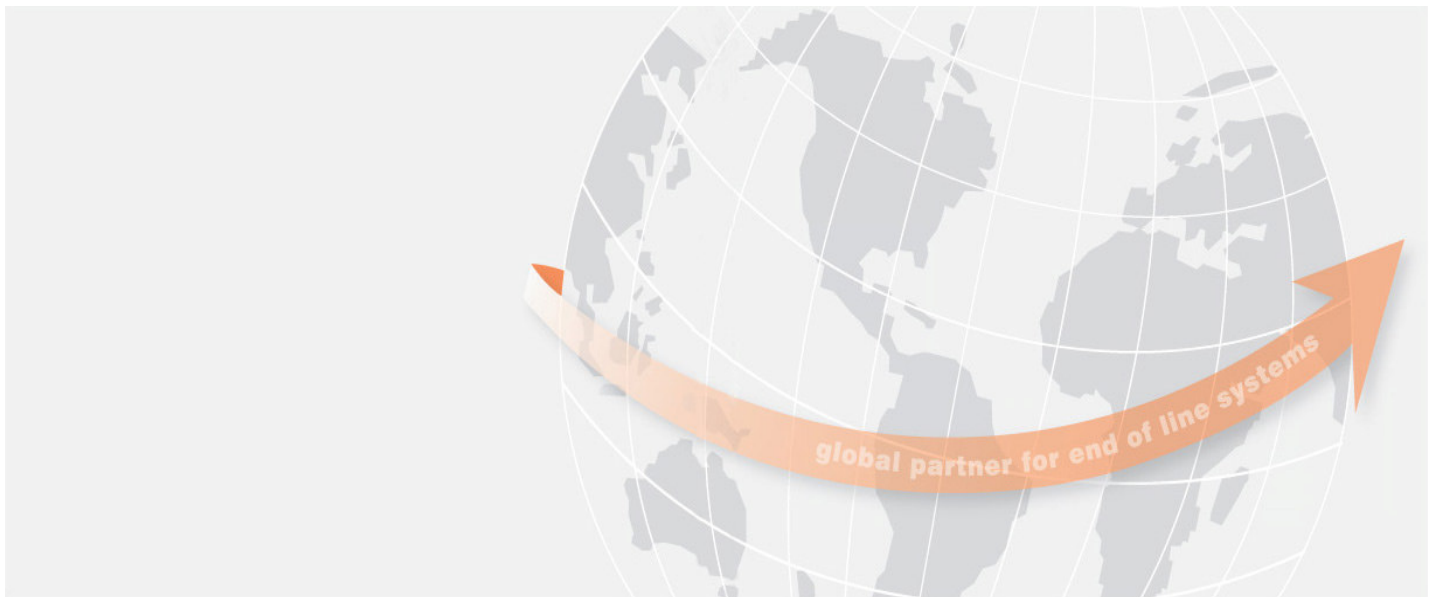


**M.J.MAILLIS GROUP  
INTERIM FINANCIAL REPORT  
30 SEPTEMBER 2009**



The 9 month Interim Financial Statements have been approved by the Board of Directors of M.J.MAILLIS SA on 19 November 2009 and are available on the company's website [www.maillis.com](http://www.maillis.com)

