



**KLEEMANN HELLAS S.A.-
MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL
TRADING COMPANY S.A**

**Financial Statements (Individual and Consolidated)
of 31 December 2007
According to International Financial Reporting Standards**

**The attached Financial Statements are the ones approved by the KLEEMANN HELLAS S.A
Board of Directors, on 21 March 2008 and have been announced by their release at the
Internet, in the web site address www.kleemann.gr**

KLEEMANN HELLAS S.A.
Registration No. 10920/06/B/86/40
Head Offices: Industrial area of Stavrochori, Kilkis

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REPORT OF BOARD OF DIRECTORS

Ladies and Gentlemen Shareholders,

With this management report, we present a total analysis of the financial statements, as these have been prepared, according to I.F.R.S. and have been published, as defined in Article 135 v. 2190/1920.

INFORMATION ABOUT THE GROUP

General Information

Parent Company «KLEEMANN HELLAS MECHANICAL CONSTRUCTIONS SOCIETE ANONYME INDUSTRIAL TRADING COMPANY S.A.» with distinctive title «KLEEMANN HELLAS S.A.» (the «Parent» or the «Company») was lawfully established in June 1983 (Government Paper 2308/27.7.1983) and its S.A. registration number is 10920/06/B/86/40. Its operating duration has been defined until 31.12.2027.

Head offices of the Parent Company are located in the Industrial area of Stavrochori, Kilgis.

Group structure

Company	Head Offices	Participation
KLEEMANN HELLAS S.A.	Industr. area of Kilgis,Greece	Parent Company
KLEFER S.A.	Industr. area of Kilgis,Greece	50%
KLEEMANN ASANSOR S.A.	Istanbul, Turkey	70%
KLEEMANN LIFTOVI D.o.o	Belgrade, Serbia	60%
KLEEMANN LIFT RO S.R.L.	Bucharest, Romania	70%
MODA CABINA S.A.	Industr. area of Kilgis,Greece	85%

At 18 of March 2008, the Company proceeded to the acquisition of 6.000 social parts of KLEEMANN LIFT RO S.R.L., with nominal value of 30.000 € (the rest 30% of its share capital), from the partner Aggelos Palmos, who resigned. After this transaction, the Company holds the 100% of the share capital of its subsidiary.

Description of Activity

Main activity of both the Group and the Company is the manufacturing and trading of elevator systems, such as:

- Hydraulic elevating mechanisms (piston, power unit, Car frame)
- Electromechanical elevating mechanisms (machine, Car frame, counterweights)
- Cabins (Passenger, Cargo, Panoramic).
- Electronic controllers and electronic systems.
- Compact type elevators for elevating cargos.

The new products complete the range and cover all possible requirements of every construction:

- Hydraulic elevator without machine room (ARION Hydro MRL)
- Electromechanical elevator without machine room (APOLLO Traction MRL, ATLAS Traction MRL)
- Hydraulic elevator without machine room (MISTRAL Traction MRL)
- Hydraulic elevator maisonLift and
- Elevator for smaller cargos DUMBWAITER.
- Seismic elevator

The main components that the Group and the Company trade are:

KLEEMANN HELLAS S.A.

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- Automatic, semi-automatic and BUS type doors
- Electromechanical motors
- Guide rails
- Hydraulic oil
- Wires, Buffers, Ropes and other mechanical components.

The above components are designed for housing elevators and elevators in commercial buildings, for panoramic elevators in shopping centers and hotels and for freight elevators.

Complete Elevator Systems

The necessity for immediate adjustment of the Group to the changes of the sector and the demands of the clients, led to the creation of a new entrepreneurial activity, which is the supply of “Complete elevator systems”.

Tangible Fixed Assets –Insurance Contracts – Guarantees and Pledge Insurances of the Group

Main facilities of the Company are situated in the Industrial area of Stavrochori, Kilgis, in a privately owned plot.

The Company’s Real Estate assets are as follows:

A)KLEEMANN HELLAS S.A.:

a) Land

- Sites in the Industrial area of Kilgis, of 53.631,04 m² total surface.
- Plots of 66.258,00 m² total surface, abutted on the border of the industrial area of Kilgis and the Land of the Company.
- Plots of 11.893,44 m² total surface in Aspropyrgos, Attica, which comprise an indiscrete entity.

b) Buildings

b1)In industrial area of Kilgis

- Manufacturing and storage building, of 21.294 m² total coverage.
- Manufacturing building (Controller-Electronics) and offices, opposite the main facilities of the Company, 2.054 m².
- Manufacturing and storage building (Cabin-Traction) close to the main group of buildings , of 9.330 m² total surface, together with an administration building, with a surface of 1.000 m²
- Manufacturing and storage building, total surface, 19.463,48 m² , together with the administration building.
- Also, a fully furnished home for security, of 52,82 m² total surface.

b2) Athens

- Semi – underground warehouse 174 m², in Lesvou 13 street, in Galatsi, Athens, which is currently leased.
- Ground floor store of 122,25 m², which is currently leased, in Nestoros 23 street and Akropoleos 52 street, in Nikaia, Piraeus.
- Distribution center, of 3.572 m² total surface, in a privately owned plot, in Aspropyrgos, Attica, next to Attica Highway.

b3) Buildings in Kilgis

- The (5/8) of a 81 m² apartment, in Kilgis, which remains unoccupied.

b4) The Company leases the following properties:

- Warehouse in Egaleo, Attica, totally surfaced 1.262 m², for the period 1.2.2006 – 31.1.2008 .
- Office – showroom in Municipality of Athens, in Alkifronos 81 street, of 190 m² total surface, for the period 30.05.2003 – 30.05.2009
- Office – showroom in Municipality of Polichni, Thessaloniki, 600 m².

B)KLEFER S.A.

a) Land

Plots in the Industrial area of Stavrochori, Kilgis, of 19.561 m² total surface.

b) Buildings

Manufacturing and storage building, totally surfaced 11.547 m², 1.736 m² of which include administration buildings.

C) KLEEMANN LIFTOVI D.o.o

a) Land

A plot in Simanovci of Pecinci Municipality, in Belgrade, Serbia in Golubinacka bb street, with a total surface of 10.000 m².

b) Buildings

Office and storage buildings, totally surfaced 1.028 m², 288 m² of which include administration buildings.

D) KLEEMANN ASANSOR S.A.:

It has an apartment in Silivri, which remains unoccupied. Its facilities are located on a third parties' property, 1.880 m², which are used as warehouses and offices. For the lease of these facilities, the company paid the amount of € 98.706, on an annual basis.

E) KLEEMANN LIFT Ro SRL

Its facilities are located on a property, provided by the other partner, which are used temporarily as an office. On 19/03/2008, the company signed a private contract for the lease of new offices 150 m².

F) MODA CABINA S.A.

Its facilities are located on a property, which belong to parent company KLEEMANN S.A., and they are used as warehouses until the beginning of its productive activity. For the lease of these facilities, the company paid in 2007 the amount of € 8.000.

B) Machinery equipment

Companies of the Group are equipped with machinery of latest technology, with high grade of automation and capability of high productivity.

C) Means of transportation

The privately owned transportation fleet of the Group, consists of :

- twenty trucks for transportation of cargo, of various capability (small – large)
- eleven professional cars – vans, used at service operation
- five buses
- ten private cars
- nine motorcycles for personnel transportation and
- forty three internal transportation forklift trucks, automatically or manually operated.

D) Furniture & other equipment

Furniture & other equipment include the equipment with all the necessary furniture, office devices and machines, computers and information systems, telecommunication systems equipment and all manufactured showroom exhibits located both in our facilities and third parties-customers' facilities.

Insurance Contracts – Guarantees

Group Companies have contracted a range of Insurance contracts, such as contracts for fire protection, civil responsibility on products, profit loss, credits and civil responsibility on transferred freights, but they have not given any guarantees on third parties.

Corporate Governance – Internal auditing

Management's philosophy is: emphasis on the application of operational rules and the adoption of principles concerning management of the Company.

The Company is supported operationally by:

- Experienced and highly educated senior management
- Network of Managerial Information and Communication Systems
- Internal Audit Processes
- Employment Regulation

Apart from the above, the Company has also developed:

- Department of Internal Auditing
- Service of Company Statements
- Investor Relations Service

Personnel

The development of the average personnel number for the examined 3-year period 2005-2007 is presented in the following table

DEVELOPMENT OF GROUP PERSONNEL			
Expertise	2005	2006	2007
Management – Technical personnel	277	289	358
Labor workers	445	469	574
TOTAL	722	758	932

The Group executives are highly educated and qualified. More specifically, the Company insists on continuous training of its personnel, in order to successfully meet with the increasing market requirements. Moreover, the Management makes efforts and has managed to retain intact relations with its personnel, a fact that contributes to the harmonic operation of the Group.

Investments of the period

The Group makes a lot of investments, in order to satisfy successfully all the constantly increasing requirements. In 2007, total investments summed up to 6,60 million Euros. These funds were invested in the enhancement and quality production of the products and they were aimed on the creation of building facilities, enhancement of computer systems and the purchase of mechanical and technical equipment, in general.

Both Group and the Company continue to invest in **research and development**.

Important events during the Accounting period

On 31 July 2007, a fire broke out by an unknown reason at the new building of warehouses- logistics of the Parent company, that caused damages to the building and to the inventories, which were in it. The damages amount to 1.085.000 Euros. The company restored all the damages immediately and, at the same time, according to the insurance contracts for fire protection, demanded equal compensation from the insurance companies, the deposit of which completed on 15 January 2008 and amounted to 1.078.589 Euros.

At 18/6/2007, the Annual General Meeting of the company has decided, amongst other things the issue, in accordance with law 2190/1920 and 3156/2003 as they are in force, and distribution through private placement, of one or more common bonded loans, totally valued up to twenty five million Euros (€ 25.000.000), with aim the restructuring of company's present bank debt and the financing of its development program. After negotiations with the banks, completed on 17 December 2007 the issue of four common bonded loans of total amount 25.000.000 Euros, specifically:

Bank	Amount	Duration	Expiry date
PIRAEUS	10.000.000	5 years	14/11/2012
EUROBANK	9.000.000	7 years	19/11/2014
ALPHA	3.000.000	10 years	6/12/2017
EMPORIKI	3.000.000	7 years	20/12/2014

The company after a long-lasting planning and consideration, started the realization of the project “Dias”, which concerns in the internal creation and development of the software in relation with the observation of the order-receiving, of the production and the distribution of the company’s products. According to the company this software will return in the future financial profits and for that reason decided the capitalization of its realization expenses, which in 2007 amounted 173.891 Euros. The total cost of the project is expected, at the end of 2008, to come up to 400.000 Euros, amount which is estimated to be quite lower if it had bought it or charged its realization to third persons.

INFORMATION ABOUT THE LIFTS MARKET

General Information About The Market

Group is activated in the industrial field that is referred to manufacturing and trading lift components. The demand of these products is related directly with the building activity, as well as the number and the type of buildings that are constructed.

Based on their business operation, companies of the field may be separated in four categories:

Companies producing components

This category refers to a large number of small companies, which produce lift components.

Companies of lift installation and maintenance

These Companies supply the building contractor with the elevator and they undertake its installation as well as its maintenance.

Commercial companies of lift components

These companies are activated between companies that produce lift components and those that do the installation of the lift systems.

Companies-Suppliers of complete lift systems

This is a developed kind of companies that trade components. They can supply the installation companies with a complete package of components.

Competition

The market of hydraulic and mechanic elevators, in European level, is controlled by enterprises of two categories: a) Enterprises that produce components, where Kleemann Hellas belongs to, and b) Multinational enterprises which, except for the production of specific components, they take on the installation and maintenance of lift systems, offering completed services.

Perspectives of the market

The European market seems to be growing rapidly over the last decades, mainly due to the intense building activation. More specifically, future group perspectives are forecasted to be very positive, for the following reasons:

1. The domestic building activity increased significantly during the last years and is still increasing because of the decrease of interest rates and the increase of investments in real estate.
2. The use of elevators has also expanded in small size buildings.
3. The growth of Eastern Europe and Balkan countries, which comprise a brand new and very hopeful market for the Group.
4. The improvement and the expansion of the range of the products.
5. The directive 95/16 by E.U. , which inflicts the partial or total replacement of old elevators, due to safety regulations in E.U.
6. The ability of selling Complete Elevator Systems.

Position of Parent Company in the branch

Currently, the Company is the largest Company in the sector of main elevator components industrial production in Greece, based on both volume of production and total turnover. Moreover, based on the volume of production, it belongs to the first three places of the corresponding branch in the European market. Competition of internal market mainly comes from importing Companies and small handicrafts that deal with the production of elevator components.

Comments and information on Financial Statements

The comments and information on financial statements are deduced by the data of the financial statements of the years 2007 & 2006.

a) Total Assets of the Group, for the year 2007, summed up to 131,31mil. € compared to 105,05 mil. € in 2006, showing an increase of 25%, which resulted from the increase of 6,22 mil. € in non-current assets and the increase of 20,03 mil. € in current assets. Correspondingly, in 2007, total Assets of the Company summed up to 115,05 mil. €, compared to 92,30 mil € in 2006, showing an increase of 24,7%. This is due to the increase of 4,43 mil. € in non-current assets and the increase of 18,32 mil € in current assets.

b) Capital and Liabilities were increased equally in total. The Group presented an increase of 10,82 mil €, in Equity Capital, an increase of 25,67 mil. € in long-term liabilities and a decrease of 10,33 mil. € in short-term liabilities. The corresponding alterations in the accounts of the Company were the increase of 8,03 mil €, in Equity Capital, the increase of 25,71 mil. € in long-term liabilities and the decrease of 11,00 mil. € in short-term liabilities.

The following numerical data for the balance sheet accounts for 2007 & 2006, provide a percentage briefing and present the alterations that have occurred during the fiscal year 2007.

<u>Assets</u>	Group		Company	
	2007	2006	2007	2006
Tangible assets	22,9%	6,3%	18,1%	9,9%
Inventories	24,3%	13,9%	24,6%	9,3%
Receivables clients	21,9%	22,2%	22,0%	22,6%
Participations in Subsidiaries	-	-	21,7%	7,4%
Other long-term Receivables	-9,8%	-46,1%	-18,6%	-69,8%
Deferred tax Receivables	43,0%	-47,6%	-	-14,7%
Cash and cash equivalents	67,9%	-11,3%	111,7%	-35,4%
<u>Capital and Liabilities</u>				
Suppliers	19,4%	28,8%	27,0%	21,1%
Loans	66,2%	54,5%	68,2%	62,4%
Deferred tax Liabilities	89,1%	-38,8%	89,3%	-38,1%
Equity Capital	15,4%	14,3%	12,6%	11,0%

We also submit the table with the percentage changes on **Financial results**.

<i>Amounts in mil. Euros</i>	Group			Company		
	2007	2006	%	2007	2006	%
Sales	106.57	85.47	24,7	95.26	76.16	25,1
Cost of sales	-70.42	-54.80	28,5	-65.84	-51.95	26,7
Gross Profit	36.15	30.67	17,9	29.41	24.21	21,5
Other operating income	1.18	0.70	70,1	1.21	0.62	95,9
Administrative expenses	-4.31	-3.87	11,5	-3.28	-3.09	6,4
Research & development expenses	-1.31	-1.04	26,6	-1.30	-1.02	27,3
Selling expenses	-13.46	-11.03	22,1	-11.77	-9.60	22,5
Income from securities and participations	0.02	0.20	-90,0	0.28	0.44	-36,9
Debit Interests and relevant expenses	-1.32	-0.58	127,4	-1.21	-0.47	156,7
Net earnings (profit) before taxes	16.94	15.05	12,6	13.34	11.09	20,4
Income taxes	-3.60	-2.88	24,8	-2.63	-1.61	63,9
Profit after taxes	13.34	12.17	9,7	10.72	9.48	13,0

We also present the following **ratios**, comparative in time, and some crucial statistics for the Group and the Company.

