



**«I. KLOUKINAS – I. LAPPAS S.A.»
CONSTRUCTION AND COMMERCE (K.L.M. S.A.)**



ANNUAL FINANCIAL REPORT

**for the financial period from
1 January to 31 December 2008
(According to article 4 of L. 3556/2007)**

I. KLOUKINAS-I. LAPPAS S.A

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STATEMENTS OF THE BOARD OF DIRECTORS' MEMBERS

**Statements of the
BoD Members
(according to article 4, paragraph 2
of L.3556/2007)**

It is hereby declared that as far as we know the enclosed financial statements of **I. KLOUKINAS – I. LAPPAS S.A.** for the period of 1.1.2008 to 31.12.2008, drawn up in accordance with the applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of **I. KLOUKINAS – I. LAPPAS S.A.**, as well as of the businesses included in Group consolidation, taken as a whole.

Furthermore, we declare that the enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of **I. KLOUKINAS – I. LAPPAS S.A.**, and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Athens, March 23th 2009

The Members of the BoD

THE BoD CHAIRMAN

THE VICE-CHAIRMAN

THE EXECUTIVE MEMBER
OF BoD

**KLOUKINAS
IOANNIS**

LAPPAS IOANNIS

SPENTZARIS LOUKAS

ANNUAL REPORT OF THE BOARD OF DIRECTORS

**ANNUAL REPORT OF THE BOARD OF DIRECTORS OF THE
COMPANY**

**“I. KLOUKINAS – I. LAPPAS CONSTRUCTION AND COMMERCE
S.A.”**

**on the consolidated and company Financial Statements for the period from
January 1, 2008 to December 31, 2008**

Dear Shareholders

According to the provisions of Law 2190/1920, article 43a par. 3, article 107 par. 3 and article 136 par. 2 and according to the provisions of Law 3556/2007 article 4 par. 2c, 6, 7 and 8 as well as according to the provisions of the Decision 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission article 2 and the articles of constitution of the Company, we submit to you the Board of Directors' Annual Report for the year from 01/01/2008 to 31/12/2008, which includes the audited financial statements of the Company and the Group, the notes on the financial statements and the independent auditor's review. The present report describes brief information on the Company and the Group **I. KLOUKINAS – I. LAPPAS CONSTRUCTION AND COMMERCIAL S.A.**, financial information which aim in briefing the shareholders and investors for the financial standing, the results, the overall developments and changes that took place within FY 2008 as well as important events that took place and their impact on the financial statements of the year. Moreover, a description of the major risks and uncertainties that the Group and the Company may face in the future and the most important transactions of the issuer and its related parties are presented.

The current Report includes in summary, yet in substantive way, all of the significant individual sections that are necessary, according to the above legislative framework and accurately presents all of the related information that are necessary based on Law, in order to deduct a substantial and thorough

I. KLOUKINAS-I. LAPPAS S.A

briefing for the activity during the referred period of the Company **I. KLOUKINAS – I. LAPPAS S.A.**, as well as of the Group. The following companies are included in the Group:

I. KLOUKINAS-I. LAPPAS S.A

GROUP STRUCTURE

Name	Headquarters	Participation %
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	Parent Company
KLM ATE	Greece	100,00%
I.Kloukinas-I.Lappas Energy S.A.	Greece	82,89%
MYIE Kerasovou S.A.	Greece	82,89%
KLM SA-TEDRA SA joint venture	Greece	70,00%
KLM SA-ISTOS LTD joint venture	Greece	75,00%
KLM SA-ISTOS LTD joint venture-Larissa project	Greece	75,00%
COMPTON HOUSE PROPERTIES LIMITED COMPANY	Cyprus	100,00%
COMPTON HOUSE HELLAS(ELC)	Greece	100,00%
ENTELEIA A.E.	Greece	100,00%
SYSMEROM COM SRL	Romania	100,00%
KLM BULGARIA EOOD	Bulgaria	100,00%
KLMS COM DOOEL	FYROM	100,00%
KLSAL LTD	Albania	100,00%
KLSEK COMMERCE LTD	Serbia	100,00%
KLM TRGOVINA KROATIA	Croatia	100,00%
KLSLV D.O.O	Slovenia	100,00%
KLMOL	MOLDAVIA	100,00%
KLOUKINAS-LAPPAS SA- ERGO SA joint venture	Greece	50,00%
K.L.M.SA &SIA ERGO	Greece	70,00%
PALLINIS EE	Greece	70,00%
K.L.M.SA &SIA EE	Greece	70,00%
ATHONIKI TECHNIKI-KLM SA joint venture	Greece	50,00%
ATTIKAT	Greece	10,00%

The current Report accompanies the full year financial statements of the mentioned period (01/01/2008– 31/12/2008) and is included uncut with the mentioned statements as well as the reports of the members of the BoD in the full year financial report concerning 2008. Given

that the company issues consolidated financial statements as well, the present Report is integrated, and emphasis is placed on the consolidated financial statements while reference to the company's financial statements is made only where it was deemed necessary or intentional for the best comprehension of the full year report. The sections of the Report and their content are as follows:

SECTION 1: FINANCIAL DEVELOPMENTS & PERFORMANCE OF FY 2008

1.1 Significant Events of FY 2008

FY 2008 was another year of important growth for **I. KLOUKINAS – I. LAPPAS S.A.** The Group enhanced its basic financial figures and expanded its sales network. It is of weighing importance the fact that growth was achieved despite of the evident signs of the international financial crisis, which was characterized by reduced liquidity, demand and investments as well as intensely volatile conditions in the markets.

The consolidated turnover during the F.Y. 2008 was increased by 20,11%, amounting to 76.871.107€ over 64.003.215€ for 2007. Gross Profits amounted to 34.756.431€, over 30.841.330€, increased by 12,69% in relation to 2007.

The profits before taxes, interests and depreciations (EBITDA) are decreased by 22,29% amounting to 13.634.101€ over 17.545.614€ of the F.Y. 2007

Profits before taxes and interests (EBIT) amounted to 11.808.895€ over 16.301.012€ for 2007, decreased by 27,56 %, while the profits before taxes were 9.896.625€ over 21.861.117€ of the past FY, decreased by 54,73%. Finally, the consolidated profits after taxes amounted to 7.004.467€, over 16.228.281€ euro decreased by 56,84% .

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We point out that the results of the FY 2007 included the profits from the valuation of investment property, amounting to 6.970.909€ , non recurrent in the FY 2008.

Consequently, after the subtraction of the above mentioned effect on the results of 2007 the profits of the Group are as follows:

The profits before taxes are decreased by 33,54% amounting to 9.896.625€ over 14.890.208€ in 2007. The profits after taxes are decreased by 36,32%, amounting to 7.004.467€ over 11.000.099€ in 2007

The Group's inventory was increased to 11.835.390€ over 9.127.814€ on 31/12/2007, an increase of 29,67%. This is attributed to the Group's sales network expansion, as well as to the collapse of demand during December 2008 because of the turbulence that took place in Greece, which essentially lead to sales less than expected.

The Group's receivables amounted to the level of 22.461.062€ over 15.580.255€ on 31/12/2007, increasing by 44,16%. This increase is due mainly to the increased sales of the construction sector of the Group on the one hand, while on the other, to the increase of its turnover.

The Group's Equity on 31/12/2008 was at the level of 66.371.322€, while it was 66.382.888€ on 31/12/2007, remaining thus substantially unchanged.

The Group's Net debt amounted to 21.080.118,90€, over 14.734.884,16€ of the FY 2007, increasing thus by 43,06%. It must be noted that the investment program of the Group for the FY 2008 was mainly financed through debt capital.

REVIEW OF RESULTS BY SECTOR

The Group operates on retail, construction and energy sectors.

Review of the construction activity following the separation and the contribution of the construction sector to a 100% subsidiary .

I. KLOUKINAS-I. LAPPAS S.A

In 2008 the I. KLOUKINAS - I. LAPPAS Construction S.A. continues its successful course and the development of its customer base in the private sector, proof of their confidence in the quality, the consistency and the on time delivery, factors that constitute the traditional advantages of the company. Indicative names of customers that entrusted I. KLOUKINAS - I.LAPPAS Construction S.A. during the previous year are: Kosmocar S.A. and Ektasis Development, continuing a long established collaboration with the company, and Media Saturn, and St. Paul's Abbey, as new collaborations established.

Specifically, the company has signed with Media Saturn a contract for the construction of a new office building in Argyroupoli. Additionally the company has signed with St. Paul's Abbey, for the construction of a three-floor school building, in Alimos.

Continuing the collaboration with EKTASIS DEVELOPMENT, the company undertook the reinforcement of the concrete cell of the listed building, located at Ermou 22 Str., the internal renovations of the listed building, located at Ermou 70 Str., the construction works and E/M installations of the building located at Ethnomartyron Str. at Agios Demetrios, as well as the construction of a two-floor store building at Vouliagmenis Av. & Pr. Ilias Str.

The company also signed with KOSMOCAR, a contract for the construction of a building comprising of cars' showroom, basement, garage and underground parking space, located at Ag. Thomas Marousi.

In the sector of Public Work, the I. KLOUKINAS - I. LAPPAS S.A., who is holder of 5th degree certificate, signed in 2007 a contract with the General Staff of Aviation for the Reconstruction of Air Field in Larissa. The estimated budget amount to 4 millions Euros and the works will be completed during 2009.

The turnover increased by 23,81%, amounting to 30.597.188€ over 24.713.634€ of the FY 2007. The gross profit was 4.535.174€ over 6.024.999€ of the previous FY, decreased by 24,73%. This decrease is due to the intense competition during this FY, which offered prices even below cost, because of the crisis that the constructions'

I. KLOUKINAS-I. LAPPAS S.A

sector is facing as an impact of the general world-wide financial crisis. The company reduced the gross profit margin, gaining thus, share of the market.

The profit before taxes was 2.517.688€ over 3.761.344€ of the FY 2007, decreased by 33,06%, as a result of the gross profit margin.

For the FY 2009 the company has already signed contracts of about 15.000.000€. Predictions for the sales and the results of the FY 2009 cannot be made given the general crisis of the sector.

Review of commercial activity

During 2008 the Group "I. KLOUKINAS-I. LAPPAS S.A" proceeded to the creation of nine (9) new Mothercare points of sale and six (6) EARLY LEARNING CENTRE.

The Management's strategic choice in order to confront the negative conditions that arose during 2008, was the rapid development and expansion of the Group's network, based on the one hand on the successful model of the Mothercare and E.L.C. stores, and on the other hand, on approaching the customer by offering products with the optimum price – quality relation.

More specifically, during 2008 eight (8) new stores operated in Greece, one (1) of which in Thessaloniki and seven (7) others in the province, further expanding thus, the already high geographic coverage of the Greek Territory.

Moreover, the Group confirming the international orientation of its activities, launched two (2) points of sales outside the Greek border, more specifically in Romania.

Additionally, during 2008 the company entered a new geographical market, that of Moldova, where a new subsidiary company was established under the name "KL-MOL Srl", having its seat in Chisinau, with initial share capital amounting to 150.000€. The Group holds the total of the capital share of the above mentioned company. The newly established subsidiary company is proceeding to the operation of one (1) new store in Chisinau.

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The sales network of the Group is presented in the table below:

MOTHERCARE STORES		
1	ATHENS	ERMOU
2	ATHENS	KOLONAKI
3	ATHENS Shop in shop	NOTOS GALLERIES
4	GLYFADA	
5	ALIMOS	
6	KIFISIA	
7	MAROUSI	
8	N. SMYRNI	
9	PSYCHIKO	
10	PIREAS	
11	PERISTERI	
12	SPATA Shop in Shop	- Factory Outlet Airport
13	HALANDRI	
14	AGRINIO	
15	VERIA	
16	GIANITSA Shop in shop	
17	DRAMA Shop in shop	
18	EDESSA	
19	THESSALONIKI	
20	THESSALONIKI	FLORIDA II
21	THESSALONIKI Shop in shop	ARISTOTELOUS
22	THESSALONIKI Shop in shop	FOINIKAS
23	THESSALONIKI Shop in shop	PYLAIA
24	THESSALONIKI Shop in shop	STAVROUPOLI
25	THESSALONIKI Shop in shop	MOUDANIA
26	IOANNINA	
27	KAVALA	
28	KILKIS Shop in shop	
29	KOZANI Shop in shop	
30	CRETE	HERAKLIO
31	CRETE	CHANIA
32	LAMIA Shop in shop	
33	LARISA	
34	LARISA Shop in shop	
35	XANTHI	
36	PATRA	
37	PATRA Shop in shop	
38	RODOS	
39	HALKIDA	
40	CHIOS	
41	KORINTHOS	
42	CRETE	RETHYMNO

MOTHERCARE STORES BALKANS		
1	ROMANIA	DOROBANTI
2	ROMANIA	BUCHAREST MALL
3	ROMANIA	PLAZA ROMANIA
4	ROMANIA	BANEASA - FEERIA
5	ROMANIA	CONSTANTA
1	BULGARIA	LEGE
2	BULGARIA	MALL OF SOFIA
1	ALBANIA	QTU
1	F.Y.R.O.M.	RAMSTORE SKOPJE
1	SERBIA	DELTA CITY

ELC (EARLY LEARNING CENTRE) STORES		
1	GLYFADA	
2	ALIMOS	
3	MAROUSI	
4	N. ERYTHREA	
5	N. SMYRNI	
6	THESSALONIKI	FLORIDA II
7	HALKIDA	
8	CHIOS	
9	KORINTHOS	
10	THESSALONIKI	KAROLOU NTIL
11	LARISA	
12	HERAKLIO - CRETE	
ELC (EARLY LEARNING CENTRE) STORES IN BALKANS		
2	ROMANIA	CONSTANTA

COLORS & BEAUTY STORES		
1	ATHENS	KORAI
2	PAGRATI	
3	N. SMYRNI	
4	HALANDRI	
5	SAMOS	

COLORS & BEAUTY STORES IN BALKANS		
1	ALBANIA	QTU

Financial results

The turnover amounted to 45.211.542 Euro over 38.624.957 Euro, an increase of 17,05% compared to 2007.

The gross profit amounted to 29.924.751 €, over 24.400.194, an increase of 22,64%. The percentage of gross profit for 2008 amounted to 66,19%, over 63,17% of 2007. This raise was due to the different policy of invoicing from Mothercare UK, which now invoices the goods at cost price and benefits over royalties on the sales.

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The royalties have raised the distribution cost over 1.000.000€ and also the gross profit accordingly. The different way of invoicing does not affect the results.

The profits pre taxes amounted to 7.274.762 €, over 10.999.371,62, a decrease of 33,86 % .

This financial year was also burdened with the rent of the new warehouse of 1.000.000€, surface 9.600sq.m, the additional depreciations of 600.000€ for the new stores and with the expenses due to the consolidation of the affiliated Compton House Hellas , which was consolidated entirely for the first time , while in the previous year it was consolidated only from the acquisition date November 2007.

Following the development plan of "I. KLOUKINAS – I. LAPPAS S.A." during 2008, there were realized total investments of 3.069.039€, these investments had to do mainly with the expansion and renovation of the sales points network of the Group. More specifically, the above mentioned investments, concerned the creation of ten (10) new sales points in Greece and abroad, as well as the upgrade of the Group's warehouse facilities and the I.T. infrastructure.

Review of energy activity

The turnover amounted to 623.874 Euro over 549.118 Euro for 2007, an increase of 13,61% compared to 2006 and the results amounted to 293.082€ over 288.500, an increase of 1,59%.

SECTION 2: Important Events

SPIN-OFF OF THE CONSTRUCTION SECTOR

The annual General Meeting of the shareholders of the company, decided to proceed with the spin-off of the construction sector and its contribution to the 100% subsidiary company under the name "I.KLOUKINAS – I.LAPPAS CONSTRUCTION S.A.", according to the law N.2166/1993. For this reason a valuation report was issued for the accounting value of the transferred sector dated 31.03.2008 and approved by the Annual General Meeting of the shareholders. Following the completion of the spin off process the company is operating solely in the commercial sector.

SECTION 3: Financial risk factors

Foreign exchange risk

The group has not advanced in the application of tools of compensation of exchange danger that results mainly from future commercial transactions in Foreigner Currency and mainly in British Pounds. The Group contacts constantly its financial advisors in order to determine the appropriate hedging policy .

Credit and Liquidity Risk

The Group does not have a significant concentration of credit risk as more than 60% of the Group sales are on retail basis. For the construction sector, the policies it has developed ensure that construction contracts are signed with clients that have a satisfactory credit standing. Liquidity risks are irrelevant insofar that the Group has sufficient cash as well as sufficient credit lines with cooperating banks.

Interest-rates risk

The policy of the Group is to preserve its total debt at a floating interest rate. Operating revenues and Group cash flows are substantially independent of the changes to the prices of the interest rates

Corporate Governance

The Group has adopted the Principles of Corporate Governance, as those are applicable in the context of the Greek law and international practices

The Audit Committee is comprised of the 2 independent members of the Board and its mission is to conduct objective internal and external audits and facilitate an effective communication among the auditors and the Board.

