

**FINANCIAL STATEMENTS**  
**A. Petzetakis Deutschland GmbH,**  
**former Behka-Plast GmbH**  
**31<sup>st</sup> December,**  
**2010**

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**INCOME STATEMENT**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

	Notes	<u>31.12.2010</u>	<u>31.12.2009</u>
Revenue	4	10.113	7.973
Cost of sales	5	-8.138	-6.020
<b>Gross profit</b>		<u><b>1.975</b></u>	<u><b>1.953</b></u>
other operating income		228	155
Distribution costs	5	-1.586	-1.536
Administrative expenses	5	-417	-393
Other operating expenses	5	-4	-5
Depreciation on revaluation		0	0
Profit reserve		0	0
Restructuring costs	5b	-93	-285
<b>Profit from operations</b>		<u><b>102</b></u>	<u><b>-111</b></u>
Finance costs		-99	-51
Finance income		37	37
Loss on disposal of discontinued operations		0	0
Exchange (loss)/gain		0	0
Roundness difference		0	1
<b>Profit before tax</b>		<u><b>40</b></u>	<u><b>-124</b></u>
Income tax expense		0	0
Deferred taxes	5a	-17	50
<b>Profit after tax – continuing operations</b>		<u><b>23</b></u>	<u><b>-74</b></u>
Minority interest		0	0
<b>Net Profit/(Loss) for the period</b>		<u><b>23</b></u>	<u><b>-74</b></u>

Notes forming an integral part of the financial statements on pages 5 to 22.

**BALANCE SHEET**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

<b>ASSETS</b>	<u>Notes</u>	<u><b>31.12.2010</b></u>	<u><b>31.12.2009</b></u>
<b>Non Current Assets</b>			
Property, plant and equipment	6	1.754	1.733
Intangible assets	7	0	23
Goodwill	8	0	0
Interests in associates and joint ventures		0	0
Liability insurance	8a	139	140
Roundness		0	0
		<u><b>1.892</b></u>	<u><b>1.896</b></u>
<b>Current Assets</b>			
Inventories	9	1.870	1.696
Trade and other receivables	10	661	682
Investments held for trading		0	0
Deferred tax asset	10a	129	164
Cash and cash equivalents	11	56	89
Prepayments/accrued income	11a	12	81
Roundness difference		0	0
		<u><b>2.729</b></u>	<u><b>2.712</b></u>
<b>Non current assets classified as held for sale</b>		<u><b>0</b></u>	<u><b>0</b></u>
<b>Total assets</b>		<u><b>4.622</b></u>	<u><b>4.608</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12	153	153
Capital reserves	13	1.690	1.690
Revaluation reserves	14	707	707
Profit Reserve		0	0
Hedging reserve		0	0
Translation reserve		0	0
Accumulated profit/loss		-1.805*	-1.826
		<u><b>745</b></u>	<u><b>724</b></u>
Minority interest		0	0
<b>Total equity</b>		<u><b>745</b></u>	<u><b>724</b></u>
<b>Non current liabilities</b>			
Bank loans and overdrafts-due after one year	15	0	0
Retirement benefit obligation	16	0	0
Provisions	21	363	386
Deferred tax liability	21a	279	296
Obligations under finance leases-due after one year	17	102	38
Roundness	17	0	0
		<u><b>744</b></u>	<u><b>720</b></u>
<b>Current liabilities</b>			
Trade and other payables	18	2.058	2.192
Bank loans and overdrafts-due within one year	15	778	781
Tax liabilities	0	0	0
Obligations under finance leases – due within one year	17	78	39
Provisions	19	218	152
Accrued expenses/Deferred income	20	0	0
Roundness		0	0
		<u><b>3.133</b></u>	<u><b>3.164</b></u>
<b>Liabilities directly associated with non-current assets classified as held for sale</b>		<u><b>0</b></u>	<u><b>0</b></u>
<b>Total equity and liabilities</b>		<u><b>4.622</b></u>	<u><b>4.608</b></u>

Notes forming an integral part of the financial statements on pages 5 to 22.

\* = includes adjustment of previous year

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
31<sup>st</sup> December, 2010  
A. Petzetakis Deutschland GmbH**

	<u>Share capital</u>	<b>Capital Reserves</b>	<b>Revaluation reserves</b>	<b>Accumulated Losses carried forward</b>	<b>Profit reserves</b>	<b>Translation reserves</b>	<b>Total Equity</b>
<b>Equity 31.12.09</b>							
Balance 01.01.2009	153	1.690	707	-1.752	0	0	798
Revaluation Reserve	0	0	0	0	0	0	0
Profit for the year	0	0	0	-74	0	0	-74
Currency translation differences	0	0	0	0	0	0	0
Net loss on hedges	0	0	0	0	0	0	0
Other reserves	0	0	0	0	0	0	0
<b>Equity as at 31.12.2009</b>	<b><u>153</u></b>	<b><u>1.690</u></b>	<b><u>707</u></b>	<b><u>-1.826</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>724</u></b>
<b>Equity 31.12.10</b>							
Balance 01.01.2010	153	1.690	707	-1.826	0	0	724
Revaluation Reserve	0	0	0	0	0	0	0
Profit for the period	0	0	0	23	0	0	23
Adjustment of previos year	0	0	0	-2	0	0	-2
Net loss on hedges capital increase	0	0	0	0	0	0	0
<b>Equity as at 31.12.2010</b>	<b><u>153</u></b>	<b><u>1.690</u></b>	<b><u>707</u></b>	<b><u>-1.805</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>745</u></b>

