

# **F.G. EUROPE S.A.**

**128, Vouliagmenis Ave.**

**166 74 Glyfada**

**P.C. Reg. No. 13413/06/B/86/111**

**INTERIM FINANCIAL STATEMENTS  
COMPANY AND CONSOLIDATED FOR THE THREE-MONTH PERIOD  
ENDED MARCH 31, 2007  
(JANUARY 1 – MARCH 31, 2007)  
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IFRS)**

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These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on May 15, 2007 and are accessible to the public in electronic form on the Company website <http://www.fgeurope.gr>.

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

**F.G. EUROPE S.A.**  
**Statements of Income (Company and Consolidated)**  
**For the Three-month Period ended March 31, 2007 and 2006**  
(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		2007	2006	2007	2006
<b>For the Three-Month Period Ended March 31,</b>					
Sales.....	3	29.665	32.589	29.540	32.170
Less: Cost of sales.....	4	(24.852)	(29.240)	(24.801)	(29.045)
<b>Gross profit</b>		<b>4.813</b>	<b>3.349</b>	<b>4.739</b>	<b>3.125</b>
Other operating income.....	3	445	802	436	719
Distribution expenses.....	4	(2.727)	(2.235)	(2.676)	(2.353)
Administrative expenses.....	4	(859)	(682)	(669)	(583)
Other operating expenses.....	4	(17)	(9)	-	(1)
<b>Earnings before interests and taxes</b>		<b>1.655</b>	<b>1.225</b>	<b>1.830</b>	<b>907</b>
Finance costs, net.....	4	(505)	(432)	(596)	(439)
<b>Earnings before taxes</b>		<b>1.150</b>	<b>793</b>	<b>1.234</b>	<b>468</b>
Income tax expense.....	5	(847)	(261)	(876)	(148)
Net profit from continuing operations.....		303	532	358	320
Net profit from discontinuing operations.....		-	-	-	-
<b>Net profit for the period</b>		<b>303</b>	<b>532</b>	<b>358</b>	<b>320</b>
<b>Attributable as follows:</b>					
Parent company.....		349	431		
Minority interest.....		(46)	101		
<b>Net profit (after tax) attributable to the Group</b>		<b>303</b>	<b>532</b>		
<b>Earnings per share (expressed in Euros):</b>					
Basic earnings per share.....	6	0,0066	0,0082	0,0068	0,0061

The accompanying Notes on pages 8 to 25 are an integral part of the interim Financial Statements.

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

	Note	Consolidated		Company	
		March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
<b><u>ASSETS</u></b>					
<b>Non-current assets</b>					
Property, plant and equipment.....	7	7.077	3.524	401	418
Goodwill.....	8	546	-	-	-
Intangible assets.....		46	47	8	8
Investments in subsidiaries.....		-	-	4.836	4.860
Investments in associates.....		34	34	34	34
Long term receivables.....		446	429	429	427
Deferred tax assets.....	9	577	477	456	393
Available for sale investments		412	402	412	402
<b>Total non-current assets</b>		<b>9.138</b>	<b>4.913</b>	<b>6.576</b>	<b>6.542</b>
<b>Current assets</b>					
Inventories.....	10	30.961	36.647	30.947	36.632
Receivables and prepayments.....	11	45.764	46.494	45.331	46.220
Cash and cash equivalents.....	12	7.444	15.197	3.617	6.249
<b>Total current assets</b>		<b>84.169</b>	<b>98.338</b>	<b>79.895</b>	<b>89.101</b>
<b>Total assets</b>		<b>93.307</b>	<b>103.251</b>	<b>86.471</b>	<b>95.643</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>					
<b>Shareholders equity attributable to the shareholders of the parent company</b>					
Share capital.....	13	16.374	16.374	16.374	16.374
Share premium.....	14	6.687	6.687	6.726	6.726
Reserves.....	15	(1.478)	(1.498)	(2.432)	(2.448)
Retained earnings.....		2.654	2.309	3.783	3.425
		<b>24.237</b>	<b>23.872</b>	<b>24.451</b>	<b>24.077</b>
Minority interest.....		5.255	6.120	-	-
<b>Total shareholders' equity</b>		<b>29.492</b>	<b>29.992</b>	<b>24.451</b>	<b>24.077</b>
<b><u>LIABILITIES</u></b>					
<b>Non-current liabilities</b>					
Long term Borrowings.....	16	11.765	15.691	11.765	15.691
Retirement benefit obligations.....		294	291	217	215
Deferred government grants.....		974	983	39	40
<b>Total non-current liabilities</b>		<b>13.033</b>	<b>16.965</b>	<b>12.021</b>	<b>15.946</b>
<b>Current liabilities</b>					
Short term Borrowings.....	16	7.654	15.657	7.347	15.354
Short term portion of long term borrowings.....		19.395	19.114	19.395	19.114
Current tax liabilities.....		1.270	918	1.048	768
Trade and other payables.....		22.463	20.605	22.209	20.384
<b>Total current liabilities</b>		<b>50.782</b>	<b>56.294</b>	<b>49.999</b>	<b>55.620</b>
<b>Total liabilities</b>		<b>63.815</b>	<b>73.259</b>	<b>62.029</b>	<b>71.566</b>
<b>Total equity and liabilities</b>		<b>93.307</b>	<b>103.251</b>	<b>86.471</b>	<b>95.643</b>

The accompanying Notes on pages 8 to 25 are an integral part of the interim Financial Statements.