Head of the Internal Control Department is Mr. Palmos Vasilis, employee of the corporation under full and exclusive occupation contract.

SECTION 4: Prospects and Development

Prospects for FY 2009

Objective of the company is the continuation of the expansion plan of the network in Greece and in Balkans and the improvement of results regarding the construction sector.

The management of the company estimates that the present economic crisis , which affects directly all the productive sectors of the economy , affects respectively the retail market , in which the Group operates. The company, given the present economic crisis, cannot proceed to any estimation for the turnover and the results for 2009.

Dividend policy

Regarding the distribution of dividends, the Management considering the performance of the Company for 2008 and the perspectives for 2009, proposes the dividend to be 0.065 € per share for the year 2008 , over 0.25 € per share for the previous year.

The distribution of dividends is conditional on the approval by the General Shareholders Meeting.

SECTION 5: INTER COMPANY TRANSACTIONS

The most important transactions between the company and its related parties as they are described in IAS 24 are analysed as follows:

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(Amounts in thousands €)	GROUP 31/12/2008	COMPANY 31/12/2008	RELATION WITH THE PARENT COMPANY
INCOME			
MYHE KERASOVOU S.A.	0	9.300	Subsidiary Company
ENTELEIA A.E.	0	5.366	Subsidiary Company
COMPTON HOUSE HELLAS S.A.	0	180.000	Subsidiary Company
SYSMERON COM SRL (ROUMANIA)	0	332.384	Subsidiary Company
KLMS COM DOOEL (SKOPJE)	0	106.442	Subsidiary Company
KLM BOULGARIA FOOD (BOULGARIA)	0	240.075	Subsidiary Company
KLSAL LTD (ALBANIA)	0	229.508	Subsidiary Company
KL SER COMMERCE LTD (SERBIA)	0	300.825	Subsidiary Company
TOTAL	0	1.403.901	
EXPENSES			
COMPTON HOUSE HELLAS S.A.	0	1.122.938	Subsidiary Company
SYSMERON COM SRL (ROUMANIA)	0	20	Subsidiary Company
KLM BOULGARIA FOOD (BOULGARIA)	0	793	Subsidiary Company
TOTAL	0	1.123.751	
RECEIVABLES			
KLM ATE	0	1.378.122	Subsidiary Company
KLM A.E. -TEDRA S.A.	0	49.770	Subsidiary Company
I. ΚΛΟΥΚΙΝΑΣ - I. ΛΑΠΠΑΣ ΕΝΕΡΓΕΙΑΚΗ S.A.	0	170.021	Subsidiary Company
MYHE KERASOVOU S.A.	0	71.150	Subsidiary Company
ENTELEIA A.E.	0	66.797	Subsidiary Company
SYSMERON COM SRL (ROUMANIA)	0	45.106	Subsidiary Company
KLMS COM DOOEL (SKOPJE)	0	195.260	Subsidiary Company
KLM BOULGARIA FOOD (BOULGARIA)	0	62.560	Subsidiary Company
KLSAL LTD (ALBANIA)	0	339.758	Subsidiary Company
KL SER COMMERCE LTD (SERBIA)	0	190.786	Subsidiary Company
KLS LV D.O.O. (SLOVENIA)	0	150.000	Subsidiary Company
TOTAL	0	2.719.330	
PAYABLES			
COMPTON HOUSE HELLAS S.A.	0	849.483	Subsidiary Company
SYSMERON COM SRL (ROUMANIA)	0	20	Subsidiary Company
KLM BOULGARIA FOOD (BOULGARIA)	0	793	Subsidiary Company
TOTAL	0	850.296	
Transactions of Management and members of BoD	793.203	656.491	
Receivables from management and BoD	3.362		
Payables from management and BoD	2.420		

All the transactions recorded are relating to the trade activity of the company apart from the amount of 1.378.122 € between the parent and it's subsidiary KLM ATE which is relating to the spin off process.

EXPLANATORY REPORT TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN THE I. KLOUKINAS – I. LAPPAS S.A. GROUP OF COMPANIES, PURSUANT TO ARTICLE 11A LAW 3371/2005

This explanatory report by the Board of Directors to the Annual General Meeting of shareholders contains detailed information on the issues covered by par. 1 article 11a of Law 3371/2005.

I. Structure of Company Share Capital

The company's share capital amounts to seven million four hundred and twenty five thousand and eighty six euro (€7.425.086), divided among twenty four million seven hundred and fifty thousand two hundred and eighty (24.750.280) ordinary registered voting shares with a par value of thirty cents (0,30 €) each. The company's shares are listed for trading on the Securities Market of the Athens Stock Exchange. The shareholders' rights accruing from the share are dependent on the percentage of the capital to which the paid-up value of the share corresponds. Each share carries all the rights envisaged in law and in the articles of association of the company, specifically:

The right to a dividend on the annual profits of the company, or the proceeds of its liquidation. 35% of the net profits after deduction only of the statutory reserve, is distributed from the profits of each year to the shareholders as a first dividend, while the payment of an additional dividend is decided by the AGM. A dividend is paid to each shareholder whose name appears in the register of shareholders kept by the company at the date on which those entitled to a dividend are appointed. The dividend on each share is paid to the shareholder within two months of the date of the AGM which approved the annual financial statements. The manner and place of the payment are announced in the press. The right to collect the dividend expires and the sum in question is forfeit to the state after the passage of five years from the end of the year in which the payment of the dividend was decided by the General Meeting.

The right to withdraw one's contribution on liquidation, or repayment of the capital corresponding to the share, when so decided by the General Meeting.

Preferential right in any increase in the company's share capital, in cash purchase of new shares.

The right to receive a copy of the financial statements and reports of the certified auditors and the Board of the company.

The right to participate in the General Meeting, involving the following more specific rights: authorization, presence at and participation in discussions; submission of proposals on items of agenda; recording of views in minutes, and right to vote.

The General Meeting of shareholders in the company retains all its rights even during the process of liquidation.

The liability of the company shareholders is limited to the face value of the shares they own.

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II. Limitations on Transfer of Company Shares

Shares in the company may be transferred pursuant to the law and there are no limitations in the articles of association affecting their transfer, given that they are intangible shares listed on the Athens Stock Exchange.

III. Significant Direct or Indirect Holdings in the Sense of Presidential Decree 51/1992

Shareholders (persons or legal entities) holding – directly or indirectly – more than 5% of the total number of shares outstanding are listed in the following table.

FULL NAME	Direct
Ioannis Kloukinas	24,26%
Ioannis Lappas	24,27%
Loukas Spentzaris	13,09%
Capital Research and Management Company	8,99%

IV. Shares Carrying Special Audit Rights

There are no shares in the company carrying special rights of audit for their holders.

V. Limitations on Voting Rights

The articles of association of the company do not envisage any limitations on the voting rights carried by its shares.

VI. Agreements among Shareholders

The company is not aware of any agreements among its shareholders which would entail limitations on the transfer of shares or on the exercise of the voting rights carried by the shares.

VII. Rules of Appointment and Replacement of Members of the Board of Directors and of Amendment of the Articles of Association

The rules in the articles of association of the company on appointment and replacement of members of the Board of Directors and on amendment of the provisions of the articles do not deviate from those envisaged in Codified Law 2190/1920.

VIII. Authority of Board of Directors to Issue New Shares or Purchase Own Shares

a) Under the provisions of article 13 par. 1 points b) and c) of Codified Law 2190/1920 and in combination with the provisions of article 5 of the articles of association, the Board of Directors of the company may, following a decision to this effect by the General Meeting, subject to the provisions on publicity of article 7b of Codified Law 2190/1920, increase the company's share capital by issue of new shares, by a decision which is taken with a majority of at least two-thirds (2/3) of all its members. In these circumstances the share capital may be increased up to the amount of capital paid-up on the date the Board of Directors was granted the authority in question by the General Meeting. The above authority of the Board of

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Directors may be renewed by the General Meeting for a period not exceeding five years for each renewal.

b) Under the provisions of article 13 par. 13 of Codified Law 2190/1920, by decision of the General Meeting a stock option scheme may be introduced for members of the Board of Directors and employees, in the form of preferential right to purchase shares on the special terms set out in the above decision. The decision of the General Meeting will specify the maximum number of shares which can be issued, which, by law, cannot exceed 1/10 of the existing shares, and, if the beneficiaries exercise the right to purchase, the price and terms of distribution of the shares to those beneficiaries.

IX. Important Agreements coming into force, amended or expiring in the event of a change of control following a Public Proposal

There are no agreements which would come into force, be amended or expire in the event of a change in the control of the company following a public proposal.

X. Agreements with members of the Board of Directors or Company employees

There are no agreements between the company and members of the Board of Directors or its employees which envisage the payment of compensation specifically in the case of resignation or dismissal without good cause or termination of office or employment as a result of a public proposal.

THE AUDITOR'S REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of " I. KLOUKINAS- I. LAPPAS CONSTRUCTION AND COMMERCIAL COMPANY SA."

Report on the Financial Statements.

We have audited the accompanying financial statements of "I. KLOUKINAS-I. LAPPAS S.A." (the company), and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which conform to 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the management, as well as evaluating the overall presentation of the 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 aforementioned financial statements present fairly, in all material respects, the financial position of "I. KLOUKINAS-I. LAPPAS S.A." and the Group as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

I. KLOUKINAS-I. LAPPAS S.A

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements in the context of the requirements of articles 43a, 107 and 37 of Codified Law 2190/1920.



BAKER TILLY HELLAS

Certified Public Accountants-
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Athens, 30th March 2008
The Certified Public Accountant

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I. KLOUKINAS-I. LAPPAS S.A

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I. KLOUKINAS-I. LAPPAS S.A

BALANCE SHEET

Amounts reported in €

	NOTES	GROUP		COMPANY	
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS					
Non current assets					
Tangible Assets	5.1	25.802.607	24.780.178	16.382.352	17.668.810
Intangible Assets	5.2	2.173.852	2.017.604	2.173.852	2.017.112
Goodwill	5.3	8.603.002	8.597.468	2.710.160	2.710.160
Investment Property	5.4	34.680.000	34.680.000	34.680.000	34.680.000
Investment in Subsidiaries	5.5	0	0	18.430.465	11.063.534
Investment in Associates	5.6	10.310	60.051	0	79.310
Other long term receivables	5.7	838.456	563.604	715.100	468.638
Deferred Tax	5.8	412.537	142.962	0	0
		72.520.764	70.841.867	75.091.929	68.687.563
Current assets					
Inventories	5.9	11.835.390	9.127.814	8.916.675	6.697.956
Trade debtors and other trading receivables	5.10	29.264.020	22.168.504	14.486.258	21.072.213
Prepayments	5.11	900.627	593.687	230.813	487.798
Other receivables	5.12	385.388	415.286	95.070	240.916
Financial Assets	5.13	284.043	284.043	284.043	284.043
Cash and cash equivalents	5.14	13.419.291	12.537.920	5.974.414	8.129.780
		56.088.760	45.127.254	29.987.273	36.912.707
Total Assets		128.609.524	115.969.121	105.079.202	105.600.270
EQUITY AND LIABILITIES					
Share Capital	5.15	7.425.086	7.425.086	7.425.086	7.425.086
Share Premium	5.15	10.988.065	10.988.065	10.988.065	10.988.065
Reserves of fair value		-32.877	-32.877	-32.877	-32.877
Exchange differences		-405.814	-83.386	0	0
Other Reserves	5.16	3.070.157	2.722.338	2.995.645	2.647.826
Accumulated profits/(losses)		44.725.759	44.293.380	41.893.595	43.653.136
Attributable to ordinary shareholders		65.770.376	65.312.606	63.269.515	64.681.236
Minority Interest		600.946	1.070.281	0	0
Total Shareholders' Equity		66.371.322	66.382.888	63.269.515	64.681.236
Liabilities					
Non-current liabilities					
Interest bearing borrowings	5.17	20.487.686	23.538.408	19.947.633	22.092.973
Deferred Tax	5.8	3.905.337	3.479.307	2.902.764	3.110.871
Retirement benefit obligation	5.18	704.014	603.641	453.964	591.401
Other long term liabilities	5.19	249.249	415.066	199.249	365.066
Total Non-current liabilities		25.346.286	28.036.422	23.503.610	26.160.312
Current Liabilities					
Trade and other payables	5.20	21.088.670	16.038.691	8.212.693	12.863.007
Short term borrowings	5.17	11.862.281	1.887.427	7.793.563	61.882
Current portion of interest bearing borrowings	5.17	2.149.443	1.846.969	1.984.431	1.590.120
Other current liabilities	5.21	1.791.522	1.776.725	315.390	243.713
		36.891.916	21.549.812	18.306.077	14.758.722
Total Liabilities		62.238.202	49.586.234	41.809.687	40.919.033
Total Equity and Liabilities		128.609.524	115.969.121	105.079.202	105.600.270

The attached notes are an integral part of these financial statements.

I. KLOUKINAS-I. LAPPAS S.A

INCOME STATEMENT

Amounts reported in €

		GROUP	
	Notes	01.01 - 31.12.2008	01.01 - 31.12.2007
Sales	5.22	76.871.107	64.003.215
Cost of Sales	5.23	-42.114.676	-33.161.885
Gross Profit		34.756.431	30.841.330
Other operating income	5.24	1.695.721	8.286.882
Distribution costs	5.23	-18.867.923	-11.993.768
Administrative expenses	5.23	-5.698.909	-3.829.969
Other operating expenses	5.24	-73.989	-8.823
Operating profit		11.811.332	23.295.653
Finance cost	5.25	-1.902.205	-1.426.779
Income from associates		-12.502	-7.757
Profit before tax		9.896.625	21.861.117
Tax	5.26	-2.892.158	-5.632.835
Profit after tax		7.004.467	16.228.281
Net profit after tax attributable to:			
Shareholders of Kloukinas-Lappas		7.002.293	15.691.032
Minority interests		2.174	537.249
		7.004.467	16.228.281
Basic earnings per share	6.4	0,28	0,63

The attached notes are an integral part of these financial statements.

I. KLOUKINAS-I. LAPPAS S.A

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in €	Attributable to the parent company shareholders						Total	Minority Interests	Total
	Share capital	Share premium	Reserves of fair value	Exchange differences	Other reserves	Accumulated profit/(losses)			
Balance as of January 1 2007, according to IFRS	6.187.572	11.275.656	-32.877	36.039	2.531.577	34.133.672	54.131.638	568.358	54.699.996
Changes in equity during the period 01/01-31/12/2007									
Share capital increase by capitalization of accumulated profits	1.237.514	-287.591				-949.924	0		0
Subsidiary's share capital increase							0	198.553	198.553
Expenses due to share capital increase						-34.755	-34.755	-3.506	-38.261
Dividends						-4.331.300	-4.331.300	-254.957	-4.586.257
Exchange differences				-119.424			-119.424		-119.424
Transfer from accumulated profits					187.428	-187.428	0		0
Change due to percentage change in subsidiary company						-24.584	-24.584	24.584	0
Net income recognised directly in Equity					3.333	-3.333	0		0
Net operating profit for the period 01/01-31/12/2007						15.691.032	15.691.032	537.249	16.228.281
Total recognised profit/loss for the period	1.237.514	-287.591	0	-119.424	190.761	10.159.708	11.180.968	501.923	11.682.891
Balance as of December 31, 2007	7.425.086	10.988.065	-32.877	-83.386	2.722.338	44.293.380	65.312.606	1.070.281	66.382.888
Balance as of January 1 2008, according to IFRS	7.425.086	10.988.065	-32.877	-83.386	2.722.338	44.293.380	65.312.606	1.070.281	66.382.888
Changes in equity during the period 01/01-31/12/2008									
Share capital increase of subsidiary company							0	25.000	25.000
Expenses due to share capital increase						-33.525	-33.525		-33.525
Dividends						-6.187.572	-6.187.572	-497.507	-6.685.079
Exchange differences				-322.429			-322.429		-322.429
Transfer from accumulated profits					347.819	-347.819	0		0
Change due to percentage change in subsidiary company						-998	-998	998	0
Net operating profit for the period 01/01-31/12/2008						7.002.293	7.002.293	2.174	7.004.467
Total recognised profit/loss for the period	0	0	0	-322.429	347.819	432.379	457.770	-469.335	-11.565
Balance as of December 31, 2008	7.425.086	10.988.065	-32.877	-405.814	3.070.157	44.725.759	65.770.376	600.946	66.371.322

