



**ANNUAL FINANCIAL
REPORT**

**For the Financial Year 2010
(January 1 to December 31 2010)**

**In accordance with
L. 3556/2007**

ARISTOVOULOS G. PETZETAKIS S.A.
SA Reg. No.: 7697/06/B/86/86
146 Syggrou Ave.
176 721 Kallithea
<http://www.petzetakis.gr>

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STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Statements of the Members of the Boards of Directors
(in accordance with article 5 par. 2 of L. 3556/2007)

1. Georgios Petzetakis, President of the Board of Directors
2. Spiridon Dontas ,Executive Director, by virtue of the 26.11.2010 special decision Board of Directors, and taken up this special designated by the Board at its meeting on 30.3.2011, and
3. Dimitris Vernadakis, Member of the Board of Directors, specifically designated by the Governing Council at its meeting on 30.3.2011

WE STATE THAT

and we assert that to the best of our knowledge:

- (a) the financial statements of the Company and the Group of the societe anonyme company under the name **"AG.Petzetakis SA"** for the period from January 1, 2010 to December 31, 2010, which were compiled according to the applicable International Financial Reporting Standards, provide a true and fair view of the assets and the liabilities, the equity and the results of the period of the Company, as well as the companies' which are included in the consolidation, according to that stated in paragraphs 3 to 5 of article 5 of the L.3556/2007 and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.
- (b) the annual Report of the Board of Directors of the Company provide a true and fair view the evolution, the achievements and the financial position of the Company, as well as the companies' which are included in the consolidation, including the description of the main risks and uncertainties they face and relevant information that is required according to paragraphs 6 and 7 of article 5 of the L. 3556/2007, and the relevant executive Decisions of the Board of Directors of the Capital Market Commission.

Georgios Petzetakis
ID AB 526892

Spiridon Dontas
ID S 632805

Dimitrios Vernadakis
ID M 011321

President of the
Board of Directors

Executive Director

Member of the
Board of Directors

**“Aristovoulos G. Petzetakis S.A.”
Annual Board of Directors’ Report
for the period 1/1-31/12/2010**

The present report of the Board of Directors covers the financial period of 2010. The report was conducted according to the provisions of L. 3556/2007 and the Hellenic Capital Markets Commission decisions especially the 7/448/11.10.2008. In the present report, briefly discussed are:

- A.** Brief analysis of the company’s financial performance for the period 1/1-31/12/2010
- B.** Description of the most important factors and uncertainties of this fiscal year.
- C.** Exposition of the most important transactions completed between the company and affiliated persons.
- D.** Significant events that took place from the end of the period until the submission of the present report.
- E.** Financial instruments
- F.** Future Developments
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A. Brief analysis of the company's and group's financial performance

Balance Sheet (consolidated level)

The Group's total current assets as of 31 December 2010 amounted to € 37.525 thousand from € 45.113 thousand in 2009. A 27,7% of such refers to inventories and 64,7% to customer balances and cheques receivable. Equity was negative and amounted to € 82.903 thousand from a negative of € 34.773 thousand in 2009.

Short-term liabilities amount to € 216.723 thousand, from which 30,3% corresponds to the suppliers' account and cheques payable while 66,16% to short-term loans.

Investments in tangible assets and equity in affiliated companies in 2010 amounted to € 1.977 thousand from € 2.036 thousand in 2009.

Results for the period (consolidated level)

a) Turnover at the consolidated level for 2010 amounted to € 89.016 thousand compared to € 111.521 thousand in the same period in 2009 thus posting a decrease of 20,2% mainly due to global and local financial distress which actually had a worse effect in the sectors that the Group operates.

b) Gross profit amounted to € 7.305 thousand compared to € 20.594 thousand in 2009, posting a decrease of 35,5%. in absolute terms. This decrease is mainly due to the decline in volume of sales.

c) Operating losses (before interest, taxes, depreciation and amortization - EBITDA) amounted to € 25.549 thousand compared to operating profit of € 3.722 thousand in 2009

d) Losses before taxes amounted to € 38.876 thousand compared to losses of € 15.750 thousand in 2009 mainly due to lower operating profitability.

e) Correspondingly, losses after taxes amounted to € 43.261 thousand compared to € 16.080 thousand in 2009.

Financial Statement (company level)

Total current assets of the parent company at the end of 2010 amounted to € 12.167 thousand from € 20.641 thousand in the end of 2009. A 28,3% of such refers to inventories and 69,3% to customer balances and cheques receivable. Equity was negative at € 70.880 thousand from € 41,748 thousand in 2009.

Short-term liabilities amount to € 166.252 thousand, from which 17,3% corresponds to the suppliers account and cheques payable and 81,3% to short-term loans.

Investments in tangible assets and equity in affiliated companies in 2010 amounted to € 1.246 thousand € 652 thousand by 2009.

Results for the period (company level)

a) Turnover at the company level for the end of 2010 amounted to € 15.243 thousand compared to € 32.004 thousand in the same period of 2009, posting a decrease of 52,4.

b) Gross losses amounted to € 3.614 thousand compared to the gross profit of € 3.716 thousand in 2009. The decrease is due to the lower turnover.

c) Operating losses (before interest, taxes, depreciation and amortization - EBITDA) amounted to € 8.800 thousand compared to the operating profit of € 1.215 thousand in 2009.

d) Losses before taxes amounted to € 23.060 thousand compared to € 7.710 thousand in 2009 due mainly to higher interest expense burden, recognition forecasting € 2.200 thousand related to the completion of tax audit earlier years and to identify what other predictions .

e) Correspondingly, losses after taxes amounted to € 23.282 thousand compared to € 8.076 thousand in 2009.

Financial position

The financial ratios, which depict the company's financial position, evolved as follows:

Financial Ratios (consolidated level):

	31.12.2010	31.12.2009
Liquidity: Current Assets / Short-term Liabilities	0,17	0.91
Debt:		
• Total Liabilities / Equity	-2,86	-5.73
• Total Liabilities / EBITDA	-9,29	-55.99
• EBITDA / Interest expenses	-3,14	-0.51
Profitability: Earnings after Taxes / Equity	0,52	0.46

Financial Ratios (parent):

	31.12.2010	31.12.2009
Liquidity: Current Assets / Short-term Liabilities	0,07	0.83
Debt:		
• Total Liabilities / Equity	-2,40	-3.61
• Total Liabilities / EBITDA	-11,02	-123.97
• EBITDA / Interest expenses	-2,60	-0.18
Profitability: Earnings after Taxes / Equity	0,33	0.19

Taxation

The company has finalized its tax obligations until 2002 included.

The most recent tax audit concerned fiscal years of 2003 and 2006 and was completed in 2010. The company due to the unfavorable economic conditions that faces facing did not proceed to the tax provisions compromise, giving a total axiothenton taxes and penalties to become payable. On this basis, the Company recognized total provision for th € 2.200. Every year the determined tax liability arose mainly from indirect taxes and withholding taxes.

B. Description of basic risks and uncertainties

Market risk – Foreign exchange risk

The company mainly operates in the global market. Fluctuations in exchange rates affect the company to the extent that such proceeds with transactions in markets where the currency is other than the Euro. The exposure to such risk is given and does not constitute the need for adopting a special policy for its management.

The Group's exposure to foreign exchange risk, mainly results from the existing or expected cash flows in foreign currency (imports/exports) as well as from the investment in Africa. The volatility of the ZAR exchange rate and its effects on the group's earnings before taxes and equity, are presented in the following table.

Sensitivity Analysis of the Group to changes in the Zar/Euro Exchange Rate

01/01/2010-31/12/2010		
Change in Exchange Rate	Effect on earnings before taxes	Effect on equity
+1%	4	-80
+2%	9	-158
-1%	-5	82
-2%	-9	165

Interest rate risk

The company is subject to such a risk due to its long-term debt with floating interest rates. The company does not hedge its interest rate risk.

Credit risk

This risk refers to the possibility that receivables, that result from the company's daily transactions, will not be collected. However, the company takes measures that significantly limit such risk through:

- Evaluating customers and selecting the most reliable and credit worthy as possible
- Receiving some form of guarantee against invoicing.

Moreover, the company's large clientele and its non-dependence from a specific large client is yet another factor that minimizes credit risk.

Liquidity risk

The company pursues effective management of liquidity risk primarily through equating the credit and debit period and peripherally through enough company liquid equivalents (cash & bank), as well as through the reassurance of instant bank financing in case of unforeseen needs. The continuous monitoring of the budget and the direct reaction to variations between estimations and actual results, promptly achieves a balance between cash inflows and outflows.

The company and group operate in a sector that is affected by the global economic crisis. However, the long history and recognizability of the Brand name are determinant factors, which allow management to consider that the uncertainty and effects of the crisis are limited.

The table below is indicative of the time distribution of the company and group liabilities.

The table below is indicative of the time allocation of the Group's and Company's liabilities

	Within 1 year	From 2 to 5 years	Over 5 years
COMPANY			
31/12/2010			
Loans	135.212	-	-
Trade and other short term liabilities	31.040	2.419	1.259
31/12/2009			
Loans	2.659	34.682	83.494
Trade and other short term liabilities	23.925	4.807	1.111
GROUP			
31/12/2010			
Loans	143.396	2.124	-
Trade and other short term liabilities	73.327	3.971	14.523
31/12/2009			
Loans	14.068	36.900	83.494
Trade and other short term liabilities	43.519	7.085	14.121

C. Significant transactions realized between the company and its affiliated entities

The company's significant transactions with affiliated entities regard sales-purchases of products and services, and are presented below.

SUBSIDIARY	TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2010			
	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM SUBSIDIARIES	LIABILITIES TOWARDS SUBSIDIARIES
INDUPLAS	15	-	43	562
FLEXIPLAS	72	70	85	1.663
EUROHOSE	93	-	280	-
AGP GMBH	-	-	-	-
PETZETAKIS DEUTSCHLAND	1040	1	76	-
PNG	862	1.250	-2.711	-
PLASTIKA MAKEDONIAS	-	-	206	7
PETZETAKIS AFRICA	-	-	-	-
PETZETAKIS ROMANIA	206	6	-188	6
AGPI	1043	-	-	-
PLASTIKA KABALAS	-	-	3.031	-
TOTAL TRANSACTIONS	3.331	1.327	822	2.238

The transactions with affiliated parties are in accordance with the ordinary transaction policy and the adopted pricing policy. The existing receivables / liabilities are not secured with any guarantee and are paid according to the adopted credit policy.