## F.G. EUROPE S.A.

### Statements of Changes in Shareholders' Equity (Consolidated)

For the Three-Month Period ended March 31, 2007 and 2006

(All amounts in Euro thousands unless otherwise stated)

#### Consolidated

	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares	Retained earnings	Total	Minority interest	Total Shareholders' equity
<b>Balance on January 1, 2006</b> .....	16.279	5.376	1.015	109	2.786	(4.200)	(607)	20.758	532	21.290
<b>Period's changes:</b>										
Net profit for the period.....	-	-	-	-	-	-	431	431	101	532
Purchase of treasury shares	-	-	-	-	-	(1.390)	-	(1.390)	-	(1.390)
Share capital increase.....	95	1.350	-	-	-	-	-	1.445	-	1.445
<b>Income recognized directly in shareholders' equity:</b>										
Net fair value changes in a-f-s securities.....	-	-	-	49	-	-	-	49	-	49
<b>Balance on March 31, 2006</b> .....	16.374	6.726	1.015	158	2.786	(5.590)	(176)	21.293	633	21.926
<b>Balance on January 1, 2007</b> .....	16.374	6.687	1.195	115	2.782	(5.590)	2.309	23.872	6.120	29.992
<b>Period's changes:</b>										
Net profit for the period....	-	-	-	-	-	-	349	349	(46)	303
Distribution to reserves.....	-	-	4	-	-	-	(4)	-	-	-
<b>Income recognized directly in shareholders' equity:</b>										
Net fair value changes in a-f-s securities.....	-	-	-	16	-	-	-	16	16	16
Goodwill.....	-	-	-	-	-	-	-	-	(819)	(819)
<b>Balance on March 31, 2007</b> .....	16.374	6.687	1.199	131	2.782	(5.590)	2.654	24.237	5.255	29.492

The accompanying Notes on pages 8 to 25 are an integral part of the interim Financial Statements.

**F.G. EUROPE S.A.**  
**Statements of Changes in Shareholders' Equity (Company)**  
**For the Three-Month Period ended March 31, 2007 and 2006**  
(All amounts in Euro thousands unless otherwise stated)

	Company						Retained earnings	Total
	Share capital	Share premium	Legal reserve	Fair value reserves	Special tax reserves	Treasury shares		
<b>Balance on January 1, 2006</b> .....	16.279	5.376	1.009	109	1.856	(4.200)	384	20.813
<b>Period's changes:</b>								
Net profit for the period.....	-	-	-	-	-	-	320	320
Purchase of treasury shares...	-	-	-	-	-	(1.390)	-	(1.390)
Share capital increase.....	95	1.350	-	-	-	-	-	1.445
<b>Income recognized directly in shareholders' equity:</b>								
Net fair value changes in available-for-sale securities.	-	-	-	49	-	-	-	49
<b>Balance on March 31, 2006</b> .....	16.374	6.726	1.009	158	1.856	5.590	704	21.237
<b>Balance on January 1, 2007</b> .....	16.374	6.726	1.171	115	1.856	(5.590)	3.425	24.077
<b>Period's changes:</b>								
Net profit for the period.....	-	-	-	-	-	-	358	358
<b>Income recognized directly in shareholders' equity:</b>								
Net fair value changes in available-for-sale securities...	-	-	-	16	-	-	-	16
<b>Balance on March 31, 2007</b> .....	16.374	6.726	1.171	131	1.856	(5.590)	3.783	24.451

The accompanying Notes on pages 8 to 25 are an integral part of the interim Financial Statements.

**F.G. EUROPE S.A.**  
**Statements of Cash Flows (Company and Consolidated)**  
**For the Three-Month Period ended March 31, 2007 and 2006**  
(All amounts in Euro thousands unless otherwise stated)

	<b>Consolidated</b>		<b>Company</b>	
	<b>For the Three-Month Ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Profit before tax (and minority interest).....	1.150	793	1.234	468
<b>Add / (less) adjustments for:</b>				
Depreciation and amortization.....	65	62	34	27
Government grants recognized in income.....	(10)	(7)	(3)	-
Exchange rate differences.....	(75)	(38)	(75)	(37)
Provisions.....	50	79	99	102
Employee benefits.....	3	3	2	3
Result of investment activity.....	(319)	(391)	(250)	(391)
Interest and similar expenses.....	882	861	872	845
<b>Operating result before changes in working capital</b>	<b>1.746</b>	<b>1.362</b>	<b>1.913</b>	<b>1.017</b>
<b>Add / (less) adjustments for changes in working capital items:</b>				
(Increase) / decrease in receivables and prepayments.....	916	1.170	1.047	1.129
(Increase) / decrease in inventories.....	5.686	(256)	5.685	(354)
Increase / (decrease) in trade and other payables.....	1.596	4.794	1.500	4.881
(Increase) in long term receivables.....	(17)	(20)	(2)	(20)
<b>Total cash inflow / (outflow) from operating activities</b>	<b>9.927</b>	<b>7.050</b>	<b>10.143</b>	<b>6.653</b>
Interest and similar expenses paid.....	(591)	(846)	(581)	(738)
Income taxes paid.....	(112)	-	(112)	-
<b>Total net inflow / (outflow) from operating activities</b>	<b>9.224</b>	<b>6.204</b>	<b>9.450</b>	<b>9.515</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Interest income.....	54	391	2	391
(Purchase) of subsidiaries and other investments.....	(1.350)	-	-	(100)
Proceeds from the sale of subsidiaries and other investments.....	23	-	23	-
Proceeds from government grants.....	-	(21)	-	-
(Purchase) of PPE and intangible assets.....	(3.617)	(152)	(17)	(135)
<b>Total net cash inflow / (outflow) from investing activities</b>	<b>(4.890)</b>	<b>218</b>	<b>8</b>	<b>156</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>				
Repayments of borrowings.....	(11.939)	(3.249)	(11.942)	(2.972)
Dividends paid.....	(148)	-	(148)	-
(Purchase) of treasury shares.....	-	(1.390)	-	(1.390)
<b>Total net cash inflow from financing activities</b>	<b>(12.087)</b>	<b>(4.639)</b>	<b>(12.090)</b>	<b>(4.362)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(7.753)</b>	<b>1.783</b>	<b>(2.632)</b>	<b>1.709</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15.197</b>	<b>3.824</b>	<b>6.249</b>	<b>3.760</b>
<b>Cash and cash equivalents at end of period</b>	<b>7.444</b>	<b>5.607</b>	<b>3.617</b>	<b>5.469</b>

The accompanying Notes on pages 8 to 25 are an integral part of the interim Financial Statements.

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

**For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

### **1. Incorporation and Business of the Group**

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

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

The Company and the Group are domiciled in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of March 31, 2007 is 72 for the Company and 117 for the Group.

