

F.G. EUROPE S.A.

128, Vouliagmenis Ave.

166 74 Glyfada

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

**ANNUAL FINANCIAL REPORT
COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)**

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

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

Members of the Board of Directors, Mr. Georgios Fidakis, Chairman of the Board, Mr. Ioannis Pantousis, Managing Director and Mr. Konstantinos 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, 2014, 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, 2015

Georgios Fidakis

John Pantousis

Konstantinos 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 31/12/2014
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, 2014 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, 2014 until December 31st, 2014.

Reference is also made to any significant events that took place during fiscal year period of 2014 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).

FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET ANONIM SIRKETI: In order to expand the Company's operation in Turkey, a subsidiary company was incorporated on 16/4/2014, based in Istanbul, for sale of all types of air-conditioners in Turkish Territory. The initial share capital amounts to €751 and FG EUROPE SA's participation stake is 55%.

FG EUROPE ITALIA SPA: In order to expand the Company's operation in Italy, a subsidiary company was incorporated on 3/6/2014, based in Milano, for sale of all types of air-conditioners in Italian Territory. The initial share capital amounts to €252 and FG EUROPE SA's participation stake is 100%.

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 ENERGIKI 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.

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

In 2014, the performance of both the Company and the Group was affected by the general decline in sales in the Greek market of electrical and electronic appliances and the prolonged period of unfavorable, for air conditioning, climatic conditions in Southeast Europe.

The Company's sales stimulation in the 4th quarter of 2014 reduced the overall decline in the sales of the fiscal year to 23.0%, compared to 2013 (27.0% in September 2014, compared to September 2013), which, however, resulted in losses of € 2.15 mil against profit of € 2.93 mil in 2013. The ratio of domestic sales/ sales abroad remained at the same level, formed, in 2014, to 65% and 35% respectively, against 70% and 30% in 2013.

The Group's financial figures were affected further by the decline in the revenues from the energy sector (by 38% compared to fiscal year 2013) , due both to the credit note (€ 1.14 mil – 10% on the revenues in 2013) issued by LAGIE S.A., according to the provisions of Law 4254/2014, and the unusually low wind capacity during 2014.

The temporary drop in the Group's financial performance is expected to reverse within 2015, since the sales in Greece, given the existing financial conditions, appear to be increased, the subsidiary in Turkey is fully activated, the activation of the subsidiary in Italy is going to be completed soon and the sales from the energy sector appear to return at 2013 levels.

At the Parent Company Level:

For the fiscal year 2014, the sales of air conditioning moved downward in almost all sectors where the Company operates in, while the total reduction amounts to 26.0% and the total income is limited to € 61.52 mil against € 83.17 mil in 2013.

Sales of ESKIMO white appliances presented a significant 8.28% increase in 2014, accounting for € 2.53 mil, against € 2.34 mil in 2013.

The reduction in total sales by 23.2%, reaching to € 67.35 mil in 2014 from € 87.74 mil, resulted in the limitation of Gross Profit to € 14.62 mil from € 21.51 mil in 2013.

The Gross Profit Margin was limited to 21.7% against 24.5% in 2013.

The Company's General Expenses were slightly decreased by 2.2%, amounting to € 14.79 mil from € 15.12 mil in 2013. However, the significant increase in net financial expenses to € 5.69 mil in 2014 from € 2.6 mil in 2013, attributable mainly to the high cost of borrowing for the Company in relation to previous years, led to losses before tax of € 5.7 mil against profit of € 3.96 mil in 2013.

The loss for the fiscal year in conjunction with the tax recognition of losses on valuation of investments and securities of previous years creates, through deferred tax, a significant tax advantage for the next five years, as entitled to tax exemption on profits up to € 3.55 mil.

Trade and Other receivables were reduced marginally by 5.2%, amounting to € 25.13 mil from € 26.51 mil in 2013. However, the noted decline in the sales of air conditioners, combined with the fact that the orders for air conditioners, which constitute the bulk of stocks, were made, like every year, at the end of the previous year, resulted in the increase by 6.91% of the stock level and particularly in € 43.43 mil from € 40.43 mil in 2013.

The total Liabilities amounted to € 78.34 mil against € 68.81 mil on 31/12/2013, increased by 13.8%, mainly due to both the increase in bank loans and trade and other liabilities of the Company.

At the Group level:

The Group's total sales were reduced, in correspondence with the sales of the Parent Company, by 26.6%, amounting to € 72.72 mil from € 99.10 mil in 2013, clearly influenced by the decline in revenues from the energy sector (€ 7.0 mil from € 11.39 mil in 2013).

This decrease resulted in the restriction of the Gross Profit of the Group to € 15.26 mil against € 26.42 in 2013 and the limitation of the Gross Profit Margin from € 26.7% in 2013 to 21.0% on 31/12/2014.

Despite the decrease in the operating expenses by 3.4%, the increase in the Parent Company's financial expenses contributed to the formation of negative results before and after tax to € 8.2 mil and €4.8 mil, respectively.

The Group's total liabilities were increased by 6.4% (€ 126.13 mil from € 118.54 mil on 31/12/2013), due to the increase of liabilities of the Parent Company.

On 10/01/2015, the Company proceeded to the payment of the 2nd installment of the Common Bond Loan amounting to € 5.05 mil, equally limiting its bank's obligations.

Other Financial Ratios:

FINANCIAL RATIOS	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Current Ratio:	1.01	1,24	0,92	1,14
Quick Ratio:	0,48	0,68	0,36	0,54
Inventory Turnover Ratio (days):	287	203	301	223
Return on Equity Ratio %:	(13,49)%	8,59%	(7,09)%	7,00%
Earnings Before Tax Ratio %:	(11,28)%	6,34%	(8,46)%	4,52%
EBITDA Ratio %:	3,25%	27,99%	0,51%	17,66%

B. Significant events occurred

On 10/01/2015, the Company proceeded to the payment of the 2nd installment of the Common Bond Loan of € 65 mil issued by the Company on 10/01/2014, amounting to € 5.05 mil. After this payment, the balance of this Loan amounts to € 54.9 mil.

Mr. Andreas Demenagas, director and non- executive member of the BoD of the Company for many years, died on 17/01/2015.

There are no other substantial events having occurred after December 31st, 2014 concerning the Company which ought to have been disclosed or that bear the capacity to significantly affect any element of the published financial statements.

C. Future Perspectives and Outlook, Main Risks with regard to the fiscal year 2014

Future perspectives and outlook

Management believes that the sales of both the Company and the Group will improve in the coming months, taking into account the full activation of the subsidiary in Turkey, the improvement of the economic climate in the internal market and the improvement of the wind conditions, which will enhance the revenue of the Group in the energy sector.

Risks and Uncertainties

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 31/12/2014, Profit after Tax and the equity for the Group and the Company would have been € 150 (€78 in 2013) (lower) / higher, if € was weaker / stronger than USD by 7%, 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 31/12/2014, Profit after Tax and the equity for the Group and the Company would have been € 7 (€ 5 in 2013) (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 29.15 and the General Index of NASDAQ by 12.02%, with all other variables held constant and the shares held by the Group and the Company following exactly this change.

	Impact on Equity	
	2014	2013
ASE General Index	7	8
NASDAQ	85	143
Total	92	151

Equity would have increased /decreased by € 92 (€ 151 in 2013) 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 31/12/2014, profit after tax and the equity for the Group would have been €623 (€580 in 2013) (lower) / higher, while for the Company would have been €530 (€ 424 in 2013) (lower) / higher, if the € interest rates were 60 basis points higher / (lower) for the Group of the subsidiary R.F. ENERGY S.A. and 115 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.

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 amounted to € 107.696 and € 86.950 for the Group and the Company respectively on 31/12/2014.

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 year's sales of air-conditioners showed signs of a seasonal trend mainly increasing during the summer period. This resulted to concerns with regard to potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.

However over the last couple of years this seasonal trend seems to steadily decrease and demand seems to spread more evenly throughout the year, nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions, but also during winter months (due to the increase in heating oil last year). This fact contributes towards higher quality client services and mitigation of the abovementioned risks.

D. Future Outlook

The temporary drop in the Group's financial performance is expected to reverse within 2015. Based on the current available data, in the 1st quarter of 2015, the sales both in Greece and abroad appear to be increased compared to the corresponding period in 2014 and the Company has returned to profitability.

Furthermore, the full, now, activation of the subsidiary of the Company in Turkey, the activation, from 1/4/2015, of the subsidiary in Italy (which is expected to contribute significantly to the rise in sales in this specific market) and the sales in the energy sector that are significantly increased by 38.0% in the 1st quarter of 2015, resulted in Company's return to profitability.

Strategic objectives of the Management within the current financial year are the recovery of sales of fiscal year 2013 in the Greek market, the support for FG EUROPE KLIMA TEKNOLOJILERI SAN.VE in order to consolidate the Turkish market and the commencement of the operation, from 1/4/2015, of FG EUROPE ITALIA SPA in Italy. Meanwhile, the Management aims to maintain and further boost the Company's presence in other Balkan countries.

The renewed range of ESKIMO products and their clear qualitative upgrade acquires progressively greater response from customers with estimated sales moving upward.

The installation of a new computerized system within the next months is expected to be completed, the activation of which is expected to contribute significantly to the development of inter-group communication, most comprehensive control of trade circuit and further enhancement of its profitability.

It should be noted that the operation of the new system in the subsidiary in Italy starts within April.

In addition to the aforementioned, priority for the Management remains the shielding of the Company against potential bad debts, with the continued use of tight credit policy. The Management always takes into consideration both the impacts of the crisis on the market and the restrictions in corporate financing, making the business environment more difficult.

Particular emphasis is always given to the right capital structure in conjunction with the available liquidity.

The refinancing of bank debt (long-term and short-term) and ensuring the required working capital through the issuance of the new Bond Loan of € 65 mil issued by the Company contribute to the reduction of the cost of financing and the uninterrupted continuation of the development of the Company's activities.

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. Sale prices are at cost plus a low profit margin. Services rendered to the Company primarily concern storage services (logistics etc.) as well as after sales services.

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

The compensation of Directors concerns compensation of regular payment according to employment contracts.

The following paragraph lists important transactions between the company and its related parties, having occurred during the period under review, in accordance with provisions of IAS 24, pertaining to amounts over € 10 thousand.

