



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

**NINE-MONTH FINANCIAL REPORT
OF THE COMPANY AND GROUP
(1 JANUARY - 30 SEPTEMBER 2009)**

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GROUP & COMPANY STATEMENTS

(amounts in thousand euro)

	NOTE	GROUP		COMPANY	
		30.09.2009	31.12.2008	30.09.2009	31.12.2008
NON CURRENT ASSETS					
Intangible assets	15A	96	161	0	0
Tangible assets	15A	100,189	98,244	54,179	55,287
Other assets	3D	2,134	2,104	32,584	29,756
Goodwill	6	<u>9,883</u>	<u>9,884</u>		
TOTAL NON CURRENT ASSETS		<u>112,302</u>	<u>110,393</u>	<u>86,763</u>	<u>85,043</u>
CURRENT ASSETS					
Inventories	7	18,420	19,730	6,279	6,434
Trade and other receivables	8	32,949	32,461	14,919	13,331
Deferred tax assets	13B	8,748		1,594	1,841
Cash and cash equivalents	9	<u>4,290</u>	<u>6,295</u>	<u>1,673</u>	<u>4,501</u>
TOTAL CURRENT ASSETS		<u>64,407</u>	<u>58,486</u>	<u>24,465</u>	<u>26,107</u>
TOTAL ASSETS		<u>176,709</u>	<u>168,879</u>	<u>111,228</u>	<u>111,150</u>
EQUITY AND LIABILITIES					
Share capital	10	7,675	7,675	7,675	7,675
Share premium		81,953	81,953	81,953	81,953
Capital reserves	11A	16,465	16,465	15,078	15,078
Revaluation reserves	11B	38,723	34,646	18,891	18,891
Stock option plan reserve		220	220	220	220
Translation difference		26	(2,478)		
Profit/(Losses) carried forward		(170,918)	(159,581)	(160,557)	(157,488)
Minority interest		<u>733</u>	<u>768</u>		
TOTAL EQUITY		<u>(25,123)</u>	<u>(20,332)</u>	<u>(36,740)</u>	<u>(33,671)</u>
NON CURRENT LIABILITIES					
Loans payable after one year	13A	119,677	119,166	118,176	116,124
Retirement benefit obligation		2,630	2,490	1,305	1,198
Deferred tax liabilities	13B	13,456	4,295		
Obligations under finance leases due after one year	16	2,430	749		
Other non current liabilities		<u>5,407</u>	<u>7,294</u>	<u>5,407</u>	<u>7,294</u>
TOTAL NON CURRENT LIABILITIES		<u>143,600</u>	<u>133,994</u>	<u>124,888</u>	<u>124,616</u>
CURRENT LIABILITIES					
Trade and other payables	14A-B	38,853	35,650	19,235	17,137
Obligations under finance leases	16	1,141	201		
Short-term loans		16,185	17,879	2,660	2,289
Tax liabilities	12	<u>2,053</u>	<u>1,487</u>	<u>1,185</u>	<u>779</u>
TOTAL CURRENT LIABILITIES		<u>58,232</u>	<u>55,217</u>	<u>23,080</u>	<u>20,205</u>
TOTAL EQUITY AND LIABILITIES		<u>176,709</u>	<u>168,879</u>	<u>111,228</u>	<u>111,150</u>

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

INCOME STATEMENT FOR THE PERIOD
01 JANUARY TO 30th SEPTEMBER 2009

(amounts in thousand euro)

GROUP	NOTE	1.1.2009 –	1.7.2009 –	1.1.2008 –	1.7.2008 –
		30.9.2009	30.9.2009	30.9.2008	30.9.2008
Turnover (sales)	4	88,397	31,181	126,038	43,708
Cost of sales	5A	70,703	24,035	104,378	36,422
Gross profit		17,694	7,146	21,660	7,286
Other operating income		<u>542</u>	<u>146</u>	<u>617</u>	<u>129</u>
Total gross operating results		<u>18,236</u>	<u>7,292</u>	<u>22,277</u>	<u>7,415</u>
Administrative expenses	5B	5,856	2,147	7,546	2,618
Research and development expenses	5C	132	46	253	70
Distribution cost	5D	<u>15,302</u>	<u>6,772</u>	<u>15,836</u>	<u>5,110</u>
Operating Profit		<u>(3,055)</u>	<u>(1,673)</u>	<u>(1,357)</u>	<u>(383)</u>
Non operating income					
Income from participations					
Finance income (credit interest)		49	(77)	99	(216)
Other income		<u>3,251</u>	<u>(82)</u>	<u>188</u>	<u>188</u>
		3,300	(159)	287	(28)
Non operating expenses					
Finance cost (debit interest)	5E	4,424	1,093	7,002	2,425
Loss from impairment provision of participations					
Other expenses	5F	<u>1,435</u>	<u>268</u>	<u>1,825</u>	<u>576</u>
		<u>5,859</u>	<u>1,362</u>	<u>8,827</u>	<u>3,003</u>
Net results (loss) for the period before taxes		<u>(5,614)</u>	<u>(3,194)</u>	<u>(9,897)</u>	<u>(3,414)</u>
Taxation	13B	<u>904</u>	<u>232</u>	<u>598</u>	<u>470</u>
Net results (loss) for the period after taxes		<u>(6,518)</u>	<u>(3,426)</u>	<u>(10,495)</u>	<u>(3,884)</u>
OTHER IMPORTANT INCOME –(COSTS)					
Share capital increase		--	--	376	--
Effect from fixed assets revaluation		2,724	--	--	--
€/ZAR & €/RON translation effects		(997)	218	(2,898)	(134)
Minority interests		--	--	(387)	--
Other reserves		--	--	87	--
Convertible bonds reserves		--	--	5,850	--
Total income - (costs)		<u>1,727</u>	<u>218</u>	<u>3,028</u>	<u>(134)</u>
TOTAL (COSTS)-INCOME FOR THE PERIOD		<u>(4,791)</u>	<u>(3,208)</u>	<u>(7,467)</u>	<u>(4,018)</u>
(Loss) per share (in euro)		(0.2539)	(0.1339)	(0.4273)	(0.1606)