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

The Company’s and Group’s financial statements for the three-month period ended on March 31, 2007 have been approved by the Board of Directors on its meeting on May 15, 2007.

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

<b><u>Name of Subsidiary</u></b>	<b><u>Business</u></b>	<b>Share as of March 31, 2007</b>
<b>Direct investments:</b>		
• FIDAKIS SERVICE S.A.	After sales service	100%
• F.G. LOGISTICS S.A.	Logistics	100%
• City Electric S.A.	Energy production	100%
• HYDROELECTRICAL ACHAIAS S.A..	Energy production	55,25%
• R.F. ENERGY S.A.	Energy Holding Company	40%
<b>Indirect investments:</b>		
• AEOLIC KYLINDRIAS S.A.	Wind energy	39,87%
• KALLISTI ENERGIAKI S.A. (through R.F. ENERGY S.A.)	Wind energy	40%

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

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

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

On January 16, 2007 the subsidiary company R.F. ENERGY S.A. purchased 100% of the shares of "Kallisti Energiaki Paragogi Ilektrikis Energias S.A. for the amount of EURO 1.350. The purchased company engages in the establishment, construction, operation and distribution of electricity production stations with the use of renewable energy sources and primarily wind energy, the construction of buildings and every similar technical assistance, the commerce and representation of all types of machines and materials useful for the above including all types of generators as well as the research for the production and distribution of all types of energy.

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

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

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

The subsidiaries on the Company financial statements are valued at cost less any impairment losses. During the period January 1, 2007 to March 31, 2007 an impairment loss of EURO 49 was recognized, included in Finance costs, net.

## ***2. Significant Accounting Policies***

### ***2.1 Basis of Preparation of Financial Statements***

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

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

The principal accounting policies adopted in the preparation of these interim Financial Statements are those accounting policies adopted for the preparation of the annual Financial Statements for the year ended on December 31, 2006.

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

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

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

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

#### **2.2 New Standards, Interpretations and Amendments of Existing Standards**

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

##### ***IFRS 7, Financial Instruments: disclosures and additional adjustment to IAS 1, Presentation of Financial Statements – Capital Disclosures***

*(effective to annual accounting periods beginning on or after January 1, 2007)*

IFRS 7 requires additional disclosures for financial instruments with the intention to improve the presented information and concretely requires the disclosure of the nature and extent of risks arising from financial instruments to which the entity is exposed. Concretely, defines the minimum required disclosures concerning credit risk, liquidity risk and market risk (imposes sensitivity analysis related to market risk). IFRS 7 replaces IAS 30 (Disclosures in the Financial Statements of Banks and Similar Financial Institutions) and the disclosure requirements of IAS 32 (Financial Instruments: Presentation). It is applicable for all companies that prepare financial statements according to IFRS. The related adjustment of IAS 1 requires disclosures concerning the enterprise capital and its management.

The Group's estimate is that there will be no material impact of this standard to the financial statements because only disclosures are required.

##### ***IFRS 8, Operating Segments (effective to annual accounting periods beginning on or after January 1, 2009)***

IFRS 8 replaces IAS 14 Segment Reporting and applies a managing approach to segment financial information presented. The information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. This information can be different from that presented on the balance sheet and the statement of income and the companies must provide explanations and reconciliations for these differences.

The Group's estimate is that there will be no material impact of this standard to the financial statements because it requires primarily information for operating segments. IFRS 8 has not been endorsed yet by the EU.

##### ***IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for financial years beginning on or after 1 March 2006)***

IFRIC 7 requires entities to apply *IAS 29 Financial Reporting in Hyperinflationary Economies* in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency, as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Group's operations.

##### ***IFRIC 8, Scope of IFRS 2 (effective for financial years beginning on or after 1 May 2006).***

IFRIC 8 clarifies that IFRS 2 *Share-based payment* will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less than the fair value of the instruments given. IFRIC 8 is not relevant to the Group's operations.

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## **Notes to the interim Financial Statements (Company and Consolidated)**

**For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

**IFRIC 9, Reassessment of Embedded Derivatives** (*effective for financial years beginning on or after 1 June 2006*)

IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows. IFRIC 9 is not relevant to the Group's operations.

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

This Interpretation may have an impact on the financial statements should any impairment losses be recognised in the interim financial statements in relation to available for sale equity investments, unquoted equity instruments carried at cost and goodwill as these may not be reversed in later interim periods or when preparing the annual financial statements. This Interpretation has not yet been endorsed by the EU.

**IFRIC 11, IFRS 2-Group and Treasury Share Transactions** (*effective for financial years beginning on or after 1 March 2007*)

This Interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity-settled scheme by an entity even if the entity chooses or is required to buy those equity instruments from another party, or the shareholders of the entity provide the equity instruments needed. The Interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for schemes when their employees receive rights to equity instruments of the parent.

IFRIC 11 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

**IFRIC 12, Service Concession Arrangements** (*effective for financial years beginning on or after 1 January 2008*)

The interpretation outlines an approach to account for contractual arrangements arising from entities providing public services. It provides for the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and / or an intangible asset.

IFRIC 12 is not relevant to the Group's operations. This Interpretation has not yet been endorsed by the EU.

### **3. Segment reporting**

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

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### **Notes to the interim Financial Statements (Company and Consolidated)**

#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

The segment results of the business segments for the Three-Month Periods ended March 31, 2007 and 2006 are presented below:

