



PAPAPANAGIOTOU SA. - "DROMEAS"

**Interim summary financial statements**  
**As of 30 June, 2007**  
**(January 1- June 30, 2007)**

The interim financial statements for the period ending on June 30, 2007 which have been prepared in conformity with IFRS , were approved by the Board of Directors on 10/08/2007. The summary financial statements for the three month period ending on June 30, 2007 (the financial statements) are prepared in accordance with IAS 34 *Interim Financial Statements*. The interim financial statements do not contain all the information and notes that are required for the financial statements of the Group as at December 31, 2006 and they must be read in conjunction with the financial statements of the Group for the period ending on December 31, 2006. The accounting principles that were applied in the preparation of the interim financial statements are in line with those used in the preparation of the annual financial statements for the period ending on December 31, 2006. No Standards have been applied before their effective date.

Athanasios Papapanagiotou  
President of the Board of Directors  
PAPAPANAGIOTOU A.B.E.E.A. - "DROMEAS"

**TABLE OF CONTENTS**

<b>PAR.</b>	<b>TITLE</b>	<b>PAGE</b>
1.	Report on review of Interim Condensed financial Information	3
1.	Balance Sheet	4
2.	Income Statement	5
3.	Consolidation Statement of changes in Shareholders equity	6
4.	Statement of changes in Shareholders equity of the parent company	7
5.	Cash flow statement	9
6.	Additional information	10
6.1,6.2	Consolidation-company formations	10
6.3	Segment information	10
6.4.	Tangible assets	12
7.0	Intangible assets	13
7.1	Investments in subsidiaries	14
7.2-7.3	Reserves, trade receivables	15
7.4-7.6	Financial assets	16
7.7-7.9	Retained earnings, Minority interests, Employee benefits	17
7.10- 7.11	Long-term borrowing, suppliers and other liabilities	18
7.12- 7.13	Short-term borrowings, analysis of financial results	19
7.14	Events after the balance sheet date	20

## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION**

To the Shareholders of Dromeas

### **Introduction**

We have reviewed the accompanying balance sheet of Dromeas S.A. (the “Company”) as at 30 June 2007, the accompanying balance sheet of the Company and its subsidiaries (the “Group”), and the related income statements, statements of changes in equity, and cash flow statements of the Company and the Group for the six-month period then ended, as well as the explanatory notes (the “interim condensed financial information”). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, to which the Greek Auditing Standards refer. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Thessaloniki, 22 August 2007  
THE CERTIFIED AUDITOR ACCOUNTANT



