

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

**INTERIM (QUARTERLY) FINANCIAL STATEMENTS  
OF THE COMPANY AND GROUP  
FOR 31<sup>ST</sup> MARCH 2008**

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Review Report on the interim financial information

Towards the shareholders of  
A.G. PETZETAKIS S.A. HELLENIC PLASTICS AND RUBBER INDUSTRY

We have reviewed the accompanying individual and consolidated balance sheet of **A.G. PETZETAKIS S.A. HELLENIC PLASTICS AND RUBBER INDUSTRY** as at 31 March, 2008, and the related income statements, statements of changes in equity and cash flow statements for the three month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards which have been adopted by the European Union and are applied in the interim financial information (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” which is similar to the Greek Auditing Standards. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Greek Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information do not present fairly in all material respects the financial position of the entity and of the Group as at 31 March, 2008 and their financial performance and their cash flows for the three month period then ended in accordance with IAS 34.

***Matter of Emphasis***

Without qualifying our report we draw attention to the fact that the company has not been tax audited by the relevant tax authorities from 2003 and after, and thus it is possible that additional taxes and surcharges may be imposed when the fiscal years are audited and finalized. The outcome of the tax audit cannot be assessed at the current stage and thus there has been no relevant provision in the financial statements as regards to this issue (17.a.).

Piraeus, 27 May, 2008

THE CERTIFIED PUBLIC ACCOUNTANT

DIAMANTIS DIAMANTARAS  
A.M. SOEL 15811  
MOORE STEPHENS S.A. CERTIFIED AUDITORS

## GROUP & COMPANY BALANCE SHEET

amounts in thousand euro

	NOTE	GROUP		COMPANY	
		31.03.2008	31.12.2007	31.03.2008	31.12.2007
<b>NON CURRENT ASSETS</b>					
Intangible assets	15A	463	664	-	-
Tangible assets	15A	96,813	102,492	58,894	59,327
Other assets		1,981	775	42,936	42,933
Goodwill	6	9,884	9,884	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>109,141</b>	<b>113,815</b>	<b>101,830</b>	<b>102,260</b>
<b>CURRENT ASSETS</b>					
Inventories	7	23,087	25,666	7,544	7,274
Trade and other receivables	8	37,301	38,793	15,728	13,895
Deferred tax assets	13B	-	-	1,397	1,462
Cash and cash equivalents	9	10,694	1,916	10,058	973
<b>TOTAL CURRENT ASSETS</b>		<b>71,082</b>	<b>66,375</b>	<b>34,727</b>	<b>23,604</b>
<b>TOTAL ASSETS</b>		<b>180,223</b>	<b>180,190</b>	<b>136,557</b>	<b>125,864</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	10	7,487	7,487	7,487	7,487
Share premium		81,765	81,765	81,765	81,765
Capital reserves	11A	16,209	9,882	15,078	9,228
Revaluation reserves	11B	24,285	24,434	20,891	20,891
Stock option plan reserve		314	220	314	220
Translation difference		( 871)	673	-	-
Profit/(Losses) carried forward		( 135,991)	( 130,839)	( 134,610)	( 132,414)
Minority interest		867	1,045	-	-
<b>TOTAL EQUITY</b>		<b>( 5,935)</b>	<b>( 5,333)</b>	<b>( 9,075)</b>	<b>( 12,823)</b>
<b>NON CURRENT LIABILITIES</b>					
Loans payable after one year	13A	118,874	4,953	115,394	-
Retirement benefit obligation		2,478	2,474	1,232	1,200
Deferred tax liabilities	13B	2,898	3,465	-	-
Obligations under finance leases due after one year	16	828	858	-	-
Other non current liabilities		9,111	9,081	9,111	9,081
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>134,189</b>	<b>20,831</b>	<b>125,737</b>	<b>10,281</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14A-C	34,331	46,467	17,885	25,949
Obligations under finance leases	16	191	296	-	94
Short-term loans	14B	16,608	117,349	1,746	102,177
Tax liabilities	12	840	580	265	186
<b>TOTAL CURRENT LIABILITIES</b>		<b>51,969</b>	<b>164,692</b>	<b>19,895</b>	<b>128,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>180,223</b>	<b>180,190</b>	<b>136,557</b>	<b>125,864</b>

The notes on pages 6 – 38 constitute an integral part of the interim financial statements.

## INCOME STATEMENT FOR THE PERIOD 1/1-31/3/2008 GROUP AND COMPANY

(amounts in thousand euro)

	NOTE	GROUP		COMPANY	
		1,1,2008 – 31,3,2008	1,1,2007 – 31,3,2007	1,1,2008 – 31,3,2008	1,1,2007 – 31,3,2007
Turnover (sales)	4	37,972	41,163	10,860	8,587
Cost of sales	5A	31,672	32,136	9,828	8,403
<b>Gross profit</b>		<b>6,300</b>	<b>9,027</b>	<b>1,032</b>	<b>184</b>
Other operating income		227	302	597	86
<b>Total gross operating results</b>		<b>6,527</b>	<b>9,329</b>	<b>1,629</b>	<b>270</b>
Administrative expenses	5B	2,649	5,798	974	870
Research and development expenses	5C	100	141	36	32
Distribution cost	5D	5,165	3,129	1,302	1,349
<b>Operating Loss / Profit</b>		<b>( 1,386)</b>	<b>261</b>	<b>( 683)</b>	<b>( 1,981)</b>
<b>Non operating income</b>					
Finance income (credit interest)		76	-	13	-
Other income		268	471	212	74
		<b>344</b>	<b>471</b>	<b>225</b>	<b>74</b>
<b>Non operating expenses</b>					
Finance cost (debit interest)	5E	2,326	3,199	1,671	2,277
Other expenses		94			234
		<b>2,420</b>	<b>3,199</b>	<b>1,671</b>	<b>2,511</b>
<b>Net results (loss) for the period before taxes</b>		<b>( 3,462)</b>	<b>( 2,467)</b>	<b>( 2,129)</b>	<b>( 4,418)</b>
Taxation	13B	(511)	402	( 67)	1,006
<b>Net results (loss) for the period after taxes from ongoing activities</b>		<b>( 3,973)</b>	<b>( 2,065)</b>	<b>( 2,196)</b>	<b>( 3,412)</b>
Minority interest		( 26)	(110)	-	-
<b>Net results (loss) for the period after ongoing activities</b>		<b>( 3,999)</b>	<b>( 2,175)</b>	<b>( 2,196)</b>	<b>( 3,412)</b>
<b>Suspended activities</b>					
Loss from suspended activities		-	-	-	-
<b>Net results (loss) after taxes</b>		<b>( 3,999)</b>	<b>( 2,175)</b>	<b>( 2,196)</b>	<b>( 3,412)</b>
<b>(Loss) per share (in euro)</b>		<b>( 0.16)</b>	<b>( 0.09)</b>	<b>( 0.09)</b>	<b>( 0.14)</b>

The notes on pages 6 – 38 constitute an integral part of the interim financial statements.

## STATEMENT OF CHANGES IN COMPANY EQUITY

31.03.2008

(amounts in thousand euro)

	Share Capital €	Share Premium €	Capital Reserves €	Revaluation Reserves €	Loss carried forward €	Convertible Bond Reserves €	Stock Option Plan €	Total €
Equity at beginning of period 01.01.2008	7,487	81,765	9,228	20,891	( 132,414)	-	220	( 12,823)
Reserve for stock option plan	-	-	-	-	-	-	94	94
Reserve for convertible bonds	-	-	-	-	-	5,850	-	5,850
Profit / (Loss) for the period 01.01.2008 – 31.03.2008	-	-	-	-	( 2,196)	-	-	( 2,196)
<b>Total Equity at end of period 31.03.2008</b>	<b>7,487</b>	<b>81,765</b>	<b>9,228</b>	<b>20,891</b>	<b>( 134,610)</b>	<b>5,850</b>	<b>314</b>	<b>( 9,075)</b>

## STATEMENT OF CHANGES IN COMPANY EQUITY

31.03.2007

(amounts in thousand euro)

	Share Capital €	Share Premium €	Capital Reserves €	Revaluation Reserves €	Loss carried forward €	Other Reserves €	Stock Option Plan €	Total €
Equity at beginning of period 01.01.2007	24,069	81,765	9,228	20,199	( 130,035)	513	-	5,739
Effect from deferred taxation	-	-	-	692	(1,567)	-	-	(875)
Share Capital Increase	888	-	-	-	-	( 513)	-	375
(Loss) for the period 01.01.2007 – 31.03.2007	-	-	-	-	( 3,412)	-	-	( 3,412)
<b>Total Equity at end of period 31.03.2007</b>	<b>24,957</b>	<b>81,765</b>	<b>9,228</b>	<b>20,891</b>	<b>( 135,014)</b>	<b>0</b>	<b>314</b>	<b>1,827</b>

The notes on pages 6 – 38 constitute an integral part of the interim financial statements.