<b>Three-Months Period ended March 31, 2007</b>	<b>Long Living Consumer Goods</b>	<b>Mobile Telephony</b>	<b>Other</b>	<b>Total</b>	<b>Intercompany elimination</b>	<b>Group</b>
Sales revenues to third parties.....	17.776	11.752	137	29.665	-	29.665
Sales revenues within the Group...	12	-	849	861	(861)	-
Less: Cost of sales.....	(13.069)	(11.720)	(63)	(24.852)	-	(24.852)
Cost of sales within the Group.....	(12)	-	(722)	(734)	734	-
<b>Gross profit.....</b>	<b><u>4.707</u></b>	<b><u>32</u></b>	<b><u>201</u></b>	<b><u>4.940</u></b>	<b><u>(127)</u></b>	<b><u>4.813</u></b>
Other operating income.....	314	122	9	445	-	445
Distribution expenses.....	(2.427)	(122)	(178)	(2.727)	-	(2.727)
Distribution expenses within the Group.....	(127)	-	-	(127)	127	-
Administrative expenses.....	(651)	(18)	(190)	(859)	-	(859)
Other operating expenses.....	-	-	(17)	(17)	-	(17)
<b>Profit from operations.....</b>	<b><u>1.816</u></b>	<b><u>14</u></b>	<b><u>(175)</u></b>	<b><u>1.655</u></b>	<b><u>≡</u></b>	<b><u>1.655</u></b>
Finance costs (net).....	(596)	-	91	(505)	-	(505)
<b>Profits before tax.....</b>	<b><u>1.220</u></b>	<b><u>14</u></b>	<b><u>(84)</u></b>	<b><u>1.150</u></b>	<b><u>≡</u></b>	<b><u>1.150</u></b>
Income tax expense.....	(873)	(4)	30	(847)	-	(847)
<b>Net profit.....</b>	<b><u>347</u></b>	<b><u>10</u></b>	<b><u>(54)</u></b>	<b><u>303</u></b>	<b><u>≡</u></b>	<b><u>303</u></b>

<b>Three-Months Period ended March 31, 2006</b>	<b>Long Living Consumer Goods</b>	<b>Mobile Telephony</b>	<b>Other</b>	<b>Total</b>	<b>Intercompany elimination</b>	<b>Group</b>
Sales revenues to third parties.....	10.259	21.908	422	32.589	-	32.589
Sales revenues within the Group...	3	-	909	912	(912)	-
Less: Cost of sales.....	(7.247)	(21.795)	(198)	(29.240)	-	(29.240)
Cost of sales within the Group.....	(3)	-	630	(633)	633	-
<b>Gross profit.....</b>	<b><u>3.012</u></b>	<b><u>113</u></b>	<b><u>503</u></b>	<b><u>3.628</u></b>	<b><u>(279)</u></b>	<b><u>3.349</u></b>
Other operating income.....	624	95	83	802	-	802
Distribution expenses.....	(1.967)	(114)	(154)	(2.235)	-	(2.235)
Distribution expenses within the Group.....	(272)	-	-	(272)	272	-
Administrative expenses.....	(548)	(35)	(100)	(683)	1	(682)
Other operating expenses.....	(1)	-	(8)	(9)	-	(9)
<b>Profit from operations.....</b>	<b><u>848</u></b>	<b><u>59</u></b>	<b><u>324</u></b>	<b><u>1.231</u></b>	<b><u>(6)</u></b>	<b><u>1.225</u></b>
Finance costs (net).....	(447)	8	4	(435)	3	(432)
<b>Profits before tax.....</b>	<b><u>401</u></b>	<b><u>67</u></b>	<b><u>328</u></b>	<b><u>796</u></b>	<b><u>(3)</u></b>	<b><u>793</u></b>
Income tax expense.....	(130)	(18)	(113)	(261)	-	(261)
<b>Net profit.....</b>	<b><u>271</u></b>	<b><u>49</u></b>	<b><u>215</u></b>	<b><u>535</u></b>	<b><u>(3)</u></b>	<b><u>532</u></b>

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

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

<b>March 31, 2007</b>	<b>Long Living Consumer Goods</b>	<b>Mobile Telephony</b>	<b>Other</b>	<b>Total</b>	<b>Intercompany elimination / not allocated</b>	<b>Group</b>
Property, plant and equipment and intangible assets.....	371	38	6.712	7.121	(44)	7.077
Inventories.....	30.648	299	14	30.961	-	30.961
Receivables and prepaid expenses.....	45.020	311	582	45.913	(149)	45.764
Cash and cash equivalents.....	3.092	525	3.827	7.444	-	7.444
Other assets.....	-	-	-	-	2.061	2.061
<b>Total assets</b>	<b><u>79.131</u></b>	<b><u>1.173</u></b>	<b><u>11.135</u></b>	<b><u>91.439</u></b>	<b><u>1.868</u></b>	<b><u>93.307</u></b>
Long term borrowings.....	11.765	-	-	11.765	-	11.765
Short term borrowings.....	7.347	-	307	7.654	-	7.654
Short term portion of long term debt.....	19.935	-	-	19.935	-	19.935
Trade and other payables.....	21.467	1.790	625	23.882	(149)	23.733
Other liabilities.....	-	-	-	-	1.268	1.268
Equity.....	-	-	-	-	29.492	29.492
<b>Total liabilities</b>	<b><u>59.974</u></b>	<b><u>1.790</u></b>	<b><u>932</u></b>	<b><u>62.696</u></b>	<b><u>30.611</u></b>	<b><u>93.307</u></b>

  

<b>December 31, 2006</b>	<b>Long Living Consumer Goods</b>	<b>Mobile Telephony</b>	<b>Other</b>	<b>Total</b>	<b>Intercompany elimination / not allocated</b>	<b>Group</b>
Property, plant and equipment and intangible assets.....	454	40	3.121	3.615	(44)	3.571
Inventories.....	36.509	123	15	36.647	-	36.647
Receivables and prepaid expenses.....	45.728	529	491	46.748	(254)	46.494
Cash and cash equivalents.....	5.724	525	8.948	15.197	-	15.197
Other assets.....	-	-	-	-	1.342	1.342
<b>Total assets</b>	<b><u>88.415</u></b>	<b><u>1.217</u></b>	<b><u>12.575</u></b>	<b><u>102.207</u></b>	<b><u>1.044</u></b>	<b><u>103.251</u></b>
Long term borrowings.....	15.691	-	-	15.691	-	15.691
Short term borrowings.....	15.354	-	303	15.657	-	15.657
Short term portion of long term debt.....	19.114	-	-	19.114	-	19.114
Trade and other payables.....	18.852	1.419	588	20.859	(254)	20.605
Other liabilities.....	-	-	-	-	2.192	2.192
Equity.....	-	-	-	-	29.992	29.992
<b>Total liabilities</b>	<b><u>69.011</u></b>	<b><u>1.419</u></b>	<b><u>891</u></b>	<b><u>71.321</u></b>	<b><u>31.930</u></b>	<b><u>103.251</u></b>