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

INCOME STATEMENT FOR THE PERIOD
01 JANUARY TO 30th SEPTEMBER 2009

(amounts in thousand euro)

COMPANY	NOTE	1.1.2009-	1.7.2009-	1.1.2008-	1.7.2008-
		30.9.2009	30.9.2009	30.9.2008	30.9.2008
Turnover (sales)	4	25,440	8,039	35,014	11,170
Cost of sales	5A	<u>21,995</u>	<u>7,668</u>	<u>31,408</u>	<u>10,037</u>
Gross profit		3,445	371	3,606	1,133
Other operating income		<u>972</u>	<u>329</u>	<u>1,499</u>	<u>142</u>
Total gross operating results		4,417	700	5,105	1,275
Administrative expenses	5B	2,192	801	2,975	954
Research and development expenses	5C	53	23	89	24
Distribution cost	5D	<u>3,540</u>	<u>1,208</u>	<u>4,118</u>	<u>1,378</u>
Operating Profit		(1,368)	(1,333)	(2,076)	(1,082)
Non operating income					
Income from participations					
Finance income (credit interest)		(33)	(40)	279	70
Other income	3D	<u>2,873</u>	<u>61</u>	<u>—</u>	<u>0</u>
		2,840	21	279	70
Non operating expenses					
Finance cost (debit interest)	5E	2,871	781	4,776	1,852
Other expenses	5F	<u>1,423</u>	<u>262</u>	<u>230</u>	<u>(1)</u>
		4,294	1,043	5,006	1,851
Net results (loss) for the period before taxes		(2,822)	(2,355)	(6,803)	(2,863)
Taxation	13B	247	64	200	72
Net results (loss) for the period after taxes		(3,069)	(2,419)	(7,003)	(2,935)
OTHER TOTAL INCOME – (COSTS)			0	376	
Share Capital Increase		<u>—</u>	<u>0</u>	<u>5,850</u>	<u>—</u>
Convertible Bonds Reserves		0	0	6,226	0
Total other income – (costs)		(3,069)	(2,419)	(777)	(2,935)
TOTAL (COSTS) – INCOME FOR THE PERIOD					
(Loss) per share (in euro)		(0.1200)	(0.0946)	(0.2798)	(0.1173)

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

STATEMENT OF CHANGES IN COMPANY EQUITY

30.09.2009

(amounts in thousand euro)

	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Loss carried forward	Convertible bond Reserve	Stock Option Plan	Total
	€	€	€	€	€	€	€	€
Equity at beginning of period 01.01.2009	7,675	81,953	9,228	18,891	(157,488)	5,850	220	(33,671)
Profit / (Loss) for the period 01.01.2009 – 30.09.2009					(3,069)			(3,069)
Total Equity at end of period 30.09.2009	7,675	81,953	9,228	18,891	(160,557)	5,850	220	(36,740)

STATEMENT OF CHANGES IN COMPANY EQUITY

30.09.2008

(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 01.01.2008	7,487	81,765	9,228	20,891	(132,414)	0	220	(12,823)
Share Capital Increase	188	188				5,850		6,226
Total Income - (Costs) for the period 01.01.2008 – 30.09.2008					(7,003)			(7,003)
Total Equity at end of period 30.09.2008	7,675	81,953	9,228	20,891	(139,417)	5,850	220	(13,599)

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

STATEMENT OF CHANGES IN GROUP EQUITY

30.09.2009

(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 01.01.2009	7,675	81,953	10,615	34,646	(159,581)	(2,478)	768	220	5,850	20,332
Total Income - (Costs) for the period 01/01/09 - 30/09/09				4,077	(11,338)	2,504	(35)	--		(4,791)
Total Equity at end of period 30.09.2009	7,675	81,953	10,615	38,723	(170,918)	26	733	220	5,850	25,123

STATEMENT OF CHANGES IN GROUP EQUITY

30.09.2008

(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	7,487	81,765	9,882	24,434	(130,839)	673	1,045	220	0	(5,333)
Share Capital Increase	188	188							5,850	6,226
Total Income / (Costs) for the period 01.01.2008 – 30.09.2008			383	(266)	(12,220)	(1,274)	(317)	0		(13,694)
Total Equity at end of period 30.09.2008	7,675	81,953	10,265	24,168	(143,059)	(601)	728	220	5,850	(12,802)