## STATEMENT OF CHANGES IN GROUP EQUITY

31.03.2008

(amounts in thousand euro)

	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Accumulated losses	Conversion Reserve	Minority Interest	Stock Option Plan	Convertible Bond Reserve	Total
	€	€	€	€	€	€	€	€	€	€
Equity at beginning of period 01.01.2008	7,487	81,765	9,882	24,434	(130,839)	673	1,045	220	0	(5,333)
Other reserves	-	-	477	(148)	(249)	-	-	-	-	80
Difference in exchange rate €/ZAR & €/RON	-	-	-	-	(904)	(1,545)	(204)	-	-	(2,653)
Convertible bonds reserve	-	-	-	-	-	-	-	-	5,850	5,850
(Loss) for the period 01/01/08 - 31/03/08	-	-	-	-	(3,999)	-	26	-	-	(3,973)
Minority interest	-	-	-	-	-	-	-	94	-	94
<b>Total Equity at end of period 31.03.2008</b>	<b>7,487</b>	<b>81,765</b>	<b>10,359</b>	<b>24,286</b>	<b>(135,991)</b>	<b>(872)</b>	<b>867</b>	<b>314</b>	<b>5,850</b>	<b>(5,935)</b>

## STATEMENT OF CHANGES IN GROUP EQUITY

31.03.2007

(amounts in thousand euro)

	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Accumulated losses	Conversion Reserve	Minority Interest	Stock Option Plan	Other Reserves	Total
	€	€	€	€	€	€	€	€	€	€
Equity at beginning of period 01.01.2007	24,069	81,765	11,674	24,742	(129,084)	3,282	778	-	513	17,739
Share Capital Increase	888	-	-	-	-	-	-	-	(513)	375
Difference in exchange rate €/ZAR & €/RON	-	-	(2,153)	(253)	674	(1,401)	(5)	-	-	(3,138)
Profit / (Loss) for the period 01.01.2007 – 31.03.2007	-	-	-	-	(2,175)	-	110	-	-	(2,065)
<b>Total Equity at end of period 31.03.2007</b>	<b>24,957</b>	<b>81,765</b>	<b>9,521</b>	<b>24,489</b>	<b>(130,585)</b>	<b>1,881</b>	<b>883</b>	<b>-</b>	<b>0</b>	<b>(12,911)</b>

The notes on pages 6 – 38 constitute an integral part of the interim financial statements.

## CASH FLOW STATEMENT (Indirect Method) – GROUP & COMPANY

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
<b>Operating Activities</b>				
(Loss)/Profit before taxes	( 3,462)	( 2,467)	( 2,129)	( 4,418)
<b>Plus/minus adjustments for:</b>				
Depreciation	1,360	1,446	468	421
Provisions		1,989		826
Finance costs	2,326	3,199	1,672	2,252
<b>Investment activity result</b>				
<b>Plus/minus adjustments for changes in working capital:</b>				
(Increase)/decrease in inventories	1,497	341	( 144)	1,214
(Increase)/decrease in debtors	1,606	( 2,208)	( 1,650)	1,604
Increase/(Decrease) in liabilities (except bank obligations)	( 1,574)	( 214)	2,011	( 681)
<b>Minus:</b>				
Interest paid	(1,936)	( 2,948)	( 1,260)	( 979)
Tax payments				
<b>Total inflows from operating activities (a)</b>	<b>( 183)</b>	<b>( 862)</b>	<b>( 1,032)</b>	<b>239</b>
<b>Investment Activities</b>				
Purchase of tangible and intangible assets				
	629	( 1,381)	( 38)	( 83)
Interest received				
Income on disposal of tangible and intangible assets		442		3
<b>Total outflows from investment activities (b)</b>	<b>629</b>	<b>( 939)</b>	<b>( 38)</b>	<b>( 80)</b>
<b>Financing Activities</b>				
Proceeds from issued / granted loans	17,500	4,855	17,500	3,716
Repayments of loans	( 9,053)	( 5,495)	-7250	( 4,855)
Finance lease obligations paid				
	( 134)	( 134)	( 94)	( 4)
Decrease in share capital	( 0)	375	( 0)	375
<b>Total outflows from financing activities (c)</b>	<b>8,333</b>	<b>( 399)</b>	<b>10,156</b>	<b>( 768)</b>
<b>Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)</b>	<b>8,779</b>	<b>( 2,200)</b>	<b>9,086</b>	<b>( 609)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,916</b>	<b>4,722</b>	<b>973</b>	<b>2,601</b>
<b>Cash and cash equivalents at end of the period</b>	<b>10,695</b>	<b>2,522</b>	<b>10,059</b>	<b>1,992</b>

The notes on pages 6 – 38 constitute an integral part of the interim financial statements.

## NOTES ON THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The parent company was incorporated in Athens in 1960 in accordance with Law 2190/1920 and with a duration of 50 years, which ends in 2010. The Shareholders' General Meeting of 28th July, 2006 decided that the company's duration will be extended for another 50 years. The company is listed on the Athens Stock Exchange.

On 2 August, 2006 the Board of Directors of the Athens Stock Exchange decided to transfer the company's shares to the under supervision category on 3 August, 2006 according to article 212 of the regulation of Athens Stock Exchange because of the existence of substantive debts over due.

According to decision number 14005 of 2 April, 2007 the Board of Directors of Athens Stock Exchange decided the suspension of trading of the company's ordinary shares. Following, the Board of Directors of the Athens Stock Exchange (Dec. No. 47776/2-10-2007) decided to repeal the trading suspension for the company's shares and the trading of such in the category "under supervision".

The Group's main objectives are the construction, the development and trading of pipes as well as any other items made from plastic or metal and any other related product and generally any trading, industrial and economic interaction as well as the incorporation or participation in other commercial or industrial companies, of any form, in Greece or abroad, with similar activity.

**(a) Compliance statement:** The attached annual financial statements of the Company and Group, have been prepared according to the International Financial Reporting Standards (IFRS) as such have been adopted by the European Union.

**(b) Approval of Financial Statements:** The Board of Directors of Aristovoulos G. Petzetakis S.A. approved the company and consolidated interim (quarterly) financial statements of 31.03.2008 on May 20<sup>th</sup> 2008

1	Georgios Arist. Petzetakis	BoD Chairman	Executive Member
2	Ioannis Spanoudakis	Vice-Chairman & Chief Executive Officer	Executive Member
3	Petros Tzanetakis	Member	Non-Executive Member
4	Dionysios Gaggas	Member	Non-Executive Member
5	Ioannis Protopapadakis	Member	Non-Executive Member
6	Konstantinos Apostolidis	Member	Non-Executive Member
7	Georgios Katsaros	Member	Non-Executive Member

**(c) Use of Estimations:** The preparation of the financial statements in accordance with IFRS, requires that the management makes estimations and assumptions which affect the asset and liability items, the disclosure of contingent debt and liabilities at the balance sheet date as well as the amount of income and expenses during the period. The actual results may be different from these estimates.

## **2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (I.F.R.S.) AND INTERPRETATIONS**

During the present period the group adopted the new and revised International Financial Reporting Standards (IFRS) and the respective interpretations, as such have been issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee) respectively and to the extent that such relate to the group's activity and are effective for accounting periods beginning on January 1<sup>st</sup> 2008.

### **a. New and revised standards and interpretations in effect during 2008**

The adoption of new and revised standards and interpretations in effect from January 1<sup>st</sup> 2008 is either not related to the Group's activity or does not affect the accounting principles substantially as regards to disclosures of financial information for the present and previous period.

### **b. New and revised standards not yet effective**

It is estimated that the new and revised standards and interpretation that are not yet in effect either do not relate with the activity of the Group or will not have a material effect on the financial data.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

### **(a) Accounting Basis**

The attached financial statements have been prepared by the company's Management in accordance with the International Financial Reporting Standards (IFRS) and their respective interpretations as such have been issued by IASB and IFRIC respectively and have been adopted by the European Union.

### **(b) Historical Cost Convention**

The financial statements have been prepared under the historical cost convention, except for land-plots, buildings and machinery, which were revalued following a re-valuation by independent market appraisers.

### **(c) Basis of Consolidation**

The consolidated financial statements include the financial statements of A.G. PETZETAKIS S.A. and its subsidiaries at 31 March, 2008. The financial statements of the subsidiaries are prepared during the same reference date as those of the parent, adopting the same accounting principles.

All the intercompany transactions and balances, including unrealized gains from inter-company transactions, are fully eliminated. Unrealized losses are also eliminated, except for the case where the relevant cost is not recoverable.

Subsidiaries are consolidated from the day the Group acquires "control" on such and cease to be consolidated from the day control no longer exists. When there is a loss of control on a subsidiary, the consolidated financial statements include the results that correspond to the portion of the year where control was in effect.

Minority interest represents the rights of outside parties which do not form part of the Group.

### **(d) Subsidiaries & Associate companies**

Initially, participations in subsidiaries and associate companies are stated at fair values (or in case of incorporation at the nominal value of shares) plus any direct expense of acquisition. Fair value is considered to be the fair price of the acquisition based on an arm's length transaction. The subsequent valuation of participations in subsidiaries and associate companies is stated at acquisition cost of the participation or at the nominal value of shares in case of incorporation.