Athanasios Tsaklis  
SOEL R.N. 14951, Member of SOL

**1. Balance Sheet***Amounts in € thousand*

	<b>CONSOLIDATED</b>		<b>COMPANY</b>	
	<b><u>31/3/2007</u></b>	<b><u>31/12/2006</u></b>	<b><u>31/3/2007</u></b>	<b><u>31/12/2006</u></b>
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
Tangible assets	36.451.292,05	36.506.156,66	34.044.691,72	34.073.304,25
Intangible assets	552.181,31	547.184,44	510.290,13	495.040,01
Investments in Subsidiaries	0,00	0,00	1.771.273,81	1.697.523,12
Other non current assets	837.427,45	464.931,41	586.482,08	207.059,66
	<b><u>37.840.900,81</u></b>	<b><u>37.518.272,51</u></b>	<b><u>36.912.737,74</u></b>	<b><u>36.472.927,04</u></b>
<b>Current assets</b>				
Inventories	10.461.630,97	9.900.950,41	10.207.007,39	9.651.389,20
Trade receivables	6.197.228,36	6.459.477,19	6.181.551,79	6.523.398,50
Other receivables	577.266,55	533.334,86	370.910,77	313.691,63
Financial assets	283.655,90	744.898,38	283.655,90	744.898,38
Cash and cash equivalents	2.002.337,48	902.988,38	1.738.951,55	544.716,48
	<b><u>19.522.119,26</u></b>	<b><u>18.541.649,22</u></b>	<b><u>18.782.077,40</u></b>	<b><u>17.778.094,19</u></b>
<b>Total Assets</b>	<b><u>57.363.020,07</u></b>	<b><u>56.059.921,73</u></b>	<b><u>55.694.815,14</u></b>	<b><u>54.251.021,23</u></b>
<b>Equity and liabilities</b>				
Share capital (17.360.000 shares of €0,59 each)	10.242.400,00	10.242.400,00	10.242.400,00	10.242.400,00
Share premium	19.723.625,27	19.723.625,27	19.723.625,27	19.723.625,27
Reserves	5.690.711,67	5.575.150,35	5.862.836,62	5.749.582,01
Retained earnings	1.138.688,22	1.480.988,71	911.471,90	1.132.528,35
<b>Total equity attributable to shareholders</b>				
<b>Of the parent</b>	36.795.425,17	37.022.164,33	36.740.333,79	36.848.135,63
<b>Minority interest</b>	131.953,07	134.661,40	0,00	0,00
<b>Total Equity</b>	<b><u>36.927.378,24</u></b>	<b><u>37.156.825,73</u></b>	<b><u>36.740.333,79</u></b>	<b><u>36.848.135,63</u></b>
<b>LIABILITIES</b>				
<b>Long-term liabilities</b>				
Bank loans	8.647.000,00	7.655.500,00	8.647.000,00	7.655.500,00
Deferred tax liabilities	1.538.725,97	1.459.228,46	1.529.824,02	1.447.833,96
Employee benefits	134.960,08	121.825,94	131.783,89	118.649,75
Other long-term liabilities	2.395.583,34	2.441.811,64	1.550.618,74	1.586.379,12
<b>Total long-term liabilities</b>	<b><u>12.716.269,39</u></b>	<b><u>11.678.366,04</u></b>	<b><u>11.859.226,65</u></b>	<b><u>10.808.362,83</u></b>
<b>Short-term liabilities</b>				
Trade and other liabilities	2.673.890,34	3.206.470,39	2.684.677,58	3.293.902,34
Short-term liabilities	3.822.968,21	3.171.179,80	3.214.926,64	2.512.066,78
Income tax payable	438.805,65	245.805,04	428.059,31	206.444,69
Other Short-term liabilities	783.708,24	601.274,73	767.591,17	582.108,96
<b>Total short-term liabilities</b>	<b><u>7.719.372,44</u></b>	<b><u>7.224.729,96</u></b>	<b><u>7.095.254,70</u></b>	<b><u>6.594.522,77</u></b>
<b>Total liabilities</b>	<b><u>20.435.641,83</u></b>	<b><u>18.903.096,00</u></b>	<b><u>18.954.481,35</u></b>	<b><u>17.402.885,60</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>57.363.020,07</u></b>	<b><u>56.059.921,73</u></b>	<b><u>55.694.815,14</u></b>	<b><u>54.251.021,23</u></b>

## 2. INCOME STATEMENT

*Amounts in €*

	<b>CONSOLIDATED</b>		<b>COMPANY</b>	
	<b><u>1/1-31/06/07</u></b>	<b><u>1/1-31/06/06</u></b>	<b><u>1/1-31/06/07</u></b>	<b><u>1/1-31/06/06</u></b>
Sales	9.002	8.467	8.900	8.429
Cost of sales	-4.934	-4.607	-4.952	-4.510
Gross Profit	4.068	3.860	3.948	3.919
Other income	271	183	366	141
Administrative expenses	-910	-1.062	-905	-1.036
Selling expenses	-1.673	-1.969	-1.598	-1.866
EBITDA	1.756	1.012	1.811	1.158
Depreciation	-679	-521	-638	-476
EBITA	1.077	491	1.173	682
Financial expenses	-374	-286	-353	-272
Earnings before taxes	703	205	820	410
Less: taxes	-170	57	-205	-14
Profits after taxes	533	262	615	396
<u>Attributable to:</u>				
Equity holders of the parent	532,7	269,0	615,0	396,0
Minority interest	0,3	-7,0	0,0	0,0
Basic earnings per share in€	0,031	0,015	0,035	0,023

