F.G. EUROPE S.A.

128, Vouliagmenis Ave.
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P.C. Reg. No. 13413/06/B/86/111

ANNUAL FINANCIAL REPORT

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In accordance with
Article 4 of L. 3556/2007

CONTENTS

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

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

- The annual Financial Statements Company and Consolidated for the period ended on December 31, 2012, 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, 2012 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, 2013

Georgios Fidakis	John Pantousis	Andreas- Fotios Demenagas
Chairman of the Board of Directors	Managing Director	Member of the Board of directors

F.G. EUROPE S.A.

SOCIETE ANONYME WHOLESALER OF ELECTRICAL AND ELECTRONIC APPLIANCES

BOARD OF DIRECTORS ANNUAL REPORT

ON THE FISCAL YEAR PERIOD ENDED 31/12/2012

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, 2012 prepared in accordance with provisions set forth in article 136, Law 2190/1920 and paragraph 7, article 4, Law 3556/2007.

The Report at hand provides information on the financial results, current financial status and any changes thereto, recent developments, and overall product of the Company and the Group during the fiscal year period from January 1st, 2012 until December 31st, 2012.

Reference is also made to any significant events that took place during fiscal year period of 2012 and in any way affecting the Annual Financial Statements Company and Consolidated, to any significant risks that may arise for the Company and the Group, and to any transactions that took place between the Company and any related parties in accordance with IAS 24.

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

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

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

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.

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

FIDAKIS LOGISTICS S.A.: Wholly owned subsidiary of F.G. EUROPE S.A. F.G. LOGISTICS is active in the field of logistics services, managing and controlling on behalf of F.G. EUROPE 25,000 m^2 of warehouses in Aspropyrgos, Attica and Glyfada, Athens.

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

R.F. ENERGY S.A.: Subsidiary to F.G. EUROPE S.A. The Company currently owns a 40% stake. Restis Family owns a 50% share, and MAKMORAL TRADING LIMITED (a company owned by Mr. Georgios Fidakis) owns a 10% share. R.F. ENERGY is a holding company, and its business scope is development and management and ownership of energy production projects, focused on Renewable Energy Sources.

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

Construction of a 10MW Wind Farm owned by the wholly owned subsidiary AIOLIKI KYLINDRIAS S.A. in Kylindria, Kilkis was completed in April 2009. During fiscal year 2012, the subsidiary company AIOLIKI KYLINDRIAS S.A. took four new production licenses from biomass with total capacity of 9.328 MW.

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

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

In May 2008 the company established 10 subsidiary companies (in which R.F. Energy owns 84%) for the purposes of developing 11 new Wind Farms in South Evia, of a total of 387 MW. The companies have applied for production licenses to the competent authorities. Nevertheless in 2009 production licenses were granted by the competent authorities to third (unrelated) companies. Said licenses pertain to development of wind parks on sites that overlap, to a greater or lesser extent, with the locations where R.F. ENERGY's subsidiaries are planning to develop the abovementioned wind parks. Therefore in December 2009 R.F. ENERGY's subsidiaries filed an appeal to the Hellenic Supreme Administrative Court (Council of State) against the aforementioned recently granted licenses on the grounds of lawful interest, due to the overlapping of site locations, material breach of provisions of Greek Law and material violation of law. The companies' attorney on the case estimates that there are many chances for positive outcome of the case. In 2011, the above applications were discussed in the Council of State, which has not yet issued a final decision.

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

During fiscal 2011, the Group took new Production licenses in Southern Evia, with total capacity of 294 MW. Also new production licenses from Wind Stations are expected, in southern Evia, with total capacity of 69 MW.

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

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

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

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

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

Having as main pillar the exports in the air-conditioning sector, with a strong presence in 10 countries in total, along with the noted significant increase in sales in the domestic market, FG EUROPE S.A. skips the crisis, continuing its growth.

Net profit after tax of the Company in 2012 show an increase of 3.56%, totaling EUR 4.36 million compared to Euro 4.21 million of the respective gains of the previous year.

The Company's total sales grew by 5.65% to € 99.40m against € 94.08m in the corresponding sales of 2011.

Sales of air-conditioners in the Greek Market rose significantly in 2012 to € 37.34m against € 22.98m in the previous corresponding period of 2011, posting an increase of 62.52%. The significant increase in sales of the Company in the internal market resulted in exports accounting for 60.35% of sales of air-conditioning in 2012 and 57.18% of total sales of the Company.

More specifically, at parent company level:

Revenue from sales of durable consumer goods rose in 2012 to € 99.27m against € 93.82m in the previous corresponding period of 2011, increased by 5.80%.

Sales of air-conditioners rose in 2012 to € 94.18m against € 87.96m in the previous corresponding period of 2011, posting an increase of 7.07%.

Sales of ESKIMO white electrical home appliances, after continuous updating and adding new products to its range, in 2012 amounted to € 1.75m against € 1.18m in 2011, posting an increase of 48.30%.

Sales of SHARP Consumer Electronics amounted in 2012 to € 3.35m against € 4.75m in 2011, posting a decrease of 29.47%.

The Gross Profit Margin stood at 24.09% against 27.11% of the corresponding rate in 2011. The decrease in Gross Profit Margin by 3.02% is due to the aggressive discount policy implemented by the Management, thus achieving significant increase in sales in the internal market, but minimizing the possible bad debts due to the collection of cash in a high rate for carried sales. This option resulted in the preservation of cash at high levels (€17.43m.) on 31/12/2012, despite the reduction (by €10.40mil) of liabilities to banks and the occasional increase of receivables (€31.06m in 2012 against €20.27m in 2011), mainly due to the significant increase in the domestic market during the last period of the year.

The total liabilities, on 31/12/2012, were decreased by 5.59%, amounting to €67.41m against €71.40m of the corresponding liabilities in 2011.

The General Operating Expenses, despite the noted increase in sales and the fact that the Management made no pay cut or reduces of staff, were decreased by 5.27%, amounting to €17.25m in 2012 against €18.20m of the corresponding expenses in 2011. The noted reduction of General Expenses is the result of the continuous efforts on behalf of the Management to rationalize the expenditure of the Company.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA), for the fiscal year 2012 amounted to € 7.20m against € 7.34m in 2011, decreased by 1.85%, due mainly to the decrease in Gross Profit Margin. As a result EBITDA margin was 7.25% compared to 7.80% for the relevant period of 2011.

Net profit before taxes posted an increase of 0.82%, amounting to € 5.50m for the fiscal year 2012 compared to € 5.46m in 2011.

Consolidated Group figures:

Total Group revenue in fiscal year 2012 amounted to € 111.12m, as opposed to € 99.72 m in the previous corresponding period of 2011, increased by 11.43%. The revenue in the energy sector amounted to € 11.63m in 2012, against € 5.49 m in the previous corresponding period of 2011, increased by 111.84%, mainly due to commence of operation of 35.4 MW from the affiliated company of Group AIOLIKI ADERES S.A.

Gross Profit amounted in 2012 to € 29.57m against € 28.12m of the corresponding period in 2011, presenting an increase equal to 5.15% mainly attributed to the revenue growth at the sector energy. Consequently gross profit margin reached in fiscal year 2012 to 26.61%, against 28.20% in 2011, decreased by 1.59 base points due to the increase in Gross Profit Margin of the Parent Company.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) amounted in 2012 to € 14.42m against € 10.40m received for the relevant period of 2011, posting a significant increase of 38.65% mainly attributed to the revenue growth at the sector energy. Operating profit margin ratio, accounted to 12.98% against 10.43% for the corresponding period of 2011, increased by - 2.55 base points.

Administrative, distribution and other expenses amounted to € 19.39m against € 19.72m in the corresponding period of 2011, posting a decrease of 1.71%. The General Expenses/ Sales ratio in 2012, accounted to 17.45% against 19.78% for the corresponding period of 2011.

Net financial expenses increased by 23.65% amounted to € 4,07m in 2012 against € 3.29m in 2011. The increase in net financial expenses in 2012 due to: a) The increase in interest expense (from € 2.66m in 2011 to € 4.61m in 2012), which was not offset by the significant reduction of foreign exchanges differences (from debit at € 1.03m to credit at € 1.03m in 2012, due to positive change in the Euro against the dollar. b) The reduction the Group's income from interest income (from € 0.69m to € 0,58 million in 2012)

Total debt dropped to € 143.50m as at 31/12/2012 from € 146.45m at 31/12/2011, posting a decrease of 2.01%. The decrease in total liabilities is primarily due to the decrease of total liabilities of the Parent Company.
Net profit before taxes amounted in 2012 to € 6.55m increased from the level of € 5.60m of the corresponding period in 2011, having a positive effect on EBT/SALES ratio as it is increased to 5.89% from 5.62% respectively.

Important is the burden on the Group's financial results due to the implementation, from 01/07/2012, of a special levy on revenues from wind and hydropower, amounting to €0.51m, according to the provisions of L.4093/2012.

Net Profit after taxes and Minority Interests amounted to € 4.79m as at 31/12/2012 against € 4.17m as at 31/12/2011, presenting an increase 14.86%.

Other Financial Ratios:

	2012	2011
• Current Ratio for the Company:	1.63	2.02
• Current Ratio for the Group:	1.59	2.13
• Quick Ratio for the Company:	0.95	1.23
• Quick Ratio for the Group:	1.10	1.47
• Inventory Turnover Ratio for the Company (in days):	169	180
• Inventory Turnover Ratio for the Group (in days):	157	172
• Return on Equity Ratio for the Company:	11.46 %	12.26 %
• Return on Equity Ratio for the Group:	8.78 %	7.72 %
• EBITDA Ratio in for the Company:	18.93 %	21.43 %
• EBITDA Ratio in for the Group	26.03 %	19.93 %

B. Other Significant Events

According to the decision of the Board of Directors on 18/01/2008, the Company issued, pursuant to the provisions of L.2190/1920 and L.3156/2003, a Common Bond Loan of €75m with duration of 5 years, renewable for additional years. The repayment of the loan, based on the initial term of five years, would be in 10 semi-annual installments (the first 9 installments of €5.20m each have already been paid till 31/12/2012). The amount of the 10th installment amounted to €28.20m. After request on behalf of the Company, according to the decision of bondholders on 15/01/2013, the duration of the remaining balance of the loan extended by 2 more years. After the payment of the installment of €6.84m on 28/01/2013, the balance of the extended loan of €21.36m will be paid in 4 equal semi-annual installments of €5.34m each.

According to the decision of the Extraordinary General Assembly of the shareholders of CITY ELECTRIC S.A. on 15/01/2013, the equity of the company increased by €0.29m., through capital increase of €0.029m and issuance of shares above par of €0.261m.

No other significant events occurred after December 31st, 2012 concerning the Company or the Group that could affect the Company in any material respect and should have been disclosed.

C. Risk Factors

Financial Risk Management

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

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

Market risks

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

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

Cash flow and interest rate risks: The Group 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.
According to the terms of the amended Agreement extending the Common Bond Loan issued by the Company in 2008, the balance of which was extended for 2 additional years, the current interest rate spread of 6% may be altered on the basis of the indicators that should be kept by the Company, at favorable 5.75% to worse 6.25%, limiting or increasing respectively the cost of bank borrowing of the Company.

Credit risk: Credit risk is hedged at Group level. Such credit risk mainly arises out of from the existence of potentially doubtful receivables. For credit risk management purposes the Group has policies in place in order to continuously assess clients' credibility taking into consideration the client's financial standing, previous transactions with the client, the client's credit history. Such factors and other are monitored on a steady basis and cannot be exceeding predefined levels for any individual client. Sales to individuals are conducted in cash. During the FY 2012 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. The Group monitors and controls cash on a daily basis, taking into consideration expected cash flows.

Seasonality in sales of air-conditioners: Over the last years sales of air-conditioners showed signs of a seasonal trend mainly increasing during the summer period, and cooling off during winter. This resulted to concerns with regard to a) satisfying increased demand within a short period, which could potentially put sales in risk, b) sustaining added expenses due to maintaining of large stock to satisfy demand, as well as c) potential risks from doubtful debts due to the high number of credit openings in a relatively short period of time.
However over the last couple of years this seasonal trend was restricted to distribution of demand throughout the period of the year, due to the shift of the consumers to use air-conditioners to meet their needs for heating due to the significant increase in the price of heating oil. Nonetheless a relatively high demand sustained during summer months, and especially at times of extreme climate conditions, such as heat waves. This fact contributes towards higher quality client services and mitigation of the abovementioned risks.

D. Future Outlook

For the fiscal year 2013, the Management's aim is to continuously enhance its presence and expansion of the Company's activities in foreign markets where it operates. In the domestic market, the Management aims to maintain its leading position in the field of air-conditioning while promoting from mid-2012 complete range of air-conditioners and from March 2013 white appliances of MIDEA, which distribution for the Greek Market has been undertook by FG EUROPE S.A.

After the renegotiation of the agreement with SHARP and the achievement of more favorable terms of cooperation and competitive prices compared with similar products in the market, a significant in sales in both Consumer Electronics and the refrigerators and microwaves of SHARP is expected.

Eskimo is expected to continue its dynamic growth, significantly strengthening the presence of these products in the Greek Market.

Taking into thorough consideration the effects of the financial crisis to the market and the limitations in corporate financing, the Management continues to apply strict credit and aggressive trade policy, trying to secure the company against any potential financial threats.

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

The progress noted over recent years in the financial results of the Company and the Group constitutes the basis for the Board of Directors' moderately optimistic to fiscal year 2013.

Within 2012, 100% subsidiary company AIOLIKI KYLINDRIAS S.A., received 4 Energy Production Licenses from Biogas for stations with a total power of 9,328 MW.

Within 2012, subsidiary company CITY ELECTRIC received Energy Production for an offshore wind farm with a total power of 498,15 MW in location 'Plaka', in the sea area in the northeast of Lemnos, in North Aegean region.

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

E. Related Party Transactions

According to IAS 24, related parties are subsidiary companies, affiliate companies and companies with common shareholding structure and/ or management. Moreover, the members of the Board of

Directors and the Directors are also considered related parties. The Company purchases and provides products and services from and to related parties.
Company sales to related parties primarily concern sales of products and merchandise. Services rendered to the Company primarily concern storage services (logistics etc.) as well as after sales services.

Intercompany transactions take place in accordance with L.3728/18-12-2008, and under such conditions and terms which do not materially differ from relevant conditions and terms in agreements between the Company and third parties.
Compensation of the members of the Board of Directors concern paid Board's of Directors compensation to Non-executive Independent members. The compensation of Directors concerns compensation of regular payment according to employment contracts.

