M. J. MAILLIS S.A.

P A C K I N G   S Y S T E M S

Annual Financial Report
For the year ended 31 December 2008

The Annual Financial Statements have been approved by the Board of Directors of M.J.MAILLIS SA on 30 March 2009 and are available on the company's website **www.maillis.com**

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

M.J.MAILLIS S.A.
PACKING SYSTEMS
P.C.S.A.2716/06/B/86/43
XENIAS 5 & CHARILAOU TRIKOUPI
145 62 KIFISSIA, ATHENS

M.J.MAILLIS GROUP
Annual Financial Report
For the period from 1 January to 31 December 2008

It is confirmed that the present Annual Financial Report is compiled according to the article 5 of the Law 3556/2007 and the decision 7/448/29.10.2007 of the Hellenic Capital Market Commission and is the one approved by the Board of Directors of "M.J. MAILLIS S.A" on the 30th of March 2009. The present Annual Financial Report of the period 01.01.2008 – 31.12.2008 is available on the company's website www.maillis.com where it will remain at the disposal of the investing public for at least 5 years from the date of its publication.

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M. J. MAILLIS S.A.
PACKING SYSTEMS

Board of Directors Statement
Regarding the Annual Financial Statements of 2008
According to the article 4 of the Law 3556/2007

The members of the Board of Directors of M.J. MAILLIS S.A. Packing Systems:
1. Michael J. Maillis, President of the Board of Directors
2. Ioannis Kourouglos, Vice-President of the Board of Directors and Chief Executive Officer
3. Victor Papaconstantinou, Member of the Board of Directors

in our above mentioned capacity we state and assert that to the best of our knowledge:

1. The Annual Financial Statements of the Company and the Group of "M.J. MAILLIS S.A." for the period 01.01.2008 – 31.12.2008, which were compiled according to the standing accounting standards, describe in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the businesses included in Group Consolidation taken as a whole.

2. The report of the Board of Directors reflects in a true manner the development, performance and financial position of M.J. MAILLIS S.A. Packing Systems, and of the businesses included in Group Consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Kifissia, 30th March 2009

CHAIRMAN OF THE BOARD OF DIRECTORS	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND C.E.O.	MEMBER OF THE BOARD OF DIRECTORS
MICHAEL J. MAILLIS Id. No Φ 020206	IOANNIS M. KOUROUGLOS PASS. No. AE 1202747	VICTOR K. PAPACONSTANTINOU Id. No T 003140

M. J. MAILLIS S.A.
PACKING SYSTEMS

Annual Board of Directors Report of the M.J. MAILLIS S.A on the consolidated and company Financial Statements for the period from 1st January to 31st December 2008

Dear Shareholders,

According to Law 3556/2007 and the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission we submit the Annual Board of Directors Report of M.J. MAILLIS S.A on the Consolidated and Company Financial Statements for the period ending 31st of December 2008.

The present report contains information on the financial position and performance of the Group and the Company for the year ending 31.12.2008, a description of significant events that took place during the previous year and their impact on the annual financial statements, a description of the most significant transactions between the Company and the Group and related parties, a description of the most important risks and uncertainties for the current year as well as qualitative information and estimates on the evolution of the Group's and the Company's activities in the current year.

1. Important events that took place during 2008, and their impact on the Annual Financial Statements

The year 2008 was a special and at the same time difficult period during which the Group had a mixed performance. In the beginning of the year a restructuring and recovery plan was laid out and started to be implemented, based on three pillars:

i. restore profitability above industry norms,

ii. strengthen the management team internationally, and

iii. maintain good corporate citizen status

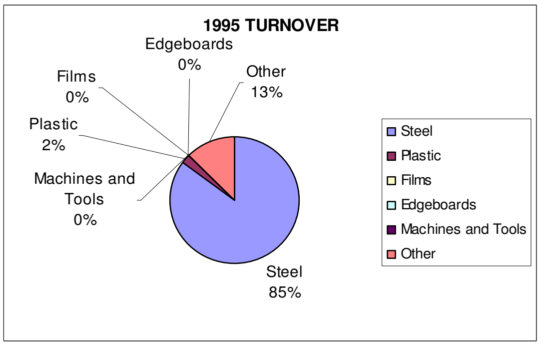
During the first eight months of the year there was a consistent improvement in profitability and liquidity. But since September, and as a result of the world's financial crisis and the collapse of commodity prices, the whole supply chain (steel and plastic) has been caught with high levels of highly priced inventories. The abrupt and vertical de-stocking period which followed had a multiplying impact on the global demand reduction and resulted in a significant deterioration in profitability. In addition, the steep reduction in available liquidity world-wide caused significant variations in currency exchange rates, which affected substantially the financial results of the Group during the last quarter of 2008 and the first months of 2009. More details can be found in Section 2 of the report.

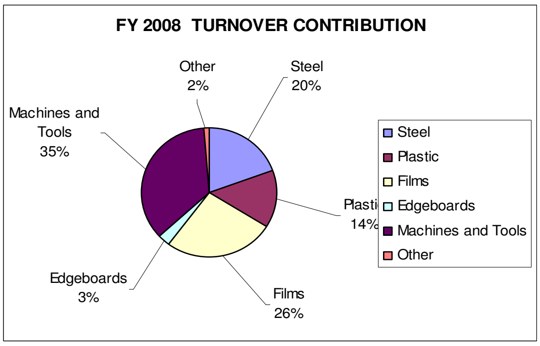
The program that had already been designed and was being executed contributed to the prompt reaction and adjustment to the new circumstances. The program was further enhanced with actions for cost saving, adaptation of the Group's activities to the new environment and working capital management. As a result the net cash flow from operations remained consistently positive. The Group's restructuring is progressing according to the original timetable and the results of the recovery are expected to become visible as soon as the market stabilizes.

Within this context, in 2008:

i. The Group pricing policy was re-designed for almost all products. Emphasis was placed on profitable sales, increasing of profitability and accelerating customer collections. A new department was established for the management of the Group's pricing strategy. As a result the consolidated gross margin increased by approximately five percentage points between January and July 2008.

ii. We placed emphasis on the machine sector and we adjusted the Group's strategy around it. This sector of activity represents today the largest segment in terms of consolidated sales and profits. The break down of consolidated sales in 1995 and 2008 is set out below for illustration purposes.





iii. The organizational structure of the Group was restructured including the creation of geographical clusters, as follows:

- West Europe
- Central Europe
- Eastern Europe
- North America
- Italy

iv. A Business Development department was created and staffed with personnel from within the Group

v. Emphasis was placed on the reduction of the Group's operating expenses. Already at the end of the first nine months of 2008 the operating expenses were lower by 11.9% compared to the same period of 2007.

vi. We focused on the enhancement of the effectiveness of the Group's information systems, a process which will be continued throughout 2009 and 2010. More specifically, we implemented a group-wide CRM system and an automated sales report system. A new ERP system (SAP) was implemented in Poland.

vii. The management team of the group was strengthened considerably. The following key positions were filled or renewed:

- Group Purchasing Director
- Group Financial Controller
- Group Optimization and Value Creation manager
- General Manager of Poland
- Financial Manager of Poland
- Sales Manager of Poland
- General Manager of Germany
- Sales Manager of Germany
- Sales Director of Benelux

viii. We designed and are in the process of implementing a series of investment projects in our Inofyta plant of a total budget of 3.6 m€, in order to improve the production efficiency and minimize the resulting waste at levels much lower than those specified by relevant regulations.

ix. The following actions were planned and executed:

- Temporary lay offs in the production units of Greece, Columbia (Italy) and Canada.

- Restructuring of back office and warehouse operations in Central Europe.

- Reduction of headcount in France (phase one), UK (phase one and two), Germany (phase one) and Greece (phase one).

- Stop of production of automated machines in Germany and transfer of the activity to Italy and Canada.

- Suspension of polypropylene strap production in Spain. The Spanish affiliate will continue to operate as a commercial unit, while the Group's management will be following the developments in the Spanish market in order to take appropriate decisions if there is a change in the market and economic conditions in the region.

- Transformation of the Austrian subsidiary. The sales activity in Austria will be carried out by the German affiliate. Austrian operations were downsized and now act as an agent to the German company.

The annualized benefit from the actions set out above has been estimated at 10.8 m€, of which 5.0 m€ refer to the first phase of Germany, UK, France and Greece.

The total cost of these actions, except for phase one for which a provision was included in 2007 results, is estimated at approximately 3.3 m€, out of which 1.6 m€ represent mostly severance payments and have a cash flow impact, while the remaining 1.7 m€ represent accounting write offs and adjustments. Out of the total cost, approximately 2.9 m€ has been posted against 2008 results. The remaining 0.4 m€ will be posted in 2009.

After the completion of the above mentioned actions and by the end of June 2009, we estimate that the total headcount of the Group will be lower by approximately 300 or 14% compared to the beginning of 2008.

<u>Renegotiation of Loan terms</u>

As a result of the losses incurred in the previous financial year, and as already disclosed in the financial statements of 2007, the Group is in breach of certain financial covenants relating to its bank borrowings. This situation had a direct and indirect impact on the balance sheet and the financial results of the Group in 2008. More specifically:

- Already since 2007, long term borrowings have been reclassified from non-current to current liabilities.

- By contract, the breach of covenants resulted in an increased interest rate being applied on the affected loans, which burdened this year's financial expenses. At the same time, the key lenders of the Group proceeded with unilateral interest rate increases on almost all other borrowings, leading to a further negative impact on the Group's financial expenses.

- As part of the discussions with the Group's key lenders, it was agreed that the obligation of the Group towards BNPP bank would be refinanced and reclassified from Trade Obligations to Loans (more details can be found in Section 2 of this report). This resulted in a one-off increase in the borrowings of the Group of approximately 23.8 m€.

- The continuing negotiations with the Group's key lenders for the restructuring of the Groups debt have prevented the Group from reverting to normal trading terms with some of its suppliers. This had a negative impact on the cash flow of 2008.

- During the negotiations with its lenders, the Group is charged with all the related expenses, including the costs of lenders' advisors. In 2008 the total of these expenses was 3.5 m€.

More information is given in notes 2 and 19 of the financial statements

Other Events

In the Board of Directors meeting of 29 February 2008 Mr. John M. Kourouglos, previously Chief Executive Officer designate, was elected as the new Chief Executive Officer, replacing Mr. Michael Maillis, who remained Chairman of the Board of Directors.

Our affiliate Maillis Strapping Systems (USA) has been qualified by the National Cotton Council of America as a certified producer of PET strap. This will allow the company to enter the US cotton market, with significant expected benefits.

2. Group Financial Review

Sales revenue

Group consolidated sales revenue for the year 2008 amounted to 340.5 m€, lower by 7.5% versus last year.

Annual change by geographic region is as follows:

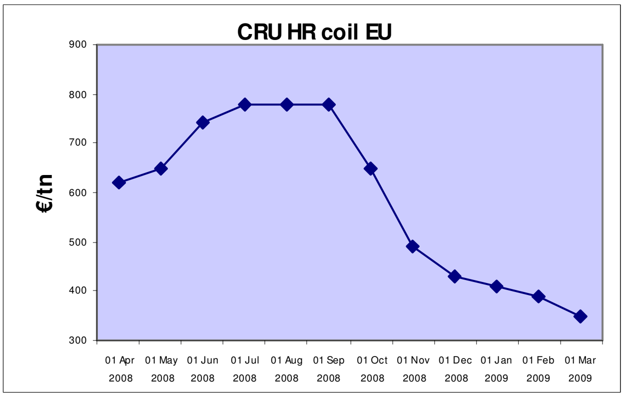
Sales in East and West Europe, including Greece, decreased by 12% (183.1 m€ in 2008 vs. 207.9 m€ in 2007), and in Central Europe decreased by 4.8% (55,6 m€ in 2008 vs. 58,4 m€ in 2007).

In North America sales increased by 1.3% (38.6 m€ in 2008 vs. 38.1 m€ in 2007). In Italy sales grew by %0.4 (60.6 m€ in 2008 vs. 60.4 m€ in 2007).

Cost of Sales

Consolidated cost of sales of the Group in 2008 was 281 m€, or 4.8% lower compared to 2007.

Gross profit margin decreased by 2.3 percentage points compared to 2007, impacted by the extreme movements in raw material prices. The significant increase in commodity prices during the first half of 2008 was followed by an abrupt fall, which, combined with the decrease in the demand for end-products in the second half of the year, resulted in depressed production margins. During 2008, the returns on the commodity indexes were at their historic lows. The graph below depicts the movement of the steel index CRU for the period April 2008 to March 2009.



Provisions

Provisions for inventory devaluation increased by 6.6 m€ in 2008. This included a net realizable value adjustment of 3.6 m€ in the books of the parent company (3.4 m€) and Straptech (0.2 m€) and 1.7 m€ of additional inventory write-offs in Germany, Spain and Austria as part of their restructuring. Further details can be found in note 14 of the financial statements.

Provisions for doubtful receivables were increased in 2008 by 1.5 m€. As a result the total provision for doubtful receivables amounts to 6.3 m€ vs. 5.8 m€ in 2007. The above provision is considered to be adequate as the fair value of current trade and other receivables closely approximates their book value. Further details can be found in note 15 of the financial statements.

Other provisions were increased by 2.4 m€ in 2008, including mainly provisions for restructuring costs and other purposes. Further details can be found in note 23 of the financial statements.

Foreign Exchange Differences

Cost of sales and other expenses include foreign exchange losses of approximately €8.5mil. These resulted mainly from the valuation of GBP denominated receivables of the parent company and euro denominated obligations of the Polish, Romanian and other subsidiaries.

EBITDA

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of 2008 have been significantly burdened by the restructuring costs, as described in section 1 of this report, the foreign exchange losses, the inventory impairment of the parent company and Straptech as well as the increase in the provisions for inventory devaluation and doubtful receivables.

Excluding one-off income and expenses, adjusted EBITDA for 2008 was 15.3 m€ (vs. adjusted EBITDA for 2007 of 18.9 m€), whereas reported EBITDA of 2008 was -2.1 m€ (vs. 7.0 m€ in 2007). The EBITDA adjustments are set out in the following table:

m€		2008		2007
Reported EBITDA		**-2.1**		**7.0**
Restructuring charges	2.9		4.8	
Provisions for inventory & receivables	2.6		5.8	
Inventory NRV adjustment	3.6			
Various provisions			1.3	
Other extraordinary expenses/(income)	-0.2		-2.8	
Exchange losses	8.5		2.8	
Total EBITDA adjustments		17.4		11.9
Adjusted EBITDA		**15.3**		**18.9**

Annual change in EBITDA by geographic region is as follows:

- East and West Europe, including Greece: -12,5 m€ in 2008 vs. - 4,2 m€ in 2007
- Central Europe: - 0,9 m€ in 2008 vs. 1,9 m€ in 2007
- North America: 4,1 m€ in 2008 vs. 2,5 m€ in 2007
- Italy: 7.5 m€ in 2008 vs. 8.0 m€ in 2007

Net Financial Expenses

Net financial expenses in 2008 were 21.9 m€ compared to 9.0 m€ in 2007. The figure of 2008 includes the impact from the increase in interest rates as well as the expenses related to the debt restructuring project, as discussed in section 1 of this report.

Deferred Tax

Following a prudent approach, the Group does not create deferred tax assets in subsidiaries which continue to report losses.

During the financial year 2008, a deferred tax asset of 4,4 m€ was written off against profits.

Losses after Tax

Net losses after tax were 42.9 m€ vs. 38.6 m€ in 2007. The amount of the reported loss exceeds 30% of the Group's consolidated net assets, which is one of the criteria of Athens Stock Exchange to include a company's stock in the category of supervision.

Working Capital

During 2008 the reverse forfeiting contracts between BNPP and the parent company and the subsidiary in Poland of an outstanding amount of 23.8 m€ were replaced by bank facilities. This reclassification resulted in the equivalent increase of borrowings and decrease of trade payables by this amount, without impacting the cash flow of the Group. The outstanding reverse forfeiting obligations as at 31.12.2007 were 26.5 m€.

Inventories and trade receivables were decreased by 18.0% and 25.2% respectively due to the reduction in sales activity, the decrease of raw material and sale prices but also due to the continuous effort of the Group to effectively manage the working capital.