### 3. Statement of changes in shareholders equity – GROUP

<i>Amounts in €</i>	Attributable to the Shareholders of the Parent					Minority interest	Total
	Share capital	Share premium	Reserves	Retained earnings			
<b>Amounts in thousand €</b>							
<b>Equity on 1<sup>st</sup> January 2006, according to IFRS</b>	<b>10.242</b>	<b>19.724</b>	<b>5.661</b>	<b>43</b>	<b>127</b>	<b>35.797</b>	
<i>Changes of shareholders equity during the period 01/01 - 30/06/2006</i>							
Income after taxes 01/01 - 31/06/2006	0	0	0	262	0	262	
Taxes	0	0	140	-66	0	74	
Profit after taxes attributable to equity – Transfer to reserves	0	0	-108	166	0	58	
Minority interests	0	0	0	0	-6	-6	
<b>Profit of the period</b>	<b>0</b>	<b>0</b>	<b>193</b>	<b>328</b>	<b>121</b>	<b>515</b>	
<b>Share capital on 30/06/2006</b>	<b>10.242</b>	<b>19.724</b>	<b>5.854</b>	<b>371</b>	<b>127</b>	<b>36.312</b>	
<b>Equity on 1<sup>st</sup> January 2007, according to IFRS</b>	<b>10.242</b>	<b>19.724</b>	<b>5.575</b>	<b>1.481</b>	<b>135</b>	<b>37157</b>	
<i>Changes of shareholders equity during the period 01/01 - 31/06/2007</i>							
Income after taxes 01/01 - 31/06/2006	0	0		533	0	533	
Income Taxes	0	0	149	-43	0	106	
Profit after taxes attributable to equity – Transfer to reserves	0	0	-33	35	0	2	
Minority interests	0	0	0	0	-3	-3	
<b>Total profit/loss of the period</b>	<b>0</b>	<b>0</b>	<b>145</b>	<b>-343</b>	<b>-3</b>	<b>-230</b>	

<b>Share capital on 30/06/2007</b>	<u><u>10.242</u></u>	<u><u>19.724</u></u>	<u><u>5.720</u></u>	<u><u>1138</u></u>	<u><u>132</u></u>	<u><u>36927</u></u>
------------------------------------	----------------------	----------------------	---------------------	--------------------	-------------------	---------------------

#### 4. Statement of changes in shareholders equity – Company

<i>Amounts in € thousand</i>	Attributable to the Shareholders of the Parent				
	Share capital	Share premium	Reserves	Retained earnings	Total
<b>Equity on 1<sup>st</sup> January 2006, according to IFRS</b>	<b>10.242</b>	<b>19.724</b>	<b>5.510</b>	<b>43</b>	<b>35.519</b>
<i>Changes of shareholders equity during the period 01/01 - 30/06/2006</i>					
Income after taxes 01/01 - 30/06/2006	0	0	0	396	396
Taxes	0	0	140	-66	74
Profit after taxes attributable to equity – Transfer to reserves	0	0	-32	32	0
Profit/loss after taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>-34</u>	<u>127</u>
<b>Profit of the period</b>	<u>0</u>	<u>0</u>	<u>269</u>	<u>328</u>	<u>596</u>
<b>Share capital on 31/06/2006</b>	<u><u>10.242</u></u>	<u><u>19.724</u></u>	<u><u>5.779</u></u>	<u><u>371</u></u>	<u><u>36.116</u></u>
<b>Equity on 1<sup>st</sup> January 2007, according to IFRS</b>	<b>10.242</b>	<b>19.724</b>	<b>5.749</b>	<b>1.133</b>	<b>36.848</b>
<i>Changes of shareholders equity during the period 01/01 - 30/6/2007</i>					
Income after taxes 01/01 - 30/06/2006	0	0	0	615	615
Taxes	0	0	0	-2	145
Profit after taxes attributable to equity – Transfer to reserves	0	0	-33	33	
Profit/loss after taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total profit/loss of the period</b>	<u>0</u>	<u>0</u>	<u>114</u>	<u>-222</u>	<u>-108</u>

<b>Share capital on 31/06/2007</b>	<u><u>10.242</u></u>	<u><u>19.724</u></u>	<u><u>5.863</u></u>	<u><u>911</u></u>	<u><u>36740</u></u>
------------------------------------	----------------------	----------------------	---------------------	-------------------	---------------------

