



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

**SEMI-ANNUAL FINANCIAL REPORT  
OF THE COMPANY AND GROUP**

**FOR THE PERIOD FROM  
1 JANUARY TO 30 JUNE 2010**

**According to  
the article 5 of L.3556/2007**

**(IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING  
STANDARDS)**

**ARISTOVOULOS G. PETZETAKIS S.A.**  
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**Semi-annual Management Report by the Board of Directors of**

**“Aristovoulos G. Petzetakis S.A.”**

**(in accordance with article 5 par. 6 of L. 3556/2007)**

Regarding the consolidated and company’s Financial Statements

for the period from 1 January to 30 June 2010

**A. Brief analysis of the company’s and group’s financial performance**

**Balance Sheet (consolidated level)**

The Group’s total current assets as of 30 June 2010 amounted to € 48,512 thousand from € 52,619 thousand in 2009. A 32,7% of such refers to inventories and 59,2% to customer balances and cheques receivable. Equity was negative and amounted to € 47,417 thousand from a negative of € 34.773 thousand in 2009.

Short-term liabilities amount to € 73,243 thousand, from which 71,9% corresponds to the suppliers’ account and cheques payable while 21,2% to short-term loans.

**Results for the period (consolidated level)**

a) Turnover at the consolidated level for the first half of 2010 amounted to € 53,626 thousand compared to € 57,216 thousand in the same period in 2009 thus posting a decrease of 6,3% mainly due to global and local financial distress which actually had a worse effect in the sectors that the Group operates, as well as the delay in the implementation of the refinancing agreement of the Group. It’s worth mentioning that sales at a consolidated level have increased by 5 million euro due to the strengthening of the South African Zar in comparison to the Euro.

b) Gross profit amounted to € 8,002 thousand compared to € 10,548 thousand in 2009, posting a decrease of 23,3 % in absolute terms. This decrease is mainly due to the decline in volume of sales.

c) Operating losses (before interest, taxes, depreciation and amortization - EBITDA) amounted to € 3,737 thousand compared to operating profit of € 1.81 thousand in 2009, mainly due to the lower gross profit and the increase in the administrative and distribution expenses following the strengthening of the South African Zar in comparison to the Euro.

d) Losses before taxes amounted to € 12,293 thousand compared to losses of € 2,420 thousand in 2009 mainly due to lower operating profitability.

e) Correspondingly, losses after taxes amounted to € 13,633 thousand compared to € 3.092 thousand in 2009.

**Financial Statement (company level)**

Total current assets of the parent company at 30 June 2010 amounted to € 17,521 thousand from € 22,116 thousand in the end of 2009. A 22,5% of such refers to inventories and 67,8% to customer balances and cheques receivable. Equity was negative at € 50,802 thousand from € 41,748 thousand in 2009.

Short-term liabilities amount to € 31,182 thousand, from which 86,6% corresponds to the suppliers account and cheques payable and 7,3% to short-term loans.

**Results for the period (company level)**

a) Turnover at the company level for the first half of 2009 amounted to € 10,978 thousand compared to € 17,401 thousand in the same period of 2009, posting a decrease of 36,9%. The delay in the implementation of the company restructuring and capital strengthening agreement had as a result the sharp decrease of the turnover due to the lack of liquidity for the acquisition of raw materials.

b) Gross losses amounted to € 763 thousand compared to the gross profit of € 3,075 thousand in 2009. The decrease is due to the lower turnover.

c) Operating losses (before interest, taxes, depreciation and amortization - EBITDA) amounted to € 3,536 thousand compared to the operating profit of € 819 thousand in 2009.

d) Losses before taxes amounted to € 8,937 thousand compared to € 468 thousand in 2009.

e) Correspondingly, losses after taxes amounted to € 9,054 thousand compared to € 650 thousand in 2009.

### **Financial position**

The financial ratios, which depict the company's financial position, evolved as follows:

#### **Financial Ratios (consolidated level):**

	<b>30.6.2010</b>	<b>31.12.2009</b>
Liquidity: Current Assets / Short-term Liabilities	0.66	0.91
Debt:		
• Total Liabilities / Equity	-4.39	-5.73
• Total Liabilities / EBITDA	-55.75	-55.99
• EBITDA / Interest expenses	-1.16	-0.51
Profitability: Earnings after Taxes / Equity	0.29	0.46

#### **Financial Ratios (parent):**

	<b>30.6.2010</b>	<b>31.12.2009</b>
Liquidity: Current Assets / Short-term Liabilities	0.56	0.83
Debt:		
• Total Liabilities / Equity	-3.05	-3.61
• Total Liabilities / EBITDA	-43.77	-123.97
• EBITDA / Interest expenses	-1.69	-0.18
Profitability: Earnings after Taxes / Equity	0.18	0.19

### **Taxation**

The company has finalized its tax obligations until 2002 included.

The most recent tax audit concerned fiscal years of 2001 and 2002 and was completed in 2003. For each reference year the tax obligation was calculated from accounting differences (expenses not liable for inclusion under the tax authority view) for which the company had its own concerns.

The nature of the accounting differences as calculated by the tax authority allows the company management the belief that it cannot be used as a prerequisite for the calculation of similar accounting differences for the non tax audited years. Given the cumulative losses, provisions mad for potential tax obligations corresponding to unaudited fiscal years were not deemed necessary.

## **B. Description of basic risks and uncertainties**

### **Market risk – Foreign exchange 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.

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

#### Sensitivity Analysis of the Group to changes in the Zar/Euro Exchange Rate

01/01/2010-30/06/2010		
Change in Exchange Rate	Effect on earnings before taxes	Effect on equity
+1%	-9	-81
+2%	-18	-161
-1%	9	83
-2%	19	168

#### 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.

#### Credit risk

This risk refers to the possibility that receivables, that result from the company's daily transactions, will not be collected. However, the company takes measures that significantly limit such risk through:

- Evaluating customers and selecting the most reliable and credit worthy as possible
- Receiving some form of guarantee against invoicing.

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

#### Liquidity risk

The company pursues effective management of liquidity risk primarily through equating the credit and debit period and peripherally through enough company liquid equivalents (cash & bank), as well as through the reassurance of instant bank financing in case of unforeseen 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. The company and group operate in a sector that is affected by the global economic crisis. However, the long history and recognizability of the Brand name are determinant factors, which allow management to consider that the uncertainty and effects of the crisis are limited.

The table below is indicative of the time distribution of the company and group liabilities.

	Within one year	From 2 to 5 years	Over 5 years	Within one year	From 2 to 5 years	Over 5 years
	30/6/2010			31/12/2009		
<b>GROUP</b>						
Loans	15,510	36,888	84,018	14,068	36,900	83,494
Trade and other liabilities	57,733	5,755	8,448	43,519	7,085	14,121
<b>COMPANY</b>						
Loans	2,260	34,682	84,018	2,659	34,682	83,494
Trade and other liabilities	28,921	3,689	1,185	23,925	4,807	1,111

**C. Significant transactions realized between the company and its affiliated entities**

The company's significant transactions with affiliated entities regard sales-purchases of products and services, and are presented below.

	<b>SALES &amp; OTHER TRANSACTIONS</b>	<b>PURCHASES &amp; OTHER TRANSACTIONS</b>	<b>RECEIVABLES FROM SUBSIDIARIES</b>	<b>LIABILITIES TOWARDS SUBSIDIARIES</b>
<b><u>SUBSIDIARY</u></b>	<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 30.06.2010</b>			
INDUPLAS	12	24	7	556
FLEXIPLAS	72	36	85	1,629
EUROHOSE	76	-	263	-
AGP GMBH	-	-	-	-
PETZETAKIS DEUTSCHLAND	645	1	475	-
PNG	603	929	2,273	-
PLASTIKA MAKEDONIAS	-	-	206	7
PETZETAKIS AFRICA	-	-	630	-
PETZETAKIS ROMANIA	161	-	-103	-
AGPI	350	-	-	694
PLASTIKA KABALAS	-	-	3,030	-
<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES</b>	<b>1,919</b>	<b>990</b>	<b>6,866</b>	<b>2,886</b>

	<b>TOTAL INTRACOMPANY TRANSACTIONS &amp; LIABILITIES 30.06.2010</b>			
<b><u>INTRACOMPANY TRANSACTIONS BY COMPANY</u></b>				
AGP	1,919	990	6,866	2,886
INDUPLAS	183	124	3,247	150
FLEXIPLAS	309	132	1,868	151
EUROHOSE	2	143	16	2,287
AGP GMBH	7	195	241	-
PETZETAKIS DEUTSCHLAND	126	721	151	1,515
PNG	941	635	712	2,160
PLASTIKA MAKEDONIAS	32	-	-168	908
PETZETAKIS AFRICA	-	-	-	700
PETZETAKIS ROMANIA	-	229	-	-88
AGPI	-	350	764	-
<b>GROUP TOTAL</b>	<b>3,519</b>	<b>3,519</b>	<b>13,697</b>	<b>10,669</b>

The transactions with affiliated parties are in accordance with the ordinary transaction policy and the adopted pricing policy. The existing receivables / liabilities are not secured with any guarantee and are paid according to the adopted credit policy.

