SFAKIANAKIS

Annual Financial Statements

For the period 01.01.2006 - 31.12.2006
prepared in accordance with the International Financial Reporting Standards (IFRS)

The attached interim financial statements are those approved by the Board of Directors of SFAKIANAKIS S.A. on 22 March 2007 which have been posted to the internet on the website www.sfakianakis.gr

SFAKIANAKIS S.A.
Companies Reg. No. 483/06/B/86/10
5-7 Sidirokastrou St. & Pydnas St.,
Athens, GR-11855

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SFAKIANAKIS S.A.

Report on the Financial Statements

We have audited the accompanying individual and consolidated financial statements of SFAKIANAKIS S.A., which comprise the individual and consolidated balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). 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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Report on Other Legal and Regulatory Requirements

The content of the Report of the Board of Directors is consistent with the aforementioned financial statements.

Athens, 28th March 2007

Konstantinos P. Evaggelinos
Certified Public Accountant Auditor
SOEL Reg. No. 13151

SOL S.A. – Certified Public Accountants Auditors
3, Fok. Negri Street - Athens, Greece

FINANCIAL STATEMENTS

I. BALANCE SHEET					
		GROUP		COMPANY	
	NOTE	31.12.2006	31.12.2005	31.12.2006	31.12.2005
ASSETS					
Non-current assets					
Tangible Assets (Property, plant & equipment)	6	165,190,196	140,672,233	85,567,968	59,950,091
Intangible assets	7	734,347	484,518	454,043	140,223
Goodwill	8	4,385,276			
Investments in subsidiaries	9.1			39,964,804	37,301,418
Investments in associates	9.2	14,270,137	1,104,583	16,292,047	1,104,583
Deferred income tax	15	3,430,809	2,213,331	1,205,065	0
Customers and other receivables	11	39,890,441	13,444,365	2,883,468	1,248,863
Total non-current assets		**227,901,206**	**157,919,030**	**146,367,395**	**99,745,178**
Current assets					
Inventories	10	78,979,717	70,900,010	47,570,066	27,836,375
Customers and other receivables	11	147,845,834	131,815,849	97,519,738	83,429,067
Available-for-sale financial assets	11.1	9,903,977	17,283,148	9,297,149	16,379,864
Cash and cash equivalents	12	28,787,980	22,127,267	19,876,283	11,765,757
		265,517,508	**242,126,274**	**174,263,236**	**139,411,063**
Total assets		**493,418,714**	**400,045,304**	**320,630,631**	**239,156,241**
EQUITY					
Capital and reserves attributed to parent company shareholders					
Share Capital	13.1	12,109,500	12,109,500	12,109,500	12,109,500
Premium on capital stock	13.1	10,601,614	10,601,614	10,601,614	10,601,614
Fair value reserves	13.2	1,297,753	8,093,427	7,046,277	1,961,518
Other reserves	13.3	15,998,113	15,029,306	15,693,900	14,286,589
Results carried forward	13.4	61,783,470	37,608,922	60,355,938	39,847,361
		101,790,450	**83,442,769**	**105,807,229**	**78,806,582**
Minority interest		218,494	4,398,054	0	0
Total equity		**102,008,944**	**87,840,823**	**105,807,229**	**78,806,582**
LIABILITIES					
Long-term liabilities					
Loans	14.1	88,740,972	90,829,224	62,800,000	72,971,922
Deferred income tax	15	14,901,479	12,840,562	11,576,223	9,017,482
Provisions for employee benefits	16	1,582,241	1,414,384	1,223,993	1,104,635
Other provisions	17	1,437,114	1,435,000	1,400,000	1,400,000
Asset subsidies		18,273	36,547	0	0
		106,680,079	**106,555,717**	**77,000,216**	**84,494,039**
Short-term liabilities					
Suppliers and other liabilities	18	110,555,642	88,831,801	54,619,030	37,485,508
Current Income tax	18.1	3,821,906	9,268,070	2,919,055	7,960,789
Short-term loans	14.2	170,352,143	107,548,893	80,285,101	30,409,323
		284,729,691	**205,648,764**	**137,823,186**	**75,855,620**
Total liabilities		**391,409,770**	**312,204,481**	**214,823,402**	**160,349,659**
Total Liabilities and Equity		**493,418,714**	**400,045,304**	**320,630,631**	**239,156,241**

INCOME STATEMENT

OPERATING RESULTS		GROUP		COMPANY	
		1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Sales	**5**	**407,177,725.43**	**338,788,576.39**	**235,651,305.75**	**190,534,093.74**
Cost of sales		295,150,055.74	243,555,614.55	168,699,904.99	134,481,637.85
Gross Profit		**112,027,669.69**	**95,232,961.84**	**66,951,400.76**	**56,052,455.89**
Selling expenses	**19.1**	84,839,912.06	68,971,537.98	30,427,593.03	28,429,377.14
Administrative expenses	**19.1**	21,209,978.02	17,242,884.50	7,606,898.26	7,107,344.28
Other operating income/(expenses) (net)	**19.2**	27,092,005.75	22,096,350.68	5,915,594.76	8,190,730.58
Operating income		**33,069,785.36**	**31,114,890.04**	**34,832,504.23**	**28,706,465.05**
Net financial expenses	**19.3**	9,090,248.59	10,560,202.94	5,098,890.99	5,391,376.04
Investing result	**19.4**	11,746,658.02	1,450,557.58	9,573,189.96	1,105,230.57
Earnings before tax		**35,726,194.79**	**22,005,244.68**	**39,306,803.20**	**24,420,319.58**
Income tax	**20**	11,981,603.41	9,277,647.70	10,912,443.71	8,373,309.73
Profits for the period		**23,744,591.38**	**12,727,596.98**	**28,394,359.49**	**16,047,009.85**
Attributable to:					
Parent company shareholders	**21**	**25,500,579.50**	**13,115,159.48**	**28,394,359.49**	**16,047,009.85**
Minority interest		(1,755,988.12)	(387,562.50)		
Earnings per share net of tax (in €)		1.94	1.00	2.16	1.22
Divident proposed per share (in €)				0.50	0.25
Average weighted No. of shares		13,162,500	13,162,500	13,162,500	13,162,500

STATEMENT OF CHANGES IN EQUITY

	Attributable to company shareholders				
amounts in euro	**Share capital and premium on capital stock**	**Reserves**	**Results carried forward**	**Minority interest**	**Total equity**
CONSOLIDATED FINANCIALS					
Balance on 1 January 2005	**22,711,114**	**16,725,487**	**40,500,653**	**5,531,256**	**85,468,510**
Adjustment		6,397,246	(13,337,612)	(745,639)	**(7,686,005)**
Fair value reserves			13,115,160	(387,563)	**11,034,980**
Net profit/loss for the period			(2,669,279)		**(2,669,279)**
Less: Dividends					**0**
Total net profit (loss) recognised for the period	0	6,397,246	(2,891,731)	(1,133,202)	2,372,313
Balance on 31 December 2005	**22,711,114**	**23,122,733**	**37,608,922**	**4,398,054**	**87,840,823**

	Attributable to company shareholders				
amounts in euro	**Share capital and premium on capital stock**	**Reserves**	**Results carried forward**	**Minority interest**	**Total equity**
CONSOLIDATED FINANCIALS					
Balance on 1 January 2006	**22,711,114**	**23,122,733**	**37,608,922**	**4,398,054**	**87,840,823**
Adjustment		968,807	2,018,622	(2,424,084)	**563,345**
Fair value reserves		(6,795,674)			**(6,795,674)**
Net profit/loss for the period			25,500,067	(1,755,476)	**23,744,591**
Less: Dividends			(3,344,141)		**(3,344,141)**
Total net profit (loss) recognised for the period	0	(5,826,867)	24,174,548	(4,179,560)	14,168,121
Balance on 31 December 2006	**22,711,114**	**17,295,866**	**61,783,470**	**218,494**	**102,008,944**

	Attributable to company shareholders				
amounts in euro	**Share capital and premium on capital stock**	**Reserves**	**Results carried forward**	**Minority interest**	**Total equity**
COMPANY FINANCIALS					
Balance on 1 January 2005	**22,711,114**	**14,743,976**	**32,866,496**	**0**	**70,321,586**
Adjustment		1,504,131	(6,433,645)		**(4,929,514)**
Net profit/loss for the period			16,047,010		**16,047,010**
Less: Dividends	0		(2,632,500)		**(2,632,500)**
Total net profit (loss) recognised for the period	0	1,504,131	6,980,865	0	**8,484,996**
Balance on 31 December 2005	**22,711,114**	**16,248,107**	**39,847,361**	**0**	**78,806,582**

	Attributable to company shareholders				
amounts in euro	**Share capital and premium on capital stock**	**Reserves**	**Results carried forward**	**Minority interest**	**Total equity**
COMPANY FINANCIALS					
Balance on 1 January 2006	**22,711,114**	**16,248,107**	**39,847,361**	**0**	**78,806,582**
Adjustment		1,160,381	(768,378)		**392,004**
Changes due to merger		246,930	(2,167,863)		**(1,920,933)**
Fair value reserves		5,084,759	(1,658,918)		**3,425,841**
Net profit/loss for the period			28,394,360		**28,394,360**
Less: Dividends			(3,290,625)		**(3,290,625)**
Total net profit (loss) recognised for the period	0	6,492,070	20,508,577	0	27,000,647
Balance on 31 December 2006	**22,711,114**	**22,740,177**	**60,355,938**	**0**	**105,807,229**

CASH FLOW STATEMENT (Amounts in €)				
	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Operating activities				
Earnings before tax	**35,726,194.79**	**22,005,244.68**	**39,306,803.20**	**24,420,319.58**
Plus/Minus adjustments for:				
Depreciation	19,879,763.39	13,874,531.72	3,044,733.15	1,467,906.90
Provisions	(1,819,723.05)	1,153,439.30	(1,581,303.80)	(104,258.24)
Results (income, expenses, profits & losses) from investing activities	(11,914,865.92)	(3,642,551.94)	(9,542,532.57)	(1,857,124.69)
Interest charges and related expenses	12,091,665.42	11,109,604.96	5,781,981.60	5,850,560.53
Plus / minus adjustments for changes in working capital accounts or related to operating activities				
Decrease/ (increase) in stocks	(4,862,291.58)	(21,225,890.75)	(1,590,026.80)	(7,035,973.43)
Decrease/ (increase) in receivables	(37,180,011.90)	(15,815,972.33)	(7,223,250.14)	2,596,923.74
(Decrease)/Increase in liabilities (save banks)	18,345,938.53	13,288,435.45	7,670,571.67	8,066,027.65
Less:				
Interest charges and related expenses paid	(11,953,509.62)	(9,794,959.66)	(5,869,814.04)	(5,737,293.56)
Tax paid	(9,922,022.95)	(16,859,932.92)	(8,678,472.17)	(15,127,828.91)
Total input/(output) from operating activities (a)	**8,391,137.11**	**(5,908,051.49)**	**21,318,690.10**	**12,539,259.57**
Investing Activities:				
Acquisition of subsidiaries, affiliates, joint ventures and other investments	(25,341,760.87)	(12,646,423.06)	(25,837,098.73)	(25,805,822.51)
Purchase of intangible and tangible assets	(51,835,947.92)	(22,938,949.58)	(13,399,674.03)	(3,728,532.83)
Proceeds on sale of intangible and tangible assets	22,059,829.00	9,379,247.93	1,397,635.62	499,950.51
Proceeds (payments) from sale (purchas) of investment securiteis (shares/ commercial papers)	13,856,022.12		13,225,183.06	
Interest received	1,395,475.51	509,207.46	601,429.45	420,689.11
Dividends collected	429,191.71	481,565.09	717,239.13	1,053,590.22
Total input/(output) from investing activities (b)	**(39,437,190.45)**	**(25,215,352.16)**	**(23,295,285.50)**	**(27,560,125.50)**
Financing Activities				
Proceeds from increase in share capital	0.00	0.00	0.00	0.00
Proceeds on loans issued/ taken out	72,356,630.28	109,764,743.32	8,602,388.63	80,000,000.00
Loan repayment	(23,929,838.89)	(66,191,310.38)	982,506.07	(63,778,695.85)
Leasing arrangement liabilities paid (instalments)	(7,375,884.42)	(6,464,014.45)		-
Dividends paid	(3,344,140.93)	(2,669,279.53)	(3,289,231.11)	(2,640,693.52)
Total input/ (output) from financing activities (c)	**37,706,766.04**	**34,440,138.96**	**6,295,663.59**	**13,580,610.63**
Net increase/ (decrease) in cash and cash equivalents (a) + (b) +(c)	**6,660,712.70**	**3,316,735.31**	**4,319,068.19**	**(1,440,255.30)**
Cash and cash equivalents of the merging affiliated companies			**3,791,457.79**	
Cash and cash equivalents at the beginning of the period	**22,127,267.31**	**18,810,532.00**	**11,765,757.16**	**13,206,012.46**
Cash and cash equivalents at the end of the period	**28,787,980.01**	**22,127,267.31**	**19,876,283.14**	**11,765,757.16**

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

These financial statements include the corporate financial statements of SFAKIANAKIS S.A. (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group).

