

**FINANCIAL STATEMENTS**  
**A. Petzetakis Deutschland GmbH,**  
**former Behka-Plast GmbH**  
**31<sup>st</sup> December,**  
**2008**

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**INCOME STATEMENT**  
**31<sup>st</sup> December,**  
**2008**

	Notes	<u>31.12.2008</u>	<u>31.12.2007</u>
Revenue	4	10.019	7.066
Cost of sales	5	<u>-7.924</u>	<u>-5.668</u>
<b>Gross profit</b>		<u><b>2.095</b></u>	<u><b>1.398</b></u>
Other operating income		19	20
Distribution costs	5	-1.630	-856
Administrative expenses	5	-380	-175
Other operating expenses	5	-5	-79
Restructuring costs		<u>-20</u>	<u>-287</u>
<b>Profit from operations</b>		<u><b>79</b></u>	<u><b>21</b></u>
Finance costs		-58	-55
Finance income		1	0
Loss on disposal of discontinued operations		0	0
Exchange (loss)/gain		0	0
Roundness difference		<u>1</u>	<u>0</u>
<b>Profit before tax</b>		<u><b>23</b></u>	<u><b>-34</b></u>
Income tax expense		0	0
Deferred taxes	5a	<u>130</u>	<u>0</u>
<b>Profit after tax – continuing operations</b>		<u><b>153</b></u>	<u><b>-34</b></u>
Minority interest		0	0
<b>Net Profit/(Loss) for the period</b>		<u><b>153</b></u>	<u><b>-34</b></u>

Notes forming an integral part of the financial statements on pages 5 to 22.

**BALANCE SHEET**  
**31<sup>st</sup> December,**  
**2008**

<b>ASSETS</b>	<b>Notes</b>	<b><u>31.12.2008</u></b>	<b><u>31.12.2007</u></b>
<b>Non Current Assets</b>			
Property, plant and equipment	6	1.376	451
Intangible assets	7	45	69
Goodwill	8	0	0
Interests in associates and joint ventures		0	0
liability insurance	8a	<u>142</u>	<u>0</u>
<b>Current Assets</b>			
Inventories	9	1.570	1.663
Trade and other receivables	10	610	431
Investments held for trading		0	0
Deferred tax asset	10a	130	0
Cash and cash equivalents	11	289	162
Prepayments/accrued income		24	
Roundness difference		<u>0</u>	<u>0</u>
<b>Non current assets classified as held for sale</b>		<u>0</u>	<u>0</u>
<b>Total assets</b>		<u><u>4.186</u></u>	<u><u>2.779</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12	153	153
Capital reserves	13	1.690	1.340
Revaluation reserves	14	707	0
Hedging reserve		0	0
Translation reserve		0	0
Accumulated profit/loss		<u>-1.752</u>	<u>-1.905</u>
		<u>798</u>	<u>-412</u>
Minority interest		<u>0</u>	<u>0</u>
<b>Total equity</b>		<u><u>798</u></u>	<u><u>-412</u></u>
<b>Non current liabilities</b>			
Bank loans and overdrafts-due after one year	15	0	0
Retirement benefit obligation	16	0	0
Provisions	21	410	0
Deferred tax	21a	311	0
Obligations under finance leases-due after one year	17	<u>68</u>	<u>0</u>
		<u>789</u>	<u>0</u>
<b>Current liabilities</b>			
Trade and other payables	18	2.430	3.051
Bank loans and overdrafts-due within one year	15	0	0
Tax liabilities		0	0
Obligations under finance leases – due within one year	17	39	0
Provisions	19	130	140
Accrued expenses/Deferred income	20	<u>0</u>	<u>0</u>
		<u>2.599</u>	<u>3.191</u>
<b>Liabilities directly associated with non-current assets classified as held for sale</b>		<u>0</u>	<u>0</u>
<b>Total equity and liabilities</b>		<u><u>4.186</u></u>	<u><u>2.779</u></u>

Notes forming an integral part of the financial statements on pages 5 to 22.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>st</sup> December,  
2008**