#### D. Significant events that took place from the end of the period until the submission of the present report.

Acceptance of request by the Company's Bondholder Lenders regarding the 3month transfer of the automatic conversion date of Accelerated Bonds (30 September 2010), as set by the Company's Convertible Financing Convertible Bond Loan Program dated 28.1.2008.

Within the following 20 days a strategic investor is going to assume the majority of the bond debt, following the relevant negotiations with the foreign bondholders (note 13a), while settling the binding contractual terms of these loans, until the 31<sup>st</sup> of December 2011. At the same time, there is an imminent funding by the aforementioned investment house, which is considered sufficient, along with the above, to ensure the continuation of the group's activity, and also to enforce through the necessary structural changes, the companies which constitute the group, aiming at it's gradual return to profitability.

#### E. Financial instruments

##### Significant Accounting Policies

The adopted accounting policies as regards to financial instruments, including the categorization criteria, the basis for recognition of related income and expenses, concerning any category of financial assets, liabilities or participating titles, are those described in note 3 of the company and consolidated financial statements of 31.12.2009.

Financial instruments categories	GROUP		COMPANY	
	30.06.10	31.12.09	30.06.10	31.12.09
<b>Financial assets</b>				
Receivables (including cash and cash equivalents)	31,313	28,603	12,227	14,370
<b>Financial liabilities</b>				
Amounts payable (including loans)	208,352	199,187	154,756	150,677

##### Fair value of financial instruments

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

#### F. COMPANY OUTLOOK

The company's-group's Management strongly believes that the company will continue its smooth and effective business activity during 2010, for the following basic reasons.

**Business Prospects for 2010**The successful outcome of the agreement for the restructuring of the total loan and the capital strengthen of the company will act as a starting point for the achievement of better terms in supplies from the parent company and its subsidiaries of the group improving substantially the gross profit margin and the company liquidity.

There are visible signs of orders improvement in S. Africa and Germany, countries the group has significant exposure with subsidiaries. It is a fact which is expected to bring turnover increase in those subsidiaries.

Another target is the surveillance and participation in large scale projects concerning infrastructure in Greece and the neighbouring Balkan countries.

In the parent company as well as the group there will be a significant expenses reduction, close watch of the subsidiaries focusing upon the increase of the organic profitability.

The continuation of the company and the Group operations under the issue of non succession of the corresponding financial commitments in the future works under the assumption of the continuation of the support and tolerance by

the bond holders as well as the completion of the restructuring agreement for the debt and the capital strengthening of the company with a foreign investment house.

## G. Activities in the research & development sector

There are no such substantial activities.

## H. Branches

The company maintains branches in Larissa and Patra, with immaterial activities.

## I. Explanatory report

### a. Structure of share capital

The capital of the parent company amounts to 7,674,943.80 Euro and is divided into 25,583,146 common registered shares, with a nominal value of € 0.30 each. The total shares are listed on the Athens Exchange. The owner of each share has rights as stipulated by codified law 2190/1920. In summary:

- Right to dividend, as stipulated by article 3 of development law 148/1967 (Govt Gazette issue A' 173/1967) and as proposed by the BoD and decided upon by the General Meeting, given that net earnings are distributed after the deduction of the statutory reserve according to c.l. 2190/1920 as in effect. The dividend is paid within 2 months from the relevant approval decision by the G.M.
- Right to a rebate of the contribution in case of liquidation of the parent company.
- Pre-emptive right to share capital increases.
- Right to participate in the General Meeting, under the condition of complying to the procedure.

### b. Limitations to the transfer of the parent company's shares.

The transfer of company shares is free, according to the procedure stipulated by law and there are no limitations according to the Articles of Association.

### c. Significant direct or indirect holdings according to the provisions of P.D. 51/1992

According to the shareholders registry of 31.12.2009 the basic shareholders, with a stake over 5%, were Mr. Georgios Petzetakis of Aristovoulos and the foreign financial institution "CLARIDEN LEU A.G."

### d. Owners of shares providing special control rights

According to article 10 of the parent company's Articles of Association, under the condition of owning at least one (1) share each, the companies "Credit Renaissance Partners. L.L.C.", "Credit Suisse International", "P. Schoenfeld Asset Management, LLC" and "P. Schoenfeld Asset Management International, LLC" are entitled with a joint written statement towards the parent company three (3) full days prior to the General Meeting that elects members of the Board of Directors, jointly per two to appoint one (1) member of the Board of Directors at their discretion, according to article 18 par. 3 of c.l. 2190/1920.

### e. Limitations to voting rights.

According to article 11 of the parent company's Articles of Association, the Board of Directors of the parent company is considered to be at quorum and validly convenes under the condition that half plus one of its members are present or represented, and at least one of the appointed Advisors are included in those present or represented according to article 10 of the Articles of Association, given that the companies "Credit Renaissance Partners. L.L.C.", "Credit Suisse International", "P. Schoenfeld Asset Management, LLC" and "P. Schoenfeld Asset Management International, LLC" have appointed members to the Board of the parent company, exceptionally for any decision making (including the decision to submit the relevant request to the General Meeting and the decision to assign or exercise any responsibility regarding such issues to a member of the Board or to a third party according to article 14 of the present), regarding:

(a) mergers, separations and acquisitions,

- (b) establishment of joint ventures or participation in such,
- (c) change of the corporate type, the objective of the parent company or its business activity,
- (d) financing of the parent company with debt or equity, under any type and manner (including without limitation any type of corporate bond loan),
- (e) acquisition and sale of fixed assets with a value over two (2) million euro,
- (f) acquisition and sale of entire companies or sectors,
- (g) amendment of contracts or change of remuneration of the parent company's management,
- (h) dividend distribution, apart from the minimum set by law, if applicable,
- (i) provision by the parent company of any kind of lien or personal security under any type, and the signing or any agreement with a similar security operation (including without limitation the transfer or rights or factoring),
- (j) contracting of any agreement with an affiliate company, excluding agreements with affiliated companies that are made within the context of the parent company's current transactions.

**f. Agreements between shareholders that include limitations to the transfer of shares and exercise of voting rights.**

Apart from those stated above in paragraphs d. and e., to the company's knowledge there are no such agreements.

**g. Rules for the appointment and replacement of the Board of Directors as well as for amendment of the articles of association, other than those provided by C.L. 2190/1920**

Apart from those stated above in paragraphs d. and e., there are no such rules that differ from those provided by C.L. 2190/1920.

**h. Responsibility of the Board of Directors for the issue of new shares and the purchase of treasury shares according to article 16 of C.L. 2190/1920**

There is not such responsibility, other than that provided by C.L. 2190/1920.

**i. Significant agreements of the parent company put into effect – amended or terminated in case of change in the parent company's control following a public offer**

There are no such agreements.

**j. Agreements for indemnity towards members of the Board of Directors or employees in case of resignation/termination of employment without reasonable cause, termination of term or employment due to a public offer**

There are no such agreements.

**For the activities of the period from 1 January to 30 June 2010**

1. During its meeting on 2.8.2006, the Board of Directors of the Athens Exchange decided to transfer the total Company shares to the Supervision Category of the Athens Exchange Securities Market, according to article 212 of the Athens Exchange regulation, namely due to significant overdue debts.
2. With the completion on 22.2.2008 of the agreement for the financial restructuring of the Company's total debt and financing with new capital amounting to 121.91 million euro, there are no overdue debts currently but due to the fact that the company's net position remains negative, the company shares are still included in the Supervision Category of the Athens Exchange Securities Market.

Kallithea, 30 August 2010

The Board of Directors

The Chairman of the BoD

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Georgios Ar. Petzetakis

**THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK**

**REPORT ON REVIEW OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**To the shareholders of**  
ARISTOVOULOS G. PETZETAKIS S.A

**Introduction**

We have reviewed the accompanying separate and consolidated condensed statement of financial position of ARISTOVOULOS G. PETZETAKIS S.A . (the “Company”) and its subsidiaries (“the Group”) as at 30 June 2010, and the related condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes (the “interim condensed financial information”) which is an integral part of the six-month financial report of article 5 Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and apply to interim financial reporting (“International Accounting Standard (IAS) 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Without any reservation to the outcome of our review, we draw attention to Note 19 of the Financial Statements, which cites the fact that a strategic investor is about to assume the bond debt of the Parent Company, while settling the contractual terms of these loans, as well as that the investment house will make additional funding available, ensuring the continued activity of the Group.

**Report on other legal and regulatory matters**

Our review did not identify any inconsistency or non-correspondence of the other information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007, with the accompanying financial information.