**CHAIRMAN OF THE  
BOARD OF DIRECTORS**

**MICHAEL J. MAILLIS**  
Id. No Φ 020206

**VICE-CHAIRMAN OF  
THE BOARD OF  
DIRECTORS AND  
C.E.O.**

**IOANNIS M.  
KOUROUGLOS**  
PASS. No. AE  
1202747

**FINANCIAL  
MANAGER OF  
GREECE**

**SPYRIDON D.  
PARGAS**  
Reg. No. 5293-  
A'Class

*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**

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## BALANCE SHEET

Amounts in Euro '000

	Note	GROUP		COMPANY	
		30/09/2009	31/12/2008	30/09/2009	31/12/2008
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Tangible assets		119,024	128,230	72,705	75,823
Intangible assets		107,525	109,105	387	946
Investments in subsidiaries and joint ventures	4			185,019	185,019
Deferred tax assets		17,558	14,254	9,126	6,397
Other receivables		4,062	4,186	184	382
		<b>248,169</b>	<b>255,775</b>	<b>267,422</b>	<b>268,567</b>
<b>Current Assets</b>					
Inventories		57,308	73,551	12,491	18,833
Trade and other receivables		54,972	69,715	73,121	71,204
Deferred tax assets		718	1,657		
Cash and cash equivalents		12,262	9,328	3,474	3,427
		<b>125,259</b>	<b>154,251</b>	<b>89,087</b>	<b>93,464</b>
<b>Total Assets</b>		<b>373,428</b>	<b>410,026</b>	<b>356,509</b>	<b>362,031</b>
<b>EQUITY</b>					
<b>Equity Attributable to Company's Shareholders</b>					
Share capital		55,614	55,614	55,614	55,614
Share premium		139,203	139,203	139,203	139,203
Reserves		19,864	20,004	18,558	18,549
Retained losses / earnings		-143,093	-115,335	-35,699	-23,938
Translation differences reserve		-6,972	-6,976		
		<b>64,616</b>	<b>92,510</b>	<b>177,677</b>	<b>189,428</b>
Minority interest		578	1,165		
<b>Total Equity</b>		<b>65,194</b>	<b>93,675</b>	<b>177,677</b>	<b>189,428</b>
<b>LIABILITIES</b>					
<b>Non Current Liabilities</b>					
Loans	5	5,747	8,153	1,238	1,647
Deferred tax liabilities		6,658	7,747	4,402	5,794
Retirement and termination benefit obligations		5,487	5,672	1,429	1,103
Government grants		5,133	5,594	3,145	3,442
Other non current liabilities		903	373	225	
		<b>23,929</b>	<b>27,539</b>	<b>10,438</b>	<b>11,986</b>
<b>Current Liabilities</b>					
Trade and other payables		30,677	41,267	10,004	12,835
Deferred tax liabilities		3,841	3,921		
Current tax liabilities		1,473	2,085	353	295
Loans	5	245,797	237,948	157,628	147,278
Provisions		2,518	3,591	409	209
		<b>284,305</b>	<b>288,812</b>	<b>168,394</b>	<b>160,617</b>
<b>Total Liabilities</b>		<b>308,235</b>	<b>316,351</b>	<b>178,832</b>	<b>172,603</b>
<b>Total Equity and Liabilities</b>		<b>373,428</b>	<b>410,026</b>	<b>356,509</b>	<b>362,031</b>

The notes on pages 8 to 19 are an integral part of the interim financial statements

## INCOME STATEMENT

	Note	GROUP				COMPANY			
		01/01/2009-30/09/2009	01/01/2008-30/09/2008	01/07/2009-30/09/2009	01/07/2008-30/09/2008	01/01/2009-30/09/2009	01/01/2008-30/09/2008	01/07/2009-30/09/2009	01/07/2008-30/09/2008
<i>Amounts in Euro '000</i>									
Sales	3	157,264	273,648	53,851	88,258	46,197	97,058	17,201	29,592
Cost of sales		-135,955	-219,286	-44,194	-70,112	-44,908	-81,304	-14,932	-23,893
Gross profit		21,309	54,362	9,656	18,146	1,289	15,754	2,269	5,699
Other operating income		3,485	1,185	-960	271	2,239	357	20	469
Administrative expenses		-16,137	-16,468	-5,515	-4,963	-7,368	-6,846	-2,553	-2,333
Distribution costs		-20,148	-29,162	-6,633	-8,786	-3,061	-7,040	-1,091	-1,882
Other operating expenses		-9,995	-6,645	-1,574	-2,793	-3,094	-635	-1,266	-148
Restructuring costs									
Earnings/(loss) before tax and financial and investment results		-21,486	3,272	-5,026	1,875	-9,994	1,590	-2,621	1,805
Gains/Losses on termination of interest rate swaps transferred from hedging reserve		-2,665		285		-2,665		285	
Income from dividends							1,325		125
Financial income	9	9,882	1,978	5,807	259	8,617	1,958	4,710	589
Financial expenses	9	-15,282	-15,614	-4,229	-5,634	-10,424	-8,706	-3,359	-3,155
Earnings before tax		-29,551	-10,364	-3,163	-3,500	-14,466	-3,833	-986	-636
Current tax and other tax		-922	-2,007	-364	-1,269	-61	-60	-40	-41
Earnings/(loss) after current tax for the period		<b>-30,473</b>	<b>-12,371</b>	<b>-3,528</b>	<b>-4,769</b>	<b>-14,527</b>	<b>-3,893</b>	<b>-1,026</b>	<b>-677</b>
Deferred tax		1,977	748	-85	1,031	2,766	788	183	187
Earnings/(loss) after current tax and deferred tax for the period		<b>-28,496</b>	<b>-11,623</b>	<b>-3,612</b>	<b>-3,738</b>	<b>-11,761</b>	<b>-3,105</b>	<b>-844</b>	<b>-490</b>
<b>Allocated to:</b>									
Company shareholders		-27,909	-11,655	-3,424	-3,907	-11,761	-3,105	-844	-490
Minority interest		-587	32	-189	169				
Basic and Diluted Earnings/(loss) after tax per share (expressed in €)	10	-0.3814	-0.1593	-0.0468	-0.0534	-0.1607	-0.0424	-0.0115	-0.0067
<b>Other information</b>									
Depreciation		11,782	11,539	3,698	3,567	5,683	5,234	1,704	1,725
Earnings/(loss) before tax, financial expenses, amortisation and depreciation (EBITDA)		<b>-9,705</b>	<b>14,811</b>	<b>-1,328</b>	<b>5,442</b>	<b>-4,312</b>	<b>6,824</b>	<b>-917</b>	<b>3,530</b>

