



## A.G. PETZETAKIS – 1Q'04 Results Preview

- **Significant improvement in financials in AGP (parent) drive group results**
- **Further cost savings and enhanced capacity utilization improve margins**
- **AGP Order backlog doubles YOY (April)**
- **We maintain our price target (see Beta Report 18/11/03) of €3.20**

amounts in thous €	1Q 2003 A	1Q 2004 E	04 vs 03
<b>PARENT CO ESTIMATES</b>			
SALES	13.264	16.580	25%
EBITDA	1.560	2.050	31%
PRE TAX PROFITS	309	760	146%
<b>GROUP ESTIMATES</b>			
SALES	44.231	48.700	10%
EBITDA	3.782	4.900	30%
PRE TAX PROFITS (before min)	1.058	1.960	85%

Source: AGB, Beta estimates

### **AG Petzetakis (AGP) 1Q'04:**

#### **Turnover expected up by 25%; Pre tax & minorities profitability doubles**

New products, improved distribution and better market (and weather) conditions are expected to have boost sales by approx. 25%. We expect economies of scale in production and cost savings of approx. €1.5m boost profits to €0.8m despite an increase in raw material prices of 10%. We also expect a further reduction in total liabilities and inventories through continuous improvement of working capital management.

Furthermore, a price increase effective 15 April 2004 is expected to secure the improvement of contribution margins against raw material price increases (due to oil prices).

### **Petzetakis Group 1Q'04:**

#### **Sales expected up 10% - Profits up over 80% to reach € 2m**

AGP improvements and stability in international subsidiaries drive a healthy sales and profit improvement on a group level. Furthermore, Imperial Plastech Group (listed on the Toronto Stock Exchange, IPG) emerges from "court protection" with the acquisition of majority control by AGP. Positive EBITDA is expected for IPG, which is to be consolidated during the 2<sup>nd</sup> quarter.

Continuous improvement of profits and cashflow lead us to reaffirm our belief that the company's restructuring plan is proceeding as planned. We are therefore confident that our estimates for FY 2004 will be reached and we reaffirm our €3.20 12-month price target.

Consolidated Financials (€ mil)	Sales	Ebitda	Pre tax profit	Net debt	P/E *	EV / EBITDA	EV / Sales	P/BV
<b>2002A</b>	178,0	12,4	-9,0	124,8	na	15,2	1,1	1,3
<b>2003A</b>	184,2	20,5	4,3	113,9	19,3	8,6	1,0	-
<b>2004F</b>	205,2	25,8	7,6	113,0	10,9	6,8	0,9	-

\* AGB will not pay taxes for the next 2-3 years due to losses carried forward. Group effective tax rate is estimated at 25%.