



 **M. J. MAILLIS S.A.**
PACKING SYSTEMS

ANNUAL
REPORT

global partner for end of line systems

2007

ANNUAL
REPORT
2007

According to the decisions No. 5/204/14.11.2000
and 7/372/15.02.2006 of the Hellenic Capital Market Commission,
as well as the relevant circular letters.

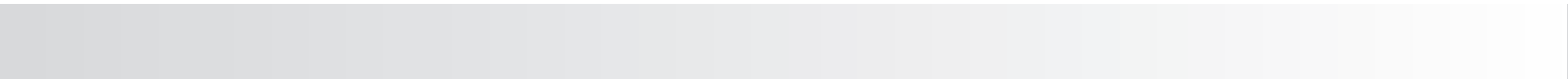
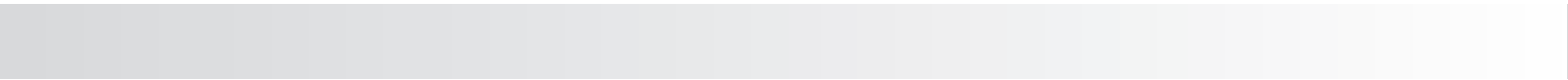


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1. COMPANY INFORMATION

1.1 GENERAL COMPANY INFORMATION

M.J.MAILLIS S.A. was established in 1973 as a Limited Liability Company (Ltd.) and changed into a Commercial and Industrial Societe Anonyme (S.A.) in 1976. From April 2003, the registered office of the Company is in the Municipality of Kifissia, Attica, at 5, Xenias & Harilaou Trikoupi and the company is registered in the Register of Societe Anonyme Companies with registration number 2716/06/B/86/43/H. The life of the company has been fixed at sixty years to the year 2036. It is a Greek Societe Anonyme and is subject to the Law regarding Societes Anonymes of the Cod. Law 2190/1920. The Company is further bound by the provisions governing listed companies as the company's shares are listed in the main market of the Athens Exchange.

The purpose of the Company according to article 4 of its Charter is:

- a) The trading in general through imports, exports and through the representation of foreign firms.
- b) The establishment and operation of Industrial Units, including specifically units for the production of packing stripes of any kind of metal or plastic.
- c) The production and trade of packing materials machinery of any kind as well as of the relevant raw material and the selling promotion of the aforementioned items in any way or means and the drawing up of the relevant studies.
- d) The drawing up of technical studies and the supply of know-how for construction, as well as the construction of industrial equipment of any kind and of the relevant production lines.
- e) In order to achieve its goals, the Company can for example:
 - i) Found other companies of any type, participate in existing companies and enterprises or acquire existing companies and enterprises
 - ii) Found branches, offices and annexes anywhere
 - iii) Cooperate with physical and legal persons of similar or complementary or in any way just useful to the company purposes, directly or indirectly
 - iv) Get loans, grant guarantees and warranties to associated companies and to third persons, with or without providing insurance, provided these are relevant or relate to the achievement of the company's goal
 - v) Participate in bids of the Greek or any other foreign State or any other public or private agent in order to undertake works, receive grants and in general make agreements of any kind in order to promote the company's work.

M.J. MAILLIS S.A. has two production facilities, one at Inofita producing metal and plastic strap and one in Alexandroupolis producing stretch and shrink film, adhesive tapes and edgeboards. Moreover, the Company, through its network of subsidiaries, has production facilities in Europe, North America and India, offering the complete end-of-line solution for secondary packaging applications.

Specifically, with respect to packaging materials, plastic straps are produced in Spain, Germany, Poland, US and India, stretch film is produced in Poland, shrink film is produced in Romania while in Germany there is also production of edge boards and special bands.

Regarding packaging machines, the production facilities of tape carton sealers, stretch wrapping machines, strapping tools, flexographic machines, shrink film machines, dispensers and spare parts are located in North Italy, strapping heads and automatic machines are produced in Germany, wrapping machines are produced in Romania, where as in the North America, stretch wrapping machines and strapping machines are produced in Canada, and automatic packaging lines are assembled in Ohio, US.

In Greece, the Company is purely exports-oriented, with exports accounting for 88% of its annual production (2007 data). M.J. MAILLIS S.A. has succeeded in consolidating its position in the international markets on the strength of the high quality of its products, of the powerful distribution networks and of the efficient service provided to its customers.

1.2 BRIEF HISTORY

The milestones in the history of the Company are the following:

- 1968** - The Company is established by Mr. Michael J. Maillis as a family business with the form of a sole proprietorship.
- 1973** - The form of the Company changes to a Ltd. company.
- 1976** - The form of the Company changes from a Ltd. Company to a Commercial and Industrial S.A.
- 1988** - The Company is presented with an award by the Chamber of Commerce and Industry of Greece for its exports achievements in the period 1985-1987.
- 1993** - The Company acquired the quality assurance certificate ISO 9002 for "Packaging Steel Band Production and Trade". This certificate is valid through 21/11/1996. The Company was among the 20 first enterprises in Greece to be granted the foregoing certificate and was the first Company in the metallurgy and metal processing industry to have received such a certificate.
- 1994** - The Company listed its shares in the Parallel Market of the ASE. The first two subsidiaries of MICHAEL J. MAILLIS S.A. are established in the same year; the first with a registered office in Sofia, Bulgaria (August '94) and the second in Bucharest, Romania (December '94). The object of these two companies is to develop a distribution network for Company products in the Balkans. Moreover, the Company also became a producer via M. J. Maillis Romania.
- 1995** - The first subsidiary Company in Greece was established in March under the name STRAPTECH S.A., the object of which was to study, manufacture and sell automatic packaging machines and assemblies, as well as mechanical equipment for the production of band and other packaging materials.

In the same year, the Ministries for the National Economy and for Industry, Research and Technology approved the five-year business plan (1995 - 1999) to the amount of GRD 4.64 bill. which had been subject to the development law 2234/23a (GGV 195/1995) and was the biggest investment plan of the Company ever approved under that law.
- 1996** - The Company was reclassified from the Parallel to the Main Market of the Athens Stock Exchange. Moreover, in the same year the Ministry for Development approved the Company's investment plan in

the Industrial Zone of Alexandroupoli of a total amount of GRD 1.64 bill. subsidized at 62% for building a plastic strapping band and packaging film production plant (L. 1892/90). Moreover, the ISO 9002 quality assurance certificate was renewed for the 3-year period 1996 - 1999.

1997 - The Company, as part of its expansion into the Balkans, established a new subsidiary Company in Poland with a registered office in Warsaw (March 1997) to market its products in that country. It also established a representative office with a registered office in Brussels with an aim to strengthen its product distribution network.

At the same time, the Company completed its investment plan (Phase A of the IND. ZO. of Alexandroupoli) two years earlier than originally scheduled, thereby marking a spectacular increase in its production capacity while expanding its product range by starting to produce and sell stretch and shrink film.

Two more Company investment plans are approved in the same year regarding the establishment of a natural gas-operated electricity co-generating unit to the amount of GRD 652 mill. at Inofita and in phase B of the investment plan in Alexandroupoli to the amount of GRD 2.5 bill. for the two-year period 1998-1999.

Moreover, in 1997 the Company raised a seven-year Bond Loan with private placement in the London market to the amount of 62 mill. DEM (GRD 9,818,568,000 at the exchange rate as at 31/12/1997) to reschedule its loan liabilities (Current - Long-term).

1998 - A new subsidiary is established in the Czech Republic, M.J. Maillis Czech SRO, with a registered office in Prague (April 1998). In that same year, MICHAEL J. MAILLIS S.A. acquired the majority of shares in the Incoplastic S.A. and Rocalu S.A. companies in Spain. Incoplastic S.A. was renamed M.J. Maillis Espana S.A. A new subsidiary is also established in Albania, M.J. Maillis Albania Ltd. Finally the company's quality control system in the Production Plant at Inofita is upgraded according to ISO 9001: 1994 with validity through 31/12/2003. In December 2003, the quality control system is further upgraded according to ISO 9001: 2000 with validity through 11/12/2006.

1999 - The Company, in line with its strategic expansion, made further acquisitions in England. First, MICHAEL J. MAILLIS S.A. acquired Castlegate, which then acquired the Payne Strapping Systems Division of Bunzl. Plc. The new company created was renamed Payne Strapping Systems Ltd. Payne Strapping Systems Ltd. then merged by acquisition with Elsten Ltd. company.

M.J. Maillis France SAS is established. M.J. Maillis France SAS acquired 100% of Codami SARL and Cerbere Agravit S.A. together with the Sovarec Division of Cerbere S.A. Codami SARL was then renamed Cerbere Sovarec S.A. and acquired the Sovarec division of Cerbere S.A.

OMS Maillis America Inc. is established through the joint venture of MICHAEL J. MAILLIS S.A. and OMS SpA. in the city of Charlotte, North Carolina.

A new subsidiary company is established in Hungary, M. J. Maillis Hungary KFT. The foregoing company acquired the Danubia Pack trademark together with some fixed assets of the company and was renamed Danubia Pack Maillis Group.

Phase B of the Alexandroupoli investment plan to the amount of GRD 2.5 bill. is completed.

COMPANY INFORMATION

In the end of 1999, the Company made the following acquisitions: Siat S.p.A. in Italy at 100% and its subsidiaries (Arte Srl, Gramegna S.p.A., Ipe CO, Combi Packaging Systems, Siat USA), Columbia S.r.l. in Italy at 60%. Siat Spa is a manufacturer of tape carton sealers, stretch strapping machines and tape flexographic printers. Columbia S.r.l. is a strapping machine manufacturer.

2000 - In the course of the year, the Group completed a number of major strategic acquisitions.

Specifically, MICHAEL J.MAILLIS S.A. took one step further towards completing its commercial network in Europe by acquiring 100% of the Austrian company CYKLOP that was renamed CONTIPAK and is the secondary packaging Market Leader in Austria.

The acquisition of the majority interest in the Finnish company OY ASTRAP AB was also completed. The said company together with ASTRAP AB, its Swedish subsidiary at 100%, is trading secondary packaging products.

The acquisition of DF PARTNER SRO in the Czech Republic was completed in May 2000, a company marketing and trading in secondary packaging products and one of the major distributors in the Czech Republic with an extensive sales network.

The acquisition of Sander GmbH was also completed in the same month, a German company designing, manufacturing and selling automatic strapping machines, plastic band, special strapping band, edge board and airbags for product transportation by containers.

It is worth mentioning the considerable investment efforts which started in 2000 in Romania to complete a modern machine production facility based on the machine production know-how of the SIAT and SANDER Group in a lower production cost country. The plant went into operation towards the end of the first semester of 2001.

In July 2000, SIAT SPA in Italy acquired a majority interest in SICME SRL. SICME SRL is a company specializing in the production of machine parts and components.

In September 2000 M.J. MAILLIS POLAND S.P.Zo.o. acquired the business and assets of MARFLEX Sp. Z.o.o. which assigned her the right to use its trade name MARFLEX. Note that MARFLEX Sp. Z.o.o. is the biggest stretch film producer in Eastern Europe and the biggest plastic bag producer in Poland with a high standard printing capability.

The acquisition of the Swedish company Nydens Forpackings AB by Astrap AB, the Swedish subsidiary of MICHAEL J. MAILLIS S.A., trading in secondary packaging products was completed in December 2000.

The company refinanced the bond loan to the amount of 62,000,000 DEM as at 31/12/1999 with a medium-long term syndicated loan in Euros to the amount of 47 mill. maturing and repayable in 2003. The company proceeded in renewing the said loan till December 2006.

2001 - The first round of acquisitions was completed in 2001, thereby providing integrated end of line solutions. The following strategic acquisitions were made in the course of 2001:

In May 2001 MICHAEL J. MAILLIS S.A. acquired two Italian companies via its Italian subsidiary SIAT S.p.A.; MEGA S.r.l., a producer of high-technology automated packaging machines for special uses and TAM S.r.l., a producer of machinist products and parts operating at maximum automation.

The acquisition of United Packaging PLC via HELERO BV in England was completed in August 2001. United Packaging PLC is a leader in automated stretch wrapping and stretch film production and sales.

In November 2001, the Company proceeded via HELERO BV to acquire Samuel Strapping Systems (UK) Ltd. in England, who represented the European operations of the Canadian Company Samuel Manu-Tech Inc. Samuel Strapping Systems (UK) Ltd. is a leader in the production and distribution of heavy-duty packaging materials and machines.

It is worth noting that the public offering of the subsidiary company M.J. MAILLIS ROMANIA S.A. was successfully completed on 16/02/01. The capital raised by the company amounted to 1.46 mill. Dollars to finance its investment plan through the offer of 869,311 new shares at 45,000 ROL (USD 1.69 per share).

The new integrated information system (SAP) was also successfully completed in 2001.

2002 - In April the company announced the acquisition via its subsidiary EUROPACK S.A., of WULFTEC INTERNATIONAL Inc., the biggest stretch wrapping machine producer in Canada, and its subsidiary SIAT S.p.A acquired 51% of the Dutch Packimpro VOF, which was then renamed to SIAT BENELUX B.V.

Moreover, the new packaging machine production line of M.J.MAILLIS ROMANIA, a subsidiary for the Group in Romania, opened in Bucharest in May 2002. The new production line increased the annual production of this plant by 3,500 machines and machine parts, while it was built to assimilate the production capacity in plain packaging machines of the Italian and German production plants.

In June the Ordinary General Meeting of Company Shareholders deliberated and resolved inter alia the abridgment of the name of the Company from «MICHAEL J. MAILLIS S.A. – Packing Systems» to «M.J.MAILLIS S.A. – Packing Systems» and the corresponding amendment of Article 1 of the Company Articles.

In the course of the year, the Company also made an acquisition of strategic importance, buying out the Fixed Assets and the Brand Name of the Italian F.A.I. S.r.l., a company with a strong presence in the shrinking machine market of Italy and a major exporter to the European and North American markets.

At the end of the year, the Group announced its strategic participation by 30% in the share capital of the Italian 3L S.r.l., a rapidly growing manufacturer of electronic equipment and a software designer for industrial applications.

Moreover, having successfully completed in association with IBM the implementation of the project for establishing the SAP information system in Greece, M.J.MAILLIS S.A. announced the launch of this project in its Italian subsidiaries also (SIAT S.p.A., SICME Srl., MEGA Srl., TAM Srl. and COLUMBIA Srl.). This particular project is part of the efforts of the Group towards the modernization and more efficient operation of its network of subsidiaries, which the Group is also planning to later extend to other Group subsidiaries.

Note that in September in a survey conducted by Growthplus, the European association of enterprising businessmen, to provide a ranking of the 500 fastest growing businesses in Europe in 2002, in terms of

growth and new job position creating potential, of the 27 Greek enterprises participating, M.J.MAILLIS S.A. was considered to be the fastest growing company in Greece, while on a European-wide level, the Company was ranked 19th. In the space of five years, M.J.MAILLIS S.A. brought its staff numbers up from 164 in 1996 to 1,976 in the end of 2001.

2003 - SIAT S.p.A. completed in Italy the merger by acquisition of the company's subsidiary ARTE S.r.l., under which the total assets and liabilities of ARTE S.r.l. together with all the relations at law thereof were transferred to its sole shareholder SIAT S.p.A.

In the framework of the reorganization of its product marketing channels in America, the Company announced in April 2003 the establishment of a joint venture via its subsidiary WULFTEC INTERNATIONAL INC. under the name «Maillis Strapping Network Llp (MSN)».

In May the Company announced the acquisition of the remaining 40% of the share capital of its subsidiary COLUMBIA Sr.l. by its old shareholders.

In June in line with the restructuring project under way for the Company subsidiaries in Spain for the purposes of the said merger, M.J.MAILLIS S.A., the sole shareholder of the company M.J.MAILLIS ESPANA SL, participated in the increase of the share capital thereof by contributing all of the shares held by ROCALU S.L. as the sole shareholder thereof and then M.J.MAILLIS ESPANA SL proceeded to acquire by absorption ROCALU S.L. As a result of the foregoing, M.J.MAILLIS ESPANA SL is the sole operating subsidiary of M.J.MAILLIS S.A. in Spain.

In July NYDENS FORPAKINGS AB, a Swedish subsidiary of M.J.MAILLIS S.A., merged with another company subsidiary, M.J.MAILLIS SVERIGE AB. Under the said merger the total assets and liabilities of the merged NYDENS FORPAKINGS AB was transferred to M.J.MAILLIS SVERIGE AB and consequently the latter is now the sole active subsidiary of M.J.MAILLIS S.A. in Sweden.

In September the procedure for changing the name of the subsidiary of M.J.MAILLIS S.A. in Poland from «Marflex M.J.Maillis Group S.p.Zoo» to «Marflex M.J.Maillis Poland S.p.Zoo» as well as of its subsidiary in Hungary «Danubia Pack M.J.Maillis Group Kft» to «M.J.Maillis Hungary Packing Systems Ltd» was completed so that all Group companies may share the same identity.