Other operating expenses include impairments of tangible and intangible assets of €1,010k for the Group and € 60k for the Company.

The notes on pages 8 to 19 are an integral part of the interim financial statements

## STATEMENT OF OTHER COMPREHENSIVE INCOME

Note	GROUP				COMPANY			
	01/01/2009-30/09/2009	01/01/2008-30/09/2008	01/07/2009-30/09/2009	01/07/2008-30/09/2008	01/01/2009-30/09/2009	01/01/2008-30/09/2008	01/07/2009-30/09/2009	01/07/2008-30/09/2008
<i>Amounts in Euro '000</i>								
Earnings/(loss) after current tax and deferred tax for the period	-28,496	-11,623	-3,612	-3,738	-11,761	-3,105	-844	-490
Exchange differences	6	-295	-29	503				
Cash flow hedges	9	-2,550		1,398	9	-2,550		1,398
Other comprehensive income/(loss) after tax	15	-2,845	-29	1,901	9	-2,550	0	1,398
Total comprehensive income/(loss) after tax	-28,481	-14,468	-3,641	-1,837	-11,752	-5,655	-844	908
<b>Allocated to:</b>								
Company shareholders	-27,894	-14,427	-3,453	-1,934	-11,752	-5,655	-844	908
Minority interest	-587	-41	-189	97				

The notes on pages 8 to 19 are an integral part of the interim financial statements

## STATEMENT OF CHANGES IN EQUITY

	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	
<i>Amounts in Euro '000</i>												
<b>Balance at 01/01/2008</b>	55,614	139,203	20,398	-3,412	-72,618	1,533	140,718	55,614	139,203	19,006	-7,464	206,359
Earnings / (Losses) per income statement					-11,656	33	-11,623				-3,105	-3,105
Exchange difference adjustments			-2,550				-2,550			-2,550		-2,550
Cash flow hedges			-6	-215		-74	-295					0
<b>Total comprehensive income</b>			-2,556	-215	-11,656	-41	-14,468			-2,550	-3,105	-5,655
Reserves movement			70	46	-116							
<b>Balance at 30/09/2008</b>	55,614	139,203	17,912	-3,581	-84,390	1,492	126,250	55,614	139,203	16,456	-10,569	200,704
Earnings / (Losses) per income statement					-30,953	-297	-31,250				-13,369	-13,369
Exchange difference adjustments			2,093	0			2,093			2,093		2,093
Cash flow hedges			6	-3,349		28	-3,315					
Net loss directly attributable to net equity					-45		-45					
<b>Total comprehensive income</b>			2,099	-3,349	-30,998	-269	-32,517			2,093	-13,369	-11,276
Dividends paid						-58	-58					
Reserves movement			-7	-46	53							
<b>Balance at 31/12/2008</b>	55,614	139,203	20,004	-6,976	-115,335	1,165	93,675	55,614	139,203	18,549	-23,938	189,428
	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	
<i>Amounts in Euro '000</i>												
<b>Balance at 01/01/2009</b>	55,614	139,203	20,004	-6,976	-115,335	1,165	93,675	55,614	139,203	18,549	-23,938	189,428
Earnings / (Losses) per income statement					-27,909	-587	-28,496				-11,761	-11,761
Exchange difference adjustments				5	1		6					0
Cash flow hedges			9				9			9		9
<b>Total comprehensive income</b>			9	5	-27,908	-587	-28,481			9	-11,761	-11,752
<b>Reserves movement</b>			-149		149		0					0
<b>Balance at 30/09/2009</b>	55,614	139,203	19,864	-6,971	-143,094	578	65,194	55,614	139,203	18,558	-35,699	177,676