## 5. Cash flow Statement

Amounts in € thousand

	<b>Consolidated items</b>		<b>Company</b>	
	<b><u>1/1-30/6/07</u></b>	<b><u>1/1-30/6/06</u></b>	<b><u>1/1-30/6/07</u></b>	<b><u>1/1-30/6/06</u></b>
<b>Cash flows from operating activities</b>				
Profit before income taxes	702.9	205.3	820.2	410
<i>Plus/minus adjustments for:</i>				
Depreciation	679.4	521.1	637.7	476.5
Provisions	13,1	8,7	13,1	8,5
Exchange differences	0,0	0,0	0,0	0,0
Interest and related expenses	373,6	285,9	353,5	271,9
Gain from investments	-443,3	361,9	-826	58,5
Operating profit before changes in working capital	<b>1325,7</b>	<b>1382,9</b>	<b>998,5</b>	<b>1225,4</b>
Decrease/Increase in inventories	-989,6	-1069,4	-555,6	-1153,7
Decrease/Increase in receivables	679,5	430,1	745,9	25,4
Increase/Decrease in liabilities. (except bank borrowings)	-122,3	-1786,4	-156,8	-1439
<i>Total inflow from operating activities</i>	893,3	-1042,8	1032,0	-1341,9
Interest and related expenses paid	-35,6	-28,3	-35,3	-27,9
Tax paid	-81,7	-244,6	-81,7	-231,9
<i>Net cash inflow/outflow from operating activities(a)</i>	776	-1315,7	915,0	-1601,7
<b>Cash flows from investment activities</b>				
Purchase of tangible and intangible fixed assets	-629,5	-273,8	-624,4	-248,7
Sale of tangible and intangible fixed assets	0,0	0,0	0,0	0,0
Proceeds from sale of investment	152,6	0,0	152,6	0,0
Interest received	10,7	4,1	10,7	4,1
Dividends received	14,4	14,3	121,8	14,3
Decrease/Increase in other long-term liabilities	0,0	15,4	-107,4	150,4
<i>Total inflow from investment activities(b)</i>	-451,8	-240,0	-446,7	-79,9
<b>Cash flow from financing activities</b>				
Receives from increase in shareholders capital	0,0	0,0	0,0	0,0
Interest paid	-274,9	-202,1	-263,1	-188,6
Dividends paid	-867,5	-27,8	-867,5	-27,8
Proceeds from loans extended/ drawn	-3846,1	-4036,0	-3396,1	-3543,5
Loans paid	-3846,1	-4036,0	-3396,1	-3543,5
<i>Total inflow/outflow from financing activities(c)</i>	775,3	1734,1	725,9	1740,1
Increase/Decrease in cash and cash equivalents (a+b+c)	1099,5	178,4	1194,2	58,5
Cash and cash equivalents at the beginning of the period	902,9	1933,8	544,7	1642,7
Cash and cash equivalents at the end of the period	2002,4	2112,2	1738,9	1701,2

## **6. Additional information**

### **6.1. Company formations and operations**

The summary financial statements for the three month period ending on June 30, 2007 (the “financial statements”) are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in particular the provisions set forth in IAS 34 “Interim Financial Reporting” and the amounts are reflected in thousand €, the official currency of the country in which the Company is seated. The financial statements have been prepared on a historical cost basis with the exception of available for sale financial assets which are measured at fair value.

The preparation of financial statements in conformity with IFRS, requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The accounting policies which have been applied to the interim summary financial statements are in line with those used in the company’s annual statements for the year ended on December 31, 2006.

### **6.2. Consolidation**

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries.

The consolidated financial Statements are consisted of the Parent company, and the subsidiaries.

The subsidiaries are: KEM SA, and DROMEAS BG EAD.

### **6.3. Segment Information**

The Group operates in three business sectors, office furniture-manufacture, and production of metal and aluminum departments.

Additionally, the Group operates in different countries, geographical areas. Those are:

- α) Northeast Europe (main country Greece)
- β) Middle East
- γ) Cyprus

The revenues of the parent company from internal and external activities are as follows:

<b>amount in € thousand</b>	<b>1<sup>st</sup> SEMESTER 2007</b>	<b>2<sup>nd</sup> SEMESTER 2006</b>
Revenues from internal activities	6.526,40	6.911,32
Revenues from external activities	2.373,96	1.517,71
<b>Total</b>	<b>8.900,36</b>	<b>8.429,03</b>

The revenues per product for the period of 1/1/2007 until 30/6/2007, are:

<b>Amount in thousand €</b>	<b>1/1-30/6 2007</b>	<b>1/1-30/6 2006</b>
Offices	2.563,13	1491.35
Drawers	782.56	543.75
Office chairs	2468.69	2598.79
Libraries	1547.6	1604.09
Mullions	362.66	567.00
General furniture	0,00	793.66
Young furniture	213.22	176.48
Kitchens	887.13	653.90
<b>Total</b>	<b>8900.36</b>	<b>8429.03</b>

