F.G. EUROPE S.A.

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

ANNUAL FINANCIAL REPORT

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In accordance with
Article 4 of L. 3556/2007

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FG europe
FIDAKIS GROUP

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, 2013, 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, 2013 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 27, 2014

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 31/12/2013

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, 2013 prepared in accordance with provisions set forth in article 43a, paragraph 3, article 107, paragraph 3 and article 136, paragraph 2, Law 2190/1920 and article 4, paragraph 7, Law 3556/2007 and the Decision No. 7/448/11-10-2007 of the Board of Directors of HCMC

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, 2013 until December 31st, 2013.

Reference is also made to any significant events that took place during fiscal year period of 2013 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 the 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, which presence dates back to 1958.

From mid-2012, F.G EUROPE became the exclusive distributor for the Greek Market of Air-conditioning Units and from March 2013 of the White Appliances of the Chinese manufacturing giant Midea. Midea is one of the largest manufacturing and export companies of White Electrical Home Appliances, globally.

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).

On 20/05/13 the Boards of Directors of F.G. EUROPE S.A. and its 100% subsidiary companies FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. approved the Draft of Merger Agreement through absorption of the two subsidiaries by F.G. EUROPE S.A.. With the Decision No K2-5977/10.10.2013, the Ministry of Development and Competitiveness approved the merger, which is expected to lead to significant economies of scale for both F.G. EUROPE S.A. and the Group, in total. The activities of the absorbed companies are now being performed by F.G. EUROPE S.A., which also absorbs their entire staff. The absorbed companies had until the date of the merger common Management with the Parent Company, which confirms that the policy followed with respect to the activities of the absorbed companies, will not vary.

R.F. ENERGY S.A.: Subsidiary of the Group. F.G. EUROPE S.A. currently owns a 50% stake after the acquisition of the 10% stake of MAKMORAL TRADING LIMITED (a company owned by Mr. Georgios Fidakis). Restis Family also owns a 50% 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 four new production licenses from biomass with total capacity of 9.328 MW.

In December 2011, 100% subsidiary AIOLIKI ADERES S.A. completed the construction of three wind farms with total power of 35.4MW in Argolida Prefecture, which operation began in December 2011.

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 3.615 MW.

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 2011, the above applications were discussed in the Council of State, which has not yet issued a final decision.

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 69 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.

The following seven (7) subsidiaries of the Group
R.F. ENERGY SCHIZALI S.A.
R.F. ENERGY KORAKOVRAHOS S.A.
R.F. ENERGY DEXAMENES S.A.
R.F. ENERGY LAKOMA S.A.
R.F. ENERGY PRARO S.A.
R.F. ENERGY KALAMAKI S.A.
R.F. ENERGY XESPORTES S.A.

,according to the decision of their Boards of Directors on 20/09/2012, decided to merge by absorption by RF ENERGY MISOCHORIA S.A., using the beneficial provisions of L. 2166/93 and the relevant articles of L.2190/1920, as applicable (articles 69,70,72 – 77).

The merger was completed on 28/12/2012 and as a part of this process, the acquiring company increased its share capital by the amount of the share capitals of the companies absorbed (contributed capital), which amounted to € 0.745m.

On 25/06/2013, the Boards of Directors of the 100% subsidiary companies of R.F. ENERGY S.A., R.F. ENERGY OMALIES S.A., R.F. ENERGY MISOCHORIA S.A. and R.F. ENERGY TSOUKKA S.A. decided their merger through absorption of the second one and the third one by R.F. ENERGY OMALIES S.A., according to the provisions of L.2166/93 and L.2190/1920, as applicable. On 25/11/2013, the Extraordinary General Assemblies approved the merger and provided authorization for the signing of the Merger Agreement, which took place on the same date. The final approval for the merger was given by the competent authority of G.E.M.I. on 18/12/2013.

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

Despite the constant decline in demand in the domestic market, FG EUROPE S.A. maintains its positive performance in the fiscal year 2013, while preserving satisfactory profitability, principally based on its exports in the sector of air conditioning.

Company‘s profitability remains extremely healthy as EBT amounts to € 3.96 mil, decreased by 28% against € 5.50 mil in 2012.

Company's total sales account for € 87.74 mil, against € 99.40 mil in 2012, presenting a 12% decrease. Given that Company‘s exports remain at the same level as those in 2012, said decrease is mainly due to the drop of sales in the domestic market, which fell to € 32.24 mil from € 42.56 mil in 2012.

Exports account for € 55.50 mil, representing 63.25% of Company's total sales (57.18% in 2012) and 66.73% of air conditioner sales (60.35%) respectively.

More specifically, at parent company level:

Sales of durable consumer goods account for € 87.70 mil in 2013, presenting a 11.65% decrease against € 99.27 mil in 2012.

Air Conditioners sales amount to € 83.17 mil against € 94.18 mil in 2012, decreased by 11.69%.

Sales of ESKIMO white appliances present a significant 43.34% increase in 2013, accounting for € 2.51 mil (€ 1.75 mil in 2012).

Sales of SHARP's product (both white and brown appliances) were clearly affected by the crisis in 2013 and amounted to € 2.03 mil versus € 3.34 mil in 2012, presenting a 39.22% decrease.

Gross Profit Margin increases by 42 basis units in 2013, reaching the point of 24.51% versus 24.09% in 2012. Nevertheless, Gross Profit presents a 10.18% decrease, as it accounts for € 21.51 mil against € 23.95 mil in the previous year.

Said decrease in domestic sales provokes a 14.64% reduction in trade and other receivables which stand at 31/12/2013 € 26.51 mil (€ 31.06 mil at 31/12/2012).

Sales decrease in domestic market partially influenced the quantity of stock which amounts to € 40.43 mil at 31/12/2013 from € 35.00 mil at 31/12/2012 (€ 50.5 mil at 30/06/2013 and € 47.59 mil at 30/09/2013 respectively).

Company's total liabilities amount to € 68.81 mil against € 67.42 mil in 2012, slightly increased by 2.06%. Nevertheless, trade and other payables present a significant 61.39% decrease and amount to € 10.54 mil versus € 27.30 mil at 31/12/2012. Such a decrease undoubtedly affects Company's cash and cash equivalents, which decline to the level of € 10.71 mil against € 17.43 mil in 2012.

For the fiscal year 2013, Company's general expenses decreased by 12.31% (from € 17.25 mil in 2012 to € 15.12 mil in 2013) as a combination of the domestic sales decline and the management constant effort to rationalize company's operating expenses.

Company's EBITDA amounts to € 7.38 mil in 2013 against 7.20 mil in 2012, presenting a satisfactory increase of 2.39%, mainly due to the limitation of operating expenses and the positive exchange differences arising in 2013. Operating margin increases to the point of 8.41% from 7.25% in 2012.

Net Income presents a 32.90% decline in 2012 and amounts to € 2.93 mil versus € 4.36 mil in 2012.

Consolidated Group figures:

Group turnover, decreases by 10.82% and accounts for € 99.1 mil € in 2013, over € 111.12 mil € received in 2012.

In the Energy sector, Group's Sales remains almost at the same level and account for € 11.38 mil against € 11.63 mil in 2012.

Group's Gross Profit, affected by the figures of the Parent Company, amounts to € 26.42 mil in 2013 over € 29.57 mil in 2012, presenting a 10.66% decrease. However, Gross Profit Margin presents a slight upward movement of 5 basis points and accounts for 26.66% (26.61% in 2012).

EBITDA accounts for € 13.82 mil in 2013 slightly decreased from the level of € 14.42 mil achieved in 2012 while EBITDA margin is improved by 96 bases points and amounts to 13.94% from 12.98% in 2012.

Group's General Expenses present a 9.41% decline and account for € 17.56 mil in 2013 versus € 19.39 mil in 2012, while the index General Expenses over Sales stands at 17.72% over 17.45% in 2012. It is noticed that Group's total general expenses were burdened in 2013 with the amount of € 1.14 mil as extraordinary taxation, imposed under the Law 4093/2012 on revenues arising from Energy Sector. In 2012 the respective charge was € 0.51 mil.

Group's Net Financial Results present an important decrease of 20.77% and account for € 3.22 mil in 2013 against € 4.07 mil in 2012. Said decrease is attributed to:
a) the positive exchange differences of € 0.45 mil arising in 2013
b) the increase of € 0.24 mil in interest receivable
c) the profit of € 0.33 arising from trade of stocks
d) the preservation of interest payable to the same level as in 2012 (€ 4.69 mil versus € 4.61 mil in 2012).

Group's total liabilities, decreased by 17.40%, account for € 118.54 mil (€ 143.50 mil in 2012), mainly due to the decline of Group's Bank Debt.

As at 31/12/2013, EBT presents a downward movement by 4.08% and amounts to € 6.28 mil (€ 6.55 mil in 2012). However, the relevant index of EBT over Sales ενισχύεται to the point of 6.34% against 5.89% in 2012

Group's net income stands at € 3.64 mil in 2013, decreased by 24.04% versus net income of € 4.79 mil achieved in the previous year.

Other Financial Ratios:

	2013	2012
• Current Ratio for the Company:	1.14	1.63
• Current Ratio for the Group:	1.24	1.59
• Quick Ratio for the Company:	0.54	0.95
• Quick Ratio for the Group:	0.68	1.10
• Inventory Turnover Ratio for the Company (in days):	223	169
• Inventory Turnover Ratio for the Group (in days):	203	157
• Return on Equity Ratio for the Company:	7.00%	11.46 %
• Return on Equity Ratio for the Group:	8.59%	8.78 %
• EBITDA Ratio for the Company:	17.66%	18.93 %
• EBITDA Ratio for the Group	27.99%	26.03 %
• Earnings before tax Ratio for the company	4.52%	5.54%
• Earnings before tax Ratio for the group	6.34%	5.89%

B. Other Significant Events

On 10/01/2014 a Common Bond Loan of € 65 mil was issued by FG EUROPE SA and was fully covered by Banks EUROBANK, PIRAEUS, ALPHA BANK, NATIONAL AND GENERAL. The scope of the current bond was to refinance its existing short-term borrowings and to meet the Company's needs for working capital.

No other significant events occurred after December 31st, 2013 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.

On 31/12/2013, Profit after Tax and the equity for the Group and the Company would have been € 78 (€ 625 in 2012) (lower) / higher, if € was weaker / stronger than USD by 4%, with the other variables held constant mainly as a result of losses / gains from foreign exchange differences on the settlement of trade liabilities hedged by credit / debit exchange differences on the conversion of cash and cash equivalents.

On 31/12/2013, Profit after Tax and the equity for the Group and the Company would have been € 5 (€ 3 in 2012) (lower) / higher, if € was weaker / stronger than JPY by 10%, with the other variables held constant mainly as a result of gains / losses from foreign exchange differences on the collection of trade receivables and the conversion of cash and cash equivalents hedged by losses / gains on the settlement of trade liabilities.

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.

Shares of the portfolio are included in the General Index of the ASE. The following table shows the effect that an increase/decrease in the General Index of the ASE would have on equity of the Group for the fiscal year. The analysis is based on the assumption of increase / decrease of the General Index of the ASE by 21% and the General Index of NASDAQ by 14%, with all other variables held constant and the shares held by the Group and the Company following exactly this change.

	Impact on Equity	
	2013	**2012**
ASE General Indes	8	17
NASDAQ	143	53
Total	**151**	**70**

Equity would have increased /decreased by € 151 (€ 70 in 2012) as a result of gains/losses resulting from the evaluation of the available for sale financial instruments.

Cash flow and interest rate risks: The Group has not interest-bearing assets and hence income and operating cash flows are not substantially affected by the changes in interest rates.
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.

On 31/12/2013, profit after tax and the equity for the Group would have been € 580 (€ 622 in 2012) (lower) / higher, while for the Company would have been € 424 (€ 413 in 2012) (lower) / higher, if the € interest rates were 90 basis points higher / (lower) for the Group of the subsidiary R.F. ENERGY S.A. and 100 basis points higher / (lower) for the Company with the other variables held constant. This would mainly happen due to higher / (lower) financial costs for bank loans with floating rate in €.

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. Sales to individuals are about 1% of the total turnover of the Group and carried out mainly in cash. During the FY 2013 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. Moreover, the Company's receivables are spread in a wide number of customers, so there is no concentration and consequently severely limited credit risk.

The maximum exposure of the Group and the Company to credit risk for trade receivables on 31/12/2013 is analyzed in note 13.

With the Draft Law submitted for consultation in early March 2014, changes in the market of RES are being promoted. According to the Draft Law, the producers using wind farms and SHP will issue a credit note of 10% on sales in 2013. This will result in a corresponding adjustment of the Special Levy of L.4093/2012 imposed on the producers of RES, due to the reduced, after the discount, sales. If the aforementioned changes were implemented, the financial results for the Group would have been altered by € 1.02 mil before taxes, the deferred tax of 26% would have an effect of € 0.27 mil and the net negative effect on the profit after tax would be € 0.76 mil.

Liquidity risk: Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which on 31/12/2013 amounted to € 112.000 for the Group and € 89.000 for the Company.

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 was restricted to distribution of demand throughout the period of the year, due to the shift of the consumers to use air-conditioners to meet their needs for heating due to the significant increase in the price of heating oil. 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

For the fiscal year 2014 principal target of the Management Team in the field of air-conditioning is to support and expand Company's activities in European Markets where it operates. To this context, FG EUROPE SA has initiated the establishment of two subsidiaries in Italy (100% subsidiary) and in Turkey (55% subsidiary) respectively, with a view to strength its presence in these countries where it is believed that, despite the crisis, there is there considerable room for growth. In the domestic Market, Management aim is to maintain its leading position in air-conditioning sector as well as to ensure the collection of sales receivables. At the same time, the Company seeks to further promote MIDEA products (both air conditioners and white appliances) in the Greek Market, whose distribution undertook in 2012. The range of Midea products provided is constantly enriched as in 2014 dehumidifiers and microwave ovens were added at very competitive prices.

Presence of Eskimo Products is expected to grow in the domestic market, increasing year by year their market share.

Taking into thorough consideration the effects of the financial crisis to the market and the limitations in corporate financing, the Management continues to apply strict credit and aggressive trade policy, trying to secure the company against any potential financial threats.
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 refinancing of bank debt (short and long-term) and securing the required working capital through the new Bond Loan issued by the Company amounting to € 65 mil. contribute to the reduction of financing cost and the uninterrupted continuation of the development of the Company.

In the energy sector, despite the burden on the financial results of the Group companies due to the Special Levy, the perspectives remain positive with the installed operating force of the Group companies amounting to 64,015 MW and the under development permits for wind projects, offshore and onshore and generating electricity from biogas amounting, in total, to 896.98 MW.

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 2013.

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 L.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 2013 between the company and related parties are presented below, in accordance with provisions of IAS 24, pertaining to amounts over €10 thousand:

F.G. 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 (common ownership) income from leasing offices and storing facilities to the Group companies amounts to € 3.27 mil (€ 3.09 mil in 2012). From that amount, the contribution of F.G. EUROPE S.A. was € 3.15 mil instead of € 0.77 mil in 2012 (the increase is due to the appearance by F.G. EUROPE S.A., after the absorption of the subsidiaries FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A., apart from its own rents, of all the rents that former subsidiaries paid during the fiscal year to CYBERONICA S.A. to lease warehouses and Service. If F.G. EUROPE S.A. continued to pay the rent paid before the merger of subsidiaries, this amount would be € 0.96 mil.