The Company's main activity is the import and trade in cars, motorcycles and spare parts for Suzuki and Cadillac as well as Daf trucks, Berkhof buses and Landini farm machinery. The Group's retail activities include trade in Suzuki, Opel, Ford, Volvo and Cadillac cars and BMW cars and motorcycles. Moreover, the Group is involved in the manufacture of chasses and car bodies, car hire, trade in electronic and telecommunications materials and telecom services and insurance brokerage, IT and communications product distribution, design, implementation and support for integrated systems and technological solutions, providing all manner of telecom services and providing courier services.

The Group operates in Greece, Cyprus, Bulgaria, FYROM and Albania. Parent company's shares are traded on the Athens Stock Exchange.

The company's registered offices are in Greece in the Municipality of Athens, Attica at the junction of 5-7 Sidirokastrou St. & Pydnas St. The company's website is www.sfakianakis.gr.

Merger of subsidiaries

During 2006 the subsidiaries AUTOTEAM S.A., AUTOLINK S.A., AUTOFORUM S.A. and CADILLAC HELLAS S.A. were merged by absorption with the parent company SFAKIANAKIS S.A. in line with Law 2166/1993 which operated in the retail sale of cars as official dealers for the manufacturers OPEL, FORD, VOLVO and CADILLAC.

The merger of these companies was approved by decision No. K2-18176 of the Ministry of Development on 22.12.2006. The transformation date was 31.10.2006 and the operations of the merged companies for the period 01.11 – 31.12.2006 was included in the parent company's financial statements. The consolidated results were included in the results for the period 01.01 – 31.10.2006 of the subsidiaries which were merged. This merger did not affect the consolidated financial statements.

Structure of the Group – Total Integration

The Group's structure after merger of the four subsidiaries is as follows:

COMPANY	GROUP % HOLDING			
	Country	Direct	Indirect	Total
SFAKIANAKIS S.A.	Greece	Parent company		Parent company
PERSONAL BEST S.A.	Greece	100.00%		100.00%
PANERGON S.A.	Greece	100.00%		100.00%
EXECUTIVE INSURANCE BROKERS S.A.	Greece	100.00%		100.00%
EXECUTIVE LEASE S.A.	Greece	100.00%		100.00%
MIRKAT OOD	Bulgaria	99.91%		99.91%
MIRKAT DOOEL SKOPJE	FYROM	100.00%		100.00%
SFAKIANAKIS EMPORIKI S.A.	Greece	97.00%	3.00%	100.00%
WIN LINK S.A.	Greece	40.00%		40.00%

2. Major accounting principles used by the Group

2.1. Context within which the financial statements are drawn up

These financial statements of Sfakianakis S.A. relate to the period 01.01.2006 to 31.12.2006 and are complete. They have been prepared in accordance with the IFRS adopted by the European Union.

The accounting principles which are outlined below have been applied to all periods presented.
Preparation of the financial statements in accordance with the IFRS requires the use of accounting estimates and the exercise of judgement on how the accounting principles followed apply. These cases are outlined in Note 4.

The financial statements have been prepared on the basis of the historic cost principle amended by the adjustment in the value of real estate property to their fair (market) value in line with the exemption granted in IFRS 1, the valuation of investments in subsidiaries, affiliates and assets available for sale at fair value, and financial assets and liabilities at fair value in the income statement.

There are no changes to the accounting principles used compared to those used in preparation the financial reports for 31 December 2005.

The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

2.1.1 Impact of newly issued accounting standards and interpretations

The IASB and the IFRIC have issued new accounting standards and interpretations. Management estimates concerning their impacts are as follows:

IAS 19 (Revision) Employee benefits: (Valid from 01.01.2006) According to this amendment, IAS 19 grants an option for new accounting of how actuarial profits and losses from certain pension plan benefits. It permits full posting of the actuarial profits and losses direct to equity. It also clarifies how economic units should take into account defined employment benefit plans in their financial statements and requires disclosure of supplementary information. The Company did not review its current accounting principles for recognising liabilities in terms of employee benefits.

IAS 39 (Revision) Accounting offsetting of cash flows to calculate intragroup transactions: (Valid from 01.01.2006) This revision permits a FX risk for a very likely intragroup transaction to be deemed subject to a hedge in the financial statements where: (a) the transaction is conducted in a currency other than the current currency of the entity entering into the transaction and (b) the FX risk will affect the profits or losses. On 31.12.2006 there were not expected transactions between the Company and the companies in the Sfakianakis Group which could be deemed hedges.

IAS 39 (Revision), Selection of fair value: (Valid from 01.01.2006) This revision changes the definition of financial instruments which have been presented at fair value in the income statement and limits the ability to place financial instruments in this category. The company did not use this option in its financial statements.

IAS 39 and IFRS 4 (amendment) – Financial guarantee contracts: (Valid from 01.01.2006). This revision seeks to ensure that the issuers of financial guarantee contracts include the liabilities arising in their balance sheet. In particular, the issuer of such a contract should initially recognise it at fair value (unless it is considered to be an insurance contract) and then value at either whichever of the following values is higher: (a) the amount arising on the basis of the principles in IAS 37 on Provisions and (b) the amount initially recognised less the amount already posted as income in accordance with IAS 18 on income recognition. These amendments had no impact on the Company's financial statements.

IAS 21 (Revision) The effects of changes in foreign exchange rates: (valid from 01.01.2006). This amendment permits foreign exchange difference arising from monetary assets which are part of the net investment in economic units abroad to be posted directly to consolidated equity even when those assets are expressed in a currency other than the functional currency of the Group's counterparties. These amendments do not affect the Group's financial statements.

IFRS 1 (Revision) First-time adoption of the International Financial Reporting Standards and IFRS 6 (Revision) Exploration for and evaluation of mineral resources: (Valid from 01.01.2006) These revisions are not related to company activities since it is not applying the IFRS for the first time and does not explore for and evaluate mineral resources.

IFRIC 3: Emission rights: This interpretation was withdrawn by IFRIC.

IFRIC 4: Determining whether an arrangement contains a lease: (Valid from 01.01.2006) IFRIC 4 requires a determination of whether a receivable is or includes a lease based on the substance of the receivable. It requires an assessment of whether: (a) fulfilment of the receivable depends on the use of the specific asset and (b) the receivable transfers the right to use the asset. This is not applicable to the Group and will not affect its financial statements.

IFRIC 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds: (Valid from 01.01.2006). This is not applicable to the Group and will not affect its financial statements.

IFRIC 6: Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment: (Valid from 01.01.2005). This is applicable to the Group and will not affect its financial statements.

The IASB issued the following standards and interpretations which were adopted by the EU and implementation thereof is mandatory after 01.01.2006.

IFRS 7: Financial Instruments - Disclosures: This standard is mandatory for accounting periods commencing after 01.01.2007. It is not expected to have a significant impact on the financial statements. This standard primarily requires additional disclosures about financial instruments.

IFRIC 7: Applying the Restatement Approach under IAS 29 - Financial Reporting in Hyperinflationary Economies: (Valid from 01.03.2006). This is not applicable to the Group and will not affect its financial statements.

IFRIC 8: Scope of IFRS 2: (Valid from 01.05.2006). This is not applicable to the Group and will not affect its financial statements.

IFRIC 9: Reassessment of Embedded Derivatives: (Valid from 01.06.2006). This is not applicable to the Group and will not affect its financial statements.

2.2. Consolidation

Subsidiaries

The consolidated financial statements include the financial statements of the company and the business units controlled by the company (its subsidiaries) on 31.12.2006.

Control is achieved where the company has the power to determine financial and operating decisions of a business unit so as to acquire benefits from its activities.

In acquiring a business, assets, liabilities and contingent liabilities on the acquisition date are valued at fair value.

The cost of acquisition, to the extent that it exceeds the fair value of the net assets acquired (assets – liabilities – contingent liabilities) is posted as goodwill to the accounting period in which the acquisition occurred.

Where the cost of acquisition is less than the fair value the difference is posted to the results of the accounting period in which the acquisition occurred.

The results of subsidiaries acquired or sold within an accounting period are included in the consolidated income statement from or up to the date of acquisition or sale respectively.

Financial statements of subsidiaries are suitably adjusted so that they are prepared based on Group accounting principles.

Intragroup transactions, intragroup balances and intragroup income and expenses are crossed out during consolidation.

Participations in subsidies in the separate balance sheet of the parent company are valued at acquisition cost less impairment losses.

In the parent company's separate balance sheet they are valued at fair value with the changes posted to equity.

Investments in associates

Associates are business units over which the Group can exercise substantive influence but not control or joint control. Substantive control is exercised via participation in financial and operational decisions of the business unit.

Investments in associates are presented in the balance sheet at cost, adjusted to the later changes in the Group's holding in the net assets of the associate, taking into account any impairment to the value of individual investments. Losses of associates other than Group rights in them are not posted.

The cost of acquisition of an associate, to the extent that it exceeds the fair value of the net assets acquired (assets – liabilities – contingent liabilities) is posted as goodwill to the accounting period in which the acquisition occurred in the account 'Investments in associates'.

In the parent company's separate balance sheet investments in associates are valued at fair value with the changes posted to equity.

2.3. Segmental Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a geographical area engaged in providing products or services that are subject to risks and returns that are different from those of other areas.

Sales in Greece are treated as one geographical segment.

The Group is divided into three business/ geographical segments:

(1) Domestic trade which is the main segment of activity for the parent company and group which operate in Greece. The greatest part relates to wholesale and retail sale of cars and spare parts. There is also industrial activity which is minimal and this is not monitored separately.

(2) Domestic services, which relates to all activities of the subsidiary Executive Lease (car hire) and Executive Insurance Brokers (insurance brokerage).

(3) Foreign trade, which relates to the activities of the subsidiary MIRKAT OOD (dealer for Suzuki in Bulgaria) and MIRKAT DOOEL SKOPJE (dealer for Suzuki in Skopje).

2.4. Foreign Exchange differences from conversion

(a) Functional and presentation currency
The financial statements of the Group's entities are valued in the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro, which is the parent company's functional currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Profits and losses from foreign exchange differences arising from conversion of currency units expressed in foreign currency during the period and on the balance sheet date at current exchange rates are posted to the results.

Foreign exchange differences from non-currency units valued at fair value are considered part of the fair value and thus are posted wherever fair value differences are posted.