As a result, the Group's working capital decreased both in absolute amount and as a percentage on sales (4.3 percentage points lower compared to 2007), as set out in the following table. For comparison purposes, working capital as of 31.12.2007 has been increased by the amount of reverse forfeiting obligations outstanding on that date.

m€	2008	2007	Variance (%)
Inventories	73.6	89.7	-18.0%
Trade and other receivables	69.7	93.1	-25.2%
Short term liabilities	43.4	85.3	-49.2%
Reported Working Capital	**99.9**	**97.5**	**2.5%**
Reverse forfeiting adjustment		26.5	
Adjusted Working Capital	**99.9**	**124.0**	**-19.4%**
Sales	*340.5*	*368.1*	*-7.5%*
% on Sales	***29.3%***	***33.7%***	***-4.3%***

3. Important transactions with related parties

The most important transactions of the Group with its related parties according to IAS 24 are presented in the tables below (related parties with the Group according to article 42e of the C.L. 2190/1920):

2008

Amounts in € '000	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
Combi	2,280	37	667	7
TOTAL	**2,280**	**37**	**667**	**7**

2007

Amounts in € '000	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
Combi	2,519	72	609	9
TOTAL	**2,519**	**72**	**609**	**9**

The important transactions of the Parent Company with related parties are presented in the tables below:

2008

Amounts in € '000	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
M.J. MAILLIS UK	10,642	102	15,390	5
SANDER GMBH & Co KG	7,483	-18	4,445	-19
STRAPTECH	7,908	1,803	4,046	667

Amounts in € '000	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
M.J. MAILLIS SPAIN	6,375		3,205	5
M.J. MAILLIS ROMANIA	6,834	32	5,657	23
M.J. MAILLIS OSTERREICH GMBH	4,727		5,349	
M.J. MAILLIS POLAND	2,935	82	6,579	3
MAILLIS STRAPPING SYSTEMS	475	2	11,745	46
M.J. MAILLIS BENELUX	4,334	6	1,464	21
M.J. MAILLIS FRANCE	5,002		1,576	229
Other	13,509	64	4,114	19
TOTAL	**70,224**	**2,073**	**63,570**	**999**

2007

Amounts in € '000	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
M.J. MAILLIS UK	14,913	711	16,321	16
SANDER GMBH & Co KG	8,539	137	17,336	54
STRAPTECH	10,454	2,761	7,220	1,091
M.J. MAILLIS SPAIN	6,997	4	8,253	5
M.J. MAILLIS ROMANIA	5,918	89	4,376	22
M.J. MAILLIS OSTERREICH GMBH	5,527		5,299	
M.J. MAILLIS POLAND	2,863	91	2,556	45
MAILLIS STRAPPING SYSTEMS	1,410	44	11,270	44
M.J. MAILLIS BENELUX	2,372		1,509	
M.J. MAILLIS FRANCE	4,422	1	10,324	229
Other	21,444	127	7,259	31
TOTAL	**84,859**	**3,965**	**91,723**	**1,537**

Receivables of the parent company from Sander in 2007 and 2008 include a loan of 3.0 m€. The reduction in the overall balance of receivables between 2007 and 2008 is mainly due to payments by SANDER GMBH, M.J. MAILLIS FRANCE, M.J. MAILLIS CZECH and M.J. MAILLIS SPAIN that took place following share capital increases in these subsidiaries. The proceeds from the share capital increases were used exclusively for the repayment of obligations to the parent company.

The parent company has given guarantees for a total of 87.4 m€ towards obligations of the Group's subsidiary companies.

4. Major risks and uncertainties for current financial year

The types of risks to which the Group is exposed, as well as the ways to manage them, relate to the fact that it operates in different geographical areas, markets and products. Due to its extensive diversification, the Group is exposed to a variety of risks. However, and for the same reason, the possible impact of each different risk on the overall performance of the Group is limited.

The Group's overall risk management system is based on the assumption that the outcome of the various uncertainty factors cannot be predicted and seeks to minimize their potential adverse impact on the Group's financial performance. The Group, in order to hedge against market risks, enters, when possible, into derivative instruments such as futures, forwards, interest rate swaps and cross-currency swaps.

Due to the significant reduction in global levels of activity and the available liquidity in international markets, we expect the various factors that affect the operations and performance of the Group to be more volatile in the year 2009. At the same time, the limited availability of credit lines reduces our ability to hedge our risks by using derivative financial instruments. We have already taken specific mitigating actions against the increased uncertainty. Additional analysis follows.

a) Market risk

The Group is not materially affected by a potential decrease of demand in any individual market or segment, as it is not significantly exposed to any one specifically. Historically, we have not seen major movements in the relative positions between competitors in the markets we serve. There are no innovative technologies or applications which the Group does not already possess and which could risk our market shares. Our presence across different geographical regions limits the possible impact from a reduction in demand in any one individual market.

The market risks that the Group faces relate mainly to the overall changes in the levels of global demand and activity, primarily in the industrial goods and secondarily in the consumer goods sectors. To limit this risk the Group is currently examining a number of possible co-operations and opportunities mostly in markets where our presence is still limited. For the pursue of this goal, we created in 2008 the department of Business Development.

Due to the prevailing conditions in the global markets, this specific uncertainty is expected to remain significant throughout 2009.

(b) Risk of raw material prices

The possible negative impact from fluctuations in raw and auxiliary material prices on the financial performance of the Group is considered to be limited, subject to the following paragraph. Movements in raw material prices are passed on to the final selling prices relatively quickly in almost all markets in which we operate.

The risk is relatively high for our steel products due to the fact that the production of both raw materials and final products have a relatively long lead time. As a result, the period between the placement of an order for raw materials and the sale of the final product is approximately four months. Any substantial movement in the prices of raw materials or final products during that period would have a significant impact on the final profitability. This phenomenon was very pronounced during 2008. There are no reliable hedging instruments for steel prices currently available.

Although the ability to predict remains limited, we believe that these erratic changes in raw material prices will not be repeated in the current year.

(c) Credit risk

The Group has no significant concentration of credit risk. Sales are diversified in terms of geography and industry sector and there are policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group does not have customers that represent more than 5% of its total sales.

We estimate that the credit risk related to our customers will remain significant throughout 2009, due to the limited liquidity available in the global markets. Although there were no remarkable cases of payment default by customers, the Group has enhanced both the efforts for timely collection of its receivables and its credit control procedures. These efforts had a very positive outcome so far.

(d) Cash flow risk

Prudent cash flow (i.e. liquidity) risk management requires maintaining sufficient cash, the availability of which depends also on adequate amount of committed credit facilities. Management monitors monthly the level of the Group's available liquidity (comprising undrawn facilities and cash and cash equivalents) based on forecasted cash flows. Managing the liquidity risk became important during 2008 and is expected to remain so in 2009, due to the global financial crisis and the ongoing negotiations with our key lenders concerning the Group's debt restructuring.

(e) Foreign exchange risk

The Group operates internationally and as a result is exposed to foreign exchange risk related mostly to the US Dollar, the UK Pound, the Polish Zloty, the Romanian Lei and the Canadian Dollar. Foreign exchange risk arises mainly from future commercial transactions, assets and liabilities denominated in foreign currencies and net investments in foreign companies.

The individual entities within the Group use forward contracts to manage their foreign exchange risk with third party counterparties (banks) when this is feasible. This option will be limited during the current financial year.

At a Group level forward contracts are used for hedging against foreign exchange risks that may arise from specific future commercial transactions, or existing assets and liabilities.

The Group's risk management policy is to hedge anticipated transactions (mainly raw material imports and export sales) in each major currency (US Dollar, UK Pound) for the subsequent six months. With respect to the US Dollar there is natural hedging as exports in this currency are offset by imports of raw material in the same currency, and any resulting differences are hedged with forward contracts, when possible.

The Group has certain investments in subsidiaries and joint ventures, whose net assets are denominated in foreign currencies and are exposed to foreign currency translation risk. The functional currencies of those investments: US Dollar, Canadian Dollar, Polish Zloty, Romania Lei, UK Pound, Indian Rupee, Czech Krone, Slovakian Krone, Hungarian Fiorint.

If the foreign currencies, to which the Group is exposed, had been devaluated / revalued by 5% against the Euro, assuming all other variables remaining constant, the losses / profits after tax for the year ending 31st December 2008 would be higher / lower by 1,365 k€ (2007: 418 κ€) as a result of foreign exchange differences arising from the translation to Euros of trade receivables, inventories, cash and cash equivalents, and liabilities denominated in foreign currencies. From the translation of the net assets of the affected subsidiaries to the new exchange rate there would be a negative / positive impact on the Group's consolidated net assets of 315 k€ (2007: 709 k€).

(f) Fair value interest rate risk

The operating profits and cash flows of the Group are substantially independent from interest rate fluctuations. The Group does not have material interest bearing assets on its balance sheet, whereas the Group policy is to maintain approximately 50% of its borrowings in fixed rate instruments.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

Borrowings issued at floating rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

5. Business activity evolution in the current financial year

Group's operations are not expected to be substantially differentiated during 2009. The focus will remain on the alignment of costs to the current demand levels, the control of spending and the completion of the recovery program as described above.

Based on the organizational changes and cost reduction programs already implemented or to be completed by the end of the second quarter of 2009, the Group is well positioned to further improve its performance as market conditions improve. Currently the timing of such recovery is not possible to be predicted.

We expect that negotiations with our key lenders for the restructuring of the Group's debt will be finalized within the year 2009. Based on this assumption and taking into consideration note 2 of the financial statements, we conclude that the going concern basis used for the preparation of the financial statements is valid and applicable.

The present Annual Report of the Board of Directors for the period from 1 January to 31 December 2008 has been posted on the Internet, on the website of the Company www.maillis.com.

Kifissia, 30 March 2009

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD OF DIRECTORS

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
Of the Company M.J. MAILLIS S.A. – PACKING MATERIALS
Pursuant to L. 3556/2007, Art. 4

The present explanatory report of the Board of Directors to the Ordinary General Assembly of its Shareholders includes information pursuant to the provisions of L.3556/2007, Art. 4, para. 7 and 8.

1. Share Capital Structure – Share categories - Rights - Obligations

The share capital of the Company amounts to euros 55,614,326.96 and is divided into 73,176,746 shares, of nominal value 0.76 euros each.

All shares are common nominal, and are listed for negotiation on the Athens Stock Exchange (Low Dispersion and Specific Features category). Each share is entitled to 1 vote. Each share includes all the rights and obligations which are specified by the law and the Articles of Association of the Company. The liability of the shareholders is limited to the amount of the nominal value of the shares which they possess.

2. Limitations to the transfer of the shares of the Company

The transfer of the Company's shares takes place pursuant to law and there are no other limitations to the transfer arising out of its Articles of Association.

3. Important direct and indirect participations in the sense of the provisions of articles 9 to 11 of L.3556/2007

As at 31.12.2008 the following shareholders had a shareholding participation above 5%: Mr M.J. Maillis holds 25,70% and the Holding Company HORQUETA HOLDINGS LTD holds 19,35%.

4. Holders of any kind of shares which provide special rights of control

The Company does not have shares that provide to its holders special rights of control.

5. Limitations to the right to vote

The Articles of Association of the Company do not impose any limitations to the right to vote.

Articles 17 and 18 of the Articles of Association of the Company provide that the holder of 1 vote is entitled the right to participate and vote in the General Assembly of Shareholders and the votes are increased by one for each additional share. The shareholders that wish to participate in the General Assembly must commit the total or part of their shares through their user in the Dematerialized Securities Systems (D.S.S.) and to deposit the relevant certificate to the Company at least 5 days before the date of the meeting. Shareholders who do not meet this obligation may participate in the meeting of the General Assembly only following its formation and only after approval by it.

6. Agreements between the shareholders of the Company

To the knowledge of the Company there aren't any agreements among its shareholders which impose limitations to the transfer of its shares or on the exercise of the right to vote deriving from its shares.

7. Regulations regarding the appointment and the replacement of members of the Board of Directors and the amendment of the Articles of Association that may differ from the provisions of L.2190/1920.

The regulations provided by the Articles of Association of the Company in relation to the appointment and the replacement of members of the Board of Directors as well as in relation to the amendment of provisions of the Articles of Association do not differ from the provisions of codified law 2190/1920.

8. Competence of the Board of Directors or of some of its members for the issuance of new shares or the purchase of its own shares

(a) Stock option plan to managers of the Company and of subsidiaries of the Group

According to the provisions of article 13 para. 9 of L.2190/1920, a stock option plan may be established for the distribution of shares to members of the Board of Directors and staff of the Company and its subsidiaries, in accordance with the specific terms of a decision of the General Assembly taken with increased majority according to the provisions of articles 29 para. 3 and 4 and 31 para. 2 of L. 2190/1920, a summary of which is subject to the disclosure requirements of article 7b of L 2190/1920.

The General Assembly decides the maximum number of shares that may be issued which cannot be above 1/10 of the existing shares, the price and the terms of distributing these shares to the beneficiaries.

The Board of Directors, can decide all other relevant details that are not arranged for by the General Assembly of shareholders, issues the stock option certificates and during the month of December each year, issues the shares to the beneficiaries who chose to exercise their right, respectively increasing the Share Capital. Furthermore, it certifies the share capital increase according to article 11 of L 2190/1920.

The Board of Directors of the Company on November 27th 2008 decided not to grant stock options to managers of the Company, according to the stock option plan which had been initially decided by the General Assembly of shareholders of the Company at 6/6/2002 which was later extended, rephrased and changed by the General Assembly of shareholders of the Company at 23/06/2006.

9. Important agreements that have been concluded by the Company and which are in force, can be modified or cease to exist in the event of change in the control of the Company, following a public offer

According to article 11a of CL 3371/2005 that was amended by article 30 of CL 3461/2006, the Company discloses the fact that, with respect to the € 110,6 million Note Purchase Agreement (Bond loan) that was signed in December 2005, there is a clause which states that in circumstances of change in control, the Company is required to inform the bondholders and offer prepayment which the bondholders may or may not accept according to their discretion. A similar clause is included in the € 45,3 million Syndicated loan that has been signed by the Group's subsidiary Europack SA in May 2006. Furthermore similar clauses are included in loan agreements with banks and ISDA agreements.

10. Important agreements that the Company has concluded with the members of the Board of Directors or with its personnel

There are agreements with its members of the Board of Directors and its personnel which provide the payment of compensation especially in the event of resignation or dismissal without a grounded reason. The total amount of these compensations is approximately € 782 th.

[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholders of "M. J. MAILLIS S.A."

Report on the Financial Statements

We have audited the accompanying financial statements of M. J. MAILLIS S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the company and consolidated balance sheet as of 31 December 2008 and the company and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the system of internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 2 and 19 in the financial statements which indicate that the Group has incurred a net loss of €42,872 thousand during the year ended 31 December 2008, resulting in a continued breach of its borrowing covenants. As of 31 December 2008 the Group's current liabilities exceeded its current assets by €134,561 thousand. Furthermore as of 31 December 2008 the Group's total liabilities exceeded its total assets, excluding goodwill (Note 9 in the financial statements), by €4,271 thousand. These conditions, along with other matters as set forth in Notes 2, 9 and 19, indicate the existence of an uncertainty which may cast doubt about the Company's and the Group's ability to continue as a going concern.

Reference on Other Legal Matters

We verified the consistency of the Board of Directors' report with the accompanying financial statements, in accordance with the articles 43a, 107 and 37 of Law 2190/1920.

Athens, 31 March 2009
THE CERTIFIED AUDITOR

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers S.A.
268 Kifissias Avenue, 152 32 Athens
SOEL Reg. No. 113

Constantinos Michalatos
SOEL Reg. No. 17701

BALANCE SHEET AS AT 31 DECEMBER 2008

Amounts in Euro '000		GROUP		COMPANY	
ASSETS	**Note**	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Non Current Assets					
Tangible assets	**8**	128,230	139,294	75,823	79,713
Intangible assets	**9**	109,105	111,571	946	1,616
Investments in subsidiaries and joint ventures	**11,12**			185,019	159,924
Deferred tax assets	**10**	14,254	15,302	6,397	4,081
Other receivables	**15**	4,186	4,112	382	417
		255,775	**270,279**	**268,567**	**245,751**
Current Assets					
Inventories	**14**	73,551	89,660	18,833	24,537
Trade and other receivables	**15**	69,715	93,146	71,204	108,484
Deferred tax assets	**10**	1,657	600		
Cash and cash equivalents	**16**	9,328	14,618	3,427	1,928
		154,251	**198,024**	**93,464**	**134,949**
Total Assets		**410,026**	**468,303**	**362,031**	**380,700**
EQUITY					
Equity Attributable to Company's Shareholders					
Share capital	**17**	55,614	55,614	55,614	55,614
Share premium	**17**	139,203	139,203	139,203	139,203
Reserves	**18**	20,004	20,398	18,549	19,006
Retained losses / earnings		-115,335	-72,618	-23,938	-7,464
Translation differences reserve		-6,976	-3,412		
		92,510	**139,185**	**189,428**	**206,359**
Minority interest		1,165	1,533		0
Total Equity		**93,675**	**140,718**	**189,428**	**206,359**
LIABILITIES					
Non Current Liabilities					
Loans	**19**	8,153	12,241	1,647	2,832
Deferred tax liabilities	**10**	7,747	7,322	5,794	5,786
Retirement and termination benefit obligations	**20**	5,672	6,073	1,103	779
Government grants	**21**	5,594	6,353	3,442	3,979
Other non current liabilities		373	492		
		27,539	**32,481**	**11,986**	**13,376**
Current Liabilities					
Trade and other payables	**22**	41,267	82,579	12,835	34,365
Deferred tax liabilities	**10**	3,921	3,305		
Current tax liabilities		2,085	2,766	295	
Loans	**19**	237,948	202,472	147,278	126,100
Provisions	**23**	3,591	3,982	209	500
		288,812	**295,104**	**160,617**	**160,965**
Total Liabilities		**316,351**	**327,585**	**172,603**	**174,341**
Total Equity and Liabilities		**410,026**	**468,303**	**362,031**	**380,700**

The notes on pages 22 to 75 are an integral part of these annual financial statements