The biggest share was paid to lease storage facilities of 25,000 square meters in Aspropyrgos and Glyfada. The Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 0.57 mil (€ 0.58 in 2012). The amount paid as guarantee from F.G. EUROPE S.A. is € 0.56 mil (€ 0.20 in 2012). If there was not a merge, the amount of guarantee for F.G. EUROPE S.A. would remain at € 0.20 mil and the apparent increase would be due solely to the merger of FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. and incorporation by F.G. EUROPE S.A. of the guaranties that the subsidiaries had paid.

In 2013, F.G. EUROPE S.A. paid as an advance on rent to CYBERONICA S.A. the amount of € 0.31 mil, while CYBERONICA S.A. owes an amount of € 0.17 mil to F.G. EUROPE S.A., which corresponds to EETHDE for fiscal years 2011, 2012 and 2013, paid by F.G. EUROPE S.A.

F.G EUROPE S.A. bought 3,109,834 shares of its subsidiary R.F. ENERGY S.A. of total value of € 10.57 mil, according to the decision of its Board of Directors on 15/05/13.

F. Own Shares

As at December 31st 2013, 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). All the rights and obligations defined by the Law and the Articles of Association, derive from each share. 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 has been extended till 28/01/2013 and 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, 2013 shareholders named below owned a percentage larger than 5% of the total Company's votes:

- Georgios Fidakis direct interest of 27.49% and indirect interest of 30.46%. Total participation in the Company's share capital is 57.95%.
- SILANER INVESTMENTS LIMITED, direct interest 30.46%%
- 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 28/6/2013, 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 28/06/2013 elected the Company's Board of Directors with a two-year term

4. The Company's Board of Directors convened on 02/07/2013 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
Demenagas Andreas – Fotios of Konstantinos	Executive Member
Katsoulakos Ioannis of Socrates	Independent Non-executive Member
Stroggylopoulos Georgios of Athanasios	Independent Non-executive Member
Pimblis Nicolaos of Evarestos	Independent Non-executive Member

5. There have not been any changes in participations of shareholders to the company (above 5% participation share) in fiscal year 2013.

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. The companies of the Group, following a path of sustainable growth, operate in a manner that protects both the environment and the health and safety of their employees.

As part of its actions of corporate responsibility, the Management of the Company, for the relief of our fellow citizens who demonstrably belong to socially vulnerable groups, ordered the free distribution and installation of 1000 air conditioners to beneficiaries who have joined the social invoice of PPC, which citizens with economic problems such as long-term unemployed, people with disabilities, those needing mechanical support, parents with three dependent children and people with low income have joined.

There have been 11,600 applications and 1,000 beneficiaries of free air conditioners emerged from a draw with presence of a notary. While, initially, the free distribution of 1,000 air conditioners of 9,000 BTU and 12,000 BTU was announced, due to the fact that increased needs to be covered arose, according to information given by the beneficiaries, the Management decided the distribution, at a rate close to 40%, of air conditioners of 18,000 BTU and 24,000 BTU, without any further burden.

Management’s commitment is to continue, also in the future, actions aimed at relieving our fellow men, sparing no material and moral burden.

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.

The Board of Directors, due to non distribution of dividends in the previous three years, proposes to the Annual General Assembly the distribution of dividend for the fiscal year 2013 to the shareholders amounting to the minimum allowed, that is 35% of the profits for the year. The final decision on the amount of the dividend to be distributed is proposed by the BoD to be taken by the Annual General Assembly.

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) and amended by the Hellenic Council of Governance Code on 28/6/13. 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 2013.

The Code aims at the constant improvement of the Greek institutional framework and general business environment and to increase the confidence of the investors regarding both the total of listed companies and each one of them and broadens the horizons to attract investment capital.

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 amended by the Hellenic Council of Governance Code on 28/6/13.

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 28/6/2013 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. Stroggylopoulos 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.

No Corporate Secretary of the Board of Directors has been officially appointed, since, until now, this role was performed by one of the Executive members of the BoD. Intention of the Management is after the election of the next BoD, is the definition of the Corporate Secretary who possesses the necessary qualifications by the Code, in order to meet the needs of this specific position.

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 Chairman or his legal substitute.

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 Internal Control Committee and Competition, Transparency and Corporate Governance 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.

The diversity policy, including gender balance for the members of the Board, as adopted by the Board, will be posted on the corporate website. In the statement of the corporate governance, a specific reference to:

a) the diversity policy applied by the company, regarding the composition of both the Board and senior management and
b) the percentage of representation of each sex, respectively should be included.

The Board of Directors now consists exclusively of men. No diversity policy regarding the composition of both the BoD and the senior management has been implemented so far by the company. The company's priorities include finding and adding qualified representative of female sex among the members of the Board, without bound in time for the company's compliance with the above practice, since the condition for its satisfaction is finding the right people to staff positions in the Board and the Management of the company.

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 last Board of Directors elected by the General Assembly on 28/06/2013, trough implementation of the special practice laid down by the Code, elected independent Vice-Chairman among its independent non-executive members, given that the Chairman comes from the executive members of the Board.

IV. Duties and conduct of board members

Each board member has a duty of loyalty to the company an 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 endeavor 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 which set the framework for acquisition of sufficient information by the Board, so as to base its decisions on the transactions between related parties, following the standard of a prudent businessman. The Board, during the administration of company affairs and, hence, transactions between the Company and its related parties presents the same diligence of a prudent businessman, so that these transactions be fully transparent and in accordance with the terms and conditions of the market and full compatibility with the existing regulatory framework, as determined by the relative provisions of both the corporate and tax legislation. The same care is followed regarding the transactions between company's subsidiaries and related parties. The company's intention, if necessary, is to establish the necessary procedures in order to ensure and acquire, on behalf of the BoD, sufficient

information, in order to base its decisions for the transaction between its related parties on the standard of prudent businessman.

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.

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.

The committee shall meet when it comes to indicating the nominations and qualification of the candidates for their election to the BoD.

Company's Operating Rules, which will explain the role and responsibilities of the committee, have not been written or posted on the website of the Company.

The committee does not use the services of external consultants and therefore it is not necessary to provide funds to the committee for this purpose.

The committee has not submitted proposals for diversity policy that should be applied by the Company, including gender balance, but its intension is the submission of diversity proposals in the next election of members of the BoD.

VI. Functioning of the Board

The Board should meet sufficiently regularly to discharge its duties effectively. The Board should 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, in spite of the presence independent Vice- Chairman in the last BoD, has been established. This procedure is not considered necessary on the basis of the current organizational structure of the Company.

No procedure for convergence of independent non-executive members of BoD without the presence of executive members to assess their performance and determine their fees has been established, since the executive members of the BoD do not receive compensation for their participation in the meetings of the Board.

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 28/6/2013 the Audit Committee, consisting of three independent non-executive members of the Board.

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

1. Regarding the system of Internal Control and Information Systems, the Audit Committee:

a) Monitors the financial reporting process and the reliability of financial statements of the company. Also, it should oversee any formal announcement relating to the financial performance of the company and examine the key points of the financial statements that involve significant judgments and estimates on behalf of the Management.
b) Oversees internal financial controls of the company and monitors the effectiveness of the systems of Internal Control and Risk Management of the company, unless this responsibility clearly belongs to the Board of Directors or another committee. For this purpose, the Audit Committee should periodically reviews the systems of Internal Control and Risk Management to ensure that the main risks are identified, faced and disclosed correctly.
c) Should address conflicts of interest during transactions of the company and its subsidiaries with related parties and submit relevant reports to the BoD.
d) To the extent required by the company policy, supports the BoD as to obtain adequate information for making decisions relating to transactions between related parties.
e) Should consider the existence and the content of those procedures under which personnel of the company may, in confidence, express their concern about possible illegalities and irregularities in financial reporting or other matters relating to the operation of the company. It should ensure the existence of procedures for effective and independent investigation of such matters and for appropriate response, as well.

2. Regarding the oversight of the Internal Audit, the Audit Committee:

a) Should ensure the functioning of the internal audit in accordance with international standards for the professional application of internal control. It identifies and examines the rules of the internal audit of the company.
b) Monitors and supervises the proper functioning of the internal audit and examines quarterly control reports.
c) Ensures the independence of the internal audit, recommending to the Board the appointment and dismissal of the head of the internal audit
d) Evaluates the head of the internal audit

3.Regarding the supervision of the regular audit, the Audit Committee:

a) Should, through the Board, make recommendations to the General Assembly on the appointment, reappointment and withdrawal of the regular auditor and approving the remuneration and terms of the appointment of the regular auditor.
b) Reviews and monitors regular auditor's independence and objectivity and the effectiveness of the audit process, taking into account the relevant professional and regulatory requirements in Greece.
c) Examines and monitors the provision of additional services to the company by the audit company that owns the regular auditor/s. For that purpose, it should develop and implement a police for hiring statutory auditors on the provision of non-audit services and oversee its implementation.
d) Should discuss with the auditor about the essential audit differences that arose during the audit, regardless of whether they subsequently resolved or remained unresolved.
e) Should discuss with the auditor about the report referred to deficiencies in the internal control system, particularly in those relating to the process of providing financial reporting and the preparation of financial statements.

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 four times 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.

Support to the Board of Directors, by the Audit Committee, in order to obtain adequate information for decision-making on issues related to transactions between related parties, is not required by the applicable policy of the Company.

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.

The company has not adopted and does not intent to adopt specific communication practice with shareholders about submitting questions to the Board.

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.

At the General Assembly of the Shareholders, the members of the BoD, the Internal Auditor and the Auditor are present, in order to provide any information and update to shareholders on issues within their competence.

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, 2013.

Glyfada, March 27, 2014

Chairman of the
Board of Directors
Georgios Fidakis

FG europe
FIDAKIS GROUP

Independent Auditor's Report

To the Shareholders of F.G. Europe Societe Anonyme For Electric And Electronic Devices

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of F.G. Europe Societe Anonyme For Electric And Electronic Devices, which comprise the separate and consolidated statement of financial position as at December 31, 2013, and the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated 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 European Union, and for such internal control as management determines is necessary to enable the preparation of 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 on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 company'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 the company F.G. Europe Societe Anonyme For Electric And Electronic Devices and its subsidiaries as at December 31, 2013, and of their financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Other matter

The financial statements of F.G. Europe Societe Anonyme For Electric And Electronic Devices for the annual period ended December 31, 2012, were audited by another auditor whose report dated March 29, 2013, expressed an unqualified opinion on those statements.

Report on Other Legal and Regulatory Requirements

a) The Board of Directors' Report includes a statement of corporate governance that provides the information required by Paragraph 3d of Article 43a of Law 2190/1920.
b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the attached separate and consolidated Financial Statements, in the scope of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, March 27, 2014

The Certified Accountant

Manolis Michalios
I.C.P.A. Reg. No.: 25131

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ANNUAL FINANCIAL STATEMENTS

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2013 and 2012

(All amounts in Euro thousands unless otherwise stated)

	Note	Consolidated		Company	
		For the Years Ended December 31,			
		2013	2012	2013	2012
Sales………………………………......................	6	99.103	111.122	87.736	99.399
Less: Cost of sales………………………………	7	(72.686)	(81.553)	(66.228)	(75.453)
Gross profit		**26.417**	**29.569**	**21.508**	**23.946**
Other operating income………………………..	6	650	435	179	311
Distribution expenses…………………………..	7	(12.612)	(14.355)	(12.617)	(14.703)
Administrative expenses………………………..	7	(3.196)	(5.030)	(2.439)	(2.541)
Other operating expenses…………..................	7	(1.754)	(2)	(67)	(1)
Earnings before interests and taxes		**9.505**	**10.617**	**6.564**	**7.012**
Finance income……………………………….	7	4.204	4.162	2.929	4.027
Finance costs………………………………….	7	(7.427)	(8.230)	(5.530)	(5.535)
Earnings before taxes		**6.282**	**6.549**	**3.963**	**5.504**
Income tax expense………………...................	8	(2.039)	(1.686)	(1.037)	(1.143)
Net profit for the period		**4.243**	**4.863**	**2.926**	**4.361**
Attributable as follows:					
Equity holders of the Parent…………………….		3.640	4.792	-	-
Minority interest………………………………..		603	71	-	-
Net profit (after tax) attributable to the Group		**4.243**	**4.863**	**-**	**-**
Actuarial gains / (losses)	22	(37)	16	(22)	(8)
Income tax expense………………...................		8	-	6	
		(29)	**16**	**(16)**	**(8)**
Other Comprehensive Income					
Available for sale investments…………………..	11	778	(654)	778	(654)
Available for sale investments - reclassification to results	11	202	-	202	-
		980	**(654)**	**980**	**(654)**
Other Comprehensive Income after taxes		**951**	**(638)**	**964**	**(662)**
Total Comprehensive Income after taxes		**5.194**	**4.225**	**3.890**	**3.669**
Attributable as follows:					
Equity holders of the Parent…………………….		4.591	4.154	-	-
Minority interest………………………………..		603	71	-	-
Net profit (after tax) attributable to the Group		**5.194**	**4.225**	**-**	**-**
Earnings per share (expressed in Euros):	9	0,0689	0,0908	0,0554	0,0826

The accompanying Notes on pages 35 to 83 are an integral part of the Financial Statements.

		Consolidated		Company	
ASSETS	**Note**	**December 31, 2013**	**December 31, 2012**	**December 31, 2013**	**December 31, 2012**
Non-current assets					
Property, plant and equipment……...........	10	66.721	72.070	484	232
Investments in real estate property………	10	260	310	260	310
Intangible assets………………………….	10	7.571	7.889	3	-
Investments in subsidiaries………………	1	-	-	29.287	19.534
Long term receivables…………………...		684	690	660	655
Deferred tax assets……………………….	21	1.367	1.477	770	568
Available for sale investments…………...	11	1.467	2.682	1.467	682
Total non-current assets		**78.070**	**85.118**	**32.931**	**21.981**
Current assets					
Inventories……………………………….	12	40.433	35.012	40.433	35.000
Trade receivables………………………...	13	37.263	59.972	26.509	31.056
Cash and cash equivalents……………….	14	12.144	18.793	10.711	17.428
Total current assets		**89.840**	**113.777**	**77.653**	**83.484**
Total assets		**167.910**	**198.895**	**110.584**	**105.465**
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY					
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	6.731	6.623	6.731	6.726
Reserves…………………...……………..	17	4.349	4.358	4.346	3.387
Retained earnings………………………..		3.925	8.399	14.854	12.097
		30.845	**35.220**	**41.771**	**38.050**
Non-controlling interests ……………		18.525	20.171	**-**	**-**
Total shareholders' equity		**49.370**	**55.391**	**41.771**	**38.050**
LIABILITIES					
Non-current liabilities					
Long term Borrowings…………………..	19	20.539	45.640	-	15.941
Retirement benefit obligations…………..	21	539	493	502	338
Deferred government grants……………..	20	22.180	24.412	-	-
Long-term provisions…………..............		1.604	1.510	-	-
Deferred taxes…………………………...		1.162	-	-	-
Total non-current liabilities		**46.024**	**72.055**	**502**	**16.279**
Current liabilities					
Short term Borrowings…………………..	19	35.969	15.071	35.969	11.514
Short term portion of long term borrowings……….………………………	19	24.215	26.417	21.364	12.177
Current tax liabilities…………………….		557	229	437	146
Trade and other payables………………...	18	11.775	29.732	10.541	27.299
Total current liabilities		**72.516**	**71.449**	**68.311**	**51.136**
Total liabilities		**118.540**	**143.504**	**68.813**	**67.415**
Total shareholders' equity and liabilities		**167.910**	**198.895**	**110.584**	**105.465**

The accompanying Notes on pages 35 to 83 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2013 and 2012
(All amounts in Euro thousands unless otherwise stated)