The SAP information system was established in the Company's subsidiaries in Italy in association with IBM in October. This project was carried out with a view to modernizing and streamlining the Company's subsidiary network operations by way of creating a common database, central control and reporting. On completion of this project the necessary infrastructure is now in place for adopting e-business solutions. The Company is planning to further expand the installation of the information system to other Group subsidiaries.

During the year the share capital increases of the subsidiaries under the name «CONTIPAK GmbH» in Austria and «M.J.MAILLIS SVERIGE AB» in Sweden were also completed.

2004 - In 2004, the Group achieves its strategic goal for consolidated sales organic growth of 15% and improvement in cash flow, which confirms both the Group's growth strategy over the previous years and the successful efforts for consolidation and integration within the past 2 years. The parent Company M.J. MAILLIS S.A. marked an unprecedented increase of 37% in sales and further improved profitability.

The Company made significant moves with the view of solidifying its organizational structure, reorganizing its sales groups in order to ensure the provision of complete solutions and the promotion of the entire range of products by each subsidiary, as well as expanding in the USA by investing in the production of packaging materials. The aforementioned investment together with the solid foundations for production of machinery already set in the USA creates the adequate conditions for rapid growth, following the growth model already implemented in Europe. More specifically:

In September, the company announced the purchase of building facilities in Fountain Inn, Greenville, South Carolina, within the framework of its corporate plans for further growth and penetration of the North American market. The purchase was conducted via the Company's new subsidiary, VELTA LTD, which was renamed to M.J.MAILLIS STRAPPING SYSTEMS (USA) LTD.

In October, further enhancing its position in Europe, the Company announced the agreement between CONTIPAK GMBH and Austrowaren for the purchase of the inventory of packaging materials and tools of Austrowaren. This move is expected to contribute to the expansion of the Company's client base in the Austrian market.

In Italy, SIAT S.p.A. increased its participation stake to its subsidiary SICME Srl by purchasing the rest 40.0% of its share capital. The company is currently wholly owned by SIAT S.p.A.

Moreover, SIAT S.p.A. increased its share of participation in its subsidiary MEGA Srl from 70.0% to 99.875%. Within the framework of continuous rationalization of the Company's subsidiaries, MEGA Srl is now owned by 99.875% by M.J. MAILLIS S.A.

2005 - In April the Company completed successfully the first phase of its investment in North America with the start up of the new manufacturing facility in South Carolina for the production of pet strapping. This investment together with the Group's established North American machines production create the "springboard" for further aggressive expansion.

In July in line with its strategy for geographical expansion and penetration of new markets, the Company announced the set up a subsidiary in Serbia under the name M.J.MAILLIS d.o.o. – Beograd, in Belgrade. The purpose of this subsidiary is the distribution of the Group's products in the local market.

In December the Company completed the acquisition of 55% of MSN, a company registered in Georgia, USA and engaged in the distribution of packaging materials and machines. The acquisition of the 55% was made through Maillis Strapping Systems USA Inc. for an amount of USD 440,000. Wulftec Investment Ltd., subsidiary of Wulftec International Inc and one of the founders of MSN, continues to hold the remaining 45%. By gaining control of 100% of MSN, the Group combines production and distribution, thus creating the conditions for achieving high growth rates in the very promising market of North America.

In December also M.J.MAILLIS S.A. successfully raised US\$130 million (€112 million) through a US Private Placement bond issue and refinanced existing long-term bank debt. The bonds were placed with some of the largest institutional investors in the US and UK active in this market and was substantially oversubscribed from the original size. The tenors of the bonds were 7 and 10 years, with bullet payments at maturity. The pricing was very competitive and reflective of the regard investors had for the Group's historical financial performance, business plan and prospects. Bank of America acted as the Sole Agent

for the US Private Placement and coordinated, amongst other things, an extensive road show of the Group's management team in 9 cities in the US and Europe, as well as investors' due diligence, including meetings at production sites and at the Group's headquarters. Through this refinancing, M.J.MAILLIS Group improves its financial structure, extends the tenor of its debt at competitive fixed rates of interest and lowers its financing cost, while diversifying its sources of capital to include, for the first time, major US and European institutional investors.

2006 - In May M.J. MAILLIS S.A. announces that following the acquisition of 55% of MSN by MAILLIS STRAPPING SYSTEMS USA INC and in order for the latter to become the sole shareholder, it acquired and subsequently merged with WULFTEC INVESTMENT LTD, owner of the remaining 45% of MSN. WULFTEC INVESTMENT LTD was previously owned 100% by WULFTEC INTERNATIONAL INC (Group's subsidiary in Canada). The merger procedures for the companies MAILLIS STRAPPING SYSTEMS USA INC - WULFTEC INVESTMENT Ltd were concluded in April 2006 with effective date that of February 24, 2006. As of that date, both companies WULFTEC INVESTMENT Ltd and MSN ceased to exist.

The Company's subsidiary in Luxembourg, EUROPACK S.A. signed on May 18th a 5-year term syndicated loan of EUR 70 million with the participation of Greek and foreign banks, in line with the Group's decision to centralize the financing and treasury operations of the subsidiaries.

In June the Company receives a major export award from the Athens Chamber of Industry and Commerce for the impressive growth of its export activities, over the last 3 years.

In November the Company announces the formation of a joint venture in India with the participation of Group companies with 50% in STRONG STRAP PRIVATE Ltd, in line with Group's expansion strategy in Asia. The company is based in Mumbai and was renamed to MAILLIS STRONG STRAP PRIVATE Ltd. The new company is engaged in the production of PET strap and will be also promoting the full range of Group production in India.

2007 - During the second quarter of 2007 in relation to the restructuring actions to reduce cost and improve profitability, M.J. MAILLIS Group proceeded with:

- reduction of the commercial affiliates in Europe and creation of larger regional units that can serve the market in a more efficient and effective way,
- consolidation of the production units in Europe, in the automatic machines sector, in order to achieve economies of scale and productivity improvement.

Specifically, the commercial activity in the Netherlands was absorbed by the affiliate of the Group in Belgium (M.J. Maillis Belgium NV), which was renamed to M.J. Maillis Benelux NV.

The commercial activities in Sweden, Albania and Serbia through commercial subsidiaries were terminated and resumed through local distributors.

The production activities of automatic machines of M.J. Maillis Systems Srl and Mega Srl were absorbed by the Group's subsidiary Columbia Srl.

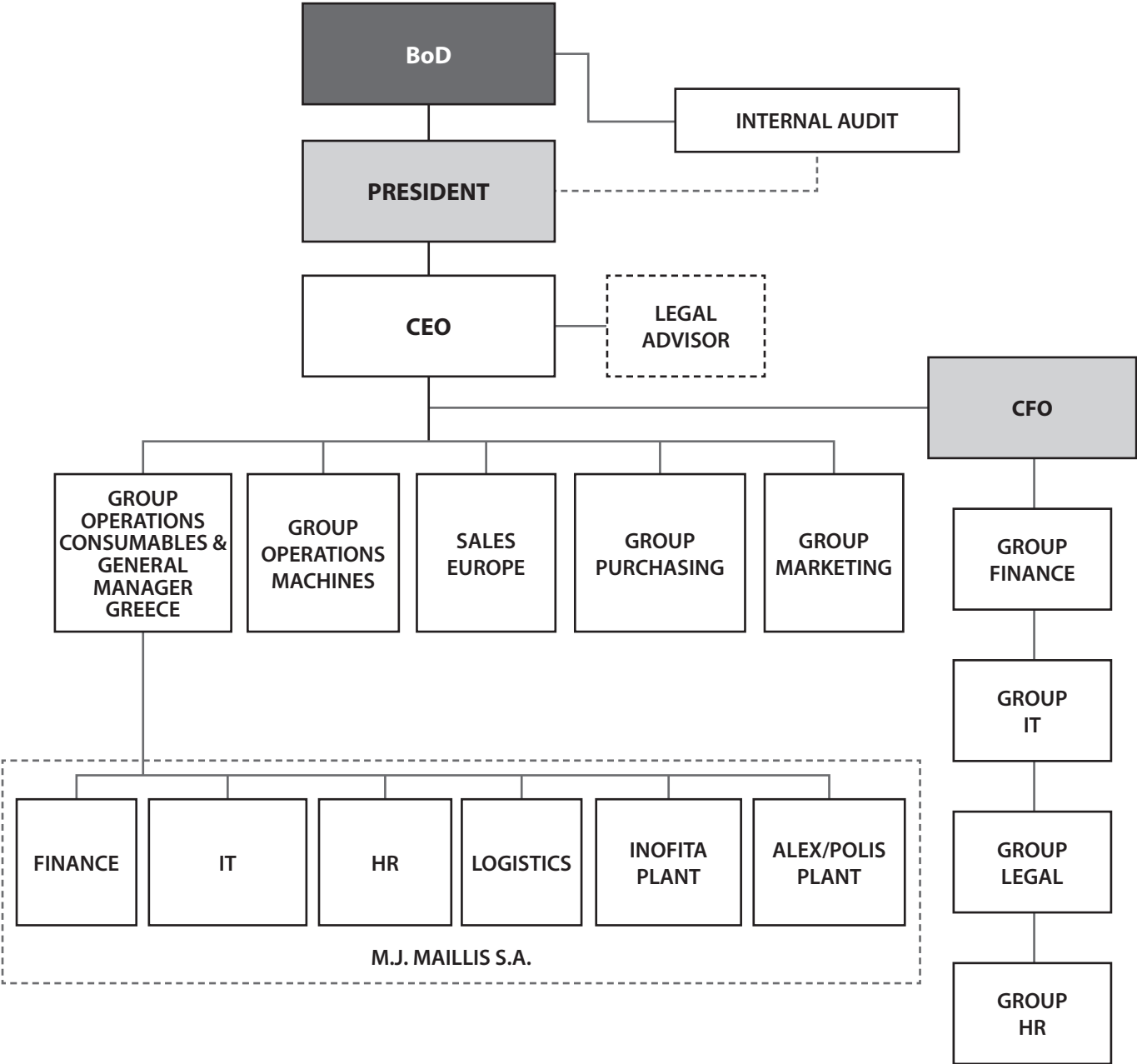
In order to reduce the number of the intermediate holding companies of the Group, all the holdings and other activities of Helero B.V. were transferred to the other holding company of the Group, Europack S.A.

Thereafter, the legal entities that remained with no activity were sold, M.J. Maillis Netherlands BV, M.J. Maillis Sverige AB, M.J. Maillis Albania LTD, M.J. Maillis d.o.o. Beograd, Mega Srl and Helero B.V.

2. ADMINISTRATION

2.1 ORGANIZATIONAL STRUCTURE

The organizational structure of M.J.MAILLIS S.A. and the Group is depicted in the following organization chart:



2.2 COMPANY KEY MANAGEMENT

According to article 9 of the Charter, the Company is managed by a Board of Directors consisting of a minimum of three (3) and a maximum of seven (7) members.

The present Board of Directors has seven members and was elected by resolution of the Ordinary General Meeting of Shareholders on 24/05/2006 for a term ending at the time of the Ordinary General Meeting of Shareholders to be held in 2010. Following sessions held on 03/11/2006 and 04/12/2006 of the Board of Directors of the Company, concerning the election of a new member replacing the resigned one and the reformation in body, the Ordinary Meeting of the Shareholders held on 21/05/2007 which, among other items, approved the election by the Board of Directors of the new member on the 4/12/2006, the session of the Board of Directors held on 30/08/2007 concerning the election of a new member replacing the resigned one and the reformation in body, the session of the Board of Directors held on 28/11/2007 concerning the appointment of Designated CEO and finally the session of the Board of Directors held on 29/02/2008 concerning the appointment of a new manager director and the reformation in body, today the Board of Directors of the Company is composed of:

Michael J. Maillis,	Chairman of the Board, Executive Member
Ioannis Kourouglos,	Vice Chairman of the Board and Manager Director, Executive Member
Maria Maillis,	Executive Member
Victor Papaconstantinou,	Executive Member
Sotirios Orestides,	Non Executive - Independent Member
Ilias Gounaris,	Non Executive - Independent Member
Lito Ioannidou,	Non Executive - Independent Member

The curricula vitae of the members of the Board of Directors of the company are as follows:

EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

- **Michael J. Maillis**

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

- **Ioannis Kourouglos**

Chief Executive Officer and Vice-Chairman of the Board of Directors. A graduate of the New Jersey Institute of Technology with M.S in Management and B.S. in Chemical Engineering. A former executive in large companies in the USA such as E.I. Dupont, Cookson Plc Group and Tredegar Film Products

- **Maria Maillis**

Corporate Communications Manager. Graduated from Royal Holloway University of London with Bsc in Financial Economics and holds a Master's degree MIEM/MBA in International Economics & Management from SDA Bocconi, Milan. During the last years, she has assumed an active role within the Group, both in Greece and abroad.

- **Victor Papaconstantinou**

Chief Financial Officer. He has a degree in Chemical Engineer from the National Technical University of Athens, with an MBA from Warwick Business School and a Chartered Certified Accountant. He worked as a Senior Manager in the Corporate Finance department of PricewaterhouseCoopers. In 2004 he was appointed Financial Director of Air Liquide Hellas.

INDEPENDENT NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

• **Sotirios Orestides**

A graduate from the Higher School of Commerce with several years of managerial experience in the Finance Departments of big companies such as Johnson & Son Ltd and Hellenic Steel. A BoD member and an associate of Solid SA.

• **Ilias Gounaris**

Holds a Law Degree from the University of Athens and he has served as ambassador in Born, Moscow and London. In 1999 he was appointed permanent representative of Greece at the UN headquarters in New York and in May 2002 he was appointed Chair of the Foreign Ministry's Committee for the Environment and Sustainable Development.

• **Lito Ioannidou**

Holds a Bachelor of Commerce (1975) and Master of Business Administration (1978) degree from McGill University in Canada. She has a 28-year experience in the area of capital markets, being for 22 years in Citibank Greece (1978-2000) at high responsibility positions including Vice President (Deputy Market Manager, Country risk manager, Local Corporate/Corporate Finance Head) and as President and Managing Director in Citi-Financial Leasing (1998-2000). Ms Ioannidou has also been Executive Vice President and General Manager at the Athens Stock Exchange (2001-2005) as well as President of the Audit Committee and Member of the Working Committee (Committee responsible for setting up a common strategy and adhering to it) of the European Exchange Federation (FESE). In 2006, she founded "LITO IOANNIDOU & Associates, Business Consultants".

The management of the Company is carried out by experienced managers, as presented below:

• **Avarli Kiriaki-Georgia**

Group Internal Audit Director. Ms Avarli holds a degree in Business Administration from the University of Macedonia and is a Certified Internal Auditor. Her previous experience includes being Chief Accountant in Nestle Hellas S.A and Internal Auditor in Lavipharm Group.

• **Hendrikx John**

Sales Manager Europe. John Hendrikx holds an MBA from the Rotterdam School of Management. He started his career as a sales consultant in AT Kearney and gained experience in industrial sales during his long career in Nitto Denko.

• **Gerardou Angeliki**

Group Operations Consumables Director & General Manager Greece. A Mechanical Engineering graduate of the University of Patras. Also holder of an MSc in Logistics from the National Technical University of Athens. Formerly an executive with several years of experience in Logistics at Bosch/Siemens Hellas S.A

• **Lentzos Ioannis**

Group Operations Machines Director & Group Engineering Director. He has obtained a PhD from the department of Mechanical Engineering from the University of Patras. His previous experience was gained in Neoset S.A where he was responsible for the Mechanical Design, Mr Lentzos has written and published numerous technical reports.

• **Stavropoulos Panagiotis**

Group Purchasing and Major Projects Director. Mr Stavropoulos is an aeronautical and mechanical engineer, graduate of the National Technical University of Athens. He has also obtained an MBA from ALBA. His previous

working experience was gained in the Airforce where he was responsible for Purchasing and in the Aluminum of Greece where he remained for four years as Regional Purchasing Manager.

- **Botsi Paraskevi**

Group IT Director. A physics graduate of Athens University having specialized in Information Technology. Past experience includes 10 years as IT Manager at Seagram

- **Nikolakopoulos Ioannis**

Legal Consultant to the Company with a long experience in the International Trade and Steel Industry and generally in commercial and corporate affairs.

- **Maroulis Nikolaos**

Financial Manager of Greece. Mr Maroulis is a graduate of ASOEE and has obtained his previous experience in large companies such as HALKOR (Viohalko Group) and Zara Hellas, where he was Chief Accountant.

- **Magiakou Elisavet**

Group Human Resources Manager. Holds a Bsc in Psychology and Economics from Tufts Univeristy and an Msc in Industrial Relations & Personnel Management from the London School of Economics. She joined the Group in 1999 in the UK subsidiary as Personnel Manager. In 2001 she moved to the Headquarters in Greece.

