

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

**INTERIM**  
**FINANCIAL STATEMENTS**

**30<sup>TH</sup> JUNE, 2005**

**I N D E X**

	<u>Page</u>
AUDITORS' REVIEW REPORT	1
INTERIM INCOME STATEMENT	2
INTERIM BALANCE SHEET	3
INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY	4
INTERIM CASH FLOW STATEMENT	5
NOTES TO THE INTERIM FINANCIAL STATEMENTS	6 – 22

The financial statement of the company, pages 2 through 22, were approved by the Board of Directors and authorised for issue on 25 August, 2005.

**THE CHAIRMAN OF THE BOARD  
OF DIRECTORS AND  
MANAGING DIRECTOR**

**THE VICE CHAIRMAN  
OF THE BOARD OF  
DIRECTORS**

**THE FINANCIAL  
DIRECTOR**

**THE FINANCIAL MANAGER AND  
CHIEF ACCOUNTANT**

**GEORGE A. PETZETAKIS**  
I.D. ΠΠ317731

**EVAGELOS  
PAPAZOGLOU**  
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A.M.A 8627

## **REVIEW REPORT (TRANSLATION)**

### **To the Shareholders of “A.G. PETZETAKIS S.A. HELLENIC PLASTICS AND RUBBER INDUSTRY”**

We have reviewed the accompanying interim financial statements of “A.G. PETZETAKIS S.A. HELLENIC PLASTICS AND RUBBER INDUSTRY” for the six month period ended 30 June, 2005. These interim financial statements are the responsibility of the company’s management.

We conducted our review in accordance with the International Standard on Review Engagement, as provided by the Greek Auditing Standards. Substantial part of the review is the critical evaluation of the data and information included in the interim financial statements and the securing of sufficient explanations on issues we discussed with the finance and accounting personnel. The scope of the review is substantially less than the scope of an audit which is carried out for the purpose of issuance of an audit report, where the scope is the formation and expression of opinion on the financial statements. Consequently the present report is not an audit report.

Based on the review we have carried out, we confirm that we have not noted matters which involve substantial variations on the above interim financial statements in order to have them in compliance with the international accounting standards which have been adopted by the European Union.

Without qualifying our review conclusion we draw your attention to the fact that a) Loan instalments of Euro 44 mil due by the parent company are overdue as at 30.6.2005 and b) the parent company’s tax liabilities since the accounting year 2003 have not yet finalised.

Athens, September 6, 2005

THE CERTIFIED AUDITOR

DAMIANOS CONSTANTINOU  
REG. NO. 11141  
MOORE STEPHENS  
CHARTERED ACCOUNTANTS

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**INTERIM INCOME STATEMENT**  
**1.1.2005 – 30.06.2005**  
**(Expressed in 000, Euro)**

	<u>Notes</u>	<u>01.01.05- 30.06.05</u>	<u>01.04.05- 30.06.05</u>	<u>01.01.04- 30.06.04</u>	<u>01.04.04- 30.06.04</u>
Revenue	4	33.567	19.131	39.834	22.845
Cost of sales	5	<u>26.139</u>	<u>15.411</u>	<u>35.202</u>	<u>20.432</u>
<b>Gross profit</b>		<u>7.428</u>	<u>3.720</u>	<u>4.632</u>	<u>2.413</u>
Other operating income		<u>937</u>	<u>628</u>	<u>1611</u>	<u>952</u>
<b>Total gross profit</b>		8.365	4.348	6.243	3.365
Administrative expenses	6	2.254	1.313	1940	956
Other operating expenses (Research and development expenses)	6	86	42	70	35
Distribution costs	6	<u>3.734</u>	<u>1.795</u>	<u>3.370</u>	<u>1.927</u>
<b>Profit from operations</b>		2.291	1.198	863	447
<b>Non operating income</b>					
Income from instructions	7	1.185	174	1.561	366
Other income		<u>968</u>	<u>616</u>	<u>429</u>	<u>299</u>
<b>Non operating expenses</b>		4.444	1.988	2.853	1.112
Finance costs	8	3.469	1821	3.263	1.837
Loss from investments		--	--	578	433
Exchange loss		--	--	293	220
Other expenses		674	139	1.234	970
Provision for devaluation of investments in associates and securities		<u>--</u>	<u>--</u>	<u>836</u>	<u>627</u>
<b>Profit /(Loss) for the period before taxes</b>		301	28	(3.351)	(2.975)
Income tax		265	208	--	--
Deferred tax		<u>87</u>	<u>104</u>	<u>( 407)</u>	<u>( 193)</u>
<b>Net (loss) for the period</b>		<u>(51)</u>	<u>(284)</u>	<u>(2.944)</u>	<u>(2.782)</u>
<b>Earnings per share</b>		<u>(0.002)</u>	<u>(0.012)</u>	<u>(0.12)</u>	<u>(0.11)</u>