D. Significant events that took place from the end of the period until the submission of the present report.

i. Termination of Convertible Bond Loan

The bond holders of the Company CREDIT RENAISSANCE & PSAM on 27.01.2011, denounced the issued on 28.02.2008 Convertible Bond Loan of 17.500.000,00 €, 3 year duration, with expiration date 28.01.2011. And the accrued interest that, in an amount of 3.275.932,10 €.

ii. Termination of other Bond Loans

All bondholders of the Company, the 14.02.2011, denounced the common bond loan of EUR 80.336.323,00 €, and the loan of 24.077.800,00 €. And the accrued interest thereof, in an amount of 5.524.386,61 €.

iii. Part of the factory workers of thebes , 150 in number , are in Attachment Work Form 11.11.2010

The Company, from August 2010, facing financial liquidity problems, with the result that has not paid the outstanding salaries of August, second 15 days of September, October, November, December 2010, January, February and March 2011, but paid as compared to this period, the amount of 781.133,00 €. The consequence of the difficulty was 150 factory workers of Thebes (on synolo186) to remain in employment retention from 11.11.2010, with effect from that date, have occurred and the cessation of production of the plant.

iv. Part of Employees of subsidiary company of Northern Greece SA PETZETAKIS, 80 in number , are in stay in strike from 09.12.2010.

The subsidiary PETZETAKIS NORTHERN GREECE SA facing similar liquidity problems of the same this time (until August 2010 and March 2011), resulting in 80 employees in total of 90, might be in labor retention 09.12.2010 until today, so that the productive activity of the subsidiary company have been stopped from 09.12.2010.

v. The total number of 54 employees of subsidiary company INDUPLAS SpA, from October 2010, is suspended

The productive activity of this subsidiary has ceased by the end of June 2010

vi. SUSPENSION OF TRADING OF SHARES OF THE COMPANY FOR PERIOD 10 DAYS FROM 01.02.2011 - UNDER THE NO. 1/1014/31.01.2011 DECISION OF THE EXECUTIVE COMMITTEE OF THE SECURITIES AND EXCHANGE COMMISSION / EXTENSION OF SUSPENSION OF TRADING OF SHARES OF THE COMPANY FROM 10.02.2011 IN ACCORDANCE WITH THE NUMBER OF 1/1016/09.02.2011 DECISION OF THE EXECUTIVE COMMITTEE OF THE SECURITIES AND EXCHANGE COMMISSION.

The Executive Committee of the Capital, with a 1/1014/31.01.2011 No decision found that the Parent Company "PETZETAKIS SA, does not adequately and clearly informed the investing public about the Regulated / privileged information (a) by 27.01.2011 complaint bond amount and 17.5000.000,00 and (b) financing the Company by the company "Javes Services Inc." and thus breached the provisions of art. 21 paragraph 1 and No. 3, paragraph 1 case (p) of Law 3556/2007 in conj. In paragraph 1 of Law No. 10 3340/2005 and No. 2 in regulatory decision 3/347/12.07.2005 Exchange Commission. Asking the ASE, to proceed immediately to suspend the trading of shares for a maximum of ten (10) days, calling the company to submit its views on the matter within 5 days after service thereof. Then, after submitting the views of the Company, the Executive Committee of the Capital with No 1/1016/09.02.2011 held that the Company failed to remedy the infringement of No. 21par. 1 and No. 3, paragraph 1 case (p) of Law 3556/2007 in conj. with paragraph 1 of Law No. 10 3340/2005 and No. 2 3/347/12.07.2005 regulatory decision, noting that it ensured the full and accurate information to investors and therefore not guaranteed a smooth temporary operation of market shares and requested the continuation of the Athens Stock Exchange suspended trading of shares of the Company until

the Company to adequately and unambiguously inform the investing public regarding the financing of the house «Javes Services Inc».

vii. Suspension of activities for two months FEBRUARY - MARCH 2011, THE SUBSIDIARY «PETZETAKIS SOUTH AFRICA»

Subsidiary Company «PETZETAKIS SOUTH AFRICA», is facing financial liquidity problems in the last two months (February - March 2011), a direct result of the difficulty is the temporary cease of work during that period.

E. Financial instruments

Significant Accounting Policies

The adopted accounting policies as regards to financial instruments, including the categorization criteria, the basis for recognition of related income and expenses, concerning any category of financial assets, liabilities or participating titles, are those described in note 3 of the company and consolidated financial statements of 31.12.2010

	GROUP		COMPANY	
	31.12.10	31.12.09	31.12.10	31.12.09
Categories of financial instruments				
Financial assets				
Receivables (Included cash equivalents) Available for sale	27.117	28.603	8.727	14.370
Financial liabilities				
Cost of payment commitment (including loans)	237.341	199.187	169.930	150.677
.				

Fair value of financial instruments

The company's management considers that values at which financial assets and financial liabilities have been recognized in the financial statements, do not differ substantially from the fair values of such.

F. Future Developments

The company's management since has received several written assurances on the smooth course of refinancing and the successful outcome of the forthcoming, has the belief that with the influx of capital refinancing, which is a loan product with a payback term of years after five years, will exceed immediate liquidity risk facing this time and will come back strongly, with all its production units will return to full operation.

As long operation and the Brand name recognition is crucial, the Administration did not doubt for a smooth re-entry of the Company and the Group's activity cycle.

Business Prospects for 2011

The successful outcome of the agreement for the restructuring of the total loan and the capital strengthen of the company will act as a starting point for the achievement of better terms in supplies from the parent company and its subsidiaries of the group improving substantially the gross profit margin and the company liquidity.

Furthermore objective is to monitor and participate in major infrastructure projects in Greece and neighboring Balkan countries and in developing markets where the Company seeks through synergies to develop its business presence. At the parent and also at group level there is a significant cost cutting, systematic monitoring of its subsidiaries with a view to increasing profitability of organic

The company's management has a strong belief that the company will continue uninterrupted and smooth functioning of business and during the year 2010 for the following good reasons.

G. Activities in the research & development sector

There are no such substantial activities.

H. Branches

The company maintains branches in Larissa and Patra, with immaterial activities.

I. Explanatory report

a. Structure of share capital

The capital of the parent company amounts to 7,674,943.80 Euro and is divided into 25,583,146 common registered shares, with a nominal value of € 0.30 each. The total shares are listed on the Athens Exchange. The owner of each share has rights as stipulated by codified law 2190/1920. In summary:

- Right to dividend, as stipulated by article 3 of development law 148/1967 (Govt Gazette issue A' 173/1967) and as proposed by the BoD and decided upon by the General Meeting, given that net earnings are distributed after the deduction of the statutory reserve according to c.l. 2190/1920 as in effect. The dividend is paid within 2 months from the relevant approval decision by the G.M.
- Right to a rebate of the contribution in case of liquidation of the parent company.
- Pre-emptive right to share capital increases.
- Right to participate in the General Meeting, under the condition of complying to the procedure.

b. Limitations to the transfer of the parent company's shares.

The transfer of company shares is free, according to the procedure stipulated by law and there are no limitations according to the Articles of Association.

c. Significant direct or indirect holdings according to the provisions of P.D. 51/1992

According to the shareholders registry of 31.12.2009 the basic shareholders, with a stake over 5%, were Mr. Georgios Petzetakis of Aristovoulos and the foreign financial institution "CLARIDEN LEU A.G."

d. Owners of shares providing special control rights

According to article 10 of the parent company's Articles of Association, under the condition of owning at least one (1) share each, the companies "Credit Renaissance Partners. L.L.C.", "Credit Suisse International", "P. Schoenfeld Asset Management, LLC" and "P. Schoenfeld Asset Management International, LLC" are entitled with a joint written statement towards the parent company three (3) full days prior to the General Meeting that elects members of the Board of Directors, jointly per two to appoint one (1) member of the Board of Directors at their discretion, according to article 18 par. 3 of c.l. 2190/1920.

e. Limitations to voting rights.

According to article 11 of the parent company's Articles of Association, the Board of Directors of the parent company is considered to be at quorum and validly convenes under the condition that half plus one of its members are present or represented, and at least one of the appointed Advisors are included in those present or represented according to article 10 of the Articles of Association, given that the companies "Credit Renaissance Partners. L.L.C.", "Credit Suisse International", "P. Schoenfeld Asset Management, LLC" and "P. Schoenfeld Asset Management International, LLC" have appointed members to the Board of the parent company, exceptionally for any decision making (including the decision to submit the relevant request to the General Meeting and the decision to assign or exercise any responsibility regarding such issues to a member of the Board or to a third party according to article 14 of the present), regarding:

- (a) mergers, separations and acquisitions,
- (b) establishment of joint ventures or participation in such,
- (c) change of the corporate type, the objective of the parent company or its business activity,
- (d) financing of the parent company with debt or equity, under any type and manner (including without limitation any type of corporate bond loan),

- (e) acquisition and sale of fixed assets with a value over two (2) million euro,
- (f) acquisition and sale of entire companies or sectors,
- (g) amendment of contracts or change of remuneration of the parent company's management,
- (h) dividend distribution, apart from the minimum set by law, if applicable,
- (i) provision by the parent company of any kind of lien or personal security under any type, and the signing or any agreement with a similar security operation (including without limitation the transfer or rights or factoring),
- (j) contracting of any agreement with an affiliate company, excluding agreements with affiliated companies that are made within the context of the parent company's current transactions.

f. Agreements between shareholders that include limitations to the transfer of shares and exercise of voting rights.

Apart from those stated above in paragraphs d. and e., to the company's knowledge there are no such agreements.

g. Rules for the appointment and replacement of the Board of Directors as well as for amendment of the articles of association, other than those provided by C.L. 2190/1920

Apart from those stated above in paragraphs d. and e., there are no such rules that differ from those provided by C.L. 2190/1920.

h. Responsibility of the Board of Directors for the issue of new shares and the purchase of treasury shares according to article 16 of C.L. 2190/1920

There is not such responsibility, other than that provided by C.L. 2190/1920.

i. Significant agreements of the parent company put into effect – amended or terminated in case of change in the parent company's control following a public offer

There are no such agreements.

j. Agreements for indemnity towards members of the Board of Directors or employees in case of resignation/termination of employment without reasonable cause, termination of term or employment due to a public offer

There are no such agreements.