**CASH FLOW STATEMENT**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

<u>Cash flows from operating activities</u>	<u>31.12.2010</u>	<u>31.12.09</u>
<b>Profit / (Loss) for the year</b>	<b>23</b>	<b>-74</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	367	261
Foreign Exchange differences	0	0
Profit from Discontinued operations	0	0
Provisions	66	22
Profit/Loss of assets	0	0
Decrease/(Increase) in inventories	-174	-126
(Increase) / Decrease in trade receivables	-143	192
(Increase) / Decrease in ICOY receivables	13	-133
(Increase) / Decrease in other receivables	151	-131
(Increase) / Decrease in deferred tax asset	35	34
(Increase) / Decrease in deferred tax liabilities	-17	-15
Decrease/(Increase)in other assets	69	-57
(Increase)/ Decrease in trade payables	303	137
Increase)/ Decrease in ICOY payables	-483	-375
Increase)/ Decrease in other payables	46	0
(Decrease)/Increase in other assets	0	0
<b>Cash flows from operating activities</b>	<b>256</b>	<b>-265</b>
Taxes paid	0	0
<b>Total inflows (outflows) from operating activities</b>	<b>256</b>	<b>-265</b>
 <b>Other non-cash changes in assets and liabilities</b>		
- increase/decrease in provisions	-23	-24
- increase in financial assets	1	2
- decrease in ICOY payables	0	0
<b>Cash flows from operating activities</b>	<b>-22</b>	<b>-22</b>
 <u>Cash flow from investing activities</u>		
Purchase of tangible / intangible assets	0	0
Outpayments in investments on fixed asstes	-365	-601
Outpayments in investments on financial assets	0	0
Revaluation reserve	0	0
<b>Net cash flow from investing activities</b>	<b>-365</b>	<b>-601</b>
 <u>Cash flow from financing activities</u>		
Repayment of bank loans	0	0
Repayments of obligation under finance leases	103	-30
Bank loans	-3	718
Increase of capital	0	0
<b>Cash flow from financing activities</b>	<b>100</b>	<b>688</b>
 <b>Net increase in cash and cash equivalents</b>	<b>-33*</b>	<b>-200</b>
 <b>Cash and cash equivalents at beginning of year</b>	<b>89</b>	<b>289</b>
 <b>Cash and cash equivalents at 31.12.2010</b>	<b>56</b>	<b>89</b>

Notes forming an integral part of the financial statements on pages 5 to 22.

\* = includes adjustment of previous year

**Notes to the consolidated financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**1. Corporate information**

The financial statements for the period 1/1-31/12/2010 have been prepared in accordance with International Financial Reporting Standards (IFRS).

**2. Objective**

The company's business is the production of and the trade with articles from plastics and rubber, especially hoses including the import and export. At 31.12.2007 the current business from the mother company A. Petzetakis GmbH was taken over. Through this the business type was not changed!

**3. Summary of significant accounting policies**

**3.1. Basis of presentation**

These financial statements are presented in Euros as that is the currency in which the majority of the company's transactions are denominated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis till 2007. Per 31.12.2008 an asset revaluation was conducted. The appraisals revaluated the tangible assets (machinery, office equipment, furniture & fixtures). The intangibles assets (software) were not revaluated.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**3.2. Statement of compliance**

The financial statements of the company have been prepared, for first time (first adoption opening balances of 1.1.2003), in accordance with International Financial Reporting Standard 1. All these Financial Statements for the period ended at 31<sup>st</sup> December, 2010 (and those one comparative for the year ended at 31<sup>st</sup> December, 2009) were prepared according to International Financial Reporting Standards / International Accounting Standards, issued by International Accounting Standards Board (IASCF Foundation), approved by the endorsement mechanism issued by (EC) Reg. n° 1606/2002, of 19<sup>th</sup> July, 2002.

**3.3. Foreign currency translation**

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in the income statement.

There is no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.

**3.4. Tangible fixed assets**

Vehicles are valued at costs minus accumulated depreciations. Machinery, furniture and fixtures and office equipment are valued at fair value minus depreciations. The fair value was defined by independent appraisers (Sachverstaendigenbuero Dipl.-Ing. Dieter A. Hilbert) during the initial adoption of the International Accounting Standards. The first time the revaluation of the assets was made was per 31.12.2008.

