



**I. KLOUKINAS - I. LAPPAS S.A.
CONSTRUCTION & COMMERCE S.A.
(K.L.M. S.A.)**



**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD
FROM JANUARY 1st TO MARCH 31st 2008**

ATHENS MAY 2008

We hereby confirm that the attached Interim Financial Statements for the period 01/01- 31/03/2008 are those approved by the Board of Directors of "I. KLOUKINAS - I. LAPPAS Construction and Commerce S.A." on 23/05/2008 and are disclosed to the company's website www.klmate.gr . It is noted that the summary financial data published in the press are intended to provide to the reader with certain general information but do not provide a comprehensive picture of the financial position and results of the company and the Group in accordance with the International Accounting Standards. It is also noted that certain items in the summary financial data have been condensed for the sake of simplicity.

Ioannis Kloukinas
Chairman of Board of Directors
I. KLOUKINAS – I. LAPPAS S.A.

1. Balance Sheet	4
2. Income Statement.....	5
3. Consolidated Statement of Changes in Equity	6
4. Parent Company Statement of Changes in Equity	7
5. Cash flow Statement.....	8
6. ADDITIONAL INFORMATION.....	9
6.1 General Information.....	9
6.2 Basis of Preparation	9
6.3 New standards, amendments and interpretations to existing standards ...	9
6.4 Group `s structure and consolidation method.....	11
7. SEGMENT INFORMATION	12
7.1 Review by business segment	12
7.2 Review by geographical segment.....	14
7.3 Review of construction segment.....	14
8. Additional Information and Notes on the Interim Financial Statements.	15
8.1 Cash flow from operating activities.....	15
8.2 Tax Un-audited fiscal year.....	15
8.3 Existing encumbrances	16
8.4 Commitments.....	17
8.5 Contingent Claims and Liabilities	17
8.6 Employees and employee benefits.....	18
8.7 Related party transactions.....	19
8.8 Benefits of Board of Directors.....	20
8.9 Earnings per share	20
8.10 Share Capital.....	21
8.11 Seasonality	21
8.12 Other Contingent Liabilities	21
8.13 Subsequent events	22

1. Balance Sheet

Amounts reported in €

	NOTES	GROUP		COMPANY	
		31/3/2008	31/12/2007	31/3/2008	31/12/2007
ASSETS					
Non current assets					
Tangible Assets		24.751.941	24.780.178	17.630.315	17.668.810
Intangible Assets		1.987.117	2.017.604	1.986.867	2.017.112
Goodwill		8.597.468	8.597.468	2.710.160	2.710.160
Investment Property		34.680.000	34.680.000	34.680.000	34.680.000
Investment in Subsidiaries		0	0	11.063.534	11.063.534
Investment in Associates		68.984	60.051	79.310	79.310
Other long term receivables		781.310	563.604	657.674	468.638
Deferred Tax		143.412	142.962	0	0
		71.010.232	70.841.867	68.807.859	68.687.563
Current assets					
Inventories		9.398.306	9.127.814	6.954.317	6.697.956
Trade debtors and other trading receivables		27.960.166	22.168.504	26.806.371	21.072.213
Prepayments		1.093.952	593.687	983.037	487.798
Other receivables		249.623	415.286	152.560	240.916
Financial Assets		284.043	284.043	284.043	284.043
Cash and cash equivalents		8.140.005	12.537.920	4.425.290	8.129.780
		47.126.095	45.127.254	39.605.619	36.912.707
Total Assets		118.136.327	115.969.121	108.413.478	105.600.270
EQUITY AND LIABILITIES					
Share Capital	8.10	7.425.086	7.425.086	7.425.086	7.425.086
Share Premium		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		-146.082	-83.386	0	0
Other Reserves		2.722.338	2.722.338	2.647.826	2.647.826
Accumulated profits/(losses)		46.087.507	44.293.380	45.340.455	43.653.136
Attributable to ordinary shareholders		67.044.037	65.312.606	66.368.555	64.681.236
Minority Interest		564.000	1.070.281	0	0
Total Shareholders' Equity		67.608.037	66.382.888	66.368.555	64.681.236
Liabilities					
Non-current liabilities					
Interest bearing borrowings		22.930.752	23.538.408	21.534.230	22.092.973
Deferred Tax		3.487.740	3.479.307	3.105.538	3.110.871
Retirement benefit obligation		632.652	603.641	618.324	591.401
Other long term liabilities		449.249	415.066	399.249	365.066
Total Non-current liabilities		27.500.394	28.036.422	25.657.341	26.160.312
Current Liabilities					
Trade and other payables		16.873.521	16.038.691	13.907.188	12.863.007
Short term borrowings		2.647.225	1.887.427	750.344	61.882
Current portion of interest bearing borrowings		1.864.377	1.846.969	1.605.395	1.590.120
Other current liabilities		1.642.775	1.776.725	124.655	243.713
Total current liabilities		23.027.897	21.549.812	16.387.581	14.758.722
Total Liabilities		50.528.290	49.586.234	42.044.922	40.919.033
Total Equity and Liabilities		118.136.327	115.969.121	108.413.478	105.600.270