RATIOS	Group		Company	
	2007	2006	2007	2006
DEVELOPMENT				
Changes in Sales	24,7%	7,9%	25,1%	17,0%
Changes in Net Profit after Taxes	9,7%	80,2%	20,4%	8,7%
Changes in Fixed Assets	22,3%	8,5%	18,5%	12,3%
Changes in total Equity	15,4%	14,3%	12,6%	11,0%
PROFITABILITY				
Earnings after Taxes (EAT)	13.342	12.166	10.716	9.484
Earnings before Taxes (EBT)	16.942	15.050	13.343	11.087
Earnings before Interest, Taxes, Depreciation and Amortizations (EBITDA)	19.967	16.879	15.622	12.230
Return on Equity Capital Ratio	20,9%	21,4%	24,9%	17,5%
Return on Total Capital Ratio	13,9%	14,6%	16,5%	12,0%
Return on Capital Employed Ratio	16,2%	17,0%	19,0%	13,6%
ACTIVITY				
Receivables turnover Ratio (Clients+Notes+Checks) in days	180,8	187,2	184,2	188,4
Liabilities turnover Ratio (Suppliers+ Notes + Checks.) in days	65,0	65,6	55,1	56,5
Inventories turnover Ratio (in days)	108,9	117,3	98,2	106,0
Operating turnover average duration	289,7	304,5	282,4	294,4
Commercial turnover average duration	224,7	238,9	227,3	237,9
CAPITAL STRUCTURE				
Ratio of Equity Capital to Total Capital	0,6	0,7	0,6	0,7
Ratio of Owned Liabilities to Total Liabilities	1,6	2,0	1,6	2,2
Banking Loans to Equity capital	0,3	0,2	0,4	0,2
LIQUIDITY				
Total Liquidity	4,5	2,4	5,4	2,8
Short-term Liabilities to Net Profits	1,6	2,6	1,6	2,8
Short-term Liabilities to Equity Capital	0,3	0,5	0,4	0,4
INVESTING				
Earnings per Share (EPS)	1,0	1,0	0,9	0,8
Circulating Fund per Share (CFPS)	6,5	3,9	6,0	3,5
Book Value per Share (BVPS)	6,9	5,9	6,1	5,4
Share Price per Share (P/E)	9,0	11,3	10,7	13,4

Estimations for Financial Figures of the Group

Turnover

Management estimates that consolidated turnover of the year 2008, will reach the level of 115,00 mil. €. For the estimation of sales, which will be increased by approximately 7,9%, the improvement and enlargement in the range of products provided, in combination with the increasing penetration in foreign markets, have been taken into consideration. Moreover, the Group is significantly favored by the E. U. 95/16 Guidance, which will inflict the replacement of old elevators, according to the latest safety rules.

According to our estimation, we believe that the optimistic figures of the current year, in combination with a) the integration of productive investments of the 3-year period 2007-2009, which will exceed 16 mil. Euros, b) the penetration into new foreign markets, c) the manufacture of new technologically advanced and innovative products, d) the restructuring of the Company organization, and eventually e) the evolution of wider entrepreneurial cooperations with other Companies of the sector internationally, will affect in an equally significant way the results of next year.

Gross Profit Margin

Gross Profit margin for 2008 is estimated to be in the same levels, which is more than 30% on sales.

Earnings before Taxes

Earnings before Taxes, for the year 2008, also taking the previously mentioned parameters into consideration, are expected to reach high levels and will mainly come from operating profitability. It has to be mentioned that the maintenance of high profitability is favored by timeless stabilization in the mixture of sales and operating expenses.

Long term targets and perspectives

The maintenance and enforcement of the leading position of the Group, both in the Greek and European market, as well as its further expansion and the improvement in production and the services offered, are strategic targets of the management. The strategy to accomplish these targets is defined by the following factors:

- Cooperation agreements both in home country and overseas.
- Restructure of the Company organization and improvement of its information systems.
- Expansion of its international presence, aiming at taking advantage of opportunities that arise overseas.
- Improvement of personnel and cooperators' information systems.
- Fulfillment of its significant investing plan.
- Extensive program for investments in Research and Development.

The direct targets of Group's senior management include:

Evolution in home market

The Group aims at the expansion of its home market through the increase of its market share.

Increase in Exports

International sales of the Group, in 2007, represent 41,7% of total sales. Parent Company has developed a significant export activity, which represents 34,3% of its turnover, in 2007. Exports occur in many countries around the world. England, Germany, Belgium, Turkey, Cyprus, Serbia, Ireland, Australia, Russia, Hungary, Estonia, Bulgaria, Poland, Albania, France, Romania, Egypt, Lebanon, Arabian Emirates, Iran, Ukraine etc. are countries in which a large number of elevators of the Company exist and there is a continuous demand for orders. Indicative of the quality and the acceptance of Company products is the fact that the largest part of its exports is directed to England, Germany, Denmark and Belgium, which are the most highly developed European countries, with the strictest specifications in the quality of materials and services.

Penetration in the market of upgrading of old elevator systems

Management of KLEEMANN HELLAS processes plans of replacing the mechanisms of existing old elevators, (currently, there are approximately 300.000 elevators, more than 30 years old, a significant part

of which requires partial or total replacement), with corresponding hydraulic elevators, offering an improved and safe solution to the market. The proposed package aims to combine flawless operation, low levels of noise, credibility and passenger evacuation, when electricity stops (characteristics of hydraulic elevators), offering reasonable prices for replacement. This fact is expected to be positively accepted by the domestic market.

Investing policy

Investing policy of the Group is determined by the entrepreneurial plan that has been prepared and the management of the group aims to fulfill. The planned productive investments of the 3-year period 2007-2009 are expected to surpass the amount of 16 mil. Euros. Investing policy of the Group concerns manufacturing of new industrial building facilities, acquisition of advanced technological machinery, acquisition of computer and information systems, installation of systems for saving energy, evolution of an innovative system for electronic sales, acquisition of up to date systems for inventories management and construction of a high trial tower which will help the evolution of high velocity elevating systems.

In the above investment is included the construction of a high trial tower which will help the evolution of high velocity and long-distances elevating systems. In particular, on 25th January 2008 have been signed a contract of construction of the above project between the company and the constructor "TERNA S.A.". The amount of the contract reaches 2.900.000 Euros, while the total expense for the completion of the project is expected to reach 4.000.000 Euros, from which amount of 1.970.000 Euros has been included in the provisions of v. 3299/2004 and its subsidy has approved by the competent bodies with a percentage of 35 %.

This investing policy aims at:

1. The increase of productive capability of group Companies.
2. The enlargement of produced products.
3. The enhancement in quality of products and services.
4. The better and faster response to the demands of the clients.
5. The improvement in the organization and computerization of the Company.

Distant target of the investing policy that the management of the Group has formed, is the establishment of the already leading position that the company maintains, in the international market of elevators, exploiting the business opportunities that our era offers.

EXPLANATORY REPORT
TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING
OF KLEEMANN HELLAS S.A. ACCORDING TO ARTICLE 11α N. 3371/2005

Article 30 of Law 3461/30-5-2006 refers to the adjustment of the existing legislation to the provisions of the 2004/25/EK regulation by European Board, the new Article 11^α was added to Law N.3371/2005, stating that companies with shares that are listed in the stock exchange are obliged to submit explanatory report to the Ordinary General Shareholders' Meeting, including analytical information about specific issues. The current explanatory report of the General Meeting to the Ordinary General Shareholders' Meeting, contains analytical information related with the issues of the first paragraph of 11a Article of Law N. 3371/2005.

a) Structure of Share Capital of KLEEMANN HELLAS S.A.

Share Capital of **KLEEMANN HELLAS S.A.** comes up to Three Million Nine Hundred Two Thousand Thirty Five Euros and Fifty Cents (3.902.035,50€), divided by eleven million eight hundred twenty four thousand three hundred fifty (11.824.350) ordinary registered shares, with one voting right and nominal value of thirty three cents (0,33€) each. Shares of the Company are listed for negotiation in the Value Market of the Athens Stock Exchange.

Each Share of the Company includes all benefits and obligations defined by the Law and Article of Association of the Company, which does not include provisions, more restrictive than what the Law defines. The maintenance of a share title implies by right its owners' acceptance of the Article of Association of the Company and all the legal decisions of the General Shareholders' Meetings, even if they have not participated.

Article of Association of the Company does not include any special rights in favor of specific shareholders. All shares of the Company are liberally negotiable. Shareholders' responsibility is restricted to the amount of the nominal value of the shares that they retain and they participate proportionally in the management and the profits of the Company, according to the provisions of the Law and the Article of Association. The benefits and obligations that arise from every share are followed on any total or particular shareholders' successor.

Shareholders can exercise their rights regarding the Management of the Company only through General Meetings.

Shareholders hold the right of preference on any future increase of Share Capital of the Company, depending on their participation in the existing share capital, as this is defined in Article 13, paragraph 5 of the Encoded Law 2190/1920.

Shareholders' borrowers and their total or particular successors, can neither cause, under any condition, any abduction or inactivation of any property or the Company logs, nor ask for its settlement and distribution and be involved in any way in its management or its administration.

Every shareholder, wherever he may live, concerning his relationship with the Company, is considered to be a permanent resident in its Head Offices and he is liable to Greek Legislation. Any difference between the Company and the shareholders or any other third party is subject to the exclusive responsibility of Greek Courts, while the Company is subject only to the Courts of its Head Offices.

Common shares provide only one voting right. All co-owners of a share, should present a common representative for that share, literally, to the Company, in order to retain the voting right. This representative will stand for them in the General Meeting. Until the representative is appointed, the execution of their rights is postponed.

According to the Legislation and the Article of Association of the Company and based on Article 51 of the Law v. 2396/96, Shareholders that are willing to participate in General Meeting, are: a. All

shareholders that have an administrator (Bank or A.S.E.) are obliged to engage their shares, through their administrator and submit the relevant guarantee of share commitment for participation in General Meeting, which is issued by the company “HELLENIC EXCHANGES S.A.”, together with any possible documents of representation. b. All shareholders that do not have an administrator, but are enrolled in the special account of the ration, which is operated by “HELLENIC EXCHANGES S.A.”, are obliged to engage their shares, with a relevant statement directly sent to the “HELLENIC EXCHANGES S.A.” and submit the above guarantee to the same address, together with any possible documents of representation.

The supporting documents of all the above cases should be submitted to the Company at least five (5) working days before the defined assembly of the General Meeting. Shareholders that do not comply with the above, may participate in General Meeting, only with its permission.

Shareholders that represent 5% of the deposited Share Capital: a. They have the right to ask the Court of first instance of the Company Head Offices, the auditing of the Company, according to Articles 40, 40e of Law N.2190/1920 and b. They can request the convocation of Irregular Shareholders' General Meeting. The Board of Directors is obliged to convoke this Meeting in a time period of no more than forty five (45) days from the day that the application to the President of the B.o.D. was submitted. In this application, applicant shareholders are compelled to mention all the issues that the General Meeting will decide for.

Ten (10) days before the Ordinary General Meeting, every shareholder can ask for the annual Financial Statements and the relevant reports of the Board of Directors and the Auditors of the Company.

The dividend of each share is paid to the Shareholders of the Company, within two (2) months from the date of the Ordinary General Meeting, which approved the annual Financial Statements. The payment is held with the presentation of the Guarantee of Dividend Beneficiary of Anonymous Values in the Offices of the Company or wherever else defined. The method of deposit is announced in the Press. Dividends that are not demanded for more than five years, are statute-barred in favor of State.

As far as the procedure of depositing the shares is concerned, the shareholders' participation to the General Shareholders' Meetings of the Company and the process of dividend payment, requires the application of everything that the Regulation for the Operation and Liquidation of Immaterial Titles System of the Central Value Warrant defines, as these are in force on any time.

b) Restrictions to the transfer of the Company shares.

The transfer of the Company shares is held as the Law defines, there are no restrictions, impelled by the Article of Association.

c) Significant direct or indirect participations as these are defined by Law 3556/2007

The following shareholders hold significant direct or indirect participations, as these are defined by Law 3556/2007, owning directly or indirectly more than 5% of the total number of Company shares:

SHAREHOLDERS WITH PERCENTAGE >=5% ON 31/12/2007 WITH TOTAL SHARE CAPITAL 11.824.350			
A/A	NAME	NUMBER	PERCENTAGE%
1	KOUKOUNTZOS K. NIKOLAOS	2.043.779	17,28
2	KOUKOUNTZOS N. KONSTANTINOS	1.427.245	12,07
3	KOUKOUNTZOS N. NIKOLAOS	1.300.200	11,00
4	KOUKOUNTZOS K. MENELAOS	1.227.250	10,38
5	KOUKOUNTZOU N. EKATERINI	1.146.970	9,70
SUB TOTAL		7.086.699	60.43
REMAINING INVESTORS		4.737.651	39.57
TOTAL NUMBER OF SHARES		11.824.350	100.00

d) Shares that provide special auditing rights.

There are not any Company shares that offer special auditing rights to their owners.

e) Restriction on voting right.

The Article of Association does not inflict any restrictions on the voting right that arises from shares of the Company.

f) Agreements between Shareholders

The Company is not aware of the existence of any possible agreements between its shareholders, which imply restrictions in the transfer of its shares or the execution of the voting rights that arise from its shares.

g) Rules about the appointment and replacement of Board of Directors members and about the Modification of the Article of Association .

The rules that the Article of Association of the Company define with respect to the appointment and replacement of Board of Directors members and about the modification of its provisions, are not different from the definitions of K.N.2190/1920.

h) Authority of the Board of Directors for the issue of new shares or the purchase of owned shares

a) According to the provisions of Article 13 Par. 1 Elem. B of K.N. 2190/1920 and Article 6 of the Article of Association of the Company, after a relevant decision by General Meeting, which is subject to the publicity formalities of the 7b Article of K.N. 2190/1920, Board of Directors are entitled to increase the share capital of the Company, by issuing new shares, with a decision that requires the priority of at least two thirds (2/3) of total members. In this case, and according to Article 6 of the Article of Association, share capital can be increased up to five times more than its paid up capital or two times more than the approval of the relevant modification of Article 5 of the Article of Association.

b) The Board of Directors of the Company have the right to proceed to the purchase of owned shares strictly under a decision of General Shareholders' Meeting, which has been taken according to Article 16 of Law 2190/20.

i) Important agreements that come into force, are modified, or expire in the occasion of change of auditing, after public proposal.

There are no important agreements that come into force, are modified, or expire in the occasion of change of auditing, after public proposal.

j) Agreements with the members of Board of Directors or the personnel of the Company.

There are not any special agreements between the Company and the members of its' Board of Directors or its personnel, which define the deposit of any compensation, especially on the occasion of resignation or dismissal, without reasonable cause for termination either of duty or of employment, because of public proposal.

Kilkis, 21 March 2008

President
of Board of Directors.