Consolidated

	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves	Special tax reserves	Retained earnings /(losses)	Total	Minority interest	Total equity
Balance on January 1, 2012	**15.840**	**6.623**	**3.661**	**(1.599)**	**2.730**	**3.903**	**31.158**	**21.244**	**52.402**
Year's changes:									
Net profit for the period	-	-	300	-	-	4.492	**4.792**	71	**4.863**
Other Comprehensive Income..	-	-	-	(654)	16	-	**(638)**	-	**(638)**
Total Comprehensive Income..	**-**	**-**	**300**	**(654)**	**16**	**4.492**	**4.154**	**71**	**4.225**
Share Capital Increase / (Decrease)	-	-	-	-	-	-	**-**	1.500	**1.500**
Purchase of Minority Interest	-	-	-	-	-	-	**-**	(2.644)	**(2.644)**
Expenses of issuance of shares	-	-	-	-	(96)	-	**(96)**	-	**(96)**
Operation interruption of subsidiary	-	-	-	-	-	4	**4**	-	**4**
Balance on December 31, 2012	**15.840**	**6.623**	**3.961**	**(2.253)**	**2.650**	**8.399**	**35.220**	**20.171**	**55.391**
Balance on January 1, 2013	**15.840**	**6.623**	**3.961**	**(2.253)**	**2.650**	**8.399**	**35.220**	**20.171**	**55.391**
Year's changes:									
Net profit for the period	-	-	-	-	-	3.640	**3.640**	603	**4.243**
Other Comprehensive Income..	-	-	-	980	(29)	-	**951**	-	**951**
Total Comprehensive Income..	**-**	**-**	**-**	**980**	**(29)**	**3.640**	**4.591**	**603**	**5.194**
Revaluation differences because of subsidiaries' merger	-	-	-	-	(960)	960	**-**	-	**-**
(Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	-	(8.652)	**(8.652)**	(1.921)	**(10.573)**
Other		108				(422)	**(314)**	(328)	**(642)**
Balance on December 31, 2013	**15.840**	**6.731**	**3.961**	**(1.273)**	**1.661**	**3.925**	**30.845**	**18.525**	**49.370**

The accompanying Notes on pages 35 to 83 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2013 and 2012
(All amounts in Euro thousands unless otherwise stated)

Company

	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves	Gains/ loses	Special tax reserves	Retained earnings	Total
Balance on January 1, 2012	**15.840**	**6.726**	**3.572**	**(1.599)**	**-**	**1.856**	**7.956**	**34.351**
Year's changes:								
Net profit for the period	-	-	220	-	-	-	4.141	**4.361**
Other Comprehensive Income..	-	-	-	(654)	(8)	-	-	**(662)**
Total Comprehensive Income..	**-**	**-**	**220**	**(654)**	(8)	**-**	**4.141**	**3.699**
Balance on December 31, 2012	**15.840**	**6.726**	**3.792**	**(2.253)**	**(8)**	**1.856**	**12.097**	**38.050**
Balance on January 1, 2013	**15.840**	**6.726**	**3.792**	**(2.253)**	**(8)**	**1.856**	**12.097**	**38.050**
Year's changes:								
Net profit for the period	-	-	-	-	-	-	2.926	**2.926**
Other Comprehensive Income..	-	-	-	980	(16)	-	-	**964**
Total Comprehensive Income..	**-**	**-**	**-**	**980**	**(16)**	**-**	**2.926**	**3.890**
Revaluation differences because of subsidiaries' merger	**-**	**-**	**-**	**-**	**-**	**-**	(169)	**(169)**
Expenses of shares issuance	-	5	-	-	-	(5)	-	-
Balance on December 31, 2013	**15.840**	**6.731**	**3.792**	**(1.273)**	**(24)**	**1.851**	**14.854**	**41.771**

The accompanying Notes on pages 35 to 83 are an integral part of the Financial Statements.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2013 and 2012
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Years Ended December 31,			
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax (and minority interest)…………………………………	6.282	6.549	3.963	5.504
Add / (less) adjustments for:				
Depreciation ………………………………………………………………..	5.357	5.355	82	72
Provisions…………………………………………………………………	170	266	136	260
Exchange differences……………………………………………………..	492	(225)	492	(225)
Result of investment activity………………………………………………..	(1.211)	(652)	63	(518)
Interest and similar expenses………………………………………………..	5.147	4.976	3.251	2.282
Government grants recognized in income………………………………..	(1.775)	(1.672)	-	-
Employee benefits…………………………………………………………..	70	61	76	31
Impairment charges / deletion	549	-	-	-
Operating result before changes in working capital	**15.081**	**14.658**	**8.063**	**7.406**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories…………...…………………………..	(5.464)	(1.271)	(5.464)	(1.271)
(Increase) / decrease in receivables and prepayments...………...………....	8.946	(14.993)	7.666	(10.997)
Increase / (decrease) in trade and other payables…………………………	(17.994)	2.581	(17.992)	3.853
(Increase)/ decrease in long term receivables…………………………..….	6	(38)	4	(37)
Total cash inflow / (outflow) from operating activities	**575**	**937**	**(7.723)**	**(1.046)**
Interest Expenses ……………………………………………..……………..	(5.278)	(4.019)	(3.425)	(1.984)
Income taxes paid…………………………………………………………	(978)	(1.083)	(785)	(823)
Total net inflow / (outflow) from operating activities	**(5.681)**	**(4.165)**	**(11.933)**	**(3.853)**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) of subsidiaries and other investments…………………………	(12.619)	(601)	(12.619)	(1.500)
Proceeds from the sale of subsidiaries and other investments…………....	2.744	-	94	-
(Purchase) of PPE and intangible assets…………………………………..	(232)	(1.589)	(106)	(12)
Proceeds from the sale of PPE and intangible assets……………………..	4	-	4	-
Government grants………………………………………………………..	15.463	-	-	-
Interest and similar expenses paid……………………….………………..	317	459	229	324
Dividend income…………………………………………………………	-	91		91
Total net cash inflow / (outflow) from investing activities	**5.677**	**(1.640)**	**(12.398)**	**(1.097)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Share capital increase……………………………………………………..	-	1.404	-	-
Payments for Share Capital decrease	-	-	-	-
Proceeds from borrowings………………………………………………...	23.818	1.453	23.018	286
Repayments of borrowings……………………………………………….	(30.331)	(12.691)	(5.400)	(10.399)
Total net cash inflow from financing activities	**(6.513)**	**(9.834)**	**17.618**	**(10.113)**
Net increase / (decrease) in cash and cash equivalents	**(6.517)**	**(15.639)**	**(6.713)**	**(15.063)**
Exchange differences	**(132)**	**(31)**	**(132)**	**(31)**
Cash and cash equivalents at beginning of period	**18.793**	**34.463**	**17.428**	**32.522**
Subsidiaries' Cash and cash equivalents at beginning of period	**-**	**-**	**128**	**-**
Cash and cash equivalents at end of period	**12.144**	**18.793**	**10.711**	**17.428**

The accompanying Notes on pages 35 to 83 are an integral part of the Financial Statements.

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 subsidiary company 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.
  - AIOLIKI KYLINDRIAS S.A.
  - KALLISTI ENERGIAKI S.A.
  - R.F. ENERGY S.A. TSOUKKA S.A.
  - AIOLIKI ADERES 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, 2013 is 100 for the Group and 87 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, 2013	Method of consolidation
1	F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
2	R.F. ENERGY S.A.	Greece	50,00% (a)	Full consolidation
3	HYDROELECTRICAL ACHAIAS S.A.	Greece	50,00% (b)	Full consolidation
4	CITY ELECTRIC S.A.	Greece	50,00% (b)	Full consolidation
5	AIOLIKI KYLINDRIAS S.A.	Greece	50,00% (b)	Full consolidation
6	KALLISTI ENERGIAKI S.A.	Greece	50,00% (b)	Full consolidation
7	AIOLIKIADERES S.A.	Greece	50,00% (b)	Full consolidation
8	R.F. ENERGY S.A. OMALIES S.A.	Greece	50,00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

FG EUROPE bought 3,109,834 shares of its subsidiary RF ENERGY S.A. of total value € 10.573, according to the decision of its Board of Directors on 15/05/13. The amount was paid within 2013, apart from a small amount of € 133 which will be paid within 2014. After the aforementioned acquisition, the holding share of FG EUROPE S.A. in RF ENERGY S.A. rose to 50% from 40%. Due to the existing shareholders' agreement concerning the appointment of the majority of Board Members by 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 SYSKEVON 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 31.12.2013

	Subsidiary name	Balance as at 31.12.12	Additions 01.01-31.12.13	Reductions 01.01 - 31.12.13	Balance as at 31.12.13
1	R.F. ENERGY S.A………	**18.713**	10.574	-	**29.287**
2	FIDAKIS SERVICE S.A…	**300**	-	(300)	**-**
3	FIDAKIS LOGISTICS S.A	**521**	-	(521)	**-**
	Total	**19.534**	**10.574**	**(821)**	**29.287**

Investments in Subsidiaries as at 31.12.2012

	Subsidiary name	Balance as at 31.12.11	Additions 01.01-31.12.12	Reductions 01.01 - 31.12.12	Balance as at 31.12.12
1	R.F. ENERGY S.A……….	**15.170**	3.543	-	**18.713**
2	FIDAKIS SERVICE S.A…	**300**	-	-	**300**
3	FIDAKIS LOGISTICS S.A	**521**	-	-	**521**
	Total	**15.991**	**3.543**	**-**	**19.534**

On 20/05/13 the Boards of Directors of F.G. EUROPE S.A. and its 100% subsidiary companies FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. approved the Draft of Merger Agreement through absorption of the two subsidiaries by F.G. EUROPE S.A.. With the Decision No K2-5977/10.10.2013, the Ministry of Development and Competitiveness approved the merger, which is expected to lead to significant economies of scale for both F.G. EUROPE S.A. and the Group, in total. The activities of the absorbed companies are now being performed by F.G. EUROPE S.A., which also absorbs their entire staff. The absorbed companies had until the date of the merger common Management with the Parent Company, which confirms that the policy followed with respect to the activities of the absorbed companies, will not vary.

The absorbed companies are fully consolidated by F.G. EUROPE Group with the method of full consolidation during the comparative fiscal year and as a result the merger shall not affect the consolidated financial statements.

Since the General Assembly approved the merger of the companies on 12/10/2013, the Company made the following moves:

- Considered the date of approval of the merger by the General Assembly as the date of acquisition, since the part of the merger through absorption was typically completed with the approval of the merger dated 12/10/2013.
- At a parent company level, it incorporated the absorbed companies, recognizing any resulting difference between the value of participation and the book value of the absorbed companies directly in equity, since there are not new acquisitions but absorption of 100% subsidiaries, where control existed from previous years.
- At a Group level, there has not been any effect on the consolidated financial statements.

According to the aforementioned and for purpose of better understanding of the effect of the merger on the financial statements of FG EUROPE S.A., the financial statements of the acquired companies on 31/12/2012, are presented (date of conversion):

	FEIDAKIS LOGISTICS S.A.	FEIDAKIS SERVICES S.A.
ASSETS		
Non-current assets		
Property, plant and equipment	227	7
Long term receivables and other non-current assets	362	46
Total non-current assets	**589**	**53**
Current assets		
Inventories	-	12
Trade receivables	412	292
Cash and cash equivalents	126	3
Total current assets	**538**	**307**
Total assets	**1.127**	**360**
Total shareholders' equity	**429**	**223**
Total Long term liabilities	**390**	**67**
Total short term liabilities	**308**	**70**
Total shareholders' equity and liabilities	**1.127**	**360**

The merger at a parent company level resulted in a loss of € 168, which is analyzed in the following table:

Shareholders' equity FEIDAKIS LOGISTICS S.A. at 31/12/2012	429
Shareholders' equity FEIDAKIS SERVICES S.A. at 31/12/2012	223
Total shareholders' equity of absorbed companies at 31/12/2012	**652**
(Decrease): acquisition cost	(821)
Recognized absoprtion's loss at the equity	**(169)**

On 15/1/2013, the Extraordinary General Meeting of the subsidiary CITY ELECTRIC S.A.. decided to increase its share capital by € 290. The share capital was increased by € 29 and the "Proceeds from issuance of shares above par" by € 261

On 12/6/2013, the Extraordinary General Meeting of the subsidiary R.F. ENERGY S.A. MISOHORIA S.A.. decided to increase its share capital by € 961.The share capital was increased by € 107 and the "Proceeds from issuance of shares above par" by €854.

On 12/6/2013, the Extraordinary General Meeting of the subsidiary R.F. ENERGY S.A. OMALIES.A.. decided to increase its share capital by € 136. The share capital was increased by € 14 and the "Proceeds from issuance of shares above par" by €122.

On 12/6/2013, the Extraordinary General Meeting of the subsidiary R.F. ENERGY S.A. TSOUKKA S.A.. decided to increase its share capital by € 68. The share capital was increased by € 8 and the "Proceeds from issuance of shares above par" by €60.

On 25/6/2013, the Extraordinary General Meeting of the subsidiary HYDROELECTRIKI ACHAIAS S.A.. decided to decrease its share capital by € 280.

The Boards of Directors on 25/6/2013 of the 100% subsidiaries RF ENERGY OMALIES S.A., RF ENERGY MISOCHORIA S.A. and RF ENERGY TSOYKKA S.A., decided the merger through absorption of the second one and the third one by RF ENERGY OMALIES S.A., in accordance with the provisions of L.2166/93 and L.2190/1920, as applicable. The final approval of the merger was given by the competent authority of G.E.M.I on 18/12/2013.

“Other comprehensive income after tax’’ are related to a total profit for the Group and the Company amounting to € 951 and € 964 respectively. This profit is due to a) the valuation of available for sale financial assets amounting to € 778, b) the reclassification of available for sale financial assets of € 202 to financial results and c) the revaluation on “Employee benefits’’ of (€29) and (€16) for the Group and the Company respectively.

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 Changes in accounting policy and disclosures

2.2.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments and interpretations of the IFRS have been issued by IASB and their application is mandatory from or after 01/01/2013. The most significant Standards and Interpretations are as follows:

- **Amendments to IAS 1 “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income**

In June 2011, the IASB issued the amendment to IAS 1 “Presentation of Financial Statements”. The amendments pertain to the way of other comprehensive income items presentation. The amendments affect only the presentation of the consolidated and separate financial statements.

- **IFRS 13 “Fair Value Measurement”**

In May 2011, IASB issued IFRS 13 “Fair Value Measurement”. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. The measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Neither does it change the requirements of other IFRSs regarding the items measured at fair value and makes no reference to the way the changes in fair value are presented in the Financial Statements. The standard does not affect the consolidated and separate financial statements.

- **Amendments to IAS 19 "Employee Benefits"**

In June 2011, the IASB issued the amendment to IAS 19 "Employee Benefits". The amendments aim to improve the issues related to defined benefit plans. The revised version eliminates the "corridor method" and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income. Furthermore, this version changes the measurement and presentation of certain components of defined benefit cost. Under the revised standard, the Group/Company restates its reported results throughout the comparative periods in accordance with the prescribed transitional provisions of IAS 19 and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendments do not affect the consolidated and separate financial statements from the difference when recognizing actuarial earnings/ (losses). More information is presented at the financial statements of 31/12/2012.

- **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**

In October 2011, IASB issued IFRIC 20. The Interpretation clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognized as an asset, how the asset is initially recognized, and subsequent measurement. The interpretation is not applicable to the Group's/Company's operations.