(c) Companies in the Group
The conversion of the financial statements of companies in the Group which have a different functional currency than that of the parent company is done as follows:

Assets and liabilities are translated at the exchange rate at the date of that balance sheet.

Equity is translated at the exchange rate at the date on which it arose.

The foreign exchange differences arising are posted to an equity reserve and are recognised in the income statement when the businesses are sold.

Goodwill and adjustments in fair value generated during the acquisition of business units abroad are translated using exchange rates on the balance sheet date.

2.5 Tangible Assets

a) Property, plant and equipment (tangible assets) used by company itself
Tangible assets (property, plant and equipment), apart from production-related property, are valued at acquisition cost less accumulated depreciation and impairment losses. The cost of acquisition includes all directly payable expenses for acquiring assets.

Expenses incurred in later periods increase the book value of tangible assets only where it is likely that in the future they will generate financial benefits for the Group and their cost can be reliably estimated. The cost of repairs and maintenance is posted to the results when incurred.

Residual value and the useful life of tangible assets are subject to re-examination on each balance sheet date.

When the book value of property, plant and equipment exceeds the recoverable value the differences (impairment) are posted as expenses to the results (Note 2.7).

Plots – lots are not depreciated. Depreciation of other tangible assets is calculated using the straight line method over their useful life as follows:

Buildings	25-40	YEARS
Machinery & equipment	12-15	YEARS
Cars	4-6	YEARS
Other equipment	5-7	YEARS

The residual values are not recognized. When the tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement.

b) Investments in Property
Investments in property are valued at acquisition cost less depreciation and impairment losses.

2.6 Intangible Assets

(a) Goodwill
Goodwill represents the difference between the cost and fair value of individual assets and liabilities upon acquisition of subsidiaries, associates or jointly controlled companies. Goodwill upon acquisition of associates includes the cost of investment.

Goodwill is posted as an asset and audited at least annually for impairment.

To check goodwill, in order to ascertain if there is impairment, goodwill is allocated to the cash-generating units which represent the primary segmental reporting.

(b) Trademarks and licences
Trademarks and licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight line method over the useful life of the assets which ranges from 10 to 15 years.

(c) Software
Software licences are valued at acquisition cost less depreciation. Depreciation is recorded using the straight line method over the useful life of the assets which ranges from 3 to 5 years.

2.7 Impairment testing of tangible and intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets subject to depreciation are tested for impairment, when there are indications that their book value cannot be recovered.

The recoverable value is either the fair value less the amount required for the cost of sale or the usage value of the asset whichever is higher. The usage value is determined using discounted future cash flows with a suitable discount rate.

If the recoverable value is less than the carried value, then the carried value is reduced to the level of the recoverable value.

Impairment losses are posted as expenses in the income statement for the accounting period in which they were incurred.

When the impairment loss in a later period has to be reversed, the carried value of the asset is increased up to the level of the revised assessment of recoverable value to the extent that the new carried value does not exceed the carried value which would have been determined had the impairment loss not been posted in previous periods.

Reversal of the impairment loss is posted to income. To assess impairment losses assets are placed in the smallest possible cash-generating units.

2.8 Financial assets

The Group classifies financial assets in the following categories:

a) Receivables from customers
Receivables from customers are posted initially at fair value and later valued at carried cost using the actual interest rate less impairment losses. Impairment losses (losses from bad debt) are recognised when there are objective indications that the Group is not in a position to collect the amounts due based on contractual terms. The amount of the impairment loss is the difference between the book value of receivables and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of impairment loss is recognised in the income statement as an expense.

b) Loans and other receivables
This includes non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are created when the Group provides money or goods and services and there is no intention to sell these assets.

c) Held-to-maturity investments
This includes non-derivative financial assets with fixed or determinable payments and a specific maturity date which the Group intends to and is capable of holding to maturity.

d) Available-for-sale financial assets
This includes non-derivative financial assets which cannot be included in any of the foregoing categories. They are included in non-current assets unless Management intends to dispose of them within 12 months of the balance sheet date.

Financial assets held for sale are valued at fair value and the relevant profits or losses posted to an equity reserve until the assets are sold or recognised as impaired. Upon sale or when recognised as impaired, the profits or losses are transferred to the results.

Fair value determination
The fair values of investments quoted on active markets are designated based on current prices. In the case of non-quoted assets, fair value is determined using valuation techniques such as discounted future cash flows and option valuation models.

On each balance sheet date the Group ascertains if there are objective indications which lead to the conclusion that the financial assets are impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indication of impairment. If impairment is identified, the cumulative loss, which is the difference between the acquisition cost and fair value, is recognised in the income statement.

2.9. Hedging activities

Cash flow hedges
The effective proportion of change in the fair value of derivatives defined as cash flow change hedges are posted to an equity reserve. The gain or loss on the non-effective proportion is posted to the results. The amounts posted as an equity reserve are carried forward to the results of the periods where the hedged assets affect profits or losses. In cases of hedging forecast future transactions which result in recognition of a non-monetary asset, profits or losses which had been posted to equity are carried forward to acquisition cost of the non-financial asset generated.

When a hedge matures or is sold or when the hedging proportion no longer meets the hedge accounting criteria, the profits and losses accrued to equity remain as a reserve and are carried forward to the results when the hedge affects profits or losses. In the case of a hedge on a forecast future transaction which is no longer expected to be realised, the profits or losses accrued to equity are carried forward to the income statement.

2.10 Inventories

Inventory is valued at acquisition cost or net realisable value which is lower. The cost of acquisition is designated using the average weighted cost method.

Net realisable value is assessed based on current sale prices of stocks in the context of normal activities less any sales expenses which apply in the case.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in sight deposits and short-term investments of up to 3 months which are highly-realisable and low risk.

2.12 Share capital

Ordinary shares are posted as equity.

Direct costs for the issuing of shares are presented after deducting the income tax applied to reduce the proceeds of the issue. Direct costs related to the issuing of shares to acquire businesses are included in the cost of acquiring the business acquired. There were no own share transactions.

2.13 Borrowings

Accounting principles
The cost of borrowing arising from the construction of production-related assets is capitalised during the period required to complete and prepare the asset for the use for which it is intended. Other borrowing costs are posted as expenses.

Net financial cost
Loans are posted initially at fair value less any direct costs for entering into the transaction. Later they are valued at carried cost using the effective interest rate. The Group has not liabilities from convertible corporate bonds.

2.14. Deferred income tax

Deferred income tax is calculated using the liability method which arises from temporary differences between the book value and taxation basis of the assets and liabilities.

Deferred tax is calculated at the tax rates applicable on the balance sheet date or those which will apply in the accounting periods in which the assets are expected to be acquired or the liabilities settled.

Deferred tax assets are posted to the extent that there will be a future taxable profit for use of the temporary difference generated by the deferred tax assets.

2.15 Employee benefits

Short-term benefits
Short-term benefits to staff in cash and kind are posted as expenses when accrued.

Staff leaving indemnity benefits
Leaving indemnity benefits are paid when employees depart before their retirement date. The Group posts these benefits when it undertakes either to terminate the employment of current employees in line with a detailed plan which is not likely to be withdrawn or when these benefits are offered as an incentive for voluntary redundancy. Leaving indemnity benefits due 12 months after the balance sheet date are discounted.

Provisions for post-employment benefits
The liability which is posted to the financial statements for define benefit plans is the current value of the commitment for the defined benefit.

Independent actuaries using the projected unit credit method calculate the defined benefit obligation (compensation under Law 2112/1920 in the year of departure) each year.

2.16 Provisions

Provisions are recognised when the Group has current legal or presumed commitments as a result of incidents in the past, their clearance is likely via outputs and the level of the liability can be reliably estimated. Provisions are valued on the balance sheet date and are adjusted in order to reflect the current value of the expense which is expected to be required to settle the liability. Contingent liabilities are not recognised in the financial statements but are disclosed unless there is likelihood of a resource output incorporating financial benefits. Contingent assets are not recognised in the financial statements but are disclosed where the input of financial benefits is likely.

2.17 Income recognition

Income is recognised at fair value of the sale of goods and services, before VAT and other taxes and net of discounts and returns. Intragroup revenue is completely crossed out. Revenue is recognised as follows:

a) Sales of goods
Sales of goods are recognised where the Group delivers goods to customers, the goods are accepted by them and the collection of the receivables is reasonably secured.

b) Services
Income from services is booked based on the service completion stage compared to the total estimated cost.

c) Income from interest
Interest income is recognised on a time proportion basis using the effective or presumed interest method. When there is an indication of impairment of the receivable the book value is reduced to the recoverable amount which is the net value of expected future cash flows discounted using the initial effective interest rate.

d) Income from royalties
Income from royalties is booked based on accrued income arising from the substantive terms of the relevant contracts.

e) Dividends
Dividends are recognised as income when the right to receive payment is established.

2.18 Leasing

Leasing arrangements, where in effect the risk and rights of ownership remain with the lessor, are posted as operational leasing arrangements. Other leasing arrangements are classified as finance leases.

Lessor
The group does not function as a lessor for financial leases.

Lessee
The lease payments made for operating leases are posted as expenses to the results on a systematic basis during the lease.

Assets held under finance leases are posted as Group assets valued upon signing of the lease at fair value or, where lower, at the present value of the minimum payable lease payments. The relevant liability to the lessor is posted to the balance sheet as a finance lease liability. Lease payments are allocated to financial expenses and to payment of liability in a manner which generates a fixed interest rate from time to time. The financial cost is posted to expenses.

2.19 Dividend Distribution

Dividends distributed to shareholders in the parent company are presented in the consolidated financial statements on the date that dividend distribution is approved by the General Meeting of the Shareholders.

3. Financial risk management

3.1 Financial risk factors

The Group is exposed to financial risks, primarily market risk (changes in exchange rates, interest rates, market prices), credit risk and liquidity risk. The Group's general risk management plan focuses on the unpredictability of financial markets and seeks to minimise potential negative impacts on Group financial performance.

Risk management is effected by the Group's central financial services which operate on the basis of specific rules that have been approved by the Board of Directors. The Board of Directors provides guidelines and instructions on general risk management and special instructions on managing specific risks such as exchange rate risk, interest rate risk and credit risk.

(a) Market Risk

The Group operates in Greece and thus the greater part of Group sales are generated in Euro. However, part of the Group's merchandise is purchased in Japanese Yen.

(b)Credit Risk

The greater part of sales are in cash or with customer bank financing and thus the Group is not exposed to credit risk.

(c) Liquidity risk

Liquidity risks remains low given that adequate credit limits have been obtained from financial institutions and at the same time cash is at satisfactory levels. Effect cash flow management is utilized.

(d) Interest rate fluctuation risk

The Group's borrowing liabilities are associated with floating interest rates which can either remain floating or be converted to fixed rates depending on the circumstances.

4. Major accounting estimates & judgements made by Management

The estimates and judgements made by Management are re-examined continuously and are based on historical data and expectations about future events which are considered reasonable in light of current circumstances.

The Group makes estimates and assumptions about the development of future events. Estimates and assumptions which entail a significant risk of substantive adjustments in the book value of assets and liabilities

The Group's judgement is required to calculate:

a) The provision for income tax. There are many transactions and calculations for which the final level of tax is uncertain. If the final tax is different from that initially recognised the difference will affect income tax and the provision for deferred taxation for that period.

b) The useful life of assets, change in which will affect depreciation and the results of later accounting periods.

c) Interest rate levels.

5. Segmental Reporting

Primary information sector - business segments

The Group is divided into three business/ geographical segments:

a) Domestic trade
b) Domestic service provision and
c) Foreign trade.