- **Demolitsa –Theodoropoulou Ioanna**

Legal Consultant to the Company with several years of experience in commercial and corporate affairs and in International Commerce. Formerly an Attorney and Legal Consultant to the BODOSAKIS and PAPASTRATOS S.A. Group of Companies

- **Stefanos Sargologos**

Group Marketing Manager. A graduate from University College London with a degree in Economics and previous marketing experience in the FMCG sector in the U.K and the U.S.

- **Sotiris Valsamakis**

Plant Manager Inofita & Technical Manager Greece. Mr Sotiris Valsamakis is a graduate of the National Technical University of Athens from the department of Mechanical Engineering. He holds two post graduated degrees from Cranfield University (MSc In Computer Integrated Manufacturing) and University of Strathclyde (MBA) in Great Britain. He has a long experience in industrial organizations such as TITAN Cement.

- **Tsitlaidis Lazaros**

Plant Manager Alexandroupolis. Mr Tsitlaidis holds a degree in Information Technology from the Friedrich-Alexander University Erlangen Nuremberg an Msc in Logistics Management, and is a certified AIA in corporate finance & decision making . His previous experience was gained in Siemens in Germany where he was employed for two years.

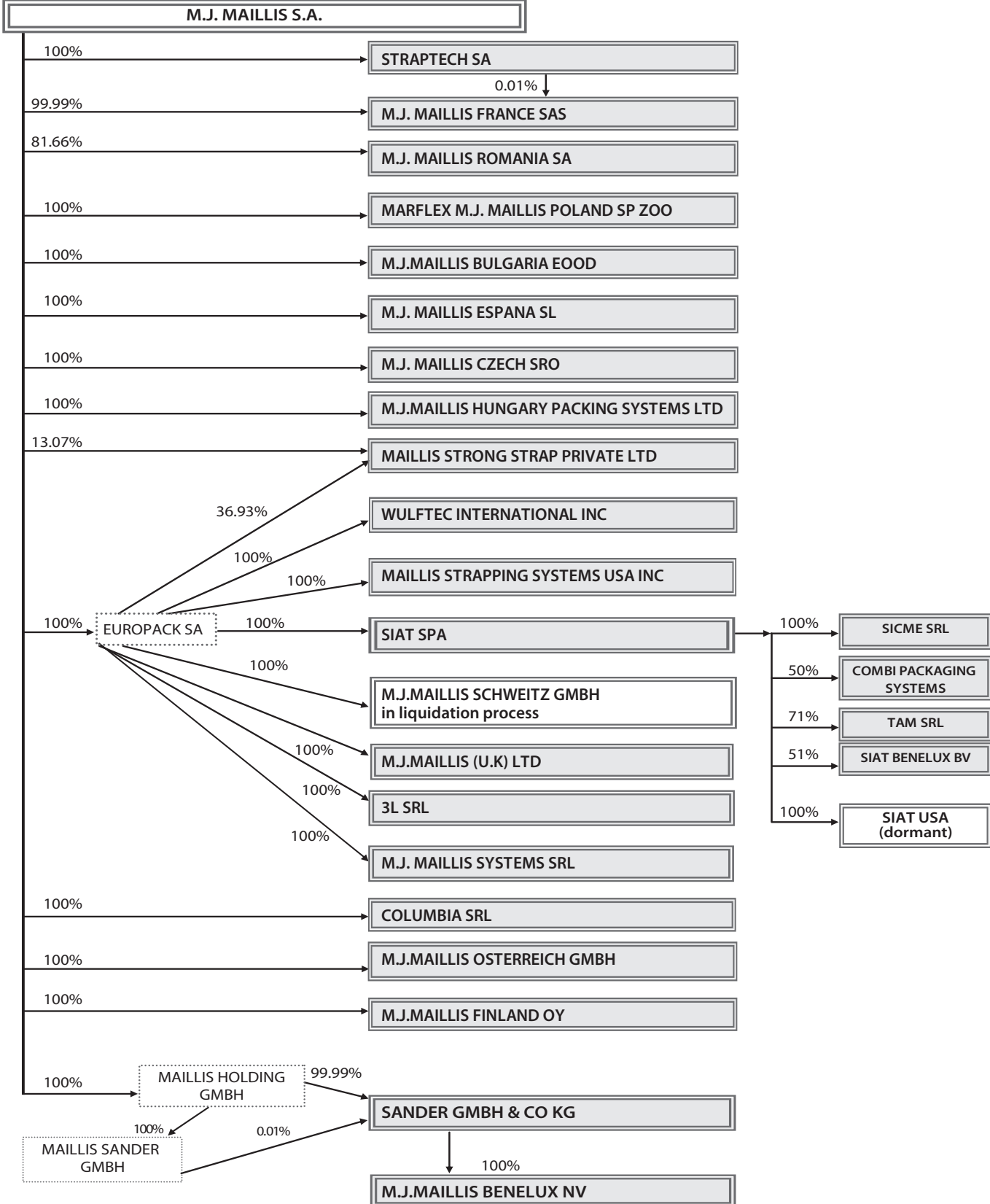
The correspondence address of the members of the Board of Directors and the Company Managers is the address of the head offices of the Company at 5, Xenias & Harilaou Trikoupi St., GR- 145 62, Kifissia.

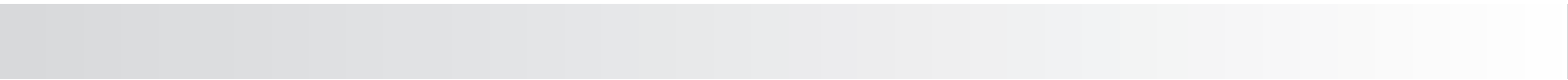
All members of the Board of Directors and all Company Managers are Greek except for Mr.John Hendrikx, who is Dutch national. There is no affinity up to the second line of kinship among the members of the Board of Directors or Company Managers.

3. AFFILIATED COMPANIES

3.1 COMPANIES AFFILIATED WITH M.J.MAILLIS S.A

The following chart shows all affiliated companies with M.J.MAILLIS S.A.





4. INFORMATION ON THE ASSETS, THE FINANCIAL POSITION AND THE OPERATING RESULTS OF THE COMPANY

4.1 SUMMARY ANNUAL FINANCIAL STATEMENTS



SUMMARY FINANCIAL STATEMENTS for the year ended 31 December 2007 (Amounts in EUROS)

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

The following information 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 year, prepared in accordance with IFRS, together with the auditor's report can be found.

COMPANY'S STATUTORY INFORMATION	
Head Office and Registered Address:	Xenias 5 & Harilaou Trikoupi, 145 62 Kifissia, Athens
Company's Number in the Register of Societes Anonymes:	2716/06/B/86/43
Supervising Authority:	Ministry of Commerce
Board of Directors:	President: Michael J. Maillis, Vice-President and Chief Executive Officer: John Kourouglos, Members: Victor Papaconstantinou, Maria Mailli, Sotiris Orestidis, Ilias Gounaris, Lito Ioannidou
Date of Approval of the Financial Statements	28 March 2008
Auditor's Name:	Kyriakos Riris (SOEL Reg. No. 12111)
Auditor's Firm:	PRICEWATERHOUSECOOPERS S.A.
Report of the Auditors:	Unqualified audit report – Emphasis of matter
Company's web address:	www.maillis.com

ANNUAL FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2007

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS				
Long term assets	270,278,309	261,801,586	245,751,356	248,410,158
Inventories	89,660,260	88,148,246	24,536,556	20,616,123
Trade receivables	79,033,355	81,573,000	99,386,868	90,088,958
Other current assets	29,330,992	49,763,624	11,024,908	23,262,711
TOTAL ASSETS	468,302,916	481,286,456	380,699,688	382,377,950
EQUITY AND LIABILITIES				
Long term liabilities	32,690,945	177,053,624	13,375,439	120,766,142
Short term borrowings	202,471,706	31,028,059	126,100,355	
Other short term liabilities	92,422,534	88,687,300	34,864,701	37,994,723
Total liabilities (a)	327,585,186	296,768,983	174,340,495	158,760,865
Share capital	55,614,327	55,614,327	55,614,327	55,614,327
Other equity attributable to company's shareholders	83,570,661	127,017,403	150,744,866	168,002,758
Equity attributable to company's shareholders (b)	139,184,988	182,631,730	206,359,193	223,617,085
Minority interest (c)	1,532,742	1,885,743		
Total equity (d) = (b) + (c)	140,717,730	184,517,473	206,359,193	223,617,085
TOTAL EQUITY AND LIABILITIES (a)+(d)	468,302,916	481,286,456	380,699,688	382,377,950

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 01/01-31/12/2007

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Net equity opening balance (01/01/2007 and 01/01/2006)	184,517,473	191,379,153	223,617,085	223,687,635
Profit / (Loss) after tax	-38,583,274	2,190,612	-14,720,953	4,029,465
Increase/(Decrease) of share capital		235,064		235,064
Increase / (Decrease) of share premium		66,968		66,968
Share issue expenses	-2,350		-2,350	
Dividends	-3,083,125	-4,419,521	-2,982,570	-4,402,047
Net Gain / (Loss) directly attributable to net equity	258,951			
Translation differences	-2,369,450	-4,934,803		
Movement in reserves attributed to acquisition of minority	-517,917			
Movement in reserves attributed to sale of subsidiaries	-315,926			
Fair value reserves	447,981		447,981	
Movement in equity attributed to acquisition of subsidiaries	365,367			
Net equity closing balance (31/12/2007 and 31/12/2006)	140,717,730	184,517,473	206,359,193	223,617,085

CASH FLOW STATEMENT

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01 - 31/12/07	01/01 - 31/12/06	01/01 - 31/12/07	01/01 - 31/12/06
Cash Flows from Operating Activities				
Profit / (Loss) before tax	-32,690,106	7,773,715	-15,806,899	7,126,271
Adjustments for:				
Depreciation and amortisation	18,467,386	21,171,642	7,674,570	7,458,209
Provisions	7,460,353	-2,551,480	7,901,127	279,408
Exchange differences	-130,664	-1,491,056	1,575,277	-39,266
(Gain) or loss from investing activities	528,913	-6,281,846	997,807	-2,287,245
Interest payable	11,268,630	11,145,402	6,134,151	5,070,051
Working capital changes:				
Decrease/(Increase) in inventories	-6,374,464	-1,090,752	-3,980,833	-1,501,002
Decrease/(Increase) in trade receivables	-3,733,878	1,261,499	-12,229,783	24,325,925
Increase/(Decrease) in trade payables (except banks)	11,318,650	3,388,200	825,269	2,567,408
Less:				
Interest paid	-11,270,630	-11,403,912	-6,064,367	-5,034,354
Tax paid	-5,858,295	-7,485,978	-934,413	-2,938,659
Net Cash from operating activities	-11,014,104	14,435,434	-13,908,094	35,026,746
Cash Flows from Investing Activities				
Acquisition of subsidiary	-711,796	-1,611,105	-800,535	-2,495,898
Net cash outflow on sale of subsidiaries	704,652		2,972,729	
Purchase of intangible assets, property, plant and equipment	-15,930,172	-21,528,572	-10,354,305	-13,562,495
Proceeds on sale of fixed assets	3,787,934	9,761,015	78,601	181,395
Interest received	2,102,256	1,662,259	608,926	781,939
Dividends received			723,604	1,103,502
Net Cash used in investing activities	-10,047,126	-11,716,403	-6,770,980	-13,991,557
Cash Flows from Financing Activities				
Proceeds of issuance of share capital		302,032		302,032
Proceeds from borrowings raised	12,552,073	37,284,272	15,945,535	
Repayment of borrowings		-22,832,967		-12,012,675
Repayment of finance lease liabilities	-811,560	-6,886,446		
Dividends paid	-3,039,867	-4,419,519	-2,982,570	-4,372,047
Net cash used in financing activities	8,700,646	3,447,372	12,962,965	-16,082,690
Net increase/(decrease) in cash and cash equivalents	-12,360,584	6,166,403	-7,716,109	4,952,499
Cash and cash equivalents in beginning of period	28,237,862	20,940,636	9,643,964	4,691,465
Exchange differences adjustment	-1,259,193	1,130,822		
Cash and cash equivalents at end of period	14,618,086	28,237,861	1,927,855	9,643,964

ANNUAL FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE PERIOD 01/01-31/12/2007

Amounts in Euro '000	GROUP		COMPANY	
	01/01-31/12/07	01/01-31/12/06	01/01-31/12/07	01/01-31/12/06
Turnover	368,142,605	371,311,658	139,115,600	142,014,430
Gross margin	72,861,281	84,082,925	23,600,081	30,088,562
Earnings before taxes, financial results, depreciation, amortisation and restructuring cost	11,815,786	42,592,078	6,462,940	17,367,286
Earnings before taxes, financial results, depreciation and amortisation (EBITDA)	6,997,786	38,097,062	4,582,991	17,367,286
Earnings/(Losses) before taxes and financial results	-11,469,600	16,925,420	-3,091,579	9,909,077
Earnings / (Losses) before tax	-32,690,106	7,773,715	-15,806,899	7,126,271
Less tax	5,893,168	5,583,103	-1,085,946	3,096,806
Earnings / (Losses) after tax	-38,583,274	2,190,612	-14,720,953	4,029,465
Distributed as follows:				
Company shareholders	-38,122,361	2,049,600	-14,720,953	4,029,465
Minority interest	-460,913	141,012		
Earnings / (Losses) per share (in €)	-0.52	0.03	-0.20	0.06

ADDITIONAL INFORMATION

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

FULLY CONSOLIDATED	
M.J.MAILLIS SA , Kifissia, Athens, Greece	Parent
STRAPTECH SA, Kifissia, Athens, Greece	100%
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100%
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	81.7%
M.J.MAILLIS FRANCE SAS, Saint Ouen L' Amone, France	100%
MARFLEX M.J.MAILLIS POLAND SP ZOO, Karzcew, Poland	100%
M.J.MAILLIS ESPANA SL, Barcelona, Spain	100%
M.J.MAILLIS CZECH SRO, Prague, Czech	100%
EUROPACK SA, Luxembourg	100%
COLUMBIA SRL, Milan, Italy	100%
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100%
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100%
M.J.MAILLIS FINLAND OY, Vantaa, Finland	100%
MAILLIS HOLDING GMBH, Wuppertal, Germany	100%
M.J.MAILLIS UK LTD, Nottingham, UK	100%
SIAT SPA, Como, Italy	100%
SICME SRL, Varese, Italy	100%
SIAT BENELUX, Wvaalwijk, Holland	51%
TAM SRL, Milan, Italy	71%
SIAT USA, Delaware, USA	100%
MAILLIS SANDER GMBH, Wuppertal, Germany	100%
SANDER GMBH & CO KG, Wuppertal, Germany	100%
M.J.MAILLIS BENELUX N.V., Dendermonde, Belgium	100%
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100%
MAILLIS STRAPPING SYSTEMS USA INC, Fountain Inn, USA	100%
3L SRL, Modena, Italy	100%
M.J. MAILLIS SYSTEMS SRL, Varese, Italy	100%
MAILLIS STRONG STRAP PRIVATE LTD, Mumbai, India	50%

PROPORTIONATELY CONSOLIDATED

COMBI PACKAGING SYSTEMS LLC, Canton, USA

50%

2. In November 2006, M.J. Maillis Group established a new joint venture company in India, "Maillis Strong Strap Private Ltd", producer of plastic strapping, which is consolidated for the first time in the current year. Also, the affiliate of the Group "3L SRL" is consolidated for the first time in the current year.
3. The accounting principles followed, are in accordance with those followed at 31/12/2006.
4. The Company has been audited by the tax authorities up to and including the financial year 2004. The unaudited tax years for the other Group entities are detailed in Note (25) in the Annual Financial Statements.
5. No encumbrances existed on the Company's and Group's fixed assets as at 31 December, 2007.
6. Capital expenditure for 2007 amount to: Group € 15.9 million (2006: € 21.5 million), Parent € 10.3 million (2006: 13.5 million).
7. There are no contested or doubtful legal cases which might influence materially the financial position of the Company and the Group.
8. The number of employees as at 31/12/2007 was 2,068 for the Group (31/12/2006: 2,106) and 404 for the Company (31/12/2006: 354).
9. Intercompany related party transactions for the twelve months ended 31 December 2007 and related party balances for the year then ended according to IAS 24 are as follows:

<i>Amounts in Euro '000</i>	GROUP	COMPANY
a) Sales of goods and services	2,518	84,859
b) Purchases of goods and services	73	3,965
c) Receivables from related parties	782	91,723
d) Payables to related parties	9	1,538
e) Key management compensations	3,605	2,005
f) Receivables from key management	0	0
g) Payables to key management	0	0

10. During the second quarter of 2007 the subsidiaries HELERO BV, MJ MAILLIS ALBANIA LTD, MJ MAILLIS SVERIGE AB, MEGA SRL, MJ MAILLIS NETHERLANDS BV, MJ MAILLIS d.o.o. BEOGRAD, MJ MAILLIS SYSTEMS SRL, were either sold or absorbed by other Group subsidiaries. The results of these transactions was a loss of € 4,534 thousand for the Parent Company and a loss of € 6,667 thousand in the Consolidated accounts. Further details are presented in Note 11 of the Annual Financial Statements.
11. During the fourth quarter of 2007 the Group and the Company proceeded to impairments and write-offs of assets, that were included in the Income statement. These are analysed as follows:

	Note	GROUP	COMPANY
Impairment of goodwill and investments	9	€ 4,925	€ 4,925
Impairment of inventories and receivables	14-15	€ 7,061	€ 2,332
Write-off of deferred tax asset	10	€ 3,469	

12. The losses incurred by the Group and the Company for the year ended 31 December 2007 have resulted in a breach of the bank borrowing covenants described in Note 19. This breach of covenants has necessitated the reclassification of the affected bank borrowings from non-current to current.