- **Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Asserts and Financial Liabilities**

In December 2011, IASB published new requirements for disclosures that enable users of Financial Statements to make better comparison between IFRS and US GAAP based financial statements. The amendments do not affect the consolidated and separate financial statements.

- **Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans**

In March 2012, IASB issued amendment to IFRS 1, which gives IFRS first-time adopters the option, on a loan by loan basis, of applying the IFRS requirements retrospectively provided that the necessary information to apply the requirements to a particular government loan was obtained at the time of initially accounting for that loan. The amendment does not affect the consolidated and separate financial statements.

- **Annual Improvements 2009–2011 Cycle**

In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to 5 International Financial Reporting Standards (IFRSs), as its latest set of annual improvements. Specifically, includes improvements for IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The amendments are not significant and have not a material impact on Group's/Company's financial statements.

2.2.2 New Standards, Interpretations and amendments to existing Standards which have not taken effect yet or have not been adopted by the European Union

The following new Standards, Revised Standards as well as the following Interpretations to the existing Standards have been publicized but have not taken effect yet or have not been adopted by the European Union. In particular:

- **IFRS 9 "Financial Instruments" (removal of mandatory effective date)**

In November 2009, IASB issued the new Standard, the revised IFRS 9 "Financial Instruments: Recognition and Measurement" which is the first step in IASB project to replace IAS 39. In October 2010, IASB expanded IFRS 9 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 defines that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Subsequent measurement of financial assets is made either at amortized cost or at fair value, depending on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics

of the financial assets. IFRS 9 generally prohibits reclassification between categories, however, when an entity changes its business model in a way that is significant to its operations, a re-assessment is required of whether the initial determination remains appropriate. The standard requires all investments in equity instruments to be measured at fair value. However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss. Fair value profit and loss is not subsequently carried forward to income statement while dividend income shall still be recognized in the income statement. IFRS 9 abolishes "cost exception" for unquoted equities and derivatives in unquoted shares, while providing guidance on when cost represents fair value estimation. In November 2013, IASB issued amendments to IFRS 9. These amendments make three important changes to IFRS 9. Firstly, a new chapter on hedge accounting has been added to IFRS 9. This represents a major overhaul of hedge accounting and puts in place a new model that introduces significant improvements principally by aligning the accounting more closely with risk management. There are also improvements to the disclosures about hedge accounting and risk management. The second amendment makes the improvements to the reporting of changes in the fair value of an entity's own debt contained in IFRS 9 more readily available. The third change is the removal of the mandatory effective date of IFRS 9, because the impairment phase of the IFRS 9 project is not yet completed that would allow sufficient time for entities to prepare to apply the Standard. Entities may however still choose to apply IFRS 9The current Standard has not been adopted by the European Union yet.

- **IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 01/01/2014)**

In May 2011, IASB issued three new Standards, namely IFRS 10, IFRS 11 and IFRS 12. IFRS 10 "Consolidated Financial Statements" sets out a new consolidation method, defining control as the basis under consolidation of all types of entities. IFRS 10 supersedes IAS 27 "Consolidated and Separate Financial Statements" and SIC 12 "Consolidation — Special Purpose Entities". IFRS 11 "Joint Arrangements" sets out the principles regarding financial reporting of joint arrangements participants. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 "Disclosure of Interests in Other Entities" unites, improves and supersedes disclosure requirements for all forms of interests in subsidiaries, under common audit, associates and non-consolidated entities. As a result of these new standards, IASB has also issued the revised IAS 27 entitled IAS 27 "Separate Financial Statements" and revised IAS 28 entitled IAS 28 "Investments in Associates and Joint Ventures". The Standards are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company will assess the impact of new standards in its consolidated/separate financial. The Standards have been adopted by the European Union in December 2012.

- **Transition Guidance: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods beginning on or after 01/01/2013)**

In June 2012, IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) to clarify the transition guidance in IFRS 10 Consolidated Financial Statements. The amendments also provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The Transition Guidance is effective for annual periods beginning on or after 01 January 2013, but in practice is

effective for annual periods beginning on or after 01 January 2014 when the relevant Standards will be effective. The Group/Company will assess the impact of transition guidance in its consolidated/separate financial statements. This transition guidance has been adopted by the European Union in April 2013.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (effective for annual periods beginning on or after 01/01/2014)**

In October 2012, IASB issued Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). The amendments apply to a particular class of business that qualifies as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organizations, venture capital organizations, pension funds, sovereign wealth funds and other investment funds. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company will assess the impact of amendments in its consolidated/separate financial statements. The amendments have been adopted by the European Union in November 2013.

- **Amendments to IAS 32 "Financial Instruments: Presentation" – Offsetting financial assets and financial liabilities (effective for annual periods beginning on or after 01/01/2014)**

In December 2011, IASB issued amendments to IAS 32 "Financial Instruments: Presentation", which provides clarification on some requirements for offsetting financial assets and liabilities in the statement of financial position. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company will assess the impact of amendments in its consolidated/separate financial statements. These amendments have been adopted by the European Union in December 2012.

- **Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued amendments to IAS 36 "Impairment of Assets". These narrow-scope amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. Earlier application is permitted for periods when the entity has already applied IFRS 13. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company will assess the impact of amendments in its consolidated/separate financial statements. These amendments have been adopted by the European Union in December 2013.

- **Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 01/01/2014)**

In June 2013, IASB issued amendments to IAS 39 "Financial Instruments: Recognition and Measurement". The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. Similar relief will be included in IFRS 9 Financial Instruments. The amendments are effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company

will assess the impact of amendments in its consolidated/separate financial statements. These amendments have been adopted by the European Union in December 2013.

- **Interpretation 21: Levies (effective for annual periods beginning on or after 01/01/2014)**

In May 2013, IASB issued Interpretation 21 that is an interpretation of IAS 37 Provisions "Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 01 January 2014, with earlier adoption permitted. The Group/Company will assess the impact of interpretation in its consolidated/separate financial statements. The Interpretation has not been adopted by the European Union yet.

- **Amendments to IAS 19 "Employee Benefits" – Defined Benefit Plans: Employee Contributions (effective from 01/07/2014)**

In November 2013, IASB issued amendments to IAS 19 "Employee Benefits". The narrow-scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective from 01 July 2014 with earlier adoption permitted. The Group/Company will assess the impact of amendments in its consolidated/separate financial statements. These amendments have not been adopted by the European Union yet.

- **Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle (effective from 01/07/2014)**

In December 2013, IASB issued Annual improvements to IFRSs 2010-2012 Cycle & 2011-2013 Cycle. The Cycle 2010-2012 includes improvements for IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38 and in the Cycle 2011-2013 improvements are relating to IFRS 1, IFRS 3, IFRS 13 and IAS 40. The improvements are effective from 01 July 2014 with earlier adoption permitted. The Group/Company will assess the impact of the improvements in its consolidated/separate financial statements. These improvements have not been adopted by the European Union yet.

- **IFRS 14 "Regulatory Deferral Accounts" (effective from 01/01/2016)**

In January 2014, IASB issued an interim Standard, IFRS 14 Regulatory Deferral Accounts. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. An entity that already presents IFRS financial statements in not eligible to apply the Standard. The Standard is effective from 01 January 2016 with early application permitted. The above Standard will not affect the activities of the Group/Company. This Standard has not been adopted by the European Union yet.

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, 2013.

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.

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*

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*

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	4 – 20	5% - 24%
• Furniture and fixture	3 – 10	10% - 30%
• Vehicles	7 –10	10% - 15%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	35 - 45	2% - 2,5%
• Licenses	10 - 15	6% - 10%

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

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%

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.

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 that 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) 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.

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.

A) ***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.

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 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 2013 and 2012 was 3,45 and 3,54 respectively for the Group and 1,39 and 1,31 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 dissolvement of the company or any other measure.

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, and 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 26% for 2013 and 20% for 2012.

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, 2013, if the Euro had weakened / strengthened by 4% against the USD with all other variables held constant, net profit and equity for the year would have been € 785 (€ 625 in 2012) 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.

On December 31, 2013, 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 € 5 (€ 3 in 2012) 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 21% and the NASDAQ index by 14%, with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2013	**2012**
ASE General Indes	8	17
NASDAQ	143	53
Total	**151**	**70**

Other reserves within equity would increase/ decrease by € 151 (€ 70 in 2012) 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, 2013, if interest rates on Euro denominated borrowings had been 100 basis points higher / lower for the Company and 90 basis points higher / lower for the Group of R.F. ENERGY S.A., with all other variables held constant, net profit and equity for the year would have been € 580 (€ 622 in 2012) for the Group and € 424 (€ 413 in 2012) 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-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, 2013, is analyzed at note 13.

Draft Law ' Arrangements for the reorganization of the special account referred to in article 40 of L. 2773/1999 and other provisions»
The draft law proposed arrangements in order to ensure the viability of the renewable energy sources (RES) support mechanism, aimed at the consolidation of the special account referred to in article 40 of law 2773/1999. In addition, the recommended settings are intended to help reduce the cost of electricity for final consumers and the national economy. More specifically, the present draft law consists of three main axes: (a) price adjustment to converge, as far as

possible, the benefits from the RES support mechanism at around the same level for all categories of producers, therefore being an adjustment that aims, as far as possible, on similar yields between the several types of investment, b) investor protection taking into account existing financing agreements and c) new tariffs to compensate producers of electricity from RES and through RES and high efficiency Cogeneration Plants (HeCoGen), compatible with the requirements of the national electrical system, which will contribute to reduction of energy costs while at the same time ensuring reasonable returns.
The said draft law was posted on March 3, 2014 and opened to public consultation which was concluded on March 13, 2014.
In particular, Article 3 of the said draft law includes the following:
1. Within two (2) months from the entry into force of this law, the RES/HeCoGen producers shall issue a credit note to provide discount:
a. 35% regarding energy from photovoltaic plants (except in cases of the "special program of development of photovoltaic systems in buildings") and
b. 10% regarding energy from other RES and HeCoGens,
in both cases (a) and (b) calculated on the total value of energy sold in 2013.
2. On expiry of the period referred to in paragraph 1 and until issuance and delivery of the credit note referred to in this paragraph, the obligation of LAGIE for the Interconnected System and DEDDIE for the Non Interconnected System, to pay to RES and HeCoGens producers the price for the volume of electricity delivered from the month of entry into force of said Law and onwards, shall be suspended. The General Secretariat of Public Revenues is hereby authorized to determine by decision the details regarding the tax treatment of the transaction described in paragraph 1 and the present.
3. For RES and HeCoGen projects that issue the credit note pursuant to para. 1 the excise tax of L. 4093/2012, as amended and in force, is recalculated on the reduced, after the credit note discount, proceeds from the sale of energy for the reference year 2013.

Incidence	**Amount**
At the Consolidated Operating results	1.024
At the Consolidated results after taxes	758
At the Consolidated shareholders' equity	758

The Company monitors the developments regarding this draft law and will recognize the appropriate impact on the results of the year 2014. Said impact is to be crystalized after the voting of the final text of the Law, following the assessment of comments obtained during the process of public consultation of the draft law, comments which were in total negative.

3.3Liquidity Risk

Liquidity risk management ensures sufficient cash and cash equivalents and secured credit ability through existing financing for working capital and issuance of letters of guarantee to suppliers, which on 31/12/2013 amounted to € 112.000 for the Group and € 89.000 for the Company.

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, 2013	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	60.184	2.901	8.096	9.542
Trade and other payables…………….	11.775	-	-	-
Total	**71.959**	**2.901**	**8.096**	**9.542**

Consolidated December 31, 2012	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	41.488	17.773	14.043	13.788
Trade and other payables…………….	29.732	-	-	-
Total	**71.220**	**17.773**	**14.043**	**13.788**

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, 2013	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	57.333	-	-	-
Trade and other payables…………….	10.541	-	-	-
Total	**67.874**	**-**	**-**	**-**

Company December 31, 2012	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings…………………………..	25.412	11.334	4.607	-
Trade and other payables…………….	27.299	-	-	-
Total	**52.711**	**11.334**	**4.607**	**-**

In January 2014, following the signing of a new Common Bond Loan Agreement on 19/12/2013, the Company received the amount of € 65.000 and fully repaid the previous bond of €21.364 and the short- term borrowings amounting to €35.969, which also existed on 31/12/2013 (note 19)

4. Significant accounting estimates and assumptions

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

The 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 sort 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. Moreover the sector of the other activities, which constitutes logistic services and after sales services, also belongs to the same category.

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.

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

The segment results of the business segments for the Years ended December 31, 2013 and 2012 represented below:

Year ended December 31, 2013	**Long Living Consumer Goods**	**Energy**	**Total**
Sales to third parties…………….	87.736	11.378	99.114
Sales within the Group…............	11	-	11
Depreciation of Fixed/ Intangible assets	82	5.357	5.439
Gain / Loss before taxes, investing activities, total depreciations	7.376	6.441	13.817
Finance income………………….	2.929	1.275	4.204
Finance costs…………………….	(5.530)	(1.897)	(7.427)
Profits before taxes…………	4.096	2.186	6.282
Income tax expense……………..	(1.060)	(979)	(2.039)
Profit after taxes……………….	3.036	1.207	4.243
Expenses for Fixed/ Intangible assets	107	125	232
Assets per sector	78.397	90.098	168.495
Liabilities per sector	67.874	46.790	114.664

Year ended December 31, 2012	**Long Living Consumer Goods**	**Energy**	**Total**
Sales to third parties…………….	103.497	11.627	115.124
Sales within the Group…............	4.002	-	4.002
Depreciation of Fixed/ Intangible assets	157	5.303	5.460
Gain / Loss before taxes, investing activities, total depreciations	7.209	7.100	14.309
Finance income………………….	4.031	131	4.162
Finance costs…………………….	(5.536)	(2.694)	(8.230)
Profits before taxes…………	5.937	612	6.549
Income tax expense……………..	(1.171)	(248)	(1.419)
Profit after taxes……………….	4.766	364	5.130
Expenses for Fixed/ Intangible assets	12	2.538	2.550
Assets per sector	85.105	113.288	198.393
Liabilities per sector	67.459	74.080	141.539

The reconciliation of revenues, operating profit or loss, assets and liabilities of each functional sector with the corresponding amounts in the financial statements are, as follows:

Assets	**31/12/2013**	**31/12/2012**
Assets per sector	168.495	198.393
Intersectional assets	(4.103)	(4.347)
Non distributed assets	3.518	4.849
Total Assets	**167.910**	**198.895**

Liabilities	**31/12/2013**	**31/12/2012**
Liabilities per sector	114.664	141.539
Intersectional Liabilities	14	38
Non distributed Liabilities	3.862	1.927
Total Liabilities	**118.540**	**143.504**

Profit after taxes	**31/12/2013**	**31/12/2012**
Profit per sector	4.133	5.017
Deletion of Intersectional profit	-	-
Depreciations	110	110
Other non distributed profits	22	-
Income tax	(22)	(264)
Total profit after taxes	**4.243**	**4.863**

The geographic results of the Groups sales for the Years ended December 31, 2013 and 2012 are analyzed as follows:

Year ended December 31, 2013	**Long Living Consumer Goods**	**Energy**	**Total**
Greece………………………………..	32.228	11.378	**43.606**
Exports……………………………	55.497	-	**55.497**
Total ………………….…………….	**87.725**	**11.378**	**99.103**

Year ended December 31, 2012	Long Living Consumer Goods	Energy	Total
Greece………………………………..	42.657	11.627	54.284
Exports……………………………	56.838	-	56.838
Total ………………….…………..	**99.495**	**11.627**	**111.122**

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

The revenue from the energy sector for both fiscal year 2013 and 2012, derived, entirely, from one client. In the field of consumer durables for the year 2013, a customer from abroad with revenues amounting to € 12,494 (€ 8,872 in 2012) has been included.