The Certified Public Accountant  
George Batsoulis  
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**INTERIM FINANCIAL STATEMENTS OF THE GROUP AND COMPANY  
FOR THE PERIOD  
FROM 1 JANUARY TO 30 JUNE 2010**

Semi-annual Financial Statements for the period from 1 January to 31 June 2010  
**Total Comprehensive Income Statement**  
(amounts expressed in thousands of euro))

NOTE	GROUP				COMPANY				
	01.01 – 30.6.2010	01.04– 30.6.2010	01.01 – 30.6.2009	01.04– 30.6.2009	01.01 – 30.6.2010	01.04– 30.6.2010	01.01 – 30.6.2009	01.04– 30.6.2009	
Turnover (sales)	4	53.626	27.384	57.216	31.331	10.978	5.106	17.401	9.945
Cost of sales	5A	45.624	24.090	46.668	25.865	11.741	6.098	14.326	8.200
<b>Gross profit</b>		<b>8.002</b>	<b>3.294</b>	<b>10.548</b>	<b>5.466</b>	<b>(763)</b>	<b>(993)</b>	<b>3.075</b>	<b>1.745</b>
Other operating income		132	106	397	183	347	44	643	327
<b>Total gross operating results</b>		<b>8.134</b>	<b>3.400</b>	<b>10.945</b>	<b>5.649</b>	<b>(417)</b>	<b>(949)</b>	<b>3.718</b>	<b>2.071</b>
Administrative expenses	5B	4.342	2.256	3.671	1.861	1.670	826	1.353	592
Research and development expenses	5C	98	43	124	30	44	23	68	-
Distribution cost	5D	10.031	5.111	8.531	4.000	2.251	1.116	2.332	1.217
<b>Operating Profit</b>		<b>(6.337)</b>	<b>(4.010)</b>	<b>(1.381)</b>	<b>(242)</b>	<b>(4.382)</b>	<b>(2.914)</b>	<b>(35)</b>	<b>263</b>
<b>Non operating income</b>									
Finance income (credit interest)		9	(13)	126	12	-	-	7	(35)
Other income		127	107	3.333	2.917	67	31	2.811	2.800
		<b>136</b>	<b>94</b>	<b>3.459</b>	<b>2.928</b>	<b>67</b>	<b>31</b>	<b>2.818</b>	<b>2.765</b>
<b>Non operating expenses</b>									
Finance cost (debit interest)	5E	3.217	1.711	3.331	1.543	2.367	1.275	2.090	877
Currency translation differences					576	-	-	-	-
Other expenses		2.875	2.482	1.167	887	2.255	2.186	1.161	919
		<b>6.092</b>	<b>4.194</b>	<b>4.498</b>	<b>2.431</b>	<b>4.623</b>	<b>3.461</b>	<b>3.251</b>	<b>1.796</b>
<b>Net losses before taxes</b>		<b>(12.293)</b>	<b>(8.110)</b>	<b>(2.420)</b>	<b>256</b>	<b>(8.937)</b>	<b>(6.345)</b>	<b>(468)</b>	<b>1.232</b>
Income tax	12	1.340	144	672	167	117	57	182	59
<b>Net losses for the period after taxes [A]</b>		<b>(13.633)</b>	<b>(8.254)</b>	<b>(3.092)</b>	<b>89</b>	<b>(9.054)</b>	<b>(6.402)</b>	<b>(650)</b>	<b>1.173</b>
Total other income [B]		990	306	1.509	631	-	-	-	-
<b>Total comprehensive expenses after taxes [A] + [B]</b>		<b>(12.643)</b>	<b>(7.948)</b>	<b>(1.583)</b>	<b>720</b>	<b>(9.054)</b>	<b>(6.402)</b>	<b>(650)</b>	<b>1.173</b>
<b>(Losses) per share</b>		<b>(0,5281)</b>	<b>(0,3226)</b>	<b>(0,1201)</b>	<b>(0,0035)</b>	<b>(0,3539)</b>	<b>(0,2502)</b>	<b>(0,0254)</b>	<b>0,0458</b>
<b>Net results (losses) for the period is allocated to:</b>									
Company shareholders		(13.511)	(8.218)	(3.073)	95	(9.054)	(6.402)	(650)	1.173
Minority interest		(122)	(35)	(19)	(6)	-	-	-	-
<b>Net results (losses) for the period after taxes [A]</b>		<b>(13.633)</b>	<b>(8.254)</b>	<b>(3.092)</b>	<b>89</b>	<b>(9.054)</b>	<b>(6.402)</b>	<b>(650)</b>	<b>1.173</b>

The accompanying notes constitute an integral part of the Interim Financial Statements.

Semi-annual Financial Statements for the period from 1 January to 31 June 2010  
**Interim Financial Position Statement**  
(amounts expressed in thousands of euro)

	NOTE	GROUP		COMPANY	
		30.06.2010	31.12.2009	30.06.2010	31.12.2009
<b>NON CURRENT ASSETS</b>					
Intangible assets		38	74	-	-
Tangible assets	15	100.364	99.711	53.837	54.231
Other assets	3D	2.137	2.126	32.596	32.583
Goodwill	6	9.884	9.884	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>112.423</b>	<b>111.795</b>	<b>86.434</b>	<b>86.814</b>
<b>CURRENT ASSETS</b>					
Inventories	7	15.842	16.510	3.935	6.271
Trade and other receivables	8	28.708	26.455	11.881	12.991
Deferred tax assets	13B	1.358	7.506	1.358	1.475
Cash and cash equivalents	9	2.605	2.148	346	1.379
<b>TOTAL CURRENT ASSETS</b>		<b>48.512</b>	<b>52.619</b>	<b>17.521</b>	<b>22.116</b>
<b>TOTAL ASSETS</b>		<b>160.935</b>	<b>164.414</b>	<b>103.954</b>	<b>108.930</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	10	7.675	7.675	7.675	7.675
Share premium		81.952	81.953	81.953	81.953
Capital reserves	11A	15.070	16.465	15.078	15.078
Revaluation reserves	11B	40.399	38.881	18.891	18.891
Stock option plan reserve		220	220	220	220
Translation reserve		2.999	47	-	-
Retained defisite		( 196.295)	( 180.698)	( 174.618)	( 165.564)
Minority interest		563	685	-	-
<b>TOTAL EQUITY</b>		<b>( 47.417)</b>	<b>( 34.773)</b>	<b>( 50.802)</b>	<b>( 41.748)</b>
<b>NON CURRENT LIABILITIES</b>					
Loans payable after one year	13A	120.906	120.394	118.700	118.176
Retirement benefit obligation		2.479	2.403	1.185	1.111
Deferred tax liabilities	13B	5.969	11.718	-	-
Obligations under finance leases due after one year	16	2.066	2.278	-	-
Other non current liabilities		3.689	4.807	3.689	4.807
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>135.109</b>	<b>141.600</b>	<b>123.574</b>	<b>124.094</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	52.640	40.209	26.995	22.449
Obligations under finance leases	16	1.132	1.099	-	-
Short-term loans		15.510	14.068	2.260	2.659
Tax liabilities	12	3.961	2.211	1.926	1.476
<b>TOTAL CURRENT LIABILITIES</b>		<b>73.243</b>	<b>57.587</b>	<b>31.182</b>	<b>26.584</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>160.935</b>	<b>164.414</b>	<b>103.954</b>	<b>108.930</b>

The accompanying notes constitute an integral part of the Interim Financial Statements.

Semi-annual Financial Statements for the period from 1 January to 31 June 2010  
**Interim Financial Position Statement**  
(amounts expressed in thousands of euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
<b><u>Cash flows from operating activities</u></b>				
Loss before taxes	( 12.293)	( 2.420)	( 8.937)	( 467)
<b>Adjustments for :</b>				
Depreciation	2.600	2.462	846	854
Provisions	1.282	85	1.280	2.162
Debit interest and relevant expenses	3.217	3.331	2.292	2.090
Financial activity results	-	-	-	( 2.800)
<b>Operating profit/(loss) before working capital adjustments</b>	<b>( 5.194)</b>	<b>3.458</b>	<b>( 4.519)</b>	<b>1.839</b>
<b>(Increase)/Decrease:</b>				
Inventories	668	957	2.336	( 29)
Debtors	( 2.635)	1.720	725	( 1.250)
Liabilities (except banks)	9.064	( 3.732)	1.078	( 3.131)
<b>Increase/(Decrease:)</b>				
Debit interest and relevant expenses paid	( 1.126)	( 948)	( 201)	-
Interest paid	( 99)	-	-	-
<b>Total (outflow)/inflow from (for) operating activities</b>	<b>678</b>	<b>1.455</b>	<b>( 582)</b>	<b>( 2.571)</b>
<b><u>Cash flows from investment activities</u></b>				
Purchase of tangible and intangible assets	( 956)	( 4.047)	( 452)	( 85)
Other assets	-	( 3)	-	-
<b>Total (outflow)/ inflow from investment activities (b)</b>	<b>( 956)</b>	<b>( 4.050)</b>	<b>( 452)</b>	<b>( 85)</b>
<b><u>Cash flows from financing activities</u></b>				
Proceeds from issued / granted loans	2.512	1.355	-	1.355
Repayments of loans	( 1.082)	( 1.716)	-	( 692)
Finance lease obligations paid	( 695)	( 138)	-	-
<b>Total (outflow) / inflow from financing activities</b>	<b>735</b>	<b>( 499)</b>	<b>0</b>	<b>663</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>457</b>	<b>( 3.094)</b>	<b>( 1.033)</b>	<b>( 1.993)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>2.148</b>	<b>6.295</b>	<b>1.379</b>	<b>4.501</b>
<b>Cash and cash equivalents at end of the period</b>	<b>2.605</b>	<b>3.201</b>	<b>346</b>	<b>2.508</b>

The accompanying notes constitute an integral part of the Interim Financial Statements.