The revenues of the subsidiaries for each product for the period of 1/1/2007 until 30/6/2007 are:

<b>Amount in thousand €</b>	<b>1/1-30/6 2007</b>	<b>1/1-30/6 2006</b>
<b>KEM SA</b>		
Moulds	208.70	277.60
Plastics	138.64	171.09
<b>Total</b>	<b>347.34</b>	<b>448.69</b>
<b>“DROMEAS BG” L.T.D (Bulgaria)</b>		
Office sales	330.79	535.81
Services	13.29	27.61
<b>Total</b>	<b>344.08</b>	<b>563.42</b>

#### 6.4 Tangible assets

Property, plant and equipment are recorded on 01/01/2004 in deemed cost, according to IFRS 1. Deemed cost is the fair value of a tangible asset during the first introduction of IFRS by the company. The fair value calculated by independent body.

##### Tangible assets

Amount in €thousand

	COMPANY						Total
	Property	Buildings	Equipment	Vehicles	Other equipment	Tangible assets under production	
<b>Accounting value on 31/12/2005</b>	4.412.000	13.581.515	9.530.106	553.305	156.301	5.935.557	34.168.784
Improvements	0	5.182.901	616.191	55.962	180.253	0	6.035.307
Sales	0	0	0	0	0	5.170.543	5.170.543
Depreciation	0	536.108	331.636	20.738	71.763	0	960.245
<b>Accounting value on 31/12/2006</b>	4.412.000	18.228.308	9.814.661	588.529	264.791	765.014	34.073.303
Improvements	0	5.336	281.711	5.442	8.567	226.294	527.410
Sales	0	0	0	0	0	0	0
Depreciation 1/1/2007-30/6/2007	0	292.568	207.356	11.340	44.698	0	555.962
<b>Accounting value on 30/6/2007</b>	4.412.000	17.941.076	9.889.016	582.631	228.660	991.308	34.044.691

##### Tangible assets

Amount in €thousand

	GROUP						Total
	Property	Buildings	Equipment	Vehicles	Other equipment	Tangible assets under production	
<b>Accounting value on 31/12/2005</b>	4.531.000	14.393.390	11.026.257	556.884	161.516	5.628.154	36.297.201
Improvements	0	5.220.697	621.498	56.473	197.579	0	6.096.247
Sales	0	0	0	0	0	4.863.140	4.863.140
Depreciation	0	554.975	369.537	20.738	78.903	0	1.024.153
<b>Accounting value on 31/12/2006</b>	4.531.000	19.059.112	11.278.218	592.619	280.192	765.014	36.506.155
Improvements	0	5.336	287.526	5.442	8.755	226.294	533.353
Sales	0	0	0	0	0	0	0
Depreciation 1/1/2007-30/6/2007	0	302.001	226.217	12.362	47.636	0	588.216
<b>Accounting value on 30/6/2007</b>	4.531.000	18.762.447	11.339.527	585.699	241.311	991.308	36.451.292

## 7.0 Intangible Assets

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition. Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment.

### Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as part of office equipment, in property, plant and equipment. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

### Other intangible assets

Patents, trademarks and licences are shown at historical cost.

## INTANGIBLE ASSETS

*Amount in €thousand*

	COMPANY			Total
	Patents and license agreements	Software	Research and Development cost	
<b>Accounting value on 31/12/2005</b>	6.242	13.795	192.907	212.944
Improvements	0	200.529	223.997	424.526
Sales	0	0	0	0
Depreciation	1.400	33.905	107.125	142.430
<b>Accounting value on 31/12/2006</b>	4.842	180.419	309.779	495.040
Improvements	90.000	7.000	0	97.000
Sales	0	0	0	0

Depreciation 1/1/2007-30/6/2007	749	25.418	55.583	81.750
<b>Accounting value on 30/6/2007</b>	<b>94.093</b>	<b>162.001</b>	<b>254.196</b>	<b>510.290</b>
<b>Total:</b>				
Historic cost on 30/6/2007	125.619	363.171	696.555	1.185.345
Minus: Accumulated Depreciation	31.526	201.170	442.359	675.055
<b>Accounting value on 30/6/2007</b>	<b>94.093</b>	<b>162.001</b>	<b>254.196</b>	<b>510.290</b>