2. Income Statement

Amounts reported in €

	Notes	GROUP		COMPANY	
		01.01 - 31.3.2008	01.01 - 31.3.2007	01.01 - 31.3.2008	01.01 - 31.3.2007
Sales		14.933.145	11.700.160	12.676.903	11.303.319
Cost of Sales		-7.931.211	-5.837.716	-6.995.303	-6.125.223
Gross Profit		7.001.934	5.862.444	5.681.600	5.178.096
Other operating income		433.061	218.223	389.038	172.706
Distribution costs		-3.653.738	-2.278.242	-2.672.910	-2.155.021
Administrative expenses		-1.084.171	-796.911	-863.775	-599.667
Other operating expenses		0	-87.568	0	0
Operating profit		2.697.085	2.917.945	2.533.953	2.596.114
Finance cost		-363.516	-200.672	-312.948	-191.126
Income from associates		8.933	-2.504	-27.741	101.637
Proceeds from acquisition of subsidiary		0	0	0	0
Profit before tax		2.342.501	2.714.769	2.193.264	2.506.625
Tax		-557.149	-592.409	-505.945	-514.126
Profit after tax		1.785.352	2.122.361	1.687.319	1.992.499
Net profit after tax attributable to:					
Shareholders of Kloukinas-Lappas		1.794.127	2.082.223	1.687.319	1.992.499
Minority interests		-8.775	40.138	0	0
		1.785.352	2.122.361		
Basic earnings per share	8.9	0,07	0,08	0,07	0,08

3. Consolidated Statement of Changes in Equity

Amounts reported in €

Balance as of January 1, 2007, according to IFRS

Changes in Equity during the 01/01-31/3/07 period

Dividends

Exchange differences

Net income recognized directly in equity

Net operating profit for the 01/01-31/03/2007 period

Total recognized profit/loss for the period

Balance as of March 31, 2007

	Attributable to the parent company shareholders					Minority Interests	Total	
	Share capital	Share premium	Reserves of fair value	Exchange differences	Other reserves			Accumulated profit/(losses)
6.187.572	11.275.656	-32.877	36.039	2.531.577	34.133.672	54.131.638	568.358	54.699.996
0	0	0	0	0	0	0	-254.957	-254.957
			6.564			6.564		6.564
0	0	0	0	3.333	-3.333	0	0	0
0	0	0	0	0	2.082.223	2.082.223	40.138	2.122.361
0	0	0	6.564	3.333	2.078.890	2.088.787	-214.819	1.873.968
6.187.572	11.275.656	-32.877	42.603	2.534.910	36.212.562	56.220.425	353.539	56.573.964

Balance as of January 1, 2008, according to IFRS

Changes in Equity during the 01/01-31/3/08 period

Dividends

Exchange differences

Net operating profit for the 01/01-31/03/2007 period

Total recognized profit/loss for the period

Balance as of March 31, 2008

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
0	0	0	0	0	0	0	-497.507	-497.507
0	0	0	-62.696	0	0	-62.696	0	-62.696
0	0	0	0	0	1.794.127	1.794.127	-8.775	1.785.352
0	0	0	-62.696	0	1.794.127	1.731.430	-506.281	1.225.149
7.425.086	10.988.065	-32.877	-146.082	2.722.338	46.087.507	67.044.037	564.000	67.608.037