FG EUROPE S.A. made in the second quarter merchandise sales to the newly established subsidiary in Turkey FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET, which amounted to €2.36 mil. From the above sales FG EUROPE KLIMA TEKNOLOJILERY SANAYI VE TICARET owes to FG EUROPE S.A. the amount of €1.13 mil.

Also, on 31/12/2014, FG EUROPE S.A. owes, for the payment of share capital, to the subsidiary in Turkey the amount of € 0.15 mil.

F.G. EUROPE S.A. charged its subsidiary company R.F. ENERGY S.A. for provided services with the amount of €10 thousands. The subsidiary owes to FG EUROPE S.A. the amount of €12 thousands.

CYBERONICA S.A.'s income from leasing offices and storing facilities amounted to €3.27 mil during the period from January 1 to December 31, 2014 (the same amount in the respective period in 2013)). From that amount the contribution of F.G. EUROPE S.A. was € 3.16 mil (the same amount in the respective period in 2013). The biggest part concerns leasing storage facilities of 25.000 s.m. in Aspropyrgos and Glyfada.

Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 0.58 mil during the period from January 1 to December 31, 2014 (the same amount in the respective period in 2013). The amount paid as guarantee from F.G. EUROPE S.A. is € 0.56 mil, remaining the same from the year 2013.

F. Own Shares

As at December 31st 2014, 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 signed in December 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, 2014 shareholders named below owned a percentage larger than 5% of the total Company's votes:

1. Georgios Fidakis indirect interest of 55.78% through:
 - 1.1 SILANER INVESTMENTS LIMITED, direct interest 34.14%
 - 1.2 MAKMORAL TRADING LIMITED, direct interest of 21.64%.
2. FIRST EUROPEAN RETAIL CORP. indirect interest of 11.08%.
3. Vassiliki Valianatou, direct interest of 5.09%.
4. Panagiotis Fidakis direct interest of 5.13%.

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 layoffs 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 02/07/2014 as follows:

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

The changes in participations of shareholders to the company (above 5% participation share) in fiscal year 2014 are as follows:

Georgios Fidakis has any more indirect interest of 55.78% through:

- 1.2 SILANER INVESTMENTS LIMITED, direct interest 34.14%
- 1.2 MAKMORAL TRADING LIMITED, direct interest of 21.64%.

Panagiotes Fidakis obtained direct interest of 5.13%.

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.

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 30/6/2014 is as follows:

1. Fidakis Georgios of Athanasios, Chairman of the Board
2. Lioukas Spyros of Konstantinos, Vice president - Independent Non-executive Member
3. Pantousis Ioannis of Dimitrios, Managing Director
4. Fidakis Athanassios of Konstantinos, Executive Member
5. Fidakis Athanassios of Konstantinos, Executive Member
6. Demenagas Konstantinos of Andreas Executive Member
7. Katsoulakos Ioannis of Socrates, Independent Non-executive Member
8. 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: Spyros Lioukas (Responsible), Ioannis Katsoulakos and Andeas-Fotios Demenagas,
2. Remuneration, Benefits and Pension Plan Committee: Spyros Lioukas (Responsible), and Nicolaos Pimblis.
3. Environmental Issues Committee: Spyros Lioukas and Andeas-Fotios Demenagas.
4. Competition, Transparency and Corporate Governance Committee: Ioannis Katsoulakos (Responsible), Nicolaos Pimblis, and Spyros Lioukas.

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 30/06/2014, through 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 and all shareholders, including minority and foreign shareholders. Board members should act with integrity and in the best interest of the company, as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the company and should avoid any position or activity which creates or appears to create a conflict between their personal interests and the interests of the company, including holding board or executive positions in competing companies without the approval of the general meeting of shareholders. Board members should contribute their expertise and devote to their duties the necessary time and attention. Board members should also limit the number of other professional commitments (in particular any directorships held in other companies) to the extent that allows for their satisfactory performance as board members. Finally, board members should 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 intention 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 be supplied by the management in a timely manner with information in a form and of a quality to enable it to discharge its responsibilities effectively.

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

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

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

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

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

VII. Board evaluation

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

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

No procedure for evaluating the performance of the Chairman of the Board which is headed by the independent Vice-Chairman, 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 30/6/2014 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 policy 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, 2014.

Glyfada, March 27, 2015

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

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, 2014, 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, 2014, 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.

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, 2015
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, 2014

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Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2014 and 2013
(All amounts in Euro thousands unless otherwise stated)



	Note	Consolidated		Company	
		2014	2013	2014	2013
For the Years Ended December 31,					
Sales.....	6	72.717	99.103	67.353	87.736
Less: Cost of sales.....	7	(57.459)	(72.686)	(52.730)	(66.228)
Gross profit		15.258	26.417	14.623	21.508
Other operating income.....	6	459	650	154	179
Distribution expenses.....	7	(12.393)	(12.612)	(12.396)	(12.617)
Administrative expenses.....	7	(3.611)	(3.196)	(2.372)	(2.439)
Other operating expenses.....	7	(968)	(1.754)	(20)	(67)
Earnings before interests and taxes		(1.255)	9.505	(11)	6.564
Finance income.....	7	2.220	4.204	2.109	2.929
Finance costs.....	7	(9.167)	(7.427)	(7.797)	(5.530)
Earnings before taxes		(8.202)	6.282	(5.699)	3.963
Income tax expense.....	8	3.402	(2.039)	3.552	(1.037)
Net profit for the period		(4.800)	4.243	(2.147)	2.926
Attributable as follows:					
Equity holders of the Parent.....		(3.602)	3.640	-	-
Minority interest.....		(1.198)	603	-	-
Net profit (after tax) attributable to the Group		(4.800)	4.243	-	-
Actuarial gains / (losses)	23	(75)	(37)	(66)	(22)
Income tax expense.....		19	8	17	6
		(56)	(29)	(49)	(16)
Other Comprehensive Income					
Exchange differences		22	-	-	-
Available for sale investments.....	12	(433)	778	(433)	778
Available for sale investments - reclassification to results	12	1.707	202	1.707	202
		1.296	980	1.274	980
Other Comprehensive Income after taxes		1.240	951	1.225	964
Total Comprehensive Income after taxes		(3.560)	5.194	(922)	3.890
Attributable as follows:					
Equity holders of the Parent.....		(2.369)	4.591	-	-
Minority interest.....		(1.191)	603	-	-
Net profit (after tax) attributable to the Group		(3.560)	5.194	-	-
Earnings per share (expressed in Euros):					
	9	(0,0682)	0,0689	(0,0407)	0,0554

The accompanying Notes on pages 33 to 79 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2014 and 2013
 (All amounts in Euro thousands unless otherwise stated)



	Note	<u>Consolidated</u>		<u>Company</u>	
		<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
<u>ASSETS</u>					
Non-current assets					
Property, plant and equipment.....	10	61.746	66.721	591	484
Investments in real estate property.....	10	256	260	256	260
Intangible assets.....	10	7.290	7.571	5	3
Investments in subsidiaries.....	1	-	-	29.952	29.287
Long term receivables.....		691	684	658	660
Deferred tax assets.....	22	4.935	1.367	4.341	770
Available for sale investments.....	12	1.019	1.467	1.019	1.467
Total non-current assets		<u>75.937</u>	<u>78.070</u>	<u>36.822</u>	<u>32.931</u>
Current assets					
Inventories.....	13	45.217	40.433	43.432	40.433
Trade receivables.....	14	35.089	37.263	25.132	26.509
Cash and cash equivalents.....	15	5.475	12.144	3.242	10.711
Total current assets		<u>85.781</u>	<u>89.840</u>	<u>71.806</u>	<u>77.653</u>
Total assets		<u>161.718</u>	<u>167.910</u>	<u>108.628</u>	<u>110.584</u>
<u>SHAREHOLDERS' EQUITY & LIABILITIES</u>					
<u>SHAREHOLDERS' EQUITY</u>					
Shareholders equity attributable to the equity holders of the parent company					
Share capital.....	16	15.840	15.840	15.840	15.840
Share premium.....	17	6.731	6.731	6.731	6.731
Reserves.....	18	4.082	4.349	3.860	4.346
Retained earnings.....		(9.544)	3.925	3.856	14.854
		<u>17.109</u>	<u>30.845</u>	<u>30.287</u>	<u>41.771</u>
Non-controlling interests		18.480	18.525	-	-
Total shareholders' equity		<u>35.589</u>	<u>49.370</u>	<u>30.287</u>	<u>41.771</u>
<u>LIABILITIES</u>					
Non-current liabilities					
Long term Borrowings.....	20	16.939	20.539	-	-
Retirement benefit obligations.....	23	618	539	567	502
Deferred government grants.....	21	20.403	22.180	-	-
Long-term provisions.....		1.703	1.604	-	-
Deferred taxes.....	22	1.291	1.162	-	-
Total non-current liabilities		<u>40.954</u>	<u>46.024</u>	<u>567</u>	<u>502</u>
Current liabilities					
Short term Borrowings.....	20	4.379	35.969	2.967	35.969
Short term portion of long term borrowings.....	20	57.424	24.215	55.028	21.364
Current tax liabilities.....		165	557	-	437
Trade and other payables.....	19	23.207	11.775	19.779	10.541
Total current liabilities		<u>85.175</u>	<u>72.516</u>	<u>77.774</u>	<u>68.311</u>
Total liabilities		<u>126.129</u>	<u>118.540</u>	<u>78.341</u>	<u>68.813</u>
Total shareholders' equity and liabilities		<u>161.718</u>	<u>167.910</u>	<u>108.628</u>	<u>110.584</u>

The accompanying Notes on pages 33 to 79 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2014 and 2013
(All amounts in Euro thousands unless otherwise stated)



<u>Consolidated</u>	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, 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 (Increase)/ Decrease shareholding of Subsidiaries	-	-	-	-	(960)	960	-	-	-
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
Balance on January 1, 2014	15.840	6.731	3.961	(1.273)	1.661	3.925	30.845	18.525	49.370
Year's changes:									
Net profit for the period	-	-	-	-	-	(3.602)	(3.602)	(1.198)	(4.800)
Other Comprehensive Income..	-	-	-	1.273	(41)	-	1.232	8	1.240
Total Comprehensive Income..	-	-	-	1.273	(41)	(3.602)	(2.370)	(1.190)	(3.560)
Legal reserve	-	-	201	-	-	(171)	30	(30)	30
Dividend's distribution of period 2013	-	-	-	-	-	(10.560)	(10.560)	-	-
Setting up of subsidiaries	-	-	-	-	-	-	-	339	339
Transfer of reserves to retained earnings	-	-	-	-	(1.700)	864	(836)	836	-
Balance on December 31, 2014	15.840	6.731	4.162	-	(80)	(9.544)	17.109	18.480	35.589