## COMPANIES COSOLIDATED WITH THE FULL CONSOLIDATION METHOD

Subsidiaries	Domicile	Voting Rights	Direct participation	Indirect participation	Total	COMPANY	
						ACQUISITION COST	ACQUISITION COST
						31.03.2008	31.12.2007
A.G. PETZETAKIS S.A.	Greece				Parent		
PETZETAKIS NORTH GREECE SA	Greece	94.18%	94.18%		94.18%	10,159	10,159
PETZETAKIS AFRICA PTY	S. Africa	100.00%		100.00%	100.00%		
SEKUNJALO PIPING - SYSTEMS (PTY) LTD	S. Africa	86.00%		86.00%	86.00%		
MABONA INDUSTRIES (PTY) LTD	S. Africa	100.00%		100.00%			
PETZETAKIS AFRICA (NAMIBIA) (PTY) LTD	S. Africa	100.00%		100.00%			
INDUPLAS SPA	Italy	100.00%	100.00%		100.00%	24	24
FLEXIPLAS S.A.	Spain	100.00%	100.00%		100.00%	5,388	5,388
<b>PETZETAKIS Gmbh</b>	Germany	100.00%	100.00%			2,184	2,184
<b>PETZETAKIS DEUTSCHLAND (BEHKA – PLAST GMBH)*</b>	<b>Germany</b>	<b>100.00%</b>		<b>100.00%</b>	<b>100.00%</b>		
EUROHOSE LTD	United Kingdom	100.00%	100.00%		100.00%	2	2
A.G. PETZETAKIS ROMANIA SRL	Romania	100.00%	100.00%		100.00%	1,328	1,328
A.G. PETZETAKIS INTERNATIONAL HOLDINGS LTD	Cyprus	100.00%	100.00%		100.00%	22,698	22,698
PETZETAKIS PLASTIKA SKOPJE LTD	FYROM	94.18%		94.18%	94.18%		
					<b>TOTAL A</b>	<b>41,783</b>	<b>41,783</b>

## COMPANIES EXCLUDED FROM CONSOLIDATION

Other companies	Domicile	Voting Rights	Direct Participation	Indirect Participation	Total	COMPANY	
						ACQUISITION COST 31.03.2008	ACQUISITION COST 31.12.2007
CITY PLASTICS INDUSTRIAL PIPING (PTY) LTD [1]	S. Africa	49.00%		49.00%	49.00%		
HELIFLEX PETZETAKIS TUBOS S.A.[1]	Portugal	100.00%	51.00%	49.00%	100.00%		
A.G. PETZETAKIS ROMANIA LTD[1]	Cyprus	66.70%	66.70%		66.70%		
OLTCHIM PETZETAKIS[1]	Romania	2.00%	2.00%		2.00%		
HELIFLEX IRAN[2]	Tehran	25.00%	25.00%		25.00%	34	34
AVID IRAN[2]	Tehran	25.00%	25.00%		25.00%	34	34
INTEAL ENTROPIA S.A.[3]	Greece	9.00%	9.00%		9.00%	11	11
PLASTIKA KAVALAS SA [4]*	Greece	97.54%	97.54%		97.54%	672	672
PETZETAKIS PLASTIKA SKOPJE LTD [4]*	FYROM	94.18%		94.18%	94.18%		
MILLENNIUM HOLDINGS LTD[1]	Niue Island		100.00%		100.00%		
					<b>TOTAL B</b>	<b>751</b>	<b>751</b>
	Long-term bills receivable					<b>131</b>	<b>133</b>
	Non-accrued interest on bills receivable						
	Given guarantees					<b>271</b>	<b>266</b>
					<b>GRAND TOTAL</b>	<b>42,936</b>	<b>42,933</b>

[1] In previous periods the Group proceeded with an impairment provision of the cost of participations in the aforementioned companies. (The disclosure is for reference purposes).

[2] Does not exercise significant control according to those stipulated by IAS 28

[3] Participation percentage <20%. does not exercise significant influence and substantial control.

[4] Were not consolidated on 31.03.2008 as their sizes were considered negligible. The financial information on the companies are presented as follows:

	<u>PLASTIKA KAVALAS</u> <u>SA</u>	<u>PETZETAKIS PLASTIKA SKOPJE</u> <u>LTD</u>
Total Assets	3,800	1,258
Equity	-24	687
Total Liabilities	3,824	1,945
Total Equity & Liabilities	3,800	1,258
Turnover	-	90

On 3 March 2008, 39.8% of the shares of the company Plastika Kavalas S.A. were transferred to A.G. Petzetakis S.A. from Petzetakis N. Greece, for a price equivalent with the nominal value of the share.

On a subsequent date, the company's management decided on the sale of Plastika Kavalas subject to the terms of a memorandum of agreement signed on 28.03.2008 to an interested buyer. The reason that such has not been characterized as intended for sale is related to a term in the memorandum of agreement, according to which the ability for the final transfer of the company is set after March 2009.

## (e) Foreign currency translation

### a. Transaction and presentation currency

The Financial Statements of the parent and subsidiary are presented in the currency that prevails in the economic environment where such operate. The consolidated financial statements are presented in Euro, which is the parent company's operating currency.

### b. Transactions and financial figures

During the preparation of the separate company financial statements

Transactions in currencies other than the operating currency (foreign currency) are recorded based on the exchange rate prevailing at the date of the transaction. During the balance sheet date, the monetary assets and liabilities in foreign currency are translated to the presentation currency based on the exchange rate in effect during the Balance Sheet date.

The non-monetary financial items valued at fair value and denominated in foreign currency are translated according to the exchange rate in effect during the calculation of the fair value. The non-monetary financial items calculated at historic cost in foreign currency are translated according to the exchange rate in effect during the acquisition date.

The exchange rate differences are recognized in the results of the period when such arise except for:

- Foreign exchange differences that concern assets under construction for use in future production, which are included in the construction cost.
- Foreign exchange differences related to receivable / payable amounts in foreign activities, whose collection / payment is not scheduled and not likely as a considered part of the foreign investment activity.

Such foreign exchange differences are recognized as a foreign currency translation reserve and are transferred to the results of the period in which the relevant investment is sold.

For presentation purposes of the consolidated financial statements, the assets and liabilities of foreign activities are translated to the operating currency of the parent company, according to the exchange rates in effect during the Balance Sheet date. Income and expenses are translated according to the average exchange rate during the period.

The resulting foreign exchange differences are recognized in equity as a “foreign currency translation reserve”.

Such foreign exchange differences are recognized in the results of the period in which the activity is sold.

## (f) Tangible fixed assets

Equipment and vehicles are valued at cost minus accumulated depreciations and impairment. Property (land-plots and buildings) and mechanical facilities are valued at current value minus depreciations. The current value was defined by independent appraisers (Eurobank Properties) during the initial adoption of the International Accounting Standards. A relevant valuation for the company and Group will take place by independent appraisers during 2008. Depreciations are calculated with fixed rates throughout the useful life of the fixed assets, as follows:

<u>Category of fixed asset</u>	<u>Useful Life</u>
Buildings	20-50

Machinery & facilities	5-30
Furniture & fixtures	3-8
Vehicles	3-9

Current value is determined by independent appraisers, with reference to the market conditions and it is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction at the valuation date. The excess amount of revaluation is transferred to the account "Revaluation Reserve" and is presented in the Balance Sheet as part of equity. Possible deficit from revaluation is transferred to Income Statement after setting off previous excess revaluation of the asset. The accumulated depreciation at valuation date, is set-off with the original cost of the asset and the net book value is revalued at current value. After the sale of an asset the respective revaluation reserve is transferred to Retained Earnings. Assets are written off when they are sold or when there is an indication that no future benefit will arise from their use.

Gains or losses that arise by a written-off asset (difference between book value and net sale proceeds) are transferred to Income Statement of the respective financial period.

### **(g) Intangible Assets**

The research and development expenses are accounted as expenses of the period such are realized.

An internally generated intangible asset is recognized only when all the following conditions are satisfied:

- The generated asset can be identified (i.e. the software and a new production process).
- It is probable that future economic benefits will flow to the company from the asset.
- The development / self-production cost of the asset can be measured reliably.

The internally generated intangible assets are amortized by the straight line method during their useful lives. When self-produced asset cannot be specifically identified, the development cost is recognized as an expense in the period such is incurred.

### **(h) Impairment of Tangible and Intangible Fixed Assets**

At the Balance Sheet date, the Group examines the net book value of tangible and intangible assets for possible impairment. In case of indication of impairment, an estimation is made on the fixed assets' recoverable value in order to determine the loss from impairment (if deemed necessary). During 31.03.2008 there was no such indication.

Recoverable amount of an asset is the greater between fair value less the selling expenses and the value in use. The value in use is calculated by determining the present value, of the expected future cash flows, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks related to the asset, which have not already been reflected in the estimated future cash flows.

If the recoverable amount of an asset or a cash generating unit is considered to be less than its net book value, then this amount is decreased to its recoverable amount. The impairment loss is recognized directly as an expense in the Income Statement.