Kifissia, March 28th 2008

CHAIRMAN OF THE
BOARD OF DIRECTORSVICE CHAIRMAN OF THE BOARD OF
DIRECTORS & CHIEF EXECUTIVE OFFICERCHIEF FINANCIAL
OFFICERFINANCIAL MANAGER
OF GREECE

MICHAEL J. MAILLIS

IOANNIS M. KOUROUGLOS

VICTOR K.
PAPACONSTANTINONIKOLAOS B.
MAROULIS

Id.N. Φ 020207

Pass No. A 2203681

Id.N. T 003140

Reg.No 46629 -
A Class

4.2 GROUP ANNUAL FINANCIAL STATEMENTS BASED ON INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE YEAR ENDED 31 DECEMBER 2007

4.2.1 AUDITORS' REPORT

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

INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M. J. MAILLIS S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the company and consolidated balance sheet as of 31 December 2007 and the income statements, statements of changes in equity and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 19 in the financial statements which indicates that the Group and the Company have incurred a net loss of €38,583 thousand and €14,721 thousand respectively during the year ended 31 December 2007, resulting in a breach of the bank borrowing covenants described in Note 19. The Company has agreed with the relevant lenders that the covenant requirements will be waived up to 27 June 2008, subject to the achievement of certain conditions. Due to the uncertainty that exists after this date, and if a further waiver of covenants is not granted or if the lenders do not agree to the amendment of the borrowing covenants, then an ambiguity may exist over the future course of the Group and the Company.

REFERENCE TO OTHER LEGAL AND REGULATORY REQUIREMENTS

The Board of Directors' Report contains all information required by articles 43a paragraph 3 and 107 paragraph 3 and 16 paragraph 9 of Law 2190/1920 and article 11a of Law 3371/2005 and is consistent with the financial statements referred to in the preceding paragraph.

PRICEWATERHOUSECOOPERS 

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

Athens, 31 March 2008
THE CERTIFIED AUDITOR

Kyriacos Riris
SOEL Reg. No. 12111

4.2.2 BALANCE SHEET

BALANCE SHEET AS AT 31 DECEMBER 2007

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSETS					
Non Current Assets					
Tangible assets	8	139,294	126,597	79,713	76,105
Intangible assets	9	111,571	116,215	1,616	2,618
Investments in subsidiaries and joint ventures	11			159,924	167,005
Deferred tax assets	10	15,302	12,776	4,081	2,448
Other receivables	15	4,112	6,214	417	234
		270,279	261,802	245,751	248,410
Current Assets					
Inventories	14	89,660	88,148	24,537	20,616
Trade and other receivables	15	93,146	97,385	108,484	103,708
Deferred tax assets	10	600	5,713		
Cash and cash equivalents	16	14,618	28,238	1,928	9,644
		198,024	219,484	134,949	133,968
Total Assets		468,303	481,286	380,700	382,378
EQUITY					
Equity Attributable to Company's Shareholders					
Share capital	17	55,614	55,614	55,614	55,614
Share premium	17	139,203	139,205	139,203	139,205
Reserves	18	20,398	19,765	19,006	18,558
Retained losses / earnings		-72,618	-30,817	-7,464	10,240
Translation differences reserve		-3,412	-1,135		
		139,185	182,632	206,359	223,617
Minority interest		1,533	1,886		
Total Equity		140,718	184,518	206,359	223,617
LIABILITIES					
Non Current Liabilities					
Loans	19	12,241	160,540	2,832	113,434
Deferred tax liabilities	10	7,322	3,600	5,786	2,113
Retirement and termination benefit obligations	20	6,073	5,400	779	582
Government grants	21	6,353	7,237	3,979	4,637
Other non current liabilities		492	276		
		32,481	177,053	13,376	120,766
Current Liabilities					
Trade and other payables	22	82,579	75,569	34,365	33,934
Deferred tax liabilities	10	3,305	6,350		3,511
Current tax liabilities		2,766	5,592		550
Loans	19	202,472	31,028	126,100	
Provisions	23	3,982	1,176	500	
		295,104	119,715	160,965	37,995
Total Liabilities		327,585	296,768	174,341	158,761
Total Equity and Liabilities		468,303	481,286	380,700	382,378

4.2.3 INCOME STATEMENT

INCOME STATEMENT FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2007

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		01/01/2007- 31/12/2007	01/01/2006- 31/12/2006	01/01/2007- 31/12/2007	01/01/2006- 31/12/2006
Sales		368,143	371,312	139,116	142,014
Cost of sales	27	-295,280	-287,228	-115,516	-111,926
Gross profit		72,863	84,084	23,600	30,088
Other operating income	29	4,816	10,705	413	635
Administrative expenses	27	-21,208	-23,715	-9,340	-9,425
Distribution costs	27	-44,442	-42,819	-10,363	-10,500
Other operating expenses	27	-18,679	-6,834	-5,522	-889
Restructuring costs	27	-4,818	-4,495	-1,880	
Earnings before tax and financial and investment results		-11,468	16,926	-3,092	9,909
Loss on disposal of subsidiaries and goodwill impairment		-12,247		-9,460	
Income from dividends				1,227	936
Financial expenses	28	-8,975	-9,152	-4,482	-3,719
Earnings before tax		-32,690	7,774	-15,807	7,126
Current tax for the period	25	-2,954	-3,697	-385	-961
Earnings after current tax for the period		-35,644	4,077	-16,192	6,165
Deferred tax	25	-2,939	-1,886	1,471	-2,136
Earnings after current tax and deferred tax for the period		-38,583	2,191	-14,721	4,029
Earnings after Tax distributed as follows:					
Company shareholders		-38,122	2,050	-14,721	4,029
Minority interest		-461	141		
Basic and Diluted Earnings after tax per share (expressed in €)	30	-0.52	0.03	-0.20	0.06
Other information					
Depreciation		18,467	21,170	7,675	7,458
Earnings before tax, financial expenses, amortisation, depreciation and restructuring costs		11,817	42,591	6,463	17,367
Earnings before tax, financial expenses, amortisation and depreciation (EBITDA)		6,999	38,096	4,583	17,367

ANNUAL FINANCIAL STATEMENTS

4.2.4 STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2007

<i>Amounts in Euro '000</i>	GROUP				
	Attributable to the Parent Company's Shareholders				
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses
Balance at 01/01/2006	55,379	139,138	18,434	3,770	-27,014
Income from share issue	235	67			
Dividends paid					-4,402
Exchange difference adjustments				-4,905	-29
Reserves movement			1,332		-1,422
Earnings / (Losses) per income statement					2,049
Balance at 31/12/2006	55,614	139,205	19,766	-1,135	-30,818

<i>Amounts in Euro '000</i>	GROUP				
	Attributable to the Parent Company's Shareholders				
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses
Balance at 01/01/2007	55,614	139,205	19,766	-1,135	-30,818
Expenses from share issue		-2			
Net loss directly attributable to net equity			885		-511
Acquisition of minority in subsidiary					-475
Minority of new subsidiary acquisition					
Movement in reserves due to sale of subsidiaries				93	-409
Fair value reserves			448		
Dividends paid					-2,983
Exchange difference adjustments				-2,370	
Reserves movement			-701		701
Earnings / (Losses) per income statement					-38,123
Balance at 31/12/2007	55,614	139,203	20,398	-3,412	-72,618

GROUP		COMPANY				
Minority Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity
		Share Capital	Share Premium	Other Reserves	Retained Losses	
1,672	191,379	55,379	139,138	17,511	11,659	223,687
	302	235	67			302
-18	-4,420				-4,401	-4,401
1	-4,933					0
90	0			1,047	-1,047	0
141	2,190				4,029	4,029
1,886	184,518	55,614	139,205	18,558	10,240	223,617

GROUP		COMPANY				
Minority Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity
		Share Capital	Share Premium	Other Reserves	Retained Losses	
1,886	184,518	55,614	139,205	18,558	10,240	223,617
	-2		-2			-2
-115	259					0
-43	-518					0
365	365					0
	-316					0
	448					0
-100	-3,083				-2,983	-2,983
	-2,370					0
	0			448		448
-460	-38,583				-14,721	-14,721
1,533	140,718	55,614	139,203	19,006	-7,464	206,359

ANNUAL FINANCIAL STATEMENTS

4.2.5 CASH FLOW STATEMENT

CASH FLOW STATEMENT

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash Flows from Operating Activities					
Earnings before tax		-32,690	7,774	-15,807	7,126
Adjustments for:					
Depreciation and amortisation	8,9	18,467	21,171	7,675	7,458
Provisions		7,460	-2,551	7,901	279
Exchange differences		-131	-1,491	1,575	-39
(Gain) / Loss from investing activities		529	-6,282	998	-2,287
Interest payable and related expenses		11,268	11,145	6,134	5,070
Working capital changes					
Decrease / (Increase) in inventories		-6,374	-1,091	-3,981	-1,501
Decrease / (Increase) in receivables		-3,734	1,261	-12,230	24,326
Increase / (Decrease) in payables (excluding banks)		11,319	3,388	825	2,568
Less:					
Interest paid and other related expenses		-11,270	-11,404	-6,064	-5,034
Tax paid		-5,858	-7,486	-934	-2,939
Total Cash Inflows / (Outflows) from Operating Activities (a)		-11,014	14,434	-13,908	35,027
Cash Flows from Investing Activities					
Acquisition of subsidiary, related companies, joint ventures and other investments		-712	-1,611	-801	-2,496
Proceeds of selling of subsidiaries		705		2,973	
Purchase of intangible assets, property, plant and equipment	8,9	-15,930	-21,528	-10,354	-13,562
Proceeds of sale of tangible and intangible assets		3,787	9,761	78	181
Interest received		2,102	1,662	609	782
Dividends received				724	1,103
Total Cash Inflows / (Outflows) from Investing Activities (b)		-10,048	-11,716	-6,771	-13,992
Cash Flows from Financing Activities					
Proceeds of issuance of share capital	17		302		302
Proceeds of loans issued		12,552	37,284	15,946	
Repayments of borrowings			-22,833		-12,013
Payments of finance lease liabilities		-811	-6,886		
Dividends paid		-3,040	-4,420	-2,983	-4,372
Total Cash Inflows / (Outflows) from Financing Activities (c)		8,701	3,447	12,963	-16,083
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)		-12,361	6,165	-7,716	4,952
Cash and Cash Equivalents in Beginning of Period		28,238	20,941	9,644	4,692
Exchange differences adjustment		-1,259	1,131		
Cash and Cash Equivalents at End of Period	16	14,618	28,237	1,928	9,644

4.2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PREPARATION

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

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

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

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

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

The preparation of the Financial Statements in accordance with IFRS requires the use of estimates and assumptions which affect the balances of the assets and liabilities disclosed in the financial statements as well as the amounts of contingencies and the amounts of the income and expenses relating to the period from 1st January 2007 to 31 December 2007. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 CONSOLIDATION

(a) Subsidiaries

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

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

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

(b) Transactions and minority interests

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

(c) Associates

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

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

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition

movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

Dilution gains and losses arising in investments in associates are recognised in the income statement.

(d) Joint ventures

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

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

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

3.2 SEGMENT REPORTING

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

3.3 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and
- all resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment).

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

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

3.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Buildings	30-80	years
Plant and machinery	6-15	years
Motor vehicles	4-6	years
Other equipment	5-7	years

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

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

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

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

3.5 INTANGIBLE ASSETS

(a) Goodwill

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

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

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

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

(b) Trademarks and licences

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

(c) Computer software

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

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

(d) Research and development

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

3.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

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

3.7 FINANCIAL ASSETS

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

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

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

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

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

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months

after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise 'trade and other receivables' in the balance sheet (Note 3.9) and cash and cash equivalents (Note 3.10) and are recorded at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

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

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

(d) Investments in subsidiaries, associates and joint ventures

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

(e) Impairment of financial assets

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

3.8 INVENTORIES

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

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

3.9 TRADE RECEIVABLES

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

3.10 CASH AND CASH EQUIVALENTS

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

3.11 SHARE CAPITAL

Ordinary shares are classified as equity.

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

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

3.12 TRADE PAYABLES

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

3.13 BORROWINGS

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

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

3.14 CURRENT AND DEFERRED INCOME TAX

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

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

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

3.15 EMPLOYEE BENEFITS

(a) Current obligations

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

(b) Retirement Benefits

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

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

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

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

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

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

(c) Share Options Plan to employees

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

3.16 GOVERNMENT GRANTS

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

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

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

3.17 PROVISIONS

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

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

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

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet date. The discount rate

used for the calculation of the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

(a) Warranties

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

(b) Holiday Bonus

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

(c) Restructuring Costs

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

3.18 REVENUE RECOGNITION

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Specific categories of revenue is recognised as follows:

(a) Sales of goods

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

(b) Sales of services

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

(c) Interest income

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

(d) Royalty income

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

(e) Dividend income

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

3.19 LEASES

THE GROUP IS THE LESSEE

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

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

3.20 DIVIDEND DISTRIBUTION

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

4. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS

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

STANDARDS AND INTERPRETATIONS EFFECTIVE FOR 2007

IFRS 7 - Financial Instruments: Disclosures and the complementary amendment to IAS 1 - Presentation of Financial Statements: Capital Disclosures

This standard and amendment introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the group's financial instruments, or the disclosures relating to taxation and trade and other payables. The pronouncements of this standard have been applied in the preparation of these financial statements.

IFRIC 7 - Applying the Restatement Approach under IAS 29

This interpretation provides guidance on how to apply requirements of IAS 29 in a reporting period in which a company identifies the existence of hyperinflation in the economy of its functional currency, when the economy

was not hyperinflationary in the prior period. As none of the Group companies operate in a hyperinflationary economy this interpretation does not affect the Group's financial statements.

IFRIC 8 - Scope of IFRS 2

This interpretation considers transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of IFRS 2. This interpretation will not affect the Group's financial statements.

IFRIC 9 - Reassessment of Embedded Derivatives

This interpretation requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. This interpretation is not relevant to the Group's operations.

IFRIC 10 - Interim Financial Reporting and Impairment

This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group's financial statements.

STANDARDS AND INTERPRETATIONS EFFECTIVE AFTER 1 JANUARY 2008

IFRS 8 - Operating Segments

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

IAS 23 – Borrowing Costs

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

IFRIC 11 - IFRS 2: Group and Treasury share transactions

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

IFRIC 12 - Service Concession Arrangements

This interpretation is effective for annual periods beginning on or after 1 January 2008 and applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group's operations.

IFRIC 13 – Customer Loyalty Programmes

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

IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

5. FINANCIAL RISK MANAGEMENT

5.1 FINANCIAL RISK FACTORS

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

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

(a) Market risk - Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the UK pound, the Polish Zloty, Romanian Lei and Canadian Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Entities in the Group use forward contracts to manage their foreign exchange risk arising from future commercial transactions, recognised assets and liabilities according to the policies set forth by the Group Treasury Department. Foreign exchange risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. Group Treasury is responsible for monitoring the net position in each foreign currency.

For segment reporting purposes, each subsidiary designates forward contracts as hedges of foreign exchange risk on specific assets, liabilities or future transactions on a gross basis.

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

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

At 31 December 2007, 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 €418k (2006: €65k) 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 €709 thousands (2006: €1,721 thousands) lower/higher.

(b) Market risk - Price risk

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

(c) Credit risk

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

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

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

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

Counterparty	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
US Private Placement	110,314	110,658	110,314	110,658
Syndication loan with Alpha, EFG, NBG, BNP	45,123	45,300		
Loan with EFG	4,900	4,900	3,900	
Loan with Alpha		2,744		2,744
Loan with NBG	5,400		5,400	
	165,737	163,602	119,614	113,402

(d) Cash flow risk

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

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

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At 31 December 2007	Less than 1 year	Between 1 and 5 years	over 5 years
Borrowings	187,562	13,326	
Derivative financial instruments	19,450		
Trade and other payables	82,164		
At 31 December 2006	Less than 1 year	Between 1 and 5 years	over 5 years
Borrowings	31,912	61,060	136,636
Derivative financial instruments			10,778
Trade and other payables	75,089		

It is noted that in the table relating to 31/12/2007 the borrowings and derivative financial instruments have been classified in terms of the requirements of paragraph 65 of IAS 1 that requires the long term obligations to be classified as current obligations. Further information is provided in note 19.

