

**A.G. PETZETAKIS S.A**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**

14th CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31.12.2004

ASSETS	ENDING YEAR 2004			PREVIOUS YEAR 2003		
	Acq/Cost	Depreciation	Net Value	Acq/Cost	Depreciation	Net Value
<b>B ESTABLISHMENT &amp; SETUP COSTS</b>						
1 Establishment and initial installation expenses	119.236,24	83.972,52	35.263,72	79.433,12	79.433,12	0,00
2 Exchange differences from loans for asset acquisition	0,00	0,00	0,00	0,00	0,00	0,00
3 Pre operating interest	0,00	0,00	0,00	0,00	0,00	0,00
4 Other pre setup costs	4.849.022,23	2.618.851,60	2.230.170,63	3.174.199,39	2.001.655,37	1.172.544,02
	<b>4.968.258,47</b>	<b>2.702.824,12</b>	<b>2.265.434,35</b>	<b>3.253.632,51</b>	<b>2.081.088,49</b>	<b>1.172.544,02</b>
<b>C FIXED ASSETS</b>						
<b>I Intangible Assets</b>						
1 Research and development expenses	456.098,41	195.902,48	260.195,93	595.499,32	235.495,89	360.003,43
2 Goodwill & Industrial rights	1.032.357,34	519.529,21	512.828,13	1.014.244,01	364.393,71	649.850,30
3 Other intangible Assets	669.480,08	563.986,08	105.474,00	607.527,60	469.524,73	138.002,88
	<b>2.157.915,83</b>	<b>1.279.417,76</b>	<b>878.498,06</b>	<b>2.217.270,94</b>	<b>1.069.414,33</b>	<b>1.147.856,61</b>
<b>II Tangible Assets</b>						
1 Land	17.475.654,35	13.479,01	17.338.175,34	10.851.758,94	132.571,90	10.719.187,04
3 Buildings and Constructions	40.737.529,56	19.644.051,21	21.093.478,35	36.525.932,99	18.201.066,38	18.324.866,61
4 Machinery - Technical installations and other mechanical equipment	98.212.881,31	57.559.653,31	40.653.227,99	90.734.597,16	51.519.048,26	39.215.548,90
5 Transportation equipment	2.180.231,94	1.497.904,80	682.327,14	2.245.621,80	1.526.938,23	718.683,57
6 Furniture & fixtures	9.199.321,38	7.251.990,74	1.947.330,64	9.096.320,78	6.308.083,04	2.788.237,74
7 Fixed Assets under construction	2.167.038,35	0,00	2.167.038,35	1.562.064,62	11.079,80	1.550.984,82
	<b>169.972.656,88</b>	<b>86.091.079,07</b>	<b>83.881.577,81</b>	<b>151.016.296,29</b>	<b>77.698.787,61</b>	<b>73.317.508,68</b>
<b>Total Fixed Assets (C+II)</b>	<b>172.130.572,71</b>	<b>87.370.496,84</b>	<b>84.760.075,87</b>	<b>153.233.567,23</b>	<b>78.768.201,94</b>	<b>74.465.365,29</b>
<b>III Participations and other long-term financial assets</b>						
1 Participation in affiliated companies			10.439.067,82			34.850.734,15
1a Participation in affiliates companies			0,00			0,00
2 Participation in other companies			13.053.066,31			3.933.105,10
5 Long - term bills receivable	207.703,64		149.879,77	241.565,51		174.320,08
Less : Interest not accrued	57.823,87		149.879,77	67.245,43		174.320,08
7 Other long term financial assets			9.420.843,82			3.194.808,62
			<b>33.062.857,72</b>			<b>42.152.967,94</b>
<b>Total Fixed Assets (C+II+CIII)</b>			<b>117.822.933,59</b>			<b>116.618.333,24</b>
<b>D Current Assets</b>						
<b>I Inventories</b>						
1 Merchandise			17.680.807,62			14.111.419,08
2 Finished & semifinished products , by products and scrap			20.869.112,29			18.554.320,90
4 Raw and auxiliary materials,consumables spare parts and packaging materials			9.375.647,28			9.641.373,59
5 Advances to supplies			0,00			21.811,65
			<b>47.845.567,19</b>			<b>42.328.925,22</b>
<b>II Receivables</b>						
1 Open accounts receivable			35.374.780,20			26.660.773,09
2 Bills receivable			53.470,37		9.687.004,88	2.466.737,24
- On hand			2.256.760,08		92.746,36	12.246.488,48
- with banks for collection			4.708,00		0,00	0,00
3 Bills Overdue			0,00		0,00	0,00
3a Cheques receivable (postdated)			2.536.418,67		969.750,77	0,00
3b Cheques receivable (postdated) overdue			0,00		0,00	0,00
5 Short-term receivable from affiliated companies			2.226.079,60		1.226.927,74	0,00
10 Doubtful receivable		1.026.722,05	42.332,57		1.917.979,42	165.636,68
Less : Provisions		984.389,48	8.302,97		1.752.342,74	165.636,68
11 Short-term receivable from affiliated companies			8.583.024,97		4.877.325,29	656.748,24
11a Greek state			89.326,47		2.756.452,08	51.568,53
12 Advances and other customer credits			51.925.649,17		48.953.922,66	0,00
<b>III Securities</b>						
1 Shares		11.192.354,96	11.192.354,96		11.883.980,45	11.883.980,45
Less : Allowances for value decline		0,00	0,00		0,00	0,00
			<b>11.192.354,96</b>			<b>11.883.980,45</b>
<b>IV Cash</b>						
1 Cash			3.496.151,90			594.688,86
3 Sight and time deposits			3.306.269,06			2.480.411,27
			<b>6.802.420,96</b>			<b>3.075.100,13</b>
<b>Total Current Assets (D+II+DIII+DIV)</b>			<b>117.865.992,27</b>			<b>106.241.928,47</b>
<b>E TRANSITORY ASSET ACCOUNT</b>						
1 Prepaid expenses			170.311,04			279.466,59
2 Receivables from currently-earned income			0,47			0,47
3 Other transitory asset accounts			0,00			0,00
			<b>170.311,51</b>			<b>279.467,06</b>
<b>TOTAL ASSETS (A+B+C+D+E)</b>			<b>238.124.671,72</b>			<b>224.312.272,79</b>
<b>DEBIT MEMO ACCOUNTS</b>						
2 Debit accounts relating to Guarantees & collateral			6.427.820,32			5.821.957,46
4 Other debit memo accounts			10.860.043,00			17.310.380,22
			<b>17.287.863,32</b>			<b>23.132.337,68</b>