For the activities of the period from 1 January to 31 January 2010

1. During its meeting on 2.8.2006, the Board of Directors of the Athens Exchange decided to transfer the total Company shares to the Supervision Category of the Athens Exchange Securities Market, according to article 212 of the Athens Exchange regulation, namely due to significant overdue debts.
2. Due to the fact that the company's net position remains negative, the company shares are still included in the Supervision Category of the Athens Exchange Securities Market.

Kallithea, 30 March 2011

The Board of Directors

The Vice-President of the BoD

Georgios Lagouranis

INDEPENDENT AUDITOR'S REPORT

To the shareholders of A.G. PETZETAKIS SA

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements of the A.G. PETZETAKIS SA (the "Company") and its subsidiaries (the "Group") which comprise of the separate and consolidated statement of financial position as at December 31, 2010 and the statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2010 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the fact that the parent company, and certain subsidiaries have been in a bad financial position consist of:

1. Accumulation of losses of € 189 million and € 229 million in company and group level, respectively, resulting in equity and consolidated at the corporate level to become negative € 71 million and € 83 million, respectively.
2. Failure to fulfill contractual obligations bonds, which have been reported and are directly payable,
3. Arrears owed to creditors, tax authorities and insurers
4. Suspension of the production process and
5. Possible failure to ensure direct refinance resources.

These factors constitute strong evidence of the weakness continued activity of the parent company and its subsidiaries to the extent economically dependent on it.

However, in assessing the continuing activity of the Company and the Group, refer to Note 4 to the financial statements that the required inflow of funds from the refinancing body in charge of restructuring the debt of the Group and the substantial enhancement of activity is fact true and irreversible and should be completed within a reasonable time to first disbursement amount € 25 million by the April 20, 2011. The refinancing plan is estimated by management of the Company, given the active involvement of the configuration that is sufficient basis for continuing the business of the Company and the existing Group. Under the Company's management, the estimated timetable for repayment of the refinance funds will be provided in the contract repayment will allow the continuation of the business of the Company and the Group with a time horizon of at least 3 years.

Report on Other Legal and Regulatory Requirements

- (a) The Director's Report includes the statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.
- (b) We confirm that the information given in the Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of C. L. 2190/1920.

Athens, March 31, 2011

The Certified Auditor Accountant

George Batsoulis
SOEL Registration Number 14001

ANNUAL FINANCIAL STATEMENTS

for the financial year

from January 1 to December 31, 2010

In accordance with the International Financial Reporting
Standards as adopted by the European Union

TOTAL COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2010

Amounts in thousand €

	NOTE	GROUP		COMPANY	
		1.1.2010 –	1.10.2010 –	1.1.2010 –	1.1.2009 –
		31.12.2010	31.12.2010	31.12.2010	31.12.2009
Turnover (sales)	5	89.016	111.521	15.243	32.004
Cost of sales	6A	81.711	91.510	18.857	28.288
Gross profit		7.305	20.011	(3.614)	3.716
Administrative expenses	6B	13.783	12.111	3.311	2.987
Research and development expenses	6Γ	191	187	85	73
Distribution cost	6Δ	16.613	16.966	3.920	4.738
Other operating income		(324)	583	421	1.158
Finance income (credit interest)		122	129	-	146
Finance cost (debit interest)	6E	8.132	7.044	5.939	4.967
Other income		152	3.497	129	2.947
Other expenses	6ΣΤ	7.413	3.662	6.743	2.912
Net losses before taxes		(38.876)	(15.750)	(23.060)	(7.710)
Income tax	14B	(4.385)	(330)	(222)	(366)
Net losses for the period after taxes [A]		(43.261)	(16.080)	(23.282)	(8.076)
Total other income [B]		973	1.640	-	-
Total comprehensive expenses after taxes [A] + [B]		(42.288)	(14.440)	(23.282)	(8.076)
Net results (losses) for the period is allocated to:					
Company shareholders		(42.883)	(14.369)		
Minority interest		(378)	(71)		
		(43.261)	(14.440)		
(Losses) per share		(1,6762)	(0,6258)	(0,9101)	(0,3157)

The accompanying notes constitute an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

	NOTE	GROUP		COMPANY	
		31.12.2010	31.12.2009	31.12.2010	31.12.2009
ASSETS					
NON CURRENT ASSETS					
Intangible assets	16	98.828	99.711	53.033	54.231
Tangible assets	16	8	74	-	-
Other assets	3B	2.139	2.126	32.596	32.583
Goodwill	7	9.884	9.884	-	-
Deferred tax assets	14B	6.055	7.506	1.253	1.475
TOTAL NON CURRENT ASSETS		116.914	119.301	86.882	88.289
CURRENT ASSETS					
Inventories	8	10.408	16.510	3.441	6.271
Trade and other receivables	9	24.284	26.455	8.433	12.991
Cash and cash equivalents	10	2.833	2.148	294	1.379
TOTAL CURRENT ASSETS		37.525	45.113	12.167	20.641
TOTAL ASSETS		154.439	164.414	99.050	108.930
EQUITY AND LIABILITIES					
Share capital	11	7.675	7.675	7.675	7.675
Share premium		81.953	81.953	81.953	81.953
Capital reserves	12A	9.219	16.465	9.228	15.078
Revaluation reserves	12B	41.248	38.881	18.891	18.891
Stock option plan reserve		220	220	220	220
Translation reserve		3.263	47	-	-
Retained deficit		(226.797)	(180.698)	(188.846)	(165.564)
TOTAL EQUITY		(83.219)	(35.457)	(70.880)	(41.747)
Minority interest		316	685	-	-
TOTAL EQUITY		(82.903)	(34.773)	(70.880)	(41.748)
NON CURRENT LIABILITIES					
Loans payable after one year	14A	2.124	120.394	-	118.176
Retirement benefit obligation		2.556	2.403	1.259	1.111
Deferred tax liabilities	14B	11.967	11.718	-	-
Obligations under finance leases due after one year	17	1.552	2.278	-	-
Other non current liabilities		2.419	4.807	2.419	4.807
TOTAL NON CURRENT LIABILITIES		20.619	141.600	3.678	124.094
CURRENT LIABILITIES					
Trade and other payables	15	65.756	40.209	28.770	22.449
Obligations under finance leases	17	1.132	1.099	-	-
Short-term loans		143.396	14.068	135.212	2.659
Tax liabilities	13	6.440	2.211	2.271	1.476
TOTAL CURRENT LIABILITIES		216.723	57.587	166.252	26.584
TOTAL EQUITY AND LIABILITIES		154.439	164.414	99.050	108.930

The accompanying notes constitute an integral part of the Financial Statements.

CASH FLOW STATEMENT (INDIRECT METHOD) – GROUP & COMPANY

Amounts in thousand €

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<u>Cash flows from operating activities</u>				
Loss before taxes	(38.829)	(15.750)	(23.060)	(7.710)
Adjustments for :				
Depreciation	5.317	5.113	1.712	1.708
Provisions	895	(8.580)	890	(583)
Debit interest and relevant expenses	8.121	7.044	5.777	4.967
Operating profit/(loss) before working capital adjustments				
(Increase)/Decrease:				
Inventories	6.102	3.119	2.830	163
Debtors	1.787	7.663	(1.775)	340
Liabilities (except banks)	24.392	3.178	13.247	(1.324)
Increase/(Decrease):				
Debit interest and relevant expenses paid	(1.126)	(2.268)	-	(373)
Interest paid	(281)	-	(192)	-
Total (outflow)/inflow from (for) operating activities (a)	6.378	(480)	(571)	(2.812)
<u>Cash flows from investment activities</u>				
Purchase of tangible and intangible assets	(1.977)	(2.258)	(514)	(652)
Other assets	-	(22)	-	(27)
Proceeds from sales of tangible and intangible assets	784	-	-	-
Total (outflow)/ inflow from investment activities (b)	(1.193)	(2.280)	(514)	(679)
<u>Cash flows from financing activities</u>				
Proceeds from issued / granted loans	4.300	-	-	-
Repayments of loans	(7.152)	(3.811)	-	369
Finance lease obligations paid	(1.648)	2.426	-	-
Total (outflow) / inflow from financing activities (c)	(4.500)	(1.385)	-	369
Net increase/(decrease) in cash and cash equivalents				
	685	(4.145)	(1.085)	(3.122)
Cash and cash equivalents at beginning of the period	2.148	6.295	1.379	4.501
Cash and cash equivalents at end of the period	2.833	2.150	294	1.379

The accompanying notes constitute an integral part of the Financial Statements.

Annual Financial Report for the year ended December 31, 2010
Statement of Changes in Shareholders' Equity for the year ended December 31, 2010
(amounts expressed in thousands of euro)

GROUP	Attributable to parent company's shareholders								
	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Accumulated losses	FX Conversion Reserves	Stock Option Plan	Convertible Bond Reserve	Total
Equity at beginning of period 01.01.2009	7.675	81.953	10.615	34.646	(159.581)	(2.478)	220	5.850	(21.100)
Total comprehensive income - (expenses) 01.01-31.12.2009	-	-	4.235	4.235	(21.118)	2.525	-	-	(10.123)
Total Equity at end of period 01.01 - 31.12.2009	7.675	81.953	14.850	38.881	(180.698)	47	220	5.850	(31.223)
Equity at beginning of period 01.01.2010	7.675	81.953	10.615	38.881	(180.699)	47	220	5.850	(35.458)
Total comprehensive income - (expenses) 01.01-31.12.2010	-	-	(1.396)	2.367	(46.097)	3.216	-	(5.850)	(47.760)
Total Equity at end of period 01.01 - 31.12.2010	7.675	81.953	9.219	41.248	(226.797)	3.263	220	0	(83.219)

COMPANY	Attributable to parent company's shareholders							Total
	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Retained Deficit	Convertible Bond Reserve	Stock Option Plan	
Equity at beginning of period 01.01.2009	7.675	81.953	9.228	18.891	(157.488)	5.850	220	(33.671)
Total comprehensive income - (expenses) 01.01-31.12.2009	-	-	-	-	(8.076)	-	-	(8.076)
Total Equity at end of period 01.01 - 31.12.2009	7.675	81.953	9.228	18.891	(165.564)	5.850	220	(41.748)
Equity at beginning of period 01.01.2010	7.675	81.953	9.228	18.891	(165.564)	5.850	220	(41.748)
Total comprehensive income - (expenses) 01.01-31.12.2010	-	-	-	-	(23.282)	-	-	(23.282)
Convertible bonds reserve	-	-	-	-	-	(5.850)	-	(5.850)
Total Equity at end of period 01.01 - 31.12.2010	7.675	81.953	9.228	18.891	(188.846)	0	220	(70.880)

The accompanying notes constitute an integral part of the Financial Statements.