Nikolaos K. Koukountzos

Balance Sheet

		GROUP		COMPANY	
	NOTE	2007	2006	2007	2006
ASSETS					
Non-current Assets					
Tangible Assets	6	32.022.891	26.062.924	24.919.125	21.092.337
Intangible Assets	7	479.124	168.879	425.539	148.584
Participations in Subsidiaries	9	-	-	2.387.391	1.962.391
Other long-term receivables	12	509.106	564.471	441.506	542.707
Deferred tax receivables	10	45.068	31.522	-	-
		33.056.189	26.827.796	28.173.561	23.746.019
Current Assets					
Inventories	11	23.288.121	18.736.764	19.651.648	15.765.881
Receivable clients	13	65.278.816	53.572.285	59.334.304	48.639.007
Other receivables	14	3.020.043	1.558.918	2.657.240	1.229.674
Investments	8	705.672	806.035	699.611	781.711
Cash and cash equivalents	15	5.966.806	3.552.847	4.532.965	2.140.976
		98.259.458	78.226.849	86.875.768	68.557.249
Total Assets		131.315.647	105.054.645	115.049.329	92.303.268
EQUITY CAPITAL					
Equity Capital attributable to shareholders					
Share Capital	16	3.902.035	3.902.035	3.902.035	3.902.035
Share premium	16	26.173.118	26.173.118	26.173.118	26.173.118
Other Reserves	16	27.577.193	20.484.827	26.150.056	19.559.908
Profit carried forward		17.730.552	15.493.251	15.336.671	13.895.211
Exchange Rate differences from consolidation of foreign Subsidiaries		130.369	(2.105)	-	-
Total		75.513.267	66.051.126	71.561.880	63.530.272
Minority Rights		5.540.310	4.179.093	-	-
Total Equity Capital		81.053.577	70.230.219	71.561.880	63.530.272
Long-term Liabilities					
Long-term bank liabilities		25.000.000	-	25.000.000	-
Liabilities from employees' termination benefits	19	1.440.948	1.225.113	1.307.313	1.125.607
Other long-term liabilities	22	691.278	780.605	9.646	49.236
Deferred tax liabilities	10	1.360.725	719.580	1.204.422	636.229
		28.492.951	2.725.298	27.521.381	1.811.072
Short-term liabilities					
Suppliers	20	14.932.138	12.509.559	12.109.526	9.533.626
Current tax liabilities		1.900.218	1.338.596	1.325.827	809.040
Other liabilities	21	1.964.927	1.423.385	1.530.715	1.163.170
Short terms bank liabilities	17	2.971.836	16.827.588	1.000.000	15.456.088
		21.769.119	32.099.128	15.966.068	26.961.924
Total liabilities		50.262.070	34.824.426	43.487.449	28.772.996
TOTAL EQUITY CAPITAL AND LIABILITIES		131.315.647	105.054.645	115.049.329	92.303.268

The notes that are included in pages 20 to 58 are integral part of these Financial Statements.

Income Statement

	NOTE	GROUP		COMPANY	
		1 Jan. 07 - 31 Dec. 07	1 Jan. 06 - 31 Dec. 06	1 Jan. 07 - 31 Dec. 07	1 Jan. 06 - 31 Dec. 06
Sales	23	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Cost of sales	25	106.571.552	85.466.518	95.258.392	76.164.745
Gross Profit		(70.420.227)	(54.796.387)	(65.843.927)	(51.955.434)
Other income / (expenses) (net)	24	36.151.325	30.670.131	29.414.465	24.209.311
Selling Expenses	25	1.182.676	695.462	1.212.073	618.671
Administration Expenses	25	(13.464.784)	(11.026.343)	(11.766.183)	(9.601.276)
Research and Development Expenses	25	(4.314.793)	(3.869.531)	(3.282.895)	(3.085.171)
Operating Income		(1.313.047)	(1.037.267)	(1.297.916)	(1.019.505)
Financial income / (expenses) (net)	27	18.241.377	15.432.452	14.279.544	11.122.030
Income from dividends		(1.319.662)	(580.449)	(1.211.800)	(472.068)
Profit / (loss) from sale of securities		19.817	-	275.654	238.519
Profit before Taxes		-	198.111	-	198.112
Income Tax	28	16.941.532	15.050.114	13.343.398	11.086.593
Net profit of the period from continued operations		(3.599.790)	(2.883.966)	(2.627.342)	(1.602.965)
		13.341.742	12.166.148	10.716.056	9.483.628
Attributable to					
Shareholders of parent company					
Minority Rights		11.983.679	11.255.589	10.716.056	9.483.628
		1.358.063	910.559	-	-
Earnings per share attributed to the shareholders of the parent company for the year (expressed in Euros per share) - Basic	31	13.341.742	12.166.148	10.716.056	9.483.628

The notes that are included in pages 20 to 58 are integral part of these Financial Statements.

Statement of changes in Equity Capital

GROUP									
	Share capital	Share Premium	Regular reserve	Reserves & Revaluation differences	Exchange rate differences	Profit carried forward	Total	Minority rights	Total Equity Capital
Balance 1 January 2006	3.902.035	26.173.118	1.416.246	16.995.436	99.836	9.369.955	57.956.626	3.497.484	61.454.110
Adjustments	-	-	-	-	-	494.678	494.678	(494.678)	-
Profit of the period	-	-	-	-	-	11.255.589	11.255.589	910.559	12.166.148
Dividends 2006	-	-	-	-	-	(3.344.939)	(3.344.939)	-	(3.344.939)
Regular Reserve	-	-	36.229	-	-	(62.863)	(26.634)	26.634	-
Other Reserves	-	-	-	2.036.916	-	(2.246.090)	(209.174)	209.174	-
Issue of Share Capital	-	-	-	-	-	-	-	70.000	70.000
Exchange rate differences from Subsidiaries	-	-	-	-	(101.941)	26.921	(75.020)	(40.080)	(115.100)
Balance 31 December 2006	3.902.035	26.173.118	1.452.475	19.032.352	(2.105)	15.493.251	66.051.126	4.179.093	70.230.219
Balance 1 January 2007	3.902.035	26.173.118	1.452.475	19.032.352	(2.105)	15.493.251	66.051.126	4.179.093	70.230.219
Revaluation of land	-	-	-	1.119.796	-	-	1,119.796	50.115	1,169.911
Profit of the period	-	-	-	-	-	11.983.679	11.983.679	1.358.063	13,341.742
Dividends 2007	-	-	-	-	-	(3.746.308)	(3.746.308)	-	(3,746.308)
Subsidiaries' Dividends	-	-	-	-	-	(27.500)	(27.500)	(178.573)	(206.073)
Regular Reserve	-	-	53.769	-	-	(53.769)	-	-	-
Tax-free Reserves	-	-	-	2.068.801	-	(2.068.801)	-	-	-
Other Reserves	-	-	-	3.850.000	-	(3.850.000)	-	-	-
Exchange rate differences from Subsidiaries	-	-	-	-	132.474	-	132.474	56.612	189.086
Issue of Share Capital	-	-	-	-	-	-	-	75.000	75.000
Balance 31 December 2007	3.902.035	26.173.118	1.506.244	26.070.949	130.369	17.730.552	75.513.267	5.540.310	81.053.577

The notes that are included in pages 20 to 58 are integral part of these Financial Statements.

KLEEMANN HELLAS S.A.
Financial Statements
of 31 December 2007

Statement of changes in Equity Capital

	COMPANY						
	Share capital	Share premium	Regular reserve	Other Reserves	Revaluation differences	Profit carried forward	Total Equity Capital
Balance 1 January 2006	3.902.035	26.173.118	1.329.999	15.705.325	700.436	9.399.318	57.210.231
Profit of the period	-	-	-	-	-	9.483.628	9.483.628
Dividends 2006	-	-	-	-	-	(3.163.587)	(3.163.587)
Reserves	-	-	-	1.824.148	-	(1.824.148)	-
Balance 31 December 2006	3.902.035	26.173.118	1.329.999	17.529.473	700.436	13.895.211	63.530.272
Balance 1 January 2007	3.902.035	26.173.118	1.329.999	17.529.473	700.436	13.895.211	63.530.272
Profit of the period	-	-	-	-	-	10.716.056	10.716.056
Dividends 2007	-	-	-	-	-	(3.746.304)	(3.746.304)
Special taxed reserves	-	-	-	3.500.000	-	(3.500.000)	-
Tax-free Reserve for Investment purposes	-	-	-	2.028.292	-	(2.028.292)	-
Revaluation of land	-	-	-	-	1.061.856	-	1.061.856
Balance 31 December 2007	3.902.035	26.173.118	1.329.999	23.057.765	1.762.292	18.836.671	71.561.880

The notes that are included in pages 20 to 58 are integral part of these Financial Statements.

Cash Flow statement

	NOTE	GROUP		COMPANY	
		1 Jan. 07 - 31 Dec. 07	1 Jan. 06 - 31 Dec. 06	1 Jan. 07 - 31 Dec. 07	1 Jan. 06 - 31 Dec. 06
Cash Flows from operating activities					
Cash generated from operations	29	6.073.288	4.910.056	3.268.938	3.308.130
Interests paid		(1.064.819)	(585.608)	(976.895)	(512.180)
Income tax paid		(2.947.178)	(4.838.304)	(1.910.010)	(4.323.062)
Exchange rate influence		184.449	(177.276)	-	-
Net Cash Flows from operating activities		2.245.740	(691.132)	382.033	(1.527.112)
Cash Flows from investing activities					
Sales (Purchases) of Tangible Fixed Assets		(6.635.272)	(3.090.430)	(4.236.174)	(2.897.817)
Sales (Purchases) of Intangible Fixed Assets		(365.165)	(126.853)	(322.733)	(126.373)
Sales (Purchases) of Shares of foreign Subsidiaries		-	-	(425.000)	(135.942)
Sales (Purchases) of Securities		18.263	357.009	-	376.978
Interests/ Dividends received		(49.263)	380.501	206.574	379.783
Net Cash Flows from investing activities		(7.031.437)	(2.479.773)	(4.777.333)	(2.403.371)
Cash Flows from financing activities					
Increase (Decrease) of Bank Loans		11.144.249	5.936.168	10.543.913	5.936.291
Increase (Decrease) of Share Capital		75.000	64.058	-	-
Dividends paid		(4.018.535)	(3.360.860)	(3.756.624)	(3.179.507)
Interests paid		(1.058)	(1.238)	-	-
Net Cash Flows from financing activities		7.199.656	2.638.128	6.787.289	2.756.784
Net increase / (decrease) in cash and cash equivalents		2.413.959	(532.777)	2.391.989	(1.173.699)
Cash and cash equivalents in the beginning of the year		3.552.847	4.085.624	2.140.976	3.314.675
Cash and cash equivalents in the end of the year		5.966.806	3.552.847	4.532.965	2.140.976

The notes that are included in pages 20 to 58 are integral part of these Financial Statements.

KLEEMANN HELLAS S.A.

Financial Statements

of 31 December 2007

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

1. The Group's Incorporation and Business:

'KLEEMANN HELLAS S.A. («The Company») was incorporated in 1983 and is registered in the Register of Societes Anonymes under No. 10920/06/B/86/40.

The Company duration is set to 50 years from the date of publication of its Articles of Association, i.e. up to 2027. It has been listed on the Athens Stock Exchange since April 1999. Total number of shares in circulation ,in 31 December 2007, comes up to 11.824.350 and they are all common registered shares .

Main activity of KLEEMANN HELLAS S.A. is the manufacturing and trading of complete elevating systems. Company holds a leading position in the manufacturing and trading of complete elevating systems.

The Company's Head Offices and its communication address are located in Greece, in the Industrial Area of Stavrochori, Kilkis, Postal Code 61100. Web site address of the Company is www.kleemann.gr.

Financial Statements of the Company for the year that ended in 31 December 2007 include the Individual Financial Statements of KLEEMANN HELLAS and Consolidated Financial Statements of the Company and the Subsidiaries (together referred to as the «Group»). The names of subsidiaries included in consolidation are the following:

Name of Subsidiary	Activity	Head Offices	Participation
			Percentages
			<u>31/12/2007</u>
KLEFER S.A.	Company that manufactures and trades automatic elevator doors	Industrial area of Kilkis Greece	50%
KLEEMANN ASANSOR S.A.	Company that trades complete elevator systems	Istanbul Turkey	70%
KLEEMANN LIFTOVI D.O.O	Company that trades complete elevator systems	Belgrade Serbia	60%
KLEEMANN LIFT RO S.R.L.	Company that trades complete elevator systems	Bucharest Romania	70%
MODA CABINA S.A.	Company that manufactures and trades elevator components	Industrial area of Kilkis Greece	85%

At 18 of March 2008, the Company proceeded to the acquisition of 6.000 social parts of KLEEMANN LIFT RO S.R.L., with nominal value of 30.000 € (the rest 30% of its share capital), from the partner Aggelos Palmos, who resigned. After this transaction, the Company holds the 100% of the share capital of its subsidiary.

Group is activated in Greece, Turkey, Serbia and Romania. "MODA CABINA S.A." subsidiary was incorporated on 18 April 2007 and its financial results are included, for the first time, in the consolidated financial statements of the Group on 31 December 2007.

The Individual and Consolidated Financial Statements as of 31 December 2007 attached were approved for publication by the Company's Board of Directors on 21 March, 2008 while they stand for approval by the Annual General Shareholders' Meeting.

2. Financial Statements' basis of preparation

(a) Note of Compliance

The Financial Statements have been drawn up in accordance with the International Financial Reporting Standards (I.F.R.S.) as they have been adopted by the European Union.

(b) Basis of Valuation

The Financial Statements were drawn up on the basis of the historical cost principle with the exception of Land and Securities that are recorded at their fair value. The Financial Statements are presented in Euros, unless otherwise stated.

(c) Operating Exchange Rate and Presentation

The financial statements are expressed in Euros (€), which constitutes the company's operating currency. All the financial figures are presented in Euros (€).

(d) Application of Evaluations and Judgments

When drawing up financial statements in accordance with the I.F.R.S. it is necessary for the management to resort to evaluations and judgments that affect the application of accounting policies, as well as the recorded figures regarding assets, liabilities, income and expenses. Actual results may differ from those calculations.

The evaluations and the relative assumptions are revised on a continuous basis. These revisions are recognized in the period in which they were made and in future periods if there are any. In the areas where there is uncertainty regarding the evaluations and the decisive judgments concerning the application of accounting policies, with significant impact on the figures recorded in the financial statements, special information is given in the following notes:

- Fixed Assets (Note 6)
- Intangible Assets (Note 7)
- Inventories (Note 11)
- Trade and other receivables (Note 13)

The accounting policies that are presented below have been consistently applied in all the periods that are presented in these Financial Statements and have been consistently applied by all of the Group's companies.

Some comparative figures have been reclassified, so as to be easily compared with the corresponding figures of the previous year.

Consolidated Balance Sheet 2006

- Amount of 254.196 €, which concerns receivables cheques, has been transferred from Cash and Cash Equivalents to Receivables Clients.
- Credit amount of 35.308 € has been transferred from Supplies to Inventory.
- Credit amounts of 3.908 € and 1.911 (total amount of 5.819 €) have been transferred from Current Tax Liabilities to Other Liabilities.
- Amount of 8.551 € has been transferred from Profit carried forward of first adoption to Profit of the period.
- Amount of 741.486 €, which concerns deferred tax, has been transferred from deferred tax assets to deferred tax liabilities.

Consolidated Income Statement 2006

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

- Sales have been reduced by 34.053 €, while Cost of Sales, Other Income (Expense) and Financial Income (Expense) have been increased by 18.003 €, 44.398 € and 7.658 €, respectively.
- Amount of 25.465 € has been transferred from Administration Expenses to Selling Expenses.

Consolidated Cash Flow Statement 2006

- Inventory and Other Receivables have been reduced by 12.286 € and 41.907 €, respectively.
- Receivables Clients, Suppliers and Short-term Bank Liabilities have been increased by 303.893 €, 722.036 € and 4.648 €, respectively.
- Other Liabilities and Other Long-term Liabilities have been reduced by 727.252 € and 1.509 €, respectively.
- Income Tax Paid and Exchange Rate Influence have been increased by 1.378 € and 1.040 €, respectively.

Company's Balance Sheet 2006

- Amount of 700.881 €, which concerns deferred tax, has been transferred from Deferred Tax Assets to Deferred Tax Liabilities.

3. Basic Accounting Policies

3.1 Consolidation basis

(a) Subsidiary Companies

Subsidiaries are the companies controlled by the parent company. Control is exercised when the parent company has the power to reach decisions, directly or indirectly, that concern the subsidiaries' principles of financial management with the purpose of benefiting from them. The existence of any potential voting rights which may be exercised at the drawing up of the financial statements is taken into account in order to ascertain whether the parent company controls the subsidiaries. The subsidiaries are consolidated in full (integrated consolidation) from the date control over them is acquired and cease to be consolidated from the date that such control ceases to exist.

The Company records investments in subsidiaries in the Individual Financial Statements at their acquisition cost less any possible impairment of their value.

(b) Transactions Eliminated during Consolidation

Inter-group balances and transactions, as well as profits and losses which occurred from inter-group transactions are eliminated during the composition of the consolidated financial statements. Non-realized profits from transactions between the group and its affiliated companies are eliminated by the percentage of the Group's holding in the affiliated companies. Non-realized losses are eliminated accordingly, unless the transaction provides indications of impairment in the transferred asset.