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

31 December 2007	Less than 1 year	1-2 years	2+ years
Outflows	12,478		
Inflows	1,325		
31 December 2006	Less than 1 year	1-2 years	2+ years
Outflows	5,398		
Inflows	3,626	1,954	

(e) Fair value interest rate risk

The Group does not have material interest bearing assets on its balance-sheet, whereas the Group's policy is to maintain approximately 50% of its borrowings in fixed rate instruments. At 31 December 2007 57% of borrowings were at fixed rates.

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

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

5.2 CAPITAL RISK MANAGEMENT

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

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

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

During 2007, the Group maintained a gearing ratio of between 44% to 71% compared to a gearing ratio of 42% to 44% during 2006.

5.3 ACCOUNTING FOR DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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

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

a) Fair Value Hedge

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

b) Cash Flow Hedge

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

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

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

c) Net Investment Hedge

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

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

d) Derivatives that do not qualify for hedge accounting

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

5.4 FAIR VALUE ESTIMATION

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

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

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

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

6.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

(a) Income taxes

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

(b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3.5(a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see Note 9).

6.2 CRITICAL JUDGMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

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

7. SEGMENT INFORMATION

Primary segment information - business segments

At 31 December 2007 the Group is divided in 3 major Business Segments:

- (1) Production and sale of packaging consumables
- (2) Production and sale of packaging machines
- (3) Merchandise and other non core products

The Company produces and sells only packaging consumables.

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The segment results for the 12 months ended at 31 December 2007 and 31 December 2006 respectively are as follows:

12 months to 31st December 2007

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Total Sales	237,327	125,373	5,442		368,142
Operating Income	-13,684	3,125	-315	-596	-11,470
Loss on disposal of subsidiaries and goodwill impairment				12,246	12,246
Financial Cost - Net				8,975	8,975
Earnings before Tax	-13,684	3,125	-315	-21,817	-32,691
Income Tax					5,893
Net Profit					-38,584

12 months to 31st December 2006

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Total Sales	238,870	127,894	4,548		371,312
Operating Income	7,727	12,516	26	-3,344	16,925
Financial Cost - Net				9,151	9,151
Associate Share					
Profit before Tax	7,727	12,516	26	-12,495	7,774
Income Tax					5,583
Net Profit					2,191

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

12 months to 31st December 2007

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Depreciation of Tangible Assets	11,033	3,547	225	254	15,059
Depreciation of Intangible Assets	2,497	803	51	57	3,408
Provisions for bad debt and obsolete stock	3,418	710			4,128

12 months to 31st December 2006

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Depreciation of Tangible Assets	9,605	6,128	530	298	16,561
Depreciation of Intangible Assets	2,673	1,705	148	83	4,609
Provisions for bad debt and obsolete stock	792	187			979

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

The Assets and Liabilities of the Segments for the 12 months ended at 31 December 2007 and 31 December 2006 respectively are as follows:

31st December 2007

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Assets	373,315	82,447	4,158	8,382	468,302
Capital expenditure	12,319	3,611			15,930
Liabilities	224,721	63,512	3,655	35,696	327,584

31st December 2006

<i>Amounts in Euro '000</i>	Consumables	Machines	Other	Non Classified	Total
Assets	379,880	85,323	4,231	11,852	481,286
Capital expenditure	16,735	4,793			21,528
Liabilities	183,548	56,444	2,912	53,864	296,768

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

Segment liabilities comprise operating liabilities.

Secondary segment information - Geographical segments

Sales refer to the geographical area in which the production or services and fixed assets of the company are located. The assets refer to the location of the companies.

The results by segment for the 12 months ended at 31st December 2007 and 31st December 2006 respectively are as follows:

12 months to 31st December 2007

<i>Amounts in Euro '000</i>	E.U. Countries	European Non E.U. Countries	North America and Asia	Total
Total Sales	334,240	1,662	32,240	368,142
Operating income	-10,529	116	-1,057	-11,470

12 months to 31st December 2006

<i>Amounts in Euro '000</i>	E.U. Countries	European Non E.U. Countries	North America and Asia	Total
Total Sales	317,820	14,418	39,073	371,311
Operating income	13,399	1,066	2,460	16,925

The Assets and Capital Expenditure of the segments as at 31st December 2007 and 31st December 2006 respectively are as follows:

31st December 2007

<i>Amounts in Euro '000</i>	E.U. Countries	European Non E.U. Countries	North America and Asia	Total
Assets	446,143		22,160	468,303
Capital Expenditure	15,049		881	15,930

31st December 2006

<i>Amounts in Euro '000</i>	E.U. Countries	European Non E.U. Countries	North America and Asia	Total
Assets	458,348	2,169	20,769	481,286
Capital Expenditure	17,124	88	4,316	21,528

8. PROPERTY PLANT AND EQUIPMENT

GROUP							
<i>Amounts in Euro '000</i>	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost or Fair Value							
Balance at 1 January 2006	8,166	60,488	136,878	3,890	14,586	5,709	229,717
Exchange Differences	67	-163	430	20	-132		222
Additions	320	1,663	3,116	1,016	832	11,221	18,168
Disposals / Write offs	-1,099	-10,985	-1,936	-534	-670	-9	-15,233
Revaluation							0
Impairment Charges							0
Subsidiary Purchased							0
Reclassifications of Assets		36	1,409		-161	-1,490	-206
Subsidiary Disposed							0
Balance at 31 December 2006	7,454	51,039	139,897	4,392	14,455	15,431	232,669
Accumulated Depreciation							
Balance at 1 January 2006	0	-18,946	-65,897	-2,609	-10,918	0	-98,370
Exchange Differences		401	-141	-4	181		437
Depreciation Charge for the period		-2,820	-11,123	-679	-1,939		-16,561
Disposals / Write offs		3,777	3,120	387	1,139		8,423
Revaluation							0
Subsidiary Purchased							0
Reclassifications of Assets		1		-1			0
Subsidiary Disposed							0
Balance at 31 December 2006	0	-17,587	-74,041	-2,906	-11,537	0	-106,071
Net Book Value at 31 December 2006	7,454	33,452	65,856	1,486	2,918	15,431	126,598
Cost or Fair Value							
Balance at 1 January 2007	7,454	51,039	139,897	4,392	14,455	15,431	232,669
Exchange Differences	-69	389	328	20	-71	34	631
Additions	5	38	13,371	492	589	12,648	27,143
Disposals / Write offs		-1,946	-3,339	-802	-509	-125	-6,721
Revaluation						-5	-5
Impairment Charges							0
Subsidiary Purchased							0
Reclassifications of Assets	-38	1,907	8,977	83	346	-11,278	-3
Subsidiary Disposed							0
Balance at 31 December 2007	7,352	51,427	159,234	4,185	14,810	16,705	253,714
Accumulated Depreciation							
Balance at 1 January 2007	0	-17,587	-74,041	-2,906	-11,537	0	-106,071
Exchange Differences		-377	-111	-1	392		-97
Depreciation Charge for the period		-2,001	-10,717	-518	-1,824		-15,060
Disposals / Write offs		1,931	3,384	772	606		6,693
Revaluation		3	128	-16	2		117
Subsidiary Purchased							0
Reclassifications of Assets		-2	66	-33	-31		0
Subsidiary Disposed							0
Balance at 31 December 2007	0	-18,033	-81,291	-2,702	-12,392	0	-114,418
Net Book Value at 31 December 2007	7,352	33,394	77,943	1,483	2,418	16,705	139,296

COMPANY							
<i>Amounts in Euro '000</i>	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost or Fair Value							
Balance at 1 January 2005	4,936	27,069	78,333	993	4,949	3,808	120,088
Additions		91	2,062	133	116	11,455	13,857
Disposals / Write offs			-768	-3	-98		-869
Revaluation							0
Impairment Charges							0
Reclassifications of Assets			1,325			-1,832	-507
Balance at 31 December 2005	4,936	27,160	80,952	1,123	4,967	13,431	132,569
Accumulated Depreciation							
Balance at 1 January 2005	0	-12,729	-33,709	-761	-3,720	0	-50,919
Depreciation Charge for the period		-235	-5,430	-57	-628		-6,350
Disposals / Write offs			705	3	97		805
Revaluation							0
Reclassifications of Assets							0
Balance at 31 December 2005	0	-12,964	-38,434	-815	-4,251	0	-56,464
Net Book Value at 31 December 2005	4,936	14,196	42,518	308	716	13,431	76,105
Cost or Fair Value							
Balance at 1 January 2006	4,936	27,160	80,952	1,123	4,967	13,431	132,569
Additions		118	958	44	295	8,842	10,257
Disposals / Write offs			-22	-207	-12	-2	-243
Revaluation							0
Impairment Charges							0
Reclassifications of Assets		203	6,428	1	50	-6,682	0
Balance at 31 December 2006	4,936	27,481	88,316	961	5,300	15,589	142,583
Accumulated Depreciation							
Balance at 1 January 2006	0	-12,964	-38,434	-815	-4,251	0	-56,464
Depreciation Charge for the period		-235	-5,737	-58	-546		-6,576
Disposals / Write offs			7	160	3		170
Revaluation							0
Reclassifications of Assets							0
Balance at 31 December 2006	0	-13,199	-44,164	-713	-4,794	0	-62,870
Net Book Value at 31 December 2006	4,936	14,282	44,152	248	506	15,589	79,713

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Included in the Group Income Statement for the 12 months to 31 December 2007 is depreciation expense € 13.732 th. charged to Cost of Sales (€ 13.107 th. at 31/12/2006), € 1.048 th. charged to distribution expenses (€ 700 th. at 31/12/2006) and € 277 th. charged to administrative expenses (€ 2.754 th. at 31/12/2006).

Included in Company's Income Statement for the 12 months to 31 December 2007 is depreciation expense € 6.016 th. charged to Cost of Sales (€ 5.717 th at 31/12/2006), € 24 th. charged to distribution expenses (€ 8 th. at 31/12/2006) and € 536 th. charged to administrative expenses (€ 625 th. at 31/12/2006).

There are no encumbrances on the Group's fixed assets.

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

<i>Amounts in Euro '000</i>	GROUP	
	2007	2006
Cost 1/1	7,121	5,025
Additions	9,334	2,096
Disposals		
Cost 31/12	16,455	7,121
Accumulated depreciation 1/1	3,360	3,211
Additions	699	149
Disposals		
Accumulated depreciation 31/12	4,059	3,360
Net book value 31/12	12,396	3,761

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

<i>Amounts in Euro '000</i>	GROUP	
	2007	2006
Up to 1 year	2,773	307
1-5 years	8,521	2,053
Above 5 years		
	11,294	2,360

The gross payments for finance leases are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2007	2006
Up to 1 year	3,345	318
1-5 years	9,249	2,089
Above 5 years		
	12,594	2,407
Future finance charges on finance leases	1,300	47
Present value of finance lease liabilities	11,294	2,360

9. INTANGIBLE ASSETS

GROUP				
<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2006	102,791	6,390	25,284	134,465
Exchange Differences	674	-88	289	875
Additions	988	2,359	12	3,359
Disposals / Write offs		-960	-1,134	-2,094
Impairment Charges				0
Subsidiary Purchased				0
Reclassifications of Assets		-31	-239	-270
Subsidiary Disposed				0
Balance at 31 December 2006	104,453	7,670	24,212	136,335
Accumulated Amortisation				
Balance at 1 January 2006	0	-3,867	-14,169	-18,036
Exchange Differences		31	274	305
Amortisation Charge for the period		-902	-3,707	-4,609
Disposals / Write offs		756	1,274	2,030
Subsidiary Purchased				0
Reclassifications of Assets		-9	201	192
Subsidiary Disposed				0
Balance at 31 December 2006	0	-3,991	-16,127	-20,118
Net Book Value at 31 December 2006	104,453	3,679	8,085	116,217
<i>Amounts in Euro '000</i>				
	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2007	104,453	7,670	24,212	136,335
Exchange Differences	896	53	685	1,634
Additions		2,573	581	3,154
Disposals / Write offs		-768	-3,739	-4,507
Impairment Charges	-4,925			-4,925
Subsidiary Purchased	100			100
Reclassifications of Assets		370	-370	0
Subsidiary Disposed	-1,131			-1,131
Balance at 31 December 2007	99,393	9,898	21,369	130,660
Accumulated Amortisation				
Balance at 1 January 2007	0	-3,991	-16,127	-20,118
Exchange Differences		-23	25	2
Amortisation Charge for the period		-1,015	-2,393	-3,408
Disposals / Write offs		764	3,672	4,436
Subsidiary Purchased				0
Reclassifications of Assets		-78	78	0
Subsidiary Disposed				0
Balance at 31 December 2007	0	-4,343	-14,745	-19,088
Net Book Value at 31 December 2007	99,393	5,555	6,624	111,572

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COMPANY				
<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost or Fair Value				
Balance at 1 January 2006	0	127	4,587	4,714
Additions			95	95
Disposals / Write offs				0
Impairment Charges				0
Reclassifications of Assets				0
Balance at 31 December 2006	0	127	4,682	4,809
Accumulated Amortisation				
Balance at 1 January 2006	0	-116	-967	-1,083
Amortisation Charge for the period		-3	-1,105	-1,108
Disposals / Write offs				0
Reclassifications of Assets				0
Balance at 31 December 2006	0	-119	-2,072	-2,191
Net Book Value at 31 December 2006	0	8	2,610	2,618
Cost or Fair Value				
Balance at 1 January 2007	0	127	4,682	4,809
Additions			96	96
Disposals / Write offs				0
Impairment Charges				0
Reclassifications of Assets				0
Balance at 31 December 2007	0	127	4,778	4,905
Accumulated Amortisation				
Balance at 1 January 2007	0	-119	-2,072	-2,191
Amortisation Charge for the period		-3	-1,096	-1,099
Disposals / Write offs				0
Reclassifications of Assets				0
Balance at 31 December 2007	0	-122	-3,168	-3,290
Net Book Value at 31 December 2007	0	5	1,610	1,615

The amortization charge for the Group € 3,408 th. is included in administrative expenses (€ 4,609 th. at 31/12/2006).

The amortization charge for the Company € 1,099 th. is included in administrative expenses (€ 1,108 th. at 31/12/2006).

GOODWILL IMPAIRMENT TEST

Goodwill is allocated to cash-generating units (CGUs) based on the country of operation of each Group entity from which the goodwill was derived. This allocation is as follows:

<i>Amounts in Euro '000</i>	Goodwill			31/12/2006
	31/12/2007			
	Gross	Impairment	Net	
Italy	43,074		43,074	43,074
Germany	22,755	-3,000	19,755	22,755
Poland	7,596		7,596	6,901
Austria	2,508		2,508	2,508
France	3,075		3,075	3,075
Canada	13,257		13,257	13,257
UK	8,545		8,545	8,545
Spain	3,435	-3,435		1,925
Other	1,584		1,584	2,413
Total	105,829	-6,435	99,394	104,453

The value in-use calculations have been based on forecasts for the future periods 2008 to 2012. The 2008 forecast has been based on the business plans for the year ending 31 December 2008 that has been prepared by the relevant country managers and has been approved by the Board of Directors of the Group. These business plans have been prepared based on the 2007 performance of each relevant business unit and after taking into account various restructuring initiatives that are currently being undertaken.

The key assumptions used in the 2008 business plans are as follows:

	EU	North America	Other
Revenue growth rate	1-20%	13%	10%
Gross margin	8%-30%	26%	10%
Operating margin	1-9%	9%	8%

For the forecast period 2009 to 2012 the key assumptions used are as follows:

	EU	North America	Other
Revenue growth rate	1-5%	5%	5%
Gross margin	17-30%	27%	11%
Operating margin	1-12%	11%	7%

The other key assumptions applied are as follows:

Growth in perpetuity	1.50%
Discount rate	7-9%

Following the completion of the impairment tests, management concluded that the business segments operating in Germany and Spain are impaired and proceeded to write down goodwill attributed to these business segments by € 3,000 thousands and € 1,925 thousands respectively. Other than the German and Spanish operations no other business units have been impaired.

As at 31 December 2007 if the estimated revenue growth rate were 10% lower than management's estimates, the Group would not need to reduce the carrying value of goodwill.

As at 31 December 2007 if the estimated gross margin were 10% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 5 million.

As at 31 December 2007 if the revised estimated operating margin were 10% lower than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 6 million.

As at 31 December 2007 if the revised estimated pre-tax discount rate applied to the discounted cash flows were 10% higher than management's estimates, the Group would need to reduce the carrying value of goodwill by approximately € 3 million.