When, subsequently, the impairment loss is reversed, the net book value of the asset is increased up to its revised recoverable value, so that this increased accounting balance does not exceed the accounting balance that would have been determined in case that no impairment loss had been recognized in previous years. The reversal of the impairment loss is recognized directly as income in the Income Statement.

### **(i) Grants of Investments on Fixed Assets**

Grants are recognized at current value when there is a sufficient certainty that the grant will be received and all the relevant conditions will be fulfilled. When a grant relates to an expense it is recognized as income during the period required to offset the respective expense on a systematic basis.

When a grant relates to a fixed asset, the value is considered as deferred income and is transferred to the Income Statement allocated according to the duration of the expected usage expiration of the asset.

### **(j) Goodwill**

Goodwill is initially defined as the additional amount that was paid for the acquisition of a subsidiary, over the fair value of the net asset acquired. Goodwill is not amortized.

After the initial definition goodwill is presented at cost minus possible impairment.

Goodwill that is presented in the Balance Sheet is not amortized. It is reviewed periodically for possible impairment and in case of events indicating such impairment, goodwill is revalued accordingly.

### **(k) Cash and Cash Equivalents**

Cash and cash equivalents include cash in the bank and at hand as well as short term highly liquid investments.

### **(l) Trade Receivables**

Customers are recorded at fair value. Impairment, due to provisions for bad debts is applied only when the relevant amounts are considered significant. The amount of the provision for possible impairment is transferred to Income Statement.

### **(m) Provisions for Risks and Expenses, Contingent Liabilities and Contingent Assets:**

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.

If the effect of the time value of money is substantial, provisions are calculated by discounting the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and, when necessary, the risks specific to the liability.

The contingent liabilities are not recognized in the financial statements but are disclosed in the financial statements, unless the possibility for an outflow of resources including economic benefits is considered remote.

The contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is possible.

### **(n) Revenue Recognition**

Revenues from sales are presented net of V.A.T. and are recognized when the ownership of the merchandises is transferred to the customer, a fact established when such are delivered to the customer.

Revenues from interest are recognized on a chronological basis with reference to the invested capital and the relevant interest rate. Revenues from participations (dividends) are recognized when the shareholders' right for payment is realized.

### (o) Retirement Benefits

In accordance with Greek Labor Law, the company has to provide to all its employees on retirement a specific defined financial benefit. This financial benefit, which is payable on the retirement day is equivalent to 40% of the amount defined by the following factors:

- a) the years of service in the company
- b) the monthly salary during the retirement year and
- c) other factors as defined by the relevant legislation.

This liability is specified as the present value of the defined benefit quantifying actuarial parameters that exist at the Balance Sheet date.

The company has assigned the above calculation to professional actuaries and the estimated liability on 31.03.2008 has been classified and is included in the financial statements. The previous years' liability has been identified and recorded directly into Equity and the corresponding liability referring to the period had an impact on the income statement of the previous period.

This liability is defined during the Balance Sheet date according to the Projected Unit Credit Method. According to the method, liabilities that correspond to the provided service during the Balance Sheet date, are handled separately from the liability that corresponds to future service.

The most important assumptions used are:

<u>Estimation Date</u>	<u>Discount Rate</u>	<u>GDP Increase</u>	<u>Inflation</u>
31.12.2007	4.80%	3%	2%
31.03.2008	4.80%	3%	2%

### (p) Inventories

Inventories are valued at the lowest between cost and net realizable value. Cost for each product at its current stage and condition, is calculated as follows:

- |                                       |  |
|---------------------------------------|--|
| – Raw materials                       | first in – first out method  |
| – Final product and work in progress: | Direct cost of raw materials and labor and proportion of industrial administrative expenses based on the ordinary operation, excluding financing cost. |

### (q) Income Tax (Current and Deferred)

Income tax is calculated on taxable profits during the period and according to the rate which is in effect for each company in the respective country. Taxable profit of the parent company differs from the net profit of the companies as reported in the financial statements of each company as it excludes income or expenses that are not taxable or deductible in other financial years and it further excludes 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.

#### **(r) Financial Leases**

Assets under financial lease agreements are stated at the lower of fair value at acquisition date and the present value referring to lease payments. The respective liability towards the lessor is presented in the Balance Sheet as “Liabilities under finance leases”.

Lease payments are separated between finance charges and installment payments for the settlement of liability so as to reflect a constant periodic interest rate on the outstanding net liability in the finance lease.

The finance cost is recognized in the Income Statement, except when such is related with an investment asset where the capacity for capitalization is recognized, according to the general policy that has been adopted for the finance cost.

#### **(s) Activity sectors**

A business segment can be characterized as a total of assets and operations that are employed during the production and provision of services and that are subject to business risks and investment returns that differ from other business segments.

A geographic segment can be characterized as a particular geographical economic environment, where services and products are provided under conditions of business risks and investment returns that differ from other economic environments.

#### **(t) Financial assets**

Financial assets are classified in the following four categories:

- Financial assets at fair value through the Results
- Investments held until maturity
- Financial assets available for sale and
- Loans and receivable amounts

#### **Financial assets at fair value through the Results**

The company has no such financial assets.

#### **Investments held until maturity**

The company has no such investments.

#### **Financial assets available for sale**

Investments in shares listed on the Athens Stock Exchange are valued at fair value. Profit or losses that arise from changes in fair value are recognized in Equity as “Investment valuation Reserve”, except for the loss from impairment which is recognized in the results. In case the investment is sold, the valuation reserve recognized in previous periods and included in Equity is transferred to the results of the period in which the sale took place.

Dividends on financial assets for sale are recognized in the Results when the right to receive such is established.

## **Loans and receivable amounts**

Trade receivables, loans and other receivables with a defined payment schedule that are not listed on organized markets, are classified as loans and receivable amounts. Such are valued at the expected receivable value and given that they correspond to short-term receivables, the resulting discounted interest based on the real interest rate is considered negligible.

## **Impairment of financial assets**

The financial assets are reviewed during the preparation of the financial statements for possible indications of impairment. Such impairment takes place when there is objective evidence as a result of a past event following the initial recognition and that adversely affected the expected cash flows.

The receivables resulting from the company's trade transactions, are reviewed for possible impairment as a total. Objective evidence of such impairment may be considered as the experience from the smooth collection of receivables, any possible repeated violations of the credit period or other unknown factors, such as political stability, financial conditions, etc.

Apart from the above, the company also reviews part of the receivables separately and follows a policy of doubtful debt provisions when there is adequate objective indication for doubtful debts. Such provisions are charged to the results of the period, when the need to apply such is established.

## **Financial liabilities and participating titles issued by the Group**

### **Participating title**

Participating title is any agreement that establishes a right on the balance that remains from the assets of a financial unit, after deducting its liabilities. Participating titles issued by the company are recognized at the received amount minus the issue cost.

### **Financial liabilities**

Financial liabilities are classified as "financial liabilities at fair value through the Results" or "Other financial liabilities".

### **Financial liabilities at fair value through the Results**

The company has no such financial liabilities

### **Other financial liabilities**

Other financial liabilities, including loans, are recognized at fair value minus the direct cost for the transaction.

The other financial liabilities (loans) are recognized subsequently at the value of the real debt discounted during the Balance Sheet date at present value based on the real interest rate, if such differs substantially from the borrowing rate.

The other financial liabilities, given their short-term character, at present value do not differ significantly from the initially defined liability.

## **(u) Earnings per share**

Earnings per share are calculated by dividing the net earnings for the period after taxes with the weighted average number of shares outstanding during each year/period.

#### 4. TURNOVER

(amounts in thousand euro)

Turnover is analyzed as follows:

	GROUP			COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2007
Sales of merchandise	11,903	13,995	1,717		1,346
Sales of finished and semi-finished products	25,860	24,698	9,143		7,222
Other sales	209	2,470	-		19
	<b>37,972</b>	<b>41,163</b>	<b>10,860</b>		<b>8,587</b>

#### 4A. ACTIVITY PER GEOGRAPHIC SEGMENT

(amounts in thousand euro)

Turnover is allocated per geographical segment, as follows:

	GROUP 31.03.2008					COMPANY 31.03.2008				
	Greece	Other Europe	Africa	Other countries	Total	Greece	Other Europe	Africa	Other countries	Total
Sales to domestic customers	12,783	-	-	-	12,783	8,027	-	-	-	8,027
Sales to foreign customers	-	7,167	17,795	227	25,189	-	1,637	1,069	127	2,833
<b>Total sales</b>	<b>12,783</b>	<b>7,167</b>	<b>17,795</b>	<b>227</b>	<b>37,972</b>	<b>8,027</b>	<b>1,637</b>	<b>1,069</b>	<b>127</b>	<b>10,860</b>

	GROUP 31.03.2007					COMPANY 31.03.2007				
	Greece	Other Europe	Africa	Other countries	Total	Greece	Other Europe	Africa	Other countries	Total
Sales to domestic customers	11,387	-	-	-	11,387	6,739	-	-	-	6,739
Sales to foreign customers	-	8,719	20,309	748	29,776	-	1,230	-	618	1,848
<b>Total sales</b>	<b>11,387</b>	<b>8,719</b>	<b>20,309</b>	<b>748</b>	<b>41,163</b>	<b>6,739</b>	<b>1,230</b>	<b>0</b>	<b>618</b>	<b>8,587</b>