	Share capital	Capital reserves	Revaluation reserves	Accumulated Losses carried forward	Hedging reserves	Translation reserves	Total Equity
<b>Equity 31.12.07</b>							
Balance 01.01.2007	153	1.340	0	-1.871	0	0	-378
Revaluation Reserve	0	0	0	0	0	0	0
Profit for the year	0	0	0	-34	0	0	-34
Currency translation differences	0	0	0	0	0	0	0
Net loss on hedges	0	0	0	0	0	0	0
Other reserves	0	0	0	0	0	0	0
<b>Equity as at 31.12.2007</b>	<b>153</b>	<b>1.340</b>	<b>0</b>	<b>-1.905</b>	<b>0</b>	<b>0</b>	<b>-412</b>
<b>Equity 31.12.08</b>							
Balance 01.01.2008	153	1.340	0	-1.905	0	0	-412
Revaluation Reserve	0	0	707	0	0	0	707
Profit for the period	0	0	0	153	0	0	153
Currency translation differences	0	0	0	0	0	0	0
Net loss on hedges	0	0	0	0	0	0	0
capital increase	0	350	0	0	0	0	350
<b>Equity as at 31.12.2008</b>	<b>153</b>	<b>1.690</b>	<b>707</b>	<b>-1.752</b>	<b>0</b>	<b>0</b>	<b>798</b>

On 2<sup>nd</sup> October 2008 the capital reserve was increased by an amount of 350.000 EUR.  
So that now the total amount of the capital reserve is 1.690.000 EUR.

Per 31.12.2008 a revaluation of assets was made. For details of the revaluation reserve, please see point 14.

**CASH FLOW STATEMENT**  
**31<sup>st</sup> December,**  
**2008**

<u>Cash flows from operating activities</u>	<u>31.12.08</u>	<u>31.12.07</u>
<b>Profit / (Loss) for the year</b>	<b>153</b>	<b>-34</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	178	140
Foreign Exchange differences	0	0
Profit from Discontinued operations	0	0
Provisions	-10	-12
Profit/Loss of assets	-4	0
Decrease/(Increase) in inventories	93	-366
(Increase) / Decrease in trade receivables	-199	3
(Increase) / Decrease in ICOY receivables	40	0
(Increase) / Decrease in deferred taxes	-130	
Decrease/(Increase)in other assets	-41	-2
(Increase)/ Decrease in trade payables	122	651
Increase)/ Decrease in ICOY payables	-383	0
(Decrease)/Increase in other asstes	3	-22
<b>Cash flows from operating activities</b>	<b>-178</b>	<b>358</b>
Taxes paid	0	0
<b>Total inflows (outflows) from operating activities</b>	<b>-178</b>	<b>358</b>
<b>Other non-cash changes in assets and liabilities</b>		
- increase in provisions	410	0
- increase in financial assets	-142	0
- decrease in ICOY payables	-268	0
<b>Cash flows from operating activities</b>	<b>0</b>	<b>0</b>
<b><u>Cash flow from investing activities</u></b>		
Purchase of tangible / intangible assets	119	-270
Outpayments in investments on fixed asstes	-177	0
Outpayments in investments on financial assets	0	0
Revaluation reserve	0	0
<b>Net cash flow from investing activities</b>	<b>-58</b>	<b>-270</b>
<b><u>Cash flow from financing activities</u></b>		
Repayment of bank loans	0	0
Repayments of obligation under finance leases	13	0
Bank loans	0	0
Increase of capital	350	0
<b>Cash flow from financing activities</b>	<b>363</b>	<b>0</b>
<b>Net increase in cash and cash equivalents</b>	<b>127</b>	<b>88</b>
Roundness difference	0	1
<b>Cash and cash equivalents at beginning of year</b>	<b>162</b>	<b>73</b>
<b>Cash and cash equivalents at 31.12.2008</b>	<b>289</b>	<b>162</b>

Notes forming an integral part of the financial statements on pages 5 to 22.

**Notes to the consolidated financial statements****31<sup>st</sup> December,  
2008****1. Corporate information**

The financial statements for the period 1/1-31/12/2008 have been prepared in accordance with International Financial Reporting Standards (IFRS).

**2. Objective**

The company's business is the production of and the trade with articles from plastics and rubber, especially hoses including the import and export. At 31.12.2007 the current business from the mother company A. Petzetakis GmbH was taken over. Through this the business type was not changed!