The notes on pages 8 to 19 are an integral part of the interim financial statements

## CASH FLOW STATEMENT

Amounts in Euro '000	Note	GROUP		COMPANY	
		30/09/2009	30/09/2008	30/09/2009	30/09/2008
<b>Cash Flows from Operating Activities</b>					
Earnings before tax		-29,551	-10,365	-14,466	-3,833
Adjustments for:					
Depreciation and amortisation		12,242	11,539	5,980	5,233
Impairment of tangible and intangible fixed assets		1,010		60	
Provisions		-3,430	-1,075	-3,219	289
Exchange differences		-8,950	69	-7,897	-154
(Gain) / Loss from investing activities		-1,024	-1,187	-1,401	-2,751
Interest payable and related expenses		17,947	15,614	13,089	8,706
Working capital changes					
Decrease / (Increase) in inventories		17,800	192	9,490	3,301
Decrease / (Increase) in receivables		15,283	1,005	-870	-571
Increase / (Decrease) in payables (excluding banks)		-10,268	-32,661	-3,903	-20,549
Less:					
Interest paid and other related expenses		-7,171	-13,524	-4,138	-7,019
Tax paid		-1,736	-999	-61	-60
<b>Total Cash Inflows / (Outflows) from Operating Activities (a)</b>		<b>2,152</b>	<b>-31,392</b>	<b>-7,336</b>	<b>-17,408</b>
<b>Cash Flows from Investing Activities</b>					
Acquisition of subsidiary, related companies, joint ventures and other investments				0	-2,100
Proceeds of selling of subsidiaries					
Purchase of intangible assets, property, plant and equipment		-3,956	-6,702	-3,517	-3,695
Proceeds of sale of tangible and intangible assets		1,407	804	1,281	2,037
Interest received		432	872	223	1,272
Dividends received					1,202
<b>Total Cash Inflows / (Outflows) from Investing Activities (b)</b>		<b>-2,118</b>	<b>-5,026</b>	<b>-2,014</b>	<b>-1,284</b>
<b>Cash Flows from Financing Activities</b>					
Proceeds of issuance of share capital		0		0	
Proceeds of loans issued		2,966	35,036	9,397	19,255
Payments of finance lease liabilities		-707	-2,630		
Dividends paid		0	-1	0	-1
<b>Total Cash Inflows / (Outflows) from Financing Activities (c)</b>		<b>2,259</b>	<b>32,405</b>	<b>9,397</b>	<b>19,254</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)</b>		<b>2,293</b>	<b>-4,013</b>	<b>47</b>	<b>562</b>
<b>Cash and Cash Equivalents in Beginning of Period</b>		<b>9,328</b>	<b>14,618</b>	<b>3,427</b>	<b>1,928</b>
Exchange differences adjustment		640	-1,503		
<b>Cash and Cash Equivalents at End of Period</b>		<b>12,262</b>	<b>9,102</b>	<b>3,474</b>	<b>2,490</b>

The notes on pages 8 to 19 are an integral part of the interim financial statements

## NOTES ON THE FINANCIAL STATEMENTS

### 1. General information

M.J.Maillis SA (the “Company”) and its subsidiaries (together the “Group”) are involved in the manufacture and distribution of end of line industrial solutions. The Group operates in Greece and another 20 countries in Europe and North America.

The Company is located in Greece, Xenias 5, 14 562 Kifissia. The website of the Company is [www.maillis.gr](http://www.maillis.gr). The shares of the Company are publicly traded on the Athens Stock Exchange.