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

CASH FLOW STATEMENT
(Indirect Method)– GROUP & COMPANY
(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
<u>Operating Activities</u>				
(Loss)/Profit before taxes	(5,614)	(9,897)	(2,822)	(6,803)
Plus/minus adjustments for:				
Depreciation	3,782	3,978	1,282	1,399
Provisions	2,997	(1,934)	2,978	297
Finance costs	4,424	7,002	2,871	4,776
Investment activity result	--	--	(2,800)	--
Plus/minus adjustments for changes in working capital:				
(Increase)/decrease in inventories	1,310	1,207	156	211
(Increase)/decrease in debtors	(1,671)	(5,889)	(1,588)	(4,719)
Increase/(Decrease) in liabilities (except bank obligations)	(3,672)	3,680	(5,125)	925
Minus:				
Interest paid	(1,368)	(3,679)	--	(1,454)
Tax payments	--	--	--	--
Total inflows/(outflows) from operating activities (a)	<u>188</u>	<u>(5,532)</u>	<u>(5,048)</u>	<u>(5,368)</u>
<u>Investment Activities</u>				
Purchase of tangible and intangible assets	(3,598)	2,159	(174)	(216)
Other assets	(30)	(2,254)	(28)	6
Income on disposal of tangible and intangible assets	--	--	--	--
Total inflows/(outflows) from investment activities (b)	<u>(3,628)</u>	<u>(95)</u>	<u>(202)</u>	<u>(210)</u>
<u>Financing Activities</u>				
Proceeds from issued / granted loans	511	17,500	2,052	17,500
(Repayments of loans)/Collection of granted loans	(1,696)	(4,033)	370	(4,438)
Finance lease obligations paid	2,620	(98)	--	(94)
Decrease in share capital	--	--	--	--
Total inflows/(outflows) from financing activities (c)	<u>1,435</u>	<u>13,369</u>	<u>2,422</u>	<u>12,968</u>
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	<u>(2,005)</u>	<u>7,742</u>	<u>(2,829)</u>	<u>7,390</u>
Cash and cash equivalents at beginning of the period	<u>6,295</u>	<u>1,916</u>	<u>4,501</u>	<u>973</u>
Cash and cash equivalents at end of the period	<u>4,290</u>	<u>9,658</u>	<u>1,673</u>	<u>8,363</u>

The notes on pages 7 – 41 constitute an integral part of the interim financial statements.

NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The parent company of the Group 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, 2007 the Board of Directors of the Athens Stock Exchange decided to transfer the company's shares to the under supervision category on 3 August, 2007 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, 2008 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. 47776/2-10-2008) 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.

The financial statement of the company & the Group are compiled under the going concern of the activities. The company & the Group succeeded up to 30.9.09 the tolerance from the Bondholders for the non achievement of the economic results as explained under the relevant agreements. The going concern of the company & the Group under the chance of non succession of the corresponding financial results in the future acts under the assumption of the continuation of the tolerance and the support of the company & the Group from the Bondholders.

(a) Compliance statement: The attached interim 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 (nine-month) financial statements of 30.09.2009.

1	Georgios Arist. Petzetakis	BoD Chairman & C.E.O.	Executive Member
2	Spyridon Dontas	Vice-Chairman	Executive Member
3	Petros Tzanetakis	Member	Non-Executive Member
4	Petros Lagounaris	Member	Non-Executive Member
5	Vasilios Kousidis	Member	Non-Executive Member
6	Georgios Papageorgantas	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 (I.F.R.I.C.) respectively and to the extent that such relate to the group's activity and are effective for accounting periods beginning on January 1st 2009.

a. New and revised standards and interpretations in effect during 2009

The adoption of new and revised standards and interpretations in effect from January 1st 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 adoption of new and revised standards and interpretations 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 the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (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, for which the acquisition cost was 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 30/09/2009. 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 CONSOLIDATED WITH THE FULL CONSOLIDATION METHOD

Subsidiaries	Domicile	Voting Rights	Direct participation	Indirect participation	Total	COMPANY	
						ACQUISITION COST 30.09.2009	ACQUISITION COST 31.12.2008
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	100.00%		100.00%	100.00%		
SEKTEL COMMUNICATIONS	S. Africa	55.00%		55.00%			
PETZETAKIS AFRICA (NAMIBIA) (PTY) LTD	S. Africa	100.00%		100.00%			
SEKUNJALO OUTSOURCING (PTY) LTD	S. Africa	100.00%		100.00%			
SEKUNJALO UTILITIES (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
PETZETAKIS Gmbh	Germany	100.00%	100.00%			2,534	2,534
PETZETAKIS DEUTSCHLAND (BEHKA – PLAST GMBH)*	Germany	100.00%		100.00%	100.00%		
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%	11,998	9,198
TOTAL A						31,433	28,633

*Within this financial season the parent company reversed part of the provision for the impairment of the participation cost (as at 31.12.2008, €13,500 th.) of the 100% subsidiary company A.G.P.I. and by €2,800 th. as the reason does not appear.

The reversal of the provision was judged necessary by the company management due to the substantial change of the financial results and the translation effects between € & Zar of the 100% subsidiary in Africa.

COMPANIES EXCLUDED FROM CONSOLIDATION

Other companies	Domicile	Voting Rights	Direct Participation	Indirect Participation	Total	COMPANY	
						ACQUISITION COST 30.09.2009	ACQUISITION COST 31.12.2008
HELIFLEX IRAN[1]	Tehran	25.00%	25.00%		25.00%	34	34
AVID IRAN[1]	Tehran	25.00%	25.00%		25.00%	34	34
INTEAL ENTROPIA A.E.[2]	Greece	9.00%	9.00%		9.00%	11	11
PLASTIKA KAVALAS SA [3]	Greece	100.00%	100.00%		100.00%	672	672
PETZETAKIS PLASTIKA SKOPJE LTD [3]	Fyrom	94.18%		94.18%	94.18%		
				TOTAL B		751	751
						127	127
						273	245
					GRAND TOTAL	32,584	29,756

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

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

[3] Consolidation exempted due to minor financials

(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 took place by independent appraisers in 31st December 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, estimation is made of the fixed assets' recoverable value in order to determine the loss from impairment (if deemed necessary).