**3. Summary of significant accounting policies****3.1. Basis of presentation**

These financial statements are presented in Euros as that is the currency in which the majority of the company's transactions are denominated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis till 2007. Per 31.12.2008 an asset revaluation was conducted. The appraisals revaluated the tangible assets (machinery, office equipment, furniture & fixtures). The intangibles assets (software) were not revaluated.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**3.2. Statement of compliance**

The financial statements of the company have been prepared, for first time (first adoption opening balances of 1.1.2003), in accordance with International Financial Reporting Standard 1. All these Financial Statements for the period ended at 31<sup>st</sup> December, 2008 (and those one comparative for the year ended at 31<sup>st</sup> December, 2007) were prepared according to International Financial Reporting Standards / International Accounting Standards, issued by International Accounting Standards Board (IASCF Foundation), approved by the endorsement mechanism issued by (EC) Reg. n° 1606/2002, of 19<sup>th</sup> July, 2002.

**3.3. Foreign currency translation**

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in the income statement.

There is no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.

**3.4. Tangible fixed assets**

Vehicles are valued at costs minus accumulated depreciations.

Machinery, furniture and fixtures and office equipment are valued at fair value minus depreciations. The fair value was defined by independent appraisers (Sachverstaendigenbuero Dipl.-Ing. Dieter A. Hilbert) during the initial adoption of the International Accounting Standards. The first time the revaluation of the assets was made was per 31.12.2008.

Depreciations are calculated with fixed rates throughout the useful life of the fixed assets as follows:

<u>Category of assets</u>	<u>Useful life</u>
Buildings	none in the company
Machinery	3 – 20 years
Furniture & fixtures	1 – 18 years
Office equipment	3 – 9 years
Transportation means	2 – 11 years

Fair value is determined by the independent appraisers with reference to the market conditions and it is the amount for which an asset could be exchanged between knowledgeable, willing parties under the going concern principle. The fair value is thus the value with which an acquirer of the whole company would value each sole asset within the scope of the total purchase price of the company under going concern.

The excess amount of the revaluation is transferred to the account "Revaluation Reserve" and is presented in the Balance Sheet as part of equity.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**3.5. Income tax (current and deferred)**

Income tax is based on taxable profits for the period at the rate which is in force for each year for the company : (0% for year 2007 and 2008), because of losses carried forward. Taxable profits differ from company's profit as reported in the income statement because they exclude items of income or expenses that are taxable or deductible in other years and they further exclude 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.

**3.6. Goodwill**

Per 31.12.2007 Behka-Plast GmbH, in January 2008 renamed into A. Petzetakis Deutschland GmbH, took over the business of A. Petzetakis GmbH. In this process the goodwill of A. Petzetakis GmbH (amount: 260.443,73 EUR) was also bought. This goodwill was activated per 31.12.2007 and directly and completely depreciated in 2007.

**3.7. Inventories**

Inventories are valued at the lower of cost or net realisable value.

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

Raw materials - average cost;

Finished goods and work-in-progress- cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**3.8. Provisions**

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.

**3.9. Revenue**

*Sales of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured (excluding relevant V.A.T.).

Revenue is recorded during the period to which they refer regardless of when received, in accordance with the accrual accounting principle. Differences between amounts received and the corresponding revenue are recorded under accruals and deferrals.

Revenue in respect of sales of goods and products are stated net of value added tax and trade discounts, and is recognised when title is passed to the customer, which is **in part** when products and goods are delivered to the customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Interest*

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

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**3.10. Government grants**

There are no government grants.

**3.11. Trade and other receivables**

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Bad debts are written off when identified.

**3.12. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three month or less. For the purpose of the consolidated cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

**3.13. Bank borrowings**

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

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**3.14. Trade payables**

The trade payables are stated at their nominal value.

**3.15. Finance leases**

The company has contracts, which are Finance lease. For details see note 17.

**3.16. Borrowing costs**

Are recognised as an expense when incurred and charged directly against income.

**3.17 Investments in subsidiaries and related companies**

Company	Net book value	Company activity	Equity value as at 31.12.08	Participation value as at 31.12.08	Consolidation method
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There are no investments in subsidiaries and related companies.

**3.18 Available for sale financial assets**

There are no available for sale financial assets.

