

F.G. EUROPE S.A.

128, Vouliagmenis Ave.

166 74 Glyfada

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

**ANNUAL FINANCIAL REPORT
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)**

**In accordance with
article 4 of L. 3556/2007**

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**DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS
(in accordance with article 4 par. 2g of L. 3556/2007)**

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Ioannis Pantousis, Managing Director and Mr. Andreas Demenagas executive Member of the Board of Directors, under their aforementioned capacity as Members of the Board, declare that to their best knowledge:

- The annual Financial Statements Company and Consolidated for the period ended on December 31, 2011, which were prepared in accordance with the International Financial Reporting Standards, present in a truthful manner the figures pertaining to assets, liabilities, shareholders equity and financial results of the Company and the F.G. EUROPE S.A. Group and companies consolidated.
- The Board's of Directors Report on the annual Financial Statements Consolidated and Company for the period ended on December 31, 2011 presents in a truthful manner the development, performance and financial position of F.G. EUROPE S.A., and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Glyfada, March 20, 2012

Georgios Fidakis

John Pantousis

Andreas- Fotios Demenagas

**Chairman of the
Board of Directors**

Managing Director

**Member of the
Board of directors**

F.G. EUROPE S.A.
SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC
APPLIANCES

BOARD OF DIRECTORS ANNUAL REPORT
ON THE FISCAL YEAR PERIOD ENDED 31/12/2011
F.G. EUROPE S.A.

To the Shareholders of F.G. EUROPE S.A.,

The Company's Board of Directors hereby submits its Annual Report on the Fiscal Year period ended December 31st, 2011 prepared in accordance with provisions set forth in article 136, Law 2190/1920 and paragraph 7, article 4, Law 3556/2007.

The Report at hand provides information on the financial results, current financial status and any changes thereto, recent developments, and overall product of the Company and the Group during the fiscal year period from January 1st, 2011 until December 31st, 2011.

Reference is also made to any significant events that took place during fiscal year period of 2011 and in any way affecting the Annual Financial Statements Company and Consolidated, to any significant risks that may arise for the Company and the Group, and to any transactions that took place between the Company and any related parties in accordance with IAS 24.

Companies of the **F.G. EUROPE Group**:

F.G. EUROPE S.A.: Parent Company of the Group. Listed on Athens Stock Exchange since 1968. Active in the Durable Consumer Goods market (importing and acting as wholesaler of Air-conditioning Units of all types, both for residential and professional use, White Electrical Home Appliances, and Consumer Electronics), and Mobile Telephony products market.

F.G. EUROPE is a longtime wholesaler and distributor of durable consumer goods as the exclusive trusted partner of two of the largest manufacturers, Fujitsu and Sharp. Meanwhile, F.G. EUROPE carries its own line of white electrical home appliances under its own brand name, ESKIMO.

F.G. EUROPE is active in 10 countries in total (Greece and Southeastern Europe) as the exclusive distributor of Fujitsu General Ltd products (mainly air-conditioners).

FIDAKIS LOGISTICS S.A.: Wholly owned subsidiary of F.G. EUROPE S.A. F.G. LOGISTICS is active in the field of logistics services, managing and controlling on behalf of F.G. EUROPE 25,000 m² of warehouses in Aspropyrgos, Attica and Glyfada, Athens.

FIDAKIS SERVICE S.A.: Wholly owned subsidiary of F.G. EUROPE S.A. FIDAKIS SERVICE S.A. renders pre & after sales services. FIDAKIS SERVICE is responsible for the service of the air-conditioning units that F.G. EUROPE trades in the Greek market, while also the company undertakes planning, installation and service of central air-conditioning units.

R.F. ENERGY S.A.: Subsidiary to F.G. EUROPE S.A. The Company currently owns a 37.5% stake. Restis Family owns a 50% share, and MAKMORAL TRADING LIMITED (a company owned by Mr. Georgios Fidakis) owns a 12.5% share. R.F. ENERGY is a holding company, and its business scope is development and management and ownership of energy production projects, focused on Renewable Energy Sources.

R.F. ENERGY S.A., through its 100% subsidiary KALLISTI ENERGIAKI S.A. owns and controls a Wind Farm of the company in Tsouka, Arkadia. The Wind Farm is of 15MW of installed power and consists of five Vestas 3MW wind turbines.

Construction of a 10MW Wind Farm owned by the wholly owned subsidiary AIOLIKI KYLINDRIAS S.A. in Kylindria, Kilkis was completed in April 2009. During fiscal year 2012, the subsidiary company AIOLIKI KYLINDRIAS S.A. took three new production licenses from biomass with total capacity of 7.06 MW. Is expected also one more production license from biomass with total capacity of 2.26 MW.

R.F ENERGY S.A, through its subsidiary, HYDROELECTRIKI ACHAIAS S.A., owns and controls two small-scale Hydro Power plants at Kerynitis river, in Aigialea area, with total capacity of 3.61 MW.

R.F. ENERGY, through its subsidiaries, has applied for production licenses for projects of 70 MW of total planned capacity. In May 2008 the company established 10 subsidiary companies (in which R.F. Energy owns 84%) for the purposes of developing 11 new Wind Farms in South Evia, of a total of 387 MW. The companies have applied for production licenses to the competent authorities. Nevertheless in 2009 production licenses were granted by the competent authorities to third (unrelated) companies. Said licenses pertain to development of wind parks on sites that overlap, to a greater or lesser extent, with the locations where R.F. ENERGY's subsidiaries are planning to develop the abovementioned wind parks. Therefore in December 2009 R.F. ENERGY's subsidiaries filed an appeal to the Hellenic Supreme Administrative Court (Council of State) against the aforementioned recently granted licenses on the grounds of lawful interest, due to the overlapping of site locations, material breach of provisions of Greek Law and material violation of law. The companies' attorney on the case, estimates that there are many chances for positive outcome of the case.

In February 2011, R.F. ENERGY acquired the remaining share (16%) of ten subsidiary companies operating in the energy sector in Evia Prefecture and now owns 100% of their shares.

During fiscal 2011, the Group took new Production licenses in Southern Evia, with total capacity of 294 MW. Also new production licenses from Wind Stations are expected, in southern Evia, with total capacity of 57 MW.

Shareholders of R.F. ENERGY GARBIS S.A. and R.F. ENERGY ZEFYROS S.A., convened in an Extraordinary General Assembly on May 31, 2010, decided the solution of these companies and their selling off. These companies intended, by proposed acquisition, to take over the management and operation of two operating wind farms with installed capacity of 18 and 24 MW respectively in Arkadia Prefecture and for this purpose, they had proceeded on July 2009 to an increase in their equity, totally, by € 13.28 billions. The proposed acquisition failed because there was a breach of agreement on behalf of the sellers. The parent company R.F. ENERGY S.A. has lodged an application for the above case, claiming compensation for the costs incurred.

A. Recent Developments – Changes to the Financial Figures of the Company and the Group

The export orientation and investment in the energy sector, leading the Company and the Group FG EUROPE S.A. in a steady growth path, despite the crisis which affects the internal market.

Net profit after tax of the Company in 2011 show an increase of 6.39%, totaling EUR 4.21 million compared to Euro 3.96 million of the respective gains of the previous year.

The Company's total sales grew by 2.85% to € 94.08m against € 91.45m in the corresponding sales of 2010.

The significant increase by 18% of the Company's exports in 2011 offset the decrease of sales in the domestic market. The exports account the 73.94% of sales of air conditioning and 69.13% of the total sales of the Company. The corresponding rates in 2010 were 66.43% and 60.19% respectively.

The Company's operating liquidity is also significantly increased, so the assets as of 31/12/2011 amounted to € 32.52m (€ 27.59m as of 31/12/2010).

More specifically, at parent company level:

Revenue from sales of durable consumer goods rose in 2011 to € 93.82m against € 91.96m in the previous corresponding period of 2010, increased by 2.91%.

Sales of air-conditioners rose in 2011 to € 87.89m against € 82.86m in the previous corresponding period of 2010, posting an increase of 6%. Sales of air-conditioners in the Greek market amounted to € 22.90m compared to those in the previous corresponding period of 2010 amounted to € 27.82m, posting a decrease of 17.67%. Exports of air-conditioners in 2011 amounted to € 64.99m against € 55.04m in the previous corresponding period of 2010, posting an important increase of 18.06%.

Sales of ESKIMO white electrical home appliances in 2011 amounted to € 1.18m against € 1.00m in 2010, posting an increase of 18%.

Sales of SHARP Consumer Electronics amounted in 2011 to € 4.75m against € 7.29m in 2010, posting a decrease of 34.96%.

Promotion and advertising expenses in 2011 amounted to € 2.56m against € 1.37m in the previous corresponding period of 2010, posting an increase of 86.86%, due to promotional campaign of air conditioners FUJITSU.

Other general operating expenses decreased by 0.96% in 2011 amounted to € 15.64m, against € 15,79m in 2010.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA), for the fiscal year 2011 amounted to € 7.34m against € 8.58m in 2010, decreased by 14.45%. As a result EBITDA margin was 7.80% compared to 9.38% for the relevant period of 2010.

Net profit before taxes posted a decrease of 22.71%, amounting to € 5.46m for the fiscal year 2011 compared to € 7.06m in 2010.

Consolidated Group figures:

Total Group revenue in fiscal year 2011 amounted to € 99.72m, as opposed to € 96.37 m in the previous corresponding period of 2010, increased by 3.48%. The revenue in the energy sector amounted to € 5.49m in 2011, against € 4.79 m in the previous corresponding period of 2010, increased by 14.61%. During the year 2011 the productive potential is expected to be increased, due to the place in operation of 35.4 MW from the affiliated company of Group AEOLIC ADERES S.A.

Gross Profit amounted in 2011 to € 28.12m against € 26.98m of the corresponding period in 2010, presenting an increase equal to 4.21% mainly attributed to the sales' increase of durable consumer goods by the parent company in the local market and the revenue growth at the sector energy, Consequently gross profit margin reached in fiscal year 2011 to 28.30%, against 28.00% in 2010.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) dropped in to 2011 to € 10.40m against € 10.62m received for the relevant period of 2010, posting a decrease of 2.07% mainly attributed to the promotion and advertising expenses of the parental company. Operating profit margin ratio, accounted to 10.43% against 11.02% for the corresponding period of 2010, decreased by -0.59 base points.

Administrative, distribution and other expenses amounted to € 19.72m against € 18.85m in the corresponding period of 2010, posting an increase of 4.63%. The General Expenses/ Sales ratio in 2011, accounted to 19.78% against 19.56% for the corresponding period of 2009, decreased.

Net financial expenses increased by 47.43% amounted to € 3,29m in 2011 against € 2.23m in 2010. The increase in net financial expenses in 2011 due to: a) the significant increase of debt exchange rates (from € 0.36m to € 1.03m) due to positive change in the dollar against the Euro. b) The increase in interest expense (from € 2.35m in 2010 to € 2.66m in 2011) and c) reducing the Group's income from interest income (from € 0.99m to € 0,69 million in 2011), despite the benefits of € 0.49m resulting from changes in fair value of the contract buy-exchange between the company.

Total debt dropped to € 146,45m as at 31/12/2011 from € 99,03m at 31/12/2010, posting an increase of 47.88%. The increase in total liabilities is primarily due to increased long-term bank and other obligations of active energy subsidiaries of the Group (from € 70.66m in 2010 to €95.25m in 2011) because of create the new wind farm power 35,4 MW of wind ADERES SA, but also by increasing trade and other payables of the Parent (from € 14.04m to € 21.31m euros) due to growth years of credit from the main supplier of the Company, the FUJITSU GENERAL Ltd.

Net profit before taxes amounted in 2011 to € 5,60m reduced from the level of € 6.80m of the corresponding period in 2010, having a negative effect on EBT/SALES ratio as it is decreased to 5,62% from 7,05% respectively.

Net Profit after taxes and Minority Interests amounted to € 4.17m as at 31/12/2011 against € 3.53m as at 31/12/2010, presenting an increase 18.13%.

Other Financial Ratios:

- Current Ratio for the Company in FY 2011: 2.02 (In FY 2010 was 3.11)
- Current Ratio for the Group in FY 2011: 2.13 (In FY 2010 was 3.63)
- Quick Ratio for the Company in FY 2011: 1.23 (In FY 2010 was 1.74)
- Quick Ratio for the Group in FY 2011: 1.47 (In FY 2010 was 2.45)
- Inventory Turnover Ratio for the Company in FY 2011 (in days): 180 (In FY 2010 was 185)
- Inventory Turnover Ratio for the Group in FY 2011 (in days): 172 (In FY 2010 was 176)
- Return on Equity Ratio for the Company in FY 2011: 12.62% (In FY 2010 was 12.53%)
- Return on Equity Ratio for the Group in FY 2011: 7.72% (In FY 2010 was 6.91%)
- EBITDA Ratio in for the Company

- | | |
|---------------------------------|--------------------------------|
| in FY 2011: | 21.43% (In FY 2010 was 27.15%) |
| • EBITDA Ratio in for the Group | |
| in FY 2011: | 19.93% (In FY 2010 was 20.71%) |

B. Other Significant Events

During fiscal year 2012, the subsidiary company AIOLIKI KYLINDRIAS S.A. took three new production licenses from biomass with total capacity of 7.06 MW. Is expected also one more production license from biomass with total capacity of 2.26 MW.

No other significant events occurred after December 31st, 2011 concerning the Company or the Group that could affect the Company in any material respect and should have been disclosed.

C. Risk Factors

Financial Risk Management

Financial risk factors: The Group's operations entail exposure to various financial risks (including foreign exchange risk, interest rates risk, cash flow risk and price risk credit risk and liquidity risk). The Group's risk management policy is focused in the unpredictability of the financial markets targeting the minimization of the factors that can negatively affect the financial performance of the Group. The Group uses in certain cases financial derivative products in order to hedge its exposure to certain risks.

The risk management is conducted by the Company's financial management department in accordance with the policy authorized by the Company's Board of Directors. The financial management department detects, evaluates and hedges financial risks in close cooperation with the Group's other departments. The Board of Directors provides guidelines for the risk management in general and specifically covering such areas of risk as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and non financial instruments as well as the investment of additional liquidity.

Market risks

Foreign exchange risk: The Group operates internationally and as a result, it is exposed to foreign exchange risks arising from commercial operations in foreign currencies (USD and JPY) with customers and suppliers using currencies other than the Euro. In order to minimize risks the Group on occasion hedges its exposure to foreign currency risk through derivative contracts but does not use hedging accounting.

Price volatility risk: The Group is exposed to price volatility risks resulting from investment in shares of listed companies, which for the purposes of preparing the Financial Statements are recognized as available for sales assets. In order to hedge this risk the Group diversifies its stock portfolio. Such diversification in the Group's portfolio is authorized by the Company's Board of Directors.

Cash flow and interest rate risks: The Group is exposed to cash flow risk that may arise: a) through the volatility noted in variable interest rates which may cause positive or negative variations in cash inflows and/or outflows of assets and/or liabilities connected with these variable interest rates, b) through the increase in receivables which may be caused due to extension in the time when receivables are due, as suggested current market conditions, or c) through the increase of reserves, due to failure to realize expected sales growth.

Interest rate risk results mainly from short and long term borrowing in Euro and in variable interest rates. The Group assesses its exposure to interest rate variation on a constant basis taking under

examination any chance of refinancing of its existing obligations under different conditions and terms. On this basis the Group assesses any potential influence to its financial result arising out of contingent variations in interest rates pertaining to mid term and long term financing facilities. According to the Bond Loan Term Sheet under which the Company entered the bond loan agreement, in case of a set back in financial figures of the Company and failure to comply with the terms, the current spread of interest rates of 0.90%, may respectively rise up to 1.6%, thus accordingly having an effect on the cost of the debt financing.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises out of from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client, the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. During the FY 2011 no excess in credit levels was noted and the Group does not expect any substantial potential losses which come as a result of inability to liquidate receivables.

Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing. The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

Seasonality in sales of air-conditioners: Over the last years sales of air-conditioners showed signs of a seasonal trend mainly increasing during the summer period, and cooling off during winter. This resulted to concerns with regard to a) satisfying increased demand within a short period, which could potentially put sales in risk, b) sustaining added expenses due to maintaining of large stock to satisfy demand, as well as c) potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.

However over the last couple of years this seasonal trend seems to steadily decrease, and demand seems to spread more evenly throughout the year, nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions, such as heat waves. This fact contributes towards higher quality client services and mitigation of the abovementioned risks.

D. Future Outlook

Despite the crisis in the local market, the excellent opportunities of extension the Company's export activities, will maintain its profitability in satisfactory levels. In combination with the progress noted at the recent years in the financial results of the Company and the Group, constitute the basis for the Board of Directors' moderately optimistic with regard to fiscal year 2011

Also, the careful and organized extension of the Company in the local market is always the target of the Management, in order to avoid the existing dangers that are consequence of the financial crisis which have affected the local market and particularly the branch of electric domestic appliances. The Company's strategic goals are also to preserve its leading position in the Greek air-conditioners market. The sales of the SHARP products appear to be notably affected by the financial crisis up to now.

Particular focus is paid to planning a proper structure of capital, which, in conjuncture with adequate liquidity, will allow companies of the Group to overcome with minimum loss these turbulent financial times.

The enhancement and enrichment of the range of ESKIMO white goods achieved to increase its sales in 2011 and it is expected to be continued and in 2012.

Sales of SHARP products which are classified in the “high end” of the market seem to be significantly affected by the crisis.

Taking into thorough consideration the effects of the financial crisis to the market and the consequent corporate financing difficulties, the Management has fully re-evaluated and planned its corporate policy, in a constant effort to secure the company against any potential financial threats.

F.G EUROPE S.A. obtained the exclusive representation of a full range of air-conditioners and white goods, manufactured by the Chinese giant MIDEA and prepares a dynamic presentation and promotion in the Greek market.

The progress noted over recent years in the financial results of the Company and the Group constitutes the basis for the Board of Directors’ moderately optimistic to fiscal year 2012.

In the sector of energy, the Group took new Production licenses in Southern Evia, with total capacity of 294 MW. Also new production licenses from Wind Stations are expected, in southern Evia, with total capacity of 57 MW. During fiscal 2012, the subsidiary company AIOLIKI KYLINDRIAS S.A. took three new production licenses from biomass with total capacity of 7,06 MW and expects the approval by the competent authorities. And there is one more production license from biomass which expected, with total capacity of 2,262 MW.