The results per segment on 31.12.2006 and 31.12.2005 were as follows:

31/12/2006				
amounts in euro	**Domestic trade**	**Domestic service provision**	**Foreign trade**	**Total**
Total gross sales per segment	**408,260,042**	**25,390,969**	**16,378,272**	**450,029,283**
Domestic sales	(44,255,558)	1,404,000		(42,851,558)
Net Sales	**364,004,484**	**26,794,970**	**16,378,272**	**407,177,725**
Operating income	41,853,358	1,315,278	1,647,807	44,816,443
Financial Expenses	(11,312,935)	2,524,886	(302,200)	(9,090,249)
Earnings before tax	**30,540,423**	**3,840,164**	**1,345,607**	**35,726,195**
Income tax and other taxes (distributed to results)				(11,981,603)
Net profit				**23,744,591**

31/12/2005				
amounts in euro	**Domestic trade**	**Domestic service provision**	**Foreign trade**	**Total**
Total gross sales per segment	353,267,919	21,478,389	0	374,746,308
Domestic sales	(34,298,391)	(1,659,341)	0	(35,957,731)
Net Sales	**318,969,528**	**19,819,049**	**0**	**338,788,576**
Operating income	29,400,124	1,839,018	0	31,239,143
Financial Expenses	(7,322,550)	(1,911,348)	0	(9,233,898)
Earnings before tax	**22,077,574**	**(72,330)**	**0**	**22,005,245**
Income tax and other taxes (distributed to results)				(9,277,648)
Net profit				**12,727,597**

Transfers and transactions between segments (internal sales) are made at arm's length subject to the same terms applying to transactions with third parties.

The assets and liabilities of the segments on 31.12.2006 and 31.12.2005 are as follows:

Assets and liabilities per segment on 31 December 2006				
Amounts in €	**Domestic trade**	**Domestic service provision**	**Foreign trade**	**Total**
Total assets	396,499,960	65,928,597	30,990,157	**493,418,714**
Total liabilities	303,965,601	62,140,883	25,303,287	**391,409,771**

Assets and liabilities per segment on 31 December 2005				
Amounts in €	**Domestic trade**	**Domestic service provision**	**Foreign trade**	**Total**
Total assets	341,624,485	58,420,820	0	**400,045,304**
Total liabilities	259,193,617	53,010,864	0	**312,204,481**

The assets of these segments primarily include tangible assets, intangible assets, inventories, receivables and cash.

Segment liabilities include operating liabilities.

6. Tangible assets

Parent Company

	Land	Buildings & installations	Machinery-Installations-Miscellaneous Equipment	Motor vehicles	Furniture and Miscellaneous Equipment	Tangible assets in course of construction	Total
31/12/2005 Cost	32,987,827.38	26,895,459.62	642,500.53	1,489,364.58	3,405,273.65	251,140.84	65,671,566.60
Accumulated depreciation		(1,460,418.97)	(572,243.10)	(867,194.00)	(2,821,619.09)		(5,721,475.16)
Net book value 31/12/2005	**32,987,827.38**	**25,435,040.65**	**70,257.43**	**622,170.58**	**583,654.56**	**251,140.84**	**59,950,091.44**
Year 2006 Additions	6,048,452.03	3,452,213.81	173,291.68	1,283,260.12	560,268.15	357,425.81	11,874,911.60
Reductions/Transfers of Cost	6,552,300.00	5,185,190.54	1,579,850.13	4,552,712.07	2,129,411.58	290,000.00	20,289,464.32
Depreciation of the year		946,187.63	87,360.83	300,876.84	471,876.34	0.00	1,806,301.64
Reductions of depreciation		(1,838,647.77)	(973,428.81)	(574,267.02)	(1,353,853.80)	0.00	(4,740,197.40)
31/12/2006 Cost	45,588,579.41	35,532,863.97	2,395,642.34	7,325,336.77	6,094,953.38	898,566.65	97,835,942.52
Accumulated depreciation	0.00	(4,245,254.37)	(1,633,032.74)	(1,742,337.86)	(4,647,349.23)	0.00	(12,267,974.20)
Net book value 31/12/2006	**45,588,579.41**	**31,287,609.60**	**762,609.60**	**5,582,998.91**	**1,447,604.15**	**898,566.65**	**85,567,968.32**

Group

	Land	Buildings & installations	Machinery-Installations-Miscellaneous Equipment	Motor vehicles	Furniture and Miscellaneous Equipment	Tangible assets in course of construction	Total
31/12/2005 Cost	57,310,127.38	39,665,956.66	3,035,938.45	61,216,911.84	9,025,753.80	267,040.84	170,521,728.97
Accumulated depreciation		(4,296,249.72)	(1,740,845.33)	(17,431,572.98)	(6,380,827.91)		(29,849,495.94)
Net book value 31/12/2005	**57,310,127.38**	**35,369,706.94**	**1,295,093.12**	**43,785,338.86**	**2,644,925.89**	**267,040.84**	**140,672,233.03**
Year 2006 Additions	6,048,452.03	5,479,650.02	947,169.18	35,567,186.08	1,690,552.77	631,525.81	50,364,535.89
Reductions/Transfers of Cost	108,933.93	(423,680.90)	(83,199.43)	(10,890,129.82)	-194,932.78	13,569.42	(11,469,439.60)
Depreciation of the year	0.00	1,866,090.07	414,991.86	14,906,320.57	1,307,164.90		18,494,567.41
Reductions of depreciation	0.00	(712,383.47)	(43,091.77)	(3,247,869.03)	(114,089.56)		(4,117,433.83)
31/12/2006 Cost	63,467,513.34	44,721,925.78	3,899,908.20	85,893,968.10	10,521,373.79	912,136.07	209,416,825.27
Accumulated depreciation	0.00	(5,449,956.31)	(2,112,745.42)	(29,090,024.52)	(7,573,903.25)	0.00	(44,226,629.51)
Net book value 31/12/2006	**63,467,513.34**	**39,271,969.46**	**1,787,162.78**	**56,803,943.58**	**2,947,470.54**	**912,136.07**	**165,190,195.76**

The acquisition cost of plots and lots is the presumed cost of 01.01.2004.

Plots and buildings were adjusted to fair value on 01.01.2004 by independent assessors. The adjustment was based on the fair market values of the properties.

There are mortgages and mortgage liens registered on the company's property worth a total of € 35,000,000 to secure bank loans (syndicated bond). There are no liens registered in respect of the property of the subsidiaries. Group and company fixed asset purchases for the period can be broken down as follows:

FIXED ASSET ADDITIONS	GROUP	COMPANY
Land	6,048,452.03	6,048,452.03
Buildings – building facilities	3,292,094.86	2,988,628.96
Other technical works	3,585.57	3,585.57
Plots for development (depreciable)	6,998.80	6,998.80
Third party buildings - faciliteis	2,176,970.79	453,000.48
Machinery	419,449.39	127,209.77
Technical Installations	223,719.33	10,500.00
Manually Operated Loading Machines	29,187.83	3,916.64
Tools	244,042.92	31,663.87
Machinery-Installations-Miscell. equipment (depreciable)	0.00	1.40
Mechanical Appliances	4,750.00	0.00
Other Mechanical Equipment	13,282.71	0.00
Machinery	12,737.00	0.00
Busses	131,873.69	131,873.69
Other cars	34,956,683.85	971,872.48
Trucks - tow-trucks - special use vehicles	120,686.91	1,010.00
Indoor vehicles	41,643.00	40,847.00
Other means of transport	42,456.47	1,411.59
Means of transport	137,596.80	0.00
Motorcycles	136,245.36	136,245.36
Furniture	342,658.21	18,436.60
Appliances	2,162.18	-1,154.71
Business machines	6,687.04	100
PCs and electrical units	261,805.60	73,602.14
Telecommunications Equipment	124,924.38	49,044.44
Other Equipment	888,318.79	420,239.68
Furniture	63,996.57	0.00
Buildings-facilities-technical works under construction	631,525.81	357,425.81
Total	**50,364,535.89**	**11,874,911.60**

7. Intangible assets

Intangible assets can be broken down as follows:

INTANGIBLE ASSETS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Software Applications	1,889,194.00	1,324,747.57	1,113,341.58	594,623.88
Depreciation recorded on software applications	(1,154,846.76)	(840,229.78)	(659,298.70)	(454,401.28)
Total	**734,347.24**	**484,517.79**	**454,042.88**	**140,222.60**

Software is depreciated over 3 to 5 years.

Group account transactions in the period 01.01– 31.12.2006 can be broken down as follows:

	ACQUISITION COST				DEPRECIATION				CARRIED VALUE
	Total on 31.12.2005	Additions & Purchases in 2006	Reductions in 2006	Total on 31.12.2006	Depreciation up to 2005	Depreciation Recorded in 2006	Depreciation on Sold Items	Total Depreciation	31.12.2006
Software Applications	1,324,747.57	564,446.43	0.00	1,889,194.00	840,229.78	314,616.98	0.00	1,154,846.76	734,347.24

8. Goodwill

Goodwill	Group	
	31.12.2006	31.12.2005
MIRKAT OOD	2,104,596.00	0.00
ALPAN Ltd	1,256,852.00	0.00
ATHONIKI TECHNIKI S.A.	1,023,828.00	0.00
Total	**4,385,276.00**	**0.00**

This relates to the fair value of net assets of associates and subsidiaries (less liabilities) based on the accounting statements at the date of purchase as analytically presented in paragraph 9.3.

9. Investments in subsidiaries and affiliates

Group holdings fall into two categories, those consolidated using total consolidation method and those consolidated using the equity method.

The Extraordinary General Meeting of the Company on 30.10.2006 decided the acquisition of the total number of shares of the affiliated companies Autolink S.A. (mega dealer of Ford) and Autoforum S.A. (mega dealer of Volvo) via the purchase of 10 and 1 share respectively on their nominal value.

The increase of the percentage of the participation of SFAKIANAKIS S.A. to Autolink S.A. by 0.0001% was aproved at one with the purchase of 10 shares from the shareholder Mr. Nikolao Sfakianaki with payment in cash the amount of € 3.00 (on their nominal value) as well as the increase of 0.0001% of the participation of SFAKIANAKIS S.A. to Autoforum S.A. was aproved at one with the purchase of 1 share from the shareholder Mr. Nikolao Sfakianaki with payment in cash the amount of € 2.96 (on their nominal value). After the acquisition of the above mentioned percentages SFAKIANAKIS S.A. will own the total of the share capital both of Autolink S.A. and Autoforum S.A.

With the decision taken on the Ordinary General Meeting of the Shareholders on June 15th 2006 the increase of the percentage of participation of SFAKIANAKIS S.A. to Autoteam S.A. by 19.51% was approved via the purchase of 205,816 shares with payment in cash. After this purchase SFAKIANAKIS S.A. owns the 100% of the share capital of Autoteam S.A.

In 2006 subsidiaries involved in the retail sale of cars as official dealers of the manufacturers OPEL, FORD, VOLVO and CADILLAC were merged by absorption by the parent company SFAKIANAKIS S.A.

The companies merged/ absorbed are: Autoteam S.A., Autolink S.A., Autoforum S.A. and Cadillac Hellas S.A. The synergies and economies of scale which will arise from this merger combined with the improved productivity and effectiveness will further bolster the consolidated financial results of SFAKIANAKIS S.A.

The merger of these companies was approved by decision No. K2-18176 of the Ministry of Development on 22.12.2006.