The accompanying Notes on pages 33 to 79 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2014 and 2013
 (All amounts in Euro thousands unless otherwise stated)



<u>Company</u>	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves	Gains/ losses	Special tax reserves	Retained earnings	Total
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
Balance on January 1, 2014	15.840	6.731	3.792	(1.273)	(24)	1.851	14.854	41.771
Year's changes:								
Net profit for the period	-	-	-	-	-	-	(2.147)	(2.147)
Other Comprehensive Income..	-	-	-	1.273	(48)	-	-	1.225
Total Comprehensive Income..	-	-	-	1.273	(48)	-	(2.147)	(922)
Legal reserve	-	-	147	-	-	-	(147)	-
Dividend's distribution of period 2013	-	-	-	-	-	-	(10.562)	(10.562)
Transfer of reserves to retained earnings	-	-	-	-	-	(1.858)	1.858	-
Balance on December 31, 2014	15.840	6.731	3.939	-	(72)	(7)	3.856	30.287

The accompanying Notes on pages 33 to 79 are an integral part of the Financial Statements.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2014 and 2013
(All amounts in Euro thousands unless otherwise stated)



	<u>Consolidated</u>		<u>Company</u>	
	<u>For the Years Ended December 31,</u>			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Profit before tax (and minority interest).....	(8.203)	6.282	(5.698)	3.963
Add / (less) adjustments for:				
Depreciation	5.359	5.357	109	82
Provisions.....	467	170	467	136
Exchange differences.....	(43)	492	(43)	492
Result of investment activity.....	1.333	(1.211)	1.386	63
Interest and similar expenses.....	5.534	5.147	4.434	3.251
Government grants recognized in income.....	(1.777)	(1.775)	-	-
Employee benefits.....	181	70	174	76
Impairment charges / deletion	664	549	-	-
Operating result before changes in working capital	<u>3.515</u>	<u>15.081</u>	<u>829</u>	<u>8.063</u>
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories.....	(4.855)	(5.464)	(3.070)	(5.464)
(Increase) / decrease in receivables and prepayments.....	2.156	8.946	915	7.666
Increase / (decrease) in trade and other payables.....	9.515	(17.994)	7.949	(17.992)
(Increase)/ decrease in long term receivables.....	(7)	6	2	4
Total cash inflow / (outflow) from operating activities	<u>10.324</u>	<u>575</u>	<u>6.625</u>	<u>(7.723)</u>
Interest Expenses	(4.159)	(5.278)	(3.216)	(3.425)
Income taxes paid.....	(1.577)	(978)	(1.277)	(785)
Total net inflow / (outflow) from operating activities	<u>4.588</u>	<u>(5.681)</u>	<u>2.132</u>	<u>(11.933)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
(Purchase) of subsidiaries and other investments.....	(1.505)	(12.619)	(2.325)	(12.619)
Proceeds from the sale of subsidiaries and other investments.....	1.920	2.744	1.920	94
(Purchase) of PPE and intangible assets.....	(417)	(232)	(215)	(106)
Proceeds from the sale of PPE and intangible assets.....	1	4	1	4
Government grants.....	-	15.463	-	-
Interest and similar expenses paid.....	309	317	259	229
Total net cash inflow / (outflow) from investing activities	<u>308</u>	<u>5.677</u>	<u>(360)</u>	<u>(12.398)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>				
Proceeds from borrowings.....	65.000	23.818	65.000	23.018
Repayments of borrowings.....	(66.072)	(30.331)	(63.751)	(5.400)
Dividends paid.....	(10.538)	-	(10.535)	-
Total net cash inflow from financing activities	<u>(11.610)</u>	<u>(6.513)</u>	<u>(9.286)</u>	<u>17.618</u>
Net increase / (decrease) in cash and cash equivalents	<u>(6.714)</u>	<u>(6.517)</u>	<u>(7.514)</u>	<u>(6.713)</u>
Exchange differences	45	(132)	45	(132)
Cash and cash equivalents at beginning of period	<u>12.144</u>	<u>18.793</u>	<u>10.711</u>	<u>17.428</u>
Subsidiaries' Cash and cash equivalents at beginning of period	-	-	-	128
Cash and cash equivalents at end of period	<u>5.475</u>	<u>12.144</u>	<u>3.242</u>	<u>10.711</u>

The accompanying Notes on pages 33 to 79 are an integral part of the Financial Statements.

**Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2014**

(All amounts in Euro thousands unless otherwise stated)



1. Incorporation and Business of the Group

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

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, televisions and in the wholesale of products and services of mobile telephony.
- The subsidiaries FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. cover supplementary fields like after sales services, inventory management (logistics), etc. while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.
 - HYDROELECTRICAL ACHAIAS S.A.
 - CITY ELECTRIC S.A.
 - AIOLIKI KYLINDRIAS S.A.
 - KALLISTI ENERGIAKI S.A.
 - R.F. ENERGY S.A. OMALIES 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, 2014 is 87 for the Company and 111 for the Group.

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, 2014	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• F.G. EUROPE ITALIA S.P.A.	Greece	100,00% (a)	Full consolidation
• F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S.	Greece	55,00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	50,00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	50,00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	50,00% (b)	Full consolidation
• AIOLIKI KYLINDRIAS S.A.	Greece	50,00% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	50,00% (b)	Full consolidation
• AIOLIKI ADERES S.A.	Greece	50,00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	50,00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

F.G. EUROPE’s holding share in the company R.F. ENERGY S.A. is to 50,00%. Due to the fact that the existing shareholders’ agreement concerning the appointment of the majority of Board Members through F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company’s financial statements, with the method of full consolidation.

In order to expand the Company’s operation in Turkey, a subsidiary company was incorporated on 16/4/2014, based in Istanbul, for sale of all types of air-conditioners in Turkish Territory. The company’s name is FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET

Notes to the Financial Statements (Company and Consolidated)
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ANONIM SIRKETI, the initial share capital amounts to € 751 and FG EUROPE SA's participation stake is 55%.

In order to expand the Company's operation in Italy, a subsidiary company was incorporated on 3/6/2014, based in Milano, for sale of all types of air-conditioners in Italian Territory. The company's name is FG EUROPE ITALIA SPA, the initial share capital amounts to € 252 and FG EUROPE SA's participation stake is 100%.

The newly incorporated subsidiaries consolidated for the first time in the financial statements, but their participation had no effect greater than 25% in the Group 'turnover' and 'equity'.

F.G. EUROPE S.A. participates with 10,00% in the share capital of ANAKYKLOSI SYSKEVON SYMMETOCHIKI S.A. which is not included in the consolidated financial statements of the Group and the Company as 'Available for sale investment'.

The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 31/12/2014				
Subsidiary name	Balance as at 31/12/2013	Additions 1/1-31/12/14	Reductions 01/01 - 31/12/2014	Balance as at 31/12/2014
1 R.F. ENERGY S.A.....	29.287	-	-	29.287
F.G. EUROPE KLIMA				
2 TEKNOLOJILERI SANAYI VE TICARET A.S	-	413	-	413
3 F.G. EUROPE ITALIA S.P.A.	-	252	-	252
Total	29.287	665	-	29.952

Investments in Subsidiaries as at 31/12/2013				
Subsidiary name	Balance as at 31/12/2012	Additions 1/1 - 31/12/2013	Reductions 1/1 - 31/12/2013	Balance as at 31/12/2013
1 R.F. ENERGY S.A.....	18.713	10.574	-	29.287
2 ΦΕΙΔΑΚΗΣ SERVICE A.E.	300	-	(300)	-
3 ΦΕΙΔΑΚΗΣ LOGISTICS A.E	521	-	(521)	-
Total	19.534	10.574	(821)	29.287

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Subsidiaries with non-controlling interests

Subsidiaries' name	Proportion of ownership and voting rights of non - controlling interests		Profits attributable to non - controlling interests		Cumulative non-controlling interests	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
RF ENERGY GROUP	50%	50%	(1.021)	603	18.309	18.525
FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET A.S.	45%	-	(167)	-	171	-

Condensed financial information regarding the subsidiary RF ENERGY GROUP before eliminating intercompany transactions and balances

	31/12/2014	31/12/2013
Non-current assets	72.793	78.545
Current assets	9.555	12.173
Total assets	82.348	90.718
Non-current liabilities	41.032	46.191
Current liabilities	44.061	4.191
Total liabilities	85.093	50.382
Shareholders equity attributable to the equity holders of the parent company	19.979	21.810
Non-controlling interests	18.309	18.525
	31/12/2014	31/12/2013
Sales	7.003	11.378
Net profit after tax attributable to the Equity holders of the Parent	(1.021)	603
Net profit after tax attributable to minority interest	(1.021)	603
Net profit after tax	(2.042)	1.206
Other Comprehensive Income after taxes	7	13
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	(1.018)	610
Total Comprehensive Income after taxes attributable to minority interest	(1.018)	610
Total Comprehensive Income after taxes	(2.035)	1.219
	31/12/2014	31/12/2013
Net cash flow from operating activities	4.348	6.254
Net cash flow from investing activities	(18)	18.074
Net cash flow from financing activities	(3.738)	(24.132)
Total net cash flow	592	196

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Condensed financial information regarding the subsidiary FG EUROPE KLIMA TEKNOLOGILERI SANAYI VE TIKARET AS before elimination of intercompany transactions and balances.

	31/12/2014	31/12/2013
Non-current assets	189	-
Current assets	5.591	-
Total assets	5.780	-
Non-current liabilities	2	-
Current liabilities	5.398	-
Total liabilities	5.400	-
Shareholders equity attributable to the equity holders of the parent company	208	-
Non-controlling interests	171	-
	31/12/2014	31/12/2013
Sales	734	-
Net profit after tax attributable to the Equity holders of the Parent	(216)	-
Net profit after tax attributable to minority interest	(177)	-
Net profit after tax	(393)	-
Other Comprehensive Income after taxes	22	-
Total Comprehensive Income after taxes attributable to the Equity holders of the Parent	(204)	-
Total Comprehensive Income after taxes attributable to minority interest	(167)	-
Total Comprehensive Income after taxes	(371)	-
	31/12/2014	31/12/2013
Net cash flow from operating activities	(1.877)	-
Net cash flow from investing activities	(95)	-
Net cash flow from financing activities	1.995	-
Total net cash flow	23	-

Other comprehensive income after tax" represents total profit for the Group and the Company of €1.240 and of €1.225 respectively and concerns, a) €433 revaluation losses and €1.707 reclassification of gains, on securities which are classified as "available for sale investments", b) profit €22 for the Group represents difference in exchange at the consolidation of Group Companies in foreign currency and c) losses of € 6 and €49 for the Group and the Company respectively represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-employment benefit plans.