**3.19 Derivative financial instruments**

There are no derivative financial instruments.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

#### 4. Revenue

Analysis of company's revenue is as follows:

	<u>31.12.08</u>	<u>31.12.07</u>
Sales of goods	10.019	7.066
Finished and semi finished goods	0	0
Other	<u>0</u>	<u>0</u>
	<u>10.019</u>	<u>7.066</u>

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

	<b>Greece</b>	<b>Rest of Europe</b>	<b>S. Africa</b>	<b>Other</b>	<b>Total</b>
<b>31.12.2008</b> Volume Sales ('000 Kgr)	0	2.810	0	0	2.810
Sales to external customers	0	9.952	0	0	9.952
Sales to internal customers (within the group)	0	67	0	0	67
Total sales	0	10.019	0	0	10.019
<b>31.12.2007</b> Volume Sales ('000 Kgr)	0	2.156	0	0	2.156
Sales to external customers	0	6.475	0	0	6.475
Sales to internal customers (within the group)	0	591	0	0	591
Total sales	0	7.066	0	0	7.066

The following table provides an analysis of the sales by product segment:

	<b>Infra- Structure</b>	<b>Housing</b>	<b>Agriculture</b>	<b>Industrial</b>	<b>Mining/ Garden</b>	<b>Other</b>	<b>Total</b>
<b>31.12.2008</b> Volume Sales ('000 Kgr)	0	0	0	2.810	0	0	2.810
Sales to external customers	0	0	0	9.952	0	0	9.952
Sales to internal customers (within the group)	0	0	0	67	0	0	67
Total sales	0	0	0	10.019	0	0	10.019
<b>31.12.2007</b> Volume Sales ('000 Kgr)	0	0	0	2.156	0	0	2.156
Sales to external customers	0	0	0	6.475	0	0	6.475
Sales to internal customers (within the group)	0	0	0	591	0	0	591
Total sales	0	0	0	7.066	0	0	7.066

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**5. Operating expenses**

An analysis of company's revenue is as follows:

	<u>31.12.2008</u>	<u>31.12.2007</u>
Wages	1.690	1.213
Utilities	550	298
Depreciation	178	140
Sundry expenses	1.358	1.079
Material costs	6.148	4.045
Marketing/promotion costs	14	3
Roundness Difference	<u>0</u>	<u>0</u>
	9.938	6.778

The above amounts have been allocated as follows:

**Cost of sales (includes production)**

	<u>31.12.2008</u>	<u>31.12.2007</u>
Wages	905	913
Utilities	401	239
Depreciation	134	105
Sundry expenses	337	366
Material costs	6.148	4.045
Marketing/promotion costs	0	0
Roundness Difference	<u>-1</u>	<u>0</u>
	7.924	5.668

**Administration expenses**

	<u>31.12.2008</u>	<u>31.12.2007</u>
Wages	166	73
Utilities	37	15
Depreciation	18	14
Sundry expenses	159	73
Material costs	0	0
Marketing/promotion costs	0	0
Roundness difference	<u>0</u>	<u>0</u>
	380	175

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
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**Other operating expenses**

	<u>31.12.2008</u>	<u>31.12.2007</u>
Wages	0	0
Utilities	0	0
Depreciation	0	0
Sundry expenses	5	79
Material costs	0	0
Marketing/promotion costs	<u>0</u>	<u>0</u>
	5	79

**Distribution expenses**

	<u>31.12.2008</u>	<u>31.12.2007</u>
Wages	619	226
Utilities	111	44
Transportation costs	499	328
Depreciation	27	21
Sundry expenses	359	234
Material costs	0	0
Marketing/promotion costs	14	3
Roundness Difference	<u>0</u>	<u>0</u>
	1.629	856

**5a. Deferred taxes**

	<u>31.12.2008</u>	<u>31.12.2007</u>
	<u>130</u>	<u>0</u>
	130	0

Per 31.12.2007 the losses carried forward was 425.837 EUR. Taking the tax rate 30,53% for the deferred taxes the profit from the deferred tax amounts to 129.987 EUR.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**6. Property, plant and equipment**

	<b>Land</b>	<b>Buildings</b>	<b>Fixtures and Equipment</b>	<b>Transportation Means</b>	<b>Assets under Construction</b>	<b>Total</b>
<b>Cost of valuation</b>						
<i>At 1 January, 2008</i>	119	0	1.885	6	0	2.010
Translation difference	0	0	0	0	0	0
Additions	0	0	177	0	0	177
Disposals	0	0	-115	0	0	-115
Revaluation increase	0	0	1.018	0	0	1.018
<i>At 31 December, 2008</i>	119	0	2.965	6	0	3.090
<b>Accumulated depreciation and impairment</b>						
<i>At 1 January, 2008</i>	119	0	1.439	1	0	1.559
Translation difference	0	0	0	0	0	0
Charge for the year	0	0	153	2	0	155
Disposals	0	0	0	0	0	0
<i>At 31 December, 2008</i>	119	0	1.592	3	0	1.714
<b>Carrying amount</b>						
<i>At 31 December, 2008</i>	0	0	1.373	3	0	1.376

The first time a revaluation of assets was conducted was per 31.12.2008. The asset revaluation was made by independent appraisers. The book value of the assets was 357.331 EUR, after the revaluation the assets have a value of 1.375.405 EUR. The difference between these two amounts is 1.017.573 EUR and booked as revaluation reserve.