Significant transactions which occurred within fiscal year period of 2012 between the company and related parties are presented below, in accordance with provisions of IAS 24, pertaining to amounts over €10 thousand:

FG EUROPE S.A. sold mechanical parts to FIDAKIS SERVICE S.A. amounting to €64 thousands (€71 thousands in 2011). This amount has been fully disbursed from FIDAKIS SERVICE S.A. to F.G EUROPE.

FG Europe SA was charged by FIDAKIS SERVICE S.A. with the amount of €580 thousands in 2012 (€440 thousands in 2011), concerning the guarantee and service of air conditioners, which FG Europe SA sells in the Greek market and with the amount of € 46 thousand for services related to central air conditioning projects undertaken by FG Europe SA for the amount of 39 thousand in 2011.

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

FIDAKIS LOGISTICS S.A. invoiced F.G EUROPE the amount of €3.360 thousands, according to their agreement for providing logistics services in 2012. In FY 2011 this amount was €3.380 thousands.

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

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

CYBERONICA S.A.'s income from leasing offices and storing facilities rose to €3.086 thousands in 2012 (€3.071 in 2011). From that amount the contribution of FG EUROPE S.A. was €768 thousands and the rest was paid from the other firms of the Group (€ 750 thousands in 2011). The biggest share was paid by FIDAKIS LOGISTICS S.A. as it leases storage facilities of 25,000 m^2 in Aspropyrgos. Group companies have paid as leasing guarantees to CYBERONICA S.A. the amount of € 576 thousands in 2012 (€582 thousands in 2011). The amount paid as guarantee from FG EUROPE S.A. is € 196 thousands (€ 195 thousands in 2011).

In 2012, FG EUROPE S.A. paid as an advance on rent to CYBERONICA S.A., the amount of €165 thousands, while CYBERONICA S.A. owes an amount of € 61 thousands to FG EUROPE S.A., which corresponds to EETHDE for fiscal years 2011 and 2012, paid by FG EUROPE S.A.

FG EUROPE, on 04/12/12 bought 777.458 shares of its subsidiary RF ENERGY S.A. of total value € 2.643, according to the decision of its Board of Directors.

F. Own Shares

As at December 31st 2012, FG EUROPE S.A. does not own any of its shares.

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

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

b. Limitations pertaining to transfer of Company's shares.
Transfer of Company's shares may only take place in accordance with the relevant provisions of Greek Law and no further limitations are imposed in the Company's Articles of Association, than the Convention of the Joint Bond which has been extended till 28/01/2013 and provides that the main shareholder of the Company undertakes to maintain throughout the term of the loan contract, at least 35% of the share capital of the Company.

c. Direct or indirect interest in the Company's share capital, having the same meaning as articles 9, 10 and 11, Law 3556/2007
As at December 31st, 2012 shareholders named below owned a percentage larger than 5% of the total Company's votes:
- Georgios Fidakis direct interest of 27.49% and indirect interest of 30.46%. Total participation in the Company's share capital is 57.95%.
- SILANER INVESTMENTS LIMITED, direct interest 30.46%%
- FIRST EUROPEAN RETAIL CORP. indirect interest of 11.08%.
- Vassiliki Valianatou, direct interest of 5.09%.

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

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

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

g. Rules for selection or replacement of members in the Board of Directors and amendments to the Articles of Association, which are materially different from provisions under Codified Law 2190/20
Company's Articles of Association with regard to the election or replacement of members in the Board of Directors and amendments thereof do not materially differ from provisions set forth under C.L. 2190/20.

h. Power of the Board of Directors or certain members thereof for the issuance of new shares or the purchase of own company's shares, according to the article 6, C.L 2190/20
The Board of Directors is authorized, for a period of five years, to increase Company's Share Capital, at any time which the BoD deems appropriate, determining certain terms concerning the

level of the equity increase, the number and the offer price of new shares. No other authorization to purchase company's own shares has been granted to the Board of Directors.

i. Significant agreements in force amended or subject to termination in the event of any change in Management of the Company following a public offer.
No such agreements exist.

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

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

Clarifications on information in chapter G above follow:

1. Shareholders General Assembly on 26/3/2008, authorized the Company's Board of Directors in accordance with provisions set forth under paragraph 1 (b), and 4 (a), article 13, Codified Law 2190/1920 to proceed within a five-year period to an increase of the Company's Share Capital at any time the BoD shall deem appropriate, and accordingly determining the terms referring to the level of the increase, the number and the offer price of new shares. This authorization ended at 26/3/2013.

2. Said Shareholders General Assembly also resolved to cancel (annul) 1,780,220 own shares, representing 3.26% of the Company's total Share Capital which were acquired Shareholders General Assembly resolution dated 8/2/2005. Cancellation (annulment) of shares consequently reduced the Company's Share Capital by Euro 534,066. After the decrease, Company's Share Capital amounts to Euro 15,840,046.20, divided to 52,800,154 shares, with par value of Euro 0.30 each.

3. Shareholders General Assembly of 18/05/2011 elected the Company's Board of Directors with a two-year term

4. The Company's Board of Directors convened on 18/05/2011 as follows:

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

5. Changes in participations of shareholders to the company in fiscal year 2012:
- Georgios Fidakis, direct participation changed from 31.01% to 27.49% and indirect participation increased from 26.94% to 30.46%. Total participation remains the same (57.95%)
- SILANER INVESTMENTS LIMITED, participation increased from 26.94% to 30.46% (change +3.52%)

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.

M. Dividend Policy

In accordance with relevant provisions of Greek Law, it is required that the Company must distribute a minimum of 35% of its net profit after tax and deductions for accounting reserve as dividend to its shareholders. Nevertheless, the Law provides that this obligation can be waived by a General Assembly of Shareholders resolution, in which a majority of at least 70% of shareholders are represented and vote.

The Board of Directors, having taking into consideration the adversity of current market conditions, and with a view to strengthening the Company's financial position, intents to put forward to the General Assembly of Shareholders a motion for non distribution of dividends to the shareholders against fiscal year 2012 profits.

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

F.G. Europe S.A. is committed to maintain high standards of corporate governance. Under the principles of Corporate Governance, the Company has applied the principles laid down by the Corporate Governance Code (CGC) established by the Hellenic Federation of Enterprises (SEV). This corporate governance statement sets out the way the Company applies the Code and provides explanations for any failure to comply with the provisions of this during the year 2012.

The Code can be found at the following internet address:
http://www.sev.org.gr/Uploads/pdf/KED_SEV_InternetVersion_updatednew2132011.pdf

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

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

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

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

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

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

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

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

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

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

SECTION A - The Board and its members

I. Role and responsibilities of the board

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

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

- Approving the overall long-term strategy and operational goals of the company

- Approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures

- Selecting and replacing, if necessary, the executive leadership of the company and overseeing planning

- Monitoring the performance of senior management and aligning executive remuneration with the longer term interests of the company and its shareholders

- Ensuring the integrity of the company's accounts, financial reporting systems and public disclosures, as well as the effectiveness of the systems of internal control and risk management

- Being alert to and adequately addressing actual and potential conflicts of interests between the company, on the one hand and its management, board members or major shareholders, on the other (including shareholders with a direct or indirect power to control the board's composition and behavior); to this end, the board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the company's interests

- Ensuring that there is a satisfactory process for monitoring the company's compliance with relevant laws and regulations

- Deciding on and monitoring the effectiveness of the company's governance processes including its system of decision- making and delegation of authorities and duties to other key executives, and

- Formulating, disseminating and implementing key values and principles of conduct governing the company's relations with its stakeholders

II. Size and composition of the Board

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

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

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

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

The composition of the Board of Directors that elected by the Annual General Assembly on 18/5/2011 is as follows:

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

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

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

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

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

1. Internal Control Committee: Lioukas Spyros (Responsible), Stroggylopoulos Georgios and Katsoulakos Ioannis,

2. Remuneration, Benefits and Pension Plan Committee: Lioukas Spyros (Responsible), Pimblis Nicolaos, Stroggylopoulos Georgios

3. Environmental Issues Committee: Stroggylopoulos Georgios (Responsible), Lioukas Spyros

4. Competition, Transparency and Corporate Governance Committee: Katsoulakos Ioannis, (Responsible), Pimblis Nicolaos, Stroggylopoulos Georgios

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

<u>III. Role and profile of the chairman of the Board</u>

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 18/05/2011, trough implementation of the special practice laid down by the Code, elected independent Vice-Chairman among its independent non-executive members, given that the Chairman comes from the executive members of the Board.

IV. Duties and conduct of board members

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

The Board has not adopted as part of the Company's internal regulations, policies relating to management of conflicts of interest between its members and the Company, as well as the procedures, according to which, the members of the Board should promptly notify the Board any interests in corporate transactions or their conflicts of interests with the Company or its subsidiaries.

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.

VI. Functioning of the Board

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

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

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

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

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

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

VII. Board evaluation

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

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

No procedure for evaluating the performance of the Chairman of the Board which is headed by the independent Vice-Chairman, in spite of the presence independent Vice- Chairman in the last BoD, has been established. This procedure is not considered necessary on the basis of the current organizational structure of the Company.

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

SECTION B – Internal Control

Internal Control – Audit Committee

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

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

Internal Control System and Risk Management

Main features of the internal control system:

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

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

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

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

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

a) Monitoring the process of financial reporting

b) Monitoring the effective operation of internal audit and risk management system, and monitoring the proper functioning of the internal audit department of the Company

c) Monitoring the statutory audit of individual and consolidated financial statements of the Company

d) Review and monitoring issues relating to the existence and maintenance of objectivity and independence of statutory auditors or audit firms, particularly regarding the provision of other services to the Company by the statutory auditor or audit firm.

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

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

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

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

SECTION C – Remuneration

Level and structure of remuneration

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

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

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

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

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

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

SECTION D – Relations with shareholders

I. Communication with shareholders

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

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

II. The general meeting of shareholders

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

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

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

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

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

Those above mentioned about the financial condition of the Company and the Group can be noted from the financial statements of December 31, 2012.

Glyfada, March 27, 2013

Chairman of the
Board of Directors
Georgios Fidakis

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the separate and consolidated financial statements of SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES (F.G.EUROPE S.A.), which comprise the balance sheet as at December 31, 2012, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES (F.G.EUROPE S.A.) as at December 31, 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Directors' Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified Law 2190/1920.

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 29, 2013
THE CERTIFIED AUDITOR ACCOUNTANT

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

COMPANY AND CONSOLIDATED FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

CONTENTS

Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2012 and 2011
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
		For the Years Ended December 31,			
	Note	2012	2011	2012	2011
Sales…………………………………….....................	6	111.122	99.724	99.399	94.083
Less: Cost of sales………………………………	7	(81.553)	(71.603)	(75.453)	(68.575)
Gross profit		**29.569**	**28.121**	**23.946**	**25.508**
Other operating income…………………………	6	435	493	311	492
Distribution expenses…………………………...	7	(14.355)	(15.141)	(14.703)	(15.200)
Administrative expenses………………………..	7	(5.030)	(4.546)	(2.541)	(2.992)
Other operating expenses…………...................	7	(2)	(37)	(1)	(12)
Earnings before interests and taxes		**10.617**	**8.890**	**7.012**	**7.796**
Finance income………………………………….	7	4.162	1.235	4.027	1.133
Finance costs……………………………………	7	(8.230)	(4.525)	(5.535)	(3.470)
Earnings before taxes		**6.549**	**5.600**	**5.504**	**5.459**
Income tax expense………………....................	8	(1.686)	(1.552)	(1.143)	(1.248)
Net profit for the period		**4.863**	**4.048**	**4.361**	**4.211**
Attributable as follows:					
Equity holders of the Parent…………………….		4.792	4.172	-	-
Minority interest………………………………...		71	(124)	-	-
Net profit (after tax) attributable to the Group		**4.863**	**4.048**	**-**	**-**
Other Comprehensive Income					
Available for sale investments…………………..	1	(654)	(1.455)	(654)	(1.455)
Actuarial gains / (losses)		16	-	(8)	-
Other Comprehensive Income after taxes		**(638)**	**(1.455)**	**(662)**	**(1.455)**
Total Comprehensive Income after taxes		**4.225**	**2.593**	**3.669**	**2.756**
Attributable as follows:					
Equity holders of the Parent…………………….		4.154	2.717	-	-
Minority interest………………………………...		71	(124)	-	-
Net profit (after tax) attributable to the Group		**4.225**	**2.593**	**-**	**-**
Earnings per share (expressed in Euros):	9	0,0908	0,0790	0,08268	0,0798

The accompanying Notes on pages 32 to 77 are an integral part of the Financial Statements.

Statement of Comprehensive Income (Company and Consolidated)
For the Years ended December 31, 2012 and 2011
(All amounts in Euro thousands unless otherwise stated)

		Consolidated		Company	
ASSETS	**Note**	**December 31, 2012**	**December 31, 2011**	**December 31, 2012**	**December 31, 2011**
Non-current assets					
Property, plant and equipment……..........	10	72.070	76.429	232	286
Investments in real estate property………	10	310	315	310	315
Intangible assets………………………….	10	7.889	7.291	-	1
Investments in subsidiaries………………	1	-	-	19.534	15.991
Long term receivables…………………...		690	652	655	618
Deferred tax assets……………………….	21	1.477	1.702	568	622
Available for sale investments…………...	11	2.682	3.336	682	1.336
Total non-current assets		**85.118**	**89.725**	**21.981**	**19.169**
Current assets					
Inventories……………………………….	12	35.012	33.810	35.000	33.798
Trade receivables………………………...	13	59.972	40.850	31.056	20.266
Cash and cash equivalents……………….	14	18.793	34.463	17.428	32.522
Total current assets		**113.777**	**109.123**	**83.484**	**86.586**
Total assets		**198.895**	**198.848**	**105.465**	**105.755**
SHAREHOLDERS' EQUITY & LIABILITIES					
SHAREHOLDERS' EQUITY					
Shareholders equity attributable to the equity holders of the parent company					
Share capital……………………………..	15	15.840	15.840	15.840	15.840
Share premium……………...……………	16	6.623	6.571	6.726	6.726
Reserves…………………...……………..	17	4.358	4.844	3.387	3.829
Retained earnings………………………..		8.399	3.903	12.097	7.956
		35.220	**31.158**	**38.050**	**34.351**
Non-controlling interests ……………		20.171	21.244	**-**	-
Total shareholders' equity		**55.391**	**52.402**	**38.050**	**34.351**
LIABILITIES					
Non-current liabilities					
Long term Borrowings…………………..	19	45.640	71.564	15.941	28.098
Retirement benefit obligations…………..	21	493	542	338	368
Deferred government grants……………..	20	24.412	21.724	-	-
Long-term provisions…………..............		1.510	1.423	-	-
Total non-current liabilities		**72.055**	**95.253**	**16.279**	**28.466**
Current liabilities					
Short term Borrowings…………………..	19	15.071	14.768	11.514	11.228
Short term portion of long term borrowings……………………………….	19	26.417	11.431	12.177	10.400
Current tax liabilities…………………….		229	-	146	-
Trade and other payables………………...	18	29.732	24.994	27.299	21.310
Total current liabilities		**71.449**	**51.193**	**51.136**	**42.938**
Total liabilities		**143.504**	**146.446**	**67.415**	**71.404**
Total equity and liabilities		**198.895**	**198.848**	**105.465**	**105.755**

The accompanying Notes on pages 32 to 77 are an integral part of the Financial Statements.