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

**For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

#### **4. Break down of expenses**

The main categories of expenses are analyzed as follows:

<b>Consolidated</b>						
<b>Table of allocation of expenses three-month period ended March 31, 2007</b>						
	<b>Cost of Sales</b>	<b>Administrative expenses</b>	<b>Distribution expenses</b>	<b>Financial expenses</b>	<b>Other expenses</b>	<b>Total</b>
Personnel expenses...	4	365	706	-	-	1.075
Third party expenses...	12	261	305	-	-	578
Supplies.....	45	98	1.058	-	-	1.201
Taxes and duties.....	-	9	39	-	-	48
Various expenses.....	2	110	542	-	-	671
Financial expenses.....	-	-	-	505	17	505
Depreciation & amortization.....	24	14	27	-	-	65
Provisions.....	-	2	50	-	-	52
Inventories.....	24.765	-	-	-	-	24.765
<b>Total</b>	<b><u>24.852</u></b>	<b><u>859</u></b>	<b><u>2.727</u></b>	<b><u>505</u></b>	<b><u>17</u></b>	<b><u>28.960</u></b>

<b>Consolidated</b>						
<b>Table of allocation of expenses three-month period ended March 31, 2006</b>						
	<b>Cost of Sales</b>	<b>Administrative expenses</b>	<b>Distribution expenses</b>	<b>Financial expenses</b>	<b>Other expenses</b>	<b>Total</b>
Personnel expenses...	148	340	488	-	-	976
Third party expenses...	-	99	387	-	-	486
Supplies.....	34	98	752	-	-	884
Taxes and duties.....	-	60	36	-	-	96
Various expenses.....	-	73	467	-	9	549
Financial expenses.....	-	-	-	432	-	465
Depreciation & amortization.....	25	12	25	-	-	62
Provisions.....	-	-	79	-	-	79
Inventories.....	29.033	-	-	-	-	29.033
<b>Total</b>	<b><u>29.240</u></b>	<b><u>682</u></b>	<b><u>2.235</u></b>	<b><u>432</u></b>	<b><u>9</u></b>	<b><u>32.598</u></b>

<b>Company</b>						
<b>Table of allocation of expenses three-month period ended March 31, 2007</b>						
	<b>Cost of Sales</b>	<b>Administrative expenses</b>	<b>Distribution expenses</b>	<b>Financial expenses</b>	<b>Other expenses</b>	<b>Total</b>
Personnel expenses...	-	357	548	-	-	905
Third party expenses...	12	105	300	-	-	417
Supplies.....	28	88	1.208	-	-	1.324
Taxes and duties.....	-	7	33	-	-	40
Various expenses.....	2	97	516	-	-	615
Financial expenses.....	-	-	-	596	-	596
Depreciation & amortization.....	-	13	21	-	-	34
Provisions.....	-	2	50	-	-	52
Inventories.....	24.759	-	-	-	-	24.759
<b>Total</b>	<b><u>24.801</u></b>	<b><u>669</u></b>	<b><u>2.676</u></b>	<b><u>596</u></b>	<b>=</b>	<b><u>28.742</u></b>

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

<b>Company</b>						
<b>Table of allocation of expenses three-month period ended March 31, 2006</b>						
	<b>Cost of Sales</b>	<b>Administrative expenses</b>	<b>Distribution expenses</b>	<b>Financial expenses</b>	<b>Other expenses</b>	<b>Total</b>
Personnel expenses...	-	324	405	-	-	729
Third party expenses...	-	99	358	-	-	457
Supplies.....	18	80	1.004	-	-	1.102
Taxes and duties.....	-	16	35	-	-	51
Various expenses.....	-	52	455	-	1	508
Financial expenses.....	-	-	-	439	-	439
Depreciation & amortization.....	-	12	17	-	-	29
Provisions.....	-	-	79	-	-	79
Inventories.....	29.027	-	-	-	-	29.027
<b>Total</b>	<b><u>29.045</u></b>	<b><u>583</u></b>	<b><u>2.353</u></b>	<b><u>439</u></b>	<b><u>1</u></b>	<b><u>32.421</u></b>

The increase in distribution expenses during the three-month period ended March 31, 2007 compared to the related period in 2006 is due to increased logistics costs (storage, transports etc.) for the coverage of the increased needs because of the significant increase in sales of long living consumer goods in the first three-months of 2007.

The personnel expenses are analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Salaries and wages.....	(894)	(816)	(778)	(604)
Employers' social security contributions.....	(179)	(157)	(125)	(122)
Other compensation.....	-	(1)	-	(1)
Retirement benefits.....	(2)	(2)	(2)	(2)
<b>Total</b>	<b><u>(1.075)</u></b>	<b><u>(976)</u></b>	<b><u>(905)</u></b>	<b><u>(729)</u></b>

Financial income and expenses are analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b><u>Finance costs:</u></b>				
Interest and similar expenses.....	(829)	(781)	(819)	(765)
Bank charges and commissions.....	(53)	(80)	(53)	(79)
Provisions for impairment of subsidiaries and securities.....	-	-	(49)	(23)
Foreign exchange differences (expense).....	(16)	(70)	(16)	(70)
Valuation of derivatives.....	(70)	-	(70)	-
<b>Total Finance costs</b>	<b><u>(968)</u></b>	<b><u>(931)</u></b>	<b><u>(1.007)</u></b>	<b><u>(937)</u></b>
<b><u>Finance income:</u></b>				
Interest and similar income.....	285	391	233	391
Foreign exchange differences (income).....	161	108	161	107
Other.....	17	-	17	-
<b>Total Finance income</b>	<b><u>463</u></b>	<b><u>499</u></b>	<b><u>411</u></b>	<b><u>498</u></b>
<b>Finance costs, net</b>	<b><u>(505)</u></b>	<b><u>(432)</u></b>	<b><u>(596)</u></b>	<b><u>(439)</u></b>

# **F.G. EUROPE S.A.**

## **Notes to the interim Financial Statements (Company and Consolidated)**

### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

#### **5. Income taxes**

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

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

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

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

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Income tax (current period).....	(387)	(48)	(379)	47
Deferred tax.....	100	(213)	63	(195)
Additional taxes from tax audit.....	(560)	-	(560)	-
<b>Income taxes</b>	<b><u>(847)</u></b>	<b><u>(261)</u></b>	<b><u>(876)</u></b>	<b><u>(148)</u></b>

During March the tax audit for fiscal years 2003 and 2005 was concluded. The maintained books and records were assessed satisfactory and correct and no irregularities or omissions were found that could influence their validity. The tax audit disallowed certain expenses and assessed additional taxes for the three audited fiscal years of EURO 560. The above amount will be charged to the results of the current fiscal year.