All the above events and the fast implementation of the new investments, are expected to significantly affect the Group's revenues from the energy sector through the RF ENERGY and its subsidiaries

E. Related Party Transactions

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Company sales to related parties primarily concern sales of products and merchandise. Services rendered to the Company primarily concern storage services (logistics etc.) as well as after sales services.

Intercompany transactions take place in accordance with Law 3728/18-12-2008, and under such conditions and terms which do not materially differ from relevant conditions and terms in agreements between the Company and third parties.

Compensation of the members of the Board of Directors concern paid Board’s of Directors compensation to Non-executive Independent members. The compensation of Directors concerns compensation of regular payment according to employment contracts.

Significant transactions which occurred within fiscal year period of 2009 between the company and related parties are presented below, in accordance with provisions of IAS 24, pertaining to amounts over €10 thousand:

FG EUROPE S.A. sold mechanical parts to FIDAKIS SERVICE S.A. amounting to €71 thousands (€108 thousands in 2010). This amount has been fully disbursed from FIDAKIS SERVICE S.A. to F.G EUROPE.

FG EUROPE S.A. was charged by FIDAKIS SERVICES S.A. with the amount of €440 thousands in 2011 (€465 thousands in 2010), concerning the guarantee and service of air conditioners which FG EUROPE S.A sells in Greek Market and with the amount of € 39 thousand for services related to central air conditioning projects undertaken by FG EUROPE A.E. for the amount of € 69 thousand in 2010.

From the above sales F.G EUROPE S.A owes to FIDAKIS SERVICE S.A the amount of €34 thousands.

FIDAKIS LOGISTICS S.A. invoiced F.G EUROPE the amount of €3.380 thousands, according to their agreement for providing logistics services in 2011. In FY 2010 this amount was €3.379 thousands. From the above sales F.G EUROPE S.A owes to FIDAKIS LOGISTICS S.A the amount of € 86 thousands.

The amount of €353 thousands, included under “receivables” in the balance sheet, from FIDAKIS LOGISTICS, concerns the payment in advance from FG EUROPE as guarantee, in accordance with an intercompany agreement.

FG EUROPE S.A. charged its subsidiary company R.F. ENERGY S.A. for provided services with the amount of €11 thousands.

CYBERONICA S.A.’s income from leasing offices and storing facilities rose to €3.071 thousands in 2011 (€2.986 in 2010). From that amount the contribution of FG EUROPE S.A. was €750 thousands and the rest was paid from the other firms of the Group (€ 667 thousands in 2010). The biggest share was paid by FIDAKIS LOGISTICS S.A. as it leases storage facilities of 25,000 m² in Aspropyrgos. Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 582 thousands in 2011 (€501 thousands in 2010). The amount paid as guarantee from FG EUROPE S.A. is € 195 thousands (€ 114 thousands in 2010).

FG EUROPE on July 05 2011 bought 480.000 shares of GLOBUS MARITIME LIMITED, which is listed on NASDAQ stock exchange, of total value € 2.656.

F. Own Shares

As at December 31st 2011, FG EUROPE S.A. does not own any of its shares.

G. Information in accordance with article 4, par. 7 Law 3556/2007

a. Share Capital

Share capital amounts to Euro 15,840,046.20 and is divided into 52,800,154 common registered shares, with par value of Euro 0.30 each. Company’s shares are listed in ASE (in Big Capitalization category). Each share provides the right for a single vote. Each shareholder’s liability is limited to the total nominal value of owned shares.

b. Limitations pertaining to transfer of Company’s shares.

Transfer of Company’s shares may only take place in accordance with the relevant provisions of Greek Law and no further limitations are imposed in the Company’s Articles of Association, than the Convention of the Joint Bond which provides that the main shareholder of the Company undertakes to maintain throughout the term of the loan contract, at least 35% of the share capital of the Company.

c. Direct or indirect interest in the Company’s share capital, having the same meaning as articles 9, 10 and 11, Law 3556/2007

As at December 31st, 2011 shareholders named below owned a percentage larger than 5% of the total Company’s votes:

- Georgios Fidakis direct interest of 31.01% and indirect interest of 26.94%. Total participation in the Company’s share capital is 57,95%.
- SILANER INVESTMENTS LIMITED, direct interest 26,94%%
- FIRST EUROPEAN RETAIL CORP. indirect interest of 11.08%.
- Vassiliki Valianatou, direct interest of 5.09%.

d. Limitations pertaining to voting rights

No special limitations pertaining to voting rights of shareholders exist in the Company's Articles of Association.

e. Premium Equity Shares.

No provisions are included in the Company's Articles of Association with regard to premium equity shares.

f. Shareholders agreements

Company is not under any such agreement and its Articles of Association include no provisions with regard to any agreement among shareholders which provide additional limitations concerning transfer of shares or voting rights.

g. Rules for selection or replacement of members in the Board of Directors and amendments to the Articles of Association, which are materially different from provisions under Codified Law 2190/20

Company's Articles of Association with regard to the election or replacement of members in the Board of Directors and amendments thereof do not materially differ from provisions set forth under C.L. 2190/20.

h. Power of the Board of Directors or certain members thereof for the issuance of new shares or the purchase of own company's shares, according to the article 6, C.L 2190/20

The Board of Directors is authorized, for a period of five years, to increase Company's Share Capital, at any time which the BoD deems appropriate, determining certain terms concerning the level of the equity increase, the number and the offer price of new shares. No other authorization to purchase company's own shares has been granted to the Board of Directors.

i. Significant agreements in force, amended or subject to termination in the event of any change in Management of the Company following a public offer.

No such agreements exist.

j. Significant agreements with members of Board of Directors or the Company's employees.

No such agreements exist between the Company and any member of the Board of Directors or its employees, which provide for any form of compensation especially in case of resignation or lay-outs without reasonable cause or ending of service or employment due to public offer.

H. Explanatory Report in accordance with article 4 par. 7 Law 3556/2007

Clarifications on information in chapter G above follow:

1. Shareholders General Assembly on 26/3/2008, authorized the Company's Board of Directors in accordance with provisions set forth under paragraph 1 (b), and 4 (a), article 13, Codified Law 2190/1920 to proceed within a five-year period to an increase of the Company's Share Capital at any time the BoD shall deem appropriate, and accordingly determining the terms referring to the level of the increase, the number and the offer price of new shares.
2. Said Shareholders General Assembly also resolved to cancel (annul) 1,780,220 own shares, representing 3.26% of the Company's total Share Capital which were acquired Shareholders General Assembly resolution dated 8/2/2005. Cancellation (annulment) of shares consequently reduced the Company's Share Capital by Euro 534,066. After the decrease, Company's Share Capital amounts to Euro 15,840,046.20, divided to 52,800,154 shares, with par value of Euro 0.30 each.
3. Shareholders General Assembly of 18/05/2011 elected the Company's Board of Directors with a two-year term
4. The Company's Board of Directors convened on 20/05/2011 as follows:

Fidakis Georgios of Athanasios	Chairman of the Board
Lioukas Spyros of Konstantinos	Independent Non-executive Member -Vice President
Pantousis Ioannis of Dimitrios	Managing Director
Deménagas Andreas – Fotios of Konstantinos	Executive Member
Katsoulakos Ioannis of Socrates	Independent Non-executive Member
Strogylopoulos Georgios of Athanasios	Independent Non-executive Member
Pimblis Nicolaos of Evarestos	Independent Non-executive Member

5. Changes in participations of shareholders to the company in fiscal year 2011:

- Georgios Fidakis, direct participation changed from 44.92% to 31.01% and indirect participation changed from 12.20% to 26.94%. Total participation increased from 57.12% to 57.95 % (change +0.83%).
- SILANER INVESTMENTS LIMITED, participation increased from 12.20% to 26.94% (change +14.74%)

I. Corporate Governance

F.G. EUROPE S.A. pays great significance and undertakes all necessary actions to secure the necessary levels of transparency for all its actions and internal procedures, aiming to further strengthening its credibility for the sake of its shareholders and the investment community in general.

The Company fully abides by and implements all provisions set forth by the statutory laws and legal framework. Corporate Governance practices implemented by the Board of Directors' relevant sub-committees, are a major factor towards achieving the Company's corporate mission, which is maximizing the value of the shareholders' equity.

J. Internal Code of Conduct

The Company operates under an internal code of conduct, which is updated and kept abreast of current events, in order to incorporate any issues arising pertaining to matters of corporate governance, as well as any changes in the organizational structure of the Company.

K. ISO 9001:2000 Certified

F.G. EUROPE S.A. implements the Quality Management System ISO 9001:2000 and is certified by the internationally recognizes Certification Organization, TÜV Austria.

The implementation of the Quality Management System, plays a pivotal role towards improving efficiency for the Company and its daily operations, and thus lays the ground for the optimal use of the Company's resources, as well as for the provision of excellent services for the Company's customers, partners and shareholders.

L. Corporate Social Responsibility

F.G. EUROPE S.A. is especially sensitive to matters of environmental awareness and protection, responsibility towards its employees and contribution to society as a whole. Respect for the environment, promoting renewable energy sources, taking part in recycling initiatives and implementing recycling policies, all are guidelines incorporated in FG Europe's strategy.

M. Dividend Policy

In accordance with relevant provisions of Greek Law, it is required that the Company must distribute a minimum of 35% of its net profit after tax and deductions for accounting reserve as dividend to its shareholders. Nevertheless, the Law provides that this obligation can be waived by a

General Assembly of Shareholders resolution, in which a majority of at least 70% of shareholders are represented and vote.

Board of Directors, having taking into consideration the adversity of current market conditions, and with a view to strengthening the Company's financial position, intends to put forward to the General Assembly of Shareholders a motion for non distribution of dividends to the shareholders against fiscal year 2010 profits.

All information mentioned hereto with regard to the financial standing of the Company and the Group is truthful and accurate and can be evidenced in the Annual Financial Statements for the period ended December 31st, 2010.

N. Statement of Corporate Governance according to Law 3873/2010

F.G. Europe S.A. is committed to maintain high standards of corporate governance. Under the principles of Corporate Governance, the Company has applied the principles laid down by the Corporate Governance Code (CGC) established by the Hellenic Federation of Enterprises (SEV). This corporate governance statement sets out the way the Company applies the Code and provides explanations for any failure to comply with the provisions of this during the year 2011.

The Code can be found at the following internet address:

http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

INTRODUCTION

The term “corporate governance” describes how companies are run and monitored. Corporate governance is structured as a system of relations between the Management of the Company, the Board of the Company, shareholders and other interested parties. It is the structure through which the company's objectives are approached and made, the means of achieving these objectives are identified and monitoring of the performance of the Management in the implementation process of the aforementioned is enabled.

Effective corporate governance plays an essential role in promoting business competitiveness, while promoting increased transparency has led to improved transparency in the whole economic activity of private enterprises and government organizations and institutions.

In Greece, the corporate governance framework has been developed mainly through the adoption of binding rules, such as the Law 3016/2002, as amended by the Article 26 of Law 3091/2002, which requires the participation of non-executive and independent members of the Board of Greek listed companies, the establishment and operation of internal control unit and the adoption of internal operating rule. In addition, many other acts incorporated in the Greek legal framework European company law directives, creating new rules, such as Law 3693/2008, which requires the establishment of audit committees and important caveats with regard to ownership and corporate governance, and Law 3884/2010, relating to rights of shareholders and additional corporate disclosure obligations to shareholders in preparation of the General Assembly. The recent Law 3873/2010 incorporated into the Greek Law the no. 2006/46/EC4 Directive of the European Union and serves as a reminder of the need for the Code and a “cornerstone”. Finally, in Greece, like most other countries, the Law on societies anonymes, (Law 2190/1920, which has been amended by several provisions of the above EU-inspired laws), includes the basic rules of their governance.

1. Corporate Governance Code

Notification of voluntary compliance of the Company with the Corporate Governance Code

Our Company fully complies with the requirements and regulations relating to these laws and in particular c.l. 2190/1920, Law 3016/2002 and Law 3693/2008, which constitute the minimum content of any Corporate Governance Code. At the same time, complying fully with the requirements of the Law 3873/2010, it states that has adopted the only widely accepted until now Corporate Governance Code, developed by the Federation of Enterprises (SEV), as a Corporate Governance Code.

1.1. Deviations from the Corporate Governance Code and justification. Specific provisions of the Code that the Company does not apply and an explanation of non – implementation.

The Company confirms with this statement that it has faithfully and strictly implemented the provisions of Greek Law (c.l. 2190/1920, Law 3016/2002 and Law 3693/2008), which establish the minimum requirements to be met by any Corporate Governance Code applied by a company which shares are traded on a regulated market.

These minimum requirements are incorporated in this Corporate Governance Code which the Company is subject to, but this Code also contains a number of additional (relating to minimum requirements) specific practices and principles.

In connection with such additional practices and principles, there could be some deviations (including the case of non-application).

The general, by section, principles under the Code and the deviations with a brief analysis and explanation of the reasons justifying them, are presented below.

SECTION A - The Board and its members

I. Role and responsibilities of the board

The Board should provide effective leadership and direct the company's affairs in the interest of the company and all shareholders, ensuring that the management properly implements the company's strategy. The Board should also ensure the fair and equitable treatment of all shareholders, including minority and foreign shareholders.

In discharging its role, the Board should take into account the interests of key stakeholders such as employees, clients, creditors and the communities in which the company operates. The main, non-delegable, responsibilities of the Board should include:

- Approving the overall long-term strategy and operational goals of the company
- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures
- Selecting and replacing, if necessary, the executive leadership of the company and overseeing planning
- Monitoring the performance of senior management and aligning executive remuneration with the longer term interests of the company and its shareholders
- Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management
- Being alert to and adequately addressing actual and potential conflicts of interests between the company, on the one hand and its management, board members or major shareholders, on the other (including shareholders with a direct or indirect power to control the board's composition and behavior); to this end, the board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the company's interests

- Ensuring that there is a satisfactory process for monitoring the company's compliance with relevant laws and regulations
- Deciding on and monitoring the effectiveness of the company's governance processes including its system of decision- making and delegation of authorities and duties to other key executives, and
- Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its stakeholders

II. Size and composition of the Board

The size and composition of the Board should enable the effective fulfillment of its responsibilities and reflect the size, activity and ownership of a company. Board composition should be driven by the fair and equitable treatment of all shareholders and demonstrate a high level of integrity. Moreover, it should include a diversity of knowledge, qualifications and experience relevant to the business objectives of the company.

Under Article 23 of the Articles of Association, the Company is managed by the Board of Directors, which consists of a minimum of seven (7) and a maximum of nine (9) members.

The last Board is a 7-member and consists mainly of four (4) independent non-executive members and three (3) executive members. Its composition will ensure that independent and effective functioning.

The mandate of the Board in accordance with Article 24 of the Articles of Association of the Company is 2 years.

The composition of the Board of Directors that elected by the Annual General Assembly on 14/4/2010 is as follows:

1. Fidakis Georgios of Athanasios, Chairman of the Board
2. Pantousis Ioannis of Dimitrios, Managing Director
3. Demenagas Andreas- Fotios of Konstantinos, Executive Member
4. Stroggiopoulos Georgios of Athanasios, Independent Non-executive Member
5. Katsoulakos Ioannis of Socrates, Independent Non-executive Member
6. Lioukas Spyros of Konstantinos, Independent Non-executive Member
7. Pimblis Nicolaos of Evarestos, Independent Non-executive Member

The CVs of the members of the Board of Directors are posted on the Company's website at the address <http://www.fgeurope.gr>.

The Board shall meet whenever required by law, the Articles of Association or the needs of the Company, after invitation of the Chairman or that of his deputy either at the head office of the Company or any other Municipality within the prefecture where the head office are. The topics on the agenda must be indicated in the invitation, otherwise decision making may only be permitted if all members of the Board are present or represented and no one objects to this.

The Board may validly meet outside the office at another location, either in Greece or abroad, if all members of the Board are present or represented in this meeting and no one objects to holding the meeting and decision making. The Board may meet by teleconference. In this case, the invitation to members of the Board includes the necessary information for their participation in the teleconference. Meetings of the Board are chaired by the Chairmant or his legal substitute.

The Board of Directors of the Company, since the adoption of Law 3016/2002, consists of 9 members, but these are non-executive members in the majority. In particular, it consists of five (5)

executive and four (4) independent non-executive members. Its composition has ensured its successful, efficient and productive operation, during last years.

The Board has established the following committees that are primarily staffed by Independent non-Executive directors:

1. Internal Control Committee: Lioukas Spyros (Responsible), Stroggylopoulos Georgios and Katsoulakos Ioannis,
2. Remuneration, Benefits and Pension Plan Committee: Lioukas Spyros (Responsible), Pimblis Nicolaos, Stroggylopoulos Georgios
3. Environmental Issues Committee: Stroggylopoulos Georgios (Responsible), Lioukas Spyros
4. Competition, Transparency and Corporate Governance Committee: Katsoulakos Ioannis, (Responsible), Pimblis Nicolaos, Stroggylopoulos Georgios

It should be noted that except the essential role played with their operation by the members of Audit Committee and Control Committee, other committees of the Board have worked few so far. Management's immediate priority is the full mobilization of the other committees of the Board.

III. Role and profile of the chairman of the Board

The Chairman should be responsible for leading the board, setting its agenda and ensuring that the work of the board is well organized and meetings conducted efficiently. The Chairman is also responsible for ensuring that board members receive accurate and timely information. The Chairman should ensure effective communication with all shareholders as well as the fair and equitable treatment of their interests.

The Board has not explicitly established the responsibilities of the Chairman in relation to those of the Managing Director, so that these be reflected in writing and notified to shareholders.

The Board does not appoint independent Vice- Chairman coming from its independent non-executive members, but executive Vice-Chairman, as the assistance of the Vice-Chairman on administrative matters of the Company and the exercise of Chairman's executive duties is evaluated as very substantial.

IV. Duties and conduct of board members

Each board member has a duty of loyalty to the company and all shareholders, including minority and foreign shareholders. Board members should act with integrity and in the best interest of the company, as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the company, including holding board or executive positions in competing companies without the approval of the general meeting of shareholders. Board members should contribute their expertise and devote to their duties the necessary time and attention. Board members should also limit the number of other professional commitments (in particular any directorships held in other companies) to the extent that allows for their satisfactory performance as board members. Finally, board members should endeavour to attend all meetings of the Board and the relevant committees.

The Board has not adopted as part of the Company's internal regulations, policies relating to management of conflicts of interest between its members and the Company, as well as the procedures, according to which, the members of the Board should promptly notify the Board any

interests in corporate transactions or their conflicts of interests with the Company or its subsidiaries.