Statements of Changes in Equity (Company and Consolidated)
For the Years ended December 31, 2012 and 2011
(All amounts in Euro thousands unless otherwise stated)

Consolidated

	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves		Special tax reserves	Retained earnings /(losses)	Total	Minority interest	Total equity
Balance on January 1, 2011	**15.840**	**6.623**	**3.416**	**(144)**	**-**	**2.782**	**35**	**28.552**	**22.729**	**51.281**
Year's changes:										
Net profit for the period	-	-	245	-	-	-	3.927	**4.172**	(124)	**4.048**
Other Comprehensive Income..	-	-	-	(1.455)	-	-	-	**(1.455)**	-	**(1.455)**
Total Comprehensive Income..	**-**	**-**	**245**	**(1.455)**	**-**	**-**	**3.927**	**2.717**	**(124)**	**2.593**
Share Capital Increase / (Decrease)	-	-	-	-	-	-	-	**-**	1.245	**1.245**
Purchase of Minority Interest	-	-	-	-	-	-	(59)	**(59)**	(39)	**(98)**
Share Capital Decrease	-	-	-	-	-	-	-	**-**	(2.567)	**(2.567)**
Operation interruption of subsidiary	-	-	-	-	-	(52)	-	**(52)**	-	**-**
Balance on December 31, 2011	**15.840**	**6.623**	**3.661**	**(1.599)**	**-**	**2.730**	**3.903**	**31.158**	**21.244**	**52.402**
Balance on January 1, 2012	**15.840**	**6.623**	**3.661**	**(1.599)**	**-**	**2.730**	**3.903**	**31.158**	**21.244**	**52.402**
Year's changes:										
Net profit for the period	-	-	300	-	**-**	-	4.492	**4.792**	71	**4.863**
Other Comprehensive Income..	-	-	-	(654)	**16**	-	-	**(638)**	-	**(638)**
Total Comprehensive Income..	**-**	**-**	**300**	**(654)**	**16**		**4.492**	**4.154**	**71**	**4.225**
Share Capital Increase	-	-	-	-	**-**	-	-	**-**	1.500	**1.500**
purchase of minority interests	-	-	-	-	**-**	-	-	**-**	(2.644)	**(2.644)**
Expenses of shares issuance	**-**	**-**	**-**	**-**	**-**	(96)		**(96)**	-	**(96)**
Other	-	-	-	-	**-**	-	4	**(4)**	-	**(4)**
Balance on December 31, 2012	**15.840**	**6.623**	**3.961**	**(2.253)**	**16**	**2.634**	**8.399**	**35.220**	**20.171**	**55.391**

The accompanying Notes on pages 32 to 77 are an integral part of the Financial Statements.

(All amounts in Euro thousands unless otherwise stated)

Company

	Share capital	Share premium	Legal reserve	Available for sales - Fair value reserves		Special tax reserves	Retained earnings	Total
Balance on January 1, 2011	**15.840**	**6.726**	**3.354**	**(144)**	**-**	**1.856**	**3.963**	**31.595**
Year's changes:								
Net profit for the period	-	-	-	-	-	-	3.993	**3.993**
Other Comprehensive Income..	-	-	218	(1.455)	-	-	-	**(1.237)**
Total Comprehensive Income..	**-**	**-**	**218**	**(1.455)**	-	**-**	**3.993**	**2.756**
Balance on December 31, 2011	**15.840**	**6.726**	**3.572**	**(1.599)**	**-**	**1.856**	**7.956**	**34.351**
Balance on January 1, 2012	**15.840**	**6.726**	**3.354**	**(144)**	**-**	**1.856**	**7.956**	**34.351**
Year's changes:								
Net profit for the period	-	-	220	-	-	-	4.141	**4.361**
Other Comprehensive Income..	-	-	-	(654)	(8)	-	-	**(662)**
Total Comprehensive Income..	**-**	**-**	**218**	**(1.455)**	**(8)**	**-**	**4.141**	**3.699**
Balance on December 31, 2012	**15.840**	**6.726**	**3.572**	**(1.599)**	**(8)**	**1.856**	**12.097**	**38.050**

The accompanying Notes on pages 32 to 77 are an integral part of the Financial Statements.

Statements of Cash Flows (Company and Consolidated)
For the Years ended December 31, 2012 and 2011
(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	For the Years Ended December 31,			
	2012	**2011**	**2012**	**2011**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax (and minority interest)………………………………	6.549	5.600	5.504	5.459
Add / (less) adjustments for:				
Depreciation and amortization……………………………………………	5.355	2.864	72	83
Provisions…………………………………………………………………	266	1.149	260	1.147
Result of investment activity…………………………….……………..	(652)	(714)	(518)	(612)
Interest and similar expenses…………………………….……………..	4.976	3.466	2.282	2.411
Government grants recognized in income………………………………..	(1.672)	(815)	-	-
Employee benefits……………………………………….……………..	61	40	31	35
Operating result before changes in working capital	**14.883**	**11.590**	**7.631**	**8.523**
Add / (less) adjustments for changes in working capital items:				
(Increase) / decrease in inventories…………...…………………………..	(1.271)	(279)	(1.271)	(287)
(Increase) / decrease in receivables and prepayments...………...………....	(14.993)	(10.161)	(10.997)	(6.404)
Increase / (decrease) in trade and other payables…………………………	2.581	8.664	3.853	6.230
(Increase)/ decrease in long term receivables…………………………..….	(38)	(47)	(37)	(50)
Total cash inflow / (outflow) from operating activities	**1.162**	**9.767**	**(821)**	**8.012**
Interest and similar expenses paid……………………….……………..	459	657	324	556
Income taxes paid………………………………………………………	(1.083)	(1.513)	(823)	(1.461)
Total net inflow / (outflow) from operating activities	**538**	**8.911**	**(1.320)**	**7.107**
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase) of subsidiaries and other investments…………………………	(601)	(2.753)	(1.500)	(1866)
(Purchase) of PPE and intangible assets…………………………………..	(1.589)	(43.318)	(12)	(14)
Proceeds from the sale of PPE and intangible assets……………………..	-	11	-	-
Government grants………………………………………………………..	-	6.114		-
Dividend income………………………………………………………….	91	56	91	56
Total net cash inflow / (outflow) from investing activities	**(2.099)**	**(39.890)**	**(1.421)**	**(1.824)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Share capital increase……………………………………………………..	1.404	1.245	-	-
Payments for Share Capital decrease	-	(2.618)	-	-
Proceeds from borrowings………………………………………………...	1.453	46.580	286	11.223
Repayments of borrowings……………………………………………….	(12.691)	(13.401)	(10.399)	(10.400)
Interest Expenses	(4.019)	(2.545)	(1.984)	(1.708)
Total net cash inflow from financing activities	**(13.853)**	**29.261**	**(12.097)**	**(885)**
Net increase / (decrease) in cash and cash equivalents	**(15.414)**	**(1.718)**	**(14.838)**	**4.398**
	(256)	**538**	**(256)**	**538**
Cash and cash equivalents at beginning of period	**34.463**	**35.643**	**32.522**	**27.586**
Cash and cash equivalents at end of period	**18.793**	**34.463**	**17.428**	**32.522**

The accompanying Notes on pages 32 to 77 are an integral part of the Financial Statements.

(All amounts in Euro thousands unless otherwise stated)

1. *Incorporation and Business of the Group*

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

- The company in the import and wholesale of all types of air conditioners, all types of white and consumer electronics electrical appliances, LCD – Plasma televisions and in the wholesale of products and services of mobile telephony.

- The subsidiaries FIDAKIS SERVICE S.A. and FIDAKIS LOGISTICS S.A. cover supplementary fields like after sales services, inventory management (logistics), etc. while R.F. ENERGY S.A. and its subsidiaries below activate in the field of electric energy production from renewable energy sources.

  - HYDROELECTRICAL ACHAIAS S.A.
  - CITY ELECTRIC S.A.
  - AIOLIKI KYLINDRIAS S.A.
  - KALLISTI ENERGIAKI S.A.
  - R.F. ENERGY S.A. MISOHORIA S.A.
  - R.F. ENERGY S.A. OMALIES S.A.
  - R.F. ENERGY S.A. TSOUKKA S.A.
  - AIOLIKI ADERES S.A.

The Company and the Group are domiciled in Greece, in the municipality of Glyfada, with registered offices: 128, Vouliagmenis Ave., GR-16674 Glyfada, Greece. The total number of personnel occupied as of December 31, 2012 is 98 for the Group and 58 for the Company.

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

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

Name	Country	Share as of December 31, 2012	Method of consolidation
• F.G. EUROPE S.A.	Greece	Parent company	Full consolidation
• FIDAKIS LOGISTICS S.A.	Greece	100,00% (a)	Full consolidation
• FIDAKIS SERVICE S.A.	Greece	100,00% (a)	Full consolidation
• R.F. ENERGY S.A.	Greece	40,00% (a)	Full consolidation
• HYDROELECTRICAL ACHAIAS S.A.	Greece	40,00% (b)	Full consolidation
• CITY ELECTRIC S.A.	Greece	40,00% (b)	Full consolidation
• AEOLIC KYLINDRIAS S.A.	Greece	40,00% (b)	Full consolidation
• KALLISTI ENERGIAKI S.A.	Greece	40,00% (b)	Full consolidation
• AEOLIC ADERES S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY S.A. MISOHORIA S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY S.A. OMALIES S.A.	Greece	40,00% (b)	Full consolidation
• R.F. ENERGY S.A. TSOUKKA S.A.	Greece	40,00% (b)	Full consolidation

Note: a) Direct investments, b) Indirect investments

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

F.G. EUROPE's holding share in the company R.F. ENERGY S.A. is to 40 %. Due to the fact that the main shareholder and Chairman of the Board of Directors of F.G. EUROPE S.A., Mr. George Fidakis also participates with 10,00% in R.F. ENERGY S.A. and the existing shareholders' agreement concerning the appointment of the majority of Board Members through

(All amounts in Euro thousands unless otherwise stated)

F.G. EUROPE S.A., R.F. ENERGY is fully consolidated in the Company's financial statements, with the method of full consolidation.

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

The investments in subsidiaries of the Company are as follows:

Investments in Subsidiaries as at 31.12.2012

	Subsidiary name	Balance as at 31.12.11	Additions 01.01-31.12.12	Reductions 01.01 - 31.12.12	Balance as at 31.12.12
1	R.F. ENERGY S.A…………	**15.170**	3.543	-	**18.713**
2	FIDAKIS SERVICE S.A…..	**300**	-	-	**300**
3	FIDAKIS LOGISTICS S.A...	**521**	-	-	**521**
	Total	**15.991**	**3.543**	**-**	**19534**

Investments in Subsidiaries as at 31.12.2011

	Subsidiary name	Balance as at 01.01.11	Additions 01.01-31.12.12	Reductions 01.01 - 31.12.12	Balance as at 31.12.12
1	R.F. ENERGY S.A………....	**15.960**	750	(1.540)	**15.170**
2	FIDAKIS SERVICE S.A…..	**300**	-	-	**300**
3	FIDAKIS LOGISTICS S.A...	**521**	-	-	**521**
	Total	**16.781**	**750**	**-**	**15.991**

During the fourth quarter of 2012, the parent company RF ENERGY S.A., terminated private leases in the region of South Evia. These leases referred to private lands where wind farms will be constructed by subsidiaries of RF ENERGY S.A.. As a change of the siting of the wind turbines, these lands do not need to be hired.

The subsidiaries of RF ENERGY S.A. that have received Energy Production Licenses for wind farms in this region or / and have applied for obtaining Licenses that are being evaluated, sublease the aforementioned lands in the region of South Evia from the parent company RF ENERGY S.A. After the termination of leases by the parent company, the subsidiaries proceeded to termination of subleases.

The termination of both private leases by the parent company and subleases between parent company and its subsidiaries, resulted to be removed from the balance sheets of the companies (subsidiaries and parent company), assets and receivables – liabilities amounting to € (890), which reflects capitalized expenditure for rents for previous years in the account 'assets under construction' that will not generate future economic futures.

During the fourth quarter of 2012, the 100% subsidiary company CITY ELECTRIC S.A. proceeded to delete assets under construction amounting to (71), due to the prolonged period of stagnation in obtaining Energy Production Licenses for a wind farm with power of 25,5 MW in location 'Paparitsa', in Achaia Prefecture.

2. Significant Accounting Policies used by the Group
2.1 Basis of Preparation of Financial Statements

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

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

2.2.1 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group/Company as of 1 January 2012:

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
- **IAS 12 Income Taxes (Amended) –Recovery of Underlying Assets**

The adoption of the above IFRSs did not have any impact on the financial position or performance of the Group/ Company.

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

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

The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. Management has assessed that the above IFRS will not have any impact on the financial statements of the Group / Company.

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

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Management has assessed that the adoption of other amendments of the above IFRS will not have any serious impact on the financial statements of the Group / Company.

- **IAS 28 InNnvestments in Associates and Joint Ventures (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

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

The amendment is effective for annual periods beginning on or after 1 January 2014.These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

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

The amendment is effective for annual periods beginning on or after 1 January 2013. These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

IFRS 9 Financial Instruments: Classification and Measurement

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. This standard has not yet been endorsed by the EU. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- **IFRS 12 Disclosures of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

IFRS 13 Fair Value Measurement

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

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

The interpretation is effective for annual periods beginning on or after 1 January 2013.This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine.The interpretation addresses the accounting for the benefit from the stripping activity. Management has assessed that the above IFRIC has is not applicable to the Group / Company.

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. This project has not yet been endorsed by the EU. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- ***IAS 1 Presentation of Financial Statements:*** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

- ***IAS 16 Property, Plant and Equipment:*** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- ***IAS 32 Financial Instruments, Presentation:*** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.
- ***IAS 34 Interim Financial Reporting:*** The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. Management of the Group / Company is in the process of assessing the impact of this amendment on the financial position or performance of the Group / Company.