9.1. Investments in subsidiaries

The valuation of all holdings on 31.12.2006, the country where each company is established and the percentage holding per category are as follows:

TOTAL CONSOLIDATION METHOD	ACQUISITION COST	DIFFERENCE IN FAIR VALUE	FAIR VALUE	COUNTRY	DIRECT	INDIRECT	TOTAL
PERSONAL BEST S.A.	6,629,040.39	(1,172,709.53)	5,456,330.86	Greece	100.00%		100.00%
PANERGON S.A.	7,439,722.41	281,428.43	7,721,150.84	Greece	100.00%		100.00%
EXECUTIVE INSURANCE BROKERS S.A.	146,735.15	1,170,227.43	1,316,962.58	Greece	100.00%		100.00%
EXECUTIVE LEASE S.A.	10,657,651.13	(1,131,337.15)	9,526,313.98	Greece	100.00%		100.00%
MIRKAT OOD	5,994,559.63	6,834,485.41	12,829,045.04	Bulgaria	99.91%		99.91%
MIRKAT DOOEL SKOPJE	205,000.00	0.00	205,000.00	FYROM	100.00%		100.00%
SFAKIANAKIS EMPORIKI S.A.	2,910,000.00	0.00	2,910,000.00	Greece	97.00%	3.00%	100.00%
WIN LINK S.A.	0.01	0.00	0.01	Greece	40.00%		40.00%
TOTAL	**33,982,708.72**	**5,982,094.59**	**39,964,803.31**				

Changes to the acquisition value in the period 01.01. – 31.12.2006 can be broken down as follows:

CORPORATE NAME	ACQUISITION COST ON 31.12.2005	MERGED BY THE PARENT COMPANY	ADDITIONS FROM MERGER	ADDITIONS & CHANGES IN 2006	ACQUISITION COST ON 31.12.06
PERSONAL BEST S.A.	6,629,040.39				6,629,040.39
AUTOTEAM S.A.	13,111,739.00	(13,111,739.00)			0.00
AUTOLINK S.A.	3,142,484.81	(3,142,484.81)			0.00
AUTOFORUM S.A.	2,038,530.00	(2,038,530.00)			0.00
PANERGON S.A.	7,263,863.00		175,859.41		7,439,722.41
EXECUTIVE INSURANCE BROKERS S.A.	132,061.63		14,673.52		146,735.15
EXECUTIVE LEASE S.A.	10,341,577.33		316,073.80		10,657,651.13
CADILLAC HELLAS S.A.	980,000.00	(980,000.00)			0.00
SPEEDEX S.A.	5,118,158.00			(5,118,158.00)	0.00
MIRKAT OOD	25.63			5,994,534.00	5,994,559.63
MIRKAT DOOEL SKOPJE	0.00			205,000.00	205,000.00
SFAKIANAKIS EMPORIKI S.A.	2,910,000.00			0.00	2,910,000.00
ALPAN ELECTROLINE Ltd	3,459,609.06			(3,459,609.06)	0.00
WIN LINK S.A.	3,000,000.00			(2,999,999.99)	0.01
TOTAL	**58,127,088.85**	**(19,272,753.81)**	**506,606.73**	**(5,378,233.05)**	**33,982,708.72**

Company's management decided that the loss from the partication in the companies WINLINK S.A. and SPEEDEX S.A. is permenant and proceeded to the deletion both of the cost value and the fair value reserve that had been created. Regarding the participation in the company ALPAN ELECTROLINE Ltd this is presented in the affiliated enterprises.

9.2. Investments in affiliated enterprises

AFFILIATES	ACQUISITION COST	CHANGES IN FAIR VALUE	FAIR VALUE	COUNTRY	% HOLDING
SPEEDEX S.A.	0.01	0.00	0.01	Greece	49.53%
ALPAN ELECTROLINE Ltd	6,950,627.70	(3,872,428.12)	3,078,199.58	Cyprus	40.00%
ATHONIKI TECHNIKI S.A.	13,000,000.01	213,848.08	12,786,151.93	Greece	49.90%
TOTAL	**19,950,627.72**	**(3,658,580.04)**	**15,864,351.52**		

The financials (in thousands of €) of affiliates on 31.12 were as follows:

AFFILIATES	ASSETS	LIABILITIES	INCOME	PROFIT or LOSSES
2006				
SPEEDEX S.A.	14,543	16,329	27,049	(661)
ALPAN ELECTROLINE Ltd	19,462	9,679	25,835	89
ATHONIKI TECHNIKI S.A.	72,660	43,709	36,765	1,054
2005				
SPEEDEX S.A.	14,675	16,294	25,867	(865)
ALPAN ELECTROLINE Ltd	17,457	11,222	20,672	(213)
ATHONIKI TECHNIKI S.A.	---	---	---	---

Changes in cost value of affiliated enterprises during 2006 are as follows:

AFFILIATES	Acquisition Cost 31.12.2005	Additions in 2006	Less Transfer in Results 2006	Acquisition Cost 31.12.2006
SPEEDEX S.A.	0.01	249,999.96	(249,999.96)	0.01
ALPAN ELECTROLINE Ltd	3,459,609.06	3,491,018.64	0.00	6,950,627.70
ATHONIKI TECHNIKI S.A.	0.00	13,000,000.01	0.00	13,000,000.01
TOTAL	**3,459,609.07**	**16,741,018.61**	**(249,999.96)**	**19,950,627.72**

The holdings in affiliates which are presented in the consolidated balance sheet are as follows:

AFFILIATES	FAIR VALUE	LESS GOODWILL	ACQUISITION COST 31.12.2006
SPEEDEX S.A.	0.01	0.00	0.01
ALPAN ELECTROLINE Ltd	3,078,199.58	1,256,852.16	1,821,347.42
ATHONIKI TECHNIKI S.A.	13,472,617.88	1,023,828.62	12,448,789.26
TOTAL	**16,550,817.47**	**2,280,680.78**	**14,270,136.69**

9.3. Holdings acquired in the period

Shares purchased in subsidiaries and affiliates in the period 01.01.2006 – 31.12.2006 are as follows:

COMPANY	Balance on 31.12.05	Purchases in 2006	Acquisition by the merger	Balance on 31.12.06
ALPAN ELECTROLINE LTD	3,459,609.06	3,491,018.64		6,950,627.70
MIRKAT OOD	25.63	5,994,534.00		5,994,559.63
EXECUTIVE INSURANCE BROKERS S.A.	132,061.63		14,673.52	146,735.15
EXECUTIVE LEASE S.A.	10,341,577.33		316,073.80	10,657,651.13
PANERGON S.A.	7,263,863.00		175,859.41	7,439,722.41
ATHONIKI TECHNIKI S.A.	0.00	13,000,000.01		13,000,000.01
MIRKAT DOOEL SKOPJE	0.00	205,000.00		205,000.00
Total	**21,197,136.65**	**22,690,552.65**	**506,606.73**	**44,394,296.03**

1) SFAKIANAKIS S.A., according to the 1671 decision of the Board of Directors made on 01.12.2005, increased its percentage of participation in the affiliate ALPAN ELECTROLINE Ltd from 25% to 40% participating in the increase of its share capital paying the amount of 2,000,000 Cyprus pounds.

The fair values of net assets (less the amount of liabilities) at acquisition date were as follows:

BALANCE SHEET - ALPAN ELECTROLINE LTD 31.12.2005	
Assets	6,670,818.78
Receivables	9,809,450.07
Cash	1,141,410.61
Total	**17,621,679.47**
(-) Liabilities	11,328,088.34
(+) Share Capital Increase	3,491,018.64
Total Equity 31.03.2006	**9,784,609.77**
(-) Minority	(4,090,834.24)
Equity of participation	**5,693,775.54**
(-) Acquisition cost of partcipation	(6,950,627.70)
Goodwill	**1,256,852.16**

The company is consolidated using the equity method.

2) SFAKIANAKIS S.A., according to the 1624 decision of the Board of Directors made on 26.01.2006, increased its participation in the company MIRKAT OOD from 0.3% to 99.91% with the buy out of 3,290 company shares paying € 5,994,380. After the purchase SFAKIANAKIS S.A. owns 3,300 company shares of the above company.

The fair values of net assets (less the amount of liabilities) at acquisition date were as follows:

BALANCE SHEET - MIRKAT OOD 31.03.2006	
Assets	765,915.24
Receivables	19,256,786.12
Cash	503,622.50
Total	**20,526,323.86**
(-) Liabilities	16,624,655.51
Total Equity 31.03.2006	**3,901,668.35**
(-) Minority	(11,705.01)
Equity of participation	**3,889,963.34**
(-) Acquisition cost of partcipation	(5,994,559.63)
Goodwill	**2,104,596.29**

The company is consolidated using the total consolidation method from the second quarter of 2006.

3) SFAKIANAKIS S.A., according to the 1652 decision of the Board of Directors made on 18.07.2006, decided the establishment of an Incorporate Company at Skopia with the name MIRKAT DOOEL SKOPJE and share capital € 5,000 SFAKIANAKIS S.A. covered completely the share capital of the established company by € 5,000 and was owner of the 100% of the share capital of the company.

With the decision of the Board of Directors of the company on November 21st 2006, € 200,000 was paid for an increase in the share capital of the subsidiary company MIRKAT DOOEL SKOPJE. The share capital of the above mentioned company comes to € 205,000. It should be noted that the company does not yet make commercial operations and is still in the phase of organization.

The company is consilated using the total consolidation method from the forth quarter of 2006.

4) SFAKIANAKIS S.A., according to the decision of the Board of Directors made on 26.10.2006, acquired the 49.90% of the share capital of ATHONIKI TECHNIKI S.A. paying € 13.0 million.

The acquisition of 49.90% of the share capital of ATHONIKI TECHNIKI S.A. was made with the purchase of shares from the shareholders by 19.19% with the payment of cash € 5.0 million as well as with the participation in the share capital increase of the company by 30.71% with the payment of cash € 8.0 million.

ATHONIKI TECHNIKI S.A. is a technical company and its headquarters are in Thessaloniki.

The fair values of net assets (less the amount of liabilities) at acquisition date were as follows:

BAANCE SHEET - ATHONIKI TECHNIKI S.A. 31.10.2006	
Assets	6,349,009.91
Receivables	67,078,419.12
Cash	1,495,522.38
Total	**74,922,951.41**
(-) Liabilities	50,922,607.95
Total Equity 31.10.2006	**24,000,343.46**
(-) Minority	12,024,172.07
Equity of participation	**11,976,171.39**
(-) Acquisition cost of participation	(13,000,000.01)
Goodwill	**1,023,828.62**

The company is consolitated using the equity method. From the acquisition date till 31.12.2006 ATHONIKI TECHNIKI S.A. performed profit after tax € 452,567.48 from which 49.90% that is € 225,831 were posted in profit from participations.

10. Inventories

INVENTORIES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Merchandise	76,867,585.59	67,604,240.62	44,757,935.04	24,503,133.09
Work in progress	2,501,637.54	3,771,438.53	2,501,637.54	3,771,438.53
Raw direct and indirect materials - consumables, spare parts and containers	910,493.68	1,099,634.01	910,493.68	837,107.07
Provisions for inventory impairment	(1,300,000.00)	(1,575,303.33)	(600,000.00)	(1,275,303.33)
Total	**78,979,716.81**	**70,900,009.83**	**47,570,066.26**	**27,836,375.36**

An impairment provision is formed at the end of each accounting period for possible loss which may arise from the sale of out-dated inventory. Group inventories with a total acquisition cost of € 2,755,437.93 were valued on 31.12.2006 at a net realisable value of € 1,455,437.93, namely a value of € 1,300,000.00 less.