#### **6. Earnings per share**

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

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Net profit attributable to shareholders.....	349	431	358	320
Weighted average number of shares outstanding.....	52.800.154	52.652.779	52.800.154	52.652.779
<b>Basic earnings per share (in Euro)</b>	<b><u>0.0066</u></b>	<b><u>0.0082</u></b>	<b><u>0.0068</u></b>	<b><u>0.0061</u></b>

The diluted earnings per share are calculated by adjusting the amount of net profit for the year attributable to ordinary shareholders by the after-tax effect of any interest recognized in the period for the dilutive potential ordinary shares and any changes in income or expense that would result from the conversion of the dilutive potential ordinary shares. For the purpose of calculating diluted earnings per share the dilutive potential ordinary shares should be deemed to have been converted into ordinary shares at the beginning of the year or if later the date of the issue of the potential ordinary shares. The Company has issued a convertible bond on August 3, 2004 for the amount of EURO 16.621,2 divided into 166.212 bond with par value of EURO 0,1. Each bond is convertible into 22 common shares of the Company. The convertible bond is repayable after 3 years.

	<b>Consolidated</b>		<b>Company</b>	
	<b>Three-month period ended March 31,</b>			
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Net profit attributable to shareholders.....	349	431	358	320
Interest expense related to the convertible bond (net of tax).....	181	137	181	137
Adjusted net profit attributable to shareholders.....	<u>530</u>	<u>568</u>	<u>539</u>	<u>457</u>
Weighted average number of shares outstanding.....	52.800.154	52.652.779	52.800.154	52.652.779
Number of shares resulting from the conversion of the convertible bond.....	2.264.130	2.264.130	2.264.130	2.264.130
Adjusted weighted average number of shares outstanding.....	55.064.284	54.916.909	55.064.284	54.916.909
<b>Diluted earnings per share (in Euro)</b>	<b><u>0.0096</u></b>	<b><u>0.0103</u></b>	<b><u>0.0098</u></b>	<b><u>0.0083</u></b>

#### **7. Property, plant and equipment**

Property, plant and equipment is analyzed as follows:

	<b>Consolidated</b>						<b>Total</b>
	<b>Land</b>	<b>Buildings</b>	<b>Plant &amp; machinery</b>	<b>Vehicles</b>	<b>Furniture &amp; fixture</b>	<b>Work in progress</b>	
<b>December 31, 2006</b>							
Value at cost.....	5	1.760	1.235	270	955	212	4.437
Accumulated depreciation..	-	<u>(102)</u>	<u>(114)</u>	<u>(87)</u>	<u>(611)</u>	-	<u>(914)</u>
Net book value.....	<u>5</u>	<u>1.658</u>	<u>1.121</u>	<u>183</u>	<u>344</u>	<u>212</u>	<u>3.523</u>
<b>January 1, 2007</b>							
Additions.....	-	3	11	-	23	48	85
Prepayments.....	-	-	-	-	-	3.534	3.534
Depreciation.....	-	(11)	(15)	(8)	(31)	-	(65)
<b>March 31, 2007</b>							
Value at cost.....	5	1.763	1.246	270	978	3.794	8.056
Accumulated depreciation..	-	<u>(113)</u>	<u>(129)</u>	<u>(95)</u>	<u>(642)</u>	-	<u>(979)</u>
Net book value.....	<u>5</u>	<u>1.650</u>	<u>1.117</u>	<u>175</u>	<u>336</u>	<u>3.794</u>	<u>7.077</u>

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

**For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

It is noted that fixed assets are not pledged.

#### **8. Goodwill**

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

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

In detail the fair value is as follows:

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

During the next period the fair value of the individual assets and liabilities will be re-examined and will eventually result in a different goodwill than the initially recognized, because of the impracticability to determine at this time the fair values.

The results of operation of this company are included in the consolidated financial statements of the Group from the acquisition date of January 16, 2007. Based on the business plans of the management the resulted goodwill will be regained.

#### **9. Deferred taxes**

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

The amounts offset are as follows:

	<b>Company</b>				
	<b>Deferred tax assets / (liabilities)</b>				
	<b>January 1, 2006</b>	<b>Changes 2006</b>	<b>December 31, 2006</b>	<b>Changes 2007</b>	<b>March 31, 2007</b>
Intangible assets.....	141	(72)	69	-	69
Investments.....	-	75	75	-	75
Inventories.....	5	17	22	-	22
Receivables and prepayments.....	382	(95)	287	(58)	229
Long term borrowings.....	90	134	224	73	297
Employee benefits.....	44	10	54	-	54
Deferred state subsidies.....	-	(1)	(1)	1	-
Trade and other payables.....	-	(337)	(337)	58	(279)
Other.....	3	(3)	-	(11)	(11)
<b>Total</b>	<b><u>665</u></b>	<b><u>(272)</u></b>	<b><u>393</u></b>	<b><u>63</u></b>	<b><u>456</u></b>