There is no obligation to provide detailed disclosure of any business commitments of members of the Board (including significant non-executive commitments to companies and non-profit institutions) prior to their appointment to the Board.

V. Nomination of board members

Nominations to the board should be made on merit using objective criteria. The board should ensure the orderly succession of board members and senior executives so as to ensure the long-term success of the company

The committee relating to proposal of candidates for the Board of Directors does not make a periodic assessment of the size and composition of the Board and not submit proposals for consideration on its profile.

VI. Functioning of the Board

The Board should meet sufficiently regularly to discharge its duties effectively. The Board should be supplied by the management in a timely manner with information in a form and of a quality to enable it to discharge its responsibilities effectively.

There is no specific regulation for the operation of the Board, as the provisions of the Internal Operating Rules and the Articles of Association of the Company are assessed as adequate for the organization and operation of the Board.

There is no calendar of meetings and 12-month action plan adopted by the Board, which may be revised depending on the needs of the Company, since all members are residents of the Capital and therefore convergence of a meeting of the Board is quite easy whenever imposed by the needs of the company or the law, but not necessarily with a predetermined agenda.

There is no provision for support of the Board in the performance of work by skilled and experienced internal secretary, since the compliance of its members collectively and individually with the internal regulations, relevant laws and regulations, is guaranteed through the professional and scientific knowledge and experience of its members.

There is no provision for introductory information programs for new members of the Board and continuing professional development and training for the other members, since the proposed for election as members of the Board persons have experience, scientific training and organizational – administrative capacity.

There is no provision for providing resources to the committees of the Board to fulfill their duties and to hire external consultants to the extent necessary, since necessary in these cases resources are approved by the Company's management, based on the needs of the Company.

VII. Board evaluation

The Board should undertake a regular evaluation of its own performance and that of its committees.

No grievance procedure for evaluating the effectiveness of the Board and its committees has been established.

No procedure for evaluating the performance of the Chairman of the Board which is headed by the independent Vice-Chairman or other independent non-executive member of the Board has been established, due to the absence of an independent Vice-Chairman. This procedure is not considered necessary on the basis of the current organizational structure of the Company.

SECTION B – Internal Control

Internal Control – Audit Committee

The Board should present a balanced and clear assessment of the company's position and prospects and ensure the integrity of financial statements and disclosures to shareholders and to the public.

The Board should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets, and ensure that significant risks are identified and adequately managed. The Board should regularly review the corporate strategy, the main risks to the business, and the effectiveness of the systems of internal control in managing these risks. The review should cover all material controls, including financial, operational and compliance controls, as well as the risk management systems. The Board, through its audit committee (where applicable) should also develop a direct and ongoing relationship with and receive regular reports from the company's auditors in respect of the effective functioning of the control system.

Internal Control System and Risk Management

Main features of the internal control system:

The Company's internal audit is conducted by the Head of the Internal Audit and in accordance with the audit plan set by the Audit Committee.

It is noted that the audit, according to which the respective Report is issued, is conducted within the current framework. During his exercise of control, the Head of Internal Audit takes note of all necessary books, documents, records, bank accounts and portfolios of the Company, with the continuing cooperation of the Management in order to be provided with all information and data necessary for the smooth implementation of planned and emergency audits and preparation of reports provided with the utmost accuracy in the information and conclusions contained therein. The audit does not include any assessment of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well, since these are subject to review by the statutory auditor of the Company.

The purpose of the audit is to assess the overall level and operating procedures of internal control system. In each test period, some areas – control fields are selected, while the operation of the Shareholder Services Department and the Office of Corporate Communications is permanently monitored and reviewed.

The Company fully complying with the provisions and requirements of Law 3693/2008, elected at the Annual General Assembly held on 14/4/2010 the Audit Committee, consisting of three independent non-executive members of the Board.

The responsibilities and duties of the Audit Committee shall consist of:

- a) Monitoring the process of financial reporting
- b) Monitoring the effective operation of internal audit and risk management system, and monitoring the proper functioning of the internal audit department of the Company
- c) Monitoring the statutory audit of individual and consolidated financial statements of the Company
- d) Review and monitoring issues relating to the existence and maintenance of objectivity and independence of statutory auditors or audit firms, particularly regarding the provision of other services to the Company by the statutory auditor or audit firm.

Mission of the Audit Committee is to ensure the effectiveness and efficiency of corporate operations, testing the reliability of financial reporting to investors and the shareholders of the Company. Other missions are the compliance of the Company with the current legal and regulatory framework, the safeguard of the investments and assets of the Company and the identification and dealing with major risks.

It is clarified that the Regular Auditor of the Company, who conducts the audit of the annual and interim financial statements, does not provide other non-audit services to the Company or is associated with any other relationship with the Company, in order to ensure the objectivity, impartiality and independence.

The Audit Committee meets today once or twice a year. There is no specific operation rule of the audit committee, since the duties and responsibilities of that committee are adequately specified in the current provisions.

There are not specific resources for the Audit Committee for use to hire external consultants, since its composition, the specialized knowledge and experience of its members ensure its effective operation.

SECTION C – Remuneration

Level and structure of remuneration

The level and structure of remuneration should aim to attract, retain and motivate board members, executives and employees who will add value to the company with their skills, knowledge and experience. A company should avoid paying more than is necessary for this purpose. The Board should have a clear view as to how the company is paying its top talents.

No options are granted to executive directors, members of the Board and staff of the Company.

There is no provision in the contracts of the executive directors that the Board may recover all or part of the bonus awarded due to revised financial statements for previous years or inaccurate financial data used to calculate this bonus, as any rights for bonus mature only after the final approval and audit of financial statements.

No procedure for approval of the remuneration of the executive directors is followed, after proposal of the Remuneration Committee, without the presence of executive directors.

The Board has established a Remuneration Committee regarding the benefits of managers and pension plan, which is not consist exclusively of independent non-executive members of the Board and despite the fact that its objective is the fixing of remuneration of executive and non executive member of the Board, little has worked.

Therefore, there is no precise provision for the duties of this committee, the frequency of its meetings and other matters relating to its operation. With the full activation of the committee, the operating rules of the company, which will explain clearly the roles and responsibilities, will be posted on its website.

SECTION D – Relations with shareholders

I. Communication with shareholders

The Board should maintain a continuous and constructive dialogue with the company's shareholders, especially those who hold significant stakes and have a long-term perspective.

At the website of the company, there is no comprehensive publication of matters relating to information for investors about corporate governance.

II. The general meeting of shareholders

The Board should ensure that the preparation and conduct of the general meeting of shareholders allows for active and well-informed exercise of shareholders' ownership rights. The Board should ensure, within the framework set out by the company's statutes, that as many shareholders as possible, including minority, foreign and remotely residing, have the opportunity to participate in the general meeting of shareholders. The Board should use the general meeting of shareholders to facilitate genuine and open discussion with the company.

For issues relating to the convening of the General Assembly, the voting process and updating shareholders on the resolutions of the General Assembly, all the provisions of the Code of Corporate Governance are implemented on behalf of the Company.

1.3 Practices of corporate governance implemented by the company in addition to the provisions of the Law

The Company has not so far applied any other additional provisions except for those of the Law.

This Statement of Corporate Governance is an internal and special part of the annual Management Report of the Board of the Directors.

Those above mentioned about the financial condition of the Company and the Group can be noted from the financial statements of December 31, 2011.

Glyfada, March 20, 2012

**Chairman of the
Board of Directors
Georgios Fidakis**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES (F.G.EUROPE S.A.)

Report on the Separate and Consolidated Financial Statements

We have audited the separate and consolidated financial statements of SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES (F.G.EUROPE S.A.), which comprise the balance sheet as at December 31, 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of the separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES (F.G.EUROPE S.A.) as at December 31, 2011, and of its financial performance and its 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

- (a) The Directors' Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified Law 2190/1920.
- (b) We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 27, 2012
THE CERTIFIED AUDITOR ACCOUNTANT

CHRISTODOULOS SEFERIS
S.O.E.L. R.N. 23431
ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.
11TH KLM NATIONAL ROAD ATHENS – LAMIA, METAMORFOSI
COMPANY S.O.E.L. R.N. 107

F.G. EUROPE S.A.

128, Vouliagmenis Ave.

166 74 Glyfada

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

ANNUAL FINANCIAL STATEMENTS COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2011 and 2010
 (All amounts in Euro thousands unless otherwise stated)



	Note	Consolidated		Company	
		2011	2010	2011	2010
For the Years Ended December 31,					
Sales.....	6	99.724	96.371	91.445	91.445
Less: Cost of sales.....	7	(71.603)	(69.387)	(68.575)	(66.146)
Gross profit		28.121	26.984	25.508	25.299
Other operating income.....	6	493	897	492	685
Distribution expenses.....	7	(15.141)	(14.499)	(15.200)	(14.307)
Administrative expenses.....	7	(4.546)	(4.048)	(2.992)	(2.834)
Other operating expenses.....	7	(37)	(305)	(12)	(15)
Earnings before interests and taxes		8.890	9.029	7.796	8.828
Finance income.....	7	1.235	985	1.133	573
Finance costs.....	7	(4.525)	(3.218)	(3.470)	(2.338)
Earnings before taxes		5.600	6.796	5.459	7.063
Income tax expense.....	8	(1.552)	(3.254)	(1.248)	(3.105)
Net profit for the period		4.048	3.542	4.211	3.958
Attributable as follows:					
Equity holders of the Parent.....		4.172	3.531	-	-
Minority interest.....		(124)	11	-	-
Net profit (after tax) attributable to the Group		4.048	3.542	-	-
Other Comprehensive Income					
Available for sale investments.....	1	(1.455)	(68)	(1.455)	(68)
Minority interests from sale of subsidiary within Group.....		-	-	-	-
Other Comprehensive Income after taxes		(1.455)	(68)	(1.455)	(68)
Total Comprehensive Income after taxes		2.593	3.474	2.756	3.890
Attributable as follows:					
Equity holders of the Parent.....		2.717	3.463	-	-
Minority interest.....		(124)	11	-	-
Net profit (after tax) attributable to the Group		2.593	3.474	-	-
Earnings per share (expressed in Euros):					
Basic.....	9	0,0790	0,0669	0,0798	0,0750

The accompanying Notes on pages 31 to 78 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2011 and 2010
 (All amounts in Euro thousands unless otherwise stated)



	Note	<u>Consolidated</u>		<u>Company</u>	
		<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>December 31, 2011</u>	<u>December 31, 2010</u>
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment.....	10	76.429	35.046	286	345
Investments in real estate property.....	10	315	325	315	325
Intangible assets.....	10	7.291	9.252	1	2
Investments in subsidiaries.....	1	-	-	15.991	16.781
Long term receivables.....		652	605	618	568
Deferred tax assets.....	21	1.702	1.606	622	618
Available for sale investments.....	11	3.336	2.135	1.336	135
Total non-current assets		<u>89.725</u>	<u>47.437</u>	<u>19.169</u>	<u>18.774</u>
Current assets					
Inventories.....	12	33.810	33.489	33.798	33.469
Trade receivables.....	13	40.850	33.743	20.266	15.051
Cash and cash equivalents.....	14	34.463	35.643	32.522	27.586
Total current assets		<u>109.123</u>	<u>102.875</u>	<u>86.586</u>	<u>76.106</u>
Total assets		<u>198.848</u>	<u>150.312</u>	<u>105.755</u>	<u>94.880</u>
<u>SHAREHOLDERS' EQUITY & LIABILITIES</u>					
<u>SHAREHOLDERS' EQUITY</u>					
Shareholders equity attributable to the equity holders of the parent company					
Share capital.....	15	15.840	15.840	15.840	15.840
Share premium.....	16	6.571	6.623	6.726	6.726
Reserves.....	17	4.844	6.054	3.829	5.066
Retained earnings.....		3.903	35	7.956	3.963
		<u>31.158</u>	<u>28.552</u>	<u>34.351</u>	<u>31.595</u>
Minority interest.....		21.244	22.729	-	-
Total shareholders' equity		<u>52.402</u>	<u>51.281</u>	<u>34.351</u>	<u>31.595</u>
<u>LIABILITIES</u>					
Non-current liabilities					
Long term Borrowings.....	19	71.564	51.191	28.098	38.496
Retirement benefit obligations.....	21	542	502	368	333
Deferred government grants.....	20	21.724	18.276	-	-
Long-term provisions.....		1.423	687	-	-
Total non-current liabilities		<u>95.253</u>	<u>70.656</u>	<u>28.466</u>	<u>38.829</u>
Current liabilities					
Short term Borrowings.....	19	14.768	1.997	11.228	5
Short term portion of long term borrowings.....	19	11.431	11.268	10.400	10.274
Current tax liabilities.....		-	219	-	141
Trade and other payables.....	18	24.994	14.891	21.310	14.036
Total current liabilities		<u>51.193</u>	<u>28.375</u>	<u>42.938</u>	<u>24.456</u>
Total liabilities		<u>146.446</u>	<u>99.031</u>	<u>71.404</u>	<u>63.285</u>
Total equity and liabilities		<u>198.848</u>	<u>150.312</u>	<u>105.755</u>	<u>94.880</u>

The accompanying Notes on pages 31 to 78 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2011 and 2010
 (All amounts in Euro thousands unless otherwise stated)



	<u>Consolidated</u>						Total	Minority interest	Total equity
	<u>Share capital</u>	<u>Share premium</u>	<u>Legal reserve</u>	<u>Available for sales - Fair value reserves</u>	<u>Special tax reserves</u>	<u>Retained earnings</u>			
Balance on January 1, 2010	15.840	6.614	3.118	(76)	2.782	4.734	33.012	22.718	55.730
Year's changes:									
Net profit for the period	-	-	298	-	-	3.233	3.531	11	3.542
Other Comprehensive Income..	-	-	-	(8)	-	-	(68)	-	(68)
Total Comprehensive Income..	-	-	298	(68)	-	3.233	3.463	11	3.474
Dividend distribution for fiscal year 2009	-	-	-	-	-	(7.920)	(7.920)	-	(7.920)
Expenses of issuance of shares	-	(3)	-	-	-	-	(3)	-	(3)
Operation interruption of subsidiary	-	12	-	-	-	(12)	-	-	-
Balance on December 31, 2010	15.840	6.623	3.416	(144)	2.782	35	28.552	22.729	51.281
Balance on January 1, 2011	15.840	6.623	3.416	(144)	2.782	35	28.552	22.729	51.281
Year's changes:									
Net profit for the period	-	-	245	-	-	3.927	4.172	(124)	4.048
Other Comprehensive Income..	-	-	-	(1.455)	-	-	(1.455)	-	(1.455)
Total Comprehensive Income..	-	-	245	(1.455)	-	3.927	2.717	(124)	2.593
Share Capital Increase	-	-	-	-	-	-	-	-	1.245
purchase of minority interests	-	-	-	-	-	(59)	(59)	(39)	(98)
Share Capital Decrease	-	-	-	-	-	-	-	(2.567)	(2.567)
Expenses of issuance of shares	-	(52)	-	-	-	-	(52)	-	(52)
Balance on December 31, 2011	15.840	6.571	3.661	(1.599)	2.782	3.903	31.158	21.244	52.402

The accompanying Notes on pages 31 to 78 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2011 and 2010
 (All amounts in Euro thousands unless otherwise stated)



Company

	<u>Share capital</u>	<u>Share premium</u>	<u>Legal reserve</u>	<u>Available for sales - Fair value reserves</u>	<u>Special tax reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance on January 1, 2010	15.840	6.726	3.085	(76)	1.856	8.194	35.625
Year's changes:							
Net profit for the period	-	-	269	-	-	3.689	3.958
Other Comprehensive Income..	-	-	-	(68)	-	-	(68)
Total Comprehensive Income..	-	-	269	(68)	-	3.689	3.890
Dividend distribution for fiscal year 2009	-	-	-	-	-	(7.920)	(7.920)
Balance on December 31, 2010	15.840	6.726	3.354	(144)	1.856	3.963	31.595
Balance on January 1, 2011	15.840	6.726	3.354	(144)	1.856	3.963	31.595
Year's changes:							
Net profit for the period	-	-	-	-	-	3.993	3,993
Other Comprehensive Income..	-	-	218	(1.455)	-	-	(1.237)
Total Comprehensive Income..	-	-	218	(1.455)	-	3.993	2.756
Balance on December 31, 2011	15.840	6.726	3.572	(1.599)	1.856	7.956	34.351

The accompanying Notes on pages 31 to 78 are an integral part of the Financial Statements.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2011 and 2010
(All amounts in Euro thousands unless otherwise stated)



	<u>Consolidated</u>		<u>Company</u>	
	<u>For the Years Ended December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	5.600	6.796	5.459	7.063
Add / (less) adjustments for:				
Depreciation and amortization.....	2.864	2.738	83	119
Provisions.....	1.149	405	1.147	402
Exchange rate differences.....	538	357	538	357
Result of investment activity.....	(714)	(970)	(612)	(559)
Interest and similar expenses.....	3.466	2.846	2.411	1.967
Government grants recognized in income.....	(815)	(788)	-	(10)
Employee benefits.....	40	32	35	27
Operating result before changes in working capital	11.590	11.416	8.523	9.009
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories.....	(279)	3.517	(287)	3.499
(Increase) / decrease in receivables and prepayments.....	(10.161)	27.736	(6.404)	29.432
Increase / (decrease) in trade and other payables.....	8.664	(19.228)	6.230	(6.440)
(Increase)/ decrease in long term receivables.....	(47)	15	(50)	(40)
Total cash inflow / (outflow) from operating activities	9.767	23.099	8.012	35.460
Interest and similar expenses paid.....	657	985	556	574
Income taxes paid.....	(1.513)	(4.468)	(1.461)	(3.889)
Total net inflow / (outflow) from operating activities	8.911	19.616	7.107	32.145
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
(Purchase) of subsidiaries and other investments.....	(2.753)	(2.000)	(1866)	(300)
Proceeds from the sale of subsidiaries and other investments.....	-	8	-	8
(Purchase) of PPE and intangible assets.....	(43.318)	(6.013)	(14)	(52)
Proceeds from the sale of PPE and intangible assets.....	11	-	-	-
Government grants.....	6.114	5.706	-	-
Dividend income.....	56	-	56	-
Total net cash inflow / (outflow) from investing activities	(39.890)	(1.314)	(1.824)	(344)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Share capital increase.....	1.245	-	-	-
Payments for Share Capital decrease	(2.618)	-	-	-
Proceeds from borrowings.....	46.580	-	-	-
Repayments of borrowings.....	(13.401)	(20.570)	(10.400)	(10.406)
Interest Expenses	(2.545)	(2.149)	(1.708)	(1.322)
Dividends Paid	-	(7.920)	-	(7.920)
Dividends paid.....	-	(7.920)	-	(7.920)
Total net cash inflow from financing activities	29.261	(27.704)	(885)	(19.648)
Net increase / (decrease) in cash and cash equivalents	(1.718)	(10.387)	4.398	12.153
Cash and cash equivalents at beginning of period	35.643	45.673	27.586	15.076
Cash and cash equivalents at end of period	34.463	35.643	32.522	27.586

The accompanying Notes on pages 31 to 78 are an integral part of the Financial Statements.

Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2011
 (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 R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.
 - HYDROELECTRICAL ACHAIAS S.A.
 - CITY ELECTRIC S.A.
 - AEOLIC KYLINDRIAS S.A.
 - KALLISTI ENERGIAKI S.A.
 - R.F. ENERGY S.A. MISOHORIA S.A.
 - R.F. ENERGY S.A. OMALIES S.A.
 - R.F. ENERGY S.A. KORAKOVRAHOS S.A.
 - AEOLIC ADERES S.A.
 - R.F. ENERGY S.A. DEXAMENES S.A.
 - R.F. ENERGY S.A. LAKOMA S.A.
 - R.F. ENERGY S.A. TSOUKKA S.A.
 - R.F. ENERGY S.A. PRARO S.A.
 - R.F. ENERGY S.A. XESPORTES S.A.
 - R.F. ENERGY S.A. SHIZALI S.A.
 - R.F. ENERGY S.A. KALAMAKI S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2011 is 105 for the Group and 62 for the Company.

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

The subsidiaries contained with the method of full consolidation in the attached consolidated financial statements of the group are the following:

Name	Country	Share as of December 31, 2011	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• FIDAKIS LOGISTICS S.A.	Greece	100,00% (a)	Full consolidation
• FIDAKIS SERVICE S.A.	Greece	100,00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	37,50% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	37,50% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	37,50% (b)	Full consolidation
• AEOLIC KYLINDRIAS S.A.	Greece	37,50% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	37,50% (b)	Full consolidation
• AEOLIC ADERES S.A.	Greece	37,50% (b)	Full consolidation
• R.F. ENERGY S.A. MISOHORIA S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. KORAKOVRAHOS S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. DEXAMENES S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. LAKOMA S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. TSOUKKA S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. PRARO S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. XESPORTES S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. SHIZALI S.A.	Greece	31,50% (b)	Full consolidation
• R.F. ENERGY S.A. KALAMAKI S.A.	Greece	31,50% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

Notes to the Financial Statements (Company and Consolidated)
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 (All amounts in Euro thousands unless otherwise stated)



F.G. EUROPE's holding share in the company R.F. ENERGY S.A. is to 37,5%. 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 12,50% 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, with the method of full consolidation.

F.G. EUROPE S.A. participates with 11,11% in the share capital of ANAKYKLOSI SYKKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements (Available for sale securities).

The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 31.12.2011						
Subsidiary name	Additions till 31.12.10	Reductions till 31.12.10	Balance as at 31.12.10	Additions 01.01- 31.12.11	Reductions 01.01 - 31.12.11	Balance as at 31.12.11
1 R.F. ENERGY S.A.....	21.210	(5.250)	15.960	750	(1.540)	15.170
2 FIDAKIS SERVICE S.A.....	1.996	(1.696)	300	-	-	300
3 FIDAKIS LOGISTICS S.A...	918	(397)	521	-	-	521
Total	24.124	(7.343)	16.781	750	(1.540)	15.991

Investments in Subsidiaries as at 31.12.2010						
Subsidiary name	Additions till 01.01.2010	Reductions till 01.01.10	Balance as at 01.01.10	Additions 01.01- 31.12.10	Reductions 01.01 - 31.12.10	Balance as at 31.12.10
1 R.F. ENERGY S.A.....	21.210	(5.250)	15.960	-	-	15.960
2 FIDAKIS SERVICE S.A.....	1.696	(1.696)	-	300	-	300
3 FIDAKIS LOGISTICS S.A...	918	(397)	521	-	-	521
Total	23.824	(7.343)	16.481	300	-	16.781

According to a decision of the Extraordinary General Assembly on March 10, 2011 the share capital of RF ENERGY increased by € 666.668. The increase was in cash and covered by issuing 1.333.336 new shares with a nominal value of fifty cents (0,50) and price of one euro and fifty cents (1,50) each. After the increase, the Company's share capital amounted to €14.666.668, divided into 29.333.336 nominal shares with nominal value of fifty cents (0,50) each. (The amounts in the above paragraph are in Euros).

On 04/01/2011, the extraordinary general assembly of the subsidiary AEOLIC ADERES S.A., decided to increase the equity of the company by € 9.993.300, by increasing its share capital by € 993 and disposal of shares premium account, of value €8.937.270. AEOLIC ADERES S.A., has decided, for the inclusion of two of the 3 its investment plans in N.3299/2004, as is, with a total amount of approved public subsidy € 11.560.000. (The amounts in the above paragraph are in Euros).

**Notes to the Financial Statements (Company and Consolidated)
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(All amounts in Euro thousands unless otherwise stated)



In February 2011, the Company acquired the remaining share (16%) of ten subsidiary companies operating in the energy sector in Evia Prefecture and now owns 100% of their shares.

During March and April 2011, the subsidiaries operating in the region of South Evia decided to increase its equity to cover costs and expenses incurred during the procedure of acquiring the Energy Production Licenses. RF ENERGY, the sole shareholder of these companies, implemented the decisions of its subsidiaries and proceeded to pay the required, per company, amount, which amounted to €2.797.800, in total. (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary HYDROELECTRIKI ACHAIAS S.A. on 02/06/2011, decided to reduce its share capital by € 700.000 through cancellation of shares and cash back to shareholders. The decrease of share capital was attributed to the sole shareholder, RF Energy, with three disbursements, the last of which on 08/07/2011. (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary AEOLIC KYLINDRIAS S.A. on 08/06/2011, decided to increase its share capital, through capitalization apparent reserve (reserve from disposal of shares above par) of €3.645.000 and issuance of 3.645.000 common nominal shares with a nominal value and disposal price of one euro each. (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 27/07/2011, decided to third consecutive increase of its equity by €270.000, through cash and issuance of 900 new common nominal shares with value of €30 and disposal price of €300 each.

The difference between nominal value and disposal price of €243.000 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary AEOLIC KYLINDRIAS S.A. on 06/09/2011, decided to increase its equity by €1.650.000. The increase was made in cash and covered through issuance of 165.000 new shares with a nominal value of one euro (1,00) and disposal price of ten euro (10,00) each. The difference between nominal value and disposal price of €1.485.000 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 12/09/2011, decided to fourth consecutive increase of its equity by €510.000, through cash and issuance of 1.700 new common nominal shares with value of €30 and disposal price of €300 each.

The difference between nominal value and disposal price of €459.000 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of RF ENERGY S.A. on 23/09/2011, decided to reduce its share capital by € 4.106.667,04, through cash back to shareholders and immediate decrease of nominal value of shares from €0,50 to €0,36. After the decrease, the share capital of the Company amounted to € 10.560.000,96 divided into 29.333.336 nominal shares of €0,36 each. (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary HYDROELECTRIKI ACHAIAS S.A. on 26/10/2011, decided to reduce its share capital by € 300.000 through cancellation of shares and cash back to shareholders. Till 31/12/2011, HYDROELECTRIKI ACHAIAS S.A has attributed to its sole shareholder €250.000 with a remaining amount to pay of €50.000. (The amounts in the above paragraph are in Euros).

**Notes to the Financial Statements (Company and Consolidated)
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The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 17/11/2011, decided to fifth consecutive increase of its equity by €280.200, through cash and issuance of 934 new common nominal shares with value of €30 and disposal price of €300 each.

The difference between nominal value and disposal price of €252.180 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 09/12/2011, decided to sixth consecutive increase of its equity by €291.000, through cash and issuance of 970 new common nominal shares with value of €30 and disposal price of €300 each.

The difference between nominal value and disposal price of €261.900 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

Shareholders of AEOLIC ADERES S.A. convened in an Extraordinary General Assembly on December 14, 2011, and decided to increase in its equity by € 420.000 issuance of 4.200 new common nominal shares of €10 and disposal price €100 each. The difference between nominal value and disposal price of €378.000 was credited to the account "Difference from issuance of shares above par". (The amounts in the above paragraph are in Euros).

2. Significant Accounting Policies used by the Group

2.1 Basis of Preparation of Financial Statements

These consolidated and company financial statements (hereinafter referred to as "Financial Statements") have been prepared by the Management according to International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Interpretations that have been issued by the Standing Interpretations Committee.

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

2.2.1 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group/Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2011:

- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)**
- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**
- **IAS 24 Related Party Disclosures (Amended)**
- **IAS 32 Classification on Rights Issues (Amended)**
- **IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for the first time adopters (Amended)**
- **Improvements to IFRSs (May 2010)**

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group/Company, its impact is described below:

- **Improvements to IFRSs**

Notes to the Financial Statements (Company and Consolidated)
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(All amounts in Euro thousands unless otherwise stated)



In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

- **IAS 1 Presentation of Financial Statements:** The amendment clarifies that an entity may present an analysis of each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Group/Company reflects the revised disclosure requirements in Note 1.

Other amendments resulting from Improvements to IFRSs to the following standards and interpretations did not have any impact on the accounting policies, financial position or performance of the Group:

- **IFRS 3 Business Combinations**
- **IFRS 7 Financial Instruments – Disclosures**
- **IAS 27 Consolidated and Separate Financial Statements**
- **IAS 34 Interim Financial Reporting**
- **IFRIC 13 Customer Loyalty Programmes**

2.2.2 Standards issued but not yet effective and not early adopted of the Group /Company

- **AS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**

The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Group’s financial position or performance. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group

- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**

The amendment is effective for annual periods beginning on or after 1 January 2012. The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group

- **IAS 19 Employee Benefits (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

➤ **IAS 27 Separate Financial Statements (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group / The Group does not present separate financial statements.

➤ **IAS 28 Investments in Associates and Joint Ventures (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Earlier application is permitted. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this amendment on the financial position or performance of the Group.

➤ **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities.**

The amendment is effective for annual periods beginning on or after 1 January 2014. This amendment clarifies the meaning of “currently has a legally enforceable right to set-off” and also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to be retrospectively applied. Earlier application is permitted. However, if an entity chooses to early adopt, it must disclose that fact and also make the disclosures required by the IFRS 7 Offsetting Financial Assets and Financial Liabilities amendments. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

➤ **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**

The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognised assets. The amendment has only disclosure effects.

The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

➤ **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2013. The amendment introduces common disclosure requirements. These disclosures would provide users with information that is useful in evaluating the effect or potential effect of netting arrangements on an entity’s financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the amendment on the financial position or performance of the Group.

➤ **IFRS 9 Financial Instruments - Classification and Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the FVO. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the first half of 2012. Early application is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

➤ **IFRS 10 Consolidated Financial Statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

➤ **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

➤ **IFRS 12 Disclosures of Involvement with Other Entities**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

➤ **IFRS 13 Fair Value Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard should be applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

➤ **IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine**

The interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (striping activity asset). Where cost cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early application is permitted. IFRIC 20 has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new interpretation on the financial position or performance of the Group.

2.3 Basis of Consolidation

2.3.1. Subsidiary Companies

The consolidated financial statements include the financial statements of the parent company and all entities in which the parent company exercises control (its subsidiaries) as of December 31, 2011.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statement of the subsidiaries is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognises the carrying amount of any non-controlling interest
- ▶ Derecognises the cumulative translation differences, recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss
- ▶ Reclassifies the parent's share of components previously recognized in other comprehensive Income to profit or loss or retained earnings, as appropriate.

2.3.2 Investments in other companies

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

(2003)

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

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

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

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

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

2.4 Combinations and goodwill Business combinations from 1 January 2011

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate IFRS 3.16 classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. IAS 36.80 If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.5 Operating Segments

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IFRS 8 “Operating Segments” sets criteria for the determination of the segment reporting format of the entity. Segments are determined based on the Group’s structure. The Group’s financial decision makers review financial information separately as reported by the parent company and each of the Group’s consolidated subsidiaries. The reportable segments are determined using the quantitative thresholds set by the Standard.

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

2.6 Foreign currency translation

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

2.7 Property, plant and equipment

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

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

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

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

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	7 – 9	11% - 14%
• Furniture and fixture	4 – 7	14% - 25%
• Vehicles	7 – 9	11% - 14%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	40 - 50	2% - 3%

Leasehold improvements are amortized over the term of the lease.

2.8 Investments in real estate property

Investments in real estate are recognized initially at cost of acquisition, which is increased with all those costs associated with the transaction for the acquisition. Also during the subsequent measurement method followed them cost less accumulated depreciation and any damage compensation

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

	Years of useful life	Depreciation rate
• Buildings	50	2%

Fair value coincides with book value as on December 31, 2011.

2.9 External costs of borrowing

Underwriting, legal and other direct costs incurred in connection with the issuance of long-term debt adjust the carrying amount of the liability and are amortized using the effective interest rate method over the life of the debt. All borrowing costs are recognized as an expense when incurred. Cost of borrowing is added to the cost to the extent that relates to the construction period of the fixed assets.

2.10 Intangible assets

Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is up to 10 years. Energy production licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 40 – 50 years. Within the current fiscal year, the subsidiary AEOLIC KYLINDRIAS A.E. proceeded to adjust the rate in which depreciates the productive equipment, from 15 years to 20 years. After that change the depreciation rate decreased from 6,67% to 5% and the depreciation begins from 01/07/2011. By the change of the depreciation rate, also changed the recognized annual income from grant. Into the fiscal year of 2011, revised and updated the useful life of the Production licenses, to 40 year for Aeolic Parks and to 50 years for Hydro electric plants. As a result of these changes, also changed the deferred tax and the accumulation value of intangible assets at € 1.778 and registered depreciations of € 175.

2.11 Impairment of assets except Goodwill

The intangible assets that have an infinite useful life and are not amortized are reviewed at least annually to determine whether there is an indication if impairment and the carrying amount. Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.

The recoverable amount is the maximum between the net selling price representing the possible proceeds from the sale of an asset in an arms' length transaction, after deduction of any additional direct cost for the sale of the asset, and the value in use representing the discounted future net cash flows from the continuing use and ultimate disposal of an asset using an appropriate discount rate.

If the recoverable amount is less than the carrying amount the carrying amount is written down to the level of the recoverable amount.

An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.

When in subsequent periods the loss must be reversed the carrying amount of the asset is increased to of the reviewed estimated recoverable amount in the extent that the new carrying amount is not greater than the carrying amount that would result as if the impairment was never recorded in prior periods.

The reversal of an impairment loss is recognized as income in the income statement except for the case that the asset was value adjusted, case in which the reversal of the impairment loss increases the related special value adjustment reserve.

In order to evaluate impairment losses, assets are integrated into the smallest units creating cash flows.

2.12 Financial instruments

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

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

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

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

b) Available-for-sale financial assets

Available-for-sale financial assets include those non derivative financial assets that are designated in this category and cannot be classified in one of the above categories. Upon initial recognition the available-for-sale financial assets are valued at fair value and the related gains or losses are directly charged to reserves of equity until these assets are sold or characterized as impaired.

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

c) Recognition, Impairment, and definition of fair values

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

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

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

d) Impairment in value of Financial Instruments

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

e) Receivables from customers

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

Financial Liabilities

Initial recognition and measurement

The financial liabilities are financial liabilities in fair value from of the use results, borrowings and liabilities or derivative financial means, which have been characterized as effective hedging

The financial liabilities recognized at the fair value, and in case of borrowings, with the transaction cost which given at the acquisition or the issue of the liability. The financial liabilities of Group and company include commercial liabilities, other long term and short term liabilities, short term and long term borrowings.

The later of the initial recognition and measurement of the financial liabilities depends on the categories that have been classified.

A) Lending and Commercial Liabilities

The bank borrowings provide financing at the group and also the company's operations. The short term and the long term borrowings separated as with the applicable contracts, if the borrowings provided to be paid into the next twelve months or later.

After the first recognition, the borrowings measured at the depreciated cost by using the method of the real interest rate. Gain or loss recognized at the using results when the liabilities derecognized and during the depreciation by the method of the real interest rate. The depreciated cost calculated after taking into consideration the discount or the bonus at the acquisition and if there is any cost that may be part of the real interest rate. The depreciation included in the financial costs of the using results.

B) Financial Liabilities at the fair value

The financial liabilities at fair value contain the financial liabilities that separated about commercial purposes and have been recognized and characterized as financial liabilities at start. The financial liabilities classified as held for trading if acquired for the purpose of the short sale. This category includes derivative financial means that have not been characterized as effective mean of hedge accounting. The gain or loss of liabilities that held for commercial purposes recognized at the results using.

Derecognition

A financial liability stops to recognized as liability when paid, or when the contract obligation stops to exist. Also a financial liability stops to recognized when exchanged with another liability to the same lender, and the new one has different terms. Then recognized the new liability and their difference recognized at the results.

2.13 Offsetting of financial means

The financial assets and financial liabilities are offset and the net amount illustrated in the balance sheet if only the group or the company has this legal right and want to offset them in net base between each other, or to require the asset and to settle the liability at the same time.

2.14 Inventories

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

2.15 Cash and cash equivalents

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

2.16 Share Capital

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

2.17 Income tax

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

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Current income taxes are recognized based on taxable income of the period, in accordance with the Greek tax laws for each of the consolidated subsidiaries. The current income tax is based on taxable profits of the Group companies adjusted according to the requirements of tax legislation and is calculated with the current tax rate in force. Deferred income taxes have been provided using the liability method on all temporary differences arising between financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse.

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

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

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

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

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

2.18 Employee Benefits

a) Short term benefits

Short term employee benefits are recorded on an accrual basis.

b) Provisions for defined benefit plans

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

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the

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reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

2.19 Provisions

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

2.20 Revenue Recognition

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

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.
- **Dividend income:** Dividend income is recognized at the period approved by each entity's General Assembly Meeting.

2.21 Leases

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

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

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

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

2.22 Dividend Distribution

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

2.23 Government Grants

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

2.24 Earnings per share

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

2.25 Long term Receivables / Payables

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

2.26 Related parties

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

2.27 Capital Management

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

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2011 and 2010 was 3,6 and 2,2 respectively for the Group and 1,13 and 1,13 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity:

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

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

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

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

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

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

3. Financial Risk Management

3.1 Financial Risk Factors

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

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

The following sensitivity analysis of the results for the Group and the Company is based tax rate 20% for 2011 and 24% for 2010.