11. Receivables from customers

Long-term financial assets (non-current assets) can be broken down as follows:

TRADE AND OTHER RECEIVABLES (non-current)	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Long-term bills receivable	20,813,075.20	13,735,982.12	1,196,291.54	1,275,033.01
Non-accrued interest on long-term bills receivable	(2,773,096)	(1,839,315)	(140,464)	(120,368)
RECEIVABLES FROM CUSTOMERS	**18,039,979.50**	**11,896,667.48**	**1,055,827.48**	**1,154,665.24**
Holding derivatives	1,526,000.00	0.00	1,526,000.00	0.00
Prepaid rent	0.00	885,130.67	0.00	0.00
Long-term financial assets	3,377,594.17	0.00	0.00	0.00
Receivables from leasing	16,154,234.97	0.00	0.00	0.00
Guarantees given	792,632.15	662,567.29	301,640.44	94,197.95
OTHER ASSETS	**21,850,461.29**	**1,547,697.96**	**1,827,640.44**	**94,197.95**
TOTAL	**39,890,440.78**	**13,444,365.44**	**2,883,467.92**	**1,248,863.19**

Non-accrued interest on notes is calculated using the effective interest rate.

The derivative whose present value is € 1,526,000 relates to an option to sell to the vendor of the participation of the parent company to WINLINK S.A.

Long-term receivables from customers relate exclusively to the activities of the subsidiary MIRKAT OOD and come from the sale of cars.

Short-term (current) assets can be broken down as follows:

TRADE AND OTHER RECEIVABLES (current)	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Customers	49,870,956.51	38,735,170.82	30,389,786.49	16,200,124.58
Short-term notes	14,970,105.96	12,447,284.97	1,892,990.36	3,165,449.67
Cheques receivable	37,730,587.85	27,274,948.72	28,675,245.83	19,179,802.34
Less: Provision for customer bad debt	(4,636,631.08)	(4,365,425.14)	(1,672,000.00)	(1,650,000.00)
RECEIVABLES FROM CUSTOMERS	**97,935,019.24**	**74,091,979.37**	**59,286,022.68**	**36,895,376.59**
Current asset orders	34,583,631.02	39,825,816.99	30,507,245.68	34,693,197.46
Sundry debtors	15,327,184.26	17,898,052.43	7,726,469.65	11,840,492.58
OTHER ASSETS	**49,910,815.28**	**57,723,869.42**	**38,233,715.33**	**46,533,690.04**
TOTAL	**147,845,834.52**	**131,815,848.79**	**97,519,738.01**	**83,429,066.63**

The Sundry Debtors account can be broken down as follows:

SUNDRY DEBTORS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Advances to personnel	40,505.85	83,491.28	10,693.77	(27,589.44)
Greek state - advance & withholding tax	1,118,580.03	8,663,959.16	355,441.49	7,083,871.99
Greek state - other receivables	95,929.69	63,970.00	0.00	62,920.00
Supplier guarantee accounts	2,248,096.76	1,490,240.39	1,172,834.52	1,147,145.93
Sundry debtors	2,177,221.69	275,716.31	408,630.49	0.00
Other sundry debtors in €	6,981,665.93	4,634,143.62	4,417,855.78	3,351,460.22
Other contested debtors	(2,951.47)	(4,604.38)	2,693.14	0.00
Customs clearance - accounts payable	11,405.53	16,542.75	(15,293.69)	(32,346.84)
Prepaid expenses	2,656,730.25	2,674,593.30	1,373,614.15	255,030.72
TOTAL	**15,327,184.26**	**17,898,052.43**	**7,726,469.65**	**11,840,492.58**

The greater part of sales are in cash or customer bank financing and thus the Group has limited credit risk given that a major part of its receivables from customers are covered by guarantees provided (guarantee letters or liens).

11.1 Financial assets available for sale

FINANCIAL ASSETS AVAILABLE FOR SALE	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Shares listed on ATHEX	3,431,430.76	11,563,547.58	2,952,400.00	10,853,708.89
Shares not listed on ATHEX	1,405,124.01	1,544,427.80	1,277,326.66	1,353,982.37
Domestic mutual fund shares	5,067,422.01	4,172,172.74	5,067,422.01	4,172,172.74
TOTAL	**9,903,976.78**	**17,280,148.12**	**9,297,148.67**	**16,379,864.00**

The valuation of securities listed on ATHEX was effectuated at the spot price on 31.12.2006. Non-listed securities were valued at fair value.

SFAKIANAKIS S.A. Portfolio valuation on 31.12.2006		
SHARES	**QUANTITY**	**Current value on 31.12.2006**
SHARES LISTED ON ATHEX		
NATIONAL BANK S.A.	15,000	523,500.00
MINOAN LINES S.A.	166,000	693,880.00
ATHENS MEDICAL CENTRE S.A.	32,000	160,000.00
ETHNIKI ASFALISTIKI S.A.	9,000	50,220.00
SIDENOR S.A.	70,000	621,600.00
ELBISCO HOLDING S.A.	40,000	80,000.00
EFG EUROBK - ERGASIAS S.A.	30,000	823,200.00
TOTAL (A)		**2,952,400.00**
SHARES NOT LISTED ON ATHEX		
HELLENIC SEAWAYS	150,000	383,390.76
CLUB HOTEL CASINO LOUTRAKI	748,340	893,935.91
TOTAL (B)		**1,277,326.66**
MUTUAL FUNDS		
HERMES DYNAMIC FUND	153,966.97	4,633,512.85
MARFIN MEDIUM DOMESTIC EQUITY FUND	111,892.82	433,909.16
TOTAL (C)		**5,067,422.01**
GRAND TOTAL (A+B+C)		**9,297,148.67**

PERSONAL BEST S.A. Portfolio valuation on 31.12.2006		
SHARES	**QUANTITY**	**Current value on 31.12.2006**
SHARES LISTED ON ATHEX		
OTE S.A.	3,400	77,384.00
ELLINIKI TECHNODOMIKI S.A.	15,000	126,900.00
MINOAN LINES S.A.	29,360	122,724.80
EYDAP S.A.	6,000	43,320.00
PIRAEUS BANK S.A.	3,553	86,764.28
HELLENIC PETROLEUM S.A.	2,000	20,880.00
TOTAL (A)		**477,973.08**
SHARES NOT LISTED ON ATHEX		
HELLENIC SEAWAYS	50,000	127,797.35
TOTAL (B)		**127,797.35**
GRAND TOTAL (A+B)		**605,770.43**

WINLINK S.A. Portfolio valuation on 31.12.2006		
SHARES	**QUANTITY**	**Current value on 31.12.2006**
RADIO KORASIDI S.A.	4,680	1,057.68
TOTAL		**1,057.68**

GROUP SECURITIES	**Current value on 31.12.2006**
SHARES LISTED ON ATHEX	3,431,430.76
SHARES NOT LISTED ON ATHEX	1,405,124.01
MUTUAL FUNDS	5,067,422.01
TOTAL ON 31.12.2006	**9,903,976.78**

12. Cash

The breakdown of cash assets is as follows:

CASH AND CASH EQUIVALENTS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Cash on hand	586,977.38	345,135.68	300,800.89	53,916.67
Sight Deposits	11,271,983.57	9,173,720.51	5,255,655.16	2,513,324.68
Time deposits	6,251,004.84	7,057,810.60	3,641,813.20	3,650,000.00
FX Sight deposits	10,678,013.89	5,550,600.51	10,678,013.89	5,548,515.81
TOTAL	**28,787,979.68**	**22,127,267.30**	**19,876,283.14**	**11,765,757.16**

Time deposits are of a few days (1-3) with an annual net interest rate ranging from 2.13% to 3.50%.

13. Equity

13.1. Share capital

13,162,500 ordinary shares have been issued with a nominal value of € 0.92 each, namely a total of € 12,109,500. All shares issued have been subscribed in full. The sum of € 10,601,614.09 was paid as a premium on capital stock.

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Share Capital	12,109,500.00	12,109,500.00	12,109,500.00	12,109,500.00
Premium on capital stock	10,601,614.09	10,601,614.09	10,601,614.09	10,601,614.09

The Ordinary General Meeting of 15.06.2006 decided to increase the company's share capital by € 526,500.00 by capitalising:

i) Reserves from the adjustment in the value of assets by € 479,580.35. The sum of € 22,193.64 relates to reserves which arose from the adjustment on 31.12.2000 and the sum of € 457,386.71 relates to reserves which arose from the adjustment on 31.12.2004.

ii) Special reserves from income taxed in line with special provisions, € 46,919.65 by increasing the nominal value of shares from € 0.92 to € 0.96.

This increase has not yet been approved by the competent authorities and is not shown in the company's financial statements.

13.2 Fair value reserves

FAIR VALUE RESERVES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Investments fair value reserve	1,297,752.67	8,093,426.55	7,046,277.18	1,961,518.25
TOTAL	**1,297,752.67**	**8,093,426.55**	**7,046,277.18**	**1,961,518.25**

These can be broken down as follows:

FAIR VALUE RESERVES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Participations consolidated	0.00	0.00	5,982,094.59	(6,131,908.30)
Affiliates	(3,658,580.04)	0.00	(3,658,580.04)	0.00
Shares listed on ATHEX	2,156,868.43	6,241,868.56	1,912,154.84	6,241,868.56
Shares not listed on ATHEX	52,657.02	0.00	63,800.53	0.00
Mutual Funds	2,746,807.26	1,851,557.99	2,746,807.26	1,851,557.99
TOTAL	**1,297,752.67**	**8,093,426.55**	**7,046,277.18**	**1,961,518.25**

13.3. Other reserves

OTHER RESERVES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Statutory Reserve	5,015,883.11	4,120,147.85	4,842,208.46	3,940,422.31
Special Reserves	505,034.81	276,352.90	500,804.60	272,122.69
Extraordinary Reserves	1,364,985.84	1,364,985.84	1,248,106.37	1,085,591.45
Difference From Adjustment In Value Of Holdings - Securities	161.37	161.37	161.37	161.37
Difference From Adjustment Of Value Of Other Assets	5,329.05	0.00	0.00	0.00
Untaxed Reserves Under Special Provisions Of Law	8,804.11	271,276.44	8,804.11	0.00
Other Reserves	124.34	0.00	0.00	0.00
Tax-Exempt Income Reserves	2,884.25	2,884.25	0.00	0.00
Special Taxation Reserves	9,090,555.88	8,989,147.17	9,089,700.01	8,988,291.30
Difference From Conversion Of Capital To Euro	4,350.14	4,350.14	4,115.00	0.00
TOTAL	**15,998,112.90**	**15,029,305.96**	**15,693,899.92**	**14,286,589.12**

The special and extraordinary reserves come from prior periods and in the case of distribution or capitalisation will be taxed at a rate of 3%. If reserves from items taxed under special provisions are distributed or capitalised, they will be taxed at the rates current at the time of distribution.

13.4. Results carried forward

RESULTS CARRIED FORWARD	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Balance brought forward	38,038,878.70	24,881,325.23	31,961,578.42	23,800,351.00
Net profit for the period	23,744,591.38	12,727,596.98	28,394,359.49	16,047,010.00
TOTAL	**61,783,470.08**	**37,608,922.21**	**60,355,937.91**	**39,847,361.00**

14. Loans (including leasing)

14.1 Loans

Loans can be broken down as follows:

LONG-TERM LOANS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Syndicated bond in € not convertible to shares	76,000,000.00	80,000,000.00	72,000,000.00	80,000,000.00
Long-term bank liabilities in FX	1,826,462.85	971,922.25	0.00	971,922.25
	77,826,462.85	**80,971,922.25**	**72,000,000.00**	**80,971,922.25**
Less: Long-term corporate bond liabilities payable within the next 12 months	(9,200,000.00)	(8,000,000.00)	(9,200,000.00)	(8,000,000.00)
TOTAL LOANS	**68,626,462.85**	**72,971,922.25**	**62,800,000.00**	**72,971,922.25**
Long-term leasing liabilities	20,114,509.02	17,857,301.50	0.00	0.00
TOTAL	**88,740,971.86**	**90,829,223.75**	**62,800,000.00**	**72,971,922.25**

The repayments for the parent company's syndicated bond each year are presented in the following table:

Year	2006	2007	2008	2009	2010
amounts in €	8,000,000.00	9,200,000.00	9,200,000.00	9,200,000.00	44,400,000.00

The loan interest rate is floating and the effective interest rate is between 4.5% and 4.85%.