Depreciations are calculated with fixed rates throughout the useful life of the fixed assets as follows:

<u>Category of assets</u>	<u>Useful life</u>
Buildings	none in the company
Machinery	3 – 20 years
Furniture & fixtures	1 – 18 years
Office equipment	3 – 9 years
Transportation means	2 – 11 years

Fair value is determined by the independent appraisers with reference to the market conditions and it is the amount for which an asset could be exchanged between knowledgeable, willing parties under the going concern principle. The fair value is thus the value with which an acquirer of the whole company would value each sole asset within the scope of the total purchase price of the company under going concern.

The excess amount of the revaluation is transferred to the account "Revaluation Reserve" and is presented in the Balance Sheet as part of equity.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**3.5. Income tax (current and deferred)**

Income tax is based on taxable profits for the period at the rate which is in force for each year for the company : (0% for year 2009 and 2010), because of losses carried forward. Taxable profits differ from company's profit as reported in the income statement because they exclude items of income or expenses that are taxable or deductible in other years and they further exclude items that are never taxable or deductible.

Deferred tax is the tax payable or receivable due to timing difference in income taxation or in expense recognition for taxation purposes and is accounted for to the extent that it is expected to arise in the future.

Deferred tax liability is recognized mainly for all temporary taxation differences and deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available and the tax asset will be offset against the resulting tax liability.

The amounts of deferred taxes (assets and liabilities) are reviewed at each Balance Sheet date and are revised if necessary, considering facts and circumstances that affect the availability of future taxable profit for the utilization of such.

Deferred tax is calculated according to the tax rates that are expected to apply during the period in which the tax liability or asset arises.

This tax is charged or credited to the results, except when such relates to items that are transferred directly to equity in which case the deferred tax is also accounted for against equity.

**3.6. Inventories**

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows for both the current and previous year.

Raw materials- average cost;

Finished goods and work-in-progress- cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**3.7. Retirement benefits**

(A. Petzetakis GmbH pays a pension at the amount of monthly 1.965 EUR to their former officer authorised to act and sign on behalf of the firm. After his death his widow will receive 60% of his pension until she passes away.)

Per 31.12.2008 this pension promise and the belonging backcovering insurance were transferred to A. Petzetakis Deutschland GmbH. The backcovering insurance was transferred with the book value (142.780 EUR). The provision for this pension was transferred with a higher value (410k EUR) than the book value (346k EUR). For the transfer value (409.927 EUR) we used an offer from HDI-Gerling insurance which was made on the assumption that the pension promise would be transferred to them. The difference between these two values amounts to 64k EUR and is included in the restructuring costs.

**3.8. Provisions**

Provisions are recognized when the Company has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the amount of the liability can be reliably estimated. Provisions are reviewed at each balance sheet date and are revised in order to reflect the present value of the expense deemed necessary for the settlement of the liability.

**3.9. Revenue**

*Sales of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured (excluding relevant V.A.T.).

Revenue is recorded during the period to which they refer regardless of when received, in accordance with the accrual accounting principle. Differences between amounts received and the corresponding revenue are recorded under accruals and deferrals.

Revenue in respect of sales of goods and products are stated net of value added tax and trade discounts, and is recognised when title is passed to the customer, which is **in part** when products and goods are delivered to the customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Interest*

Revenue is recognised as the interest accrues to the net carrying amount of the financial asset.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**3.10. Government grants**

There are no government grants.

**3.11. Trade and other receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Bad debts are written off when identified.

**3.12. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three month or less. For the purpose of the consolidated cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

**3.13. Bank borrowings**

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**3.14. Trade payables**

The short-term payables are stated at their nominal value.  
The long-term payables are stated at their discounted present value.

**3.15. Finance leases**

The company has contracts, which are Finance lease. For details see note 17.

**3.16. Borrowing costs**

Are recognised as an expense when incurred and charged directly against income.

**3.17. Investments in subsidiaries and related companies**

Company	Net book value	Company activity	Equity value as at 31.12.10	Participation value as at 31.12.10	Consolidation method
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There are no investments in subsidiaries and related companies.

**3.18. Available for sale financial assets**

There are no available for sale financial assets.

**3.19. Derivative financial instruments**

There are no derivative financial instruments.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

#### 4. Revenue

Analysis of company's revenue is as follows:

	<u>31.12.10</u>	<u>30.12.09</u>
Sales of goods	10.113	7.973
Finished and semi finished goods	0	0
Other	<u>0</u>	<u>0</u>
	<u>10.113</u>	<u>7.973</u>

The following table provides an analysis of the sales by geographical area :

		<b>Greece</b>	<b>Rest of Europe</b>	<b>S. Africa</b>	<b>Other</b>	<b>Total</b>
<b>31.12.2010</b>	Volume Sales ('000 Kgr)	0	3.160	0	0	3.160
	Sales to external customers	0	10.057	0	0	10.057
	Sales to internal customers (within the group)	0	56	0	0	56
	Total sales	0	10.113	0	0	10.113
<b>31.12.2009</b>	Volume Sales ('000 Kgr)	0	2.260	0	0	2.260
	Sales to external customers	0	7.927	0	0	7.927
	Sales to internal customers (within the group)	0	46	0	0	46
	Total sales	0	7.973	0	0	7.973