## 4B. ACTIVITY PER BUSINESS SEGMENT

(amounts in thousand euro)

Turnover is allocated per business segment as follows:

### GROUP

	31.03.2008					Write-offs	Total	31.03.2007					Write-offs	Total
	PVC	PE	Hoses/SPVC	Other	Subtotal			PVC	PE	Hoses/SPVC	Other	Subtotal		
Turnover	10,417	10,898	14,079	6,115	<b>41,508</b>	3,536	<b>37,972</b>	12,940	9,748	15,098	6,864	<b>44,649</b>	3,486	<b>41,163</b>
Operating profit	-556	-283	-444	-103	<b>-1,386</b>	0	<b>-1,386</b>	139	-150	316	-45	<b>261</b>		<b>261</b>
Net results for the period before taxes	-1,082	-867	-1,031	-482	<b>-3,462</b>	0	<b>-3,462</b>	-706	-1,113	-92	-556	<b>-2,467</b>		<b>-2,467</b>
Net results for the period after taxes	-1,349	-1,017	-1,108	-525	<b>-3,999</b>	0	<b>-3,999</b>	-607	-931	-72	-455	<b>-2,065</b>		<b>-2,065</b>
Depreciations	498	326	416	120	<b>1,360</b>	0	<b>1,360</b>	593	301	474	78	<b>1,446</b>		<b>1,446</b>
TOTAL ASSETS	61,518	65,275	82,736	24,713	<b>234,242</b>	54,019	<b>180,223</b>	79,524	74,983	70,333	46,029	<b>270,869</b>	90,679	<b>180,190</b>
TOTAL EQUITY & LIABILITIES	59,109	66,315	82,290	26,528	<b>234,242</b>	54,019	<b>180,223</b>	78,370	74,585	69,485	48,429	<b>270,869</b>	90,679	<b>180,190</b>

### COMPANY

	31.03.2008					31.03.2007				
	PVC	PE	Hoses/SPVC	Other	Total	PVC	PE	Hoses/SPVC	Other	Total
Turnover	2,544	3,114	3,486	1,716	<b>10,860</b>	2,012	2,462	2,756	1,357	<b>8,587</b>
Operating profit	-195	-300	-363	175	<b>-683</b>	-464	-568	-636	-313	<b>-1,981</b>
Net results for the period before taxes	-516	-678	-778	-157	<b>-2,129</b>	-1,035	-1,267	-1,418	-698	<b>-4,418</b>
Net results for the period after taxes	-532	-700	-802	-162	<b>-2,196</b>	-799	-978	-1,095	-539	<b>-3,412</b>
Depreciations	114	149	171	34	<b>468</b>	132	136	138	15	<b>421</b>
TOTAL ASSETS	33,115	43,507	49,885	10,050	<b>136,557</b>	29,484	36,090	40,402	19,888	<b>125,864</b>
TOTAL EQUITY & LIABILITIES	33,115	43,507	49,885	10,050	<b>136,557</b>	29,484	36,090	40,402	19,888	<b>125,864</b>

## 5. NUMBER OF EMPLOYEES PER COUNTRY

	31.03.2008	31.03.2007
Greece	378	429
S. Africa	685	622
Italy	65	64
Germany	61	58
Spain	51	49
Romania	15	15
United Kingdom	2	2
	<u>1,257</u>	<u>1,239</u>
BoD remuneration of Parent	15	20
Remuneration of Senior Executives of Parent	329	239
BoD remuneration of Group	135	63
Remuneration of Senior Executives of Group	766	618

## 5A. COST OF SALES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
The cost of sales is allocated as follows:				
Wages	4,134	3,656	1,486	1,482
Third party remuneration	989	585	359	104
Depreciations	1,146	1,147	364	334
Third party benefits & other expenses	2,244	1,990	241	719
Cost of merchandise	991			
Material costs	22,168	24,758	7,378	5,764
	<u>31,672</u>	<u>32,136</u>	<u>9,828</u>	<u>8,403</u>

## 5B. ADMINISTRATIVE EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
The administrative expenses are allocated as follows:				
Wages	1,239	2,058	511	443
Third party remuneration	394	-	-	-
Depreciations	124	192	63	43
Third party benefits & other expenses	892	3,548	400	384
	<u>2,649</u>	<u>5,798</u>	<u>974</u>	<u>870</u>

## 5C. RESEARCH & DEVELOPMENT EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
The research & development expenses are allocated as follows:				
Wages	83	94	26	25
Depreciations	6	6	4	3
Third party benefits & other expenses	11	41	6	4
	<u>100</u>	<u>141</u>	<u>36</u>	<u>32</u>

## 5D. DISTRIBUTION EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
The distribution expenses are allocated as follows:				
Wages	2,033	1,455	582	713
Third party remuneration	109	-	-	-
Depreciations	85	101	37	51
Third party benefits & other expenses	2,938	1,573	683	585
	<u>5,165</u>	<u>3,129</u>	<u>1,302</u>	<u>1,349</u>

## 5E. NET FINANCIAL RESULTS

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007
The net financial expenses are allocated as follows:				
Interest on short-term loans	682	3,004	793	2,218
Interest on long-term loans	854	-	854	-
Other financial expenses	790	195	24	59
	<u>2,326</u>	<u>3,199</u>	<u>1,671</u>	<u>2,277</u>

## 6. GOODWILL

The presented Goodwill includes the goodwill that emerged during the acquisition of the following subsidiaries:

	<b>GROUP</b>	
	<b>31.03.2008</b>	<b>31.12.2007</b>
PETZETAKIS NORTH GREECE SA	107	107
A. PETZETAKIS GMBH	804	804
PETZETAKIS DEUTSCHLAND (BEHKA-PLAST GMBH)	2,148	2,148
FLEXIPLAS SA	2,798	2,798
PETZETAKIS AFRICA (PTY) LTD	3,933	3,933
PETZETAKIS ROMANIA SRL	259	259
EUROHOSE LTD	2	2
INDUPLAS SPA	( 167)	( 167)
	<u><b>9,884</b></u>	<u><b>9,884</b></u>

## 7. INVENTORIES

(amounts in thousand euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.03.2008</b>	<b>31.12.2007</b>	<b>31.03.2008</b>	<b>31.12.2007</b>
Inventories are analyzed as follows:				
Merchandise	3,680	3,839	1,778	1,736
Finished - semi-finished products - byproducts & remains	14,432	16,147	4,171	3,848
Production underway	151	29		
Raw & auxiliary Material, Consumables	6,054	6,283	2,386	2,481
Prepayments for purchase of inventories	-	598	-	-
	<u><b>24,317</b></u>	<u><b>26,896</b></u>	<u><b>8,335</b></u>	<u><b>8,065</b></u>
Minus: Provisions	<u>( 1,230)</u>	<u>( 1,230)</u>	<u>( 791)</u>	<u>( 791)</u>
	<u><b>23,087</b></u>	<u><b>25,666</b></u>	<u><b>7,544</b></u>	<u><b>7,274</b></u>

## 8. TRADE AND OTHER RECEIVABLES

(amounts in thousand euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.03.2008</b>	<b>31.12.2007</b>	<b>31.03.2008</b>	<b>31.12.2007</b>
Trade receivables *	30,667	29,884	10,898	12,464
Checks post-dated	6,085	8,096	1,032	810
Other receivables	9,075	9,848	4,798	1,620
	<u><b>45,827</b></u>	<u><b>47,829</b></u>	<u><b>16,728</b></u>	<u><b>14,895</b></u>
Minus: Provisions for doubtful receivables	<u>(8,526)</u>	<u>(9,036)</u>	<u>(1,000)</u>	<u>(1,000)</u>
	<u><b>37,301</b></u>	<u><b>38,793</b></u>	<u><b>15,728</b></u>	<u><b>13,895</b></u>

\* The Group's receivables include a receivable of approximately € 3.8 mn, from a non-consolidated subsidiary which is inactive. The Group's Management based on interest expressed for the purchase of the company, covers this receivable and for this purpose did not proceed with its impairment.