I. KLOUKINAS-I. LAPPAS S.A

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

<i>Amounts in €</i>	Attributable to the parent company shareholders					Total
	Share capital	Share premium	Reserves of fair value	Other reserves	Accumulated profit/(losses)	
Balance as of January 1 2007, according to IFRS	6.187.572	11.275.656	-32.877	2.465.273	34.385.083	54.280.707
Changes in equity during the period 01/01-31/12/2007						
Share capital increase by capitalization of accumulated profits	1.237.514	-287.591			-949.924	0
Expenses due to share capital increase					-9.262	-9.262
Change due to absorption of subsidiary company					589.794	589.794
Dividends					-4.331.300	-4.331.300
Transfer from accumulated profits				182.552	-182.552	0
Net operating profit for the period 01/01-31/12/2007					14.151.297	14.151.297
Total recognised profit/loss for the period	1.237.514	-287.591	0	182.552	9.268.053	10.400.529
Balance as of December 31, 2007	7.425.086	10.988.065	-32.877	2.647.826	43.653.136	64.681.236
Balance as of January 1 2008, according to IFRS	7.425.086	10.988.065	-32.877	2.647.826	43.653.136	64.681.236
Changes in equity during the period 01/01-31/12/2008						
Dividends					-6.187.572	-6.187.572
Transfer from accumulated profits				347.819	-347.819	0
Net operating profit for the period 01/01-31/12/2008					4.775.850	4.775.850
Total recognised profit/loss for the period	0	0	0	347.819	-1.759.541	-1.411.722
Balance as of December 31, 2008	7.425.086	10.988.065	-32.877	2.995.645	41.893.595	63.269.515

I. KLOUKINAS-I. LAPPAS S.A

CASH FLOW STATEMENT

Amounts reported in €

Note	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Cash flows from operating activities				
8.1	7.403.039	16.782.879	4.566.226	16.343.227
Less: Interest paid	(1.751.018)	(1.246.116)	(1.089.555)	(523.114)
Less: Income taxes paid	(2.852.779)	(1.694.935)	(2.199.182)	(1.236.999)
Operating activities from discontinued operations	0	0	(727.775)	(2.466.900)
Net Cash flows from operating activities(a)	2.799.242	13.841.828	549.713	12.116.213
Cash flows from investing activities				
Purchase of tangible and intangible assets	(3.069.039)	(3.936.177)	(2.275.881)	(1.803.009)
Proceeds of sale of tangible asset	2.000	200	0	200
Acquisition of subsidiaries, affiliates, joint venture and other investment	(60.000)	(6.040.000)	(225.556)	(8.100.000)
Cash and cash equivalents of acquired company	438.709	148.180	0	0
Interest received	150.424	31.054	20.611	10.269
Dividends received	12.810	8.674	12.810	0
Investing activities from discontinued activities	0	0	(67.777)	(162.073)
Net Cash flows from investing activities(b)	(2.525.096)	(9.788.070)	(2.535.793)	(10.054.613)
Cash flows from financing activities				
Proceeds from share capital increase	25.000	198.553	0	0
Expenses due to share capital increase	(44.700)	(38.261)	0	(9.262)
Proceeds from issued/undertaken loans	22.139.859	16.863.081	15.593.950	15.499.759
Repayment of loans	(13.150.848)	(9.851.693)	(8.460.247)	(9.547.012)
Payment of finance lease liabilities	(1.734.378)	(997.170)	(1.118.164)	(903.397)
Dividends paid	(6.424.475)	(4.478.743)	(6.184.475)	(4.328.743)
Financing activities from discontinued activities	0	0	(350)	241
Net Cash flows from financing activities(c)	810.458	1.695.768	(169.286)	711.587
Net increase in cash and cash equivalents(a)+(b)+(c)	1.084.604	5.749.526	(2.155.366)	2.773.187
Cash and cash equivalents at beginning of period	12.537.920	6.881.825	8.129.780	5.356.593
	(203.233)	(93.430)		
Net increase in cash and cash equivalents at end of period	13.419.291	12.537.920	5.974.414	8.129.780

The attached notes are an integral part of these financial statements.

1. ADDITIONAL INFORMATION

1.1 General Information

The financial statements include the company financial statements of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION & COMMERCE SOCIETE ANONYME" operating as K.L.M. S.A. (the Company), and the consolidated financial statements of the company and its subsidiaries (the Group) for the period ended on 31st December 2008, according to the International Financial Reporting Standards (IFRS).

The Group engages in the execution of construction projects of any nature, whether as contractors or not, and the import, production and sale of clothing and footwear products, baby and child products, toys, furniture, cosmetics and houseware.

The Company was established in Greece, with headquarters located since 1993 at 3 Pasteur Street, Athens. Its telephone number is: 210-6451591-6.

The company's website is: www.klimate.gr

The company's shares are traded on the Athens Stock Exchange.

Company and consolidated financial statements for the financial year 2008 have been approved for publication by the Company's BOD on 23/3/2009 and are subject to the final approval of the Annual General Shareholders Meeting.

1.2 Basis of Preparation

The financial statements were prepared by management according to the International Financial Reporting Standards, including International Accounting Standards (IAS), as adopted by the European Union as well as the interpretations of IFRS as published by the International Accounting Standards Board (IASB).

The Financial statements were prepared under the historical cost convention, as amended as a consequence of the adjustment of specific assets and liabilities to their current value, and based on the principle of continuing operations, in accordance with the International Financial Reporting Standards.

The preparation of financial statements in accordance to IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group's accounting policies. Significant assumptions made by management during the application of the Company's accounting methods have been noted when deemed necessary.

1.3 Reclassification of accounts for the purpose of comparable information

1.3.1 Reclassification of accounts

The company reclassified some accounts in the consolidated cash flow statement of the fiscal year 2007. Specifically the amount of -93.430 € was transferred from "Increase/Decrease in trade payables" to "Exchange Differences" The analysis is as follows":

I. KLOUKINAS-I. LAPPAS S.A

	ORIGINAL AMOUNTS	RECLASSIFICATION	RECLASSIFIED CASH FLOW
	01.01 - 31.12.2007		01.01 - 31.12.2007
Ταμειακές ροές από λειτουργικές δραστηριότητες	16.689.449	0	16.689.449
μείον: Καταβληθέντες τόκοι	(1.246.116)		(1.246.116)
μείον: Καταβολές φόρου εισοδήματος	(1.694.935)		(1.694.935)
Λειτουργικές ροές από διακοπείσες δραστηριότητες	0		0
Καθαρές ταμειακές ροές από λειτουργικές δραστηριότητες	13.748.398	0	13.748.398
Ταμειακές ροές από επενδυτικές δραστηριότητες			
Αγορά ενσώματων και άυλων παγίων περιουσιακών στοιχείων	(3.936.177)		(3.936.177)
Πωλήσεις ενσώματων παγίων	200		200
Απόκτηση θυγατρικών, συγγενών, κοινοπραξιών και λοιπών επενδύσεων	(6.040.000)		(6.040.000)
Ταμιακά διαθέσιμα εξαγοραζόμενης εταιρείας	148.180		148.180
Τόκοι εισπραχθέντες	31.054		31.054
Μερίσματα εισπραχθέντα	8.674		8.674
Επενδυτικές ροές από διακοπείσες δραστηριότητες	0		0
Καθαρές ταμειακές ροές από επενδυτικές δραστηριότητες	(9.788.070)		(9.788.070)
Ταμειακές ροές από χρηματοδοτικές δραστηριότητες			
Εισπράξεις από αύξηση μετοχικού κεφαλαίου	198.553		198.553
Έξοδα αύξησης μετοχικού κεφαλαίου	(38.261)		(38.261)
Εισπράξεις από εκδοθέντα / αναληφθέντα δάνεια	16.863.081		16.863.081
Αποπληρωμή δανεισμού	(9.851.693)		(9.851.693)
Εξοφλήσεις υποχρεώσεων από χρηματοδοτικές μισθώσεις (χρεαλύσια)	(997.170)		(997.170)
Μερίσματα πληρωθέντα	(4.478.743)		(4.478.743)
Χρηματοδοτικές ροές από διακοπείσες δραστηριότητες	0		0
Καθαρές Ταμειακές ροές από χρηματοδοτικές δραστηριότητες	1.695.768		1.695.768
Καθαρή (μείωση)/ αύξηση στα ταμειακά διαθέσιμα και ισοδύναμα	5.656.096	0	5.656.096
Ταμειακά διαθέσιμα και ισοδύναμα στην αρχή της περιόδου	6.881.825		6.881.825
Επίδραση συναλλαγματικών διαφορών	0		0
Ταμειακά διαθέσιμα και ισοδύναμα στο τέλος της περιόδου	12.537.920		12.537.920
Cash flows from operating activities			
Net profit before taxation (continued operations)	21.861.117		21.861.117
Net profit before taxation (discontinued operations)			
Adjustments for			
Depreciation	1.244.602		1.244.602
Provisions	77.020		77.020
Exchange differences	(159.276)		(159.276)
Depreciation of government grant	(23.532)		(23.532)
Revaluation of Investment property	(6.970.909)		(6.970.909)
Dividends received	(8.674)		(8.674)
Procceds of sale of tangible assets	(200)		(200)
Income/Loss from associates	7.757		7.757
Profit from acquired company	0		0
Interest received	(31.054)		(31.054)
Interest expense	1.466.506		1.466.506
Operating profit before working capital changes	0		0
(Increase) /Decrease in inventories	(142.681)		(142.681)
(Increase)/Decrease in trade receivables	1.602.845		1.602.845
Increase/(Decrease) in trade payables	(2.234.073)		(2.234.073)
Cash flows from operating activities	16.689.449	0	16.689.449

1.3.2 Reclassification of accounts in the published income statement

The company recalculated the profits before taxes ,interest and depreciation(EBITA) and profits before taxes and interest (EBIT) in accordance with the decision No 34 of the Hellenic Capital Market. This change had no impact on sales and profits pretax and after tax. The above amounts were recalculated by subtracting the impact of the valuation of the investment company.

Specifically :

I. KLOUKINAS-I. LAPPAS S.A

	CONSOLIDATED		
	ORIGINALLY PUBLISHED	RECLASSIFICATION	RECLASSIFIED AMOUNTS
	<u>01.01 - 31.12.2007</u>		<u>01.01 - 31.12.2007</u>
Profit / (loss) before tax, financing and investment results and depreciation	24.540.254	-6.994.641	17.545.614
Profit / (loss) before tax, financing and investment results	23.295.653	-6.994.641	16.301.012

	COMPANY		
	ORIGINALLY PUBLISHED	RECLASSIFICATION	RECLASSIFIED AMOUNTS
	<u>01.01 - 31.12.2007</u>		<u>01.01 - 31.12.2007</u>
Profit / (loss) before tax, financing and investment results and depreciation	19.985.703	-6.971.109	13.014.594
Profit / (loss) before tax, financing and investment results	18.822.512	-6.971.109	11.851.403

The above reclassifications are analysed as follows:

	GROUP	COMPANY
Depreciation of government grant	-23.532	0
Revaluation of Investment property	-6.970.909	-6.970.909
Proceeds of sale of tangible assets	-200	-200
	-6.994.641	-6.971.109

1.4 Amendments in accounting principals

IFRIC 11 - IFRS 2- Group and Treasury Share Transactions

This interpretation is effective for the financial statements from March 1st 2007.

IFRIC 11 provides guidance on whether specific share-based payment arrangements should be accounted for as equity settled or cash-settled schemes as well as when the

employees of a subsidiary receive shares of the parent company. IFRIC 11 has no implementation in the Group.

IFRIC 12-Service Concession Arrangements

This interpretation is effective for the financial statements from January 1st 2008. IFRIC 12 provides guidance on accounting for some concession arrangements. IFRIC 12 has no implementation in the Group.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008). IFRIC 14 applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Company does not currently operate any such benefit plans with defined benefit assets for its employees, this interpretation is not presently relevant to the Company.

New IFRS, interpretations and amendments of the existing standards have been issued, whose implementation is not mandatory for the current accounting period and the Group has not implemented them earlier, as follows:

• IFRS 8 Operating Sectors

IFRS 8 replaces IAS 14 and sets different disclosure requirements regarding the information by activity sectors. IFRS 8 is effective from 01.01.2009 and is expected to be adopted by the Group then.

IFRS 23 (Amendment) Borrowing Cost

In the revised standard, the previous benchmark treatment of recognizing borrowing costs as an expense has been eliminated. Instead, borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets forms part of the costs of the asset. The revised version of IAS 23 Borrowing Cost needs to be applied for annual periods beginning on or after 1st January 2009.

IFRIC 13 Customer Loyalty Programmes

IFRIC 13 provides guidance on accounting where entities grant award credits (e.g. loyalty points) as part of a sales transaction. IFRIC 13 needs to be applied for annual periods beginning on or after 1st January 2008.

2. BASIC ACCOUNTING PRINCIPLES

The following accounting principles were used in the drafting of the attached financial statements and are consistently applied by the Group:

2.1 Consolidation

Subsidiaries: These are all companies managed and controlled, either directly or indirectly, by another company (parent), either by holding the majority of voting rights in the company in which investment was made, or, in the event the majority of shares has not been acquired, following an agreement with the other shareholders of the company in which the investment was made. In other words, subsidiaries are companies controlled by the parent company. Subsidiaries are fully consolidated using the purchase method as of the date in which control over them is acquired and cease to be consolidated from the date this control ceases to exist.

The purchase method of accounting is used to account for the acquisition of a subsidiary by the Group. The cost of an acquisition is measured at the fair value of assets transferred, equity instruments issued and liabilities incurred or assumed at the date of the transaction, plus costs directly attributable to the transaction. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the date of acquisition irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the identifiable net assets of the subsidiaries acquired is recorded as goodwill. If the total cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Particularly in the case of business combinations that took place prior to the Group's adoption of the IFRS (January 1st 2004), the exception of IFRS 1 was applied with no retroactive use of the purchase method. Within the framework of the above exception, the Company did not reevaluate the purchase cost of subsidiaries acquired prior to the date of adoption of the IFRS, not the fair value of assets acquired and liabilities assumed at the date of acquisition, nor did it recognize any goodwill in its consolidated financial statements according to the IFRS.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment that should be recognized on the asset transferred. The accounting principles of subsidiaries have been adjusted to ensure consistency with the accounting principles adopted by the Group.

Affiliates: These are the enterprises over which the Group can exercise a significant influence without however them meeting the criteria that would classify them as either subsidiaries or joint-ventures. According to the underlying assumptions used by the Group, any holding between 20% and 50% of voting rights in a company indicates a significant influence over this company. Investment in affiliated companies are initially recorded at cost and subsequently accounted according to the equity method of accounting.

The Group's share of the affiliate's net profit or loss after the acquisition is recognized in the income statement, while the share of variations in reserves after the acquisition is recorded under reserves. Accumulated variations influence the carrying value of investments in associated enterprises. When the Group's share of the losses of an associate equals or exceeds its interest in the affiliate, including all other bad debts, the Group discontinues recognizing its share of further losses unless it has incurred obligations or made payments on behalf of the affiliate.

Unrealized gains from transactions between the Group and its affiliates are eliminated to the extent of the Group's participation in the affiliate. Unrealized losses are eliminated, unless the transaction provides evidence of an impairment that should be recognized on the asset transferred. The affiliate's accounting policies have been adjusted to ensure consistency with the accounting policies adopted by the Group. Inter-company balances and inter-company transactions, as well as the Group's profits ensuing from inter-company transactions and not yet realized (at Group level) are eliminated during the preparation of the consolidated financial statements.

2.2 Consolidation of subsidiaries abroad

The conversion of the financial statements of Group companies (none of which operate within a hyperinflationary economy— consequently IAS 29 «Financial reporting in hyperinflationary economies» is not applicable), having a different functional currency than the Group's presentation currency, is carried out as follows:

- A) Assets and liabilities are converted at the closing exchange rate on the Balance Sheet date.
- B) Income and expenses are converted at the average exchange rate for the period, unless the average exchange rate is not a rational approach to the accumulated impact of exchange rates valid on the dates of transactions, in which case income and expenses are converted at the rates valid on the day of each transaction
- C) Exchange differences arising are recorded in Equity reserves and are transferred to profit or loss upon disposal of these enterprises.

