91	-32.847,14	-203.448,03		-3.429.580,95
Foreign exchange differences							
Depreciation charge for the period		-285.170,27	-706.852,76	-10.629,31	-54.531,91		-1.057.184,25
Disposals and write offs		23.590,92	596.923,21	60,84			620.574,97
Reclassifications							
31 December 2007		-1.113.725,22	-2.451.069,46	-43.415,61	-257.979,94		-3.866.190,23
Net book value at 31.12.2007	2.000.000,00	5.752.302,21	10.273.492,61	111.844,91	293.364,61	366.832,93	18.797.837,27

The value of tangible and intangible fixed assets was readjusted on 01/01/2004 by independent valuers at their fair value, and differences were recorded in "deferred income". Subsequent valuation of these assets will be based on the principle of historical cost.

During the current year, the Company has sold its building located at 396 Mesogion Av., Ag. Paraskevi. The Company's headquarters are still located in the same address, in a leased office space, while all administration services have been transferred to the location of the Inofita manufacturing unit.

3. Intangible assets

Intangible assets include the software (Compak Win), which is fully attributed to the Company. The relevant account is as follows:

	Concessions and rights	Other intangible assets	Total
CONSOLIDATED DATA			
1 January 2007	40.712,60	267.683,39	308.395,99
Foreign exchange differences	2.127,90	403,40	2.531,30
Additions	15.176,97	194.269,60	209.446,57
Disposals and write offs		-160,99	-160,99
31 December 2007	58.017,47	462.195,40	520.212,87
Accumulated amortisation			
1 January 2007	-12.242,27	-158.837,86	-171.080,13
Foreign exchange differences	-1.295,30	-13,08	-1.308,38
Amortisation charge for the period	-12.109,11	-8.075,00	-20.184,11
Disposals and write offs			
31 December 2007	-25.646,68	-166.925,94	-192.572,62
Net book value at 31.12.2007	32.370,79	295.269,46	327.640,25

Concessions and rights	Other intangible assets	Total
------------------------	-------------------------	-------

	PARENT COMPANY	
1 January 2007	256.504,48	256.504,48
Additions	194.269,60	194.269,60
Disposals and write offs		
31 December 2007	450.774,08	450.774,08
Accumulated amortisation		
1 January 2007	-153.302,88	-153.302,88
Amortisation charge for the period	-5.554,44	-5.554,44
Disposals and write offs		
31 December 2007	-158.857,32	-158.857,32
Net book value at 31.12.2007	291.916,76	291.916,76

4. Subsidiaries and affiliates

Company name	Cost	Location	Participation
Direct			
HYDROCONTROLS AVETE	1.342.299,33	GREECE	100,00%
EURODRIP USA Inc	15.402.006,40	USA	86,230%
NATIONAL DRIP IRRIGATION Co Ltd	963.065,98	JORDAN	76,000%
EURODRIP EGYPT SAE	3.241.388,00	EGYPT	99,405%
EURODRIP TRADING (CIS) Ltd	98.602,19	CYPRUS	100,000%
EURODRIP IRRIGATION HOLDING SL	7.974.715,00	SPAIN	100,000%
EURODRIP IRRIGATION SYSTEMS SRL	60,00	ROMANIA	100,000%
Total	<u>29.022.136,90</u>		
Indirect participation			
S.C. AGRIPROJECT SRL	ROMANIA	Indirectly 85,000%	Through EURODRIP TRADING (CIS) Ltd 85,000%
DRIP IRRIGATION DE MEXICO C.C.V.C.	MEXICO	99,000%	EURODRIP USA Inc 99,000%
EURODRIP USA Inc	USA	13,770%	EURODRIP IRRIGATION HOLDING SL 13,770%
EURODRIP DAMLA SULAMA SANAYI VE TICARET AS	TURKEY	99,200%	EURODRIP IRRIGATION HOLDING SL 99,200%
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET AS	TURKEY	85,000%	EURODRIP IRRIGATION HOLDING SL 85,000%

On 25/04/2007 Eurodrip AVEGE founds a fully owned subsidiary company in Romania. The initial capital is € 60.