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 and 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 30.09.2009 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>
31.09.2007	4.80%	3%	2%	
30.12.2008	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				
	30.09.2009	30.09.2008	30.09.2009	30.09.2008	30.09.2009	30.09.2008	30.09.2009	30.09.2008	
Sales of merchandise		8,316	27,549	2,701	5,502				
Sales of finished and semi-finished products		79,793	98,123	22,739	29,512				
Other sales		<u>288</u>	<u>366</u>	<u>--</u>	<u>--</u>				
		<u>88,397</u>	<u>126,038</u>	<u>25,440</u>	<u>35,014</u>				

	GROUP				COMPANY					
	30.09.2009				30.09.2009					
	Greece	Other Europe	Africa	Other Countries	Total	Greece	Other Europe	Africa	Other Countries	Total
Sales to domestic customers	26,573				<u>26,573</u>	20,929				<u>20,929</u>
Sales to foreign customers		<u>21,936</u>	<u>39,490</u>	<u>398</u>	<u>61,824</u>		<u>4,110</u>	<u>195</u>	<u>206</u>	<u>4,511</u>
Total sales	<u>26,573</u>	<u>21,936</u>	<u>39,490</u>	<u>398</u>	<u>88,397</u>	<u>20,929</u>	<u>4,110</u>	<u>195</u>	<u>206</u>	<u>25,440</u>

	GROUP				COMPANY					
	30.09.2008				30.09.2008					
	Greece	Other Europe	Africa	Other Countries	Total	Greece	Other Europe	Africa	Other Countries	Total
Sales to domestic customers	32,380				<u>32,380</u>	26,829	--	--	--	<u>26,829</u>
Sales to foreign customers		<u>33,414</u>	<u>59,585</u>	<u>659</u>	<u>93,658</u>	--	<u>5,492</u>	<u>2,215</u>	<u>478</u>	<u>8,185</u>
Total sales	<u>32,380</u>	<u>33,414</u>	<u>59,585</u>	<u>659</u>	<u>126,038</u>	<u>26,829</u>	<u>5,492</u>	<u>2,215</u>	<u>478</u>	<u>35,014</u>

Under the criterion of the company structure of the group the financial offices design the strategy, follow the new issues and take decisions through information sourcing from the company and its subsidiaries.

	A.G.PETZETAKIS	PETZETAKIS AFRICA PTY	PETZETAKIS NORTH GREECE SA	PETZETAKIS DEUTCH.	INDUPLAS	OTHER	TOTAL	CONSOLIDATIONS	GROUP
Income from foreign clients	21,059	39,688	10,777	6,546	4,907	5,962	88,939		88,939
Income within sectors of activities	5,353	0	1,011	62	559	20	7,005	-7,005	0
Total Income	26,412	39,688	11,788	6,608	5,466	5,982	95,944	-7,005	88,939
COGS	21,995	31,607	9,294	4,755	4,706	4,432	76,789	-6,086	70,703
Operating Costs	5,785	9,603	2,213	1,499	1,051	2,059	22,210	-919	21,291
Operating Profit (Loss)	-1,368	-1,522	281	354	-291	-509	-3,055		-3,055
Operating Profit (Loss) before depreciation	-86	-200	650	537	-129	-45	727		727
Net profit (Loss)	-3,069	-2,614	-389	375	-241	-580	-6,518	23	-6,495
Fixed Assets	86,763	16,562	19,138	1,476	405	18,953	143,298	-30,995	112,303
Current Assets	30,751	18,845	8,470	2,941	6,083	5,623	72,713	-8,231	64,482
Total Assets	117,514	35,407	27,608	4,417	6,488	24,576	216,010	-39,300	176,710
LT debt	131,175	4,999	2,950	756	659	3,062	143,601		143,601
ST debt	23,080	19,681	12,059	2,969	5,458	4,722	67,969	-9738	58,231
Total equity & liabilities	117,514	35,407	27,608	4,417	6,488	24,576	216,010	-39300	176,710

RECORDS

Nine Month period at 30/9/2008	A.G.PETZETAKIS	PETZETAKIS AFRICA PTY	PETZETAKIS NORTH GREECE SA	PETZETAKIS DEUTCH.	INDUPLAS	OTHER	TOTAL	CONSOLIDATIONS	GROUP
Income from foreign clients	27,898	57,370	14,393	8,231	8,741	10,023	126,655		126,655
Income within sectors of activities	8,615	0	2,693	80	1,448	317	13,153	-13,153	0
Total Income	36,513	57,370	17,086	8,311	10,189	10,340	139,808	-13,153	126,655
COGS	31,407	48,706	13,857	6,462	8,435	6,787	115,654	-11,276	104,378
Operating Costs	7,182	8,499	2,416	1,604	1,413	3,972	25,085	-1,451	23,634
Operating Profit (Loss)	-2,076	166	813	245	341	-419	-930		-1,357
Operating Profit (Loss) before depreciation	-677	2,060	1,181	373	568	-459	3,046	-425	2,621
Net profit (Loss)	-7,003	-1,752	-289	211	28	-1,133	-9,938	-756	-10,694
Fixed Assets	101,071	16,956	16,754	398	676	14,155	150,011	-40,595	109,416
Current Assets	35,103	24,920	15,172	2,943	7,834	7,116	93,087	-24,641	68,446
Total Assets	136,174	41,876	31,926	3,341	8,510	21,271	243,099	-55,722	187,377
LT debt	125,336	4,999	2,157	44	1,274	2,278	136,088	-2,847	133,241
ST debt	24,438	22,173	18,000	3,498	6,851	5,636	80,596	-13,658	66,938



Total equity & liabilities	136,174	41,876	31,926	3,341	8,510	21,272	243,099	-55,722	187,377
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Under the criteria of the financial results and especially the turnover of each company consolidated, the main sectors of activity are accounted as: the company A.G. Petzetakis, as well as its subsidiaries in Africa, Petzetakis North Greece, Petzetakis Deutschland and INDUPLAS. The other sectors concern the remaining consolidated subsidiaries with turnover contribution to the total is 6.2%.