Notes forming an integral part of the financial statements on pages 6 to 22.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**INTERIM BALANCE SHEET**  
**1.1.2005 – 30.06.2005**  
**(Expressed in 000, Euro)**

	<u>Notes</u>	<u>30.06.2005</u>	<u>31.12.2004</u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Tangible assets	9	71.516	74.393
Investments in associates	10	62.854	62.854
Other non current assets		<u>402</u>	<u>413</u>
		134.772	137.660
<b>Current Assets</b>			
Inventories	11	10.294	12.337
Trade and other receivables	12	43.996	40.046
Investments held for trading (securities)	13	--	1.439
Deferred tax	14	1.527	1.527
Cash and cash equivalents	15	<u>84</u>	<u>3.200</u>
<b>Total current assets</b>		<u>55.901</u>	<u>58.549</u>
<b>Total assets</b>		<u>190.673</u>	<u>196.209</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	16	24.069	24.069
Share premium	17	83.783	83.783
Capital reserves	18	9.425	9.425
Revaluation reserves	19	28.475	28.867
Retained deficit	20	(106.668)	(107.847)
<b>Total equity</b>		<u>39.084</u>	<u>38.297</u>
<b>Non current liabilities</b>			
Bank loans and overdrafts-due after one year	21	8.600	11.096
Retirement benefit obligation		2.164	2.288
Obligations under finance leases-due after one year	22	5.686	6.863
Other non current liabilities		<u>--</u>	<u>4</u>
<b>Total non current liabilities</b>		<u>16.450</u>	<u>20.251</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	30.977	31.958
Obligations under finance leases-due within one year	22	1.607	1.708
Bank loans and overdrafts-due within one year	23	98.438	99.218
Tax liabilities	25	701	656
Provisions	26	1.121	1.646
Deferred income	27	<u>2.295</u>	<u>2.475</u>
<b>Total current liabilities</b>		<u>135.139</u>	<u>137.661</u>
<b>Total shareholders equity and current liabilities</b>		<u>190.673</u>	<u>196.209</u>

Notes forming an integral part of the financial statements on pages 6 to 22.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2005**  
**(Amounts Expressed in 000, Euro)**

	Share capital	Share premium	Capital reserves	Revaluation reserves	Accumulated Losses carried forward	Treasury shares	Total Equity
	€	€	€	€	€	€	€
<b>Equity 31.12.2003</b>							
Balance at 31/12/2003	24.751	83.783	9.425	5.384	(55.629)	-3.963	63.751
Changes in accounting policy (adoption of IFRS)				(1.501)	(46.213)		(47.714)
<b>Restated balances 31.12.2003</b>	<b>24.751</b>	<b>83.783</b>	<b>9.425</b>	<b>3.883</b>	<b>(101.842)</b>	<b>-3.963</b>	<b>16.037</b>
<b>Equity 31.12.2004</b>							
Balance at 31/12/2003	24.751	83.783	9.425	3.883	(101.842)	(3.963)	16.037
Changes in accounting policy (adoption of IFRS)	(682)			24.984	(6.931)	3.963	21.334
<b>Restated balances 31.12.2004</b>	<b>24.069</b>	<b>83.783</b>	<b>9.425</b>	<b>28.867</b>	<b>(108.773)</b>	<b>--</b>	<b>37.371</b>
<b>Profit for the year</b>					926		926
<b>Restated balance at 31/12/2004</b>	<b>24.069</b>	<b>83.783</b>	<b>9.425</b>	<b>28.867</b>	<b>(107.847)</b>	<b>--</b>	<b>38.297</b>
Changes in accounting policy (adoption of IFRS)				-392	1.230		838
<b>Loss for the period 1.1.05-30.6.05</b>					( 51)		(51)
<b>Equity 30.06.2005</b>	<b>24.069</b>	<b>83.783</b>	<b>9.425</b>	<b>28.475</b>	<b>(106.668)</b>	<b>--</b>	<b>39.084</b>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**INTERIM CASH FLOW STATEMENT**  
**30 JUNE, 2005**  
**(Expressed in 000, Euro)**