Notes to the financial statements  
31<sup>st</sup> December,  
2008

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

	Land	Buildings	Fixtures and Equipment	Transportation Means	Assets under Construction	Total
<b>Cost of valuation</b>						
<i>At 1 January, 2007</i>	119	0	1.766	8	0	1.893
Correction of former years	0	0	0	0	0	0
Additions	0	0	196	5	0	22
Disposals	0	0	-77	-7	0	-53
Revaluation increase / decrease	0	0	0	0	0	0
<i>At 31 December, 2007</i>	119	0	1.885	6	0	2.010
<b>Accumulated depreciation and impairment</b>						
<i>At 1 January, 2007</i>	119	0	1.376	8	0	1.503
Correction of former years	0	0	0	0	0	0
Charge for the year	0	0	140	0	0	34
Disposals	0	0	-77	-7	0	-53
<i>At 31 December, 2007</i>	119	0	1.439	1	0	1.559
<b>Carrying amount</b>						
<i>At 31 December, 2007</i>	0	0	446	5	0	451

The assets are valued with historical cost till 2007.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**7. Intangible assets**

	Patents, Trademarks	Other	Total
<b>Cost</b>			
<i>At 1 January, 2008</i>	<i>0</i>	<i>69</i>	<i>69</i>
Translation difference	0	0	0
Additions	0	0	0
<i>At 31 December, 2008</i>	<u><i>0</i></u>	<u><i>69</i></u>	<u><i>69</i></u>
<b>Accumulated amortisation</b>			
<i>At 1 January, 2008</i>	<i>0</i>	<i>0</i>	<i>0</i>
Translation difference	0	0	0
Charge for the year	0	23	23
Impairment	0	0	0
<i>At 31 December, 2008</i>	<u><i>0</i></u>	<u><i>23</i></u>	<u><i>23</i></u>
Roundness difference	0	-1	-1
<b>Carrying amount</b>			
<i>At 31 December, 2008</i>	<u><i>0</i></u>	<u><i>45</i></u>	<u><i>45</i></u>

**8. Goodwill**

	A. Petzetakis GmbH
<b>Cost</b>	
<i>At 1 January, 2008</i>	<i>260</i>
Translation difference	0
Additions	0
<i>At 31<sup>st</sup> December, 2008</i>	<u><i>260</i></u>
<b>Accumulated amortisation</b>	
<i>At 1 January, 2008</i>	<i>260</i>
Translation difference	0
Charge for the year	0
Impairment	0
<i>At 31<sup>st</sup> December, 2008</i>	<u><i>260</i></u>
<b>Carrying amount</b>	
<i>At 31<sup>st</sup> December, 2008</i>	<u><i>0</i></u>

**8a. Liability insurance**

Per 31.12.2008 the back covering insurance (141.592 EUR) belonging to the pension promise to a former employee was transferred from A. Petzetakis GmbH to A. Petzetakis Deutschland GmbH.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**9. Inventories**

	<u>31.12.08</u>	<u>31.12.07</u>
Raw materials	348	313
Work in progress	0	0
Finished and semifinished goods	488	488
Merchandise	734	862
Spare parts	0	0
Other inventories	0	0
Advances to suppliers	0	0
	<u>1.570</u>	<u>1.663</u>

**10. Trade and other receivables**

	<u>31.12.08</u>	<u>31.12.07</u>
Trade receivables		
<u>Less: Provisions for doubtful debts</u>		
Net amount	586	385
Checks receivable	0	0
Receivables from group companies	1	41
Prepaid expenses	0	0
Accrued income	0	0
Other receivables	23	5
Roundness difference	0	0
	<u>610</u>	<u>431</u>

**10a. Deferred tax asset**

	<u>31.12.08</u>	<u>31.12.07</u>
	130	0

Principally deferred tax asstes are long term / non current assets. But here the deferred tax asset is put to current assets, because the advantage of the deferred tax asset will most probably be used already in 2009. (The losses carried forward per 31.12.2007 was only 425.837 EUR and the budget for 2009 assumes a profit from 538.000 EUR.)