2.3 Group structure and method of company consolidation

The consolidated financial statements include, with the method of full consolidation, in addition to the parent company the following subsidiaries:

I. KLOUKINAS-I. LAPPAS S.A

GROUP STRUCTURE

Name	Headquarters	Participation %	Relation that dictated consolidation	Consolidation method
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	Parent Company	-	-
KLM ATE	Greece	100,00%	Direct	Full Consolidation (1)
I.Kloukinas-I.Lappas Energy S.A.	Greece	93,14%	Direct	Full Consolidation
MYIE Kerasovou S.A.	Greece	82,89%	Indirect(I.Kloukinas-I.Lappas Energy S.A 89%)	Full Consolidation
KLM SA-TEDRA SA joint venture	Greece	70,00%	Indirect(KLM ATE 100%)	Full Consolidation
KLM SA-ISTOS LTD joint venture	Greece	75,00%	Indirect(KLM ATE 100%)	Full Consolidation
KLM SA-ISTOS LTD joint venture-Larissa project	Greece	75,00%	Indirect(KLM ATE 100%)	Full Consolidation (2)
COMPTON HOUSE PROPERTIES LIMITED COMPANY	Cyprus	100,00%	Direct	Full Consolidation
COMPTON HOUSE HELLAS(ELC)	Greece	100,00%	Indirect	Full Consolidation
ENTELEIA A.E.	Greece	100,00%	Direct	Full Consolidation
SYSMEROM COM SRL	Romania	100,00%	Direct	Full Consolidation
KLM BULGARIA EOOD	Bulgaria	100,00%	Direct	Full Consolidation
KLMS COM DOOEL	FYROM	100,00%	Direct	Full Consolidation
KLSAL LTD	Albania	100,00%	Direct	Full Consolidation
KLSEK COMMERCE LTD	Serbia	100,00%	Direct	Full Consolidation
KLM TRGOVINA KROATIA	Croatia	100,00%	Direct	Full Consolidation
KLSLV D.O.O	Slovenia	100,00%	Direct	Full Consolidation
KLMOL	MOLDAVIA	100,00%	Direct	Full Consolidation (3)
KLOUKINAS-LAPPAS SA-ERGO SA joint venture	Greece	50,00%	Indirect(KLM ATE 100%)	Equity
K.L.M.SA &SIA ERGO PALLINIS EE	Greece	70,00%	Indirect(KLM ATE 100%)	Equity
K.L.M.SA &SIA EE	Greece	70,00%	Indirect(KLM ATE 100%)	Equity
ATHONIKI TECHNIKI-KLM SA joint venture	Greece	50,00%	Indirect(KLM ATE 100%)	Equity
ATTIKAT	Greece	10,00%	Indirect(KLM ATE 100%)	Equity

(1) KLTH Carpentry changed into Societe Anonyme

(2) Established 17.7.2008

(3) Established 12.11.2008

The method of full consolidation is not applicable in the case of companies consolidated using the equity method, insofar the company does not exercise control on the basis of an agreement with the remaining shareholders.

In the consolidated financial statements as at 31.12.2008 is included for the first time with the full consolidation method the company KLMOL established in Moldavia in November 2008. The result for the period is amounting to 4.428.16€ loss as there is no commercial activity yet.

In the financial statements as at 31.12.08 the companies under the name "Compton House Properties Limited" and "Compton House Hellas" were consolidated using the full consolidation method .The above entities were included in the financial statements as at 31.12.2007 since their acquisition in November 2007.

In the consolidated financial statements as at 31.12.08 the company under the name "ENTELEIA SA" participated in the group's financial statements with the full consolidation method due to the acquisition by the parent company of the remaining

60% of the share capital in April 2008. The acquisition cost amounted to 60.000 €.The above company participated in the consolidated financial statements as at 31.12.2007 and 31.03.2008 using the equity method as KLM SA acquired 40% since the foundation of the company in 2007. The results after tax of "ENTELEIA SA" affected the group's results by 65.674,82 € loss , and the company' s turnover by 388.706,09 € after the elimination of the related parties transactions.

The participation of the company in its subsidiary "KLM ATE" (ex KLTH LTD) has increased from 99,59% to 100% due to the donation of the remaining percentage from a third party.

2.4 Report by Segment

A business segment is a distinct component of the enterprise that provides products or services and that is subject to risks and returns that are different from those of other business segments of the enterprise.

A geographic segment is a distinct component of the enterprise that provides products or services within a particular economic environment and that is subject to risks and returns that are different from those of other segments of the enterprise operating in different economic environments.

The criterion for the determination of primary and secondary segments was the nature and origin of Group revenues. Consequently, the Group presents the analysis by business segments as its primary segment reporting format and geographic segments as secondary.

2.5 Recognition of revenues / costs

2.5.1 Revenues

Revenues are generated by the sale of goods, the execution of works and the provision of services, as well as the receipt of interest and dividends. Revenues are measured at the fair value of the consideration receivable or received and include the true sales value, net of taxes recovered, discounts and returns. Revenue recognition by category is carried out as follows:

(a) Sales of merchandise / goods

Sales of goods are recognized when the Group / the Company delivers the goods to the customer, the customer accepts them, the consideration for the sale has been agreed upon, collection of claims is assured only in cash, and the cost can be reliably measured.

(b) Revenues from the execution of projects

Revenues from the execution of projects arise from the company's fees for the construction of assets, namely buildings, on behalf of its clients with whom it signs a relevant contract for the execution of works. These are mainly «fixed amount» contracts and can be long or short term depending on their duration.

(bi) Long-term project contracts

In order to recognize revenues arising from the execution of projects spanning two or more accounting periods, the Company applies the «percentage of completion» accounting method provided for in IAS 11. According to this method, if the outcome of a construction contract can be reliably estimated, revenue and costs linked to the contract are recognized in proportion to the stage (percentage) of completion of

contract activity at the balance sheet date. No profit is recognized for project contracts for which the outcome cannot be reliably estimated and the revenue recognized is equivalent to the cost of sales in the income statement. An expected loss on a project contract is recognized in its entirety in the income statements of the fiscal year in which this loss is identified.

The stage (percentage) of completion of each project contract is calculated as the proportion of contract costs incurred for works performed at the balance sheet date in relation to the estimated total contract costs to completion of works and delivery to the client. The project contract costs, as per above, do not include costs pertaining to future works nor down-payments to sub-contractors.

Changes in initial revenue and cost estimates for project contracts are dealt with according to IAS 8, bearing on the current and future financial years.

(bii) Short-term project contracts

Revenue and costs of project contracts executed, from beginning to completion of works, within the same accounting period are recognized in their entirety in the income statements of the period.

(c) Revenues from provision of services

Revenues arising from the provision of services are recognized when the amount of revenue amount can be reliably measured, it is probable that the economic benefits will flow to the Company, the stage of completion of the transaction at the balance sheet date can be reliably measured, and the costs incurred in respect of the transaction as well as those to be incurred for the completion thereof can also be reliably estimated.

(d) Interest income

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

(e) Dividend income

Dividend income is recognized when the shareholders right to receive payment is established.

(f) Revenue from leases

Rents receivable are recognized in the income statement according to the rent amount corresponding to the period in question.

2.5.2 Costs

a) Cost of sales

The cost of goods sold is recognized concurrently with the delivery of goods (issuance of the corresponding fiscal document) to customers.

b) Cost of project contracts

The cost of project contracts includes a) all costs directly related to each contract (direct cost), b) costs attributable to the general contracting activity to the extent that they can be reasonably allocated to each contract (indirect cost) and c) all other expenses specifically charged to an individual contract.

The direct cost of contracts includes direct labor costs, sub-contractor fees, the cost of materials used, amortization of machinery and equipment used in construction, expenses for the transfer of machinery and materials, and the estimated cost of site restoration works and guarantees.

The indirect cost of construction contracts includes insurance premiums, design and technical assistance expenses and general construction costs. They are allocated in a systematic and rational way to contracts.

Expenses specifically related to a contract include any administrative or sales & marketing expense related to it.

The costs of a project contract are encompassed in the period from the signing of the contract until its full completion (delivery of the project to the client). Expenses directly linked to a contract and incurred prior to signing are included in the contract costs only if the signing of the contract and the incurring of said expenses fall in the same fiscal year.

2.6 Effects of Exchange rate fluctuations

Foreign currency transactions are converted into euros at the rate of exchange at the date of the transaction.

At the balance sheet date, foreign currency assets and liabilities are converted into euros at the rate of exchange on that date. Foreign currency gains or losses ensuing from conversion are recognized in profit & loss.

2.7 Income Tax and Deferred Taxes

The period is charged with income taxes consisting of current taxes and deferred taxes, that is taxes or tax exemptions related to the economic benefits ensuing within the period but have already been or will be imputed by fiscal authorities to different periods. Income taxes are recognized in the period's income statement, except to the extent that the tax arises from transactions recognized directly in equity, in which case the tax is also directly recognized in equity in a corresponding manner.

Current income taxes include short term liabilities and/or claims expected to be paid (recovered from) on the period's taxable income and any additional income tax carried over from previous fiscal years.

Current taxes are measured according to the tax rates and fiscal laws applicable in the fiscal periods to which they relate, based on taxable profits for that year. All changes in the short term tax assets or liabilities are recognized as expenses in the income statement.

Deferred income taxes are recognized with the liability method on all temporary differences between the carrying value of an asset or liability and its tax base. Deferred income taxes are not recognized if they arise from the initial recognition of assets or liabilities in a transaction, other than in a business combination which, at the time of the transaction, did not affect either the accounting or the taxable profit or loss. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and fiscal laws that have been enacted or substantively enacted by the balance sheet date.

In the event it is impossible to determine the timing of the reversal of temporary differences, the tax rate in force on the day following the balance sheet date is applied. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income taxes are recognized for deductible temporary differences arising from investments in subsidiaries and affiliates, unless the reversal of temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax liabilities are also measured taking into account the possible tax differences ensuing from an audit by competent authorities.

Most changes in deferred tax assets or liabilities are recognized as part of tax-related expenses in the income statement. Only changes in assets or liabilities having an impact on temporary differences are directly recognized in the Group's equity, such as

revaluation of real estate properties, result in the corresponding change in deferred tax assets or liabilities charged against the relevant equity account.

2.8 Tangible assets

Tangible assets are recorded in financial statements at their purchase price or at imputed cost as determined on the basis of fair value on the date of transfer, less accumulated depreciation and eventual asset impairment. Purchase cost includes all expenses incurred to acquire an item of property.

Subsequent expenses are recognized at revaluation of the carrying value of tangible assets or as a separate asset only if it is probable that the future economic benefits associated with the asset will flow to the Group and their cost can be reliably measured. The cost of repair and maintenance is recognized at the moment it is actually incurred. Depreciation of tangible assets (other than land that does not depreciate) is calculated over the asset's useful life as follows:

Buildings and installations	50	years
Machinery and Equipment	5	years
Vehicles and Transport Equipment	5	years
Computers	3	years
Other equipment	5	years

The residual value and useful life of tangible assets are reviewed at each balance sheet date. When the carrying value of tangible assets exceeds their residual value, the difference is directly recognized as an expense in the income statement.

When a fixed tangible asset is disposed of, the differences between the proceeds and the carrying value are recorded as gains or losses in the income statement. Finally, when fixed tangible assets are measured at fair value, any revaluation surplus credited to equity at the moment of the sale is carried forward. Repairs and maintenance are recorded in the expenses of the relevant period.

Self-produced tangible assets represent an addition to the purchase costs at values that include the direct cost of salaries of the personnel participating in the construction (corresponding employer contributions), the cost of perishables and other general costs.

2.9 Investments in property

Investments in property are carried out to earn rentals or realize capital gains or both. Investment properties are properties (including land, buildings, or parts of a building or both) held by the Group either to earn rentals from their lease or to realize capital gains or both.

According to the recognition criteria, the Group recognizes all the expenses related to an investment property when they are incurred. These expenses include all expenses initially incurred for the acquisition of the property and all subsequent expenses incurred for the extension or replacement of part of the property. According to the recognition criteria, the Group does not include repair expenses in the carrying value of investment properties, being directly recognized in the income statement.

Investment properties are initially recognized at their purchase cost, incremented by all the expenses related to the purchase transaction (e.g. notary fees, agent fees, property transfer taxes). The cost of investment properties is the equivalent price in cash. If payment for the acquisition of an investment property is deferred beyond usual credit terms, the difference between the total of payments and the equivalent amount in cash

will be recognized and recorded in the income statement as interest (expense) throughout the duration of the credit.

The Group chose to value property investments on a fair value basis. According to this policy, the fair value of a property investment is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value excludes a valued price accrued or reduced because of special terms or circumstances, such as unusual financing, sale with lease back agreement, special considerations or concessions made by any party involved in the sale. Gains (or losses) arising from changes in the fair value of an investment property is recognized as a net profit or loss in the period in which it arises.

Key factors in determining fair value are current prices in an active market for similar properties in the same location and condition.

2.10 Itangible assets

Software licenses : These include primarily the costs of implementing the computer software program. The cost of software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software . These costs are amortised over their estimated useful lifes with the straight line method (3 to 5 years).

Commercial brands and licences: the acquired commercial brand and licenses should be carried at cost less any accumulated amortization. They should be amortised on a systematic basis over its useful life. The amortization period should reflect the best estimate of the period during which futur economic benefits are expected to flow to the enterprise (20 years).

Intangible Market Value of Retail Stores:The Intangible market Value of the Company's retail stores is measured at cost less depreciation. Depreciation is performed based on the lease term of the stores, which is 8 to 12 years.

2.11 Asset impairment

Assets having an indefinite useful life are not depreciated and are subject to an annual impairment control or whenever there is an indication that the carrying value is not recoverable. Assets that are depreciated are subject to an impairment control whenever there is an indication that the carrying value is not recoverable. The recoverable amount is the higher of an asset's net selling price and its value in use.

An impairment loss is recognized by the company whenever the recoverable amount of assets is below their carrying value (or their Cash Generation Unit).

Net selling price is the amount ensuing from the sale of an asset within the framework of a bargained transaction between fully knowledgeable and willing parties, less any additional direct cost of disposal of the asset; value in use is the current value of estimated future cash flows the enterprise expects to derive from the asset's use and its disposal at the end of its estimated useful life.

2.12 Valuation of subsidiaries and affiliates

Participations in subsidiaries and affiliated companies are accounted in the parent company's financial statements at the cost of acquisition less impairment losses.

2.13 Inventories

Inventory is stated at the lower of cost and net realizable value. Cost of inventories is determined using the weighed average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Customer Receivables

Customer Receivables are initially recorded at their fair value which corresponds to the nominal value, less impairment losses. Impairment losses (losses from doubtful receivables) are recognized when there is an objective proof that the Group is not in a position to collect all the amounts due on the basis of contractual terms. Impairment losses are the difference between the carrying value of receivables and estimated future cash-flows. Any impairment loss amount is recorded as an expense in the financial statements of the year in which the concurrence of the above conditions has been identified.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Group's financial instruments are classified in the categories below on the basis of the substance of the contract and the purpose for which they were acquired.

2.15.1 Financial instruments classified at fair value through profit and loss.

These are financial assets meeting any of the below mentioned criteria:

Financial assets held for trading (including derivatives other than those that are fixed effective offsetting means, those that are acquired or created with a view to selling or re-purchasing and those that are part of a portfolio of recognized financial instruments).

At initial recognition the enterprise records these assets at fair value, recognizing changes in the Income statement.

2.15.2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and with no intention of trading. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. Loans and receivables are included in trade and other receivables in the balance sheet.

2.15.3 Financial assets available for sale

It includes non-derivative financial assets that are either designated in this category or cannot be classified in any of the above categories.

Subsequent valuations of these financial instruments are carried out at fair value, provided it can be reliably measured, whereas in the opposite case valuations are based on cost of acquisition.

Profits or losses arising from assets available for sale are directly recognized in equity until the asset is disposed of.

In the event the value of financial assets decreases, the amount is not recognized in equity but in profit & loss. The same holds true for profits or losses arising from foreign exchange differences.

Purchases and sales of investments are recognized at the transaction date, which is the date that the Group commits to purchase or sell the item. Investments are initially recorded at fair value plus directly allocated costs. Investments are written-off when the right to the cash flows of the investment expire or are transferred and the Group has essentially transferred all the risks and rewards related to the ownership of the investment.

The fair values of financial assets, which are traded on active markets, are determined by the market values. The fair value of financial assets not traded on active markets is determined by the use of valuation techniques determined by the net present value of cash flows.

At each balance sheet date, the Group determines if there are objective indications which may lead to the conclusion that the financial assets are impaired. For shares in companies which have been classified as Available for sale, such an indication is the significant or protracted decrease in the fair valued as compared to the cost. If the impairment can be substantiated, the accumulated loss recorded under Equity is transferred to the income statement.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits together with short-term, highly liquid investments such as money market products and bank deposits. Money market products are financial assets recorded at fair value in profit & loss.

2.17 Share capital

Expenses incurred for the issue of shares are recognized after the deduction of the relevant income tax and charged against the issue proceeds. Expenses related to the issue of shares towards the acquisition of enterprises are included in the cost of acquisition of said entity.

Company shares are traded on the Athens Stock Exchange under the KLM ticker symbol. Each ordinary nominal share is entitled to one vote.

2.18 Borrowings

Loans are initially recognized at fair value net of any transaction costs incurred. Subsequently, they are recognized at amortized cost using the real interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

2.19 Leases

2.19.1 As lessee:

Leases in which the risks and rewards of ownership are retained by a third party, that is the lessor, are classified as operating leases. Payments made, including down-

payments, are correspondingly recognized in the income statements over the term of the lease.