# F.G. EUROPE S.A.

## Notes to the interim Financial Statements (Company and Consolidated)

**For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

Consolidated					
Deferred tax assets / (liabilities)					
	January 1, 2006	Changes 2006	December 31, 2006	Changes 2007	March 31, 2007
Intangible assets.....	141	(75)	66	(2)	64
Investments.....	-	75	75	-	75
Inventories.....	5	17	22	-	22
Receivables and prepayments.....	382	(95)	287	(58)	229
Long term borrowings.....	90	134	224	73	297
Employee benefits.....	44	15	59	-	59
Deferred state subsidies.....	-	(1)	(1)	(1)	(2)
Trade and other payables.....	-	(336)	(336)	57	(279)
Tax credits on recognized losses.....	-	49	49	43	92
Other.....	25	(25)	-	(12)	(12)
<b>Total</b>	<b><u>687</u></b>	<b><u>(242)</u></b>	<b><u>445</u></b>	<b><u>100</u></b>	<b><u>545</u></b>
<b>Deferred tax assets / (liabilities) charged directly to Equity</b>					
Share capital increase expenses.....	-	32	32	-	32
<b>Total</b>	<b><u>687</u></b>	<b><u>(210)</u></b>	<b><u>477</u></b>	<b><u>100</u></b>	<b><u>577</u></b>

### 10. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Merchandise.....	30.961	36.835	30.947	36.820
Provisions for slow moving inventory.....	-	(188)	-	(188)
<b>Total</b>	<b><u>30.961</u></b>	<b><u>36.647</u></b>	<b><u>30.947</u></b>	<b><u>36.632</u></b>

### 11. Receivables and prepayments

Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Customers.....	20.247	20.255	20.203	20.201
Postdated cheques.....	26.256	26.022	26.212	25.984
Notes receivables.....	1	148	1	148
Provision for doubtful accounts.....	(1.414)	(1.371)	(1.414)	(1.371)
<b>Total</b>	<b><u>45.090</u></b>	<b><u>45.054</u></b>	<b><u>45.002</u></b>	<b><u>44.962</u></b>
Other receivables and prepayments.....	674	1.440	329	1.258
<b>Total</b>	<b><u>45.764</u></b>	<b><u>46.494</u></b>	<b><u>45.331</u></b>	<b><u>46.220</u></b>

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Greek state – VAT receivable.....	175	423	23	321
Greek state – income tax prepayment.....	114	594	-	547
Insurance companies.....	277	281	277	281
Subsidiaries.....	-	43	-	43
Other	109	99	30	66
<b>Total</b>	<b><u>674</u></b>	<b><u>1.440</u></b>	<b><u>329</u></b>	<b><u>1.258</u></b>

## **F.G. EUROPE S.A.**

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

#### **12. Cash and cash equivalents**

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

	Consolidated		Company	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
Cash on hand.....	31	15	17	5
Sight and time deposits.....	7.413	15.182	3.600	6.244
<b>Total</b>	<b><u>7.444</u></b>	<b><u>15.197</u></b>	<b><u>3.617</u></b>	<b><u>6.249</u></b>

#### **13. Share capital**

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

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

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

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

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

#### **14. Share premium**

The share premium as of December 31, 2005 amounts to EURO 5.376. Subsequently it was increased by EURO 1.350 as mentioned in the previous paragraph and subtracting the share capital increase expenses of EURO 39 amounts as of March 31, 2007 to EURO 6.687.

#### **15. Reserves**

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

Reserve	January 1, 2006	Additions / (reductions)	December 31, 2006	Additions / (reductions)	March 31, 2007
Legal reserve.....	1.015	180	1.195	4	1.199
Treasury shares.....	(4.200)	(1.390)	(5.590)	-	(5.590)
Fair value reserves.....	109	6	115	16	131
Extraordinary reserves.....	1.566	-	1.566	-	1.566
Tax free reserves.....	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90).....	930	(4)	926	-	926
<b>Total Reserves</b>	<b><u>(290)</u></b>	<b><u>1.208</u></b>	<b><u>(1.498)</u></b>	<b><u>20</u></b>	<b><u>(1.478)</u></b>

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## **Notes to the interim Financial Statements (Company and Consolidated)**

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### **15.1 Legal Reserve**

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to  $\frac{1}{3}$  of the paid in share capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

### **15.2 Treasury Shares**

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

### **15.3 Special reserve of Article 44 (Law 1892/90)**

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

### **16. Borrowings**

The Company's borrowings are analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>March 31, 2007</b>	<b>December 31, 2006</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
<b><u>Long term borrowings:</u></b>				
Bonded loan.....	19.637	23.563	19.637	23.563
Convertible bond loan.....	11.523	11.242	11.523	11.242
	<u>31.160</u>	<u>34.805</u>	<u>31.160</u>	<u>34.805</u>
Long term debt payable within the next 12 months.....	(19.395)	(19.114)	(19.395)	(19.114)
<b>Total long term borrowings</b>	<b><u>11.765</u></b>	<b><u>15.691</u></b>	<b><u>11.765</u></b>	<b><u>15.691</u></b>
<b>Short term borrowings</b>	<b><u>7.654</u></b>	<b><u>15.657</u></b>	<b><u>7.347</u></b>	<b><u>15.354</u></b>

Based on the decision of the extraordinary General Assembly of shareholders of January 21, 2004 and the decision of the Board of Directors of June 11, 2004, approved by the decision number K2-1667/6-2-2004 of the Ministry of Development, the Company issued a convertible bond listed on the Athens Stock Exchange of nominal value of EURO 16.621,2. The convertible bond was issued on August 3, 2004 with a maturity of 3 years and is divided into 166.212 bonds with a par value of EURO 0,1 each.

Each bond is convertible into 22 common shares with voting rights. The conversion can be executed for the first time after six months and at each month afterwards until the maturity of the loan. The coupon is fix at 3,8% p.a..

In case of holding until maturity (August 3, 2007) and not converted into ordinary shares the bonds will be redeemed at 112,2% of the nominal value of the bonds (EURO 0,1122 per bond).

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On May 3, 2005, three months after the initial existence of conversions the right, 48.840 bonds were converted based on the conversion ratio of 1:22 into 1.074.480 ordinary registered shares of the Company.

Accordingly, the Company's share capital was increased by EURO 323 and the remaining amount of EURO 4.557 was credited to the share premium account.

On February 3, 2006, twelve months after the initial existence of the conversion right, 14.457 bonds were converted based on the conversion ratio of 1:22 into 318.054 ordinary registered shares of the Company.