The value of the deferred tax asset is calculated with the loss carried forward per 31.12.2007 at the amount of 425.837 EUR and the tax rate of 30,53% for the deferred taxes. (trade tax rate: 14,7%, corporate tax rate: 15,00% and solidarity-charge: 0,83%)

**11. Cash and cash equivalents**

	<u>31.12.08</u>	<u>31.12.07</u>
Cash in hand	0	0
Balances with banks	204	137
Deposits with banks	85	25
	<u>289</u>	<u>162</u>

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**12. Share capital**

	<u>31.12.08</u>	<u>31.12.07</u>
Authorised, issued and fully paid:	153	153

**13. Capital reserves**

	<u>31.12.08</u>	<u>31.12.07</u>
Statutory reserve	0	0
Special reserves	0	0
Tax free reserves	0	0
Share premium	0	0
Translation reserves	0	0
Other reserves	1.690	1.340
	1.690	1.340

Aristovoulos G. Petzetakis S.A. signed an Agreement on Subordination per 31.12.2006 in the amount of the not by equity covered losses, max. 500.000,00 EUR.

On 2<sup>nd</sup> October 2008 the capital reserve was increased by an amount of 350.000 EUR. So that now the total amount of the capital reserve is 1.690.000 EUR.

**14. Revaluation reserve**

	<u>31.12.08</u>	<u>31.12.07</u>
Revaluation reserve from revaluation of tangible assets	707	0
	707	0

The first time a revaluation of assets was conducted by independent appraisers was per 31.12.2008. The book value of the assets was 357.331 EUR, after the revaluation the assets have a value of 1.375.405 EUR. The difference between these two amounts is 1.017.573 EUR and was booked as revaluation reserve 706.958 EUR and deferred tax liability 310.615 EUR.

**15. Bank loans and overdrafts**

	<u>31.12.08</u>	<u>31.12.07</u>
Bank loans and overdrafts – due after one year	0	0
Bank loans and overdrafts – within one year	0	0
	0	0

Overdraft of account at Emporiki Bank Germany GmbH was fully repaid on April 18<sup>th</sup>, 2007

**16. Retirement benefit obligation (Staff leaving indemnities SLI)**

There are no retirement benefit obligations.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**17. Obligation under finance lease**

A. Petzetakis Deutschland GmbH has five finance lease contracts for production printers, lossy software and warehouse printer. Future minimum lease payments under finance leases together with the present value of the minimum lease payment are as follows (without interests and finance charges):

	31.12.08	31.12.07
	value of payments € 000'	value of payments € 000'
Within on year	39	0
After one year but not more than five years	68	0
Over than five years	0	0
Total minimum lease payments	107	0
Less: Amounts representing finance charges	0	0

**18. Trade and other payables**

	<u>31.12.08</u>	<u>31.12.07</u>
Trade payables	489	467
Insurance and pension funds	0	0
Current tax liabilities	0	0
Liabilities to group companies	1.903	2.554
Advances from clients	0	0
Other payables	38	30
Roundness Difference	0	0
	<u>2.430</u>	<u>3.051</u>

Aristovoulos G. Petzetakis S.A. signed an Agreement on Subordination per 31.12.2006 in the amount of the not by equity covered losses, max. 500.000,00 EUR.

**19. Provisions for current liabilities and charges**

Total amount of provisions per end of 31.12.2008 is 129.774 EUR.

**20. Accrued expenses/Deferred income**

The company has no accrued expenses / deferred income.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**21. Provisions for non current liabilities**

Total amount of provisions per end of 31.12.2008 is 409.927 EUR.

A. Petzetakis Deutschland GmbH took over the pension promise from A. Petzetakis GmbH towards their former officer authorized to act and sign on behalf of the firm. To get the value of this pension we used an offer from HDI-Gerling insurance which was made on the assumption that the pension promise would be transferred to them. Together with this pension promise the belonging back covering insurance with an amount of 141.592 EUR was also taken over and is included as liability insurance under the non current assets.

Starting in January 2009 the former officer authorized to act and sign on behalf of the firm will receive a monthly pension at the amount of 1.965 EUR from A. Petzetakis Deutschland GmbH. After his death his widow will receive 60% of this pension until she dies.