3.2 Information by sector

A business sector is defined as a group of assets and operations providing goods and services which are subject to risks and returns different from those of other business sectors. A geographic sector is defined as a geographical area where goods and services subject to risks and returns different from other areas are provided.

IAS 14 "Segment Reporting" set standards for the determination of distinguished activity sectors of entities, which defined according to the structure of the entity. The segments of the entity that have to be disclosed are defined according to the quantitative criteria which sets out Standard 14.

3.3 Foreign Currency

(a) Transactions in Foreign Currency

Transactions in foreign currency are converted into the operational currency based on the foreign currency's official rate that prevails on the date the transaction took place. Profits and losses from currency differences deriving after the clearing of such transactions during the fiscal year and after the conversion of currency items expressed in foreign currency at the parity rates prevailing on the date of the balance sheet are recorded in the Profit and Loss Statement.

(b) Transactions with Foreign Companies

Conversion of the Group's companies' financial statements (none of which is in the currency of a hyper inflated economy), that are in a different operational currency than the group's presentation currency are converted as follows:

Assets and liabilities of activities that are carried out abroad, including the goodwill and readjustment of reasonable values that arise during consolidation, are converted to Euros based on the foreign currency's official rate that prevails on the date of the Balance Sheet.

Income and expenses are converted to Euros based on the foreign currency's average rate during the fiscal year, which reflects the foreign exchange parity that prevails on the date the relative transaction took place.

Foreign exchange differences arising from the conversion of the net investment in a foreign business and of the relative offsets are recognized in a different line in the Equity account.

3.4 Tangible Fixed Assets

Tangible fixed assets are shown at acquisition cost less accumulated depreciation and any impairment of the value thereof, except for Land which is evaluated in fair value. Acquisition cost includes all expenditures that are directly associated with the acquisition of the fixed asset.

Later expenditures are recorded as an increase in the accounting value of the tangible fixed assets or as a separate fixed asset only where there is a possibility that the future financial benefits shall flow into the group and their cost may be reliably accounted. Repairs and maintenance costs are recorded in the Profits and Loss Statement when they are carried out.

Land is not depreciated. Depreciation on other tangible fixed asset items is calculated by the straight line method during the estimated useful lives of these assets and of their sections thereof. Useful lives range is estimated as follows:

Buildings 20-50 years
Mechanical equipment 6-20 years
Automobiles 10-25 years
Other equipment 5-20 years

The residual values and the useful life of tangible fixed assets are subject to review on every balance sheet date, if this is deemed necessary.

When the accounting values of tangible fixed assets exceed their estimated replacement cost the difference (impairment) is recorded as an expenses in the Profits and Loss Statement.

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

When tangible fixed assets are sold, the differences arising between the proceeds received and their accounting value is recorded as a profit or loss in the Profit and Loss Statement.

3.5. Intangible Fixed Assets

Intangible Fixed Assets concern software licenses.

Software licenses are evaluated at acquisition cost less accumulated depreciation, less any accumulated impairment. They are depreciated by the straight line method over their useful life, which is from 3 to 10 years.

Expenditure necessary for the development and maintenance of software is recognized as an expense in the Profit and Loss Statement for the year in which it occurs.

Costs and expenses concerning the internal creation and development of software are capitalized, in the extent that requirements of the related Standard are fulfilled.

3.6. Impairment in value of assets

The book value of the Group's assets is checked for impairment when there are indications that their book value will not be recovered. In this case, the asset's recoverable amount is determined and if the book value thereof exceeds the estimated recoverable value, an impairment loss is recognized, which is recorded directly in the Profit and Loss Statement. The recoverable value is the greater amount between an asset's fair value, less the cost that is required for the sale thereof, and the value of the use thereof. In order to estimate the use value, the estimated future cash flows are discounted to the asset's present value with the use of a discount rate that reflects the market's current estimations for the cash's temporal value and for the risks that are associated with these assets. If an asset does not bring significant independent cash flows, the recoverable amount is determined for the cash flow production unit to which the asset belongs.

If an impairment loss is recognized, on each balance sheet date the Group examines if the conditions that led to the recognition thereof continue to exist. In this case, the asset's recoverable value is re-determined and the impairment loss is offset restoring the asset's book value to its recoverable amount to the extent that this does not exceed its book value (net of depreciation) that would have been determined if an impairment loss had not been recorded.

3.7 Investments

Investments are classified according to the purpose for which they were acquired. Management decides on the appropriate classification of the investment when the investment is acquired and reviews the classification at every presentation date.

(a) Financial assets at a reasonable value through the Profit and Loss Statement

This category includes financial assets acquired for the purpose of being resold soon. Assets in this category are classified as Current Assets if they are held to be traded or if it is expected that they shall be sold within 12 months from the balance sheet date.

In this category, Group and Company include subsidiaries' shares.

(b) Investments held till expiry

This category includes investments with fixed or pre-determined payments and a specific expiry date which the Group and the Company are intending as far as possible to hold onto until their expiry.

(c) Financial assets available for sale

This category includes assets which are either designated for this category or cannot be classified in one of the above categories. They are included in non-Current Assets provided Management does not intent to liquidate them within 12 months from the balance sheet date

Purchases and sales of investments are recognized on the date of the transaction which is the date the Group and the Company commit themselves to buy or sell the item. Investments are initially recognized at their fair value plus transaction costs. Investments are eliminated when the rights to collect cash flows from the investments expire or are transferred and the Group has materially transferred all risks and benefits inherent in their ownership.

3.8 Inventories

Inventories are evaluated at the lower, per item, price between the acquisition cost and net liquidation value. Acquisition cost is designated by the FIFO method. Net liquidation value is evaluated on the basis of current stock sale prices in the context of usual business after subtracting any cost of completion and sale where there is such a case. Eliminations are recognized in the Profit and Loss Statement of the year in which they occur.

3.9 Customers and Other Current Receivables

Customer account receivables are recorded at cost and are controlled on an annual basis for impairment. Impairment losses are recorded when there is an objective indication that the Group and the Company are not in a position to collect all the sums owed on the basis of contractual terms. The provision figure is recorded as an expense in the Profit and Loss Statement. Possible deletions of receivables from accounts receivables are effected through the provision that has been formed. Receivables that are deemed as doubtful are deleted.

3.10 Cash and Cash Equivalents

Cash and cash equivalents include cash balance and short term bank deposits.

3.11 Loans

Loans are initially recorded at their fair value. Following their initial recording they are monitored at their outstanding balance.

Loans are classified as Current Liabilities unless the Group and the Company have the right to postpone final settlement of the liability for at least 12 months from the date of the balance sheet. In this case they are classified as Long-term Liabilities.

3.12 Income Tax

Income tax of the fiscal year is comprised of both current and deferred tax. Income tax is recorded in the Profit and Loss Statement unless it concerns amounts that are directly recorded in Equity, in which case it is recorded in Equity.

Current income tax is the expected payable tax against taxable income of the fiscal year, based on the instituted tax rates on the balance sheet date, as well as any readjustment to the payable tax of previous fiscal years.

Deferred income tax is calculated by the balance sheet method, based on the balance sheet, which derives from the provisional differences between the accounting value and the tax base of assets and liabilities. Deferred income tax is not accounted for if it derives from the initial recognition of an asset or liability item

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in a transaction, apart from a business merger, which when the transaction took place, affected neither the accounting nor the taxation profit or loss. Deferred tax is calculated using the tax rates which are expected to be in force in the period when the asset shall be liquidated or the liability settled. The usage of future tax rates is based on laws which have been passed at the date of drawing up the financial statements.

Deferred tax claims are recognized in the extent to which there shall be a future tax profit for the use of the provisional difference establishing the deferred tax claim. Deferred tax claims are reduced when the respective tax benefit is materialized.

Additional income taxes which emerge from the distribution of dividends are set in the same time with the obligatory payment of the relevant dividend.

3.13 Personnel Fringe Benefits

(a) Liabilities arising from the provisions of the Law 2112/1920, according to IAS 19.

The liability recorded in financial statements with regard to established benefit plans is the present value of the accrued benefits, taking any adjustments for potential actuarial results (profits/losses) and the cost of previous service into consideration.

The sum of the liability is calculated annually by an actuarial project, which is executed by independent actuarial company, applying the projected unit credit method.

The present value is defined by discounting the estimated future cash flows with the rate of a high credibility-grading bond, which is issued in the same currency as the one of the benefit and its remaining duration approaches the duration of the relevant liability.

Accumulated actuarial profits / losses that arise from the deviation between estimations and experience and from the alteration in the actuarial assumptions applied, are depreciated in a period equal to the employees' average remaining working life, to the extent that they do not exceed 10% of the higher between accrued liabilities and the fair value of the fixed assets of the plan.

The actuarial profit and loss arising for the adjustments based on historical data over or under 10% margin of the accumulated liability is recorded in the Profit and Loss Statement within the expected average insurance time of the plan's participants. The cost of previous service is recorded directly in the Profit and Loss Statement with the exception of the case where variations in the plan depend on the remaining time of service of employees. In this case the cost of previous service is recorded in the Profit and Loss Statement by the straight line method over the maturity period.

(b) Defined Contribution Plan

The duties towards benefits in Defined Contribution Plan are registered as an expense in the profits and loss statement during their year of realization.

3.14 State Subsidies

State subsidies are recognized at their fair value when it is expected with certainty that they shall be collected and the Group and the Company shall comply with all terms provided.

State subsidies regarding expenses, are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

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State subsidies related to the purchase of tangible fixed assets are included in Long-term Liabilities as deferred state subsidies and are transferred as gains to the Profit and Loss Statement by the straight line method over the expected useful life of the relative assets.

3.15 Provisions

Provisions are recognized when the Group has a present commitment (legal or justified) for which a cash outflow may arise for its settlement. Moreover, the amount of this commitment must be able to be determined with a significant degree of reliability. Provisions are re-examined on each balance sheet date and if it is deemed that no cash outflow shall arise for the commitment's settlement, a reverse entry must be made for these provisions. Provisions are used solely for the purposes for which they were initially formed. Provisions for future losses are not recognized. Contingent claims and liabilities are not recognized in the Financial Statements.

3.16 Recognition of Income

Income includes the fair value of sales of goods and services, net of Value Added Tax, discounts and returns. The Group's inter-company income is fully eliminated. Income is recognized as follows:

(a) Sale of goods

The sale of goods is recognized when the significant risks and property benefits have been transferred to the buyer, the collection of the amount to be received is deemed reasonably ensured, the relevant expenses and possible returns of goods can be reliably evaluated and there is no continuing involvement in the management of goods.

(b) Services

Income from services is recognized in the period in which these services are rendered, on the basis of the completion stage of the service provided with relation to services provided overall.

(c) Interest income

Interest income is recognized when interest is rendered accrued (based on the actual interest rate method).

(d) Income from dividends

Dividends are accounted as income upon the approval of their distribution by the General Shareholders' Meeting

3.17 Financial income-expenses (net)

Net financial expenditures are comprised of debit interest on loans as well as foreign exchange profits/losses that arise from the companies' lending. In addition, they also include income from accrued credit interest from invested cash.

3.18 Leases

Leases where the material risks and benefits of ownership are preserved by the leaser are classified as operational leases. Payments for operational leases are recognized in the Profit and Loss Statement on a fixed basis throughout the life of the lease.

3.19 Dividends

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Dividends that are distributed to the parent Company's shareholders are recognized as a Liability in the Financial Statements when the distribution is approved by the General Shareholders' Meeting.

3.20 Earnings per share

The basic earnings per share are estimated by dividing the earnings or losses, which correspond to the common shares holders, with the weighted average number of common shares that stand over during the period.

3.21 New Standards and Interpretations Which Have Been Adopted from 01.01.2007

The auditing principles according to which the annual financial statements were prepared are consistent with those used for the preparation of the financial statements of financial year 2006, except from the adoption of new standards and interpretations which are mandatory for accounting years that begin on or after 1 January 2007. The new standards are as follows:

- IFRS 7 Financial Instruments: Disclosures and adjustment in IAS 1 Presentation of Financial Statements:

Capital Disclosures require thorough disclosures regarding the significance of financial instruments in the financial position and the performance of an entity, as well as the qualitative and quantitative information on the nature and extent of the risks. I.F.R.S. 7 and the amendment of the rest Standards, brought important changes in the content and in the form of disclosure of the elements, concerning financial instruments, which are included in Financial Statements of 31 December 2007.

- IAS 1, (amendment) Capital Disclosures (effective for financial years beginning on or after 1 January 2007)

Due to the issuance of IFRS 7 some amendments were added to IAS 1 that an entity should disclose information that enables users of its financial statements to evaluate the aims, policies and procedures of managing its equity.

- IFRIC 7, Applying the restatement approach under IAS 29 financial reporting hyperinflationary economies (effective March 1, 2006)

IFRIC 7 requires entities to apply IAS 29 Financial Reporting in Hyperinflationary Economies in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency, as if the economy had always been hyperinflationary. IFRIC 7 is not relevant to the Company's and Group's operations.

- IFRIC 8, Scope of IFRS 2 (effective May 1, 2006)

IFRIC 8 clarifies that IFRS 2 Share-based payment will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less than the fair value of the instruments given. IFRIC 8 is not relevant to the Company's and Group's operations.

- IFRIC 9, Re-measurement of embedded derivatives (effective June 1, 2006)

IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows. IFRIC 9 is not relevant to the Company's and Group's operations.

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- IFRIC 10, Interim financial reporting and impairment (effective for financial years beginning on or after 1 November, 2006)

This Interpretation may impact the financial statements should any impairments losses be recognised in the interim financial statements in relation to available for sale equity investments, unquoted equity instruments carried at cost and goodwill as these may not be reversed in later interim periods or when preparing the annual financial statements. IFRIC 10 is not relevant to the Company's and Group's operations.

3.22 New Standards and Interpretations Which Have Not Been Adopted Yet

The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for future accounting periods:

- IFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

IFRS 8 replaces IAS 14 and specifies how an entity must present information regarding the operating sectors in the Financial Statements and following the revision of IAS 34 Interim Financial Presentation, requires an entity to present selectively information relevant to its operating sectors in the Interim Financial Statements. At present time, the Group presents information per sector and, specifically, per business and geographical sector (note 5). According to the management's point of view, the Group will present information per sector regarding the products and commodities, as well as the activity in Greece and abroad.

- IAS 23 (amendment) Borrowing cost (effective for financial years beginning on or after 1 January 2009)

The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009. It is not expected to have a significant effect on the consolidated financial statements.

- IFRIC 11 – IFRS 2 *Group and Treasury Share Transactions*, refers to the accounting treatment of specific, relevant transactions and whether these should be presented as transactions through a cash or share settlement, as is specified by IFRS 2. The application of IFRIC 11 concerns the fiscal year 2008. It is not expected to have a significant effect on the consolidated financial statements.

- IFRIC 12 *Services Concession Arrangements*, refers to the concession of services between public and private entities and concerns fiscal year 2008. It is not expected to have a significant effect on the consolidated financial statements.

4. Establishment of a subsidiary

At 18 April 2007 the Company, in cooperation with other partners, established the company "MODA CABINA S.A.", the share capital of which amount to 500.000 €, while the participation of the Company is 85%. Main activity of the subsidiary, which does not have significant activity in the preset accounting period, is the manufacture and trade of elevator components.

5. Report per Sector

Business sector is defined to be a group of assets and activities that provide products and services, which are subject to different risks and returns than those of other business sectors.

Geographical sector is defined to be a geographical area, in which products and services are provided and which is subject to different risks and returns than other areas.

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The reports per sector concern the business and geographical sectors of the Group.

The main business sectors of the Group are Manufacture, Trade and Other Revenues. Activities in Home country and Overseas are considered to be Geographical sectors of the Group.