M. J. MAILLIS S.A.
PACKING SYSTEMS

INCOME STATEMENT FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

Amounts in Euro '000	Note	GROUP 01/01/2008-31/12/2008	GROUP 01/01/2007-31/12/2007	COMPANY 01/01/2008-31/12/2008	COMPANY 01/01/2007-31/12/2007
Sales		340,512	368,143	112,938	139,116
Cost of sales	**27**	-281,045	-295,280	-99,730	-115,516
Gross profit		59,467	72,863	13,208	23,600
Other operating income	**29**	3,918	4,816	2,767	413
Administrative expenses	**27**	-23,040	-21,208	-9,770	-9,340
Distribution costs	**27**	-37,476	-44,442	-8,167	-10,363
Other operating expenses	**27**	-20,740	-18,679	-5,704	-5,522
Restructuring costs	**27**		-4,818		-1,880
Earnings before tax and financial and investment results		-17,871	-11,468	-7,666	-3,092
Loss on disposal of subsidiaries and goodwill impairment			-12,247		-9,460
Income from dividends				1,325	1,227
Financial expenses	**28**	-21,855	-8,975	-12,313	-4,482
Earnings before tax		-39,726	-32,690	-18,654	-15,807
Current tax and other tax	**25**	-2,741	-2,954	-128	-385
Earnings after current tax for the period		**-42,467**	**-35,644**	**-18,782**	**-16,192**
Deferred tax	**25**	-405	-2,939	2,308	1,471
Earnings after current tax and deferred tax for the period		**-42,872**	**-38,583**	**-16,474**	**-14,721**
Earnings after Tax distributed as follows:					
Company shareholders		-42,608	-38,122	-16,474	-14,721
Minority interest		-264	-461		
Basic and Diluted Earnings after tax per share (expressed in €)	**30**	-0.5823	-0.5210	-0.2251	-0.2012
Other information					
Depreciation		15,775	18,467	6,961	7,675
Earnings before tax, financial expenses, amortisation and depreciation (EBITDA)		**-2,096**	**6,999**	**-705**	**4,583**

The notes on pages 22 to 75 are an integral part of these annual financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2008

Amounts in Euro '000	GROUP							COMPANY				
	Attributable to the Parent Company's Shareholders					Minority Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses			Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2007	55,614	139,205	19,766	-1,135	-30,818	1,886	184,518	55,614	139,205	18,558	10,240	223,617
Expenses from share issue		-2					-2		-2			-2
Net loss directly attributable to net equity			885		-511	-115	259					0
Acquisition of minority in subsidiary					-475	-43	-518					0
Minority of new subsidiary acquisition						365	365					0
Movement in reserves due to sale of subsidiaries				93	-409		-316					0
Fair value reserves			448				448					0
Dividends paid					-2983	-100	-3,083				-2983	-2,983
Exchange difference adjustments				-2370			-2,370					0
Reserves movement			-701		701		0			448		448
Earnings / (Losses) per income statement					-38123	-460	-38,583				-14721	-14,721
Balance at 31/12/2007	55,614	139,203	20,398	-3,412	-72,618	1,533	140,718	55,614	139,203	19,006	-7,464	206,359

Amounts in Euro '000	GROUP							COMPANY				
	Attributable to the Parent Company's Shareholders					Minority Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses			Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2008	55,614	139,203	20,398	-3,412	-72,618	1,533	140,718	55,614	139,203	19,006	-7,464	206,359
Expenses from share issue							0					0
Net loss directly attributable to net equity					-45		-45					0
Acquisition of minority in subsidiary							0					0
Minority of new subsidiary acquisition							0					0
Movement in reserves due to sale of subsidiaries							0					0
Fair value reserves			-457				-457			-457		-457
Dividends paid						-58	-58					0
Exchange difference adjustments				-3,564		-46	-3,610					0
Reserves movement			63		-63		0					0
Earnings / (Losses) per income statement					-42,609	-264	-42,873				-16,474	-16,474
Balance at 31/12/2008	55,614	139,203	20,004	-6,976	-115,335	1,165	93,675	55,614	139,203	18,549	-23,938	189,428

The notes on pages 22 to 75 are an integral part of these annual financial statements

CASH FLOW STATEMENT

Amounts in Euro '000	Note	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Cash Flows from Operating Activities					
Earnings before tax		-39,726	-32,690	-18,653	-15,807
Adjustments for:					
Depreciation and amortisation	8,9	16,534	18,467	7,497	7,675
Provisions		4,921	7,460	3,897	7,901
Exchange differences		6,917	-131	1,152	1,575
(Gain) / Loss from investing activities		-2,374	529	-3,644	998
Interest payable and related expenses		23,123	11,268	13,762	6,134
Working capital changes					
Decrease / (Increase) in inventories		19,898	-6,374	2,128	-3,981
Decrease / (Increase) in receivables		16,885	-3,734	12,979	-12,230
Increase / (Decrease) in payables (excluding banks)		-18,598	11,319	-9,714	825
Less:					
Interest paid and other related expenses		-21,706	-11,270	-13,587	-6,064
Tax paid		-2,256	-5,858	-128	-934
Total Cash Inflows / (Outflows) from Operating Activities (a)		**3,618**	**-11,014**	**-4,311**	**-13,908**
Cash Flows from Investing Activities					
Acquisition of subsidiary, related companies, joint ventures and other investments			-712	-2,100	-801
Proceeds of selling of subsidiaries			705		2,973
Purchase of intangible assets, property, plant and equipment	8.9	-8,555	-15,930	-4,640	-10,354
Proceeds of sale of tangible and intangible assets		1,634	3,787	2,036	78
Interest received		1,109	2,102	1,450	609
Dividends received			0	1,225	724
Total Cash Inflows / (Outflows) from Investing Activities (b)		**-5,812**	**-10,048**	**-2,029**	**-6,771**
Cash Flows from Financing Activities					
Proceeds of loans issued		10,023	12,552	7,840	15,946
Payments of finance lease liabilities		-2,841	-811		
Dividends paid		-59	-3,040	-1	-2,983
Total Cash Inflows / (Outflows) from Financing Activities (c)		**7,123**	**8,701**	**7,839**	**12,963**
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)		**4,929**	**-12,361**	**1,499**	**-7,716**
Cash and Cash Equivalents in Beginning of Period		14,618	28,238	1,928	9,644
Exchange differences adjustment		-10,219	-1,259		
Cash and Cash Equivalents at End of Period	16	**9,328**	**14,618**	**3,427**	**1,928**

During the third quarter existing reverse forfeiting contracts between BNPP and the parent company and the subsidiary in Poland in the amounts of € 11,695 thou. and € 12,137 thou. respectively were replaced by bank facilities. This reclassification resulted in the increase of borrowings and the decrease of suppliers by the amounts mentioned previously, without impacting on the cash flows of the Group.

The notes on pages 22 to 75 are an integral part of these annual financial statements

Notes to the Consolidated Financial Statements

1. General Information

These financial statements include the financial statements of the parent company M.J.Maillis SA (the "Company") and the consolidated annual financial statements of the Company and its subsidiaries (the "Group"). The names of the subsidiaries are presented in Note 12 of the financial statements.

The Group is involved in the manufacture and distribution of end-of-line industrial solutions. This includes strapping, wrapping and taping packaging material, strapping tools and machines, wrapping, shrinking and carton sealing machines and special bands. It offers complete solutions, covering both the heavy-duty and light packaging markets and serves all industrial applications. Maillis Group serves customers in more than 52 countries worldwide, through a network of 27 owned Affiliate companies and more than 350 independent distributors.

The company is domiciled in Greece. The address of its registered office is Xenias 5 & Charilaou Trikoupi Kifissia 145 62 and its internet site is www.maillis.com.

The Company's shares are listed on the Athens Stock Exchange.

2. Basis of preparation

These financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union, and International Financial Reporting Standards issued by the IASB.

All International Financial Reporting Standards issued by the IASB and effective at the time of preparing these financial statements have been adopted by the European Commission through the endorsement procedure established by the European Commission, with the exception of certain provisions of International Accounting Standard 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedging of core deposits.

Since the Group and the Company are not affected by the provisions regarding portfolio hedging that are not required by the EU-endorsed version of IAS 39, the accompanying financial statements comply with both IFRS as adopted by the EU and IFRS issued by the IASB.

The accounting principles that have been used in the preparation of the Annual Financial Statements are in accordance with those used for the preparation of the Company and Group Financial Information as at 31 December 2006. This information was published in the internet site of the company.

The financial statements have been prepared under the historical cost convention.

The preparation of the Financial Statements in accordance with IFRS requires the use of estimates and assumptions which affect the balances of the assets and liabilities disclosed in the financial statements as well as the amounts of contingencies and the amounts of the income and expenses relating to the period from 1st January 2008 to 31 December 2008. These estimates are based to the best knowledge of the Company's and Group's management in relation to the current situation (See note 6).

Certain reclassifications have been made in the prior year's figures in order to make them comparable to the current year's figures. Any differences between amounts in the primary financial statements and similar amounts detailed in the explanatory notes are due to rounding of figures.

Going concern

These financial statements have been prepared on the basis that the Company and the Group will continue to operate as a going concern and assumes that both the Company and the Group will have sufficient financial resources to meet the Company's and Group's financial and operating requirements for the foreseeable future.

As at 31 December 2008, and as presented in the financial statements of previous periods, the Group continues to be in breach of covenants related to its borrowings (refer to Note 19) as a result of the continued losses that are being generated. Specifically a net loss of € 42,872 thousand (2007: €38,583 thousand) and € 16,474 thousand (2007: €14,721 thousand) has been incurred by the Group and the Company respectively for the year ended 31 December 2008. The impact of this breach is that all affected borrowings continue to be classified as current liabilities in terms of IAS 1. The classification has been undertaken on the basis that at 31 December 2008 the Group and the Company does not have an unconditional right to defer the settlement of these borrowings for at least twelve months after 31 December 2008, due to the breach of covenants.

Furthermore the Company has not obtained a waiver of covenants from the affected lenders however management continues to negotiate with the affected lenders in order to secure the continued future operations of the Company and its subsidiaries. At the date of approval of these financial statements management has received no indication from the affected lenders that the borrowings in question will have to be immediately settled.

In addition, with effect from 1 January 2009 the Company and the Group continues to accrue for interest on the affected borrowing, but has suspended the repayment of capital and interest related to the affected borrowings and interest related thereto. As evidenced by relevant correspondence, this suspension was planned and discussed in advance between the Group and the affected lenders and was also requested by some of them. Upon the actual commencement of the suspension management informed the lenders in writing. Management believes that consensus exists for this suspension amongst all the affected lenders. At the date of approval of these financial statements management has received no indication from the affected lenders that they are in disagreement with this suspension of capital and interest payments.

Management is confident that the negotiations with the affected lenders will be finalised within the year ended 31 December 2009 to the benefit of the lenders and the Group as a whole. The outcome of the negotiations may result in one of the following. It is noted that these possible outcomes represent management's views and have not been agreed to by any of the affected lenders:

- A long-term waiver of all defaults, and / or
- A long-term interest and capital repayment standstill, and / or
- The recapitalisation of the Group's balance sheet, and / or
- The provision of additional funding to the Group

Management is of the view that any one or a combination of the above outcomes is essential to ensure that the Group will continues to operate in the foreseeable future and is confident that the negotiations will be successful.

In light of the above information and on the basis that the Group has generated positive operating cash flows during the year ended 31 December 2008 and is forecasting to continue generating positive operating cash flows in the 2009 financial year, management has concluded that the going concern basis used in the preparation of these financial statements continues to be relevant and appropriate.

In the event that the negotiations with the affected lenders are not successful the Group may not be able to continue as a going concern in the foreseeable future. There is therefore a material uncertainty which may cast doubt on the Group's ability to continue as a going concern.

3. Summary of significant accounting policies

3.1 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.
The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the group's share of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions and minority interests

The group applies a policy of treating transactions with minority interests as transactions with equity owners of the group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority interests are also recorded in equity

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Associates' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.
Dilution gains and losses arising in investments in associates are recognised in the income statement.

(d) Joint ventures

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation.

The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's Financial Statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss. Joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.2 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is the location of an entity's production or services facilities and other assets that is subject to risks and returns that are different from those of segments operating in other economic environments.

3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated Financial Statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except where hedge accounting is applied.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of their fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment).

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity on consolidation. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.4 Property, plant and equipment

All property, plant and equipment (PPE) is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment.

Acquisition cost includes expenditure that is directly attributable to the acquisition of the tangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Interest costs on borrowings specifically used to finance the construction of property, plant and equipment are capitalised, during the period of time required to prepare and complete the asset for its intended use. Other borrowing costs are recorded in the income statement as expenses.

Land is not depreciated. Depreciation on other items is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

– buildings	30-80 years
– plant and machinery	6-15 years
– motor vehicles	4-6 years
– other equipment	5-7 years

The cost of subsequent expenditures is depreciated during the estimated useful life of the asset and costs for major periodic renovations are depreciated to the date of the next scheduled renovation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

3.5 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in cost of investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Loss from impairment is recognised if the carrying amount exceeds the recoverable amount.

Impairment losses are recognized in the profit and loss account and are not reversed in subsequent years.

The Group allocates goodwill to cash-generating units based on the geographical region of operation of each Group entity from which the goodwill was derived.

(b) Trademarks and licences

Trademarks and licences are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (10-20 years).

(c) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which is between three and five years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employees and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives which is between three and five years.

(d) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have a finite useful life and that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding ten years.

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3.7 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

The Group and the Company did not own any such financial assets, including derivatives held for trading during the periods presented in these financial statements.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise 'trade and other receivables' in the balance sheet (Note 3.9) and cash and cash equivalents (Note 3.10)and are recorded at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are carried at fair value with any change in the fair value recognised in equity.

The Group did not own any financial assets that can be characterised as available-for-sale financial assets during the periods presented in these financial statements.

(d) Investments in subsidiaries, associates and joint ventures

Equity investments in subsidiaries, associates and joint ventures are measured at cost less impairment losses in the separate financial statements of the parent. Impairment losses are recognised in the income statement.

(e) Impairment of financial assets

The Group and Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in Note 3.9.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Provisions are established for obsolete, destroyed and slow moving inventories. The decrease in the net realisable value of inventories and all other losses related to inventories are included in the income statement in the year they occur.

3.9 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the income statement.

3.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

3.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Expenses directly related to the acquisition of Investments are reflected as part of the cost of the Investment.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

3.12 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.14 Current and Deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

3.15 Employee benefits

(a) Current obligations

The current obligations of the Group towards its personnel, in monetary terms, are recognised directly as an expense as soon as they accrue.

(b) Retirement Benefits

Group entities operate various pension and retirement schemes in accordance with the local conditions and practices in the countries they operate. These schemes include both defined benefit and defined contribution plans.

A defined benefit plan is a pension or voluntary redundancy plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are spread to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity that is either publicly or privately administered. Once the contributions have been paid, the Group has no further legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The regular contributions are recorded as net periodic expenses for the year in which they are due, and as such are included in staff costs

(c) Share Options Plan to employees

The company has granted rights for the acquisition of shares (Share Option Plans) to certain executives which vest gradually from 2002 to 2011. The company did not account for these Share Options in accordance with provisions of IFRS 2 "Share Based Payments", since they were granted before 7 November 2002, the effective date which IFRS 2 is applicable, with the exception of the disclosures that are required by paragraphs 44 and 45 of IFRS 2.

3.16 Government Grants

Government grants are recognized at their fair value when it is certain that the grant will be received and that the Group has covered all relevant prerequisites.

Government grants that relate to expenses are recognized as income in the income statement in order to match the relevant expense.

Government grants relating to property, plant and equipment are recognized as long term liabilities and are transferred to the income statement under the straight method based on the respective asset's useful life.

3.17 Provisions

Provisions for warranties, holiday bonus, restructuring costs, environmental restoration and legal claims are recognized when:

- The Group has a present legal or constructive obligation as a result of past events
- it is more likely than not that an outflow of resources will be required to settle the obligation
- and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet date. The discount rate used for the calculation of the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

(a) Warranties

The Group provides for the liability occurring for the service of replacement of machines that have a guarantee at the balance sheet date. This provision is based on similar historical estimates.

(b) Holiday Bonus

The Group provides for employees annual and long service bonus entitlement as it arises.

(c) Restructuring Costs

The provisions for restructuring costs include mainly fines related to the premature ending of lease agreements and personnel redundancies. These costs are recognised when the Group has a present legal or constructive obligation. Personnel redundancies are expensed only when an agreement with the personnel representatives is in place or when employees have been informed in advance for their redundancy.

3.18 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Specific categories of revenue is recognised as follows:

(a) Sales of goods
Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services
Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income
Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost–recovery basis as conditions warrant.

(d) Royalty income
Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

(e) Dividend income
Dividend income is recognised when the right to receive payment is established.

3.19 Leases

The Group is the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

4. New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards effective for year ended 31 December 2008

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial instruments: Disclosures" – Reclassification of Financial Assets (effective prospectively from 1 July 2008)
This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group's financial statements.

Interpretations effective for year ended 31 December 2008

IFRIC 11 – IFRS 2: Group and Treasury share transactions (effective for annual periods beginning on or after 1 March 2007)
This interpretation clarifies the treatment where employees of a subsidiary receive the shares of a parent. It also clarifies whether certain types of transactions are accounted for as equity-settled or cash-settled transactions. This interpretation is not expected to have any impact on the Group's financial statements.

IFRIC 12 – Service Concession Arrangements (effective for annual periods beginning on or after 1 January 2008)
This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008)
This interpretation applies to post-employment and other long-term employee defined benefit plans. The interpretation clarifies when refunds or reductions in future contributions should be regarded as available, how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability. As the Group does not operate any such benefit plans for its employees, this interpretation is not relevant to the Group.