Fixed asset leases in which all the risks and rewards of ownership are retained by the Company are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and the finance charges. The corresponding lease obligation, net of finance charges, are recognized in long-term and short-term liabilities, while the interest element of the finance cost is recognized in the income statement. Profits arising from the sale of the asset are recorded as deferred income and are recognized as income in the income statement over the lease period.

Tangible assets acquired through finance leases are depreciated over the shorter of the lease term or the useful life of the asset.

2.19.2 As lessor:

Assets leased under operating leases are included in the tangible assets of the balance sheet. They are depreciated over the duration of their useful life in a way consistent with that for owned assets. Lease income (net of any incentive granted to lessees) is recognized over the lease term on a straight-line basis. The Group does not lease assets under finance leases but under operating leases.

2.20 Employee benefits

2.20.1 Short-term benefits:

Short-term employee benefits (with the exception of termination benefits) in cash and in kind are recognized as an expense when actually incurred. Any unpaid amount is recorded under liabilities, whereas whenever the amount paid exceeds benefits, the enterprise recognizes the amount in excess as an asset (pre-paid expense) only to the extent that this pre-payment will lead to a decrease of future payments or to a return.

The actuarial benefit valuation method used was the Projected Unit Credit Method.

Actuarial gains and losses are items of the enterprise's obligation, as well as of the expense to be recognized in the income statement. They arise from adjustments above or below the 10% margin of the accumulated obligation and are recognized in profit & loss in the expected average remaining working lives of the participating employees.

2.20.2 Termination benefits:

Termination benefits are paid when the employment of an employee or group of employees is terminated before the normal retirement date. The Group recognizes these benefits when it is demonstrably committed to either terminate the employment of existing employees on the basis of a detailed formal plan for the termination that has no realistic possibility of withdrawal, or when it provides termination benefits as an incentive to encourage voluntary redundancy. Where termination benefits fall due after more than 12 months after the balance sheet date, they are discounted on the basis of the yield of high quality corporate bonds or government bonds.

In the event of an offer made to encourage voluntary redundancy, the valuation of termination benefits is based on the number of employees expected to accept this offer. In the event of employment termination where it is impossible to determine the number of employees that will make use of these benefits, same are not accounted but simply disclosed as possible obligation (contingent liability).

2.21 Government grants

The Group recognizes government grants that cumulatively satisfy the following criteria: a) there is reasonable assurance that the enterprise will comply with any conditions attached to the grant and b) there is reasonable assurance that the grant will be received. Grants are recorded at fair value and are systematically recognized as income, on the basis of the principle of the correlation of grants with the corresponding costs they compensate.

Grants relating to assets are included in long-term liabilities as deferred income and are systematically and rationally recognized as income over the useful life of the asset.

2.22 Trade and other payables

Liabilities for trade and other amounts payable which are normally settled on 30-90 days terms, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

2.23 Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, their settlement will probably result in an outflow of resources and the exact amount of the obligations can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted so as to reflect the amount that an enterprise would rationally pay to settle the obligations. Possible obligations (contingent liabilities) are not recognized in financial statements but only disclosed, unless the probability of outflow of resources incorporating economic benefits is minimal. Contingent assets are not recognized in financial statements but are disclosed when an inflow of economic benefits is probable.

2.24 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a group of interrelated assets for and on behalf of customers, according to the terms provided for in the relevant contracts, the execution of which usually covers a period of time exceeding one financial year.

Expenses related to the contract are recognized whenever they are actually incurred. If the outcome of a construction contract cannot be reliably estimated, particularly in the early stages of the project, then the expense is recognized only to the extent that the contract costs incurred are expected to be recoverable and contract costs should be expensed as incurred. Consequently, in these contracts, the income recognized must be such that there is a zero profit from the specific project.

If the outcome of a construction contract can be reliably estimated, revenue and costs are recognized respectively as revenue and costs for the duration of the contract. The Group uses the percentage of completion method of accounting in order to determine the suitable revenue and costs to be recognized in a specific period.

The stage of completion of a contract is measured on the basis of the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Whenever there is a reasonable indication that the total contract cost will exceed total revenue, the expected loss on a construction contract is directly recognized as an expense in the income statement.

In order to measure the cost incurred until the end of the fiscal year, any expense related to future works in relation to the contract is excluded and is accounted as work in progress. The total cost incurred and the total profit/loss recognized for each contract is compared with the progressive invoicing until the end of the fiscal year.

Whenever the incurred expenses plus net profits (minus losses) that have been recognized exceed progressive invoicing, the difference is accounted as a receivable from contract customers under «Trade debtors and other receivables». Whenever progressive invoicing exceeds the expenses incurred plus net profits (minus losses) that have been recognized, the balance is accounted as an obligation to contract customers under «Suppliers and other liabilities».

2.25 Dividend Distribution

The distribution of dividends to the shareholders of the parent company and the remuneration of the Board of Directors from the profits of the fiscal year are recognized as a liability in the separate and consolidated financial statements on the date the distribution is approved by the General Shareholders Meeting.

3. Financial risk factors

Risk management falls under the competence of the Financial Department that operates according to specific rules approved by the Board of Directors.

Market risk

- Foreign exchange risk

The Group operates internationally and therefore it is exposed to foreign exchange risk, which arise mainly from the British Pounds. The Group contacts constantly its financial advisors in order to determine the appropriate hedging policy .

The following table illustrates the sensitivity of the result for the year and the equity in regards to hypothetical fluctuation of € / Ron exchange rate.

It assumes a 10% change for the year ended 31 December 2008

	31/12/2008	
	Increase	Decrease
Net results for the year	-77.358	94.548
Equity	-195.803	239.314

The financial assets and liabilities in foreign currency translated into euro using the exchange rate at the balance sheet date as follows:

	31/12/2008
	English pounds
Financial Assets	0
Financial Liabilities	2.539.041

The following table illustrates the sensitivity of the result for the year and the equity in regards to to hypothetical fluctuation of € / £ exchange rate.

It assumes a 2% change for the year ended 31 December 2008

	31/12/2008	
	Increase	Decrease
Net results for the year	-54.401	52.268
Equity	-54.401	52.238

- Price Risk

The Group is exposed to commodity price risk due to transactions mainly in British pounds and US dollar. A change in selling price of goods every six months protects the company against this volatility.

- Interest rate risk

Interest rate risk is usually due to long term loan agreements. All loans are expressed in floating rates. Changes in interest rates expose the Group to cash-flow risks. Financial expenses increase or decrease as a result of such changes.

The following table reflects the sensitivity of income and equity in relation to a hypothetical assumption regarding interest fluctuation. It assumes a 0.5% change for the year ended 31 December 2008

	31/12/2008	
	Increase	Decrease
Net results for the year	-153.884	153.884
Equity	-153.884	153.884

Credit Risk

The Group does not have a significant concentration of credit risk. The policies it has developed ensure that construction contracts are signed with clients that have a satisfactory credit standing. The sale of merchandise is carried out only against cash. Cash-related transactions are carried out with reliable credit institutions.

Liquidity Risk

Liquidity risks are irrelevant insofar that the Group has sufficient cash as well as sufficient credit lines with cooperating banks.

There are no cash-flow risks as the Group does not have significant interest income.

3.1 Capital Management

The Group's objectives as regards to management of capital, is to reassure the ability for the Group's smooth operation, which aims at providing satisfactory returns to shareholders and to maintain an ideal capital structure by reducing thus the cost of capital. The Group monitors its capital based on the leverage rate. The leverage rate is calculated by dividing net debt with total employed capital. Net debt is calculated as "Total debt" (including "short-term and long-term debt" as presented in the Balance Sheet) minus "Cash and cash equivalents". Total employed capital is calculated as "Equity attributed to shareholders of the parent" as presented in the balance sheet plus net debt. The leverage ratio on December 31st 2008 was as follows:

	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Total debt	34.499.409,94	27.272.804,18	29.725.627,20	23.744.974,78
Less: cash equivalent	-13.419.291,04	-12.537.920,02	-5.974.413,97	-8.129.780,30
Net debt	21.080.118,90	14.734.884,16	23.751.213,23	15.615.194,48
Equity attributed to shareholders of the parent	65.770.375,93	65.312.606,14	63.269.514,83	64.681.236,39
Total employed capital	86.850.494,83	80.047.490,30	87.020.728,05	80.296.430,87
Leverage ratio	24%	18%	27%	19%

3.2 Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for valuation purposes where applicable. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

3.3 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.4 Income taxes

Current income tax liabilities for the current and prior periods are measured, in accordance with IAS 12, at the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the unaudited tax years.

Group entities are subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.5 Provision for doubtful customers

The Management of the Company proceeds to periodical revaluation of the provision sufficiency concerning the doubtful customers in accordance with the credit policy taking into account its Legal Counselor advices for the cases it handles.

4. SEGMENT INFORMATION

The Group's main business activities involve the sale of goods and revenues from construction contracts. To enhance the understanding of the financial statements, the results of these activities are presented in detail below.

4.1 Review by business segment

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
GROUP 01.01.-31.12.08					
<i>Amounts reported in €</i>					
Sales	45.211.541,93	30.597.187,80	623.873,88	438.503,59	76.871.107,20
Cost of Sales	-15.286.791,05	-26.062.013,63	-243.466,82	-522.404,74	-42.114.676,24
Gross Profit	29.924.750,88	4.535.174,17	380.407,06	-83.901,15	34.756.430,96
Other operating income	1.591.741,29	57.757,45	28.879,99	17.342,49	1.695.721,22
Distribution costs	-18.867.922,90	7.085,00	0,00	-7.085,00	-18.867.922,90
Administrative expenses	-3.816.600,57	-1.765.064,31	-40.702,80	-76.540,89	-5.698.908,57
Other operating expenses	-70.539,33	-3.449,48	0,00	0,00	-73.988,81
Operating profit	8.761.429,37	2.831.502,83	368.584,25	-150.184,55	11.811.331,90
Finance cost	-1.486.667,66	-301.313,27	-75.502,42	-38.722,00	-1.902.205,35
Income from associates	0,00	-12.501,66	0,00	0,00	-12.501,66
Profit before tax	7.274.761,71	2.517.687,90	293.081,83	-188.906,55	9.896.624,89
Tax					-2.892.157,66
Profit after tax					7.004.467,23

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
Group 01.01.- 31.12.07					
Sales	38.624.957	24.713.635	549.119	115.504	64.003.215
Cost of Sales	-14.224.763	-18.688.636	-197.101	-51.385	-33.161.885
Gross Profit	24.400.194	6.024.999	352.018	64.119	30.841.330
Other operating income	8.195.915	67.435	16.847	6.685	8.286.882
Distribution costs	-11.950.205	0	0	-43.562	-11.993.768
Administrative expenses	-1.886.124	-1.824.940	-16.878	-102.027	-3.829.969
Other operating expenses	-8.823	0	0	0	-8.823
Operating profit	18.750.957	4.267.495	351.986	-74.785	23.295.653
Finance cost	-780.676	-498.393	-63.485	-84.224	-1.426.779
Income from associates	0	-7.757	0	0	-7.757
Profit before tax	17.970.281	3.761.344	288.501	-159.009	21.861.117
Tax					-5.632.835
Profit after tax					16.228.281

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COMPANY 01.01.-31.12.08	Commercial segment	Construction segment	Total
Amounts reported in €			
Sales	35.184.653	5.500.319	40.684.972
Cost of Sales	-12.640.046	-4.274.218	-16.914.265
Gross Profit	22.544.607	1.226.101	23.770.707
Other operating income	1.570.152	6.600	1.576.752
Distribution costs	-13.653.484	0	-13.653.484
Administrative expenses	-2.988.282	-350.786	-3.339.067
Other operating expenses	-70.539	0	-70.539
Operating profit	7.402.453	881.915	8.284.369
Finance cost	-1.370.555	-110.686	-1.481.241
Income from associates	0	-27.741	-27.741
Proceeds from acquisition of subsidiary	0	0	0
Profit before tax	6.031.898	743.488	6.775.386
Tax			-1.999.536
Profit after tax			4.775.850

	Commercial segment	Construction segment	Total
COMPANY 01.01.- 31.12.07			
Sales	33.704.092	20.580.550	54.284.642
Cost of Sales	-12.909.549	-16.998.207	-29.907.756
Gross Profit	20.794.543	3.582.343	24.376.886
Other operating income	8.029.942	67.435	8.097.378
Distribution costs	-10.413.807	0	-10.413.807
Administrative expenses	-1.500.664	-1.733.115	-3.233.779
Other operating expenses	-4.166	0	-4.166
Operating profit	16.905.849	1.916.663	18.822.512
Finance cost	-741.908	-495.121	-1.237.029
Income from associates	0	1.217.101	1.217.101
Profit before tax	16.163.941	2.638.643	18.802.584
Tax			-4.651.287
Profit after tax			14.151.297

4.2 Review by geographical segment

Domestic sales are generated by the companies I.KLOUKINAS - I.LAPPAS S.A., KLM ATE (ex-KLTH CARPENTRY WORKS Ltd.), KLM-TEDRA SA joint venture, KLM ATE-ISTOS joint venture, COMPTON HOUSE HELLAS and I.KLOUKINAS - I.LAPPAS ENERGY S.A. and ENTELEIA.

Sales abroad are generated by the companies SYSMEROM COM SRL (Romania), KLMS KOM DOOEL (FYROM) and KLM BULGARIA LTD (Bulgaria), KLAL LTD (ALBANIA), KLSER COMMERSE LTD (SERBIA).

	01.01 - 31.12.2008		01.01 - 31.12.2007	
	Domestic	Abroad	Domestic	Abroad
Group Sales				
Company Sales				
	39.452.280	39.452.280	39.452.280	39.452.280

4.3 Review of construction segment

The gross amount receivable (payable) from (to) customers is analyzed as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Realized cost	37.672.279	47.997.113	0	39.178.458
Plus: recognized profit	9.648.311	11.233.565	0	7.567.549
Less: total recognized losses	0	0	0	0
Less: invoiced amounts	45.308.988	56.571.074	0	45.323.110
Amounts receivables	2.011.602	2.659.604	0	1.422.897

5. NOTES ON FINANCIAL STATEMENTS

5.1 Tangible Assets (property, plant & equipment)

Land and buildings were revalued at deemed cost on the date of transition to the IFRS, in accordance with the provisions of IFRS 1. The deemed cost is the tangible asset's fair value at the IFRS transition date, as determined by an independent valuation firm.

The company holds legal title on its tangible assets which are not burdened by mortgages or mortgage prenotations, except for those mentioned in detail in paragraph 6.1.3 "Existing mortgages and prenotations" of these notes

The Group's tangible assets (property, plant & equipment) are as follows:

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	Land	Buildings	& equipment	Motor vehicles	Furniture & fixtures	Assets under construction	Total
Cost							
Balance 01/01/07	3.810.486	17.214.555	1.361.572	759.503	2.877.714	3.184.101	29.207.931
Additions	469.023	412.778	1.857.930	60.144	649.857	476.878	3.926.611
Disposals	0	0	0	-4.578	0	0	-4.578
Assets Write-offs	0	0	0	0	0	0	0
Exchange Differences	0	-13.819	-1.514	-1.821	-7.203	0	-24.358
Assets from absorbed subsidiary							0
Subsidiary acquisitions	0	955.000	0	930	327.453	0	1.283.382
Transfers	0	530.507	2.622.619	0	2.903	-3.184.101	-28.071
Balance 31/12/07	4.279.508	19.099.021	5.840.608	814.178	3.850.724	476.878	34.360.917
Depreciation							
Balance 01/01/07	0	4.449.201	1.016.363	476.602	1.936.281	0	7.878.446
Additions	0	687.683	205.579	51.148	411.647	0	1.356.058
Disposals	0	0	0	-4.578	0	0	-4.578
Assets Write-offs	0	0	0	0	0	0	0
Exchange Differences	0	-5.489	-1.273	-4.297	-91	0	-11.149
Assets from absorbed subsidiary							0
Subsidiary acquisitions	0	182.525	0	930	191.527	0	374.982
Transfers	0	-13.559	-2	0	541	0	-13.020
Balance 31/12/07	0	5.300.362	1.220.667	519.805	2.539.906	0	9.580.739
Net book value 31/12/07	4.279.508	13.798.659	4.619.941	294.373	1.310.819	476.878	24.780.178