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

5.1 Business activity sectors of the Group	Total			1 Jan - 31 December 07	Total			1 Jan - 31 December 06
	Manufacture	Trade	Other		Manufacture	Trade	Other	
Proceeds from Group Clients	76.417.196	41.599.128	4.968.958	122.985.282	61.246.531	31.890.969	3.842.434	96.979.934
Inter-company sales	(14.962.313)	(754.577)	(696.840)	(16.413.730)	(10.355.296)	(1.097.954)	(60.166)	(11.513.416)
Total Sales	61.454.883	40.844.551	4.272.118	106.571.552	50.891.235	30.793.015	3.782.268	85.466.518
Cost of Sales	(53.159.693)	(30.111.179)	(3.455.572)	(86.726.444)	(41.963.143)	(22.693.321)	(2.632.384)	(67.288.848)
Inter-company cost of Sales	14.864.307	749.635	692.275	16.306.217	11.235.860	1.191.319	65.282	12.492.461
Gross Profit	23.159.497	11.483.007	1.508.821	36.151.325	20.163.952	9.291.013	1.215.166	30.670.131
Other income / (expenses) (net)	-	-	1.244.145	1.244.145	-	-	746.946	746.946
Inter-company other income	-	-	(61.469)	(61.469)	-	-	(51.484)	(51.484)
Selling expenses	(8.574.363)	(4.330.106)	(560.315)	(13.464.784)	(7.103.838)	(3.475.949)	(446.556)	(11.026.343)
Administration expenses	-	-	(4.376.262)	(4.376.262)	-	-	(3.915.073)	(3.915.073)
Inter-company administration expenses	-	-	61.469	61.469	-	-	45.542	45.542
Research and development expenses	(1.313.047)	-	-	(1.313.047)	(1.037.267)	-	-	(1.037.267)
Operating income	13.272.087	7.152.901	(2.183.611)	18.241.377	12.022.847	5.815.064	(2.405.459)	15.432.452
Financial income / (expenses) (net)	-	-	(1.319.662)	(1.319.662)	-	-	(580.449)	(580.449)
Income from dividends	-	-	275.654	275.654	-	-	238.519	238.519
Inter-company income from dividends	-	-	(255.837)	(255.837)	-	-	(238.519)	(238.519)
Profit / (loss) from sale of securities	-	-	-	-	-	-	198.111	198.111
Profit before Taxes	13.272.087	7.152.901	(3.483.456)	16.941.532	12.022.847	5.815.064	(2.787.797)	15.050.114
Income Tax	-	-	(3.599.790)	(3.599.790)	-	-	(2.380.066)	(2.380.066)
Inter-company reformation of income tax	-	-	-	-	-	-	(503.900)	(503.900)
Profit after Taxes	13.272.087	7.152.901	(7.083.246)	13.341.742	12.022.847	5.815.064	(5.671.763)	12.166.148
Minority interest	-	-	(1.358.063)	(1.358.063)	-	-	(910.559)	(910.559)
Profit attributable to parent company	13.272.087	7.152.901	(8.441.309)	11.983.679	12.022.847	5.815.064	(6.582.322)	11.255.589
ASSETS								
Tangible Assets	14.595.844	5.209.224	12.217.823	32.022.891	11.297.646	4.288.171	10.477.107	26.062.924
Intangible Assets	243.523	64.690	170.911	479.124	35.672	13.414	119.793	168.879
Inventories	16.744.838	7.234.461	-	23.979.299	13.685.537	5.634.892	-	19.320.429
Inter-company inventories	(583.666)	(107.512)	-	(691.178)	(501.942)	(81.723)	-	(583.665)
Receivables	-	-	69.566.387	69.566.387	4.040.541	32.585	53.353.441	57.426.567
Inter-company receivables	-	-	(4.287.571)	(4.287.571)	-	-	(3.854.282)	(3.854.282)
Investments	-	-	705.672	705.672	-	-	806.035	806.035
Other figures of assets	-	-	12.028.415	12.028.415	-	-	7.670.150	7.670.150
Inter-company other figures of assets	-	-	(2.487.392)	(2.487.392)	-	-	(1.962.392)	(1.962.392)
Total Assets	31.000.539	12.400.863	87.914.245	131.315.647	28.557.454	9.887.339	66.609.852	105.054.645
CAPITAL AND LIABILITIES								
Suppliers	-	-	19.219.708	19.219.708	2.913.756	25.409	13.424.677	16.363.842
Inter-company suppliers	-	-	(4.287.570)	(4.287.570)	-	-	(3.854.283)	(3.854.283)
Profit of the period	13.370.092	7.157.842	(6.822.844)	13.705.090	11.588.134	5.812.887	(4.990.412)	12.410.609
Inter-company profit of the period	(1.668.518)	(893.261)	851.455	(1.710.324)	(1.078.415)	(540.989)	464.384	(1.155.020)
Profit carried forward	6.557.304	4.062.058	(3.459.859)	7.159.503	5.644.142	2.962.399	(2.767.568)	5.838.973
Inter-company profit carried forward	(1.303.967)	(807.769)	688.019	(1.423.717)	(1.547.879)	(812.423)	758.991	(1.601.311)
Other figures of Capital and Liabilities	-	-	98.697.484	98.697.484	-	-	77.316.435	77.316.435
Inter-company other figures of Capital and Liabilities	-	-	(44.527)	(44.527)	-	-	(264.600)	(264.600)
Total Capital and Liabilities	16.954.911	9.518.870	104.841.866	131.315.647	17.519.738	7.447.283	80.087.624	105.054.645

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5.2 Business activity sectors of the Company	Total				Total			
	Manufacture	Trade	Other	1 Jan - 31 December 07	Manufacture	Trade	Other	1 Jan - 31 December 06
Sales	63.026.984	28.090.158	4.141.250	95.258.392	51.423.312	21.501.241	3.240.192	76.164.745
Cost of Sales	(43.565.129)	(19.416.308)	(2.862.490)	(65.843.927)	(35.078.178)	(14.666.974)	(2.210.282)	(51.955.434)
Gross Profit	19.461.855	8.673.850	1.278.760	29.414.465	16.345.134	6.834.267	1.029.910	24.209.311
Other income / (expenses) (net)	-	-	1.212.073	1.212.073	-	-	618.671	618.671
Selling expenses	(7.785.005)	(3.469.657)	(511.521)	(11.766.183)	(6.482.388)	(2.710.432)	(408.456)	(9.601.276)
Administration expenses	-	-	(3.282.895)	(3.282.895)	-	-	(3.085.171)	(3.085.171)
Research and development expenses	(1.297.916)	-	-	(1.297.916)	(1.019.504)	-	-	(1.019.504)
Operating income	10.378.934	5.204.193	(1.303.583)	14.279.544	8.843.242	4.123.835	-1.845.046	11.122.031
Financial income / (expenses) (net)	-	-	(1.211.800)	(1.211.800)	-	-	(472.068)	(472.068)
Income from dividends	-	-	275.654	275.654	-	-	238.519	238.519
Profit / (loss) from sale of securities	-	-	-	-	-	-	198.111	198.111
Profit before Taxes	10.378.934	5.204.193	(2.239.729)	13.343.398	8.843.242	4.123.835	(1.880.484)	11.086.593
Income Tax	-	-	(2.627.342)	(2.627.342)	-	-	(1.602.965)	(1.602.965)
Profit after Taxes	10.378.934	5.204.193	(4.867.071)	10.716.056	8.843.242	4.123.835	(3.483.449)	9.483.628
ASSETS								
Tangible Assets	8.970.885	4.011.979	11.936.261	24.919.125	7.537.453	3.312.328	10.242.556	21.092.337
Intangible Assets	231.068	52.767	141.704	425.539	35.671	9.473	103.440	148.584
Investments	1.279.105	1.108.286	-	2.387.391	1.115.187	847.204	-	1.962.391
Inventories	13.765.375	5.886.273	-	19.651.648	10.902.096	4.863.785	-	15.765.881
Receivables	-	-	59.334.304	59.334.304	-	-	48.639.007	48.639.007
Investments	-	-	699.611	699.611	-	-	781.711	781.711
Other figures of assets	-	-	7.631.711	7.631.711	-	-	3.913.357	3.913.357
Total Assets	24.246.433	11.059.305	79.743.591	115.049.329	19.590.407	9.032.790	63.680.071	92.303.268
CAPITAL AND LIABILITIES								
Suppliers	-	-	12.109.526	12.109.526	-	-	9.533.627	9.533.627
Profit of the period	10.378.934	5.204.193	(4.867.071)	10.716.056	8.844.925	4.127.677	(3.488.974)	9.483.628
Profit carried forward	4.308.605	2.009.215	(1.697.206)	4.620.614	4.114.472	1.920.108	(1.622.997)	4.411.583
Other figures of Capital and Liabilities	-	-	87.603.133	87.603.133	-	-	68.874.430	68.874.430
Total Capital and Liabilities	14.687.539	7.213.408	93.148.382	115.049.329	12.959.397	6.047.785	73.296.086	92.303.268

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5.3 Geographical activity sectors of the Group	Home	Overseas	Other	Total	Home	Overseas	Other	Total
	country			1 Jan - 31 December 07	country			1 Jan - 31 December 06
Proceeds from Group Clients	71.675.095	51.310.187	-	122.985.282	55.672.067	41.307.867	-	96.979.934
Inter-company sales	(8.969.759)	(7.443.971)	-	(16.413.730)	(5.634.765)	(5.878.651)	-	(11.513.416)
Total Sales	62.705.336	43.866.216	-	106.571.552	50.037.302	35.429.216	-	85.466.518
Cost of Sales	(49.772.348)	(36.954.097)	-	(86.726.445)	(38.082.645)	(29.206.204)	-	(67.288.849)
Inter-company cost of Sales	8.911.006	7.395.212	-	16.306.218	6.113.919	6.378.543	-	12.492.462
Gross Profit	21.843.994	14.307.331	-	36.151.325	18.068.576	12.601.555	-	30.670.131
Other income / (expenses) (net)	-	-	1.244.145	1.244.145	-	-	746.946	746.946
Inter-company other income	-	-	(61.470)	(61.470)	-	-	(51.483)	(51.483)
Selling expenses	(8.267.939)	(5.196.845)	-	(13.464.784)	(6.662.963)	(4.363.380)	-	(11.026.343)
Administration expenses	-	-	(4.376.261)	(4.376.261)	-	-	(3.915.073)	(3.915.073)
Inter-company administration expenses	-	-	61.469	61.469	-	-	45.541	45.541
Research and development expenses	(862.660)	(450.387)	-	(1.313.047)	(679.073)	(358.194)	-	(1.037.267)
Operating income	12.713.395	8.660.099	(3.132.117)	18.241.377	10.726.540	7.879.981	(3.174.069)	15.432.452
Financial income / (expenses) (net)	-	-	(1.319.662)	(1.319.662)	-	-	(580.449)	(580.449)
Income from dividends	-	-	275.654	275.654	-	-	238.519	238.519
Inter-company income from dividends	-	-	(255.837)	(255.837)	-	-	(238.519)	(238.519)
Profit / (loss) from sale of securities	-	-	-	-	-	-	198.111	198.111
Profit before Taxes	12.713.395	8.660.099	(4.431.962)	16.941.534	10.726.540	7.879.981	(3.556.407)	15.050.114
Income Tax	-	-	(3.599.790)	(3.599.790)	-	-	(2.380.066)	(2.380.066)
Inter-company reformation of income tax	-	-	-	-	-	-	(503.900)	(503.900)
Profit after Taxes	12.713.395	8.660.099	(8.031.752)	13.341.742	10.726.540	7.879.981	(6.440.373)	12.166.148
Minority interest	-	-	(1.358.063)	(1.358.063)	-	-	(910.559)	(910.559)
Profit attributable to parent company	12.713.395	8.660.099	(9.389.815)	11.983.679	10.726.540	7.879.981	(7.350.932)	11.255.589
ASSETS								
Tangible Assets	-	-	32.022.891	32.022.891	-	-	26.062.924	26.062.924
Intangible Assets	-	-	479.124	479.124	-	-	168.879	168.879
Inventories	-	-	23.979.298	23.979.298	-	-	19.320.429	19.320.429
Inter-company inventories	-	-	(691.178)	(691.178)	-	-	(583.665)	(583.665)
Receivables	53.924.455	15.641.932	-	69.566.387	43.748.488	13.678.079	-	57.426.567
Inter-company receivables	(3.323.515)	(964.056)	-	(4.287.571)	(263.214)	(3.591.069)	-	(3.854.283)
Investments	699.611	6.061	-	705.672	781.711	24.324	-	806.035
Other figures of assets	-	-	12.028.416	12.028.416	-	-	7.670.150	7.670.150
Inter-company other figures of assets	-	-	(2.487.392)	(2.487.392)	-	-	(1.962.391)	(1.962.391)
Total Assets	51.300.551	14.683.937	65.331.159	131.315.647	44.266.985	10.111.334	50.676.326	105.054.645
CAPITAL AND LIABILITIES								
Suppliers	10.230.920	8.988.788	-	19.219.708	6.412.269	9.951.572	-	16.363.841
Inter-company suppliers	(2.282.334)	(2.005.236)	-	(4.287.570)	(263.214)	(3.591.069)	-	(3.854.283)
Profit of the period	12.772.148	8.708.857	(7.775.915)	13.705.090	10.489.606	7.690.537	(5.769.533)	12.410.610
Inter-company profit of the period	(1.593.898)	(1.086.820)	970.394	(1.710.324)	(976.238)	(715.736)	536.954	(1.155.020)
Profit carried forward	5.642.583	5.418.493	(3.901.572)	7.159.504	4.082.741	3.139.327	(2.529.697)	4.692.371
Inter-company profit carried forward	(1.122.067)	(1.077.506)	775.855	(1.423.718)	(1.393.269)	(1.071.321)	863.280	(1.601.310)
Other figures of Capital and Liabilities	-	-	98.697.484	98.697.484	-	-	78.463.036	78.463.036
Inter-company other figures of Capital and Liabilities	-	-	(44.527)	(44.527)	-	-	(264.600)	(264.600)
Total Capital and Liabilities	23.647.352	18.946.576	88.721.719	131.315.647	18.351.895	15.403.310	71.299.440	105.054.645

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5.4 Geographical activity sectors of the Company				Total				Total
	Home country	Overseas	Other	1 Jan - 31 December 07	Home country	Overseas	Other	1 Jan - 31 December 06
Sales	62.610.741	32.647.651	-	95.258.392	50.018.515	26.146.230	-	76.164.745
Cost of Sales	(43.277.416)	(22.566.511)	-	(65.843.927)	(34.120.145)	(17.835.289)	-	(51.955.434)
Gross Profit	19.333.325	10.081.140	-	29.414.465	15.898.370	8.310.941	-	24.209.311
Other income / (expenses) (net)	-	-	1.212.073	1.212.073	-	-	618.671	618.671
Selling expenses	(7.733.591)	(4.032.592)	-	(11.766.183)	(6.305.300)	(3.295.976)	-	(9.601.276)
Administration expenses	-	-	(3.282.895)	(3.282.895)	-	-	(3.085.171)	(3.085.171)
Research and development expenses	(853.085)	(444.831)	-	(1.297.916)	(669.524)	(349.981)	-	(1.019.505)
Operating income	10.746.649	5.603.717	(2.070.822)	14.279.544	8.923.546	4.664.984	(2.466.500)	11.122.030
Financial income / (expenses) (net)	-	-	(1.211.800)	(1.211.800)	-	-	(472.068)	(472.068)
Income from dividends	-	-	275.654	275.654	-	-	238.519	238.519
Profit / (loss) from sale of securities	-	-	-	-	-	-	198.112	198.112
Profit before Taxes	10.746.649	5.603.717	(3.006.968)	13.343.398	8.923.546	4.664.984	(2.501.937)	11.086.593
Income Tax	-	-	(2.627.342)	(2.627.342)	-	-	(1.602.965)	(1.602.965)
Profit after Taxes	10.746.649	5.603.717	(5.634.310)	10.716.056	8.923.546	4.664.984	(4.104.902)	9.483.628
<u>ASSETS</u>								
Tangible Assets	-	-	24.919.125	24.919.125	-	-	21.092.337	21.092.337
Intangible Assets	-	-	425.539	425.539	-	-	148.584	148.584
Investments	1.598.882	788.509	-	2.387.391	1.173.881	788.510	-	1.962.391
Inventories	-	-	19.651.648	19.651.648	-	-	15.765.881	15.765.881
Receivables	50.025.654	9.308.650	-	59.334.304	41.341.206	7.297.801	-	48.639.007
Investments	699.611	-	-	699.611	781.711	-	-	781.711
Other figures of assets	-	-	7.631.711	7.631.711	-	-	3.913.357	3.913.357
Total Assets	52.324.147	10.097.159	52.628.023	115.049.329	43.296.798	8.086.311	40.920.159	92.303.268
<u>CAPITAL AND LIABILITIES</u>								
Suppliers	7.794.018	4.315.508	-	12.109.526	4.832.204	4.701.423	-	9.533.627
Profit of the period	10.746.649	5.603.717	(5.634.310)	10.716.056	8.923.546	4.664.985	(4.104.903)	9.483.628
Profit carried forward	4.347.731	2.272.874	(1.999.991)	4.620.614	4.151.044	2.170.052	(1.909.513)	4.411.583
Other figures of Capital and Liabilities	-	-	87.603.133	87.603.133	-	-	68.874.430	68.874.430
Total Capital and Liabilities	22.888.398	12.192.099	79.968.832	115.049.329	17.906.794	11.536.460	62.860.014	92.303.268