- **Change of accounting policy of recognition of Employee Benefits Gains /(losses)**

As it is mentioned above from 01 January 2012 the Group / Company decided to change the accounting policy of recognition of Employee Benefits Gains /(losses) according to the rules of IAS 19. The recognized gain /(losses) arises to € 16 for the Group and € (9) for the Company and they are allocated as "Other Comprehensive income". The Group / Company did not restate the financial statements due to the immateriality of amounts.

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, 2012.

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

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

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

2.3.2 Investments in other companies

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

The results of operation and the assets and liabilities of these economic entities are consolidated using the equity method excluding the case if classified as available for sale.
The investment is recognized at cost, and is adjusted to recognize the investor’s share of the earnings or losses of the investee after the date of acquisition and is adjusted for any accumulated impairment loss.

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

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

(2003)

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

2.4 *Combinations and goodwill Business combinations from 1 January 2011*

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

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

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

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

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

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

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

2.5 *Operating Segments*

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.

(All amounts in Euro thousands unless otherwise stated)

2.7 *Property, plant and equipment*

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

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

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

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

	Years of useful life	Depreciation rate
• Hydroelectrical plant	50	2%
• Leasehold improvements	7 – 25	4% - 14%
• Plant and equipment	7 – 15	5% - 24%
• Furniture and fixture	4 – 7	14% - 30%
• Vehicles	7 – 9	11% - 15%
• Intangible assets	4 – 5	20% - 25%
• Energy production licenses	40 - 50	2% - 2,5%

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%

Fair value coincides with book value as on December 31, 2012.

2.9 *External costs of borrowing*

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

2.10 *Intangible assets*

Trademarks and licenses

Trademarks and licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is up to 10 years. Energy production licenses are valued at cost less any accumulated depreciation. Depreciation is calculated using the straight line method during the useful life of the asset that is between 40 – 50 years.

2.11 *Impairment of assets except Goodwill*

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

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

If the recoverable amount is less that the carrying amount the carrying amount is written down to the level of the recoverable amount.
An impairment loss is recognized in the income statement of the related period occurred except if the asset was adjusted in value, when the loss reduces the special value adjustment reserve.

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

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

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

2.12 *Financial instruments*

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

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

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

- Is classified as held for trading (including derivatives but excluding instruments designated for hedging purposes, acquired or designed for the purchase or repurchase purposes and finally those who are part of a portfolio including recognized financial instruments).
- Upon initial recognition it is designated by the entity as at fair value through the statement of income.

- On the balance sheet the transactions and the valuation at fair value are presented separately as derivative financial instruments. Changes in fair value of these derivatives are charged to the statement of income.

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

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

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

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

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

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

A) ***Lending and Commercial Liabilities***
The bank borrowings provide financing at the group and also the company’s operations. The short term and the long term borrowings separated as with the applicable contracts, if the borrowings provided to be paid into the next twelve months or later.
After the first recognition, the borrowings measured at the depreciated cost by using the method of the real interest rate. Gain or loss recognized at the using results when the liabilities derecognized and during the depreciation by the method of the real interest rate. The depreciated cost calculated after taking into consideration the discount or the bonus at the acquisition and if there is any cost that may be part of the real interest rate. The depreciation included in the financial costs of the using results.

B) ***Financial Liabilities at the fair value***

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

Derecognition

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

2.13 *Offsetting of financial means*

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

2.14 *Inventories*

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

2.15 *Cash and cash equivalents*

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

2.16 *Share Capital*

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

2.17 *Income tax*

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

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

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

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

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

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

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

2.18 *Employee Benefits*

a) Short term benefits
Short term employee benefits are recorded on an accrual basis.

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

According to the provisions of Law 2112/20 the Group pays compensation to employees dismissed or resigning depending on the length of service, their current remuneration and the reason for leaving (dismissal or retirement). The termination benefit in case of retirement amounts to 40% of the termination benefit in case of dismissal.

2.19 *Provisions*

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

2.20 *Revenue Recognition*

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

- **Sale of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, net of rebates and discounts, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

- **Services:** Revenues from services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction, assessed on the basis of the actual service provided as a proportion of the total cost.

- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method.

- **Dividend income:** Dividend income is recognized at the period approved by each entity's General Assembly Meeting.

2.21 *Leases*

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

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

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

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

2.22 ***Dividend Distribution***

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

2.23 ***Government Grants***

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

2.24 ***Earnings per share***

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

2.25 ***Long term Receivables / Payables***

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

2.26 ***Related parties***

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

2.27 ***Capital Management***

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

Based on the data of the balance sheets the ratio of liabilities to equity for the years 2012 and 2011 was 3,54 and 3,60 respectively for the Group and 1,31 and 1,13 for the parent Company.

The provisions of L. 2190/1920 impose the following restrictions concerning equity:
The purchase of treasury shares, except for the case of purchase for distribution to employees, cannot exceed 10% of the paid in share capital and cannot have as result the reduction of equity to a lower amount than the paid in share capital plus any reserves that are non distributable by law.

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

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

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

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

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

3. Financial Risk Management

3.1 Financial Risk Factors

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

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

The following sensitivity analysis of the results for the Group and the Company is based tax rate 20% for 2012 and 2011.

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, 2012, if the Euro had weakened / strengthened by 6% against the USD with all other variables held constant, net profit and equity for the year would have been € 625 (€ 1.417 in 2011) 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.

(All amounts in Euro thousands unless otherwise stated)

On December 31, 2012, if the Euro had weakened / strengthened by 7% against the JPY with all other variables held constant, net profit and equity for the year would have been € 3 (€ 4 in 2011) 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 80% and the NASDAQ index by 11%, with all other variables held constant and all equity investments held by the Group follow exactly this movement.

	Impact on Equity	
	2012	**2011**
ASE General Indes	17	25
NASDAQ	53	110
Total	**70**	**135**

Other reserves within equity would increase/ decrease by € 70 (€ 135 in 2011) as a result of valuation gains / losses on equity securities classified as available for sale.

3.1.1.3 Cash Flow and Fair Value Interest Rate Risk

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

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

On December 31, 2012, if interest rates on Euro denominated borrowings had been 130 basis points higher / lower for the Company and 55 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 € 622 (€ 122 in 2011) for the Group and € 413 (€ 159 in 2011) 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.

(All amounts in Euro thousands unless otherwise stated)

The maximum exposure of both the Group and the Company to credit risk arising from commercial receivables on December 31, 2012, is analyzed at note 13.

3.3Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through committed credit facilities for working capital and issuance of letters of guarantee to suppliers which on December 31, 2012 amounted to € 66.500.

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, 2012	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	44.153	20.438	14.043	13.788
Trade and other payables…………….	29.961	-	-	-
Total	**74.114**	**20.438**	**14.043**	**13.788**

Consolidated December 31, 2011	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	27.324	44.544	17.545	7.620
Trade and other payables…………….	24.994	-	-	-
Total	**52.318**	**44.544**	**17.545**	**7.620**

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

Company December 31, 2012	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	25.412	11.334	5.667	-
Trade and other payables…………….	27.445	-	-	-
Total	**52.857**	**11.334**	**5.667**	**-**

Company December 31, 2011	**< 1 year**	**Between 1 year and 2 years**	**Between 2 year and 5 years**	**> 5 years**
Borrowings………………………...	22.536	29.278	-	-
Trade and other payables…………….	21.310	-	-	-
Total	**43.846**	**29.278**	**-**	**-**

4. Significant accounting estimates and assumptions

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

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

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

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

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

5. Operating Segments

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

The Groups' segments are the following:

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

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

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

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

(All amounts in Euro thousands unless otherwise stated)

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

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

The allocation of assets to the business segments as of December 31, 2012 and December 31, 2011 is as follows:

December 31, 2012	**Long Living Consumer Goods**	**Energy**	**Total**	**Intercompany elimination / not allocated**	**Group**
Property, plant and equipment and intangible assets…………………………	776	83.734	84.510	(4.241)	80.269
Inventories……………………………….	35.012	-	35.012	-	35.012
Receivables and prepaid expenses………	31.761	28.317	60.078	(106)	59.972
Cash and cash equivalents……………….	17.556	1.237	18.793	-	18.793
Total	**85.105**	**113.288**	**198.393**	**(4.347)**	**194.046**
Other assets……………………………...	-	-	-	-	4.849
Total assets	**-**	**-**	**-**	**-**	**198.895**
Long term borrowings……………….…….	15.941	29.699	45.640	-	45.640
Deferred government grants……………...	-	24.412	24.412	-	24.412
Short term borrowings……………………	11.514	3.557	15.071	-	15.071
Short term portion of long term debt……...	12.177	14.241	26.417	-	26.417
Trade and other payables…………………	27.827	2.173	29.999	(38)	29.961
Total	**67.459**	**74.080**	**141.539**	**(38)**	**141.501**
Other liabilities……………………………	-	-	-	-	2.040
Equity…………………………………….	-	-	-	-	55.354
Total liabilities	**-**	**-**	**-**	**-**	**198.895**

December 31, 2011	**Long Living Consumer Goods**	**Energy**	**Total**	**Intercompany elimination / not allocated**	**Group**
Property, plant and equipment and intangible assets…………………………	917	87.470	88.387	(4.352)	84.035
Inventories……………………………….	33.810	-	33.810	-	33.810
Receivables and prepaid expenses………	20.521	20.329	40.850	-	40.850
Cash and cash equivalents……………….	32.568	1.895	34.463	-	34.463
Total	**87.816**	**109.694**	**197.510**	**(4.352)**	**193.158**
Other assets……………………………...	-	-	-	-	5.690
Total assets	**-**	**-**	**-**	**-**	**198.848**
Long term borrowings……………….…….	28.098	43.466	71.564	-	71.564
Deferred government grants……………...	-	21.724	21.724	-	21.724
Short term borrowings……………………	11.228	3.540	14.768	-	14.768
Short term portion of long term debt……...	10.400	1.031	11.431	-	11.431
Trade and other payables…………………	21.533	3.460	24.993	-	24.994
Total	**71.259**	**73.221**	**144.480**	-	**144.481**
Other liabilities……………………………	-	-	-	-	1.965
Equity…………………………………….	-	-	-	-	52.402
Total liabilities	**-**	**-**	**-**	**-**	**198.848**

(All amounts in Euro thousands unless otherwise stated)

The segment results of the business segments for the Years ended December 31, 2012 and 2011 represented below:

Year ended December 31, 2012	**Long Living Consumer Goods**	**Energy**	**Total**	**Intercompany elimination**	**Group**
Sales to third parties…………….	99.495	11.627	111.122	-	111.122
Sales within the Group.................	4.002	-	4.002	(4.002)	-
Less: Cost of sales………………	(75.307)	(6.246)	(81.553)	-	(81.553)
Less: Cost of sales within the Group……………………………	(3.100)	-	(3.100)	3.100	-
Gross profit……………………..	**25.090**	**5.381**	**30.471**	**(902)**	**29.569**
Other operating income…………	302	133	435	-	435
Distribution expenses……………	(14.355)	-	(14.355)	-	(14.355)
Distribution expenses within the Group……………………………	(902)	-	(902)	902	-
Administrative expenses………..	(2.691)	(2.339)	(5.030)	-	(5.030)
Other operating expenses……….	(2)	-	(2)	-	(2)
Profit from operations…………	**7.442**	**3.175**	**10.617**	**-**	**10.617**
Finance income………………….	4.031	131	4.162	-	4.162
Finance costs…………………….	(5.536)	(2.694)	(8.230)	-	(8.230)
Profits before tax……….………	**5.937**	**612**	**6.549**	**-**	**6.549**
Income tax expense……………..	(1.171)	(248)	(1.419)	(267)	(1.686)
Net profit……………………….	**4.766**	**364**	**5.130**	**(267)**	**4.863**

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

The geographic results of the Groups sales for the Years ended December 31, 2012 and 2011 are analyzed as follows:

(All amounts in Euro thousands unless otherwise stated)

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

Year ended December 31, 2011	**Long Living Consumer Goods**	**Energy**	**Total**
Greece………………………………..	29.251	5.487	34.738
Exports……………………………	64.986	-	64.986
Total ………………….…………….	**94.237**	**5.487**	**99.724**

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

6. *Income*

Analysis of the Groups' income:

	Consolidated		**Company**	
	Year ended December 31,			
	2012	**2011**	**2012**	**2011**
Sales of goods	99.394	93.948	99.354	94.020
Sales of goods (electric Energy)	11.627	5.487	-	-
Sales of services	101	289	45	63
Other income	435	493	311	492
Total	**111.557**	**100.217**	**99.710**	**94.575**

7. *Break down of expenses*

The main categories of expenses are analyzed as follows:

	Consolidated					
	Table of allocation of expenses year ended December 31, 2012					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	(195)	(2.234)	(2.531)	-	-	(4.960)
Third party expenses…	(381)	(354)	(2.636)	-	-	(3.371)
Supplies……………...	(1.821)	(460)	(5.302)	-	-	(7.583)
Taxes and duties……..	(357)	(647)	(272)	-	-	(1.276)
Various expenses…….	(35)	(1.295)	(3.289)		(2)	(4.621)
Financial expenses…...	-	-	-	(8.230)	-	(8.230)
Depreciation of fixed assets ………………..	(5.186)	(40)	(128)	-	-	(5.354)
Subsidies of fixed assets…………………	1.672	-	-	-	-	1.672
Provisions……………	-	-	(197)	-	-	(197)
Inventories…………...	(75.250)	-	-	-	-	(75.250)
Total	**(81.553)**	**(5.030)**	**(14.355)**	**(8.230)**	**(2)**	**(109.170)**

(All amounts in Euro thousands unless otherwise stated)

	Consolidated					
	Table of allocation of expenses year ended December 31, 2011					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	(150)	(2.172)	(2.985)	-	-	(5.307)
Third party expenses…	(157)	(573)	(2.414)	-	-	(3.144)
Supplies……………....	(1.065)	(905)	(4.294)	-	-	(6.264)
Taxes and duties……..	(164)	(133)	(281)	-	-	(578)
Various expenses…….	(25)	(599)	(3.831)	-	(37)	(4.492)
Financial expenses…...	-	-	-	(4.525)	-	(4.525)
Depreciation of fixed assets ………………..	(2.555)	(164)	(145)	-	-	(2.864)
Subsidies of fixed assets…………………	815	-	-	-		815
Provisions……………	42	-	(1.191)	-	-	(1.149)
Inventories…………...	(68.344)	-	-	-	-	(68.344)
Total	**(71.603)**	**(4.546)**	**(15.141)**	**(4.525)**	**(37)**	**(95.852)**