1. CORPORATE INFORMATION

The parent company of the Group was incorporated in Athens in 1960 in accordance with Law 2190/1920 and with a duration of 50 years, which ends in 2010. The Shareholders' General Meeting of 28th July, 2007 decided that the company's duration will be extended for another 50 years. The company is listed on the Athens Stock Exchange.

On 02.08.2007 the Board of Directors of the Athens Stock Exchange decided to transfer the company's shares to the under supervision category from 3 August, 2007 according to article 212 of the regulation of Athens Stock Exchange because of the existence of substantive debts over due.

According to decision number 14005, dated 2.4.2008, the Board of Directors of Athens Stock Exchange decided the suspension of trading of the company's common shares. Following, the Board of Directors of the Athens Stock Exchange (Dec. No. 47776/2-10-2008) decided to repeal the trading suspension for the company's shares and the trading of such in the category "under supervision".

The Group's main objectives are the construction, the development and trading of pipes as well as any other items made from plastic or metal and any other related product and generally any trading, industrial and economic interaction as well as the incorporation or participation in other commercial or industrial companies, of any form, in Greece or abroad, with similar activity.

The financial statement of the company & the Group are compiled under the going concern of the activities.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

(a) Basis of Preparation of Financial Statements:

The principal accounting policies adopted in the preparation of the accompanying financial statements are consistent with those adopted during the preparation of the annual Financial Statements as at December 31, 2009 with the exception of the new standards and interpretations mentioned below, the implementation of which is compulsory for the financial years starting from January 1, 2010.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.).

These financial statements have been prepared under the historical cost convention except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), at fair value.

The preparation of financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Certain line items of the previous year/period financial statements were reclassified in order to conform to the current period's presentation.

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2010. Their adoption has had no effect on the financial statements of the Group or the Company:

- **IFRIC 17** Distributions of Non-cash Assets to Owners
- **IFRS 3** Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)
- **Improvements to IFRSs (May 2008)** All amendments issued are effective as at December 31, 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:

clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction.

- **Amendments resulting from improvements to IFRSs (April 2009) to the following standards which had or did not have an effect on the accounting policies, financial position or performance of the Group and the Company.**
 - **IFRS 2 Share-based Payment**
 - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**
 - **IFRS 8 Operating Segment Information**
 - **IAS 1 Presentation of Financial Statements**
 - **IAS 7 Statement of Cash Flows**
 - **IAS 17 Leases**
 - **IAS 18 Revenue**
 - **IAS 36 Impairment of Assets**
 - **IAS 38 Intangible Assets**
 - **IAS 39 Financial Instruments: Recognition and Measurement**
 - **IFRIC 9 Reassessment of Embedded Derivatives**
 - **IFRIC 16 Net foreign Investment Compensation**

Standards issued but not yet effective and not early adopted

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity's equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are "consideration paid" in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group and the Company do not expect that the amendment will have impact on the financial position or performance.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended), effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The Group and the Company do not expect that the amendment will have impact on the financial position or performance.

IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement, effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Group and the Company are in the process of assessing the impact of the new standard on the financial position or performance.

IAS 32 Classification on Rights Issues (Amended), effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. The Group and the Company do not expect that the amendment will have impact on the financial position or performance.

IAS 24 Related Party Disclosures (Revised), effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The Group and the Company do not expect that the amendment will have impact on the financial position or performance.

In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

- **IFRS 1 First-time adoption**, effective for annual periods beginning on or after January 1, 2011. This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.
- **IFRS 3 Business Combinations**, effective for annual periods beginning on or after July 1, 2010. This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008). Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets. Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.
- **IFRS 7 Financial Instruments: Disclosures**, effective for annual periods beginning on or after 1 January 2011. This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- **IAS 1 Presentation of Financial Statements**, effective for annual periods beginning on or after 1 January 2011. This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- **IAS 27 Consolidated and Separate Financial Statements**, effective for annual periods beginning on or after 1 July 2010. This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21. The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.
- **IAS 34 Interim Financial Reporting**, effective for annual periods beginning on or after 1 January 2011. This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

- **IFRIC 13 Customer Loyalty Programmes**, effective for annual periods beginning on or after 1 January 2011. This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (Amended)

The amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. This amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendment will have an impact on the financial position or performance, however additional disclosures may be required.

IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)

The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group and the Company do not expect that this amendment will have an impact on the financial position or performance.

(b) Approval of Financial Statements:

The Board of Directors of A. G. Petzetakis S.A. approved the separate and consolidated financial statements for the period ended at December 31, 2010, on March 30, 2011. The abovementioned financial statements are subject to the final approval of the General Assembly of the Shareholders.

(c) Significant Accounting Judgements and Estimates:

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- (a) Allowance for doubtful accounts receivables:** The Group's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.
- (b) Provision for income taxes:** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.
- (c) Depreciation rates:** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.
- (d) Impairment of property, plant and equipment:** Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 3i).

- (e) **Impairment of goodwill and intangible assets:** The Group tests annually whether goodwill has been impaired and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment. In case of existence of such impairment indicators, the recoverable amount (which the higher of Fair Value and Value in Use) of the respective cash generating unit to which goodwill has been allocated, needs to be estimated. The Value in Use is assessed by using the discounted projected cash flows. The application of this methodology is based on the actual operating results, future business plans, as well as market data (statistic and non) which are estimated by the Group's management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is changed to the statement of comprehensive income.

The Group tests annually whether goodwill has been impaired. The recoverable amounts of cash-generating units have been determined on the basis of value-in-use calculations, which require the use of estimates.

Moreover, other recognisable intangible assets of infinite useful lives not subject to amortisation are tested annually for any impairment by comparing the carrying amount with the recoverable amount. Intangible assets of finite useful lives are tested for impairment whenever an impairment indicator exists.

- (f) **Deferred tax assets:** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.
- (g) **Measurement of intangible assets of the purchase price allocation exercise:** The Company's Management recognize intangible assets based on the business plans of the acquired companies and takes into consideration the average cost of capital in combination with assumptions relating to the non-risk interest rate, the most optimal capital structure of the sector, the cost of capital, as well as the borrowing cost.

3. PRINCIPAL ACCOUNTING POLICIES:

(a) **Basis of Consolidation:** The accompanying consolidated financial statements include the financial statements of Forthnet and all subsidiaries where Forthnet has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The financial statements of the subsidiaries are prepared for the same reporting date with that of the parent company.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest

- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

Basis of consolidation prior to 1 January 2010

The following differences are carried forward in certain instances from the previous basis of consolidation:

- Acquisitions of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between NCI and the parent shareholders.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments at 1 January 2010 has not been restated.

Basis of consolidation from 1 January 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (previously minority interests) in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Paragraph (f) outlines the accounting policy on goodwill.

Business combinations prior to 1 January 2010

In comparison to the above-mentioned requirements, the following differences applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill. When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

(b) Investments in Subsidiaries and Associates: The initial recognition of the participation in subsidiaries and associates is being made at fair value (or in case of a new establishment at the shares' nominal value) Η αρχική καταχώρηση των συμμετοχών της θυγατρικές και συγγενείς εταιρείες γίνεται στην εύλογη αξία της (ή σε περίπτωση ίδρυσης η ονομαστική αξία μετοχών) increased by the direct acquisition cost. Fair value is considered the cost of the acquisition of the titles. The subsequent valuation of the investments in subsidiaries and associates is being made at the participation's acquisition cost, or at the nominal value of the shares, in case of a new establishment.

COMPANIES CONSOLIDATED WITH THE FULL CONSOLIDATION METHOD

Subsidiaries	Domicile	Voting Rights	Direct participation	Indirect participation	Total	COMPANY ACQUISITION COST	
						31.12.2010	31.12.2009
A.G. PETZETAKIS S.A.	Greece	-	-	-	Μητρική	-	-
PETZETAKIS NORTH GREECE SA	Greece	94,18%	94,18%	-	94,18%	10.159	10.159
PETZETAKIS AFRICA PTY	S. Africa	100,00%	-	100,00%	100,00%	-	-
SEKUNJALO PIPING - SYSTEMS (PTY) LTD	S. Africa	100,00%	-	100,00%	100,00%	-	-
SEKTEL COMMUNICATIONS	S. Africa	55,00%	-	55,00%	-	-	-
PETZETAKIS AFRICA (NAMIBIA) (PTY) LTD	S. Africa	100,00%	-	100,00%	-	-	-
SECUNJALO OUTSOURCING (PTY) LTD	S. Africa	100,00%	-	100,00%	-	-	-
SECUNJALO UTILITIES (PTY) LTD	S. Africa	100,00%	-	100,00%	-	-	-
INDUPLAS SPA	Italy	100,00%	100,00%	-	100,00%	24	24
FLEXIPLAS S.A.	Spain	100,00%	100,00%	-	100,00%	5.388	5.388
PETZETAKIS GmbH	Germany	100,00%	100,00%	-	-	2.534	2.534
PETZETAKIS DEUTSHLAND (.BEHKA – PLAST GMBH)	Germany	100,00%	-	100,00%	100,00%	-	-
EUROHOSE LTD	United Kingdom	100,00%	100,00%	-	100,00%	2	2
A.G. PETZETAKIS ROMANIA SRL	Romania	100,00%	100,00%	-	100,00%	1.328	1.328
A.G. PETZETAKIS INTERNATIONAL HOLDINGS LTD	Cyprus	100,00%	100,00%	-	100,00%	11.998	11.998
TOTAL [A]						31.433	31.433



HELLENIC PLASTICS AND RUBBER INDUSTRY S.A.
Annual Financial Report for the year ended December 31, 2010
Notes to the Financial Statements for the year ended December 31, 2010
(amounts expressed in thousands of euro)

COMPANIES EXCLUDED FROM CONSOLIDATION						COMPANY		GROUP	
Other companies	Domicile	Voting Rights	Direct Participation	Indirect Participation	Total	ACQUISITION COST 31.12.2010	31.12.2009	ACQUISITION COST 31.12.2010	31.12.2009
HELIFLEX IRAN [1]	Teheran	25,00%	25,00%	-	25,00%	34	34	34	34
AVID IRAN [1]	Teheran	25,00%	25,00%	-	25,00%	34	34	34	34
INTEAL ENTROPIA S.A.[2]	Greece	9,00%	9,00%	-	9,00%	11	11	11	11
PLASTIKA KAVALAS S.A. [4]	Greece	100,00%	100,00%	-	100,00%	672	672	672	672
PETZETAKIS PLASTIKA SKOPJE LTD [3]	Fyrom	94,18%	-	94,18%	94,18%	-	-	738	738
TOTAL [B]						751	751	1.489	1.489
Long-term bills receivable						125	127	125	127
Other long term receivables						-	-	525	238
Given Guarantees						287	272	-	272
TOTAL [C]						412	399	650	637
TOTAL [A] + [B] + [C]						32.596	32.583	2.139	2.126
						0	0	(0)	

[1] Does not exercise significant control according to those stipulated by IAS 28

[2] Participation percentage <20%, does not exercise sig

[3] Excluded from consolidation due to negligible size.

