

	CLOSING ACCOUNTING YEAR 2004			PREVIOUS ACCOUNTING YEAR 2003			CLOS. ACC. YEAR 2004	PREV. ACC. YEAR 2003
	Acq/Cost	Depreciation	Net Value	Acq/Cost	Depreciation	Net Value		
ASSETS								
B DEFERRED EXPENSES								
4 Other deferred expenses	4.849.022,23	2.618.851,60	2.230.170,63	3.174.199,39	2.001.655,37	1.172.544,02		
	4.849.022,23	2.618.851,60	2.230.170,63	3.174.199,39	2.001.655,37	1.172.544,02		
C FIXED ASSETS								
II Tangible Assets								
1 Land	10.371.202,07	0,00	10.371.202,07	5.987.312,12	0,00	5.987.312,12		
3 Buildings and installations	26.004.067,90	14.440.397,66	11.563.670,24	25.615.036,85	13.417.852,80	12.197.184,05		
4 Machinery - Technical installations and other mechanical equipment	52.122.118,20	33.761.657,23	18.360.460,97	51.689.082,87	31.143.476,75	20.545.606,12		
5 Transportation equipment	1.054.018,27	621.253,12	432.765,15	1.056.657,71	570.416,46	486.241,25		
6 Furniture & other equipments	3.754.901,63	2.998.431,56	756.470,07	3.714.781,76	2.697.441,54	1.017.340,22		
7 Fixed assets under construction & advance payments	1.380.176,21	0,00	1.380.176,21	1.380.176,48	0,00	1.380.176,48		
	94.686.484,28	51.821.739,57	42.864.744,71	89.443.047,79	47.829.187,55	41.613.860,24		
III Long term investments								
1 Investments in other companies			81.659.546,20			81.059.546,20		
5 Long - term notes receivable		207.703,64			241.565,51			
Less : Interest not accrued		57.823,87	149.879,77		67.245,43	174.320,08		
7 Guarantees given			699.920,88			695.551,92		
			82.509.346,85			81.929.418,20		
TOTAL FIXED ASSETS (CI+CII+CIII)			125.374.091,56			123.543.278,44		
D CURRENT ASSETS								
I Stocks								
1 Merchandised			2.406.890,00			2.405.899,56		
2 Finished & semifinished products , by products and scrap			17.105.893,49			14.928.016,06		
4 Raw material, other material, spare parts and packaging material			3.016.278,00			2.877.509,27		
5 Advances for stocks			0,00			7.872,59		
			22.529.061,49			20.219.297,48		
II Receivables								
1 Customers			23.941.216,00			23.690.962,80		
2 Bills receivable - in portfolio - in banks as guarantee		36.747,00	41.455,00		60.573,84	104.510,84		
		4.708,00			43.937,00			
3a Cheques receivable			2.386.192,06			390.825,62		
5 Short-term receivable from affiliated companies			1.652.846,04			2.592.258,99		
11 Sundry Debtors			3.972.352,14			3.579.782,94		
12 Advances on account			32.941,11			6.637,27		
			32.027.002,35			30.364.978,46		
III Investments								
1 Shares			11.163.792,21			11.741.097,21		
			11.163.792,21			11.741.097,21		
IV Liquid Funds								
1 Cash in hand			14.637,76			7.999,59		
3 Cash at banks			3.184.989,06			2.236.603,87		
			3.199.626,82			2.244.603,46		
TOTAL CURRENT ASSETS (DI+DII+DIII+DIV)			68.919.482,87			64.569.976,61		
E TRANSITORY ACCOUNTS								
1 Prepaid expenses			113.473,33			247.640,71		
			113.473,33			247.640,71		
GRAND TOTAL ASSETS (A+B+C+D+E)			196.637.218,39			189.533.439,78		
MEMO ACCOUNTS								
2 Guarantees given			5.290.267,54			5.268.541,67		
4 Other memo accounts			4.838.755,50			12.475.653,60		
			10.129.023,04			17.744.195,27		

- NOTES**
- The company's land and buildings have been revalued according to IFRS and the revaluation surplus arisen is included in the revaluation reserve. Revaluation surplus related to machinery (Euro 30.000.000) will be accounted for in year 2005.
 - The company has been subject to a tax audit up to year 2002.
 - The average number of personnel employed during 2004 is 373.
 - There are no significant judicial or administrative or under litigation cases which may have a significant impact on the financial position and operation of the company.
 - The land and buildings of the company are secured with a pre-notice of Euro 132 million for total coverage of bank loans and letters of guarantee.
 - The net investments in fixed assets from 1.1.2004 up to 31.12.2004 amount to Euro 616.194,37.
 - The analysis of sales according to categories of activity in compliance with the 4-digit STAKOD-03 is code 2521, "Manufacturing of plastic layers, pipes and products of predefined structure" Euro 69,142 million.
 - During 1999 the Share Capital (Paid Up) of the company was increased (warrants exercise period 19/11/99 - 20/11/99) by a new issue of 10.761.292 shares. The total amount of raised capital, the cash deposit of which was certified on 28/12/99, was Euro 78.952.986 including issue expenses of Euro 1.320.617. The new shares were listed in A.S.E on 20/01/2000.
 - The company's accounting policy is applied consistently.
 - The finance leases as at 31.12.04 (expiry date 2014) amount to Euro 6,5 million.
 - A cancellation of own shares (carrying value Euro 3.963.008,04) with nominal value Euro 681.826 was decided by the General Meeting at 30/12/04 by equal charge against equity.
 - The accounting entry will take place in year 2005 because the G.M. decision is pending for approval by the Greek authorities.
 - Short term bank loans have been written off with bank cheques given as guarantee for bank loans coverage.