The following table provides an analysis of the sales by product segment:

		<b>Infra- Structure</b>	<b>Housing</b>	<b>Agriculture</b>	<b>Industrial</b>	<b>Mining / Garden</b>	<b>Other</b>	<b>Total</b>
<b>31.12.2010</b>	Volume Sales ('000 Kgr)	0	0	0	3.160	0	0	3.160
	Sales to external customers	0	0	0	10.057	0	0	10.057
	Sales to internal customers (within the group)	0	0	0	56	0	0	56
	Total sales	0	0	0	10.113	0	0	10.113
<b>31.12.2009</b>	Volume Sales ('000 Kgr)	0	0	0	2.260	0	0	2.260
	Sales to external customers	0	0	0	7.927	0	0	7.927
	Sales to internal customers (within the group)	0	0	0	46	0	0	46
	Total sales	0	0	0	7.973	0	0	7.973

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**5. Operating expenses**

An analysis is company's revenue is as follows:

	<u>31.12.2010</u>	<u>31.12.2009</u>
Wages	1.760	1.655
Utilities	630	589
Depreciation	357	261
Other expenses	1.396	1.186
Material costs	5.972	4.236
Marketing/promotion costs	30	27
Roundness Difference	0	0
	<u>10.145</u>	<u>7.954</u>

The above amounts have been allocated as follows:

<b>Cost of sales (includes production)</b>	<u>31.12.2010</u>	<u>31.12.2009</u>
Wages	947	866
Utilities	481	441
Depreciation	267	196
Other expenses	472	282
Material costs	5.972	4.236
Marketing/promotion costs	0	0
Roundness Difference	-1	-1
	<u>8.138</u>	<u>6.020</u>

<b>Administration expenses</b>	<u>31.12.2010</u>	<u>31.12.2009</u>
Wages	211	195
Utilities	37	37
Depreciation	36	26
Other expenses	133	134
Material costs	0	0
Marketing/promotion costs	0	0
Roundness difference	0	1
	<u>417</u>	<u>393</u>

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**Other operating expenses**

	<u>31.12.2010</u>	<u>31.12.2009</u>
Wages	4	5
Utilities	0	0
Depreciation	0	0
Other expenses	0	0
Material costs	0	0
Marketing/promotion costs	0	0
	<u>4</u>	<u>5</u>

**Distribution expenses**

	<u>31.12.2010</u>	<u>31.12.2009</u>
Wages	602	593
Utilities	112	111
Transportation costs	517	465
Depreciation	53	39
Other expenses	271	301
Material costs	0	0
Marketing/promotion costs	30	27
Roundness Difference	1	0
	<u>1.586</u>	<u>1.536</u>

**5a. Deferred taxes**

	<u>31.12.2010</u>	<u>31.12.2009</u>
adjustment in assets	<u>-17</u>	<u>50</u>
	-17	50

**5b. Restructuring Costs**

- In 2010 the company had translation costs at the amount of 26.762 EUR for the refinancing of the group.
- In 2010 the company came to an arrangement with their former agent which was dismissed in 2008 that he will receive 72.500 EUR plus 19% VAT to finish the partnership finally. The booked provision for this case was only 16.200 EUR so that now 56.300 EUR had to be booked in addition.
- In 2010 had to book depreciation which belongs into 2008 and 2009 at the amount 10.420 EUR

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**6. Property, plant and equipment**

	<b>Land</b>	<b>Buildings</b>	<b>Fixtures and Equipment</b>	<b>Transportation Means</b>	<b>Assets under Construction</b>	<b>Total</b>
<b>Cost of valuation</b>						
<i>At 1<sup>st</sup> January, 2010</i>	<i>119</i>	<i>0</i>	<i>8.434</i>	<i>0</i>	<i>0</i>	<i>8.553</i>
Translation difference	0	0	0	0	0	0
Additions	0	0	379	0	0	379
Disposals	0	0	-14	0	0	-14
Cost of valuation through revaluation	0	0	0	0	0	0
<i>At 31<sup>st</sup> December, 2010</i>	<i>119</i>	<i>0</i>	<i>8.799</i>	<i>0</i>	<i>0</i>	<i>8.918</i>
<b>Accumulated depreciation and impairment</b>						
<i>At 1<sup>st</sup> January, 2010</i>	<i>119</i>	<i>0</i>	<i>6.701</i>	<i>0</i>	<i>0</i>	<i>6.820</i>
Translation difference	0	0	0	0	0	0
Depreciation before revaluation	0	0	288	0	0	288
<i>Accumulated depreciation through revaluation</i>	<i>0</i>	<i>0</i>	<i>56</i>	<i>0</i>	<i>0</i>	<i>56</i>
<i>Roundness</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>At 31<sup>st</sup> December, 2010</i>	<i>119</i>	<i>0</i>	<i>7.045</i>	<i>0</i>	<i>0</i>	<i>7.164</i>
<b>Carrying amount</b>						
<b>At 31<sup>st</sup> December, 2010</b>	<b>0</b>	<b>0</b>	<b>1.754</b>	<b>0</b>	<b>0</b>	<b>1.754</b>