Accordingly, the Company's share capital was increased by EURO 95 and the remaining amount of EURO 1.350 was credited to the share premium account. The fair values of the loan equal the carrying values.

Furthermore, based on the decision of the Board of Directors of July 6, 2004 the Company issued a straight bonded loan according to the provisions of Law 3156/2003 for the amount of EURO 33.500, for a five year term which will be repaid in nine installments of which the first of EURO 2.010 was paid 12 months after the issue date. The remaining installments of EURO 3.936 are payable every six months until the maturity of the loan. The first five installments are already paid.

#### **17. Trade and other payables**

Trade and other payables are analyzed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>March 31, 2007</b>	<b>December 31, 2006</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
Suppliers.....	19.174	15.951	19.042	16.053
Cheques payables postdated.....	1.619	2.414	1.559	2.149
Accrued expenses.....	1.139	1.230	1.098	1.225
Derivatives .....	221	151	221	151
Other short term obligations.....	310	859	289	806
<b>Total</b>	<b><u>22.463</u></b>	<b><u>20.605</u></b>	<b><u>22.209</u></b>	<b><u>20.384</u></b>

Derivatives concern options on exchange rate with underlying value of EURO 11.919 and the renewed maturity is December 18, 2007 (initial maturity was July 27, 2007).

#### **18. Reclassifications of amounts**

Certain amounts in the statement of income for the three-months period ended March 31, 2006 have been reclassified in order to be comparable with the statement of income for the three-month period ended March 31, 2007.

For the Group and the Company the amount of EURO 2 has been transferred from Revenues to other operating income.

For the Group the amount of EURO 588 has been transferred from cost of sales to distribution expenses.

#### **19. Related party transactions**

The Company purchases and provides products and services from and to related parties. The related parties are companies with common shareholding structure and / or management.

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

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(All amounts in Euro thousands unless otherwise stated)

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

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

	<b>Company</b>	
<b>Receivables from:</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
F.G. LOGISTICS S.A.....	298	298
FIDAKIS SERVICE S.A.....	17	5
City Electric S.A.....	1	1
R.F. Energy.....	-	1
<b>Total</b>	<b><u>316</u></b>	<b><u>305</u></b>

  

	<b>Company</b>	
<b>Obligations to:</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
F.G. LOGISTICS S.A.....	73	250
FIDAKIS SERVICE S.A.....	27	114
<b>Total</b>	<b><u>100</u></b>	<b><u>364</u></b>

#### Subsidiaries:

	<b>R.F. ENERGY S.A.</b>	
<b>Receivables from:</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
AEOLIC KYLINDRIAS S.A.....	49	-
KALLISTI ENERGIAKI S.A.....	6	-
<b>Total</b>	<b><u>54</u></b>	<b>≡</b>

#### Companies with common shareholding structure:

	<b>F.G. LOGISTICS S.A.</b>	
<b>Receivables from:</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
CYBERONICA S.A.....	16	-
<b>Total</b>	<b><u>16</u></b>	<b>≡</b>

  

	<b>The Company</b>	
<b>Obligations to:</b>	<b>March 31, 2007</b>	<b>December 31, 2006</b>
CYBERONICA S.A.....	44	-
<b>Total</b>	<b><u>44</u></b>	<b>≡</b>

## **F.G. EUROPE S.A.**

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#### **For the Three-Months Period ended March 31, 2007**

(All amounts in Euro thousands unless otherwise stated)

The transactions with the related parties for the three-month period ended March 31, 2007 and 2006 are analyzed as follows:

	<u>Company</u>	
	<u>Three-months period ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Sales of goods and services:</b>		
Inventories.....	11	2
Other.....	1	1
<b>Total</b>	<b><u>12</u></b>	<b><u>3</u></b>

	<u>Company</u>	
	<u>Three-months period ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Purchases of goods and services:</b>		
Warranties.....	174	88
Inventories.....	-	179
Logistics.....	675	642
<b>Total</b>	<b><u>849</u></b>	<b><u>909</u></b>

#### Companies with common shareholding structure:

	<u>Company</u>	
	<u>Three-months period ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Purchases of goods and services:</b>		
Lease payments (offices).....	130	-
<b>Total</b>	<b><u>130</u></b>	<b><u>≡</u></b>

	<u>F.G. LOGISTICS S.A.</u>	
	<u>Three-months period ended March 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Purchases of goods and services:</b>		
Lease payments (warehouses).....	487	-
<b>Total</b>	<b><u>487</u></b>	<b><u>≡</u></b>

#### Members of the Board of Directors and Officers:

	<u>Consolidated</u>		<u>The Company</u>	
	<u>March 31,</u>	<u>December</u>	<u>March 31,</u>	<u>December</u>
	<u>2007</u>	<u>31, 2006</u>	<u>2007</u>	<u>31, 2006</u>
<b>Obligations to:</b>				
Members of the Board of Directors and Officers.....	5	-	5	-
<b>Total</b>	<b><u>5</u></b>	<b><u>≡</u></b>	<b><u>5</u></b>	<b><u>≡</u></b>

	<u>Consolidated</u>		<u>The Company</u>	
	<u>Three-month period ended March 31,</u>			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Compensation and benefits:</b>				
Compensation.....	339	289	339	289
<b>Total</b>	<b><u>339</u></b>	<b><u>289</u></b>	<b><u>339</u></b>	<b><u>289</u></b>

No transactions exist between the Group companies and the members of the Board of Directors and the Officers.

## **F.G. EUROPE S.A.**

### **Notes to the interim Financial Statements (Company and Consolidated)**

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(All amounts in Euro thousands unless otherwise stated)

#### **20. Contingencies**

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

#### **21. Post Balance Sheet Events**

The Board of Directors of R.F. ENERGY S.A. decided on its meeting of April 23, 2007 to increase the company's share capital by EURO 5.000. F.G. EUROPE S.A. participated in this increase depositing on April 30, 2007 the amount of EURO 2.000 which represents the holding share in the company of 40%.

The annual General Assembly of Shareholders on April 26, 2007 approved the proposed dividend payment for the fiscal year 2006 of Eurocent 4,00 per share compared to Eurocent 0,00 per share for the fiscal year 2005.