The parent company increased its participation by € 984.010 paid in cash through its 100% subsidiary company Eurodrip Irrigation Holding SL. The participation rate increased from 99,2% to 98%.

The parent company increased its participation in Eurodrip USA Inc (direct and indirect participation 100%) by € 2.862.062,82, by capitalising current receivables.

The Company increased its participation by 5,16% in its subsidiary Hydrocontrols AVETE, by paying € 73.684. The participation rate in the company Hydrocontrols AVETE rises to 100%.

On 31/12/2007 an impairment test was carried out in respect of the cost of acquisition paid by the Group in order to acquire participations in the Group's subsidiaries at this date, in accordance with the provisions of IAS 36. The recoverable amount of the subsidiary companies, where an impairment test was carried out, was determined through calculation of their value in use. The value in use was determined based on the expected cash flows which covered a five-year period. The interest rate before tax used to discount the expected cash flows ranged from 5% to 20% (2006: 5,0%-20,00%). The estimated cash flows beyond the five-year period were determined at a 2,0%-3,0% (2006: 2%) growth rate, that is at the estimated average growth rate of the sector 'trade of irrigation systems and conduct of relevant studies' in Greece.

Basic assumptions adopted for the calculation of the value in use of the aforementioned impairment tests on 31/12/2007

Expected profit margins: The basis for the assessment of the gross profit is the gross profit realised during the previous five-year period, as well as the investments in equipment that were realised in 2007 or will be realised in the forthcoming five-year period.

Capital expenditure: All the necessary estimated additions of fixed assets and working capital were taken into consideration, on the basis of the needs observed during the last five years and the Group's programme of fixed investments as described in the bulletin on the increase of share capital, so that each company maintains and increases its production capacity and market share.

Bond interest rates: The performance of the ten-year bond issued by the Greek State, in the beginning of the five-year period, was taken into consideration.

5. Goodwill

Company	Balance at 31.12.2006	Changes in 2007	Balance at 31.12.2007
S.C. AGRIPROJECT SRL	46.605,83	-46.605,83	0,00
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET AS	5.854,38	0,00	5.854,38
TOTAL	52.460,21	-46.605,83	5.854,38

The subsidiary company S.C. Agriproject SRL (indirect participation through Eurodrip Trading Ltd) has applied to be placed under liquidation. Therefore it was considered timely to proceed to an impairment of goodwill of € 46.605,83 which appeared in the consolidated financial data with a relevant charge of the results of the current financial year.

6. Inventories

The Group's inventories are analysed as follows:

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Merchandise	3.050.309,29	2.758.592,37	1.772.369,95	1.761.116,55
Raw and secondary materials-Expendable materials	4.891.619,64	2.649.914,93	2.039.391,88	1.287.797,04
Finished goods	7.125.480,79	5.943.711,29	2.748.379,71	1.836.999,05
Total	15.067.409,72	11.352.218,59	6.560.141,54	4.885.912,64
Less: Provisions for impairment of inventories:				
	459.596,89	741.899,90	321.418,25	594.443,24
Net value of inventories	14.607.812,83	10.610.318,69	6.238.723,29	4.291.469,40

7. Trade and other Receivables

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Trade receivables	15.602.305,23	13.027.117,01	10.148.229,84	11.136.242,01
Less: Provisions for impairment of receivables	-1.152.228,08	-1.192.148,65	-684.202,65	-758.412,29
Net trade receivables	14.450.077,15	11.834.968,36	9.464.027,19	10.377.829,72
Notes receivable	2.502.272,07	1.875.565,18	191.945,53	199.543,94
Checks receivable	4.013.736,63	4.339.088,64	3.402.754,16	3.832.538,47
Total trade receivables	20.966.085,85	18.049.622,18	13.058.726,88	14.409.912,13
Advance payments	900.182,86	637.916,42	853.458,11	344.001,33
Related party loans			3.473.358,78	3.555.268,75
Doubtful customers & debtors	69.262,73	162.709,16	39.492,97	132.939,40
Sundry debtors	2.050.728,84	2.686.629,54	2.581.667,30	1.980.565,64
Administration accounts	23.276,78	22.655,60	16.110,00	15.272,92
Transitory asset accounts	165.250,78	435.064,11	86.958,46	322.796,32
Other long-term receivables	138.308,96	103.922,82	96.619,59	87.576,26
Total	24.313.096,80	22.098.519,83	20.206.392,09	20.848.332,75
Non current assets	138.308,96	103.922,82	1.012.774,43	1.502.619,47
Current assets	24.174.787,84	21.994.597,01	19.193.617,66	19.345.713,28
Total	24.313.096,80	22.098.519,83	20.206.392,09	20.848.332,75