On 20.03.2009 the Commerzbank Duesseldorf allowed the company an overdraft credit at the amount of 800.000 EUR. As security for this overdraft credit the machinery and technical equipment was assigned by way of collateral.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

6. **Property, plant and equipment (*cont'd*)**

	Land	Buildings	Fixtures and Equipment	Transportation Means	Assets under Construction	Total
<b>Cost of valuation</b>						
<i>At 1<sup>st</sup> January, 2009</i>	<i>119</i>	<i>0</i>	<i>7.839</i>	<i>6</i>	<i>0</i>	<i>7.964</i>
Translation difference	0	0	0	0	0	0
Additions	0	0	656	0	0	656
Disposals	0	0	-61	-6	0	-67
Cost of valuation through revaluation	0	0	0	0	0	0
<i>At 31<sup>st</sup> December, 2009</i>	<i>119</i>	<i>0</i>	<i>8.434</i>	<i>0</i>	<i>0</i>	<i>8.553</i>
<b>Accumulated depreciation and impairment</b>						
<i>At 1<sup>st</sup> January, 2009</i>	<i>119</i>	<i>0</i>	<i>6.466</i>	<i>3</i>	<i>0</i>	<i>6.588</i>
Translation difference	0	0	0	0	0	0
Depreciation before revaluation	0	0	190	2	0	192
Accumulated depreciation through revaluation	0	0	48	0	0	48
Disposals	0	0	-3	-5	0	-8
<i>At 31<sup>st</sup> December, 2009</i>	<i>119</i>	<i>0</i>	<i>6.701</i>	<i>0</i>	<i>0</i>	<i>6.820</i>
<b>Carrying amount</b>						
<i>At 31<sup>st</sup> December, 2009</i>	<i>0</i>	<i>0</i>	<i>1.733</i>	<i>0</i>	<i>0</i>	<i>1.733</i>

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**7. Intangible assets**

	<b>Patents, Trademarks</b>	<b>Other</b>	<b>Total</b>
<b>Cost</b>			
<i>At 1<sup>st</sup> January, 2010</i>	<i>0</i>	<i>69</i>	<i>69</i>
Translation difference	0	0	0
Additions	0	0	0
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>0</i></u>	<u><i>69</i></u>	<u><i>69</i></u>
<b>Accumulated amortisation</b>			
<i>At 1<sup>st</sup> January, 2010</i>	<i>0</i>	<i>46</i>	<i>46</i>
Translation difference	0	0	0
Charge for the year	0	23	23
Impairment	0	0	0
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>0</i></u>	<u><i>69</i></u>	<u><i>69</i></u>
Roundness difference	0	0	0
<b>Carrying amount</b>			
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>0</i></u>	<u><i>0</i></u>	<u><i>0</i></u>

**8. Goodwill**

	<b>A. Petzetakis GmbH</b>
<b>Cost</b>	
<i>At 1<sup>st</sup> January, 2010</i>	<i>260</i>
Translation difference	0
Additions	0
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>260</i></u>
<b>Accumulated amortisation</b>	
<i>At 1<sup>st</sup> January, 2010</i>	<i>260</i>
Translation difference	0
Charge for the year	0
Impairment	0
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>260</i></u>
<b>Carrying amount</b>	
<i>At 31<sup>st</sup> December, 2010</i>	<u><i>0</i></u>

**8a. Liability insurance**

Per 31.12.2008 the back covering insurance (141.592 EUR) belonging to the pension promise to a former employee was transferred from A. Petzetakis GmbH to A. Petzetakis Deutschland GmbH.  
Per 31.12.2009 the value was adjusted to the appraisal from HDI-Gerling (140.077,59 EUR).  
The value per 31.12.2010 (138.630,02 EUR) is the value of the appraisal from HDI-Gerling.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**9. Inventories**

	<b>31.12.10</b>	<b>31.12.09</b>
Raw materials	610	412
Work in progress	0	0
Finished and semifinished goods	710	569
Merchandise	550	715
Spare parts	0	0
Other inventories	0	0
Advances to suppliers	0	0
	1.870	1.696

**10. Trade and other receivables**

	<b>31.12.10</b>	<b>31.12.09</b>
Trade receivables		
<u>Less: Provisions for doubtful debts</u>		
Net amount	536	394
Checks receivable	0	0
Receivables from group companies	121	134
Prepaid expenses	0	0
Accrued income	0	0
Other receivables	4	154
Roundness difference	0	0
	661	682

**10a. Deferred tax asset**

	<b>31.12.10</b>	<b>31.12.09</b>
	139	164

Principally deferred tax assets are long term / non current assets. But here the deferred tax asset is put to current assets, because the advantage of the deferred tax asset will most probably be used already in the next five years.