4. 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 01/01-31/03/2007					1.992.499	1.992.499
Net operating profit for the period 01/01-31/03/2007	0	0	0	0	1.992.499	1.992.499
Total recognised profit/loss for the period						
Balance as of March 31, 2007	6.187.572	11.275.656	-32.877	2.465.273	36.377.582	56.273.206
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 01/01-31/03/2008					1.687.319	1.687.319
Net operating profit for the period 01/01-31/03/2008	0	0	0	0	1.687.319	1.687.319
Total recognised profit/loss for the period						
Balance as of March 31, 2008	7.425.086	10.988.065	-32.877	2.647.826	45.340.455	66.368.555

5. Cash flow Statement

Amounts reported in €

Note	GROUP		COMPANY	
	01.01 - 31.3.2008	01.01 - 31.3.2007	01.01 - 31.3.2008	01.01 - 31.3.2007
Cash flows from operating activities				
8.1	(3.709.859)	(2.837.504)	(3.410.296)	(4.010.481)
Less: Interest paid	(271.969)	(202.086)	(218.959)	(192.540)
Less: Income taxes paid	(109.189)	(139.836)	(45.507)	(69.416)
Net Cash flows from operating activities(a)	(4.091.017)	(3.179.426)	(3.674.763)	(4.272.437)
Cash flows from investing activities				
Purchase of tangible and intangible assets	(369.256)	(1.176.060)	(239.907)	(490.441)
Proceeds of sale of tangible asset	2.000	0	0	0
Acquisition of subsidiaries, affiliates, joint venture and other investment	0	0	0	0
Interest received	9.784	1.414	7.342	1.414
Dividends received	0	0	0	0
Net Cash flows from investing activities(b)	(357.472)	(1.174.647)	(232.565)	(489.027)
Cash flows from financing activities				
Proceeds from share capital increase	0	0	0	0
Proceeds from issued/undertaken loans	743.600	1.022.477	743.600	1.022.477
Repayment of loans	(404.705)	(48.266)	(300.000)	0
Payment of finance lease liabilities	(288.321)	(226.532)	(240.763)	(226.532)
Dividends paid	0	(150.000)	0	0
Net Cash flows from financing activities(c)	50.574	597.679	202.837	795.945
Net increase in cash and cash equivalents(a)+(b)+©	(4.397.915)	(3.756.393)	(3.704.490)	(3.965.519)
Cash and cash equivalents at beginning of period	12.537.920	6.881.825	8.129.780	5.356.593
Net increase in cash and cash equivalents at end of period	8.140.005	3.125.431	4.425.290	1.391.074

6. ADDITIONAL INFORMATION

6.1 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 March 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.

6.2 Basis of Preparation

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 three month period of 2008 covering the period from the 1st of January to the 31st of March 2008, have been prepared on the principles of the historic cost, adjusted for certain assets and liabilities to fair value and going concern.

They are in accordance with the International Financial Reporting Standards (I.F.R.S.) and more specifically with International Financial Reporting Standard (I.A.S.) 34 "Interim Financial Statements".

The principal accounting policies adopted in the preparation of the Financial Statements as of December 31, 2007 were consistently applied herein.

6.3 New standards, amendments and interpretations to existing standards

New standards, amendments and interpretations to existing standards effective from January 1st 2008

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 standards, amendments and interpretations to existing standards not yet effective or applied

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.

• 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.

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.