[4] Was not consolidated on 31/12/2010 due to negligible size.

TOTAL ASSETS	6.732
NET POSITION	1.272
TOTAL DEBTS	5.460
TOTAL LIABILITIES	6.732
TURNOVER	-

(c) Foreign Currency Translation: The Group's measurement as well as reporting currency is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position date, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

Gains or losses of the period ended resulting from foreign currency re-measurements are reflected in the accompanying statement of comprehensive income. Gains or losses resulting from transactions are also reflected in the accompanying statement of comprehensive income.

(d) Property, Plant and Equipment: Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalised to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of comprehensive income.

Profit and losses arising from the write-off of assets are included in the statement of comprehensive income this asset is written-off.

(e) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximate average useful lives. The rates used are as follows:

<u>Classification</u>	<u>Annual Depreciation Rate</u>
Buildings	2% - 5%
Machinery and installations	3,33%- 20%
Furniture and other equipment	12,5% - 33,3%
Transportation assets	11,1% - 12,5%

(f) Intangible Assets:

The research and development expenses are accounted as expenses of the period such are realized. An internally generated intangible asset is recognized only when all the following conditions are satisfied:

- The generated asset can be identified (i.e. the software and a new production process).
- It is probable that future economic benefits will flow to the company from the asset.
- The development / self-production cost of the asset can be measured reliably.

The internally generated intangible assets are amortized by the straight line method during their useful lives. When self-produced asset cannot be specifically identified, the development cost is recognized as an expense in the period such is incurred.

(g) Απομείωση Αξίας Περιουσιακών Στοιχείων: With the exception of goodwill and other intangible assets with indefinite useful life which is tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed.

(h) Government Grants: The Group obtains grants from the European Union (E.U.) in order to fund specific projects for the acquisition of tangible and intangible assets.

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants relating to assets are recognised as deferred income and amortised in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(i) Goodwill: Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, at the date of acquisition. Goodwill on acquisitions of subsidiaries is reflected separately in the statement of financial position. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment.

Negative goodwill is recognised where the fair value of the Group's interest in the net assets of the acquired entity exceeds the cost of acquisition and is taken to income immediately.

(j) Cash & cash equivalents: Cash and cash equivalents include cash in the bank and at hand as well as short term highly liquid investments.

(k) Trade and Other Receivables: Customers are recorded at fair value. Impairment, due to provisions for bad debts is applied only when the relevant amounts are considered significant and their collection is no longer probable. The provision for doubtful debts is charged to the statement of comprehensive income. Bad debts are written-off against the established reserve when identified.

(l) Provisions and Contingencies: Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made..

Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

(m) Revenue Recognition: Revenues from sales are presented net of V.A.T. and are recognized when the ownership of the merchandises is transferred to the customer, a fact established when such are delivered to the customer.

Revenues from interest are recognized on a chronological basis with reference to the invested capital and the relevant interest rate. Revenues from participations (dividends) are recognized when the shareholders' right for payment is realized.

(n) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated on the basis of financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying statement of comprehensive income and consist of the present value of benefits earned in the period, interest cost on the benefit obligation, prior service cost, actuarial gains or losses and the cost of additional pension charges. Past service costs are recognised on a straight-line basis over the average period until the benefits under the plan become vested. Actuarial gains or losses are recognised based on the corridor approach over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year it exceeds 10% of the projected benefit obligation. The retirement benefit obligations are not funded.

(o) Inventories: Inventories are valued at the lowest between cost and net realizable value. Cost for each product at its current stage and condition, is calculated as follows:

- | | |
|---------------------------------------|--|
| • Raw materials | Weighted average cost method |
| • Final product and work in progress: | Direct cost of raw materials and labor and proportion of industrial administrative expenses based on the ordinary operation, excluding financing cost. |

(p) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.

Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

(q) Leases: Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, at the fair value of the leased item, or if lower at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are charged directly against income. Capitalised leased assets are depreciated over the estimated useful life of the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised equally as an expense during the lease agreement in the statement of comprehensive income.

(r) Investments and Other (primary) Financial Assets: (Primary) Financial assets which fall within the scope of IAS 39 are classified based on their nature and characteristics in the following three categories:

- Financial assets at fair value through profit and loss,
- Loans and receivables,
- Available-for-sale financial assets.

Financial assets are initially recognised at acquisition cost which represents the fair value and, in certain circumstances, plus directly attributable transaction costs. The purchase and sale of investments is recognised on the date of the transaction which is the date on which the Group commits to purchase or sell the related financial asset.

The classification of the above mentioned financial assets is determined after initial recognition and, where allowed the designation is re-assessed periodically.

(i) (i) Financial assets at fair value through profit and loss:

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in income. The Group does not hold any such financial assets.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are

recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) Available-for-sale financial assets:

Available-for-sale financial assets (primary) are those non-derivative financial assets that are designated as available for sale or are not classified in any of the two preceding categories. After initial recognition available-for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

The available for sale financial assets for which their fair value cannot be measured reliably, are carried at cost less any impairment in accordance to IAS 39.

(s) Segment Information: Based on the financial data and more specifically the sales of each company that are included in the consolidation, main operative segments are considered: the parent company A.G. Petzetakis, the subsidiaries of Petzetakis Africa, Petzetakis North Greece, Petzetakis Deutschland and Induplas. The rest of the segments regard the rest consolidated subsidiaries with total sales less than 10%.

The Group's income derives from a large number of customers, and the income from each customer does not exceed 10% of the total income.

(t) Earnings/(Loss) per Share: Basic earnings/(loss) per share are computed by dividing net income/(loss) attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year, excluding the average number of shares purchased as treasury shares.

Diluted earnings/(loss) per share amounts are calculated by dividing the net income/(loss) attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding each year as adjusted for the impact on the convertible redeemable preference shares (i.e. stock option plan).

(u) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired.
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement.
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to

repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company's continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities: A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

4 GOING CONCERN

The separate and consolidated financial statements have been prepared based on the going concern principle, despite the insecurity regarding the continuation as a going concern, due to the adverse financial situation that the Company and the Group confront.

The indications underlying the above mentioned uncertainty regarding the continuation of activity are:

1. Accumulation of losses of € 189 million and € 229 million in company and group level, respectively, resulting in negative equity, in consolidated and corporate level, by € 71 million and € 83 million, respectively.
2. Inability to fulfill contractual obligations regarding bond loans, which have been terminated and are immediately due.
3. Arrears owed to creditors, tax authorities and social security organizations.
4. Suspension of the production process, and
5. Possible incapability to immediately retrieve refinancing sources.

The Management of the Company is actively engaged in composing a refinancing plan, along with a foreign investment firm that has undertaken the debt restructuring of the Group and the material enforcement of its activities.

According to the aforementioned plan, the following have been ensured:

- a) The capital enforcement by the investment firm, through the inflow of capital resources of the Company and the Group, has been ensured and is irreversible.
- b) The inflow of € 25 million will have taken place by April 20, 2011, while the rest of the necessary refinancing resources will inflow in a short period of time.
- c) The refinancing plan is estimated to form an adequate basis for the continuation of activity, regarding the Group and the Company.
- d) The estimated time-schedule for the refinancing resources inflow that will be included in the relevant repayment agreement, will allow the continuation of the Group and Company activities for at least 3 years.

5 TURNOVER:

Sales are analysed as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Sales of merchandise	5.008	9.704	1.988	3.386
Sales of finished and semi-finished products	83.753	101.383	13.158	28.473
Other sales	255	434	97	145
	89.016	111.521	15.243	32.004

Income is allocated by geographical section as follows:

Sales are allocated as follows:

	31.12.2010									
	GROUP					COMPANY				
	Greece	Rest of Europe	Africa	Other countries	Total	Greece	Rest of Europe	Africa	Other countries	Total
Sales to local customers	13.928	-	-	-	13.928	11.453	-	-	-	11.453
Sales to foreign customers	-	22.914	51.890	284	75.088	-	3.234	387	169	3.790
Total sales	13.928	22.914	51.890	284	89.016	11.453	3.234	387	169	15.243

	31.12.2009									
	GROUP					COMPANY				
	Greece	Rest of Europe	Africa	Other countries	Total	Greece	Rest of Europe	Africa	Other countries	Total
Sales to local customers	34.651	-	-	-	34.651	26.193	-	-	-	26.193
Sales to foreign customers	-	24.761	51.681	428	76.870	-	5.139	244	428	5.811
Total sales	34.651	24.761	51.681	428	111.521	26.193	5.139	244	428	32.004

6 SEGMENT INFORMATION:

Segment information for the period is analyzed as follows:

Twelve month period that ended on 31/12/2010	A.G. PETZETAKIS	PETZETAKIS AFRICA	PETZETAKIS NORTH GREECE	PETZETAKIS DEUTCHLAND	INDUPLAS	OTHER	TOTAL	CONSOLIDATION ENTRIES	GROUP
Income from foreign customers	12.334	51.802	5.873	10.081	2.435	6.167	88.692	-	88.692
Income between Business Segments	3.331	-	1.362	260	186	747	5.886	-	5.886
Total Income	15.665	51.802	7.135	10.341	2.621	6.914	94.478	5.786	88.692
Cost of Sales	18.857	43.724	7.243	8.138	2.894	5.356	86.212	(4.501)	81.711
Operating Expenses	7.315	15.384	2.314	2.101	1.218	3.540	31.872	(1.285)	30.587
Operating Profit (Losses)	(10.507)	(7.306)	(2.422)	102	(1.491)	(1.981)	(23.605)	-	(23.605)
Operating Profit (Losses) before depreciation	(15.414)	(5.715)	(1.939)	469	1.400	(1.551)	(22.750)	-	(22.750)
Net Earnings (Losses)	(23.282)	(9.332)	(6.488)	23	1.710	(2.471)	(39.840)	-	(39.840)
Fixed Assets	86.882	17.663	18.545	1.893	284	18.005	143.272	(26.358)	116.914
Current Assets	12.167	26.310	8.451	4.621	4.037	(9.983)	45.603	(8.079)	37.524
Total Assets	99.050	43.973	26.996	6.514	4.321	8.022	188.876	(34.437)	154.439
Long term Liabilities	3.678	4.402	3.016	744	672	8.106	20.618	-	-
Current Liabilities	166.252	26.756	18.559	3.132	5.184	541	220.424	(3.700)	216.724
Total equity and liabilities	99.050	43.973	26.996	6.514	4.321	8.022	188.876	(34.437)	154.439
Twelve month period that ended on 31/12/2009	A.G. PETZETAKIS	PETZETAKIS AFRICA	PETZETAKIS NORTH GREECE	PETZETAKIS DEUTCHLAND	INDUPLAS	OTHER	TOTAL	CONSOLIDATION ENTRIES	GROUP
Income from foreign customers	28.656	51.876	11.783	7.972	6.278	7.338	113.903	-	113.903
Income between Business Segments	6.306	-	2.221	156	796	61	9.540	-9.540	0
Total Income	33.162	51.876	14.004	8.128	7.074	7.400	121.644	-9.540	112.104
Cost of Sales	28.288	42.433	11.192	6.020	6.320	5.543	99.796	-8.286	91.510
Operating Expenses	7.798	13.650	3.140	1.934	1.317	2.679	30.519	-1.254	29.265
Operating Profit (Losses)	-2.923	-4.207	-328	174	-563	-824	-8.671	-	-8.671
Operating Profit (Losses) before depreciation	-1.215	-2.397	162	436	-337	-206	-3.557	-	-3.557
Net Earnings (Losses)	-8.076	-4.941	-1.219	-74	83	-1.854	-16.081	-	-16.081
Fixed Assets	86.814	16.396	19.017	1.409	344	19.077	143.057	-31.262	111.795
Current Assets	22.116	13.647	7.399	2.712	5.606	5.240	56.720	-4.101	52.619
Total Assets	108.930	30.042	26.416	4.121	5.950	24.322	199.781	-35.367	164.414
Long term Liabilities	124.094	5.145	2.960	720	639	3.819	137.377	3.701	141.078
Current Liabilities	26.583	16.816	11.687	3.164	5.058	4.111	67.418	-9831	57.587
Total equity and liabilities	108.930	30.043	26.416	4.121	5.842	24.310	199.661	-35247	164.414

6A. COST OF SALES

The cost of sales is allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Wages	15.634	14.687	5.494	5.534
Third party remuneration	1.957	1.731	77	103
Depreciations	4.620	4.411	1.424	1.422
Third party benefits & other expenses	4.960	6.953	1.490	1.742
Cost of merchandise / consumables	54.540	63.728	10.372	19.487
	81.711	91.510	18.857	28.288

6B. ADMINISTRATIVE EXPENSES

The administrative expenses are allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Wages	5.435	3.978	1.784	1.618
Third party remuneration	646	728	529	589
Depreciations	422	400	164	156
Third party benefits & other expenses	7.280	7.005	834	624
	13.783	12.111	3.311	2.987

6C. RESEARCH & DEVELOPMENT EXPENSES

The research & development expenses are allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Wages	151	146	66	54
Depreciations	7	10	7	10
Third party benefits & other expenses	33	31	12	9
	191	187	85	73

6D. DISTRIBUTION EXPENSES

The distribution expenses are allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Wages	7.785	7.218	2.502	2.526
Depreciations	275	292	113	121
Third party benefits & other expenses	8.553	9.456	1.305	2.091
	16.613	16.966	3.920	4.738

6E. NET FINANCIAL EXPENSES

The financial expenses are allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Interest on short-term loans	2.533	1.970	340	432
Interest on long-term loans	4.617	4.217	4.617	4.217
Other financial expenses	982	857	982	318
	8.132	7.044	5.939	4.967

6F. OTHER EXPENSES

Other expenses are allocated as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Provisions of bad debts				
Restructuring costs	7.413	3.662	5.071	2.912
Prior year's expenses			1.672	
Refinancing costs				
Exchange differences				
	7.413	3.662	6.743	2.912

7. GOODWILL

The presented Goodwill includes the goodwill that emerged during the acquisition of the following subsidiaries:

	GROUP	
	31.12.2010	31.12.2009
PETZETAKIS NORTH GREECE SA	107	107
A.PETZETAKIS GMBH	804	804
PETZETAKIS DEUTSHLAND (BEHKA-PLAST GMBH)	2.148	2.148
FLEXIPLAS SA	2.798	2.798
PETZETAKIS AFRICA (PTY) LTD	3.933	3.933
PETZETAKIS ROMANIA SRL	259	259
EUROHOSE LTD	2	2
INDUPLAS SPA	(167)	(167)
	9.884	9.884

8. INVENTORIES

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Merchandise	2.722	2.459	1.270	1.385
Finished - semi-finished products - byproducts & remains	5.970	11.366	1.606	3.839
Production underway	0	15		
Raw & auxiliary Material. Consumables	3.675	4.968	1.565	2.048
Payments in advance for inventory purchases	0	0		
	12.367	18.808	4.441	7.271
Minus: Provisions	(1.959)	(2.298)	(1.000)	(1.000)
	10.408	16.510	3.441	6.271

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Trade receivables *	24.902	19.483	4.762	6.125
Checks post-dated	988	6.810	983	3.167
Other receivables	7.523	9.340	4.838	5.850
	33.413	35.633	10.583	15.141
Minus: Provisions for doubtful receivables	-9.129	-9.177	-2.150	-2.150
	24.284	26.455	8.433	12.991

The Group's other receivables include a receivable of approximately € 3.031 mln. (approximately € 3.030 mln. in 2009) from a non-consolidated subsidiary which is inactive. The Group's Management based on interest expressed for the purchase of the company, covers this receivable and for this purpose did not proceed with its impairment.

10. CASH & CASH EQUIVALENTS

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Cash in hand	32	37	23	15
Site and term deposits	2.801	2.110	270	1.365
	2.833	2.148	294	1.379

11. SHARE CAPITAL

Share Capital fully paid 25,583,146
Nominal value per share 0.30 € each

	<u>31.12.2010</u>	<u>31.12.2009</u>
Total share capital of common registered shares	7.675	7.675
Number of shares during the beginning of the period	<u>25.583</u>	<u>25.583</u>
Weighted average number of shares outstanding	<u>25.583</u>	<u>25.583</u>

Losses per share

Losses per share were calculated by dividing the losses for the period with the weighted average number of common shares outstanding during the period

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2010</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Losses for the period	-42.883	-16.010	-	-8.076
Weighted average number of common shares	<u>25.583</u>	<u>25.583</u>	<u>25.583</u>	<u>25.583</u>
Losses per share in €	<u>-1,6762</u>	<u>-0,6258</u>	<u>-0,9101</u>	<u>-0,3157</u>

12A. CAPITAL RESERVES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2010</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Statutory reserve	993	1.049	941	941
Extraordinary reserves	311	311	311	311
Reserves of convertible bonds	-	5.850	-	5.850
Other reserves	<u>7.915</u>	<u>9.255</u>	<u>7.976</u>	<u>7.976</u>
	<u>9.219</u>	<u>16.465</u>	<u>9.228</u>	<u>15.078</u>

12B. REVALUATION RESERVES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2010</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Differences from revaluation of participations & securities	3.478	3.478	3.478	3.478
Differences from revaluation of other assets	<u>37.770</u>	<u>35.403</u>	<u>15.413</u>	<u>15.413</u>
	<u>41.248</u>	<u>38.881</u>	<u>18.891</u>	<u>18.891</u>

12C. STOCK OPTION PLAN

By means of a decision by the General Meeting of the parent company, a "Stock Option Plan" is created with the following characteristics :

Number of Shares/Options :	2.406.914
Exercise price of option :	€ 1
Exercise period :	2006-2009

Beneficiary : Board of Directors' members and company's and related companies' staff
Up to 31/12/2009 887,500 options have been exercised

13. TAX LIABILITIES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2010</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Income Tax – V.A.T.	1.009	526	(129)	
Taxes from staff wages	566	1.294	394	1.263
Taxes from previous periods	4.764	(4)	1.964	(4)
Other taxes	101	395	42	217
	6.440	2.211	2.271	1.476

INCOME TAXES

The tax rate use for the company's profits is 25% for 2010, after the non-tax deductible expenses and the possibility of the formation of non-taxable reserves are taken into account.

The company's tax liability is not finalized until the books are audited by the relevant Greek Authorities. The company has finalized its tax liabilities until the financial year 2002.

The last tax audit was made regarding the financial years 2003 to 2006 and was completed in 2010. The company, due to the adverse financial circumstances which it confronts, did not make the provision by the tax principles compromise, and as a result, the imposed taxes and fines are payable. On this basis, the company has made a relevant provision of € 2.200 thousand. For every audited year, the imposed tax liability has derived mainly from indirect and withholding taxes. The subsidiaries' profits are being taxed according to the legislation of the country of their relevant head offices

According to the Greek Legislation, the tax rate applied for Greek Société Anonymes for the financial year to 31 December 2010 is 24%. According to the new tax legislation the tax rate for Greek Société Anonymes is decreased to 24% for the fiscal year 2010, and 20% for 2011 and afterwards

The provision for the income taxes, presented in the interim condensed financial statements is analyzed as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31.12.2010</u>	<u>31.12.2009</u>	<u>31.12.2010</u>	<u>31.12.2009</u>
Current income taxation	2.685	413	-	-
Deferred income taxation	1.700	(83)	222	366
Total (credit)/debit for income taxes depicted at the Statement of Comprehensive Income	4.385	330	222	366

14. LONG-TERM LIABILITIES

14A. LOANS PAYABLE OVER ONE YEAR

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	0	24.078		24.078
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	0	83.494		83.494
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	0	10.604		10.604
BILBAO – VIZCAYA SPAIN	1.326	1.379		
UNICREDIT BANCA ITALIA	131	136		
OTHER BANKS	667	703		
	2.124	120.394	0	118.176

TIME PERIOD ALLOCATION OF DEBT OBLIGATIONS

	Within one	From 2 to 5	Over 5
	year	years	years
COMPANY			
31/12/2010	-	-	-
31/12/2009	-	34.682	83.494
GROUP			
31/12/2010	-	2.124	-
31/12/2009	-	36.900	83.494

14B.DEFERRED TAXATION

	COMPANY			
	Financial Position		Comprehensive Income	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Provision for retirement benefit	252	277	25	22
Revaluation of fixed assets	(4.340)	(5.690)	(1.350)	301
Current income tax	5.341	6.888	1.547	43
	1.253	1.475	222	366
	GROUP			
	Financial Position			
	31.12.2010	31.12.2009		
Provision for retirement benefit	320	288		
Revaluation of fixed assets	(11.880)	(11.718)		
Income tax	5.542	7.144		
Other	(87)			
Other	193	74		
	(5.912)	(4.212)		
Tax liability	11.967	11.718		
Tax asset	6.055	7.506		
	(5.912)	(4.212)		

15. TRADE & OTHER SHORT-TERM LIABILITIES

	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Suppliers – checks payable	41.944	25.214	12.526	9.529
Social security funds	3.542	1.924	2.848	1.550
Customer prepayments	5.280	1.602	5.279	1.259
Sundry creditors and other short-term liabilities	11.658	5.455	5.028	4.216
Deferred income	65	172	65	172
Accrued expenses (interest provision)	0	5.133		5.133
Accrued expenses (provision of other expenses)	3.267	709	3.023	590
	65.756	40.209	28.769	22.449

The table below is indicative of the time period allocation of the Company's and the Group's liabilities.