If the future estimates of gross margin or operating margin are higher or the pre-tax discount rate lower than management's current estimates, the Group would not be able to reverse any impairment losses that arose on goodwill.

10. DEFERRED TAX

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

GROUP				
Deferred Tax Liabilities				
<i>Amounts in Euro '000</i>	Accelerated tax depreciation	Fair Value of Earnings	Other	Total
Balance at 1 January 2006	6,929	128	3,108	10,165
Charged / (Credited) to Income Statement	235	-303	-155	-223
Charged to Equity				0
Exchange Differences	7			7
Balance at 31 December 2006	7,171	-175	2,953	9,949
Deferred Tax Liabilities to be recovered after more than 12 months	3,600			
Deferred Tax Liabilities to be recovered within 12 months	6,350			
Balance at 1 January 2007	7,171	-175	2,953	9,949
Reclassifications	452	175	-627	0
Charged / (Credited) to Income Statement	414		205	619
Charged to Equity	18			18
Exchange Differences	27		12	39
Balance at 31 December 2007	8,082	0	2,543	10,625
Deferred Tax Liabilities to be recovered after more than 12 months	7,322			
Deferred Tax Liabilities to be recovered within 12 months	3,303			
Deferred Tax Assets				
<i>Amounts in Euro '000</i>	Provisions	Impairment and Tax Losses	Other	Total
Balance at 1 January 2006	-3,147	-15,497	-2,157	-20,801
Reclassifications			203	203
Charged / (Credited) to Income Statement	481	4,226	-2,598	2,109
Charged / (Credited) to Equity				0
Exchange Differences				0
Balance at 31 December 2006	-2,666	-11,271	-4,552	-18,489
Deferred Tax Assets to be recovered after more than 12 months	-12,776			
Deferred Tax Assets to be recovered within 12 months	-5,713			
Balance at 1 January 2007	-2,666	-11,271	-4,552	-18,489
Reclassifications	1,271	-3,843	2,572	0
Charged / (Credited) to Income Statement	-68	1,757	631	2,320
Charged / (Credited) to Equity				0
Exchange Differences	-2	233	34	265
Balance at 31 December 2007	-1,465	-13,124	-1,315	-15,904
Deferred Tax Assets to be recovered after more than 12 months	-15,302			
Deferred Tax Assets to be recovered within 12 months	-601			

COMPANY				
Deferred Tax Liabilities				
<i>Amounts in Euro '000</i>	Accelerated tax depreciation	Fair Value of Earnings	Other	Total
Balance at 1 January 2006	5,812	0	0	5,812
Charged / (Credited) to Income Statement	-188			-188
Charged to Equity				0
Exchange Differences				0
Balance at 31 December 2006	5,624	0	0	5,624
Deferred Tax Liabilities to be recovered after more than 12 months	2,113			
Deferred Tax Liabilities to be recovered within 12 months	3,511			
Balance at 1 January 2007	5,624	0	0	5,624
Charged / (Credited) to Income Statement	162			162
Charged to Equity				0
Exchange Differences				0
Balance at 31 December 2007	5,786	0	0	5,786
Deferred Tax Liabilities to be recovered after more than 12 months	5,786			
Deferred Tax Liabilities to be recovered within 12 months				
Deferred Tax Assets				
<i>Amounts in Euro '000</i>	Provisions	Impairment and Tax Losses	Other	Total
Balance at 1 January 2006	-109	-4,663	-758	-5,530
Charged / (Credited) to Income Statement	-418	2,744		2,326
Reclassifications			756	756
Exchange Differences				
Balance at 31 December 2006	-527	-1,919	-2	-2,448
Deferred Tax Assets to be recovered after more than 12 months	-2,448			
Deferred Tax Assets to be recovered within 12 months				
Balance at 1 January 2007	-527	-1,919	-2	-2,448
Charged / (Credited) to Income Statement	-286	-1,349		-1,635
Reclassifications			2	2
Exchange Differences				
Balance at 31 December 2007	-813	-3,268	0	-4,081
Deferred Tax Assets to be recovered after more than 12 months	-4,081			
Deferred Tax Assets to be recovered within 12 months				

11. INVESTMENTS IN SUBSIDIARIES

Directly Controlled	Investment %
M.J.MAILLIS SA, Kifissia, Athens, Greece	Parent
STRAPTECH SA, Kifissia, Athens, Greece	100%
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100%
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	81.7%
M.J.MAILLIS FRANCE SAS, Saint Ouen L'Amone, France	100%
MARFLEX M.J.MAILLIS POLAND SP ZOO, Karzcew, Poland	100%
M.J.MAILLIS ESPANA SL, Barcelona, Spain	100%
M.J.MAILLIS CZECH SRO, Prague, Czech	100%
EUROPACK SA, Luxembourg	100%
COLUMBIA SRL, Milan, Italy	100%
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100%
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100%
M.J.MAILLIS FINLAND OY, Vantaa, Finland	100%
MAILLIS HOLDING GMBH, Wuppertal, Germany	100%
Indirectly Controlled	
M.J.MAILLIS UK LTD, Nottingham, UK	100%
SIAT SPA, Como, Italy	100%
SICME SRL, Varese, Italy	100%
SIAT BENELUX, Wvaalwijk, Holland	51%
TAM SRL, Milan, Italy	71%
SIAT USA, Delaware, USA	100%
MAILLIS SANDER GMBH, Wuppertal, Germany	100%
SANDER GMBH & CO KG, Wuppertal, Germany	100%
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium (previously named M.J. MAILLIS BELGIUM N.V.)	100%
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100%
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA	100%
3L Srl, Modena, Italy	100%
M.J. MAILLIS SYSTEMS SRL, Varese, Italy	100%
MAILLIS STRONG STRAP PRIVATE Ltd, Mumbai, India	50%
Joint Venture	
COMBI PACKAGING SYSTEMS, Canton, USA	50%

In November 2006, M.J. Maillis Group acquired a 50% shareholding in a new subsidiary company in India, "MAILLIS STRONG STRAP PRIVATE LTD", producer of plastic strapping, which is consolidated for the first time in the current year. The Group shareholding in the subsidiary is 13,07% via the parent company and 36,93% via its subsidiary Europack SA. The company is based in Mumbai and was renamed MAILLIS STRONG STRAP PRIVATE Ltd. This company undertakes the production of plastic strapping in India and is used as the vehicle for marketing the Group's other products in the territory. Additional information related to this transaction are provided below.

Also the affiliate of the Group, "3L SRL" is consolidated for the first time in the current year.

The values of the Investments of the parent company in the aforementioned table as at 31 December 2007 are as follows:

<i>Amounts in Euro '000</i>		31/12/2007	31/12/2006	Investment %
		Book value	Book value	
Straptex SA	Greece	4,975	4,922	100%
Helero B.V.	Netherlands		28,176	
Europack SA	Luxembourg	78,810	50,739	100%
M.J Maillis Osterreich Gmbh	Austria	3,448	3,448	100%
Columbia SRL	Italy	9,338	5,958	100%
M.J.Maillis Finland OY	Finland	2,388	2,388	100%
M.J.Maillis Albania Ltd	Albania		53	
M.J.Maillis Sverige AB	Sweden		1,949	
M.J.Maillis Bulgaria EOOD	Bulgaria	325	325	100%
M.J.Maillis Romania SA	Romania	2,693	2,693	81.7%
Marflex MJ Maillis Poland SP ZOO	Poland	22,047	21,959	100%
MJ Maillis Czech SRO	Czech	1,984	1,984	100%
MJ Maillis France SAS	France	5,425	5,425	99.9%
M.J. Maillis Hungary KFT	Hungary	2,130	2,130	100%
Maillis Holding GMBH	Germany	21,112	24,112	100%
M.J. Maillis Netherlands BV	Netherlands		699	
Mega SRL	Italy		2,905	
Maillis Strong Strap Private Ltd	India	172	136	13.1%
M.J. Maillis Espana SL	Spain	5,078	7,003	100%
		159,925	167,004	

DISPOSAL AND MERGER OF SUBSIDIARIES

During the first half of 2007 the Group disposed of certain 100% held subsidiary companies. The effective date of all the disposals is 30/6/2007 and relates to the following subsidiary companies:

- HELERO BV (that is the holding company of the Serbian subsidiary M.J. MAILLIS d.o.o)
- M.J.MAILLIS ALBANIA LTD
- M.J.MAILLIS SVERIGE AB
- M.J MAILLIS NETHERLANDS BV
- MEGA SRL

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The results of the disposals on the Group and Company financial statements are as follows:

	GROUP	COMPANY
<i>Amounts in Euro '000</i>		
Sale proceeds	2,973	2,973
Cost of investment of subsidiaries sold		-7,507
Net assets of subsidiaries sold at the date of disposal	-8,509	
Goodwill on consolidation at the date of sale - M.J.MAILLIS SVERIGE AB	-1,131	
Loss on disposal of subsidiaries	-6,667	-4,534

	GROUP	COMPANY
<i>Amounts in Euro '000</i>		
	01/01- 31/12/2007	01/01- 31/12/2007
Cash effects of disposals		
Sales proceeds	2,973	2,973
Proceeds receivable as at 31/12/2007		
Cash balances of subsidiaries at date of disposal	-2,268	
Net cash flows on sale of subsidiaries	705	2,973

The disposal of these subsidiaries has been undertaken in line with the Group's restructuring plan. Additional information regarding these disposals is as follows:

- The operations of the Serbian subsidiary M.J.MAILLIS d.o.o and the Albanian subsidiary M.J.MAILLIS ALBANIA LTD have been transferred to local distributors who have entered into distribution agreements with the Group. Following this these subsidiary companies were sold.
- The Swedish subsidiary M.J.MAILLIS SVERIGE AB has been sold and the Group has entered into a distribution agreement with a distributor in Sweden for the sale of its products in that country.
- The operations of the Netherlands subsidiary M.J. MAILLIS NETHERLANDS BV have been absorbed by the Belgium subsidiary M.J. MAILLIS BELGIUM NV. The Belgium subsidiary was subsequently renamed M.J. MAILLIS BENELUX NV with operations in both countries. Subsequent to this the company M.J. MAILLIS NETHERLANDS BV was disposed of.
- Following the acquisition of the minority shareholders in the Italian subsidiary MEGA SRL for €475,000, the operations of MEGA SRL were absorbed by the Italian subsidiary COLUMBIA SRL. Subsequent to this the company MEGA SRL was disposed of.
- The operations of the Italian subsidiary M.J. MAILLIS SYSTEMS SRL have been absorbed by the Italian subsidiary COLUMBIA SRL. Subsequent to this M.J. MAILLIS SYSTEMS SRL will be liquidated.

ACQUISITION OF SUBSIDIARY

As set out above, on November 15th 2006, the Group participated in a 50% joint venture in India called STRONG STRAP PRIVATE Ltd in line with Group's expansion strategy in Asia. The Company's 50% participation in this joint venture is a direct shareholding of 13.07% and a shareholding of 36.93% through its subsidiary company Europack SA. The company proceeded with the production of PET strap at the beginning of 2007 and has therefore been consolidated for the first time with effect from 31/3/2007. The terms of the joint venture agreement state that the Group has management control of this company and therefore in terms of IFRS it has been consolidated using the full consolidation method.

Details of the net assets acquired and goodwill are as follows:

Amounts in Euro '000

Cash paid	
- MJ Maillis S.A.	136
- Europack SA	385
Acquisition costs	19
Total purchase consideration	540
Fair value of net assets acquired	457
Goodwill	83

The book value of the net assets of the company comprises the following. As the company was formed six months prior the date of the Group's participation and as the property, plant and equipment of the company were acquired in an arms length transaction immediately after its formation it has been assumed that the book values of assets and liabilities closely approximates their fair values.

Amounts in Euro '000

Property, plant and equipment	1,830
Inventory	301
Receivables	337
Cash	226
Bank loans	-1,657
Payables and accruals	-165
Other liabilities	-50
Fair value of total net assets	822
Less: Minority shareholders	-365
Fair value of net assets acquired	457

12. JOINT VENTURES

The Group has one investment in joint ventures, namely:

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

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

GROUP					
31 December 2006	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	103,599				103,599
Cash and cash equivalents	28,238				28,238
Total	131,837	0	0		131,837
	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total	
Liabilities as per balance sheet					
Borrowings				180,790	180,790
Derivative financial instruments		10,778			10,778
Trade and other payables				75,845	75,845
Total	0	10,778		256,635	267,413
COMPANY					
31 December 2007	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	108,901				108,901
Cash and cash equivalents	1,928				1,928
Total	110,829	0	0	0	110,829
	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total	
Liabilities as per balance sheet					
Borrowings				109,482	109,482
Derivative financial instruments		19,450			19,450
Trade and other payables				34,365	34,365
Total	0	19,450		143,847	163,297
31 December 2006	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
Assets as per balance sheet					
Trade and other receivables	103,942				103,942
Cash and cash equivalents	9,644				9,644
Total	113,586	0	0	0	113,586
	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total	
Liabilities as per balance sheet					
Borrowings				102,656	102,656
Derivative financial instruments		10,778			10,778
Trade and other payables				33,934	33,934
Total	0	10,778		136,590	147,368

14. INVENTORIES

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Merchandise	21,672	25,231	610	292
Finished and Semi - Finished products, By products	33,068	28,734	10,122	6,529
Raw and Auxiliary Materials - Spare Parts and Packaging Materials	31,580	29,185	8,033	6,667
Advances for Inventories Purchases	6,433	7,496	5,958	7,254
Total	92,753	90,646	24,723	20,742
Less: Provisions for Impairment of Inventories	-3,093	-2,498	-186	-126
Net Value of Inventories	89,660	88,148	24,537	20,616

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

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Inventory provision 1/1	2,498	2,411	126	
Exchange rate adjustment	22	-32		
Additional provision for the year	1,614	1,296	60	126
Unused amount reversed	-370	-221		
Utilised during the year	-671	-956		
Inventory provision 31/12	3,093	2,498	186	126

15. TRADE AND OTHER RECEIVABLES

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade Receivables	83,037	84,385	101,391	91,629
Notes Receivable	1,854	1,690	385	5
Less: Provisions for Impairment of Receivables	-5,858	-4,502	-2,389	-1,545
Trade Receivables- Net	79,033	81,573	99,387	90,089
Advances	475	956	141	93
Receivables from Related Parties			3,700	6,743
Receivables from the Greek State	2,778	3,000	2,772	2,996
Other Receivables	4,913	6,627	52	
Other Receivables and Prepayments	10,060	11,444	2,849	4,020
Total	97,259	103,600	108,901	103,941
Non Current Assets	4,111	6,214	417	234
Current Assets	93,148	97,386	108,484	103,707
Total	97,259	103,600	108,901	103,941

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	
	2007	2006	2007	2006
Bad debt provision 1/1	4,502	4,917	1,544	2,138
Exchange rate adjustment	24	25		
Additional provision for the year	2,514	1,267	1,442	491
Unused amount reversed	-113	-104		
Utilised during the year	-1,069	-1,603	-597	-1,084
Bad debt provision 31/12	5,858	4,502	2,389	1,545

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:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Euro	50,423	50,001	10,269	11,662
USD	10,383	11,954	2,325	4,804
CAD	825	793		
GBP	8,897	7,290	773	1,207
PLN	6,158	5,335		
ROL	2,569	2,394		
Other	3,782	6,618		
	83,037	84,385	13,367	17,673

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

GROUP	2007			2006		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Due	59,187	98	59,089	59,931	180	59,751
Overdue 0-90 days	15,360	233	15,127	14,692	59	14,633
Overdue 91-180 days	2,776	1,079	1,697	3,806	847	2,959
Overdue 181+ days	5,714	4,448	1,266	5,956	3,416	2,540
Total	83,037	5,858	77,179	84,385	4,502	79,883

COMPANY	2007			2006		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Receivables from affiliates	88,024		88,024	73,956		73,956
Due	9,853		9,853	14,031		14,031
Overdue 0-90 days	870		870	843		843
Overdue 91-180 days	183		183	54		54
Overdue 181+ days	2,461	2,389	72	2,745	1,544	1,201
Total	101,391	2,389	99,002	91,629	1,544	90,085

16. CASH AND CASH EQUIVALENTS

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash at bank and in hand	62	77	17	23
Short term bank deposits	14,556	28,161	1,911	9,621
Total	14,618	28,238	1,928	9,644

The effective interest rate on short term bank deposits was on average 3.80% (2006: 2.90%) for the Group and the Company.