	Land	Buildings	& equipment	Motor vehicles	Furniture & fixtures	Assets under construction	Total
Cost							
Balance 01/01/08	4.279.508	19.099.021	5.840.608	814.178	3.850.724	476.878	34.360.917
Additions	0	1.961.613	64.999	44.555	598.481	124.215	2.793.863
Disposals	0	0	0	-14.087	0	0	-14.087
Assets Write-offs	0	0	0	0	0	0	0
Exchange Differences	0	-59.166	-3.829	-5.597	-18.927	0	-87.519
Transferred assets	0	0	0	0	0	0	0
Subsidiary acquisitions	0	0	0	0	0	0	0
Transfers	0	429.715	0	0	47.163	-476.878	0
Balance 31/12/08	4.279.508	21.431.183	5.901.778	839.049	4.477.441	124.215	37.053.174
Depreciation							
Balance 01/01/08	0	5.300.362	1.220.667	519.805	2.539.906	0	9.580.739
Additions	0	869.063	252.819	61.619	522.983	0	1.706.484
Disposals	0	0	0	-14.087	0	0	-14.087
Assets Write-offs	0	0	0	0	0	0	0
Exchange Differences	0	-11.106	-2.846	-2.888	-5.728	0	-22.570
Transferred assets	0	0	0	0	0	0	0
Subsidiary acquisitions	0	0	0	0	0	0	0
Transfers	0	-4.707	0	0	4.707	0	0
Balance 31/12/08	0	6.153.610	1.470.640	564.449	3.061.867	0	11.250.567
Net book value 31/12/08	4.279.508	15.277.572	4.431.137	274.601	1.415.574	124.215	25.802.607

The Company's tangible assets (property, plant & equipment) are as follows:

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	Land	Buildings	Machinery & equipment	Motor vehicles	Furniture & fixtures	Assets under construction	Total
Cost							
Balance 01/01/07	3.650.886	16.234.797	705.705	680.510	2.578.684	0	23.850.582
Additions	469.023	291.471	72.675	45.057	606.797	476.878	1.961.900
Disposals				-4.578			-4.578
Assets Write-offs							0
Exchange Differences							0
Assets from absorbed subsidiary				17.185	8.632		25.817
Subsidiary acquisitions							0
Transfers		-20.368					-20.368
Balance 31/12/07	4.119.908	16.505.900	778.380	738.175	3.194.113	476.878	25.813.353
Depreciation							
Balance 01/01/07	0	4.251.740	562.228	430.644	1.831.682	0	7.076.293
Additions	0	626.349	48.634	40.549	362.566		1.078.099
Disposals				-4.578			-4.578
Assets Write-offs							0
Exchange Differences							0
Assets from absorbed subsidiary				6.732	8.365		15.097
Subsidiary acquisitions							0
Transfers		-20.368					-20.368
Balance 31/12/07	0	4.857.721	610.862	473.347	2.202.613	0	8.144.543
Net book value 31/12/07	4.119.908	11.648.179	167.517	264.828	991.499	476.878	17.668.810
Cost							
Balance 01/01/08	4.119.908	16.505.900	778.380	738.175	3.194.113	476.878	25.813.353
Additions		1.440.835	39.270	27.811	517.822		2.025.738
Disposals							0
Assets Write-offs							0
Exchange Differences							0
Transferred assets	-448.000	-2.783.684	-744.631	-482.733	-559.522		-5.018.569
Subsidiary acquisitions							0
Transfers		476.878				-476.878	0
Balance 31/12/08	3.671.908	15.639.928	73.018	283.253	3.152.413	0	22.820.521
Depreciation							
Balance 01/01/08	0	4.857.721	610.862	473.347	2.202.613	0	8.144.543
Additions		663.069	20.577	38.018	401.660		1.123.323
Disposals							0
Assets Write-offs							0
Exchange Differences							0
Transferred assets		-1.389.747	-592.505	-315.040	-532.405		-2.829.697
Subsidiary acquisitions							0
Transfers							0
Balance 31/12/08	0	4.131.043	38.934	196.324	2.071.869	0	6.438.169
Net book value 31/12/08	3.671.908	11.508.885	34.084	86.929	1.080.544	0	16.382.352

5.2 Intangible Assets

GROUP	SOFTWARE	CONTRACT	OTHERS	TOTAL
Cost				
Balance 01/01/07	0	2.149.345	0	2.149.345
Additions	9.566	0	0	9.566
Assets from absorbed subsidiary	0	0	0	0
Balance 31/12/07	9.566	2.149.345	0	2.158.911
Depreciation				
Balance 01/01/07	0	26.867	0	26.867
Additions	6.973	107.467	0	114.440
Assets from absorbed subsidiary			0	0
Balance 31/12/07	6.973	134.334	0	141.307
Net book value 31/12/07	2.593	2.015.011	0	2.017.604
GROUP				
SOFTWARE				
CONTRACT				
OTHERS				
TOTAL				
Cost				
Balance 01/01/08	9.566	2.149.345	0	2.158.911
Additions	176	0	275.000	275.176
Assets Write-offs	-206	0	0	-206
Balance 31/12/08	9.536	2.149.345	275.000	2.433.881
Αποσβέσεις				
Balance 01/01/08	6.973	134.334	0	141.307
Additions	1.359	107.467	9.896	118.722
Balance 31/12/08	8.332	241.801	9.896	260.029
Net book value 31/12/08	1.204	1.907.544	265.104	2.173.852

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COMPANY	SOFTWARE	CONTRACT	OTHERS	TOTAL
Cost				
Balance 01/01/07	0	0	0	0
Additions	6.593			6.593
Assets from absorbed subsidiary		2.149.345		2.149.345
Balance 31/12/07	6.593	2.149.345	0	2.155.938
Depreciation				
Balance 01/01/07	0	0		0
Additions	4.492	80.600		85.092
Assets from absorbed subsidiary		53.734		53.734
Balance 31/12/07	4.492	134.334	0	138.826
Net book value 31/12/07	2.101	2.015.011	0	2.017.112

COMPANY	SOFTWARE	CONTRACT	OTHERS	TOTAL
Cost				
Balance 01/01/08	6.593	2.149.345	0	2.155.938
Additions	176		275.000	275.176
Assets Write-offs	-206			-206
Balance 31/12/08	6.563	2.149.345	275.000	2.430.908
Αποσβέσεις				
Balance 01/01/08	4.492	134.334	0	138.826
Additions	866	107.467	9.896	118.229
Balance 31/12/08	5.358	241.801	9.896	257.055
Net book value 31/12/08	1.204	1.907.544	265.104	2.173.852

5.3 Goodwill

I. KLOUKINAS-I. LAPPAS S.A

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at 01/01/2008 & 01/01/2007	8.597.468	3.009.854	2.710.160	2.710.160
Additions	5.534	5.587.614	0	0
Balance at 31/12/2008 & 31/12/2007	8.603.002	8.597.468	2.710.160	2.710.160

Goodwill recognized for the period in the consolidated financial statements is relating to the acquisition of 60% of the share capital of the greek company under the name ENTELEIA SA .As a result of the acquisition the participation of KLM S.A in the company " ENTELEIA SA" hasincreased to 100% from the initial 40%. Therefore the company above is included in the group's financials statement with the full consolidation method. The acquisition cost amounted to 60.000 €.Goodwill analysis is as follows:

Goodwill Analysis	Amounts in €
Acquisition cost	
Acquisition cost	60.000
Less:	
Fair Value of assets acquired by the Group	54.466
Goodwill	5.534

The fair value of the assets and liabilities acquired are as follows:

Amounts in €	Fair value
Deffered Tax Assets	4.159
Inventory	258.000
Trade Debtors and other Receivables	94.674
Cash and Cash equivalent	263.225
Long term Liabilities	(9.420)
Suppliers and other Liabilities	(556.173)
Total assets of subsidiary	54.466

5.4 Real Estate Investments

I. KLOUKINAS-I. LAPPAS S.A

Real estate investments refer to a property at 47 Ermou St., Athens, owned by the parent company and leased to ZARA HELLAS SA..No revaluation adjustment was recorded for the fiscal year 2008. During the last year the company adjusted the value of the above mentioned property to its fair value, amounted to € 6.970.909. The resulting difference was recorded in the 2007 Income Statement.

INVESTMENT PROPERTY			
	Land	Buildings	Total
Balance as at 01.01.07	10.252.364	17.456.727	27.709.091
Revaluation	2.579.236	4.391.673	6.970.909
Balance as at 31.12.07	12.831.600	21.848.400	34.680.000
Balance as at 01.01.08	12.831.600	21.848.400	34.680.000
Additions			0
Revaluation			0
Balance as at 31.12.08	0	0	0

5.5 Investments in Subsidiaries

In the separate financial statements, investments in subsidiary companies are valued at acquisition cost. Changes during the year were as follows:

	COMPANY	
	31/12/2008	31/12/2007
Balance at 01/01/2008 & 01/01/2007	11.063.534	4.713.534
Sale	0	0
Absorption of Subsidiary company	0	-1.710.000
Acquisition of Subsidiary company	60.000	6.000.000
Foundation of Subsidiary company	150.000	50.000
Increase due to contribution of the construction sector to subsidiary	7.166.432	0
Decrease due to spin off process	-49.500	0
Change from associate to subsidiary	40.000	0
Share Capital increase	0	2.010.000
Balance at 31/12/2008 & 31/12/2007	18.430.465	11.063.534

During the year the company established in Moldavia a 100% subsidiary company in accordance with the expansion plan of the network of Mothercare shops in Balkans.

The decrease due to spin off process concerns the joint venture KLM AE-ISTOS LTD(75%) and the joint venture KLM-TEDRA AE(70%) and their participation to the 100% subsidiary company "IOANNIS KLOUKINAS IOANNIS LAPPAS CONTRUCTION SA",because of the spin off of the construction sector.

5.6 Investments in affiliated companies

I. KLOUKINAS-I. LAPPAS S.A

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Balance at 01/01/2008 & 01/01/2007	60.051	29.735	79.310	39.310
Return of Share Capital	0	0	0	0
Acquisition of associates	0	40.000	0	40.000
Change of consolidation method	2.760	0	0	0
Change from associate to subsidiary	-40.000	0	-40.000	0
Decrease due to spin off process	0	0	-39.310	0
Corresponding equity	-12.502	-9.684	0	0
Balance at 31/12/2008 & 31/12/2007	10.310	60.051	0	79.310

5.7 Other long-term receivables

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Guarantees given	838.456	563.604	715.100	468.638

5.8 Deferred tax liabilities and tax assets

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts offset were as follows:

	GROUP				COMPANY			
	31/12/2008 Deferred Tax Asset	31/12/2008 Deferred Tax Liability	31/12/2007 Deferred Tax Asset	31/12/2007 Deferred Tax Liability	31/12/2008 Deferred Tax Asset	31/12/2008 Deferred Tax Liability	31/12/2007 Deferred Tax Asset	31/12/2007 Deferred Tax Liability
Non-current assets								
Intangible Assets	178.099		228.692		81.764		138.958	
Tangible Assets		-4.814.405		-4.692.125		-4.381.171		-4.688.546
Current Assets								
Inventories	468.409		252.836				252.836	
Trade debtors & Other Receivables	109.408							
Financial Assets		-1.067.360		-988.639				-679.463
Long-term Liabilities								
Interest bearing loans	1.354.461		1.669.461		1.254.708		1.669.461	
Provisions for retirement benefits	140.268		151.246		90.793		147.850	
Other Long-term Liabilities		-114.918		-32.655		-102.853		-32.655
Short-term Liabilities								
Current portion of interest bearing borrow	225.000		247.530		225.000		247.530	
Other Short-term Liabilities	373.037	-344.799		-172.691		-71.004		-166.843
<i>Total</i>	<i>2.848.682</i>	<i>-6.341.481</i>	<i>2.549.765</i>	<i>-5.886.110</i>	<i>1.652.265</i>	<i>-4.555.028</i>	<i>2.456.635</i>	<i>-5.567.507</i>
Offset	-2.436.145	2.436.145	-2.406.803	2.406.803	-1.652.265	1.652.265	-2.456.635	2.456.635
Total	412.537	-3.905.337	142.962	-3.479.307	0	-2.902.764	0	-3.110.871

5.9 Inventories

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Finished Goods	11.689.233	8.903.484	8.916.675	6.646.109
Work in Progress	0	75.511	0	0
Raw Material	146.157	148.818	0	51.847
Total	11.835.390	9.127.814	8.916.675	6.697.956

5.10 Trade debtors and other receivables

Receivables from trade debtors (customers) and other receivables for the Group and the Company were as follows:

I. KLOUKINAS-I. LAPPAS S.A

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Trade debtors	18.284.182	14.356.212	7.317.525	13.825.960
Cheques receivable	4.176.880	1.224.043	2.758.157	1.219.222
Receivables from construction	2.271.695	3.093.264	0	1.856.558
Receivables from affiliates	261.988	248.858	829.806	2.550.141
Other debtors	3.994.744	2.557.997	3.552.106	1.124.376
Advances & Prepayments	274.531	688.130	28.664	495.956
Total	29.264.020	22.168.504	14.486.258	21.072.213

Other debtors reflect mainly Income tax prepayments and also a litigation of 1.340.383 €, which is specified in the note 6.1.1.

The above requirements are considered to be short-term. The fair value of these short-term financial elements can not be determined independently because the book value is considered that it approaches their fair value.

For all the assets of the Group have been realized impairment test. The assets that have suffered impairment concern mainly in customers of Group which face financial difficulties.

The maturity of commercial requirements (customers and checks receivable) that they have not suffered impairment they are presented in the table that follows:

	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Less than 3 months	10.572.742	8.910.957	1.019.855,59	8.312.597,10
Between 3 and 6 months	6.684.328	3.989.555	5.484.749,54	4.028.349,06
Between 6 months and 1 year	4.062.134	1.667.083	3.571.077,22	1.791.576,62
Above 1 year	1.141.857	1.012.659	0,00	912.659,03
	22.461.062	15.580.255	10.075.682	15.045.182

5.11 Advances

Advances for the Group and the company were as follows:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Suppliers	900.627	593.687	230.813	487.798
	900.627	593.687	230.813	487.798

5.12 Transitory Accounts

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Deffered Expenses	276.690	415.286	95.070	240.916
Accrued Income	8.897	0	0	0
Other transitory accounts	99.802	0	0	0
Total	385.388	415.286	95.070	240.916

5.13 Financial Assets

Holdings in this category were as follows:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Probank shares	284.043	284.043	284.043	284.043
Total	284.043	284.043	284.043	284.043

5.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand held by the Group and the company and deposits held at call with banks.

The Group's and the company's cash and cash equivalents for the period were as follows:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash	1.486.950	1.629.995	220.405	1.003.944
Current & term deposits	11.932.341	10.907.925	5.754.009	7.125.836
Total	13.419.291	12.537.920	5.974.414	8.129.780

5.15 Shareholders' Equity

Share capital

	Share Capital	Share Premium	Total
Balance at January 1st, 2007	6.187.572,00	11.275.656,00	17.463.228,00
Issue of bonus shares 2 new for 10 existing shares held	1.237.514,40	-287.590,53	949.923,87
Balance at December 31st, 2007	7.425.086,40	10.988.065,47	18.413.151,87
Balance at January 1st, 2008	7.425.086,40	10.988.065,47	18.413.151,87
Balance at December 31st, 2008	7.425.086,40	10.988.065,47	18.413.151,87

Issued shares

Balance at January 1st, 2007	20.625.240
Issue of bonus shares 2 new for 10 existing shares held	4.125.048
Balance at December 31st, 2007	24.750.288

Issued shares

Balance at January 1st, 2008	24.750.288
Balance at December 31st, 2008	24.750.288

5.16 Reserves

OTHER RESERVES	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Statutory reserve	1.248.021	900.202	1.217.880	870.060
Extraordinary reserves	1.667.836	1.667.836	1.643.452	1.643.452
Tax-free reserves	154.299	154.299	134.313	134.313
Total	3.070.157	2.722.338	2.995.645	2.647.826

5.17 Borrowings

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Bank loans	14.735.729	16.049.598	14.488.431	15.421.296
Leasing liabilities	5.751.957	7.488.809	5.459.203	6.671.678
Total	20.487.686	23.538.408	19.947.633	22.092.973
Short-term borrowings	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Bank loans	12.821.035	2.744.276	8.693.563	661.882
Leasing liabilities	1.190.689	990.120	1.084.431	990.120
Total	14.011.724	3.734.396	9.777.994	1.652.002
	34.499.410	27.272.804	20.286.068	20.286.068

The long term liabilities consists of :

- A corporate bond with a nominal value of ten million €10,000,000 issued in 21.07.2006, which was privately placed. The interest rate is semi annual Euribor increased by 1%
- A corporate bond with a nominal value of six million €6.000.000 issued in 09.04.2008 .The interest rate is semi annual Euribor increased by 1%.

5.18 Employee retirement benefit obligations

The company's and the Group's obligation towards their employees as regards the future payment of retirement benefits according to their years of service is calculated and reflected based on the expected amount of pension benefit that each employee will be entitled to receive at the balance sheet date, discounted to its present value, based on the expected date the benefit liability becomes due.