The value of the deferred tax asset is calculated with the loss carried forward at the amount of 425.837 EUR plus the loss of the year 2009 at the amount of 110.177 EUR and the tax rate of 30,53% for the deferred taxes. (trade tax rate: 14,7%, corporate tax rate: 15,00% and solidarity-charge: 0,83%)

The value of the deferred tax asset per 31.12.2010 is calculated with the loss carried forward at the amount of 536.014 EUR minus the profit of 2010 at the amount of 112.271 EUR and the tax rate of 30,53% for the deferred taxes.

**11. Cash and cash equivalents**

	<b>31.12.10</b>	<b>31.12.09</b>
Cash in hand	0	0
Balances with banks	4	4
Deposits with banks	52	85
	56	89

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**11a. Prepayments / accrued income**

In the prepayments are mostly included insurance fees which were paid at the beginning of the year for the whole year in advance.

**12. Share capital**

	<u>31.12.10</u>	<u>31.12.09</u>
Authorised, issued and fully paid:	153	153

**13. Capital reserves**

	<u>31.12.10</u>	<u>31.12.09</u>
Statutory reserve	0	0
Special reserves	0	0
Tax free reserves	0	0
Share premium	0	0
Translation reserves	0	0
Other reserves	1.690	1.690
	1.690	1.690

Aristovoulos G. Petzetakis S.A. signed an Agreement on Subordination per 31.12.2006 in the amount of the not by equity covered losses, max. 500.000,00 EUR.

**14. Revaluation reserve**

	<u>31.12.10</u>	<u>31.12.09</u>
Revaluation reserve from revaluation of tangible assets	707	707

The first time a revaluation of assets was conducted by independent appraisers was per 31.12.2008. The book value of the assets was 357.331 EUR, after the revaluation the assets have a value of 1.375.405 EUR. The difference between these two amounts is 1.017.573 EUR and was booked as revaluation reserve 706.958 EUR and deferred tax liability 310.615 EUR.

Per 31.12.2009 the revaluation asset was depreciated to 969.799 EUR. But the revaluation reserve stays the same, because the depreciation is fully put into the P&L.

Per 31.12.2010 the revaluation asset was depreciated to 913.649 EUR. But the revaluation reserve stays the same, because the depreciation is fully put into the P&L.

**15. Bank loans and overdrafts**

	<u>31.12.10</u>	<u>31.12.09</u>
Bank loans and overdrafts – due after one year	0	0
Bank loans and overdrafts – within one year	778	781
	778	781

On 20.03.2009 the Commerzbank Duesseldorf allowed the company an overdraft credit at the amount of 800.000 EUR. As security for this overdraft credit the machinery and technical equipment was assigned by way of collateral. With contract of 07.10.2009 the allowed credit line was increased to 932.800 EUR.

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**16. Retirement benefit obligation (Staff leaving indemnities SLI)**

There are no retirement benefit obligations.

**17. Obligation under finance lease**

A. Petzetakis Deutschland GmbH has ten finance lease contracts for production printers, lossy software, automatic coiler, computer, production lines and warehouse printer. Future minimum lease payments under finance leases together with the present value of the minimum lease payment are as follows (without interests and finance charges):

	31.12.10	31.12.09
	value of payments €000'	value of payments €000'
Within one year	78	39
After one year but not more than five years	102	38
Over than five years	0	0
Total minimum lease payments	180	77
Less: Amounts representing finance charges	0	0

**18. Trade and other payables**

	<u>31.12.10</u>	<u>31.12.09</u>
Trade payables	928	626
Insurance and pension funds	0	0
Current tax liabilities	0	0
Liabilities to group companies	1.046	1.528
Advances from clients	0	0
Other payables	85	39
Roundness Difference	-1	-1
	<u>2.058</u>	<u>2.172</u>

Aristovoulos G. Petzetakis S.A. signed an Agreement on Subordination per 31.12.2006 in the amount of the not by equity covered losses, max. 500.000,00 EUR.

**19. Provisions for current liabilities and charges**

Total amount of provisions per end of 31.12.2010 is 218.387 EUR.

**20. Accrued expenses/Deferred income**

Per 31.12.2010 the company has no accrued expenses/deferred income..

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**21. Provisions for non current liabilities**

Total amount of provisions per end of 31.12.2009 is 526.087 EUR.

A. Petzetakis Deutschland GmbH took over the pension promise from A. Petzetakis GmbH towards their former officer authorized to act and sign on behalf of the firm. To get the value of this pension we used an offer from HDI-Gerling insurance which was made on the assumption that the pension promise would be transferred to them.