GROUP	Share Capital	Share Premium	Capital Reserves	Revaluation Reserves	Accumulated losses	FX	Minority Interest	Stock Option Plan	Convertible Bond Reserve	Total
						Conversion Reserves				
<b>Equity at beginning of period 01.01.2009</b>	7.675	81.953	10.615	34.646	(159.581)	(2.478)	768	220	5.850	<b>(20.332)</b>
Total comprehensive income - (expenses) 01.01-30.06.2009	-	-	-	4.020	(7.711)	2.139	(31)	-	-	<b>(1.583)</b>
<b>Total Equity at end of period 01.01 - 30.06.2009</b>	<b>7.675</b>	<b>81.953</b>	<b>10.615</b>	<b>38.666</b>	<b>(167.292)</b>	<b>(339)</b>	<b>737</b>	<b>220</b>	<b>5.850</b>	<b>(21.915)</b>
<b>Equity at beginning of period 01.01.2010</b>	7.675	81.953	10.615	38.881	(180.699)	47	685	220	5.850	<b>(34.773)</b>
Total comprehensive income - (expenses) 01.01-30.06.2010	-	-	(1.395)	1.518	(15.596)	2.952	(122)	-	-	<b>(12.643)</b>
<b>Total Equity at end of period 01.01 - 30.06.2010</b>	<b>7.675</b>	<b>81.953</b>	<b>9.220</b>	<b>40.399</b>	<b>(196.295)</b>	<b>2.999</b>	<b>563</b>	<b>220</b>	<b>5.850</b>	<b>(47.417)</b>

COMPANY	Share		Capital Reserves	Revaluation Reserves	Retained Deficit	Convertible Bond Reserve	Stock Option Plan	Total
	Capital	Share Premium						
<b>Equity at beginning of period 01.01.2009</b>	7.675	81.953	9.228	18.891	(157.488)	5.850	220	<b>(33.671)</b>
Total comprehensive income - (expenses) 01.01-30.06.2009	-	-	-	-	(650)	-	-	<b>(650)</b>
<b>Total Equity at end of period 01.01 - 30.06.2009</b>	<b>7.675</b>	<b>81.953</b>	<b>9.228</b>	<b>18.891</b>	<b>(158.138)</b>	<b>5.850</b>	<b>220</b>	<b>(34.321)</b>
<b>Equity at beginning of period 01.01.2010</b>	7.675	81.953	9.228	18.891	(165.564)	5.850	220	<b>(41.748)</b>
Total comprehensive income - (expenses) 01.01-30.06.2010	-	-	-	-	(9.054)	-	-	<b>(9.054)</b>
<b>Total Equity at end of period 01.01 - 31.03.2010</b>	<b>7.675</b>	<b>81.953</b>	<b>9.228</b>	<b>18.891</b>	<b>(174.618)</b>	<b>5.850</b>	<b>220</b>	<b>(50.802)</b>

The accompanying notes constitute an integral part of the Interim 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, 2007 decided that the company's duration will be extended for another 50 years. The company is listed on the Athens Stock Exchange.

On 02.08.2007 the Board of Directors of the Athens Stock Exchange decided to transfer the company's shares to the under supervision category from 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 dated 2.4.2008 the Board of Directors of Athens Stock Exchange decided the suspension of trading of the company's common 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 had submitted a request on 6/04/2010 and received the tolerance of the bondholders for:

- postponement of payment date of the interest installments of February 2009, August 2009 and February 2010 for the 30/04/2010, as των τόκων Φεβρουαρίου 2009, Αυγούστου 2009 και Φεβρουαρίου 2010 για την 30/04/2010, as provided by the Company's Bond Loan Program dated 28.1.2008 and
- the non achievement of the economic results for the financial year 2009, as provisioned in the relevant commitments to the bondholders.

### **Approval of Financial Statements:**

The Board of Directors (30/08/2010) of Aristovoulos G. Petzetakis S.A. approved the company and consolidated interim financial statements for the period ended on June 30<sup>th</sup> 2010:

1	Georgios Arist. Petzetakis	Chairman of the BoD	Non-Executive Member
2	Georgios Ioan. Lagouranis	Vice - Chairman of the BoD	Executive Member
3	Alex A. Reinhart	Managing Director	Executive Member
4	Dr. Remi-Felix Notter	Member	Non-Executive Member
5	Dimitrios Theod. Bernadakis	Member	Non-Executive Member
6	Georgios Chr. Papageoryantas	Member	Non-Executive Member
7	Simonas Ioan. Sikiarides	Member	Non-Executive Member

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:

### (a) Basis of Preparation of Financial Statements:

The accompanying separate and consolidated condensed financial statements that refer to the period ended on June 30, 2010, have been prepared in accordance with the International Financial Reporting Standard (IFRS) 34 "Interim Financial Reporting".

The accompanying separate and consolidated financial statements do not include all the information required in the annual financial statements and therefore should be examined in combination with the published annual financial statements for the year ended 2009, which are available on the internet at the address [www.petzetakis.gr](http://www.petzetakis.gr).

These financial statements have been prepared under the historical cost convention except for the valuation of available for sale financial assets and financial assets at fair value through profit or loss (including derivative financial instruments), at fair value.

The preparation of financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2(c).

Certain line items of the previous year's/period's financial statements were reclassified in order to conform to the current period's presentation.

The accounting policies adopted are consistent with those of the financial year ended December 31, 2009 except as follows:

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2010. Their adoption has had no effect on the financial statements of the Group or the Company:

- **IFRIC 17** Distributions of Non-cash Assets to Owners
- **IAS 39** Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items
- **IFRS 2** Group Cash-settled Share-based Payment Transactions (Amended)
- **IFRS 3** Business Combinations (Revised) and **IAS 27** Consolidated and Separate Financial Statements (Amended)

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

- **Improvements to IFRSs (May 2008)** All amendments issued are effective as at December 31, 2009, apart from the following: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively.

#### **Standards issued but not yet effective and not early adopted**

As at the date of preparation of the financial statements accounting standards and interpretations have been issued that are not yet in effect in the current accounting period. Except for those accounting standards and interpretations that are not yet in effect and were referred to in the financial statements of December 31, 2009, the following have been added:

**In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.**

**IFRS 1 First-time adoption**, effective for annual periods beginning on or after January 1, 2011.

This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.

**IFRS 3 Business Combinations**, effective for annual periods beginning on or after July 1, 2010.

This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets.

Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.

**IFRS 7 Financial Instruments: Disclosures**, effective for annual periods beginning on or after January 1, 2011.

This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.

**IAS 1 Presentation of Financial Statements**, effective for annual periods beginning on or after January 1, 2011.

This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

**IAS 27 Consolidated and Separate Financial Statements**, effective for annual periods beginning on or after July 1, 2010.

This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after July 1, 2009, or earlier when IAS 27 is applied earlier.

**IAS 34 Interim Financial Reporting**, effective for annual periods beginning on or after January 1, 2011.

This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

**IFRIC 13 Customer Loyalty Programmes**, effective for annual periods beginning on or after January 1, 2011.

This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit

### 3. PRINCIPAL ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of the accompanying interim condensed financial statements are in accordance with those adopted in the preparation of the annual Financial Statements of 31<sup>st</sup> December 2009, excluding the accounting principle followed for the consolidation of companies from 1 January 2010, which is described in paragraph (c).

**The accounting policies adopted by the Group and the Company are the following:**

**(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 accompanying consolidated financial statements include the financial statements of the parent company A.G. PETZETAKIS S.A. and all subsidiaries where A.G. PETZETAKIS S.A. has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group.

#### **Basis of consolidation from 1 January 2010**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (previously minority interests) in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Paragraph (f) outlines the accounting policy on goodwill.

The financial statements of the subsidiaries are prepared for the same reporting date with that of the parent company.