The amount of the pension (409.927 EUR) is not booked as provision for retirement benefit but as an other non current provision.

**21a. Deferred tax liability**

<u>31.12.08</u>	<u>31.12.07</u>
311	0

Resulting from the revaluation of assets per 31.12.2008 the company now has deferred tax liabilities. The value of the deferred tax liability is 30,53% (tax rate for deferred taxes consisting of 14,7% trade tax, 15,00% corporate tax and 0,83% solidarity-charge) of the revaluation reserve of 1.017.573 EUR.

**22. Commitments and contingencies**

A. Petzetakis Deutschland GmbH has per 31.12.2008 no liabilities / guarantees.

Besides provisions and payables A. Petzetakis Deutschland GmbH has other commitments, resulting from lease contracts and long-term tenancy agreements.

The amount of future leasing payments (not discounted) is 378.600 EUR with the following due dates:

	<u>31.12.2008</u>
due till 31.12.2009	135.032 EUR
after 31.12.2009	255.314 EUR
	<u>390.346 EUR</u>

Main things which are leased are company cars, fork lifts and one production line (for spiral hoses).

Besides the above leasing other commitments resulting from tenancy areements exist with the following amounts and due dates:

	<u>31.12.2008</u>
due till 31.12.2009	334.632 EUR
due after 31.12.2009	1.150.554 EUR
	<u>1.485.186 EUR</u>

Besides provisions and payables and the commitments, resulting from lease contracts and long-term tenancy agreements, there is one possible commitment:

We had a Chief-Coordinator for the Bauhaus business who received a monthly coordination-money. The cooperation was closed per 30.09.2008. But now the Chief-Coordinator claims that he was employed at our company as commercial representative and that therefore he is entitled to get commission and compensation from Petzetakis Deutschland. He threatens to sue the company for these claims. But so far there is no suit in front of the court regarding the compensation. That's why there is no provision in the annual accounts. But if the company will be sued the value in dispute will be 270.000 EUR. After looking over the facts the lawyer and the tax consultant both advised the companya not to make a provision in this case.

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**23. Related party disclosures**  
(in thousand EUR)

**a) Intercompany transactions (figures taken from ICOY file) as per 31.12.08**

**A. Petzetakis Deutschland GmbH has trade accounts receivable from...**

- Induplas:	1
- Eurohose:	0
- AG Petzetakis SA:	0
- Petzetakis Romania:	0
= total	1

**A. Petzetakis Deutschland GmbH has no other accounts receivable from Intercompany.**

**A. Petzetakis Deutschland GmbH has trade accounts payable to ...**

- Induplas:	496
- A. Petzetakis GmbH:	0
- AG Petzetakis SA:	977
= total	1.473

**A. Petzetakis Deutschland GmbH has other accounts payable to ...**

- Induplas:	43
- A. Petzetakis GmbH:	1
- AG Petzetakis SA:	59
= total	103

**A. Petzetakis Deutschland GmbH has M/L financial debts to ...**

- A. Petzetakis GmbH:	327
= total	327

**A. Petzetakis Deutschland GmbH sold finished products to ...**

- Eurohose:	2
- Induplas	1
- AG Petzetakis SA:	18
- Petzetakis Romania:	49
= total	70

**A. Petzetakis Deutschland GmbH purchased finished products from ...**

- Induplas:	923
- A. Petzetakis GmbH:	5
- AG Petzetakis SA:	1.667
= total	2.595

**A. Petzetakis Deutschland GmbH has other revenues from to ...**

- A. Petzetakis GmbH:	23
- AG Petzetakis SA:	91 (includes credit note for a machine minus debit note for machinery parts)
= total	114

**A. Petzetakis Deutschland GmbH has interest expenses to ...**

- Induplas :	13
- A. Petzetakis GmbH:	44
= total	57

**A. Petzetakis Deutschland GmbH has an existing stock from ...**

- Induplas:	209
- A. Petzetakis GmbH:	3
- AG Petzetakis SA:	291
= total	503

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**Intercompany transactions (figures taken from ICOY file) as per 31.12.07**

**Behka-Plast GmbH has trade accounts receivable from...**

- Induplas:	2
- A. Petzetakis GmbH	30
- AG Petzetakis SA:	4
- Petzetakis Romania:	5
= total	41