	GROUP		COMPANY	
	01.01 - 31.12.2008	01 - 31.12.2007	01 - 31.12.2008	01 - 31.12.2007
Balance Sheet obligations for:				
Retirement benefits	704.014	603.641	453.964	591.401
Total	704.014	603.641	453.964	591.401
Total debits/(credits) charged to operating results	100.373	88.409	-137.437	76.169
Total change in obligations	100.373	88.409	-137.437	76.169

Accounting Assumptions

The main assumptions used for accounting purposes were the following:

DATE	DISCOUNT RATE	INFLATION RATE	SALARY INCREASES
31/12/2008	5,60%	2,50%	4%
31/12/2007	4,80%	2,50%	4%

5.19 Other long-term liabilities

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Rent Guarantees	99.249	95.066	129.249	95.066
Provisions	150.000	320.000	70.000	270.000
Other long term liabilities	0	0	0	0
Total	249.249	415.066	199.249	365.066

5.20 Suppliers and other liabilities

Liabilities to suppliers and related liabilities for the Group and the company were as follows:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Suppliers	9.019.592	8.285.410	4.140.705	6.575.697
Cheques payable	6.060.336	1.272.928	591.991	998.433
Construction contract obligations	260.093	433.661	0	433.661
Current tax liabilities	3.370.870	4.648.587	2.089.131	3.704.417
Social security contributions	588.583	483.657	376.889	393.663
Customer advances	932.082	704.127	861.659	662.973
Other creditors	857.113	210.320	152.317	94.164
Total	21.088.670	16.038.691	8.212.693	12.863.007

5.21 Transitory Accounts

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Deferred income	0	461	0	461
Accrued expenses	375.962	325.600	315.390	243.252
Government grants	1.415.559	1.450.663	0	0
Other transitory accounts	0	0	0	0
Total	1.791.522	1.776.725	315.390	243.713

5.22 Turnover (Sales)

Turnover for the Group and the company in the current and previous period were comprised of the following:

Amounts in €	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Income from construction projects	31.136.538	25.273.035	5.530.319	20.433.750
Income from commerce	45.550.822	38.544.316	35.071.888	33.665.028
Income from		0	0	0
Income from repairs and other services	170.882	175.723	69.900	175.723
Sales of obsolete material and other inventories	12.865	10.141	12.865	10.141
Total	76.871.107	64.003.215	40.684.972	54.284.642

5.23 Expense analysis by category

The cost of operations for the Group and the company as of December 31, 2008 and 2007 are analyzed as follows:

<i>Amounts in €</i>	GROUP			
	Cost of goods sold	01.01 - 31.12.2008 Sales & marketing expenses	Administration expenses	Total
Wages, salaries & employee benefits	1.847.696	6.688.708	1.986.118	10.522.522
Cost of inventories recognized as expense	24.967.326	0	0	24.967.326
Depreciation	159.251	1.084.464	583.214	1.826.928
Subcontractor fees & expenses	12.605.043	0	1.200	12.606.243
Other third-party fees & expenses	1.617.450	2.967.246	780.446	5.365.142
Insurance premiums	65.843	42.206	70.702	178.751
Rents	237.557	3.598.229	968.521	4.804.306
Repair & maintenance	64.263	136.663	86.394	287.320
Other third-party services	112.138	677.795	282.424	1.072.356
Advertisement expenses	2.660	2.000.666	17.746	2.021.072
Other sundry expenses	435.450	1.671.947	922.145	3.029.542
Total	42.114.676	18.867.923	5.698.909	66.681.508

<i>Amounts in €</i>	GROUP			
	Cost of goods sold	01.01 - 31.12.2007 Sales & marketing expenses	Administration expenses	Total
Wages, salaries & employee benefits	1.969.102	4.651.899	1.830.930	8.451.931
Cost of inventories recognized as expense	20.028.538	0	0	20.028.538
Depreciation	162.098	1.160.448	140.839	1.463.384
Subcontractor fees & expenses	8.372.122	2.010	1.196	8.375.328
Other third-party fees & expenses	1.704.619	1.823.091	720.566	4.248.277
Insurance premiums	54.490	30.805	74.390	159.684
Rents	168.590	1.835.503	289.516	2.293.608
Repair & maintenance	141.026	70.138	77.741	288.905
Other third-party services	106.328	342.717	140.087	589.132
Advertisement expenses	183.873	893.516	15.856	1.093.245
Other sundry expenses	271.100	1.183.642	538.849	1.993.591
Total	33.161.885	11.993.768	3.829.969	48.985.621

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<i>Amounts in €</i>	COMPANY			
	01.01 - 31.12.2008			
	Cost of goods sold	Sales & marketing expenses	Administration expenses	Total
Wages, salaries & employee benefits	449.844	5.114.035	1.030.218	6.594.097
Cost of inventories recognized as expense	14.297.807	0	0	14.297.807
Depreciation	0	837.260	404.293	1.241.553
Subcontractor fees & expenses	2.016.002	0	0	2.016.002
Other third-party fees & expenses	41.628	2.677.153	363.306	3.082.087
Insurance premiums	24.819	19.892	53.559	98.271
Rents	16.581	1.986.011	858.129	2.860.721
Repair & maintenance	12.429	94.592	48.146	155.167
Other third-party services	8.896	402.388	143.384	554.669
Advertisement expenses	1.061	1.171.508	7.427	1.179.996
Other sundry expenses	45.197	1.350.645	430.605	1.826.447
Total	16.914.265	13.653.484	3.339.067	33.906.816

<i>Amounts in €</i>	COMPANY			
	01.01 - 31.12.2007			
	Cost of goods sold	Sales & marketing expenses	Administration expenses	Total
Wages, salaries & employee benefits	1.552.009	4.232.454	1.719.116	7.503.580
Cost of inventories recognized as expense	18.822.724	0	0	18.822.724
Depreciation	0	1.046.384	117.080	1.163.465
Subcontractor fees & expenses	7.850.064	2.010	1.196	7.853.270
Other third-party fees & expenses	1.162.565	1.685.943	638.362	3.486.870
Insurance premiums	34.711	21.249	63.007	118.966
Rents	131.985	1.327.457	238.151	1.697.593
Repair & maintenance	46.336	57.005	73.970	177.312
Other third-party services	77.324	262.143	121.203	460.670
Advertisement expenses	2.533	814.103	15.856	832.492
Other sundry expenses	227.505	965.059	245.838	1.438.402
Total	29.907.756	10.413.807	3.233.779	43.555.342

5.24 Other operating income and expense

Other operating income and expenses for the Group and the company are analyzed as follows:

	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Other operating income				
Revaluation of investment property	0	6.970.909	0	6.970.909
Income from government grants	0	1.749	8.363	1.749
Indemnities	8.363	0	0	0
Gains from exchange differences	153.814	300.273	862.955	300.273
Rent Income	686.382	613.982	702.562	613.982
Amortization of governments grants	738.127	23.532	0	0
Other	104.163	376.237	2.871	210.264
Income from unused provisions	2.871	0	0	0
Profit from sale of assets	2.000	200	0	200
Total	1.695.721	8.286.882	1.576.752	8.097.378
Investment property tax	(73.989)	0	(70.539)	0
Other	0	(8.823)	0	(4.166)
Total	(73.989)	(8.823)	(70.539)	(4.166)

5.25 Financing cost

The financing income and expenses of the Group and the company were as follows:

Amounts in €	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Financing Income				
-Banks	150.424	31.054	27.953	5.006
-Dividends	12.810	8.674	12.810	8.674
	163.234	39.727	40.763	13.680
Χρηματοοικονομικά Έξοδα				
Financing Expenses	-1.585.352	-763.034	-1.109.215	-591.979
-Bank loans	-34.607	-89.921	-34.607	-89.921
- Letter of Guarantee commissions	-419.078	-588.217	-351.780	-543.475
- Leasing	-26.402	-25.334	-26.402	-25.334
	-2.065.439	-1.466.506	-1.522.005	-1.250.709
Net Financial Expenses	-1.902.205	-1.426.779	-1.481.241	-1.237.029

5.26 Income tax

The Group is subject to varying tax rates depending on the country in which it operates. In 2008, the parent company was subject to an income tax rate of 25%. The Group's operations abroad, specifically in Romania, Bulgaria ,FYROM and Albania were subject to income tax rates of 16%, 10% , 10% and 20% respectively.

Deferred taxes on temporary differences were calculated based on the tax rates that will apply in the period tax assets or liabilities will be settled and on the tax rates that apply on the balance sheet date.

Amounts in €	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Income tax	2.559.364,34	2.979.555,92	1.661.887,74	2.342.502,73
Deffered Income tax	171.788,63	2.653.279,53	253.647,98	2.308.784,15
Tax provisions	100.000,00	0,00	70.000,00	0,00
Taxes from tax audit differences	61.004,69	0,00	14.000,00	0,00
Total	2.892.158	5.632.835	1.999.536	4.651.287

In February 2009 was concluded the tax audit control for the years 2005,2006 and 2007. The differences that arised amounted to 284.000€. The company had already formed a tax provision of 270.000€, so the results were only charged by the difference of 14.000€.

5.27 Cash flow from operating activities

Amounts reported in €

	Ο ΟΜΙΛΟΣ		Η ΕΤΑΙΡΕΙΑ	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Cash flows from operating activities				
Net profit before taxation (continued operations)	9.896.625	21.861.117	6.031.898	16.163.941
Net profit before taxation (discontinued operations)			743.488	2.638.643
Adjustments for				
Depreciation	1.825.206	1.244.602	1.208.730	1.061.289
Provisions	93.507	77.020	137	58.650
Exchange differences	(459.672)	(159.276)	(411.413)	(130.620)
Depreciation of government grant	(35.565)	(23.532)	0	0
Revaluation of Investment property	0	(6.970.909)	0	(6.970.909)
Dividends received	(12.810)	(8.674)	(12.810)	0
Proceeds of sale of tangible assets	33.128	(200)	0	(200)
Income/Loss from associates	12.502	7.757	0	0
Profit from acquired company	0	0	0	0
Interest received	(150.424)	(31.054)	(20.611)	(1.595)
Interest expense	2.065.439	1.466.506	1.403.976	743.503
Operating profit before working capital changes				
(Increase) /Decrease in inventories	(2.337.966)	(142.681)	(2.270.566)	(26.906)
(Increase)/Decrease in trade receivables	(7.504.484)	1.602.845	(2.647.125)	(740.859)
Increase/(Decrease) in trade payables	3.977.553	(2.140.643)	540.521	3.548.289
Cash flows from operating activities	7.403.039	16.782.879	4.566.226	16.343.227

5.28 Discontinued Operations

The discontinued operations are relating to the transferred construction sector for the period 01.01.08-31.03.08. The discontinued operations are presented only in company's level and not in group level as the construction sector is transferred to 100% subsidiary which is fully consolidated.

We mark that in consolidated base the results of group were not influenced as the absorbed company was 100% subsidiary and it was unified in the consolidated financial statements with the method of full consolidation.

6. ADDITIONAL INFORMATION AND NOTES ON THE ANNUAL FINANCIAL STATEMENTS

6.1 Contingent Claims and Liabilities

6.1.1 Information on contingent liabilities

Litigations

On 05.09.2001, the company has lodged a lawsuit with the Court of First Instance of Athens (Ordinary Proceedings), recorded under number 6942/2001, against a banking society anonyme, , for an amount of € 389,046,02. After several postponements the hearing is set for 09.10.08 while settlement talks are pending .

The company has filed lawsuit GNA 87626 against an individual, claiming the amount of €964,296,17 plus interest, as contractor's consideration for the execution of a project. The initial hearing was set for 17/5/2007, when it was postponed again for 22/05/2008 in view of pending settlement talks . In relation to the same claim, the Company has lodged a request for provisional measures, scheduled for hearing initially on 26/3/2007 at the Court of First Instance of Athens, when it was postponed again for 04/06/2007, when it was cancelled in view of pending settlement talks . In light of the evidence in this case, it is deemed likely for the Company's suit to be accepted, at least for its largest part.

On the other hand on 18/4/2007 the adverse individual has filed lawsuit GNA 89554/2007 against the company, demanding compensation for material and non material damages claiming the amount of € 3.027.275,40 and the initial hearing is set for 22/05/2008.

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In relation to the same claim, has lodged a request for attachment of real property scheduled for hearing on 20/3/2007 at the Court of First Instance of Athens, when it was postponed for 04/06/2007, when it was cancelled in view of pending settlement talks.

The company (as a lessor) has lodged a lawsuit, dated 25.6.2003, at the Court of First Instance of Athens against a private company (as a lessee), claiming the readjustment of the rent which is paid on monthly basis by the lessee to the lessor, from the amount of 22.583,34 Euros to the amount of 124.000,00 Euros. According to the relevant decision 953/2004 of the Court of First Instance of Athens, the monthly paid rent was readjusted from the amount of 22.583,34 Euros to the amount of 31.200,88 Euros. Both the parties had made an appeal at the Court of Appeal of Athens, and according to the relevant decision 3224/2006 of the Court of Appeal of Athens the monthly paid rent was readjusted, in favor of the lessor, from the amount of 31.200,88 Euros to the amount of 41.017,76 Euros. The lessee, after the payment to the Company of the amount of 877.447,62 Euros as the rental difference for the time period from 4.7.2003 until 31.12.2006, made a cassation appeal at the Court of Cassation. According to the decision of the Court of Cassation 423/2008, the cassation appeal against the decision of the Court of Appeal of Athens 3224/2006, has been accepted by the Court, and the Company was ordered to pay back to the lessee the amount of 877.447,62 together with the legal interest, and the case has been sent back to the Court of Appeal of Athens in order to be re-judged. The above decision of the Court of Cassation has been served to the company on 6.6.2008. The hearing date at the Court of Appeal of Athens has not yet been set.

The estimation of the legal counsel of the company is that the determination of the monthly paid rent to the same amount as it had been previously decided by the Court of Appeal of Athens is possible. The total amount that it is claimed by the lessee, for the rental difference, comes to 1.340.383,19 Euros.

According to a letter by the I. KLOUKINAS – I. LAPPAS S.A. legal counsel, there are claims by private parties (against the company) for a total amount of approximately €1,279,000.

According to the estimates of the company's legal counsel, there are strong legal arguments for the rejection of the overwhelming majority of the above claims. It is also the opinion of management that the outcome of the above cases will not influence the company's financial results.

Un-audited fiscal years

The Company has undergone tax audits up to the 2007 fiscal year included. The differences that arised amounted to 284.000€.

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Name	Headquarters	Tax Un-audited fiscal year	Notes
I.Kloukinas-I.Lappas Construction & Commerce	Greece	2005-2007	
KLM ATE	Greece	2005-2007	(1)
I.Kloukinas-I.Lappas Energy S.A.	Greece	2003-2007	
MYIE Kerasovou S.A.	Greece	2001-2007	
KLM SA-TEDRA SA joint venture	Greece	2004-2007	
KLM SA-ISTOS LTD joint venture	Greece	2005-2007	
KLM SA-ISTOS LTD joint venture-Larissa project	Greece	-	(2)
COMPTON HOUSE PROPERTIES LIMITED COMPANY	Cyprus	-	
COMPTON HOUSE HELLAS(ELC)	Greece	2004-2007	
ENTELEIA SA		2007	
SYSMEROM COM SRL	Romania	2006-2007	
KLM BULGARIA EOOD	Bulgaria	2005-2007	
KLMS COM DOOEL	FYROM	2007	
KLSAL LTD	Albania	2007	
KLSEER COMMERCE LTD	Serbia	2006-2007	
KLM TRGOVINA KROATIA	Croatia	2006-2007	
KLSLV D.O.O	Slovenia	2006-2007	

(1) KLTH Carpentry changed into Societe Anonyme

(2). Establishment on 17.07.2008

6.1.2 Information on contingent claims

There are no contingent claims.

6.1.3 Existing encumbrances

Encumbrances over company assets are reported in the following Table:

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Serial No.	Description	Location	Encumbrance	Bank	Amount €
1	Plot of land fit for building 177,10 sqm with all buildings	Athens - "Ambelokipi Attica" at 3 Loudovikou Pasteur Street.	prenotations on mortgage dated 31.1.2002	"Commercial Bank	453.104
				"National Bank	336.625
				"Alpha-Pisteos"	265.444
				"Eurobank EFG"	265.444
2	Plot of land fit for building 558,00 sqm	Spata, location "Mazareko" O.T.(135) on Irakliou street	prenotations on mortgage dated 28.2.2002	"Commercial Bank	654.483
				"National Bank	486.236
				"Alpha-Pisteos"	383.419
				"Eurobank EFG"	383.419
Total					3.228.174

Procedures for lifting the above mortgage prenotations have been initiated as all related loans have been settled in full.