Losses of subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

**(d) Subsidiaries & Associates:** 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 provided for the acquisition. 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	ACQUISITION COST
						30.06.2010	31.12.2009
A.G. PETZETAKIS S.A.	Greece	-	-	-	Μητρική	-	-
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%	-	-	-
SECUNJALO OUTSOURCING (PTY) LTD	S. Africa	100,00%	-	100,00%	-	-	-
SECUNJALO 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 DEUTSHLAND (.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	11.998
<b>TOTAL [A]</b>						<b>31.433</b>	<b>31.433</b>

\*Within the previous 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 did 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		GROUP	
						ACQUISITION COST 30.06.2010	ACQUISITION COST 31.12.2009	ACQUISITION COST 30.06.2010	ACQUISITION COST 31.12.2009
HELIFLEX IRAN [1]	Teheran	25,00%	25,00%	-	25,00%	34	34	34	34
AVID IRAN [1]	Teheran	25,00%	25,00%	-	25,00%	34	34	34	34
INTEAL ENTROPIA S.A.[2]	Greece	9,00%	9,00%	-	9,00%	11	11	11	11
PLASTIKA KAVALAS S.A. [4]	Greece	100,00%	100,00%	-	100,00%	672	672	672	672
PETZETAKIS PLASTIKA SKOPJE LTD [3]	Fyrom	94,18%	-	94,18%	94,18%	-	-	738	738
<b>TOTAL [B]</b>						<b>751</b>	<b>751</b>	<b>1.489</b>	<b>1.489</b>
Long-term bills receivable						125	127	127	127
Λοιπές μακροπρόθεσμες απαιτήσεις						-	-	521	238
Given Guarantees						287	272	-	272
<b>TOTAL [C]</b>						<b>412</b>	<b>399</b>	<b>648</b>	<b>637</b>
<b>TOTAL [A] + [B] + [C]</b>						<b>32.596</b>	<b>32.583</b>	<b>2.137</b>	<b>2.126</b>

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] Excluded from consolidation due to negligible size.

4] Was not consolidated on 31/3/2010 due to negligible size.

s inactive since 1991.

Semi-annual Financial Statements for the period from 1 January to 31 June 2010

**Notes to the Interim Financial Statements**

(amounts expressed in thousands of euro)

TOTAL ASSETS	6.732
NET POSITION	1.272
TOTAL DEBTS	5.460
TOTAL LIABILITIES	6.732
TURNOVER	-

**(e) Foreign currency translation:** 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.

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 during the initial adoption of the International Accounting Standards. A relevant valuation for the company and Group took place during 31 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, an estimation is made on 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 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 & cash equivalents:** Cash and cash equivalents include cash in the bank and at hand as well as short term highly liquid investments.

**(l) 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:** 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:

- the years of service in the company
- the monthly salary during the retirement year and
- 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.

**(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                       | Weighted average cost 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) Segment Information:** Based on the financial data and more specifically the sales of each company that are included in the consolidation, main operative segments are considered: the parent company A.G. Petzetakis, the subsidiaries of Petzetakis Africa, Petzetakis North Greece, Petzetakis Deutschland and Induplas. The rest of the segments regard the rest consolidated subsidiaries with total sales less than 10%.

The Group’s income derives from a large number of customers, and the income from each customer does not exceed 10% of the total income.

**(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.

#### **Held- to - maturity Investments**

The company has no such investments.

#### **Available -for- sale Financial Assets**

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 receivables**

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 income**

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.

Based on the Group’s corporate structure, the financial services define the strategy, stay up to date, and make decisions through information received from the Company and its subsidiaries.

Based on the financial data and more specifically the sales of each company that are included in the consolidation, main operative segments are considered: the parent company A.G. Petzetakis, the subsidiaries of Petzetakis Africa, Petzetakis North Greece, Petzetakis Deutschland and Induplas. The rest of the segments regard the rest consolidated subsidiaries with total sales less than 10%.

The Group’s income derives from a large number of customers, and the income from each customer does not exceed 10% of the total income.

## **4 TURNOVER:**

Turnover in the interim financial statements is analyzed as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Sales of merchandise	10.781	12.432	9.585	1.668
Sales of finished and semi-finished products	42.812	44.743	1.393	15.701
Other sales	33	41	-	32
	<b>53.626</b>	<b>57.216</b>	<b>10.978</b>	<b>17.401</b>

Income is allocated by geographical section as follows:

**30.6.2010**

	GROUP					COMPANY				
	Greece	Rest of Europe	Africa	Other countries	Total	Greece	Rest of Europe	Africa	Other countries	Total
Sales to local customers	13.454	-	-	-	<b>13.454</b>	8.252	-	-	-	<b>8.252</b>
Sales to foreign customers	-	10.592	29.443	137	<b>40.172</b>	-	2.292	297	137	<b>2.726</b>
<b>Total sales</b>	<b>13.454</b>	<b>10.592</b>	<b>29.443</b>	<b>137</b>	<b>53.626</b>	<b>8.252</b>	<b>2.292</b>	<b>297</b>	<b>137</b>	<b>10.978</b>

**30.6.2009**

	GROUP					COMPANY				
	Greece	Rest of Europe	Africa	Other countries	Total	Greece	Rest of Europe	Africa	Other countries	Total
Sales to local customers	19.285	-	-	-	<b>19.285</b>	14.083	-	-	-	<b>14.083</b>
Sales to foreign customers	-	12.840	24.806	285	<b>37.931</b>	-	3.080	97	141	<b>3.318</b>
<b>Total sales</b>	<b>19.285</b>	<b>12.840</b>	<b>24.806</b>	<b>285</b>	<b>57.216</b>	<b>14.083</b>	<b>3.080</b>	<b>97</b>	<b>141</b>	<b>17.401</b>

**5 SEGMENT INFORMATION:**

Segment information for the period is analyzed as follows:

	A.G. PETZETAKIS	PETZETAKIS AFRICA	PETZETAKIS NORTH GREECE	PETZETAKIS DEUTCHLAND	INDUPLAS	OTHER	TOTAL	CONSOLIDATION ENTRIES	GROUP
<b>01/01-30/06/2010</b>									
Income from foreign customers	9.405	29.284	4.300	5.316	1.960	3.493	53.758	-	53.758
Income between Business Segments	1.919	-	941	126	183	278	3.447	3.447	-
<b>Total Income</b>	<b>11.324</b>	<b>29.284</b>	<b>5.241</b>	<b>5.442</b>	<b>2.143</b>	<b>3.771</b>	<b>57.205</b>	<b>( 3.447)</b>	<b>53.758</b>
Cost of Sales	11.741	23.323	4.617	4.017	2.091	2.809	48.598	( 2.974)	45.624
Operating Expenses	3.965	6.438	1.301	1.013	515	1.712	14.944	( 473)	14.471
<b>Operating Profit (Losses)</b>	<b>( 4.382)</b>	<b>( 477)</b>	<b>( 677)</b>	<b>412</b>	<b>( 463)</b>	<b>( 750)</b>	<b>( 6.337)</b>	-	<b>( 6.337)</b>
Operating Profit (Losses) before depreciation	( 3.536)	548	( 443)	586	( 431)	( 461)	( 3.737)	-	( 3.737)
<b>Net Earnings (Losses)</b>	<b>( 9.054)</b>	<b>( 946)</b>	<b>( 2.091)</b>	<b>148</b>	<b>( 616)</b>	<b>( 1.074)</b>	<b>( 13.633)</b>	-	<b>( 13.633)</b>
Fixed Assets	86.433	17.757	18.794	1.997	327	19.168	144.476	( 32.053)	112.423
Current Assets	17.521	20.242	7.436	3.422	4.928	5.343	58.892	( 10.380)	48.512
<b>Total Assets</b>	<b>103.954</b>	<b>37.999</b>	<b>26.230</b>	<b>5.419</b>	<b>5.259</b>	<b>24.524</b>	<b>203.385</b>	<b>( 42.449)</b>	<b>160.936</b>
Long term Liabilities	123.574	5.280	3.093	798	687	3.791	137.223	( 2.114)	135.109
Current Liabilities	31.182	24.506	13.459	3.685	4.985	( 174)	77.643	( 4.400)	73.243
<b>Total equity and liabilities</b>	<b>103.954</b>	<b>37.999</b>	<b>26.230</b>	<b>5.419</b>	<b>5.259</b>	<b>24.524</b>	<b>203.385</b>	<b>( 42.449)</b>	<b>160.936</b>
<b>01/01-30/06/2009</b>									
Income from foreign customers	14.153	24.987	6.489	4.447	3.427	4.109	57.612	-	57.613
Income between Business Segments	3.891	-	102	56	490	7	5.464	( 5.464)	-
<b>Total Income</b>	<b>18.044</b>	<b>24.987</b>	<b>7.509</b>	<b>4.503</b>	<b>3.917</b>	<b>4.116</b>	<b>63.076</b>	<b>( 5.464)</b>	<b>57.613</b>
Cost of Sales	14.326	21.663	5.805	319	3.405	3.154	51.543	( 4.875)	46.668
<b>Operating Expenses</b>	<b>3.753</b>	<b>4.566</b>	<b>1.512</b>	<b>1.015</b>	<b>751</b>	<b>1.318</b>	<b>12.914</b>	<b>( 589)</b>	<b>12.326</b>
Operating Profit (Losses)	( 35)	( 1.242)	192	298	( 239)	( 356)	( 1.381)	-	( 1.381)
Operating Profit (Losses) before depreciation	819	( 396)	439	395	( 130)	( 46)	1.081	-	1.081
<b>Net Earnings (Losses)</b>	<b>( 650)</b>	<b>( 2.034)</b>	<b>( 323)</b>	<b>289</b>	<b>59</b>	<b>( 433)</b>	<b>( 3.092)</b>	<b>19</b>	<b>( 3.092)</b>
Fixed Assets	87.074	16.688	19.186	1.495	525	19.134	144.102	( 31.027)	113.074
Current Assets	25.211	15.901	908	2.967	5.817	5.842	64.818	( 11.031)	53.787
<b>Total Assets</b>	<b>112.285</b>	<b>32.589</b>	<b>28.266</b>	<b>4.462</b>	<b>6.342</b>	<b>24.977</b>	<b>208.921</b>	<b>( 42.059)</b>	<b>166.862</b>
Long term Liabilities	124.783	4.144	2.922	758	877	3.137	136.621	( 2.469)	134.152
Current Liabilities	21.823	17.506	12.679	2.617	5.344	9.987	64.681	( 10.056)	54.625
<b>Total equity and liabilities</b>	<b>112.285</b>	<b>32.589</b>	<b>28.266</b>	<b>4.462</b>	<b>6.342</b>	<b>24.977</b>	<b>208.921</b>	<b>( 42.059)</b>	<b>166.862</b>