Standards effective after year ended 31 December 2008

IAS 1 (Revised) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009)
IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The key changes are: the requirement that the statement of changes in equity include only transactions with shareholders, the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income", and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group will apply these amendments and make the necessary changes to the presentation of its financial statements in 2009.

IAS 23 (Amendment) "Borrowing Costs" (effective for annual periods beginning on or after 1 January 2009)
This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. The Group will apply IAS 23 from 1 January 2009.

IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments (effective for annual periods beginning on or after 1 January 2009)
The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.

IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)
This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. This amendment is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

IFRS 1 (Amendment) "First time adoption of IFRS" and IAS 27 (Amendment) "Consolidated and separate financial statements" (effective for annual periods beginning on or after 1 January 2009)
The amendment to IFRS 1 allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor. As the parent company and all its subsidiaries have already transitioned to IFRS , the amendment will not have any impact on the Group's financial statements.

IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009)
The amendment clarifies the definition of "vesting condition" by introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group does not expect that these amendments will have an impact on its financial statements.

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009)
The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

IFRS 8 "Operating Segments" (effective for annual periods beginning on or after 1 January 2009)
This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. The Group has applied IFRS 8 from 1 January 2008.

Interpretations effective after year ended 31 December 2008

IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008)
This interpretation clarifies the treatment of entities that grant loyalty award credits such as ''points'' and ''travel miles'' to customers who buy other goods or services. This interpretation is not relevant to the Group's operations.

IFRIC 15 - Agreements for the construction of real estate (effective for annual periods beginning on or after 1 January 2009)
This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to particular. This interpretation is not relevant to the Group's operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (effective for annual periods beginning on or after 1 October 2008)
This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

Amendments to standards that form part of the IASB's annual improvements project
The amendments set out below describe the key changes to IFRSs following the publication in May 2008 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2009.

IAS 1 (Amendment) "Presentation of financial statements"
The amendment clarifies that some rather than all financial assets and liabilities classified as held for trading in accordance with IAS 39 "Financial instruments: Recognition and measurement" are examples of current assets and liabilities respectively. The Group will apply this amendment from 1 January 2009 but it is not expected to have an impact on the Group's financial statements.

IAS 16 (Amendment) "Property, plant and equipment" (and consequential amendment to IAS 7 "Statement of cash flows")
This amendment requires that entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying

amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Group's operations because none of the companies in the Group have ordinary activities that comprise renting and subsequently selling assets.

IAS 19 (Amendment) "Employee benefits"
The changes to this standard are as follows:

- A plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.
- The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
- IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent.

The Group will apply theses amendments from 1 January 2009. It is not expected that these amendments will have an impact on the Group financial statements.

IAS 20 (Amendment) "Accounting for government grants and disclosure of government assistance"
The amendment requires that the benefit of a below-market rate government loan is measured as the difference between the carrying amount in accordance with IAS 39 "Financial instruments: Recognition and measurement" and the proceeds received with the benefit accounted for in accordance with IAS 20. The amendment will not have an impact on the Group's operations as there are no loans received from the government.

IAS 27 (Amendment) "Consolidated and separate financial statements"
This amendment states that where an investment in a subsidiary that is accounted for under IAS 39 "Financial instruments: Recognition and measurement" is classified as held for sale under IFRS 5 "Non-current assets held for sale and discontinued operations" that IAS 39 would continue to be applied. The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in a subsidiary to be recorded at cost in the standalone accounts.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")
In terms of this amendment, an investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply this amendment from 1 January 2009.

IAS 28 (Amendment) "Investments in associates" (and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")
This amendment states that where an investment in associate is accounted for in accordance with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's financial statements because it is the Group's policy for an investment in an associate to be equity accounted in the Group's consolidated accounts.

IAS 29 (Amendment) "Financial reporting in hyperinflationary economies"
The guidance in this standard has been amended to reflect the fact that a number of assets and liabilities are measured at fair value rather than historical cost. The amendment will not have an impact on the Group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

IAS 31 (Amendment) "Interests in joint ventures" and consequential amendments to IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial instruments: Disclosures")
This amendment states that where an investment in joint venture is accounted for in accordance with with IAS 39 "Financial instruments: Recognition and measurement" only certain, rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32 "Financial Instruments: Presentation" and IFRS 7 "Financial Instruments: Disclosures". The amendment will not have an impact on the Group's operations as there are no interests held in joint ventures accounted for in terms of IAS 39.

IAS 36 (Amendment) "Impairment of assets"
This amendment requires that were fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply this amendment and provide the required disclosure where applicable for impairment tests from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"
This amendment states that a payment can only be recognised as a prepayment if that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment effectively means that once the Group has access to the goods or has received the services then the payment has to be expensed. The Group will apply this amendment from 1 January 2009.

IAS 38 (Amendment) "Intangible assets"
This amendment deletes the wording that states that there is "rarely, if ever" support for use of a method that results in a lower rate of amortisation than the straight line method. The amendment will not currently have an impact on the Group's operations as all intangible assets are amortised using the straight line method.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"
The changes to this standard are as follows:

- It is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
- The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.
- The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that IAS 39 is consistent with IFRS 8, 'Operating segments' which requires disclosure for segments to be based on information reported to the chief operating decision maker.
- When re-measuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) is used.

The Group will apply the IAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's financial statements.

IAS 40 (Amendment) "Investment property" (and consequential amendments to IAS 16 "Property, plant and equipment")
The amendment states that property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value. However, where fair value of investment property under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable. The amendment will not have an impact on the Group's operations, as there are no investment properties are held by the Group.

IAS 41 (Amendment) "Agriculture"
This amendment requires the use of a market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value. The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRS 5 (Amendment) "Non-current assets held for sale and discontinued operations" (and consequential amendment to IFRS 1 "'First-time adoption") (effective for annual periods beginning on or after 1 July 2009)
The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRS. The Group will apply this amendment prospectively to all partial disposals of subsidiaries from 1 January 2010.

5. Financial risk management

5.1 Financial risk factors

As a result of its international activities, the Group is exposed to certain financial risks, i.e.: market risk (including foreign exchange risk and price risk), credit risk, cash flow risk and fair value interest-rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments, such as futures, forwards, interest rate swaps and cross-currency swaps to hedge certain risk exposures.

Risk management is carried out by Group Treasury Department, which identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides principles and guidance for overall risk management, such as foreign exchange risk, interest-rate risk and credit risk and use of derivative financial instruments.

(a) Market risk - Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the UK pound, the Polish Zloty, Romanian Lei and Canadian Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.
Entities in the Group use forward contracts to manage their foreign exchange risk arising from future commercial transactions, recognised assets and liabilities according to the policies set forth by the Group Treasury Department. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for monitoring the net position in each foreign currency.
For segment reporting purposes, each subsidiary designates forward contracts as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

The Group's risk management policy is to hedge anticipated transactions (mainly raw material imports and export sales) in each major currency for the subsequent 6 months. With respect to the US dollar there is a degree of natural hedge as exports in this currency are offset by imports of raw material in the same currency, and any resulting differences are hedged with forward contracts.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. These investment operate in the following foreign currencies: US Dollar, Canadian Dollar, Polish Zloty, Romania Lei, UK Pound, Indian Rupee, Czech Krone, Slovakian Krone, Hungarian Fiorint.

At 31 December 2008, if the foreign currencies had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax losses/profits for the year would have been €1,365k (2007: €418k) higher/lower, mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated trade receivables, inventories, cash balances and borrowings. In respect of the same items, Equity would have been €315 thousand (2006: €709 thousand) lower/higher.

(b) Market risk - Price risk

The Group is not exposed to commodity price risk in that its raw materials are primarily Euro denominated.

(c) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a high rating are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The Group has no significant concentrations of credit risk. Sales have a high degree of diversification with respect to geography and industry sector and there are policies in place to ensure that sales of products are made to customers with an appropriate credit history.

The table below shows the balance of the major counterparties at the balance sheet date.

	GROUP		**COMPANY**	
Counterparty	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
US Private Placement	110,876	110,314	110,876	110,314
Syndication loan with Alpha, BNG, EFG, BNP	45,182	45,123		0
Loan with EFG	16,251	4,900	5,175	3,900
Loan with Alpha	7,580	0	4,049	0
Loan with BNP	31,375	0	12,151	0
Loan with NBG	11,571	5,400	9,471	5,400
	222,835	**165,737**	**141,722**	**119,614**

(d) Cash flow risk

Prudent cash flow (i.e. liquidity) risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the group's liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) on the basis of expected cash flow.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2008	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	226,354	24,343	
Derivative financial instruments	15,424		
Trade and other payables	41,189		

At 31 December 2007	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	187,562	13,326	
Derivative financial instruments	19,450		
Trade and other payables	82,164		

It is noted that in the tables above the borrowings and derivative financial instruments have been classified in terms of the requirements of paragraph 65 of IAS 1 that requires the long term obligations to be classified as current obligations. Further information is provided in note 19.

The table below analyses the group's forward exchange contracts into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. These contracts relate to trade receivables and payables and have been included in the relevant caption on the Balance sheet.

31 December 2008	Less than 1 year	1-2 years	2+ years
Outflows	3,311		
Inflows			

31 December 2007	Less than 1 year	1-2 years	2+ years
Outflows	12,478		
Inflows	1,325		

(e) Fair value interest rate risk

The Group does not have material interest bearing assets on its balance-sheet, whereas the Group's policy is to maintain approximately 50% of its borrowings in fixed rate instruments. At 31 December 2008 46% of borrowings were at fixed rates.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The Group raises long-term borrowings at floating rates and swaps them into fixed rates in order to hedge against the potential rise in interest rates.

The Group's cash flow interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

5.2 Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2008, the Group maintained a gearing ratio of between 60% to 72% compared to a gearing ratio of 44% to 71% during 2007.

For further information please refer also to note 2 where the loan restructuring for the Group is mentioned.

5.3 Accounting for derivative Financial Instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); hedges of highly probable forecast transactions (cash flow hedge); or hedges of net investments in foreign operations

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

a) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

b) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

c) Net Investment Hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.
Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of.

d) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as at fair value through profit or loss, and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

5.4 Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

6. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (Note 25).

(b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3.5(a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. In light of the information set out in Note 2 on the going concern assumption used in preparing these financial statements, goodwill impairment testing has been performed on the basis that the cash generating units to which goodwill has been allocated will continue to operate as going concerns and will be funded by an optimal debt equity structure. Additional information and the results of impairment testing are set out in Note 9.

(c) Provision for doubtful debts

The provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing and the agreed credit terms. This process has excluded receivables from subsidiaries as management is of the view that these receivables are not likely to require an impairment provision. The analysis of the provision and the ageing of receivables are presented in Note 15.

(d) Retirement benefits

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year end balance sheet date. The detailed information related to retirement benefit obligations is set out in Note 20.

6.2 Critical judgments in applying the entity's accounting policies

There are no areas that Management is required to make critical judgments in applying accounting policies.

7. Segment Information

Primary Segment Information – Business Segments

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The executive directors consider the business principally from a geographical perspective based on the geographical region in which the subsidiaries operate.

The Group is divided in the following geographical regions for the purposes of the executive directors' evaluation:

- Germany & West Europe
- Central Europe
- Greece & East Europe
- North America
- Italy (includes also Combi Packaging Systems)
- Other (includes also Europack SA)

The executive directors assess the performance of the operating segments based on a measure of EBITDA. EBITDA is calculated as follows:

- Profit/Loss before Tax
- Add back: Financial and Investment results
- Add back: Depreciation and Amortisation

Other information provided to the strategic steering committee is measured in a manner consistent with that in the financial statements.

Total assets are allocated to the operating segments based on the operations of the segment and the physical location of the asset.

The segment results for the 12 months ended at 31st December 2008 and 31st December 2007 are as follows:

12 months to 31st December 2008

Amounts in Euro '000	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Total Sales	104,619	55,600	78,536	38,599	60,589	2,569	**340,512**
Operating Income	-7,762	-2,882	-14,433	2,649	5,252	-695	**-17,871**
Financial Cost - Net	-2,553	-1,058	-13,755	-374	-2,255	-1,860	**-21,855**
Earnings before Tax	**-10,315**	**-3,940**	**-28,188**	**2,275**	**2,997**	**-2,555**	**-39,726**
Income tax and Deferred tax	-2,052	200	1,472	-896	-1,734	-136	-3,146
Net Profit	**-12,367**	**-3,740**	**-26,716**	**1,379**	**1,263**	**-2,691**	**-42,872**
EBITDA	**-6,138**	**-892**	**-6,384**	**4,069**	**7,506**	**-257**	**-2,096**

12 months to 31st December 2007

Amounts in Euro '000	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Total Sales	113,343	58,404	94,593	38,116	60,372	3,314	**368,142**
Operating Income	-8,380	-238	-6,509	47	5,369	-1,759	**-11,470**
Financial Cost - Net	-2,239	28	-5,091	-85	-1,863	275	**-8,975**
Loss on disposal of subsidiaries	-3,000		-8,293		-300	-653	**-12,246**
Earnings before Tax	**-13,619**	**-210**	**-19,893**	**-38**	**3,206**	**-2,137**	**-32,691**
Income tax and Deferred tax	-2,638	-124	365	-692	-2,678	-127	**-5,894**
Net Profit	**-16,257**	**-334**	**-19,528**	**-730**	**528**	**-2,264**	**-38,585**
EBITDA	**-6,823**	**1,927**	**2,539**	**2,475**	**7,963**	**-1,083**	**6,998**

Other segment items included in the Income Statement are as follows:

12 months to 31st December 2008

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Amounts in Euro '000							
Depreciation and amortisation	1,624	1,989	8,049	1,420	2,254	438	**15,774**
Provisions for bad debt and obsolete stock	1,201	531	4,126	-202	57	0	**5,713**

12 months to 31st December 2007

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Amounts in Euro '000							
Depreciation and amortisation	1,688	2,165	9,030	2,427	2,481	676	**18,467**
Provisions for bad debt and obsolete stock	745	36	980	296	-325	219	**1,951**

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The Assets and Liabilities of the Segments for the 12 months ended at 31 December 2008 and 31 December 2007 respectively are as follows:

31st December 2008

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Amounts in Euro '000							
Assets	79,591	34,799	148,143	37,715	100,482	9,296	**410,026**
Capital expenditure	384	1,256	4,956	70	1,838	51	**8,555**
Liabilities	14,181	19,600	189,850	11,739	32,365	48,616	**316,351**

31st December 2007

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
Amounts in Euro '000							
Assets	97,951	47,255	173,802	39,990	97,941	11,364	**468,303**
Capital expenditure	1,300	1,783	10,680	527	1,640		**15,930**
Liabilities	17,510	27,100	192,999	10,461	31,295	48,220	**327,585**

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash.

Segment liabilities comprise operating liabilities.