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

**Notes to the Financial Statements (Company and Consolidated)
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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 the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2014.

- **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 starting 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 do not affect the consolidated and separate Financial Statements apart from IFRS 12 additional disclosure requirements.

- **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 starting on or after 01/01/2014)**

In June 2012, IASB issued this Guidance to clarify the transition provisions of IFRS 10. The amendments also provide additional accommodation during the transition to IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirements to provide adjusted comparative information to only the preceding comparative period. Furthermore, in respect to the disclosures relating to the unconsolidated entities, the amendments take away the requirement to present comparative information. The amendments do not affect the consolidated and separate Financial apart from IFRS 12 additional disclosure requirements.

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

In October 2012, IASB issued 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 sole business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must evaluate the return 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 under IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them while making the required disclosures. The amendments do not affect the consolidated and separate Financial Statements.

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

In December 2011, IASB issued amendments to IAS 32 “Financial Instruments: Presentation”, which provide clarification on some requirements for offsetting financial assets and liabilities in the Statement of Financial Position. The amendments do not affect the consolidated and separate Financial Statements.

- **Amendment to IAS 36 “Impairment of Assets” - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods starting 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. The amendment does not affect the consolidated and separate Financial Statements.

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

In June 2013, IASB issued narrow-scope amendments to IAS 39 “Financial Instruments: Recognition and Measurement”. The purpose of the amendments is to introduce a limited scope exception in respect to the suspension of accounting setting off, as per IAS 39. In particular, it allows 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 do not affect the consolidated and separate Financial Statements.

- **IFRIC 21 “Levies” (effective for annual periods starting on or after 01/01/2014)**

In May 2013, the IASB issued IFRIC 21. IFRIC 21 provides guidance on when a company recognises a liability for a levy imposed by the state in its Financial Statements. IFRIC 21 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 present obligation resulting from a past event, known as an obligating event. This interpretation indicates that the obligating event is the activity that triggers the payment of the levy in accordance with the relevant legislation. The amendments do not affect the consolidated and separate Financial Statements.

2.2.2 New Standards and Interpretations that have not been applied yet or have not been adopted by the European Union.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IAB issued the final version of IFRS 9. This version brings together the classification and measurement, impairment and hedge accounting models and presents a new expected loss impairment model and limited amendments to classification and measurement for financial assets. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 14 “Regulatory Deferral Accounts” (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The

**Notes to the Financial Statements (Company and Consolidated)
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Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods starting on or after 01/01/2017)**

In May 2014, the IASB issued a new standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The new standard will supersede IAS 11 “Construction Contracts”, IAS 18 “Revenue” and several revenue related interpretations. The Group will examine the impact of the above on its Financial Statements. The above have not been adopted by the European Union.

- **Annual Improvements cycle 2010-2012 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2010-2012 Cycle, a collection of amendments to IFRSs, in response to eight issues addressed during the 2010-2012 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 2: Definition of 'vesting condition', IFRS 3: Accounting for contingent consideration in a business combination, IFRS 8: Aggregation of operating segments, IFRS 8: Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13: Short-term receivables and payables, IAS 7: Interest paid that is capitalised, IAS 16/IAS 38: Revaluation method—proportionate restatement of accumulated depreciation and IAS 24: Key management personnel. The Group will examine the impact of the above on its consolidated and separate Financial Statements. The above have been adopted by the European Union at December 2014.

- **Annual Improvements cycle 2011-2013 (effective for annual periods starting on or after 01/07/2014)**

In December 2013, the IASB issued Annual Improvements to IFRSs 2011-2013 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2011-2013 cycle. The amendments are effective for annual periods beginning on or after 1 July 2014, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 1: Meaning of effective IFRSs, IFRS 3: Scope exceptions for joint ventures; IFRS 13: Scope of paragraph 52 (portfolio exception); and IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property when classifying property as investment property or owner-occupied property. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union at December 2014.

- **Annual Improvements cycle 2012-2014 (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: IFRS 5: Changes in methods of disposal, IFRS 7: Servicing Contracts and Applicability of the amendments to IFRS 7 to Condensed Interim Financial Statements, IAS 19: Discount rate: regional market, and IAS 34: Disclosure of information elsewhere in the interim financial report. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (effective for annual periods starting on or after 01/07/2014)**

In November 2013, the IASB published narrow scope amendments to IAS 19 “Employee Benefits” entitled Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The narrow scope

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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 Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have been adopted by the European Union.

- **Amendment to IAS 27: “Equity Method in Separate Financial Statements» (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27 “Equity Method in Separate Financial Statements “. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 10 and IAS 28: “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”. The amendments will be applied by entities prospectively in respect of sales or contribution of assets performed in the annual periods starting on or after 01/01/2016. Earlier application is permitted, given that this fact is relatively disclosed in the financial Statements. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any (to be adapted in respect of every Group/Company). The above have not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 41: «Agriculture: Bearer Plants” (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The Group will examine the impact of the

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above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 1: « Disclosures Initiative»(effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities: Applying the Consolidated Exception” (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

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, 2014.

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.

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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

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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	6 – 10	10% - 16%
• Intangible assets	4 – 10	20% - 25%
• Energy production licenses	35 - 45	1,5% - 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 of impairment and the carrying amount. Assets that are depreciated are tested of impairment each time there is an indication that the carrying amount is not recoverable.

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

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

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

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

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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

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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.

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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

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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.

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

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 2014 and 2013.

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, 2014, if the Euro had weakened / strengthened by 7% against the USD with all other variables held constant, net profit and equity for the year would have been € 150 (€ 78 in 2013) 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, 2014, 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 € 7 (€ 5 in 2013) 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 29,15% and the NASDAQ index by 12,02%, with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2014	2013
ASE General Indes	7	8
NASDAQ	85	143
Total	92	151

Other reserves within equity would increase/ decrease by € 92 (€ 151 in 2013) 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.

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On December 31, 2014, if interest rates on Euro denominated borrowings had been 115 basis points higher / lower for the Company and 60 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 € 623 (€ 580 in 2013) for the Group and € 530 (€ 424 in 2013) 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, 2014, is analyzed at note 13.

3.3 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 31/12/2014 amounted to € 107.696 for the Group and € 86.950 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, 2014	< 1 year	Between 1 year and 2 years	Between 2 year and 5 years	> 5 years
Borrowings.....	16.835	13.449	44.722	7.378
Trade and other payables.....	23.207	-	-	-
Total	40.042	13.449	44.722	7.378

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

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	< 1 year	Between 1	Between 2	> 5 years
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December 31, 2014		year and 2 years	year and 5 years	
Borrowings.....	13.917	10.727	36.985	-
Trade and other payables.....	19.779	-	-	-
Total	33.696	10.727	36.985	-

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	-	-	-

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:

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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, 2014 and 2013 represented below:

Year ended December 31, 2014	Long Living Consumer Goods	Energy	Other	Total
Sales to third parties.....	64.306	7.003	1.408	72.717
Sales within the Group.....	2.372	-	-	2.372
Depreciation of Fixed/ Intangible assets	121	5.340	-	5.461
Gain / Loss before taxes, investing activities, total depreciations	(590)	2.882	71	2.363
Finance income.....	2.167	53	-	2.220
Finance costs.....	(8.067)	(1.100)	-	(9.167)
Profits before taxes.....	(6.647)	(1.624)	69	(8.202)
Income tax expense.....	3.757	(337)	(18)	3.402
Profit after taxes.....	(2.890)	(1.961)	51	(4.800)
Expenses for Fixed/ Intangible assets	316	99	-	415
Assets per sector	76.105	81.915	-	158.020
Liabilities per sector	80.918	40.372	-	121.290

Year ended December 31, 2013	Long Living Consumer Goods	Energy	Other	Total
Sales to third parties.....	87.725	11.378	-	99.103
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

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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	31/12/2014	31/12/2013
Assets per sector	158.020	168.495
Intersectional assets	(2.947)	(4.103)
Non distributed assets	6.645	3.518
Total Assets	161.718	167.910

Liabilities	31/12/2014	31/12/2013
Liabilities per sector	121.290	114.664
Intersectional Liabilities	1.062	14
Non distributed Liabilities	3.777	3.862
Total Liabilities	126.129	118.540

Profit after taxes	31/12/2014	31/12/2013
Profit per sector	(4.643)	4.133
Deletion of Intersectional profit	(306)	-
Depreciations	111	110
Other non-distributed profits	-	22
Income tax	38	(22)
Total profit after taxes	(4.800)	4.243

The geographic results of the Groups sales for the Years ended December 31, 2014 and 2013 are analyzed as follows:

Year ended December 31, 2014	Long Living Consumer Goods	Energy	Others	Total
Greece.....	22.293	7.003	1.418	30.714
Exports.....	42.003	-	-	42.003
Total	64.296	7.003	1.418	72.717

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

This table refers to internal and external sales from Greece. The company activates to abroad via subsidiaries.

The revenue from the energy sector for both fiscal year 2014 and 2013, derived, entirely, from one client. In the field of consumer durables for the year 2014, a customer from abroad with revenues amounting to € 6,759 (€ 12,494 in 2013) has been included.