## 9. CASH & CASH EQUIVALENTS

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Cash in hand	82	106	51	35
Site and term deposits	<u>10,612</u>	<u>1,810</u>	<u>10,007</u>	<u>938</u>
	<u><b>10,694</b></u>	<u><b>1,916</b></u>	<u><b>10,058</b></u>	<u><b>973</b></u>

## 10. SHARE CAPITAL

(amounts in thousand euro)

	COMPANY	
	31.03.2008	31.12.2007
Share Capital fully paid 24,956,646		
Nominal value per share 0.30 €	<u>7,487</u>	<u>7,487</u>
Total share capital of 24,956,646 common registered shares of 0.30 € each	<u><b>7,487</b></u>	<u><b>7,487</b></u>
<b>Shares issued</b>	<b>31.03.2008</b>	<b>31.12.2007</b>
Number of shares 1.1.2008/1.4.2008	24,956,646	24,068,646
Issuance of new shares from exercise of stock option plan		
Proportion for the period 888 *11/12	-	814
Decrease of share capital with decrease of nominal value from € 1.00		
to € 0.30 with offsetting of losses of € 17,469,652.20	<u>-</u>	<u>-</u>
<b>Weighted average number of shares outstanding</b>	<u><b>24,956,646</b></u>	<u><b>24,882,646</b></u>

### Losses per share

Losses per share were calculated by dividing the losses for the period with the weighted average number of common shares outstanding during the period

	COMPANY		GROUP	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Losses for the period	-2,196	-8,947	-3,999	-7,381
Weighted average number of common shares	<u>24,956,646</u>	<u>24,882,646</u>	<u>24,956,646</u>	<u>24,882,646</u>
<b>Losses per share in €</b>	<u><b>-0.09</b></u>	<u><b>-0.36</b></u>	<u><b>-0.16</b></u>	<u><b>-0.30</b></u>

## 11A. CAPITAL RESERVES

(amounts in thousand euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.03.2008</b>	<b>31.12.2007</b>	<b>31.03.2008</b>	<b>31.12.2007</b>
Statutory reserve	1,002	1,003	941	941
Extraordinary reserves	311	358	311	311
Reserves of convertible bonds	5,850		5,850	
Other reserves	9,046	8,521	7,976	7,976
	<u>16,209</u>	<u>9,882</u>	<u>15,078</u>	<u>9,228</u>

## 11B. REVALUATION RESERVES

(amounts in thousand euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.03.2008</b>	<b>31.12.2007</b>	<b>31.03.2008</b>	<b>31.12.2007</b>
Differences from revaluation of participations & securities	3,478	3,478	3,478	3,478
Differences from revaluation of other assets	20,807	20,956	17,413	17,413
	<u>24,285</u>	<u>24,434</u>	<u>20,891</u>	<u>20,891</u>

## 11C. LOSSES CARRIED FORWARD

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Accumulated losses 1.1.2008 (1.1.2007)	130,839	139,615	132,414	140,937
Decrease of share capital	-	( 17,470)	-	( 17,470)
Difference in exchange rate €/ZAR & €/RON	904	1,313	-	-
Transfer to other reserves	249	-	-	-
Losses for the period 1.1.2008 – 31.3.2008 (1.1.2007-31.12.2007)	3,999	7,381	2,196	8,947
	<b>135,991</b>	<b>130,839</b>	<b>134,610</b>	<b>132,414</b>

## 11D. STOCK OPTION PLAN

(1) By means of a decision by the General Meeting of the parent company, a “Stock Option Plan” is created with the following characteristics:

Number of Shares/Options:	2,406,914
Beneficiary:	Members of the Board of Directors and employees of the company its affiliates
Exercise price of option:	€ 1
Exercise period:	2006-2009

Up to 31/3/2008 887,500 options have been exercised

(2) From 20/2/2008 an agreement is in effect for a convertible bond plan amounting to € 1,410 thousand, with a three-year duration and with no coupon, which depends on the achievement of specific consolidated operating results (note 13A/3A). The results of the present period were charged by € 94 thousand, with an equal amount reserve of stock options in equity.

## 12. TAX LIABILITIES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Income Tax – V.A.T.	400	229	14	-
Taxes from staff wages	190	246	197	180
Taxes from previous periods	192	-	-	-
Other taxes	58	105	54	6
	<u>840</u>	<u>580</u>	<u>265</u>	<u>186</u>

### 12A. INCOME TAX

The company's profit is taxed with a 25% tax rate for 2008 after taking into account non-deductible expenses and any possible creation of tax-exempt reserves.

The company's tax liability is not finalized until its accounting books and items are audited by the Greek tax authorities. Such an audit has been conducted until fiscal year 2002.

The profit of subsidiaries is taxed according to the tax legislation in effect in their respective domicile.

### 13. LONG-TERM LIABILITIES

#### 13A. LOANS PAYABLE OVER ONE YEAR

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
CONVERTIBLE DEBT CAPITALIZATION PROGRAM – NATIONAL BANK OF GREECE (NBG)(3)	24,078	-	24,078	-
BOND LOAN PROGRAM– NBG (2)	80,336	-	80,336	-
CONVERTIBLE DEBT CAPITALIZATION PROGRAM(1)	10,980	-	10,980	-
BILBAO – VIZCAYA SPAIN	1,062	1,135	-	-
UNICREDIT BANCA ITALIA	888	1,084	-	-
OTHER BANKS	1,530	2,734	-	-
	<u>118,874</u>	<u>4,953</u>	<u>115,394</u>	<u>-</u>

Following the binding memorandum of agreement dated 28.6.2007 between the parent company and its basic shareholder on the one hand and foreign investment companies on the other, on 28/1/2008 a Coverage Agreement was signed for four Bond Loans amounting to 121,914,123 Euro between the parent company and all credit banks and foreign investment companies, which were holders of loans and other receivables against such (the Creditors). According to the Coverage Agreement, the following Bond Loans were issued:

1.a. Bond loan program with a nominal value of 17,500,000 Euro, with mandatory conversion (within one year) of one third of such (5,8 million euro) to share capital, offered at a 8.06% discount on its nominal value, with a 3 year duration and a fixed coupon of 7%, with the initial bondholders – lenders being the foreign investment companies Credit Renaissance Partners and P. Schoenfeld Asset Management and the global investment bank Credit Suisse, which is secured with a first collateral on shares of the subsidiary company “Petzetakis North Greece S.A.”, while in case of its conversion will correspond to a percentage up to 33.00% approximately of the parent company’s total shares. Within the period, the company created a reserves of directly convertible bonds to capital (within one year) amounting to 5,850 thousand Euro, with an equal reduction of its loan liabilities.

1.b. Plan amounting to 1,410,000 Euro, with a 3 year duration and no interest, un-secured, which depends on the achievement of specific consolidated operating results (EBITDA), in which case the Management of the parent company has the right to receive the convertible bonds which will correspond, in case of their conversion, to a percentage up to 7.5% approximately of the company’s total shares. In case the specific consolidated operating results (EBITDA) are not achieved, the bonds are no longer convertible, return to the company and are written-off with no additional cost for the company.

The capital of the two aforementioned loans amounting to 17,500,000 Euro, are used for the repayment of sundry expenses, the coverage of the company’s operating needs in working capital, as well as for repaying the joint bond loan amounting to 7 million euro (indirect financing), issued by the Company on 6.8.2007.

2. Joint bond loan (issued on 20/2/08) amounting to 80,336,323 Euro, with an 8 year duration and floating coupon, with initial bondholders being the Creditors. This loan is secured by prenotations – mortgages on the total property of the parent company and with collateral on shares of 7 subsidiaries (second collateral on shares of “Petzetakis North Greece S.A.”) and on its mechanical and mobile equipment, while the capital of the loan was used to repay equal overdue existing debt of the company towards the Creditors.

3. Convertible bond loan (issued on 20/2/08) amounting to 24,077,800 Euro, 5 year duration, with no interest, and with the initial bondholders being the Creditors. This loan is secured by second class with the securities of the aforementioned loan of 80.33 million euro, only in case of termination of the above loan. In case of its conversion, this loan will correspond to a percentage up to 19% approximately of the company’s total shares, while its capital was used to repay equal overdue existing debt of the company towards the Creditors. The company and/or its basic shareholder, have the right to purchase the loan (by the amount that has not been converted) at the end of the 5 year period at a predetermined price, that depends on the achievement of specific consolidated operating results (EBITDA).

### 13B. DEFERRED TAXATION

(amounts in thousand euro)

	COMPANY		Income Statement	
	Balance Sheet			
	31.03.2008	31.12.2007	31.03.2008	31.03.2007
Deferred taxation on revalued depreciation	( 1,754)	( 1,681)	( 75)	( 108)
Provision for retirement benefit	308	429	8	-
Capitalized expenses	-	( 129)	-	-
Revaluation of fixed assets	( 4,088)	( 4,088)	-	-
Current income taxation	6,931	6,931	-	1,114
	<u>1,397</u>	<u>1,462</u>	<u>( 67)</u>	<u>1,006</u>
			<b>GROUP</b>	
			<b>Balance Sheet</b>	
			31.03.2008	31.12.2007
Deferred taxation on revalued depreciation			( 5,647)	( 6,393)
Provision for retirement benefit			781	928
Capitalized expenses			13	( 117)
Revaluation of fixed assets			( 5,279)	( 5,320)
Current income taxation			7,234	6,932
Others			-	505
			<u>( 2,898)</u>	<u>( 3,465)</u>
Tax liability			( 10,931)	8,365
Tax asset			8,033	( 11,830)
			<u>( 2,898)</u>	<u>( 3,465)</u>

## 14. SHORT-TERM LIABILITIES

### 14A. TRADE & OTHER SHORT-TERM LIABILITIES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Suppliers – checks payable	27,530	30,004	12,770	11,449
Social security funds	272	488	272	488
Customer prepayments	813	514	271	197
Sundry creditors and other short-term liabilities	3,624	4,842	2,521	4,443
	<b>32,239</b>	<b>35,848</b>	<b>15,835</b>	<b>16,577</b>
Minus provisions				( 1,193)
	<b>32,239</b>	<b>35,848</b>	<b>15,835</b>	<b>15,384</b>