3.1.1 Market Risks

3.1.1.1 Foreign Exchange Risk

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

On December 31, 2011, if the Euro had weakened / strengthened by 7% against the USD with all other variables held constant, net profit and equity for the year would have been € 1.417 (€ 484 in 2010) lower / higher mainly as a result of foreign exchange losses / gains on translation of USD denominated liabilities compensated by foreign exchange gains / losses on translation of cash and cash equivalents held in USD.

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On December 31, 2011, if the Euro had weakened / strengthened by 10% against the JPY with all other variables held constant, net profit and equity for the year would have been € 4 (€ 11 in 2010) lower / higher mainly as a result of foreign exchange gains / losses on translation of JPY denominated trade receivables compensated by foreign exchange losses / gains on translation of JPY denominated liabilities.

3.1.1.2. Price Risk

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

The portfolios equity securities are included in the General Index of the Athens Stock Exchange. The table below presents the impact on the Group's equity for the year of an increase / decrease of the General Index of the Athens Stock Exchange. The analysis is based on the assumption that the Athens Stock Exchange General index had increased / decreased by 25% with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2011	2010
ASE General Index	25	16

Other reserves within equity would increase/ decrease by € 135 (€ 16 in 2010) as a result of valuation gains / losses on equity securities classified as available for sale.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk

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

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

On December 31, 2011, if interest rates on Euro denominated borrowings had been 70 basis points higher / lower with all other variables held constant, net profit and equity for the year would have been € 122 (€ 332 in 2010) for the Group and € 159 (€ 259 in 2010) for the company lower / higher mainly as a result of higher / lower interest expense on floating rate borrowings in €.

3.2 Credit Risk

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

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performance of accounts receivables. Moreover, Company's receivables are distributed at a wide number of customers, and as a consequence, credit risk is significantly restricted.

The maximum exposure of both the Group and the Company to credit risk arising from commercial receivables on December 31, 2010, is analyzed at note 13.

3.2 Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities for working capital and issuance of letters of guarantee to suppliers which on December 31, 2011 amounted to € 114.037.

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

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

Consolidated December 31, 2011	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	27.324	44.544	17.545	7.620
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	24.994	-	-	-
Total	<u>52.318</u>	<u>44.544</u>	<u>17.545</u>	<u>7.620</u>

Consolidated December 31, 2010	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	13.867	11.886	33.487	8.172
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	15.110	-	-	-
Total	<u>28.977</u>	<u>11.886</u>	<u>33.487</u>	<u>8.172</u>

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

Company December 31, 2011	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	22.536	29.278	-	-
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	21.310	-	-	-
Total	<u>43.846</u>	<u>29.278</u>	<u>-</u>	<u>-</u>

Company December 31, 2010	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	10.747	10.780	29.487	-
Derivative financial instruments.....	-	-	-	-
Trade and other payables.....	14.561	-	-	-
Total	<u>25.308</u>	<u>10.780</u>	<u>29.487</u>	<u>-</u>

4. Use of estimates

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

4.1 Significant accounting estimates and assumptions

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

Recovery value of license for wind energy stations is calculated according the estimated use of value of these stations.

Fair value of the investments in real estate property is calculated according the current commercial value of this property.

The receivables from the customers are assumed that approximate their fair value due to the short term nature of them. In cases of overdue receivables is recognized the financial gain or the impairment loss, which is included in these receivables. The impairment losses are calculated from the commercial departments of the Company according the customer solvency, taking in mind and his financial position.

5. Operating Segments

The operating segments of Group are strategic units that sell different goods. They are monitored and managed separately by the Board of Directors, because these goods are of completely different nature, demand in the market and mixed profit margin.

The Groups' segments are the following:

Long Living Consumer Goods

The sector of Long Living Consumer Goods constitutes the import and wholesale of all types of air conditioners for domestic and professional use and the import and wholesale of white and brown house appliances. The sector of Mobile Telephony because of the reduction of its activities, from 01/01/2011 included to the category of the long living consumer good. Moreover the sector of the other activities, which constitutes logistic services and after sales services, also belongs to the same category from 01/01/2011.

Energy

The sector of Energy constitutes the development and operation of energy projects, focused on Renewable Energy Sources (RES).

The accounting policies for the operating segments are those used for the preparation of the Financial Statements.

The efficiency of the sectors is determined by the net profit after taxes.

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The sales of the Group are completely wholesale and all assets are located in Greece.

No revenues from a single customer constituting above 10% of total revenues of Group.

The allocation of assets to the business segments as of December 31, 2011 and December 31, 2010 is as follows:

December 31, 2011	Long Living Consumer Goods	Energy	Total	Intercompany elimination / not allocated	Group
Property, plant and equipment and intangible assets.....	917	87.470	88.387	(4.352)	84.035
Inventories.....	33.810	-	33.810	-	33.810
Receivables and prepaid expenses.....	20.521	20.329	40.850	-	40.850
Cash and cash equivalents.....	32.568	1.895	34.463	-	34.463
Total	87.816	109.694	197.510	(4.352)	193.158
Other assets.....	-	-	-	-	5.690
Total assets	-	-	-	-	<u>198.848</u>
Long term borrowings.....	28.098	43.466	71.564	-	71.564
Deferred government grants.....	-	21.724	21.724	-	21.724
Short term borrowings.....	11.228	3.540	14.768	-	14.768
Short term portion of long term debt.....	10.400	1.031	11.431	-	11.431
Trade and other payables.....	21.533	3.460	24.993	-	24.993
Total	71.564	73.221	144.480	-	144.480
Other liabilities.....	-	-	-	-	1.966
Equity.....	-	-	-	-	52.402
Total liabilities	-	-	-	-	<u>198.848</u>

December 31, 2010	Long Living Consumer Goods	Energy	Total	Intercompany elimination / not allocated	Group
Property, plant and equipment and intangible assets.....	1.042	48.599	49.641	(5.018)	44.623
Inventories.....	33.489	-	33.489	-	33.489
Receivables and prepaid expenses.....	15.313	18.479	33.792	(49)	33.743
Cash and cash equivalents.....	27.658	7.985	35.643	-	35.643
Total	77.502	75.063	152.565	(5.067)	147.498
Other assets.....	-	-	-	-	4.346
Total assets	-	-	-	-	<u>151.844</u>
Long term borrowings.....	38.496	12.695	51.191	-	51.191
Deferred government grants.....	-	18.276	18.276	-	18.276
Short term borrowings.....	5	1.992	1.997	-	1.997
Short term portion of long term debt.....	10.274	994	11.268	-	11.268
Trade and other payables.....	14.551	608	15.159	(49)	15.110
Total	63.326	34.565	97.891	(49)	97.842
Other liabilities.....	-	-	-	-	2.824
Equity.....	-	-	-	-	51.178
Total liabilities	-	-	-	-	<u>151.844</u>

The segment results of the business segments for the Years ended December 31, 2011 and 2010 are presented below:

Year ended December 31, 2011	Long Living Consumer Goods	Energy	Total	Intercompany elimination	Group
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Sales to third parties.....	94.237	5.487	99.724	-	99.724
Sales within the Group.....	3.931	-	3.931	(3.931)	-
Less: Cost of sales.....	(68.452)	(3.151)	(71.603)	-	(71.603)
Less: Cost of sales within the Group.....	(3.299)	-	(3.299)	3.299	-
Gross profit.....	<u>26.417</u>	<u>2.336</u>	<u>28.753</u>	<u>(632)</u>	<u>28.121</u>
Other operating income.....	489	4	493	-	493
Distribution expenses.....	(15.141)	-	(15.141)	-	(15.141)
Distribution expenses within the Group.....	(632)	-	(632)	632	-
Administrative expenses.....	(3.250)	(1.296)	(4.546)	-	(4.546)
Administrative expenses within the Group.....	-	-	-	-	-
Other operating expenses.....	(37)	-	(37)	-	(37)
Profit from operations.....	<u>7.846</u>	<u>1.044</u>	<u>8.890</u>	<u>≡</u>	<u>8.890</u>
Finance income.....	1.136	99	1.235	-	1.235
Finance costs.....	(3.471)	(1.054)	(4.525)	-	(4.525)
Profits before tax.....	<u>5.511</u>	<u>89</u>	<u>5.600</u>	<u>≡</u>	<u>5.600</u>
Income tax expense.....	(1.265)	(287)	(1.552)	-	(1.552)
Net profit.....	<u>4.246</u>	<u>(198)</u>	<u>4.048</u>	<u>≡</u>	<u>4.048</u>

Year ended December 31, 2010	Long Living Consumer Goods	Energy	Total	Intercompany elimination	Group
Sales to third parties.....	91.580	4.791	96.371	-	96.371
Sales within the Group.....	4.066	-	4.066	(4.066)	-
Less: Cost of sales.....	(66.263)	(3.124)	(69.387)	-	(69.387)
Less: Cost of sales within the Group.....	(3.504)	-	(3.504)	3.504	-
Gross profit.....	<u>25.879</u>	<u>1.667</u>	<u>27.546</u>	<u>(562)</u>	<u>26.984</u>
Other operating income.....	670	227	897	-	897
Distribution expenses.....	(14.499)	-	(14.499)	-	(14.499)
Distribution expenses within the Group.....	(562)	-	(562)	562	-
Administrative expenses.....	(3.021)	(1.027)	(4.048)	-	(4.048)
Administrative expenses within the Group.....	-	-	-	-	-
Other operating expenses.....	(17)	(288)	(305)	-	(305)
Profit from operations.....	<u>8.450</u>	<u>579</u>	<u>9.029</u>	<u>≡</u>	<u>9.029</u>
Finance income.....	574	411	985	-	985
Finance costs.....	(2.339)	(879)	(3.218)	-	(3.218)
Profits before tax.....	<u>6.685</u>	<u>111</u>	<u>6.796</u>	<u>≡</u>	<u>6.796</u>
Income tax expense.....	(3.174)	(80)	(3.254)	-	(3.254)
Net profit.....	<u>3.511</u>	<u>31</u>	<u>3.542</u>	<u>≡</u>	<u>3.542</u>

The geographic results of the Groups sales for the Years ended December 31, 2011 and 2010 are analyzed as follows:

Year ended December 31, 2011	Long Living Consumer Goods	Energy	Total
Greece.....	29.251	5.487	34.738
Exports.....	64.986	-	64.986
Total	<u>94.237</u>	<u>5.487</u>	<u>99.724</u>

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Year ended December 31, 2010	Long Living Consumer Goods	Energy	Total
Greece.....	36.535	4.791	41.326
Exports.....	55.045	-	55.045
Total	91.580	4.791	96.371

This table refers to internal and external sales from Greece. The company does not activate to abroad via subsidiaries.

6. Income

Analysis of the Groups' income:

	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
Sales of goods and services	99.274	96.371	94.083	91.445
Other income	493	897	492	685
Total	100.217	97.268	94.575	92.130

7. Break down of expenses

The main categories of expenses are analyzed as follows:

	Consolidated					
	Table of allocation of expenses year ended December 31, 2011					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	(150)	(2.172)	(2.985)	-	-	(5.307)
Third party expenses...	(157)	(573)	(2.414)	-	-	(3.144)
Supplies.....	(1.065)	(905)	(4.294)	-	-	(6.264)
Taxes and duties.....	(164)	(133)	(281)	-	-	(578)
Various expenses.....	(25)	(599)	(3.831)	-	(37)	(4.492)
Financial expenses.....	-	-	-	(4.525)	-	(4.525)
Depreciation of fixed assets & amortization of intangible assets.....	(2.555)	(164)	(145)	-	-	(2.864)
Subsidies of fixed assets.....	815	-	-	-	-	815
Provisions.....	-	-	(1.191)	-	-	(1.191)
Inventories.....	(68.302)	-	-	-	-	(68.302)
Total	(71.603)	(4.546)	(15.141)	(4.525)	(37)	(95.852)

	Consolidated					
	Table of allocation of expenses year ended December 31, 2010					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	(178)	(2.210)	(3.746)	-	-	(6.134)
Third party expenses...	(377)	(472)	(2.429)	-	-	(3.278)
Supplies.....	(1.278)	(797)	(4.690)	-	-	(6.765)
Taxes and duties.....	(146)	(93)	(239)	-	-	(478)
Various expenses.....	(6)	(416)	(2.545)	-	(305)	(3.272)
Financial expenses.....	-	-	-	(3.218)	-	(3.218)
Depreciation of fixed assets & amortization	(2.489)	(84)	(166)	-	-	(2.739)

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of intangible assets.....						
Subsidies of fixed assets.....	778	11	-	-		789
Provisions.....	266	13	(684)	-	-	(405)
Inventories.....	(65.957)	-	-	-	-	(65.957)
Total	<u>(69.387)</u>	<u>(4.048)</u>	<u>(14.499)</u>	<u>(3.218)</u>	<u>(305)</u>	<u>(91.457)</u>

Company

Table of allocation of expenses year ended December 31, 2011

	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	-	(1.651)	(2.065)	-	-	(3.716)
Third party expenses...	(127)	(395)	(2.688)	-	-	(3.210)
Supplies.....	(76)	(690)	(5.344)	-	-	(6.110)
Taxes and duties.....	-	(54)	(102)	-	-	(156)
Various expenses.....	-	(172)	(3.759)	-	(12)	(3.943)
Financial expenses.....	-	-	-	(3.470)	-	(3.470)
Depreciation of fixed assets & amortization of intangible assets.....	-	(30)	(53)	-	-	(83)
Subsidies of fixed assets.....	-	-	-	-	-	-
Provisions.....	-	-	(1.189)	-	-	(1.189)
Inventories.....	(68.372)	-	-	-	-	(68.372)
Total	<u>(68.575)</u>	<u>(2.992)</u>	<u>(15.200)</u>	<u>(3.470)</u>	<u>(12)</u>	<u>(90.249)</u>

Company

Table of allocation of expenses year ended December 31, 2010

	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses...	-	(1.617)	(2.488)	-	-	(4.105)
Third party expenses...	(304)	(376)	(2.759)	-	-	(3.439)
Supplies.....	(151)	(594)	(5.763)	-	-	(6.508)
Taxes and duties.....	-	(49)	(61)	-	-	(110)
Various expenses.....	-	(178)	(2.480)	-	(15)	(2.673)
Financial expenses.....	-	-	-	(2.338)	-	(2.338)
Depreciation of fixed assets & amortization of intangible assets.....	-	(44)	(75)	-	-	(119)
Subsidies of fixed assets.....	-	11	-	-	-	11
Provisions.....	266	13	(681)	-	-	(402)
Inventories.....	(65.957)	-	-	-	-	(65.957)
Total	<u>(66.146)</u>	<u>(2.834)</u>	<u>(14.307)</u>	<u>(2.338)</u>	<u>(15)</u>	<u>(85.640)</u>

The various expenses concerns mainly transportation and advertisement expenses

7.1 Personnel expenses

The personnel expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
Salaries and wages.....	(4.165)	(5.029)	(2.909)	(3.298)
Employers' social security contributions.....	(854)	(902)	(527)	(609)
Other compensation.....	(248)	(171)	(245)	(171)
Retirement benefits.....	(40)	(32)	(35)	(27)

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Total	<u>(6.134)</u>	<u>(6.134)</u>	<u>(3.716)</u>	<u>(4.105)</u>
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7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
<u>Finance costs:</u>				
Interest and similar expenses.....	(2.663)	(2.346)	(1.850)	(1.542)
Bank charges and commissions.....	(759)	(460)	(561)	(425)
Financial cost of provision of equipment removal.....	(44)	(40)	-	-
Foreign exchange differences (expense).....	(1.025)	(357)	(1.025)	(357)
Valuation of Derivaties.....	(34)	(15)	(34)	(14)
Total Finance costs	<u>(4.525)</u>	<u>(3.218)</u>	<u>(3.470)</u>	<u>(2.338)</u>
<u>Finance income:</u>				
Interest and similar income.....	692	985	590	573
Gain from securities (sale – dividend income).....	487	-	487	-
Foreign exchange differences (income).....	56	-	56	-
Total Finance income	<u>1.235</u>	<u>985</u>	<u>1.133</u>	<u>573</u>
Finance costs, net	<u>(3.290)</u>	<u>(2.233)</u>	<u>(2.337)</u>	<u>(1.765)</u>

The company in order to cover the exchange risk, which comes from liabilities in foreign currency, makes advance purchase of foreign exchange contracts by various banks. After the valuation at the value of these contracts on 31/12/2011 became a profit of € 487.

7.3 Provisions

The provision expenses are analyzed as follows:

Consolidated		
Provisions	2011	2010
Bad debts.	(1.191)	(684)
Stock valuation losses	42	266
Gains or losses that arises from the sale of securities	-	13
Provision for environmental rehabilitation	-	-
Total	<u>(1.149)</u>	<u>(405)</u>
Company		
Provisions	2011	2010
Bad debts.	(1.189)	(681)
Stock valuation losses	42	266
Gains or losses that arises from the sale of securities	-	13
Total	<u>(1.147)</u>	<u>(402)</u>

8. Income taxes

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

Company	Unaudited fiscal years
• F.G. Europe S.A.	2008 to 2011
• Fidakis Logistics S.A.	2010-2011
• Fidakis Service S.A.	2010-2011
• R.F. Energy S.A.	2010-2011
• Hydroelectrical Ahaïas S.A.	2010-2011
• City Elektrik S.A	2010-2011
• Aeolic Kylindrias S.A.	2009-2011
• Kallisti Energiaki S.A.	2009-2011
• R.F. Energy Misohoria S.A.	2010-2011
• R.F. Energy Omalies S.A.	2010-2011
• R.F. Energy Korakovrahos S.A.	2010-2011
• R.F. Energy Dexamenes S.A.	2010-2011
• R.F. Energy Lakoma S.A.	2010-2011
• R.F. Energy Tsoukka S.A.	2010-2011
• R.F. Energy Praro S.A.	2010-2011
• R.F. Energy Xesportes S.A.	2010-2011
• R.F. Energy Shizali S.A.	2010-2011
• R.F. Energy Kalamaki S.A.	2010-2011
• Aeolic Aderes S.A..	Unaudited from inception (2009)

From the 2011 financial year and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an “Annual Tax Certificate” as provided for by par. 5 of article 82 of L.2238/1994. This “Annual Tax Certificate” must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a “tax Compliance Report” which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This “Tax Compliance Report” must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of the Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a “Tax Compliance Report” has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within the period of eighteen months from the date when the “Tax Compliance Report” was submitted to the Ministry of Finance.