	<u>30.06.2005</u>	<u>30.06.2004</u>
<b>Cash flows from operating activities</b>		
Profit before tax /( Loss )for the period	301	(3.351)
<b>Adjustments for:</b>		
Depreciation of tangible assets	2.277	2.399
Provisions	<u>838</u>	<u>3.399</u>
<b>Operating profit before working capital changes</b>	<u>3.416</u>	<u>2.447</u>
Decrease in inventories	2.044	2.308
(Increase) in debtors	(3.949)	(6.778)
Decrease in other debtors	1.535	0
(Decrease) in payables	(981)	0
(Decrease)/Increase in payables other	(2.163)	2.751
Income Tax	<u>( 352)</u>	<u>407</u>
<b>Cash flows from operating activities</b>	<u>(450)</u>	<u>1.135</u>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets	600	--
Disposal of tangible assets	<u>10</u>	<u>12</u>
<b>Net cash flow from investing activities</b>	<u>610</u>	<u>12</u>
<b>Cash flow from financing activities</b>		
(Increase) in bank loans and overdrafts	<u>(3.276)</u>	<u>(1.330)</u>
<b>Cash flow from financing activities</b>	<u>(3.276)</u>	<u>(1.330)</u>
<b>Net increase in cash and cash equivalents</b>	(3.116)	( 183)
Cash and cash equivalents at beginning of year	<u>3.200</u>	<u>2.245</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>84</u></u>	<u><u>2.062</u></u>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**1. General information**

The financial statements for the period 1/1/-30/6/2005 have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been approved by the Board of Directors which held at 25/8/2005.

The company was incorporated in Athens, Greece on 1960 in accordance with Law 2190/1920 as amended, with a life of 50 years duration which can be extended by resolution of the shareholders' General Meeting.

**2. Objective**

The company's main objective is the construction, process and trading of items which are produced from plastic material, rubber, or metal and each other similar product and in general any activity of such similar trading, industrial and the business of co-operation with entities and also the establishment or participation in Greece or overseas trading or industrial entities, whose objectives are similar.

**3. Significant accounting policies**

**3.1. Accounting convention**

The financial statements have been prepared under the historical cost convention, except for the revaluation of land, buildings and machinery which have been estimated by a specialised appraisal company.

The rate of presentation is Euro and all amounts are expressed in thousands (Rounded in thousands).

**3.2. Statement of compliance**

The financial statements of the company have been prepared, for first time, in accordance with International Financial Reporting Standards (I.F.R.S.).

The previous financial statements (2004) have been prepared in accordance with Greek Accounting Standards. For the adoption to IFRS the attached financial statements have been adjusted accordingly (note 29).

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

3. **Significant accounting policies (cont'd)**

3.3. **Investments in associates**

Investments in associates are initially recognised at cost. Associate company is the company over which the Group has significant influence and which is not a subsidiary. The income statement of the Group does not reflect the share of the results of operations of the associate. The income statement merely includes income from shares of the associate approved by the Shareholders General Meeting.

Changes in associates equity after the acquisition date is not reflected in the consolidated balance sheet.

3.4. **Foreign currency transactions and balances**

Transactions in foreign currencies are reflected at the rate prevailing at the time the transactions are recorded. Monetary assets and liabilities in foreign currencies are Expressed in 000, Euro at the rates ruling at the balance sheet date. Realised and unrealised exchange gains and losses are transferred to profit and loss account. Non monetary items and liabilities that are measured at historical cost are Expressed in 000, Euro at the rates ruling at the acquisition date.

