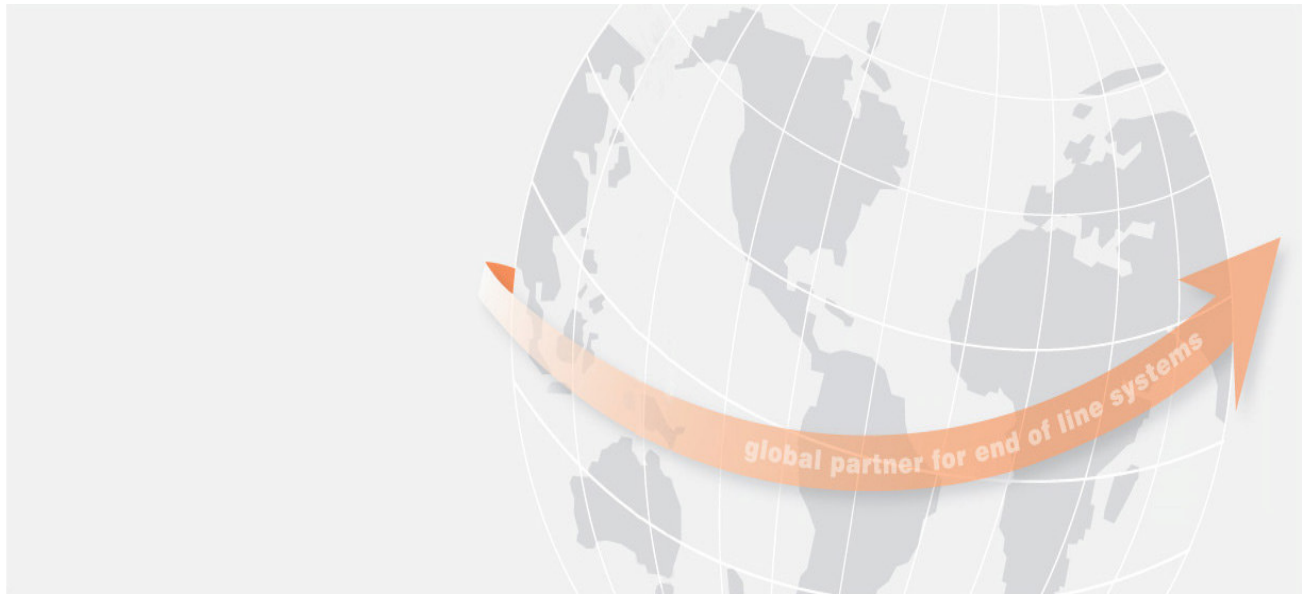


**Annual Financial Report
For the year ended 31 December 2011**



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.
INDUSTRIAL PACKAGING
SYSTEMS & TECHNOLOGIES
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 2011

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 28th of March 2012. The present Annual Financial Report 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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**A) Board of Directors Statement
Regarding the Annual Financial Statements of 2011
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 & Technologies:

1. Michael J. Maillis, President of the Board of Directors
2. Markus Köllmann, Vice-President of the Board of Directors and Chief Executive Officer
3. Alexandros Tasopoulos, 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 01.01.2011 – 31.12.2011, 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 technologies, and of the businesses included in Group Consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Kifissia, 28th March 2012

**CHAIRMAN OF THE
BOARD OF DIRECTORS**

MICHAEL J. MAILLIS

Id. No. Φ 020206

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

**MARKUS
KÖLLMANN**

PASS. No.NR5R5RB18

**THE MEMBER OF
THE BOARD OF
DIRECTORS**

**ALEXANDROS I.
TASOPOULOS**

Id. No. Σ 621498

**B1) 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 2011**

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 2011.

The present report contains information on the financial position and performance of the Group and the Company for the year ending 31.12.2011, a description of significant events that took place during the previous year, their impact on the annual financial statements, a description of the most significant transactions between the Company, 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.

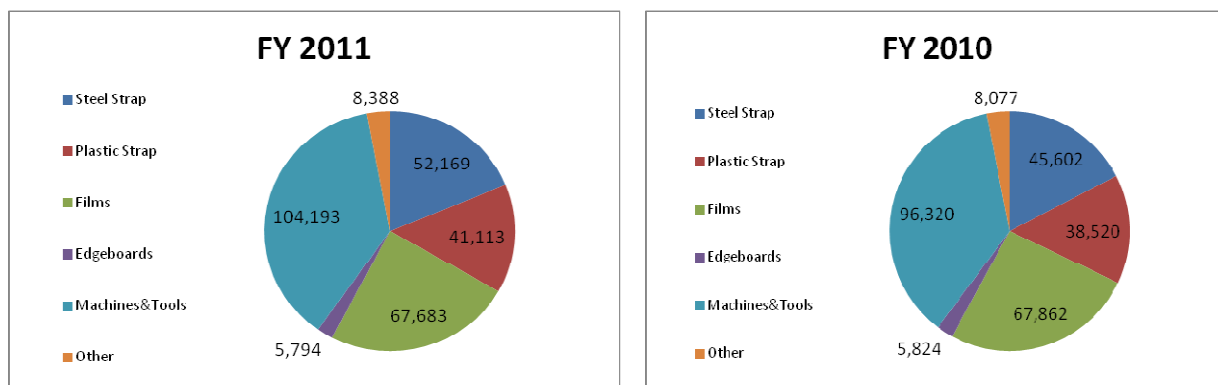
1. Significant events that took place during 2011, and their impact on the Annual Financial Statements

Operating Activity

In 2011 the Group performance continues to be positive and improved compared to 2010 resulting in increased sales, improved gross margin, reduced costs and positive EBITDA (from -11.2 million € in 2010 to 6.9 million € in 2011).

The Group's international presence and its exporting nature of business (90% of annual sales are realized outside Greece) overcome the Greek crisis securing and even increasing operating results.

Sales increased in all group categories compared to the corresponding period of 2010, as illustrated by the following charts:



As a whole, the Group's turnover in 2011 amounted to 279.3 m € compared to 262.2 m € in 2010.

In the consumables (metal and plastic stap, edgeboards and other), the Group is also exhibiting constant increase in revenue benefiting from the increase in "real" demand, the restocking effect of the customers and the increased prices in raw materials. Especially sales of steel strap increased by 14% while those of plastic strap increased by 7%.

In the high-margin machines' business, sales increased by 8% contributing significantly to the increased profitability. This improvement is reflected in the Group's increased order books in Europe and North America, as a result of the fact that our customers across all sectors are proceeding again with their capital investments.

The Group's strategy of focusing on complete end-of-line packaging solutions, which forms part of the overall restructuring program currently in progress across the Group, was reconfirmed not only by the addition and renewal of several contracts with leading multinationals and other companies, but also by the expansion of the existing business to new sites of the existing clientele.

During the last 3 years 2009-2011, the Group has successfully accomplished the 1st phase of the restructuring plan, which led to a significant decrease in operational costs at the end of Q2 2009 of approximately 20 million Euro, while the next phase of this restructuring plan is already under implementation from 2011 and as a result the Group is expecting a further decrease of operational costs and improvement in productivity and operating efficiencies.

Debt Restructuring

As it was announced on 30 September 2011, the final debt restructuring agreement, which was approved by the BoD of Maillis SA on 27 September 2011, was signed.

On 6 October 2011, the financial restructuring of Maillis Group was completed with the refinancing of existing loans amounting to 190.27 million euros, the new financing of working capital amounting to 16 million Euros and the completion of a debt-to-equity conversion (capitalization) of existing debt amounts totaling 74.9 million, with a price per share of € 0.30. It is noted that the subscription of Company's Lenders to its share capital for the amount of 74.9 million euros by effect of which, Company's lenders acquire a total participation of 77.4% in the Company, was certified by the BoD resolution of Maillis SA, dated October 6, 2011.

Refinancing of current debt was as follows:

- Syndicated Bond Loan of Euro 116.97 million according to law 3156/2003 and 2190/1920, issued in Euro and USD bonds, with capitalized interest (PIK). This Loan will be repaid during year three to five from its date of issue.
- Convertible Bond Loan of Euro 73.3 million, according to law 3156/2003 and 2190/1920, issued in Euro and USD bonds, with capitalized interest (PIK), convertible to new shares, after two years from the date of issue, of the listed mother Company according to legal provisions 3156/2003 and 2190/1920.

The share capital increase by Euro 74.9 million was performed by issuing 249,748,542 new ordinary shares of the Company, of a par and nominal value of EUR 0.30 each, in favour of the Groups' debt holders, by abolition of the pre-emption rights of the existing shareholders. The Board of Directors of the Hellenic Capital Market Commission, during its meeting dated 11/10/2011, approved the relevant Prospectus while the listing of the new ordinary shares on the ATHEX was approved by the Board of Directors of the ATHEX on 12.10.2011. The new ordinary shares of the Company commenced trading on the ATHEX on 18.10.2011.

The signing of the agreements put an end to a very difficult period for the Group by improving its financial position. For the last three years the Group was operating under difficult market and financial conditions, resulting from the global financial crisis and experienced, in advance of other Greek Companies and due to its high dependency on export activities, the consequences of the crisis, first in the USA and at a later stage in Europe and to a similar extent of its international competitors.

Due to the debt restructuring the following events took also place:

- Reduction of the share capital by a corresponding reduction of the nominal value of shares from 0.76 euros to 0.30 euros. In more detail, during the Second Shareholders' General Assembly of January 11, 2011 was decided a reduction of the share capital by the amount of EUR 33,661,303.16 Euros.
- Recognition of extraordinary gain of 42.5 mio from the capitalization of financial liabilities with the issuance of new common shares. Based on IFRIC Interpretation 19, "Extinguishing Financial Liabilities with Equity Instruments", because the conversion of financial liabilities into debt was performed with euro 0.30 per share,

while the fair value of the shares based on the Stock Exchange Market as of 6 October 2011 was euro 0.13 per share, an extraordinary gain of euro 42.5 mio was recognized.

Other Significant Events

-On 2 March 2011, Mr. Mark Köllmann joined the Group as Chief Executive Officer. Mr. Köllman, after joining the Group and in replacement of the resigned Executive Board Member Dr. John Lentzos, during the March 1, 2011 Board Meeting, was elected as Executive Member of the BoD and assumed the duties of Vice-Chairman of the Board and Chief Executive Officer.

-Mr. John M Kourouglos, Vice Chairman of the Board of Directors and CEO until 1st March 2011, after five years of dedicated service, stepped down from the CEO position. Mr. Kourouglos will remain with the company, until June 2011.

-Mr. Alexandros J.Tasopoulos was appointed as Group Chief Financial Officer (Chief Financial Officer) from Friday, April 1, 2011. Also, the Board of Directors at its meeting on April 8, 2011, elected Mr. Tasopoulos as the new Executive Board Member in replacement of non-Executive Member Mr. John M. Kourouglos. Also, Mr.Tasopoulos was appointed Head of Investor Relations whose duties include the Shareholder Services and Corporate Communications.

-Maillis Group completed the process of selling its part in the Joint Venture in India, Maillis Strong Strap Private Ltd in May 2011.

2. Group Financial Review

A) Income Statement (p.27 of the Financial Statements)

Sales revenue

Group consolidated sales revenue for the year 2011 amounted to 279.3 m€, increasing by 6.5% compared to 2010.

Annual change by geographic region is as follows:

Sales in East Europe, including Greece, increased by 5.4% (52.7 m in 2011 vs. 50.0 m in 2010)

Sales in West Europe increased by 5.5% (77.0 m in 2011 vs. 73.0 m in 2010)

In Central Europe there was increase by 6.1% (52.6 m in 2011 vs. 49.6 m in 2010).

In North America sales increased by 11.8% (37.2 m in 2011 vs. 33.3 m in 2010).

In Italy, sales increased by 10.4% (59.9 m in 2011 vs. 54.3 m in 2010).

Cost of Sales

Consolidated cost of sales of the Group in 2011 was 228.2 m€, or 4.4% higher compared to 2010.

Gross profit margin increased by 1.6 percentage points compared to 2010. The increase was mainly the result of the improved production cost and the increased sales volume, even though the Group, due to limited cash availability, continued to purchase raw materials at non competitive prices and terms.

Operating Expenses

Distribution and administrative expenses reduced compared to 2010 by 12.1% (48.0 m in 2011 vs. 54.6 m in 2010). The reduction is mainly due to impairment in know how in 2010 amounting to 5.0 m and other provisions formed in 2010.

Other Operating Income

Other income is increased by 25.1% (12.7 m in 2011 vs. 10.1 m in 2010) due to foreign exchange gains in our subsidiaries in Poland and UK.

Provisions

Additional provisions were formed for inventory write-offs amounting to € 0.9 m, for bad debts amounting to € 1.6 m and other provisions amounted € to 1.4 m.

Finally, provisions for restructuring costs were increased by € 1.6 m in 2011. Further details can be found in note 23 of the financial statements.

EBITDA

Published EBITDA: Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of 2011 amounted to 6.9 m€ (vs. -11.2 m€ in 2010).

Operating EBITDA: Excluding one-off income and non recurring expenses mainly due to exchange differences, impairment of assets and restructuring costs, operating EBITDA for 2011 amounted to 8.9 m€ (vs. operating EBITDA for 2010 of 4.0 m€). The EBITDA adjustments are set out in the following table:

	<u>2011</u>	<u>2010</u>
Published EBITDA	6,908	(11,243)
FX Differences (+/-)	331	1,248
Restructuring Expense	(1,241)	(1,244)
Non-Recurring Operating Expense	(2,532)	(16,129)
Non-Recurring Operating Income	1,483	864
Operating EBITDA	8,867	4,018

Change in EBITDA per geographic region is as follows:

- East, including Greece: -5.8 m€ in 2011 vs. -11.3 m€ in 2010
- West Europe: -2.1 m€ in 2011 vs. -6.6 m€ in 2010
- Central Europe: 3.6 m€ in 2011 vs. 2.0 m€ in 2010
- North America: 6.0 m€ in 2011 vs. 4.8 m€ in 2010
- Italy: 5.3 m€ in 2011 vs. 4.5 m€ in 2010

Impairment Losses

Impairment losses amounted to 9.9 m€ in 2011 vs. 11.8 m€ in 2010 due to the impairment of goodwill in affiliates in West Europe.

Net Financial Expenses

Net financial expenses of 2011 were 28.6 m€ compared to 23.2 m€ in 2010. The increase is due to higher FX differences amounting to 3.7 m € and are the result of loan valuation in our subsidiary in Poland and valuation of derivatives for fx risk and interest rate risk held by Maillis SA.

Deferred Tax

Following a prudent approach, the Group does not create further deferred tax assets in subsidiaries which continue to report losses in 2011.

In 2011 there was gain from deferred tax compared to losses in 2010 as a result of deferred tax asset formed in our subsidiaries in Poland and Italy following their return to profitability. Also, in 2010 there was write off of deferred tax asset amounting to 4.8 m€

Losses after Tax

Net profit after tax were 1.7 m€ vs. losses 63.5 m€ in 2010.

Profitability in 2011 was the result of positive EBITDA, as it is described above, extraordinary gain arising from the debt restructuring, as it is described in detail in Note 19 of the financial statements, lower extraordinary provisions compared with 2010 and the positive impact of deferred taxes while there was an adverse effect from foreign exchange differences.

B) Balance Sheet (p.26 of the Financial Statements)

Working Capital

Inventories and trade receivables were decreased by 3.7% and 6.3% respectively due to the continuous effort of the Group to effectively manage the working capital and the forming of additional provisions for bad debts. Additionally, short term liabilities decreased due to payment of suppliers after the receipt of the second installment of 8.0 m€ of the working capital facility amounting to 16.0 m€.

As a result, the Group's working capital decreased in absolute amount by 1.6 m€ vs. 2010 while it decreased by 2.2pp. over sales.

<i>mio €</i>			Variance
	31.12.2011	31.12.2010	(%)
Inventories	54.2	56.3	-3.7%
Trade and other receivables	61.1	65.2	-6.3%
Short term liabilities	48.9	53.5	-8.6%
Reported Working Capital	66.4	68.0	-2.4%
<i>Sales(annual basis*)</i>	<i>279.3</i>	<i>262.2</i>	6.5%
<i>% on Sales</i>	23.8%	25.9%	-2.2pp

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):

2011

	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
<i>Amounts in '000</i>				
Combi	2,393	56	392	8
Total	2,393	56	392	8

2010

	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
<i>Amounts in '000</i>				
Combi	2,265	79	566	19
Total	2,265	79	566	19

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

2011

	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
<i>Amounts in '000</i>				
M.J. MAILLIS UK	9,426	65	12,761	27
SANDER GMBH & Co KG	8,326	48	12,356	196
STRAPTECH	4,985	1,361	1,604	0
M.J. MAILLIS SPAIN	7,979	39	3,699	117
M.J. MAILLIS ROMANIA	5,714	3	8,617	-
EUROPACK SA	944	-	52,951	-
M.J. MAILLIS POLAND	4,193	32	3,431	-
MAILLIS STRAPPING SYSTEMS	1,355	-	18,655	53
M.J. MAILLIS SLOVAKIA	4,126	-	2,055	-
M.J. MAILLIS FRANCE	3,317	0	1,341	-
Other	6,153	686	11,285	1,125
Total	56,518	2,235	128,754	1,517

2010

	Sales of Goods and Services	Purchases of Goods and Services	Receivables balance	Payables balance
<i>Amounts in '000</i>				
M.J. MAILLIS UK	8,286	20	14,269	20
SANDER GMBH & Co KG	7,059	44	10,221	148
STRAPTECH	4,960	1,293	4,277	2,896
M.J. MAILLIS SPAIN	5,847	23	3,821	77
M.J. MAILLIS ROMANIA EUROPACK SA	5,286	-	5,767	-
M.J. MAILLIS POLAND	3,838	95	4,432	68
MAILLIS STRAPPING SYSTEMS	195	6	17,780	53
M.J. MAILLIS SLOVAKIA	2,630	1	1,425	-
M.J. MAILLIS FRANCE	3,128	-	1,477	230
Other	8,432	799	13,742	801
Total	49,662	2,280	77,212	4,291

The parent company has given guarantees for a total of 4.2 m€ towards obligations of the Group's subsidiary companies.