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

6. Tangible Fixed Assets

Tangible Fixed Assets are analyzed below:

GROUP	Land	Buildings	Mechanical equipment	Means of transportation	Furniture and Fixtures	Fixed Assets in course of construction	TOTAL
Balance as of 1 January 2006	3.349.397	14.651.343	8.906.104	1.781.262	2.387.044	112.610	31.187.759
Additions	114.077	34.244	1.090.631	276.834	803.891	1.771.653	4.091.330
Readjustments	-	-	-	-	-	-	-
Transfers	-	353.440	154	-	-	(353.594)	-
Sales	-	(854.461)	(4.962)	(40.638)	(14.610)	(1.439)	(916.110)
Exchange rate differences	3.445	55.418	(6.502)	2.066	(2.478)	2.796	54.745
Balance as of 31 December 2006	3.466.920	14.239.984	9.985.425	2.019.524	3.173.847	1.532.026	34.417.725
Accumulated Depreciation Balance as of 1 January 2006	-	1.184.255	3.944.055	579.922	1.234.549	-	6.942.781
Depreciation of the year	-	290.357	706.011	100.634	329.142	-	1.426.144
Sales	-	-	(971)	(24)	(8.063)	-	(9.058)
Exchange rate differences	-	149	(1.344)	49	(3.920)	-	(5.066)
Balance as of 31 December 2006	-	1.474.761	4.647.751	680.580	1.551.709	-	8.354.801
Net Book Value as of 31 December 2006	3.466.920	12.765.223	5.337.674	1.338.944	1.622.138	1.532.026	26.062.924
Balance as of 1 January 2007	3.466.920	14.239.984	9.985.426	2.019.523	3.173.847	1.532.025	34.417.725
Additions	-	359.592	3.095.803	257.010	569.544	2.347.778	6.629.727
Readjustments	1.546.841	-	-	-	-	-	1.546.841
Transfers	-	1.482.257	292.517	15.307	58.923	(1.849.004)	-
Sales	-	-	238.860	(101.457)	(120.353)	(249.374)	(232.324)
Destructions	-	(449.940)	(72.892)	(11.300)	(5.251)	-	(539.383)
Exchange rate differences	(189)	(2.102)	2.886	(92)	4.251	-	4.755
Balance as of 31 December 2007	5.013.572	15.629.791	13.542.600	2.178.992	3.680.961	1.781.426	41.827.341
Accumulated Depreciation Balance as of 1 January 2007	-	1.474.761	4.647.750	680.580	1.551.709	-	8.354.800
Depreciation of the year	-	327.363	788.302	135.377	419.659	-	1.670.701
Sales	-	-	(5.834)	(80.691)	(121.237)	-	(207.762)
Destructions	-	(10.170)	(5.642)	(685)	(301)	-	(16.798)
Exchange rate differences	-	(41)	890	(14)	2.674	-	3.509
Balance as of 31 December 2007	-	1.791.912	5.425.466	734.568	1.852.504	-	9.804.450
Net Book Value as of 31 December 2007	5.013.572	13.837.878	8.117.134	1.444.424	1.828.457	1.781.426	32.022.891

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COMPANY	Land	Buildings	Mechanical equipment	Means of transportation	Furniture and Fixtures	Fixed Assets in course of construction	TOTAL
Balance as of 1 January 2006	2.858.708	11.557.046	7.035.624	1.566.141	1.870.997	78.622	24.967.139
Additions	96.103	32.208	1.036.025	181.973	690.418	1.798.451	3.835.178
Transfers	-	353.440	154	-	-	(353.594)	-
Sales	-	(854.461)	-	(8.925)	(4.853)	(1.439)	(869.678)
Balance as of 31 December 2006	2.954.811	11.088.233	8.071.803	1.739.189	2.556.562	1.522.040	27.932.638
Accumulated Depreciation Balance as of 1 January 2006	-	1.033.103	3.177.877	529.571	1.027.928	-	5.768.479
Depreciation of the year	-	225.369	511.826	88.228	251.276	-	1.076.699
Sales	-	-	-	(24)	(4.853)	-	(4.877)
Balance as of 31 December 2006	-	1.258.472	3.689.703	617.775	1.274.352	-	6.840.302
Net Book Value as of 31 December 2006	2.954.811	9.829.761	4.382.101	1.121.414	1.282.210	1.522.040	21.092.337
Balance as of 1 January 2007	2.954.811	11.088.233	8.071.804	1.739.189	2.556.562	1.522.040	27.932.639
Additions	-	242.957	1.345.812	198.482	441.358	2.022.994	4.251.603
Readjustments	1.415.809	-	-	-	-	-	1.415.809
Transfers	-	1.471.876	292.517	-	50.805	(1.815.198)	-
Sales	-	-	(5.390)	(101.457)	(121.359)	-	(228.206)
Destructions	-	(449.940)	(72.892)	(11.300)	(5.251)	-	(539.383)
Balance as of 31 December 2007	4.370.620	12.353.126	9.631.851	1.824.914	2.922.115	1.729.836	32.832.462
Accumulated Depreciation Balance as of 1 January 2007	-	1.258.472	3.689.703	617.775	1.274.352	-	6.840.302
Depreciation of the year	-	262.530	593.838	100.608	339.765	-	1.296.741
Sales	-	-	(4.978)	(80.692)	(121.238)	-	(206.908)
Destructions	-	(10.170)	(5.642)	(685)	(301)	-	(16.798)
Balance as of 31 December 2007	-	1.510.832	4.272.921	637.006	1.492.578	-	7.913.337
Net Book Value as of 31 December 2007	4.370.620	10.842.294	5.358.930	1.187.908	1.429.537	1.729.836	24.919.125

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Use of fair value as revaluation method:

In 31 December 2007, the Group and the Company performed an appraisal of the value of Land. For the evaluation of the value of Land, the method of market value was applied. Every 3-5 years, the Group and the Company performs a revaluation of its Fixed Assets.

7. Intangible Fixed Assets

Intangible Fixed Assets for the year ended on 31 December 2007 were the following:

	GROUP	COMPANY
Balance as of 1 January 2006	250.941	224.042
Additions	136.768	126.373
Balance as of 31 December 2006	387.709	350.415
Accumulated Depreciation		
Balance as of 1 January 2006	179.030	171.060
Depreciation of the year	40.380	30.771
Exchange rate differences	(580)	-
Balance as of 31 December 2006	218.830	201.831
Net Book Value as of 31 December 2006	168.879	148.584
Balance as of 1 January 2007	455.058	350.415
Additions	352.514	322.733
Sales	12.544	
Exchange rate differences	751	-
Balance as of 31 December 2007	820.867	673.148
Accumulated Depreciation		
Balance as of 1 January 2007	286.179	201.831
Depreciation of the year	55.138	45.778
Exchange Rate differences	426	-
Balance as of 31 December 2007	341.743	247.609
Net Book Value as of 31 December 2007	479.124	425.539

Additions of Company during 2007 concerns costs and expenses for the internal creation and development of software, amounted to 173.890 €.

8. Investments

Other Investments of the Group and the Company were attributed as below:

	GROUP		COMPANY	
	2007	2006	2007	2006
Investments held until expiry	6.006	6.006	6.006	6.006
Financial Assets in fair values through profit and losses	699.666	800.029	693.605	775.705
Total	705.672	806.035	699.611	781.711

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

9. Participations

Participations are analyzed with the following:

Corporate Name	Country	Value at the beginning of the period	Additions	Value at 31.12.06	Direct Holding Percentage
KLEFER A.E	GREECE	1.173.882	-	1.173.882	50%
KLEEMANN ASANSOR San. Ve Tic As	TURKEY	232.206	-	232.206	70%
KLEEMANN LIFTOVI D.o.o.	SERBIA	420.361	65.801	486.162	60%
KLEEMANN LIFT RO S.R.L.	ROMANIA	-	70.141	70.141	70%
31 December 2006		1.826.449	135.942	1.962.391	

Corporate Name	Country	Value at the beginning of the period	Additions	Value at 31.12.07	Direct Holding Percentage
KLEFER A.E	GREECE	1.173.882	-	1.173.882	50%
KLEEMANN ASANSOR San. Ve Tic As	TURKEY	232.206	-	232.206	70%
KLEEMANN LIFTOVI D.o.o.	SERBIA	486.162	-	486.162	60%
KLEEMANN LIFT RO S.R.L.	ROMANIA	70.141	-	70.141	70%
MODA CABINA A.B.E.E.	GREECE	-	425.000	425.000	85%
31 December 2007		1.962.391	425.000	2.387.391	

10. Deferred Tax Receivables and Liabilities

The deferred taxation Receivables and Liabilities are set off when there exists an applicable legal right to set off the current taxation demands with the current taxation liabilities when the deferred income taxes concern the same tax authority.

The deferred tax receivables and liabilities for the Group and the Company, of the year 2007 are mentioned below :

GROUP	Receivables		Liabilities		Net Amount	
	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06
Tangible Fixed Assets	-	7.337	1.535.036	1.534.089	(1.535.036)	(1.526.752)
Intangible Fixed Assets	-	6.437	5.622	(180.823)	(5.622)	187.260
Provisions for devaluated inventories	40.040	32.614	-	(1.020)	40.040	33.634
Receivables clients	258.594	355.000	37.515	65.284	221.079	289.716
Provisions for employees' termination benefits	331.503	328.481	-	-	331.503	328.481
Readjustment of Fixed Assets	-	-	392.090	-	(392.090)	-
Subsidies for Fixed Assets	-	-	2.229	1.536	(2.229)	(1.536)
Other Provisions	56.036	43.139	29.338	42.000	26.698	1.139
Total deferred tax	686.173	773.008	2.001.830	1.461.066	(1.315.657)	(688.058)

Correspondingly, the amounts for the Company are mentioned below

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

COMPANY	Receivables		Liabilities		Net Amount	
	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06	31 Dec. 07	31 Dec. 06
Tangible Fixed Assets	-	-	1.377.862	1.278.624	(1.377.862)	(1.278.624)
Intangible Fixed Assets	-	6.437	1.832	-	(1.832)	6.437
Provisions for devaluated inventories	40.041	32.614	-	-	40.041	32.614
Receivables clients	178.419	355.000	-	-	178.419	355.000
Provisions for employees' termination benefits	326.828	281.402	-	-	326.828	281.402
Readjustment of Fixed Assets	-	-	368.902	14.950	(368.902)	(14.950)
Subsidies for Fixed Assets	-	-	2.230	1.536	(2.230)	(1.536)
Other Provisions	22.347	25.428	21.231	42.000	1.116	(16.572)
Total deferred tax	567.635	700.881	1.772.057	1.337.110	(1.204.422)	(636.229)

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Regarding deferred taxation, movements of the year were the following:

GROUP	Balance 1 Jan. 06	Charge in Results	Change of Tax Rate	Exchange rate difference	Balance 31 Dec. 06	Charge in Results	Change in Equity	Exchange rate difference	Balance 31 Dec. 07
Tangible Fixed Assets	(2.169.873)	6.458	620.723	991	(1.541.701)	7.106	-	(441)	(1.535.036)
Intangible Fixed Assets	15.462	(42.111)	213.530	380	187.260	(192.712)	-	(170)	(5.622)
Provisions for devaluated inventories	198	33.408	-	28	33.634	5.847	-	559	40.040
Provisions for employees' termination benefits	342.114	165.896	(179.016)	(513)	328.480	2.761	-	262	331.503
Deprofitization of Inventories	(493.837)	(493.837)	-	-	-	-	-	-	-
Readjustment of Fixed Assets	(1.489)	546	15.893	-	14.950	(30.110)	(376.930)	-	(392.090)
Subsidies for Fixed Assets	1.997	(1.536)	(1.997)	-	(1.536)	(693)	-	-	(2.229)
Provisions for doubtful receivables	368.171	(85.768)	12.525	(5.212)	289.716	(69.848)	-	1.211	221.079
Other	36.356	(29.481)	-	(5.737)	1.138	24.372	-	1.188	26.698
Total deferred tax	(913.227)	(446.425)	681.658	(10.063)	(688.057)	(253.279)	(376.930)	2.609	(1.315.657)

COMPANY	Balance 1 Jan. 06	Charge in Results	Change of Tax Rate	Balance 31 Dec. 06	Charge in Results	Change in Equity	Balance 31 Dec. 07
Tangible Fixed Assets	(1.840.026)	(74.272)	635.673	(1.278.624)	(99.238)	-	(1.377.862)
Intangible Fixed Assets	(192.741)	(14.350)	213.531	6.437	(8.269)	-	(1.832)
Provisions for devaluated inventories	-	32.614	-	32.614	7.427	-	40.041
Provisions for employees' termination benefits	294.514	165.903	(179.016)	281.401	45.427	-	326.828
Readjustment of Fixed Assets	(1.489)	(14.404)	943	(14.940)	(353.952)	-	(368.902)
Subsidies for Fixed Assets	1.997	(1.536)	(1.997)	(1.536)	(694)	-	(2.230)
Provisions for doubtful receivables	396.900	(54.425)	12.525	355.000	(177.371)	-	178.419
Other	1.947	(18.520)	-	(16.573)	17.689	-	1.116
Total deferred tax	(1.338.898)	21.010	681.659	(636.229)	(214.241)	(353.952)	(1.204.422)

11. Inventories

The inventories of the Group and the Company are analyzed below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Finished and semi-finished products	4.784.194	3.174.903	3.926.674	2.445.252
Raw material and other production materials	12.397.132	10.643.586	9.996.973	8.587.302
Commodities	7.093.948	5.634.893	5.888.163	4.863.784
Minus: Intercompany Inventories	(691.178)	(583.666)	-	-
Minus: Provision for devaluation of Inventories	(295.975)	(132.952)	(160.162)	(130.457)
Total	23.288.121	18.736.764	19.651.648	15.765.881

Inventories of commodities that belong to Parent Company totaled approximately € 160,2 thousands and others that belong to KLEFER S.A, totaled approximately € 132,6 thousands and to KLEEMAN LIFTOVI, totaled approximately € 3,2 thousands, remain unmoved for more than one year and therefore a provision for their devaluation has been calculated.