6.4 Group `s structure and consolidation method

Group companies that are included in the consolidated financial statements are:

GROUP STRUCTURE				
Name	Headquarters	Participation %	Relation that dictated consolidation	Consolidation method
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	Parent Company	-	-
K.L.M. ATE	Greece	99,59%	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 με 89%)	Full Consolidation
KLM SA-TEDRA SA joint venture	Greece	70,00%	Direct	Full Consolidation
KLM SA-ISTOS LTD joint venture	Greece	75,00%	Direct	Full Consolidation
COMPTON HOUSE PROPERTIES LIMITED COMPANY	Cyprus	100,00%	Direct	Full Consolidation
COMPTON HOUSE HELLAS(ELC)	Greece	100,00%	Direct	Full Consolidation
YSMEROM 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
KLSE 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
ENTELEIA S.A..	Greece	40,00%	Direct	Equity
KLOUKINAS-LAPPAS SA-ERGO SA joint venture	Greece	50,00%	Direct	Equity
K.L.M.SA &SIA ERGO PALLINIS EE	Greece	70,00%	Direct	Equity
K.L.M.SA &SIA EE	Greece	70,00%	Direct	Equity
ATHONIKI TECHNIKI-KLM SA joint venture	Greece	50,00%	Direct	Equity
ATTIKAT	Greece	10,00%	Direct	Equity

KLTH Carpentry works Ltd is transformed into Societe Anonyme and change its name note 8.13

In the group`s financial statements as at 31.03.2008 "COMPTON HOUSE PROPERTIES LIMITED" and its 100% subsidiary "COMPTON HOUSE HELLAS" (ELC) are consolidated with the full consolidation method. Due to the acquisition of the above companies in November 2007 by the parent company they were originally consolidated in the financial statement as at 31st of December 2007.

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.

7. SEGMENT INFORMATION

7.1 Review by business segment

The Group operates in four business segments: Commerce, Construction, Energy and Woodwork activity.

The results of these activities are presented in detail below:

COMPANY (01.01-31.03.08)

	Commercial segment	Construction segment	TOTAL
COMPANY 01.01-31.03.2008			
<i>Amounts reported in €</i>			
Sales	7.176.584	5.500.319	12.676.903
Cost of Sales	-2.721.085	-4.274.218	-6.995.303
Gross Profit	4.455.499	1.226.101	5.681.600
Other operating income	382.438	6.600	389.038
Distribution costs	-2.672.910	0	-2.672.910
Administrative expenses	-512.989	-350.786	-863.775
Other operating expenses	0	0	0
Operating profit	1.652.038	881.915	2.533.953
Finance cost	-202.262	-110.686	-312.948
Income from associates	0	-27.741	-27.741
Proceeds from acquisition of subsidiary	0	0	0
Profit before tax	1.449.776	743.488	2.193.264
Tax			-505.945
Profit after tax			1.687.319

COMPANY (01.01-31.03.07)

	Commercial segment	Construction segment	TOTAL
COMPANY 01.01-31.03.2007			
<i>Amounts reported in €</i>			
Sales	7.266.052	4.037.267	11.303.319
Cost of Sales	-3.087.880	-3.037.342	-6.125.223
Gross Profit	4.178.171	999.925	5.178.096
Other operating income	164.545	8.162	172.707
Distribution costs	-2.155.021	0	-2.155.021
Administrative expenses	-232.094	-367.573	-599.667
Other operating expenses			0
Operating profit	1.955.601	640.514	2.596.115
Finance cost	-134.699	-56.427	-191.126
Income from associates	0	101.637	101.637
Profit before tax	1.820.902	685.724	2.506.626
Tax			-514.126
Profit after tax			1.992.500

GROUP (01.01-31.03.08)

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
GROUP 01.01-31.03.2008					
<i>Amounts reported in €</i>					
Sales	8.961.050	5.801.835	120.463	49.798	14.933.145
Cost of Sales	-3.230.271	-4.592.283	-63.275	-45.382	-7.931.211
Gross Profit	5.730.778	1.209.552	57.188	4.416	7.001.934
Other operating income	415.570	6.600	7.220	3.671	433.061
Distribution costs	-3.647.546	0	0	-6.192	-3.653.738
Administrative expenses	-679.660	-377.005	-13.824	-13.682	-1.084.171
Other operating expenses	0	0	0	0	0
Operating profit	1.819.141	839.147	50.584	-11.787	2.697.085
Finance cost	-230.469	-110.718	-17.662	-4.667	-363.516
Income from associates	0	8.933	0	0	8.933
Proceeds from acquisition of subsidiary	0	0	0	0	0
Profit before tax	1.588.672	737.361	32.923	-16.455	2.342.501
Tax					-557.149
Profit after tax					1.785.352