	Company					
	Table of allocation of expenses year ended December 31, 2012					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	-	(1.799)	(1.699)	-	-	(3.498)
Third party expenses…	(108)	(278)	(3.060)	-	-	(3.446)
Supplies……………....	(66)	(268)	(6.414)	-	-	(6.748)
Taxes and duties……..	-	(51)	(99)	-	-	(150)
Various expenses…….	-	(119)	(3.193)	-	(1)	(3.313)
Financial expenses…...	-	-	-	(5.535)	-	(5.535)
Depreciation of fixed assets & amortization of intangible assets…..	-	(26)	(46)	-	-	(72)
Provisions……………	-	-	(192)	-	-	(192)
Inventories…………...	(75.279)	-	-	-	-	(75.279)
Total	**(75.453)**	**(2.541)**	**(14.703)**	**(5.535)**	**(1)**	**(98.233)**

	Company					
	Table of allocation of expenses year ended December 31, 2011					
	Cost of Sales	**Administrative expenses**	**Distribution expenses**	**Financial expenses**	**Other expenses**	**Total**
Personnel expenses…	-	(1.651)	(2.065)	-	-	(3.716)
Third party expenses…	(127)	(395)	(2.688)	-	-	(3.210)
Supplies……………....	(76)	(690)	(5.344)	-	-	(6.110)
Taxes and duties……..	-	(54)	(102)	-	-	(156)
Various expenses…….	-	(172)	(3.759)	-	(12)	(3.943)
Financial expenses…...	-	-	-	(3.470)	-	(3.470)
Depreciation of fixed assets & amortization of intangible assets…..	-	(30)	(53)	-	-	(83)
Subsidies of fixed assets…………………	-	-	-	-		-
Provisions……………	42	-	(1.189)	-	-	(1.147)
Inventories…………...	(68.414)	-	-	-	-	(68.414)
Total	**(68.575)**	**(2.992)**	**(15.200)**	**(3.470)**	**(12)**	**(90.249)**

The various expenses concerns mainly transportation and advertisement expenses

(All amounts in Euro thousands unless otherwise stated)

7.1 Personnel expenses

The personnel expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2012	**2011**	**2012**	**2011**
Salaries and wages…………………	(3.731)	(4.165)	(2.607)	(2.909)
Employers' social security contributions………………………..	(803)	(854)	(505)	(527)
Other compensation………………..	(365)	(248)	(355)	(245)
Retirement benefits………………...	(61)	(40)	(31)	(35)
Total	**(4.960)**	**(5.307)**	**(3.498)**	**(3.716)**

7.2 Finance income and expenses

Finance income and expenses are analyzed as follows:

	Consolidated		Company	
	Year ended December 31,			
	2012	**2011**	**2012**	**2011**
Finance costs:				
Interest ……………………………	(4.613)	(2.663)	(1.966)	(1.850)
Interest's similar expenses…………	(182)	(384)	(178)	(186)
Bank charges and commissions……	(137)	(375)	(137)	(375)
Financial cost of provision of equipment removal…………………	(44)	(44)	-	-
Foreign exchange differences	(3.203)	(4.960)	(3.203)	(4.960)
Valuation of Derivatives…………...	(23)		(23)	-
Loss on sale of precious metals…….	(28)	(34)	(28)	(34)
Total Finance costs	**(8.230)**	**(8.460)**	**(5.535)**	**(7.405)**
Finance income:				
Interest and similar income………...	579	692	444	590
Dividend securities ………………	91	56	91	56
Foreign exchange differences……...	3.482	3.935	3.482	3.935
Valuation of Derivatives …………	-	487	-	487
Gain from sale of precious metals ...	10	-	10	-
Total Finance income	**4.162**	**5.170**	**4.027**	**5.068**
Finance costs, net	**(4.068)**	**(3.290)**	**(1.508)**	**(2.337)**

The company in order to cover the exchange risk, which comes from liabilities in foreign currency, makes advance purchase of foreign exchange contracts by various banks. Differences in exchange rates during the fiscal year 2012 had as a consequence the creation of debit foreign exchange differences of €3.203, which, however, were oversubscribed by €3.482 through the use of derivative financial products. For the corresponding period of 2011, debit exchange differences amounted to €4.960 and covered by €3.935 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.

After the valuation at the value of these contracts on 31/12/2012 became a profit of € 487.

7.3 Provisions

The provision expenses are analyzed as follows:

(All amounts in Euro thousands unless otherwise stated)

Consolidated

Provisions	2012	2011
Bad depts.	(197)	(1.191)
Stock valuation losses	(69)	42
Total	**(266)**	**(1.149)**

Company

Provisions	2012	2011
Bad depts.	(191)	(1.189)
Stock valuation losses	(69)	42
Total	**(260)**	**(1.147)**

8. *Income taxes*

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

Company	Unaudited fiscal years
• F.G. Europe S.A.	2008 to 2012
• Fidakis Logistics S.A.	2010-2012
• Fidakis Service S.A.	2010-2012
• R.F. Energy S.A.	2010-2012
• Hydroelectrical Achaias S.A.	2010-2012
• City Electrik S.A	2010-2012
• Aeolic Kylindrias S.A.	2009-2012
• Kallisti Energiaki S.A.	2009-2012
• R.F. Energy Misohoria S.A.	2010-2012
• R.F. Energy Omalies S.A.	2010-2012
• R.F. Energy Tsoukka S.A.	2010-2012
• Aeolic Aderes S.A.	Unaudited from inception (2009)

The tax liabilities of the Company and its subsidiaries have not been audited by tax authorities for the above fiscal years, and therefore it is possible that additional taxes and penalties will arise, when they are discussed and finalized. The amount of the provision made by the Group and the Company till 31/12/2012 in relation to this issue is €340 and €266 respectively.

It is noted that the companies of the Group have been audited by tax authorities for the fiscal years 2011 and 2012 in accordance with the compulsory audit of par. 5, article 82 of L.2238/1994, as amended by par. 3, article 17 of L3842/2010, for the purpose of Annual Tax Certificate.

The above Annual Tax Certificate provided for societe anonymes and limited companies, which annual financial statements are scrutinizes by legal auditors and issued after tax audit conducted by auditors who are registered in the public register of L.3693/2008.

Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a “tax Compliance Report” which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This “Tax Compliance Report” must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of the Shareholders. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a “Tax Compliance Report” has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within the period of eighteen months from the date when the “Tax Compliance Report” was submitted to the Ministry of Finance.

(All amounts in Euro thousands unless otherwise stated)

The work of auditors for the issue of the Annual Tax Certificate for fiscalyear 2012, is still in progress 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,			
	2012	2011	2012	2011
Income tax (current period)………..................	(1.336)	(1.374)	(1.127)	(1.223)
Extraordinary tax contribution (article 2, L. 3808/2009)…………………………………..	-	-	-	-
Deferred tax………………………………….	(225)	(149)	(54)	4
Interest tax from subsidiary	(163)	-	-	-
Provisions for contingent tax liabilities from years uninspected by the tax authorities…….	38	(29)	38	(29)
Income taxes	**(1.686)**	**(1.552)**	**(1.143)**	**(1.248)**

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,			
	2012	2011	2012	2011
Profit before taxes	**6.549**	**5.600**	**5.504**	**5.459**
Tax rate …………………………………………...	20%	20%	20%	20%
Tax at the corporate income tax rate	**(1.310)**	**(1.120)**	**(1.101)**	**(1.092)**
Tax effects from:				
Tax free income …………………………………..	20	11	20	11
Non tax deductible expenses……………………..	(90)	(108)	(55)	(82)
Non recognized fiscal losses……………………..	3	(175)	-	-
Non recognized fiscal gains……………………..	-	18	-	-
Interest tax from subsidiary	(163)	-	-	-
Provisions for contingent tax liabilities from unaudited years ……….	38	(29)	38	(29)
Others	(184)	(149)	(45)	(56)
Effective income tax for the year	**(1.686)**	**(1.552)**	**(1.143)**	**(1.248)**

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. According to IAS 12 (pae. 47) and IAS 10 (par. 22), the change of the tax rate at the beginning of 2013 is a non- adjusting event and therefore the current and deferred tax income of the parent company and its subsidiaries were calculated, in accordance with the existing on 31/12/2012 tax rate of 20%. If the deferred tax on 31/12/2012 for the Company and the Group was calculated based on the tax rate, there would be an increase in deferred tax assets by €443 and €170 respectively, which would benefit the financial results of the year.

(All amounts in Euro thousands unless otherwise stated)

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,			
	2012	2011	2012	2011
Net profit attributable to shareholders…………………..	4.792	4.172	4.361	4.211
Weighted average number of shares outstanding……………..	52.800.154	52.800.154	52.800.154	52.800.154
Basic earnings per share (in Euro)	**0,0908**	**0,0790**	**0,0826**	**0,0798**

10. Property, plant and equipment and intangible assets

Property, plant and equipment analyzed as follows:

Consolidated	**Fixed Assets**						
	Land	**Buildings**	**Plant & machinery**	**Vehicles**	**Furniture & fixture**	**Work in progress**	**Total**
January 1, 2011							
Value at cost……………....	5	5.328	33.953	393	1.441	1.265	**42.385**
Accumulated depreciation..	-	(845)	(5.172)	(239)	(1.084)	-	**(7.340)**
Net book value…………	**5**	**4.483**	**28.781**	**154**	**357**	**1.265**	**35.045**
January 1 to December 31, 2011							
Additions………………….	1.054	4.994	36.191	10	22	42.997	**85.268**
Work in progress…………	-	-	-	-	-	(41.213)	**(41.213)**
Transfers…………………..	-	-	-	-	-	-	**-**
Disposals………………….	-	-	-	(9)	(2)	-	**(11)**
Depreciation………………	-	(300)	(2.216)	(49)	(106)	-	**(2.671)**
Depreciation of disposals…	-	-	-	9	2	-	**11**
December 31, 2011							
Value at cost……………....	1.059	10.322	70.144	394	1.461	3.049	**86.429**
Accumulated depreciation…	-	(1.145)	(7.388)	(279)	(1.188)	-	**(10.000)**
Net book value………..	**1.059**	**9.177**	**62.756**	**115**	**273**	**3.049**	**76.429**
January 1 to December 31, 2012							
Additions………………….	18	45	252	-	26	1.367	**1.708**
Work in progress…………	-	-	-	-	-	(961)	**(961)**
Disposals …………………	-	-	-	(1)	-		**(1)**
Depreciation………………	-	(603)	(4.379)	(38)	(86)	-	**(5.106)**
Depreciation of disposals…	-	-	-	1	-	-	**1**
December 31, 2012							
Value at cost……………....	1.077	10.367	70.396	393	1.487	3.455	**87.175**
Accumulated depreciation…	-	(1.748)	(11.767)	(316)	(1.274)	-	**(15.105)**
Net book value………..	**1.077**	**8.619**	**58.629**	**77**	**213**	**3.455**	**72.070**

(All amounts in Euro thousands unless otherwise stated)

Consolidated	Investments in real estate			Intangible assets		
	Land	Buildings	Total	License for wind energy	Licenses	Total
January 1, 2011						
Value at cost……………....	52	284	**336**	8.891	479	**9.370**
Accumulated depreciation..	-	(11)	**(11)**	-	(118)	**(118)**
Net book value…………	**52**	**273**	**325**	**8.891**	**361**	**9.252**
January 1 to December 31, 2011						
Additions………………….	-	-	**-**	-	-	**-**
Work in progress ………..	-	-	**-**	-	-	**-**
Transfers………………….	-	-	**-**	(1.778)	-	**(1.778)**
Disposals …………………	-	-	**-**	-		**-**
Depreciation………………	-	(10)	**(10)**	(175)	(8)	**(183)**
Depreciation of disposals…	-	-	**-**	-	-	**-**
December 31, 2011						
Value at cost……………....	52	284	**336**	7.113	1.321	**8.434**
Accumulated depreciation..	-	(21)	**(21)**	(175)	(126)	**(301)**
Net book value…………	**52**	**263**	**315**	**6.938**	**353**	**7.291**
January 1 to December 31, 2012						
Additions………………….	-	-	**-**	-	842	**842**
Work in progress ………..	-	-	**-**	-	-	**-**
Disposals / transfers………	-	-	**-**	-	-	**-**
Depreciation………………	-	(5)	**(5)**	(199)	(45)	**(244)**
Depreciation of disposals…	-	-	**-**	-	-	**-**
December 31, 2012						
Value at cost……………....	52	284	**336**	7.113	1.321	**8.434**
Accumulated depreciation..	-	(26)	**(26)**	(374)	(171)	**(545)**
Net book value………..	**52**	**258**	**310**	**6.739**	**1.150**	**7.889**

Company	Land	Buildings	Plant & machinery	Vehicles	Furniture & fixture	Total
January 1, 2011						
Value at cost……………....	5	36	11	168	1.136	**1.356**
Accumulated depreciation..	-	(34)	(8)	(81)	(888)	**(1.011)**
Net book value…………	**5**	**2**	**3**	**87**	**248**	**345**
January 1 to December 31, 2011						
Additions………………….	-	1	-	-	13	**14**
Work in progress………….	-	-	-	-	-	**-**
Disposals / transfers………	-	-	-	-	(2)	**(2)**
Depreciation………………	-	-	(1)	(17)	(55)	**(73)**
Depreciation of disposals…	-	-	-	-	2	**2**
December 31, 2011						
Value at cost……………....	5	37	11	168	1.147	**1.368**
Accumulated depreciation..	-	(34)	(9)	(98)	(941)	**(1.082)**
Net book value………..	**5**	**3**	**2**	**70**	**206**	**286**
January 1 to December 31, 2012						
Additions………………….	-	-	-	-	12	**12**
Work in progress………….	-	-	-	-	-	**-**
Disposals / transfers………	-	-	-	-	(2)	**(2)**
Depreciation………………	-	(3)	(1)	(12)	(50)	**(66)**
Depreciation of disposals…	-	-	-	-	2	**2**

(All amounts in Euro thousands unless otherwise stated)

December 31, 2012						
Value at cost……………...	5	37	11	168	1.159	**1.380**
Accumulated depreciation..	-	(37)	(10)	(110)	(991)	**(1.148)**
Net book value………..	**5**	**-**	**1**	**58**	**168**	**232**

Company	**Investments in real estate**			**Intangible assets**	
	Land	**Buildings**	**Total**	**Licenses**	**Total**
January 1, 2011					
Value at cost……………...	52	284	**336**	29	**29**
Accumulated depreciation..	-	(11)	**(11)**	(28)	**(28)**
Net book value…………	**52**	**273**	**325**	**1**	**1**
January 1 to December 31, 2011					
Additions………………….	-	-	**-**	-	**-**
Work in progress …………	-	-	**-**	-	**-**
Disposals / transfers………	-	-	**-**	-	**-**
Depreciation………………	-	(10)	**(10)**	-	**-**
Depreciation of disposals…	-	-	**-**	-	**-**
December 31, 2011					
Value at cost……………...	52	284	**336**	29	**29**
Accumulated depreciation..	-	(21)	**(21)**	(28)	**(28)**
Net book value…………	**52**	**263**	**315**	**1**	**1**
January 1 to December 31, 2010					
Additions………………….	-	-	**-**	-	**-**
Work in progress …………	-	-	**-**	-	**-**
Disposals / transfers………	-	-	**-**	-	**-**
Depreciation………………	-	(5)	**(5)**	(1)	**(1)**
Depreciation of disposals…	-	-	**-**	-	**-**
December 31, 2010					
Value at cost……………...	52	284	**336**	29	**29**
Accumulated depreciation..	-	(26)	**(26)**	(29)	**(29)**
Net book value………..	**52**	**258**	**310**	**-**	**-**

It is noted that fixed assets are not pledged.