3.5. **Depreciation and amortisation**

**Property, plant and equipment**

Transportation means and equipment are stated at cost less accumulated depreciation and any impairment in value. Land, buildings and machinery are measured at fair value less depreciation. Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<u>Category of assets</u>	<u>Useful life</u>
Buildings	20
Plant and machinery	20
Office equipment	4-7
Transportation means	7-9

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**3. Significant accounting policies (cont'd)**

**3.5. Depreciation and amortisation (cont'd)**

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on building an accumulated impairment losses.

Fair value is determined by independent estimators and is defined as the amount for which the assets could be exchanged between knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the asset revaluation reserve and the rest is transferred to the income statement. An annual transfer from the asset revaluation reserve is transferred to retained earnings for the depreciation relating to the revaluation surplus. Additionally, accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

The operating property, land and machinery have been estimated by a specialised appraisal company at 30.11.2004.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**3. Significant accounting policies (cont'd)**

**3.6. Taxation**

Income tax is based on taxable profits for the period at the rate which is in force for each year for the parent company and the Greek subsidiary: (32% for year 2005). Taxable profits differ from company's profit as reported in the income statement because they exclude items of income or expenses that are not taxable or deductible in other years and they further exclude items that are never taxable or deductible.

Deferred tax is recognised on differences between the carrying amount of assets and liabilities and taxable profit and is accounted for to the extent that it will be utilised.

Deferred income tax assets, are recognised to the extent that it is probably that future taxable profit will be available, against which the temporary differences can be utilised.

The carrying amount of deferred tax assets and liabilities are reviewed at each Balance Sheet date and are reduced if it is necessary to the extent that it is no longer probable that taxable profits will be available to allow all or part of the asset or liability to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or assets realised.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

**3.7. Inventories**

Inventories are stated at the lower of cost and net realisable value.

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

Raw materials	- purchase cost on a first-in, first-out basis;
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.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

3. **Significant accounting policies (cont'd)**

3.8. **Retirement benefits**

In accordance with the Greek labour legislation the Greek companies have to provide to all its retirees a specific financial benefit. The above financial benefit which is payable on the retirement day is percentage 40% on a specified amount based on:

- a. years of service in the company
- b. monthly salary at the retirement year
- c. other factors in accordance with the existing legislation

The defined obligation has been calculated by the company's management actuaries. The estimated liability on 31.12.2004 is recognised in the financial statements.

The obligation of previous year has been separated and charged directly to equity, and the obligation relates to the period, charged to income statement.

The company has not adopted, any retirement benefit plan, in order to secure the availability of the required funds, when obligation is arised.

3.9. **Treasury shares**

Shares held by the company that have not been cancelled are classified in equity as treasury shares, and are accounted for at nominal value. Any gains or losses on purchases or sales of these shares by the company are recognised directly in equity.

3.10. **Revenue**

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.).

***Interest***

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

***Dividends***

Revenue is recognised when the shareholders' right to receive the payment is established.

3.11. **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

3. **Significant accounting policies (cont'd)**

3.12. **Trade receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

3.13. **Bank borrowings**

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

3.14. **Trade payables**

The trade payables are stated at their nominal value.

3.15. **Finance leases**

The company as lessee 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 property 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 except if related to investment property which can be treated according to IAS 23 “Borrowing costs and capitalised”.

3.16. Borrowing costs are recognised as an expense when incurred and charged directly against income.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**4. Revenue**

An analysis of the company's revenue is as follows:

	<u>DOMESTIC</u>	<u>EXPORT</u>	<u>DOMESTIC</u>	<u>EXPORT</u>
	<u>30.06.05</u>		<u>30.06.04</u>	
Merchandise	3.786	239	5.925	2.183
Products	<u>21.225</u>	<u>8.200</u>	<u>22.802</u>	<u>9.105</u>
	<u>25.011</u>	<u>8.439</u>	<u>28.727</u>	<u>11.288</u>