GROUP (01.01-31.03.07)

	Commercial segment	Construction segment	Energy segment	Carpentry segment	Total
GROUP 01.01-31.03.2007					
<i>Amounts reported in €</i>					
Sales	7.928.482	3.730.223	0	41.455	11.700.160
Cost of Sales	<u>-3.297.825</u>	<u>-2.504.995</u>	<u>0</u>	<u>-34.896</u>	-5.837.716
Gross Profit	4.630.657	1.225.228	0	6.559	5.862.444
Other operating income	208.390	8.162	0	1.671	218.223
Distribution costs	-2.275.341	0	0	-2.901	-2.278.242
Administrative expenses	-374.814	-399.951	-3.180	-18.966	-796.911
Other operating expenses	<u>-87.568</u>	<u>0</u>	<u>0</u>	<u>0</u>	-87.568
Operating profit	2.101.324	833.439	-3.180	-13.637	2.917.946
Finance cost	-136.188	-59.337	0	-5.147	-200.672
Income from associates	0	0	0	0	0
Proceeds from acquisition of subsidiary	<u>0</u>	<u>-2.504</u>	<u>0</u>	<u>0</u>	-2.504
Profit before tax	1.965.136	771.598	-3.180	-18.784	2.714.770
Tax					-592.409
Profit after tax					2.122.361

7.2 Review by geographical segment

Domestic sales are generated by the companies I.KLOUKINAS - I.LAPPAS S.A., K.L.M. SA (CARPENTRY WORKS), KL ENERGY SA, KLM SA-TEDRA SA joint venture, KLM SA-ISTOS LTD joint venture and COMPTON HOUSE HELLAS.

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

	01.01-31.03.2008		01.01-31.03.2007	
	Domestic	Abroad	Domestic	Abroad
Group Sales	13.767.662	1.165.483	10.952.228	747.932

7.3 Review of construction segment

The revenue recognized from construction contracts as at 31/03/08 and 30/03/07 is 20.197.943,09 € and 30.194.813,60 € respectively.

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.

The total realized cost and the recognized profits (less losses) for the work in progress as at 31.03.2008 and 31.03.2007 are 19.965.699,58 € and 24.670.443,74 €.

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

Amounts in €	Company	
	31.03.2008	31.03.2007
Realized cost	16.540.620,63	25.742.438,96
Plus: recognized profit	3.657.322,46	4.452.374,64
Less: total recognized losses	0,00	0,00
Less: invoiced amounts	18.789.098,49	28.538.989,64
Amounts receivables/ payables	1.408.844,60	1.655.823,94

8. Additional Information and Notes on the Interim Financial Statements.

8.1 Cash flow from operating activities

Amounts reported in €

	GROUP		COMPANY	
	01.01 - 31.3.2008	01.01 - 31.3.2007	01.01 - 31.3.2008	01.01 - 31.3.2007
Cash flows from operating activities				
Net profit before taxation	2.342.501	2.714.769	2.193.264	2.506.625
Adjustments for				
Depreciation	392.743	302.108	308.647	241.237
Provisions	29.011	18.337	26.923	18.337
Exchange differences	(130.338)	0	(130.338)	0
Depreciation of government grant	(8.891)	(1.671)	0	0
Dividends received	0	0	0	0
Proceeds of sale of tangible assets	(2.000)	0	0	0
Income/Loss from associates	(8.933)	2.504	27.741	(101.637)
Interest received	(9.784)	(1.414)	(7.342)	(1.414)
Interest expense	373.301	202.086	320.291	192.540
Operating profit before working capital changes				
(Increase) /Decrease in inventories	(270.492)	(978.158)	(256.361)	(599.381)
(Increase)/Decrease in trade receivables	(6.343.970)	(979.982)	(6.357.818)	(2.270.004)
Increase/(Decrease) in trade payables	(73.008)	(4.116.083)	464.698	(3.996.785)
Cash flows from operating activities	(3.709.859)	(2.837.504)	(3.410.296)	(4.010.481)

8.2 Tax Un-audited fiscal year

The Company has undergone tax audits up to the 2004 fiscal year included.