4. Major risks and uncertainties for the current financial year

The Group operates in 18 countries, without including Greece, through subsidiaries and in other markets through exports or distributors. In 2011, approximately 90% of Group sales came from sales outside Greece. Since the Group's strategy is to maintain and possibly strengthen its multinational activity, these sales represent a very significant proportion of total income.

The risks of the international activity include indicatively:

- fluctuations in currency exchange rates
- restrictions on ownership and on repatriation of profits
- delays and interruptions in transportation
- political, social and economic instability
- governmental embargoes or foreign trade restrictions
- imposition of import duties and other trade restrictions
- audits on exports and imports
- strikes, work stoppages, trade union restrictions
- changes in legislation regarding the environment, licensing and employment law
- possible nationalization of business
- difficulties in staffing and managing of multinational companies
- restrictions on the ability of the Group to exercise its legitimate rights and
- possible adverse tax changes.

If the Group is unable to successfully manage the risks associated with the operation and expansion of its international activities, these risks may materially affect the results and financial position of the Group.

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.

(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. 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 has 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.

Although the ability to predict remains limited, we believe that these erratic changes in raw material prices could be repeated as a possible result of price fluctuation of oil and its products.

(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.

The credit risk related to our customers will remain significant as there is limited liquidity available in the global markets as a result of the financial crisis. 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 positive outcome so far.

However, any possible failure of the most important customers of the Group to meet their obligations, are leading to provisions which negatively affect the financial results and the cash flows of the Group. This contributes to increased financial costs and thereby materially adversely affects the financial position and results of the Group.

(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 remains important, even though the performance of the Group improved, due to the continuance of the Group restructuring and the domestic debt and financial crisis.

(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.

Due to the debt restructuring, the Group cannot offset fully the currency risk with currency exchange futures. Part of this risk, especially due to U.S. Dollar is covered with natural hedge (natural hedging) or through the raw materials, where exports to the currency offset by imports of raw materials in the same currency, either by converting its existing loans from euro to the currency needed for hedging.

(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.

The fluctuations in money market in Greece and in the international market over the past two years have caused significant fluctuations in interest rates and fees (spreads). This contributes to the increase of financial costs and the overall financial position and results of the Group.

5. Business activity evolution in the current financial year

2012 will be a difficult year due to the on-going recession in the European economy coupled with the domestic financial and liquidity crisis. The Group nonetheless aims to further improve its performance through the continued restructuring of its cost base and recovery of market share in selected key markets.

The present Annual Report of the Board of Directors for the period from 1 January to 31 December 2011 has been posted on the Internet, on the website of the Company www.maillis.com.

B2) Corporate Governance Statement

I. Introduction

M.J. MAILLIS SA SYSTEMS & TECHNOLOGY INDUSTRIAL PACKAGING (The "Company" or "M.J.MAILLIS S.A.") is committed to sustain the laws related to corporate governance, and the principles and guidelines of voluntary application that are set by the Code of Corporate Governance (the "**Code**") adopted by the Hellenic Federation of Enterprises (SEV).

The company has adopted the Code with certain deviations.

The Company, wherever it does not comply with the Code, explains the reasons of non compliance or deviation from its implementation. For the cases that it is clearly expressed that it should not provide explanations as a "small listed company", it does not provide any explanations on the deviations.

This statement presents how the Company applies corporate governance and identifies and explains any cases of non compliance with the provisions of the "**Code**" during the year 2011.

II. Complying with the Code

The Company complies with the General Principles of the Code.

The Company complies with the Specific Principles of the Code as described below.

Specifically, complying with the Corporate Governance rules is achieved as following:

a. Shareholders' General Assembly

The Shareholders' General Assembly is the highest decision making body of the Company and may decide on all important matters of the Company in accordance with the law (changes to the Articles of Association, election of Board members, etc.) The Annual Shareholders' General Assembly, inter alia, may approve the annual financial statements, decide on the distribution of any profits and discharge of the Board members and auditors of the Company from any liability.

The invitation to the Annual General Assembly of 2011 had been posted 20 days before the Meeting on the Company's website (www.maillis.com) to ensure participation of all shareholders either they attend in person at the meeting or vote through an authorized representative. The decisions are made by vote. The decisions were reported in the Athens Stock Exchange and published in the Company's website in the next working day.

The Chairman of the Board, the CEO, the chairmen of committees of the Board as well as the internal and external auditors were available to answer questions from shareholders.

The rights of the shareholders of the Company set out in the Articles of Association and the Codified Law 2190/1920 (public limited companies Act).

b. The Board of Directors

The Company is managed by the Board of Directors, consisting of seven (7) to nine (9) members elected by the General Assembly for four years running from the date of election until the date of the Annual General Meeting of the year which their term expires. The outgoing members, shareholders or not, can be always re-elected and revoked.

The Board of Directors consists of executive and non executive members, among the non-executive members there must be independent - non executive members. The majority of the Board of Directors comprises from independent - non executive members.

The Board of Directors elects the CEO, who may carry also the position of the President or Vice-President and the other directors of the Company and sets out the respective powers and responsibilities.

The Board of Directors meets at the headquarters of the company, regularly at least once each calendar month and extraordinarily whenever there is a need or is required by two Board members at their request to the President. The Board of Directors may meet by teleconference. In this case, the invitation to members of the Board should include information necessary for participation in these meetings. Moreover, the Board of Directors shall have a quorum and shall be lawfully met when half plus one of the Directors are present or represented and in all events the number of Directors present may be three minimum. In calculating this number any fractions shall be omitted.

Concerning the discussions and decisions of the Board of Directors, minutes are kept chronologically and in soft copy also.

The Board of Directors exercises the management of corporate affairs and has the unlimited power and authority for managing the overall assets of the company. Decides and acts on any matter related and consistent with the purposes of the Company, except only those matters for which by law or by statute require a decision of the Shareholders' General Assembly. The Board of Directors decides to purchase property for company use, gets into any form of legal cooperation with other natural or legal persons domestic or abroad pursuing the same or similar purpose, provides loans or guarantees to third parties in order to achieve company's goals, excluding, however, by the company undertaking provision of guaranties to third parties for purposes unrelated to the business, raises loans or credits from the banks, provides pledges or mortgages on the assets of the company, concludes and signs all contracts and all types of content associated with the purposes, functions and interests of the Company, appoints a proxy counsel and attorneys of the Company, assigns receivables, appeals to any kind of legal proceedings, sales or transfers or leases or other partial or total assignment of movable assets, securities and intangible rights (brands, intellectual property). Generally the Board of Directors decides and acts unlimited on any issue related to the purposes and business of the company even if not specifically mentioned in this article. All of the above are subject to the provisions of Articles 10 and 23a of Codified Law 2190/20 as appropriate.

The Board of Directors is also responsible for issuing bonds apart from those convertible to shares or with a participation in the profits, for which the General Meeting of Shareholders alone has competence in accordance with Article 14 sentence (e) of the Articles of Association. As part of its responsibility the Board may determine the terms of the bond and authorize certain members or member to determine the specific terms other than the amount and kind.

The Board of Directors may decide by an absolute majority, to delegate for any time and with any conditions it deems appropriate at the time, the right to exercise wholly or partly or to represent the company in general or in specific transactions, other than those requiring collective action, one or more persons, members or managers or other employees of the company, or third, or committees, each time defining their jurisdiction and signatures that represent the company.

The Chairman of the Board of Directors, President and Director or any employee of the company designated by the Board of Directors for that purpose, represents the company before the Greek and foreign courts in each grade, they give their oaths imposed to the Company, submit complaints and lawsuits and act in any judicial action that requires personal appearance.

The work of customs clearance for company's goods runs either by the current Head of Customs Clearance Office of the company or deputy or other officer of any part thereof, or agent appointed in accordance with Article 3 of the N. 718/1977, acting as a representative. The determination in the face of those representatives and the certificate on the property as legally authorized representatives of the company for execution of Custom clearing work done by decision of the Board with respect of the relevant legislation required conditions and procedures for their appointment and proof appointment to the competent authorities.

Executive members

The executive members are involved in the daily management of the company and cooperate closely with its directors.

Non-executive and independent members

Non-executive and independent members are involved in the promotion of general corporate issues, devise guidelines for all corporate issues and recommend these guidelines to the Council. Among the non-executive members must be at least two independent directors within the meaning of Article 4 of Law 3016/2002. The independent Board members may submit, individually or everyone together, essays and special reports other than those of the Board of Directors to the ordinary or extraordinary Shareholders' General Assembly, if they deem it necessary. Furthermore, the Company has established and maintains an Audit Committee, consisting of two independent non-executive members and one non-executive Board member. All members of the Audit Committee are appointed by the General Assembly. The independent non-executive member, who chairs the Audit Committee, has demonstrated proficiency in accounting and auditing. The obligations and responsibilities of the Audit Committee include, indicatively, monitoring the financial reporting process, the internal control & risk management system. Audit Committee monitors also the proper functioning of the internal auditors of the Company, the statutory audit of individual and consolidated financial statements of the Company, the existence and maintenance of the objectivity and independence of the statutory auditors or of the audit firm, particularly when they provide other services to the Company.

The number of non-executive Board members shall not be less than 1 / 3 of the total number of the Board of Directors members. If a fraction, it is rounded to the nearest whole number. The provisions of Articles 3 and 4 of Law 3016/2002, concerning the appointment, election and powers of non-executive and independent board members apply.

The following table shows the members of the Board, and the start and end dates of their duty for everyone.

ACTIVE UP TO 31.12.2011					
Title	Name	Executive / Non-Executive Member	Independent Member	Start of Duty	End of Duty
President	Michael Maillis	Non-Executive		10/1/2011	Annual General Meeting 2015
Vice-Chairman & Managing Director	Markus Petrus Heinrich Kollmann	Executive		1/3/2011	Annual General Meeting 2015
Member	Alexandros I. Tasopoulos	Executive		8/4/2011	Annual General Meeting 2015
Member	Stylios Stavridis	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Lito Ioannidou	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Menelaos A. Tasopoulos	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Petros T. Tzannetakis	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Michail A. Kokkinos	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Michail N. Panagis	Non-Executive		19/7/2011	Annual General Meeting 2015

c.1. Meetings and participation by members in 2011

The following table shows the number of Board of Directors meetings as well as the various committees held by the management in 2011, and the frequency of participation of each member.

	Board of Directors	Audit Committee
Total Board meetings on 2011	22	6
Michael Maillis	22/22	
Markus Kollmann <i>He was first elected at 1.3.2011</i>	18/22	
Alexandros I. Tasopoulos <i>He was first elected at 8.4.2011</i>	16/22	
Lito Ioannidou	20/22	6/6
Stylios Stavridis <i>Represented by an authorized person in 1/22</i>	21/22	3/6 <i>Represented by an authorized person in 2/6</i>
Menelaos Tasopoulos	20/22	
Petros Tzanetakis	21/22	3/6 <i>(From his election took place 3 meetings, Represented by an authorized person in 1)</i>
Michael Kokkinos	22/22	
Michael Panagis <i>He was first elected at 19.7.2011</i>	12/22	1/3

c.2 Curriculum Vitae of the Board of Directors

Michael J. Maillis, Chairman

An Iron Metallurgy Engineer with past experience in German Steelworks having specialized in the development of new steel types.

Markus Kollmann, Vice President & CEO

Holds a Masters degree in Industrial Engineering from Twente University for Technology and Social Sciences in The Netherlands and has 20 years of experience in Industrial Packaging. He has worked for Amcor PET Packaging for 16 years in several countries and in a variety of positions including production, product development, sales and marketing, new business development and BU General management. Prior to joining the Group he served as General Manager of Signode Europe, a subsidiary of ITW.

Alexandros I. Tasopoulos, Board Member

Graduate of economics and business administration from the University of Strasbourg. He has worked in the past for Hellenic Bottling Company S.A., and was then Financial Manager for SC Johnson Hellas S.A., Financial and Administrative Manager for Oracle Hellas S.A. and Financial Services and Management Control Manager for L' Oreal Hellas S.A. Since April 2011 he has been the Company's Chief Financial Officer.

Stelios K. Stavridis, Board of Directors Member

Holds a Masters degree in Mechanical Engineering (ETH Zurich, Switzerland) and did postgraduate studies in BA and Economics. He has worked in Greece and abroad in different public and private sector industrial and commercial companies, holding in most cases the position of the C.E.O. He is the major shareholder and C.E.O of Piscines Ideales S.A. , General Secretary of the Hellenic Entrepreneurship Association, Vice Chairman of the Greek Franchise Association and member of the Board in various entrepreneurship organisations (Athens Chamber of Commerce and Industry, American Hellenic Chamber of Commerce, Greek Management Association). He is also the Chairman of Eurocommerce's social dialogue committee (Eurocommerce - Brussels represents 6 million retail and wholesale companies) and the chairman of the CSR Committee of the American Hellenic Chamber of Commerce.

Lito A. Ioannidou, Board of Directors Member

Holds a Bachelor of Commerce (1975) and Master of Business Administration (1978) degree from McGill University in Canada. She worked for Citibank Greece for 22 years (1978-2000) at Senior Executive positions, alternatively as Deputy Market Manager, Country Risk Manager, Local Corporate/Corporate Finance Head and as President and Managing Director of Citi-Financial Leasing (1998-2000). She has also served as Executive Vice President and General Manager of the Athens (Stock) Exchange (2001-2005) as well as President of the Audit Committee and Member of the Working Committee (responsible for setting up common strategies and policies for its member Exchanges) of the European Exchange Federation (FESE). In 2006, she founded "Lito Ioannidou Ltd, Business Consultants" which specializes in consulting services for raising capital, M&A, organization and debt restructuring.

Menelaos Tassopoulos, Board of Directors Member

Mr. M. Tassopoulos holds degrees PhD and MPhil in Engineering & Applied Science from Yale University, a Master in Industrial Engineering & Management Science from Columbia University and a Master in Chemical Engineering from Worcester Polytechnic Institute. He also holds a degree in Chemical Engineering from the National Technical University. He has extensive experience in the industry, as General Manager and Chief Executive Officer and Director of Private Equity in a commercial bank.

Peter Tzanettakis, Board of Directors Member

Born in 1955. He studied economics at the University of Surrey and carried out postgraduate studies on the Economics of the European Union at the University of Sussex. He joined the Motor Oil in 1986 and also performs debt financial advisor / coordinator for the group Vardinoyannis.

Michael Kokkinos, Board of Directors Member

Michael Kokkinos holds a degree in Business Administration from Athens University of Economics and Business and has also attended a plethora of professional seminars in Greece and abroad. He has worked for National Bank of Greece for 40 years (1962 - 2002) in a variety of positions, both in major branches as well as the Head office of the bank holding senior managerial positions. Among those, the General Manager position in Stadiou and the Central Aioulou Branches and was also responsible for the Project Finance department. From 2002 to 2007 worked in ASPIS BANK as Director of Corporate Organisation and Project Manager to the new central Computer System and finally from 2007 to 2010 served as a Managing Director of the NATIONAL BANK of GREECE subsidiary in Cyprus.

Michail N. Panagis, Board Member

Holds a degree in Chemical Engineering from the National Technical University of Athens and a MBA from the Imperial College of Science and Technology/University of London. He began his career with the M.J. MAILLIS Group in 1988. He initially worked as Exports Sales Director and then as Group Sales, Marketing & Business Development Director. In March 2005 he collaborated with Global Finance on a project to acquire the EURODRIP Group. Following completion of that acquisition in September 2005, he took up the post of CEO of the EURODRIP Group and the post of Vice Chairman of the Board of that Company.

c.3 Board Committees

The Board is assisted by the following committees:

- **Audit Committee**
- **Remuneration Committee**

The Audit Committee has been established and operates in accordance with the provisions of Article 37 of Law 3693/2008. It has been nominated by the Shareholders' General Assembly, to assist in the performance of his duties in the function of the company's internal control system and ensure transparency in corporate activities. In particular, the Audit Committee has an obligation to review and monitor the process of financial reporting and the effective operation of internal control and risk management system, the proper functioning of the internal audit unit of the company, the course of statutory audit of individual and consolidated financial statements, issues related to the existence and maintenance of objectivity and independence of the auditor or the audit firm, particularly as regards the provision of other services to the company by the statutory auditor or audit firm. The Audit Committee comprises 3 non-executive members of the Board of Directors who have the necessary knowledge and experience in the field.