8. Property Plant and Equipment

GROUP

Amounts in Euro '000	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost or Fair Value							
Balance at 1 January 2007	**7,454**	**51,039**	**139,897**	**4,392**	**14,455**	**15,431**	**232,668**
Exchange Differences	-69	389	328	20	-71	34	**631**
Additions	5	38	13,371	492	589	12,648	**27,143**
Disposals / Write offs		-1,946	-3,339	-802	-509	-125	**-6,721**
Revaluation						-5	**-5**
Impairment Charges							**0**
Subsidiary Purchased							**0**
Reclassifications of Assets	-38	1,907	8,977	83	346	-11,278	**-3**
Subsidiary Disposed							**0**
Balance at 31 December 2007	**7,352**	**51,427**	**159,234**	**4,185**	**14,810**	**16,705**	**253,714**
Accumulated Depreciation							
Balance at 1 January 2007	**0**	**-17,587**	**-74,041**	**-2,906**	**-11,537**	**0**	**-106,071**
Exchange Differences		-377	-111	-1	392		**-97**
Depreciation Charge for the period		-2,001	-10,717	-518	-1,824		**-15,060**
Disposals / Write offs		1,931	3,384	772	606		**6,693**
Revaluation		3	128	-16	2		**117**
Subsidiary Purchased							**0**
Reclassifications of Assets		-2	66	-33	-31		**0**
Subsidiary Disposed							**0**
Balance at 31 December 2007	**0**	**-18,033**	**-81,291**	**-2,702**	**-12,392**	**0**	**-114,418**
Net Book Value at 31 December 2007	**7,352**	**33,394**	**77,943**	**1,483**	**2,418**	**16,705**	**139,296**
Cost or Fair Value							
Balance at 1 January 2008	**7,352**	**51,427**	**159,234**	**4,185**	**14,810**	**16,705**	**253,714**
Exchange Differences	-146	-1,905	-5,724	-135	-230	53	**-8,087**
Additions		651	1,001	282	182	4,699	**6,815**
Disposals / Write offs	-47	-53	-2,284	-624	-469		**-3,477**
Revaluation			14				**14**
Impairment Charges							**0**
Subsidiary Purchased							**0**
Reclassifications of Assets		2,391	15,297	12	68	-17,768	**0**
Subsidiary Disposed							**0**
Balance at 31 December 2008	**7,159**	**52,511**	**167,538**	**3,720**	**14,361**	**3,689**	**248,979**
Accumulated Depreciation							
Balance at 1 January 2008	**0**	**-18,033**	**-81,291**	**-2,702**	**-12,392**	**0**	**-114,418**
Exchange Differences		519	2,936	143	678		**4,276**
Depreciation Charge for the period		-1,001	-10,966	-650	-1,345		**-13,962**
Disposals / Write offs		48	2,283	557	465		**3,353**
Revaluation		-1	8	-1	-3		**3**
Subsidiary Purchased							**0**
Reclassifications of Assets			13	-19	6		**0**
Subsidiary Disposed							**0**
Balance at 31 December 2008	**0**	**-18,468**	**-87,017**	**-2,672**	**-12,591**	**0**	**-120,748**
Net Book Value at 31 December 2008	**7,159**	**34,043**	**80,521**	**1,048**	**1,770**	**3,689**	**128,231**

COMPANY

Amounts in Euro '000	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost or Fair Value							
Balance at 1 January 2007	**4,936**	**27,160**	**80,952**	**1,123**	**4,967**	**13,431**	**132,569**
Additions		118	958	44	295	8,842	**10,257**
Disposals / Write offs			-22	-207	-12	-2	**-243**
Revaluation							**0**
Impairment Charges							**0**
Reclassifications of Assets		203	6,428	1	50	-6,682	**0**
Balance at 31 December 2007	**4,936**	**27,481**	**88,316**	**961**	**5,300**	**15,589**	**142,583**
Accumulated Depreciation							
Balance at 1 January 2007	**0**	**-12,964**	**-38,434**	**-815**	**-4,251**	**0**	**-56,464**
Depreciation Charge for the period		-235	-5,737	-58	-546		**-6,576**
Disposals / Write offs			7	160	3		**170**
Revaluation							**0**
Reclassifications of Assets							**0**
Balance at 31 December 2007	**0**	**-13,199**	**-44,164**	**-713**	**-4,794**	**0**	**-62,870**
Net Book Value at 31 December 2007	**4,936**	**14,282**	**44,152**	**248**	**506**	**15,589**	**79,713**
Cost or Fair Value							
Balance at 1 January 2008	**4,936**	**27,481**	**88,316**	**961**	**5,300**	**15,589**	**142,583**
Additions		29	100	6	89	4,291	**4,515**
Disposals / Write offs		-50	-3,675	-93	-2	-56	**-3,876**
Revaluation							**0**
Impairment Charges							**0**
Reclassifications of Assets		2,387	13,960	25	43	-16,415	**0**
Balance at 31 December 2008	**4,936**	**29,847**	**98,701**	**899**	**5,430**	**3,409**	**143,222**
Accumulated Depreciation							
Balance at 1 January 2008	**0**	**-13,199**	**-44,164**	**-713**	**-4,794**	**0**	**-62,870**
Depreciation Charge for the period		-238	-6,157	-47	-218		**-6,660**
Disposals / Write offs			2,041	88	2		**2,131**
Revaluation							**0**
Reclassifications of Assets							**0**
Balance at 31 December 2008	**0**	**-13,437**	**-48,280**	**-672**	**-5,010**	**0**	**-67,399**
Net Book Value at 31 December 2008	**4,936**	**16,410**	**50,421**	**227**	**420**	**3,409**	**75,823**

Included in the Group Income Statement for the 12 months to 31 December 2008 is depreciation expense € 12.912 th. charged to Cost of Sales (€ 13.732 th. at 31/12/2007), € 922 th. charged to distribution expenses (€ 1,048 th. at 31/12/2007) and € 127 th. charged to administrative expenses (€ 277 th. at 31/12/2007).

Included in Company's Income Statement for the 12 months to 31 December 2008 is depreciation expense € 6.449 th. charged to Cost of Sales (€ 6.016 th at 31/12/2007), € 36 th. charged to distribution expenses (€ 24 th. at 31/12/2007) and € 174 th. charged to administrative expenses (€ 536 th. at 31/12/2007).

The Company has registered a first mortgage over its factory building situated at Inofita as security for the issuance of letters of credit up to the amount of € 9,000 th.

In the table above in the categories buildings and machinery are included leased assets as follows:

Amounts in Euro '000	GROUP 2008	GROUP 2007
Cost 1/1	16,455	7,121
Additions	2,619	9,334
Disposals	-527	
Cost 31/12	18,547	16,455
Accumulated depreciation 1/1	4,059	3,360
Additions	3,753	699
Disposals	-193	
Accumulated depreciation 31/12	7,619	4,059
Net book value 31/12	10,928	12,396

The present value of finance lease liabilities is analysed as follows:

Amounts in Euro '000	GROUP 2008	GROUP 2007
Up to 1 year	2,999	2,773
1-5 years	4,806	8,521
Above 5 years	1,022	
	8,827	11,294

The gross payments for finance leases are as follows:

Amounts in Euro '000	GROUP 2008	GROUP 2007
Up to 1 year	3,337	3,345
1-5 years	5,320	9,249
Above 5 years	1,382	
	10,039	12,594
Future finance charges on finance leases	1,212	1,300
Present value of finance lease liabilities	8,827	11,294

9. Intangible Assets

GROUP

Amounts in Euro '000	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2007	**104,453**	**7,670**	**24,212**	**136,335**
Exchange Differences	896	53	685	**1,634**
Additions		2,573	581	**3,154**
Disposals / Write offs		-768	-3,739	**-4,507**
Impairment Charges	-4,925			**-4,925**
Subsidiary Purchased	100			**100**
Reclassifications of Assets		370	-370	**0**
Subsidiary Disposed	-1,131			**-1,131**
Balance at 31 December 2007	**99,393**	**9,898**	**21,369**	**130,660**
Accumulated Amortisation				
Balance at 1 January 2007	**0**	**-3,991**	**-16,127**	**-20,118**
Exchange Differences		-23	25	**2**
Amortisation Charge for the period		-1,015	-2,393	**-3,408**
Disposals / Write offs		764	3,672	**4,436**
Subsidiary Purchased				**0**
Reclassifications of Assets		-78	78	**0**
Subsidiary Disposed				**0**
Balance at 31 December 2007	**0**	**-4,343**	**-14,745**	**-19,088**
Net Book Value at 31 December 2007	**99,393**	**5,555**	**6,624**	**111,572**

Amounts in Euro '000	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2008	**99,393**	**9,898**	**21,369**	**130,660**
Exchange Differences	-1,447	-143	-514	**-2,104**
Additions		407	1,328	**1,735**
Disposals / Write offs		-9	-779	**-788**
Impairment Charges				**0**
Subsidiary Purchased				**0**
Reclassifications of Assets		-2,959	2,959	**0**
Subsidiary Disposed				**0**
Balance at 31 December 2008	**97,946**	**7,194**	**24,363**	**129,503**
Accumulated Amortisation				
Balance at 1 January 2008	**0**	**-4,343**	**-14,745**	**-19,088**
Exchange Differences		96	442	**538**
Amortisation Charge for the period		-800	-1,772	**-2,572**
Disposals / Write offs		9	715	**724**
Subsidiary Purchased				**0**
Reclassifications of Assets		9	-9	**0**
Subsidiary Disposed				**0**
Balance at 31 December 2008	**0**	**-5,029**	**-15,369**	**-20,398**
Net Book Value at 31 December 2008	**97,946**	**2,165**	**8,994**	**109,105**

COMPANY

Amounts in Euro '000	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2007	**0**	**127**	**4,682**	**4,809**
Additions			96	**96**
Disposals / Write offs				**0**
Impairment Charges				**0**
Reclassifications of Assets				**0**
Balance at 31 December 2007	**0**	**127**	**4,778**	**4,905**
Accumulated Amortisation				
Balance at 1 January 2007	**0**	**-119**	**-2,072**	**-2,191**
Amortisation Charge for the period		-3	-1,096	**-1,099**
Disposals / Write offs				**0**
Reclassifications of Assets				**0**
Balance at 31 December 2007	**0**	**-122**	**-3,168**	**-3,290**
Net Book Value at 31 December 2007	**0**	**5**	**1,610**	**1,615**
Cost or Fair Value				
Balance at 1 January 2008	**0**	**127**	**4,778**	**4,905**
Additions			168	**168**
Disposals / Write offs				**0**
Impairment Charges				**0**
Reclassifications of Assets				**0**
Balance at 31 December 2008	**0**	**127**	**4,946**	**5,073**
Accumulated Amortisation				
Balance at 1 January 2008	**0**	**-122**	**-3,168**	**-3,290**
Amortisation Charge for the period		-3	-834	**-837**
Disposals / Write offs				**0**
Reclassifications of Assets				**0**
Balance at 31 December 2008	**0**	**-125**	**-4,002**	**-4,127**
Net Book Value at 31 December 2008	**0**	**2**	**944**	**946**

The amortization charge for the Group € 2,572 th. is included in administrative expenses (€ 3,408 th. at 31/12/2007).

The amortization charge for the Company € 837 th. is included in administrative expenses (€ 1.099 th. at 31/12/2007).

Goodwill Impairment Test

Following the change of the Group's operating structure with effect from 2008 to operate on a regional basis goodwill is allocated to cash-generating units (CGUs) based on the region from which the goodwill is derived. This change in allocation is based on the existing operating structure whereby manufacturing effort, customer sales and collections, and general day to day management in now conducted regionally. The allocation of goodwill is as follows:

Goodwill

Amounts in Euro '000	**31/12/2008**				**31/12/2007**
	Opening	**Impairment**	**Other movements**	**Closing**	
Italy	43,523			43,523	43,523
Germany & West Europe	33,921		-500	33,421	33,921
Central Europe	7,927		-976	6,951	7,927
North America	13,945			13,945	13,945
Other	78		28	106	78
Total	**99,394**	**0**	**-1,448**	**97,946**	**99,394**

Impairment testing

The value in-use calculations have been based on forecasts for the future periods 2009 to 2013. The 2009 forecast has been based on the business plans for the year ending 31 December 2009 that has been prepared by the relevant regional managers and has been approved by the Board of Directors of the Group. These business plans have been prepared based on the 2008 performance of each relevant CGU. The forecasts have also taken into account the anticipated benefits of the various restructuring initiatives that started in 2008 and that are continuing in 2009.

The impairment testing process was performed using the following overall key assumptions:

a) Each CGU has been tested assuming that each will operate as a going concern on a stand alone basis.

b) Each CGU will operate independently of each other CGU.

c) Any transactions entered into between CGUs will be on an arms length basis (i.e. at prices and terms of payment that are applicable to third-parties).

d) The CGU will be funded by a combination of debt and equity that is considered optimal relative to the anticipated future operations of the applicable CGU. The optimal debt equity structure that has been assumed is a debt equity ratio of 60:40.

Management's assumptions relating to going concern have been explained in Note 2

The operating assumptions used in the 2009 business plans (compared to the actual for 2008) are as follows:

	Italy	**Germany & West Europe**	**Central Europe**	**North America**	**Other**
Revenue growth rate	-1%	-9%	0%	8%	-3%
Gross margin	22%	17%	14%	24%	26%
Gross margin 2008	*22%*	*14%*	*9%*	*24%*	*32%*
Operating margin	6%	-1%	3%	5%	11%
Operating margin 2008	*5%*	*-8%*	*-7%*	*5%*	*16%*

For the forecast period 2010 to 2013 the key operating assumptions used are as follows:

	Italy	Germany & West Europe	Central Europe	North America	Other
Revenue growth rate	1%	-0.4%	1.3 - 1%	3%	1%
Gross margin	23 - 24%	18%	14%	24%	26%
Operating margin	6 - 10%	0 - 2%	2 - 3%	6%	11%

The other assumptions applied are as follows:

Growth in perpetuity	0%
Discount rate	7.5 - 9%

Following the completion of the impairment tests, management concluded that the no CGUs are impaired.

On the basis that the going concern assumption used by management in the preparation of these financial statements (as further explained in Note 2) is applicable the following should be noted:

a) If the estimated revenue growth rates, assumed at 31 December 2008, were 10% lower than management's estimates, the Group would not need to reduce the carrying value of goodwill.

b) If the estimated gross margins, assumed at 31 December 2008, were 10% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 15 million.

c) If the estimated operating margins, assumed at 31 December 2008, were 10% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 12 million.

d) If the estimated discount rate, assumed at 31 December 2008 and applied to the cash flows were 10% higher than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 11 million.

In case the financial statements of the Group are drawn on a break-up basis instead of on a going-concern basis, the whole of the goodwill amounting to €97.9 million at 31 December 2008 would most probably have to be written off.

Other movements
The other movements during the period relate to:

a) An amount of €500 thousand (Germany & West Europe region) that was received from the pervious shareholder of the German subsidiary Sander Gmbh & Co in terms of warranty provisions that existed on the sale and purchase agreement that was entered into when this subsidiary was acquired.

b) The amounts of €976 thousand (Central Europe) and €28 thousand (Other) that are attributed to foreign exchange translation differences.

10. Deferred Tax

The deferred tax Assets and Liabilities for the period are as follows:

GROUP

Deferred Tax Liabilities

Amounts in Euro '000	Accelerated tax depreciation	Fair Value of Earnings	Other	Total
Balance at 1 January 2007	**7,171**	**-175**	**2,953**	**9,949**
Reclassifications	452	175	-627	**0**
Charged / (Credited) to Income Statement	414		205	**619**
Charged to Equity	18			**18**
Exchange Differences	27		12	**39**
Balance at 31 December 2007	**8,082**	**0**	**2,543**	**10,625**
Deferred Tax Liabilities to be recovered after more than 12 months	7,322			
Deferred Tax Liabilities to be recovered within 12 months	3,303			
Balance at 1 January 2008	**8,082**	**0**	**2,543**	**10,625**
Charged / (Credited) to Income Statement	584		553	**1,137**
Charged to Equity				
Exchange Differences	-72		-22	**-94**
Balance at 31 December 2008	**8,594**	**0**	**3,074**	**11,668**
Deferred Tax Liabilities to be recovered after more than 12 months	7,747			
Deferred Tax Liabilities to be recovered within 12 months	3,921			

Deferred Tax Assets

Amounts in Euro '000	Provisions	Impairment and Tax Losses	Other	Total
Balance at 1 January 2007	**-2,666**	**-11,271**	**-4,552**	**-18,489**
Reclassifications	1,271	-3,843	2,572	**0**
Charged / (Credited) to Income Statement	-68	1,757	631	**2,320**
Charged / (Credited) to Equity				**0**
Exchange Differences	-2	233	34	**265**
Balance at 31 December 2007	**-1,465**	**-13,124**	**-1,315**	**-15,904**
Deferred Tax Assets to be recovered after more than 12 months	15,302			
Deferred Tax Assets to be recovered within 12 months	601			
Balance at 1 January 2008	**-1,465**	**-13,124**	**-1,315**	**-15,904**
Charged / (Credited) to Income Statement	-1,809	1,274	-197	**-732**
Charged / (Credited) to Equity				
Exchange Differences	59	635	31	**725**
Balance at 31 December 2008	**-3,215**	**-11,215**	**-1,481**	**-15,911**
Deferred Tax Assets to be recovered after more than 12 months	14,254			
Deferred Tax Assets to be recovered within 12 months	1,657			

COMPANY

Deferred Tax Liabilities

Amounts in Euro '000	**Accelerated tax depreciation**	**Fair Value of Earnings**	**Other**	**Total**
Balance at 1 January 2007	**5,624**	**0**	**0**	**5,624**
Charged / (Credited) to Income Statement	162			**162**
Charged to Equity				**0**
Exchange Differences				**0**
Balance at 31 December 2007	**5,786**	**0**	**0**	**5,786**
Deferred Tax Liabilities to be recovered after more than 12 months	5,786			
Deferred Tax Liabilities to be recovered within 12 months				
Balance at 1 January 2008	**5,786**	**0**	**0**	**5,786**
Charged / (Credited) to Income Statement	8			**8**
Charged to Equity				
Exchange Differences				
Balance at 31 December 2008	**5,794**	**0**	**0**	**5,794**
Deferred Tax Liabilities to be recovered after more than 12 months	5,794			
Deferred Tax Liabilities to be recovered within 12 months				

Deferred Tax Assets

Amounts in Euro '000	**Provisions**	**Impairment and Tax Losses**	**Other**	**Total**
Balance at 1 January 2007	**-527**	**-1,919**	**-2**	**-2,448**
Charged / (Credited) to Income Statement	-286	-1,349		**-1,635**
Reclassifications			2	**2**
Exchange Differences				**0**
Balance at 31 December 2007	**-813**	**-3,268**	**0**	**-4,081**
Deferred Tax Assets to be recovered after more than 12 months	4,081			
Deferred Tax Assets to be recovered within 12 months				
Balance at 1 January 2008	**-813**	**-3,268**	**0**	**-4,081**
Charged / (Credited) to Income Statement	-780	-1,536		**-2,316**
Reclassifications				
Exchange Differences				
Balance at 31 December 2008	**-1,593**	**-4,804**	**0**	**-6,397**
Deferred Tax Assets to be recovered after more than 12 months	6,397			
Deferred Tax Assets to be recovered within 12 months				

The Group has not accounted for deferred tax assets of an amount of € 6,988 thousand relating to accumulated tax losses incurred by the Group.