**INTANGIBLE ASSETS***Amount in €thousand*

	<b>GROUP</b>			
	<b>Patents and license agreements</b>	<b>Software</b>	<b>Research and Development cost</b>	<b>Total</b>
<b>Accounting value on 31/12/2005</b>	6.242	85.956	192.907	285.105
Improvements	0	204.108	223.997	428.105
Sales	0	0	0	0
Depreciation	1.400	57.501	107.125	166.026
<b>Accounting value on 31/12/2006</b>	4.842	232.563	309.779	547.184
Improvements	90.000	7.000	0	97.000
Sales	0	0	0	0
Depreciation 1/1/2007-30/6/2007	749	35.671	55.583	92.003
<b>Accounting value on 30/6/2007</b>	<b>94.093</b>	<b>203.892</b>	<b>254.196</b>	<b>552.181</b>
<b>Total:</b>				
Historic cost on 30/6/2007	125.619	469.435	696.555	1.291.609
Minus: Accumulated Depreciation	31.526	265.543	442.359	739.428
<b>Accounting value on 30/6/2007</b>	<b>94.093</b>	<b>203.892</b>	<b>254.196</b>	<b>552.181</b>

**7.1 Investments in subsidiaries****Investments**

Equity investments in subsidiaries are measured at cost less impairment in the Company's financial statements. Trading investments are classified as available-for-sale current assets and are measured at fair value, with fair value gains and losses recognised in equity unless realised, in which case these are recognised in the income statement.

*Amount in €thousand*

<b>Investments on 31/12/2006</b>	1.697.523
Increase in share capital	107.367
Measurement	-33.617
<b>Investments on 30/6/2007</b>	<b>1.771.273</b>

**7.2 Reserves**

The reserves of the group and company are as follows:

	<b>RESERVES</b>			
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Goods	739.997	679.727	715.014	679.216
Goods under production	4.167.785	3.945.743	4.042.599	3.849.080
Raw materials, and other related reserves	5.450.813	5.188.626	5.347.819	5.037.701
Prepayments for reserves	103.036	86.854	101.575	85.392
<b>Total</b>	<b>10.461.631</b>	<b>9.900.950</b>	<b>10.207.007</b>	<b>9.651.389</b>

**7.2 Customers and other trade receivables**

Customers and receivables of the group and company are analysed as follows:

	<b>CUSTOMERS AND OTHER TRADE RECEIVABLES</b>			
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Customers	4.852.200	5.180.090	4.853.654	5.263.164
Postdated Cheques	1.345.028	1.279.387	1.327.898	1.260.234
<b>Σύνολο</b>	<b>6.197.228</b>	<b>6.459.477</b>	<b>6.181.552</b>	<b>6.523.398</b>

**7.3 Other trade receivables****OTHER TRADE RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Debtors	423.936	430.413	217.580	210.770
Deferred costs	153.330	102.921	153.330	102.921
<b>Total</b>	<b>577.267</b>	<b>533.334</b>	<b>370.910</b>	<b>313.691</b>

**7.4 Financial Assets measured in fair value with adjustments in profit/loss****FINANCIAL ASSETS MEASURED IN FAIR VALUE WITH ADJUSTMENT IN PROFIT/LOSS**

	<b>GROUP / COMPANY</b>	
	<b>01.01.2007 – 30.06.2007</b>	<b>01.01.2006 - 31.12.2006</b>
<b>Rest in the beginning of the period</b>	<b>744.898</b>	<b>698.727</b>
Sales	495.650	0
Measurement in fair value	34.408	46.171
<b>Rest in the end of the period</b>	<b>283.656</b>	<b>744.898</b>

The above are short term investments mainly in stocks.

**7.5 cash and cash equivalents****CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Cash in company	212.638	165.676	73.152	33.047
Cash in banks	1.789.699	737.312	1.665.799	511.669
<b>Total</b>	<b>2.002.337</b>	<b>902.988</b>	<b>1.738.951</b>	<b>544.716</b>

**7.6 Share capital**

The share capital of the company is consisted of 17.360.000 outstanding shares, nominal value of €0.59 each. The value of the total share capital is €10.242.000.

<b>30.6.2007</b>	Number	Nominal value(€)	Total value(€)
Shares	17.360.000	0,59	10.242.400

**7.7 Retained Earnings**

	<b>RETAINED EARNINGS</b>			
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Dividends	0	0	0	0
Profits	1.138.688	1.480.989	911.472	1.132.528
<b>Total</b>	<b>1.138.688</b>	<b>1.480.989</b>	<b>911.472</b>	<b>1.132.528</b>

The Board of Directors decided to give dividend €0.05 for each share (total: €68.000) for the financial year of 2006.