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6. Income

Analysis of the Groups' income:

	Consolidated		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Sales of goods	65.583	87.629	67.222	87.590
Sales of goods (electric Energy)	7.003	11.378	-	-
Sales of services	131	96	131	146
	72.717	99.103	67.353	87.736
Other income	459	650	154	179
Total	73.176	99.753	67.507	87.915

7. Break down of expenses

The main categories of expenses are analyzed as follows:

	Consolidated				
	Table of allocation of expenses year ended December 31, 2014				
	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses...	(345)	(1.861)	(2.382)	-	(4.588)
Third party expenses...	(168)	(554)	(2.448)	-	(3.170)
Supplies.....	(2.048)	(688)	(5.369)	-	(8.105)
Taxes and duties.....	(214)	(106)	(346)	-	(666)
Various expenses.....	(26)	(185)	(1.382)	(968)	(2.561)
Depreciation of fixed assets	(5.234)	(55)	(70)	-	(5.359)
Subsidies of fixed assets.....	1.777	-	-	-	1.777
Provisions.....	(71)	(162)	(396)	-	(629)
Inventories.....	(51.130)	-	-	-	(51.130)
Total	(57.459)	(3.611)	(12.393)	(968)	(74.431)

	Consolidated				
	Table of allocation of expenses year ended December 31, 2013				
	Cost of Sales	Administrative expenses	Distribution 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)
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)	(90.248)

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Company					
Table of allocation of expenses year ended December 31, 2014					
	Cost of Sales	Administrative expenses	Distribution expenses	Other expenses	Total
Personnel expenses...	(128)	(1.260)	(2.382)	-	(3.770)
Third party expenses...	-	(290)	(2.448)	-	(2.738)
Supplies.....	-	(370)	(5.372)	-	(5.742)
Taxes and duties.....	-	(74)	(346)	-	(420)
Various expenses.....	-	(180)	(1.384)	(20)	(1.584)
Depreciation of fixed assets & amortization of intangible assets.....	-	(41)	(68)	-	(109)
Provisions.....	(71)	(157)	(396)	-	(624)
Inventories.....	(52.531)	-	-	-	(52.531)
Total	(52.730)	(2.372)	(12.396)	(20)	(67.518)

Company					
Table of allocation of expenses year ended December 31, 2013					
	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)
Depreciation of fixed assets	-	(17)	(65)	-	(82)
Provisions.....	(43)	(47)	(46)	-	(136)
Inventories.....	(65.845)	-	-	-	(65.845)
Total	(66.228)	(2.439)	(12.617)	(67)	(81.351)

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,			
	2014	2013	2014	2013
Salaries and wages.....	(3.551)	(3.287)	(2.902)	(2.904)
Employers' social security contributions.....	(856)	(846)	(694)	(765)
Other compensation.....	-	(172)	-	(102)
Retirement benefits.....	(181)	(70)	(174)	(76)
Total	(4.588)	(4.375)	(3.770)	(3.847)

7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Consolidated	Company
	Year ended December 31,	
	2014	2013

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	2014		2013	
<u>Finance costs:</u>				
Interest	(5.107)	(4.692)	(4.108)	(2.844)
Interest's similar expenses.....	(191)	(198)	(189)	(196)
Bank charges and commissions.....	(137)	(211)	(137)	(212)
Financial cost of provision of equipment removal.....	(99)	(46)	-	-
Exchange differences.....	(1.776)	(2.008)	(1.506)	(2.008)
Valuation of Derivatives.....	(116)	(17)	(116)	(17)
Devaluation of investments and securities	(1.723)	(234)	(1.723)	(234)
Prepaid interest of the actuarial research	(18)	(19)	(18)	(19)
Other	-	(2)	-	-
Total Finance costs	(9.167)	(7.427)	(7.797)	(5.530)
<u>Finance income:</u>				
Interest and similar income.....	247	816	195	190
Dividend securities	161	650	160	-
Exchange differences.....	1.812	2.738	1.754	2.739
Total Finance income	2.220	4.204	2.109	2.929
Finance costs, net	(6.947)	(3.223)	(5.688)	(2.601)

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 through the use of derivative financial products (level 2), by various banks. Differences in exchange rates during the fiscal year 2014 had as a consequence the creation of debit foreign exchange differences of €1,507, which, however, were oversubscribed by €1,755 through the use of derivative financial products. For the corresponding period of 2013, debit exchange differences amounted to €2,008 and covered by €2,739 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	2014	2013
Bad debts.	(396)	(46)
Inventories' depreciation	(71)	(43)
Assets' impairment	-	(47)
Other	-	(34)
Total	(467)	(170)
Company		
Provisions	2014	2013
Bad debts.	(396)	(46)
Inventories' depreciation	(71)	(43)
Assets' impairment	-	(47)
Total	(467)	(136)

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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 2013
• R.F. Energy S.A.	2010-2013
• Hydroelectrical Achaïas S.A.	2010-2013
• City Elektrik S.A.	2010-2013
• Aeolic Kylindrias S.A.	2010-2013
• Kallisti Energiaki S.A.	2010-2013
• R.F. Energy Omalies S.A.	2010-2013
• 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 31/12/2014 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, 2013 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 scrutinized 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 2014, 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,			
	2014	2013	2014	2013
Income tax (current period).....	(14)	(1.417)	-	(1.184)
Deferred tax.....	3.416	(654)	3.552	(24)
Adjustment of deferred taxes, because of the tax’s rate change	-	32	-	171

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Income taxes	3.402	(2.039)	3.552	(1.037)
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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,			
	2014	2013	2014	2013
Profit before taxes	(8.202)	6.282	(5.699)	3.963
Tax rate	26%	26%	26%	26%
Tax at the corporate income tax rate	2.133	(1.633)	1.482	(1.030)
Tax effects from:				
Non tax deductible expenses.....	(293)	(149)	(68)	(66)
Non recognized fiscal losses.....	(791)	(12)	(448)	(74)
Non recognized fiscal gains.....	-	-	-	2
Others (recognition of deferred tax)	2.586	(40)	2.586	(40)
De-recognition of deferred requirement	(204)	(237)	-	-
Effective income tax for the year	3.431	(2.071)	3.552	(1.208)
Adjustment of deferred taxes, because of the tax's rate change	(29)	32	-	171
Tax charge	3.402	(2.039)	3.552	(1.037)

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,			
	2014	2013	2014	2013
Net profit attributable to shareholders.....	(3.602)	3.640	(2.147)	2.926
Weighted average number of shares outstanding.....	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	(0.0682)	0,0689	(0.0407)	0.0554

10. Property, plant and equipment and intangible assets

Property, plant and equipment analyzed as follows:

Consolidated	Fixed Assets						Total
	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in progress	
January 1, 2013							
Value at cost.....	1.077	10.367	70.396	393	1.487	3.455	87.175

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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
Impairments.....	-	-	-	-	-	-	-
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	1.607	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
January 1 to December 31, 2014							
Additions.....	10	38	8	84	113	162	415
Impairments.....	-	-	-	-	-	(324)	(324)
Transfers.....	-	-	-	(15)	(4)	-	(19)
Disposals	-	-	-	(2)	-	-	(2)
Depreciation.....	-	(586)	(4.383)	(27)	(77)	-	(5.073)
Transfers.....	-	-	-	15	12	-	27
Depreciation of disposals...	-	-	-	1	-	-	1
December 31, 2014							
Value at cost.....	1.087	10.405	70.405	460	1.716	2.852	86.925
Accumulated depreciation...	-	(2.913)	(20.531)	(337)	(1.398)	-	(25.179)
Net book value.....	1.087	7.492	49.874	123	318	2.852	61.746

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2013						
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
Impairments.....	(10)	(37)	(47)	-	-	-
Disposals	-	-	-	-	-	-
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
January 1 to December 31, 2014						
Additions.....	-	-	-	-	2	2
Impairments.....	-	-	-	-	-	-
Disposals / transfers.....	-	-	-	-	-	-
Depreciation.....	-	(4)	(4)	(199)	(84)	(283)
Depreciation of disposals...	-	-	-	-	-	-

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December 31, 2014

Value at cost.....	42	247	289	7.113	1.326	8.439
Accumulated depreciation..	-	(33)	(33)	(774)	(375)	(1.149)
Net book value.....	42	214	256	6.339	951	7.290

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Work in Progress	Total
January 1, 2013							
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
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
January 1 to December 31, 2014							
Additions.....	-	-	-	84	52	77	213
Transfers.....	-	-	-	10	(4)	-	6
Disposals	-	-	-	(2)	-	-	(2)
Depreciation.....	-	(12)	(1)	(27)	(65)	-	(105)
Transfers.....	-	-	-	(10)	4	-	(6)
Depreciation of disposals...	-	-	-	1	-	-	1
December 31, 2014							
Value at cost.....	5	359	23	445	1.494	77	2.403
Accumulated depreciation..	-	(209)	(23)	(327)	(1.253)	-	(1.812)
Net book value.....	5	150	-	118	241	77	591

Company	Investments in real estate			Intangible assets	
	Land	Buildings	Total	Licenses	Total
January 1, 2013					
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
Impairments.....	(10)	(37)	(47)	-	-
Disposals / transfers.....	-	-	-	-	-
Depreciation.....	-	(3)	(3)	-	-
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

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January 1 to December 31, 2014

Additions.....	-	-	-	2	2
Transfer of cost value, because of the merge					
Disposals / transfers.....	-	-	-	-	-
Depreciation.....	-	(4)	(4)	-	-
Depreciation transfer because of the merge	-	-	-	-	-
Depreciation of disposals...	-	-	-	-	-
December 31, 2014					
Value at cost.....	42	247	289	34	34
Accumulated depreciation..	-	(33)	(33)	(29)	(29)
Net book value.....	42	214	256	5	5

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)

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	
31/12/2013	1.604
Financial cost	99
31/12/2014	1.703

The amount of € 99 of the annual change of the environmental restoration about the wind parks, included at the equipment acquisition value of the Group.

11 .Long term receivables

Long term receivables are analyzed as follows:

	Consolidated		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Long tern receivables from customers (according to the rules of article 44)	82	82	82	82
Given guarantees for rentals	582	578	555	557
Other given guarantees	27	24	21	21
	691	684	658	660

12. 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, 2014 (1st level) as well as companies, not listed, that were valued at cost and examined for impairment through the

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statement of income due to the fact that fair value cannot be specified in a reliable manner. During 2014, there has not been any change in the classification of available for sale financial assets. The other comprehensive income after tax" represents total profit for the Group and the Company of €1,240 and of €1,225 respectively and concerns, a) €433 revaluation losses and €1,707 reclassification of gains, on securities which are classified as "available for sale investments", b) profit €22 for the Group represents difference in exchange at the consolidation of Group Companies in foreign currency and c) losses of €56 and €49 for the Group and the Company respectively represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-employment benefit plans.

Fair value of financial assets

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 31/12/2014 for the Group and the Company:

Financial assets	Consolidated	Level 1	Level 2	Total
Available for Sale Financial Instruments – ASE Listed Companies		984	-	984
Total		984	-	984

Shareholders' equity	Level 1	Level 2	Total
Derivatives	-	116	116
Total	-	116	116

Financial assets	Company	Level 1	Level 2	Total
Available for Sale Financial Instruments – ASE Listed Companies		984	-	984
Total		984	-	984

Shareholders' equity	Level 1	Level 2	Total
Derivatives	-	116	116
Total	-	116	116

Within the fiscal year 2014 there were not transfers between level 1 and 2.