Together with this pension promise the belonging back covering insurance with an amount of 141.592 EUR was also taken over and is included as liability insurance under the non current assets.

Per 31.12.2009 the back covering insurance was adjusted to the appraisal of HDI-Gerling to 140.077,59 EUR.

Starting in January 2009 the former officer authorized to act and sign on behalf of the firm will receive a monthly pension at the amount of 1.965 EUR from A. Petzetakis Deutschland GmbH. After his death his widow will receive 60% of this pension until she passes away.

The amount of the pension (409.927 EUR) is not booked as provision for retirement benefit but as an other non current provision. Per 31.12.2010 the amount of the pension/other non current provision is 362.758 EUR

**21a. Deferred tax liability**

<u>31.12.10</u>	<u>31.12.09</u>
<u>279</u>	<u>296</u>

Resulting from the revaluation of assets per 31.12.2008 the company now has deferred tax liabilities. The value of the deferred tax liability is 30,53% (tax rate for deferred taxes consisting of 14,7% trade tax, 15,00% corporate tax and 0,83% solidarity-charge) of the revaluation reserve of 1.017.573 EUR.

Per 31.12.2009 the deferred tax liability is 30,53% of the revaluation reserve of 969.799 EUR.

Per 31.12.2010 the deferred tax liability is 30,53% of the revaluation reserve of 913.649 EUR

**22. Commitments and contingencies**

On 17.03.2009 A. Petzetakis Deutschland GmbH has given a guarantee to Sovere SPA, Verona with regard to the correct and timely handling of all obligations and/or payments to be made for the account of the company Induplas SPA up to a maximum amount of EUR 150.000,00.

Besides provisions and payables A. Petzetakis Deutschland GmbH has other commitments, resulting from lease contracts and long-term tenancy agreements.

The amount of future leasing payments (not discounted) is 456.191,83 EUR with the following due dates:

	<u>31.12.2010</u>
due till 31.12.2011	194.694 EUR
after 31.12.2011	<u>261.498 EUR</u>
	456.192 EUR

Main things which are leased are company cars, fork lifts, production printers, warehouse soft- and hardware and some production lines.

Besides the above leasing other commitments resulting from tenancy areements exist with the following amounts and due dates:

	<u>31.12.2010</u>
due till 31.12.2011	334.632 EUR
due after 31.12.2011	<u>481.290 EUR</u>
	815.922 EUR

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**23. Related party disclosures** (in thousand EUR)

**a) Intercompany transactions (figures taken from ICOY file) as per 31.12.10**

**A. Petzetakis Deutschland GmbH has trade accounts receivable from...**

- Induplas:	3
- Flexiplas:	3
- Petzetakis Romania:	3
= total	9

**A. Petzetakis Deutschland GmbH has other accounts receivable from...**

- Eurohose:	4
- Induplas:	45
- Petzetakis Northern Greece:	62
= total	111

**A. Petzetakis Deutschland GmbH has trade accounts payable to ...**

- Induplas:	9
- Flexiplas:	219
- AG Petzetakis SA:	75
= total	303

**A. Petzetakis Deutschland GmbH has other accounts payable to ...**

- Induplas:	478
- A. Petzetakis GmbH:	8
- AG Petzetakis SA:	65
= total	551

**A. Petzetakis Deutschland GmbH has M/L financial debts to ...**

- A. Petzetakis GmbH:	233
= total	233

**A. Petzetakis Deutschland GmbH sold finished products to ...**

- Eurohose:	2
- Flexiplas :	5
- Induplas	3
- AG Petzetakis SA:	1
- Petzetakis Romania:	36
= total	47

**A. Petzetakis Deutschland GmbH purchased finished products from ...**

- Induplas:	95
- Flexiplas :	495
- AG Petzetakis SA:	1.028
= total	1.618

**A. Petzetakis Deutschland GmbH sold raw materials to ...**

- Induplas	25
= total	25

**A. Petzetakis Deutschland GmbH has other revenues from ...**

- Induplas:	188
= total	188

**A. Petzetakis Deutschland GmbH has other purchase from ...**

- AG Petzetakis SA:	12
= total	12

**A. Petzetakis Deutschland GmbH has interest expenses to ...**

- A. Petzetakis GmbH:	14
= total	14

**A. Petzetakis Deutschland GmbH has an existing stock from ...**

- Induplas/Flexiplas:	152
- A. Petzetakis GmbH:	0
- AG Petzetakis SA:	132
= total	284

Notes to the financial statements  
**A. Petzetakis Deutschland GmbH**  
 31<sup>st</sup> December, 2010