Group's turnover arrives from a large number of clients and each ones contribution to the total does not exceed 10%.

5. NUMBER OF EMPLOYEES PER COUNTRY

	30.09.2009	30.09.2008
Greece	360	373
S. Africa	600	677
Italy	60	61
Germany	57	56
Spain	41	47
Romania	15	15
United Kingdom	<u>2</u>	<u>2</u>
	<u>1,135</u>	<u>1,231</u>
	<u>108</u>	120
	<u>874</u>	1260
	<u>267</u>	326
	<u>1,816</u>	2026

5A. COST OF SALES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
The cost of sales is allocated as follows:				
Wages	11,116	12,338	4,283	4,552
Third party remuneration	1,328	1,830	71	81
Depreciations	3,263	3,255	1,064	1,089
Third party benefits & other expenses	5,203	7,714	1,724	1,729
Cost of merchandise / consumables	7,291	7,521	2,051	4,487
Consumables	42,502	<u>71,720</u>	<u>12,802</u>	<u>19,470</u>
	<u>70,703</u>	<u>104,378</u>	<u>21,995</u>	<u>31,408</u>

5B. ADMINISTRATIVE EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.9.2009	<u>30.9.2008</u>	<u>30.9.2009</u>	<u>30.9.008</u>
The administrative expenses are allocated as follows:				
Wages	2,974	3,450	1,212	1,632
Third party remuneration	525	637	417	392
Depreciations	287	461	120	192
Third party benefits & other expenses*	2,070	<u>2,998</u>	<u>443</u>	<u>759</u>
	<u>5,856</u>	<u>7,546</u>	<u>2,192</u>	<u>2,975</u>

5C. RESEARCH AND DEVELOPMENT EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
The research & development expenses are allocated as follows:				
Wages	106	205	39	64
Depreciations	7	16	7	11
Third party benefits & other expenses	<u>19</u>	<u>32</u>	<u>7</u>	<u>14</u>
	<u>132</u>	<u>253</u>	<u>53</u>	<u>89</u>

5D. DISTRIBUTION EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
The distribution expenses are allocated as follows:				
Wages	5,513	6,009	1,955	1,922
Depreciations	225	245	90	108
Third party benefits & other expenses	<u>9,564</u>	<u>9,583</u>	<u>1,495</u>	<u>2,088</u>
	<u>15,302</u>	<u>15,836</u>	<u>3,540</u>	<u>4,118</u>

5E. NET FINANCIAL RESULTS

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
The net financial expenses are allocated as follows:				
Interest on short-term loans	1,989	2,311	456	498
Interest on long-term loans	2,363	3,992	2,363	3,602
Other financial expenses	<u>72</u>	<u>699</u>	<u>52</u>	<u>676</u>
	<u>4,424</u>	<u>7,002</u>	<u>2,871</u>	<u>4,776</u>

5F. OTHER EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Other expenses are allocated as follows:				
Provisions for claims				
Restructuring expenses	1,435	1,825	1,423	230
Refinancing expenses				
Provisions for fine	<u>1,435</u>	<u>1,825</u>	<u>1,423</u>	<u>230</u>

6. GOODWILL

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

	30.09.2009	GROUP 31.12.2008
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>9,884</u>	<u>9,884</u>

7. INVENTORIES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Inventories are analyzed as follows:				
Merchandise	2,717	3,160	1,543	1,660
Finished - semi-finished products - byproducts & remains	12,734	13,246	3,886	4,087
Production underway	176	85		
Raw & auxiliary Material, Consumables	<u>5,090</u>	<u>5,152</u>	<u>1,850</u>	<u>1,687</u>
	20,718	21,643	7,279	7,434
Minus: Provisions	<u>(2,298)</u>	<u>(1,913)</u>	<u>(1,000)</u>	<u>(1,000)</u>
	<u>18,420</u>	<u>19,730</u>	<u>6,279</u>	<u>6,434</u>

8. TRADE AND OTHER RECEIVABLES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Trade receivables	24,981	22,196	8,575	7,729
Checks post-dated	6,469	8,184	3,120	2,583
Other receivables	<u>9,487</u>	<u>10,035</u>	<u>5,373</u>	<u>5,119</u>
	40,937	40,415	17,068	15,431
Minus: Provisions for doubtful receivables	<u>-7,988</u>	<u>-7,953</u>	<u>-2,149</u>	<u>-2,100</u>
	<u>32,949</u>	<u>32,461</u>	<u>14,919</u>	<u>13,331</u>

9. CASH & CASH EQUIVALENTS

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Cash in hand	47	66	12	7
Site and term deposits	9,565	1,810	4,243	6,229
	<u>4,290</u>	<u>6,295</u>	<u>1,673</u>	<u>4,501</u>

10. SHARE CAPITAL

(amounts in thousand euro)

	COMPANY	
	30.09.2009	31.12.2008
Share Capital fully paid 25,583,146		
Nominal value per share 0.30 €	7,675	7,675
	<u>7,675</u>	<u>7,675</u>
Shares issued	30.09.2009	31.12.2008
Number of shares during the beginning of the period	25,583	24,957
Proportion for the period from new shares of Convertible Bond 626 *1/9		278
Weighted average number of shares outstanding	<u>25,583</u>	<u>25,235</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