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	Group		Company	
	Year ended December 31,			
	2014	2013	2014	2013
ASE Listed companies	35	50	35	50
Companies listed on foreign stock exchange	949	1.382	949	1.382
ASE non-listed internal companies	32	32	32	32
ASE non-listed foreign companies	3	3	3	3
Total	1.019	1.467	1.019	1.467

	Group		Company	
	Year ended December 31,			
	2014	2013	2014	2013
Balance at 01/01/	1.467	2.682	1.467	2.682
Additions	1.760	134	1.760	134
Sales	(1.760)	(2.111)	(1.760)	(111)
Change of fair value through the reserve	1.274	980	1.274	980
Change of fair value through the results	(448)	(15)	(448)	(15)
Reclassification at results	(1.274)	(203)	(1.274)	(203)
Balance at 31/12/	1.019	1.467	1.019	1.467

13. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2014	2013	2014	2013
Merchandise.....	45.575	40.720	43.790	40.720
Provisions for slow moving inventory.....	(358)	(287)	(358)	(287)
Total	45.217	40.433	43.432	40.433

The increase in inventories, which are carried out at least six months before their release, is mainly due to the aforementioned decrease of sales, given that planning for the current year was based on date and sales of 2013. The level of inventories is expected to normalize with the sales of next period.

The provision for slow moving inventory has as follows:

	Consolidated	Company
Balance as at 01.01.2013.....	(244)	(244)
Expenses on period of 2013.....	(43)	(43)
Balance as at 31.12.2013.....	(287)	(287)
Expenses on period of 2014.....	(71)	(71)
Balance as at 31.12.2014.....	(358)	(358)

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

14. Receivables and Prepayments

Receivables and Prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2014	2013	2014	2013

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Customers.....	20.554	27.638	17.083	20.327
Postdated cheques.....	6.096	5.236	6.096	5.236
Notes receivables.....	3.216	151	108	151
Provision for doubtful accounts.....	(3.122)	(2.726)	(3.122)	(2.726)
Total	26.774	30.299	20.165	22.988
Other receivables and prepayments.....	8.345	6.694	4.967	3.521
Total	35.089	37.263	25.132	26.509

The liquidation of the majority of the trade receivables as they stood till 31/12/2014, is expected to be completed in the next few months on the basis of the applied by the company trade policy.

	Consolidated	Company
Provision's balance for insecure clients 01.01.2013.....	(2.680)	(2.688)
Expense chargeable period 01.01-31.12.2013.....	(46)	(46)
Transfer due to the merger	-	(12)
Provision's balance for insecure clients 31.12.2013.....	(2.726)	(2.726)
Expense chargeable period 01.01-31.12.2014.....	(396)	(396)
Provision's balance for insecure clients 31.12.2014.....	(3.122)	(3.122)

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	2014	2013	2014	2013
0 - 30 days	7.611	5.581	6.272	4.841
31 - 60 days	3.891	6.508	3.190	5.723
61 - 90 days	2.549	3.627	1.931	2.675
91 - 120 days	2.926	3.230	1.831	1.914
121 - 150 days	1.432	952	731	447
151 - 180 days	2.017	1.267	1.000	589
181 - 360 days	2.921	5.796	1.813	3.461
Non – overdues trade receivables	23.347	26.961	16.768	19.650
361 + days	6.519	6.064	6.519	6.064
Impairment provision	(3.122)	(2.726)	(3.122)	(2.726)
Overdues trade receivables	3.397	3.338	3.397	3.338
Total receivables	26.744	30.299	20.165	22.988

The over one year overdue, but not impaired trade receivables of the Group amounting to €3,397, 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:

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	Consolidated		Company	
	December 31,			
	2014	2013	2014	2013
Greek state – taxes receivables.....	4.195	2.619	2.519	1.442
Reserved bank deposits	1.142	1.472	-	-
Subsidies.....	12	-	-	-
Prepayment expenses.....	504	1.275	72	500
Receivables from assigned securities	2.356	1.391	2.356	1.391
Other.....	136	207	20	188
Total	8.345	6.964	4.967	3.521

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

15. Cash and cash equivalents

	Consolidated		Company	
	December 31,			
	2014	2013	2014	2013
Cash on hand.....	451	6	447	5
Sight and time deposits.....	5.024	12.138	2.795	10.706
Total	5.475	12.144	3.242	10.711

Cash and cash equivalents comprise petty cash of the group and the company and short term bank deposits callable at first sight. The increase in cash as at 31/12/2014 is coincidental.

16 Share capital

As of December 31, 2014 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 2014 is 52,800,154 shares.

17. 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.

18. Reserves

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

Reserve	Consolidated				
	January 1, 2013	Additions / (reductions)	December 31, 2013	Additions / (reductions)	December 31, 2014
Legal reserve.....	3.961	-	3.961	201	4.162
Fair value reserves.....	(2.253)	981	(1.272)	1.272	-
Actuarial gains / (losses)	16	(56)	(40)	(51)	(91)
Extraordinary reserves.....	1.566	(156)	1.410	(1.410)	-

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Tax free reserves.....	290	-	290	(290)	-
Exchange differences.....	-	-	-	11	11
Special tax reserves Art.44 (L.1892/90).....	926	(926)	-	-	-
Other	(148)	148	-	-	-
Total Reserves	4.358	(9)	4.349	(267)	4.082

Reserve	Company				
	January 1, 2013	Additions / (reductions)	December 31, 2013	Additions / (reductions)	December 31, 2014
Legal reserve.....	3.792	-	3.792	147	3.939
Fair value reserves.....	(2.253)	980	(1.273)	1.273	-
Actuarial gains / (losses)	(8)	(16)	(24)	(50)	(74)
Extraordinary reserves.....	1.566	-	1.566	(1.566)	-
Tax free reserves.....	290	-	290	(290)	-
Other	-	(5)	(5)	-	(5)
Total Reserves	3.387	959	4.346	(486)	3.860

The Group and the Company applying to the law n.4172 / 2013 transferred to their results the following reserves " Valuation of available for sale ", " Extraordinary " and " Untaxed Reserves ."

a. Legal Reserve

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

19. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,		December 31,	
	2014	2013	2014	2013
Suppliers.....	10.317	8.420	10.149	7.758
Cheques payables postdated.....	391	456	227	443
Accrued expenses.....	786	779	721	637
Accrued Interest	1.909	451	1.821	270
Prepayments.....	3.642	668	863	668
Provisions for contingent tax liabilities from unaudited years	340	340	292	292
Amount for the acquisition of shareholdings	-	133	100	133
Dividends Payable	49	-	49	-
Obligations to related parties.....	5.238	-	5.238	-
Other short term obligations.....	535	528	319	340
Total	23.207	11.775	19.779	10.541

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).

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20. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	December 31,			
<u>Long term borrowings:</u>	2014	2013	2014	2013
Bonded loan.....	74.363	44.754	55.028	21.364
Long term debt payable within the next 12 months.....	(57.424)	(24.215)	(55.028)	(21.364)
Total long term borrowings	16.939	20.539	-	-
<u>Short term borrowings</u>				
Short term portion of long term borrowings	57.424	24.215	55.028	21.364
Short term loans.....	4.379	35.969	2.967	35,969
	61.803	60.184	57.995	57.333

Within 2014, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 6% and received short-term financing from banks, pledging postdated checks from customers of €3,195.

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. This loan has been fully repaid during January.

According to the Decision of the BoD on 18/12/2013, the Company issued a Common Bond Loan of €65,000. On 19/12/2013, the Bond Purchase Agreement and Program were signed with the initial bondholder EFG EUROBANK ERGASIAS S.A., PIRAEUS BANK, GENIKI BANK, ALPHA BANK and NBG, with participation stake 33.31%, 26.72%, 3.08%, 23.82% and 13.08% respectively. The purpose of the loan is refinancing of the existing bank loan, long-term and short-term and meeting the needs of the Company in Working Capital. The duration of the loan is 5 years, renewable for two additional years. The repayment of the loan will be in 10 semi-annual installments, from which nine of €5,050.5 each and the tenth of € 19,545.5. The first 2 installments of the loan paid in time on 10/07/2014 and 10/01/2015 respectively. The interest rate of the Loan was agreed at Euribor plus a margin of 5.5%. The margin based on existing indices is ranging from 4% to 6%. Based on the contract covering the Common Bond Loan, the Company and the Group are required to keep the indices calculated in the annual and semi-annual financial statements. The loan was disbursed in January 2014. The loan is covered by the personal guarantee of Mr George Feidakis, by pledging receivables by 10% of the current balance of the Loan and securities of the Company's portfolio. According to the Decision of the General Assembly, the purpose of the loan is financing of the investment program of the Company. Due to not compliance with some covenants on 30/06/2014 and according to the par. 74 and 75 of IAS1 and the respective circular no. 4774/21.10.2011 of Hellenic Capital Market Commission, this loan was reclassified from "Long-term Loans" to "Short-term Loans".

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 disbursement 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 11 installments have

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already been paid till 31/12/2014) 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. Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €2,935, with duration of 11 years, to be paid in 22 semi-annual installments. In November, 2013, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1,000, using own funds. The amount of prepayment paid Bonds in inverse order of maturity. In May, 2014, the Company proceeded to voluntary repayment of Tranche B Bonds amounting to €1,192, using own funds. For the conclusion of the above loan, securities were given, including company's bank deposits, its productive equipment and its future receivables coming from the Power Purchase Agreement with HTSO. Furthermore, the loan agreement also includes a financial covenant, which should be followed by the company on a 6 month-basis, and if not fulfilled, it will lead to an event of default.

The 100% subsidiary company AIOLIKI KYLINDRIAS S.A., maintains a Common Bond Loan of initial amount of €5,934 with a duration of 14 years and floating rate Euribor plus fixed margin 2.30%. 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 31/12/2014 10 ten (10) have already been paid.