During the period 1/1-31/12/2007, certain items of the previous period 1/1-31/12/2006 were re-classified to ensure comparability with the current period. More specifically, the amount of € 813.000,00 was transferred from "trade receivables" to "sundry debtors" in the parent company data. This amount is related to receivables from the sale of machinery.

All receivables are short-term and no discount at the balance sheet date is required.

There is no concentration of credit risk concerning trade receivables, as the Group has a large number of customers and thus the credit risk is spread, while the Group has assessed the relevant provisions for doubtful debts. Moreover, the parent company receivables are insured against credit risk.

8. Cash and cash equivalents

Cash and cash equivalents represent the cash in hand and cash at bank available upon request.

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Cash in hand	65.050,96	94.895,95	13.394,62	23.747,85
Cash at bank	2.344.901,90	3.169.033,70	984.540,75	1.169.962,42
Total	2.409.952,86	3.263.929,65	997.935,37	1.193.710,27

9. Share capital

	Number of shares	Common shares	Above par	Total
	PARENT COMPANY			
1 January 2006	10.951.200,00	6.570.720,00	23.423.475,48	29.994.195,48
Share capital increase	32.853.600,00	19.712.160,00		19.712.160,00
Employee stock option	91.000,00	54.600,00	54.600,00	109.200,00
Reductions			-246.726,87	-246.726,87
Own shares (bought)/ sold				0,00
31 December 2006	43.895.800,00	26.337.480,00	23.231.348,61	49.568.828,61
1 January 2007	43.895.800,00	26.337.480,00	23.231.348,61	49.568.828,61
Share capital increase				0,00
Employee stock option	52.800,00	31.680,00	18.092,00	49.772,00
Reductions			-4.315,20	-4.315,20
31 December 2007	43.948.600,00	26.369.160,00	23.245.125,41	49.614.285,41

On 31/12/2006 the Company's share capital was € 26.337.480 divided into 43.895.800 shares with a par value of € 0,60 each. The share capital increase based on the stock option plan as decided by the General Meeting dated 13/7/2007 and approved by the BoD on 30/11/2007 was completed on 22/12/2007. Stock option rights were exercised for 52.800 shares, with a par value of € 0,60 each and a total value of € 31.680. The amount was deposited in cash, in a special bank account.

The valuation of stock option rights was based on the Black-Scholes model. The result - € 18.092,00 - was registered in the "share premium" reserve of the current year.

On 31/12/2007, the Company's share capital was € 26.369.160 divided into 43.948.600 shares with a par value of € 0,60 each.

10. Subsidies

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at the beginning of the period	484.992,04	216.000,00	484.992,04	216.000,00
Additions	350.000,00	364.098,08	350.000,00	364.098,08
Depreciation	127.092,12	95.106,04	127.092,12	95.106,04
Total	707.899,92	484.992,04	707.899,92	484.992,04
Short-term liabilities	104.000,00	104.992,04	104.000,00	104.992,04
Long-term liabilities	603.899,92	380.000,00	603.899,92	380.000,00
Total	707.899,92	484.992,04	707.899,92	484.992,04