	COMPANY		GROUP	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Losses for the period	-3,069	-25,074	-6,495	-23,033
Weighted average number of common shares	25,027	25,583	25,235	25,583
Losses per share in €	<u>-0.1200</u>	<u>-0.9936</u>	<u>-0.2539</u>	<u>-0.9127</u>

11A. CAPITAL RESERVES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Statutory reserve	1,049	1,049	941	941
Extraordinary reserves	311	311	311	311
Reserves of convertible bonds	5,850	5,850	5,850	5,850
Other reserves	<u>9,255</u>	<u>9,255</u>	<u>7,976</u>	<u>7,976</u>
	<u>16,465</u>	<u>16,465</u>	<u>15,078</u>	<u>15,078</u>

11B. REVALUATION RESERVES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Differences from revaluation of participations & securities	3,478	3,478	3,478	3,478
Differences from revaluation of other assets	<u>35,245</u>	<u>31,168</u>	<u>15,413</u>	<u>15,413</u>
	<u>38,723</u>	<u>34,646</u>	<u>18,891</u>	<u>18,891</u>

11 C. 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 and its affiliates
Exercise price of option:	€ 1
Exercise period:	2006-2009

Up to 30/9/2009 887,500 options have been exercised

12. TAX LIABILITIES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Income Tax – V.A.T.	558	472	(5)	
Taxes from staff wages	1,195	712	1,013	676
Taxes from previous periods	(5)	(4)	(4)	(4)
Other taxes	<u>305</u>	<u>307</u>	<u>181</u>	<u>107</u>
	<u>2,053</u>	<u>1,487</u>	<u>1,185</u>	<u>779</u>

12A. INCOME TAX

The company's profit is taxed with a 25% tax rate for 2009 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	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	24,078	24,078	24,078	24,078
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	83,494	81,442	83,494	81,442
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	10,604	10,604	10,604	10,604
BILBAO – VIZCAYA SPAIN	622	844		
UNICREDIT BANCA ITALIA	145	590		
OTHER BANKS	734	1,608		
	<u>119,677</u>	<u>119,166</u>	<u>118,176</u>	<u>116,124</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.

The capital of the aforementioned loan 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.

1.b. Plan amounting to 1,410,000 Euro, with a 3 year duration and no interest, unsecured, 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.

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).

4. According to the refinancing agreement, assurances are included on behalf of the group for financial commitments related to specific financial ratios directly linked to the group’s course. The group has pursued and received the necessary commitments from bondholders (up until 31.12.2008) in order for the latter to not use the contractual right related to a breach of terms of the refinancing agreement. Negotiations are underway between the group and bondholders in order for the group to receive the relevant waiver dated 30.9.2009.

The parent company asked and received the acceptance from the Bondholders for the bimonthly transfer of the payment for the 2nd and 3rd installments of the Bond loans up until 20.12.2009.

13B. DEFERRED TAXATION

(amounts in thousand euro)

	COMPANY		Income Statement	
	Balance Sheet			
	30.09.2009	31.12.2008	30.09.2009	30.09.2008
Deferred taxation on revalued depreciation	(2,198)	(1,968)	(230)	225
Provision for retirement benefit	326	299	27	(25)
Capitalized expenses				
Revaluation of fixed assets	(3,421)	(3,421)		
Current income taxation	<u>6,887</u>	<u>6,931</u>	(44)	
	<u>1,594</u>	<u>1,841</u>	<u>(247)</u>	<u>200</u>

GROUP Balance Sheet

	30.09.2009	31.12.2008
Deferred taxation on revalued depreciation	(3,166)	1,369
Provision for retirement benefit	404	331
Capitalized expenses		5
Revaluation of fixed assets	(10,290)	(7,188)
Current income taxation	8,344	974
Others		<u>214</u>
	<u>(4,708)</u>	<u>(4,295)</u>
Tax liability	(13,456)	(7,188)
Tax asset	<u>8,748</u>	<u>2,893</u>
	<u>(4,708)</u>	<u>(4,295)</u>

14. SHORT-TERM LIABILITIES

14A. TRADE & OTHER SHORT-TERM LIABILITIES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Suppliers – checks payable	25,711	25,280	8,249	7,669
Social security funds	1,201	653	800	653
Customer prepayments	1,442	896	1,259	709
Sundry creditors and other short-term liabilities	<u>5,539</u>	<u>4,282</u>	<u>4,085</u>	<u>3,687</u>
	<u>33,893</u>	<u>31,111</u>	<u>14,393</u>	<u>12,719</u>

14B. DEFERRED INCOME – ACCRUED EXPENSES

(amounts in thousand euro)

	GROUP		COMPANY	
	30.09.2009	31.12.2008	30.09.2009	31.12.2008
Deferred income	322	96	322	96
Accrued expenses (interest provision)	3,817	3,799	3,817	3,799
Accrued expenses (provision of other expenses)	<u>821</u>	<u>644</u>	<u>703</u>	<u>523</u>
	4,960	4,539	4,842	4,418
Total notes 14 A & 14 B	<u>38,853</u>	<u>35,650</u>	<u>19,235</u>	<u>17,137</u>