The Audit Committee has a four-year term.

The Committee met 6 times during the year 2011. The president of the Committee, the internal auditor and the audit firm PricewaterhouseCoopers («PwC») meet to discuss issues of their responsibility.

External Audit***Independence***

The Audit Committee is responsible for developing, implementing and monitoring processes regarding the Company's external audit. These procedures have been designed to ensure the independence and

objectivity of external auditors and setting an appropriate framework for moving staff from the external audit firm to management positions in the Company. Also, it determines the actions required when using non-audit services by external auditors.

In principle the external auditors are excluded from consultancy services and cannot be employed by the Company in a non related audit subject. Any proposal to external auditors for non-audit work must be approved by the Audit Committee prior to engagement.

Effectiveness and reappointment

The Audit Committee has undertaken the annual review of external auditors and the effectiveness of audit procedures applied

Internal Audit

In 2011, the Audit Committee:

- Reviewed the results of audits conducted by the internal audit and examined the responses of management on the issues highlighted, including the implementation of the recommendations.
- Reviewed and approved the internal audit plan for 2011.

Internal audit is an independent function that ensures that all work performed by the Company is in accordance with corporate goals, policies and procedures. In particular, internal control is designed to ensure reliability and stability of systems of internal financial control across the range of the activities of the Company.

Audit Committee Members

The members of the Audit Committee have been appointed by the General Assembly pursuant to Law 3693/2008 are as follows:

President: Lito Ioannidou
Member: Theoharis Philippopoulos
Member: Petros Tzanetakis (from 19.7.2011)

The following members have significant experience as executives in financial and other related business activities.

Remuneration Committee

The Remuneration Committee appointed by the Board of Directors pursuant to the Corporate Governance Code of the Company, except those specified in the Code of Corporate Governance of SEV, to submit recommendations to the Board of Directors about the remuneration policy, benefits and financial incentives for senior executives of the Company, in accordance with market conditions in order to attract, retain and mobilize the appropriate executive staff. The Remuneration Committee comprises four members, all non-executive and two of them independent.

Remuneration Committee Members

The Remuneration Committee members, who are appointed by the Board of Directors, are the following 4 non-executive Directors:

President: Michael Maillis
Member: Lito Ioannidou

Member: Stelios Stavridis
Member: Michail Panagis

The Remuneration Committee had no meetings during the year 2011, given that the Board of Directors on its meeting on 11/01/2011 appointed a special four-member committee for the recruitment of CEO and CFO, due to the importance of that the decision for the Group.

d. System of Internal Control and Risk Management

The Board of Directors (**the "Board"**) is responsible for the identification, evaluation and monitoring of risks that Company faces and how those risks are managed.

The Board of Directors attaches great importance to internal control and risk management systems.

The monitoring of risks is done, inter alia, by receiving regular reports on their management. The policy of the Board aims to install and maintain systems that optimize the ability to manage any identified risk.

The Board is informed by the executive members on the issues that may have significant financial and business impact.

The business units submit monthly reports on financial and operational status following specific guidelines and rules.

d.1 The review process

The Board enhances the internal control and risk management of the Company through:

- Setting the business strategy on Company and divisions level in terms of approving an annual budget with medium-term estimates.
- Inspecting on a regular basis the operational and financial performance as well as the latest estimates for the current period. Comparing the budget with previous years' results and adopting action plans in order to optimize operational and financial performance.
- Keeping the primary responsibility for acquisitions and sales of major assets and providing approvals for major capital expenditure, major contracts and financing agreements. In addition to the Board, there are clearly defined administrative powers for approving capital expenditure, major contracts, acquisitions, investments and divestitures.
- Reviewing the annual program of management evolution and goals' achievement.
- The Board, through the Audit Committee, is informed about the performance of internal control systems.

The Company also has systems and procedures for the control and risk management on the financial reporting and the preparation of individual and consolidated financial statements.

These include:

- Creating, developing and applying uniform accounting practices and procedures.
- Reviewing periodically the accounting policies applied and ensure that they are updated and communicated to appropriate personnel.
- Procedures to ensure that transactions are recognized in accordance with International Financial Reporting Standards.
- The existence of policies, both for the Company and its departments, to govern the maintenance of accounts, presentation of transactions and the principal financial control procedures.
- Monitoring monthly internal financial reporting issues and financial control procedures.
- Ongoing training and staff development.
- Procedures for closing, which include deadlines, responsibilities, classification of accounts and information on required disclosures.
- The implementation of a single form of corporate reporting for both financial reporting purposes and for purposes of administrative information.

- Making write offs and formation of reserves / provisions clearly and consistently.
- The performance on a monthly basis, an analysis and comparison of discrepancies between the actual results vs. budgeted, detecting unusual transactions and ensuring the accuracy and completeness of results.
- The existence of policies and procedures for each major area such as major agreements, stock inventory procedures, payment procedures, etc.
- The establishment by the Company on an annual basis, on a consolidated and individual level, of every business / subsidiary of the Company's budgets for the next financial year, approved by the Board.
- Drawing up monthly detailed information for each activity / affiliate, both on individual and consolidated basis for the management.
- The implementation and monitoring of consolidation and eliminations entries by different individuals in terms of the segregation of duties principle.

d.2 Information Systems

The computer systems that have been developed are designed to support long-term objectives of the company and are managed by a professional team of Management Information Systems which is part of the Financial Division of the Company.

Appropriate policies and procedures are implemented covering all major areas of business. Some of the most important processes applied across the Company are as follows:

d.3 Security Procedures

- i. Backup (Daily-Monthly-Yearly)
- ii. Procedure for Restore
- iii. Incident Log

Protection Procedures:

- i. Anti-virus software (Antivirus Security)
- ii. Protection of electronic mail (E-mail Security)
- iii. Firewall

d.4 Code of Conduct

This is a Code of Conduct applicable to all personnel of the Company and has been approved by the Board. It provides a clear statement in the interests of stakeholders involved in or affected by the activities of M.J. MAILLIS SA.

Top executive management has been entrusted by the Board with the responsibility of compliance to this Code of every, without exception, business activities of the Company. The code of conduct is communicated during the hiring procedure of new employees.

Finally, M.J. MAILLIS SA has established operating procedures that determine the regulatory function of its operational units. The manuals include operating procedures and policies regarding the Company as a whole. The development and management of the official procedures of the Company, and the control of the publication, revision and amendment, is the responsibility of each Division Director, in cooperation with the Internal Audit Department. The Internal Audit Department is responsible for monitoring the implementation of procedures.

e. Communication with Shareholders

The M.J. MAILLIS S.A. recognizes the importance of effective and timely communication with shareholders and the general investing public. Following the announcement of the interim and annual financial results, consolidated financial reports, more information and other announcements are available on the Company's

website www.maillis.com. The Company reserves the Investor Relations Department, which display information on the website of the company, the shareholders and potential investors, can find a description of the terms and principles of corporate governance of the Company, and the structure of the administration data for shareholders, the financial results and press releases. M.J. MAILLIS S.A. also communicates with the investment community through participation in a series of conferences and meetings in Greece and abroad as well as the schedule of teleconferences.

III. Compliance with the Code

During the year 2011:

1. The Company according to the Annex I of the Code, it is exempted from the BoD President evaluation. For the purpose of equal treatment among the BoD members, it has not adopted any evaluation procedure of the rest of the members of the BoD. However it is in the process of evaluating the need for a relevant practice during the next year.
2. The Board of Directors didn't elect independent Vice President (where according to the Code (ΣΕΒ), there is "executive", Chairman of the Board), because in the process of restructuring following by the Company is considered more effective the assignment of this qualification to the Chief Executive Officer.
3. For the reason described above, Mr. Michael Maillis remained president of the remuneration committee.
4. The Remuneration Committee had no meetings during the year 2010, given that the Board of Directors on its meeting on 11/01/2011 appointed a special four-member committee for the recruitment of CEO and CFO, due to the importance of that the decision for the Group.
5. The Company due to the reorganization process has not adopted the existence of Nomination Committee candidates members of the Board but is in the process of evaluating the necessity of such a committee.
6. The Board, by the processes of reorganization, it has adopted 12-month action plan, but considering the adoption of relevant practice, although the statute provides for the Company convened on a monthly basis at least
7. The Company, because it applies in total the requirements of L.3340/2005 for "market abuse" and the relevant decisions of the Securities Exchange Commission, has not adopted the practice where the staff could in confidence, to express its concerns about potential illegalities and irregularities in financial reporting or other matters relating to the operation, but is considering the adoption of a relevant practice.
8. The Company, due to the restructuring process, has not posted on the website of the Regulation of the Audit Committee but looks to implement it.
9. According to the Code, the publication of BoD members' remuneration is being postponed for this year.
10. The Articles of Association allow, after the Extraordinary General Meeting in 27.05.2011, to the shareholders the participation through electronic voting or voting by mail (article 20, paragraph 3).

**B3) EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
Of the Company M.J. MAILLIS S.A. – PACKING MATERIALS
Pursuant to L. 3556/2007. Art. 4 para. 7 and 8**

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 96.877.586.40 and is divided into 322.925.288 common shares, of nominal value 0.30 euros each.

All shares are common, nominal and are listed for negotiation on the Athens Stock Exchange (Under Supervision). 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 31.12.2011 the following shareholders had a shareholding participation above 5% of the voting rights of the Company: Mr M.J. Maillis holds 5.82%, Alpha Bank SA holds 7.55%, EFG Eurobank Ergasias SA holds 10.52%, National Bank of Greece SA holds 7.77%, BNP Paribas SA holds 12.42%, New York Life Insurance Company holds 5.32% and finally, Principal Life Insurance Company holds 5.98%.

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, with the exception of the right of Mr M.J. Maillis and "Horqueta Holding Ltd" to appoint 2 members of the Board of Directors, pursuant to Article 9 of the Company's Articles of Association and article 18, paragraph 3 of Codified Law 2190/1920.

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, 18 and 20 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.

Further provided that the call of the General Assembly should include among others the Shareholders entitled to attend and precise instructions on how the shareholders will be able to attend the Meeting and to exercise their rights in person or by proxy . Shareholders who have not complied with these provisions participate in the General Assembly after the establishment of a single license. 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

Based on the option agreement of 29.9.2011 between the shareholders, Michael Maillis, Horqueta Holdings Ltd and ALPHA, BNPP, National, Commercial and EFG EUROBANK, the latter are required to hold shares of the Company held (all the shares the first four and 50% of the shares EFG EUROBANK), for three years (until October 2014) in order to be able to fulfill their obligations, if exercised by the holders of the options, the right to purchase all shares of the Company, which currently hold the top four banks and 50% of shares, currently held by EFG EUROBANK. It is not known to the Company other agreements between shareholders, involving restrictions on transfer of shares or restrictions on voting rights.

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 according to article 16 of the Codified Law 2190/20

The jurisdiction of the Board of Directors or some of its members to issue new shares or purchase own shares, pursuant to Article 16 of Codified Law 2190/20, is regulated according to the content of this law, without other specific provision in the Articles of Association.

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

There are not significant agreements in force, modified or terminated upon a change of control of the Company following a takeover bid.

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 € 285 th (2010: 513 th €).

Kifissia, 28 March 2012

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD OF DIRECTORS

[Translation from the original text in Greek]

Independent Auditor's Report

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

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of M. J. Maillis S.A. and its subsidiaries which comprise the company and consolidated balance sheet as of 31 December 2011 and the company and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate and consolidated 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 about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated 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 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 separate and consolidated 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 enclosed company and consolidated financial statements present fairly, in all material respects, the financial position of M. J. Maillis S.A. and its subsidiaries as at 31 December 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, 29 March 2012
THE CERTIFIED AUDITOR



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

Constantinos Michalatos
SOEL Reg. No. 17701

D) Annual Financial Statements
BALANCE SHEET

		GROUP		COMPANY	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro '000</i>					
ASSETS					
Non Current Assets					
Property, plant and equipment	7	92,655	104,773	52,713	61,745
Intangible assets	8	67,201	78,685	182	276
Investments in subsidiaries and joint ventures	10	0		141,027	132,252
Deferred income tax assets	9	17,718	14,981	13,648	12,356
Other receivables	14	4,446	4,222	190	186
		182,019	202,661	207,760	206,815
Current Assets					
Inventories	13	54,197	56,304	15,772	16,566
Trade and other receivables	14	61,113	65,242	131,839	80,721
Deferred income tax assets	9	1,071	1,184	0	
Cash and cash equivalents (excluding bank overdrafts)	15	13,314	12,002	1,785	3,792
		129,695	134,730	149,395	101,078
Total Assets		311,714	337,392	357,155	307,893
EQUITY					
Equity Attributable to Company's Shareholders					
Ordinary Shares	16	96,878	55,614	96,878	55,614
Share premium	16	95,883	139,203	95,883	139,203
Other Reserves	18	53,349	19,594	52,219	18,558
Retained losses / earnings	17	-233,745	-234,639	-129,044	-126,537
Translation differences reserve		-5,430	-4,436	0	
		6,934	-24,664	115,935	86,838
Non-Controlling interests		199	-24	0	
Total Equity		7,133	-24,687	115,935	86,838
LIABILITIES					
Non Current Liabilities					
Borrowings		213,398	10,162	212,032	8,000
Deferred income tax liabilities	19	6,566	7,826	4,999	6,104
Retirement benefit obligations	9	7,906	7,405	2,222	1,899
Government grants		3,815	4,398	2,316	2,681
Other non current liabilities	20	2,516	2,051	0	
	21	234,201	31,843	221,568	18,684
Current Liabilities					
Trade and other payables	23	44,987	49,920	14,760	20,626
Deferred income tax liabilities		3,772	3,868	0	
Current tax liabilities	22	3,916	3,586	148	981
Borrowings	9	12,079	265,712	4,272	180,195
Provisions for other liabilities and charges	22,25	5,626	7,150	471	569
	19	70,380	330,236	19,651	202,372
Total Liabilities	23	304,581	362,079	241,219	221,056
Total Equity and Liabilities		311,714	337,392	357,155	307,893

The notes on pages 31 to 89 are an integral part of these annual financial statements

INCOME STATEMENT

	Note	GROUP		COMPANY	
		01/01/2011- 31/12/2011	01/01/2010- 31/12/2010	01/01/2011- 31/12/2011	01/01/2010- 31/12/2010
<i>Amounts in Euro '000</i>					
Revenue		279,339	262,206	89,650	81,735
Cost of sales	27	-228,154	-218,471	-79,149	-73,566
Gross profit		51,185	43,735	10,501	8,169
Other operating income	30	12,658	10,118	2,924	4,314
Administrative expenses	27	-18,778	-25,506	-7,576	-6,166
Distribution costs	27	-29,230	-29,128	-6,403	-5,451
Other operating expenses	27	-18,714	-22,711	-5,168	-15,853
Operating Profit/(Loss)		-2,879	-23,491	-5,722	-14,987
Reversal of Provision for Guarantees regarding acquisition of affiliates		584		0	
Loss on impairment of goodwill and investments	8,10	-9,730	-11,764	-21,271	-39,278
Gain on the extinguishment of financial liabilities by the issue of common equity shares	19	42,457		42,457	
Finance income	29	12,560	6,395	8,386	3,771
Finance costs	29	-41,188	-29,602	-27,401	-21,031
Profit/(Loss) before income tax		1,804	-58,462	-3,551	-71,525
Income tax expense	25	-3,969	-3,337	-1,353	-160
Earnings after current tax for the period		-2,165	-61,799	-4,904	-71,685
Deferred tax	9,25	3,835	-1,697	2,397	3,315
Profit/(Loss) for the year		1,670	-63,497	-2,507	-68,370
Profit attributable to:					
Owners of the parent		1,824	-62,952	-2,507	-68,370
Non-Controlling interests		-155	-545	0	
Basic Earnings after tax per share (expressed in €)	31	0.0142	-0.8603	-0.0195	-0.9343
Diluted Earnings after tax per share (expressed in €)	31	0.0206	-0.8603	-0.0030	-0.9343
Other information					
Operating Profit/(Loss)		-2,879	-23,491	-5,722	-14,987
Depreciation		9,787	12,248	5,301	6,022
Earnings before tax, financial expenses, amortisation and depreciation (EBITDA)		6,908	-11,243	-421	-8,965

The notes on pages 31 to 89 are an integral part of these annual financial statements

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		01/01/2011- 31/12/2011	01/01/2010- 31/12/2010	01/01/2011- 31/12/2011	01/01/2010- 31/12/2010
<i>Amounts in Euro '000</i>					
Profit/(Loss) for the year		1,670	-63,497	-2,507	-68,370
Net loss directly attributable to net equity		0		0	
Exchange differences		-1,283	1,803	0	
Fair Value Reserves		-27		0	
Other comprehensive income/(loss) for the year net of tax		-1,311	1,803	0	0
Total comprehensive income/(loss) for the year		359	-61,694	-2,507	-68,370
<u>Attributable to:</u>					
Owners of the parent		136	-61,178	-2,507	-68,370
Non-Controlling interests		223	-516	0	

The notes on pages 31 to 89 are an integral part of these annual financial statements