6.1.4 Commitments

The Group's and the Company's commitments arising from construction contracts are as follows:

Construction contract commitments

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Work in Progress	24.704.103	18.356.997	0	17.719.090

Letter of Guarantees

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Letter of Guarantee for safeguarding liabilities	2.655.178	2.762.433	0	2.694.558
Letter of Guarantee for fulfilment of contract secure	13.523.680	11.794.591	0	11.726.168
Letter of Guarantee for participation to auction	200.000	3.783.680	0	3.783.680
Total	16.378.858	18.340.704	0	18.204.406

6.2 Employees and employee benefits

The company's and the Group's employees were as follows:

I. KLOUKINAS-I. LAPPAS S.A

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Salaried	644	451	423	315
Wage-earners	67	137	26	85
Total	711	588	449	400

Amounts in €	GROUP		COMPANY	
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008	01.01 - 31.12.2007
Wages,salaries and paid leaves	7.979,300,30	6.395.940,22	5.102.014,43	5.702.858,72
Social Security contributions	2.317.436,86	1.901.808,18	1.411.735,12	1.677.694,74
Terminations benefits	8.874,65	31.553,00	0,00	4.734,84
Other employee benefits	53.070,81	32.477,49	35.917,14	30.585,29
Indemnity provisions	163.839,12	90.151,78	44.431,05	87.706,00
Total	10.522.522	8.451.931	6.594.098	7.503.580

6.3 Inter-company transactions

Inter-company transactions - balance sheet as on 31/12/2008

	KLM SA		TEDRA JOINT VENTURE	CLM ENERGEIAK	MUHE KERASOVOU	ISTOS JOINT VENTURE-HALIKI PROJECT	ISTOS JOINT VENTURE-LRISSA PROJECT	ENTELEIA	COMPTON HOUSE HELLAS	POYMANIA	SKOPJE	BOULGARIA	ALBANIA	SERBIA	SLOVENIA	TOTAL
	KLM SA	KLM ATE														
KLM SA					9.300			5.366	180.000	332.384	106.442	240.075	229.508	300.825		1.403.901
KLM ATE			120.200	1.056	1.056				2.000							124.313
TEDRA JOINT VENTURE																0
KLM ENERGEIAK																0
MUHE KERASOVOU																0
ISTOS JOINT VENTURE-HALIKI PROJECT																0
ISTOS JOINT VENTURE-LRISSA PROJECT																0
ENTELEIA		580.608														580.608
COMPTON HOUSE HELLAS	1.122.938															1.141.549
POYMANIA		20								18.611						20
SKOPJE		793														793
BOULGARIA																0
ALBANIA																0
SERBIA																0
SLOVENIA																0
Total	1.123.751	580.608	120.200	1.056	10.356	0	0	5.366	182.000	350.995	106.442	240.075	229.508	300.825	0	3.251.184

Inter company Transaction Balance sheet 31.12.2008																
	KLM SA		TEDRA JOINT VENTURE	CLM ENERGEIAK	MUHE KERASOVOU	ISTOS JOINT VENTURE-HALIKI PROJECT	ISTOS JOINT VENTURE-LRISSA PROJECT	ENTELEIA	COMPTON HOUSE HELLAS	POYMANIA	SKOPJE	BOULGARIA	ALBANIA	SERBIA	SLOVENIA	TOTAL
	KLM SA	KLM ATE														
KLM SA		1.378.122	49.770	170.021	71.150			66.797		45.106	195.260	62.560	339.758	190.786	150.000	2.719.330
KLM ATE			527.773			759.231	140.000		2.380							1.429.384
TEDRA JOINT VENTURE																0
KLM ENERGEIAK																0
MUHE KERASOVOU																0
ISTOS JOINT VENTURE-HALIKI PROJECT																0
ISTOS JOINT VENTURE-LRISSA PROJECT																0
ENTELEIA		673.505														673.505
COMPTON HOUSE HELLAS	849.483															868.094
POYMANIA		20								18.611						20
SKOPJE		793														793
BOULGARIA																0
ALBANIA																0
SERBIA																0
SLOVENIA																0
Total	850.296	2.051.628	577.543	170.021	71.150	759.231	140.000	66.797	2.380	63.717	195.260	62.560	339.758	190.786	150.000	5.691.128

Inter-company transactions - balance sheet as on 31/12/2007

		PURCHASES											TOTAL
		KLM SA	KLTH SA	TEDRA	KLM ENERGY	MYHE KERASOVO	ISTOS	ROMANIA	SKOPJE	BULGARIA	SERBIA	ALBANIA	TOTAL
SALES	KLM SA			146.800,00	0,00	653.000,00	0,00	175.435,04	126.423,53	205.495,13	122.817,98	90.249,36	1.520.221,04
	KLTH SA	417.988,87											417.988,87
	TEDRA												0,00
	KLM ENERGY												0,00
	MYHE KERASOVO												0,00
	ISTOS												0,00
	ROMANIA												0,00
	SKOPJE												0,00
	BULGARIA												0,00
	TOTAL	417.988,87	0,00	146.800,00	0,00	653.000,00	0,00	175.435,04	126.423,53	205.495,13	122.817,98	90.249,36	1.938.209,91

		LIABILITIES											TOTAL
		KLM SA	KLTH SA	TEDRA	KLM ENERGY	MYHE KERASOVO	ISTOS	ROMANIA	SKOPJE	BULGARIA	SERBIA	ALBANIA	TOTAL
Receivables	KLM SA			1.176.189,41	170.020,54	60.000,00	914.635,09	24.493,15	188.991,92	170.711,83	122.817,98	240.249,36	3.132.997,48
	KLTH SA	84.237,72											84.237,72
	TEDRA												0,00
	KLM ENERGY												0,00
	MYHE KERASOVO												0,00
	ISTOS												0,00
	ROMANIA												0,00
	SKOPJE												0,00
	BULGARIA												0,00
	TOTAL	84.237,72	64.888,20	1.176.189,41	170.020,54	60.000,00	914.635,09	24.493,15	188.991,92	170.711,83	122.817,98	240.249,36	3.217.235,20

Management compensation for the Group and the Company were as follows:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Salaries and other short-term benefits				
Salaries of BOD members (salaried)	220.603	169.707	83.892	169.707
Senior management executives	212.600	199.821	212.600	199.821
BOD fees	360.000	360.000	360.000	360.000
Total	793.203	729.528	656.491	729.528

6.4 Earnings per share

Earnings per share were calculated on the basis of the average weighted number of shares outstanding.

Earnings per share	GROUP		COMPANY					
	01.01 - 31.12.2008	01.01 - 31.12.2007	01.01 - 31.12.2008		TOTAL	01.01 - 31.12.2007		TOTAL
Amounts in €	CONTINUED OPERATIONS	DISCONTINUED OPERATIONS	CONTINUED OPERATIONS	DISCONTINUED OPERATIONS		CONTINUED OPERATIONS	DISCONTINUED OPERATIONS	
Profits after income tax	7.004.467	16.228.281	4.209.443	566.407	4.775.850	12.145.928	2.005.369	14.151.297
Profits after income tax (1)	7.004.467	16.228.281	4.209.443	566.407	4.775.850	12.145.928	2.005.369	14.151.297
Distributed as follows:								
Parent company shareholders (2)	7.002.293	15.691.032	4.209.443	566.407	4.775.850	12.145.928	2.005.369	14.151.297
Minority rights	2.174	537.249						
	7.004.467	16.228.281	4.209.443	566.407	4.775.850	12.145.928	2.005.369	14.151.297
Weighted number of shares outstanding (3)	24.750.288	24.750.288	24.750.288	24.750.288	24.750.288	24.750.288	24.750.288	24.750.288
Basic earnings per share (euro/share) (2/3)	0,2829	0,6340	0,1701	0,0229	0,1930	0,4907	0,0810	0,5718

6.5 Dividends per share

The Board of Directors will propose to the annual General Meeting of shareholders a total dividend of € 1.608.768,72 or € 0,065 per share. (fiscal year 2007 € 0,25).

6.6 Post balance sheet date events

There are no events after the balance sheet date pertaining to either the Group or the Company for which there is a reporting obligation according to the International Accounting Standards (IAS).

6.7 Other important information

a) According to the decision of the Ministry of Development no 6798/31.03.2008 KLTH Carpentry Works is transformed into Societe Anonyme under the name I.Kloukinas-I.Lappas SA Constuction company (KLM ATE).

b) In accordance with the resolutions of the Annual General Meeting dated 29.05.08, the shareholders of the company approved the spin off process of the construction sector and its transfer to the 100% subsidiary company under the corporate name "IOANNIS KLOUKINAS – IOANNIS LAPPAS CONSTRUCTION SOCIETE ANONYME" (ex KLTH Carpentry L.T.D.) .The construction sector represents above 30% of the total sales turnover of the previous fiscal year. Due to this fact the company issued informative note.

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c) In accordance with the decision 18202/31/07/2008 of the Athens District Authority and the Resolutions of the Annual General Meeting of the Shareholders of the company " IOANNIS KLOUKINAS- IOANNIS LAPPAS CONSTRUCTION SOCIETE ANONYME"it has been decided :

The spin off process of the construction sector of the Company "I. KLOUKINAS- I. LAPPAS CONSTRUCTION AND COMMERCIAL SA" and the transfer of the construction sector to the 100% subsidiary company under the corporate name «IOANNIS KLOUKINAS - IOANNIS LAPPAS CONSTRUCTION SOCIETE ANONYME».

(d) Regarding the commencement of the reorganization proceedings of the Cypriot Company under the name "COMPTON HOUSE PROPERTIES LIMITED", in accordance with the decision of the company 's BoD dated 29/01/2008 which was previously announced, the proceedings are not yet completed and the decision by the Cypriot authorities is still pending. With the fulfillment of the procedure above, the company "I. KLOUKINAS- I. LAPPAS CONSTRUCTION AND COMMERCIAL SA" will absorb the company under the name "COMPTON HOUSE (HELLAS) TRADE OF CHILDREN' S PRODUCTS & LEARNING TOYS SOCIETE ANONYME" and under the distinctive title "COMPTON HOUSE (HELLAS) S.A."

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INFORMATION OF Article 10 L.3401/2005

Date	Type of Information	Subject	Website
01/12/2008	Announcement of comments on financial / accounting statements	Comments on the financial statements for the nine month period (correct repetition)	www.klmate.gr www.ase.gr
01/12/2008	Announcement of comments on financial / accounting statements	Comments on the financial statements for the nine month period	www.klmate.gr www.ase.gr
28/11/2008	Financial statements data according to IAS	Company's financial statements according to IAS for the period 01.01.-30.09.08	www.klmate.gr www.ase.gr
28/11/2008	Financial statements data according to IAS	Consolidated Financial statements according to IAS for the period 01.01-30 .09.08	www.klmate.gr www.ase.gr
26/11/2008	Announcement of other important facts	Reorganisation of the financial Dep.and appointment of Internal Auditor	www.klmate.gr www.ase.gr
25/11/2008	Announcement of other important facts	Announcement of the publication of the Financial statements for the period 01.01-30.09.08	www.klmate.gr www.ase.gr
17/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
17/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
17/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
17/10/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
15/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
15/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr

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15/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
15/10/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
14/10/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
10/10/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
10/10/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
16/09/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr

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16/09/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
15/09/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
15/09/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
12/09/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
12/09/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
12/09/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
12/09/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
29/08/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
29/08/2008	Financial statements data according to IAS	Company's financial statements according to IAS for the period 01.01.-30.06.08	www.klmate.gr www.ase.gr
29/08/2008	Financial statements data according to IAS	Consolidated financial statements according to IAS for the period 01.01.-30.06.08	www.klmate.gr www.ase.gr
29/08/2008	Announcement of comments on financial / accounting statements	Comments on the financial statements for the six month period	www.klmate.gr www.ase.gr
06/08/2008	Notification of Decisions on the participation on merger, separation, acquisition, purchase and share issue	Approval of the spin-off process of the construction's sector of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION AND COMMERCE S.A."	www.klmate.gr www.ase.gr
06/08/2008	Announcement of other important facts	Announcement of the publication of the	www.klmate.gr www.ase.gr

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		Financial statements for the period 01.01-30.06.08	
22/07/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
22/07/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
22/07/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
22/07/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
23/06/2008	Distribution of Informative notes	Announcement of the distribution of informative notes for the spin-off of the construction sector	www.klmate.gr www.ase.gr
30/05/2008	Decisions of the Shareholder's General Meeting	Decisions of the Shareholder's Annual General Meeting on 29/5/2008	www.klmate.gr www.ase.gr
29/05/2008	Notification of ex-dividend date/payment of dividends	Notification of ex-dividend date/payment of dividends	www.klmate.gr www.ase.gr
29/05/2008	Announcement of other important facts	Amendment of the articles of association to be submitted to the Annual General Meeting of 29/05/02008 for approval.	www.klmate.gr www.ase.gr
28/05/2008	Financial statements data according to IAS	Financial statements data according to IAS for the three months period 2008	www.klmate.gr www.ase.gr
28/05/2008	Financial statements data according to IAS	Consolidated Financial statements data according to IAS for the three months period 2008	www.klmate.gr www.ase.gr
28/05/2008	Announcement of comments on financial / accounting statements	Comments on the financial statements for the three month period	www.klmate.gr www.ase.gr

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21/05/2008	Announcement of other important facts	Disclosure of the company SmallCap World Fund on 20/05/2008, according to L.3556/2007, that it exceeded the limit of 5%	www.klmate.gr www.ase.gr
20/05/2008	Announcement of other important facts	Announcement of the publication of the Financial statements for the period 01.01-31.03.08	www.klmate.gr www.ase.gr
15/05/2008	Announcement of other important facts	Distribution of the Annual Report 2007	www.klmate.gr www.ase.gr
13/05/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
13/05/2008	Disclosure of a share percentage change of the listed company	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
08/05/2008	Notice of General Meeting	Notice of General Meeting	www.klmate.gr www.ase.gr
22/04/2008	Announcement of other important facts	Disclosure of the company Fidelity International on 21/04/2008, according to L.3556/2007, that it descended the limit of 5%	www.klmate.gr www.ase.gr
17/04/2008	Announcement of other important facts	Presentation of the company to the Association of Greek Institutional Investors	www.klmate.gr www.ase.gr
11/04/2008	Announcement of other important facts	Disclosure of the company Fidelity International, that it exceeded the limit of 5%	www.klmate.gr www.ase.gr
11/04/2008	Announcement of other important facts	Change of the date for the briefing of the analysts	www.klmate.gr www.ase.gr
09/04/2008	Announcement of other important facts	New projects amounting to 3.683.005 euro	www.klmate.gr www.ase.gr
09/04/2008	Announcement of other important facts	Disclosure of the company Fidelity International, that it exceeded the limit of 5%	www.klmate.gr www.ase.gr

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04/04/2008	Announcement of other important facts	Republishing of the Data and Information for the FY 2007	www.klmate.gr www.ase.gr
27/03/2008	Announcement of Capital Funds	Announcement of Capital Funds	www.klmate.gr www.ase.gr
27/03/2008	Financial statements data according to IAS	Company's financial statements according to IAS for the FY 2007	www.klmate.gr www.ase.gr
27/03/2008	Financial statements data according to IAS	Consolidated financial statements according to IAS for the FY 2007	www.klmate.gr www.ase.gr
27/03/2008	Announcement of comments on financial / accounting statements	Comments on the results of the FY 2007	www.klmate.gr www.ase.gr
24/03/2008	Announcement of other important facts	Financial calendar 2008	www.klmate.gr www.ase.gr
24/03/2008	Announcement of other important facts	Financial calendar 2009	www.klmate.gr www.ase.gr
05/03/2008	Announcement of other important facts	Announcement of the 29/1/2008 decision of the Board of Directors	www.klmate.gr www.ase.gr
29/02/2008	Decisions of the Shareholder's General Meeting	Decisions of the Shareholder's General Meeting on 29/01/2008	www.klmate.gr www.ase.gr
01/02/2008	Notice of General Meeting	Notice of the Shareholder's General Meeting	www.klmate.gr www.ase.gr
30/01/2008	Announcement of business developments within the company	Announcement of the 29/1/2008 decisions of the Board of Directors – english text	www.klmate.gr www.ase.gr
30/01/2008	Announcement of business developments within the company	Announcement of the 29/1/2008 decisions of the Board of Directors – english text	www.klmate.gr www.ase.gr
30/01/2008	Announcement of business developments within the company	Announcement of the 29/1/2008 decisions of the Board of Directors – greek text	www.klmate.gr www.ase.gr
24/01/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
24/01/2008	Announcement of business developments within the company	New projects amounting to 10.200.000 euro	www.klmate.gr www.ase.gr
24/01/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
22/01/2008	Disclosure of Transaction	Disclosure of transactions in	www.klmate.gr www.ase.gr

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		accordance with L.3340/2005.	
22/01/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
22/01/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
18/01/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
18/01/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
18/01/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr
16/01/2008	Disclosure of Transaction	Disclosure of transactions in accordance with L.3340/2005.	www.klmate.gr www.ase.gr
16/01/2008	Disclosure of Transaction	Announcement of transactions' disclosure in accordance with the L.3556/2007.	www.klmate.gr www.ase.gr

WEBSITE ACCESS OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Statements of the Company and Group, the Audit Report and the Board of Directors' Management Report for 2008, have been posted on the Company's website www.klimate.gr