As detailed in the Interim Financial Report for the period ended 30 June 2009, the Group decided to shutdown the adhesive tapes production process of its subsidiary (“Straptech SA Packing Systems and Materials”) in order to improve margin and cash flows generated by this operation. The turnover of adhesive tapes represents 1.22% of consolidated turnover for 2008, therefore it was not considered material, in order to disclose this as a discontinued operation in accordance with IFRS 5. Straptech SA will continue to trade in the adhesive tapes market through a strategic alliance supply agreement with Atlas Tapes SA, a dedicated tape manufacturer. Distribution will continue to be undertaken via the Group’s existing distribution network.

### 2. Basis of preparation of the Interim Financial Statements

The Interim Financial Statements of the Company and the Group for the 9 month period of 2009 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and specifically in accordance with IAS 34 “Interim Financial Statements”.

The accounting principles that have been used in the preparation of the interim Financial Statements are in accordance with those used for the preparation of the Company and Group Financial Information as at 31/12/2008.

This information has to be acknowledged in comparison to the annual Financial statements as at 31/12/2008 that were published in the internet site of the company.

There have been no changes to the accounting principles used when compared to those used for the preparation of the annual financial statements as at 31/12/2008.

The preparation of financial statements in terms of IFRS requires the use of calculations and assumptions which affect the balances of the assets and liabilities, the acknowledgment of contingencies and the amounts of the income and expenses relating to the period from 1<sup>st</sup> January 2009 to 30<sup>th</sup> September 2009. These calculations are based to the best knowledge of the Company and the Group in relation to the current situation.

Certain reclassifications have been made in the prior period figures in order to make them comparable to the current period’s figures. Any differences between amounts in the financial statements and similar amounts detailed in the accounts are due to rounding of figures.

#### Going concern

This financial information has 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 30 September 2009, 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 5) as a result of the continued losses that are being generated. The impact of this breach is that all affected borrowings continue to be classified as current liabilities in terms of paragraph 74 of IAS 1.

Furthermore the Company has not obtained a waiver of covenants from the affected lenders. Management continues to negotiate with the affected lenders for the purpose of securing the continued operations of the Company and its subsidiaries.

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. In light of the above information 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.

**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 2009

**IAS 1 (Revised) "Presentation of Financial Statements"**

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements. The interim financial statements have been prepared under the revised disclosure requirements.

**IFRS 8 "Operating Segments"**

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. This has resulted in an increase in the number of reportable segments presented. The Group has applied IFRS 8 from 1 January 2008.

**IAS 23 (Amendment) "Borrowing Costs"**

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 amendment will not impact the Group as all applicable borrowing costs were capitalized.

**IFRS 2 (Amendment) "Share Based Payment" – Vesting Conditions and Cancellations**

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. This amendment does not impact the Group's financial statements.

**IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements" – Puttable Financial Instruments**

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. This amendment does not impact the Group's financial statements.

**IAS 39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items**

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.

Interpretations effective for year ended 31 December 2009

**IFRIC 13 – Customer Loyalty Programmes**

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**

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**

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.

Standards effective after year ended 31 December 2009

**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 1 (Amendment) “First-time adoption of International Financial Reporting Standards” (effective for annual periods beginning on or after 1 January 2010)**

This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment will not impact the Group’s financial statements since it has already adopted IFRSs.

**IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 February 2010)**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity’s own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not expected to impact the Group’s financial statements.

**IAS 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)**

This amendment attempts to relax disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose

details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual financial statements. The Group will apply these changes from their effective date.

#### Interpretations effective after year ended 31 December 2009

#### **IFRIC 17 “Distributions of non-cash assets to owners” (effective for annual periods beginning on or after 1 July 2009)**

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The Group will apply this interpretation from its effective date.