## 5A. COST OF SALES

The cost of sales is allocated as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Wages	7.857	7.218	2.845	2.861
Third party remuneration	935	865	40	38
Depreciations	2.222	2.126	723	707
Third party benefits & other expenses	3.070	3.347	873	1.078
Cost of merchandise / consumables	31.540	33.112	7.260	9.642
	<b>45.624</b>	<b>46.668</b>	<b>11.741</b>	<b>14.326</b>

## 5B. ADMINISTRATIVE EXPENSES

The administrative expenses are allocated as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Wages	2.361	1.965	935	772
Third party remuneration	338	449	284	243
Depreciations	196	188	62	83
Third party benefits & other expenses	1.447	1.069	389	255
	<b>4.342</b>	<b>3.671</b>	<b>1.670</b>	<b>1.353</b>

## 5C. RESEARCH & DEVELOPMENT EXPENSES

The research & development expenses are allocated as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Wages	81	106	34	59
Depreciations	4	5	4	5
Third party benefits & other expenses	13	13	6	4
	<b>98</b>	<b>124</b>	<b>44</b>	<b>68</b>

## 5D. DISTRIBUTION EXPENSES

The distribution expenses are allocated as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Wages	3.867	3.730	1.322	1.294
Depreciations	145	145	61	60
Third party benefits & other expenses	6.019	4.656	868	978
	<b>10.031</b>	<b>8.531</b>	<b>2.251</b>	<b>2.332</b>

## 5E. NET FINANCIAL EXPENSES

The financial expenses are allocated as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.6.2010</b>	<b>30.6.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Interest on short-term loans	1.103	1.087	298	135
Interest on long-term loans	2.046	1.912	2.046	1.892
Other financial expenses	68	332	23	63
	<b>3.217</b>	<b>3.331</b>	<b>2.367</b>	<b>2.090</b>

## 6. GOODWILL

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

	<b>GROUP</b>	
	<b>30.06.2010</b>	<b>31.12.2009</b>
PETZETAKIS NORTH GREECE SA	107	107
A.PETZETAKIS GMBH	804	804
PETZETAKIS DEUTSHLAND (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)
	<b>9.884</b>	<b>9.884</b>

## 7. INVENTORIES

Inventories are analyzed as follows:

	GROUP		COMPANY	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
Merchandise	2.775	2.459	1.374	1.385
Finished - semi-finished products - byproducts & remains	9.940	11.366	2.068	3.839
Production underway	286	15		
Raw & auxiliary Material. Consumables	4.800	4.968	1.493	2.048
	<b>17.801</b>	<b>18.808</b>	<b>4.935</b>	<b>7.271</b>
Minus: Provisions	( 1.959)	( 2.298)	( 1.000)	( 1.000)
	<b>15.842</b>	<b>16.510</b>	<b>3.935</b>	<b>6.271</b>

## 8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
Trade receivables *	27.618	19.483	7.151	6.125
Checks post-dated	5.641	6.810	2.571	3.167
Other receivables	4.626	9.340	4.310	5.850
	<b>37.884</b>	<b>35.633</b>	<b>14.031</b>	<b>15.141</b>
Minus: Provisions for doubtful receivables	-9.177	-9.177	-2.150	-2.150
	<b>28.708</b>	<b>26.455</b>	<b>11.881</b>	<b>12.991</b>

\* The Group's other receivables include a receivable of approximately € 3.031 mln. (approximately € 3.030 mln. in 2009) from a non-consolidated subsidiary which is inactive. The Group's Management based on interest expressed for the purchase of the company, covers this receivable and for this purpose did not proceed with its impairment.

## 9. CASH & CASH EQUIVALENTS

	GROUP		COMPANY	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
Cash in hand	52	37	24	15
Site and term deposits	2.553	2.110	323	1.365
	<b>2.605</b>	<b>2.148</b>	<b>346</b>	<b>1.379</b>

## 10. SHARE CAPITAL

Share Capital fully paid 25,583,146

Nominal value per share 0.30 € each

	<u>30.6.2010</u>	<u>31.12.2009</u>
Total share capital of common registered shares	7.675	7.675
Number of shares during the beginning of the period	25.583	25.583
<b>Weighted average number of shares outstanding</b>	<b><u>25.583</u></b>	<b><u>25.583</u></b>

### Losses per share

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

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.6.2010</u>	<u>31.12.2009</u>	<u>30.6.2010</u>	<u>31.12.2009</u>
Losses for the period	-13.511	-16.010	-9.054	-8.076
Weighted average number of common shares	25.583	25.583	25.583	25.583
<b>Losses per share in €</b>	<b><u>-0,5281</u></b>	<b><u>-0,6258</u></b>	<b><u>-0,3539</u></b>	<b><u>-0,3157</u></b>

## 11A. CAPITAL RESERVES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.6.2010</u>	<u>31.12.2009</u>	<u>30.6.2010</u>	<u>31.12.2009</u>
Statutory reserve	993	1.049	941	941
Extraordinary reserves	311	311	311	311
Reserves of convertible bonds	5.850	5.850	5.850	5.850
Other reserves	7.916	9.255	7.976	7.976
	<b><u>15.070</u></b>	<b><u>16.465</u></b>	<b><u>15.078</u></b>	<b><u>15.078</u></b>

## 11B. REVALUATION RESERVES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.6.2010</u>	<u>31.12.2009</u>	<u>30.6.2010</u>	<u>31.12.2009</u>
Differences from revaluation of participations & securities	3.478	3.478	3.478	3.478
Differences from revaluation of other assets	36.921	35.403	15.413	15.413
	<b><u>40.399</u></b>	<b><u>38.881</u></b>	<b><u>18.891</u></b>	<b><u>18.891</u></b>

### 11C. STOCK OPTION PLAN

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/rights	2,406,914
Exercise price	€ 1
Exercise period	2006 - 2009

Beneficiary: Members of the Board of Directors and staff of the company and affiliated companies.

Up to 31/12/2009 887,500 options have been exercised

### 12. TAX LIABILITIES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.6.2010</u>	<u>31.12.2009</u>	<u>30.6.2010</u>	<u>31.12.2009</u>
Income Tax – V.A.T.	1.784	526	76	-
Taxes from staff wages	1.874	1.294	1.611	1.263
Taxes from previous periods	( 4)	( 4)	( 4)	( 4)
Other taxes	307	395	243	217
	<b>3.961</b>	<b>2.211</b>	<b>1.926</b>	<b>1.476</b>

### INCOME TAX

According to the Greek Legislation, the tax rate applied for Greek Société Anonymes for the financial year to 31 December 2009 is 25%. According to the new tax legislation the tax rate for Greek Société Anonymes is gradually decreased from 25% to 20%. More specifically, the tax rate is decreased to 24% for the fiscal year 2010, 23% for 2011, 22% for 2012, 21% for 2013 and 20% for 2014 and afterwards.

The provision for the income taxes, presented in the interim financial statements is analyzed as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>30.6.2010</u>	<u>30.6.2009</u>	<u>30.6.2010</u>	<u>30.6.2009</u>
Current income taxation	941	365	-	-
Deferred income taxation	399	307	117	182
<b>Total (credit)/debit for income taxes depicted at the income statement</b>	<b>1,340</b>	<b>672</b>	<b>117</b>	<b>182</b>

The company's tax liability is not finalized before its books are audited by the Greek tax authorities. Such audit has not taken place since 2002. The nature of the accounting differences, as perceived by the tax authorities during the last audit, enables the management of the company to believe that it cannot consider them a prerequisite for the determination of relevant accounting differences for the unaudited financial years. Taking this into account, and based on the accumulated losses, any provision for contingent tax liability regarding the unaudited financial years was not considered necessary. As far as Petzetakis North Greece is concerned, based on the fact that the company is at the final stage of its tax audit, a provision of 1 million euro was made, a provision presented in the company's income statement for the period.

### 13. LONG-TERM LIABILITIES

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

(amounts expressed in thousands of euros)

	GROUP		COMPANY	
	30.6.2010	31.12.2009	30.6.2010	31.12.2009
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	24.078	24.078	24.078	24.078
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	84.018	83.494	84.018	83.494
BOND LOAN UNDERWRITER NATIONAL BANK OF GREECE	10.604	10.604	10.604	10.604
BILBAO – VIZCAYA SPAIN	1.350	1.379		
UNICREDIT BANCA ITALIA	136	136		
OTHER BANKS	720	703		
	<b>120.906</b>	<b>120.394</b>	<b>118.700</b>	<b>118.176</b>

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 bondholders have not yet exercised their rights.