**7.8 Minority Interests**

	<b>MINORITY INTERESTS</b>			
	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Minority interests	131.953	134.661	0	0
<b>Total</b>	<b>131.953</b>	<b>134.661</b>	<b>0</b>	<b>0</b>

**7.9 Employee Benefits**

Pension and other retirement obligations

Certain Group companies have various pension schemes in accordance with the local conditions and practices in the countries in which they operate. These schemes are both funded and unfunded. The funded scheme is funded through payments to a trustee-administered fund as determined by periodic actuarial calculations. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The liability in respect of defined benefit pension plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

The obligation of the company is indicated bellow:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
<b>Number of employees</b>				
- Employees	116	121	106	104
- workers	173	177	159	157
<b>Total</b>	<b>289</b>	<b>298</b>	<b>265</b>	<b>261</b>

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
<b>Obligations for:</b>				
- Pensions	134.960	121.826	131.784	118.650
<b>Attributable to results</b>				
- Pensions (provisions)	13.134	18.188	13.134	17.949

#### 7.10 Long-term borrowings

##### LONG TERM BORROWINGS

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Bank loans	8.647.000	7.655.500	8.647.000	7.655.500
<b>Total</b>	<b>8.647.000</b>	<b>7.655.500</b>	<b>8.647.000</b>	<b>7.655.500</b>

#### 7.11 Suppliers and other liabilities

##### SUPPLIERS AND OTHER LIABILITIES

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Suppliers	1.644.231	1.997.590	1.734.758	2.166.958
Cheques payable	1.029.659	1.208.880	949.919	1.126.944
<b>Total</b>	<b>2.673.890</b>	<b>3.206.470</b>	<b>2.684.677</b>	<b>3.293.902</b>

**OTHER SHORT-TERM LIABILITIES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Worked expenses	108.352	40.564	108.352	40.564
Prepayments of customers	164.037	175.612	164.037	175.612
Insurance organizations	126.820	237.557	120.712	222.993
Dividends paid	598	0	598	0
Creditors	383.901	147.542	373.892	142.940
<b>Total</b>	<b>783.708</b>	<b>601.275</b>	<b>767.591</b>	<b>582.109</b>

**7.12 Short-term borrowings****SHRT-TERM BORROWINGS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.06.2007</b>	<b>31.12.2006</b>	<b>30.06.2007</b>	<b>31.12.2006</b>
Short-term bank loans	555.013	553.012	0	
Long-term obligations paid in next financial year	3.267.955	2.618.168	3.214.926	2.512.0
<b>Total</b>	<b>3.822.968</b>	<b>3.171.180</b>	<b>3.214.926</b>	<b>2.512.0</b>

**7.13 Analysis of Financial results**

<b>REVENUES</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>01.01 – 30.06.2007</b>	<b>01.01 – 30.06.2006</b>	<b>01.01 – 30.06.2007</b>	<b>01.01 – 30.06.2006</b>
Revenues from merchandising	761.159	846.814	417.072	310.999
Revenues from product sales	7.810.585	7.130.821	8.052.504	7.629.460
Revenues from reserves sales	173.658	172.189	173.658	171.553
Reserves from services sales	257.425	317.018	257.125	317.018
<b>TOTAL</b>	<b>9.002.827</b>	<b>8.466.842</b>	<b>8.900.359</b>	<b>8.429.030</b>

#### **7.14 Events after the Balance Sheet date:**

The firm continues to increase its financial figures and improving the sales in all production lines (office furniture's, kitchen equipment, etc ).

Industrial area of Serres, 10 August of 2007

The President of the  
Board of Directors

The Chief Executive  
Officer

The Chief Financial  
Officer

The Chief  
Accountant

ATHANASIOS  
PAPAPANAGIOTOU

IOANNIS  
PAPAPANAGIOTOU

PHEDON  
TSAGALIDIS

EIRINI  
ELEUTHERIADOU

#### **Certification by the certified accountant-Auditor**

**The above summary refers to the interim financial statements of Dromeas SA-Papapanagiotou for the period of 1/1-30/06/2007**

**Thessaloniki, 22/08/2007  
The Certified Auditor  
Athanasios D Tsaklis  
Number of SOEL:14951  
SOLSA**