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

	<u>30.06.05</u>	<u>30.06.04</u>
Greece	25.011	28.727
Rest of Europe	6.732	6.827
Africa	890	547
United States	462	827
Other	<u>472</u>	<u>2.906</u>
	<u>33.567</u>	<u>39.834</u>

**5. Cost of sales**

	<u>30.06.05</u>	<u>30.06.04</u>
Material costs	20.223	25.551
Wages	3.494	3.703
Third party wages	335	2.592
Depreciation	1.619	2.470
Sundry expenses	<u>468</u>	<u>886</u>
	<u>26.139</u>	<u>35.202</u>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

6.	<b>Administration &amp; other operating expenses</b>	<u>30.06.05</u>	<u>31.12.04</u>
	Wages	2.176	2.055
	Third party wages	899	777
	Depreciation	1.819	716
	Sundry expenses	<u>1.180</u>	<u>1.832</u>
		<u>6.074</u>	<u>5.380</u>
	The above amounts have been allocated as follows:		
	Administration expenses	2.254	1.940
	Other operating expenses	86	70
	Distribution expenses	<u>3.734</u>	<u>3.370</u>
	Finance costs	<u>6.074</u>	<u>5.380</u>
7.	<b>Income from investments</b>	<u>30.06.05</u>	<u>31.12.04</u>
	Millenium Holdings	170	--
	Flexiplas S.A.	--	400
	Heliflex Tubos L.D.A	--	200
	A.G.P International Holdings	<u>1.015</u>	<u>961</u>
		<u>1.185</u>	<u>1.561</u>
8.	<b>Finance costs</b>	<u>30.06.05</u>	<u>31.12.04</u>
	An analysis of finance costs is as follows:		
	Interest charge of long term borrowings	1.754	1.214
	Interest charge of short term borrowings	1.373	1.420
	Other finance costs	<u>342</u>	<u>629</u>
		<u>3.469</u>	<u>3.263</u>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**9. Fixed assets – tangible assets**

	<b>Land (1)</b>	<b>Buildings</b>	<b>Plant and machinery</b>	<b>Transportation means</b>	<b>Furniture and fittings</b>	<b>Assets under construction</b>	<b>Total</b>
<b><u>Cost</u></b>							
1.1.2005	12.819	31.093	78.590	1.054	3.972	1.380	128.908
Purchases	--	17	591	3	50	--	661
Revaluation	--	--	--	--	--	--	--
Disposals/Transfers	--	--	(48)	(14)	--	(1.199)	(1.261)
<b>30.06.05</b>	<b>12.819</b>	<b>31.110</b>	<b>79.133</b>	<b>1.043</b>	<b>4.022</b>	<b>181</b>	<b>128.308</b>
<b><u>Depreciation</u></b>							
1.1.2005	--	15.140	35.539	621	3.215	--	54.515
On additions	--	643	1458	43	133	--	2.277
On disposals/transfers	--	--	--	--	--	--	--
<b>30.06.05</b>	<b>--</b>	<b>15.783</b>	<b>36.997</b>	<b>664</b>	<b>3.348</b>	<b>--</b>	<b>56.792</b>
<b>N.B.V. 30.06.2005</b>	<b>12.819</b>	<b>15.327</b>	<b>42.136</b>	<b>379</b>	<b>674</b>	<b>181</b>	<b>71.516</b>
<b>N.B.V. 31.12.2004</b>	<b>12.819</b>	<b>15.953</b>	<b>43.051</b>	<b>433</b>	<b>757</b>	<b>1.380</b>	<b>74.393</b>

The net book value of licence lease fixed assets at 30 June, 2005 amount to €11.911 thousand (2004 €11.288 thous).

The land and buildings of the company are secured with a prenotice of Euro 132 million for total coverage of bank loans.