6. *Income*

Analysis of the Groups' income:

	Consolidated		Company	
	Year ended December 31,			
	2013	2012	2013	2012
Sales of goods	87.629	99.394	87.590	99.354
Sales of goods (electric Energy)	11.378	11.627	-	-
Sales of services	96	101	146	45
	99.103	**111.122**	**87.736**	**99.399**
Other income	650	435	179	311
Total	**99.753**	**111.557**	**87.915**	**99.710**

7. *Break down of expenses*

The main categories of expenses are analyzed as follows:

	Consolidated					
	Table of allocation of expenses year ended December 31, 2013					
	Cost of Sales	Administrative expenses	Distribution expenses	Financial expenses	Other expenses	Total
Personnel expenses…	(401)	(1.931)	(2.043)	-	-	(4.375)
Third party expenses…	(444)	(273)	(3.438)	-	-	(4.155)
Supplies……………...	(2.017)	(586)	(4.480)	-	-	(7.083)
Taxes and duties……..	(356)	(144)	(265)	-	-	(765)
Various expenses…….	(84)	(169)	(2.276)	-	(1.754)	(4.283)
Financial expenses…...	-	-	-	-	-	-
Depreciation of fixed assets ………………..	(5.271)	(22)	(64)	-	-	(5.357)
Subsidies of fixed assets…………………	1.775	-	-	-	-	1.775
Provisions……………	(53)	(71)	(46)	-	-	(170)
Inventories…………...	(65.835)	-	-	-	-	(65.835)
Total	**(72.686)**	**(3.196)**	**(12.612)**	**-**	**(1.754)**	**(97.675)**

	Consolidated				
	Table of allocation of expenses year ended December 31, 2012				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…	(195)	(2.234)	(2.531)	-	(4.960)
Third party expenses…	(381)	(354)	(2.636)	-	(3.371)
Supplies……………...	(1.821)	(460)	(5.302)	-	(7.583)
Taxes and duties……..	(357)	(647)	(272)	-	(1.276)
Various expenses…….	(35)	(1.295)	(3.289)	(2)	(4.621)
Depreciation of fixed assets ………………..	(5.186)	(40)	(128)	-	(5.354)
Subsidies of fixed assets…………………	1.672	-	-	-	1.672
Provisions……………	-	-	(197)	-	(197)
Inventories…………...	(75.250)	-	-	-	(75.250)
Total	**(81.553)**	**(5.030)**	**(14.355)**	**(2)**	**(109.170)**

	Company				
	Table of allocation of expenses year ended December 31, 2012				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…	(180)	(1.618)	(2.049)	-	(3.847)
Third party expenses…	(57)	(225)	(3.438)	-	(3.720)
Supplies……………...	(45)	(332)	(4.480)	-	(4.857)
Taxes and duties……..	(3)	(66)	(265)	-	(334)
Various expenses…….	(55)	(134)	(2.274)	(67)	(2.530)
Financial expenses…...	-	-	-	-	(5.530)
Depreciation of fixed assets & amortization of intangible assets…..	-	(17)	(65)	-	(82)
Provisions……………	(43)	(47)	(46)	-	(136)
Inventories…………...	(65.845)	0	0	-	(65.845)
Total	**(66.228)**	**(2.439)**	**(12.61(7)**	**(67)**	**(86.881)**

	Company				
	Table of allocation of expenses year ended December 31, 2011				
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Other expenses**	**Total**
Personnel expenses…	-	(1.799)	(1.699)	-	(3.498)
Third party expenses…	(108)	(278)	(3.060)	-	(3.446)
Supplies……………...	(66)	(268)	(6.414)	-	(6.748)
Taxes and duties……..	-	(51)	(99)	-	(150)
Various expenses…….	-	(119)	(3.193)	(1)	(3.313)
Depreciation of fixed assets & amortization of intangible assets…..	-	(26)	(46)	-	(72)
Subsidies of fixed assets…………………	-	-	-		-
Provisions……………	-	-	(192)	-	(192)
Inventories…………...	(75.279)	-	-	-	(75.279)
Total	**(75.453)**	**(2.541)**	**(14.703)**	**(1)**	**(98.233)**

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,			
		2013		2012
Salaries and wages…………………	(3.287)	(3.731)	(2.904)	(2.607)
Employers' social security contributions………………………..	(846)	(803)	(765)	(505)
Other compensation………………..	(172)	(365)	(102)	(355)
Retirement benefits………………...	70	(61)	76	(31)
Total	**(4.375)**	**(4.960)**	**(3.847)**	**(3.498)**

7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2013		2012	
Finance costs:				
Interest ……………………………	(4.692)	(4.613)	(2.844)	(1.966)
Interest's similar expenses…………	(198)	(182)	(196)	(178)
Bank charges and commissions……	(211)	(137)	(212)	(137)
Financial cost of provision of equipment removal…………………	(46)	(44)	-	-
Exchange differences………………	(2.008)	(3.203)	(2.008)	(3.203)
Valuation of Derivatives…………...	(17)	(23)	(17)	(23)
Devaluation of investments and securities	(234)	-	(234)	-
Prepaid interest of the actuarial research	(19)	-	(19)	-
Loss on sale of precious metals…….	-	(28)	-	(28)
Other	(2)	-	-	-
Total Finance costs	**(7.427)**	**(8.230)**	**(5.530)**	**(5.535)**
Finance income:				
Interest and similar income………...	816	579	190	444
Dividend securities ………………	650	91	-	91
Foreign exchange differences……...	2.738	3.482	2.739	3.482
Valuation of Derivatives …………	-	-	-	-
Gain from sale of precious metals ...	-	10	-	10
Total Finance income	**4.204**	**4.162**	**2.929**	**4.027**
Finance costs, net	**(3.223)**	**(4.068)**	**(2.601)**	**(1.508)**

The company in order to cover the exchange risk during purchasing inventories, which comes from liabilities in foreign currency, makes advance purchase of foreign exchange contracts by various banks. Differences in exchange rates during the fiscal year 2013 had as a consequence the creation of debit foreign exchange differences of €2.008, which, however, were oversubscribed by €2.738 through the use of derivative financial products. For the corresponding period of 2012, debit exchange differences amounted to €3.203 and covered by €3.482 through the use of derivative financial products. The subsidiaries of the Group do not transact in foreign currencies and therefore there are not any exchange differences.

7.3 Provisions

The provision expenses are analyzed as follows:

Consolidated

Provisions	2013	2012
Bad depts.	(46)	(197)
Inventories' depreciation	(43)	(69)
Assets' impairment	(47)	-
Other	(34)	-
Total	**(170)**	**(266)**

Company

Provisions	2013	2012
Bad depts.	(46)	(191)
Inventories' depreciation	(43)	(69)
Assets' impairment	(47)	-
Total	**(136)**	**(260)**

8. *Income taxes*

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 2012
• R.F. Energy S.A.	2010-2012
• Hydroelectrical Achaias S.A.	2010-2012
• City Electrik S.A	2010-2012
• Aeolic Kylindrias S.A.	2009-2012
• Kallisti Energiaki S.A.	2009-2012
• R.F. Energy Omalies S.A.	2010-2012
• Aeolic Aderes S.A.	Unaudited from inception (2009)

The tax liabilities of the Company and its subsidiaries have not been audited by tax authorities for the above fiscal years, and therefore it is possible that additional taxes and penalties will arise, when they are discussed and finalized. The amount of the provision made by the Group and the Company till 31/12/2013 in relation to this issue is €340 and €292 respectively.

It is noted that the companies of the Group operating in Greece have been audited by tax authorities for the fiscal years 2011, 2012 in accordance with the compulsory audit of par. 5, article 82 of L.2238/1994, as amended by par. 3, article 17 of L3842/2010, for the purpose of Annual Tax Certificate, which they finally received without incurring substantial differences.

The above Annual Tax Certificate provided for societe anonymes and limited companies, which annual financial statements are scrutinizes by legal auditors and issued after tax audit conducted by auditors who are registered in the public register of L.3693/2008.
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 fiscal year 2013, is still in progress by Grant Thornton and has not been finished yet. Therefore, it is not expected that there will be any significant differences that will significantly affect the Company's results.

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

	Consolidated		Company	
	Year ended December 31,			
	2013	2012	2013	2012
Income tax (current period)………................	(1.417)	(1.336)	(1.184)	(1.127)
Deferred tax………………………………….	(654)	(225)	(24)	(54)
Interest tax from subsidiary	-	(163)	-	-
Adjustment of deferred taxes, because of the tax's rate change	32	-	171	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities…….		38		38
Income taxes	**(2.039)**	**(1.686)**	**(1.037)**	**(1.143)**

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,			
	2013	2012	2013	2012
Profit before taxes	**6.282**	**6.549**	**3.963**	**5.504**
Tax rate …………………………………………...	26%	20%	26%	20%
Tax at the corporate income tax rate	**(1.633)**	**(1.310)**	**(1.030)**	**(1.101)**
Tax effects from:				
Tax free income …………………………………..	-	20	-	20
Non tax deductible expenses……………………..	(149)	(90)	(66)	(55)
Non recognized fiscal losses……………………..	(12)	3	(74)	-
Non recognized fiscal gains……………………..	-	-	2	-
Interest tax from subsidiary	-	(163)	-	-
Others	(40)	(184)	(40)	(45)
De-recognition of deferred requirement	(237)	-	-	-
Effective income tax for the year	**(2.071)**	**(1.724)**	**(1.208)**	**(1.181)**
Adjustment of deferred taxes, because of the tax's rate change	32	-	171	-
Provisions for contingent tax liabilities from unaudited years ……….	-	38	-	38
Tax charge	**(2.039)**	**(1.686)**	**(1.037)**	**(1.143)**

According to the new tax L. 4110 (23/1/2013), the tax rate of legal entities domiciled in Greece increases from 20% to 26% for the fiscal years beginning on or after January 1, 2013 onwards. As a result, the current and deferred tax income of the parent company and its subsidiaries were calculated at the applicable tax rate.

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.

	Consolidated		Company	
	Year ended December 31,			
	2013	2012	2013	2012
Net profit attributable to shareholders…………………..	3.640	4.792	2.926	4.361
Weighted average number of shares outstanding……………..	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	**0,0689**	**0,0908**	**0,0554**	**0,0826**

10. *Property, plant and equipment and intangible assets*

Property, plant and equipment analyzed as follows:

Consolidated	**Fixed Assets**						
	Land	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**
January 1, 2012							
Value at cost……………....	**1.059**	**10.322**	**70.144**	**394**	**1.461**	**3.049**	**86.429**
Accumulated depreciation..	-	(1.145)	(7.388)	(279)	(1.188)	-	**(10.000)**
Net book value…………	**1.059**	**9.177**	**62.756**	**115**	**273**	**3.049**	**76.429**
January 1 to December 31, 2012							
Additions………………….	18	45	252	-	26	1.367	**1.708**
Work in progress…………	-	-	-	-	-	(961)	**(961)**
Transfers…………………..	-	-	-	-	-	-	**-**
Disposals………………….	-	-	-	(1)	-	-	**(1)**
Depreciation……………..	-	(603)	(4.379)	(38)	(86)	-	**(5.106)**
Depreciation of disposals…	-	-	-	1	-	-	**1**
December 31, 2012							
Value at cost……………....	1.077	10.367	70.396	393	1.487	3.455	**87.175**
Accumulated depreciation…	-	(1.748)	(11.767)	(316)	(1.274)	-	**(15.105)**
Net book value………..	**1.077**	**8.619**	**58.629**	**77**	**213**	**3.455**	**72.070**
January 1 to December 31, 2013							
Additions………………….	-	-	1	-	120	108	**229**
Work in progress…………	-	-	-	-	-	-	**-**
Transfers	-	-	-	11	-	(549)	**(538)**
Disposals …………………	-	-	-	(11)	-	-	**(11)**
Depreciation……………..	-	(579)	(4.381)	(14)	(59)	-	**(5.033)**
Depreciation of disposals…	-	-	-	4	-	-	**4**
December 31, 2013							
Value at cost……………....	1.077	10.367	70.397	393	1607	3.014	**86.855**
Accumulated depreciation…	-	(2.327)	(16.148)	(326)	(1.333)	-	**(20.134)**
Net book value………..	**1.077**	**8.040**	**54.249**	**67**	**274**	**3.014**	**66.721**

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2012						
Value at cost……………....	52	284	**336**	7.113	479	**7.592**
Accumulated depreciation..	-	(21)	**(21)**	(175)	(126)	**(301)**
Net book value…………	**52**	**263**	**315**	**6.938**	**353**	**7.291**
January 1 to December 31, 2012						
Additions………………….	-	-	**-**	-	842	**842**
Transfers………………….	-	-	**-**	-	-	**-**
Disposals …………………	-	-	**-**	-		**-**
Depreciation………………	-	(5)	**(5)**	(199)	(45)	**(244)**
Depreciation of disposals…	-	-	**-**	-	-	**-**
December 31, 2012						
Value at cost……………....	52	284	**336**	7.113	1.321	**8.434**
Accumulated depreciation..	-	(26)	**(26)**	(374)	(171)	**(545)**
Net book value…………	**52**	**258**	**310**	**6.739**	**1.150**	**7.889**
January 1 to December 31, 2013						
Additions………………….	-	-	**-**	-	3	**3**
Work in progress …………	(10)	(37)	**(47)**	-	-	**-**
Disposals / transfers………	-	-	**-**	-	-	**-**
Depreciation………………	-	(3)	**(3)**	(201)	(120)	**(321)**
Depreciation of disposals…	-	-	**-**	-	-	**-**
December 31, 2013						
Value at cost……………....	42	247	**289**	7.113	1.324	**8.437**
Accumulated depreciation..	-	(29)	**(29)**	(575)	(291)	**(866)**
Net book value………..	**42**	**218**	**260**	**6.538**	**1.033**	**7.571**

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Total
January 1, 2012						
Value at cost……………....	5	37	11	168	1.147	**1.368**
Accumulated depreciation..	-	(34)	(9)	(98)	(941)	**(1.082)**
Net book value…………	**5**	**3**	**2**	**70**	**206**	**286**
January 1 to December 31, 2012						
Additions………………….	-	-	-	-	12	**12**
Disposals / transfers………	-	-	-	-	-	**-**
Depreciation………………	-	(3)	(1)	(12)	(50)	**(66)**
December 31, 2012						
Value at cost……………....	5	37	11	168	1.159	**1.380**
Accumulated depreciation..	-	(37)	(10)	(110)	(991)	**(1.148)**
Net book value………..	**5**	**-**	**1**	**58**	**168**	**232**
January 1 to December 31, 2013						
Additions………………….	-	-	-	1	104	**105**
Work in progress …………	-	-	-	-	-	**-**
Transfer of cost value, because of the merge	-	322	12	195	183	**712**
Disposals / transfers………	-	-	-	(11)	-	**(11)**
Depreciation………………	-	(13)	(2)	(12)	(52)	**(79)**
Depreciation transfer because of the merge		(147)	(10)	(173)	(149)	**(479)**
Depreciation of disposals…	-	-	-	4	-	**4**

December 31, 2013						
Value at cost……………...	5	359	23	353	1.446	**2.186**
Accumulated depreciation..	-	(197)	(22)	(291)	(1.192)	**(1.702)**
Net book value…………	**5**	**162**	**1**	**62**	**254**	**484**

Company	Investments in real estate			Intangible assets	
	Land	**Buildings**	**Total**	**Licenses**	**Total**
January 1, 2012					
Value at cost……………...	52	284	**336**	29	**29**
Accumulated depreciation..	-	(21)	**(21)**	(28)	**(28)**
Net book value…………	**52**	**263**	**315**	**1**	**1**
January 1 to December 31, 2012					
Additions………………….	-	-	**-**	-	**-**
Work in progress …………	-	-	**-**	-	**-**
Disposals / transfers………	-	-	**-**	-	**-**
Depreciation………………	-	(5)	**(5)**	(1)	**(1)**
Depreciation of disposals…	-	-	**-**	-	**-**
December 31, 2012					
Value at cost……………...	52	284	**336**	29	**29**
Accumulated depreciation..	-	(26)	**(26)**	(29)	**(29)**
Net book value…………	**52**	**258**	**310**	**-**	**-**
January 1 to December 31, 2013					
Additions………………….	-	-	**-**	3	**3**
Work in progress …………	(10)	(37)	**(47)**	-	**-**
Transfer of cost value, because of the merge					
Disposals / transfers………	-	-	**-**	-	**-**
Depreciation………………	-	(3)	**(3)**	-	**-**
Depreciation transfer because of the merge	-	-	**-**	-	**-**
Depreciation of disposals…	-	-	**-**	-	**-**
December 31, 2013					
Value at cost……………...	42	247	**289**	32	**32**
Accumulated depreciation..	-	(29)	**(29)**	(29)	**(29)**
Net book value…………	**42**	**218**	**260**	**3**	**3**

It is noted that fixed assets are not pledged apart from the pledge on the productive equipment of KALLISTI ENERGIAKI S.A. amounting to € 17,091 (according to loan agreement on 06/04/2009)

'Investments in real estate' amounting to € 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. On 31/12/2013, according to the report by independent appraisers and applying the comparative method, the Company impaired the value of such property at € 47.