11. Investments in Subsidiaries and Joint ventures

Directly Controlled	Investment %
M.J.MAILLIS SA, Kifissia, Athens, Greece	Parent
STRAPTECH SA, Kifissia, Athens, Greece	100%
M.J.MAILLIS BULGARIA EOOD, Sofia,Bulgaria	100%
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	81,7%
M.J.MAILLIS FRANCE SAS, Saint Ouen L'Amone, France	100%
MARFLEX M.J.MAILLIS POLAND SP ZOO, Karzcew, Poland	100%
M.J.MAILLIS ESPANA SL, Barcelona, Spain	100%
M.J.MAILLIS CZECH SRO, Prague, Czech	100%
EUROPACK SA, Luxembourg	100%
COLUMBIA SRL, Milan, Italy	100%
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100%
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100%
M.J.MAILLIS FINLAND OY, Vantaa, Finland	100%
MAILLIS HOLDING GMBH, Wuppertal, Germany	100%
Indirectly Controlled	
M.J.MAILLIS UK LTD, Nottingham, UK	100%
SIAT SPA, Como, Italy	100%
SICME SRL, Varese, Italy	100%
SIAT BENELUX, Wvaalwijk, Holland	51%
TAM SRL, Milan, Italy	71%
SIAT USA, Delaware, USA	100%
MAILLIS SANDER GMBH, Wuppertal, Germany	100%
SANDER GMBH &CO KG, Wuppertal, Germany	100%
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium (previously named M.J. MAILLIS BELGIUM N.V.)	100%
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100%
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA	100%
3L Srl, Modena, Italy	100%
M.J. MAILLIS SYSTEMS SRL, Varese, Italy	100%
MAILLIS STRONG STRAP PRIVATE Ltd, Mumbai, India	50%
Joint Venture	
COMBI PACKAGING SYSTEMS, Canton, USA	50%

All Investments are consolidated fully with the exception of the Joint Venture which is consolidated proportionately.

The terms of the joint venture agreement state that the Group has management control of MAILLIS STRONG STRAP PRIVATE Ltd and therefore in terms of IFRS it has been consolidated using the full consolidation method.

The values of the Investments of the parent company in the aforementioned table as at 31 December 2008 are as follows:

Amounts in Euro '000		31/12/2008 Book value	31/12/2007 Book value	Investment %
Straptech SA	Greece	4,975	4,975	100%
Europack SA	Luxembourg	78,810	78,810	100%
M.J Maillis Osterreich Gmbh	Austria	3,448	3,448	100%
Columbia SRL	Italy	9,338	9,338	100%
M.J.Maillis Finland OY	Finland	2,388	2,388	100%
M.J.Maillis Bulgaria EOOD	Bulgaria	325	325	100%
M.J.Maillis Romania SA	Romania	2,693	2,693	81.7%
Marflex MJ Maillis Poland SP ZOO	Poland	22,047	22,047	100%
MJ Maillis Czech SRO	Czech	4,084	1,984	100%
MJ Maillis France SAS	France	16,420	5,425	99.9%
M.J. Maillis Hungary KFT	Hungary	2,130	2,130	100%
Maillis Holding GMBH	Germany	29,112	21,112	100%
Maillis Strong Strap Private Ltd	India	172	172	13.1%
M.J. Maillis Espana SL	Spain	9,078	5,078	100%
		185,020	**159,925**	

During the year the following share capital increases took place in subsidiaries of the Parent company: a) In M.J. Maillis France SAS in the amount of € 10,995 thou. b) In M.J. Maillis Espana SL in the amount of € 3,999 thou. c) In Maillis Holding Gmbh in the amount of € 8,000 thou. d) In M.J. Maillis Czech SRO in the amount of € 2,100 thou.
In all cases the proceeds from the share capital increase were used to repay an equal amount of obligation to the parent Company.

As part of the impairment testing process related to goodwill (refer to Note 9), as of 31 December 2008 the Company also performed impairment test on all its material subsidiaries. The assumptions used in the impairment testing process are similar to those set out in note 9 and specifically the following:

a) Each investment has been tested assuming that each will operate as a going concern on a stand alone basis.

b) Each investment will operate independently of each other investment.

c) Any transactions entered into between investment will be on an arms length basis (i.e. at prices and terms of payment that are applicable to third-parties).

d) The investment will be funded by a combination of debt and equity that is considered optimal relative to the anticipated future operations of the applicable investment. The optimal debt equity structure that has been assumed is a debt equity ratio of 60:40.

Management's assumptions relating to going concern have been explained in Note 2

Following the completion of the impairment tests, management concluded that an impairment adjustment is not required.

12. Joint Ventures

The Group has one investment in joint ventures, namely:

- A 50% interest in Combi Packaging Systems Ltd, through a subsidiary of the Group, Siat Spa. The remaining 50% belongs to 3M. The Company is located in USA and produces packaging machines.

The following amounts represent the Group's share of assets and liabilities, and income, expenses and results of the joint venture Combi Packaging Systems Ltd, which is included in the balance sheet and income statement:

Joint Ventures

	GROUP	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**
Receivables		
Non Current Assets	637	677
Current Assets	3,794	3,379
	4,431	**4,055**
Liabilities		
Non Current Liabilities		
Current Liabilities	1,637	1,512
	1,637	**1,512**
Net Equity	**2,794**	**2,543**
Income	8,516	8,756
Expenses	-8,154	-8,308
Profit / (Losses) after tax	**362**	**448**

There are no contingent liabilities relating to the Group's interest in the joint ventures, and no contingent liabilities relating to the ventures themselves. The joint ventures do not have significant pending capital expenditure contracts at 31/12/2008.

13. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

GROUP

31 December 2008	**Loans and receivables**	**Assets at fair value through the profit and loss**	**Derivatives used for hedging**	**Available-for-sale**	**Total**
Assets as per balance sheet					
Trade and other receivables	73,901				**73,901**
Cash and cash equivalents	9,328				**9,328**
Total	**83,229**	**0**	**0**	**0**	**83,229**

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings			221,840	**221,840**
Finance lease			8,827	**8,827**
Derivative financial instruments		15,434		**15,434**
Trade and other payables			41,640	**41,640**
Total	**0**	**15,434**	**272,307**	**287,741**

31 December 2007	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	97,258				**97,258**
Cash and cash equivalents	14,618				**14,618**
Total	**111,876**	**0**	**0**	**0**	**111,876**

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings			183,968	**183,968**
Finance leases			11,295	**11,295**
Derivative financial instruments		19,450		**19,450**
Trade and other payables			83,071	**83,071**
Total	**0**	**19,450**	**278,334**	**297,784**

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31 December 2008	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	71,586				**71,586**
Cash and cash equivalents	3,427				**3,427**
Total	**75,013**	**0**	**0**	**0**	**75,013**

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings			133,491	**133,491**
Derivative financial instruments		15,434		**15,434**
Trade and other payables			12,835	**12,835**
Total	**0**	**15,434**	**146,326**	**161,760**

31 December 2007	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	108,901				**108,901**
Cash and cash equivalents	1,928				**1,928**
Total	**110,829**	**0**	**0**	**0**	**110,829**

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings			109,482	**109,482**
Derivative financial instruments		19,450		**19,450**
Trade and other payables			34,365	**34,365**
Total	**0**	**19,450**	**143,847**	**163,297**

14. Inventories

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Merchandise	15,963	21,672	543	610
Finished and Semi - Finished products, By products	38,138	33,068	14,543	10,122
Raw and Auxiliary Materials - Spare Parts and Packaging Materials	27,311	31,580	7,077	8,033
Advances for Inventories Purchases	499	6,433	432	5,958
Total	**81,911**	**92,753**	**22,595**	**24,723**
Less: Provisions for Impairment of Inventories	-8,360	-3,093	-3,762	-186
Net Value of Inventories	**73,551**	**89,660**	**18,833**	**24,537**

The movement in the Inventory provision for the year was as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Inventory provision 1/1	3,093	2,498	186	126
Exchange rate adjustment	-207	22		
Additional provision for the year	6,566	1,614	3,576	60
Unused amount reversed	-131	-370		
Utilised during the year	-961	-671		
Inventory provision 31/12	**8,360**	**3,093**	**3,762**	**186**

Included in the above provision is an amount of € 3,628 thousand for the Group and € 3,448 thousand for the Company due to the valuation of inventories at the net realizable value. Also an amount of € 1,718 thousand has been included in the provision of the Group which relates to the stopping of production in Germany and Spain and the transformation of the Austrian subsidiary.

15. Trade and Other Receivables

	GROUP		COMPANY	
Amounts in Euro '000	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Trade Receivables	64,347	83,037	65,696	101,391
Notes Receivable	416	1,854	20	385
Less: Provisions for Impairment of Receivables	-6,304	-5,858	-2,679	-2,389
Trade Receivables- Net	**58,459**	**79,033**	**63,037**	**99,387**
Advances	664	475	211	141
Receivables from Loans from Related Parties			3,000	3,000
Other Receivables from Related Parties			800	700
Receivables from the Greek State	2,189	2,778	2,185	2,772
Other Receivables	3,282	4,913	345	52
Other Receivables and Prepayments	9,307	10,060	2,008	2,849
Total	**73,901**	**97,259**	**71,586**	**108,901**
Non Current Assets	4,186	4,111	382	417
Current Assets	69,715	93,148	71,204	108,484
Total	**73,901**	**97,259**	**71,586**	**108,901**

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers.

The fair value of current trade and other receivables closely approximates their book value.

Movements on the provision for impairment of trade receivables are as follows:

Amounts in Euro '000	GROUP		COMPANY	
	2008	2007	2008	2007
Bad debt provision 1/1	5,858	4,502	2,389	1,544
Exchange rate adjustment	-234	24		
Additional provision for the year	1,508	2,514	453	1,442
Unused amount reversed	-5	-113		
Utilised during the year	-823	-1,069	-163	-597
Bad debt provision 31/12	**6,304**	**5,858**	**2,679**	**2,389**

Management, following its regular reviews, has concluded that, other than as provided for above trade receivables will be collected within the normal course of operations and within the negotiated credit terms. The Group does not hold any collateral as security for any trade receivables.

The carrying amounts of the Group's and Company's (excluding subsidiaries) trade receivables are denominated in the following currencies:

Amounts in Euro '000	GROUP		COMPANY	
	2008	2007	2008	2007
Euro	36,110	50,423	3,016	10,269
USD	10,875	10,383	1,833	2,325
CAD	560	825		
GBP	8,059	8,897	1,076	773
PLN	3,152	6,158		
ROL	2,083	2,569		
Other	3,508	3,782		
	64,347	**83,037**	**5,925**	**13,367**

The carrying amounts of the trade receivables are analysed according to their ageing analysis as follows:

GROUP	**2008**			**2007**		
	Gross amount	**Provision for bad debts**	**Net amount**	**Gross amount**	**Provision for bad debts**	**Net amount**
Due	41,409		41409	59,187	98	59089
Overdue 0-90 days	12,479	549	11930	15,360	233	15127
Overdue 91-180 days	3,329	1,201	2128	2,776	1,079	1697
Overdue 181+ days	7,130	4,554	2576	5,714	4,448	1266
Total	**64,347**	**6,304**	**58,043**	**83,037**	**5,858**	**77,179**

COMPANY	**2008**			**2007**		
	Gross amount	**Provision for bad debts**	**Net amount**	**Gross amount**	**Provision for bad debts**	**Net amount**
Receivables from affiliates	59,771		59771	88,024		88024
Due	2,929		2929	9,853		9853
Overdue 0-90 days	615	298	317	870		870
Overdue 91-180 days	1,103	1,103	0	183		183
Overdue 181+ days	1,278	1,278	0	2,461	2,389	72
Total	**65,696**	**2,679**	**63,017**	**101,391**	**2,389**	**99,002**

16. Cash and Cash Equivalents

	GROUP		COMPANY	
Amounts in Euro '000	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash at bank and in hand	61	62	9	17
Short term bank deposits	9,267	14,556	3,417	1,911
Total	**9,328**	**14,618**	**3,426**	**1,928**

The effective interest rate on short term bank deposits was on average 3.70% (2007: 3.80%) for the Group and the Company.

17. Share Capital

Amounts in Euro '000	Number of Shares	Common Shares	Share Premium	Treasury Shares	Total
Balance 1 January 2007	**73,176,746**	**55,614**	**139,205**	**0**	**194,819**
Selling of Treasury Shares					0
Cancellation of Treasury Shares					0
Issuance of new shares					0
Issuance costs			-2		-2
Balance 31 December 2007	**73,176,746**	**55,614**	**139,203**	**0**	**194,817**

Amounts in Euro '000	Number of Shares	Common Shares	Share Premium	Treasury Shares	Total
Balance 1 January 2008	**73,176,746**	**55,614**	**139,203**	**0**	**194,817**
Selling of Treasury Shares					0
Cancellation of Treasury Shares					0
Issuance of new shares					0
Issuance costs					0
Balance 31 December 2008	**73,176,746**	**55,614**	**139,203**	**0**	**194,817**

The common shares comprise shares with a par value of € 0.76 per share. All issued shares are fully paid.

Share option plan
The Company's annual general meeting of 06.06.2002 approved a share option plan for members of the Board and other senior executives of the Company as well as for senior executives of the Company's subsidiaries. The plan expires on 31.12.2010 following the decision of the general meeting of 23.06.2006 to extend the plan to 31.12.2010.

The Board of Directors beginning from November 2002 grants options for the acquisition of shares in the Company. These options cannot be exercised if the beneficiary resigns from or is terminated by the Company and the Group.

The number of share options granted to each beneficiary is determined following a Board of Directors decision, and is based on the position of the beneficiary, his personal performance as well as on Group profitability. During 2007 no new share options were granted.

The options may be exercised during November, following a written notification by the beneficiary to the Company, and payment of the exercise price. Total consideration is paid in full at the exercise of the options.

An analysis of the share options outstanding is presented below:

Year	Options to be exercised	Options exercised	Exercise price €
2002	-	213.780	1,00
2003	-	228.780	1,00
2004	-	150.636	1,00
2005	-	179.225	1,00
2006	-	309.295	1,00
2007	-	-	-
2008	-	-	-

According to the previously mentioned shareholers resolution, the maximum number of new share options to be granted until 31.12.2010 is 1,690,705.

18. Reserves

GROUP

	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
Balance 01/01/2007	**2,244**	**615**	**172**	**0**	**16,734**	**19,765**
Net loss directly attributable to net equity		886				886
Fair value reserves				448		448
Reserves movement	51	-714			-38	-701
Balance 31/12/2007	**2,295**	**787**	**172**	**448**	**16,696**	**20,398**
Balance 01/01/2008	**2,295**	**787**	**172**	**448**	**16,696**	**20,398**
Net loss directly attributable to net equity						0
Fair value reserves						0
Reserves movement	85	-43	21	-457		-394
Balance 31/12/2008	**2,380**	**744**	**193**	**-9**	**16,696**	**20,004**

COMPANY

	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
Balance 01/01/2007	**696**	**813**	**193**	**0**	**16,856**	**18,558**
Reserves movement				448		448
Balance 31/12/2007	**696**	**813**	**193**	**448**	**16,856**	**19,006**
Balance 01/01/2008	**696**	**813**	**193**	**448**	**16,856**	**19,006**
Reserves movement				-457		-457
Balance 31/12/2008	**696**	**813**	**193**	**-9**	**16,856**	**18,549**

(a) Legal reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore can not be used for any other purpose. For the other companies of the Group, the respective provisions apply according to the legislation of the country of origin.

(b) Special reserve
The special reserve comprises a reserve that was created following a decision of the Annual General meeting in prior periods. This reserve was not created for any specific purpose and can therefore be used for any reason following approval from the Annual General meeting. The special reserve also includes other reserves, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Revaluation reserves
These reserves resulted from the revaluation of land and buildings in terms of the laws of the countries in which the Group's companies operate. These revaluation reserves can be capitalised to share capital following a decision by the General Assembly. The Group does not currently intend to capitalise these reserves.

(d) Hedging reserve
This reserve resulted from the valuation at the balance sheet date of the private placement and the cross-currency interest rate swap linked to it.

(e) Tax free reserves
Tax-free and special taxed reserves are created under the provisions of tax law from tax free profits or from income or profits taxed under special provisions.
These reserves can be capitalised or distributed, after the approval of the Annual General meeting, after taking into consideration any restrictions that may apply at the time of distribution.

19. Borrowings

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Long Term Borrowings				
Bank Borrowings	142,330	139,743	96,527	93,696
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US$	15,434	19,450	15,434	19,450
Total bank borrowings	157,764	159,193	111,961	113,146
Less: Bank borrowings reflected as short term (refer Covenants note below)	-155,496	-155,437	-110,314	-110,314
Loans from Parent Company				
Finance Lease Liabilities	5,885	8,486		
Bonds				
Other				
Total Long Term Borrowings	**8,153**	**12,242**	**1,647**	**2,832**
Short Term Borrowings				
Long term bank borrowings reflected as short term (*refer Covenants note below*)	155,496	155,437	110,314	110,314
Bank Overdrafts	12,082	9,503	3,912	1,286
Short Term Bank Borrowings	67,427	34,723	33,052	14,500
Bonds				
Finance Lease Liabilities	2,943	2,809		
Guaranteed loans				
Other				
Total Short Term Borrowings	**237,948**	**202,472**	**147,278**	**15,786**
Total Borrowings	**246,101**	**214,714**	**148,925**	**18,618**

Covenants
The bank borrowings referred to above are subject to the Group meeting of certain financial covenants that are as follows:

- Consolidated Priority indebtedness : Consolidated Total assets (i.e. Priority indebtedness ratio)
- Consolidated EBITDA : Consolidated Net interest expense (i.e. Interest coverage ratio)
- Consolidated Indebtedness : Consolidated Total capitalisation (i.e. Leverage ratio)

As set out in Note 2, at 31 December 2008, and as presented in the financial statements of previous periods, the Group continues to be in breach of covenants related to its borrowings as a result of the continued losses that are being generated. Specifically a net loss of € 42,872 thousand (2007: €38,583 thousand) and €16,474 thousand (2007: €14,721 thousand) has been incurred by the Group and the Company respectively for the year ended 31 December 2008. The impact of this breach is that all affected borrowings continue to be classified as current liabilities in terms of IAS 1. The classification has been undertaken on the basis that at 31 December 2008 the Group and the Company does not have an unconditional right to defer the settlement of these borrowings for at least twelve months after 31 December 2008.