14.2 Short-term loans

Short-term loans can be broken down as follows:

Short-term loans	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Short-term loans	150,806,332.29	91,539,138.68	71,085,100.91	22,409,322.92
Short-term corporate bond installments payable in next year	9,200,000.00	8,000,000.00	9,200,000.00	8,000,000.00
Short-term leasing instalments payable in next year (sinking fund)	10,345,810.50	8,009,754.47	0.00	0.00
Total	**170,352,142.79**	**107,548,893.15**	**80,285,100.91**	**30,409,322.92**

The parent company SFAKIANAKIS S.A. has given corporate guarantees to its subsidiaries as follows:

- EXECUTIVE LEASE S.A. for loans of € 25,726,638.13
- PERSONAL BEST S.A. for loans of € 3,500,000.00
- PANERGON S.A. for loans of € 39,640,725.00
- SFAKIANAKIS EMPORIKI S.A. for loans of € 8,000,000.00
- ALPAN ELECTROLINE Ltd letter of comfort for € 1,297,126.00.

The total level of guarantee letters to secure outstanding (open) liabilities on 31.12.2006 was € 22,908,098.62 while the total amount of guarantee letters to secure receivables was € 4,839,579.06.

14.3 Leasing obligations

The fixed assets include the following amounts which the Group holds as lessee under financial leases.

	Group	
	31.12.2006	31.12.2005
Cost of capitalising financial leases	44,525,952.31	36,005,607.00
Accumulated depreciation	(15,543,216.78)	(10,839,737.49)
Net book value	**28,982,735.53**	**25,165,869.51**

FINANCIAL LEASE OBLIGATIONS	Group	
	31.12.2006	31.12.2005
Long-term financial lease liabilities	20,106,358.49	17,857,301.50
Short-term financial lease liabilities	10,345,810.50	8,009,754.47
TOTAL LIABILITIES	**30,452,168.99**	**25,867,055.97**

Financial lease obligations are secured on rented tangible assets which devolve to the lessor in the case where the lessee is unable to pay its liabilities.

FINANCIAL LEASE OBLIGATIONS - MINIMUM LEASING PAYMENTS	Group	
	31.12.2006	31.12.2005
Up to 1 year	11,513,754.15	8,894,904.82
From 1 - 5 years	21,433,114.70	19,830,694.91
After 5 years	0.00	0.00
TOTAL	**32,946,868.85**	**28,725,599.73**
Future charges of financial cost at the financial leases	(2,494,699.86)	(2,858,543.76)
TOTAL	**30,452,168.99**	**25,867,055.97**

The current value of financial lease liabilities is as follows:

	Group	
	31.12.2006	31.12.2005
Up to 1 year	10,345,810.50	8,009,754.47
From 1 to 5 years	20,106,358.49	17,857,301.50
After 5 years	0.00	0.00
	30,452,168.99	**25,867,055.97**

15. Deferred income tax

Deferred tax assets are offset against deferred tax liabilities when there is a legitimate exercisable right of offset and both are subject to the same taxation authority. Deferred tax was calculated at a rate of 25%.

The breakdown of deferred tax assets and liabilities is set out below:

RECEIVABLES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
From staff compensation	393,100.47	353,596.23	305,998.31	0.00
From provision for bad debt	763,390.67	1,081,166.11	417,745.55	0.00
From inventory value decline	234,357.31	393,825.83	150,000.00	0.00
Other interim differences	1,689,960.66	(700,184.24)	331,320.78	0.00
Tax losses	350,000.00	1,084,927.32	0.00	0.00
TOTAL	**3,430,809.11**	**2,213,331.25**	**1,205,064.64**	**0.00**

The deferred tax asset due to deductible tax losses of some subsidiaries arises based on provisions for offsetting the said losses against future profits.

LIABILITY	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
From adjustments to lots and buildings	13,545,861.64	12,834,471.18	10,735,604.87	7,767,482.43
From open tax periods	1,355,617.77	1,779,418.31	840,617.77	1,250,000.00
Other temporary differences	0.00	(1,773,327.50)	0.00	0.00
Total	**14,901,479.41**	**12,840,561.99**	**11,576,222.64**	**9,017,482.43**

The Company formed a provision for contingent liabilities which would arise from a tax audit of Group companies.

16. No. of staff employed, cost and provisions for compensation

The number of staff employed and the total cost to the parent company and Group subsidiaries can be broken down as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Total cost of employment	27,969,123.12	24,048,896.52	9,817,742.34	8,872,147.87
Staff Employed	1,584	1,493	504	488

PROVISIONS FOR EMPLOYEE BENEFITS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Personnel dismissal and retirement compensation provision	1,582,240.91	1,414,384.88	1,223,993.23	1,104,634.02

The obligation to pay compensation due to staff retirement is calculated using the projected unit credit method which considers that each year in service gives an additional unit of benefit entitlement and builds the total obligation, calculating each unit separately. Under this method the cost of past experience is the current value of any future benefit units which have been credited to employees for service in periods before the start of the plan or due to changes to the plan.

The estimated average weighted interest rate (4.25%) is used in discounting, while to mature the pay scale an annual figure of 3% is calculated (2% inflation under the Lisbon strategy for EU convergence + 1/3 of the average annual increase in GDP).

The company has assigned this calculation to recognised actuaries and the estimated obligation on 31.12.2006 has been booked and presented in the financial statements based on IAS 19.

17. Other provisions

Other provisions can be broken down as follows:

OTHER PROVISIONS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Provisions for contingencies and exdraordinary expenses	1,400,000.00	1,400,000.00	1,400,000.00	1,400,000.00
Other provisions	37,114.19	35,000.00	0.00	0.00
Total	**1,437,114.19**	**1,435,000.00**	**1,400,000.00**	**1,400,000.00**

The provision of € 1,400,000.00 relates to contingent compensation from merchants of the network and was imputed to the results of the 2003 accounting period.

18. Suppliers and other liabilities

SUPPLIERS AND OTHER LIABILITIES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Suppliers	56,647,838.63	44,743,542.90	16,234,707.55	7,575,800.56
Notes payable in FX	23,827,169.08	23,004,287.54	23,827,169.08	22,965,504.20
Dividends payable	8,013.45	6,619.56	8,013.45	6,619.56
Cheques payable	11,215,209.38	9,070,791.79	4,271,039.95	2,809,504.63
Other short-term liabilities	13,927,172.57	10,543,249.27	8,825,404.73	3,707,200.85
Derivative-based liabilities	814,534.71	0.00	814,534.71	0.00
Accrued expenses	4,115,704.09	1,463,309.51	638,160.51	420,878.68
Total	**110,555,641.91**	**88,831,800.57**	**54,619,029.98**	**37,485,508.48**

Other short-term liabilities include:

OTHER SHORT-TERM LIABILITIES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Advances - other associates - third parties	790,941.66	925,401.51	746,758.39	938,963.32
Beneficiaries of financial guarantees	3,905,752.94	2,072,173.82	1,487,293.00	57,293.00
Tax and duties payable	1,055,248.75	1,513,168.11	610,516.68	628,330.79
Liabilities to insurance funds	1,163,541.57	1,071,390.69	631,044.15	314,355.31
Other short-term liabilities	7,011,687.65	4,961,115.14	5,349,792.51	1,768,258.43
TOTAL	**13,927,172.57**	**10,543,249.27**	**8,825,404.73**	**3,707,200.85**

Derivative-based liabilities

In order to hedge risk arising from liabilities denominated in JPY which mature in the first quarter of 2007 the Company entered into forwards. In particular it acquired 12 forwards of total amount JPY 4,550,000,000 worth € 29,969,028.78 (average exchange rate 151.82). The current value of the said derivative is € 814,534.71 (liability) and was imputed to the results for the period.

The corresponding (hedged) liabilities in JPY which are included in the Suppliers account were valued as normal at the spot price on 31.12.2006, that is 156.93 EURO/JPY, and the foreign exchange difference generated a profit which was also posted to the income statement.

Current Income tax

This account relates to a liability for income tax for the period at the currently applicable rate.

CURRENT INCOME TAX	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Greek Public (Duties due)	0.00	76,161.40	0.00	0.00
Taxes & duties clearing account	0.00	0.00	(152,924.75)	0.00
Income tax for the period	3,821,906.32	9,191,908.93	3,071,979.23	7,960,788.65
TOTAL	**3,821,906.32**	**9,268,070.33**	**2,919,054.48**	**7,960,788.65**

Open tax periods

The income tax returns cited below from Greek companies in the Group have not been examined by the tax authorities yet with the result that tax fines and surcharges could be imposed when they are examined and finalised. A provision was formed in the financial statements imputed to the results of the period and prior periods. This liability is presented in section 15 (Deferred income tax).

Company	Country	Total % holding	Open tax periods
Total consolodation method			
PERSONAL BEST S.A.	Greece	100.00%	2005-2006
AUTOTEAM S.A.	Greece	100.00%	2004-2006
AUTOLINK S.A.	Greece	100.00%	2002-2006
AUTOFORUM S.A.	Greece	100.00%	2003-2006
PANERGON S.A.	Greece	100.00%	2006
EXECUTIVE INSURANCE BROKERS S.A.	Greece	100.00%	2003-2006
EXECUTIVE LEASE S.A.	Greece	100.00%	2002-2006
CADILLAC HELLAS S.A.	Greece	100.00%	2005-2006
WIN LINK S.A.	Greece	40.00%	2003-2006
SFAKIANAKIS EMPORIKI S.A.	Greece	100.00%	2006
MIRKAT OOD	Bulgaria	99.91%	2003-2006
MIRKAT DOOEL SKOPJE	FYROM	100.00%	1st fiscal year
SFAKIANAKIS S.A.	Greece	Parent company	2006

19. Results

19.1 Breakdown of expenditure

The main categories of expenditure can be broken down as follows:

BREAKDOWN OF EXPENDITURE AND OTHER EXPENSES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Staff salaries and expenses	27,969,123.12	24,048,896.52	9,817,742.34	8,872,147.87
Third party fees and expenses	10,008,922.15	9,920,989.77	5,613,696.97	5,958,001.13
Charges for outside services	18,557,424.84	13,634,080.58	6,248,520.33	4,468,659.68
Taxes – Duties	3,009,858.25	2,407,338.98	1,013,545.37	656,248.92
Miscellaneous Expenses	21,690,681.58	18,374,007.84	11,720,712.53	12,186,954.10
Depreciation	19,879,763.39	13,874,531.72	3,044,733.15	1,467,906.90
Provisions / impairment	1,162,952.83	1,153,439	118,495	262,737.98
Other expenses	3,771,163.92	2,801,137.77	457,045.34	1,664,064.84
Total	**106,049,890.08**	**86,214,422.48**	**38,034,491.29**	**35,536,721.42**

This expenditure is presented (allocated) in the income statement as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Selling expenses	84,839,912.06	68,971,537.98	30,427,593.03	28,429,377.14
Administrative expenses	21,209,978.02	17,242,884.50	7,606,898.26	7,107,344.28
Cost of goods sold	0.00	0.00	0.00	0.00
TOTAL	**106,049,890.08**	**86,214,422.48**	**38,034,491.29**	**35,536,721.42**

Staff fees and expenses can be broken down as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Salaries and wages	21,805,235.58	18,868,615.48	7,943,996.78	7,075,770.19
Employer contributions	5,003,876.74	4,392,311.13	1,583,774.90	1,377,319.56
Other benefits	1,160,010.80	787,969.91	289,970.66	419,058.12
TOTAL	**27,969,123.12**	**24,048,896.52**	**9,817,742.34**	**8,872,147.87**