11. Trade and other Payables

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Trade payables	3.017.765,38	2.182.055,40	2.436.497,64	1.762.363,28
Notes payable	945.003,32	46.983,54		
Checks payable	23.466,40	124.045,20		74.780,32
Total Trade payables	3.986.235,10	2.353.084,14	2.436.497,64	1.837.143,60
Social security and other taxes/duties	281.921,05	213.906,74	252.863,83	184.117,04
Other taxes/duties	376.954,45	484.498,76	218.351,47	313.807,45
Advance payments from customers	396.151,31	114.473,46	176.685,47	45.317,90
Sundry creditors	1.289.076,34	1.168.217,87	833.392,25	622.523,10
Liabilities transitory accounts	1.499.348,79	1.056.965,96	1.118.086,79	842.736,34
Dividends payable	4.966,35	4.966,35	4.966,35	4.966,35
Other Liabilities	83.563,70	8.031,87		
Total	7.918.217,09	5.404.145,15	5.040.843,80	3.850.611,78
Short-term liabilities	687.463,62	388.031,87	603.899,92	380.000,00
Long-term liabilities	7.230.753,47	5.016.113,28	4.436.943,88	3.470.611,78
Total	7.918.217,09	5.404.145,15	5.040.843,80	3.850.611,78

12. Borrowings

The parent company's loans are in Euros. The Company's subsidiaries have been granted loans in local currencies.

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Long-term loans				
Bank loans	918.735,82	1.198.992,45	0,00	150.018,74
Bond loans	10.000.000,00	6.000.000,00	10.000.000,00	6.000.000,00
Total long-term loans	10.918.735,82	7.198.992,45	10.000.000,00	6.150.018,74

Short-term loans

Bank loans	13.805.934,97	11.719.986,60	8.881.498,08	9.453.050,13
Short-term loans <1 year (within the year)	168.141,15	816.352,10	150.018,74	816.352,10
Total short-term loans	13.974.076,12	12.536.338,70	9.031.516,82	10.269.402,23
Total	24.892.811,94	19.735.331,15	19.031.516,82	16.419.420,97

The companies have made provisions for loan accrued interest and recorded the relevant expenses in the profit and loss statement of each period.

There is a mortgage of \$ 1.446.250 over the real property of Eurodrip USA Inc which guarantees for the long-term loan that enabled the purchase of the property where the company is currently located.

13. Income tax

Income tax is analysed as follows:

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Current income tax	-132.179,40	110.894,95		
Deferred income tax	58.876,11	79.541,49	62.610,28	210.894,27
Tax audit differences and income tax provisions	-136.688,65		-20.000,00	
Income tax at the income statement	-209.991,94	190.436,44	42.610,28	210.894,27

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Deferred tax receivables	570.171,73	676.925,70	271.248,54	379.868,22
Deferred tax liabilities	348.551,94	506.112,19	291.146,90	463.815,60
	221.619,79	170.813,51	-19.898,36	-83.947,38

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at the beginning of the year	170.813,51	158.927,69	-83.947,38	26.171,14
Deferred tax in equity	1.438,74	100.775,75	1.438,74	100.776,00
Deferred tax for the period	58.876,11	-79.541,49	62.610,28	-210.894,52
Deferred tax receivables of the new company		796,17		
Foreign exchange differences	-9.508,57	-10.144,61		
Balance at the end of the year	221.619,79	170.813,51	-19.898,36	-83.947,38

	PARENT COMPANY		
	31.12.2006	1.1.2007 - 31.12.2007	31.12.2007
Provisions for doubtful receivables	123.193,44	-16.992,20	106.201,24
Write-offs of intangible assets	-7.853,65	-22.070,56	-29.924,21
Liabilities to personnel	75.266,08	2.935,87	78.201,95
Accrued income	34.000,00	-20.000,00	14.000,00
Revaluation of fixed assets	-409.329,00	118.737,17	-290.591,83
Capital increase expenses changes in equity	100.775,75	1.438,74	102.214,49
Total	-83.947,38	64.049,02	-19.898,36