The capital of the aforementioned loan amounting to 17,500,000 Euro, is 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, un-secured, which depends on the achievement of specific consolidated operating results (EBITDA), in which case the Management of the parent company has the right to receive the convertible bonds which will correspond, in case of their conversion, to a percentage up to 7.5% approximately of the company’s total shares. In case the specific consolidated operating results (EBITDA) are not achieved, the bonds are no longer convertible, return to the company and are written-off with no additional cost for the company.

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, the group is to provide guarantees for financial obligations related to specific financial ratios that are linked directly to the group's performance. The group pursued and received the necessary commitments by bondholders (until 31.12.2009) in order for the latter to waive their contractual right related to the breach of the terms in the refinancing agreement.

The company and Group until 31.12.09, received the tolerance of Bondholders for the non-achievement of financial obligations as stipulated by the relevant agreements with bondholders. The continuance of the company's and Group's activity under a potential non-achievement of the financial obligations in the future, is subject to the condition that bondholders continue to tolerate and support the company and group.

The Company has submitted a request in 6/04/2010 and has received the tolerance of the bondholder lenders for:

- A postponement of the due date of the interest installments of February 2009, August 2009 and February 2010 for the 30/04/2010, as set by the Company's Convertible Financing Convertible Bond Loan Program dated 28.1.2008.
- And the non-achievement of financial obligations for the financial year 2009 as stipulated by the relevant agreements with bondholders.

#### TIME PERIOD ALLOCATION OF DEBT OBLIGATIONS

	<u>Within one year</u>	<u>From 2 to 5 years</u>	<u>Over 5 years</u>
<b>COMPANY</b>			
30/6/2010	-	34.682	84.018
31/12/2009	-	34.682	83.494
<b>GROUP</b>			
30/6/2010	-	36.888	84.018
31/12/2009	-	36.900	83.494

#### 13B.DEFERRED TAXATION

	<b>COMPANY</b>			
	<b>Balance Sheet</b>		<b>P/L</b>	
	<b>30.6.2010</b>	<b>31.12.2009</b>	<b>30.6.2010</b>	<b>30.6.2009</b>
Deferred taxation on revalued depreciation	( 2.404)	( 2.269)	135	157
Provision for retirement benefit	295	277	( 18)	( 18)
Revaluation of fixed assets	( 3.421)	( 3.421)		
Current income tax	6.888	6.888		43
	<b>1.358</b>	<b>1.475</b>	<b>117</b>	<b>182</b>

	<b>GROUP</b>	
	<b>Balance Sheet</b>	
	<b>30.6.2010</b>	<b>31.12.2009</b>
Deferred taxation on revalued depreciation	( 6.652)	( 6.043)
Provision for retirement benefit	464	288
Revaluation of fixed assets	( 5.455)	( 5.675)
Income tax	7122	7.144
Others	-90	74
	<b>( 4.611)</b>	<b>( 4.212)</b>
Tax liability	5.969	11.718
Tax asset	1.358	7.506
	<b>( 4.611)</b>	<b>( 4.212)</b>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<u>30.6.2010</u>	<u>31.12.2009</u>	<u>30.6.2010</u>	<u>31.12.2009</u>
Suppliers – checks payable	33.955	25.214	11.570	9.529
Social security funds	1.920	1.924	1.610	1.550
Customer prepayments	1.808	1.602	1.431	1.259
Sundry creditors and other short-term liabilities	9.427	5.455	6.981	4.216
Deferred income	238	172	172	172
Accrued expenses (interest provision)	4.904	5.133	4.904	5.133
Accrued expenses (provision of other expenses)	387	709	328	590
	<b>52.640</b>	<b>40.209</b>	<b>26.995</b>	<b>22.449</b>

The table below is indicative of the time distribution of the company and group liabilities

	<u>Within</u>	<u>From 2 to 5</u>	<u>Over 5 years</u>	<u>Within</u>	<u>From 2 to</u>	<u>Over 5</u>
	<u>one year</u>	<u>years</u>		<u>one year</u>	<u>5 years</u>	<u>years</u>
	<u>30/6/2010</u>			<u>31/12/2009</u>		
<b>GROUP</b>						
Loans	15.510	36.888	84.018	14.068	36.900	83.494
Trade and other liabilities	57.733	5.755	8.448	43.519	7.085	14.121
<b>COMPANY</b>						
Loans	2.260	34.682	84.018	2.659	34.682	83.494
Trade and other liabilities	28.921	3.689	1.185	23.925	4.807	1.111

#### 15. FIXED ASSETS - TANGIBLE & INTANGIBLE ASSETS

COMPANY	Land plots	Buildings - building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Total
<b>ACQUISITION VALUE</b>							
Value on 1 January 2009	7.863	13.174	41.823	185	3.969	182	67.196
Additions	-	11	161	41	68	371	652
Value on 31 December 2009	7.863	13.185	41.984	226	4.037	553	67.848
Additions	-	623	112	-	200	253	1.188
Reductions / Transfers	-	-	-	-	-	(736)	(736)
Net Book Value 30 June 2010	7.863	13.808	42.096	226	4.237	70	68.300
<b>DEPRECIATIONS</b>							
Value on 1 January 2009	-	895	7.123	115	3.776	-	11.909
Additions	-	267	1.342	8	91	-	1.708
Value on 31 December 2009	-	1.162	8.465	123	3.867	-	13.617
Additions	-	140	670	3	33	-	846
Net Book Value 30 June 2010	-	1.302	9.135	126	3.900	-	14.463
<b>NET BOOK VALUE</b>							
Value on 31 December 2009	7.863	12.023	33.519	103	170	553	54.231
Value on 30 June 2010	7.863	12.506	32.961	100	337	70	53.837
<b>GROUP</b>							
	Land plots	Buildings - building facilities	Machinery & mechanical equipment	Vehicles	Furniture & other equipment	Assets under construction	Total
<b>ACQUISITION VALUE</b>							
Value on 1 January 2009	19.230	22.721	85.171	655	6.880	182	134.839
Revaluation of acquisition cost due to revaluation	1.503	717	(75)	-	-	-	2.145
Purchases	-	47	1.380	87	151	371	2.036
Reductions/Transfers	-	414	2.308	43	(108)	-	2.657
Foreign exchange differences	161	461	8.403	(2)	399	-	9.422
Value on 31 December 2009	20.894	24.360	97.187	783	7.322	553	151.100
Purchases	-	623	543	11	227	253	1.657
Reductions/Transfers	(119)	119	(99)	78	4	(736)	(753)
Foreign exchange differences	338	463	3.338	29	307	-	4.475
Net Book Value 30 June 2010	21.113	25.565	100.969	901	7.860	70	156.478
<b>DEPRECIATIONS</b>							
Value on 1 January 2009	119	2.801	27.076	504	6.095	-	36.595
Adjustment of accumulated depreciations due to revaluation	-	(290)	-	-	-	-	(290)
Additions	-	494	4.164	58	302	-	5.018
Reductions	-	414	2.397	(5)	(1)	-	2.805
Foreign exchange differences	-	53	6.894	(10)	323	-	7.260
Value on 31 December 2009	119	3.472	40.531	547	6.719	-	51.388
Additions	-	265	2.118	39	143	-	2.565
Reductions	(119)	119	(51)	-	-	-	(51)
Foreign exchange differences	-	8	1.918	15	271	-	2.212
Net Book Value 30 June 2010	-	3.864	44.516	601	7.133	-	56.114
<b>NET BOOK VALUE</b>							
Net book value on 31.12.2009	20.775	20.888	56.656	236	603	553	99.712
Net book value on 30.06.2010	21.113	21.701	56.453	300	727	70	100.364

During the approval date of the financial statements, there was a 1<sup>st</sup> mortgage prenotation of 132 million euro and a 2<sup>nd</sup> prenotation of 115 million euro, while a mortgage of 111 million euro was taken on property of the company. Also there was collateral amounting to 102 million euro on the company's equipment (without delivery). All the above were applied for security against its total debt as such arise from the company's financial restructuring agreement amounting to 121.91 million euro. For the group, there were additional mortgage prenotations and mortgages on property and equipment of approximately 28 million euro for security against debt.