The work of auditors for the issue of the Annual Tax Certificate for year 2011, is still in progress and has not been finished yet.

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

	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
Income tax (current period).....	(1.374)	(1.885)	(1.223)	(1.691)
Extraordinary tax contribution (article 2, L. 3808/2009).....	-	(1.359)	-	(1.359)
Deferred tax.....	(149)	138	4	(6)
Adjustments of deferred taxes due to change in tax rate.....	-	-	-	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities.....	(29)	(148)	(29)	(49)

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Tax audit differences.....	-	-	-	-
Income taxes	<u>(1.552)</u>	<u>(3.254)</u>	<u>(1.248)</u>	<u>(3.105)</u>

The tax returns of the companies of the Group have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The provision in this respect that has been created in the current period, amounts to € 369 for the Group and € 295 for the Company as of December 31, 2011.

The company presents the amount of € 1.359 in the tax returns that concerns the extraordinary contribution which was imposed according to provisions of article 2, L. 3845/2010. The amount of € 1.359 was registered in the Statement of Comprehensive Income and concretely in the Income Tax of the fiscal year.

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

	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
Profit before taxes	5.600	6.796	5.459	7.063
Tax rate	20%	24%	20%	24%
Tax at the corporate income tax rate	<u>(1.120)</u>	<u>(1.631)</u>	<u>(1.092)</u>	<u>(1.695)</u>
Tax effects from:				
Tax free income	11	1	11	1
Non tax deductible expenses.....	(108)	(53)	(82)	(53)
Non recognized fiscal losses.....	(175)	(122)	-	-
Others	(149)	66	(56)	50
Total	<u>(1.523)</u>	<u>(1.739)</u>	<u>(1.219)</u>	<u>(1.697)</u>
Adjustments of deferred taxes due to change in tax rate.....	-	-	-	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities.....	(29)	(106)	(29)	(49)
Extraordinary tax contribution.....	-	(1.367)	-	(1.359)
Tax audit differences.....	-	(42)	-	-
Effective income tax for the year	<u>(1.552)</u>	<u>(3.254)</u>	<u>(1.248)</u>	<u>(3.105)</u>

According to L. 3697/2008 the applicable tax rates for the next fiscal years will be as follows:

Fiscal year	Tax rate
2009	25%
2010	24%
2011	23%
2012	22%
2013	21%
2014 hereafter	20%

9. Earnings per share

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

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	Consolidated		Company	
	Year ended December 31,			
	2011	2010	2011	2010
Net profit attributable to shareholders.....	4.172	3.531	4.211	3.958
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	<u>0,0790</u>	<u>0,0669</u>	<u>0,0798</u>	<u>0,0750</u>

10. Property, plant and equipment and intangible assets

Property, plant and equipment is analyzed as follows:

Consolidated	Fixed Assets						Total
	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	
January 1, 2010							
Value at cost.....	5	5.285	33.924	400	1.373	712	41.699
Accumulated depreciation..	-	<u>(553)</u>	<u>(2.933)</u>	<u>(196)</u>	<u>(993)</u>	-	<u>(4.674)</u>
Net book value.....	<u>5</u>	<u>4.732</u>	<u>30.991</u>	<u>204</u>	<u>380</u>	<u>712</u>	<u>37.025</u>
January 1 to December 31, 2010							
Additions.....	-	43	29	-	128	553	753
Work in progress.....	-	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	(7)	(60)	-	(67)
Depreciation.....	-	(292)	(2.239)	(48)	(151)	-	(2.730)
Depreciation of disposals...	-	-	-	5	60	-	65
December 31, 2010							
Value at cost.....	5	5.238	33.953	393	1.441	1.265	42.385
Accumulated depreciation..	-	<u>(845)</u>	<u>(5.172)</u>	<u>(239)</u>	<u>(1.084)</u>	-	<u>(7.340)</u>
Net book value.....	<u>5</u>	<u>4.483</u>	<u>28.781</u>	<u>154</u>	<u>357</u>	<u>1.265</u>	<u>35.045</u>
January 1 to December 31, 2011							
Additions.....	1.054	4.994	36.191	10	22	42.997	85.268
Work in progress.....	-	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	(9)	(2)	(41.213)	(41.224)
Depreciation.....	-	(300)	(2.216)	(49)	(106)	-	(2.671)
Depreciation of disposals...	-	-	-	9	2	-	11
December 31, 2011							
Value at cost.....	1.059	10.322	70.144	394	1.461	3.049	86.268
Accumulated depreciation..	-	<u>(1.145)</u>	<u>(7.388)</u>	<u>(279)</u>	<u>(1.188)</u>	-	<u>(10.000)</u>
Net book value.....	<u>1.059</u>	<u>9.177</u>	<u>62.756</u>	<u>115</u>	<u>273</u>	<u>3.049</u>	<u>76.429</u>

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2010						
Value at cost.....	52	284	336	1.800	190	1.990
Accumulated depreciation..	-	<u>(10)</u>	<u>(10)</u>	-	<u>(110)</u>	<u>(110)</u>
Net book value.....	<u>52</u>	<u>274</u>	<u>326</u>	<u>1.800</u>	<u>80</u>	<u>1.880</u>

January 1 to December 31, 2010

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Additions.....	-	-	-	7.091	289	7.380
Work in progress.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	-	-
Depreciation.....	-	(1)	(1)	-	(8)	(8)
Depreciation of disposals...	-	-	-	-	-	-

December 31, 2010

Value at cost.....	52	284	336	8.891	479	9.370
Accumulated depreciation..	-	<u>(11)</u>	<u>(11)</u>	-	<u>(118)</u>	<u>(118)</u>
Net book value.....	<u>52</u>	<u>273</u>	<u>325</u>	<u>8.891</u>	<u>361</u>	<u>9.252</u>

January 1 to December 31, 2011

Additions.....	-	-	-	-	-	-
Work in progress.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	(1.778)	-	(1.778)
Depreciation.....	-	(10)	(10)	(175)	(8)	(183)
Depreciation of disposals...	-	-	-	-	-	-

December 31, 2011

Value at cost.....	52	284	336	7.113	479	7.592
Accumulated depreciation..	-	<u>(21)</u>	<u>(21)</u>	<u>(175)</u>	<u>(126)</u>	<u>(301)</u>
Net book value.....	<u>52</u>	<u>263</u>	<u>315</u>	<u>6.938</u>	<u>353</u>	<u>7.291</u>

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Total
January 1, 2010						
Value at cost.....	5	36	11	175	1.142	1.369
Accumulated depreciation..	-	<u>(27)</u>	<u>(7)</u>	<u>(69)</u>	<u>(857)</u>	<u>(960)</u>
Net book value.....	<u>5</u>	<u>9</u>	<u>4</u>	<u>106</u>	<u>285</u>	<u>409</u>
January 1 to December 31, 2010						
Additions.....	-	-	-	-	54	54
Work in progress.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	(7)	(60)	(67)
Depreciation.....	-	(7)	(1)	(17)	(91)	(116)
Depreciation of disposals...	-	-	-	5	60	65
December 31, 2010						
Value at cost.....	5	36	11	168	1.136	1.356
Accumulated depreciation..	-	<u>(34)</u>	<u>(8)</u>	<u>(81)</u>	<u>(888)</u>	<u>(1.011)</u>
Net book value.....	<u>5</u>	<u>2</u>	<u>3</u>	<u>87</u>	<u>248</u>	<u>345</u>
January 1 to December 31, 2011						
Additions.....	-	-	-	-	13	14
Work in progress.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	(2)	(2)
Depreciation.....	-	-	(1)	(17)	(55)	(73)
Depreciation of disposals...	-	-	-	-	2	2
December 31, 2011						
Value at cost.....	5	37	11	168	1.147	1.368
Accumulated depreciation..	-	<u>(34)</u>	<u>(9)</u>	<u>(98)</u>	<u>(941)</u>	<u>(1.082)</u>
Net book value.....	<u>5</u>	<u>3</u>	<u>2</u>	<u>70</u>	<u>206</u>	<u>286</u>

Company	Investments in real estate			Intangible assets	
	Land	Buildings	Total	Licenses	Total
January 1, 2010					
Value at cost.....	52	284	336	29	29

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Accumulated depreciation..	-	<u>(10)</u>	<u>(10)</u>	<u>(26)</u>	<u>(26)</u>
Net book value.....	<u>52</u>	<u>274</u>	<u>326</u>	<u>3</u>	<u>3</u>
January 1 to December 31, 2010					
Additions.....	-	-	-	-	-
Work in progress	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	-
Depreciation.....	-	(1)	(1)	(2)	(2)
Depreciation of disposals...	-	-	-	-	-
December 31, 2010					
Value at cost.....	52	284	336	29	29
Accumulated depreciation..	-	<u>(11)</u>	<u>(11)</u>	<u>(28)</u>	<u>(28)</u>
Net book value.....	<u>52</u>	<u>273</u>	<u>325</u>	<u>1</u>	<u>1</u>
January 1 to December 31, 2010					
Additions.....	-	-	-	-	-
Work in progress	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	-
Depreciation.....	-	(10)	(10)	-	-
Depreciation of disposals...	-	-	-	-	-
December 31, 2010					
Value at cost.....	52	284	336	29	29
Accumulated depreciation..	-	<u>(21)</u>	<u>(21)</u>	<u>(28)</u>	<u>(28)</u>
Net book value.....	<u>52</u>	<u>263</u>	<u>315</u>	<u>1</u>	<u>1</u>

It is noted that fixed assets are not pledged.

‘Investments in real estate’ € 336 acquired by the Company during the period from January 1 to December 31, 2008, and will be included in the value at cost less depreciations and impairments.

Fair value coincides with book value as on December 31, 2011.

It is also noted that Work in progress amount concerns the cost of wind park construction of the subsidiaries of the Group.

Intangible Assets an Overvalue

The Group has recognized in the previous years intangible assets with continuous renewal rights (license for wind energy) which have been arise through the purchase of subsidiary companies.

The intangible assets concern wind energy production license of the subsidiary R.F. ENERGY S.A. and other rights of use software. Into the fiscal year of 2011, revised and updated the useful life of the Production licenses, to 40 year for wind Parks and to 50 years for Hydro electric plants. According to these changes, accounted for the following:

- a) Reduction of the acquisition value of Production Licenses at € 1.778, which refers to deferred tax and recognized at the redemption of the respective subsidiaries, with the charge of the “Deferred Tax liabilities”.
- b) Depreciation at the fiscal year.

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Subsidiary Company	Purchase Cost	Deferred tax	Value at cost on 31.12.10	Gain / loss in 2011	Final value Production licenses 31.12.2011
KALLISTI	1.440	360	1.800	(360)	1.440
AEOLIC ADERES S.A.	5.673	1.418	7.091	(1.418)	5.673
TOTAL	7.113	1.778	8.891	(1.778)	7.113

Environmental Restoration

According to Greek Corporate law, the Company at the end of the Production License, if it does not renewed, is obliged to take the equipment of the aeolic parks, and to restore the place as it was.

Environmental Restoration	
31/12/2010	687
Additions	749
Change of assets' useful life	(68)
Financial cost	55
31/12/2011	1.423

The amount of € 736 of the annual change of the environmental restoration about the aeolic parks, included at the equipment acquisition value of the Group.

11. Available for Sale Financial Instruments

The available for sale securities contain shares of Athens Exchange listed companies that were valued with closing prices of December 31, 2011 (1st level) as well as companies that were valued at cost and examined for impairment through the statement of income due to the fact that fair value cannot be specified in a reliable manner.

	Group		Valuation of Securities					
	Cost	Gain / loss until December 31, 2010	Sales until 2010	Valuation December 31, 2010	Gain / loss until December 31, 2011	Purchases 2011	Sales 2011	Valuation December 31, 2011
ASE Listed Companies								
Alpha Bank S.A.....	81	(66)	-	15	(13)	-	-	2
National Bank of Greece S.A.....	165	(127)	-	38	(29)	-	-	9
Vioter S.A.....	53	(53)	-	-	-	-	-	-
Mihaniki S.A.....	29	(28)	-	1	-	-	-	1
Mohlos S.A.....	41	(41)	-	-	-	-	-	-
Proodeftiki S.A.....	71	(70)	-	1	(1)	-	-	-
Benrubi S.A.....	76	(70)	(6)	-	-	-	-	-
Globus Maritime LT	--	-	-	-	(1.427)	2.656	-	1.229
EFG Eurobank S.A.....	144	(132)	-	12	(10)	-	-	2
Dionik S.A.....	614	(598)	-	16	25	-	-	41
Total	<u>1.274</u>	<u>(1.185)</u>	<u>(6)</u>	<u>83</u>	<u>(1.455)</u>	<u>2.656</u>	-	<u>1.284</u>
Not listed companies								
Radio Korasidis S.A....	88	(75)	-	13	-	-	-	13
Elephant S.A.....	10	(8)	-	2	-	-	-	2
Anakyklosi Syskevon..	32	-	-	32	-	-	-	32
R.E. Media S.A.....	3	-	-	3	-	-	-	3
Elinta S.A.....	2	-	-	2	-	-	-	2
F.B.B. First Business Bank S.A.....	2.000	-	-	2000	-	-	-	2.000
Total	<u>2.135</u>	<u>(83)</u>	-	<u>2.052</u>	-	-	-	<u>2.052</u>

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Total investments (afs)	<u>3.409</u>	<u>(1.268)</u>	<u>(6)</u>	<u>2.135</u>	<u>(1.455)</u>	<u>2.656</u>	-	<u>3.336</u>
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	Company			Valuation of Securities				Valuation December 31, 2011
	Cost	Gain / loss until December 31, 2010	Sales until 2010	Valuation December 31, 2010	Gain / loss until December 31, 2011	Purchases 2011	Sales 2011	
ASE Listed Companies								
Alpha Bank S.A.....	81	(66)	-	15	(13)	-	-	2
National Bank of Greece S.A.....	165	(127)	-	38	(29)	-	-	9
Vioter S.A.....	53	(53)	-	-	-	-	-	-
Mihaniki S.A.....	29	(28)	-	1	-	-	-	1
Mohlos S.A.....	41	(41)	-	-	-	-	-	-
Proodeftiki S.A.....	71	(70)	-	1	(1)	-	-	-
Benrubi S.A.....	76	(70)	(6)	-	-	-	-	-
Globus Maritime LT	--	-	-	-	(1.427)	2.656	-	1.229
EFG Eurobank S.A.....	144	(132)	-	12	(10)	-	-	2
Dionik S.A.....	614	(598)	-	16	25	-	-	41
Total	<u>1.274</u>	<u>(1.185)</u>	<u>(6)</u>	<u>83</u>	<u>(1.455)</u>	<u>2.655</u>	-	<u>1.284</u>
Not listed companies								
Radio Korasidis S.A....	88	(75)	-	13	-	-	-	13
Elephant S.A.....	10	(8)	-	2	-	-	-	2
Anakyklosi Syskevon..	32	-	-	32	-	-	-	32
R.E. Media S.A.....	3	-	-	3	-	-	-	3
Elinta S.A.....	2	-	-	2	-	-	-	2
Total	<u>135</u>	<u>(83)</u>	-	<u>52</u>	-	-	-	<u>52</u>
Total investments (afs)	<u>1.410</u>	<u>(1.268)</u>	<u>(6)</u>	<u>135</u>	-	<u>2.656</u>	<u>(1.455)</u>	<u>3.336</u>

For the Group and the company, the securities' depreciation is € 144 and for this reason has been made "Reserve cash Premium". The rest amount € 1.124 is from securities cancellations that have been until 31/12/2010.

12. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	December 31,		December 31,	
	2011	2010	2011	2010
Merchandise.....	33.985	33.706	33.973	33.686
Provisions for slow moving inventory.....	(175)	(217)	(175)	(217)
Total	<u>33.810</u>	<u>33.489</u>	<u>33.978</u>	<u>33.469</u>

The provision for slow moving inventory has as follows:

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	Consolidated	Company
Balance as at 01.01.2010	(483)	(483)
Provision gain/ (losses) 2010.....	266	266
Balance as at 31.12.2011	(217)	(217)
Provision gain/ (losses) 2011.....	42	42
Balance as at 31.12.2011	(175)	(175)

The Company and the Group in 2011, due to the recycling of slow moving inventory, have charged the results with valuation gains of € 42 resulting from the net realizable value (for the Group and the Company in 2010 have charged with losses of € 266).

13. Receivables and Prepayments

Receivables and Prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
Customers.....	18.451	14.728	16.887	13.979
Postdated cheques.....	4.380	2.955	4.378	2.955
Notes receivables.....	60	337	57	334
Provision for doubtful accounts.....	(4.389)	(3.198)	(4.383)	(3.194)
Total	18.502	14.822	16.939	14.074
Other receivables and prepayments.....	22.348	18.921	3.327	977
Total	<u>40.850</u>	<u>33.743</u>	<u>20.266</u>	<u>15.051</u>

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

	Consolidated	Company
Balance on January 1, 2010	<u>(2.514)</u>	<u>(2.514)</u>
Provision charged as expense in 2010.....	(684)	(684)
Amounts written off in 2010.....	-	-
Balance on December 31, 2011	<u>(3.198)</u>	<u>(3.198)</u>
Provision charged as expense in 2011.....	(1.281)	(1.281)
Amounts written off in 2011.....	90	87
Balance on December 31, 2011	<u>(4.389)</u>	<u>(4.383)</u>

The provisions concern in its total accounts receivable from customer – debtors that has been characterized as doubtful because the credit period is overdue and have been transferred to the legal department to take legal action for the reimbursement of the receivable.

Both receivables and customers are divided into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Ageing of trade receivables	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
0 - 30 days	3.822	4.612	2.417	4.050
31 - 60 days	4.490	1.995	4.468	1.993
61 - 90 days	1.949	1.411	1.948	1.410
91 - 120 days	774	730	761	728

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121 - 150 days	266	983	264	981
151 - 180 days	753	867	748	862
181 - 360 days	2.763	843	2.648	664
Non – overdues trade receivables	14.817	11.411	13.254	10.688
361 + days	8.074	6.580	8.068	6.580
Impairment losses recognized on receivables.....	(4.389)	(3.199)	(4.383)	(3.194)
Overdues trade receivables	3.685	3.381	3.685	3.386
Total receivables	18.502	14.822	16.939	14.074

To reduce the credit risk the Group/ Company have received from customers cheques receivables in form of guarantees for the amount of € 378 (€ 72 in 2010) and has stored real assets of customers amounting to € 2.000 (€ 2.000 in 2010).