17. SHARE CAPITAL

<i>Amounts in Euro '000</i>	Number of Shares	Common Shares	Share Premium	Treasury Shares	Total
Balance 1 January 2006	72,867,451	55,379	139,138	0	194,517
Selling of Treasury Shares					0
Cancellation of Treasury Shares					0
Issuance of new shares	309,295	235	67		302
Issuance costs					0
Balance 31 December 2006	73,176,746	55,614	139,205	0	194,819
Balance 1 January 2007	73,176,746	55,614	139,205	0	194,819
Selling of Treasury Shares					0
Cancellation of Treasury Shares					0
Issuance of new shares					0
Issuance costs			-3		-3
Balance 31 December 2007	73,176,746	55,614	139,202	0	194,816

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

SHARE OPTION PLAN

The Company's annual general meeting of 06/06/2002 approved a share option plan for members of the Board and other senior executives of the Company as well as for senior executives of the Company's subsidiaries. The plan expires on 31/12/2010 following the decision of the general meeting of 23/06/2006 to extend the plan to 31/12/2010.

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

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

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

An analysis of the share options outstanding is presented below:

Year	Options to be exercised	Options exercised	Exercise price €
2002	-	213,780	1,00
2003	-	228,780	1,00
2004	-	150,636	1,00
2005	-	179,225	1,00
2006	-	309,295	1,00
2007	-	-	-

According to the previously mentioned shareholders resolution, the maximum number of new share options to be granted until 31/12/2010 is 1,690,705.

18. RESERVES

GROUP						
	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
Balance 01/01/2006	2,309	0	438	0	15,686	18,433
Reserves movement	-65	615	-266		1,048	1,332
Balance 31/12/2006	2,244	615	172	0	16,734	19,765
Balance 01/01/2007	2,244	615	172	0	16,734	19,765
Net loss directly attributable to net equity		886				886
Fair value reserves				448		448
Reserves movement	51	-714			-38	-701
Balance 31/12/2007	2,295	787	172	448	16,696	20,398

COMPANY						
	Statutory reserve	Special reserves	Revaluation reserves	Hedging reserve	Tax free reserves	Total
Balance 01/01/2006	448	14	193	0	16,856	17,511
Reserves movement	248	799				1,047
Balance 31/12/2006	696	813	193	0	16,856	18,558
Balance 01/01/2007	696	813	193	0	16,856	18,558
Reserves movement				448		448
Balance 31/12/2007	696	813	193	448	16,856	19,006

(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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Long Term Borrowings				
Bank Borrowings	139,743	147,721	93,696	102,656
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	19,450	10,778	19,450	10,778
Total bank borrowings	159,193	158,499	113,146	113,434
Less: Bank borrowings reflected as short term (refer to Covenants note below)	-155,437		-110,314	
Loans from Parent Company				
Finance Lease Liabilities	8,486	2,041		
Bonds				
Other				
Total Long Term Borrowings	12,242	160,540	2,832	113,434
Short Term Borrowings				
Long term bank borrowings reflected as short term (refer to Covenants note below)	155,437		110,314	
Bank Overdrafts	9,503	7,122	1,286	
Short Term Bank Borrowings	34,723	23,588	14,500	
Bonds				
Finance Lease Liabilities	2,809	318		
Guaranteed loans				
Other				
Total Short Term Borrowings	202,472	31,028	126,100	0
Total Borrowings	214,714	191,568	128,932	113,434

COVENANTS

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

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

Due to the net loss of €38,583 thousand and €14,721 thousand incurred by the Group and the Company respectively for the year ended 31 December 2007, the Group has not met certain of the minimum covenant requirements set out above and therefore resulting in all affected bank borrowings being reclassified as current borrowings in terms of IAS 1 paragraph 65. The reclassification was undertaken on the basis that at 31 December 2007 the Group and the Company does not have an unconditional right to defer the settlement of these bank borrowings for at least twelve months after 31 December 2007.

Notwithstanding the above, Group management has undertaken the following actions with respect to the bank borrowings:

- The Group has obtained an unconditional waiver of covenants from all the affected lenders up to 30 April 2008.
- The Group has obtained a conditional waiver of covenants from all the affected lenders up to 27 June 2008. A key condition is the achievement of specific profitability targets as of the end of the first quarter of 2008.
- The Group is currently in discussions with the lenders with a view to either obtaining a further waiver of covenants up until 31 December 2008 or an amendment to the covenant requirements.

Management is of the view that the outcome of the negotiations, that is likely to be concluded by 27 June 2008 will be positive and has concluded that the going concern assumption used in the preparation of these financial statements is applicable.

The carrying amounts of borrowings approximate their fair values.

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

Contractual Repricing Dates

<i>Amounts in Euro '000</i>	6 Months or Less	6 - 12 Months	1 - 5 Years	Over 5 Years	Total
31 December 2007					
Total Borrowings	214,714				214,714
Effect from Interest Rates Swaps					0
	214,714	0	0	0	214,714

The maturity of long term borrowings is as follows:

Maturity dates of Long Term Borrowings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Between 1 and 2 Years	1,458	2,041		
Between 2 and 5 Years	10,784	47,841	2,832	2,777
Over 5 Years		110,658		110,658
	12,242	160,540	2,832	113,435

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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	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Euro	109,390	90,378	32,635	15,694
\$ USD	103,332	100,923	96,297	97,740
£				
Other	1,992	267		
Total	214,714	191,568	128,932	113,434

The Company has entered into a 5 year currency and interest rate swap with respect to the loan denominated in \$ USD. At 31/12/2007 the swap has effectively hedged the risk implied in the loan.

Finance Leases

The present value of the finance leases are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2007	2006
Up to 1 year	2,773	307
1-5 years	8,521	2,053
Above 5 years		
	11,294	2,360

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 2007 and 2006 has been calculated as follows:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Present Value of Obligations	39,697	41,201	1,899	833
Fair Value of Plan Assets	-28,915	-32,054		
	10,782	9,147	1,899	833
Unrecognised Gain /(Loss)	-3,582	-3,747	-163	-251
Unrecognised Past Service Cost	-1,127		-957	
Net Liability / (Asset) in BS	6,073	5,400	779	582
<i>Amounts in Euros '000</i>				
Service Cost	615	989	108	126
Interest Cost	2,018	1,863	36	33
Expected Return on Plan Assets	-2,089	-1,921	11	18
Past Service Cost	134		38	
Regular P&L Charge	678	931	193	177
Additional Cost of Termination Benefits	269	631	247	440
Restructuring Expense				
Other Expense/(Income)	1,133			
Total P&L Charge	2,080	1,562	440	617

<i>Amounts in Euro '000</i>	GROUP			COMPANY		
	2007	2006	2005	2007	2006	2005
Discount Rate	5.50%	4.50%	4.10%	5.50%	4.50%	4.10%
Expected Return on Plan Assets	7.00%	6.80%	6.10%			
Rate of Compensation Increase	4.00%	3.00%	3.00%	4.00%	4.00%	4.50%
Rate of Inflation	3.00%	2.00%	2.50%	2.50%	2.50%	2.50%
Pension Increases	3.40%	3.10%	2.80%			

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

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Beginning of the year	41,202	42,014	833	801
Current service cost	1,589	929	1,103	126
Interest cost	2,018	1,863	36	33
Contributions by plan participants	-265	-814	-243	-464
Actuarial losses/(gains)	-740	-1,611	-63	-91
Exchange differences	-2,826			
Benefits paid	-1,932	-1,614	233	
Liabilities acquired in a business combination	592			
Curtailments	-183			
Settlements	242	434		428
End of year	39,697	41,201	1,899	833

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

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Beginning of the year	32,054	31,012		
Expected return on plan assets	250	2,150		
Actuarial (losses) / gains	-3	-372		
Exchange differences	-2,337			
Employer contributions	853	1,220		
Employee contributions	19	24		
Benefits paid	-1,921	-1,980		
Business combinations				
End of year	28,915	32,054	0	0

21. GOVERNMENT GRANTS

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Beginning of period	7,238	8,171	4,637	5,344
Additions		17		17
Transfer to Income Statement	-885	-950	-658	-724
End of period	6,353	7,238	3,979	4,637

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

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OTHER GRANTS

During year 2007 the parent company received grants from OAED amounting to € 116 th. (2006: € 204 th.) and the Group € 206 th. (2006: € 374 th.).

22. TRADE AND OTHER PAYABLES

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade Payables	68,250	61,360	29,674	30,143
Payables to Related Companies			1,537	688
Accrued Expenses	5,607	5,001	1,121	1,025
Social Security and other Taxes / Duties	1,610	1,526	807	1,004
Other Payables	7,112	7,682	1,226	1,074
Total	82,579	75,569	34,365	33,934

23. PROVISIONS

GROUP				
<i>Amounts in Euro '000</i>	Pending Litigation	Warranties	Other	Total
Balance 1 January 2006	1,826	518	0	2,344
Additional Provisions for the period	841	829	382	2,052
Unused provisions Reversed	-985	-87	-42	-1,114
Exchange Differences		-26	-1	-27
Utilised Provisions during the period	-925	-855	-299	-2,079
Balance 31 December 2006	757	379	40	1,136
Balance 1 January 2007	757	379	40	1,136
Additional Provisions for the period	838	155	2,342	3,335
Unused provisions Reversed	-100	-37	-5	-142
Exchange Differences		20	1	21
Utilised Provisions during the period	-28	-20	-361	-409
Balance 31 December 2007	1,467	497	2,017	3,981
COMPANY				
<i>Amounts in Euro '000</i>	Pending Litigation	Warranties	Other	Total
Balance 1 January 2006	0	0	0	0
Additional Provisions for the period				0
Unused provisions Reversed				0
Exchange Differences				0
Utilised Provisions during the period				0
Balance 31 December 2006	0	0	0	0
Balance 1 January 2007	0	0	0	0
Additional Provisions for the period			500	500
Unused provisions Reversed				0
Exchange Differences				0
Utilised Provisions during the period				0
Balance 31 December 2007	0	0	500	500

(a) Pending litigation

The above amount relates to the total provision existing regarding all the legal cases of the Group towards its clients.

(b) Warranties

The above amount relates to the total provision existing regarding the warranties accompanying the sale of a machine.

24. RELATED PARTY TRANSACTIONS

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

The following transactions are with Related Parties in the years 2007 and 2006:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01- 31/12/2007	01/01 - 31/12/2006	01/01- 31/12/2007	01/01 - 31/12/2006
Sales of goods and services				
- Associate	2,518	2,360	84,859	82,188
Purchase of goods and services				
- Associate	73	73	3,965	7,618
Key Management compensation				
Salaries and other short term benefits to key management and member of the board	3,605	4,059	2,005	2,459
Year End Balances arising from purchases - sales of goods and services				
Receivables from Associate	782	513	88,023	73,957
Loans Receivable from Associates			3,700	6,743
Payables to Associate	9	9	1,538	689

25. INCOME TAX

The Company, M.J. MAILLIS SA and its subsidiary STRAPTECH S.A. have been audited by the tax authorities until FY 2004.

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

- M.J.MAILLIS BULGARIA EOOD has been audited until FY 2002
- M.J.MAILLIS ROMANIA SA has been audited until FY 2004
- 3L has not been audited since incorporation in FY 2002
- M.J.MAILLIS ESPANA SL has been audited until FY 1998
- MARFLEX M.J.MAILLIS GROUP Sp Zoo has not been tax audited since incorporation in 1997
- SANDER GMBH & CO KG has been audited until FY 1997
- M.J.MAILLIS FRANCE SAS has been audited until FY 2002
- SIAT SPA has been audited until FY 2002

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- M.J.MAILLIS OSTERREICH GMBH has been audited until FY 2001
- M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD has been audited until FY 2002
- M.J.MAILLIS CZECH SRO has been audited until FY 2004
- M.J.MAILLIS BENELUX NV has been audited until FY 2005
- WULFTEC INTERNATIONAL INC has been audited until FY 2004
- COLUMBIA has been audited until FY 2002
- M.J.MAILLIS UK has been audited until FY 2006
- MAILLIS STRAPPING SYSTEMS USA INC has not been tax audited since incorporation in 2005
- SICME SRL has been tax audited until FY 2002
- TAM SRL has been tax audited until FY 2002
- SIAT BENELUX BV has been tax audited until FY 2005
- COMBI has been tax audited until FY 2004
- SIAT USA, MJ MAILLIS FINLAND OY have not been tax audited
- MJ MAILLIS SYSTEMS SRL has been tax audited until FY 2006
- MAILLIS HOLDING GMBH has been tax audited until FY 1997
- MAILLIS SANDER GMBH has been tax audited until FY 1997
- EUROPACK SA has been tax audited until FY 2002
- MAILLIS STRONG STRAP PRIVATE LTD was formed in 2006 and has not been tax audited

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

INCOME TAX	GROUP		COMPANY	
	2007	2006	2007	2006
<i>Amounts in Euro '000</i>				
Current tax	2,027	3,697		961
Other tax	927		385	
Deferred tax	2,939	1,886	-1,471	2,136
	5,893	5,583	-1,086	3,097
Profit before tax	-32,690	7,774	-15,807	7,126
Tax calculated at tax rates applicable to profits	-2,388	2,332	-3,952	2,067
Tax on non-taxable income	-1,999			
Tax on expenses not deductible for tax purposes	3,384	897	2,481	270
Utilisation of previously unrecognised tax losses	500			
Tax losses for which no deferred income tax asset was recognised	4,757			
Other	1,639	2,354	385	761
	5,893	5,583	-1,086	3,097

26. EMPLOYEE EXPENSES

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
<i>Amounts in Euro '000</i>				
Payroll Cost & Severance payments cost	55,743	56,542	11,794	10,616
Social Security Costs	12,415	12,013	2,597	2,291
Cost of Employee private pension plan - Defined Contribution pension plan	381	237		
Cost of Employee defined benefit plan	2,080	1,562	440	617
Other Benefits	970	702	428	372
Total	71,589	71,056	15,259	13,896

27. EXPENSES BY NATURE

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Changes in Inventory and Cost of Sales	238,814	230,638	92,652	91,310
Depreciation and Amortisation	18,467	21,170	7,675	7,458
Salaries, Social security and other employee costs	71,589	71,056	15,259	13,896
Transportation expenses	16,184	16,183	7,519	7,880
Travelling expenses	3,381	3,487	410	449
Selling expenses	5,844	5,927	2,819	2,612
Legal and Consulting costs	5,400	3,626	1,954	394
Rents and Operating lease rentals	3,905	3,993	769	768
Utilities, maintenance	8,201	7,849	5,613	5,153
Other expenses	12,642	1,163	7,951	2,820
	384,427	365,092	142,621	132,740
Classified as				
Cost of sales	295,281	287,229	115,516	111,926
Administrative expenses	21,208	23,715	9,340	9,425
Selling expenses	44,441	42,819	10,363	10,500
Other expenses	18,679	6,834	5,522	889
Restructuring costs	4,818	4,495	1,880	
	384,427	365,092	142,621	132,740

28. FINANCIAL EXPENSES

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Long term interest expense	6,584	5,661	5,347	4,572
Short term interest expense	1,989	2,030	120	
Finance lease interest	118	440		
Bank charges	2,577	3,014	667	498
Total	11,268	11,145	6,134	5,070
Interest income	2,294	1,994	1,652	1,351
Net financial expense	8,974	9,151	4,482	3,719

29. OTHER OPERATING INCOME

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income from sale of fixed assets	2,237	4,403		
Exchange differences	387	3,613		481
Other income	2,191	2,689	413	154
Total	4,815	10,705	413	635

30. EARNINGS PER SHARE

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

BASIC AND DILUTED	GROUP		COMPANY	
	1/1 - 31/12/07	1/1 - 31/12/06	1/1 - 31/12/07	1/1 - 31/12/06
<i>Amounts in Euro '000</i>				
Earnings/(Losses) attributable to the Company's shareholders	-38,122	2,050	-14,721	4,029
Weighted Average number of shares	73,176,746	72,884,445	73,176,746	72,884,445
Basic Earnings/(Losses) per share (expressed in Euro)	-0.52	0.03	-0.20	0.06

31. CONTINGENCIES AND COMMITMENTS

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the Company have given guarantees in the ordinary course of business amounting to € 15.4 million and € 66.2 million respectively (of which € 50.8 million refer to guarantees given by the parent company relating to loans undertaken by the Group's subsidiaries).

The Operating lease liabilities of the Group as at 31/12/2007 and 31/12/2006 respectively are as follows:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
0-1 years	3,873	3,786	516	516
1-2 years	4,005	3,786	446	516
2+ years	9,356	10,565	160	614
Total	17,234	18,137	1,122	1,646

As at 31/12/2007 the Group and the Company do not have significant pending capital expenditure contracts.

32. DIVIDENDS PER SHARE

Due to the losses incurred by the Company in 2007 it cannot distribute a dividend for the year ended 31/12/2007.

33. DISTRIBUTION OF PROFIT

The proposition by the Board of Directors to the General Assembly is for the Company to transfer the losses of the year amounting to € 14,721 thousands to profits/losses carried forward.

34. POST BALANCE SHEET EVENTS

Other than the waivers granted by the Group's lenders, as described in Note 19, there were no other significant post balance sheet events.