CAPITAL AND LIABILITIES	ENDING YEAR 2004		PREVIOUS YEAR 2003	
<b>A A. EQUITY CAPITAL</b>				
<b>I SHARE CAPITAL</b>				
1 Paid		24.750.972,00		24.750.972,00
II Premium on capital stock		83.783.054,45		86.169.615,24
<b>III Differences of revaluation-investment subsidies</b>				
1 Reserves from value readjustments of participations and securities		3.477.693,12		3.955.642,64
2 Reserves from value readjustments of fixed assets		15.377.712,77		8.857.825,34
3 fixed assets investment subsidies		1.273.182,17		1.501.011,63
		<b>20.128.588,06</b>		<b>14.314.479,61</b>
<b>IV Reserves</b>				
1 Statutory reserve	1.295.029,58		1.098.560,71	
Less:Loss from Securities participations devaluation for offsetting	-15.347.997,25	-14.052.967,67	-14.770.692,25	-13.672.131,54
3 Special reserve		4.416.294,55		1.547.099,09
4 Extraordinary reserve		4.068.966,83		4.111.914,83
5 Tax free reserve under special laws		3.075.246,61		663.808,66
		<b>-2.492.459,66</b>		<b>-7.349.308,95</b>
<b>V Retained earnings</b>				
Profit (loss) carried forward		-30.044.225,22		-40.843.869,16
Treasury stock		-3.963.008,04		-3.963.008,04
		<b>-34.007.233,26</b>		<b>-44.806.877,20</b>
<b>VI Minority rights</b>				
In capital		616.875,15		3.052.333,03
In reserves and profits		802.231,27		249.170,60
		<b>1.419.106,43</b>		<b>3.301.503,63</b>
<b>VIII Consolidation Differences</b>				
Total Equity Capital (A+I+II+III+IV+V+VI+VII)		64.415.000,31		61.796.882,34
<b>B PROVISIONS FOR RISKS &amp; EXPENSES</b>				
1 Provisions for personnel indemnities		902.423,09		1.007.990,56
2 Other provisions		2.253.925,99		2.780.623,71
		<b>3.156.349,08</b>		<b>3.788.614,27</b>
<b>C LIABILITIES</b>				
<b>I Long Term</b>				
2 Bank loans		16.516.302,37		28.156.101,34
8 Other long term liabilities		2.131.878,41		1.007.398,90
		<b>18.648.180,78</b>		<b>29.163.500,23</b>
<b>II Short term</b>				
1 Suppliers Credit		36.257.241,19		18.557.262,72
2 Notes payable for abroad		13.692.340,25		10.881.857,32
2b Outstanding cheques (postdated)		705.193,64		469.229,56
3 Short term bank debt		41.386.301,30		49.923.242,67
4 Customers advances		2.818.421,64		2.499.325,16
5 Taxes-dues payable		1.379.633,49		1.930.218,82
6 Insurance and pension fund dues		695.551,92		616.612,45
7 Current portion of long term liabilities		52.311.268,92		38.892.800,30
10 Dividends payable		0,00		0,00
11 Sundry Creditors		1.492.362,83		4.349.770,91
		<b>150.738.315,18</b>		<b>128.120.327,91</b>
Total liabilities (C+II)		<b>169.386.495,96</b>		<b>157.283.828,14</b>
<b>D ACCRUALS &amp; DEFERRED INCOME</b>				
2 Accrual expenses		1.129.250,64		1.377.369,37
3 Other accruals expenses		37.575,73		65.578,67
<b>GRAND TOTAL LIABILITIES (A+B+C+D)</b>		<b>238.124.671,72</b>		<b>224.312.272,79</b>
<b>CREDIT MEMO ACCOUNTS</b>				
1 Assets belonging to third parties		0,00		0,00
2 Credit accounts relating to guarantees and collateral		6.427.820,32		5.821.957,46
4 Other credit memo accounts		10.860.043,00		17.310.380,22
		<b>17.287.863,32</b>		<b>23.132.337,68</b>