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
Greek state – taxes receivables.....	5.884	2.235	2.330	668
Greek state – prepayment of tax income.....	-	-	-	-
Insurance companies.....	2.003	992	-	-
Receivables of sales investments.....	-	-	-	-
Subsidies.....	11.560	13.411	-	-
Prepayment expenses.....	1.962	2.013	158	46
Transitory accounts.....	312	254	312	254
Other.....	140	16	40	9
Total	<u>22.348</u>	<u>18.921</u>	<u>3.327</u>	<u>977</u>

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

14. Cash and cash equivalents

	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
Cash on hand.....	19	28	4	1
Sight and time deposits.....	34.444	35.615	32.518	27.585
Total	<u>34.463</u>	<u>35.643</u>	<u>32.522</u>	<u>27.586</u>

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits callable at first sight.

15. Share capital

As of December 31, 2011 the company's share capital amounts to € 15.840 and is divided into 52.800.154 ordinary registered shares with par value of € 0,30 each.

It is noted that the average number of shares outstanding during the year 2011 is 52.800.154 shares.

16. Share premium

The share premium as of December 31, 2009 amounts to € 6.614.

Based on the decision of July 10, 2009 of the General Assembly of Shareholders of the Company R.F. ENERGY S.A., the equity of the company was increased by € 14.000. The Management of F.G. EUROPE decided not to participate in the aforementioned increase, which has been totally covered by the remaining shareholders of R.F. ENERGY S.A. After the related adjustments for consolidation purposes of the Group and subtracting the expenses of the aforementioned share capital increase of € 30, share premium account amounts to € 6.614 as of December 31, 2009.

Shareholders of R.F. ENERGY GARBIS S.A. and R.F. ENERGY ZEFYROS S.A., convened in an Extraordinary General Assembly on May 31, 2010, decided the solution of these companies and their selling off. After the related adjustments for consolidation purposes of the Group, share premium account increased for € 12.

On December 30, 2010, the shareholders of Aeolic Aderes S.A., during the Extraordinary General Assembly decided to increase the equity of the company by € 450, with a share capital increase by € 45 and a disposal of shares above par of € 405. After the related adjustments for consolidation purposes of the Group and subtracting the expenses of the aforementioned share capital increase of € 3, share premium account amounts to € 6.623 as of December 31, 2010.

Shareholders of Aioliki Aderes S.A. convened in an Extraordinary General Assembly on January 4, 2011, and decided to re-increase in its equity by € 9.930, through a share capital increase of €993 and disposal of shares above par of € 8.937.

During March and April 2011, the subsidiaries operating in the region of South Evia decided to increase its equity to cover costs and expenses incurred during the procedure of acquiring the Energy Production Licenses. RF Energy, the sole shareholder of these companies, implemented the decisions of its subsidiaries and proceeded to pay the required, per company, amount, which amounted to €2.798 in total.

The Extraordinary General Assembly of its 100% subsidiary AIOLIKI KYLINDRIAS S.A. on 08/06/2011, decided to increase its share capital, through capitalization apparent reserve (reserve from disposal of shares above par) of € 3.645.

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 27/07/2011, decided to third consecutive increase of its equity by €270, with capital share increase by € 27 and disposal of shares above par by € 243.

The Extraordinary General Assembly of its 100% subsidiary AIOLIKI KYLINDRIAS S.A. on 06/09/2011, decided to increase its equity by € 1.650, with capital share increase by € 165 and disposal of shares above par by € 1.485.

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 12/09/2011, decided to fourth consecutive increase of its equity by € 510, with capital share increase by € 51 and disposal of shares above par by € 459

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 17/11/2011, decided to fifth consecutive increase of its equity by €280, with capital share increase by € 28 and disposal of shares above par by € 252.

The Extraordinary General Assembly of its 100% subsidiary RF ENERGY OMALIES S.A. on 09/12/2011, decided to sixth consecutive increase of its equity by €291, with capital share increase by € 29 and disposal of shares above par by € 262.

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Shareholders of Aioliki Aderes S.A. convened in an Extraordinary General Assembly on December 14, 2011, and decided to increase in its equity by € 420, with capital share increase by € 42 and disposal of shares above par by € 378.

After the relevant deletions in the consolidation of the group and removable costs of increases above the 2011 amount of € 52, it's share premium on 31/12/2011 is € 6.571.

17. Reserves

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

Consolidated					
Reserve	January 1, 2010	Additions / (reductions)	December 31, 2010	Additions / (reductions)	December 31, 2011
Legal reserve.....	3.118	298	3.416	245	3.661
Treasury shares.....	-	-	-	-	-
Fair value reserves.....	(76)	(68)	(144)	(1.455)	(1.599)
Extraordinary reserves.....	1.566	-	1.566	-	1.566
Tax free reserves.....	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90).....	926	-	926	-	926
Total Reserves	<u>5.824</u>	<u>230</u>	<u>6.054</u>	<u>(1.210)</u>	<u>4.844</u>

Company					
Reserve	January 1, 2010	Additions / (reductions)	December 31, 2010	Additions / (reductions)	December 31, 2011
Legal reserve.....	3.085	269	3.354	218	3.572
Treasury shares.....	-	-	-	-	-
Fair value reserves.....	(76)	(68)	(144)	(1.455)	(1.599)
Extraordinary reserves.....	1.566	-	1.566	-	1.566
Tax free reserves.....	290	-	290	-	290
Total Reserves	<u>4.865</u>	<u>201</u>	<u>5.066</u>	<u>(1.237)</u>	<u>3.829</u>

17.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to 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.

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

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

18. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
Suppliers.....	20.141	11.268	18.363	11.049
Cheques payables postdated.....	593	290	497	232

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Accrued expenses.....	1.873	1.647	1.506	1.434
Derivatives.....	-	-	-	-
Redeemable share capital	-	-	-	-
Prepayments.....	647	885	647	885
Other short term obligations.....	1.740	801	297	436
Total	<u>24.994</u>	<u>14.891</u>	<u>21.310</u>	<u>14.036</u>

19. Borrowings

The company's borrowings are analyzed as follows:

	<u>Consolidated</u>		<u>Company</u>	
	<u>December 31,</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>Long term borrowings:</u>				
Bonded loan.....	82.995	62.459	38.498	48.770
Long term debt payable within the next 12 months.....	(11.431)	(11.268)	(10.400)	(10.274)
Long term debt payable between 1 & 5 years.....	(71.564)	(51.191)	(28.098)	(38.496)
Total long term borrowings	<u>(82.995)</u>	<u>(62.459)</u>	<u>(38.498)</u>	<u>(48.770)</u>
Short term borrowings	<u>14.768</u>	<u>1.997</u>	<u>11.228</u>	<u>5</u>

In 2011 the Group / Company made credit contracts with open current accounts, with average interest rate 8,40% and they took a short term grant from the banks with pledging securities. F.G. EUROPE S.A. gave as a pledge postdated checks from customers of € 6.500. The financing limit for the group on 31/12/2011 was € 114.037 and € 66.000 for the company.

The subsidiary RF. ENERGY, on 30/12/2011, entered into a Credit Agreement with open current account of €1.000, which was released the same day. The interest rate on this loan is floating EURIBOR 3M plus fixed margin 6,50%. For this grant, corporate guarantee and pledge up on time deposits maintained by the 100% subsidiary KALLISTI ENERGIAKI S.A. were given, which amounts to € 730 on 31/12/2011, and undertook by 31/03/2012 to pledge on an additional amount of € 270 , implementing relevant promissory letter delivered. The amount of given guarantees and the relevant pledge will amount throughout to 100% of the existing balance of the loan received by the parent company and be equally impaired on the specific contractual payment on behalf of the parent company.

The net cash outflow (repayments) from borrowings during the period from January 1 to December 31, 2011 amounted to € 17.635 for the Group and € 10.406 for the Company. During the related previous period the net cash outflow (repayments) amounted to € 61.133 for the Group and € 58.784 for the Company.

On January 18, 2008 the Board of Directors of F.G. EUROPE S.A. decided the issuance of a syndicated bond loan according to L. 2190/1920 and L. 3156/2003 for the amount of EURO 75.000. Purpose of the loan according to the decision of the Board of Directors is the restructuring of the existing long and short term bank debt of the Company. The payment of the loan was agreed in two installments of which the first for the amount of € 56.250 was on January 28, 2008 and the second for the amount of € 18.750 was on March 28, 2008. The loan has duration of five years with the option of prolongation for further two years. The repayment of the loan based of the initial five years duration will be proceeded in ten semi-annual installments, of which the first three (5) installments are payable on July 28, 2010. The first nine installments amount to € 5.200 and the tenth installment to € 28.200. The interest rate for the bonded loan, in 2011, was approximately 2,56%.

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Based on the decision of April 3, 2009 of the General Assembly of Shareholders, the Group's Company KALLISTI ENERGIAKI S.A., decided the issuance of a bond loan for the amount of € 12.800. Purpose of the loan according to the decision of the General Assembly of Shareholders was the financing of the investment program of the Company. The loan has duration of twelve years for the amount of € 6.065. The repayment of the loan will be proceeded in twenty four semi-annual installments, of which the first five (5) installments are paid on September 30, 2011. The remaining amount of € 6.735 concerns the financing against the receivable state's subsidy and will be payable directly to the repayment of the state subsidy. In June, 2010 the subsidiary company KALLISTI ENERGIAKI took the amount of € 1.310 as first installment of the approved government grant and repaid an equal amount of the existing debt. The interest rate for the bonded loan was approximately 5,80%. Then, in August 2010, KALLISTI ENERGIAKI S.A. received the amount of € 2.059 as the rest of the first installment of the approved subsidy and proceeded immediately to a corresponding payout. In September 2010 the company moved to refinance the short-term borrowing against the approved grant amount of € 3.365, by issuing long term bonds with duration with eleven years and repayment in 22 semi-annual installments. The effective interest rate was Euribor 6M+2.30%= 4,00%.

The Group's Company AEOLIC KYLINDRIAS S.A., received short-term financing of sum € 10.008 in order to refinance its existing short-term loans. Amount € 5.934 was converted to Common Bond Loan during December 2009, with a duration of 14 years and a floating interest Euribor plus fixed margin 2,30%. While the remaining amount of € 4.074 remained short-term financing over the approved grant with floating Euribor plus a fixed margin of 2.00%.

For the conclusion of the above loan, reassurances were given, including blocking its bank deposits, the pledging of the shares of the issuer and concession of a part of its future receivables coming from the Power Purchase Agreement with HTSO. The loan will be paid up in 28 equivalent installments, of which the first four (4) installments are paid on December 31, 2011.

Aioliki Aderes S.A. , according to the decision of BoD on 05/05/2011, signed bond agreement up to an amount of € 35.065, for 12 years with a grace period of 24 months and floating rate Euribor plus a fixed margin of 3,80% and 4,00%, depending on the case and its subject of financing is: a) long-term financing of investment cost for the construction of three wind farms, b) short-term financing against subsidies approved by the decisions 52586/YΠE/5/01732/E/N.3299/04/19-11-2010 and 52589/YΠE/5/01840/E/N.3299/04/27-12-2010 and c) the medium-term financing to cover the VAT of investment cost of the three wind farms. Till 31/12/2011, an amount of €31.658 has been disbursed.

For the purpose of this loan, collateral have been used and the sole shareholder of Aioliki Aderes, RF Energy, has provided full and unconditional guarantee .Additionally, according to the term of the loan, the company has pledged its future receivables coming from the Power Purchase Agreement with HTSO, bank deposits and on insurance policies and contracts that has to maintain.

The fair value of the above loans approaches their nominal value.

20. State subsidies

	<u>Consolidated</u>	<u>Company</u>
1/1/2010		
Subsidies value.....	12.356	45
Accumulated depreciation.....	(999)	(35)
Net book value 31/12/2010.....	11.357	10

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1/1-31/12/2010		
Additions.....	7.707	-
Depreciation.....	(788)	(10)
31/12/2010		
Subsidies value.....	20.063	45
Accumulated depreciation.....	<u>(1.787)</u>	<u>(45)</u>
Net book value 31/12/2009.....	<u>18.276</u>	<u>-</u>
1/1-31/12/2011		
Additions.....	4.263	-
Depreciation.....	(815)	-
31/12/2011		
Subsidies value.....	24.326	45
Accumulated depreciation.....	<u>(2.602)</u>	<u>(45)</u>
Net book value 31/12/2011.....	<u>21.724</u>	<u>-</u>

The subsidiary company KALLISTI ENERGIAKI S.A., within the current fiscal year, received the state subsidy for its investment plan, which amounted to 3.704 €. The depreciation of received state subsidies on behalf of the company for the development of the wind park in location “Tsouka” in Municipalities of Skiritida and Valtetsiou in Argolida Prefecture, have been amounted to € 465 during the current period.

The subsidiary company AEOLIC KYLINDRIAS S.A., within 2011, received the approved state subsidy in one installment of € 2.133. The depreciation of received state subsidies on behalf of this subsidiary for the development of the wind park in location “Lofoi Kylindrias” in Municipality of Doirani in Kilkis Prefecture, have been amounted to € 236 during the current period.

The depreciation of received state subsidies on behalf of the subsidiary HYDROELECTRICAL ACHAIAS S.A. for the development of a small hydro electrical station in location “Boufaskia” in Municipality of Aigio, have been amounted to € 37 during the current period. After the beginning of the operation of the small hydro electrical station in location “Agios Andreas”, the subsidiary, within 2011, received € 300, 50% of the approved state subsidy for the abovementioned project, and proceeded to accumulative depreciation of the subsidy from the date of commencement of operation of the SHP in the location "Agios Andreas ", amounting to € 57.

The subsidiary company AEOLIC ADERES S.A. received a number 52586/YPE/5 / 01732/E/N.3299/04/19-11-2010 approval to join the investment in the investment law 3299/2004 as amended by the Ministry of Economy and Finance. The approved amount of total granted investment amounts to € 28.899 and as a result the state subsidy amounts to € 11.560.

21. Deferred taxes

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

The amounts are offset as follows:

Consolidated
Deferred tax assets/ (liabilities)

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	January 1, 2010	Changes 2010	December 31, 2010	Changes 2011	December 31, 2011
Intangible assets.....	92	(67)	25	(50)	25
Expenses for the acquisition of fixed assets...	(1)	-	(1)	-	(1)
Depreciation of the expenses for the acquisition of fixed assets.....	-	-	-	-	-
Investments.....	(9)	(1)	(10)	(26)	(36)
Inventories.....	118	(61)	57	(2)	55
Receivables and prepayments.....	560	(3)	557	68	625
Long term borrowings.....	(137)	42	(95)	3	(92)
Employee benefits.....	69	17	86	7	93
Deferred state subsidies.....	(156)	241	85	(2)	83
Trade and other payables.....	115	(18)	97	(97)	-
Tax credits on recognized losses.....	635	(9)	626	(87)	539
Provision of equipment removal.....	17	17	34	13	47
Other.....	9	(20)	(11)	23	12
Total	<u>1,312</u>	<u>138</u>	<u>1,450</u>	<u>(148)</u>	<u>1,300</u>
Deferred tax assets/ (liabilities) charged directly to Equity					
Share capital increase expenses.....	42	-	42	-	42
Total	<u>42</u>	<u>-</u>	<u>42</u>	<u>-</u>	<u>42</u>

Deferred tax assets/ (liabilities) charged directly to Equity					
Tax credits on recognized losses.....	62	(62)	-	-	-
Purchase of Intangible assets-licensees.....	-	(1,418)	(1,418)	-	-
Total	<u>62</u>	<u>(1,480)</u>	<u>(1,480)</u>	<u>-</u>	<u>-</u>
Total	<u>1,416</u>	<u>(1,342)</u>	<u>74</u>	1,628	1,702

- The amount of € 74 illustrated in the balance as € 1.852, because of the change of the amount € 1.778 between the acquisition value of Production licenses and deferred tax.

Company					
Deferred tax assets/ (liabilities)					
	January 1, 2010	Changes 2010	December 31, 2010	Changes 2011	December 31, 2011
Intangible assets.....	-	-	-	-	-
Expenses for the acquisition of fixed assets.	(1)	-	(1)	-	(1)
Depreciation of the expenses for the acquisition of fixed assets.....	(9)	(1)	(10)	-	(10)
Investments.....	-	-	-	-	-
Inventories.....	118	(61)	577	(2)	56
Receivables and prepayments.....	560	(5)	555	67	622
Long term borrowings.....	(89)	37	(52)	32	(20)
Employee benefits.....	62	5	67	7	74
Trade and other payables.....	18	(19)	(1)	(97)	(98)
Other.....	-(35)	38	3	(3)	-
Total	<u>624</u>	<u>(6)</u>	<u>618</u>	<u>4</u>	<u>622</u>

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

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	Consolidated		Company	
	December 31,			
	2011	2010	2011	2010
Short term.....	84	190	(96)	7
Long term.....	1.618	(116)	718	611
Total long term borrowings	<u>1.702</u>	<u>74</u>	<u>622</u>	<u>618</u>

22. Employee benefits: pension obligations

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

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

	<u>Estimate / assumption</u>
Average increase in personnel expenses.....	4%
Discount rate (bond coupon iBoxx AA-rated της IIC).....	5,2%
Retirement age: men / women.....	65 years / 60 years

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

The calculation of the forecast for the employee termination benefits for the fiscal year 2011 was based on the above assumptions, since the number of employees of the Group and the Company has not been remarkably changed.

The movement of the account from January 1, 2009 to December 31, 2010 was as follows:

	Consolidated		Company	
	2011	2010	2011	2010
Current value of non-financing liabilities.....	681	641	422	387
Unrecognized actuarial gains / (losses).....	(139)	(139)	(54)	(54)
Net liability recognized on balance sheet	<u>542</u>	<u>502</u>	<u>368</u>	<u>333</u>
<u>Amounts charged to the Statement of Income for the year</u>				
Current employment cost.....	70	70	39	39
Interest of liability.....	24	24	13	13
Recognized actuarial gains / (losses).....	4	4	2	2
Cost of termination of service.....	-	-	-	-
Total cost to the statement of income	<u>98</u>	<u>98</u>	<u>54</u>	<u>54</u>
<u>Changes in the net liability recognized on the balance sheet</u>				
Net liability at beginning of year.....	482	482	302	306
Benefits paid by the employer.....	(63)	(91)	(35)	(58)
Total cost recognized on the statement of income.....	76	98	54	54
Net liability at end of year	<u>502</u>	<u>489</u>	<u>321</u>	<u>302</u>
<u>Changes in the current value of the liability</u>				
Current value at beginning of year.....	641	482	387	306
Current employment cost.....	70	70	39	39
Interest cost.....	24	24	13	13
Benefits paid by the employer.....	(63)	(91)	(35)	(58)
Additional payments or expenses.....	-	-	-	-
Actuarial gains / (losses).....	9	156	18	87

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Current value of liability at end of year	<u>681</u>	<u>641</u>	<u>422</u>	<u>387</u>
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The amount of forecast, calculated by the Group on December 12, 2011, for employee termination benefits amounts to € 542, and by the Company to € 368. The amount of forecast that aggravated the financial results of the fiscal year ended on December 31, 2011 was € 40, as for the Group, and € 35, as for the Company. In the fiscal year 2010, the respective amounts were € 32 as for the Group and € 27 as for the Company.