The Company has not obtained a waiver of covenants from the affected lenders however management continues to negotiate with the affected lenders in order to secure the continued funding of the Company and its subsidiaries. At the date of approval of these financial statements management has received no indication form the affected lenders that the borrowings in question will have to be immediately settled.

Management is confident that the negotiations with the affected lenders will be finalised within the year ended 31 December 2009 to the benefit of the lenders and the Group as a whole.

The carrying amounts of borrowings approximate their fair values.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates are as follows:

Contractual Repricing Dates

Amounts in Euro '000	**6 Months or Less**	**6 - 12 Months**	**1 - 5 Years**	**Over 5 Years**	**Total**
31 December 2008					
Total Borrowings	246,101				246,101
Effect from Interest Rates Swaps					0
	246,101	**0**	**0**	**0**	**246,101**

The maturity of long term borrowings is as follows:

Maturity dates of Long Term Borrowings

	GROUP		**COMPANY**	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
Amounts in Euro '000				
Between 1 and 2 Years	2,593	1,458	792	
Between 2 and 5 Years	4,423	10,784	855	2,832
Over 5 Years	1,137			
	8,153	**12,242**	**1,647**	**2,832**

The carrying amounts of the Group's borrowings are denominated in the following currencies:

Currency Denominations of Loans	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Amounts in Euro '000				
Euro	149,936	109,390	64,417	32,635
$ USD	90,773	103,332	84,508	96,297
£				
Other	5,392	1,992		
Total	**246,101**	**214,714**	**148,925**	**128,932**

The Company has entered into a 5 year currency and interest rate swap with respect to the loan denominated in $ USD. At 31/12/2008 the swap has hedged the risk implied in the loan.

Finance Leases

The present value of the finance leases are as follows:

Amounts in Euro '000	GROUP 2008	GROUP 2007	COMPANY 2008	COMPANY 2007
Up to 1 year	2,999	2,773		
1-5 years	4,806	8,521		
Above 5 years	1,022			
	8,827	11,294	0	0

20. Retirement Benefit Obligations

The provision for retirement benefits obligations has been calculated based on IAS 19 and is based on an actuarist's report. The relevant provision for the years 2008 and 2007 has been calculated as follows:

	GROUP 31/12/2008	GROUP 31/12/2007	COMPANY 31/12/2008	COMPANY 31/12/2007
Amounts in Euros'000				
Present Value of Obligations	29,423	39,697	2,194	1,899
Fair Value of Plan Assets	-16,779	-28,915		
	12,644	**10,782**	**2,194**	**1,899**
Unrecognised Gain /(Loss)	785	-3,582	79	-163
Unrecognised Past Service Cost	-7,757	-1,127	-1,170	-957
Net Liability / (Asset) in BS	**5,672**	**6,073**	**1,103**	**779**
Amounts in Euros '000				
Service Cost	732	615	232	108
Interest Cost	1,661	2,018	102	36
Expected Return on Plan Assets	-1,474	-2,089		11
Past Service Cost	488	134	61	38
Regular P&L Charge	**1,407**	**678**	**395**	**193**
Additional Cost of Termination Benefits	234	269	554	247
Restructuring Expense	-84			
Other Expense/(Income)	9	1,133		
Total P&L Charge	**1,566**	**2,080**	**949**	**440**

	GROUP			COMPANY		
	2008	**2007**	**2006**	**2008**	**2007**	**2006**
Discount Rate	6.20%	5.50%	4.50%	6.28%	5.50%	4.50%
Expected Return on Plan Assets	4.00%	7.00%	6.80%			
Rate of Compensation Increase	4.00%	4.00%	3.00%	4.00%	4.00%	4.00%
Rate of Inflation	2.50%	3.00%	2.00%	2.50%	2.50%	2.50%
Pension Increases	0.00%	3.40%	3.10%			

The movement in the defined benefit obligation over the year is as follows:

Amounts in Euros'000	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Beginning of the year	39,761	41,202	1,899	833
Current service cost	979	1,589	502	1,103
Interest cost	1,661	2,018	102	36
Contributions by plan participants	-644	-265	-620	-243
Actuarial losses/(gains)	-3,118	-740	-243	-63
Exchange differences	-7,161	-2,826		
Benefits paid	-2,075	-1,932	554	233
Liabilities acquired in a business combination	21	592		
Curtailments	-1	-183		
Settlements		242		
End of year	**29,423**	**39,697**	**2,194**	**1,899**

The movement in the fair value of plan assets of the year is as follows:

Amounts in Euros'000	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Beginning of the year	28,915	32,054		
Expected return on plan assets	1,475	250		
Actuarial (losses) / gains	-5,965	-3		
Exchange differences	-6,543	-2,337		
Employer contributions	593	853		
Employee contributions	5	19		
Benefits paid	-1,701	-1,921		
Business combinations				
End of year	**16,779**	**28,915**	**0**	**0**

21. Government Grants

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Beginning of period	6,353	7,238	3,979	4,637
Additions		0		0
Transfer to Income Statement	-759	-885	-536	-658
End of period	**5,594**	**6,353**	**3,443**	**3,979**

The above grants are related to capital expenditure realized by the Company and its subsidiary Strpatech SA in the plants of Inofita and Alexandroupoli. The specific capital expenditure was incorporated in governmental development laws that had to do with the plastic strapping, stretch film and tapes.

Other Grants

During year 2007 the parent company received grants from OAED amounting to € 221 th. (2007: € 116 th.) and the Group € 309 th. (2007: € 206 th.).

22. Trade and Other Payables

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Trade Payables	27,394	68,250	9,410	29,674
Payables to Related Companies			999	1,537
Accrued Expenses	5,987	5,607	812	1,121
Social Security and other Taxes / Duties	1,215	1,610	569	807
Other Payables	6,671	7,112	1,045	1,226
Total	**41,267**	**82,579**	**12,835**	**34,365**

During the third quarter existing reverse forfeiting contracts between BNPP and the parent company and the subsidiary in Poland in the amounts of € 11,695 thou. and € 12,137 thou. respectively were replaced by bank facilities. This reclassification resulted in the increase of borrowings and the decrease of suppliers by the amounts mentioned previously, without impacting on the cash flows of the Group.

23. Provisions

GROUP

Amounts in Euro '000	Pending Litigation	Warranties	Other	Total
Balance 1 January 2007	**757**	**379**	**40**	**1,176**
Additional Provisions for the period	838	155	2,342	3,335
Unused provisions Reversed	-100	-37	-5	-142
Exchange Differences		20	1	21
Utilised Provisions during the period	-28	-20	-361	-409
Balance 31 December 2007	**1,467**	**497**	**2,017**	**3,981**

Amounts in Euro '000	Pending Litigation	Warranties	Other	Total
Balance 1 January 2008	**1,467**	**497**	**2,017**	**3,981**
Additional Provisions for the period	456	383	1,591	2,430
Unused provisions Reversed			-168	-168
Exchange Differences		-70	-12	-82
Utilised Provisions during the period	-718	-99	-1,752	-2,569
Balance 31 December 2008	**1,205**	**711**	**1,676**	**3,592**

COMPANY

Amounts in Euro '000	Pending Litigation	Warranties	Other	Total
Balance 1 January 2007	**0**	**0**	**0**	**0**
Additional Provisions for the period			500	500
Unused provisions Reversed				
Exchange Differences				
Utilised Provisions during the period				
Balance 31 December 2007	**0**	**0**	**500**	**0**

Amounts in Euro '000	Pending Litigation	Warranties	Other	Total
Balance 1 January 2008	**0**	**0**	**500**	**0**
Additional Provisions for the period				0
Unused provisions Reversed				0
Exchange Differences				0
Utilised Provisions during the period			-291	-291
Balance 31 December 2008	**0**	**0**	**209**	**209**

(a) Pending litigation
The above amount relates to the total provision existing regarding all the legal cases of the Group towards its clients.

(b) Warranties
The above amount relates to the total provision existing regarding the warrantees accompanying the sale of a machine.

(c) Other
Other provisions mainly comprise provisions for restructuring costs.

24. Related party transactions

The ultimate parent of the Group is M.J.MAILLIS SA (incorporated in Greece). The key shareholders of the Group are Mr.M.J.Maillis with a shareholding of 25.7% and HORQUETA HOLDINGS LTD with a shareholding of 19.35% and the rest of the shares are widely held.

The following transactions are with Related Parties in the years 2008 and 2007:

	GROUP		**COMPANY**	
	01/01-31/12/2008	**01/01 - 31/12/2007**	**01/01-31/12/2008**	**01/01 - 31/12/2007**
Amounts in Euro '000				
Sales of goods				
- Associate	2,280	2,518	65,713	80,769
Sales of services				
- Associate			4,510	4,090
Purchase of goods				
- Associate	36	73	2,073	3,965
Purchase of services				
- Associate				
Key Management compensation				
Salaries and other short term benefits to key management and member of the board	4,206	3,605	2,386	2,005

	GROUP		COMPANY	
	01/01-31/12/2008	01/01 - 31/12/2007	01/01-31/12/2008	01/01 - 31/12/2007
Year End Balances arising from purchases - sales of goods and services				
Trade receivables from Associate	667	609	59,771	88,023
Loans receivable from Associates			3,000	3,000
Other receivables from Associates			800	700
Payables to Associate	7	9	999	1,538

25. Income Tax

The tax audit of M.J. MAILLIS S.A. Packing Systems for the years 2005, 2006 and 2007 was concluded on 20/2/2009. Additional taxes of € 1,355 th. were assessed versus a provision of € 1,200 thou. which existed in the books of the Company. The difference of € 155 thou. was posted against the results of 2008. The additional taxes were netted off with the prepayment of 2007 of € 861 th. The remaining amount of € 494 th. is a net liability towards the Greek State and will be paid in 11 equal monthly instalments beginning on 30/4/2010.

STRAPTECH S.A. has been audited by the tax authorities until FY 2004.

The unaudited tax years of the remaining companies of the Group are analysed as follows:

- M.J.MAILLIS BULGARIA EOOD has been audited until FY 2002

- M.J.MAILLIS ROMANIA SA has been audited until FY 2007

- 3L has been audited until FY 2003

- M.J.MAILLIS ESPANA SL has been audited until FY 2004

- MARFLEX M.J.MAILLIS GROUP Sp Zoo has not been tax audited since incorporation in 1997

- SANDER GMBH & COKG has been audited until FY 1997

- M.J.MAILLIS FRANCE SAS has been audited until FY 2004

- SIAT SPA has been audited until FY 2003

- M.J.MAILLIS OSTERREICH GMBH has been audited until FY 2001

- M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD has been audited until FY 2002

- M.J.MAILLIS CZECH SRO has been audited until FY 2004

- M.J.MAILLIS BENELUX NV has been audited until FY 2005

- WULFTEC INTERNATIONAL INC has been audited until FY 2002

- COLUMBIA has been audited until FY 2002

- M.J.MAILLIS UK has been audited until FY 2007

- MAILLIS STRAPPING SYSTEMS USA INC has not been tax audited since incorporation in 2005

- SICME SRL has been tax audited until FY 2003

- TAM SRL has been tax audited until FY 2003

- SIAT BENELUX BV has been tax audited until FY 2005

- COMBI has been tax audited until FY 2004

- SIAT USA, MJ MAILLIS FINLAND OY have not been tax audited

- MJ MAILLIS SYSTEMS SRL has been tax audited until FY 2006

- MAILLIS HOLDING GMBH has been tax audited until FY 1997

- MAILLIS SANDER GMBH has been tax audited until FY 1997

- EUROPACK SA has been tax audited until FY 2003

- MAILLIS STRONG STRAP PRIVATE LTD was formed in 2006 and has not been tax audited

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rates applicable to the profits of the companies in the Group, as follows:

	GROUP		COMPANY	
	2008	2007	2008	2007
Current tax	1,821	2,027	129	0
Other tax	754	927		385
Deferred tax	570	2,939	-2,308	-1,471
	3,145	**5,893**	**-2,179**	**-1,086**
Profit before tax	**-39,726**	**-32,690**	**-18,653**	**-15,807**
Tax calculated at tax rates applicable to profits	-10,005	-2,388	-4,663	-3,952
Income not subject to tax	-660	-1,999		
Expenses not deductible for tax purposes	8,995	3,384	2,355	2,481
Utilisation of previously unrecognised tax losses	-269	500		
Tax losses for which no deferred income tax asset was recognised	6,988	4,757		
Other	-1,904	1,639	129	385
	3,145	**5,893**	**-2,179**	**-1,086**

In 2008 the Greek Government passed a tax reform law (L3697/2008) according to which corporate tax rates will reduce by 1% each year from 2010 to 2014. As a result of the reduction in tax rates a deferred tax benefit of approximately € 950 thousand was credited to the income statement. This benefit primarily relates to tangible and intangible assets.

26. Employee expenses

	GROUP		COMPANY	
Amounts in Euro '000	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Payroll Cost & Severance payments cost	53,295	55,743	12,080	11,794
Social Security Costs	12,465	12,415	2,726	2,597
Cost of Employee private pension plan - Defined Contribution pension plan	240	381		
Cost of Employee defined benefit plan	2,601	2,080	949	440
Other Benefits	1,051	970	392	428
Total	**69,652**	**71,589**	**16,147**	**15,259**

27. Expenses by nature

Amounts in Euro '000	GROUP		COMPANY	
	2008	**2007**	**2008**	**2007**
Changes in Inventory and Cost of Sales	229,588	242,812	83,576	99,824
Depreciation and Amortisation	15,775	18,467	6,961	7,675
Salaries, Social security and other employee costs	69,652	71,589	16,147	15,259
Transportation expenses	13,109	16,607	5,314	7,519
Travelling expenses	3,259	3,551	636	580
Selling expenses	3,122	3,300	603	275
Legal and Consulting costs	4,839	5,891	788	2,445
Rents and Operating lease rentals	4,235	4,314	1,208	1,178
Utilities, maintenance	3,102	3,094	651	505
Exchange differences	8,464	2,696	4,741	2,385
Provisions for bad debts and other provisions	2,106	7,468	703	3,474
Other expenses	5,049	4,638	2,043	1,502
	362,300	**384,427**	**123,371**	**142,621**
Classified as				
Cost of sales	281,044	295,281	99,730	115,516
Administrative expenses	23,040	21,208	9,770	9,340
Selling expenses	37,476	44,441	8,167	10,363
Other expenses	20,740	18,679	5,704	5,522
Restructuring costs		4,818		1,880
	362,300	**384,427**	**123,371**	**142,621**

28. Financial expenses

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Long term interest expense	607	6,584	176	5,347
Short term interest expense	16,237	1,989	9,980	120
Finance lease interest	724	118		
Bank charges	5,555	2,577	3,607	667
Total	**23,123**	**11,268**	**13,763**	**6,134**
Interest income	1,267	2,294	1,450	1,652
Net financial expense	**21,856**	**8,974**	**12,313**	**4,482**

29. Other operating income

	GROUP		COMPANY	
Amounts in Euro '000	**31/12/2008**	**31/12/2007**	**31/12/2008**	**31/12/2007**
Income from sale of fixed assets	558	2,237	425	
Exchange differences	1,923	387	2,063	0
Other income	1,437	2,191	279	413
Total	**3,918**	**4,815**	**2,767**	**413**

30. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as own shares.

BASIC AND DILUTED

	GROUP		COMPANY	
Amounts in Euro '000	**1/1 - 31/12/08**	**1/1 - 31/12/07**	**1/1 - 31/12/08**	**1/1 - 31/12/07**
Earnings/(Losses) attributable to the Company's shareholders	-42,608	-38,122	-16,474	-14,721
Weighted Average number of shares	73,176,746	73,176,746	73,176,746	73,176,746
Basic Earnings/(Losses) per share (expressed in Euro)	**-0.5823**	**-0.5210**	**-0.2251**	**-0.2012**

31. Contingencies and commitments

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the Company have given guarantees in the ordinary course of business amounting to € 7.0 million and € 94.4 million respectively (of which € 87.4 million refer to guarantees given by the parent company relating to loans undertaken by the Group's subsidiaries).

The Operating lease liabilities of the Group as at 31/12/2008 and 31/12/2007 respectively are as follows:

	GROUP		COMPANY	
	31/12/2008	**31/12/2007**	**31/12/2008**	**31/12/2007**
0-1 years	2,403	3,873	522	516
1-2 years	1,565	4,005		446
2+ years	6,833	9,356		160
Total	**10,801**	**17,234**	**522**	**1,122**

As at 31/12/2008 the Group and the Company do not have significant pending capital expenditure contracts.