#### **IFRIC 18 “Transfers of assets from customers” (effective for transfers of assets received on or after 1 July 2009)**

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

### 3. Segment Information

#### **Primary Segment Information – Business Segment**

The Group is divided in the following geographical Segments based on the location in which the subsidiaries operate:

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

The segment results for the 9 months ended at 30<sup>th</sup> September 2009 and 30<sup>th</sup> September 2008 are as follows:

#### **9 months to 30<sup>th</sup> September 2009**

	<b>Germany &amp; West Europe</b>	<b>Central Europe</b>	<b>Greece &amp; East Europe</b>	<b>North America</b>	<b>Italy</b>	<b>Other</b>	<b>Total</b>
<i>Amounts in Euro '000</i>							
Total Sales	47,197	27,286	30,602	20,671	30,253	1,254	<b>157,264</b>
Operating Income	-3,200	264	-16,789	1,532	-2,772	-520	<b>-21,486</b>
Financial Cost - Net	1,275	-355	5,283	-309	1,011	1,159	<b>8,065</b>
<b>Earnings before Tax</b>	<b>-1,925</b>	<b>-90</b>	<b>-11,506</b>	<b>1,222</b>	<b>-1,761</b>	<b>638</b>	<b>-13,422</b>
Income tax and Deferred tax	127	64	-3,222	765	1,209	2	-1,055
<b>Net Profit</b>	<b>-1,798</b>	<b>-26</b>	<b>-14,728</b>	<b>1,987</b>	<b>-552</b>	<b>641</b>	<b>-14,477</b>
<b>EBITDA</b>	<b>-2,295</b>	<b>1,437</b>	<b>-10,282</b>	<b>2,460</b>	<b>-1,041</b>	<b>16</b>	<b>-9,705</b>

9 months to 30<sup>th</sup> September 2008

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Total Sales	85,992	44,356	66,805	28,495	46,125	1,875	<b>273,648</b>
Operating Income	-1,921	920	-2,448	2,305	4,443	-27	<b>3,272</b>
Financial Cost - Net	-1,950	-291	-8,049	-275	-1,817	-1,254	<b>-13,636</b>
<b>Earnings before Tax</b>	<b>-3,871</b>	<b>629</b>	<b>-10,497</b>	<b>2,030</b>	<b>2,626</b>	<b>-1,281</b>	<b>-10,364</b>
Income tax and Deferred tax	-177	-18	749	-694	-1,132	13	<b>-1,259</b>
<b>Net Profit</b>	<b>-4,048</b>	<b>611</b>	<b>-9,748</b>	<b>1,336</b>	<b>1,494</b>	<b>-1,268</b>	<b>-11,623</b>
<b>EBITDA</b>	<b>-963</b>	<b>2,438</b>	<b>3,609</b>	<b>3,362</b>	<b>6,120</b>	<b>245</b>	<b>14,811</b>

The other elements of the income statement are as follows:

9 months to 30<sup>th</sup> September 2009

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Depreciation and amortisation	906	1,173	6,507	929	1,731	537	<b>11,782</b>
Provisions for bad debt and obsolete stock	-288	-36	-3,386	346	986		<b>-2,378</b>

9 months to 30<sup>th</sup> September 2008

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Depreciation and amortisation	958	1,518	6,058	1,057	1,676	272	<b>11,539</b>
Provisions for bad debt and obsolete stock	6	-55	417	-83	4		<b>289</b>

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 segment assets and liabilities at 30<sup>th</sup> September 2009 and at 31<sup>st</sup> December 2008 are as follows:

30<sup>th</sup> September 2009

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
<b>Assets</b>	73,394	37,226	130,701	35,019	88,121	8,968	<b>373,428</b>
<b>Capital expenditure</b>	53	504	2,709	35	644	11	<b>3,956</b>
<b>Liabilities</b>	8,085	24,915	194,038	7,135	24,959	49,102	<b>308,235</b>

31st December 2008

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

#### 4. Investments in subsidiaries and joint ventures

Below are listed the Group subsidiary companies with their respective addresses and the percentage of ownership:

<u>Directly Controlled</u>	<u>Investment %</u>
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%
<u>Indirectly Controlled</u>	
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	100%
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100%
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA	100%
3L Srl, Modena, Italy	100%
MJ MAILLIS SYSTEMS SRL, Varese, Italy	100%
MAILLIS STRONG STRAP PRIVATE Ltd, Mumbai, India	50%
<u>Joint Venture</u>	
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 above listed companies in the Balance Sheet of the parent company are as follows:

		30/9/2009	31/12/2008	
<i>Amounts in Euro '000</i>		Book value	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	4,084	100%
MJ Maillis France SAS	France	16,420	16,420	99.9%
M.J. Maillis Hungary KFT	Hungary	2,130	2,130	100%
Maillis Holding GMBH	Germany	29,112	29,112	100%
Maillis Strong Strap Private Ltd	India	172	172	13.1%
M.J. Maillis Espana SL	Spain	9,078	9,078	100%
		<b>185,020</b>	<b>185,020</b>	