23. Dividends

According to Greek Corporate law, the Company is obliged to distribute to its shareholders at least the maximum between 35% of its net profit after the distribution to legal reserve, unless the General Assembly decides differently provided that at least 70% of Share Capital is represented

The Board of Directors, taking into consideration the crisis in the market and in order to strengthen the company's financial position further, intends to bring for approval to the General Assembly of shareholders, which will decide respectively, the proposal of non distribution of dividends to the company's shareholders for the fiscal year 2010.

24. Related party transactions

According to IAS 24, related parties are subsidiaries companies, companies with common shareholding structure and/ or management. Moreover, the members of the Board of Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.

Sales of company's products to related parties concern primarily sales of merchandise. The sale prices are at cost plus a low profit margin. The receipt of services from company primarily covers (logistics etc.) as well as after sales service.

The compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive and independent members.

The compensation of Directors concern compensation regular payment according to employment contracts

The table below presents the receivables and obligations that arose from transactions with related parties as defined by IAS 24:

Subsidiaries	Company	
Receivables from:	December	December
	31, 2011	31, 2010
F.G. Logistics S.A.....	353	353
Fidakis Service S.A.....	-	-
City Electric S.A.....	-	-
Hydroelectrical Achaïas S.A.....	-	-
R.F. Energy S.A.....	11	12
Total	<u>364</u>	<u>365</u>

Subsidiaries	Company	
Obligations to:	December	December
	31, 2011	31, 2010
F.G. Logistics S.A.....	86	24
Fidakis Service S.A.....	34	13

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Total		<u>120</u>	<u>37</u>
Companies with common shareholding structure			
	Consolidated	Company	
Receivables from:	December 31, 2011	December 31, 2010	December 31, 2011
	31, 2010	31, 2010	31, 2010
CYBERONICA S.A.....	582	501	195
			114
Total	<u>582</u>	<u>501</u>	<u>195</u>
			<u>114</u>

The transactions with the related parties for the Years ended December 31, 2010 and 2009 are analyzed as follows:

Subsidiaries	Company	
Sales of goods and services:	Year ended December 31,	
	2011	2010
Administrative support.....	2	2
Inventories.....	71	151
Other.....	9	22
Total	<u>82</u>	<u>175</u>

Subsidiaries	Company	
Purchases of goods and services:	Year ended December 31,	
	2011	2010
Warranties.....	(479)	(534)
Inventories.....	-	-
Logistics.....	(3.380)	(3.379)
Total	<u>(3.859)</u>	<u>(3.913)</u>

Companies with common shareholding structure	Consolidated		Company	
Purchases of goods and services:	Year ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
Cyberonica S.A.....	(3.071)	(2.986)	(750)	(667)
Total	<u>(3.071)</u>	<u>(2.986)</u>	<u>(750)</u>	<u>(667)</u>

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

	Consolidated		Company	
Receivables from:	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Members of the Board and Directors.....	-	-	-	-
Total	≡	≡	≡	≡
	Consolidated		Company	
Obligations to:	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Members of the Board and Directors.....	-	10	-	<u>10</u>
Total	-	<u>10</u>	-	<u>10</u>

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	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
	2011	2010	2011	2010
Compensation:				
Personnel expenses.....	(2.472)	(2.255)	(2.158)	(1.980)
Provision for staff leaving indemnity.....	(30)	(12)	(26)	(12)
Total	<u>(2.502)</u>	<u>(2.267)</u>	<u>(2.184)</u>	<u>(1.992)</u>

FG EUROPE on July 05 2011 bought 480.000 shares of GLOBUS MARITIME LIMITED, which is listed on NASDAQ stock exchange, of total value € 2.656. GLOBUS MARITIME LIMITED and F.G. EUROPE have the same main shareholder.

25. Contingencies

In 2008 Company's subsidiaries filed applications to RAE and the Ministry of Development for the issuance of Production Licenses for Wind Power Energy Production Plants, located at various sites in Evia Prefecture, and with 387MW capacity in total. Subsequently meteorological masts were erected in said site locations in order to measure wind potential while parent Company R.F. ENERGY S.A. provides to its subsidiaries administrative, development and management services on this project. Moreover Company's subsidiaries have taken actions to receive approval from competent authorities to develop this project. Said Production Licenses have not as of the date of issuance of the document at hand been granted.

As at December 31, 2009 the Group had spent on development of the aforementioned project the amount of €1,962, of which €1,369 is included under trade and other receivables and €593 is included under capital commitments under way in the consolidated balance sheet.

Within fiscal year 2009 several Production Licenses were granted to unrelated companies for Wind Power Energy Production Plants located at sites which are at close proximity to Company owned projects, for which Company's subsidiaries have applied for Production Licenses. As a result, in December 2009 the Company proceeded to legal action against Decisions by the Ministry of Energy and Environment, RAE, and the Special Committee for the Environment. Action was filed to the Supreme Administrative Court, requesting annulment of said Production Licenses which were issued in favor of unrelated companies, on the basis of impingement of the Company's subsidiaries' lawful rights (as Company's subsidiaries have also filed applications for Production Licenses for Wind Power Energy Production Plants located in the area, and no decision has been reached yet), and material breach of substantial legal and statutory provisions. As of the date of issuance of the document at hand the Supreme Administrative Court has not convened on the case matter.

On May 2010 the extraordinary general assemblies of the subsidiaries R.F. ENERGY GARBIS SA and R.F. ENERGY ZEFYROS S.A. decided the companies' termination and their liquidation. The subsidiaries purposed to take the management of two aeolic parks of 18 and 24 MW power at the Arkadia Prefecture. The redemption cancelled because the agreement defaulted by the sellers. The subsidiary R.F. ENERGY has filed a lawsuit, about the costs that have done amount of € 713, for the process of the redemption. The subsidiary has already recognized in its balance sheet amount of € 299, and considers that will take it through the lawsuit.

Furthermore, as of December 31, 2011 the company R.F. ENERGY S.A. has issued guarantees for loans of its subsidiaries of total amount € 31.986 which will be repaid until 2023.

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Moreover 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. The amount of issued letters of guarantees on 31/12/2011 is € 11.252.

26. Commitments

Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2011. The future aggregate minimum lease payments arising from building lease agreements until year 2017 are estimated to amount to € 13.543 approximately. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to € 366 approximately.

Consolidated						
	Year 2011	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total 2011 hereafter
Future lease agreements for						
- buildings.....	3.071	3.068	3.137	3.754	117	10.070
- cars.....	164	136	105	67	7	315
- fields for installation Aeolic parks	604	604	604	3.624	-	4.832
Total	<u>3.839</u>	<u>3.808</u>	<u>3.846</u>	<u>7.445</u>	<u>124</u>	<u>15.223</u>

Company						
	Year 2011	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total 2011 hereafter
Future lease agreements for						
- buildings.....	750	750	787	1.395	91	3.023
- cars.....	164	136	105	67	-	315
Total	<u>914</u>	<u>886</u>	<u>892</u>	<u>1.462</u>	<u>98</u>	<u>3.338</u>

27. Post Balance Sheet Events

Inside 2012 were approved submitted from 2010 applications of affiliated company AEOLIC KYLINDRIAS S.A. and were granted to her 3 new authorisations of derivative electric energy from Biogas, force 7.06 MW. Is expected the issuing of one still authorisation from biogas, force 2.26 MW.

There are no other significant post balance sheet events having occurred after December 31, 2011 concerning the Company that should have been disclosed.

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These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on March 20, 2012 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>

Glyfada, March 20, 2012

Chairman of the Board of Directors	Managing Director	Finance Manager	Accounting Supervisor
Georgios Fidakis ΑΔΤ Ν 000657	John Pantousis ΑΔΤ Ξ 168490	Michael Poulis ΑΜ ΟΕΕ 016921	Athanasios Harbis ΑΜ ΟΕΕ 0002386

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INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

The following Announcements/ Notifications have been sent to the Daily Official List Announcements and are posted to Athens Exchange website as well as to our Company's website www.fgeurope.gr

Date	Information
24/11/2011	F.G. EUROPE S.A. Financial Results
04/08/2011	Press Release
02/08/2011	Announcement of change in voting rights in accordance to L. 3556/2007
02/08/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
02/08/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
27/05/2011	Announcement
18/05/2011	Decisions of General Shareholder Meeting
22/03/2011	Updated Financial Calendar 2011
18/03/2011	Press Release - Annual 2010 Results
17/03/2011	Announcement
08/03/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
03/03/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
03/03/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
01/03/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
01/03/2011	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005

Internet site of the Company

According to the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission, the annual Financial Statements, the Auditor's Report and the Board's of Directors Report of F.G. EUROPE S.A. are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>

The annual Financial Statements, the Auditor's Reports and the Board's of Directors Reports of the subsidiaries companies of the Group are accessible to the public in electronic form on the above-mentioned company's website.



F.G. EUROPE
SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES
P.C.S.A. Register Number 13413/06/B/86/111

Municipality of Glyfada, 128, Vouliagmenis Ave., Zip Code 166 74

FIGURES AND INFORMATION FOR THE YEAR OF 1 JANUARY UNTIL 31 DECEMBER 2011

(Published according to L. 2190, article 135 for companies preparing annual financial statements, company and consolidated, according to IFRS)

The financial information listed below is aiming to provide a general awareness about the financial results of FG EUROPE S.A. and its Group. Consequently, it is recommended to the reader, before any investment decision or transaction performed with the Company, to visit the website of the Company where the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) are available together with the auditors review report, when required, are presented.

COMPANY DATA	
Responsible Supervisory Body:	Ministry of Development
Company's website address:	http://www.fgeurope.gr
Composition of Board of Directors:	Georgios Fidakis (President), Spyros Lioukas (Vice President - Non executive member), Ioannis Pantousis (Managing Director), Adreas Demenagas (Executive member), Ioannis Katsoulakos (Non Executive member), Georgios Stroggiopoulos (Non Executive member), Nikolaos Pibilis (Non Executive member)
Date of approval of the annual financial statements (from which the condensed data has been extracted):	March 20, 2012
Auditor:	Christodoulos Seferis (SOEL Reg. No. 23431)
Audit Company:	Ernst & Young (Hellas) Certified Auditors Accountants S.A.
Type of Audit Report:	Unqualified audit report

CONDENSED STATEMENT OF FINANCIAL POSITION (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
ASSETS				
Tangible assets	76.429	35.046	286	345
Investments in Property	315	325	315	325
Intangible assets	7.291	7.474	1	2
Other non current assets	5.690	4.592	18.567	18.102
Inventories	33.810	33.489	33.798	33.469
Trade receivables	40.850	33.743	20.266	15.051
Other current assets	34.463	35.643	32.522	27.586
TOTAL ASSETS	198.848	150.312	105.755	94.880
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	15.318	12.712	18.511	15.755
Total equity attributable to the owners of parent company (a)	31.158	28.552	34.351	31.595
Minority interests (b)	21.244	22.729	---	---
Total equity (c) = (a) + (b)	52.402	51.281	34.351	31.595
Long term borrowings	71.564	51.191	28.098	38.496
Provisions / Other long-term liabilities	23.689	19.465	368	333
Short term borrowings	26.199	13.265	21.628	10.279
Other short term liabilities	24.994	15.110	21.310	14.177
Total liabilities (d)	146.446	99.031	71.404	63.285
TOTAL NET EQUITY AND LIABILITIES (e) = (c) + (d)	198.848	150.312	105.755	94.880

CONDENSED STATEMENT OF CHANGES IN NET EQUITY (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Equity balance at the beginning of the year (1/1/2011 and 1/1/2010 respectively)	51.281	55.730	31.595	35.625
Total comprehensive income after taxes	2.593	3.474	2.756	3.890
Share capital increase/(decrease)	(1.374)	(3)	---	---
Dividend distribution	---	(7.920)	---	(7.920)
Minority interest increase/(decrease)	(98)	---	---	---
Equity at the end of the year (31/12/2011 and 31/12/2010 respectively)	52.402	51.281	34.351	31.595

CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Turnover	99.724	96.371	94.083	91.445
Gross profit	28.121	26.984	25.508	25.299
Earnings before taxes, financing and investing activities	8.351	8.672	7.257	8.471
Earnings before taxes	5.600	6.796	5.459	7.063
Earnings after taxes (A)	4.048	3.542	4.211	3.958
Attributable to:				
- Equity holders of the parent company	4.172	3.531	---	---
- Minority interest	(124)	11	---	---
Other comprehensive income after tax (B)	(1.455)	(68)	(1.455)	(68)
Total comprehensive income after tax (A) + (B)	2.593	3.474	2.756	3.890
Attributable to:				
- Equity holders of the parent company	2.717	3.463	---	---
- Minority interest	(124)	11	---	---
Earnings per share - basic (in Euro)	0,0790	0,0669	0,0798	0,0750
Proposed dividend distribution - (in Euro)	---	---	---	---
Earnings before interest, depreciation, amortization and taxes	10.400	10.622	7.340	8.580

CONDENSED CASH FLOW STATEMENT (consolidated and not consolidated) amounts in € thousands				
Indirect method	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Operating Activities:				
Earnings before taxes	5.600	6.796	5.459	7.063
Add / (less) adjustments for:				
Depreciation and amortization	2.049	1.950	83	109
Provisions	1.189	437	1.182	429
Result of investment activity	(714)	(970)	(612)	(559)
Interest and similar expenses	3.466	2.846	2.411	1.967
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(279)	3.517	(287)	3.499
Decrease / (increase) in receivables	(10.208)	27.751	(6.454)	29.392
(Decrease) / increase in liabilities (other than banks)	8.664	(19.228)	6.230	(6.440)
Less:				
Interest income	657	985	556	574
Taxes paid	(1.513)	(4.468)	(1.461)	(3.889)
Total inflow / (outflow) from operating activities (a)	8.911	19.616	7.107	32.145
Investing Activities				
Acquisition of subsidiaries and other investments	(2.753)	(2.000)	(1.866)	(300)
Proceeds from sale of available for sale financial assets	---	8	---	8
Purchase of tangible and intangible assets	(43.318)	(6.013)	(14)	(52)
Proceeds from the sale of PPE and intangible assets	11	---	---	---
Government grants	6.114	5.706	---	---
Proceeds from dividends	56	---	56	---
Total inflow / (outflow) from investing activities (b)	(39.890)	(2.299)	(1.824)	(344)
Financing Activities				
Proceeds from capital increase	1.245	---	---	---
Payment for capital return	(2.618)	---	---	---
Proceeds from borrowings	46.580	2.935	11.223	---
Payments of borrowings	(13.401)	(20.570)	(10.400)	(10.406)
Interest and similar expenses paid	---	---	---	---
Interest and similar expenses paid	(2.545)	(2.149)	(1.708)	(1.322)
Dividends paid	---	(7.920)	---	(7.920)
Total inflow / (outflow) from financing activities (c)	29.261	(27.704)	(885)	(19.648)
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	(1.718)	(10.387)	4.398	12.153
Exchange rate differences	538	357	538	357
Cash and cash equivalents at beginning of the year	35.643	45.673	27.586	15.076
Cash and cash equivalents at the end of the year	34.463	35.643	32.522	27.586

- ADDITIONAL DATA AND INFORMATION**
- Group companies that are included in the consolidated financial statements are presented in note (1) of the annual financial statements including locations, percentages, Group ownership and consolidation method.
 - The "Other comprehensive income after tax" for the Group and the Company of € 1.455 thousands, represents revaluation loss on securities which are classified as "available for sale investments".
 - There are not companies which were included in the consolidated financial statements of the year 2011 and were consolidated for the first time. Apart of the companies R.F. ENERGY GARBIS S.A and R.F. ENERGY ZEFYROS S.A. there are no other companies which were not included in the consolidated financial statements of the year 2011 and had been consolidated in the corresponding period of 2010. Also there are not companies which have not included in the consolidated financial statements and the consolidation method is the same as this applies in the previous periods.
 - There are no own shares that are held from the Company or by its subsidiaries and associates companies for the period ending as of 31 December 2011.
 - There are no litigations or arbitrations in process or finalized that would have significant effect on the financial position of the Group or the Company.
 - The tax returns of the companies of the Group have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The Group and the Company have made provisions for additional taxes and penalties for the amount of € 369 thousands and € 295 thousands respectively. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (8) to the annual financial statements.
 - The Group and the Company have not made "General provisions" as at December 31, 2011.
 - The number of employees as of December 31, 2011 was: Group 105, Company 62 persons. December 31, 2010 was: Group 115, Company 63 persons.
 - The transactions and balances in € thousands for the year ending 31 December 2011 with related parties as defined by IAS 24 are as follows:

a) Sale of goods and services	---	82
b) Purchase of goods and services	3.071	4.609
c) Receivables from related parties	582	559
d) Payables to related parties	---	120
e) Key management personnel compensations	2.502	2.184
f) Receivables from key management personnel	---	---
g) Payables to key management personnel	---	---
h) Purchase of shares	2.656	2.656
 - The Group has reclassified certain amounts of the fiscal year 2010, in order to be comparable with the corresponding figures of the current year, with no impact on the prior year equity, turnover and earnings after tax of the Group. (Note 10 and 21 of annual financial statements).
 - There are no significant events subsequent to December 31, 2011 concerning the Group or the Company, apart of those which are presented in note (27), that would require adjustment to or additional disclosure in the published financial statements in accordance with IAS 10 principles.

CHAIRMAN OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

FINANCE DIRECTOR

CHIEF ACCOUNTING OFFICER

GEORGIOS FIDAKIS
ID No N 000657

JOHN PANTOUSIS
ID No E 168490

MICHALIS POULIS
R.G. 016921

ATHANASIOS HARBIS
R.G. 0002386

KRONOS S.A.

GLYFADA, ATTIKIS MARCH 20, 2012