**Intercompany transactions (figures taken from ICOY file) as per 31.12.09**

**A. Petzetakis Deutschland GmbH has trade accounts receivable from...**

- Petzetakis Romania:	1
= total	1

**A. Petzetakis Deutschland GmbH has other accounts receivable from...**

- Eurohose:	4
- Induplas :	47
- Petzetakis Northern Greece:	62
= total	113

**A. Petzetakis Deutschland GmbH has trade accounts payable to ...**

- Induplas:	93
- Flexiplas:	87
- AG Petzetakis SA:	372
= total	552

**A. Petzetakis Deutschland GmbH has other accounts payable to ...**

- Induplas:	689
- A. Petzetakis GmbH:	7
- AG Petzetakis SA:	62
= total	758

**A. Petzetakis Deutschland GmbH has M/L financial debts to ...**

- A. Petzetakis GmbH:	233
= total	233

**A. Petzetakis Deutschland GmbH sold finished products to ...**

- Eurohose:	3
- Induplas :	4
- AG Petzetakis SA:	8
- Petzetakis Romania:	33
= total	48

**A. Petzetakis Deutschland GmbH purchased finished products from ...**

- Induplas:	520
- AG Petzetakis SA:	924
= total	1.444

**A. Petzetakis Deutschland GmbH sold raw materials to ...**

- Induplas:	61
= total	61

**A. Petzetakis Deutschland GmbH has other purchase from ...**

- Induplas :	538
- AG Petzetakis SA:	72
= total	610

**A. Petzetakis Deutschland GmbH has interest expenses to ...**

- Induplas :	0
- A. Petzetakis GmbH:	16
= total	16

**A. Petzetakis Deutschland GmbH has an existing stock from ...**

- Induplas:	215
- A. Petzetakis GmbH:	3
- AG Petzetakis SA:	274
= total	492

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**b) Directors' remuneration**

The following table records the emoluments payable to each director during the period:

	<u>Fees for Services</u>	<u>Basic Salary</u>	<u>Bonus</u>	<u>Expenses allowance</u>	<u>Pension contribution</u>	<u>Total</u>
<b>31 December 2010</b>						
Executive directors						
	kumulated 01.01.2010-31.12.2010					
Managing director	0	18.000	0	0	0	18.000
Non executive directors						
Procurist I	0	76.770	6.398	2.400	0	85.568
Procurist II	0	73.377	5.487	0	0	78.864
<b>31 December 2009</b>						
Executive directors						
	kumulated 01.01.2009-31.12.2009					
Managing director I	0	14.000	0	0	0	14.000
	was dismissed per 30.06.2009. He received a severance pay of 4.666,00 EUR which is not included in the above basic salary.					
Managing director II	0	6.000	0	0	0	6.000
	The new managing director receives a salary starting from 01.09.2009.					
Non executive directors						
Procurist I	0	76.770	6.398	2.400	0	85.568
Procurist II	0	73.253	5.486	0	0	78.739

**Notes to the financial statements**  
**A. Petzetakis Deutschland GmbH**  
**31<sup>st</sup> December, 2010**

**24. Financial risk management objective and policies**

The company principal financial instruments, other than derivatives, comprise bank loans, and instalment sale agreements hire purchase contracts, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the year under review, the company policy that no trading in financial instruments shall be undertaken. The main risks arising from the company financial instruments are, liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The company also monitors the market price risk arising from all financial instruments. The magnitude of this risk that has arisen over the year is discussed in note.

*Foreign currency risk*

The company has no significant transactional currency exposures.

As issued in note 3.3. *There is no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.*

*Commodity price risk*

The Group's exposure to price risk is minimal.

*Credit risk*

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. For transactions that are not denominated in the measurement currency of the relevant operating unit, the company does not offer credit terms without the specific approval of the Head of Credit Control. The audit risk is minimum. All the significant single clients accounts with credit risk (taking in consideration aging) are covered at 100%.

**PARTICIPATING OFFICE AUDIT CLEARANCE MEMORANDUM**

To:

BDO Certified & Registered Auditors AE	email: <a href="mailto:m.michelinaki@bdo.com.gr">m.michelinaki@bdo.com.gr</a>
Attn. Marianna Michelinaki	
Patission 81 Street	
GR 104 34 Athens	Fax no: +30 210 8894 321
Greece	

Group entity:	Aristovoulos G. Petzetakis S.A. Group
Year:	31.12.2010
Local Audit Firm:	Petzetakis Deutschland GmbH
Local Audit Engagement Partner:	Thorsten Bruckhaus
Local Audit Engagement Manager:	Irene Kaliebe

**INDEPENDENT AUDITORS REPORT on Aristovoulos G. Petzetakis S.A. Group****Report on the Financial Statements**

We have audited the accompanying financial statements of Aristovoulos G. Petzetakis S.A. Group, which comprise the statement of financial position as at December 31, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control 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 on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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.<sup>6</sup> 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 qualified\* audit opinion.

*Basis for Qualified Opinion\**

We conducted our audit in accordance with German Standards on Auditing ("IDW Prüfungsstandards") which are based on International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Qualified\* Opinion*

In our opinion the financial statements present fairly, in all material respects, the financial position of ABC Company as at December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

N/A



Feb 22, 2011

BDO AG  
Wirtschaftsprüfungsgesellschaft  
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40212 Düsseldorf/Germany