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

Intangible Assets and Overvalue

The intangible assets concern wind energy production license of the subsidiary R.F. ENERGY S.A. and other rights of use software.

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 wind parks, and to restore the place as it was.

Environmental Restoration	
31/12/2012	**1.510**
Financial cost	94
31/12/2013	**1.604**

The amount of € 94 of the annual change of the environmental restoration about the wind 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 and NASDAQ listed companies that were valued with closing prices of December 31, 2013 (1st level) as well as companies, not listed, 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. During 2013, there has not been any change in the classification of available for sale financial assets. The change in value of available for sale financial assets was due to both an increase in market value of listed shares by €777 (loss €625 on 31/12/2012), which was recorded in the Statement of Comprehensive Income for the Company and the Group and the impairment of available for sale financial assets, amounting to € 202, which was reclassified in the current period from the revaluation reserve to the income statement and reflected in the item Financial Expenses

In July 2013, the Group's subsidiary R.F. ENERGY S.A. sold its portfolio held in FBBank for € 2,650. The transaction resulted in a profit of € 650.

<u>Fair value of financial assets</u>

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets through valuation techniques.

Level 1: Investments are valued at fair value based on quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based (either directly or indirectly) on observable market data.
Level 3: Investments are valued at fair value by using valuation techniques in which all inputs that affect significantly the fair value are based on observable market data.

The following table reflects the financial assets valued at fair value on 31/12/2013 for the Group and the Company:

	Group			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	1.432	-	-	**1.432**
Available for Sale Financial Instruments – ASE non Listed Companies	-	-	35	**35**
Total	**1.432**	**-**	**35**	**1.467**

Shareholders' equity	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives	-	40	-	**40**
Total	**-**	**40**	**-**	**40**

	Company			
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Available for Sale Financial Instruments – ASE Listed Companies	1.432	-	-	**1.432**
Available for Sale Financial Instruments – ASE non Listed Companies	-	-	35	**35**
Total	**1.432**	**-**	**35**	**1.467**

Shareholders' equity				
Derivatives	**Level 1**	**Level 2**	**Level 3**	**Total**
	-	40	-	**40**
Total	**-**	**40**	**-**	**40**

	Group		**Company**	
	Year ended December 31,			
	2013	**2012**	**2013**	**2012**
ASE Listed companies	50	26	50	26
Companies listed on foreign stock exchange	1.382	604	1.382	604
ASE non-listed internal companies	32	2.049	32	49
ASE non-listed foreign companies	3	3	3	3
Total	**1.467**	**2.682**	**1.467**	**682**

	Group		**Company**	
	Year ended December 31,			
	2013	**2012**	**2013**	**2012**
Balance at 01/01/	**2.682**	**3.336**	**682**	**1.336**
Additions	134	-	134	-
Sales	(2.111)	-	(111)	-
Change of fair value through the reserve	980	(654)	980	(654)
Change of fair value through the results	(15)	-	(15)	-
Reclassification at results	(202)	-	(202)	-
Balance at 31/12/	**1.467**	**2.682**	**1.467**	**682**

12. Inventories

Inventories are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
	2013	**2012**	**2013**	**2012**
Merchandise………………………………..	40.720	35.256	40.720	35.244
Provisions for slow moving inventory……..	(287)	(244)	(287)	(244)
Total	**40.433**	**35.012**	**40.433**	**35.000**

The provision for slow moving inventory has as follows:

	Consolidated	**Company**
Balance as at 01.01.2012……………………………………	**(175)**	**(175)**
Expenses on period of 2012……………………………..................	(69)	(69)
Balance as at 31.12.2012……………………………………	**(244)**	**(244)**
Expenses on period of 2013…….……………………….................	(43)	(43)

Balance as at 31.12.2013……………………………………	**(287)**	**(287)**

Within 2013, the Company, in order to cover open current bank account, has been set up with collateral agreement of ownership of merchandise amounting to € 3,000.

The decrease in value of inventories of the Company to its net realizable value affected cost of sales.

13. Receivables and Prepayments

Receivables and Prepayments are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
	2013	**2012**	**2013**	**2012**
Customers…………………………………..	27.638	26.946	20.327	20.700
Postdated cheques………………………….	5.236	10.237	5.236	10.037
Notes receivables…………………………..	151	45	151	42
Provision for doubtful accounts……………	(2.726)	(2.680)	(2.726)	(2.668)
Total	**30.299**	**34.548**	**22.988**	**28.111**
Other receivables and prepayments………..	6.694	25.424	3.521	2.945
Total	**37.263**	**59.972**	**26.509**	**31.056**

The liquidation of the majority of the trade receivables as they stood till 31/12/2013, is expected to be completed in the next few months on the basis of the applied by the company trade policy.

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.

	Consolidated		**Company**	
	December 31,			
Ageing of trade receivables	**2013**	**2012**	**2013**	**2012**
0 - 30 days …………………………………	5.581	6.054	4.841	4.176
31 - 60 days ……………………………….	6.508	8.369	5.723	7.465
61 - 90 days ……………………………….	3.627	4.959	2.675	4.251
91 - 120 days ………………………………	3.230	2.408	1.914	1.742
121 - 150 days ……………………………..	952	1.646	447	678
151 - 180 days …………………………….	1.267	2.240	589	1.203
181 - 360 days …………………………….	5.796	5.210	3.461	4.931
Non – overdues trade receivables	**26.961**	**30.886**	**19.650**	**24.446**
361 + days …………………………………		6.342		6.333
Impairment provision	(2.726)	(2.680)	(2.726)	(2.668)
Overdues trade receivables	**3.338**	**3.662**	**3.338**	**3.365**
Total receivables	**30.299**	**34.548**	**22.988**	**28.111**

The over one year overdue, but not impaired trade receivables of the Group amounting to € 3,338, concern receivables from customers for whom legal claiming procedures have been initiated and analyzed in time from one to four years. It is noted that this amount does not appear discounted, since there is no accurate estimate if the time of its collection.

Other Receivables and prepayments are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
	2013	**2012**	**2013**	**2012**
Greek state – taxes receivables………….....	2.619	5.341	1.442	2.000
Reserved bank deposits	1.472	1.809	-	-
Subsidies…………………………………...	-	15.920	-	-
Prepayment expenses………………………	1.275	1.737	500	437
Receivables from assigned securities	1.391	435	1.391	435
Other………………………………………..	207	182	188	73
Total	**6.964**	**25.424**	**3.521**	**2.945**

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

14. Cash and cash equivalents

	Consolidated		**Company**	
	December 31,			
	2013	**2012**	**2013**	**2012**
Cash on hand....………………………………..	6	6	5	4
Sight and time deposits………......…………...	12.138	18.787	10.706	17.424
Total	**12.144**	**18.793**	**10.711**	**17.428**

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, 2013 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 2013 is 52.800.154 shares.

16. Share premium

The difference from share premium, according to L.2190/1920 articles 12, 14, is formed when shareholders acquired shares at a price higher than their nominal value. This difference does not represent a reserve if not created from undistributed profits, but from payments of shareholders. On December, 31 the difference from share premium amounted for the Group and the Company to €6.731.

17. Reserves

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

	Consolidated				
Reserve	**January 1, 2012**	**Additions / (reductions)**	**December 31, 2012**	**Additions / (reductions)**	**December 31, 2013**
Legal reserve………………….	3.661	300	3.961	-	3.961
Fair value reserves……………	(1.599)	(654)	(2.253)	981	(1.272)
Actuarial gains / (losses)	-	16	16	(56)	(40)
Extraordinary reserves………..	1.566	-	1.566	(156)	1.410
Tax free reserves……………...	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90)……………………	926	-	926	(926)	-
Other	-	-	(148)	148	-
Total Reserves	**4.844**	**(338)**	**4.358**	**(9)**	**4.349**

	Company				
Reserve	**January 1, 2012**	**Additions / (reductions)**	**December 31, 2012**	**Additions / (reductions)**	**December 31, 2013**
Legal reserve………………….	3.572	220	3.792	-	3.792
Fair value reserves……………	(1.599)	(654)	(2.253)	980	(1.273)
Actuarial gains / (losses)	-	(8)	(8)	(16)	(24)
Extraordinary reserves………..	1.566	-	1.566	-	1.566
Tax free reserves……………...	290	-	290	-	290
Other	-	-	-	(5)	(5)
Total Reserves	**3.829**	**(442)**	**3.387**	**959**	**4.346**

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 ⅓ 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, amounting to €926. After the merger of FG LOGISTICS S.A. and F.G. EUROPE S.A. within 2013, that amount was transferred to the account “retained earnings’’.

18. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2013	**2012**	**2013**	**2012**
Suppliers………………………………………	8.420	22.713		21.753
Cheques payables postdated…………………..	456	898		865
Accrued expenses……………………………..	779	991		772
Accrued Interest	451	459		278
Prepayments…………………………………..	668	647		647
Provisions for contingent tax liabilities from unaudited years ……….	340	340		266
Amount for the acquisition of shareholdings	133	2.043	133	2.043
Other short term obligations…………………	528	1.120	340	246

Total	**11.775**	**29.732**	**10.541**	**27.299**

The Group in some cases uses derivative financial products (forwards – level 2) to hedge its exposure to changes in exchange rates on stock purchases. The changes in exchange rates for these derivative financial products that have not been considered as vehicles of hedging, directly affect the recognition of other liabilities in the Statement of Financial Position (note 11).

19. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		**Company**	
	December 31,			
Long term borrowings:	**2013**	**2012**	**2013**	**2012**
Bonded loan………………………….…….	44.754	72.057	21.364	28.118
Long term debt payable within the next 12 months..………..	(24.215)	(26.417)	(21.364)	(12.177)
Long term debt payable between 1 & 5 years………………………………………..	(20.539)	(45.640)	-	(15.941)
Total long term borrowings	**(44.754)**	**(72.057)**	**(21.364)**	**(28.118)**
Short term borrowings	35.969	15.071	35.969	11.514

Within 2013, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 7.50% and received short-term financing from banks, pledging postdated checks from customers of €6.403.
The subsidiary RF. ENERGY, in January 2011, received funding of €2.500. The interest rate on this loan is EURIBOR 3M plus fixed margin 4.00%. This funding ended on 31/08/2013. For this grant, the Company pledged its securities. The loan was fully repaid in July 2013.

Moreover, RF ENERGY S.A. entered on 30/12/2011 credit agreement with overdrafts of €1.009, which was disbursed at the same date. The interest rate of this loan is floating EURIBOR 3M plus fixed margin 6.50%. During the fourth quarter of 2013, RF ENERGY S.A. fully repaid the short-term borrowing of € 1.000. For this grant, corporate guarantee and pledge up on time deposits (€1.000) maintained by the 100% subsidiary KALLISTI ENERGIAKI S.A. were given. After the fully repayment of the loan, the corporate guarantee by the subsidiary was ended and there was a waiver of the pledge on the aforementioned deposit.

According to the decision of the BoD on 18/1/2008, the Company issued, according to the provisions of L. 2190/1920 and L. 3156/2003, Common Bond Loan of €75.000, with duration of five years, renewable for 2 more years. Purpose of the loan, according to the decision of the BoD was the refinancing of the existing long-term and short-term borrowings of the Company. The disbursement of the loan agreed to be done in two instalments, the first of which amounting to € 56.250 was on 28/01/2008 and the second one amounting to € 18.750 was on 28/03/2008. The repayment of the loan, based on the initial term of five years, would be in 10 semi-annual instalments (the first 9 instalments have already been paid till 31/12/2012). The amounts of each instalment from the first one to the ninth one amounted to €5.200 and the tenth one of €28.200. According to the decision of the bondholders on 15/01/2013, the duration of part of the remaining loan was extended by 2 years. The amount of the extended loan amounted to € 26.705 due to non participation on behalf of one bondholder in the extension by € 1.495. This bondholder will be paid on 28/1/2013, according to the terms of the initial loan agreement. The extended loan will be paid in 5 equal semi-annual anniversary instalments of € 5.341, the first of which was paid on 28/1/2013 and the second one will be paid in early 2014. Based on the contract covering the Common Bond

Loan, the Company and the Group are required to keep indices which are calculated in annual and interim financial statements. In January 2014, the loan was fully repaid.

According to the Decision of the Board on 18/12/2013, the company issued a Common Bond Loan of € 65,000. On 19/12/2013, the program and the contract coverage loan with EUROBANK, PIRAEUS, GENIKI, ALPHA BANK and NBG were signed, with participation rates 33.31%, 26.72%, 3.08%, 23.82% and 13.08% respectively. The purpose of the loan is to refinance existing bank debt, long-term and short-term, and to meet the needs of the Company regarding working capital. The duration is 5 years, renewable for two additional years. The repayment of the loan will be in 10 semi-annual instalments in total, from which 9 of € 5.050 and the tenth of € 19.545,5. The margin on the basis of existing indices, ranges from 4-6%. The loan is covered by a personal guarantee of G.Fidakis, by pledging requirements of 10% of the current balance of the loan and securities of the portfolio of the Company. Based on the contract covering the Common Bond Loan, the Company and the Group are required to keep indices which are calculated in annual and interim financial statements. The loan was disbursed in January 2014 (note 27)

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12.800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009.
The disbursal of the Bond Loan amounted to €12.800 and was used for both the long-term financing of the investing plan of the company of €6.065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5.80% - the first 9 installments have already been paid till 31/12/2013) and the short-term financing against income from approved subsidy of €6.735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing.
In June 2010, KALLISTI ENERGIAKI S.A. received the amount of €1.310 against the first installment of the approved state subsidy and proceeded immediately to the repayment of equal part of the aforementioned loan.