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

Fair value coincides with book value as on December 31, 2012.

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

(All amounts in Euro thousands unless otherwise stated)

Environmental Restoration	
31/12/2011	**1.423**
Financial cost	87
31/12/2012	**1.510**

The amount of € 87 of the annual change of the environmental restoration about the aeolic parks, included at the equipment acquisition value of the Group.

11. Available for Sale Financial Instruments

The available for sale securities contain shares of Athens Exchange and NASDAQ listed companies that were valued with closing prices of December 31, 2012 (1st level) as well as companies, not listed, that were valued at cost and examined for impairment through the statement of income due to the fact that fair value cannot be specified in a reliable manner. During 2012, there has not been any change in the classification of available for sale financial assets. The change in value of available for sale financial assets was due to a decrease in market value of listed shares by €654 (loss €1.455 on 31/12/2012), which was recorded in the Statement of Comprehensive Income for the Company and the Group.

Group	**Valuation of Securities**				
ASE Listed Companies	**Cost**	**Gain / loss until December 31, 2011**	**Valuation December 31, 2011**	**Gain / loss until December 31, 2012**	**Valuation December 31, 2012**
Alpha Bank S.A……...	81	(79)	2	4	6
National Bank of Greece S.A…………...	165	(156)	9	(1)	8
Vioter S.A……………	53	(53)	-	-	-
Mihaniki S.A………...	29	(28)	1	-	1
Mohlos S.A…………..	41	(41)	-	-	-
Proodeftiki S.A………	71	(71)	-	1	1
EFG Eurobank S.A…..	144	(142)	2	-	2
Dionik S.A…………...	614	(573)	41	(33)	8
Globus Maritine LT	2.656	(1.427)	1.229	(625)	604
Total	**3.854**	**(2.570)**	**1.284**	**(654)**	**630**
Not listed companies					
Radio Korasidis S.A…	88	(75)	13	-	13
Elephant S.A…………	10	(8)	2	-	2
Anakyklosi Syskevon…	32	-	32	-	32
R.E. Media S.A………	3	-	3	-	3
Elinta S.A……………	2	-	2	-	2
F.B.B First Business Bank	2.000	-	2.000	-	2.000
Total	**2.135**	**(83)**	**2.052**	**-**	**2.052**
Total investments	**5.989**	**(2.653)**	**3.336**	**(654)**	**2.682**

Company	**Valuation of Securities**				
ASE Listed Companies	**Cost**	**Gain / loss until December 31, 2011**	**Valuation December 31, 2011**	**Gain / loss until December 31, 2012**	**Valuation December 31, 2012**
Alpha Bank S.A……...	81	(79)	2	4	6
National Bank of Greece S.A…………...	165	(156)	9	(1)	8
Vioter S.A……………	53	(53)	-	-	-
Mihaniki S.A………...	29	(28)	1	-	1
Mohlos S.A…………..	41	(41)	-	-	-
Proodeftiki S.A………	71	(71)	-	1	1
EFG Eurobank S.A…..	144	(142)	2	-	2

(All amounts in Euro thousands unless otherwise stated)

Dionik S.A.…………..	614	(573)	41	(33)	8
Globus Maritine LT	2.656	(1.427)	1.229	(625)	604
Total	**3.854**	**(2.570)**	**1.284**	**(654)**	**630**
Not listed companies					
Radio Korasidis S.A…	88	(75)	13	-	13
Elephant S.A………..	10	(8)	2	-	2
Anakyklosi Syskevon..	32	-	32	-	32
R.E. Media S.A………	3	-	3	-	3
Elinta S.A……………	2	-	2	-	2
Total	**135**	**(83)**	**52**	**-**	**52**
Total investments	**3.989**	**(2.653)**	**1.336**	**(654)**	**682**

For the Group and the company, till 31/12/2011, the securities' depreciation amounts to € 1.599 and for this reason have been made equal "Reserve cash Premium". The rest amount € 1.054 is from securities cancellations that have been during the first implementation of IFRS. During this fiscal year, the securities' depreciation amounts to €654 and recorded in other total income and in "Reserve cash Premium".

12. Inventories

Inventories are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2012	2011	2012	2011
Merchandise………………………………..	35.256	33.985	35.244	33.973
Provisions for slow moving inventory……..	(244)	(175)	(244)	(175)
Total	**35.012**	**33.810**	**35.000**	**33.798**

The provision for slow moving inventory has as follows:

	Consolidated	Company
Balance as at 01.01.2011……………………………………	**(217)**	**(217)**
Provision gain/ (losses) 2011………………………………...	42	42
Balance as at 31.12.2011……………………………………	**(175)**	**(175)**
Provision gain/ (losses) 2012………………………………...	(69)	(69)
Balance as at 31.12.2012……………………………………	**(244)**	**(244)**

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

13. Receivables and Prepayments

Receivables and Prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2012	2011	2012	2011
Customers…………………………………..	26.946	18.451	20.700	16.887
Postdated cheques………………………….	10.237	4.380	10.037	4.378
Notes receivables…………………………..	45	60	42	57
Provision for doubtful accounts……………	(2.680)	(4.389)	(2.668)	(4.383)
Total	**34.548**	**18.502**	**28.111**	**16.939**
Other receivables and prepayments………..	25.424	22.348	2.945	3.327

(All amounts in Euro thousands unless otherwise stated)

Total	**59.972**	**40.850**	**31.056**	**20.266**

The liquidation of the majority of the trade receivables as they stood till 31/12/2012, is expected to be completed in the next few months on the basis of the applied by the company trade policy.

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

	Consolidated	Company
Balance on January 1, 2011……………………………………	**(3.198)**	**(3.194)**
Amounts written off in 2011………………………………………..	(1.191)	(1.189)
Balance on December 31, 2011…………………………………..	**(4.389)**	**(4.383)**
Delete of doubtful accounts 01.01. – 31.12.2012	1.906	1.906
Amounts written off in 2012……………………………………….	(197)	(191)
Balance on December 31, 2012…………………………………..	**(2.680)**	**(2.668)**

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	**2012**	**2011**	**2012**	**2011**
0 - 30 days …………………………………	6.054	3.822	4.176	2.417
31 - 60 days ……………………………….	8.369	4.490	7.465	4.468
61 - 90 days ……………………………….	4.959	1.949	4.251	1.948
91 - 120 days ………………………………	2.408	774	1.742	761
121 - 150 days ……………………………..	1.646	266	678	264
151 - 180 days …………………………….	2.240	753	1.203	748
181 - 360 days …………………………….	5.210	2.763	4.931	2.648
Non – overdues trade receivables	**30.886**	**14.817**	**24.446**	**13.254**
361 + days …………………………………	6.342	8.074	6.333	8.068
Impairment losses recognized on receivables………………………………….	(2.680)	(4.389)	(2.668)	(4.383)
Overdues trade receivables	**3.662**	**3.685**	**3.365**	**3.685**
Total receivables	**34.548**	**18.502**	**28.111**	**16.939**

To reduce the credit risk the Group/ Company have received from customers' cheques receivables in form of guarantees for the amount of € 203 (€ 378 in 2011).

Other Receivables and prepayments are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2012	**2011**	**2012**	**2011**
Greek state – taxes receivables………….....	5.341	5.884	2.000	2.330
Reserved bank deposits	1.809	2.003	-	-
Subsidies…………………………………....	15.920	11.560	-	-
Prepayment expenses………………………	1.737	1.962	437	158
Receivables from assigned securities	435	312	435	312

(All amounts in Euro thousands unless otherwise stated)

Requirements from derivatives about the currency risk hedging	-	487	-	487
Other……………………………………..	182	140	73	40
Total	**25.424**	**22.348**	**2.945**	**3.327**

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

14. *Cash and cash equivalents*

	Consolidated		Company	
	December 31,			
	2012	2011	2012	2011
Cash on hand...………………………………..	6	19	4	4
Sight and time deposits………......…………...	18.787	34.444	17.424	32.518
Total	**18.793**	**34.463**	**17.428**	**32.522**

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

15. *Share capital*

As of December 31, 2012 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 2012 is 52.800.154 shares.

16. *Share premium*

The difference from share premium, according to L.2190/1920 articles 12, 14, is formed when shareholders acquired shares at a price higher than their nominal value. This difference does not represent a reserve if not created from undistributed profits, but from payments of shareholders. On December, 31 the difference from share premium amounted for the Group and the Company to €6.623 and €6.726 respectively.

17. *Reserves*

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

Consolidated					
Reserve	**January 1, 2011**	**Additions / (reductions)**	**December 31, 2011**	**Additions / (reductions)**	**December 31, 2012**
Legal reserve………………….	3.416	245	3.661	300	3.961
Treasury shares……………….	-	-	-		-
Fair value reserves……………	(144)	(1.455)	(1.599)	(654)	(2.253)
Actuarial gains / (losses)	-	-	-	16	16
Extraordinary reserves………..	1.566	-	1.566	-	1.566
Tax free reserves……………...	290	-	290	-	290
Special tax reserves Art.44 (L.1892/90)……………………	926	-	926	-	926
Total Reserves	**6.054**	**(1.210)**	**4.844**	**(338)**	**4.506**

Company

(All amounts in Euro thousands unless otherwise stated)

Reserve	January 1, 2011	Additions / (reductions)	December 31, 2011	Additions / (reductions)	December 31, 2012
Legal reserve…………………..	3.354	218	3.572	220	3.792
Fair value reserves……………	(144)	(1.455)	(1.599)	(654)	(2.253)
Actuarial gains / (losses)	-	-	-	(8)	(8)
Extraordinary reserves………..	1.566	-	1.566	-	1.566
Tax free reserves……………...	290	-	290	-	290
Total Reserves	**5.066**	**(1.237)**	**3.829**	**(442)**	**3.387**

17.1 Legal Reserve

According to the provisions of the Greek company legislation the transfer of 5% of the net annual profits to form the legal reserve is obligatory until this reserve amounts to ⅓ of the paid in share capital. The legal reserve is only distributable in case of dissolution of the company but can be offset with accumulated losses.

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

The subsidiary F.G. Logistics S.A. (formerly General Data Applications S.A.) was submitted to the provisions of Article 44 par. 1 of Law 1892/1990 with decision number 7927/2002 of the appeal court of Athens. According to this decision the liabilities to suppliers, creditors, public except social security organization were reduced effectively December 31, 2001. The resulting surplus is presented in special tax reserves, amounting to €926.

18. Trade and other payables

Trade and other payables are analyzed as follows:

	Consolidated		Company	
	December 31,			
	2012	2011	2012	2011
Suppliers………………………………………	22.713	20.141	21.753	18.363
Cheques payables postdated…………………..	898	593	865	497
Accrued expenses……………………………..	991	1.082	772	932
Accrued Interest	459	791	278	574
Prepayments…………………………………..	647	885	647	885
Provisions for contingent tax liabilities from unaudited years ……….	340	369	266	295
Amount for the acquisition of shareholdings	2.043	-	2.043	-
Derivatives……………………………………	23	-	23	-
Other short term obligations………………….	1.740	801	297	436
Total	**29.732**	**24.994**	**27.299**	**21.310**

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 7.2).

19. Borrowings

The company's borrowings are analyzed as follows:

	Consolidated		Company	
	December 31,			
Long term borrowings:	2012	2011	2012	2011
Bonded loan……………………………..…….	72.057	82.995	28.118	38.498

(All amounts in Euro thousands unless otherwise stated)

Long term debt payable within the next 12 months..………....	(26.417)	(11.431)	(12.177)	(10.400)
Long term debt payable between 1 & 5 years…………………………………………..	(45.640)	(71.564)	(15.941)	(28.098)
Total long term borrowings	**(72.057)**	**(82.995)**	**(28.118)**	**(38.498)**
Short term borrowings	15.071	14.768	11.514	11.228

Within the fiscal year 2012, the Group and the Company entered into credit agreement with overdrafts with an average interest rate of 8.50% and received short-term financing from banks, pledging postdated checks from customers of €8.467. Till 31/12/2012, the amount of €3.108 has been recovered by the banks after the end of postdated checks from customers and the balances of short-term loans were decreased.

The subsidiary RF. ENERGY, in January 2011, received funding of €2.500. The interest rate on this loan is EURIBOR 3M plus fixed margin 4.00%. This funding will end on 31/08/2013. For this grant, the Company pledged its securities. Moreover, RF ENERGY S.A. entered on 31/12/2011 credit agreement with overdrafts of €1.000, which was disbursed at the same date. The interest rate of this loan is floating EURIBOR 3M plus fixed margin 6.50%. For this grant, corporate guarantee and pledge up on time deposits maintained by the 100% subsidiary KALLISTI ENERGIAKI S.A. were given. The amount of guarantee of €1.024 on 31/12/2012 includes other receivables (note 13). The amount of given guarantees and the relevant pledge will amount throughout to 100% of the existing balance of the loan received by the parent company and be equally impaired on the specific contractual payment on behalf of the parent company.

The limit of funding available to the Group on 31/12/2012 is € 114.251 and the Company is € 66.500.

According to the decision of the BoD on 18/1/2008, the Company issued, according to the provisions of L. 2190/1920 and L. 3156/2003, Common Bond Loan of €75.000, with duration of five years, renewable for 2 more years. The repayment of the loan, based on the initial term of five years, would be in 10 semi-annual instalments (the first 9 instalments have already been paid till 31/12/2012). The amounts of each instalment from the first one to the ninth one amounted to €5.200 and the tenth one of €28.200. According to the decision of the bondholders on 15/01/2013, the duration of part of the remaining loan was extended by 2 years. The amount of the extended loan amounted to € 26.705 due to non participation on behalf of one bondholder in the extension by € 1.495. This bondholder will be paid on 28/1/2013, according to the terms of the initial loan agreement. The extended loan will be paid in 5 equal semi-annual anniversary instalments of € 5.341, the first of which will be paid on 28/1/2013. The transaction of the extension of the loan is considered to be substantially completed within fiscal year 2012. As a result, the amount of the extended loan has been allocated on 31/12/2012 to the account 'short-term part of long-term loans' by € 12.177 and to the account 'long-term loans' by € 15.941.