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
Cost								
01.01.2009	19,230	22,721	85,171	655	6,880	182	1,514	136,353
Revaluation of acquisition cost	1,481	706	(74)					2,113
Purchases		29	748	40	41			858
30.09.2009		414	2,368	58	(100)			2,740
Depreciations	<u>148</u>	<u>424</u>	<u>8,547</u>	<u>(3)</u>	<u>366</u>		<u>91</u>	<u>9,573</u>
01.01.2009	20,859	24,294	96,760	750	7,187	182	1,605	151,637
Adjustment of accumulated depreciations due to revaluation								
Additions	119	2,801	27,076	504	6,095	0	1,353	37,948
Reductions		(285)						(285)
30.09.2009		368	3,080	44	217		73	3,782
Depreciations		414	2,399	(5)				2,808
Forex		47	6,689	(12)	292		83	7,099
30.09.2009	<u>119</u>	<u>3,345</u>	<u>39,244</u>	<u>531</u>	<u>6,604</u>	<u>0</u>	<u>1,509</u>	<u>51,352</u>
Net book value 30.09.2009	<u>20,740</u>	<u>20,949</u>	<u>57,516</u>	<u>219</u>	<u>583</u>	<u>182</u>	<u>96</u>	<u>100,285</u>

	Land plots	Buildings – Building Facilities	Machinery & mechanical Equipment	Vehicles	Furniture & Other equipment	Assets under construction	Intangible assets	Total
Cost								
01.01.2008	14,646	20,764	94,280	1,646	5,381	1,325	2,011	140,053
Revaluation of acquisition cost	2,908	6,507	(1,182)					8,233
Purchases		202	2,602	5	263	(873)	3	2,202
Reductions/Transfers	1,893	(4,133)	1,378	(992)	1,240	(4)	(39)	(657)
31.12.2008	<u>(217)</u>	<u>(619)</u>	<u>(11,907)</u>	<u>(4)</u>	<u>(4)</u>	<u>(266)</u>	<u>(461)</u>	<u>(13,478)</u>
Depreciations	<u>19,230</u>	<u>22,721</u>	<u>85,171</u>	<u>655</u>	<u>6,880</u>	<u>182</u>	<u>1,514</u>	<u>136,353</u>
01.01.2008								
Adjustment of accumulated depreciations due to revaluation	119	1,992	28,554	439	4,446	0	1,347	36,897
Additions		419	3,850					4,269
Reductions		458	4,189	64	366		150	5,227
Reductions/Transfers		(7)	(1,865)	(14)	1,639			(247)
Forex		(61)	(7,652)	15	(356)		(144)	(8,198)
31.12.2008	<u>119</u>	<u>2,801</u>	<u>27,076</u>	<u>504</u>	<u>6,095</u>	<u>0</u>	<u>1,353</u>	<u>37,948</u>
Net Book Value 31.12.2008	<u>19111</u>	<u>19920</u>	<u>58095</u>	<u>151</u>	<u>785</u>	<u>182</u>	<u>161</u>	<u>98405</u>

16. FINANCIAL LEASES

(amounts in thousand)

	AFRICA	P.B.E.	INDUPLAS	OTHER	GROUP TOTAL
Present value of minimum lease payments					
Payments up to 30.09.2010	1,027	75	0	39	1,141
Payments up to 1.10.2010-30.09.2015	1,790	594	0	46	2,430
Payments after 5 years (2015-2020)					
	<u>2,817</u>	<u>669</u>	<u>0</u>	<u>85</u>	<u>3,571</u>
Present Value of lease obligations	<u>2,817</u>	<u>669</u>	<u>0</u>	<u>85</u>	<u>3,571</u>
Minus: Short-term portion of financial lease	<u>1,027</u>	<u>75</u>	<u>0</u>	<u>39</u>	<u>1,141</u>
Long-term liability from financial lease as at 30.06.2009	<u>1,790</u>	<u>594</u>	<u>0</u>	<u>46</u>	<u>2,430</u>

(amounts in thousand euro)

	GROUP 31.12.2008				GROUP TOTAL
	AFRICA	P.B.E.	INDUPLAS	OTHER	
Present value of minimum lease payments					
Payment up to 31.12.2009	31	121	7	42	201
Payment up to 1.1.2010-31.12.2014	10	671		68	749
Payments after the 5 yr. Period (2015-2020)					
	<u>41</u>	<u>792</u>	<u>7</u>	<u>110</u>	<u>950</u>
Present value of lease obligations	<u>41</u>	<u>792</u>	<u>7</u>	<u>110</u>	<u>950</u>
Minus: Short-term portion of financial lease	<u>31</u>	<u>121</u>	<u>7</u>	<u>42</u>	<u>201</u>
Long-term liability from financial lease as at 31.12.2008	<u>10</u>	<u>671</u>	<u>0</u>	<u>68</u>	<u>749</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 € 1.4 million,
- the group for approximately € 4.32 million.

From the above claims, a direct effect may arise on the financial position of the company amounting to € 0.15 mil. and of the Group amounting to € 2.6 mil. For this possibility, a provision has been created for the company and Group.

b.2.) During the approval date of the financial statements, there was a 1st mortgage prenotation of 132 million euro and a 2nd mortgage prenotation of 115 million euro and mortgages amounting to 111 million euro on properties and guarantees of €102 mil. on machinery (without delivery) and €98 mil. on subsidiaries' shares for security against total debt of €121.91 mil. for the debt restructure of the group and further mortgages on fixed assets of €28 mil. for credit security.

Total company collateral & mortgages: 122 million euro

Total group collateral & mortgages: 154 million euro

b.3.) Agreements of receivables amounting to Euro 4 million of the parent company have been secured against liabilities.

b.4.) Shares of the subsidiaries A.G. PETZETAKIS INTERNATIONAL HOLDINGS LIMITED, INDUPLAS S.P.A., FLEXIPLAS S.A., A.PETZETAKIS GESELLSCHAFT MIT BESCHRAKKTER HAFTUNG, PETZETAKIS NORTH GREECE, PETZETAKIS AFRICA ROPRIETARY) LIMITED and A. PETZETAKIS DEUTSCHLAND GESELLSCHAFT MIT BESCHRANKTER HAFTUNG have been collateralized for a total amount of Euro 98 million approximately.

b.5.) 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 3.