12. Other long-term receivables

Other long-term receivables of the Group and the Company are analyzed below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Notes Receivables of long-term expiry	350.545	454.361	350.544	454.361
Other long-term receivables	158.561	110.110	90.962	88.346
Total	509.106	564.471	441.506	542.707

13. Receivables Clients

Receivables Clients of the Group and the Company include the following :

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Clients	43.938.290	35.354.321	38.988.134	30.798.165
Minus: provision for doubtful clients	(785.006)	(982.337)	(353.764)	(793.871)
Post-dated Checks Receivables	25.822.490	22.091.691	20.110.722	18.467.417
Minus: provision for doubtful	(498.358)	(605.046)	(498.358)	(556.781)
Notes Receivables	1.626.982	2.214.093	1.625.582	1.125.687
Minus: provision for doubtful	(538.011)	(646.154)	(538.012)	(401.610)
Intercompany Receivables	(4.287.571)	(3.854.283)	-	-
Total	65.278.816	53.572.285	59.334.304	48.639.007

14. Other Receivables

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

Other Receivables for the Group and the Company are analyzed below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Various Debtors	1.899.272	685.863	1.762.711	653.671
Accounts for management of prepayments & credits	57.805	55.376	23.693	22.706
Transitory accounts of assets	1.006.595	810.920	768.766	552.358
Short-term receivables	150.125	-	100.000	-
Orders from abroad	6.246	939	2.070	939
Inter-company eliminations	(100.000)	-	-	-
Total	3.020.043	1.558.918	2.657.240	1.229.674

15. Cash and cash equivalents

Cash and cash equivalents of the Group and the Company are mentioned below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash Balance	128.466	66.451	82.994	61.884
Bank Deposits	5.838.340	3.486.396	4.449.971	2.079.092
Total	5.966.806	3.552.847	4.532.965	2.140.976

16. Share Capital and Reserves

On 31st December 2007, Share Capital of the Company amounts to € 3.902.035,50 and consists of 11.824.350 common registered shares with a nominal value of € 0,33 each.

Reserves of the Group and the Company were formed as below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Share premium	26.173.118	26.173.118	26.173.118	26.173.118
Other Reserves				
Regular Reserve	1.506.243	1.452.474	1.329.999	1.329.999
Specially taxed Reserves	5.250.000	1.400.000	4.900.000	1.400.000
Specially tax-free Reserves	730.429	730.429	730.429	730.429
Contingency Reserve	65.856	65.856	65.856	65.856
Differences from readjustment in the value of other assets	1.885.297	765.500	1.762.293	700.436
Tax-free Reserves of developmental Laws	17.233.367	15.164.567	16.458.087	14.429.796
Reserves free of income taxation	837.751	837.751	835.142	835.142
Reserves from specially taxed Revenues	68.250	68.250	68.250	68.250
Total	27.577.193	20.484.827	26.150.056	19.559.908

Regular Reserve

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

According to Hellenic Commercial Legislation, the companies are obliged, from their FY profits, to form 5% as an ordinary reserve until it reaches 1/3 of their initial paid-up share capital. During a company's life-cycle the distribution of its ordinary reserve is prohibited.

Specially taxed Reserves

Specially taxed Reserves concern undistributed earnings of which: a) applying the provisions of the Law v. 3299/04, an amount of 1,4 mil. Euros refers to a taxed Reserve and it was used for the cover of owned participation in a subsidized investing plan, which is included in the provisions of this law and b) an amount of 3,5 mil. Euros concerns taxed Reserve, which is formed for investment purposes.

Specially tax-free Reserves

Specially tax-free Reserves concern undistributed earnings of which amount of 730 thnds. Euros concerns tax-free Reserve of the Law v. 3220/03 for investment purposes of at least equal value, within the next three years from the time that it was formed. In the case of distribution, they will be taxed at the rate prevailing at the time of distribution.

Contingency Reserve

Contingency Reserve concerns undistributed, untaxed earnings and it was formed according to the provisions of the Law v. 1892/90, for the purpose of covering owned participation in subsidized investing plans, which are included in the provisions of this Law. In the case of distribution, they will be taxed at the rate prevailing at the time of distribution.

Differences from readjustment in the value of other assets

It concerns a Reserve which aroused from the readjustment in the value of Real Estate (Land) at fair value, according to IAS 16, at 31 December 2007.

Tax-free Reserves of developmental Laws

Tax-free Reserves concern undistributed earnings, which, according to developmental laws, are free of taxation, for investments which were taken place, based on the provisions of the Laws v.1828/89, v. 1892/90, v. 2601/98 and v. 3299/04 (on the condition that there are adequate earnings, for the creation of these Reserves, remaining from the earnings balance, after the dividend distribution and their proportionate taxes). In the case of distribution, they will be taxed at the rate prevailing at the time of distribution.

Reserves free of income taxation

Reserves that are free of income taxation concern revenues from bank interests. In the case of distribution, they will be taxed at the rate prevailing at the time of distribution.

Reserves from specially taxed Revenues

Reserves from specially taxed Revenues concern revenues from interests and tax withholding has been applied in source. Further than the potential prepaid taxes, these Reserves are liable to taxation, in case of their distribution.

For the above untaxed Reserves, there are not any deferred taxes to be recorded, in case they are distributed.

Board of Directors proposes to the Ordinary General Shareholders' Meeting, the creation of a specially taxed Reserve, which amounts to 3,0 mil.. €, for the financing of new productive investments.

17.Loans

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

The Company and the Group keep only short-term loans. The terms and the balances of these loans are the following:

COMPANY

Bank	Currency	31/12/2007	31/12/2006
PIRAEUS BANK	Euro	1.000.000	2.956.088
PIRAEUS BANK	Euro	-	8.000.000
EFG EUROBANK	Euro	-	4.500.000
Short term liabilities		1.000.000	15.456.088
EFG EUROBANK	Euro	9.000.000	-
ALPHA BANK	Euro	3.000.000	-
EMPORIKI BANK	Euro	3.000.000	-
PIRAEUS BANK	Euro	10.000.000	-
Long term liabilities		25.000.000	-

GROUP

Bank	Subsidiary (Currency)	31/12/2007	31/12/2006
Per Company		1.000.000	15.456.088
PIRAEUS BANK	KLEFER (Euro)	1.969.552	1.369.552
TURKISH BANK OF EMPLOYMENT	KLEEMANN ASANSOR (Turkish Liras)	2.284	1.948
Short term liabilities		2.971.836	16.827.588
Per Company		25.000.000	-
Long term liabilities		25.000.000	-

Real weighted average rates, on the Balance Sheet date are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Banking Loans (short-term)	5,4 %	4,9%	5,4 %	4,9%

18. Operating Leases

Liabilities of the group and the Company that arise from operating leases that can not be cancelled are mentioned below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Between one and five years	483.904	161.760	380.474	105.738
More than five years	-	46.476	-	46.476
Total	483.904	208.236	380.474	152.214

19. Liabilities from employees' termination benefits

Liabilities of the Group and the Company that arise from employees' termination benefits are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Present value of non-financed liabilities	1.410.850	1.377.648	1.251.285	1.266.212
Non-registered actuarial (profits) / losses	30.098	(152.535)	56.028	(140.605)
Liability in Balance Sheet	1.440.948	1.225.113	1.307.313	1.125.607

Notes on Financial Statements of 31 December 2007

(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

Alterations in net liability recognized in**Balance Sheet**

Net liability in the beginning of the year	1.225.113	1.086.921	1.125.607	920.357
Benefits paid	(123.467)	(112.775)	(91.895)	(43.612)
Total expense recognized in Results	339.302	250.967	273.601	248.862
Present value of liability in the end of the period	1.440.948	1.225.113	1.307.313	1.125.607

Cost of current employment	245.165	201.476	198.770	183.368
Interest in liability	59.795	48.442	55.505	45.794
Expenses & depreciation of actuarial loss	800	1.049	683	967
Total expense recognized in Results	305.760	250.967	254.958	230.128

Acceptances on which the actuarial plan was based, for the calculation of provision, are mentioned below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Discounting Rate	4,8%	4,5%	4,8%	4,5%
Future increases of salaries	5,0%	5,0%	6,0%	5,0%
Average future duration of working life	21,28	20,52	21,30	20,46

20. Suppliers

Dues to Suppliers for the Group and the Company are the following:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Suppliers	14.459.402	11.868.498	9.128.449	6.636.482
Checks payables	4.744.871	4.430.742	2.965.641	2.866.272
Notes payables	15.436	64.602	15.436	30.872
Inter-company liabilities	(4.287.571)	(3.854.283)	-	-
Total	14.932.138	12.509.559	12.109.526	9.533.626

21. Other Short-term Liabilities

Other short-term liabilities are analyzed below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Various Creditors	330.887	310.546	188.278	207.298
Dividends	276.156	86.468	76.157	86.468
Insurance Organizations	1.217.814	954.866	1.040.852	819.992
Transitory accounts of Capital and Liabilities	240.070	71.805	225.428	49.412
Consolidation registrations	(100.000)	-	-	-
Total	1.964.927	1.423.385	1.530.715	1.163.170

22. Other long-term Liabilities

Other long-term liabilities for the Group and the Company are formed as below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Notes payables (Long-term)	61.215	73.657	-	14.458

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

Subsidies for investments in Fixed

Assets	630.063	706.948	9.646	34.778
Total	691.278	780.605	9.646	49.236

23.Sales

Sales of the Group and the Company, excluding intercompany amounts, consist of the following figures:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Sales of finished and semi-finished products	64.931.609	50.891.236	63.026.984	51.423.313
Sales of commodities	37.367.825	31.220.426	28.090.158	21.501.240
Sales of Inventories	3.824.648	2.981.152	3.783.961	2.947.950
Sales of Services	447.470	373.704	357.289	292.242
Total	106.571.552	85.466.518	95.258.392	76.164.745

24.Other income / (expenses) (net)

Other income / (expenses) (net) of the Group and the Company are analyzed below :

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Subsidies & Revenues from various sales	312.468	252.935	275.496	232.889
Revenues from subsequent activities	558.005	441.185	533.227	296.202
Revenues from provisions of previous years	618.816	172.049	454.743	172.048
Other Revenues	2.798	1.424	-	-
Total Income	1.492.087	867.593	1.263.466	701.139
Revenues & Expenses of previous years	(93.846)	(60.360)	(83.829)	(28.117)
Total Expenses	(93.846)	(60.360)	(83.829)	(28.117)
Extraordinary & non-organic results	(5.900)	(133.969)	32.436	(54.351)
Exchange Rate differences	(148.196)	73.683	-	-
Consolidation Registrations	(61.469)	(51.485)	-	-
Total Other income / (expenses) (net)	1.182.676	695.462	1.212.073	618.671

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

25. Expenses

The expenses that are included in the Financial Statements of the Group and the Company are as follows:

	Cost of Sales	Selling Expenses	Administration Expenses	Research & Development Expenses	Total
GROUP 2006					
Employees' Benefits	10.555.827	5.290.836	2.330.624	638.608	18.815.895
Cost of consumption of inventories	54.517.675	-	-	-	54.517.675
Depreciation	926.507	390.858	104.582	24.283	1.446.229
Other Expenses	1.288.839	5.344.649	1.479.867	374.376	8.487.731
De-profitization of inventories	(479.752)	-	-	-	(479.752)
Other consolidation registrations	(12.012.709)	-	(45.541)	-	(12.058.251)
Total	54.796.387	11.026.343	3.869.531	1.037.267	70.729.528
GROUP 2007					
Employees' Benefits	13.764.469	6.719.798	2.529.646	810.790	23.824.703
Cost of consumption of inventories	70.347.595	-	-	-	70.347.595
Depreciation	1.124.164	443.261	84.000	74.344	1.725.768
Other Expenses	1.490.217	6.301.726	1.762.615	427.913	9.982.471
De-profitization of inventories	107.512	-	-	-	107.512
Other consolidation registrations	(16.413.731)	-	(61.469)	-	(16.475.200)
Total	70.420.227	13.464.784	4.314.793	1.313.047	89.512.850
	Cost of Sales	Selling Expenses	Administration Expenses	Research & Development Expenses	Total
COMPANY 2006					
Employees' Benefits	8.765.003	4.721.079	1.896.113	638.608	16.020.802
Cost of consumption of inventories	41.504.053	-	-	-	41.504.053
Depreciation	672.806	332.782	81.215	20.667	1.107.470
Other Expenses	1.013.572	4.547.415	1.107.843	360.229	7.029.060
Total	51.955.434	9.601.276	3.085.171	1.019.505	65.661.385
COMPANY 2007					
Employees' Benefits	11.261.632	5.873.863	1.991.348	810.791	19.937.634
Cost of consumption of inventories	52.712.309	-	-	-	52.712.309
Depreciation	845.824	370.047	53.331	73.318	1.342.519
Other Expenses	1.024.163	5.522.273	1.238.216	413.807	8.198.459
Total	65.843.927	11.766.183	3.282.895	1.297.916	82.190.921

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

26. Personnel Expenses

Payment Cost included in Financial Statements is analyzed below:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Wages and salaries	18.406.241	14.547.210	15.329.228	12.318.888
Employers' contributions	4.833.373	3.758.553	4.132.174	3.251.393
Other benefits granted to employees	526.796	469.720	457.799	415.246
Compensations due to dismissal	58.293	40.412	18.433	35.275
Total payment cost	23.824.703	18.815.895	19.937.634	16.020.802
Provision for employees' termination benefits	447.173	250.967	255.167	213.587
Total Payment Expenses	24.271.876	19.066.862	20.192.801	16.234.389
Expenses included in production cost	13.764.469	10.555.827	11.261.632	8.765.003
Expenses included in selling & distribution cost	6.719.798	5.290.836	5.873.863	4.721.079
Expenses included in administration cost	2.529.646	2.330.624	1.991.348	1.896.113
Expenses included in Research & Development cost	810.790	638.608	810.791	638.607
Total	23.824.703	18.815.895	19.937.634	16.020.802

27. Financial income / (expenses) (net)

Financial income / (expenses) (net) of the Group and the Company were formed as below :

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income from Interests	37.866	142.063	37.866	141.264
Other financial Income (expenses)	(1.560)	(28.074)	-	-
Interest expenses	(1.355.968)	(694.438)	(1.249.666)	(613.332)
Total	(1.319.662)	(580.449)	(1.211.800)	(472.068)

28. Income Tax

Both the Hellenic Tax Legislation and relative provisions are subject to interpretations by Tax authorities. Income tax statements are filed on an annual basis, but profits or losses that are declared for tax purposes are deemed temporary until the tax authorities audit the tax payer's tax statements and logs, at which point all relative tax liabilities are settled. Tax losses, to the extent that they are recognised by tax authorities, may be used in order to offset profits that will be realised in the five years that follow the fiscal year that they concern.

Pursuant to the provisions of the Hellenic Tax Legislation, companies pay an income tax down payment each year, which is estimated at 65% on the income tax of the current fiscal year. When the tax is settled in the next fiscal year, any excess amount that is paid in advance is returned to the company after the tax audit.

Pursuant to Law 3296/2004 the income tax rate was 29% in 2006, while for the period 2007 and afterwards is 25% and is analyzed as:

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Current Income Tax	3.346.511	3.109.136	2.413.101	2.305.634
Deferred tax	253.279	(225.170)	214.241	(702.669)
Total	3.599.790	2.883.966	2.627.342	1.602.965

The Company and its subsidiary KLEFER have been audited by tax authorities until 31st December 2004. As far as the other companies are concerned, Kleemann Asansor in Turkey has not been audited from 2003 to the year 2007, Kleemann Liftovi in Serbia began its activation in 2005 and has not been audited by tax authorities since its incorporation. Finally, the first accounting period of MODA CABINA S.A. will end at 31 December 2008 and, hence, the company has not been audited by tax authorities.