	PARENT COMPANY		
	31.12.2006	1.1.2007 - 31.12.2007	31.12.2007
Provisions for doubtful receivables	176.566,52	-25.967,57	150.598,95
Write-offs of intangible assets	12.289,52	-34.968,59	-22.679,07
Indemnity to personnel	103.148,18	7.872,41	111.020,59
Accrued income	34.000,00	-20.000,00	14.000,00
Revaluation of fixed assets	-403.063,49	111.128,72	-291.934,77
Capital increase expenses changes in equity	100.775,75	1.438,74	102.214,49
Receivables from tax loss	151.860,00	22.320,72	174.180,72
Tax provisions		-1.002,31	-1.002,31
Foreign exchange differences	-4.762,97	-10.015,84	-14.778,81
Total	170.813,51	50.806,28	221.619,79

14. Breakdown of operating expenses

	CONSOLIDATED DATA		PARENT COMPANY	
	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006
Employee remuneration and expenses	5.285.578,41	4.314.003,31	3.375.308,63	2.731.406,64
Third party remuneration	1.527.905,54	1.165.298,14	515.537,97	379.026,68
Third party benefits	1.233.604,94	1.159.183,84	613.869,16	558.987,91
Taxes/duties	126.466,30	46.184,60	17.148,44	16.130,36
Sundry expenses	2.663.990,02	2.083.226,08	2.091.923,97	1.837.916,26
Depreciations	393.537,58	395.681,53	218.033,79	221.187,67
Provisions	238.783,56	873.304,80	55.100,50	271.033,90
Total	11.469.866,35	10.036.882,30	6.886.922,46	6.015.689,42
Breakdown of expenses:				
Sales expenses	5.003.215,96	4.110.798,77	3.833.569,55	3.335.081,70
Administrative expenses	6.466.650,39	5.926.083,53	3.053.352,91	2.680.607,72
Total	11.469.866,35	10.036.882,30	6.886.922,46	6.015.689,42

15. Other income - expenses

	CONSOLIDATED DATA		PARENT COMPANY	
	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006
Foreign exchange differences and related income	524.536,79	245.734,59	2.290,80	107.294,09
Extraordinary income from the sale of fixed assets	121.953,31	16.084,80	229.775,80	196.815,07
Previous years' income	124.584,37	1.803,60		
Income from unused provisions	43.823,51	506.786,11	18.629,57	331.822,58
Foreign exchange differences and related expenses	-822.319,86	-615.510,93	-373.722,53	-453.446,79
Extraordinary loss from the sale of fixed destroyed stocks	-232.998,72	-26.214,90	-191.303,20	-13.536,93
Other income	146.536,61	209.399,52	341.890,33	209.399,52
Previous years' expenses	-90.740,00	-18.199,42	-40.178,78	-9.916,11
	-184.623,99	319.883,37	-12.618,01	368.431,43

16. Breakdown of financial results

	CONSOLIDATED DATA		PARENT COMPANY	
	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006	1.1.2007 - 31.12.2007	1.1.2006 - 31.12.2006
Expenses for loans and other transactions	-2.049.284,72	-1.428.399,46	-1.132.882,70	-862.675,74
Income from interests	93.921,76	237.507,22	197.592,76	147.708,10
Difference (loss) from valuation of financial products	54.598,38	-216.976,79		
Total	-1.900.764,58	-1.407.869,03	-935.289,94	-714.967,64

17. Liabilities to personnel

The liabilities of the Group and the Company towards their employees as regards the future payment of benefits depending on the length of service are quantified and reported by reference to the accrued, as at the balance sheet date, benefit that is anticipated to be paid to each employee in the future, discounted to its present value, in relation to the anticipated time of payment. The discount rate used (5%) is equal to the yield, as at the balance sheet date, of long-term Greek State bonds. Other assumptions are the annual increase of the scale of remuneration (4%), the annual increase of 2,5% of the imputed daily wage of unskilled workers, the 1990 EAE mortality table. The actuarial study does not include other data than the amount of the liability.

The repeated general meeting that took place on 13/7/2007 decided to grant stock option rights to the Company's employees. Terms and conditions will be determined on the basis of decisions of the Company's BoD.