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro '000	GROUP							COMPANY				
	Attributable to equity holders of the company					Non Controlling interest	Total Equity	Attributable to equity holders of the company				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses			Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2010	55,614	139,203	19,855	-6,210	-171,903	492	37,051	55,614	139,203	18,558	-58,168	155,207
Profit/ (Loss) for the year					-62,952	-545	-63,497				-68,370	-68,370
Fair value reserves												
Exchange difference adjustments				1,774		29	1,803					
Net loss directly attributable to net equity												
Total comprehensive income for the year				1,774	-62,952	-516	-61,694				-68,370	-68,370
Dividends to equity holders of the company												
Reserves movement			-261		216		-45					
Balance at 31/12/2010	55,614	139,203	19,594	-4,436	-234,639	-24	-24,687	55,614	139,203	18,558	-126,537	86,838

Amounts in Euro '000	GROUP							COMPANY				
	Attributable to equity holders of the company					Non Controlling interest	Total Equity	Attributable to equity holders of the company				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses			Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2011	55,614	139,203	19,594	-4,436	-234,639	-24	-24,687	55,614	139,203	18,558	-126,537	86,838
Earnings / (Losses) per income statement					1,824	-155	1,670				-2,507	-2,507
Cash flow hedges			-27				-27					
Exchange difference adjustments				-994	-348	59	-1,283					
Change in Subsidiaries' Minority			121		-440	319						
Total comprehensive income			93	-994	1,037	223	359				-2,507	-2,507
Capital Reduction	-33,661		33,661					-33,661		33,661		
Cash flow hedges												
Share Capital Increase	74,925	-42,457					32,467	74,925	-42,457			32,467
Share Capital Increase Expenses		-863			-143		-1,006		-863			-863
Reserves movement												
Balance at 31/12/2011	96,878	95,883	53,349	-5,430	-233,745	199	7,133	96,878	95,883	52,219	-129,044	115,935

The notes on pages 31 to 89 are an integral part of these annual financial statements

CASH FLOW STATEMENT

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		31/12/2011	31/12/2010	31/12/2011	31/12/2010
<u>Cash generated from operations</u>					
Earnings before tax		1,804	-58,462	-3,551	-71,525
Adjustments for:					
Depreciation and amortisation	7,8	10,369	12,830	5,666	6,387
Impairment of tangible and intangible assets		11,083	21,450	22,566	43,375
Provisions		-3,228	3,721	522	5,445
Exchange differences		-921	-6,351	-441	-1,051
Gain on the extinguishment of financial liabilities by the issue of common equity shares		-42,457		-42,457	
(Gain) / Loss from investing activities		-12,582	-6,751	-8,751	-4,136
Interest payable and related expenses		41,188	29,602	27,401	21,031
Working capital changes		0		0	
Decrease / (Increase) in inventories		4,344	-3,255	806	-1,798
Decrease / (Increase) in receivables		3,678	-837	-50,942	-4,582
Increase / (Decrease) in payables (excluding banks)		-5,076	13,712	-5,866	5,479
Less:		0		0	
Interest paid and other related expenses		-7,774	-5,881	-6,535	-3,056
Income tax paid		-3,664	-1,807	-2,187	-160
Net cash generated/(used) from/(in) operating Activities (a)		-3,234	-2,028	-63,770	-4,589
<u>Cash Flows from Investing Activities</u>					
Acquisition of subsidiary, related companies, joint ventures and other investments		0		-27,487	
Purchase of intangible assets, property, plant and equipment	7,8	-1,597	-1,874	-443	-695
Proceeds of sale of tangible and intangible assets		376	490	207	
Interest received		502	675	297	194
Dividends received		0		0	
Net cash generated/(used) from/(in) investing activities (b)		-719	-709	-27,426	-501
<u>Cash Flows from Financing Activities</u>					
Proceeds of issuance of share capital	16	-1,006		-863	
Proceeds of loans issued		8,056	7,441	90,052	7,350
Repayments of borrowings		0		0	
Payments of finance lease liabilities		-1,700	-378	0	
Dividends paid		0	0	0	0
Net cash generated/(used) from/(in) financing activities (b)		5,350	7,063	89,189	7,350
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)		1,397	4,325	-2,007	2,259
Cash, cash equivalents and bank overdraft at beginning of year		12,002	10,214	3,792	1,533
Exchange gains/(losses) on cash and cash equivalents		-85	-2,537	0	0
Cash and Cash Equivalents at end of year	15	13,314	12,002	1,785	3,792

The notes on pages 31 to 89 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 11 of the financial statements.

The Group is involved in the manufacture and distribution of end-of-line industrial solutions. Maillis Group serves customers in more than 52 countries worldwide, through a network of 26 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. Summary of significant accounting policies

2.1 Basis of preparation

The Company and the Group Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

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 2010. This information was published in the internet site of the company.

The financial statements have been prepared under the historical cost convention, with exceptions of derivative financial instruments that are presented in Fair Value.

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 2011 to 31 December 2011. 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

This financial information has been prepared on the basis that the Company and the Group operates as a going concern that implies that both the Company and the Group have sufficient financial resources to meet the Company’s and Group’s financial and operating requirements for the foreseeable future.

As announced on 30 September 2011, the Group has completed the negotiations with its lenders with respect to the debt restructuring and on that date signed the final agreements with its debt providers.

Furthermore, as announced on 7 October 2011, the Group completed the financial restructuring process resulting in:

- The refinancing of existing loans amounting to 190 million Euros,
- New financing of working capital amounting to 16 million Euros, and
- The completion of a debt-to-equity conversion (capitalization) of existing debt amounting to 74.9 million Euros.

With the completion of the restructuring process and as a result of the debt-to-equity share capital increase that resulted in the issuing of 249,748,542 new ordinary, registered shares, with a par value of EUR 0.30 per share, the Company's lenders acquired a total participation of 77.4% in the Company.

The financial statement impact of the finalisation of the debt restructuring will be accounted for as of 6 October 2011, the effective date of completion of the restructuring process. However the completion of the process effectively puts an end to the going concern uncertainty surrounding the Company and the Group.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all 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. 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. Acquisition-related costs are expensed as incurred. 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 non-controlling 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.

The Company accounts for investments in subsidiaries in its separate financial statements at historic cost less impairment losses. Impairment losses are recognised in the income statement.

(b) Transactions and non-controlling interests

For purchases from non-controlling 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 non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence in an entity, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(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. 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.

The Company accounts for investments in associates in its separate financial statements at historic cost less impairment losses. Impairment losses 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.

The Company accounts for investments in joint ventures in its separate financial statements at historic cost less impairment losses. Impairment losses are recognised in the income statement.

2.3 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.

2.4 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) and are charged to income statement upon disposal of these entities.

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.

2.5 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 assets is calculated using the straight-line method to reduce the cost of each asset to its residual value over its estimated useful life as follows:

– buildings	30-80 years
– machinery	6-15 years
– vehicles	4-6 years
– Furniture, fitting and 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.

2.6 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 are 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 are 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.

2.7 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).

2.8 Financial assets

2.8.1 Classification

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.

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 2.11) and cash and cash equivalents (Note 2.12).

(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.

2.8.2 Recognition and Measurement

Regular purchases and sales of investments are recognized on the transaction date which is the date on which the Group commits to purchase or sell the investment. Investments are initially recognized at fair value plus transaction costs, except for financial assets at fair value through profit or loss. Investments are derecognised when the rights to cash flows from the investments have expired or been transferred and the Group has transferred substantially all risks and rewards of ownership.

The realized and unrealized gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss', are recognized in the period incurred.

The "loans and receivables" are shown at amortized cost using the effective interest method.

The "available for sale financial assets" are recognized at fair value and the related gains or losses in the comprehensive income until sold or impaired. At sale or impairment, gains or losses are transferred to the results. Impairment losses recognized in profit or loss are not reversed.

2.8.3 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 2.11.

2.9 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.

2.10 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.

2.11 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 / income' in the income statement.

2.12 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.

2.13 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.

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, are included in equity attributable to the Company's equity holders.

2.14 Trade payables

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

2.15 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.

2.16 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Compound financial instruments

Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2.18 Current and Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 recognised, 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.

2.19 Employee Benefits

Pension Obligations

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.

2.20 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.

2.21 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) 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.

2.22 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.

2.23 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.

2.24 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.

2.25 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. New Standards & Interpretations

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 financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 24 (Revised) "Related Party Disclosures"

This amendment attempts to reduce 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. This revision does not affect the Group's financial statements.

IAS 32 (Amendment) "Financial Instruments: Presentation"

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 relevant to the Group.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability.

IFRIC 14 (Amendment) “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.

Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's financial statements.

IFRS 3 “Business Combinations”

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

IFRS 7 “Financial Instruments: Disclosures”

The amendments include multiple clarifications related to the disclosure of financial instruments.

IAS 1 “Presentation of Financial Statements”

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

IAS 27 “Consolidated and Separate Financial Statements”

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

IAS 34 “Interim Financial Reporting”

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

IFRIC 13 “Customer Loyalty Programmes”

The amendment clarifies the meaning of the term ‘fair value’ in the context of measuring award credits under customer loyalty programmes.

Standards and Interpretations effective from periods beginning on or after 1 January 2012

IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 13 “Fair Value Measurement” (Effective for annual periods beginning on or after 1 January 2013)
IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 “Stripping costs in the production phase of a surface mine” (Effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

IAS 12 (Amendment) “Income Taxes” (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”. This amendment has not yet been endorsed by the EU.

IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future. This amendment has not yet been endorsed by the EU.

IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits. This amendment has not yet been endorsed by the EU.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 “Consolidated Financial Statements”

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 “Joint Arrangements”

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) “Separate Financial Statements”

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures”

IAS 28 “*Investments in Associates and Joint Ventures*” replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

4. Financial risk management

4.1 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 and credit risk and use of derivative financial instruments.

(a) Market risk

The Group overall has no significant exposure to a specific industry, thus it is not significantly affected by any reduction in levels of demand in individual sectors and markets. The transformations among competitors in markets where it has presence were not historically significant. There were no significant innovative technologies or applications which does not have the Group and which threaten its market share. Its presence in different geographic areas reduces the impact of any reduction in demand in individual markets.

The market risks faced by the Group are mainly related to changes in global demand and activity, mainly in industrial products and second to consumers. Given the Group's international presence, his performance was directly affected by the financial crisis and simultaneously, it is expected to be affected by the upcoming financial recovery.

Due to the unstable international environment, any recession and economic downturn in the markets where the Group operates may adversely affect the demand.

(i) 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 a currency that is not the entity's functional currency and net investments in foreign companies.

To manage currency risk in countries such as Canada, the Group enters into forward contract with outside counterparties (banks).

Due to the debt restructuring, the Group cannot offset fully the currency risk with currency futures exchange. Part of this risk, especially the U.S. Dollar is covered with a natural hedge (natural hedging) or through the raw materials, where exports to the currency offset by imports of raw materials in the same currency, either by converting its existing loans from euro to the currency needed for hedging.

At 31 December 2011, 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 € 3,498k lower/higher (2010: €3,829 k lower/higher), 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 -€224 thousand (2010: €249 thousand) lower/higher.

Future fluctuations in exchange rates, which the Group fails to manage effectively may materially

adversely affect its financial position and results.

(ii) Cash flow and fair value interest rate risk

The interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk.

The borrowings of the Group are mainly at fixed interest rates based. Also, the Group does not have material interest bearing assets on its balance sheet. As a result there is no fair value interest rate risk.

(b) 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. 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.

However, any failure of the most important customers of the Group to meet their obligations, can adversely affect the financial results, financial position and the cash flow of the Group.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Cash flow forecasting is performed in the operating entities of the group in and aggregated by group finance. Management monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs through its undrawn borrowing facility and cash and cash equivalents. Such forecasting takes into consideration the group's debt financing plans and covenants compliance.

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.

At 31 December 2011	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	12,051	298,523	0
Finance Lease Liabilities	1,679	1,299	0
Derivative financial instruments	0	3,948	0
Trade and other payables	44,987	0	0

At 31 December 2010	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	265,301	28,052	
Finance Lease Liabilities			
Derivative financial instruments	4,884		
Trade and other payables	49,920		

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 2011			
	Less than 1 year	1-2 years	2+ years
Outflows	2,705	0	0
Inflows	0	0	0

31 December 2010			
	Less than 1 year	1-2 years	2+ years
Outflows	2,436		
Inflows			

4.2 Capital management

The Group's objectives when managing capital are 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 2011, the Group maintained a gearing ratio of 97% compared to a gearing ratio of 110% during 2010.

	2011	2010
Total borrowings (note 19)	225,477	275,875
Less: cash and cash equivalents (note 15)	13,314	12,002
Net Debt	212,163	263,873
Total equity	7,133	-24,687
Total capital	219,296	239,186
Gearing Ratio	97%	110%

However, any adverse international conditions and / or the stability of loss making may have a negative impact on the leverage ratio, resulting, in the medium term, an increase in capital risk.

If the Group is unable to successfully manage its capital in the future ,may its financial position be materially adversely affected.

4.3 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.

- In terms of an amendment to IFRS 7, for the financial year ended 31 December 2011, the Company and the Group must disclose the basis of determining the fair value of financial instruments that are presented in the Balance Sheet. The only financial instruments at fair value presented in the balance sheet are the derivative financial instruments that are detailed in note 19 in the financial statements. These derivative financial instruments are measured in terms of the "Level 2" fair value hierarchy, that is described in IFRS 7. The "Level 2" fair value hierarchy refers to fair value measurements that are based on inputs that are directly or indirectly observed in an active market.

5. 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.

5.1 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 8.

(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 14.

(d) Pension 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.

5.2 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.

6. 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 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.

A) The segment results for the 12 months ended at 31st December 2011 and 31st December 2010 are as follows:

Year ended 31 December 2011

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Total Sales	76,951	52,562	52,652	37,233	59,941	0	279,339
Operating Income	-2,664	2,379	-11,240	5,254	3,601	-209	-2,879
Reversal of Provision regarding guaranties for the acquisition of subsidiaries	584	0	0	0	0	0	584
Impairment of goodwill	9,571	159	0	0	0	0	9,730
Gain on the extinguishment of financial liabilities by the issue of common equity shares	0	0	42,457	0	0	0	42,457
Financial Cost - Net	1,973	2,904	19,213	2,366	2,244	-73	28,628
Earnings before Tax	-13,624	-683	12,004	2,887	1,356	-136	1,804
Income tax and Deferred tax	9	-434	-938	1,612	-238	123	135
Net Profit	-13,633	-249	12,942	1,275	1,595	-260	1,670
EBITDA	-2,126	3,640	-5,827	6,016	5,321	-117	6,908

Year ended 31 December 2010

	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Total Sales	72,925	49,561	49,972	33,300	54,307	2,141	262,206
Operating Income	-7,756	355	-17,561	3,830	2,855	-5,214	-23,491
Financial Cost - Net	1,575	66	19,300	8	1,038	1,219	23,206
Impairment of goodwill	6,270	155		724	4,515	100	11,764
Earnings before Tax	-15,601	133	-36,861	3,098	-2,698	-6,533	-58,462
Income tax and Deferred tax	4,763	-40	-2,007	1,245	922	152	5,035
Net Profit	-20,364	174	-34,854	1,853	-3,620	-6,685	-63,497
EBITDA	-6,630	1,957	-11,332	4,762	4,512	-4,511	-11,243

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

Year ended 31 December 2011							
	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Depreciation and amortisation	538	1,261	5,413	763	1,720	93	9,787
Provisions for bad debt and obsolete stock	52	92	655	-172	548	0	1,174

Year ended 31 December 2010							
	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Depreciation and amortisation	1,126	1,602	6,229	931	1,657	703	12,248
Provisions for bad debt and obsolete stock	275	97	-419	-37	-21	35	-71

Included in the Group Income Statement for the 12 months to 31 December 2011 is depreciation expense € 9,457 th. charged to Cost of Sales (€11,301 th. at 31/12/2010), € 357 th. charged to distribution expenses (€463 th. at 31/12/2010) and € 556 th. charged to administrative expenses (€1,066 th. at 31/12/2010).