## 5. Borrowings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	30/09/2009	31/12/2008	30/09/2009	31/12/2008
<b>Long Term Borrowings</b>				
Bank Borrowings	157,801	142,330	112,184	96,527
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$		15,434		15,434
Total bank borrowings	157,801	157,764	112,184	111,961
Less: Bank borrowings reflected as short term (refer Covenants note below)	-156,173	-155,496	-110,947	-110,314
Finance Lease Liabilities	4,119	5,885		
<b>Total Long Term Borrowings</b>	<b>5,747</b>	<b>8,153</b>	<b>1,237</b>	<b>1,647</b>
<b>Short Term Borrowings</b>				
Long term bank borrowings reflected as short term (refer Covenants note below)	156,173	155,496	110,947	110,314
Short Term Bank Borrowings and bank overdrafts	75,747	79,509	40,037	36,964
Accrued interest	9,577		6,644	
Finance Lease Liabilities	4,300	2,943		
<b>Total Short Term Borrowings</b>	<b>245,797</b>	<b>237,948</b>	<b>157,628</b>	<b>147,278</b>
<b>Total Borrowings</b>	<b>251,544</b>	<b>246,101</b>	<b>158,865</b>	<b>148,925</b>

### **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 30 September 2009, 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 € 28,496 thousand (30/09/2008: €11,623 thousand) and €11,761 thousand (30/09/2008: €3,105 thousand) has been incurred by the Group and the Company respectively for the year ended 30 September 2009. 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 30 September 2009 the Group and the Company does not have an unconditional right to defer the settlement of these borrowings for at least twelve months after 30 September 2009.

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 from the affected lenders that the borrowings in question will have to be immediately settled (including the interest that has been capitalised).

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. For further information refer also to Note 2.

## **6. Contingencies**

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 € 1.0 million and € 76.7 million respectively (of which € 75.7 million refer to guarantees given by the parent company relating to loans undertaken by the Group's subsidiaries).

## **7. Encumbrances**

As at 30<sup>th</sup> September 2009 no encumbrances exist on Company's and Group's assets with the exception of the following:

- Included in cash and cash equivalents of the Company are balances amounting to € 76 th. that are restricted as they act as security for letters of credit provided to the Company.
- 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.

## 8. Related Parties Transactions

The related party transactions are as follows:

	GROUP		COMPANY	
	01/01- 30/09/2009	01/01 - 30/09/2008	01/01- 30/09/2009	01/01 - 30/09/2008
<i>Amounts in Euro '000</i>				
<b>Sales of goods</b>				
- Subsidiaries			26,859	56,070
- Associate	697	1,666		
<b>Sales of services</b>				
- Subsidiaries			3,474	3,390
- Associate				
<b>Purchase of goods</b>				
- Subsidiaries			1,840	1,805
- Associate	25	28		
<b>Purchase of services</b>				
- Subsidiaries				
- Associate				
<b>Key Management compensation</b>				
Salaries and other short term benefits to key management and member of the board	2,773	3,745	1,449	1,896

	GROUP		COMPANY	
	30/9/2009	31/12/2008	30/9/2009	31/12/2008
<b>Year End Balances arising from purchases - sales of goods and services</b>				
Trade receivables from Subsidiaries			56,483	59,771
Trade receivables from Associate	281	667		
Loans receivable from Subsidiaries			10,483	3,000
Loans receivable from Associates				
Other receivables from Subsidiaries			800	800
Other receivables from Associates				
Payables to Subsidiaries			2,756	999
Payables to Associate	7	7		

## 9. Finance income/expenses

From 1 January 2009 onwards foreign currency exchange differences relating to bank loans, cash, and financial instruments have been transferred from other income/other expense and reflected in finance expense/finance income. The effect of this change for the Group in 2009 in the interim financial statements 30 September 2009 was a transfer of an amount of € 9,357k from other income and a transfer of an amount of € 193k from other expense to financial expenses net. The respective reclassification for 2008 was a transfer of € 995k from other income to finance income. The effect of this change for the Company in 2009 in the interim financial statements 30 September 2009 was a transfer of an amount of € 7,935k from other income and a transfer of an amount of € 165k from other expense to financial expenses net. The respective reclassification for 2008 was a transfer of € 818k from other income to finance income.