The non audited fiscal years for the Group, are presented as follows :

I. KLOUKINAS – I. LAPPAS S.A.

Name	Headquarters	Tax Un-audited fiscal year	Notes
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	2005-2006	
K.L.M. ATE	Greece	2005-2006	(2)
I.Kloukinas-I.Lappas Energy S.A.	Greece	2003-2006	
MYIE Kerasovou S.A.	Greece	2001-2006	
KLM SA-TEDRA SA joint venture	Greece	2004-2006	
KLM SA-ISTOS LTD joint venture	Greece	2005-2006	
COMPTON HOUSE PROPERTIES LIMITED COMPANY	Cyprus		
COMPTON HOUSE HELLAS(ELC)	Greece	2004-2007	
SYSMEROM COM SRL	Romania	2005-2006	
KLM BULGARIA EOOD	Bulgaria	2005-2006	
KLMS COM DOOEL	FYROM	2005-2006	
KLSAL LTD	Albania	100,00%	(1)
KLSEER COMMERCE LTD	Serbia	100,00%	
KLM TRGOVINA KROATIA	Croatia	100,00%	
KLSLV D.O.O	Slovenia	100,00%	

(1). Establishment on 26.6.2007

(2) KLTH Carpentry works Ltd is transformed to Societe Anonyme and change its name note 8.13

8.3 Existing encumbrances

Encumbrances over company assets are reported in the following Table:

Serial no	Description	Location	Encumbrance	Bank	Amount in €
				"Commercial Bank"	453.104
				"National Bank"	336.625
	Plot of land fit for building 177,10sqm with all buildings	Athens-"Ambelokipi Attica" at 3 Loudovikou Pasteur St.	Mortgage prenotations dated 31.12.2002	"Alpha-Pisteos"	265.444
1.				"Eurobank-EFG"	265.444
				"Commercial Bank"	654.483
		Spata, location	Mortgage	"National Bank"	486.236
	Plot of land fit for building 558,00sqm	"Mazareko" O.T(135) on Irakliou St.	prenotations dated 28.02.2002	"Alpha-Pisteos"	383.419
2.				"Eurobank-EFG"	265.444
			Total :		3.228.174

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

8.4 Commitments

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

	GROUP		COMPANY	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Work in progress	32.807.075	18.356.997	30.934.945	17.719.090

	GROUP		COMPANY	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Letters of guarantee				
Other letters of guarantee for safeguarding liabilities	2.762.433	2.762.433	2.694.558	2.694.558
Letters of guarantee for fulfilment of a contract secure	11.759.668	11.794.591	11.726.168	11.726.168
Letters of guarantee for participation to auction	3.783.680	3.783.680	3.783.680	3.783.680
Total	18.305.781	18.340.704	18.204.406	18.204.406

8.5 Contingent Claims and 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 societe 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.

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

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 €1,285,000.

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.

8.6 Employees and employee benefits

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

	GROUP		COMPANY	
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Salaried	457	359	320	299
Wage-earners	53	47	38	42
Total	510	406	358	341

8.7 Related party transactions

Inter-company transactions- Income statement 31.03.08

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	ALBANIA	SERBIA	TOTAL
KLM SA		0	0	0	0	0	54.952	23.414	60.268	76.856	60.478	275.967
KLTH LTD	0											
TEDRA												
ENERGIAKI												
KERASOVO												
ISTOS												
ROMANIA												
FYROM												
BULGARIA												
ALBANIA												
SERBIA												
TOTAL	0	0	0	0	0	0	54.952	23.414	60.268	76.856	60.478	275.967