Agreement of Real Tax Rate:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Earnings before taxes	16.941.532	15.050.114	13.343.398	11.086.593
Tax Rate	25%	29%	25%	29%
Theoretical Tax, calculated applying the tax Rate	4.235.383	4.364.533	3.335.850	3.215.112
Plus / Minus:				
Impact of foreign tax Rates (decrease of tax Rates)	(237.397)	(110.997)	-	-
Non – deducted expenses	157.778	122.429	138.250	107.018
Tax-free Revenues	(555.001)	(810.341)	(845.785)	(1.037.506)
Alteration in tax Rate	-	(681.658)	-	(681.659)
Additional tax	(973)	-	(973)	-
Real tax encumbrance	3.599.790	2.883.966	2.627.342	1.602.965
Real tax encumbrance Rate	21,25%	19,16%	19,69%	14,46%

29.Cash flows from operating activities

Cash generated from operations, which is included in cash flows statement, is analyzed in the table below:

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

	GROUP		COMPANY	
	1 Jan. 07- 31 Dec. 07	1 Jan. 06 - 31 Dec. 06	1 Jan. 07- 31 Dec. 07	1 Jan. 06 - 31 Dec. 06
Profit of the year	16.941.532	15.050.114	13.343.398	11.086.591
Adjustments for:				
Depreciation	1.725.768	1.446.229	1.342.519	1.107.470
Increase / (decrease) in provisions	(229.391)	167.383	(281.033)	116.620
Increase / (decrease) in the liability for employees' termination benefits	214.443	250.967	181.706	213.587
(Profits) / losses from sale of Fixed Assets	528.453	86.923	528.453	83.880
(Profits) / losses from sale of Participation & Securities	82.100	(198.112)	82.100	(198.112)
Interest Expenses	1.271.155	690.050	1.167.566	613.250
(Income) from Dividends	(62.553)	(380.501)	(315.476)	(379.783)
Subsidies for Fixed Assets of the period	(76.885)	(94.566)	(25.132)	(26.038)
	20.394.622	17.018.487	16.024.101	12.617.480
Alterations of operating items				
(Increase) / Decrease of Inventories	(4.718.501)	(3.552.380)	(3.915.472)	(1.342.473)
(Increase) / Decrease of Receivables	(12.893.524)	(11.518.851)	(11.702.020)	(9.183.753)
Increase / (decrease) of Liabilities	3.290.691	2.962.800	2.862.329	1.216.870
	(14.321.334)	(12.108.431)	(12.755.163)	(9.309.354)
Cash flows from operating activities	6.073.288	4.910.056	3.268.938	3.308.130

30.Commitments

Operating leases concerning automobile leases. According to the contracts, the Group is obliged to fulfill the duration of the lease, as this is determined by every contract. On a different occasion, it will be encumbered with the relevant clauses for premature cease.

31.Earnings per share

Basic Earnings per share are calculated by dividing net profit, attributable to shareholders of the Parent Company, with the weighted average number of common shares, in circulation, during the year, excluding the owned common shares that were purchased by the company (owned shares).

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Earnings attributed to shareholders of Parent Company	11.983.679	11.255.589	10.716.056	9.483.628
Weighted average number of shares (in thousands)	11.824.350	11.824.350	11.824.350	11.824.350
Basic Earnings per share	1,01	0,95	0,91	0,80

32.Dividends

Pursuant to Hellenic Legislation, companies are obligated to distribute to their shareholders a dividend equal to at least 6% of their paid-up capital or 35% of the profits that arise from their accounting logs (published financial statements) after the relative income tax and statutory reserve is deducted, provided this is greater than 6% of the paid-up capital. In spite of the above, companies may not distribute dividends following the congruent opinion of their shareholders.

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

A dividend, which is lower than 35% of profit after taxes, but higher than 6% of paid up share capital can be announced and be paid, with the approval of 70% of shareholders. Following the congruent opinion of its shareholders, it is not necessary for the Company to announce a dividend.

Dividends that were distributed in 2007 (from the profits of 2006) amounted to Euros 3.547.305 or Euros 0,30 per share. The proposed dividend from the profits of fiscal year 2007 amounts to Euros 0,32 per Share or Euros 3.783.792.

33. Contingent Liabilities / Receivables

The Company provides guarantees to its subsidiaries, in order to take bank loans or to purchase fixed assets. Up to the date of approval of Financial Statements at 21/03/2008, the Company gave guarantee of € 500.000 to its subsidiary MODA CABINA S.A. for a bank loan.

The letters of guarantees that the Group has given at 31 December 2007 amount to € 296.800 and € 50.500 to suppliers and to Greek State, respectively.

There are not any possible Receivables, which may cause significant consequences for the Group and Company's financial status.

34. Transactions with Affiliated Entities

The Company, its subsidiaries, relative companies, management with the highest officials and their direct relatives are considered to be the affiliated entities of the Group. Affiliated entities concern companies with common ownership status and/or management, with the Company and Companies that are related with it.

The Company purchases goods and services from affiliated entities, while it offers and sells services to affiliated entities, as well.

Sales of goods to affiliated entities, by the Company, mainly concern sales of commodities and products. Usually, selling prices are offered on cost basis plus profit.

Purchases from affiliated entities are usually received on cost basis plus profit margin and they mainly concern automatic elevator doors.

Transactions with Related Entities are presented in the following table:

KLEEMANN HELLAS S.A.

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

COMPANY

	Purchases - Expenses		Sales - Revenues	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Group Companies	8.780.525	5.506.678	8.780.525	5.506.678
Rewards of B.o.D Members.	218.000	239.378	218.000	239.378
Rewards of Highest Officials	1.144.354	927.064	1.144.354	927.064
Affiliated Companies	427.841	842.970	427.841	842.970
Total	10.570.720	7.516.090	10.570.720	7.516.090

GROUP

	Purchases - Expenses		Sales - Revenues	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Rewards of B.o.D Members.	296.548	291.757	296.548	291.757
Rewards of Highest Officials	1.513.735	1.199.735	1.513.735	1.199.735
Affiliated Companies	2.760.596	2.996.718	2.760.596	2.996.718
Total	4.570.879	4.488.210	4.570.879	4.488.210

COMPANY

	Liabilities to:		Receivables from :	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Group Companies				
KLEFER S.A.	261.807,97	366.225,70	1.406,20	64.331,55
KLEEMANN ASANSOR S.A.	14.145,67		2.247.317,98	1.923.644,67
KLEEMANN LIFTOVI D.o.o.			425.468,11	431.280,00
KLEEMANN LIFT RO SRL				
B.o.D Members			11,88	18.745,43
Highest Officials			879,07	3.111,78
Affiliated Companies				
AMETAL		228.866,18	5.059,21	
TECHNOLAMA	42.403,47	187.332,98		
SKY LIFT			641.609,18	891.856,36
Total	318.357,11	782.424,86	3.321.751,63	3.332.969,79

GROUP

	Liabilities to:		Receivables from :	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
B.o.D Members	-	-	657	12
Highest Officials	7.177	6.956	3.530	879
Affiliated Companies				
AMETAL	-	-	77.026	59.889
GROSSI	-	-	639.330	472.464
TECHNOLAMA	588.369	577.520	42.375	-
SKY LIFT	(11.469)	-	930.762	641.609
Total	584.077	584.475	1.693.680	1.174.854

The Board of Directors of the Company is consisted of the following:

1. Nikolaos K. Koukountzos, Chairman
2. Menelaos K. Koukountzos, Vice President and Managing Director
3. Konstantinos N. Koukountzos, member and General Manager
4. Stergios N. Georgalis, independent, non executive member
5. Dimitrios A. Daos, independent, non executive member

The total rewards that have been given to executive and non executive members of the Board of Directors, during 2007 come up to € 199.000 and € 19.000, respectively.

35. Financial risk management

35.1 General

The Group's activities expose it to a variety of financial risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit, Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

35.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. The credit is diversified since there is no customer with a percentage higher than 5% of the total revenues of the Group. In addition, geographically there is no concentration of credit risk, except from Greece with a percentage of 58.8%.

The Group has established and Finance and Sales Department exercise a credit policy under which each customer, both current customers and new, is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes the level of receivables and sales, as well as the investigation of bank references, when available.

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In monitoring customer credit risk, customers are grouped according to their credit characteristics, geographic location, aging profile, maturity and existence of previous financial difficulties.

Goods are sold subject to retention of title clauses (90%), so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

Investments

The Group limits its exposure to credit risk by only investing in liquid securities (note 8).

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Held-to-maturity investmets	6.006	6.006	6.006	6.006
Financial assets at fair value through profit or loss	699.666	800.029	693.605	775.705
Loans and receivables	65.278.816	53.522.285	59.334.304	48.639.007
Other receivables	3.020.043	1.558.918	2.657.240	1.229.674
Cash and cash equivalents	5.966.806	3.552.847	4.532.965	2.140.976
	74.971.337	59.440.085	67.224.120	52.791.368

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Domestic	52.977.846	43.510.400	50.179.050	41.341.206
European Union	6.473.374	4.458.045	6.145.839	4.036.218
Other countries	5.827.596	5.553.840	3.009.415	3.261.583
	65.278.816	53.522.285	59.334.304	48.639.007

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Wholesale customers	59.283.244	48.609.418	59.283.244	48.609.418
Retail customers	51.062	29.587	51.060	29.589
	65.278.816	53.522.285	59.334.304	48.639.007

Impairment losses

The aging of trade receivables at the reporting date was:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Past due 1-45 days	7.765.301	12.637.778	6.711.061	11.879.986
Past due 45-90 days	8.196.736	12.252.586	7.982.996	12.202.544
Past due 91-150 days	41.324.712	14.508.291	37.429.593	11.388.343
More than 150 days	7.992.067	14.123.630	7.210.654	13.168.134
	65.278.816	53.522.285	59.334.304	48.639.007

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Balance at 1 January	2.196.843	1.290.445	1.752.261	1.227.066
Impairment loss recognized	(375.593)	906.398	(362.129)	525.195
Balance at 31 December	1.821.250	2.196.843	1.390.132	1.752.261

35.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains approved bank credit totally valued up to € 63 millions, of which has been used € 25 millions for the issue of four bonded loans and, approximately, € 3 millions in the form of short term bank loan.

The rest of the approved limits that concern short term financing can be cover immediate needs, with the EURIBOR interest rate plus 0,6% charge of Law 128, plus 0,7% bank margin.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

GROUP

	31 December 2007						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Unsecured bank loans	25.000.000	31.855.200	622.000	622.000	2.963.500	17.952.700	9.695.000
Finance lease liabilities	69.856	92.279	12.395	12.395	49.675	17.814	-
Trade and other payables	14.932.138	14.932.138	14.932.138	-	-	-	-
Bank overdraft	2.971.836	2.985.705	2.985.705	-	-	-	-
Total	42.973.830	49.865.322	18.552.238	634.395	3.013.175	17.970.514	9.695.000

	31 December 2006						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Finance lease liabilities	81.403	116.595	12.237	12.237	52.340	39.781	-
Trade and other payables	12.509.559	12.509.559	12.509.559	-	-	-	-
Bank overdraft	16.827.588	16.896.301	16.896.301	-	-	-	-
Total	29.418.550	29.522.455	29.418.097	12.237	52.340	39.781	-

<u>COMPANY</u>	31 December 2007						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Unsecured bank loans	25.000.000	31.855.200	622.000	622.000	2.963.500	17.952.700	9.695.000
Trade and other payables	12.109.526	12.109.526	12.109.526	-	-	-	-
Bank overdraft	1.000.000	1.004.500	1.004.500	-	-	-	-
Total	38.109.526	44.969.226	13.736.026	622.000	2.963.500	17.952.700	9.695.000

<u>COMPANY</u>	31 December 2006						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	9.533.627	9.533.627	9.533.627	-	-	-	-
Bank overdraft	15.456.088	15.519.200	15.519.200	-	-	-	-
Total	24.989.715	25.052.827	25.052.827	-	-	-	-

35.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The exposure of economic results of Group to the above risks is low.

Currency risk

The Group operates mainly in Europe and, therefore, the majority of its transactions is based on Euros. In addition, the operation that takes place apart from Europe is based on Euro clause, and therefore the exchange rate risk is minimized.

The whole of the loans of the Group have been taken in Euros and, hence, they are not exposed to currency risk.

Interest rate risk

The loan liabilities of Group are on a flexible rate basis, which can be maintain flexible or convert to fixed rate, according to market conditions.

The major aim of Group's investment strategy is to maximize the returns of its investments. According to this strategy, some of the investments are measured in their fair value with changes in profit and loss account, due to the fact that their return is monitored systematically and their management is based on fair value.

The Group does not maintain commodity contracts, except from those required for the cover of needs using and selling. These contracts are not settled out by netting.

Fair values***Fair values versus carrying amounts***

The fair values of financial assets and liabilities, together with the carrying amount shown in the balance sheet, are as follows:

<u>GROUP</u>	Carrying amount 31 December 2007	Fair value	Carrying amount 31 December 2006	Fair value
<i>Financial assets</i>				
Receivables	65.278.816	65.278.816	53.572.285	53.572.285
Other long term receivables	509.106	509.106	564.471	564.471
Cash and cash equivalents	5.966.806	5.966.806	3.552.847	3.552.847
<i>Financial liabilities</i>				
Long term loans	25.000.000	25.000.000	-	-
Short term loans	2.971.836	2.971.836	16.827.588	16.827.588
Other long term liabilities	691.278	691.278	780.605	780.605
Suppliers and other liabilities	14.932.138	14.932.138	12.509.559	12.509.559

<u>COMPANY</u>	Carrying amount 31 December 2007	Fair value	Carrying amount 31 December 2006	Fair value
<i>Financial assets</i>				
Investments	2.387.391	2.387.391	1.962.391	1.962.391
Receivables	59.334.304	59.334.304	48.639.007	48.639.007
Other long term receivables	441.506	441.506	542.707	542.707
Cash and cash equivalents	4.532.965	4.532.965	2.140.976	2.140.976
<i>Financial liabilities</i>				
Long term loans	25.000.000	25.000.000	-	-
Short term loans	1.000.000	1.000.000	15.456.088	15.456.088
Other long term liabilities	9.646	9.646	49.236	49.236
Suppliers and other liabilities	12.109.526	12.109.526	9.533.626	9.533.626

The basis for determining fair values is disclosed in note 3.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-redeemable preference shares and minority interests.

The Group's target is to achieve a higher return than that of 2007.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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36. Subsequent events

- After the conclusion of the studies and the issue of the appropriate licenses for the construction high trial tower, which will help the evolution of high velocity and long-distances elevating systems, has been signed on 25th January 2008 a construction contract of the above project between the Company and the constructor “TERNA S.A.”. The amount of the contract reaches 2.900.000 Euros, while the total expense for the completion of the project is expected to reach 4.000.000 Euros, from which amount of 1.970.000 Euros has been included in the provisions of v. 3299/2004 and its subsidy has approved by the competent bodies with a percentage of 35 %.
- At 18 of March 2008, the Company proceeded to the acquisition of 6.000 social parts of KLEEMANN LIFT RO S.R.L., with nominal value of 30.000 € (the rest 30% of its share capital), from the partner Aggelos Palmos, who resigned. After this transaction, the Company holds the 100% of the share capital of its subsidiary.

There are no important events, which affect the financial status and results of the Group and the Company, occurring after 31st December 2007.

Kilkis 21 March 2008

**President of the Board of
Directors**

General Manager

Financial Manager

NIKOLAOS K. KOUKOUNTZOS

MENELAOS K. KOUKOUNTZOS

CHRISTOS N. PETRIDES

KLEEMANN HELLAS S.A.

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

**(Translated from the original in Greek)
Independent Auditor's Report**

To the Shareholders of
KLEEMANN HELLAS A.B.E.E.

Report on the Financial Statements

We have audited the accompanying Separate and Consolidated Financial Statements (the "Financial Statements") of KLEEMANN HELLAS A.B.E.E. (the "Company") which comprise the separate and consolidated balance sheet as at 31 December 2007, and the separate and consolidated statements of income, changes in equity and cash flows 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 misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 are harmonized with International Standards on Auditing. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

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 judgement, 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 reasonableness of accounting estimates made by 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.

KLEEMANN HELLAS S.A.

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(Amounts in Euros, unless otherwise stated). Differences in the total amounts are due to rounding off.

Opinion

In our opinion, the Financial Statements give a true and fair view, of the separate and consolidated financial position of the Company as of 31 December 2007 and of its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of matter

Without qualifying our report, we draw your attention to Note 28 of the Financial Statements which states that the tax obligations of the Company and the subsidiaries of the Company have not been audited by the tax authorities for certain years and consequently, have not been finalized. The outcome of the tax audits cannot be foreseen at the present time.

Report on Other Legal and Regulatory Requirements

The Board of Directors' report is consistent with the accompanying Financial Statements.

Athens, 24 March 2008

KPMG Certified Auditors AE

Ioannis A. Achilas, Certified Auditor - Accountant
AM SOEL 12831