	Within	From 2 to 5	Over 5	Within	From 2 to	Over 5
	one year	years	years	one year	5 years	years
	31/12/2010			31/12/2009		
GROUP						
Loans	143.396	2.124	-	14.068	36.900	83.494
Trade and other liabilities	73.327	3.972	14.523	43.519	7.085	14.121
COMPANY						
Loans	135.212	-	-	2.659	34.682	83.494
Trade and other liabilities	31.040	2.419	1.259	23.925	4.807	1.111

As of December 31, 2010, the Company has overdue liabilities, which are analyzed at the table below:

	Company
	31.12.2010
Public Sector	2.000
Social Security Funds	2.350
Loan Interests	8.370
Employee benefits	1.182
Total overdue liabilities	13.902

16. FIXED ASSETS - TANGIBLE & INTANGIBLE ASSETS

COMPANY	Land plots	Buildings - building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible assets	Total
ACQUISITION VALUE								
Value on 1 January 2009	7.863	13.174	41.823	185	3.969	182	47	67.243
Additions		11	161	41	68	371		652
Value on 31 December 2009	7.863	13.185	41.984	226	4.037	553	47	67.895
Additions		623	141		211	271		1.246
Reductions / Transfers						(736)		(736)
Net Book Value 31 December 2010	7.863	13.808	42.125	226	4.248	88	47	68.405
DEPRECIATIONS								
Value on 1 January 2009	0	895	7.123	115	3.776	0	47	11.956
Additions		267	1.342	8	91			1.708
Value on 31 December 2009	0	1.162	8.465	123	3.867	0	47	13.664
Additions		281	1.344	7	76			1.708
Net Book Value 31 December 2010	0	1.443	9.809	130	3.943	0	47	15.372
NET BOOK VALUE								
Value on 31 December 2009	7.863	12.023	33.519	103	170	553	0	54.231
Value on 31 December 2010	7.863	12.365	32.316	96	305	88	0	53.033

HELLENIC PLASTICS AND RUBBER INDUSTRY S.A.
Annual Financial Report for the year ended December 31, 2010
Notes to the Financial Statements for the year ended December 31, 2010
(amounts expressed in thousands of euro)

GROUP	Land plots	Buildings - building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible assets	Total
ΑΞΙΑ ΚΤΗΣΗΣ								
Value on 1 January 2009	19.230	22.721	85.171	655	6.880	182	1.514	#####
Revaluation of acquisition cost due to revaluation	1.503	717	(75)					2.145
Purchases		47	1.380	87	151	371		2.036
Reductions/Transfers		414	2.308	43	(108)			2.657
Foreign exchange differences	161	461	8.403	(2)	399		172	9.594
Value on 31 December 2009	20.894	24.360	97.187	783	7.322	553	1.686	#####
Purchases		623	811	12	260	271		1.977
Reductions/Transfers			(103)	3	2	(736)		(834)
Foreign exchange differences	485	664	4.799	41	441		(64)	6.366
Net Book Value 31 December 2010	21.379	25.647	102.694	839	8.025	88	1.622	#####
DEPRECIATION								
Value on 1 January 2009	119	2.801	27.076	504	6.095	0	1.353	37.948
Adjustment of accumulated depreciations due to revaluation		(290)						(290)
Additions		494	4.164	58	302		95	5.113
Reductions		414	2.397	(5)	(1)			2.805
Foreign exchange differences		53	6.894	(10)	323		165	7.425
Value on 31 December 2009	119	3.472	40.531	547	6.719	0	1.613	53.001
Additions		532	4.353	77	290		65	5.317
Reductions			(51)					(51)
Foreign exchange differences		14	2.820	24	397		(64)	3.191
Net Book Value 31 December 2010	119	4.018	47.653	648	7.406	0	1.614	61.458

During the approval date of the financial statements, there was a 1st mortgage prenotation of 132 million euro and a 2nd prenotation of 115 million euro, while a mortgage of 111 million euro was taken on property of the company. Also there was collateral amounting to 102 million euro on the company's equipment (without delivery). All the above were applied for security against its total debt as such arise from the company's financial restructuring agreement amounting to 121.91 million euro. For the group, there were additional mortgage prenotations and mortgages on property and equipment of approximately 28 million euro for security against debt.

17 FINANCIAL LEASES

The liabilities from financial leases are shown at the table below:

	GROUP 31.12.2010			
	PETZETAKIS N.			GROUP TOTAL
	PETZETAKIS AFRICA	GREECE	OTHER	
Present value of minimum lease payments				
Payments up to 31.12.2011	981	73	78	1.132
Payments for the period 1.01.2012-31.12.2016	947	503	102	1.552
Payments following the five-year term (2017-2021)				
Present value of lease obligations	1.928	576	180	2.684
Minus: Short-term portion of financial lease	981	73	78	1.132
Long-term liability from financial lease as at 31.12.2010	947	503	102	1.552

	GROUP 31.12.2009			
	PETZETAKIS N.			GROUP TOTAL
	PETZETAKIS AFRICA	GREECE	OTHER	
Present value of minimum lease payments				
Payments up to 31.12.2010	986	74	39	1.099
Payments for the period 1.1.2011-31.12.2015	1.664	576	38	2.278
Payments following the five-year term (2016-2021)	-	-	-	-
Present value of lease obligations	2.650	650	77	3.377
Minus: Short-term portion of financial lease	986	74	39	1.099
Long-term liability from financial lease as at 31.12.2009	1.664	576	38	2.278

18 CONTINGENT LIABILITIES

a) The parent company has not been tax audited for fiscal years 2007 and after. The tax unaudited years for the group companies are shown below:

SUBSIDIARY	Unaudited Tax Years
PNG	2007 - 2009
PETZETAKIS AFRICA PTY (GROUP)	2009
INDUPLAS	-
FLEXIPLAS	-
AGP GMBH	2003-2009
PETZETAKIS DEUTSCHLAND	2003-2009
PETZETAKIS ROMANIA	-
A.G. PETZETAKIS INTERNATIONAL HOLDING LTD	-

b.1) During the approval date of the financial statements there are legal claims against:

- the company for approximately € 0,3 million
- the Group for approximately € 3,3 million

The legal disputes that are likely to affect the company's financial position are estimated to amount to € 0,3 million, and for the Group to € 3,3 million. For that reason, provisions have been made for € 0.30 million for the Company and € 2.55 million for the Group.

b.2.) During the approval date of the financial statements, there was a 1st mortgage prenotation of 132 million euro and a 2nd prenotation of 115 million euro, while a mortgage of 111 million euro was taken on property of the company. Also there was collateral amounting to 102 million euro on the company's equipment (without delivery) and a 98 million euro collateral on shares of its subsidiaries:

- Total company collateral & mortgages: € 122 million.
- Total group collateral & mortgages: € 151 million.

b.3) Agreements of receivables amounting to Euro 4 million of the company have been secured against liabilities.

b.4.) Shares of the subsidiaries have been collateralized for a total amount of Euro 98 million approximately:

- A.G. PETZETAKIS INTERNATIONAL,
- HOLDINGS LIMITED,
- INDUPLAS S.P.A.,
- FLEXIPLAS S.A.,
- A.PETZETAKIS,
- GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG,
- ΠΕΤΖΕΤΑΚΗΣ ΒΟΡΕΙΟΥ ΕΛΛΑΔΟΣ,
- PETZETAKIS AFRICA (PROPRIETARY) LIMITED και
- A. PETZETAKIS DEUTSCHLAND GESELLSCHAFT MIT BESCHRÄNKTER HAFTUNG

b.5) Part of the Group's equipment (mechanical and mobile) has been collateralized (without delivery) for the amount of Euro 102 million.

19. TRANSACTIONS WITH AFFILIATED PARTIES

SUBSIDIARY	SALES & OTHER	PURCHASES &	RECEIVABLES	LIABILITIES
	TRANSACTIONS	OTHER	FROM	TOWARDS
		TRANSACTIONS	SUBSIDIARIES	SUBSIDIARIES
TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2010				
INDUPLAS	15	-	43	562
FLEXIPLAS	72	70	85	1.663
EUROHOSE	93	-	280	-
AGP GMBH	-	-	-	-
PETZETAKIS DEUTSCHLAND	1.040	1	76	-
PNG	862	1.250	-2.711	-
PLASTIKA MAKEDONIAS	-	-	206	7
PETZETAKIS AFRICA	-	-	-	-
PETZETAKIS ROMANIA	206	6	-188	6
AGPI	1.043	-	-	-
PLASTIKA KABALAS	-	-	3.031	-
TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES	3.331	1.327	822	2.238

INTRACOMPANY TRANSACTIONS BY COMPANY

	TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES 31.12.2010			
AGP	3.331	1.327	822	2.238
INDUPLAS	186	255	3.089	203
FLEXIPLAS	815	140	2.011	154
EUROHOSE	2	247	16	2.274
AGP GMBH	14	-	241	-
PETZETAKIS DEUTSCHLAND	260	1.644	51	1.036
PNG	1.262	864	527	-2.711
PLASTIKA MAKEDONIAS	2	-	7	733
PETZETAKIS AFRICA	-	-	-	-
PETZETAKIS ROMANIA	6	358	6	-188
AGPI	-	1.043	-	-
GROUP TOTAL	5.878	5.878	6.770	3.739

The above amounts have been written-off during the consolidation of the financial statements of the Group companies, apart from the receivable of the parent company from the company PLASTIKA KAVVALAS amounting to 3,031 million euro, and the amounts that concern the intracompany transactions and liabilities of the company PLASTIKA MAKEDONIAS (FYROM) which are excluded from consolidation.

TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2009

SUBSIDIARY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM SUBSIDIARIES	LIABILITIES TOWARDS SUBSIDIARIES
INDUPLAS	108	70 -	19	546
FLEXIPLAS	87	54	13	1.594
EUROHOSE	153	-	201	-
AGP GMBH	-	-	-	-
PETZETAKIS DEUTSCHLAND	996	8	434	3
PNG	3.305	2.185	2.018	-
PLASTIKA MAKEDONIAS	173	-	206	7
PETZETAKIS AFRICA	1.110	-	650	-
PETZETAKIS ROMANIA	607	-	9	-
AGPI	-	-	-	1.054
PLASTIKA KABALAS	-	-	3.030	-
TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES	6.539	2.317	6.542	3.204

TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES 31.12.2009

INTRACOMPANY TRANSACTIONS BY COMPANY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM SUBSIDIARIES	LIABILITIES TOWARDS SUBSIDIARIES
AGP	6.539	2.317	6.542	3.204
INDUPLAS	822	208	3.289	134
FLEXIPLAS	108	132	1.801	65
EUROHOSE	-	371	-	2.101
AGP GMBH	16	-	285	-
PETZETAKIS DEUTSCHLAND	109	1.510	67	1.607
PNG	2.207	3.307	654	2.018
PLASTIKA MAKEDONIAS	2	184	7	860
PETZETAKIS AFRICA	-	1.110	-	714
PETZETAKIS ROMANIA	-	664	-	30
AGPI	-	-	1.118	-
PLASTIKA KABALAS	-	-	-	-
GROUP TOTAL	9.803	9.803	13.763	10.733

The above amounts have been written-off during the consolidation of the financial statements of the Group companies, apart from the receivable of the parent company from the company PLASTIKA KAVALAS amounting to 3,031 million euro, and the amounts that concern the intracompany transactions and liabilities of the company PLASTIKA MAKEDONIAS (FYROM) which are excluded from consolidation.

The fees of the members of the Board of Directors, as well as those of the Directors of the Group as of 31 December 2010 and 2009, are analyzed as follows:

	31.12.2010	31.12.2009
Parent Company MoB fees	141	142
Parent Company manager fees	915	1093
Group MoB fees	1698	1049
Group manager fees	1622	2331

UBSEQUENT EVENTS

i. Termination of Convertible Bond Loan

The bond holders of the Company CREDIT RENAISSANCE & PSAM on 27.01.2011, denounced the issued on 28.02.2008 Convertible Bond Loan of 17.500.000,00 €, 3 year duration, with expiration date 28.01.2011. And the accrued interest that, in an amount of 3.275.932,10 €.

ii. Termination of other Bond Loans

All bondholders of the Company, the 14.02.2011, denounced the common bond loan of EUR 80.336.323,00 €, and the loan of 24.077.800,00 €. And the accrued interest thereof, in an amount of 5.524.386,61 €.

iii. Part of the factory workers of thebes , 150 in number, are in Attachment Work Form 11.11.2010

The Company, from August 2010, facing financial liquidity problems, with the result that has not paid the outstanding salaries of August, second 15 days of September, October, November, December 2010, January, February and March 2011, but paid as compared to this period, the amount of 781.133,00 €. The consequence of the difficulty was 150 factory workers of Thebes (on synolo186) to remain in employment retention from 11.11.2010, with effect from that date, have occurred and the cessation of production of the plant.

iv. Part of Employees of subsidiary company of Northern Greece SA PETZETAKIS, 80 in number , are in stay in strike from 09.12.2010.

The subsidiary PETZETAKIS NORTHERN GREECE SA facing similar liquidity problems of the same this time (until August 2010 and March 2011), resulting in 80 employees in total of 90, might be in labor retention 09.12.2010 until today, so that the productive activity of the subsidiary company have been stopped from 09.12.2010.

v. The total number of 54 employees of subsidiary company INDUPLAS SpA, from October 2010, is suspended

The productive activity of this subsidiary has ceased by the end of June 2010

vi. SUSPENSION OF TRADING OF SHARES OF THE COMPANY FOR PERIOD 10 DAYS FROM 01.02.2011 - UNDER THE NO. 1/1014/31.01.2011 DECISION OF THE EXECUTIVE COMMITTEE OF THE SECURITIES AND EXCHANGE COMMISSION / EXTENSION OF SUSPENSION OF TRADING OF SHARES OF THE COMPANY FROM 10.02.2011 IN ACCORDANCE WITH THE NUMBER OF 1/1016/09.02.2011 DECISION OF THE EXECUTIVE COMMITTEE OF THE SECURITIES AND EXCHANGE COMMISSION.

The Executive Committee of the Capital, with a 1/1014/31.01.2011 No decision found that the Parent Company "PETZETAKIS SA, does not adequately and clearly informed the investing public about the Regulated / privileged information (a) by 27.01.2011 complaint bond amount and 17.5000.000,00 and (b) financing the Company by the company "Javes Services Inc." and thus breached the provisions of art. 21 paragraph 1 and No. 3, paragraph 1 case (p) of Law 3556/2007 in conj. In paragraph 1 of Law No. 10 3340/2005 and No. 2 in regulatory decision 3/347/12.07.2005 Exchange Commission. Asking the ASE, to proceed immediately to suspend the trading of shares for a maximum of ten (10) days, calling the company to submit its views on the matter within 5 days after service thereof. Then, after submitting the views of the Company, the Executive Committee of the Capital with No 1/1016/09.02.2011 held that the Company failed to remedy the infringement of No. 21par. 1 and No. 3, paragraph 1 case (p) of Law 3556/2007 in conj. with paragraph 1 of Law No. 10 3340/2005 and No. 2 3/347/12.07.2005 regulatory decision, noting that it ensured the full and accurate information to investors and therefore not guaranteed a smooth temporary operation of market shares and requested the continuation of the Athens Stock Exchange suspended trading of shares of the Company until the Company to adequately and unambiguously inform the investing public regarding the financing of the house «Javes Services Inc».

vii. Suspension of activities for two months FEBRUARY - MARCH 2011, THE SUBSIDIARY «PETZETAKIS SOUTH AFRICA»

Subsidiary Company «PETZETAKIS SOUTH AFRICA», is facing financial liquidity problems in the last two months (February - March 2011), a direct result of the difficulty is the temporary cease of activity during that period.

Kallithea, March 30, 2011

**THE BoD VICE-
CHAIRMAN**

**GEORGIOS
LAGOURANIS**
P. No AB
2179617

**THE MEMBER OF THE
BoD**

**DIMITRIOS
VERNADAKIS**
ID No M011321

THE HEAD ACCOUNTANT

**ADAMANTIA – ALIKI
KEFALONITOU**
ID No. T 002464
License Reg. No. 20920

INFORMATION OF THE ARTICLE 10 OF THE LAW 3401/2005

Petzetakis S.A. published the following information of article 10, Law 3401/2005 and made them available to the public during the financial year 2010. Information is uploaded both in the official web site of ASE www.ase.gr and in the company's as follows:

ΗΜΕΡΟΜΗΝΙΑ	ΑΝΑΚΟΙΝΩΣΗ
6/12/2010	Announcement of other important events
6/12/2010	Announcement of other important events
30/11/2010	Announcement of other important events
30/11/2010	Announcement regarding comments on the financial statements
30/11/2010	Financial Statements (IFRS)
30/11/2010	Financial Statements (IFRS)
29/11/2010	Changes in the Board of Directors or management executives (correct version)
26/11/2010	Changes in the Board of Directors or management executives
26/11/2010	Changes in the Board of Directors or management executives
22/11/2010	Announcement of other important events
21/11/2010	Announcement of other important events
16/11/2010	Announcement of other important events
16/11/2010	Announcement of other important events
1/11/2010	Announcement of other important events
20/10/2010	Announcement of other important events
11/10/2010	Announcement of other important events
30/9/2010	Announcement of other important events
24/9/2010	Announcement of other important events
13/9/2010	Changes in the Board of Directors or management executives
9/9/2010	Announcement of other important events
9/9/2010	Announcement of other important events
31/8/2010	Announcement regarding comments on the financial statements
31/8/2010	Announcement regarding comments on the financial statements
31/8/2010	Financial Statements (IFRS)
31/8/2010	Financial Statements (IFRS)
30/8/2010	Announcement of other important events
19/7/2010	Announcement of other important events (correct version)
19/7/2010	Resolutions of the General Meeting (correct version)
19/7/2010	Announcement of other important events
19/7/2010	Resolutions of the General Meeting
16/7/2010	Announcement of other important events
29/6/2010	Changes in the Board of Directors or management executives
29/6/2010	Announcement of other important events
28/6/2010	Resolutions of the General Meeting
25/6/2010	Announcement regarding the forthcoming General Meeting

25/6/2010	Announcement regarding a Plan for Amendments in the Company's Articles of Association
25/6/2010	Announcement regarding the forthcoming General Meeting
25/6/2010	Announcement regarding a Plan for Amendments in the Company's Articles of Association
14/6/2010	Announcement of other important events
4/6/2010	Announcement regarding the forthcoming General Meeting
31/5/2010	Announcement regarding comments on the financial statements
31/5/2010	Announcement of other important events
31/5/2010	Announcement regarding comments on the financial statements
31/5/2010	Financial Statements (IFRS)
31/5/2010	Financial Statements (IFRS)
18/5/2010	Announcement of other important events
3/5/2010	Announcement of other important events
1/4/2010	Announcement of other important events
1/4/2010	Announcement regarding comments on the financial statements
31/3/2010	Announcement regarding comments on the financial statements
31/3/2010	Announcement regarding comments on the financial statements
31/3/2010	Financial Statements (IFRS)
31/3/2010	Financial Statements (IFRS)

WEBSITE PLACE OF UPLOADING THE PARENT STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS OF SUBSIDIARIES

The annual financial statements of the Company in consolidated and non consolidated base, the Auditor's report and the Reports of management are registered in the internet in the address www.petzetakis.gr.

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