Revaluation of property (land, buildings, plant and machinery) from independent evaluators has been made as at 31.12.2004.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

10 . **Investments in associates**

Investments in associates are stated at cost as follows:

<u>NAME</u>	<u>PLACE OF INCORPORATION AND OPERATION</u>	<b>Group effective shareholding</b>	<b>Percentage of Participation</b>	<b>Cost of acquisition</b>	<b>Equity 30.06.05</b>
HELIFLEX PETZETAKIS TUBOS LTD	II HAVO CODEX, PORTUGAL	100,00%	100,00%	3	6.221
HELIFLEX IRAN	TEHRAN, IRAN	25,00%	25,00%	34	136
A.PETZETAKIS GMBH	RATTINGEN, GERMANY INDUSTRIAL AREA OF SINDOS-	100,00%	100,00%	2.184	2.725
PETZETAKIS NORTH GREECE	SALONICA	94,18%	94,18%	10.159	8.972
AVID (IRAN)	TEHRAN, IRAN	25,00%	25,00%	34	9
A.G.PETZETAKIS ROMANIA SRL	BUCHAREST, ROMANIA	100,00%	100,00%	1.328	672
A.G.PETZETAKIS ROMANIA LTD	CYPRUS	66,70%	66,70%	2.698	
MILLENIUM HOLDINGS LTD	NIUE ISLAND	100,00%	100,00%	9.203	9.001
OLTCHIM PETZETAKIS INC	ROMANIA	2,00%	2,00%	101	
A.G. PETZETAKIS INTERNATIONAL HOLDINGS LTD	CYPRUS	100,00%	100,00%	28.997	18.008
FLEXIPLAS S.A.	BARCELONA, SPAIN	100,00%	100,00%	7.488	7.871
INDUPLAS SPA	VAREZE, ITALY	100,00%	100,00%	623	1.182
EUROHOSE LTD	SLOUGH, UK	100,00%	100,00%	2	(852)
				<b>62.854</b>	<b>53.945</b>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**11. Inventories**

An analysis of the company's inventories is as follows:

	<u>30.06.05</u>	<u>31.12.04</u>
Merchandises	2.336	2.408
Finished goods		
Semi finished products by products and relics	5.706	6.914
Raw and auxiliary materials		
Spare parts and consumables	<u>2.252</u>	<u>3.016</u>
	<u>10.294</u>	<u>12.338</u>

**12. Trade and other debtors**

	<u>30.06.05</u>	<u>31.12.04</u>
Trade debtors	21.215	16.613
Amount due from affiliate company	1.941	1.653
Cheques receivable	19.415	17.621
Sundry debtors	<u>1.425</u>	<u>4.160</u>
	<u>43.996</u>	<u>40.047</u>

**13. Investments held for trading**

	<u>Number of shares</u>	<u>Cost of acquisition</u>	<u>Number of shares</u>	<u>Cost of acquisition</u>
CYCLON HELLAS	<u>    --</u>	<u>    --</u>	<u>1713</u>	<u>1439</u>

The fair value is measured at their listed value as at 30.06.2005.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

<b>14. Deferred taxation</b>	<u>30.06.05</u>	<u>31.12.04</u>
Balance as at 1.1. 2004	1.527	1.120
Charge to income statement	--	<u>407</u>
<b>Balance 31.12.2004</b>	<u>1.527</u>	<u>1.527</u>
Provision for doubtful debts	747	747
Deferred expenses written off	<u>780</u>	<u>780</u>
	<u>1.527</u>	<u>1.527</u>
<b>15. Cash and cash equivalents</b>	<u>30.06.05</u>	<u>31.12.04</u>
Cash in hand	19	15
Cash at banks	<u>65</u>	<u>3.185</u>
	<u>84</u>	<u>3.200</u>
<b>16. Share capital</b>	<u>30.06.05</u>	<u>31.12.04</u>
Authorised, issued and fully paid:		
24.750.972 ordinary shares of 1 € 1.00 each	24751	24751
Cancellation of 681.826 treasury shares (own shares) of nominal value of € 1 each	<u>( 682)</u>	<u>( 682)</u>
	<u>24069</u>	<u>24069</u>
<b>17. Share premium</b>		
Share premium is the difference between the nominal and issue value of ordinary shares sold to the public through the Athens Stock Exchange.		
<b>18. Capital reserves</b>	<u>30.06.05</u>	<u>31.12.04</u>
Statutory reserve	941	941
Special reserve	311	311
Tax free reserve	<u>8.173</u>	<u>8.173</u>
	<u>9.425</u>	<u>9.425</u>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