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

C) The Assets and Liabilities of the Segments for the 12 months ended at 31 December 2011 and 31 December 2010 respectively are as follows:

31st December 2011							
	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Assets	41,645	32,205	113,148	37,628	86,341	746	311,714
Capital expenditure	311	114	459	86	605	0	1,575
Liabilities	11,384	10,418	245,681	5,589	31,483	28	304,581

31st December 2010							
	Germany & West Europe	Central Europe	Greece & East Europe	North America	Italy	Other	Total
<i>Amounts in Euro '000</i>							
Assets	51,351	37,190	122,655	35,971	86,409	3,815	337,392
Capital expenditure	214	118	806	83	822	3	2,047
Liabilities	12,690	25,522	236,509	3,976	31,740	51,642	362,079

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

7. Property, Plant and Equipment

GROUP

	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Construction in progress	Total
<i>Amounts in Euro '000</i>							
Cost or Fair Value							
At 1 January 2010	7,279	54,300	157,844	3,016	13,834	6,238	242,512
Exchange Differences	18	884	1,515	35	181	11	2,644
Additions			496	148	328	501	1,473
Disposals / Write offs		-8	-2,847	-428	-337	-91	-3,712
Revaluation							
Impairment Charges		-1,800	-8,752	-32	-152		-10,736
Subsidiary Purchased							
Reclassifications of Assets		-182	566	1	8	-551	-158
Subsidiary Disposed							
Year ended 31 December 2010	7,298	53,193	148,822	2,738	13,863	6,108	232,022
Accumulated Depreciation							
At 1 January 2010		-19,799	-89,699	-2,473	-12,533	-241	-124,746
Exchange Differences		-355	-572	-29	-144		-1,101
Depreciation Charge for the period		-968	-9,340	-219	-604		-11,131
Disposals / Write offs		8	2,879	347	298		3,532
Revaluation							
Impairment Charges		944	5,211	27	127		6,309
Subsidiary Purchased							
Reclassifications of Assets			-360		4	241	-115
Subsidiary Disposed							
Year ended 31 December 2010		-20,170	-91,881	-2,346	-12,852		-127,249
Net Book Value at 31 December 2010	7,298	33,023	56,941	392	1,011	6,108	104,773
Cost or Fair Value							
At 1 January 2011	7,298	53,193	148,822	2,738	13,863	6,108	232,022
Exchange Differences	-16	-565	-1,458	-54	-7	-14	-2,114
Additions		38	1,137	23	152	446	1,797
Disposals / Write offs		-124	-4,293	-450	-193	-228	-5,287
Revaluation							
Impairment Charges			-2,203	0	-10		-2,213
Subsidiary Purchased							
Reclassifications of Assets			-1,299		406	-648	-1,540
Subsidiary Disposed							
Year ended 31 December 2011	7,282	52,543	140,707	2,257	14,211	5,665	222,665
Accumulated Depreciation							
At 1 January 2011		-20,170	-91,881	-2,346	-12,852		-127,249
Exchange Differences		85	866	52	3		1,006
Depreciation Charge for the period		-975	-7,658	-113	-445		-9,191
Disposals / Write offs		17	2,585	406	121		3,128
Revaluation							
Impairment Charges		-24	886	-14	10		858
Subsidiary Purchased							
Reclassifications of Assets			1,438				1,438
Subsidiary Disposed							
Year ended 31 December 2011		-21,068	-93,764	-2,015	-13,163		-130,010
Net Book Value at 31 December 2011	7,282	31,475	46,943	243	1,048	5,665	92,655

COMPANY

Amounts in Euro '000

	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost or Fair Value							
At 1 January 2010	4,936	29,895	94,771	684	5,269	6,161	141,716
Additions			21		25	212	257
Disposals / Write offs						0	0
Revaluation							
Impairment Charges		-2,117	-8,266	-14	-152		-10,548
Reclassifications of Assets		22	380		17	-420	0
Year ended 31 December 2010	4,936	27,801	86,906	670	5,159	5,952	131,424
Accumulated Depreciation							
At 1 January 2010		-13,739	-50,628	-529	-4,977	-240	-70,113
Depreciation Charge for the period		-312	-5,792	-24	-130		-6,257
Disposals / Write offs							
Revaluation							
Impairment Charges		949	5,339	13	150	240	6,691
Reclassifications of Assets							
Year ended 31 December 2010		-13,101	-51,081	-539	-4,957		-69,679
Net Book Value at 31 December 2010	4,936	14,699	35,825	131	202	5,952	61,745

Cost or Fair Value							
At 1 January 2011	4,936	27,801	86,906	670	5,159	5,952	131,424
Additions			31		20	410	462
Disposals / Write offs						-228	-228
Revaluation							
Impairment Charges			-1,295				-1,295
Reclassifications of Assets			-3,613		409	-634	-3,838
Year ended 31 December 2011	4,936	27,801	82,030	670	5,589	5,500	126,525
Accumulated Depreciation							
At 1 January 2011		-13,101	-51,081	-539	-4,957		-69,679
Depreciation Charge for the period		-285	-5,088	-23	-176		-5,572
Disposals / Write offs							
Revaluation							
Impairment Charges							
Reclassifications of Assets			1,438				1,438
Year ended 31 December 2011		-13,386	-54,731	-562	-5,133		-73,812
Net Book Value at 31 December 2011	4,936	14,415	27,299	108	455	5,500	52,713

Included in Company's Income Statement for the 12 months to 31 December 2011 is depreciation expense € 5,499 th. charged to Cost of Sales (€ 6,159 th. at 31/12/2010). € 38 th. charged to distribution expenses (€ 35 th. at 31/12/2010) and € 129 th. charged to administrative expenses (€ 64 th. at 31/12/2010).

As of 31.12.2011, it was decided the Company to sell to its subsidiary Marflex MJ Maillis Poland SP ZOO one machinery line for PET production and one densifier for PET recycling. As a result of this, amount 2,4mio of the Company's machinery was reclassified to current assets, Other Group Receivables (note 14) based on IFRS 5.

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

<i>Amounts in Euro '000</i>	GROUP	
	2011	2010
Cost 1/1	19,145	18,960
Additions	-774	1,990
Disposals	-97	-1,805
Cost 31/12	18,274	19,145
Accumulated depreciation 1/1	10,152	9,182
Additions	-87	1,063
Disposals	-80	-93
Accumulated depreciation 31/12	9,985	10,152
Net book value 31/12	8,289	8,993

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

<i>Amounts in Euro '000</i>	GROUP	
	2011	2010
Up to 1 year	1,611	541
1-5 years	245	1,261
Above 5 years	933	768
	2,789	2,570

The gross payments for finance leases are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2011	2010
Up to 1 year	1,629	586
1-5 years	245	1,264
Above 5 years	933	768
	2,807	2,618
Future finance charges on finance leases	18	48
Present value of finance lease liabilities	2,789	2,570

8. Intangible Assets

GROUP

<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
At 1 January 2010	86,490	7,784	24,135	118,409
Exchange Differences	593	84	269	946
Additions		29	546	574
Disposals / Write offs		-435	-416	-851
Impairment Charges	-11,764	-10	-5,652	-17,426
Subsidiary Purchased				
Reclassifications of Assets		602	-615	-13
Subsidiary Disposed				
Year ended 31 December 2010	75,319	8,054	18,267	101,640
Accumulated Amortisation				
At 1 January 2010		-5,704	-17,016	-22,719
Exchange Differences		-71	-243	-313
Amortisation Charge for the period		-1,118	-726	-1,844
Disposals / Write offs		549	277	826
Impairment Charges		-222	1,305	1,082
Subsidiary Purchased				
Reclassifications of Assets			13	13
Subsidiary Disposed				
Year ended 31 December 2010		-6,566	-16,390	-22,956
Net Book Value at 31 December 2010	75,319	1,488	1,877	78,684

<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
At 1 January 2011	75,319	8,054	18,267	101,640
Exchange Differences	-661	3	-78	-736
Additions		26	248	274
Disposals / Write offs			-174	-174
Impairment Charges	-9,730		0	-9,730
Subsidiary Purchased				
Reclassifications of Assets		183	-183	
Subsidiary Disposed				
Year ended 31 December 2011	64,928	8,267	18,080	91,275
Accumulated Amortisation				
At 1 January 2011		-6,566	-16,390	-22,956
Exchange Differences		-2	-85	-88
Amortisation Charge for the period		-901	-273	-1,175
Disposals / Write offs			144	144
Impairment Charges				
Subsidiary Purchased				
Reclassifications of Assets				
Subsidiary Disposed				
Year ended 31 December 2011		-7,470	-16,604	-24,074
Net Book Value at 31 December 2011	64,928	796	1,476	67,200

COMPANY

<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
At 1 January 2010		127	4,946	5,073
Additions		199		199
Disposals / Write offs				
Impairment Charges				
Reclassifications of Assets				
Year ended 31 December 2010		326	4,946	5,272
Accumulated Amortisation				
At 1 January 2010		-126	-4,740	-4,866
Amortisation Charge for the period			-130	-130
Disposals / Write offs				
Reclassifications of Assets				
Year ended 31 December 2010		-126	-4,870	-4,996
Net Book Value at 31 December 2010		200	76	276

	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
At 1 January 2011		326	4,946	5,272
Additions				
Disposals / Write offs				
Impairment Charges				
Reclassifications of Assets				
Year ended 31 December 2011		326	4,946	5,272
Accumulated Amortisation				
At 1 January 2011		-126	-4,870	-4,996
Amortisation Charge for the period		-40	-54	-94
Disposals / Write offs				
Reclassifications of Assets				
Year ended 31 December 2011		-166	-4,924	-5,090
Net Book Value at 31 December 2011		160	22	182

The amortization charge for the Company € 94 th. is included in administrative expenses (€ 130 th. at 31/12/2010).

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 is now conducted regionally.

The allocation of goodwill is as follows:

<i>Amounts in Euro '000</i>	Goodwill			
	31/12/2011			
	Gross	Impairment	Other movements	Net
Italy	38,843	0	0	38,843
West Europe	16,104	-9,571	0	6,532
Central Europe	7,115	-159	-661	6,295
North America	13,257	0	0	13,257
Total	75,319	-9,730	-661	64,928

<i>Amounts in Euro '000</i>	Goodwill			
	31/12/2010			
	Gross	Impairment	Other movements	Net
Italy	43,552	-4,515	-194	38,843
West Europe	21,874	-6,270	500	16,104
Central Europe	7,042	-155	228	7,115
North America	13,922	-724	60	13,257
Other	100	-100	0	0
Total	86,490	-11,764	593	75,319

Impairment testing

The value in-use calculations have been based on forecasts for the future periods 2012 to 2016. The 2012 forecast has been based on the business plans for the year ending 31 December 2012 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 2011 performance of each relevant CGU. The forecasts have also taken into account the anticipated benefits of the various restructuring initiatives that started in 2010 and that are continuing in 2011 and 2012.

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

- The going concern assumption used as the basis of preparation of these financial statements is appropriate and relevant and that each CGU will operate as a going concern on a stand alone basis.
- 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 45:55.

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

The operating assumptions used in the 2012 business plans (compared to the actual for 2011) are as follows:

	Italy	West Europe	Central Europe	East Europe	North America
Revenue growth rate	9%	7%	19%	1%	6%
Gross margin	25%	17%	15%	10%	28%
<i>Gross margin 2011</i>	18%	15%	12%	7%	15%
Operating margin	11%	15%	4%	8%	14%
<i>Operating margin 2011</i>	3%	-4%	0%	-6%	-4%

For the forecast period 2012 to 2016 the key operating assumptions used are as follows:

	Italy	West Europe	Central Europe	East Europe	North America
Revenue growth rate	2-9%	4- 7%	3-19%	1-14%	2-6%
Gross margin	25-27%	17-18%	15-16%	10-12%	28-30%
Operating margin	10-11%	13-15%	4%	7-8%	12-14%
Growth in perpetuity	2%	2%	2%	2%	2%
Discount rate	11%	8%	10%	11%	8%

Following the completion of the impairment tests, management proceeded to impairment to the CGU's.

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 2011, were 5% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 7,5 million.
- b) If the estimated gross margins, assumed at 31 December 2011, were 5% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 6,4 million.
- c) If the estimated discount rate, assumed at 31 December 2011 and applied to the cash flows were 5% higher than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 6,4 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 €64.9 million at 31 December 2011 would most probably have to be written off.

9. Deferred Income 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 Gains	Other Other	Total
At 1 January 2010	5,643	147	4,776	10,566
Reclassifications	-424		424	0
Charged / (Credited) to the Income Statement	-1	108	971	1,078
Charged directly to Equity				0
Exchange Differences	38		14	52
Year ended 31 December 2010	5,256	255	6,185	11,696

Deferred Tax Liabilities to be recovered after more than 12 months 7,826

Deferred Tax Liabilities to be recovered within 12 months 3,868

At 1 January 2011	5,256	255	6,185	11,696
Reclassifications	0	0	0	0
Charged / (Credited) to Income Statement	-26	0	-1,214	-1,240
Charged to Equity	0	0	0	0
Exchange Differences	-118	0	0	-118
Year ended 31 December 2011	5,112	255	4,971	10,338

Deferred Tax Liabilities to be recovered after more than 12 months 6,566

Deferred Tax Liabilities to be recovered within 12 months 3,772

Deferred Tax Assets

Amounts in Euro '000

	Provisions	Impairment losses	Tax losses	Other	Total
At 1 January 2010	2,342	633	9,223	4,013	16,211
Reclassifications					0
Charged / (Credited) to Income Statement	2,301	-47	20	-2,469	-195
Charged / (Credited) to Equity					0
Exchange Differences	40		61	48	148
Year ended 31 December 2010	4,683	586	9,303	1,592	16,164

Deferred Tax Assets to be recovered after more than 12 months 14,981

Deferred Tax Assets to be recovered within 12 months 1,184

At 1 January 2011	4,683	586	9,303	1,592	16,164
Reclassifications	0	0	0	0	0
Charged / (Credited) to Income Statement	-328	-123	2,213	963	2,725
Charged / (Credited) to Equity	0	0	0	0	0
Exchange Differences	-75	0	-38	13	-100
Year ended 31 December 2011	4,280	463	11,478	2,568	18,789

Deferred Tax Assets to be recovered after more than 12 months 17,718

Deferred Tax Assets to be recovered within 12 months 1,071

COMPANY

Deferred Tax Liabilities

Amounts in Euro '000

	Accelerated tax depreciation	Fair Value of Earnings	Other Other	Total
At 1 January 2010	3,304	0	1,299	4,603
Charged / (Credited) to Income Statement				0
Charged to Equity	30		1,471	1,501
Exchange Differences				0
Year ended 31 December 2010	3,334	0	2,770	6,104

Deferred Tax Liabilities to be recovered after more than 12 months

6,104

Deferred Tax Liabilities to be recovered within 12 months

0

At 1 January 2011	3,334	0	2,770	6,104
Reclassifications	0	0	0	0
Charged / (Credited) to Income Statement	125	0	-1,230	-1,105
Charged to Equity	0	0	0	0
Exchange Differences	0	0	0	0
Year ended 31 December 2011	3,459	0	1,540	4,999

Deferred Tax Liabilities to be recovered after more than 12 months

4,999

Deferred Tax Liabilities to be recovered within 12 months

0

Deferred Tax Assets

Amounts in Euro '000

	Provisions	Impairment losses	Tax losses	Other	Total
At 1 January 2010	1,053	397	3,810	2,279	7,539
Charged / (Credited) to Income Statement					0
Reclassifications	2,062	-73	5,107	-2,279	4,817
Exchange Differences					0
Year ended 31 December 2010	3,115	324	8,917	0	12,356

Deferred Tax Assets to be recovered after more than 12 months

12,356

Deferred Tax Assets to be recovered within 12 months

At 1 January 2011	3,115	324	8,917	0	12,356
Reclassifications	0	0	0	0	0
Charged / (Credited) to Income Statement	131	-143	605	699	1,292
Exchange Differences	0	0	0	0	0
Year ended 31 December 2011	3,246	181	9,522	699	13,648

Deferred Tax Assets to be recovered after more than 12 months

13,648

Deferred Tax Assets to be recovered within 12 months

0

The Company has not accounted for deferred tax assets of an amount of € 6,289 thousand relating to accumulated tax losses incurred by the Company.

The Group has not accounted for deferred tax assets of an amount of € 8,849 thousand relating to accumulated tax losses incurred by the Group.

10. Investments in Subsidiaries and Joint ventures

	% of Investment		
	Direct	Indirect	
Full Consolidation method			
M.J.MAILLIS SA, Kifissia, Athens, Greece		Parent	
STRAPTECH SA, Kifissia, Athens, Greece	100.00%		
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100.00%		
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	86.84%		
M.J.MAILLIS FRANCE SAS, Saint Ouen L'Amone, France	99.99%	0.01%	(through STRAPTECH A.E)
MARFLEX M.J.MAILLIS POLAND SP ZOO, Karzcew, Poland	100.00%		
M.J.MAILLIS ESPANA SL, Barcelona, Spain	100.00%		
M.J.MAILLIS CZECH SRO, Prague, Czech	100.00%		
EUROPACK SA, Luxembourg	100.00%		
COLUMBIA SRL, Milan, Italy	100.00%		
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100.00%		
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100.00%		
MAILLIS HOLDING GMBH, Wuppertal, Germany	100.00%		
M.J.MAILLIS UK LTD, Nottingham, UK		100.00%	(through EUROPACK SA)
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada		100.00%	(through EUROPACK SA)
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA		100.00%	(through EUROPACK SA)
MJ MAILLIS SYSTEMS SRL, Varese, Italy		100.00%	(through EUROPACK SA)
3L Srl, Modena, Italy		100.00%	(through EUROPACK SA & COLUMBIA SRL)
SIAT SPA, Como, Italy		100.00%	(through SIAT SPA)
SICME SRL, Varese, Italy		100.00%	(through SIAT SPA)
SIAT BENELUX, Wvaalwijk, Holland		51.00%	(through SIAT SPA)
TAM SRL, Milan, Italy		71.00%	(through SIAT SPA)
SIAT USA, Delaware, USA		100.00%	(through SIAT SPA)
IMMOBILIARE LEO SRL, Milan, Italy		100.00%	(through COLUMBIA SRL)
MAILLIS SANDER GMBH, Wuppertal, Germany		100.00%	(through MAILLIS HOLDING GMBH)
SANDER GMBH & CO KG, Wuppertal, Germany		100.00%	(through MAILLIS HOLDING GMBH & MAILLIS SANDER GMBH)
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium		100.00%	(through MAILLIS SANDER GMBH)
Proportionate consolidation method			
COMBI PACKAGING SYSTEMS, Canton, USA		50.00%	(through SIAT SPA)

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

The values of the Investments of the parent company in the aforementioned table as at 31 December 2011 are as follows:

<i>Amounts in Euro '000</i>	Country	31/12/2011	31/12/2010	Investment %
		Book value	Book value	
Straptech SA	Greece	5,300	4,975	100%
Europack SA	Luxembourg	78,810	78,810	100%
M.J Maillis Osterreich Gmbh	Austria	448	448	100%
Columbia SRL	Italy	10,038	10,038	100%
M.J.Maillis Romania SA	Romania	526	1,292	86.8%
Marflex MJ Maillis Poland SP ZOO	Poland	38,359	22,047	100%
MJ Maillis Czech SRO	Czech	402	402	100%
M.J. Maillis Hungary KFT	Hungary	0	2,130	100%
Maillis Holding GMBH	Germany	6,532	10,886	100%
M.J. Maillis Espana SL	Spain	613	1,225	100%
		141,027	132,253	

During the year 2011 the values of the Investments of the Parent company were impaired as follows:
a) M.J.Maillis Espana SL by an amount of €2.2mln. b) M.J. Maillis Hungary Packing Systems Ltd by an amount of €2.1mln, c) M.J.Maillis Romania SA by an amount of €1.7mln, d) M.J Maillis Holding GMBH by an amount of €4.4mln, e) Straptech SA by an amount of €10.9mln.