According to the authorisation of the General Meeting, the Company's BoD during its 30/11/2007 meeting decided to distribute a total of 52.800 shares in the framework of the stock option plan. During the year ended 31/12/2007, the total of stock option rights, equivalent to 52.800 shares of a total value of € 31.680, was exercised.

18. Number of employees and payroll cost

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Number of employees	386	333	157	131

	PARENT COMPANY	
	31.12.2007	31.12.2006
Wages and salaries	4.781.915,89	3.718.594,43
Social security	1.040.702,35	822.009,51
Other personnel expenses	33.792,60	76.411,41
Total	5.856.410,84	4.617.015,35

19. Related party transactions

I. Group's inter-company transactions

The amounts included in the tables represent inter-company transactions.

Purchases-sales

1.1.2007 - 31.12.2007

		Purchaser											
		Eurodrip AVEGE	Eurodrip Egypt SAE	Eurodrip USA Inc	Eurodrip damia sulama sanayi ve ticaret	Eurodrip damia sulama pazariama ve ticaret	Eurodrip Trading Ltd	National Drip Irrigation Co	Agriproject SA	Eurodrip irrigation holding SL	Eurodrip irrigation Systems SRL	Hydrocontrols AVETE	TOTAL
Vendor	Eurodrip AVEGE		204.778,19	691.336,03	2.311.340,37		8.718,24	314.550,83			22.629,13	3.730.849,95	
	Eurodrip Egypt SAE	287.801,29			115.999,22							403.800,51	
	Eurodrip USA Inc	368.553,68	7.156,89		55.341,91							431.052,08	
	Eurodrip damia sulama sanayi ve ticaret	112.298,09		29.202,98		5.865,32		14.113,47				160.479,86	
	Eurodrip damia sulama pazariama ve ticaret				23.842,91							23.842,91	
	Eurodrip Trading Ltd											0,00	
	National Drip irrigation Co	29.420,18										29.420,18	
	Agriproject SA	210.633,44										213.234,63	
	Eurodrip irrigation holding SL											0,00	
	Eurodrip irrigation Systems SRL							11.352,32				11.352,32	
Hydrocontrols AVETE	11.756,16										11.756,16		
TOTAL	1.020.462,84	211.935,08	719.539,01	2.506.524,01	5.865,32	0,00	8.718,24	340.016,62	0,00	22.629,13	5.015.788,60		

From the total inter-company sales adding up to € 5.015.788,60, sales of goods represent € 4.575.871,68 (91,23 %), other income and provision of services € 294.081,86 (5,86 %) and financial income € 145.835,06 (2,91 %).

The terms of sales to subsidiaries are equivalent to those of third parties. No provision for doubtful receivables from the subsidiaries has been made.

Purchases – Sales of assets 1.1.2007 – 31.12.2007	Purchaser	Eurodrip damla sulama sanayi ve ticaret	Eurodrip Egypt SAE	Total
Vendor				
Eurodrip AVEG E	Transaction value	1.143.500,00	570.000,00	1.713.500,00

Receivables - Liabilities 31.12.2007

		Owing company											
		Eurodrip AVEGE	Eurodrip Egypt SAE	Eurodrip USA Inc	Eurodrip damla sulama sanayi ve ticaret	Eurodrip damla sulama pazarlama ve ticaret	Eurodrip Trading Ltd	National Drip irrigation Co	Agriproject SA	Eurodrip Irrigation holding SL	Eurodrip Irrigation Systems SRL	Hydrocontrols AVETE	TOTAL
Receiving company	Eurodrip AVEGE		765.788,96	3.748.958,98	1.909.982,24		153.929,59	219.453,49	623.977,72	92.367,59	386.997,16	326.328,10	8.227.783,83
	Eurodrip Egypt SAE				28.234,89								28.234,89
	Eurodrip USA Inc	51.323,80											51.323,80
	Eurodrip damla sulama sanayi ve ticaret			29.171,83					14.684,48		89.789,00		133.645,31
	Eurodrip damla sulama pazarlama ve ticaret				81.327,82								81.327,82
	Eurodrip Trading Ltd												0,00
	National Drip irrigation Co	46.864,14											46.864,14
	Agriproject SA												0,00
	Eurodrip Irrigation holding SL												0,00
	Eurodrip Irrigation Systems SRL												0,00
	Hydrocontrols AVETE												0,00
TOTAL	98.187,94	765.788,96	3.788.130,81	2.019.544,95	0,00	153.929,59	219.453,49	938.662,20	92.367,59	476.786,16	326.328,10	8.569.179,79	