### 14B. SHORT-TERM LOANS

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
SYNDICATED (from August 2001)	-	31,359	-	31,359
SYNDICATED (from March 1999)	-	29,128	-	29,128
OTHER BANKS	16,608	49,862	1,746	34,690
M.O.U.	-	7,000	-	7,000
	<b>16,608</b>	<b>117,349</b>	<b>1,746</b>	<b>102,177</b>

### 14C. DEFERRED INCOME – ACCRUED EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	31.03.2008	31.12.2007	31.03.2008	31.12.2007
Deferred income	549	549	549	549
Accrued expenses (interest provision)	1,501	9,799	1,501	9,745
Accrued expenses (provision of other expenses)	42	271	-	444
	<b>2,092</b>	<b>10,619</b>	<b>2,050</b>	<b>10,738</b>
Minus: Provisions	-	-	-	( 173)
Total notes 14 A & 14 C	<b>34,331</b>	<b>46,467</b>	<b>17,885</b>	<b>25,949</b>

## 15A. FIXED ASSETS – TANGIBLE & INTANGIBLE ASSETS

(amounts in thousand euro)

	COMPANY							Total
	Land-plots	Buildings – Building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible Assets	
<b>Cost</b>								
01.01.2008	10,724	9,465	44,648	1,160	3,957	181	47	<b>70,182</b>
Revaluation of acquisition cost								<b>0</b>
Purchases		11	24					<b>35</b>
Reductions/Transfers			(15)					<b>(15)</b>
<b>31.03.2008</b>	<b>10,724</b>	<b>9,476</b>	<b>44,657</b>	<b>1,160</b>	<b>3,957</b>	<b>181</b>	<b>47</b>	<b>70,202</b>
<b>Depreciations</b>								
01.01.2008	0	374	6,720	76	3,638	0	47	<b>10,855</b>
Adjustment of accumulated depreciations due to revaluation								<b>0</b>
Additions		47	372	10	39			<b>468</b>
Reductions			(15)					<b>(15)</b>
<b>31.03.2008</b>	<b>0</b>	<b>421</b>	<b>7,077</b>	<b>86</b>	<b>3,677</b>	<b>0</b>	<b>47</b>	<b>11,308</b>
<b>Net book value 31.03.2008</b>	<b>10,724</b>	<b>9,055</b>	<b>37,580</b>	<b>1,074</b>	<b>280</b>	<b>181</b>	<b>0</b>	<b>58,894</b>
	Land-plots	Buildings – Building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible Assets	Total
<b>Cost</b>								
01.01.2007	9,802	9,267	44,686	1,162	3,870	181	47	69,015
Revaluation of acquisition cost	922							922
Purchases		198	115		90			403
Reductions/Transfers			(153)	(2)	(3)			(158)
<b>31.12.2007</b>	<b>10,724</b>	<b>9,465</b>	<b>44,648</b>	<b>1,160</b>	<b>3,957</b>	<b>181</b>	<b>47</b>	<b>70,182</b>
<b>Depreciations</b>								
01.01.2007	0	185	5,386	39	3,438	0	47	9,095
Adjustment of accumulated depreciations due to revaluation								<b>0</b>
Additions		189	1,487	39	203			<b>1,918</b>
Reductions			(153)	(2)	(3)			<b>(158)</b>
<b>31.12.2007</b>	<b>0</b>	<b>374</b>	<b>6,720</b>	<b>76</b>	<b>3,638</b>	<b>0</b>	<b>47</b>	<b>10,855</b>
<b>Net book value 31.12.2007</b>	<b>10,724</b>	<b>9,091</b>	<b>37,928</b>	<b>1,084</b>	<b>319</b>	<b>181</b>	<b>0</b>	<b>59,327</b>

## 15A. FIXED ASSETS – TANGIBLE & INTANGIBLE ASSETS (cont.)

(amounts in thousand euro)

	----- GROUP -----							
	Land plots	Buildings – Building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible Assets	Total
<b>Cost</b>								
01.01.2008	14,646	20,764	94,280	1,646	5,381	1,325	2,011	140,053
Revaluation of acquisition cost								0
Purchases		11	721		28	(131)		629
Reductions/Transfers			(301)		(10)			(311)
Foreign exchange differences	(203)	(577)	(6,627)	(2)	28	(248)	(292)	(7,921)
<b>31.03.2008</b>	<b>14,443</b>	<b>20,198</b>	<b>88,073</b>	<b>1,644</b>	<b>5,427</b>	<b>946</b>	<b>1,719</b>	<b>132,450</b>
<b>Depreciations</b>								
01.01.2008	119	1,992	28,554	439	4,446	0	1,347	36,897
Adjustment of accumulated depreciations due to revaluation								0
Additions		116	1,096	16	97		35	1,360
Reductions			(62)		(6)			(68)
Foreign exchange differences		(56)	(2,903)	15	55		(126)	(3,015)
<b>31.03.2008</b>	<b>119</b>	<b>2,052</b>	<b>26,685</b>	<b>470</b>	<b>4,592</b>	<b>0</b>	<b>1,256</b>	<b>35,174</b>
<b>Net book value 31.03.2008</b>	<b>14,324</b>	<b>18,146</b>	<b>61,388</b>	<b>1,174</b>	<b>835</b>	<b>946</b>	<b>463</b>	<b>97,276</b>
	Land plots	Buildings – Building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Intangible Assets	Total
<b>Cost</b>								
01.01.2007	13,112	21,488	93,201	1,747	5,182	227	1,820	136,777
Revaluation of acquisition cost	1,616							1,616
Purchases		198	1,289	51	479	1,101	292	3,410
Reductions/Transfers		(686)	2,198	(144)	(248)		(101)	1,019
Foreign exchange differences	(82)	(236)	(2,408)	(8)	(32)	(3)		(2,769)
<b>31.12.2007</b>	<b>14,646</b>	<b>20,764</b>	<b>94,280</b>	<b>1,646</b>	<b>5,381</b>	<b>1,325</b>	<b>2,011</b>	<b>140,053</b>
<b>Depreciations</b>								
01.01.2007	119	1,526	21,941	511	4,505		1,333	29,935
Additions		479	4,963	77	488		158	6,165
Reductions/Transfers		7	2,390	(146)	(544)		(97)	1,610
Foreign exchange differences		(20)	(740)	(3)	(3)		(47)	(813)



31.12.2007

Net book value 31.12.2007

<u>119</u>	<u>1,992</u>	<u>28,554</u>	<u>439</u>	<u>4,446</u>	<u>0</u>	<u>1,347</u>	<u>36,897</u>
<u>14,527</u>	<u>18,772</u>	<u>65,726</u>	<u>1,207</u>	<u>935</u>	<u>1,325</u>	<u>664</u>	<u>103,156</u>



## 17. CONTINGENT LIABILITIES

a. The parent company has not been tax audited for fiscal years 2003 and after, while the Greek subsidiary PETZETAKIS NORTH GREECE for fiscal year 2004 and after. The company's and Group's policy is to not create provisions for tax un-audited fiscal years.

b. During the approval date of the financial statements:

**b.1.)** There are legal claims against:

- the company for approximately € 2 million,
- the group for approximately € 3.2 million.

From the above claims, a direct effect may arise on the financial position of the company and Group amounting to € 150 thousand. For this possibility, an equal provision has been created.

**b.2.)** During the approval date of the financial statements, there was a mortgage prenotation of 115 million euro and a mortgage of 110 million euro on property of the company, collateral of 102 million euro on its equipment (without delivery) and of 98 million euro on shares of its subsidiaries. All the above are for security against the total receivables from the company's financial restructuring agreement amounting to 121.91 million euro. For the group there were additional mortgage prenotations and mortgages of 32 million euro for security against receivables.

Total company collateral & mortgages: 122 million euro

Total group collateral & mortgages: 154 million euro

**b.3.)** Several letters of guarantee have been issued for security against liabilities and execution of contract terms amounting to approximately € 0.7 million for the company and € 1.2 million for the Group.

**b.4.)** Agreements of receivables amounting to Euro 24 million (company Euro 10 million) have been secured against liabilities.

**b.5.)** Shares of the subsidiaries A.G. PETZETAKIS INTERNATIONAL HOLDINGS LIMITED, INDUPLAS S.P.A., FLEXIPLAS S.A., A.PETZETAKIS GESELLSCHAFT MIT BESCHRANKTER HAFTUNG, PETZETAKIS NORTH GREECE, PETZETAKIS AFRICA (PROPRIETARY) LIMITED and A. PETZETAKIS DEUTSCHLAND GESELLSCHAFT MIT BESCHRANKTER HAFTUNG have been collateralized for a total amount of Euro 98 million approximately.

**b.6.)** Part of the Group's equipment (mechanical and mobile) has been collateralized (without delivery) for the amount of Euro 102 million.