As part of the impairment testing process related to goodwill (refer to Note 8) as of 31 December 2011 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 8 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) The budgeted cash flows are according to the business plan which are approved by the Board of Directors.
- 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 45:55.

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

11. 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

<i>Amounts in Euro '000</i>	GROUP	
	31/12/2011	31/12/2010
Receivables		
Non Current Assets	419	461
Current Assets	4,297	3,878
	4,716	4,339
Liabilities		
Non Current Liabilities	0	
Current Liabilities	1,594	1,602
	1,594	1,602
Net Equity	3,123	2,737
Income	8,894	7,016
Expenses	-8,342	-6,886
Profit / (Losses) after tax	552	131

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 31/12/2011.

12. Financial instruments by category

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

GROUP

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
31 December 2011					
Assets as per balance sheet					
Trade and other receivables	65,559	0	0	0	65,559
Cash and cash equivalents	13,314	0	0	0	13,314
Total	78,873	0	0	0	78,873

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings excl. finance lease liabilities	0	0	222,687	222,687
Finance lease liabilities	0	0	2,789	2,789
Derivative financial instruments	3,948	0	0	3,948
Trade and other payables excl. non-financial liabilities	0	0	47,502	47,502
Total	3,948	0	272,979	276,927

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
31 December 2010					
Assets as per balance sheet					
Trade and other receivables	69,464				69,464
Cash and cash equivalents	12,002				12,002
Total	81,465	0	0	0	81,465

		Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet					
Borrowings excl. finance lease liabilities				268,420	268,420
Finance lease liabilities				2,570	2,570
Derivative financial instruments		4,884			4,884
Trade and other payables excl. non-financial liabilities				51,971	51,971
Total		4,884	0	322,962	327,846

COMPANY

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
31 December 2011					
Assets as per balance sheet					
Trade and other receivables	132,029	0	0	0	132,029
Cash and cash equivalents	1,785	0	0	0	1,785
Total	133,813	0	0	0	133,813

		Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet					
Borrowings excl. finance lease liabilities		0	0	216,304	216,304
Derivative financial instruments		3,948	0	0	3,948
Trade and other payables excl. non-financial liabilities		0	0	14,760	14,760
Total		3,948	0	231,064	235,012

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
31 December 2010					
Assets as per balance sheet					
Trade and other receivables	80,906				80,906
Cash and cash equivalents	3,792				3,792
Total	84,698	0	0	0	84,698
		Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet					
Borrowings excl. finance lease liabilities				183,311	183,311
Derivative financial instruments		4,884			4,884
Trade and other payables excl. non-financial liabilities				20,626	20,626
Total		4,884	0	203,937	208,821

13. Inventories

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Merchandise	4,375	4,440	493	689
Finished and Semi - Finished products, By products	31,480	32,356	5,585	4,583
Raw and Auxiliary Materials - Spare Parts and Packaging Materials	22,240	23,527	7,998	7,148
Advances for Inventories Purchases	2,326	4,793	2,297	4,758
Total	60,422	65,116	16,373	17,179
Less: Provisions for Impairment of Inventories	-6,225	-8,813	-601	-613
Net Value of Inventories	54,197	56,304	15,772	16,566

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

	GROUP		COMPANY	
	2011	2010	2011	2010
Inventory provision 1/1	8,813	7,279	613	613
Exchange rate adjustment	-61	186	0	
Additional provision for the year	944	3,098	0	
Unused amount reversed	-930	-214	0	
Utilised during the year	-2,541	-1,535	-12	
Inventory provision 31/12	6,225	8,813	602	613

14. Trade and Other Receivables

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade Receivables	55,656	59,272	62,002	66,691
Notes Receivable	2,863	1,630	1,786	1,059
Less: Provisions for Impairment of trade Receivables	-5,080	-4,700	-7,318	-7,009
Trade Receivables- Net	53,439	56,202	56,469	60,741
Advances	776	643	211	94
Receivables from Loans from Related Parties (Note 24)	0		70,934	16,781
Other Receivables from Related Parties (Note 24)	0		2,500	100
Receivables from the Greek State	0	1,265	0	1,265
Other Receivables	2,992	2,904	1,493	1,573
Other Receivables and Prepayments	8,352	8,450	422	352
Total	65,559	69,464	132,029	80,906
Non Current Assets	4,446	4,222	190	186
Current Assets	61,113	65,241	131,839	80,721
Total	65,559	69,464	132,029	80,906

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:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2011	2010	2011	2010
Bad debt provision 1/1	4,700	6,057	7,009	1,986
Exchange rate adjustment	-23	63	0	
Additional provision for the year	1,564	1,262	720	5,873
Unused amount reversed	-404	-990	0	-849
Utilised during the year	-757	-1,692	-411	
Bad debt provision 31/12	5,080	4,700	7,319	7,009

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	
	2011	2010	2011	2010
Euro	42,125	38,335	7,599	6,383
USD	5,358	8,183	621	748
CAD	613	685	0	
GBP	4,723	6,208	22	
PLN	3,176	3,921	0	
RON	1,560	1,477	0	
Other	964	2,094	225	187
	58,519	60,902	8,467	7,318

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

GROUP	2011			2010		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Due	45,741	232	45,509	47,383		47,383
Overdue 0-90 days	7,654	764	6,889	8,525	573	7,952
Overdue 91-180 days	692	430	262	1,953	1,152	802
Overdue 181+ days	4,433	3,654	779	3,040	2,974	66
Total	58,519	5,080	53,439	60,902	4,700	56,203

COMPANY	2011			2010		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Receivables from affiliates	55,320	5,350	49,971	60,432	5,758	54,674
Due	6,724	226	6,498	5,864		5,864
Overdue 0-90 days	619	619	0	570	367	203
Overdue 91-180 days	294	294	0	43	43	
Overdue 181+ days	830	830	0	841	841	
Total	63,787	7,319	56,469	67,750	7,009	60,740

15. Cash and Cash Equivalents

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash at bank and in hand	131	54	8	11
Short term bank deposits	13,183	11,948	1,777	3,781
Cash and cash equivalents (excluding bank overdrafts)	13,314	12,002	1,785	3,792

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash and cash equivalents	13,314	12,002	1,785	3,792
Bank overdrafts	2,191	11,829	0	4,360
Cash and cash equivalents	11,123	173	1,785	-568

The effective interest rate on short term bank deposits was on average 0.70% (2010: 0.40%) for the Group and the Company.

16. Share Capital and Premium

<i>Amounts in Euro '000</i>	Number of Shares	Ordinary Shares	Share Premium	Treasury Shares	Total
At 1 January 2010	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
Year ended 31 December 2010	73,176,746	55,614	139,203	0	194,817

<i>Amounts in Euro '000</i>	Number of Shares	Common Shares	Share Premium	Treasury Shares	Total
At 1 January 2011	73,176,746	55,614	139,203	0	194,817
Selling of Treasury Shares	0	0	0	0	0
Cancellation of Treasury Shares	0	0	0	0	0
Capital Reduction	0	-33,661	0	0	-33,661
Issuance of new shares	249,748,542	74,925	-42,457	0	32,467
Issuance costs	0	0	-863	0	-863
Year ended 31 December 2011	322,925,288	96,878	95,883	0	192,760

The common shares comprise shares with a par value of € 0.30 per share. All issued shares are fully paid.

17. Retained Earnings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance 1/1	-234,639	-171,903	-126,537	-58,168
Earnings / (Losses) per income statement	1,824	-62,952	-2,507	-68,370
Exchange difference adjustments	-348			
Reserves movement		216		
Change in Subsidiaries' Minority	-440			
Share Capital Increase Expenses	-143			
Balance 31/12	-233,745	-234,639	-129,044	-126,537

18. Other Reserves

GROUP

	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
At 1 January 2010	2,370	730	193		16,562	19,855
Net loss directly attributable to net equity						
Fair value reserves						
Reserves movement					-260	-260
Year ended 31 December 2010	2,370	730	193		16,302	19,595

At 1 January 2011	2,370	730	193	16,302	19,595
Net loss directly attributable to net equity					
Fair value reserves				-27	-27
Change in Subsidiaries' Minority	10			111	121
Reserves movement					
Capital Reduction		33,661			33,661
Year ended 31 December 2011	2,380	34,391	193	16,385	53,349

COMPANY

	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
At 1 January 2010	696	813	193		16,856	18,558
Reserves movement						
Year ended 31 December 2010	696	813	193		16,856	18,558

At 1 January 2011	696	813	193	16,856	18,558
Reserves movement					
Capital Reduction		33,661			33,661
Year ended 31 December 2011	696	34,474	193	16,856	52,219

(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

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Non Current				
Bond Loan	128,950	152,804	128,950	107,416
Convertible Bond Loan	75,380		75,380	
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	3,948	4,884	3,948	4,884
Total bank borrowings	208,278	157,689	208,278	112,300
Less: Bank borrowings reflected as short term		-149,556		-104,300
Accrued interest	3,754		3,754	
Finance Lease Liabilities	1,178	2,030		
Other	187			
Total	213,398	10,162	212,032	8,000
Current				
Long term bank borrowings reflected as short term		149,556		104,300
Current Portion of Bond Loans	4,000		4,000	
Bank Overdrafts	2,191	11,829		4,360
Short Term Bank Borrowings	3,901	77,322		
Accrued interest	376	26,465	272	51,111
Finance Lease Liabilities	1,611	541		20,424
Other				
Total	12,079	265,712	4,272	180,195
Total Borrowings	225,477	275,875	216,304	188,195

The carrying amounts of borrowings approximate their fair values.

Debt Restructuring

As described in Note 2, the final debt restructuring agreement was signed on 30 September 2011 and the debt restructuring process was completed on 6 October 2011. From that date onwards the Company recorded its loans based on the terms of debt restructuring agreement.

The key terms of the debt restructuring agreement are as follows:

New working capital infusion:

- Bond Loan of Euro 16 million for the financing of the Group's growth. This facility will be repaid during the second year from its date of issue.

Debt reduction:

- Capitalization of Euro 74.9 million by issuing 249,748,542 new ordinary shares of the Company, of a par value of EUR 0.30 each, in favour of the Groups' debt holders, resulting in a 77.34% participation of the debt holders in the Company.

Refinancing of current debt:

- Syndicated Bond Loan of Euro 116.97 million according to law 3156/2003 and 2190/1920, issued in Euro and USD bonds, with capitalized interest (PIK). This Loan will be repaid during year three to year five from its date of issue.
- Convertible Bond Loan of Euro 73.3 million (Euro 50 million, with capitalised interest on existing borrowings amounting to Euro 23.3 million from 28.02.2010), according to law 3156/2003 and law 2190/1920 with capitalized interest (PIK), 5 year duration, convertible by the holders to new ordinary shares of the Company, after 24 months from the date of issue and prior to its maturity, according to legal provisions of law 3156/2003 and law 2190/1920. The Convertible Bond Loan meets the requirements of a hybrid financial instrument that requires the initial recognition of the liability component at the fair value. The Company's assessment upon initial recognition concluded that the Convertible Bond Loan in its entirety should be recognized as borrowings.

Effect of Debt restructuring on the financial statements:

New working capital infusion:

The Company was funded with the second installment of euro 8 million, as part of the new 16 million working capital facility. As a results, borrowings of the Company increased by the same amount.

Debt reduction:

Due to the capitalization of financial liabilities with the issuance of new common shares, the following actions took place:

A) Reduction of Share Capital with decrease in Nominal Value

- During the Second Shareholders' General Assembly of January 10, 2011 decided to reduce the share capital by the amount of EUR 33,661,303.16 Euros.
- The reduction of the share capital held by a corresponding reduction of the nominal value of shares from 0.76 euros to 0.30 euros. After this reduction, the company's share capital amounted to EUR 21,953,023.80 divided into 73,176,746 ordinary shares of nominal value 0.30 euros each.
- The Ministry of Development, Competitiveness and Shipping, according to K2-806/25.01.2011 decision, approved the amendment of the Articles of Association of the company. The ATHEX Board of Directors has been informed during its meeting on February 8, 2011 for the reduction of the par value of company's shares.
- By February 14, 2011 the company's shares are traded on the Stock Exchange by the new nominal value 0.30 euros per share. On the same date, the starting price of the shares on the ATHEX configured according to the Athens Stock Exchange Regulation in conjunction with the decision no 26 of the ATHEX Board as applicable.

B) Increase in Share Capital with the issuance of Common New Shares

The shares capital increase described above was completed in October 2011 as follows:

- The payment of the share capital increase was certified and registered in the Companies Registry on 07.10.2011, by virtue of announcement K2-8293/07.10.2011 of the Ministry of Development, Competitiveness and Shipping.
- The share capital increase was approved on 13.07.2011 in terms of decision K2-6310/13.07.2011 of the Ministry of Development, Competitiveness and Shipping. The share capital increase amounted to Euro 74,924,562.60 with the issuance of 249,748,542 new common shares with a nominal value of Euro 0.30 per share and fair value Euro 0.13 per share (based on the Stock Exchange Market as of 6 October 2011)

- The listing of the new ordinary shares on the ATHEX was approved by the Board of Directors of the ATHEX on 12.10.2011.
- The new ordinary shares of the Company commenced trading on the ATHEX on 18.10.2011.

C) Recognition of extraordinary gain of 42.5 mio from the capitalization of financial liabilities with the issuance of new common shares.

- Based on IFRIC Interpretation 19, “Extinguishing Financial Liabilities with Equity Instruments”, when the equity instruments issued to a creditor to extinguish all or part of a financial liability are recognized initially, an entity shall measure them at the fair value of the equity instruments issued and will recognize a gain or loss as a separate line item in profit or loss in the notes. As a result, due to the fact that the conversion of financial liabilities into debt was performed with euro 0.30 per share, while the fair value of the shares based on the Stock Exchange Market as of 6 October 2011 was euro 0.13 per share, an extraordinary gain of euro 42.5 mio was recognized.

Refinancing of current debt:

A) Transfer of Loans to the Parent Company

Due to the debt restructuring and the refinancing of the current borrowings with the issuance of the two above-mentioned bond loans, the loans of Straptech SA , Europack SA, Marflex MJ Maillis Poland SP ZOO and M.J.Maillis Romania SA was transferred to Maillis SA.

The loans transferred per affiliate are as follows (amounts in Euro '000):

Straptech AE	11,178
Europack SA	52,017
Marflex MJ Maillis Poland SP ZOO	16,448
M.J.Maillis Romania SA	2,466
Total	82,109

It is noted that the transfer of loans of Staptech SA and Marflex MJ Maillis Poland SP ZOO took place with a share capital increase in the subsidiary while that of Europack SA and M.J.Maillis Romania SA through an intercompany loan granted by the Parent Company.

B) Gain Euro 1mio. In the Financial Expenses

Due to the closing of the debt restructuring agreement and the final calculation of the interest expense for the period until 6 October 2011, it was calculated that Maillis SA had accrued higher interest expenses by euro 1mio. That amount was reversed.

Covenants:

The Group, in terms of the debt restructuring agreement, is obligated to maintain the following covenants:

- Interest Cover relating to the consolidated results before interest, tax and depreciation / amortization, not including restructuring costs (EBITDA) to net financial expenses of the restructured loans in respect of any relevant period from the first quarter of 2013 on a rolling annual basis.
- Debt Cover ratio which is consolidated by net financial liabilities on the last day of the reference period to the consolidated results before interest, tax and depreciation / amortization not including restructuring costs (EBITDA) from the first quarter of 2013 on a rolling annual basis.
- Cash Flow Cover ratio relating to operating cash flows to servicing of the Group's total debt burden for any relevant period from the first quarter of 2013 on a rolling annual basis.
- The Group must have a minimum liquidity level at any point in time.
- Minimum consolidated results before interest, tax and depreciation / amortisation not including restructuring costs (EBITDA) must be achieved, starting from 31/03/2012.
- Maximum capital expenditure must be achieved from 31/12/2011.