Third party fees can be broken down as follows:

CHARGES FOR OUTSIDE SERVICES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Electricity - waster supply for production - telecommunications	1,235,119.00	1,225,434.39	611,052.33	568,424.50
Rent	5,872,351.11	3,922,400.13	1,384,810.50	864,168.14
Insurance premiums & warehousing costs	3,985,035.51	3,110,550.17	519,654.09	324,983.77
Repairs & maintenance	2,957,223.76	2,452,007.94	771,449.20	355,491.37
Other third party benefits	4,507,695.46	2,923,687.95	2,961,554.21	2,355,591.90
Total	**18,557,424.84**	**13,634,080.58**	**6,248,520.33**	**4,468,659.68**

Sundry expenses can be broken down as follows:

MISCELLANEOUS EXPENSES	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Transport costs	3,285,017.70	2,771,575.26	1,579,361.42	1,341,145.50
Promotion & advertising expenses	9,783,795.78	10,212,775.15	7,264,142.77	7,324,042.54
Subscriptions - contributions	335,375.60	269,344.39	252,759.26	205,242.61
Donations - Grants & XDE VAT	2,554,896.96	921,800.57	1,937,884.96	454,483.14
Printed materials and office supply expenses	561,236.29	514,252.20	256,125.83	237,535.43
Direct consumables	697,555.04	564,578.51	277,124.76	203,496.46
Miscellaneous Expenses	4,472,804.21	3,119,681.76	153,313.53	2,421,008.42
TOTAL	**21,690,681.58**	**18,374,007.84**	**11,720,712.53**	**12,186,954.10**

Depreciation can be broken down as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Depreciation of tangible assets	18,471,480.13	13,493,064.97	1,809,536.41	1,382,614.39
Depreciation of intangible assets	1,408,283.26	381,466.75	1,235,196.74	85,292.51
Total	**19,879,763.39**	**13,874,531.72**	**3,044,733.15**	**1,467,906.90**

The above expenditure is presented (allocated) in the income statement as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Selling expenses	15,672,503.44	11,099,625.38	2,203,424.25	1,174,325.52
Administrative expenses	3,918,125.86	2,774,906.34	550,856.06	293,581.38
Cost of goods sold	289,134.09	0.00	290,452.84	0.00
TOTAL	**19,879,763.39**	**13,874,531.72**	**3,044,733.15**	**1,467,906.90**

19.2 Breakdown of other income

The breakdown of other income is as follows:

OTHER INCOME	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Subsidies – sundry income from sales	7,182,924.85	6,742,544.33	1,991,301.47	2,649,300.30
Income from related services and activities	12,985,227.43	11,142,641.84	3,503,482.78	2,464,860.70
Other income	6,923,853.47	4,211,164.51	420,810.51	3,076,569.58
TOTAL	**27,092,005.75**	**22,096,350.68**	**5,915,594.76**	**8,190,730.58**

19.3 Financial Expenses

The breakdown of Financial Income - Expenses is as follows:

NET FINANCIAL COST	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Interest charges and related expenses	12,091,665.42	11,114,896.82	5,781,981.60	5,850,560.53
Interest and related income	3,001,416.82	554,693.88	683,090.61	459,184.49
FINANCIAL RESULT	**9,090,248.59**	**10,560,202.94**	**5,098,890.99**	**5,391,376.04**

19.4 Investment Result

The breakdown of the investment result is as follows:

INVESTING RESULT	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Income from participations	350,787.84	611,153.22	337,787.84	581,336.60
Income from securities	401,772.04	484,699.94	379,451.29	472,253.62
Differences from sale of participations & securities	9,833,891.95	756.87	9,631,465.98	0.00
Financial income	317,309.21	229,695.06	47,624.09	(81,494.20)
Losses from permenant deletion of participations	(1,869,009.04)	0.00	(2,223,999.99)	0.00
Extraordinary losses	(689,761.32)	(869,019.87)	0.00	0.00
Extraordinary profits	3,401,667.34	993,272.36	1,400,860.75	133,134.55
INVESTING RESULT	**11,746,658.02**	**1,450,557.58**	**9,573,189.96**	**1,105,230.57**

20. Income tax expenditure

The income tax expenditure can be broken down as follows:

	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Income tax for the period	8,401,806.96	9,191,908.93	8,903,196.59	7,960,788.65
Other non-operating taxes	159,911.95	122,252.47	117,851.67	83,816.83
Expenses (income) for deferred tax interim differences	1,815,436.88	(259,478.51)	1,391,395.45	78,704.25
Prior period tax audit adjustments	786,220.13	0.00	0.00	0.00
Provision for deferred tax from open tax periods	818,227.49	222,964.81	500,000.00	250,000.00
TOTAL	**11,981,603.41**	**9,277,647.70**	**10,912,443.71**	**8,373,309.73**

Income tax expenditure for year 2006 is raised at a rate of 29% of the taxable profits for the period while in the prior period it was calculated at 32%.

21. Earnings per share

The basic reduced earnings per share are calculated by dividing earnings corresponding to parent company shareholders by the weighted average number of ordinary shares during the period, less own ordinary shares purchased by the enterprise.

EARNINGS NET OF TAX PER SHARE	GROUP		COMPANY	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Profits allocated to:				
Parent company shareholders	**25,500,579.50**	**13,115,159.48**	**28,394,359.49**	**16,047,009.85**
Minority interest	(1,755,988.12)	387,563	0.00	0.00
Earnings per share net of tax (in €)	1.94	1.00	2.16	1.22
Dividend proposed per share (in €)			**0.50**	**0.25**
Average weighted No. of shares	13,162,500	13,162,500	13,162,500	13,162,500

22. Transactions with affiliated Companies

Services to and from affiliates and sales and purchases of goods are effectuated in accordance with the fee schedules which apply for non-affiliates.

The following transactions are transactions with affiliates which are consolidated using the total integration method.

amounts in euro	Group	Company
a) Sales of goods and services and other income	384,221.91	43,653,305.81
b) Purchases of goods and services and expenses charged	296,990.59	3,291,068.79
c) Customers	90,695.24	1,768,525.30
d) Suppliers	36,271.29	1,880,978.27

Parent company

As can be seen from the table above, the parent company entered into transactions with associates:

- Sales of goods, services and other income worth a total of € 43,653,305.81 of which € 39,976,664.85 relates to sales of Suzuki cars to the 100% subsidiary Personal Best S.A. which is the most important Suzuki dealer.
- Purchases of goods and services of € 3,291,068.79 of which € 2,132,455.60 relates to services obtained from Personal Best S.A. and € 754,673.23 from Executive Lease S.A.
- Income from property rentals of the parent company leased to subsidiaries under operating leases worth a total of € 1,224,640.97. The highest rents for period 1/1/2006-31/12/2006 relate to subsidiaries Sfakianakis Emporiki S.A. € 246,972.70, Personal Best S.A. € 167,519.64, Panergon S.A. € 120,600.60, Speedex S.A. € 117,198.84 while the amounts of rentals four the four merged companies for perios 01.01.2006-31.10.2006 are per company as follows:

AUTOFORUM A.E.	413,813.90
AUTOLINK A.E.	7,077.20
CADILLAC A.E.	6,101.57
AUTOTEAM A.E.	3,077.20
Total 31.10.06	**430,069.87**

The parent company's receivables and liabilities from associates primarily relate to:

- Receivables from customers of € 1,768,525.30 of which the largest amounts relate to the subsidiaries Personal Best S.A. € 918,775.82 and Executive Lease S.A. € 721,301.22.
- Receivables from rental debtors amount € 37,256.61.
- Liabilities to suppliers of goods and services of € 1,880,978.27 of which the largest amounts relate to Executive Lease S.A. € 979,378.07, Personal Best S.A. € 402,089.00 and Executive Insurance Brokers S.A. € 445,752.66.

Group

All transactions (sales of goods and services as well as rents) of the parent company with its subsidiaries that are integrated in total consolidation and the transactions between consolidated companies worth a total of € 56,099,481.89 have been crossed out in the consolidated financial statements.

Affiliates:

SPEEDEX S.A. is consolidated using the equity method and is the only affiliated company which has transactions with companies of the Group.

During the consolidation the relevant transactions and balances with the affiliate were not crossed out.

amounts in euro	Group	Company
a) Purchases of goods and services and expenses charged	564,014	241,681
b) Rental income	117,199	117,199
c) Customers	90,695	0
d) Suppliers	36,271	23,861

Companies of the Group have received courier services from the affiliate worth a total of € 564,014 of which € 241,681 refer to the parent company, € 222,159 to Executive Lease S.A. and the remaing amount refers to the other companies.

Moreover, the parent company has income from rents from the affiliate of € 117,199 for the period 01.01.2006- 31.12.2006.

Fees and other benefits to members of the Board and senior executives

The fees and benefits which relate to 6 senior executives and members of the Board of Directors for the parent company and 19 senior executives and members of the Board of Directors for the Group can be broken down as follows:

BENEFITS	Group		Company	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
Short-term benefits (salaries & fees)	3,318,275.75	2,555,035.37	1,805,132.21	1,639,736.71
Other short-term benefits (car expenses, travel expenses, etc.)	953,896.98	780,225.84	701,831.24	560,741.18
Other long-term benefits (premiums)	43,884.46	40,881.83	28,726.27	27,956.83
Provisions for post-employment benefits	212,391.65	205,378.04	116,900.01	112,933.34
TOTAL	**4,528,448.84**	**3,581,521.08**	**2,652,589.73**	**2,341,368.06**

Receivables and Liabilities of members of the Board and senior executives

The receivables and liabilities which relate to all senior executives and Board members on 31.12.2006 were as follows:

	GROUP	COMPANY
a) Receivables from Board members and senior executives - trading acounts (travel expenses, attendance fees, etc.	30,300	17,453
b) Liabilities to Board members and senior executives	121,984	121,984

The receivable from senior executives dated 31.12.2006 relates to normal trading accounts, attendance fees, travel expenses, etc. The relevant supporting documents have already been settled for the greater part of this amount and thus there is no longer a receivable.

Dividends

Subsidiaries' dividends from profit of year 2005 that have been approved during the period 01.01.2006-31.12.2006 are broken down as follows:

COMPANY	Group Dividend	Minority Dividend	Group Dividend Payment	Minority Dividend Payment
AUTOTEAM S.A.	220,787.84	53,512.16	220,787.84	53,512.16
EXECUTIVE INSURANCE BROKERS S.A.	130,000.00	0.00	130,000.00	0.00
TOTAL	**350,787.84**	**53,512.16**	**350,787.84**	**53,512.16**

23. Events occurring after the balance sheet date

SFAKIANAKIS S.A., according to the decision of the Board of Directors made on 16.01.2007, bought out the 3.0% that owned Panergon S.A. to SFAKIANAKIS S.A. and became owner of the 100% of the company's shares.

Thereafter, SFAKIANAKIS S.A. according to the decision of the Board of Directors made on 23.02.2007 decided the merger by absorption of Sfakianakis Emporiki S.A., authorised dealer of BMW vehicles and motorcycles. The merger will be performed based on Transformation Balance Sheet of 28.02.2007, which will be composed according to the stipulations of articles 69-78 of C.L. 2190/1920 and articles 1 to 5 of the law 2166/1993.

Moreover, the parent company participates in the increase of the share capital of ATHONIKI TECHNIKI S.A., total amount of increase € 4,080,000, according to the decision of the Extraordinary General Meeting of the shareholders of ATHONIKI TECHNIKI S.A. dated 18.12.2006. SFAKIANAKIS S.A. participates in the share capital of ATHONIKI TECHNIKI S.A. with 49.90% and the amount of its participation in the above mentioned increase raises to € 2,035,920 and it will be covered in four equivalent three-monthly installments during 2007.