## 18. FINANCIAL INSTRUMENTS

### 18.1. Significant Accounting Policies

The adopted accounting policies as regards to financial instruments, including the categorization criteria for the valuation basis and recognition bases of relevant income and expenses concerning each category of financial assets, financial liabilities or participating titles, are presented in note 5.

	GROUP		ΕΤΑΙΡΙΑ	
	31.3.08	31.3.07	31.3.08	31.3.07
Categories of financial instruments				
Financial assets				
• Receivable amounts (including cash & cash equivalents)	47,995	40,708	27,183	16,329
• Available for sale	--	176	--	--
Financial liabilities				
• Cost of payable amounts (including loans)	<u>186,158</u>	<u>185,523</u>	<u>145,632</u>	<u>138,687</u>

### 18.2. Fair value of financial instruments

The company's management considers that the values based on which the financial assets and liabilities have been recognized in the financial statements, do not differ substantially from the fair values.

### 18.3. Financial risk as objective target by Management

The management considers this risk contained and thus that a maintenance of a particular operation for its monitoring is not deemed necessary. This risk includes "market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk".

### 18.4. Market risk

The company mainly operates in the global market. Fluctuations in exchange rates affect the company to the extent that such proceeds with transactions in markets where the currency is other than the Euro. The exposure to such risk is given and does not constitute the need for adopting a special policy for its management (note 20).

### 18.5. Interest rate risk

The company is subject to such a risk due to its long-term debt with floating interest rates. The company does not hedge its interest rate risk.

### 18.6. Credit risk

This risk refers to the possibility that receivables will not be collected and results from the company's daily transactions. However, it does pursue the minimization of such risk through:

- evaluating customers and selecting the most reliable and credit worthy as possible

Moreover, the company's large clientele and its non-dependence from a specific large client is yet another factor that minimizes credit risk.

### 18.7. Liquidity risk

The company pursues effective management of liquidity risk primarily through equating the credit and debit period and secondarily through maintaining adequate cash equivalents (cash in hand and bank), as well as

through ensuring the ability for direct bank financing in case of immediate needs. The continuous monitoring of the budget and the direct reaction to variations between estimations and actual results, promptly achieves a balance between cash inflows and outflows.

### 18.8. Foreign exchange risk

The Group's exposure to foreign exchange risk arises mainly from existing or expected cash flows in foreign currency (imports/exports) as well as from the investment in Africa. The fluctuation of the ZAR exchange rate and its effect on earnings before taxes and equity of the group in Euro, is presented in the following table.

#### Sensitivity Analysis of Group Loans to Changes in Zar/Euro Exchange Rate

Amounts for the period 1/1-31/3/2008	Change/Interest Rate	Effect on earnings before taxes	Effect on equity
	+5%	-46	706
+10%	-88	1,348	
-5%	51	-780	
-10%	108	-1,648	

## 19. TRANSACTIONS WITH AFFILIATED PARTIES

### TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.03.2008

SUBSIDIARY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM AFFILIATES	LIABILITIES TOWARDS AFFILIATES
INDUPLAS	69	87	49	343
FLEXIPLAS	-	-	-	1,434
EUROHOSE	11	-	62	-
AGP GMBH	-	-	762	-
BEHKA PLAST	272	-	920	4
PNG	1,210	1,249	4,146	-
PLASTIKA MAKEDONIAS	-	-	-	-
PETZETAKIS AFRICA	174	-	174	-
PETZETAKIS ROMANIA	173	8	112	8
AGPI	397	-	-	-
<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES</b>	<b>2,306</b>	<b>1,344</b>	<b>6,225</b>	<b>1,789</b>

### TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES 31.03.2008

INTRACOMPANY TRANSACTIONS BY COMPANY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM AFFILIATES	LIABILITIES TOWARDS AFFILIATES
AGP	2,306	1,344	6,225	1,789
INDUPLAS	438	81	2,548	213
FLEXIPLAS	13	11	1,755	59
EUROHOSE	-	81	14	1,668
AGP GMBH	17	5	1,645	980
BEHKA PLAST	20	560	21	2,865
PNG	1,249	1,210	4,342	4,146
PLASTIKA MAKEDONIAS	-	-	-	542
PETZETAKIS AFRICA	-	210	-	1,013
PETZETAKIS ROMANIA	8	187	8	141
AGPI	36	398	839	181
PLASTIKA KABALAS	-	-	-	3,800
<b>GROUP TOTAL</b>	<b>4,087</b>	<b>4,087</b>	<b>17,397</b>	<b>17,397</b>

The above amounts have been written-off during the consolidation of the financial statements of the Group companies, apart from the receivable of the company PETZETAKIS NORTH GREECE from the company PLASTIKA KAVALAS, amounting to 3,800 million euro.

## 19. TRANSACTIONS WITH AFFILIATED PARTIES (cont.)

### TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2007

SUBSIDIARY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM AFFILIATES	LIABILITIES TOWARDS AFFILIATES
INDUPLAS	105	83	41	271
FLEXIPLAS	-	95	-	1,438
EUROHOSE	84	-	52	-
AGP GMBH	1,168	30	895	-
BEHKA PLAST	243	4	643	4
PNG	4,230	4,684	4,169	-
PLASTIKA MAKEDONIAS	-	-	-	-
PETZETAKIS AFRICA	-	-	-	-
PETZETAKIS ROMANIA	763	201	97	29
AGPI	2,255			
<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES</b>	<b>8,848</b>	<b>5,097</b>	<b>5,897</b>	<b>1,742</b>

### TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES 31.12.2007

INTRACOMPANY TRANSACTIONS BY COMPANY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM AFFILIATES	LIABILITIES TOWARDS AFFILIATES
AGP	8,848	5,097	5,897	1,742
INDUPLAS	1,470	167	2,339	204
FLEXIPLAS	139	187	1,756	70
EUROHOSE	14	328	14	1,596
AGP GMBH	1,324	2,702	1,896	1,349
BEHKA PLAST	625	1,511	41	2,574
PNG	4,779	4,248	542	4,175
PLASTIKA MAKEDONIAS	18	95	6	542
PETZETAKIS AFRICA	-	336	-	1,607
PETZETAKIS ROMANIA	201	828	29	97
AGPI	336	2,255	1,607	171
PLASTIKA KABALAS	-	-	2,993	-
<b>GROUP TOTAL</b>	<b>17,754</b>	<b>17,754</b>	<b>17,120</b>	<b>14,127</b>

\* The above intercompany transactions, as well as intercompany receivables and liabilities are written-off during consolidation.

## 19.B. REMUNERATION OF SENIOR EXECUTIVES

	<u>2008</u>	<u>2007</u>
REMUNERATION OF SENIOR EXECUTIVES OF THE PARENT	329	1,343
OTHER	<u>437</u>	<u>863</u>
<b>Total</b>	766	2,206
BoD REMUNERATION OF THE PARENT	15	50
OTHER	<u>120</u>	<u>5</u>
Total	135	55
Liabilities towards BoD members		98

## 19.C. INTRACOMPANY TRANSACTIONS OF SUBSIDIARY PETZETAKIS AFRICA (PTY) LTD

		<u>Intracompany Transactions</u>			
		Sales	Purchases	Receivables	Liabilities
Sekunjalo Piping Systems (Proprietary) Ltd	2008	4,011	--	2,343	--
	2007	25,341	--	3,080	--
Petzetakis Africa (Namibia) (Proprietary) Ltd	2008	234	--	--	628
	2007	--	1243	--	710
Mabona Industries (Proprietary) Ltd	2008	--	--	--	--
	2007	--	--	--	7
A.G. Petzetakis International Holdings Ltd	2008	--	--	--	858
	2007	--	--	177	1,429
Soktel (Communications) Prod. Ltd.	2008	451	--	6	--
	2007	--	--	--	--

## 20. AIMS AND POLICIES OF THE FINANCIAL RISK MANAGEMENT PROGRAM

### Financial risk factors

The Group's activities create several financial risks, including foreign exchange and interest rate risk, credit risk and liquidity risk. The overall risk management program of the Group focuses on the volatility of financial markets and aims at minimizing the possible adverse effects of such volatility on the Group's financial performance.

The financial products used by the Group mainly consist of bank deposits, transactions in foreign currency at current prices, bank overdrafts, receivable and payable accounts, loans to and from subsidiaries, associates, joint-ventures, investments in securities, dividends payable and liabilities that arise from financial leases.

## 21. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the preparation date of the interim financial statements.

**PAIANIA, 20 May 2008**

**THE BoD  
CHAIRMAN**

**THE BoD CHAIRMAN &  
CHIEF EXECUTIVE  
OFFICER**

**THE FINANCE  
DIRECTOR**

**THE HEAD  
ACCOUNTANT**

**GEORGIOS  
PETZETAKIS**  
ID No. AB 526892

**IOANNIS  
SPANOUDAKIS**  
ID No. AB 649672

**PANAGIOTIS  
PETROLEKAS**  
ID No. T 502925

**ADAMANDIA – ALIKI  
KEFALONITOU**  
ID No. T 002464  
License No. 20920