At the balance sheet date 31.12.2011 the Group is in compliance with the required covenants (minimum liquidity level and maximum capital expenditure).

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

**Contractual
Repricing
Dates**

<i>Amounts in Euro '000</i>	6 Months or Less	6 - 12 Months	1 - 5 Years	Over 5 Years	Total
31 December 2011					
Total Borrowings	12,079		213,398		225,477
Effect from Interest Rates Swaps					
	12,079		213,398		225,477

The maturity of long term borrowings is as follows:

Maturity dates of Long Term Borrowings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Between 1 and 2 Years	36,087	8,448	35,838	8,000
Between 2 and 5 Years	176,378	946	176,194	
Over 5 Years	933	768		
	213,398	10,162	212,032	8,000

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

Currency Denominations of Loans

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Euro	145,066	179,926	136,346	98,621
\$ USD	79,959	89,574	79,959	89,574
£				
Other	452	6,375		
Total	225,477	275,875	216,304	188,195

The present value of the finance lease liabilities are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2011	2010
Up to 1 year	1,611	541
1-5 years	245	1,261
Above 5 years	933	768
	2,789	2,570

20. Retirement Benefit Obligations

The provision for retirement benefits obligations has been calculated based on IAS 19 and is based on an actuary's report. The relevant provision for the years 2011 and 2010 has been calculated as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euros'000</i>				
Present Value of funded Obligations	38,739	35,899	3,927	3,188
Fair Value of Plan Assets	-21,873	-22,577	0	
Deficit of funded plans	16,866	13,322	3,927	3,188
Unrecognised Gain /(Loss)	-7,729	815	-547	73
Unrecognised Past Service Cost	-1,232	-6,732	-1,158	-1,362
Liability in the balance sheet	7,906	7,405	2,222	1,899

Charged in the Income statement :

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euros '000</i>				
Current Service Cost	368	681	300	316
Interest Cost	1,787	1,999	173	163
Expected Return on Plan Assets	-870	-1,217	0	
Past Service Cost	311	774	97	103
Regular P&L Charge	1,596	2,237	570	582
Additional Cost of Termination Benefits	679	77	693	86
Restructuring Expense	74		76	
Other Expense/(Income)	-126	-21	0	1
Total P&L Charge	2,223	2,293	1,339	669

The principal actuarial assumptions were as follows :

	GROUP			COMPANY		
	2011	2010	2009	2011	2010	2009
Discount Rate	4.14%	5.04%	5.77%	4.93%	5.73%	5.19%
Expected Return on Plan Assets	0.88%	1.44%	1.57%			
Future Salary Increases	2.85%	2.50%	2.50%	4.00%	4.00%	4.00%
Inflation Rate	1.73%	1.43%	1.64%	2.50%	2.50%	2.50%
Future Pension Increases	0.65%	0.57%	0.86%			

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

Amounts in Euros'000

	GROUP		COMPANY	
	2011	2010	2011	2010
At 1 January	35,899	34,944	3,188	2,732
Current service cost	391	990	300	772
Interest cost	1,786	1,965	173	163
Contributions by plan participants	-1,028	-136	-1,012	-134
Actuarial losses/(gains)	2,234	-876	426	-399
Exchange differences	877	753	0	
Benefits paid	-1,408	-1,763	624	54
Liabilities acquired in a business combination	0	19	0	
Curtailments	-253		0	
Settlements	248		228	
At 31 December	38,745	35,896	3,927	3,188

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

Amounts in Euros'000

	GROUP		COMPANY	
	2011	2010	2011	2010
At 1 January	22,519	20,986	0	
Expected return on plan assets	869	1,217	0	
Actuarial (losses) / gains	-461	1,017	0	
Exchange differences	651	545	0	
Employer contributions	637	634	0	
Employee contributions	3	12	0	
Benefits paid	-1,868	-1,892	0	
Business combinations	-477		0	
At 31 December	21,873	22,519	0	0

21. Government Grants

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<i>Amounts in Euro '000</i>				
Beginning of period	4,398	4,980	2,681	3,046
Additions	0	0	0	0
Transfer to Income Statement	-582	-582	-365	-365
End of period	3,816	4,398	2,316	2,681

The above grants are related to capital expenditure realized by the Company and its subsidiary Straptech 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 2011 the parent company received grants from OAED amounting to € 11 th. (2010: € 165 th.) and the Group € 22 th. (2010: € 251 th.).

22. Trade and Other Payables

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade Payables	30,998	32,459	8,841	9,503
Payables to Related Companies	0		1,517	4,291
Accrued Expenses	6,323	8,320	2,336	4,267
Social Security and other Taxes / Duties	5,558	6,257	1,494	3,031
Other Payables	6,024	6,470	721	516
Total	48,903	53,506	14,908	21,608

23. Provisions for other liabilities and charges

GROUP

Amounts in Euro '000

	Restructuring provisions	Legal Claims	Warranties	Other	Total
At 1 January 2010	3,955	1,701	635	0	6,291
Exchange Differences	17	-1	67		83
Additional Provisions for the period	1,351	1,307	541	1,077	4,276
Unused provisions Reversed		59	-262		-203
Utilised Provisions during the period	-851	-956	-58		-1,865
Year ended 31 December 2010	4,472	2,109	923	1,077	8,582

<i>Amounts in Euro '000</i>	Restructuring provisions	Legal Claims	Warranties	Other	Total
At 1 January 2011	4,472	2,109	923	1,077	8,582
Exchange Differences	16	-8	11	2	21
Additional Provisions for the period	1,650	232	219	3,083	5,184
Unused provisions Reversed	-559	-1,566	-8	-29	-2,162
Utilised Provisions during the period	-1,830	-394	-92	-1,168	-3,483
Year ended 31 December 2011	3,750	372	1,054	2,965	8,142

Non- Current			483	916	1,399
Current	3,750	372	571	2,050	6,743
Total	3,750	372	1,054	2,965	8,142

COMPANY

Amounts in Euro '000

	Restructuring provisions	Pending Litigation	Warranties	Other	Total
At 1 January 2010				682	682
Exchange Differences					
Additional Provisions for the period					
Unused provisions Reversed					
Utilised Provisions during the period				-113	-113
Year ended 31 December 2010				569	569

<i>Amounts in Euro '000</i>	Restructuring provisions	Pending Litigation	Warranties	Other	Total
At 1 January 2011				569	569
Exchange Differences					
Additional Provisions for the period	189			546	736
Unused provisions Reversed				-350	-350
Utilised Provisions during the period				-484	-484
Year ended 31 December 2011	189			282	471

Non- Current				282	282
Current	189				189
Total	189			282	471

(a) Legal claims

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 warranties accompanying the sale of a machine.

(c) Restructuring Provision

Restructuring provisions for restructuring costs that relate to the Group's final restructuring phase of its operations in Greece and in a number of foreign operations.

24. Related parties

As at 31.12.2011 the following shareholders had a shareholding participation above 5% of the voting rights of the Company: Mr M.J. Maillis holds 5.82%, Alpha Bank SA holds 7.55%, EFG Eurobank Ergasias SA holds 10.52%, National Bank of Greece SA holds 7.77%, BNP Paribas SA holds 12.42%, New York Life Insurance Company holds 5.32% and finally, Principal Life Insurance Company holds 5.98%.

The following transactions are with Related Parties in the years 2011 and 2010:

	GROUP		COMPANY	
	01/01-31/12/2011	01/01 - 31/12/2010	01/01-31/12/2011	01/01 - 31/12/2010
<i>Amounts in Euro '000</i>				
Sales of goods				
- Subsidiaries	0		48,367	44,903
- Associate	2,393	2,265	0	
Sales of services				
- Subsidiaries	0		8,151	4,759
- Associate	0		0	
Purchase of goods				
- Subsidiaries	0		2,235	2,280
- Associate	56	79	0	
Purchase of services				
- Subsidiaries	0		0	
- Associate	0		0	
Key Management compensation				
Salaries and other short term benefits to key management and member of the board	5,863	4,537	3,428	2,431
	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Year End Balances arising from purchases - sales of goods and services				
Trade receivables from Subsidiaries	0		55,320	60,432
Trade receivables from Associate	392	566	0	
Loans receivable from Subsidiaries	0		70,934	16,781
Loans receivable from Associates	0		0	
Other receivables from Subsidiaries	0		2,500	100
Other receivables from Associates	0		0	
Payables to Subsidiaries	0		1,517	4,291
Payables to Associate	8	19	0	

25. Income Tax

M.J. MAILLIS SA has been audited by tax authorities until FY 2007.

From the 2011 financial year and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, in the first ten days of the seventh month following the end of the financial year. The Ministry of Finance will subsequently select a sample of at least 9% of all companies for which a "Tax Compliance Report" has been submitted for the performance of a tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

For the 2011 financial year, the tax audit for M.J. MAILLIS SA is being performed by PricewaterhouseCoopers S.A. The Company's management does not expect that additional tax liabilities will arise, in excess of those disclosed in the financial statements, upon the completion of the 2011 tax audit.

The long term deferred tax asset of the Group amounted to € 17,718 th. (31/12/2010: € 16,133 th.) and consists essentially of tax asset of the Company amounted to € 13,648 th. (31/12/2010: € 13,356 th.), of which € 9,722 th (31/12/2010: € 8,916 th.) of the deferred tax asset relates to management's assessment of accumulated tax losses that the Company will be able to offset against future taxable profits. The above assessment of the Company arising from the operational plan that has been established for the purpose of restructuring the debt and has been approved by the lenders of the Group.

Despite the fact that all of the deferred tax asset relating to accumulated tax losses amounting to € 9,722 th., the Company, following the conservatism principle, has not accounted part of the amount of € 6,298 th. that is related with the tax losses of year 2008 and 2009. From the deferred tax asset that has been recognized by the Company due to tax loss amounting to 9,722 th, amount of € 5,022 th. (52%) of the total ends in 2015 and an amount of € 4,670 th. (48%) ends in 2016.

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

- MAILLIS HOLDING GMBH has been tax audited until FY 1997
- MARFLEX M.J.MAILLIS GROUP Sp Zoo has not been tax audited
- M.J.MAILLIS UK has not been tax audited
- SIAT USA. MJ MAILLIS FINLAND OY have not been tax audited
- M.J.MAILLIS OSTERREICH GMBH has been audited until FY 2001
- WULFTEC INTERNATIONAL INC has been audited until FY 2002
- COLUMBIA has been audited until FY 2002
- EUROPACK SA has been tax audited until FY 2003
- SICME SRL has been tax audited until FY 2003
- TAM SRL has been tax audited until FY 2003
- 3L has been audited until FY 2003

- M.J.MAILLIS FRANCE SAS has been audited until FY 2004
- MAILLIS STRAPPING SYSTEMS USA INC has not been tax audited.
- M.J.MAILLIS ESPANA SL has been audited until FY 2004
- M.J.MAILLIS CZECH SRO has been audited until FY 2004
- COMBI has been tax audited until FY 2004
- SIAT BENELUX BV has been tax audited until FY 2005
- MJ MAILLIS SYSTEMS SRL has been tax audited until FY 2006
- M.J.MAILLIS ROMANIA SA has been audited until FY 2007
- SANDER GMBH & COKG has been audited until FY 2007
- MAILLIS SANDER GMBH has been tax audited until FY 2007
- M.J.MAILLIS BULGARIA EOOD has been audited until FY 2008
- M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD has been audited until FY 2008
- M.J.MAILLIS BENELUX NV has been audited until FY 2008
- STRAPTECH S.A. under the L. 3888/2010 has been tax audited until FY 2009
- SIAT SPA has been audited until FY 2009

With respect to the Greek subsidiary STRAPTECH SA, the company has not been audited by the tax authorities for FY 2010. The tax audit for the FY 2011 is being performed by PricewaterhouseCoopers S.A. The Company's management does not anticipate that significant additional tax liabilities will arise, in excess of those disclosed in the financial statements of the Group.

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:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2011	2010	2011	2010
Current tax	2,617	2,964	0	160
Other tax	1,353	373	1,353	
Deferred tax	-3,835	1,697	-2,397	-3,315
	135	5,035	-1,044	-3,155
Profit before tax	1,804	-58,462	-3,551	-71,525
Tax calculated at tax rates applicable to profits	451	-14,615	-710	-17,166
Income not subject to tax	-77	-15	0	
Expenses not deductible for tax purposes	-7,090	0	-4,237	9,427
Utilisation of previously unrecognised tax losses	0	-154	0	
Tax losses for which no deferred income tax asset was recognised	390	760	0	
Other	6,461	19,059	3,903	4,584
	135	5,035	-1,044	-3,155

26. Employee benefit expenses

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Payroll Cost & Severance payments cost	47,289	44,755	11,183	10,618
Social Security Costs	11,273	11,109	2,521	2,548
Cost of Employee private pension plan - Defined Contribution pension plan	304	3	0	
Cost of Employee defined benefit plan	2,320	2,814	323	535
Other Benefits	663	406	331	272
Total	61,849	59,087	14,358	13,973

Number of employees	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
	1,447	1,528	306	315

27. Expenses by nature

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2011	2010	2011	2010
Changes in Inventory and Cost of Sales	179,863	169,593	65,546	59,428
Depreciation and Amortisation	9,787	12,248	5,301	6,022
Salaries, Social security and other employee costs	61,849	59,087	14,358	13,973
Transportation expenses	10,105	9,388	4,100	3,523
Travelling expenses	2,581	2,211	489	284
Selling expenses	2,834	2,144	359	139
Legal and Consulting costs	4,634	5,593	1,448	1,925
Rents and Operating lease rentals	3,444	3,815	640	802
Utilities, maintenance	2,383	2,405	437	340
Exchange differences	10,542	7,589	2,045	2,788
Provisions and impairments	4,785	16,616	2,612	9,971
Other expenses	2,070	5,127	961	1,841
	294,876	295,816	98,296	101,036
Classified as				
Cost of sales	228,154	218,471	79,149	73,566
Administrative expenses	18,778	25,506	7,576	6,166
Selling expenses	29,230	29,128	6,403	5,451
Other expenses	18,714	22,711	5,168	15,853
	294,876	295,816	98,296	101,036

In the table above and also in the Income Statement, depreciation and amortisation have been netted off with the amortised grants whereas in the Cash flow Statement and the Tangible and Intangible analysis, Depreciation and Amortisation do not include the amortised grants.

28. Exceptional items

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2011	2010	2011	2010
Operating Items	0		0	
Non operating items	43,041		42,457	
	43,041	0	42,457	0

For further information regarding the extraordinary gain of 42.4mio please see note 19.

29. Financial Income and costs

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long term interest expense	4,060	2,150	4,060	
Short term interest expense	14,390	13,400	9,899	12,072
Finance lease interest	69	78	0	
Foreign currency differences	15,198	5,171	7,325	2,635
Bank charges and other	7,471	8,804	6,117	6,324
Total Financial Expense	41,188	29,602	27,401	21,031
Interest income	502	713	33	76
Intragroup Interest income	0		2,799	1,174
Foreign currency differences	12,058	5,683	5,555	2,521
Total Financial Income	12,560	6,395	8,387	3,771

30. Other income

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income from sale of fixed assets	52	67	0	
Exchange differences	10,894	8,615	2,484	3,839
Other income	1,712	1,436	440	475
Total	12,658	10,118	2,924	4,314

31. 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

	GROUP		COMPANY	
	1/1 - 31/12/11	1/1 - 31/12/10	1/1 - 31/12/11	1/1 - 31/12/10
<i>Amounts in Euro '000</i>				
Earnings/(Losses) attributable to the Company's shareholders	1,824	-62,952	-2,507	-68,370
Weighted Average number of shares	128,600,395	73,176,746	128,600,395	73,176,746
Basic Earnings/(Losses) per share (expressed in Euro)	0.0142	-0.8603	-0.0195	-0.9343

DILUTED

	GROUP		COMPANY	
	1/1 - 31/12/11	1/1 - 31/12/10	1/1 - 31/12/11	1/1 - 31/12/10
<i>Amounts in Euro '000</i>				
Earnings/(Losses) attributable to the Company's shareholders	1,824	-62,952	-2,507	-68,370
Interest Expense of Convertible Bond	1,956	0	1,956	0
Total	3,780	-62,952	-551	-68,370
Weighted Average number of shares	128,600,395	73,176,746	128,600,395	73,176,746
Weighted Average number of shares after conversion of convertible bond	54,572,213	0	54,572,213	0
Total Weighted Average number of shares	183,172,608	73,176,746	183,172,608	73,176,746
Diluted Earnings/(Losses) per share (expressed in Euro)	0.0206	-0.8603	-0.0030	-0.9343

32. Net foreign exchange gains/losses

	GROUP		COMPANY	
	2011	2010	2011	2010
Other (losses)/gains- net (note 27,30)	353	1,026	439	1,051
Net Finance Cost (note 29)	-3,140	512	-1,770	-114
Total	-2,787	1,538	-1,331	937

33. 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 € 1.0 million and € 5.3 million respectively (of which € 4.2 million refer to guarantees given by the parent company relating to loans undertaken by the Group's subsidiaries). Also included in cash and cash equivalents of the Company are balances amounting to € 101 th. that are restricted as they act as security for letters of credit provided to the Company.