Inter-company transactions-Balance sheet 31.03.08

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	ALBANIA	SERBIA	ENTELEIA	TOTAL
KLM SA		111.866	1.186.780	170.021	60.000	981.593	79.448	111.810	171.844	317.105	183.296	430.000	3.803.763
KLTH LTD	84.238												84.238
TEDRA													
ENERGIAKI													
KERASOVO													
ISTOS													
ROMANIA													
FYROM													
BULGARIA													
ALBANIA													
SERBIA													
ENTELEIA													
TOTAL	84.238	111.866	1.186.780	170.021	60.000	981.593	79.448	111.810	171.844	317.105	183.296	430.000	3.888.000

Inter-company transactions- Income statement 31.03.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
KLM SA		0	0	0	653.000	0	29.992	23.672	42.718	749.383
KLTH LTD	22.922									22.922
TEDRA										
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
TOTAL	22.922	0	0	0	653.000	0	29.992	23.672	42.718	772.305

Inter-company transactions-Balance sheet 31.03.07

	KLM SA	KLTH LTD	TEDRA	ENERGIAKI	KERASOVO	ISTOS	ROMANIA	FYROM	BULGARIA	TOTAL
KLM SA		241.941	342.426	170.021	1.966.602	235.833	30.897	86.241	204.503	3.278.464
KLTH LTD	57.487									57.487
TEDRA										0
ENERGIAKI										
KERASOVO										
ISTOS										
ROMANIA										
FYROM										
BULGARIA										
TOTAL	57.487	241.941	342.426	170.021	1.966.602	235.833	30.897	86.241	204.503	3.335.952

8.8 Benefits of Board of Directors

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

	GROUP		COMPANY	
	31/3/2008	31/3/2007	31/3/2008	31/3/2007
Salaries and other short-term benefits				
Salaries of BOD members (salaried)	21.257	17.454	21.257	17.454
Senior management executives	42.067	38.695	42.067	38.695
BOD fees	0	0	0	0
Total	63.324	56.149	63.324	56.149

8.9 Earnings per share

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

Amounts in €	GROUP		COMPANY	
	01.01 - 31.3.2008	01.01 - 31.3.2007	01.01 - 31.3.2008	01.01 - 31.3.2007
Profits after income tax	1.785.352	2.122.361	1.687.319	1.992.499
Profits after income tax (1)	1.785.352	2.122.361	1.687.319	1.992.499
Distributed as follows:				
Parent company shareholders (2)	1.794.127	2.082.223	1.687.319	1.992.499
Minority rights	(8.775)	40.138		
	1.785.352	2.122.361	1.687.319	1.992.499
Weighted number of shares outstanding (3)	24.750.288	24.750.288	24.750.288	24.750.288
Basic earnings per share (euro/share) (2/3)	0,07	0,08	0,07	0,08

8.10 Share Capital

The company's share capital is shown analytically below:

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 March 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 March 31st, 2008	24.750.288

8.11 Seasonality

The sales of the company's 100% subsidiary "COMPTON HOUSE HELLAS (ELC)" indicate intense seasonality because of its activity (Children's products & Learning toys), which is the exclusive activity of the company Early Learning Centre Limited.

Specifically, Compton House Hellas generates 27% of its annual turnover in December due to Christmas period. The above company is included in the group's financial statements since November 2007, due to its acquisition from the parent company.

8.12 Other Contingent Liabilities

None incurred.

8.13 Subsequent events

The BoD of the company on 29/01/2008 decided :

- a) the commencement of reorganization proceedings of the Cypriot Company under the name "COMPTON HOUSE PROPERTIES LIMITED" b) the commencement of the merger by absorption by the Company of 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.". with Transformation Balance Sheet 31.03.2008 and
- c) the commencement of the separation of the construction sector of the Company and the contribution of the above construction sector to its subsidiary company, 100 percent owned , KLTH Carpentry Works. The construction sector represents above 30% of the total sales turnover of the previous fiscal year.

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).

THE CHAIRMAN OF
THE BOARD OF
DIRECTORS

THE VICE CHAIRMAN OF
THE BOARD OF
DIRECTORS

THE CHIEF FINANCIAL
OFFICER & ACCOUNTING
MANAGER

IOANNIS KLOUKINAS

IOANNIS LAPPAS

PANAYOTIS KANDIROS