The total inter-company receivables add up to € 8.569.179,79 and are analysed as follows: customers € 3.643.331,87, debtors € 1.452.489,14, loans € 3.473.358,78.

II. Salaries and fees of the BoD members and Managing Directors

	CONSOLIDATED DATA		PARENT COMPANY	
	31.12.2007		31.12.2007	
Cost of salaries and fees	898.120,00		423.192,03	
Stock option	18.092,00		18.092,00	
Provision for indemnities	9.029,96		6.204,62	
Total	925.241,96		447.488,65	

20. Post Balance-sheet events

Further to the aforementioned facts, there are no post balance-sheet (31 December 2007) events relating to either the Company or the Group, which must be reported in accordance with International Financial Accounting Standards (IFRS).

21. Contingent liabilities

A) On 27/12/2007, a former major shareholder took legal action against the Company (amounting to 3,8 million Euros). The trial is set for April 4, 2009, and the Company's legal counselors and management consider the above action groundless and believe that the action will not affect the Company.

Therefore, the Company's management has not made any provisions, assuming that following the trial no liabilities will occur for the Company.

Also, there are no pending litigations or cases under arbitration by courts or arbitration authorities that may have a significant impact on the financial statements of the Group.

B) The unaudited financial years for the Group's companies are as follows :

EURODRIP AVEGE	GREECE	2007
EURODRIP USA INC	USA	2007
DRIP IRRIGATION DE MEXICO C.C.V.C.	MEXICO	2007
EURODRIP DAMLA SULAMA SANAYI VE TICARET A.S.	TURKEY	2003-2007
EURODRIP DAMLA SULAMA PAZARLAMA VE TICARET A.S.	TURKEY	2003-2007
EURODRIP EGYPT S.A.E.	EGYPT	1999-2007
EURODRIP TRADING (CIS) Ltd	CYPRUS	2001-2007
NATIONAL DRIP IRRIGATION CO LTD	JORDAN	2003-2007
AGRIPROJECTS S.R.L.	ROMANIA	2003-2007
EURODRIP IRRIGATION HOLDING S.L	SPAIN	2007
HYDROCONTROLS AVETE	GREECE	2006 - 2007
EURODRIP IRRIGATION SYSTEMS S.R.L.	ROMANIA	2007

For the years not audited by the tax authorities, the Company and its subsidiaries have made provisions to cover the possibility of additional taxation as a result of an eventual tax audit. The Company and its subsidiaries consider that they have made adequate provisions for the payment of additional taxes that might be imposed during future audits, on the basis of the tax audit findings in previous years and prior interpretations of the tax laws.

5.4. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of the Company “**EURODRIP AVEGE**”

Report on the Financial Statements.

We have audited the accompanying financial statements of “EURODRIP AVEGE” (the “Company”), as well as the consolidated financial statements of the Company, which were approved by the Board of Directors on 17 March 2008 and completed as regards the notes 8 cash and cash equivalents, 17 liabilities to personnel and 19 related party transactions by the decision of the Board of Directors dated 9 April 2008, and which comprise the balance sheet as of 31 December 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 presentation of these financial statements (separate and consolidated) in accordance with International Financial Reporting Standards, as adopted by the European Union. 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. This responsibility also includes 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 Greek Standards on Auditing which conform 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. 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 accompanying financial statements (separate and consolidated) present fairly, in all material aspects, the financial position of the Company and the Group as at 31 December 2007, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements.

The Board of Director's Report contains the information as required by art. 43a par.3 and art. 107 par.3 of Codified Law 2190/1920 and by art. 11a of Law 3371/2005, and its content is consistent with the accompanying financial statements.