The Operating lease commitments of the Group as at 31/12/2011 and 31/12/2010 respectively are as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
0-1 years	2,945	3,247	189	494
1-2 years	4,361	4,349	122	124
2+ years	9,610	11,428	127	
Total	16,916	19,024	438	618

As at 31/12/2011 the Group and the Company do not have significant pending capital expenditure contracts.

34. Encumbrances

As at 31st December 2011 the following encumbrances exist on Company's and Group's assets:

- Included in cash and cash equivalents of the Company are balances amounting to € 101 th. that are restricted as they act as security of good performance.

The Group, in terms of the final debt restructuring agreements and in order to secure the new bond loans, has provided securities and encumbrances as they are described below:

- The following group companies, STRAPTECH AE, MJ MAILLIS U.K. Ltd, MARFLEX M.J. MAILLIS POLAND SP Z.O.O., M.J. MAILLIS ROMANIA SA, WULFTEC INTERNATIONAL INC., MAILLIS STRAPPING SYSTEMS USA INC., EUROPACK SA, MAILLIS HOLDING GMBH, MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH and SANDER GMBH & CO KG provided to lenders corporate guarantees equaling the the total amount of the new bond loans, plus interest and costs, with the exception of SIAT SPA and COLUMBIA SRL, which provided corporate guarantees up to an amount of € 17.000 thousand and € 4.500 thousand, respectively.
- The Company provided securities in rem of an amount of to € 340.000 thousand
- STRAPTECH S.A. provided securities in rem of an amount of € 340.000 thousand
- MARFLEX M.J. MAILLIS POLAND SP. Z.O.O. provided security in rem of an amount of € 364.000 thousand
- MAILLIS STRAPPING SYSTEMS USA INC. provides securities in rem of an amount of \$ 340,000 thousand ie € 262.771 thousand on 31.12.2011.
- M.J. MAILLIS ROMANIA provides securities in rem of an amount of € 12.000 thousand
- WULFTEC INTERNATIONAL INC. provides security in rem of an amount of CDN \$ 550 thousand (€ 416 thousand as of 31.12.2011).
- The Company and the Group companies STRAPTECH AE, EUROPACK SA, COLUMBIA SRL, MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH and MAILLIS HOLDING GmbH provided to the Lenders encumbrances and pledges on the shares they hold over the Group companies.
- The Company and EUROPACK S.A. provided to the Lenders collateral and encumbrances on their claims against subsidiaries of the Group for intercompany loans.
- The Company and the Group companies STRAPTECH AE, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders pledges and encumbrances on their bank accounts.
- The Company and the Group companies STRAPTECH AE, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders pledges and encumbrances on their machines.
- The Company and the Group companies STRAPTECH AE, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER

GMBH and Co. KG provided to the Lenders pledges and encumbrances on their stocks.

- The Company and its Group companies STRAPTECH AE, MARFLEX MJ MAILLIS POLAND SP.ZOO., MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA, INC., MJ MAILLIS ROMANIA and WULFTEC INTERNATIONAL INC. provided to the Lenders collateral and encumbrances on their claims from insurance contracts.
- The Company and its Group companies STRAPTECH AE, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MJ MARFLECH MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders encumbrances and pledges over their receivables.
- The Company and its Group companies STRAPTECH AE, MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC., Providing collateral to lenders and encumbrances on their claims from factoring.
- M.J. MAILLIS ESPANA S.A.U. after conversion into a limited company enters as a guarantor of the obligations of the parent company resulting from the above bonds and provides lenders with collateral assignments and encumbrances on factoring, receivables and bank accounts.
- Also within one year from the signing of the restructuring agreement, the group company SIAT SpA will provide collateral to lenders and encumbrances on the shares of its subsidiaries.

35. Dividends per share

The Company will not distribute a dividend for the year ended 31/12/2011.

36. Distribution of profit

The proposition by the Board of Directors to the General Assembly is for the Company to transfer the profit of the year amounting to € 1,824 thousand to profits/losses carried forward.

37. Events after the reporting date

No significant events took place after the balance sheet date.

Athens. 28 March 2012

CHAIRMAN OF THE BOARD OF DIRECTORS	VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND C.E.O.	GROUP FINANCIAL OFFICER	FINANCIAL MANAGER OF GREECE
MICHAEL J. MAILLIS	MARKUS KÖLLMANN	ALEXANDROS I. TASOPOULOS	SPYRIDON D. PARGAS
Id. No. Φ 020206	PASS. No.NR5R5RB18	Id. No. Σ 621498	Reg. No. 5293- A'Class

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 website as well as to our Company's website www.maillis.com:

DATE	ANNOUNCEMENT	WEBSITE
11/01/2011	PRESS RELEASE Capital Increase –Amendment of the Statutes and New Board of Directors of M.J.MAILLIS SA	http://www.maillis.com/ecportal.asp?id=3511&nt=106&lang=2
02/03/2011	Press Release	http://www.maillis.com/ecportal.asp?id=3524&nt=106&lang=2
02/03/2011	Change in the Board of Directors	http://www.maillis.com/ecportal.asp?id=3527&nt=106&lang=2
22/03/2011	M.J. MAILLIS GROUP: Full Year 2010 Financial Results (for the period 01.01.2010 – 31.12.2010)	http://www.maillis.com/ecportal.asp?id=3573&nt=106&lang=2
22/03/2011	Announcement in accordance with paragraph 4.1.4.4. of ATHEX regulation	http://www.maillis.com/ecportal.asp?id=3578&nt=106&lang=2
07/04/2011	Change of a member of the Management team	http://www.maillis.com/ecportal.asp?id=3582&nt=106&lang=2
11/04/2011	Change in the Board of Directors	http://www.maillis.com/ecportal.asp?id=3586&nt=106&lang=2
27/05/2011	M.J.MAILLIS GROUP: Q1 2011 Financial Results (for the period 01.01.2011 – 31.03.2011)	http://www.maillis.com/ecportal.asp?id=3625&nt=106&lang=2
27/05/2011	Announcement in accordance with paragraph 4.1.4.4. of ATHEX regulation	http://www.maillis.com/ecportal.asp?id=3629&nt=106&lang=2
31/08/2011	M.J. MAILLIS GROUP: 1st half 2011 Financial Results (for the period 01.01.2011 – 30.06.2011)	http://www.maillis.com/ecportal.asp?id=3749&nt=106&lang=2
31/08/2011	Announcement in accordance with paragraph 4.1.4.4. of ATHEX regulation	http://www.maillis.com/ecportal.asp?id=3753&nt=106&lang=2
30/09/2011	New era for MAILLIS GROUP Conclusion of the final agreements for the Group's financial restructuring	http://www.maillis.com/ecportal.asp?id=3761&nt=106&lang=2
07/10/2011	ANNOUNCEMENT	http://www.maillis.com/ecportal.asp?id=3765&nt=106&lang=2
13/10/2011	ANNOUNCEMENT OF LISTING OF NEW SHARES	http://www.maillis.com/ecportal.asp?id=3775&nt=106&lang=2
20/10/2011	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: Notification of significant change in percentage of voting rights.	http://www.maillis.com/ecportal.asp?id=3779&nt=106&lang=2
21/10/2011	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: Notification of significant change in percentage of voting rights.	http://www.maillis.com/ecportal.asp?id=3783&nt=106&lang=2
31/10/2011	ANNOUNCEMENT ACCORDING TO LAW 3556/2007	http://www.maillis.com/ecportal.asp?id=3791&nt=106&lang=2
23/11/2011	M.J. MAILLIS GROUP: 3rd Quarter 2011 Financial Results (for the period 01.01.2011 – 30.09.2011)	http://www.maillis.com/ecportal.asp?id=3801&nt=106&lang=2

30/11/2011	Announcement in accordance with paragraph 4.1.4.4. of ATHEX regulation	http://www.maillis.com/ecportal.asp?id=3805&nt=106&lang=2
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M. J. MAILLIS S.A.

INDUSTRIAL PACKAGING SYSTEMS & TECHNOLOGIES

SUMMARY FINANCIAL STATEMENTS for the year ended 31 December 2011

(According to article 135 of Law 2190 for companies publishing annual statements in accordance with IFRS)

The following information that has been extracted from the Financial Statements aims to provide a broad overview of the financial position and results of M.J.MAILLIS S.A. and its subsidiaries. We advise the reader, before entering into any investment or other transaction with the Company, to visit the company's site where the financial statements and notes for the period are published, together with the Auditors report, whenever it is required.

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 Development, Competitiveness and Shipping (Department for limited Companies)
Board of Directors:	President: M.J. Maillis Vice President and Chief Executive Officer: Markus Köllmann Members: Lito Ioannidou, Michael Kokkinos, Alexandros Tasopoulos, Menelaos Tasopoulos, Petros Tzannetakis, Michael Panagis, Stylianos Stavridis.
Date of Approval of the Financial Statements	28 March 2012
Auditor's Name:	Constantinos Michalatos (SOEL Reg. No. 17701)
Auditor's Firm:	PRICEWATERHOUSECOOPERS S.A.
Report of the Auditors:	Unqualified audit report
Company's web address:	www.maillis.com

BALANCE SHEET (Amounts in €)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
ASSETS				
Tangible assets	92.654.708	104.773.270	52.713.461	61.745.298
Intangible assets	67.200.787	78.684.515	181.640	275.660
Other non-current assets	22.163.711	19.203.637	154.864.536	144.794.040
Inventories	54.196.886	56.303.549	15.771.695	16.565.848
Trade receivables	53.438.551	56.201.833	56.469.317	60.741.140
Other current assets	22.059.414	22.224.932	77.153.939	23.771.428
TOTAL ASSETS	311.714.057	337.391.736	357.154.588	307.893.414
EQUITY AND LIABILITIES				
Share capital	96.877.587	55.614.327	96.877.586	55.614.327
Other equity attributable to company's shareholders	-89.943.880	-80.277.950	19.057.767	31.223.416
Equity attributable to company's shareholders (a)	6.933.707	-24.663.623	115.935.353	86.837.743
Minority interest (b)	199.040	-23.770	0	0
Total equity (c) = (a) + (b)	7.132.747	-24.687.393	115.935.353	86.837.743
Non-current borrowings	213.397.590	10.162.165	212.032.057	8.000.000
Provisions and other non-current liabilities	20.803.697	21.680.517	9.536.365	10.683.928
Current borrowings	12.079.252	265.712.440	4.272.271	180.194.944
Other current liabilities	58.300.771	64.524.007	15.378.542	22.176.799
Total liabilities (d)	304.581.310	362.079.129	241.219.235	221.055.671
TOTAL EQUITY AND LIABILITIES (c)+(d)	311.714.057	337.391.736	357.154.588	307.893.414

STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)

	GROUP		COMPANY	
	01/01-31/12/11	01/01-31/12/10	01/01-31/12/11	01/01-31/12/10
Turnover	279.338.864	262.206.048	89.650.127	81.735.295
Gross margin	51.185.040	43.735.411	10.501.187	8.169.128
Earnings/(Losses) before taxes and financial results	-2.878.732	-23.491.368	-5.721.876	-14.987.026
Earnings / (Losses) before tax	1.804.416	-58.461.857	-3.550.966	-71.525.128
Less tax	-134.803	-5.034.745	1.044.317	3.155.478
Earnings / (Losses) after tax (A)	1.669.613	-63.496.602	-2.506.649	-68.369.650
Distributed as follows:				
Company shareholders	1.824.391	-62.951.905	-2.506.649	-68.369.650
Minority interest	-154.778	-544.697	0	0
Other comprehensive income after tax (B)	-1.310.875	1.803.035	0	0
Total comprehensive income (A) + (B)	358.738	-61.693.567	-2.506.649	-68.369.650
Distributed as follows:				
Company shareholders	135.926	-61.177.717	-2.506.649	-68.369.650
Minority interest	222.812	-515.850	0	0
Earnings / (Losses) per share (in €) - Basic	0,0142	-0,8603	-0,0195	-0,9343
Earnings / (Losses) per share (in €) - Diluted	0,0206	-0,8603	-0,0030	-0,9343
Earnings / (Losses) before taxes, financial results, depreciation and amortisation (EBITDA)	6.908.080	-11.243.268	-421.028	-8.964.797

STATEMENT OF CHANGES IN EQUITY (Amounts in €)

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net equity opening balance (01.01.2011 and 01.01.2010)	-24.687.393	37.050.591	86.837.743	155.207.393
Share Capital Increase	32.467.311	0	32.467.311	0
Issuance Costs	-1.005.909	0	-863.052	0
Total comprehensive income after tax	358.738	-61.693.567	-2.506.649	-68.369.650
Dividends	0	-44.417	0	0
Net equity closing balance (31.12.2011 and 31.12.2010)	7.132.747	-24.687.393	115.935.353	86.837.743

Kifissia, March 28, 2012

CHAIRMAN OF THE BOARD OF DIRECTORS

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

MEMBER OF THE BOARD OF DIRECTORS AND C.F.O.

FINANCIAL MANAGER OF GREECE

MICHAEL J. MAILLIS
Id. No Φ 020206

MARKUS H. KÖLLMANN
PASS. No. NR5R5B18

ALEXANDER J. TASOPOULOS
Id. No Σ 621498

SPYRIDON D. PARGAS
Reg. No. 5293 E.C.G. A' Class

KRONOS S.A.

CASH FLOW STATEMENT (Amounts in €)

	GROUP		COMPANY	
	01/01-31/12/11	01/01-31/12/10	01/01-31/12/11	01/01-31/12/10
Cash Flows from Operating Activities				
Profit / (Loss) before tax	1.804.416	-58.461.857	-3.550.966	-71.525.128
Adjustments for:				
Depreciation and amortisation	10.369.027	12.830.315	5.665.920	6.387.300
Impairment on tangible and intangible assets	11.083.356	21.450.290	22.566.397	43.375.255
Provisions	-3.227.509	3.721.473	521.764	5.445.465
Exchange differences	-921.094	-6.350.734	-441.425	-1.051.142
Gain on the extinguishment of financial liabilities by the issue of common equity shares	-42.457.252	0	-42.457.252	0
(Gain) or loss from investing activities	-12.581.870	-6.751.049	-8.751.364	-4.136.131
Interest payable	41.188.494	29.601.632	27.401.236	21.030.907
Working capital changes:				
Decrease/(Increase) in inventories	4.343.736	-3.255.114	805.935	-1.797.535
Decrease/(Increase) in trade receivables	3.678.260	-837.067	-50.942.459	-4.581.540
Increase/(Decrease) in trade payables (except banks)	-5.075.620	13.712.081	-5.866.148	5.478.879
Less:				
Interest paid	-7.774.028	-5.881.207	-6.534.867	-3.055.629
Tax paid	-3.663.819	-1.807.127	-2.186.537	-159.759
Net Cash from operating activities	-3.233.903	-2.028.364	-63.769.766	-4.589.058
Cash Flows from Investing Activities				
Acquisition of subsidiary	0	0	-27.487.469	0
Purchase of intangible assets, property, plant and equipment	-1.597.138	-1.874.452	-442.536	-695.075
Proceeds on sale of fixed assets	375.992	489.876	207.473	0
Interest received	502.443	675.369	296.502	193.867
Net Cash used in investing activities	-718.703	-709.207	-27.426.030	-501.208
Cash Flows from Financing Activities				
Proceeds from issue of share capital	-1.006.051	0	-863.052	0
Proceeds from borrowings raised	8.055.865	7.441.237	90.051.616	7.349.659
Repayment of finance lease liabilities	-1.699.940	-378.256	0	0
Dividends paid	0	-382	0	-24
Net cash used in financing activities	5.349.874	7.062.599	89.188.564	7.349.635
Net increase/(decrease) in cash and cash equivalents	1.397.268	4.325.028	-2.007.232	2.259.369
Cash and cash equivalents in beginning of period	12.001.621	10.213.948	3.791.910	1.532.540
Exchange differences adjustment	-85.068	-2.537.356	0	0
Cash and cash equivalents at end of period	13.313.821	12.001.620	1.784.678	3.791.909

Additional Information

- Companies that are included in the consolidated financial statements of the period ended 31 December 2011 are presented in note 10 in the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
- The accounting principles followed, are in accordance with those followed at 31/12/2010.
- 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.
- There are no contested or doubtful legal cases which might influence materially the financial position of the Company and the Group.
- The number of employees as at 31/12/2011 was 1.447 for the Group (31/12/2010: 1.528) and 306 for the Company (31/12/2010: 315).
- Intercompany related party transactions for the year ended 31 December 2011 and related party balances for the period then ended according to IAS 24 are as follows:

Amounts in € thousand	Group	Company
a) Income	2.393	56.518
b) Expenses	56	2.235
c) Receivables	392	128.754
d) Payables	8	1.517
e) Key management compensations	5.863	3.428
f) Receivables from key management	0	0
g) Payables to key management	0	0
- The Group has formed cumulative provisions amounting to € 2.720 thousand, for unaudited fiscal tax years, € 7.906 thousand for retirement benefit obligations and € 8.142 thousand for other liabilities. The Company has formed cumulative provisions amounting to € 1.350 thousand, for unaudited fiscal tax years, € 2.222 thousand for retirement benefit obligations and € 471 thousand for other liabilities.
- 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.
- The report of the auditors will be unqualified.