	GROUP		COMPANY	
	01/01- 30/09/2009	01/01 - 30/09/2008	01/01- 30/09/2009	01/01 - 30/09/2008
<i>Amounts in Euro '000</i>				
<b>Financial expenses</b>				
Interest expense	15,089	15,614	10,259	8,706
Foreign currency differences	193	0	165	
	<b>15,282</b>	<b>15,614</b>	<b>10,424</b>	<b>8,706</b>
<b>Financial income</b>				
Interest income	525	983	682	1,140
Foreign currency differences	9,357	995	7,935	818
	<b>9,882</b>	<b>1,978</b>	<b>8,617</b>	<b>1,958</b>

## 10. Earnings per Share

### BASIC AND DILUTED

	GROUP		COMPANY	
	1/1 - 30/09/09	1/1 - 30/09/08	1/1 - 30/09/09	1/1 - 30/09/08
<i>Amounts in Euro '000</i>				
Earnings/(Losses) attributable to the Company's shareholders	-27,909	-11,655	-11,761	-3,105
Weighted Average number of shares	73,176,746	73,176,746	73,176,746	73,176,746
Earnings/(Losses) per share (expressed in Euro)	<b>-0.3814</b>	<b>-0.1593</b>	<b>-0.1607</b>	<b>-0.0424</b>

	GROUP		COMPANY	
	1/7 - 30/09/09	1/7 - 30/09/08	1/7 - 30/09/09	1/7 - 30/09/08
<i>Amounts in Euro '000</i>				
Earnings/(Losses) attributable to the Company's shareholders	-3,424	-3,907	-844	-490
Weighted Average number of shares for diluted earnings per share	73,176,746	73,176,746	73,176,746	73,176,746
Diluted Earnings/(Losses) per share (expressed in Euro)	<b>-0.0468</b>	<b>-0.0534</b>	<b>-0.0115</b>	<b>-0.0067</b>

## 11. Personnel

The number of employees as at 30<sup>th</sup> September 2009 was 1,569 (30/09/2008: 2,026) for the Group and 313 (30/09/2008: 377) for the Company.

## 12. Unaudited tax years

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.

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

- STRAPTECH S.A. has been audited until FY 2004
- 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 & CO KG 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 FY 2005
- SICME SRL has been tax audited until FY 2003
- TAM SRL has been tax audited until FY 2003
- COMBI has been tax audited until FY 2004
- SIAT BENELUX BV has been tax audited until FY 2005
- 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

### **13. Post Balance Sheet events**

There are no significant post balance sheet events.

### **14. Seasonality**

The Groups operations are not affected by seasonality. Revenues are generated thought the year based on customer demand.

**[Translation from the original text in Greek - The Greek text prevails over this translation]**

## **Report on review of interim financial information**

**To the Shareholders of “M. J. MAILLIS S.A.”**

### Introduction

We have reviewed the accompanying company and consolidated condensed balance sheet of M.J. Maillis S.A. (the “Company”) and its subsidiaries (the “Group”) as of 30 September 2009, the related company and consolidated condensed income statements, changes in equity and cash flows for the nine-month period then ended and the selected explanatory notes, which comprise the interim financial information. The Company’s Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and as applicable to Interim Financial Reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

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

### Review conclusion

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

### Emphasis of Matter

Without qualifying our review conclusion, we draw attention to Notes 2 and 5 in the condensed interim financial information which indicates that the Group has incurred a net loss of € 28,496 thousand during the nine-month period ended 30 September 2009, resulting in a continued breach of its borrowing covenants. As of 30 September 2009 the Group’s current liabilities exceeded its current assets by € 159,046 thousand. Furthermore as of 30 September 2009 the Group’s total liabilities exceeded its total assets, excluding goodwill, by € 32,676 thousand. These conditions, along with other matters as set forth in Notes 2 and 5, indicate the existence of a material uncertainty which may cast doubt about the Company’s and the Group’s ability to continue as a going concern.

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Athens, 20 November 2009  
THE CERTIFIED AUDITOR

Constantinos Michalatos  
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