The 100% subsidiary company KALLISTI ENERGIAKI S.A. proceeded to refinancing of its existing short-term loan by issuing a Common Bond Loan in the amount of €12.800, according to the decision of the Shareholders' Extraordinary General Assembly on 3/4/2009.

The disbursal of the Bond Loan amounted to €12.800 and was used for both the long-term financing of the investing plan of the company of €6.065 (duration of 12 years and to be paid in 24 semi-annual installments with a fixed rate of 5.80% - the first 7 installments have already been paid till 31/12/2012) and the short-term financing against income from approved subsidy of €6.735. The purpose of the loan is financing of the investing plan of the company and has been partially been paid through income from approved public subsidy, cash and cash equivalents and refinancing.

In June 2010, KALLISTI ENERGIAKI S.A. received the amount of €1.310 against the first installment of the approved state subsidy and proceeded immediately to the repayment of equal part of the aforementioned loan. In August 2010,

In August 2010, KALLISTI ENERGIAKI S.A. received the amount of €2.059 against the remaining balance of the first installment of the approved state subsidy and proceeded immediately to the respective repayment of equal part of the aforementioned loan.

Within September 2010, KALLISTI refinanced its existing short-term borrowing by issuing Long Term Bonds for the amount of €3.365, with duration of 11 years, to be paid in 22 semi-annual installments (the first 4 installments have already been paid till 31/12/2012). The interest rate is Euribor 6M +2,30% ≈ 3,00%. For this loan, KALLISTI ENERGIAKI S.A. has committed on 31/12/2012, deposits of € 781. The amount of guarantee includes other receivables (note 13).

AIOLIKI KYLINDRIAS S.A., 100% subsidiary company of RF ENERGY S.A., received in October 2009 short-term financing of €10.008 for refinancing of existing financing. In December 2009, an amount of €5.934 converted to Common Bond Loan with a duration of 14 years and floating rate Euribor plus fixed margin 2,30%, while the remaining amount of €4.074 remained as a short-term financing against approved subsidy with floating rate Euribor plus fixed margin 4,00% and was paid through the collection of the subsidy in years 2010 and 2011.

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 31/12/2012 six have been paid.

Aioliki Aderes S.A. , according to the decisions of BoD on a)09/05/2011, b) 01/02/12 and c) 29/05/12 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 approved by the decisions 52586/ΥΠΕ/5/01732/Ε/Ν.3299/04/19-11-2010 and 52589/ΥΠΕ/5/01840/Ε/Ν.3299/04/27-12-2010 and 26960/ΥΠΕ/5/01841/Ε/Ν.3299/2004-14/06/2012 c) the medium-term financing to cover the VAT of investment cost of the three wind farms. Till 31/12/2012, an amount of €32.809 has been disbursed, while an amount of €820 is related to capitalized interest for grace period.

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 31/12/2012 once has been paid.

The Bond series relating to the short-term financing against subsidies approved for the construction of the 3 wind farms of the Company will be paid in 3 equal installments, of which two will be paid within 2013. In case the Company receives subsidy, the bond series will be paid immediately.

The Bond series relating to the medium-term financing to cover the VAT of the investment cost of the three wind farms of the Company will be paid in 3 equal installments, of which two will be paid within 2013.

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 of €33.629 (31/12/2011: €31.985).

(All amounts in Euro thousands unless otherwise stated)

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.

The fair value of the above loans approximates their nominal value and the effective interest rates of short-term loans were approximately 8.50%.

20. State subsidies

	Consolidated	Company
1/1/2011		
Subsidies value…………………………..	20.063	45
Accumulated depreciation……………….	(1.787)	(45)
Net book value 31/12/2011……………..	**18.276**	**-**
1/1-31/12/2011		
Additions…………………………………	4.263	-
Depreciation……………………………...	(815)	-
31/12/2011		
Subsidies value…………………………..	24.326	45
Accumulated depreciation……………….	(2.602)	(45)
Net book value 31/12/2011…………	**21.724**	**-**
1/1-31/12/2012		
Additions………………………………..	4.360	-
Depreciation……………………………..	(1.672)	-
31/12/2012		
Subsidies value…………………………	28.686	45
Accumulated depreciation……………...	(4.274)	(45)
Net book value 31/12/2012………..	**24.412**	**-**

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 € 36 during the current period. After the beginning of the operation of the small hydro electrical station in location “Agios Andreas”, the subsidiary, within 2011, 50% of the approved state subsidy for the abovementioned project, and proceeded to accumulative depreciation of the subsidy from the date of commencement of operation of the SHP in the location "Agios Andreas ", amounting to € 20.

(All amounts in Euro thousands unless otherwise stated)

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

The approved amount of total granted investment amounts to € 39.799 and as a result the state subsidy amounts to € 15.920. AIOLIKI ADERES S.A. depreciates recoverable grants, which in the current fiscal year amounted to €937.

21. *Deferred taxes*

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

The amounts are offset as follows:

	Consolidated				
	Deferred tax assets/ (liabilities)				
	January 1, 2011	**Changes 2011**	**December 31, 2011**	**Changes 2012**	**December 31, 2012**
Intangible assets…………………………….	25	(50)	(25)	25	-
Expenses for the acquisition of fixed assets...	(1)	-	(1)	-	(1)
Depreciation of the expenses for the acquisition of fixed assets..............................	(10)	(26)	(36)	(53)	(89)
Investments…………………………………	(9)	(1)	(10)	(26)	(36)
Inventories………………………………….	57	(2)	55	(6)	49
Receivables and prepayments………………	557	68	625	(89)	536
Long term borrowings………………………	(95)	3	(92)	(17)	(109)
Employee benefits………………………….	86	7	93	(8)	85
Deferred state subsidies…………………….	85	(2)	83	(121)	(38)
Trade and other payables……………………	97	(97)	-	(53)	(53)
Tax credits on recognized losses……………	626	(87)	539	357	896
Provision of equipment removal…………….	34	13	47	33	80
Extraordinary contribution	-	-	-	83	83
Purchase of Intangible assets-licensees………..	(1.418)	1.778	360	(360)	-
Share capital increase expenses…………….	42	-	42	(11)	31
Other……………………………………….	(11)	23	12	(5)	7
Total	**74**	**1.628**	**1.702**	**(225)**	**1.477**

	Company				
	Deferred tax assets/ (liabilities)				
	January 1, 2011	**Changes 2011**	**December 31, 2011**	**Changes 2012**	**December 31, 2012**
Intangible assets…………………………...	-	-	-	-	-
Expenses for the acquisition of fixed assets.	(1)	-	(1)	-	(1)
Depreciation of the expenses for the acquisition of fixed assets............................	(10)	-	(10)	(1)	(11)
Investments………………………………..	-	-	-	-	-
Inventories………………………………...	57	(2)	55	(6)	49
Receivables and prepayments……………..	555	67	622	(90)	632

(All amounts in Euro thousands unless otherwise stated)

Long term borrowings……………………	(52)	32	(20)	4	(16)
Employee benefits……………………...	67	7	74	(6)	68
Trade and other payables………………….	(1)	(97)	(98)	(45)	(53)
Other………………………………………	3	(3)	-	-	-
Total	**618**	**4**	**622**	**(54)**	**568**

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

	Consolidated		Company	
	December 31,			
	2012	2011	2012	2011
Short term…………………………………..	(90)	84	(52)	(96)
Long term…………………………………..	1.567	1.618	620	718
Total long term borrowings	**1.477**	**1.702**	**568**	**622**

22. Employee benefits: pension obligations

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

1) Contract termination due to retirement

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

2) 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, 2012, 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, 2012 to December 31, 2012 was as follows:

Consolidated		Company	
2012	2011	2012	2011

Current value of non-financing liabilities………………………	493	681	338	422
Unrecognized actuarial gains / (losses)…………………………	-	(139)	-	(54)
Net liability recognized on balance sheet	**-**	**(139)**	**-**	**(54)**
Amounts charged to the Statement of Income for the year				
Current employment cost……………………………………	66	48	37	39
Interest of liability…………………………………………...	24	24	18	13
Recognized actuarial gains / (losses)………………………...	-	4	-	2
Cost of recognition of previous experience	(39)	-	(27)	-
Cost to the statement of income	**51**	**76**	**28**	**54**
Cost of termination of service……………………………….	10	-	3	-
Total cost to the statement of income	**61**	**76**	**31**	**54**
Changes in the current value of the liability				
Current value at beginning of year…………………………...	514	641	365	387
Current employment cost……………………………………	66	48	37	39
Interest cost………………………………………………….	24	24	18	13
Benefits paid by the employer……………………………….	(94)	(36)	(69)	(19)
Cost of termination of service……………………………….	10		3	-
Cost of recognition of previous experience during the period	(39)	-	(27)	(27)
Actuarial gains / (losses)……………………………………..	12	4	18	18
Current value of liability at end of year	**493**	**681**	**338**	**422**
Amounts for the current and the previous year				
Current value	(493)	-	(338)	-
Surplus / (Deficit)	(493)	-	(338)	-
Trade Adjustments to liabilities	(12)	-	(11)	-
Actuarial Assumptions				
Discount interest	4,50%	5,20%	4,50%	5,20%
Future Salaries' Increase	2,50%	4,00%	2,50%	4,00%
Inflation	2,50%	2,50%	2,50%	2,50%
Expected remaining working life	15,6	18,5	15,6	18,5
Additional payments or expenses	16	-	(9)	-
Aggregated Statement of recognized Gains /(losses)	43	-	(6)	-
Changes in the net liability recognized on the balance sheet				
Net liability at beginning of year……………………………….	543	502	368	333
Benefits paid by the employer……………………………….	(95)	(36)	(69)	(19)
Total cost recognized on the statement of income……………...	61	76	31	54
Net liability at end of year	**509**	**542**	**330**	**368**
Statement of recognized Gains /(losses)	(17)	-	8	-
Net liability at end of year	**492**	**542**	**338**	**368**

The above actuarial study showed 'Actuarial Gain / (Loss) on defined benefit plans of the € 16 and € (9) for the Group and the Company respectively and recognized directly in other comprehensive income of the Group and Company.

The above results depend on the assumptions (financial and demographic) of the preparation of the actuarial study. Thus, at the valuation date on 31/12/2012:

- If interest rate higher by 0.5% (that is 5%) was used, then the present value of the liability would be lower by approximately 7.8%.
- If a higher salary growth assumption by 0.5% (that is 3%) was used, then the present value of the liability would be higher by approximately 8.6%.

(All amounts in Euro thousands unless otherwise stated)

23. *Dividends*

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

The Board of Directors, taking into consideration the crisis in the market and in order to strengthen the company's financial position further, intends to bring for approval to the General Assembly of shareholders, which will decide respectively, the proposal of non distribution of dividends to the company's shareholders for the fiscal year 2011.

24. *Related party transactions*

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

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

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

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

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

Subsidiaries	**Company**	
Receivables from:	**December 31, 2012**	**December 31, 2011**
F.G. Logistics S.A.………………………………….………	442	353
R.F. Energy S.A.…………………………………………...	17	11
Total	**459**	**364**

Subsidiaries	**Company**	
Obligations to:	**December 31, 2012**	**December 31, 2011**
F.G. Logistics S.A.………………………………….………	-	86
Fidakis Service S.A.………………………………………...	-	34
Total		**120**

Subsidiaries	**Company**	
Sales of goods and services:	**Year ended December 31,**	
	2012	**2011**
Administrative support.…………………………………….	2	2
Inventories………………………………………….………	67	71

(All amounts in Euro thousands unless otherwise stated)

Other…………………………………………………………..	11	9
Total	**80**	**82**

Subsidiaries	**Company**	
Purchases of goods and services:	**Year ended December 31,**	
	2012	**2011**
Warranties…………………………………………………	(626)	(479)
Inventories…………………………………………..………		-
Logistics……………………………………………..……...	(3.360)	(3.380)
Total	**3.986**	**(3.859)**

Companies with common shareholding structure	**Consolidated**		**Company**	
Receivables from:	**December 31, 2012**	**December 31, 2011**	**December 31, 2012**	**December 31, 2011**
CYBERONICA S.A………	1.209	582	422	195
Total	**1.209**	**582**	**422**	**195**

	Consolidated		**Company**	
Obligations to:	**Year ended December 31,**		**Year ended December 31,**	
	2012	**2011**	**2012**	**2011**
MACMORAL TRADING LTD	2.043	-	2.043	-
Total	**2.043**	**-**	**2.043**	**-**

Companies with common shareholding structure	**Consolidated**		**Company**	
Purchases of goods and services:	**Year ended December 31,**		**Year ended December 31,**	
	2012	**2011**	**2012**	**2011**
Cyberonica S.A………………	(3.086)	(3.071)	(768)	(750)
Total	**(3.086)**	**(3.071)**	**(768)**	**(750)**

	Consolidated		Company	
Available for sale investments	Year ended December 31,		Year ended December 31,	
	2012	2011	2012	2011
GLOBUS MARITIME LTD	604	1.229	604	1.229
Provision for staff leaving indemnity...……………….....…	2.000	2.000	-	-
Total	**(2.604)**	**(3.229)**	**(604)**	**(1.229)**

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

	Consolidated		**Company**	
Receivables from:	**December 31, 2012**	**December 31, 2011**	**December 31, 2012**	**December 31, 2011**
Members of the Board and Directors……………………	3	-	3	-
Total	**3**	**-**	**3**	**-**

(All amounts in Euro thousands unless otherwise stated)

	Consolidated		Company	
	Year ended December 31,		Year ended December 31,	
Compensation:	**2012**	**2011**	**2012**	**2011**
Personnel expenses...............	(2.127)	(2.472)	(1.808)	(2.158)
Provision for staff leaving indemnity..........................	(20)	(30)	(17)	(26)
Total	**(2.147)**	**(2.502)**	**(1.825)**	**(2.184)**

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

25. Contingencies

In 2008 Company's subsidiaries filed applications to RAE and the Ministry of Development for the issuance of Production Licenses for Wind Power Energy Production Plants, located at various sites in Evia Prefecture, and with 387MW capacity in total. Subsequently meteorological masts were erected in said site locations in order to measure wind potential while parent Company R.F. ENERGY S.A. provides to its subsidiaries administrative, development and management services on this project. Moreover Company's subsidiaries have taken actions to receive approval from competent authorities to develop this project.