In August 2010, KALLISTI ENERGIAKI S.A. received the amount of €2.059 against the remaining balance of the first installment of the approved state subsidy and proceeded immediately to the respective repayment of equal part of the aforementioned loan.
Within September 2010, KALLISTI ENERGIAKI S.A.refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €3.365, with duration of 11 years, to be paid in 22 semi-annual installments (the first 7 installments have already been paid till 31/12/2013). During the payment on 30/11/2013 and after contractual notice on behalf of KALLISTI ENERGIAKI S.A., the company proceeded to repayment of € 1.000, using own equity. The amount of prepayment paid off last series of bonds, and as a result the loan will be repaid in 2018 instead of 2021. The interest rate is Euribor 6M +2,30% ≈ 2,70%.

AIOLIKI KYLINDRIAS S.A., 100% subsidiary company of RF ENERGY S.A., received in October 2009 short-term financing of €10.008 for refinancing of existing financing. In December 2009, an amount of €5.934 converted to Common Bond Loan with a duration of 14 years and floating rate Euribor plus fixed margin 2,30%, while the remaining amount of €4.074 remained as a short-term financing against approved subsidy with floating rate Euribor plus fixed margin 4,00%.
For the purpose of this loan, collateral have been used including company's future receivables coming from the Power Purchase Agreement with LAGIE S.A. (ex HTSO), bank deposits and the pledge on the shares of the issuer, as well. The loan will be paid in 28 semi-annual installments, of which up to 31/12/2013 eight have been paid.

AIOLIKI ADERES S.A. , according to the decisions of BoD on a)05/05/2011, b) 01/02/2012 and c) 29/05/2012 signed bond agreement up to an amount of € 35.065, for 12 years with a grace

period of 24 months and floating rate Euribor 6M plus a fixed margin of 3,80% and 4,00% by case, 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/ΥΠΕ/5/01732/Ε/Ν.3299/04/19-11-2010 and 52589/ΥΠΕ/5/01840/Ε/Ν.3299/04/27-12-2010 and 26960/ΥΠΕ/5/01841/Ε/Ν.3299/2004-14/06/2012 c) the medium-term financing to cover the VAT of investment cost of the three wind farms.

On 06/02/2012, a Deed of Amendment on the aforementioned bond agreement was signed, regarding the maximum number of disbursements of Bond series, relating to financing to cover the VAT. On 06/06/2012, new Deed of Amendment on the above agreement was signed, according to which the maximum amount of loan increased to € 35.246 and the grace period was merged for series relating to a) the long-term financing of the investment cost for the construction of the 3 wind farms, b) the medium-term financing to cover the VAT of the investment cost of the three wind farms. The grace period provided by the loan was dropped from 24 to 12 months. As a result, the Maturity Date of the above bond series changed to eleven years and six months from the issuance date (First partial issue of each Series). The total loan amounted to € 33.574 with capitalized interest. The long-term part of this will be paid in 21 equal monthly installments, while for the remaining Bond Series dealing respectively with short-term funding against approved grants for three wind farms and medium-term financing to cover the VAT of the investment costs of these farms, the repayment will be made in three (3) equal installments.

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 LAGIE S.A. (ex HTSO), bank deposits and on insurance policies and contracts that has to maintain and on approved subsidies relating to investing plans, as well.

During the fourth quarter of 2012, Aioliki Aderes S.A. made a voluntary prepayment of € 490 for the upcoming installment for the series against the VAT on capital expenditure. Also, the first installment of principal and interest for Bond series regarding the long-term financing of the investment costs for the construction of the three wind farms of the Company was paid. On 02/05/2013, the balance of the first installment of capital and the amount of accrued interest with respect to Series C of the Bond loan of Aioliki Aderes S.A., regarding medium-term financing to cover VAT on capital expenditure, was paid. On 06/06/2013, the second installment of capital and interest on the Bond series regarding the long-term financing of the investment costs for the construction of three wind farms of the Company was paid. On 14/06/2013, the Company received an amount of € 4.168 covering the entire approved public subsidy for the investment location 'Soros', Argolida. The amount received was used to repay the existing loan granted against subsidy. After payment, there was a balance between the amount of financing and the amount that was finally approved, of € 138, which was repaid from cash of the Company on 08/07/2013. Also, on 23/9/2013, the company received an amount of € 3.804, relating to the total approved public subsidy for the investment in Astrapi location, Argolida. The received amount was used to repay existing loan granted instead subsidy. After the repayment, there was a balance between the amount of funding and the amount finally approved, amounting to € 49 which was repaid from cash of the company on 24/09/2013. On 25/10/2013, the company received an amount of € 7.491 relating to the total approved public subsidy for the investment in Sampales location, Argolida. The received amount was used to repay an existing loan granted instead subsidy. After the payment, there was a balance between the amount of funding and the amount finally approved, amounting to € 216 which was repaid from cash of the company on 25/10/2013. On 01/11/2013, the second installment of capital and the amount of accrued interest with respect to the Series C of the Bond loan of AIOLIKI ADERES S.A., regarding medium-term funding against VAT on capital expenditure, were paid. AIOLIKI ADERES S.A. requested and receives a VAT refund of investment expenditure for the years 2010 and 2011, amounting to € 128 and € 1.416 respectively. Using the proceeds from the VAT refund, AIOLIKI ADERES S.A. proceeded to a voluntary prepayment of

loan balance granted against VAT on investment cost, amounting to € 837, plus accrued interest.
On 04/07/2013, the Group's subsidiary HYDROELECTRIKI ACHAIAS S.A. concluded amortized loan of € 400 for two years, which will be repaid in four equal semi-annual installments. To receive this loan, HYDROELECTRIKI ACHAIAS S.A. has assigned its claims arising from power purchase agreements with L.A.G.I.E for two small hydroelectrical stations with total power of 3.615MW, operating the region of Aigio, Achaias. Moreover, the parent company RF ENERGY S.A. provided corporate guarantee for that loan. During the grace period, interest will be paid as normal. For the conclusion of that loan, HYDROLECTRIKI ACHAIAS S.A. made the assignment of its receivables arising from the PPC contracts in force with LAGIE S.A. for two SPH plants operating in the region of Aigio, Achaia Perfecture with total power of 3.615MW. Moreover, a corporate guarantee by the parent company RF ENERGY S.A. has been given for that loan.

On 12/6/2013, the 100% subsidiary company RF ENERGY S.A. HYDROELECTRIKI ACHAIAS S.A. concluded amortized loan of € 400 with duration of two years and seven months, which will be paid in 4 equal installments, with a grace period of seven months, that is until July 2014.

The fair value of the above loans approximates their nominal value and the effective interest rates of short-term loans were approximately 7.50%.

20. State subsidies

	Consolidated	Company
1/1/2012		
Subsidies value…………………………..	24.326	45
Accumulated depreciation……………….	(2.602)	(45)
Net book value 01/01/2012……………..	**21.724**	**-**
1/1-31/12/2012		
Additions…………………………………	4.360	-
Depreciation…………………………...	(1.672)	-
31/12/2012		
Subsidies value…………………………..	28.686	45
Accumulated depreciation……………….	(4.274)	(45)
Net book value 31/12/2012…………	**24.412**	**-**
1/1-31/12/2013		
Additions………………………………..	(456)	-
Depreciation…………………………..	(1.776)	-
31/12/2012		
Subsidies value…………………………	28.230	45
Accumulated depreciation……………...	(6.050)	(45)
Net book value 31/12/2012………..	**22.180**	**-**

The subsidiary company KALLISTI ENERGIAKI S.A., within the current fiscal year, received the state subsidy for its investment plan. 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 € 477 during the current period.

The subsidiary company AIOLIKI KYLINDRIAS S.A., within 2011, received the approved state subsidy in one installment. 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 € 201 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 € 36 during the current period. After the beginning of the operation of the small hydro electrical station in location "Agios Andreas", the subsidiary, within 2011, 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 € 21.

The subsidiary company AIOLIKI ADERES S.A. received a number 52586/YPE/5 / 01732/E/N.3299/04/19-11-2010,589/ΥΠΕ/5/01840/E/N.3299/04/27-12-2010 and 26960/ΥΠΕ/5/01841/E/N.3299/2004-14/06/2012 approvals to join the investment in the investment law 3299/2004 as amended by the Ministry of Economy and Finance for the construction of wind farms in locations " Sampales" , " Astrapi" and "Soros"

The approved amount of total granted investment amounts to € 39.799 and as a result the state subsidy amounts to € 15.463. AIOLIKI ADERES S.A. depreciates recoverable grants, which in the current fiscal year amounted to €1.041.

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)				
	January 1, 2012	**Changes 2012**	**December 31, 2012**	**Changes 2013**	**December 31, 2013**
Intangible assets……………………………	377	(346)	31	(9)	22
Property, plant and equipment…………	(37)	(53)	(90)	(499)	(589)
Inventories…………………………………	55	(6)	49	26	75
Receivables and prepayments………………	625	(89)	536	55	591
Long term borrowings………………………	(92)	(17)	(109)	(2)	(111)
Employee benefits…………………………	93	(8)	85	41	126
Deferred state subsidies……………………	83	(121)	(38)	(1.130)	(1.168)
Trade and other payables……………………	-	(53)	(53)	62	9
Actuarial loss reserve	-	-	-	6	6
Tax credits on recognized losses……………	539	357	896	(135)	761
Provision of equipment removal…………….	47	33	80	68	148
Extraordinary contribution	-	83	83	234	317
Other………………………………………	12	(5)	7	11	18
Total	**1.702**	**(225)**	**1.477**	**(1.272)**	**205**

	Company				
	Deferred tax assets/ (liabilities)				
	January 1, 2012	**Changes 2012**	**December 31, 2012**	**Changes 2013**	**December 31, 2013**
Property, plant and equipment……….	(12)	-	(12)	(6)	(18)

Inventories……………………………...	55	(6)	49	26	75
Receivables and prepayments……………..	624	(91)	533	56	589
Long term borrowings…………………….	(20)	5	(15)	16	1
Employee benefits………………………...	67	7	74	(6)	68
Trade and other payables………………….	(1)	(97)	(98)	(45)	(53)
Other………………………………………	3	(3)	-	-	-
Total	**624**	**(53)**	**571**	**199**	**770**

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

	Consolidated		Company	
	December 31,			
	2013	2012	2013	2012
Short term……………………………………..	(1.151)	(90)	12	(52)
Long term……………………………………..	1.356	1.567	758	620
Total long term borrowings	**205**	**1.477**	**770**	**568**

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.

1) Contract termination due to retirement

Employees covered by any pension sector of any insurance organizations, as long as they meet the requirements for full retirement, if they are craftsmen, they are able to retire and if they are employees, they can retire or be dismissed by the employer. In these cases, they are entitled to 50% of the statutory compensation if they do not have supplementary insurance or 40 if they do. Employees, with-fixed term contract, who are made redundant or leave before its end to retire, are also entitled to this reduced compensation. It is noted that the employer can not fire technicians who meets the requirements of full retirement age, with a reduced payment of compensation. He has this option only in case of employees.

With 15 years of service:

Employees associated with permanent work contracts and have completed 15 years of service with the same employer or the age limit laid down by the concerned Insurance Organization and if the limit of 65 years of their age does not exist, then they can leave their work with their employer's consent and as a result they are entitled to receive 50% of legal compensation.
The provision for employee termination benefits is based on an independent actuarial study calculated as of December 31, 2013, using the Projected Unit Credit method.

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

The movement of the account from January 1, 2013 to December 31, 2013 was as follows:

	Consolidated		Company	
	2013	2012	2013	2012
Current value of non-financing liabilities………………………	539	493	502	338
Unrecognized actuarial gains / (losses)…………………………	-	-	-	-
Net liability recognized on balance sheet	**539**	**493**	**502**	**338**

Amounts charged to the Statement of Income for the year

Current employment cost……………………………………	37	66	34	37
Interest of liability……………………………………………...	23	24	19	18
Cost of recognition of previous experience	-	(39)	-	(27)
Cost to the statement of income	**60**	**51**	**53**	**28**
Cost of service terminating …………………………………….	-	10	-	3
Settlements cost	31	-	23	-
Total cost to the statement of income	**91**	**61**	**76**	**31**
<u>**Amounts for the current and the previous year**</u>				
Current value	(537)	(493)	(502)	(338)
Surplus / (Deficit)	(537)	(493)	(502)	(338)
Trade Adjustments to liabilities	9	(12)	(22)	(11)
<u>**Actuarial Assumptions**</u>				
Discount interest	3,50%	4,50%	4,50%	4,50%
Future Salaries' Increase	2,20%	2,50%	2,50%	2,50%
Inflation	2,00%	2,50%	2,00%	2,50%
Additional payments or expenses	9	16	(22)	(9)
Aggregated Statement of recognized Gains /(losses)	(22)	43	(22)	(6)
<u>**Changes in the net liability recognized on the balance sheet**</u>				
Net liability at beginning of year……………………………….	505	543	441	368
Benefits paid by the employer………………………………….	(50)	(95)	(37)	(69)
Total cost recognized on the statement of income……………...	91	61	76	31
Net liability at end of year	**546**	**509**	**480**	**330**
Statement of recognized Gains /(losses)	9	(17)	22	8
Adjustment	1	-	-	-
Net liability at end of year	**538**	**492**	**502**	**338**

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2013:

- If interest rate higher by 0.5% (that is 4%) was used, then the present value of the liability would be lower by approximately 7.0%.
- If a higher salary growth assumption by 0.5% (that is 2.7%) was used, then the present value of the liability would be higher by approximately 8.0%.

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 Annual General Assembly of the Shareholders on 28/6/2013 decided the non distribution of dividend for the fiscal year 2012.
The Board of Directors, due to non distribution of dividend in the previous three years, proposes to the Annual General Assembly, the distribution of a dividend for 2013 to the shareholders of at least 35% of the profits of the year, that is € 0.02 per share. The final decision on the dividend to be distributed will be taken by the Annual General Assembly.

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. After the merger of FIDAKIS LOGISTICS S.A. and FIDAKIS SERVICE S.A., these services are covered by the Company itself.

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 31, 2013**	**December 31, 20112**
F.G. Logistics S.A.………	-	442
R.F. Energy S.A.………	13	17
Total	**13**	**459**

Subsidiaries	**Company**	
Sales of goods and services:	**Year ended December 31,**	
	2013	**2012**
Administrative support………	-	2
Inventories………	-	67
Other………	11	11
Total	**11**	**80**

	Company	
Purchases of goods and services:	**Year ended December 31,**	
	2013	**2012**
Warranties………	-	(626)
Logistics………	-	(3.360)
Total	**-**	**3.986**

Companies with common shareholding structure	**Consolidated**		**Company**	
Receivables from:	**December 31, 2013**	**December 31, 2012**	**December 31, 2013**	**December 31, 2012**
CYBERONICA S.A………	**1.054**	**1.209**	**1.035**	**422**

Obligations to:	**Consolidated**		**Company**	
	Year ended December 31,		**Year ended December 31,**	
	2013	**2012**	**2013**	**2012**
MACMORAL TRADING LTD	**133**	**2.043**	**133**	**2.043**

Companies with common shareholding structure Purchases of goods and services:	**Consolidated**		**Company**	
	Year ended December 31,		**Year ended December 31,**	
	2013	**2012**	**2013**	**2012**
Cyberonica S.A……………..	**(3.269)**	**(3.086)**	**(3.155)**	**(768)**

Available for sale investments	**Consolidated**		**Company**	
	Year ended December 31,		**Year ended December 31,**	
	2013	**2012**	**2013**	**2012**
GLOBUS MARITIME LTD	1.382	604	1.382	604
F.B.B. First Business Bank S.A		2.000	-	-
Total	**1.382**	**(2.604)**	**1.382**	**604**

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

Receivables from:	**Consolidated**		**Company**	
	December 31, 2013	**December 31, 2012**	**December 31, 2013**	**December 31, 2012**
Members of the Board and Directors……………………	-	3	-	3
Total	**-**	**3**	**-**	**3**

Compensation:	**Consolidated**		**Company**	
	Year ended December 31,		**Year ended December 31,**	
	2013	**2012**	**2013**	**2012**
Personnel expenses..…………	(1.844)	(2.127)	(1.702)	(1.808)
Provision for staff leaving indemnity...………………...…	(36)	(20)	(31)	(17)
Total	**(1.880)**	**(2.147)**	**(1.733)**	**(1.825)**

FG EUROPE bought 3,109,834 shares of its subsidiary RF ENERGY S.A. of total value € 10.573, according to the decision of its Board of Directors on 15/05/13. The amount was paid within 2013, apart from a small amount of € 133 which will be paid within 2014.