- The last revaluation of the parent company's land and building took place during 2004 in accordance with IAS. Regarding equipment, a revaluation premium of EURO 30 million will be reported in 2005.
- Tax liabilities at the holding company have been finalised up to 2002.
- The average number of personnel employed during 2003 is 1509
- 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 Group.
- There is a pre-notice in holding companies land and buildings for coverage at bank loans.
- The net investments in fixed assets from 1.1.2003 up to 31.12.2003 amount to approximately Euro 7,543 million
- Apart from the parent company the following companies are consolidated: " PETZETAKIS OF NORTHERN GREECE S.A. 94.18%", " HELIFLEX PETZETAKIS TUBOS LDA 100%", " BEHKAPLAST GMBH 100%", " A.G.PETZETAKIS ROMANIA S.R.L. 100%", " A.G. PETZETA INTERNATIONAL HOLDINGS L.T.D. 100%", " A.G. PETZETAKIS AFRICA P.T.Y. 100%", " A PETZETAKIS GMBH 100%", " EUROHOSE LTD 100%", " MILLENIUM HOLDINGS 100%", " FLEXIPLAS S.A. 100%" and "INDUPLAS S.P.A. 100%". All of the above companies, v The consolidation does not include "HELLIFLEX IRAN", " AVID IRAN", "OLTCHIM PETZETAKIS", " A.G. PETZETAKIS ROMANIA LTD" which do not have any significant activities.
- 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 206,175 million.
- The Group's policy for the translation of the Subsidiary company financial statements for consolidation purpose is to use the rates prevailing at the Balance Sheet date.
- There is a financial lease (expiry date 2014) which amounts to Euro 6.5 million.

CONSOLIDATED PROFIT AND LOSS ACCOUNT				
AS AT DECEMBER 31, 2004				
	ENDING YEAR 2004		PREVIOUS YEAR 2003	
<b>I Operating Results</b>				
Net turnover (sales)		206.175.765,35		184.159.954,94
Less : Cost of goods sold		154.881.994,87		135.654.287,82
Gross profit		51.293.770,48		48.505.667,12
Plus : Other operating income		722.966,62		1.606.260,92
Total		52.016.737,10		49.911.928,03
Less :				
1 Administrative expenses	12.558.499,09		13.607.882,29	
2 Research and development expenses	595.777,78		733.599,39	
3 Selling expenses	25.860.309,28	39.014.586,15	24.104.216,19	38.445.697,87
Operating Results before financial transactions		13.002.150,95		11.466.230,16
Plus :				
1 Income from participations	0,00		0,00	
1a Benefits from affiliates companies	0,00		0,00	
2 Income from securities	0,00		9.637,87	
3 Gain on sale of participations and securities	112.841,31		2.355,08	
4 Interest and related income	145.582,18	258.423,48	810.334,00	822.326,96
less :				
1 Participations and securities value decline allowances	0,00		0,00	
1a Losses of participations in affiliated companies	0,00		0,00	
2 Losses from sale of participations and securities	0,00		0,00	
3 Interest charges and related expenses	7.689.448,65	7.689.448,65	-7.431.025,17	8.224.353,96
			8.224.353,96	-7.402.027,01
<b>Total operating results</b>		<b>5.571.125,78</b>		<b>4.064.203,16</b>
<b>II Plus : EXTRAORDINARY RESULTS</b>				
1 Extraordinary income		590.403,57		718.002,63
2 Extraordinary profits		358.783,02		365.672,05
3 Prior year income		217.588,65		1.783.342,51
		<b>1.166.775,24</b>		<b>2.897.217,19</b>
Less :				
1 Extraordinary and non-operating expenses	981.456,68		1.164.098,48	
2 Extraordinary loss				