During 2010, subsidiaries of the Group submitted to RAE and the Ministry of Energy and Climate Change (YP.E.K.A.) completed files with applications for relevant production licenses from wind stations in the southern Evia, with total capacity of 144MW. Therefore, the group of wind farms being developed by subsidiaries of the Group in the southern Evia has total capacity of 531MW. Said Production Licenses have not been granted as of the date of issuance of the document at hand.
Within fiscal year 2009 several Production Licenses were granted to unrelated companies for Wind Power Energy Production Plants located at sites which are at close proximity to Company owned projects, for which Company's subsidiaries have applied for Production Licenses. Due to this fact, in December 2009 the Company proceeded to legal action against Decisions by the Ministry of Energy and Environment, RAE, and the Special Committee for the Environment. Action was filed to the Council of State, requesting annulment of said Production Licenses which were issued in favor of unrelated companies, on the basis of impingement of the Company's subsidiaries' lawful rights (as
Company's subsidiaries have also filed applications for Production Licenses for Wind Power Energy Production Plants located in the area, and no decision has been reached yet), and material breach of substantial legal and statutory provisions. As of the date of issuance of the document at hand the Council of State has not convened on the case matter.
Moreover, on December 31, 2012, the parent company R.F. ENERGY S.A. has guaranteed loans of its subsidiaries of total balance of € 33.629, which have been paid off gradually by 2023.

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 31/12/2012 is € 16.391.

26. Commitments

Capital Commitments

(All amounts in Euro thousands unless otherwise stated)

The group has no uncompleted purchasing commitments with its suppliers as of December 31, 2012. The future aggregate minimum lease payments arising from building lease agreements until year 2017 are estimated to amount to € 7.380 approximately. Furthermore, the future aggregate minimum lease payments arising from car lease agreements until the year 2017 are estimated to amount to € 193 approximately.

Consolidated						
	Year 2012	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2012 hereafter**
Future lease agreements for						
- buildings………………..	3.101	3.253	2.789	1.341	17	7.400
- cars……………………..	159	110	72	11	-	193
- fields for installation Aeolic parks	650	582	582	1.746	2.328	5.238
Total	**3.910**	**3.945**	**3.443**	**3.098**	**2.345**	**12.831**

Company						
	Year 2012	**< 1 year**	**from 1 year to 2 years**	**From 2 years to 5 years**	**> 5 years**	**Total 2012 hereafter**
Future lease agreements for						
- buildings………………..	782	985	814	1.395	-	2.837
- cars……………………..	159	110	72	67	-	193
Total	**914**	**1.095**	**886**	**1.049**	**-**	**3.030**

27. Post Balance Sheet Events

According to the decision of the BoD on 18/1/2008, the Company issued, according to the provisions of L. 2190/1920 and L. 3156/2003, Common Bond Loan of €75.000, with duration of five years, renewable for 2 more years. The repayment of the loan, based on the initial term of five years, would be in 10 semi-annual instalments (the first 9 instalments have already been paid till 31/12/2012). The amounts of each instalment from the first one to the ninth one amounted to €5.200 and the tenth one of €28.200. According to the decision of the bondholders on 15/01/2013, the duration of part of the remaining loan was extended by 2 years. The amount of the extended loan amounted to € 26.705 due to non participation on behalf of one bondholder in the extension by € 1.495. This bondholder will be paid on 28/1/2013, according to the terms of the initial loan agreement. The extended loan will be paid in 5 equal semi-annual anniversary instalments of € 5.341, the first of which will be paid on 28/1/2013. The transaction of the extension of the loan is considered to be substantially completed within fiscal year 2012. As a result, the amount of the extended loan has been allocated on 31/12/2012 to the account ‘short-term part of long-term loans’ by € 12.177 and to the account ‘long-term loans’ by € 15.941.

According to the decision of the Extraordinary General Assembly of the shareholders of CITY ELECTRIC S.A. on 15/01/2013, the Equity of the company increased by €29, through share capital increase by €29 and disposal of shares above par of €261.

There are no other significant post balance sheet events having occurred after December 31, 2012 concerning the Company that should have been disclosed.

(All amounts in Euro thousands unless otherwise stated)

These Financial Statements have been approved for issue by the Board of Directors of F.G. EUROPE S.A. on March 27, 2013 and are accessible to the public in electronic form on the company website **http:\\www.fgeurope.gr**

Glyfada, March 27, 2013

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

INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

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

Date	Information
29/11/2012	Announcement of change in voting rights in accordance to L. 3556/2007
28/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
28/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005

(All amounts in Euro thousands unless otherwise stated)

23/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
23/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
23/11/2012	Announcement of other significant events
19/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
19/11/2012	Announcement of regulated information in accordance with Law 3556/2007 and article 13 of Law 3340/2005
7/11/2012	Notice on the Financial Statements / Reports
4/9/2012	Announcement for the results of the Tax Audit
3/8/2012	Notice on the Financial Statements / Reports
14/6/2012	Announcement of other significant events
24/5/2012	Notice on the Financial Statements / Reports
23/5/2012	Announcement for the decisions of the General Assembly
30/4/2012	Announcement of Invitation to the General Assembly
27/4/2012	Announcement for informing the analysts by the listed company
26/4/2012	Announcement regarding the Business / Financial Company's developments
26/4/2012	Announcement for informing the analysts by the listed company
28/3/2012	Notice on the Financial Statements / Reports
28/3/2012	Financial Calendar

Internet site of the Company

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

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

F.G. EUROPE

SOCIETE ANONYME FOR ELECTRIC AND ELECTRONIC DEVICES

P.C.S.A. Register Number 121596799000 (13413/06/B/86/111)

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

FIGURES AND INFORMATION FOR THE YEAR OF 1 JANUARY UNTIL 31 DECEMBER 2012

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

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

COMPANY DATA

Responsible Supervisory Body:	**Ministry of Development**
Company's website address:	**http://www.fgeurope.gr**
Composition of Board if Directors:	**Georgios Fidakis *(President)*, Spyros Lioukas *(Vice President - Non executive member)*, Ioannis Pantousis *(Managing Director)*, Adreas Demenagas *(Executive member)*, Ioannis Katsoulakos *(Non Executive member)*, Georgios Stroggylopoulos *(Non Executive member)*, Nikolaos Piblis *(Non Executive member)***
Date of approval of the annual financial statements (from which the condensed data has been extracted):	**March 27, 2013**
Auditor:	**Christodoulos Seferis (SOEL Reg. No. 23431)**
Audit Company:	**Ernst & Young (Hellas) Certified Auditors Accountants S.A.**
Type of Audit Report:	**Unqualified audit report**

CONDENSED STATEMENT OF FINANCIAL POSITION

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
ASSETS	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Tangible assets	72.070	76.429	232	286
Investments in Property	310	315	310	315
Intangible assets	7.889	7.291	----	1
Other non current assets	4.849	5.690	21.439	18.567
Inventories	35.012	33.810	35.000	33.798
Trade receivables	59.972	40.850	31.056	20.266
Other current assets	18.793	34.463	17.428	32.522
TOTAL ASSETS	**198.895**	**198.848**	**105.465**	**105.755**
NET EQUITY AND LIABILITIES				
Share Capital	15.840	15.840	15.840	15.840
Other elements of net equity	19.380	15.318	22.210	18.511
Total equity attributable to the owners of parent company (a)	**35.220**	**31.158**	**38.050**	**34.351**
Minority interests (b)	20.171	21.244	----	----
Total equity (c)=(a)+(b)	**55.391**	**52.402**	**38.050**	**34.351**
Long term borrowings	45.640	71.564	15.941	28.098
Provisions / Other long-term liabilities	26.415	23.689	338	368
Short term borrowings	41.488	26.199	23.691	21.628
Other short term liabilities	29.961	24.994	27.445	21.310
Total liabilities (d)	**143.504**	**146.446**	**67.415**	**71.404**
TOTAL NET EQUITY AND LIABILITIES (e)=(c)+(d)	**198.895**	**198.848**	**105.465**	**105.755**

CONDENSED STATEMENT OF CHANGES IN NET EQUITY

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Equity balance at the beginning of the period (1/1/2012 and 1/1/2011 respectively)	52.402	51.281	34.351	31.595
Total comprehensive income after taxes	4.225	2.593	3.699	2.756
Share capital increase/(decrease)	1.404	(1.374)	----	----
Minority interest increase/(decrease)	(2.644)	(98)	----	----
Others	4	----	----	----
Equity at the end of the period (31/12/2012 and 31/12/2011 respectively)	55.391	52.402	38.050	34.351

CONDENSED STATEMENT OF TOTAL COMPREHENSIVE INCOME

(consolidated and not consolidated) amounts in € thousands

	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Turnover	**111.122**	**99.724**	**99.399**	**94.083**
Gross profit	**29.569**	**28.121**	**23.946**	**25.508**
Earnings before taxes, financing and investing activities	**10.736**	**8.351**	**7.131**	**7.257**
Earnings before taxes	**6.549**	**5.600**	**5.504**	**5.459**
Earnings after taxes	**4.863**	**4.048**	**4.361**	**4.211**
Attributable to:				
Equity holders of the parent company	4.792	4.172	----	----
Minority interest	71	(124)	----	----
Other comprehensive income after tax (B)	**(638)**	**(1.455)**	**(662)**	**(1.455)**
Total comprehensive income after tax (A)+(B)	**4.225**	**2.593**	**3.699**	**2.756**
Attributable to:				
Equity holders of the parent company	4.154	2.717	----	----
Minority interest	71	(124)	----	----
Earnings per share – basic (in Euro)	**0,0908**	**0,0790**	**0,0826**	**0,0798**
Earnings before interest, depreciation, amortization and taxes	**14.419**	**10.400**	**7.203**	**7.340**

CONDENSED CASH FLOW STATEMENT

(consolidated and not consolidated) amounts in € thousands

Indirect method	GROUP		COMPANY	
	1/1-31/12/2012	1/1-31/12/2011	1/1-31/12/2012	1/1-31/12/2011
Operating Activities:				
Earnings before taxes	6.549	5.600	5.504	5.459
Add / (less) adjustments for:				
Depreciation and amortization	3.683	2.049	72	83
Provisions	327	1.189	291	1.182
Result of investment activity	(652)	(714)	(518)	(612)
Interest and similar expenses	4.976	3.466	2.282	2.411
Add/ (less) adjustments for changes working capital items:				
Decrease / (increase) in inventory	(1.271)	(279)	(1.271)	(287)
Increase / (decrease) in receivables	(15.031)	(10.208)	(11.034)	(6.454)
(Decrease) / increase in liabilities (other than banks)	2.581	8.664	3.853	6.230
Less:				
Interest income	459	657	324	556
Taxes paid	(1.083)	(1.513)	(823)	(1.461)
Total inflow / (outflow) from operating activities (a)	**538**	**8.911**	**(1.320)**	**7.107**
Investing Activities				
Acquisition of subsidiaries and other investments	(601)	(2.753)	(1.500)	(1.866)
Purchase of tangible and intangible assets	(1.589)	(43.318)	(12)	(14)
Proceeds from the sale of PPE and intangible assets	----	11	----	----
Proceeds from Government grants	----	6.114	----	----
Proceeds from dividends	91	56	91	56
Total inflow / (outflow) from investing activities (b)	**(2.099)**	**(39.890)**	**(1.421)**	**(1.824)**
Financing Activities				
Proceeds from capital increase	1.404	1.245	----	----
Payments for capital decrease	----	(2.618)	----	----
Borrowings from banks	1.453	46.580	286	11.223
Payments of borrowings	(12.691)	(13.401)	(10.399)	(10.400)
Interest and similar expenses paid	(4.019)	(2.545)	(1.984)	(1.708)
Total inflow / (outflow) from financing activities (c)	**(13.853)**	**29.261**	**(12.097)**	**(885)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(15.414)**	**(1.718)**	**(14.838)**	**4.398**
Exchange rate differences	**(256)**	**538**	**(256)**	**538**
Cash and cash equivalents at beginning of the year	**34.463**	**35.643**	**32.522**	**27.586**
Cash and cash equivalents at the end of the period	**18.793**	**34.463**	**17.428**	**32.522**

ADDITIONAL DATA AND INFORMATION

1) 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.

2) "Other comprehensive income after tax" for the Group and the Company of € 654 thousand, represents revaluation loss on securities which are classified as "available for sale investements". Gains € 16 thousand and losses € 8 thousand for the Group and the Company respectively represent actuarial gains/losses arising from the actuarial valuation of the pension and other post-empoyment benefit plans.

3) There are no companies which are included in the consolidated financial statements of the period 1/1-31/12/2012 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 1/1-31/12/2012 and which had been consolidated in the corresponding period of 2011. Also there are no companies which have not been included in the consolidated financial statements. The consolidation method is the same as that applied in the previous periods.

4) There are no own shares which are held by the Company or by its subsidiaries for the period ending 31 December 2012.

5) 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.

6) The income tax returns of the companies of the Group have not been examined by the tax authorities and the possibility exists that additional taxes and penalties will be imposed upon examination. The Group and the Company have made provisions for additional taxes and penalties amountling to € 340 thousand and € 266 thousand respectively. The fiscal years which have not been audited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note (8) in the annual financials statements.

7) The Group and the Company have not made "'General provisions" on December 31, 2012.

8) The number of employees as of December 31, 2012 was : Group 98, Company 58 persons.
December 31, 2011 was : Group 105, Company 62 persons.

9) The transactions and balances in € thousands for the period ending December 31, 2012 with related parties as defined by IAS 24 are as follows:

a) Sale of goods and services	---	80
b) Purchase of goods and services	3.086	4.754
c) Receivables from related parties	1.209	881
d) Payables to related parties	2.043	2.043
e) Key management personnel compensations	2.147	1.825
f) Receivables from key management personnel	3	3
g) Payables to key management personnel	---	---

10) There are no significant events subsequent to December 31, 2012 concerning the Group or the Company, that would require adjustment to or additional disclosure in the published financial statements in accordance with IAS 10 principles, apart of those which are presented in note (27) in the annual finanvials stetements.

GLYFADA, ATTIKIS MARCH 27, 2013

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	FINANCE DIRECTOR	CHIEF ACCOUNTING OFFICER
GEORGIOS FIDAKIS	JOHN PANTOUSIS	MICHALIS POULIS	ATHANASIOS HARBIS
ID No N 000657	ID No Ξ 168490	R.G. 016921	R.G. 0002386

KRONOS S.A.