The 100% subsidiary company Aioliki Aderes S.A., signed bond agreement up to an amount of € 35,246, for 11.5 years with a grace period of 12 and 24 months by case and floating rate Euribor 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 and c) the medium-term financing to cover the VAT of investment cost of the three wind farms. The Bond series relating to the long-term financing of the investment cost for the construction of the 3 wind farms of the Company will be paid in 21 equal installments, of which up to 31/12/2014 five have been paid. In the previous fiscal year, the Company received approved subsidies for the aforementioned wind farms and proceeded to immediate repayment of corresponding financing received against these subsidies, amounting to €15,866. Moreover, the Company requested and received a VAT refund of investment expenditure for the years 2010 and 2011, amounting to €1,545, totally and proceeded directly to the complete repayment of the loan taken against the VAT on capital expenditure, amounting to €840. 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. Interest payable of all the above loans amounted for the period ended at December 31st, 2014 and 2013 to € 955 and € 1,719, respectively. During 2014, total quittances of sum €3,738 against the above existing long-term loans raised by the Group, were realized.

On 04/07/2013, the 100% subsidiary company HYDROELECTRIKI ACHAIAS S.A. concluded two medium-term loans with National Bank of Greece with duration of 2.5 and years respectively, starting from the date of disbursement. The purpose of the loan was the financing of its working capital, due to continued delays in paying the invoices for energy sales. To receive this loan, HYDROELECTRIKI ACHAIAS S.A. has assigned its claims arising from power purchase

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agreements with L.A.G.I.E for two small hydroelectrical stations with total power of 3,615MW, operating the region of Aigio, Achaïas. Moreover, the parent company RF ENERGY S.A. provided corporate guarantee for that loan.

The fair value of these loans approximates their nominal value and the effective interest rate for the remaining short-term loans was around 6.20%.

21. State subsidies

	<u>Consolidated</u>	<u>Company</u>
1/1/2013		
Subsidies value.....	28.686	45
Accumulated depreciation.....	<u>(4.274)</u>	<u>(45)</u>
Net book value 01/01/2012.....	<u>24.412</u>	<u>-</u>
1/1-31/12/2013		
Additions.....	(501)	(45)
Depreciation.....	(1.731)	45
31/12/2013		
Subsidies value.....	28.185	-
Accumulated depreciation.....	<u>(6.005)</u>	<u>-</u>
Net book value 31/12/2013.....	<u>22.180</u>	<u>-</u>
1/1-31/12/2014		
Depreciation.....	(1.777)	-
31/12/2014		
Subsidies value.....	28.185	-
Accumulated depreciation.....	<u>(7.782)</u>	<u>-</u>
Net book value 31/12/2014.....	<u>20.403</u>	<u>-</u>

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 € 478 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 € 41 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 € 24.

Notes to the Financial Statements (Company and Consolidated)
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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.

22. 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, 2013	Changes 2013	December 31, 2013	Changes 2014	December 31, 2014
Intangible assets.....	31	(9)	22	(10)	12
Property, plant and equipment.....	(90)	(499)	(589)	(484)	(1.073)
Inventories.....	49	26	75	80	155
Receivables and prepayments.....	536	55	591	103	694
Long term borrowings.....	(109)	(2)	(111)	(162)	(273)
Employee benefits.....	85	41	126	13	139
Deferred state subsidies.....	(38)	(1.130)	(1.168)	(265)	(1.433)
Trade and other payables.....	(53)	62	9	2	11
Actuarial loss reserve	-	6	6	-	6
Tax credits on recognized losses.....	896	(135)	761	4.171	4.932
Provision of equipment removal.....	80	68	148	47	195
Extraordinary contribution.....	83	234	317	(58)	259
Other.....	7	11	18	2	20
Total	1.477	(1.272)	205	3.439	3.644

	Company				
	Deferred tax assets/ (liabilities)				
	January 1, 2013	Changes 2013	December 31, 2013	Changes 2014	December 31, 2014
Property, plant and equipment.....	(12)	(6)	(18)	(2)	(20)
Inventories.....	49	26	75	19	94
Receivables and prepayments.....	533	56	589	103	692
Long term borrowings.....	(15)	16	1	(153)	(152)
Employee benefits.....	68	39	107	17	124
Trade and other payables.....	(52)	61	9	2	11
Refundable income tax.....	-	-	-	3.586	3.586
Other.....	-	7	7	(1)	6
Total	571	199	770	3.571	4.341

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

	Consolidated		Company	
	December 31,			
	2014	2013	2014	2013
Short term.....	2.246	(1.151)	13	12
Long term.....	1.398	1.356	4.328	757
Total long term borrowings	3.644	205	4.341	769

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For the Year ended December 31, 2014**

(All amounts in Euro thousands unless otherwise stated)



23. 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, 2014, 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, 2014 to December 31, 2014 was as follows:

	Consolidated		Company	
	2014	2013	2014	2013
Current value of non-financing liabilities.....	618	539	567	502
Unrecognized actuarial gains / (losses).....	-	-	-	-
Net liability recognized on balance sheet	618	539	567	502
<u>Amounts charged to the Statement of Income for the year</u>				
Current employment cost.....	27	37	22	34
Interest of liability.....	19	23	17	19
Cost to the statement of income	46	60	39	53
Settlements cost	135	31	135	23
Total cost to the statement of income	181	91	174	76
<u>Amounts for the current and the previous year</u>				
Current value	(618)	(537)	(567)	(502)
Surplus / (Deficit)	(618)	(537)	(567)	(502)
Trade Adjustments to liabilities	(74)	9	(66)	(22)
<u>Actuarial Assumptions</u>				
Discount interest	2,50%	3,50%	2,50%	3,50%
Future Salaries' Increase	2,20%	2,20%	2,20%	2,20%
Inflation	2,00%	2,00%	2,00%	2,00%
Additional payments or expenses	(74)	9	(66)	(22)
Aggregated Statement of recognized Gains /(losses)	(52)	(22)	(44)	(22)

**Notes to the Financial Statements (Company and Consolidated)
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Changes in the net liability recognized on the balance sheet

Net liability at beginning of year.....	538	505	502	441
Benefits paid by the employer.....	(175)	(50)	(175)	(37)
Total cost recognized on the statement of income.....	181	91	174	76
Net liability at end of year	544	546	501	480
Statement of recognized Gains /(losses)	74	(9)	66	22
Adjustment	-	1	-	-
Net liability at end of year	618	539	567	502

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2014:

- If interest rate higher by 0.5% (that is 3%) 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%.

24. 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

Annual General Assembly of Shareholders convened, June 30, 2014 and resolved to set Wednesday, August 20, 2014 as dividend ex date for the fiscal year 2013 dividend. General Assembly of Shareholders approved the distribution of dividend in the amount of 0.20 euro per share. In accordance with Law 3697/2008 a 10% tax is imposed on dividend earnings, thus net dividend paid to the beneficiaries shall accordingly be 0.18 euro per share. Beneficiaries for the dividend are holders of company shares as at the closing of the Athens Exchange on Friday, August 22, 2014 ("record date"). Payment of the dividend to the beneficiaries began on Thursday, August, 28, 2014.

25. 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

**Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2014**

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

<u>Subsidiaries</u>	<u>Company</u>	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Receivables from:		
F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET	1.126	-
R.F. Energy S.A.....	12	13
Total	1.138	13
Obligations to:		
F.G. EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET	152	-

<u>Subsidiaries</u>	<u>Company</u>	
	<u>Year ended December 31,</u>	
Sales of goods and services:	<u>2014</u>	<u>2013</u>
Inventories.....	2.362	-
Other.....	10	11
Total	2.372	11

Purchases of goods and services:	<u>Company</u>	
	<u>Year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>
Other.....	1	-
Total	1	-

<u>Companies with common shareholding structure</u>	<u>Consolidated</u>		<u>Company</u>	
	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Receivables from:				
CYBERONICA S.A.....	576	1.054	555	1.035

Obligations to:	<u>Consolidated</u>		<u>Company</u>	
	<u>Year ended December 31,</u>		<u>Year ended December 31,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
CYBERONICA S.A.....	2	-	-	-
MACMORAL TRADING LTD.....	-	133	-	133
	2	133	-	133

<u>Companies with common shareholding structure</u>	<u>Consolidated</u>		<u>Company</u>	
	<u>Year ended December 31,</u>		<u>Year ended December 31,</u>	
Purchases of goods and services:	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cyberonica S.A.....	(3.274)	(3.269)	(3.164)	(3.155)

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(All amounts in Euro thousands unless otherwise stated)



	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Available for sale investments				
GLOBUS MARITIME LTD	949	1.382	949	1.382
Total	949	1.382	949	1.382

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

	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Receivables from:				
Members of the Board and Directors.....	12	-	12	-
Total	12	-	12	-

Obligations to:				
Members of the Board and Directors.....	5.238	-	5.238	-

	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Compensation:				
Personnel expenses.....	(1.948)	(1.844)	(1.618)	(1.702)
Provision for staff leaving indemnity.....	(72)	(36)	(67)	(31)
Total	(2.020)	(1.880)	(1.685)	(1.733)

26. 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 (Y.P.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

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



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.

Within 2011, 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 57MW, while an application for production license from wind farm of 9MW was withdrawn. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 579MW

Within fiscal year 2011 Production Licenses of total 279MW were granted to 14 wind farms of the group, while 7 of these farms have been granted with Temporary Connection Terms by HTSO. Finally, in December 2011, Study of Environmental Impact of the wind farms was submitted, so that Approval of Environmental Terms could be granted.

27. Commitments

27.1 Capital Commitments

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2014. The future aggregate minimum lease payments arising from building lease agreements until year 2022 are estimated to amount to €20,285 for the Group and €20,135 for the Company. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to €145 approximately for the Group and the Company.

	Consolidated					
	Year 2014	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total 2015 hereafter
Future lease agreements for						
- buildings.....	3.278	3.234	2.682	7.275	7.110	20.302
- cars.....	133	82	74	27	-	145
- fields for installation Aeolic parks	7	-	-	-	2.871	2.871
Total	3.418	3.316	2.756	7.302	9.981	23.318

	Company					
	Year 2014	< 1 year	from 1 year to 2 years	From 2 years to 5 years	> 5 years	Total 2015 hereafter
Future lease agreements for						
- buildings.....	3.171	3.128	2.650	7.264	7.134	20.176
- cars.....	133	82	74	27	-	183
Total	3.304	3.210	2.724	7.291	7.134	20.359

27.2 Guarantees

The Common Bond Loan of €65.000 which was disbursed to the Company in January 2014 is covered by pledging 1) receivables by 10% of the current balance of the Loan and 2) the 50% shares of the subsidiary company R.F. Energy S.A.

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 € 17,091 has been pledged.