32. Dividends per share

Due to the losses incurred by the Company in 2008 it cannot distribute a dividend for the year ended 31/12/2008.

33. Distribution of profit

The proposition by the Board of Directors to the General Assembly is for the Company to transfer the losses of the year amounting to € 16,474 thousand to profits/losses carried forward.

34. Post Balance sheet events

The tax audit of M.J. MAILLIS S.A. Packing Systems for the years 2005, 2006 and 2007 was concluded on 20/2/2009. Refer also to note 25.

M. J. MAILLIS S.A.
PACKING SYSTEMS

INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange webstite as well as to our Company's website www.maillis.com:

DATE	ANNOUNCEMENT	WEBSITE
19/2/2008	Announcement	http://www.maillis.com/ecportal.asp?id=2865&nt=106&lang=2
29/2/2008	Appointment of the new CEO	http://www.maillis.com/ecportal.asp?id=2900&nt=106&lang=2
20/3/2008	Financial Calendar 2008	http://www.maillis.com/ecportal.asp?id=2912&nt=106&lang=2
31/3/2008	M.J.MAILLIS GROUP: FY 2007 Financial Results (for the period 01.01.2007 - 31.12.2007)	http://www.maillis.com/ecportal.asp?id=2915&nt=106&lang=2
31/3/2008	Twelve Months 2007 Financial Statements Group and Parent Company	http://www.maillis.com/Documents/maillis_FY07.eng.pdf
31/3/2008	Twelve Months 2007 Full Year Financial Statements	http://www.maillis.com/Documents/maillis_notesFY07.eng.pdf
31/3/2008	Comments on Press Releases	http://www.maillis.com/ecportal.asp?id=2918&nt=106&lang=2
1/4/2008	Announcement	http://www.maillis.com/ecportal.asp?id=2921&nt=106&lang=2
1/4/2008	Press Release	http://www.maillis.com/ecportal.asp?id=2922&nt=106&lang=2
9/4/2008	Announcement	http://www.maillis.com/ecportal.asp?id=2924&nt=106&lang=2
17/4/2008	Change in 1st Quarter 2008 Financial Results' Announcement Date	http://www.maillis.com/ecportal.asp?id=2942&nt=106&lang=2
8/5/2008	M.J.MAILLIS GROUP: 1st Quarter 2008 Financial Results (for the period 01.01.2008 - 31.03.2008)	http://www.maillis.com/ecportal.asp?id=2963&nt=106&lang=2
8/5/2008	First Quarter 2008 Financial Statements Group and Parent Company	http://www.maillis.com/Documents/maillis_1Q2008.eng.pdf
8/5/2008	First Quarter 2008 Interim Financial Statements	http://www.maillis.com/Documents/maillis_notes_1Q2008.eng.pdf
9/5/2008	Announcement pursuant to Law 3556/2007	http://www.maillis.com/ecportal.asp?id=2968&nt=106&lang=2
9/5/2008	Insiders Transactions	http://www.maillis.com/ecportal.asp?id=2973&nt=106&lang=2
12/5/2008	Announcement of the Presentation at the Association of Greek Institutional Investors	http://www.maillis.com/ecportal.asp?id=2974&nt=106&lang=2
12/5/2008	Presentation at the Association of Greek Institutional Investors	http://www.maillis.com/Documents/ethe120508.eng.pdf
14/5/2008	Announcement pursuant to Law 3556/2007	http://www.maillis.com/ecportal.asp?id=2978&nt=106&lang=2
14/5/2008	Insiders Transactions	http://www.maillis.com/ecportal.asp?id=2981&nt=106&lang=2
20/5/2008	Clarification with respect to the thresholds provided by article 9 of Law 3556/2007	http://www.maillis.com/ecportal.asp?id=2984&nt=106&lang=2
20/5/2008	Announcement	http://www.maillis.com/ecportal.asp?id=2985&nt=106&lang=2
27/5/2008	Comments on Press Releases	http://www.maillis.com/ecportal.asp?id=2989&nt=106&lang=2
27/5/2008	Announcement	http://www.maillis.com/ecportal.asp?id=2990&nt=106&lang=2
29/5/2008	Invitation to the Annual Ordinary General Meeting 26th June 2008	http://www.maillis.com/ecportal.asp?id=2999&nt=106&lang=2
11/6/2008	Announcement Annual Report 2007	http://www.maillis.com/ecportal.asp?id=3024&nt=106&lang=2
27/6/2008	M.J.MAILLIS S.A. Annual Ordinary General Shareholders' Meeting	http://www.maillis.com/ecportal.asp?id=3036&nt=106&lang=2
27/6/2008	Resolutions of the Annual General Shareholders' Meeting	http://www.maillis.com/ecportal.asp?id=3033&nt=106&lang=2
30/6/2008	Comments on Press Releases	http://www.maillis.com/ecportal.asp?id=3039&nt=106&lang=2
17/7/2008	New Member of the Management Team	http://www.maillis.com/ecportal.asp?id=3041&nt=106&lang=2
29/7/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3055&nt=106&lang=2
25/8/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3059&nt=106&lang=2
28/8/2008	M.J.MAILLIS GROUP : 1st Half 2008 Financial Results (for the period 01.01.2008 - 30.06.2008)	http://www.maillis.com/ecportal.asp?id=3064&nt=106&lang=2
28/8/2008	First Half 2008 Financial Statements Group and Parent Company	http://www.maillis.com/Documents/maillis_1H2008.eng.pdf
28/8/2008	First Half 2008 Interim Financial Statements	http://www.maillis.com/Documents/maillis_notes_1H2008.eng.pdf
2/9/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3068&nt=106&lang=2
25/9/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3095&nt=106&lang=2
2/10/2008	Comments on Press Releases	http://www.maillis.com/ecportal.asp?id=3099&nt=106&lang=2
29/10/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3111&nt=106&lang=2

30/10/2008	Comments on Press Releases	http://www.maillis.com/ecportal.asp?id=3115&nt=106&lang=2
27/11/2008	M.J.MAILLIS GROUP:9 Months 2008 Financial Results (for the period 01.01.2008 - 30.09.2008)	http://www.maillis.com/ecportal.asp?id=3122&nt=106&lang=2
27/11/2008	Nine Months 2008 Financial Statements Group and Parent Company	http://www.maillis.com/Documents/maillis_9M2008.eng.pdf
27/11/2008	Nine Months 2008 Interim Financial Statements	http://www.maillis.com/Documents/maillis_notes_9M2008.eng.pdf
28/11/2008	Announcement of the appointment of a member of the Board of Directors as non executive	http://www.maillis.com/ecportal.asp?id=3126&nt=106&lang=2
31/12/2008	Announcement	http://www.maillis.com/ecportal.asp?id=3139&nt=106&lang=2

M. J. MAILLIS S.A.

SUMMARY FINANCIAL STATEMENTS for the year ended 31 December 2008 (Amounts in EUROS)

(in terms of article 135 of Law 2190, for the companies publishing group and company annual financial statements in accordance with IAS/IFRS)

The financial statements listed below aim to provide a general awareness about the financial results of M.J.MAILLIS S.A. and its subsidiaries. Consequently, it is recommended to the reader, before any investment decision or transaction performed with the Company, to visit the website of the company where the annual financial statements prepared in accordance with International Accounting Standards are available along with the certified auditor's opinion.

COMPANY'S STATUTORY INFORMATION

Head Office and Registered Address:	**Xenias 5 & Charilaou Trikoupi, 145 62 Kifissia, Athens**
Company's Number in the Register of Societes Anonymes:	**2716/06/B/86/43**
Supervising Authority:	**Ministry of Commerce**
Board of Directors:	**President: Michael J. Maillis, Vice-President and Chief Executive Officer: John Kourouglos, Members: Victor Papaconstantinou, Theocharis Filippopoulos, Sotiris Orestidis, Ilias Gounaris, Lito Ioannidou**
Date of Approval of the Financial Statements	**30 March 2009**
Auditor's Name:	**Constantinos Michalatos (SOEL Reg. No. 17701)**
Auditor's Firm:	**PRICEWATERHOUSECOOPERS S.A.**
Report of the Auditors:	**Unqualified audit report – Matter of emphasis**
Company's web address:	**www.maillis.gr**

BALANCE SHEET AS AT 31 DECEMBER 2008

	GROUP		COMPANY	
ASSETS	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Tangible assets	128.229.824	139.293.866	75.822.494	79.713.385
Intangible assets	109.105.333	111.570.795	945.525	1.615.367
Other non-current assets	18.439.690	19.413.648	191.798.131	164.422.604
Inventories	73.551.094	89.660.260	18.832.979	24.536.556
Trade receivables	58.459.528	79.033.355	63.036.500	99.386.868
Other current assets	22.240.636	29.330.992	11.595.016	11.024.908
TOTAL ASSETS	**410.026.105**	**468.302.916**	**362.030.645**	**380.699.688**
EQUITY AND LIABILITIES				
Share capital	55.614.327	55.614.327	55.614.327	55.614.327
Other equity attributable to company'sshareholders	36.896.188	83.570.661	133.813.345	150.744.866
Equity attributable to company's shareholders (a)	**92.510.515**	**139.184.988**	**189.427.672**	**206.359.193**
Minority interest (b)	1.164.588	1.532.742	0	0
Total equity (c) = (a) + (b)	**93.675.103**	**140.717.730**	**189.427.672**	**206.359.193**
Non-current borrowings	8.152.618	12.241.556	1.646.670	2.831.949
Provisions and other non-current liabilities	19.386.250	20.240.658	10.339.038	10.543.490
Current borrowings	237.947.919	202.471.706	147.277.987	126.100.355
Other current liabilities	50.864.215	92.631.266	13.339.278	34.864.701
Total liabilities (d)	**316.351.002**	**327.585.186**	**172.602.973**	**174.340.495**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**410.026.105**	**468.302.916**	**362.030.645**	**380.699.688**

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net equity opening balance (01.01.2008 and 01.01.2007)	**140.717.730**	**184.517.473**	**206.359.193**	**223.617.085**
Profit / (Loss) after tax	-42.871.694	-38.583.274	-16.473.992	-14.720.953
Increase/(Decrease) of share capital				
Increase / (Decrease) of share premium				
Share issue expenses		-2.350		-2.350
Dividends	-58.000	-3.083.125	0	-2.982.570
Net Gain / (Loss) directly attributable to net equity	-46.010	258.951	0	0
Translation differences	-3.609.394	-2.369.450		
Movement in reserves attributed to acquisition of minority	0	-315.926	0	0
Movement in reserves attributed to sale of subsidiaries	0	-517.917	0	0
Cash flow hedges	-457.529	447.981	-457.529	447.981
Movement in equity attributed to acquisition of subsidiaries	0	365.367	0	0
Net equity closing balance (31.12.2008 and 31.12.2007)	**93.675.103**	**140.717.730**	**189.427.672**	**206.359.193**

INCOME STATEMENT FOR THE PERIOD 01.01-31.12.2008

	GROUP		COMPANY	
	01/01-31/12/08	01/01-31/12/07	01/01-31/12/08	01/01-31/12/07
Turnover	340.511.598	368.142.605	112.937.795	139.115.600
Gross margin	59.467.117	72.861.281	13.207.788	23.600.081
Earnings/(Losses) before taxes and financial results	-17.870.918	-11.469.600	-7.665.693	-3.091.579
Earnings / (Losses) before tax	**-39.726.303**	**-32.690.106**	**-18.653.317**	**-15.806.899**
Less tax	3.145.391	5.893.168	-2.179.325	-1.085.946
Earnings / (Losses) after tax	**-42.871.694**	**-38.583.274**	**-16.473.992**	**-14.720.953**
Distributed as follows:				
Company shareholders	-42.607.772	-38.122.361	-16.473.992	-14.720.953
Minority interest	-263.922	-460.913		0
Earnings / (Losses) per share (in €)	**-0,5823**	**-0,5210**	**-0,2251**	**-0,2012**
Earnings before taxes, financial results, depreciation and amortisation (EBITDA)	-2.096.341	6.997.786	-704.868	4.582.991

CASH FLOW STATEMENT

	GROUP		COMPANY	
	01/01-31/12/08	01/01-31/12/07	01/01-31/12/08	01/01-31/12/07
Cash Flows from Operating Activities				
Profit / (Loss) before tax	-39.726.303	-32.690.106	-18.653.317	-15.806.899
Adjustments for:				
Depreciation and amortisation	16.534.027	18.467.386	7.497.069	7.674.570
Provisions	4.921.207	7.460.353	3.897.527	7.901.127
Exchange differences	6.917.343	-130.664	1.151.861	1.575.277
(Gain) or loss from investing activities	-2.373.765	528.913	-3.643.711	997.807
Interest payable	23.122.740	11.268.630	13.762.396	6.134.151
Working capital changes:				
Decrease/(Increase) in inventories	19.898.483	-6.374.464	2.128.221	-3.980.833
Decrease/(Increase) in trade receivables	16.885.218	-3.733.878	12.979.182	-12.229.783
Increase/(Decrease) in trade payables (except banks)	-18.598.286	11.318.650	-9.713.702	825.269
Less:				
Interest paid	-21.706.341	-11.270.630	-13.587.195	-6.064.367
Tax paid	-2.256.230	-5.858.294	-128.786	-934.413
Net Cash from operating activities	**3.618.093**	**-11.014.104**	**-4.310.455**	**-13.908.094**
Cash Flows from Investing Activities				
Acquisition of subsidiary	0	-711.796	-2.100.000	-800.535
Net cash outflow on sale of subsidiaries		704.652		2.972.729
Purchase of intangible assets, property, plant and equipment	-8.555.030	-15.930.172	-4.640.265	-10.354.305
Proceeds on sale of fixed assets	1.633.707	3.787.934	2.036.626	78.601
Interest received	1.109.398	2.102.256	1.449.772	608.926
Dividends received			1.225.000	723.604
Net Cash used in investing activities	**-5.811.925**	**-10.047.126**	**-2.028.867**	**-6.770.980**
Cash Flows from Financing Activities				
Proceeds from borrowings raised	10.022.549	12.552.073	7.839.664	15.945.535
Repayment of finance lease liabilities	-2.840.646	-811.560		
Dividends paid	-59.036	-3.039.867	-1.036	-2.982.570
Net cash used in financing activities	**7.122.867**	**8.700.646**	**7.838.628**	**12.962.965**
Net increase/(decrease) in cash and cash equivalents	**4.929.035**	**-12.360.584**	**1.499.306**	**-7.716.109**
Cash and cash equivalents in beginning of period	**14.618.086**	**28.237.862**	**1.927.855**	**9.643.964**
Exchange differences adjustment	**-10.218.809**	**-1.259.192**		
Cash and cash equivalents at end of period	**9.328.312**	**14.618.086**	**3.427.161**	**1.927.855**

ADDITIONAL INFORMATION:

1. Companies that are included in the consolidated financial statements of fiscal year 2008 are presented in note 11 in the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
2. The accounting principles followed, are in accordance with those followed at 31/12/2007.
3. The Company has been audited by the tax authorities up to and including the financial year 2007. The unaudited tax years for the other Group entities are detailed in Note (25) in the Annual Financial Statements.
4. There are no contested or doubtful legal cases which might influence materially the financial position of the Company and the Group.
5. The number of employees as at 31/12/2008 was 1.883 for the Group (31/12/2007: 2.068) and 350 for the Company (31/12/2007: 404).
6. Intercompany related party transactions for the year ended 31 December 2008 and related party balances for the year then ended according to IAS 24 are as follows:

Amounts in € thousand	Group	Company
a) Income	2.280	70.223
b) Expenses	236	2.073
c) Receivables	667	63.571
d) Payables	7	999
e) Key management compensations	4.206	2.386
f) Receivables from key management	0	0
g) Payables to key management	0	0

7. During the second quarter of 2007 the subsidiaries HELERO BV, MJ MAILLIS ALBANIA LTD, MJ MAILLIS SVERIGE AB, MEGA SRL, MJ MAILLIS NETHERLANDS BV, MJ MAILLIS d.o.o. BEOGRAD, MJ MAILLIS SYSTEMS SRL, were either sold or absorbed by other Group subsidiaries.
8. The Group has formed cumulative provisions amounting to € 1.377 thousand for unaudited fiscal tax years, € 5.672 thousand for retirement benefit obligations and € 3.591 thousand for other liabilities. The Company has formed cumulative provisions amounting to € 877 thousand for unaudited fiscal tax years, € 1.103 thousand for retirement benefit obligations and € 209 thousand for other liabilities.
9. At the end of the current period no shares of the parent company are possessed by either the parent company or any subsidiaries or associate companies.
10. The losses incurred by the Group and the Company for the twelve month period ended 31 December 2008 have resulted in a continuing breach of the bank borrowing covenants described in Note 19 of the Financial Statements. This breach of covenants has necessitated the reclassification of the affected bank borrowings from non-current to current.
11. The amount included in the statement of changes in equity as cash flow hedges is the net loss that arises from the gain from the valuation of the loans in foreign currency and the loss from the valuation of the currency and interest rate swaps as of 31 December 2008.

Kifissia, March 30, 2009

VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO	CHIEF FINANCIAL OFFICER	FINANCIAL MANAGER OF GREECE
IOANNIS M. KOUROUGLOS PASS. No. AE 1202747	VICTOR K. PAPAKONSTANTINOU Id. No T 003140	SPYRIDON D. PARGAS Reg. No. 5293-A'Class

KRONOS S.A.