## 16 FINANCIAL LEASES

The liabilities from financial leases are shown at the table below:

	<b>GROUP 30.06.2010</b>			
	<b>PETZETAKIS AFRICA</b>	<b>PETZETAKIS N. GREECE</b>	<b>OTHER</b>	<b>GROUP TOTAL</b>
<b>Present value of minimum lease payments</b>				
Payments up to 30.06.2011	978	71	83	1.132
Payments for the period 1.07.2011-30.06.2016	1.389	542	135	2.066
Payments following the five-year term (2016-2021)	-	-	-	-
	<b>2.368</b>	<b>613</b>	<b>218</b>	<b>3.199</b>
<b>Present value of lease obligations</b>	<b>2.368</b>	<b>613</b>	<b>218</b>	<b>3.199</b>
Minus: Short-term portion of financial lease	978	71	83	1.132
<b>Long-term liability from financial lease as at 30.06.2010</b>	<b>1.389</b>	<b>542</b>	<b>135</b>	<b>2.066</b>
	<b>GROUP 31.12.2009</b>			
	<b>PETZETAKIS AFRICA</b>	<b>PETZETAKIS N. GREECE</b>	<b>OTHER</b>	<b>GROUP TOTAL</b>
<b>Present value of minimum lease payments</b>				
Payments up to 31.12.2010	986	74	39	1.099
Payments for the period 1.1.2011-31.12.2015	1.664	576	38	2.278
Payments following the five-year term (2016-2021)	-	-	-	-
	<b>2.650</b>	<b>650</b>	<b>77</b>	<b>3.377</b>
<b>Present value of lease obligations</b>	<b>2.650</b>	<b>650</b>	<b>77</b>	<b>3.377</b>
Minus: Short-term portion of financial lease	986	74	39	1.099
<b>Long-term liability from financial lease as at 31.12.2009</b>	<b>1.664</b>	<b>576</b>	<b>38</b>	<b>2.278</b>

## 17 CONTINGENT LIABILITIES

a) The parent company has not been tax audited for fiscal years 2003 and after. Based on the accounting and tax accumulated losses, the management of the Company and the Group does not consider necessary to conduct a provision for the tax unaudited financial years.

The tax audited year for the group companies are as shown below:

Group Company	Unaudited Tax Years
PETZETAKIS NORTHEN GREECE	2007-2009
PETZETAKIS AFRICA PTY (GROUP)	2009
INDUPLAS SPA	-
FLEXIPLAS SA	-
PETZETAKIS GmbH	2003-2009
PETZETAKIS DEUTSHLAND	2003-2009
A.G. PETZETAKIS ROMANIA SRL	-
A.G. PETZETAKIS INTERNATIONAL HOLDING LTD	-

**b.1)** During the approval date of the financial statements there are legal claims against:

- the company for approximately € 0.5 εκατ.
- the group for approximately € 4,2 εκ.

The legal disputes that are likely to affect the company's financial position are estimated to amount to € 0,3 million, and for the Group to € 2,55 million For that reason, provisions have been made for € 0.30 million for the Company and € 2.55 million for the Group.

b.2.) During the approval date of the financial statements, there was a 1<sup>st</sup> mortgage prenotation of 132 million euro and a 2<sup>nd</sup> prenotation of 115 million euro, while a mortgage of 111 million euro was taken on property of the company. Also there was collateral amounting to 102 million euro on the company's equipment (without delivery) and a 98 million euro collateral on shares of its subsidiaries. All the above were applied for security against its total debt as such arise from the company's financial restructuring agreement amounting to 121.91 million euro. For the group, there were additional mortgage prenotations and mortgages on property and equipment of approximately 28 million euro for security against debt.

- 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 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 BESCHRANKTER 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. TRANSACTIONS WITH AFFILIATED PARTIES

	<b>SALES &amp; OTHER TRANSACTIONS</b>	<b>PURCHASES &amp; OTHER TRANSACTIONS</b>	<b>RECEIVABLES FROM SUBSIDIARIES</b>	<b>LIABILITIES TOWARDS SUBSIDIARIES</b>
<b><u>SUBSIDIARY</u></b>	<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 30.06.2010</b>			
INDUPLAS	12	24	7	556
FLEXIPLAS	72	36	85	1.629
EUROHOSE	76	-	263	-
AGP GMBH	-	-	-	-
PETZETAKIS DEUTSCHLAND	645	1	475	-
PNG	603	929	2.273	-
PLASTIKA MAKEDONIAS	-	-	206	7
PETZETAKIS AFRICA	-	-	630	-
PETZETAKIS ROMANIA	161	-	-103	-
AGPI	350	-	-	694
PLASTIKA KABALAS	-	-	3.030	-
<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES</b>	<b>1.919</b>	<b>990</b>	<b>6.866</b>	<b>2.886</b>

	<b>TOTAL INTRACOMPANY TRANSACTIONS &amp; LIABILITIES 30.06.2010</b>			
<b><u>INTRACOMPANY TRANSACTIONS BY COMPANY</u></b>				
AGP	1.919	990	6.866	2.886
INDUPLAS	183	124	3.247	150
FLEXIPLAS	309	132	1.868	151
EUROHOSE	2	143	16	2.287
AGP GMBH	7	195	241	-
PETZETAKIS DEUTSCHLAND	126	721	151	1.515
PNG	941	635	712	2.160
PLASTIKA MAKEDONIAS	32	-	-168	908
PETZETAKIS AFRICA	-	-	-	700
PETZETAKIS ROMANIA	-	229	-	-88
AGPI	-	350	764	-
<b>GROUP TOTAL</b>	<b>3.519</b>	<b>3.519</b>	<b>13.697</b>	<b>10.669</b>

	<b>SALES &amp; OTHER TRANSACTIONS</b>	<b>PURCHASES &amp; OTHER TRANSACTIONS</b>	<b>RECEIVABLES FROM SUBSIDIARIES</b>	<b>LIABILITIES TOWARDS SUBSIDIARIES</b>	
<b>SUBSIDIARY</b>	<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES 31.12.2009</b>				
INDUPLAS	108	70	-	19	546
FLEXIPLAS	87	54		13	1.594
EUROHOSE	153	-		201	-
AGP GMBH	-	-		-	-
PETZETAKIS DEUTSCHLAND	996	8		434	3
PNG	3.305	2.185		2.018	-
PLASTIKA MAKEDONIAS	173	-		206	7
PETZETAKIS AFRICA	1.110	-		650	-
PETZETAKIS ROMANIA	607	-		9	-
AGPI	-	-		-	1.054
PLASTIKA KABALAS	-	-		3.030	-
<b>TOTAL COMPANY TRANSACTIONS WITH SUBSIDIARIES</b>	<b>6.539</b>	<b>2.317</b>		<b>6.542</b>	<b>3.204</b>

<b>INTRACOMPANY TRANSACTIONS BY COMPANY</b>	<b>TOTAL INTRACOMPANY TRANSACTIONS &amp; LIABILITIES 31.12.2009</b>			
AGP	6.539	2.317	6.542	3.204
INDUPLAS	822	208	3.289	134
FLEXIPLAS	108	132	1.801	65
EUROHOSE	-	371	-	2.101
AGP GMBH	16	-	285	-
PETZETAKIS DEUTSCHLAND	109	1.510	67	1.607
PNG	2.207	3.307	654	2.018
PLASTIKA MAKEDONIAS	2	184	7	860
PETZETAKIS AFRICA	-	1.110	-	714
PETZETAKIS ROMANIA	-	664	-	30
AGPI	-	-	1.118	-
PLASTIKA KABALAS	-	-	-	-
<b>GROUP TOTAL</b>	<b>9.803</b>	<b>9.803</b>	<b>13.763</b>	<b>10.733</b>

The above amounts have been written-off during the consolidation of the financial statements of the Group companies, apart from the receivable of the parent company from the company PLASTIKA KAVALAS amounting to 3,030 million euro, and the amounts that concern the intracompany transactions and liabilities of the company PLASTIKA MAKEDONIAS (FYROM) which are excluded from consolidation.

The fees of the members of the Board of Directors, as well as those of the Directors of the Group as of 30 June 2010 and 2009, are analyzed as follows:

	<u>30.6.2010</u>	<u>30.6.2009</u>
Parent Company's Members of the BoD fees	60	72
Parent Company's Director fees	426	687
Group's Members of the BoD fees	555	287
Group's Director fees	973	1188

## 19. EVENTS AFTER THE BALANCE SHEET DATE

- I. Acceptance of request by the Company's Bondholder Lenders regarding the 3month transfer of the automatic conversion date of Accelerated Bonds (30 September 2010), as set by the Company's Convertible Financing Convertible Bond Loan Program dated 28.1.2008.
- II. Within the following 20 days a strategic investor is going to assume the majority of the bond debt, following the relevant negotiations with the foreign bondholders (note 13a), while settling the binding contractual terms of these loans, until the 31<sup>st</sup> of December 2011. At the same time, there is an imminent funding by the aforementioned investment house, which is considered sufficient, along with the above, to ensure the continuation of the group's activity, and also to enforce through the necessary structural changes, the companies which constitute the group, aiming at it's gradual return to profitability.

Kallithea, August 30<sup>th</sup> 2010

**THE BoD  
CHAIRMAN**

**THE BoD VICE-  
CHAIRMAN**

**THE FINANCE  
DIRECTOR**

**THE HEAD ACCOUNTANT**

**GEORGIOS  
PETZETAKIS**  
ID No.AE  
526892

**ALEX  
REINHART**  
P. No F 0446283

**PANAGIOTIS  
PETROLEKAS**  
ID No.T 502925

**ADAMANTIA – ALIKI  
KEFALONITOU**  
ID No. T 002464

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