19. **Revaluation reserves**

<u>Cost</u>	<u>Land Buildings</u>	<u>Plant and machinery</u>	<u>Investments</u>	<u>Total</u>
<b>Balance 31.12.2003</b>	405	--	3.478	3.883
Revaluation of Property, Land and Machinery 31.12.2004	4.744	20.240	--	24.984
Revaluation of Property, Land and Machinery 2005	<u>114</u>	<u>--</u>	<u>--</u>	<u>114</u>
<b>Balance 30.06.2005</b>	<u>5.263</u>	<u>20.240</u>	<u>3.478</u>	<u>28.981</u>
<b><u>Depreciation</u></b>				
<b>Balance 31.12.2003</b>	--	--	--	--
Charge for the period	<u>--</u>	<u>506</u>	<u>--</u>	<u>506</u>
<b>Balance 30.06.2005</b>	<u>--</u>	<u>506</u>	<u>--</u>	<u>506</u>
	<u>5.263</u>	<u>19.734</u>	<u>3.478</u>	<u>28.475</u>

20. **Retained deficit**

Accumulated losses up to 31.12.04	(107.847)
Adjustments according to I.F.R.S.	1.230
Loss for the period	( 51)
<b>Retained deficit 30.6.05</b>	<b>(106.668)</b>

21. **Bank loans and overdrafts-due after one year**

	<u>30.06.05</u>	<u>31.12.04</u>
Syndicated Loan (signed in August 2001)	3.285	9.404
Various Banks	<u>5.315</u>	<u>1.692</u>
	<u>8.600</u>	<u>11.096</u>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

22. **Obligations under finance leases**

	<u>ETVA</u> <u>2283</u>	<u>ETVA</u> <u>2288</u>	<u>PIRAEUS</u>	<u>OTE</u>	<u>ETVA</u> <u>2283</u>	<u>ETVA</u> <u>2288</u>	<u>PIRAEUS</u>	<u>OTE</u>	<u>TOTAL</u>
	<u>Minimum lease payments</u>				<u>Present value of minimum lease payments</u>				
Balance 31.12.2004									
Payments during 2005	1.143	268	532	38	951	219	469	(32)	1.607
Payments 2006-2010	714	67	1.863	--	554	53	1.321	--	1.928
Payments 2011-2014	--	--	4.553	--	--	--	3.758	--	3.758
	<b>1.857</b>	<b>335</b>	<b>6.948</b>	<b>38</b>	<b>1.505</b>	<b>272</b>	<b>5.548</b>	<b>(32)</b>	<b>7.293</b>
Less:Future interest	352	64	1.399	17					
<b>Present value of lease obligations</b>	<b>2.209</b>	<b>399</b>	<b>8.347</b>	<b>55</b>	<b>1.505</b>	<b>272</b>	<b>5.548</b>	<b>(32)</b>	<b>7.293</b>
<b>Less:</b>									
<b>Amount due for settlement within 12 months (shown under current liabilities)</b>					(951)	(219)	(469)	32	(1607)
<b>Amount due for settlement after 12 months</b>					<b>554</b>	<b>53</b>	<b>5.079</b>	<b>--</b>	<b>5.686</b>

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

**23. Bank loans and overdrafts-due within one year**

		<u>30.06.05</u>	<u>31.12.04</u>
Syndicated Loan (signed in March 1999)	(2)	26.847	28.000
Syndicated Loan (signed in August 2001)	(1)	28.070	23.297
National Bank of Greece		12.734	10.435
Alpha Bank		10.212	9.364
Various Banks		<u>20.575</u>	<u>28.122</u>
		<u>98.438</u>	<u>99.218</u>

(1) Represent balance of syndicated loan with Arranger and Agent Bank being Alpha Bank signed in 2001 with 5 years duration. The interest rate is floating at 6 month Euribor plus a margin.

(2) Represent syndicated loan which was raised from CITIBANK INT'L – LONDON in 19.5.1999. Its duration is for 5 years with bullet repayment at maturity.