**PROFIT AND LOSS ACCOUNT
AS AT DECEMBER 31, 2004**

	Closing accounting year 2004		Previous accounting year 2003	
I Operating Results				
Net Turnover (sales)		69.142.572,01		57.291.786,09
Less : Cost of sales		58.872.746,17		46.850.818,76
Gross operating results (profit)		10.269.825,84		10.440.967,33
Plus : Other operating income		1.856.570,24		1.608.760,26
Total		12.126.396,08		12.049.727,59
Less :				
1 Administrative expenses		4.014.187,35		4.624.617,30
2 Research and development expenses		128.676,93		188.236,84
3 Distribution costs		6.503.852,67		6.031.319,38
Sub-total operating results (profit)		1.479.679,13		1.205.554,07
Plus :				
4 Credit Interest and related income		5.273.051,25		4.167.805,91
Less: 3 Debit interest and similar charges		5.662.916,57		6.289.854,46
Total operating results (loss)		1.089.813,81		-916.494,48
Plus : Extraordinary results				
1.Extraordinary income		444.471,44		261.775,26
2.Extraordinary profits		219.464,46		301.395,78
3.Prior year income		69.577,81		1.742.475,99
		733.513,71		2.305.647,03
II Less :				
1.Extraordinary and non-operating expenses		344.870,92		236.169,38
2.Extraordinary losses		1.731,61		10.009,82
3.Prior year expenses		100.994,21		92.883,88
4.Provisions for extraordinary liabilities		0,00		178.575,00
Operating & extraordinary results profit/(loss)		1.375.730,78		871.514,47
Less :				
Total value adjustments of fixed assets		4.530.053,98		5.345.408,64
less : Charged to the operating cost		0,00		0,00
NET RESULTS PROFIT/ (LOSS) before taxes		1.375.730,78		871.514,47

APPROPRIATION ACCOUNT

	Clos. acc. year 2004	Prev. acc. year 2003
Net profit /losses for the years before taxes	1.375.730,78	871.514,47
Less: Accumulated results(deficit) brought forward	-40.858.405,19	-41.466.613,90
Total	-39.482.674,41	-40.595.099,43
Less: 2. Other taxes not included in operating cost	449.267,04	263.305,76
Losses carried forward	39.931.941,45	-40.858.405,19

CHAIRMAN OF THE
BOARD OF DIRECTORS AND
MANAGING DIRECTOR

GEORGE A. PETZETAKIS
AAT Π 317731

GLYFADA 16 FEBRUARY 2005
THE CHIEF FINANCIAL OFFICER

PAULOS KANELLOPOULOS
AAT X 006982

HEAD ACCOUNT DEPARTMENT

PANAGIOTHIS KONDYLHS
AMA 8627

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A.G. PETZETAKIS S.A.

We have audited the financial statements together with the annexes (notes and schedules) and the cash flow statement of the Company A.G. PETZETAKIS S.A. for the year ended 31 December, 2004. Our audit, during which we also reviewed the books of the branches, was conducted in accordance with the provisions of article 37 of company law 2190/1920 and the auditing procedures we considered necessary based on the auditing standards followed by the Greek body of Certified Auditors and Accountants which in turn are in agreement with the principles of International Auditing Standards. The books and records of the company were made available to us and we received all information and explanations required for the purposes of our audit. The company has applied the Greek General Chart of Accounts correctly. There was no change in the accounting policies compared to those of the previous year and the cost of production has been prepared in accordance with the generally accepted methods of cost accounting. We have verified the Report of the Board of Directors to the Annual General Meeting of Shareholders with the financial statements. The annexed financial statements with the notes and schedules include all the disclosures required by the relevant Greek legislation (paragraph 1 of article 43a of company law 2190/1920). From our audit the following are noted:

- Participations of € 81,6 millions and securities of € 11,1 millions is the cost of acquisition of shares of associated companies and of shares of a listed company respectively. This cost exceeds the net worth of the associated companies by € 18,7 millions and the cost of the listed shares exceed their current value by 9,7 millions.
- No provision has been made for: a) doubtful debtors € 5,5 millions, b) employees retirement benefits amounting to € 2,1 millions out of which € 2 millions relate to previous years, c) income taxes for previous years € 0,4 millions and d) slow-moving inventories amounting to € 5 millions.
- Losses from sale of other investments amounting to € 0,5 millions were not realised through the income statement but instead were charged against the equity.
- Tax liabilities have been finalized up to 2002.

In our opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraphs, the financial statements which were extracted from the books and records of the company show together with the relevant annexes (notes and schedules) and the cash flow statement the financial position and the results of operation of the company for the year ended 31 December, 2004 in accordance with the relevant legislation and accounting standards, which have been generally accepted and which have been consistently applied as in the previous year.

Athens, 21 February, 2005

THE CERTIFIED AUDITOR

DAMIANOS CONSTANTINOU
A.M. SOEL 11141
MOORE STEPHENS
CHARTERED ACCOUNTANTS