**Behka-Plast GmbH has no other accounts receivable from Intercompany.**

**Behka-Plast GmbH has trade accounts payable to ...**

- Induplas:	0
- A. Petzetakis GmbH:	571
- AG Petzetakis SA:	462
= total	1.033

**Behka-Plast GmbH has other accounts payable to ...**

- Induplas:	30
- A. Petzetakis GmbH:	459
- AG Petzetakis SA:	165
= total	654

**Behka-Plast GmbH has M/L financial debts to ...**

- A. Petzetakis GmbH:	866
= total	866

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**Behka-Plast GmbH sold finished products to ...**

- Induplas:	4
- A. Petzetakis GmbH :	567
- AG Petzetakis SA:	4
- Petzetakis Romania:	50
= total	625

**Behka-Plast GmbH purchased finished products from ...**

- Induplas:	7
- A. Petzetakis GmbH:	864
- AG Petzetakis SA:	135
= total	1.006

**Behka-Plast GmbH has other purchase from ...**

- A. Petzetakis GmbH:	343
- AG Petzetakis SA:	110
= total	453

**Behka-Plast GmbH has interest expenses to ...**

- A. Petzetakis GmbH:	54
= total	54

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**Behka-Plast GmbH has an existing stock from ...**

- Induplas:	142
- A. Petzetakis GmbH:	0
- AG Petzetakis SA:	310
= total	452

**Notes to the financial statements**  
**31<sup>st</sup> December,**  
**2008**

**b) Directors' remuneration**

The following table records the emoluments payable to each director during the period:

		<u>Fees for</u>	<u>Basic</u>	<u>Bonus</u>	<u>Expenses</u>	<u>Pension</u>	<u>Total</u>
		<u>Services</u>	<u>Salary</u>		<u>allowance</u>	<u>contribution</u>	
<b>31 December 2008</b>							
Executive directors							
Name	Surname	kumulated 01.01.2008-31.12.2008					
Giannakopoulos,	Athanasios	0	28.000	0	0	0	28.000
Non executive directors							
Name	Surname						
Schwegler,	Robert	0	75.265	0	2.400	0	77.665
Skowronek,	Roland	0	71.962	0	0	0	71.962

**31 December 2007**

Executive directors

Name Surname

Giannakopoulos,	Athanasios	0	9.333	0	0	0	9.333
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Non executive directors

Name Surname

xxx xxx

same officers authorized to act and sign on behalf of the company as at A. Petzetakis GmbH (no extra remuneration at A. Petzetakis Deutschland GmbH, former Behka-Plast GmbH)

**Notes to the financial statements**  
**31<sup>st</sup> December, 2008**

**24. Financial risk management objective and policies**

The company principal financial instruments, other than derivatives, comprise bank loans, and instalment sale agreements hire purchase contracts, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the year under review, the company policy that no trading in financial instruments shall be undertaken. The main risks arising from the company financial instruments are, liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The company also monitors the market price risk arising from all financial instruments. The magnitude of this risk that has arisen over the year is discussed in note.

***Foreign currency risk***

The company has no significant transactional currency exposures.

As issued in note 3.3. *There is no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.*

***Commodity price risk***

The Group's exposure to price risk is minimal.

***Credit risk***

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. For transactions that are not denominated in the measurement currency of the relevant operating unit, the company does not offer credit terms without the specific approval of the Head of Credit Control. The audit risk is minimum. All the significant single clients accounts with credit risk (taking in consideration aging) are covered at 100%.

## Review Report

To the Shareholders of A. Petzetakis Deutschland GmbH, Schwalmtal

We have reviewed the accompanying financial statements of 2008, as of and for the twelve-month period ended 31 December.

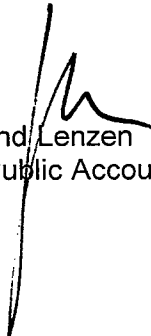
These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the International Standard on Review Engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and accordingly we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view (or are not presented fairly, in all material respects) in accordance with the International Financial Reporting Standards (that have been adopted by the European Union).

Düsseldorf, February 20, 2009

**STÜTTGEN & HAEB AG**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

  
Bernd Lenzen  
Certified Public Accountant



  
Kathrin Jaeger  
Certified Public Accountant

The aforesaid audit opinion must not be used beyond this auditor's report without our prior agreement. In cases of publication or handover of the annual financial statement and/or the management report in a different version than the approved one (including translations in other languages) our statement is required again provided that our audit opinion is quoted or if it is referred to our audit. In particular, we point out to Article 328 HGB.