FG EUROPE, on 04/12/12 bought 777.458 shares of its subsidiary RF ENERGY S.A. of total value € 2.643, according to the decision of its Board of Directors. The amount was paid in three instalments, the first of which of €600 on14/12/12, the second one of €1.900 on 17/01/13 and the third one of €143 on 22/01/13.

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.

During 2010, subsidiaries of the Group submitted to RAE and the Ministry of Energy and Climate Change (YP.E.K.A.) completed files with applications for relevant production licenses from wind stations in the southern Evia, with total capacity of 144MW. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 531MW. Said Production Licenses have not been granted as of the date of issuance of the document at hand.
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. Due to this fact, 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 Council of State, 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 Council of State has not convened on the case matter.

26. Commitments

26.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2013. The future aggregate minimum lease payments arising from building lease agreements until year 2022 are estimated to amount to € 7,560 for the Group and €7,279 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to € 274 approximately for the Group and the Company.

	Consolidated					
	Year 2013	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2014 hereafter**
Future lease agreements for						
- buildings………………..	3.269	3.084	1.267	1.201	2.008	7.560
- cars……………………..	168	129	73	72	-	274
- fields for installation Aeolic parks	19	-	-	-	3.708	3.708
Total	**3.456**	**3.213**	**1.340**	**1.273**	**5.716**	**11.542**

	Company					
	Year 2013	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2014 hereafter**
Future lease agreements for						
- buildings………………..	31.665	2.970	1.154	1.154	2.001	7.279
- cars……………………..	168	129	73	72	-	274
Total	**31.833**	**3.099**	**1.227**	**1.226**	**2.001**	**7.553**

26.2 Guarantees

Within 2013, the Company in order to cover open current bank account, has been set up with collateral agreement of ownership of goods amounting € 3,000.

Moreover, shares of the subsidiaries of the Group, KALLISTI ENERGIAKI S.A., AIOLIKI ADERES S.A. and AIOLIKI KYLINDRIAS S.A. have been pledged to secure loans.

Under the loan agreement from 6/4/2009, productive equipment of the subsidiary KALLISTI ENERGIAKI S.A. of € 17,091has been pledged.

Moreover, on December 31, 2013, the subsidiary company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of € 23,389 (31/12/2012: € 43,940),, which have been paid off gradually by 2023(note 19).

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 31/12/2013 is € 6,051 (€40,368 on 31/12/2012).

27. Post Balance Sheet Events

In January 2014, after the signing of a new Common Bond Loan Agreement on 19/12/2013, the Company received the amount of € 65,000 and fully repaid the previous bond amounting to € 21,364 and the short-term borrowings of € 35,969 that existed on 31/12/2013.

With the Draft Law submitted for consultation in early March 2014, changes in the market of RES are being promoted. According to the Draft Law, the producers using wind farms and SHP will issue a credit note of 10% on sales in 2013. This will result in a corresponding adjustment of the Special Levy of L.4093/2012 imposed on the producers of RES, due to the reduced, after the discount, sales. If the aforementioned changes were implemented, the financial results for the Group would have been altered by € (1.024) before taxes, the deferred tax of 26% would have an effect of € 266 and the net negative effect on the profit after tax would be € (758)

There are no other significant post balance sheet events having occurred after December 31, 2013 concerning the Company that should have been disclosed.

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on March 27, 2014 and are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**

Glyfada, March 27, 2014

Chairman of the Board of Directors	Managing Director	Finance Manager	Accounting Supervisor
Georgios Fidakis ID No N 000657	John Pantousis ID No Ξ 168490	Michael Poulis R.G 016921	Athanasios Harbis R.G 0002386

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
23/12/2013	Announcement of other significant events
18/12/2013	Announcement of other significant events
28/11/2013	Notice on the Financial Statements / Reports
18/10/2013	Notice on the decisions for participation in Merger, Division, Redemption, Acquisition, Assignment of shares
9/8/2013	Notice on the Financial Statements / Reports
26/7/2013	Notice on the decisions for participation in Merger, Division, Redemption, Acquisition, Assignment of shares
9/7/2013	Announcement of other significant events
3/7/2013	Notice on the change on the composition of the Board of Directors
28/6/2013	Announcement for the decisions of the General Assembly
31/5/2013	Notice on the Financial Statements / Reports
30/5/2013	Announcement of Invitation to the General Assembly
29/5/2013	Notice on the decisions for participation in Merger, Division, Redemption, Acquisition, Assignment of shares
24/5/2013	Announcement of other significant events
24/4/2013	Announcement for informing the analysts by the listed company
23/4/2013	Announcement of other significant events
29/3/2013	Notice on the Financial Statements / Reports
28/3/2013	Replies to letters – questions of the ASE / HCMCA
28/3/2013	Financial Calendar
31/1/2013	Announcement of other significant events

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 125776001000 (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 2013

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

The financial information provided below aims to provide general information about the financial position and results of FG EUROPE S.A. (the Company) and the Group. Before any investment decision is made or other transactions are entered into we recommend that the reader visit the website of the Compnay and refer to the Financial Statements which are prepared in accordance with International Financial Reporting Standards and the accompanying audid opinion of our auditors.

COMPANY DATA

Responsible Supervisory Body:	**Ministry of Development**
Company's website address:	**http://www.fgeurope.gr**
Composition of Board if 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 Stroggylopoulos *(Non Executive member)*, Nikolaos Piblis *(Non Executive member)***
Date of approval of the annual financial statements (from which the condensed data has been extracted):	**March 27, 2014**
Auditor:	**Manolis Michalios (SOEL Reg. No. 25131)**
Audit Company:	**Grant Thornton S.A. (SOEL Reg. No. 127)**
Type of Audit Report:	**Unqualified audit report**

STATEMENT OF FINANCIAL POSITION

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
ASSETS	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Tangible assets	66.721	72.070	484	232
Investments in Property	260	310	260	310
Intangible assets	7.571	7.889	3	----
Other non current assets	3.518	4.849	32.184	21.439
Inventories	40.433	35.012	40.433	35.000
Trade receivables	37.263	59.972	26.509	31.056
Other current assets	12.144	18.793	10.711	17.428
TOTAL ASSETS	**167.910**	**198.895**	**110.584**	**105.465**
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	15.005	19.380	25.931	22.210
Total equity attributable to the owners of parent company (a)	**30.845**	**35.220**	**41.771**	**38.050**
Minority interests (b)	18.525	20.171	----	----
Total equity (c)=(a)+(b)	**49.370**	**55.391**	**41.771**	**38.050**
Long term borrowings	20.539	45.640	----	15.941
Provisions / Other long-term liabilities	25.485	26.415	502	338
Short term borrowings	60.184	41.488	57.333	23.691
Other short term liabilities	12.332	29.961	10.978	27.445
Total liabilities (d)	**118.540**	**143.504**	**68.813**	**67.415**
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	**167.910**	**198.895**	**110.584**	**105.465**

STATEMENT OF CHANGES IN NET EQUITY

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Equity balance at the beginning of the period (1/1/2013 and 1/1/2012 respectively)	55.391	52.402	38.050	34.351
Total comprehensive income after taxes	5.194	4.225	3.890	3.699
Share capital increase/(decrease)	----	1.408	----	----
Minority interest increase/(decrease)	(10.574)	(2.644)	----	----
Reserve from revaluation merging companies	----	----	(169)	----
Others	(641)	----	----	----
Equity at the end of the period (31/12/2013 and 31/12/2012 respectively)	49.370	55.391	41.771	38.050

STATEMENT OF TOTAL COMPREHENSIVE INCOME

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Turnover	**99.103**	**111.122**	**87.736**	**99.399**
Gross profit	**26.417**	**29.569**	**21.508**	**23.946**
Earnings before taxes, financing and investing activities	**10.235**	**10.736**	**7.294**	**7.131**
Earnings before taxes	**6.282**	**6.549**	**3.963**	**5.504**
Earnings after taxes (A)	**4.243**	**4.863**	**2.926**	**4.361**
Attributable to:				
Equity holders of the parent company	3.640	4.792	----	----
Minority interest	603	71	----	----
Other comprehensive income after tax (B)	**951**	**(638)**	**964**	**(662)**
Total comprehensive income after tax (A)+(B)	**5.194**	**4.225**	**3.890**	**3.699**
Attributable to:				
Equity holders of the parent company	4.591	4.154	----	----
Minority interest	603	71	----	----
Proposed dividend distribution - (in Euro)	0,0200	----	0,0200	----
Earnings per share – basic (in Euro)	**0,0689**	**0,0908**	**0,0554**	**0,0826**
Earnings before interest, depreciation, amortization and taxes	**13.817**	**14.419**	**7.376**	**7.203**

CASH FLOW STATEMENT

(consolidated and not consolidated) amounts in € thousands

Indirect method	GROUP		COMPANY	
	1/1-31/12/2013	1/1-31/12/2012	1/1-31/12/2013	1/1-31/12/2012
Operating Activities:				
Earnings before taxes	6.282	6.549	3.963	5.504
Add / (less) adjustments for:				
Depreciation and amortization	3.582	3.683	82	72
Provisions	790	327	212	291
Exchange rate differences	492	(225)	492	(225)
Result of investment activity	(1.211)	(652)	63	(518)
Interest and similar expenses	5.147	4.976	3.251	2.282
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(5.464)	(1.271)	(5.464)	(1.271)
Increase / (decrease) in receivables	8.952	(15.031)	7.670	(11.034)
(Decrease) / increase in liabilities (other than banks)	(17.995)	2.581	(17.992)	3.853
Less:				
Interest and similar expenses paid	(5.278)	(4.019)	(3.425)	(1.984)
Taxes paid	(978)	(1.083)	(785)	(823)
Total inflow / (outflow) from operating activities (a)	**(5.681)**	**(4.165)**	**(11.933)**	**(3.853)**
Investing Activities				
Acquisition of subsidiaries and other investments	(12.619)	(601)	(12.619)	(1.500)
Proceeds from the sale of subsidiaries and other investments	2.744	----	94	----
Purchase of tangible and intangible assets	(232)	(1.589)	(106)	(12)
Proceeds from the sale of PPE and intangible assets	4	----	4	----
Proceeds from Government grants	15.463	----	----	----
Interest income	317	459	229	324
Proceeds from dividends	----	91	----	91
Total inflow / (outflow) from investing activities (b)	**5.360**	**(2.099)**	**(12.628)**	**(1.421)**
Financing Activities				
Proceeds from capital increase	----	1.404	----	----
Payments for capital decrease	----	----	----	----
Borrowings from banks	23.818	1.453	23.018	286
Payments of borrowings	(30.331)	(12.691)	(5.400)	(10.399)
Total inflow / (outflow) from financing activities (c)	**(6.513)**	**(11.238)**	**17.618**	**(10.113)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(6.517)**	**(15.639)**	**(6.713)**	**(15.063)**
Exchange rate differences	**(132)**	**(31)**	**(132)**	**(31)**
Cash and cash equivalents at beginning of the year	**18.793**	**34.463**	**17.428**	**32.522**
Cash and cash equivalents at beginning of the year of absorbed companies	**----**	**----**	**128**	**----**
Cash and cash equivalents at the end of the period	**12.144**	**18.793**	**10.711**	**17.428**

ADDITIONAL DATA AND INFORMATION

1) The Group companies which are included in the consolidated financial statements are presented in note (1) of the Annual Financial Statements including their location, percentage of Group participation and consolidation method.
2) "Other comprehensive income after tax" represents a) total profit for the Group and the Company of € 951 thousand and € 964 respectively, (€ 778 thousands revaluation gains and € 202 thousands reclassification of gains, on securities which are classified as "available for sale investements") and b) losses € 29 thousand and € 16 thousand for the Group and the Company respectively represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-empoyment benefit plans.
3) There are no companies which are included in the consolidated financial statements of the period 1/1-31/12/2013 and which are being consolidated for the first time. There are no companies which are not included in the consolidated financial statements of the period 1/1-31/12/2013 and which had been consolidated in the corresponding period of 2012. Also there are no companies which have not been included in the consolidated financial statements. The consolidation method is the same as that applied in the previous periods.
4) The basic accounting policies of the Annual Financial Report are the same as that applied in the previous fiscal year 2012, apart those which are referred to in note (2.2) of the Annual Financial Statements.
5) There are no own shares which are held by the Company or by its subsidiaries for the period ending 31 December 2013.
6) There are no litigations or arbitrations which have been finalized or which are in progress and would have a significant effect on the financial statements of the Group or the Company.
7) The income tax returns of the companies of the Group have not been examined by the tax authorities and the possibility exists that additional taxes and penalties will be imposed upon examination. The Group and the Company have made provisions for additional taxes and penalties amountling to € 340 thousand and € 292 thousand respectively. The fiscal years which have not been audited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (8) in the annual financials statements.
8) The Group and the Company have not made "'General provisions", in accordance with paragraphs 10,11 and 14 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".
9) FG EUROPE, on 15/5/2013 bought additional 10% of the shares of its subsidiary RF ENERGY S.A. of total value € 10.600 thousands, according to the decision of its Board of Directors. Also on 10/10/2013 the Ministry of Development approved the merge with absorption.of 100% subsidiaries FIDAKIS SERVICE S.A and FIDAKIS LOGISTICS S.A. from the parent Company FG EUROPE S.A. More details are presented in note (1) of the Annual Financials Statements. The above events have not significant effect to the financial position of the Group.
10) All intercompany transactions and balances of the companies which are included in the consolidation have been eliminated from the Annual Financial Statements of the Group.
11) Pledges of the Group and the Company are presented in details in note (26.2) of the Annual Financial Statements.
12) The number of employees as of December 31, 2013 was : Group 100, Company 87 persons.
December 31, 2012 was : Group 98, Company 58 persons.
13) The transactions and balances in € thousands for the period ending December 31, 2013 with related parties as defined by IAS 24 are as follows:

a) Sale of goods and services	---	11
b) Purchase of goods and services	3.269	3.155
c) Receivables from related parties	1.054	1.048
d) Payables to related parties	133	133
e) Key management personnel compensations	1.880	1.733
f) Receivables from key management personnel	---	---
g) Payables to key management personnel	---	---

14) There are no significant events subsequent to December 31, 2013 concerning the Group or the Company, that would require adjustment to or additional disclosure in the published financial statements in accordance with IAS 10 principles apart of those which are presented in note (27) of the Annual Financials Statements.

GLYFADA, ATTIKIS MARCH 27, 2014

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	FINANCE DIRECTOR	CHIEF ACCOUNTING OFFICER
GEORGIOS FIDAKIS	JOHN PANTOUSIS	MICHALIS POULIS	ATHANASIOS HARBIS
ID No AK 723945	ID No Ξ 168490	R.G. 016921	R.G. 0002386

KRONOS S.A.