Athens, 9 April 2008

Certified Auditor – Accountant

DIMITRA M. APOSTOLAKOU

Reg. No: 15491

6. INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

6.1 Announcements to the Athens Stock Exchange

During the year 2007, the Company published the following regulatory announcements about the company and its shares.

- 19/1/2007 Listing of shares from share capital increase following the exercise of stock option rights
http://www.eurodrip.com/anc_details.asp?anc_id=6&lang=gr
- 1/2/2007 Issue of a common bond loan
http://www.eurodrip.com/anc_details.asp?anc_id=5&lang=gr
- 19/3/2007 Comments on a publication
http://www.eurodrip.com/anc_details.asp?anc_id=20&lang=gr
- 23/5/2007 Establishment of a new subsidiary
http://www.eurodrip.com/anc_details.asp?anc_id=21&lang=gr
- 14/6/2007 New member in the Board of Directors
http://www.eurodrip.com/anc_details.asp?anc_id=23&lang=gr
- 22/6/2007 Distribution of the Annual Report for the year 2006
http://www.eurodrip.com/anc_details.asp?anc_id=22&lang=gr
- 29/6/2007 Decisions of the General Meeting
http://www.eurodrip.com/anc_details.asp?anc_id=24&lang=gr
- 16/7/2007 Decisions of the Repeated General Meeting
http://www.eurodrip.com/anc_details.asp?anc_id=25&lang=gr
- 28/8/2007 Comments on a publication
http://www.eurodrip.com/anc_details.asp?anc_id=26&lang=gr
- 26/9/2007 Acquisition of 5,16% of the company HYDROCONROLS AVTEAP
http://www.eurodrip.com/anc_details.asp?anc_id=27&lang=gr
- 28/9/2007 Announcement pursuant to Law 3556/2007
http://www.eurodrip.com/anc_details.asp?anc_id=2&lang=gr
Announcement regarding the amount of share capital in accordance with the provisions of Law 3556/2007
http://www.eurodrip.com/anc_details.asp?anc_id=1&lang=gr
- 31/10/2007 Announcement regarding the amount of share capital and the significant participations from insiders, in accordance with Law 3556/2007
http://www.eurodrip.com/anc_details.asp?anc_id=83&lang=gr
- 30/11/2007 Announcement of regulated information according to Law 3556/2007
www.ase.gr/content/gr/announcements/companiespress/press.asp?press_id=60026
- 11/12/2007 Announcement regarding the implementation of the stock option plan
http://www.eurodrip.com/anc_details.asp?anc_id=84&lang=gr
- 28/12/2007 Announcement regarding the admission for listing of “EURODRIP AVEGE” shares in the framework of the stock option plan
http://www.eurodrip.com/anc_details.asp?anc_id=85&lang=gr

6.2 Trade Announcements 2007

http://www.eurodrip.com/gnsyn_details.asp?qnsyn_id=3&lang=gr
http://www.ase.gr/content/gr/Companies/ListedCo/trakn/trakn_results.asp?ctxt=eurodrip&aDate1=&aDate2=&submit1=%C1%ED%E1%E6%DE%F4%E7%F3%E7

6.3 Publication of Financial Statements

During the year 2007, the company Eurodrip S.A.. published the following Financial Statements (Separate and Consolidated):

Financial Statements 31/12/2006

http://www.eurodrip.com/fin_details.asp?fin_id=19&lang=gr

Financial Statements 31/03/2007

http://www.eurodrip.com/fin_details.asp?fin_id=19&lang=gr

Financial Statements 31/06/2007

http://www.eurodrip.com/fin_details.asp?fin_id=19&lang=gr

Financial Statements 31/09/2007

http://www.eurodrip.com/fin_details.asp?fin_id=19&lang=gr

6.4 Electronic address

The Financial Statements for the year 2007, the Independent Auditor's Report and the Report of the Board of Directors of EURODRIP S.A., as well as the announcements to the Athens Stock Exchange, press releases and trade announcements are available at: <http://www.eurodrip.com>