Short-term bank borrowings are drawn on floating interest rate.

Instalment of the two Syndicate Loans Facilities amounting in total 43,6 mil. Euro are overdue and under refinancing.

**24. Trade and other creditors**

		<u>30.06.05</u>	<u>31.12.04</u>
Trade payables-Cheques receivable		21.052	23.013
Bills payable		4.191	3.035
Social Security Funds		640	529
Other creditors		2.710	2.982
Advances by customers		<u>2.384</u>	<u>2.399</u>
		<u>30.977</u>	<u>31.958</u>

The directors consider that the carrying amount of trade and other payables approximates their fair value.

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

<b>25. Tax liability</b>	<u>30.06.05</u>	<u>31.12.04</u>
V.A.T	247	--
Withholding taxes	114	155
Prior years taxes	237	491
Income taxes for the current period	96	--
Other taxes	<u>7</u>	<u>10</u>
	<u>701</u>	<u>656</u>
 <b>26. Provisions</b>	 <u>30.06.05</u>	 <u>31.12.04</u>
Provision for doubtful debts	52	52
Accrued expenses	68	608
Accrued interest of finance lease	<u>1.001</u>	<u>986</u>
	<u>1.121</u>	<u>1.646</u>
 <b>27. Deferred income</b>	 <u>30.06.05</u>	 <u>31.12.04</u>
Government grants	1.273	1.273
Sales and lease back of head office building (Glyfada building)	<u>1.022</u>	<u>1.202</u>
	<u>2.295</u>	<u>2.475</u>
 <b>28. Contingent liabilities</b>		
28.1. Additional income tax may be assessed by the tax authorities in the case of a tax audit for the unaudited tax years 2003 to 2005.		
28.2. Various legal claims have been filed against the company demanding payments of Euro 4,5 million approximately.		
28.3. The company's land and buildings are secured with a prenotice of Euro 132 million for total coverage of bank loans.		
28.4. Various letters of guarantee issued by banks in the ordinary course of business and for total coverage of bank loans amounting to Euro 5 million approximately.		

**A.G. PETZETAKIS S.A.**  
**HELLENIC PLASTICS AND RUBBER INDUSTRY**  
**Notes to the interim financial statements**  
**30<sup>th</sup> June, 2005**  
**(Expressed in 000, Euro)**

29. **Equity and income statement Reconciliation between Greek G.A.A.P and IFRS for the period 1 January - 30 June 2004 (In 000, Euros)**

	<b>Equity 30.06.04</b>	<b>Income statement 30.06.04</b>	<b>Equity 31.12.03</b>
<b>GREEK G.A.A.P equity /income statement</b>	64.341	590	63.751
Provision for doubtful debts	(6.713)	(861)	(5.852)
Deferred expenses written off	(2.231)	(1.058)	(1.173)
Provision for valuation/devaluation of investments in associates	(18.806)	(600)	(18.206)
Provision for retirement benefits 2004	(2.134)	(105)	(2.029)
Unrealised exchange difference	(615)	(293)	(322)
Loss from securities sales	(577)	(577)	0
Slow moving inventories written off	(10.192)	(1.343)	(8.849)
Other non current assets written off	(437)	0	(437)
Additional income taxes of previous years	(824)	0	(824)
Government grants	(1.501)	0	(1.501)
Sales and lease back of head office building	(1.202)	134	(1.336)
Cancellation of lease instalments paid up to 2004	5.866	1.676	4.190
Lease interest	(1.440)	(340)	(1.100)
Depreciation of lease	(2.694)	(787)	(1.907)
Revaluation/Devaluation of investments in securities	(9.725)	(235)	(9.490)
Other Taxes	448	448	--
Deferred tax:			
Deferred expenses	780	370	410
Provision for retirement benefit	<u>747</u>	<u>37</u>	<u>710</u>
<b>Total adjustments</b>	<b>(51.250)</b>	<b>(3.534)</b>	<b>(47.716)</b>
<b>Equity and income statement after adjustments for IFRS adoption</b>	<b><u>13.091</u></b>	<b><u>(2.944)</u></b>	<b><u>(16.035)</u></b>