Moreover, on December 31, 2014, 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 20).

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 31/12/2014 is € 10,850 (€6,051 on 31/12/2013).

28. Post Balance Sheet Events

There are no significant post balance sheet events having occurred after December 31, 2014 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, 2015 and are accessible to the public in electronic form on the company website <http://www.fgeurope.gr>

Glyfada, March 27, 2015

**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**

Notes to the Financial Statements (Company and Consolidated)
For the Year ended December 31, 2014
 (All amounts in Euro thousands unless otherwise stated)



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
29/12/2014	Announcement of change in voting rights in accordance to L. 3556/2007
23/12/2014	Announcement of change in voting rights in accordance to L. 3556/2007
23/12/2014	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
23/12/2014	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
23/12/2014	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
28/11/2014	3rd Quarter Financial Results of FG EUROPE S.A. Group.
5/11/2014	Announcement of change in voting rights in accordance to L. 3556/2007
4/9/2014	Notification of change of internal auditor.
29/8/2014	1st Semester 2014 Financial Results of FG EUROPE S.A. Group
29/8/2014	Announcement 10765/2014
29/8/2014	1st Semester 2014 Financial Results of FG EUROPE S.A. Group
13/8/2014	Announcement of change in voting rights in accordance to L. 3556/2007
13/8/2014	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
13/8/2014	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
8/7/2014	Announcement 8413/2014
4/7/2014	Announcement 8343/2014
4/7/2014	Announcement 8342/2014
30/6/2014	Announcement 8203/2014
30/6/2014	Announcement 8199/2014
30/6/2014	Announcement 8197/2014
6/6/2014	Invitation to attend the annual General Assembly
30/5/2014	1st Quarter 2014 Financial Results of F.G. EUROPE S.A. Group
7/5/2014	Announcement
6/5/2014	Presentation of the FG Europe S.A. Group of companies to the Association of Greek Institutional Investors
23/4/2014	Announcement 4567/2014

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
G.E.MI 125776001000 (P.C.S.A. Register Number 13413/06/B/86/111)

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

FIGURES AND INFORMATION FOR THE YEAR OF 1 JANUARY UNTIL 31 DECEMBER 2014

(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 Company and refer to the Financial Statements which are prepared in accordance with International Financial Reporting Standards and the accompanying review opinion of our auditors.

COMPANY DATA	
Responsible Supervisory Body:	Ministry of Development
Company's website address:	http://www.fgeurope.gr
Composition of Board of Directors:	Georgios Fidakis (President), Spyros Lioukas (Vice President - Non executive member), Ioannis Pantousis (Managing Director), Athanasios Fidakis, father's name: Georgios (Executive member), Athanasios Fidakis, father's name: Konstantinos (Executive member), Ioannis Katsoulakos (Non Executive member), Nikolaos Pibilis (Non Executive member)
Date of approval of the annual financial statements (from which the condensed data has been extracted):	March 27, 2015
Auditor:	Manolis Michailos (SOEL Reg. No. 25131)
Audit Company:	Grant Thornton S.A. (SOEL Reg. No. 127)
Type of Audit Report:	Unqualified audit report

CONDENSED STATEMENT OF FINANCIAL POSITION (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
ASSETS				
Tangible assets	61.746	66.721	591	484
Investments in Property	256	260	256	260
Intangible assets	7.290	7.571	5	3
Other non current assets	6.645	3.518	35.970	32.184
Inventories	45.217	40.433	43.432	40.433
Trade receivables	35.089	37.263	25.132	26.509
Other current assets	5.475	12.144	3.242	10.711
TOTAL ASSETS	161.718	167.910	108.628	110.584
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	1.269	15.005	14.447	25.931
Total equity attributable to the owners of parent company (a)	17.109	30.845	30.287	41.771
Minority interests (b)	18.480	18.525	---	---
Total equity (c)=(a)+(b)	35.589	49.370	30.287	41.771
Long term borrowings	16.939	20.539	---	---
Provisions / Other long-term liabilities	24.015	25.485	567	502
Short term borrowings	61.803	60.184	57.995	57.333
Other short term liabilities	23.372	12.332	19.779	10.978
Total liabilities (d)	126.129	118.540	78.341	68.813
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	161.718	167.910	108.628	110.584

CONDENSED STATEMENT OF CHANGES IN NET EQUITY (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Equity balance at the beginning of the period (1/1/2014 and 1/1/2013 respectively)	49.370	55.391	41.771	38.050
Total comprehensive income after taxes	(3.560)	5.194	(922)	3.890
Share capital increase/(decrease)	---	---	---	---
Dividend distribution	(10.560)	---	(10.560)	(169)
Minority interest increase/(decrease)	337	(10.574)	---	---
Others	2	(641)	(2)	---
Equity at the end of the period (31/12/2014 and 31/12/2013 respectively)	35.589	49.370	30.287	41.771

CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME (consolidated and not consolidated) amounts in € thousands				
	GROUP		COMPANY	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
Turnover	72.717	99.103	67.353	87.736
Gross profit	15.258	26.417	14.623	21.508
Earnings before taxes, financing and investing activities	(1.219)	10.235	237	7.294
Earnings before taxes	(8.202)	6.282	(5.699)	3.963
Earnings after taxes (A)	(4.800)	4.243	(2.147)	2.926
Attributable to:				
Equity holders of the parent company	(3.602)	3.640	---	---
Minority interest	(1.198)	603	---	---
Other comprehensive income after tax (B)	1.240	951	1.225	964
Total comprehensive income after tax (A)+(B)	(3.560)	5.194	(922)	3.890
Attributable to:				
Equity holders of the parent company	(2.369)	4.591	---	---
Minority interest	(1.191)	603	---	---
Earnings per share - basic (in Euro)	(0,0682)	0,0689	(0,0407)	0,0554
Earnings before interest, depreciation, amortization and taxes	2.363	13.817	346	7.375

CONDENSED CASH FLOW STATEMENT (consolidated and not consolidated) amounts in € thousands				
Indirect method	GROUP		COMPANY	
	1/1-31/12/2014	1/1-31/12/2013	1/1-31/12/2014	1/1-31/12/2013
Operating Activities:				
Earnings before taxes	(8.203)	6.282	(5.698)	3.963
Add / (less) adjustments for:				
Depreciation and amortization	3.582	3.582	109	82
Provisions	1.312	790	641	212
Exchange rate differences	(43)	492	(43)	492
Result of investment activity	1.333	(1.211)	1.386	63
Interest and similar expenses	5.534	5.147	4.434	3.251
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(4.855)	(5.464)	(3.070)	(5.464)
Increase / (decrease) in receivables	2.149	8.952	917	7.670
(Decrease) / increase in liabilities (other than banks)	9.515	(17.995)	7.949	(17.992)
Less:				
Interest and similar expenses paid	(4.159)	(5.278)	(3.216)	(3.425)
Taxes paid	(1.577)	(978)	(1.277)	(785)
Total inflow / (outflow) from operating activities (a)	4.588	(5.681)	2.132	(11.933)
Investing Activities				
Acquisition of subsidiaries and other investments	(1.505)	(12.619)	(2.325)	(12.619)
Proceeds from the sale of subsidiaries and other investments	1.920	2.744	1.920	94
Purchase of tangible and intangible assets	(417)	(232)	(215)	(106)
Proceeds from the sale of PPE and intangible assets	1	4	1	4
Interest income	309	317	259	229
Proceeds from dividends	---	15.463	---	---
Total inflow / (outflow) from investing activities (b)	308	5.677	(360)	(12.398)
Financing Activities				
Borrowings from banks	65.000	23.818	65.000	23.018
Payments of borrowings	(66.072)	(30.331)	(63.751)	(5.400)
Dividends paid	(10.538)	---	(10.535)	---
Total inflow / (outflow) from financing activities (c)	(11.610)	(6.513)	(9.286)	17.618
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	(6.714)	(6.517)	(7.514)	(6.713)
Exchange rate differences	45	(132)	45	(132)
Cash and cash equivalents at beginning of the year	12.144	18.793	10.711	17.428
Cash and cash equivalents at beginning of the year of absorbed companies	---	---	---	128
Cash and cash equivalents at the end of the period	5.475	12.144	3.242	10.711

- ADDITIONAL DATA AND INFORMATION**
- The Group companies which are included in the consolidated financial statements are presented in note (1) of the interim financial statements including their location, percentage of Group participation and consolidation method.
 - Within the first half of 2014 the Company established subsidiaries in Turkey and Italy named FG EUROPE KLIMA TEKNOLOJILERI SANAYI VE TICARET A.S. and F.G. EUROPE ITALIA S.P.A. respectively. The newly incorporated subsidiaries consolidated for the first time in the financial statements, but their participation had no effect greater than 25% in the Group 'turnover' and 'equity'.
 - Apart from the 2 above mentioned subsidiaries, there are no companies which are included in the consolidated financial statements of the period 1/1-31/12/2014 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 1/1-31/12/2014 and which had been consolidated in the corresponding period of 2013. 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.
 - "Other comprehensive income after tax" represents total profit for the Group and the Company of € 1.240 thousands and of 1.225 respectively and concerns, a) € 433 thousands revaluation losses and € 1.707 thousands reclassification of gains, on securities which are classified as "available for sale investments", b) profit € 22 thousands for the Group represents difference in exchange at the consolidation of Group Companies in foreign currency and c) losses of € 56 thousands and € 49 thousands for the Group and the Company respectively represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-employment benefit plans.
 - There are no own shares which are held by the Company or by its subsidiaries for the period ending December 31, 2014.
 - 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.
 - 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 amounting to € 340 thousands and € 292 thousands 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 financial statements.
 - The Group and the Company have not made "General provisions" on December 31, 2014.
 - The number of employees as of December 31, 2014 was : Group 111, Company 87 persons. December 31, 2013 was : Group 100, Company 88 persons.
 - The transactions and balances in € thousands for the period ending December 31, 2014 with related parties as defined by IAS 24 are as follows:

	GROUP	COMPANY
a) Sale of goods and services	---	2.372
b) Purchase of goods and services	3.274	3.163
c) Receivables from related parties	576	1.693
d) Payables to related parties	2	152
e) Key management personnel compensations	2.020	1.685
f) Receivables from key management personnel	12	12
g) Payables to key management personnel	5.238	5.238
 - There are no significant events subsequent to December 31, 2014 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.

CHAIRMAN OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR

FINANCE DIRECTOR

CHIEF ACCOUNTING OFFICER

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