	GROUP		COMPANY	
	30.09.09	31.12.08	30.09.09	31.12.08
Categories of financial instruments				
Financial assets				
• Receivable amounts (including cash & cash equivalents)	45,987	38,757	18,186	19,673
• Available for sale	--	176	--	--
• Financial liabilities				
• Cost of payable amounts (including loans)	<u>201,832</u>	<u>189,211</u>	<u>147,968</u>	<u>144,822</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, and 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

	Change/Exchange Rate	Effect on losses before taxes	Effect on equity
Amounts for the period 2009	+5%	-97	1.686
	+10%	-185	3.219
	-5%	107	-1.864
	-10%	226	-3.934

19. TRANSACTIONS WITH AFFILIATED PARTIES

TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES

SUBSIDIARY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM SUBSIDIARIES	LIABILITIES TOWARDS SUBSIDIARIES
INDUPLAS	97	36	31	541
FLEXIPLAS	73	18	15	1,473
EUROHOSE	68	--	116	--
AGP GMBH	--	--	--	--
PETZETAKIS DEUTSCHLAND	767	8	299	8
PNG	2,977	1,000	2,074	--
PLASTIKA MAKEDONIAS	158	0	231	7
PETZETAKIS AFRICA	860	--	830	--
PETZETAKIS ROMANIA	510	--	98	--
AGPI	--	--	--	1,054
PLASTIKA KAVALAS	--	--	3,026	-
TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES	5,511	1,062	6,720	3,083

TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES

INTRACOMPANY TRANSACTIONS BY COMPANY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM AFFILIATES	LIABILITIES TOWARDS AFFILIATES
AGP	5,511	1,062	6,720	3,083
INDUPLAS	637	138	3,253	143
FLEXIPLAS	42	118	1,564	42
EUROHOSE	--	196	18	1,979
AGP GMBH	13	2	234	--
PETZETAKIS DEUTSCHLAND	124	1,201	74	1,355
PNG	1,020	3,042	526	2,166
PLASTIKA MAKEDONIAS	2	167	36	756
PETZETAKIS AFRICA	--	860	-	893
PETZETAKIS ROMANIA	1	563	1	100
AGPI	--	--	1,117	--
GROUP TOTAL	7,350	7,350	-	10,517

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 3,026 million euro and the amounts accounting for trading and obligations of the subsidiary Plastika Mecedonias (Skopje) which is excluded from consolidation.

TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2008

(amounts in thousand)

SUBSIDIARY	SALES & OTHER TRANSACTIONS	PURCHASES & OTHER TRANSACTIONS	RECEIVABLES FROM SUBSIDIARIES	LIABILITIES TOWARDS SUBSIDIARIES
INDUPLAS	121	234	47	505
FLEXIPLAS	74	71	11	1,455
EUROHOSE	69	-	85	--
AGP GMBH	-	-	--	--
BEHKA PLAST	1,583	18	1,036	--
PNG	5,790	3,481	1,861	--
PLASTIKA MAKEDONIAS	200	7	113	7
PETZETAKIS AFRICA	732	--	221	--
PETZETAKIS ROMANIA	762	10	25	8
AGPI	967	-	-	1,092
PLASTIKA KAVALAS	-	-	3,012	--
TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES	10,298	3,821	6,317	3,067

TOTAL INTRACOMPANY TRANSACTIONS & LIABILITIES 31.12.2008

AGP	10,298	3,821	-	3,067
INDUPLAS	1,858	162	3,019	120
FLEXIPLAS	115	168	1,596	75
EUROHOSE	-	617	16	1,980
AGP GMBH	49	23	908	-
BEHKA PLAST	92	2,561	1	2,482
PNG	3,481	5,822	-	1,861
PLASTIKA MAKEDONIAS	33	200	7	113
PETZETAKIS AFRICA	-	732	-	280
PETZETAKIS ROMANIA	16	858	8	25
AGPI	-	978	1,151	8
GROUP TOTAL	15,941	15,941	6,706	10,011

The above amounts have been written off during consolidation, except from the receivable of Plastika Kavalas of €3.012 mil.

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

(amounts in thousand)

		Sales	Purchases	Receivables	Liabilities
Sekunjalo Piping Systems (Proprietary) Ltd	2009	1,992	--	--	3,577
	2008	17,256	--	2,057	--
Petzetakis Africa (Namimbia) (Proprietary) Ltd	2009	778	--	--	--
	2008	--	725	--	446
Sektel (Communications) Prod. Ltd	2009	--	--	174	--
	2008	1,485	--	38	--

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

The parent company asked and succeeded the consent of the Bondholders for a bimonthly transfer of the 2nd and 3rd payment of the bond loan installments up until 20.12.2009.

The parent company succeeded up until 31.12.2009 the tolerance of the Bondholders for the non deliverance of the financial targets as agreed under the relevant contracts with the Bondholders

The restructuring plan of the total debt structure with a foreign investing group is under development. The result of this development is expected to finalize within the 4th quarter of 2009.

GLYKA NERA, 27 November 2009

**THE BoD
CHAIRMAN**

**GEORGIOS
PETZETAKIS**
ID No. AB 526892

**THE BoD VICE
CHAIRMAN**

**SPYRIDON
DONTAS**
ID No. S 632805

**THE FINANCE
DIRECTOR**

**PANAGIOTIS
PETROLEKAS**
ID No. T 502925

**THE HEAD
ACCOUNTANT**

**ADAMANDIA – ALIKI
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