4.3 BOARD OF DIRECTORS MANAGEMENT REPORT

**M.J. MAILLIS' BOARD OF DIRECTORS MANAGEMENT REPORT
ON THE ANNUAL FINANCIAL STATEMENTS OF 2007
TO THE SHAREHOLDERS OF THE COMPANY**

Dear Shareholders,

According to article 107 paragraph 3 of CL 2190/1920, as replaced by article 35 of P.D. 409/86, we are submitting to you the consolidated Financial Statements for the period 1/1/2007 to 31/12/2007 accompanied by our comments on these, for your approval.

1. BALANCE SHEET

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
ASSETS				
The Assets amount to	468,303	481,286	380,700	382,378
LIABILITIES				
The Liabilities amount to				
Equity	140,718	184,518	206,359	223,617
Provisions and Liabilities	327,585	296,768	174,341	158,761
	468,303	481,286	380,700	382,378
ANALYSIS OF ASSETS				
Non Current Assets				
Intangible Assets	130,660	136,335	4,905	4,809
Less: Depreciation	19,089	20,118	3,290	2,191
Net book value	111,571	116,217	1,615	2,618
Tangible Assets	253,712	232,667	142,584	132,571
Less: Depreciation	114,418	106,071	62,871	56,466
Net book value	139,294	126,596	79,713	76,105
Other Non - Current Assets	19,414	18,990	164,423	169,687
Current Assets				
Inventory	89,660	88,148	24,537	20,616
Trade receivables	79,033	81,573	99,387	90,089
Cash and cash equivalents	14,618	28,238	1,928	9,644
Other receivables	14,713	21,524	9,097	13,619
TOTAL ASSETS	468,303	481,286	380,700	382,378
ANALYSIS OF LIABILITIES				
EQUITY				
Share Capital	55,614	55,614	55,614	55,614
Share Premium	139,203	139,205	139,203	139,205
Reserves	20,398	19,765	19,006	18,558
Currency translation reserve	-3,412	-1,135		
Retained Losses / Earnings	-72,618	-30,817	-7,464	10,240
Minority interest	1,533	1,886		
TOTAL EQUITY	140,718	184,518	206,359	223,617
I. Non Current	32,481	177,053	13,376	120,766
II. Current	295,104	119,715	160,965	37,995
TOTAL LIABILITIES	327,585	296,768	174,341	158,761
TOTAL EQUITY AND LIABILITIES	468,303	481,286	380,700	382,378

2. INCOME STATEMENT

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
Sales	368,143	371,312	139,116	142,015
Less: Cost of Sales	295,280	287,228	115,516	111,926
Gross Profit	72,863	84,084	23,600	30,089
Earnings before tax	-32,690	7,774	-15,807	7,126

NOTES

- 1) Depreciation for the year amounted to Euros 18,467 thousand, which was included in operating cost.
- 2) At the end of 2007, there are no pledges on the fixed assets of the company.
- 3) The Share Capital of the company as at 31st December 2007 amounts to Euros 55,614 thousand and the total number of shares to 73,176,476 ordinary shares.
- 4) According to article 11a of CL 3371/2005 that was amended by article 30 of CL 3461/2006, the Company discloses the fact that, with respect to the USD 130 million Note Purchase Agreement (Bond loan) that was signed in December 2005, there is a clause which states that in circumstances of change in control, the Company is required to inform the bondholders and offer prepayment which the bondholders may or may not accept according to their discretion. A similar clause is included in the Syndicated loan that has been signed by the Group's subsidiary Europack SA in May 2006. Furthermore similar clauses are included in loan agreements with banks and ISDA agreements.

3. COMPANIES INCLUDED IN FINANCIAL STATEMENTS

The following companies have been included in the consolidated Financial Statements as at 31/12/2007:

Directly Controlled	Investment %
M.J.MAILLIS SA, Athens	Parent
STRAPTECH SA, Athens	100%
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100%
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	81.7%
M.J.MAILLIS FRANCE SAS, Souassi, France	100%
MARFLEX M.J.MAILLIS POLAND SP ZOO, Warsaw, Poland	100%
M.J.MAILLIS ESPANA SL, Barcelona, Spain	100%
M.J.MAILLIS CZECH SRO, Prague, Czech	100%
EUROPACK SA, Luxembourg	100%
COLUMBIA SRL, Milan, Italy	100%
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100%
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100%
M.J.MAILLIS FINLAND OY, Vantaa, Finland	100%
MAILLIS HOLDING GMBH, Wuppertal, Germany	100%

Indirectly Controlled	Investment %
M.J.MAILLIS UK LTD, Nottingham, UK	100%
SIAT SPA, Como, Italy	100%
SICME SRL, Varese, Italy	100%
SIAT BENELUX, Wvaalwijk, Holland	51%
TAM SRL, Milan, Italy	71%
SIAT USA, Delaware, USA	100%
MAILLIS SANDER GMBH, Wuppertal, Germany	100%
SANDER GMBH & CO KG, Wuppertal, Germany	100%
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium	100%
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100%
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA	100%
3L SRL, Modena, Italy	100%
MJ MAILLIS SYSTEMS SRL	100%
MAILLIS STRONG STRAP PRIVATE Ltd, Mumbai, India	50%
Joint Venture	
COMBI PACKAGING SYSTEMS, Canton, USA	50%

4. RATIO ANALYSIS

Amounts in Euro '000	GROUP		COMPANY	
	2007	2006	2007	2006
a. Fixed over Total Assets ratio				
Fixed Assets	250,865	242,813	81,328	78,723
Total Assets	468,303	481,286	380,700	382,378
	53.6%	50.5%	21.4%	20.6%
Current Assets	198,024	219,483	134,949	133,968
Total Assets	468,303	481,286	380,700	382,378
	42.3%	45.6%	35.4%	35.0%
b. Equity over Equity and Liabilities ratio				
Equity	140,718	184,518	206,359	223,617
Total Equity and Liabilities	327,585	296,768	174,341	158,761
	43.0%	62.2%	118.4%	140.9%
c. Equity over Fixed Assets ratio				
Equity	140,718	184,518	206,359	223,617
Total Fixed Assets	250,865	242,813	81,328	78,723
	56.1%	76.0%	253.7%	284.1%
d. Current ratio				
Current Assets	198,024	219,483	134,949	133,968
Current Liabilities	295,104	119,715	160,965	37,995
	67.1%	183.3%	83.8%	352.6%
e. Gross Profit over Sales ratio				
Gross Profit	72,863	84,084	23,600	30,089
Sales	368,143	371,312	139,116	142,015
	19.8%	22.6%	17.0%	21.2%
f. Gross Profit over Cost of Sales ratio				
Gross Profit	72,863	84,084	23,600	30,089
Cost of Sales	295,280	287,228	115,516	111,926
	24.7%	29.3%	20.4%	26.9%

ANNUAL FINANCIAL STATEMENTS

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2007	2006	2007	2006
g. Sales over Equity ratio				
Sales	368,143	371,312	139,116	142,015
Equity	140,718	184,518	206,359	223,617
	261.6%	201.2%	67.4%	63.5%
h. Trade Receivables Days (DSO)				
Trade Receivables x 365	79,033	81,573	99,387	90,089
Sales	368,143	371,312	139,116	142,015
	78	80	261	232
i. Stock Recycling Days				
Cost of Sales	295,280	287,228	115,516	111,926
Inventory 31/12	89,660	88,148	24,537	20,616
	3.29	3.26	4.71	5.43

5. PROGRESS OF THE GROUP AND COMPANY

The main points regarding the activities and the results of the Group for 2007 are as follows:

Consolidated Group Turnover of Euros 368 million vs Euros 371 million in 2006.

Consolidated Earnings before Tax, Financial Expenses, Depreciation and Amortisation (E.B.I.T.D.A.) Euros 7,0 million vs Euros 38.1 million in 2006, that represents 1.9% of Turnover vs 10.3% in 2006.

Consolidated Losses before tax Euros 32.7 million vs Earnings before tax Euros 7.8 million in 2006.

The Sales of the parent company were Euros 139.2 million vs sales of Euros 142.1 million in 2006, a decrease of 2%. Earnings before tax, Financial expenses, depreciation and amortisation (EBITDA) amounted to Euros 4.6 million in 2007 vs Euros 17.4 million in 2006 and Losses before tax amounted at Euros 15.8 million from Earnings before tax Euros 7.1 in 2006.

During the second quarter of 2007 the subsidiaries HELERO BV, MJ MAILLIS ALBANIA LTD, MJ MAILLIS SVERIGE AB, MEGA SRL, MJ MAILLIS NETHERLANDS BV, MJ MAILLIS d.o.o. BEOGRAD, MJ MAILLIS SYSTEMS SRL, were either sold or absorbed by other Group subsidiaries. The results of these transactions was a loss of € 4,534 thousand for the Parent Company and a loss of € 6,667 thousand in the Consolidated accounts. Further details are presented in Note 11 of the Annual Financial Statements.

During the fourth quarter of 2007 the Group and the Company proceeded to impair goodwill and investments respectively by an amount of € 4,925 thousand (Note 9). In addition the Group wrote-off an amount of € 3,469 thousand (Note 10) in respect of deferred tax assets.

The losses incurred by the Group and the Company for the year ended 31 December 2007 have resulted in a breach of the bank borrowing covenants described in Note 19. This breach of covenants has necessitated the reclassification of the affected bank borrowings from non-current to current.

OUTLOOK FOR 2008

The Group and Company Management expect benefits in 2008 arising from the restructuring that took place in 2007 which negatively affected 2007 results.

The targets that have been set are summarised in 3 main points:

1. Increase of gross profit margin, which can be achieved by targeting sales towards higher margin products and customers (e.g. increasing telesales) and decrease of production cost.

The prospects for the second quarter of 2008 are very promising since the significant increase in the price of raw materials for the production of steel products that has already taken place in the market will have positive effects for the Group which has fixed prices until the end of the first six months of 2008.

2. The significant decrease of operating expenses for the Group and the Company. Significant actions have taken place towards this direction and the first results are evident in the first few months of 2008.
3. Improvement of the working capital of the Group, which in turn will decrease loans and interest cost. This will be achieved by decreasing inventories, decreasing collection days of receivables from customers and where possible increasing payment days of suppliers.

Athens, 28 March 2008

CHAIRMAN OF THE
BOARD OF DIRECTORS

VICE CHAIRMAN OF THE BOARD OF
DIRECTORS & CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL
OFFICER

FINANCIAL MANAGER
OF GREECE

MICHAEL J. MAILLIS

IOANNIS M. KOUROUGLOS

VICTOR K.
PAPACONSTANTINO

NIKOLAOS B.
MAROULIS

Id.N. Φ 020207

Pass No. A 2203681

Id.N. T 003140

Reg.No 46629 -
A Class

AUDITORS' CERTIFICATION

It is certified that the above Management Report of the Board of Directors to the Shareholders of the Company, comprising 5 pages, is the one mentioned in the Auditors report in the Financial Statements, issued on March 31st 2008.

Athens, March 31st 2008

THE CERTIFIED AUDITOR - ACCOUNTANT

Kyriakos Riris
SOEL R.N. 12111

For PricewaterhouseCoopers S.A.

4.4 EXPLANATORY REPORT OF THE BOARD OF DIRECTORS of the Company M.J. MAILLIS S.A. – PACKING MATERIALS Pursuant to L. 3371/2005, Art. 11a

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.3371/2005, Art. 11a, para. 1.

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

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

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

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

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

3. Important direct and indirect participations in the sense of the provisions of the Presidential Decree 51/1992.

As at 31/12/2007 the following shareholders had a shareholding participation above 5%: Mr M.J. Maillis holds 25.70% and the Holding Company HORQUETA HOLDINGS LTD holds 19.35%.

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

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

5. Limitations to the right to vote

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

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

6. Agreements between the shareholders of the Company

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

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

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

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

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

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

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

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

The Board of Directors of the Company on November 28th 2007 decided not to grant stock options to managers of the Company, according to the stock option plan which had been initially decided by the General Assembly of shareholders of the Company at 6/6/2002 which was later extended, rephrased and changed by the General Assembly of shareholders of the Company at 23/06/2006.

(b) Purchase of Treasury shares

According to article 16 para. 5 to 13 of L 2190/1920, the General Assembly of shareholders of the Company with its decision of 21/5/2007 decided the purchase of Treasury shares in order to further support the trading price of the share up to 10% of the total amount of shares i.e. up to 7,317,674 shares, within the next 12 months following the date of the decision, i.e. until 20/5/2008 with an acquisition price ranging from a maximum of 9 euros to a minimum of 1 euro.

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

According to article 11a of CL 3371/2005 that was amended by article 30 of CL 3461/2006, the Company discloses the fact that, with respect to the € 110.6 million Note Purchase Agreement (Bond loan) that was signed in December 2005, there is a clause which states that in circumstances of change in control, the Company is required to inform the bondholders and offer prepayment which the bondholders may or may not accept according to their discretion. A similar clause is included in the € 45.3 million Syndicated loan that has been signed by the Group's subsidiary Europack SA in May 2006. Furthermore similar clauses are included in loan agreements with banks and ISDA agreements.

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

There are agreements with its members of the Board of Directors and its personnel which provide the payment of compensation especially in the event of resignation or dismissal without a grounded reason. The total amount of these compensations is approximately € 950 th.

4.5 REPORT OF COMPANY'S TRANSACTIONS WITH AFFILIATED COMPANIES FOR THE YEAR 2007

STRAPTECH S.A.

Sales:	€	10,454,191.02
Purchases:	€	2,761,171.84
Collections:	€	10,969,980.74
Payments:	€	2,117,355.80
Acquisition of Participation:	€	52,244.00

M.J. MAILLIS BULGARIA FOOD

Sales:	€	3,916,263.51
Other Charges:	€	73,413.61
Collections:	€	3,710,382.85
Dividends Received:	€	305,500.00

M.J. MAILLIS ROMANIA S.A.

Sales:	€	5,918,559.44
Purchases:	€	88,767.76
Other Charges:	€	154,388.75
Collections:	€	4,198,579.76
Payments:	€	88,767.76
Overdue Interest:	€	63,178.60
Dividends Received:	€	256,603.67

HELERO B.V.

Interest Expense:	€	5,498.02
Collections:	€	30,424.05
Loan Repayment:	€	235,000.00
Transfer of Investment to Euroopack:	€	28,070,400.00
Sale of Participation:	€	106,029.30

MARFLEX – M.J. MAILLIS POLAND SP ZOO

Sales:	€	2,863,084.32
Other Charges:	€	993,567.77
Purchases:	€	91,217.58
Collections:	€	4,017,965.19
Payments:	€	62,675.02
Acquisition of Participation:	€	88,739.00

M.J. MAILLIS ESPANA SL

Sales:	€	6,997,570.61
Other Charges:	€	212,641.97
Purchases:	€	4,047.79
Collections:	€	6,203,747.89
Interest Expense:	€	62,574.58
Loan Repayment:	€	1,500,000.00

M.J. MAILLIS CZECH SRO

Sales:	€	2,233,766.94
Other Charges:	€	97,742.00
Collections:	€	2,772,405.00
Overdue Interest:	€	15,872.24

Slovakia Branch

Sales :	€	2,220,055.58
Purchases :	€	799.60
Other Charges:	€	140,836.00
Collections:	€	2,668,547.50
Payments :	€	799.60
Overdue Interest:	€	35,520.32

M.J. MAILLIS ALBANIA LTD

Sales:	€	558,240.09
Other Charges:	€	25,942.30
Collections:	€	675,069.78
Dividends Received:	€	181,500.00
Sale of Participation:	€	53,231.94

M.J. MAILLIS HUNGARY Packing Systems Ltd

Sales:	€	3,672,002.32
Other Charges:	€	232,763.69
Purchases:	€	8,738.00
Collections:	€	3,012,282.29
Payments:	€	5,103.76

EUROPACK SA

Loan Extension:	€	650,134.24
Transfer of Investment from Helero:	€	28,070,400.00

MEGA SRL

Other Charges:	€	25,000.00
Acquisition of Participation:	€	475,000.00
Transfer of Investment to Columbia:	€	3,379,944.07

COLUMBIA SRL

Sales:	€	13,300.01
Other Charges:	€	313,784.00
Purchases:	€	10,245.45
Payments:	€	9,667.50
Collections:	€	212,588.39
Transfer of Investment from Mega Srl :	€	3,379,944.07

M.J. MAILLIS OSTERREICH GMBH

Sales:	€	5,527,536.10
Other Charges:	€	134,018.48
Collections:	€	5,808,510.55
Payments:	€	1,446.00

M.J. MAILLIS SVERIGE AB

Sales:	€	952,333.56
Other Charges:	€	10,000.00
Collections:	€	3,923,027.28
Payments:	€	490.00
Share Capital Increase:	€	3,500,000.00
Sale of Participation:	€	5,448,912.88

M.J. MAILLIS U.K. LTD

Sales:	€	14,912,866.05
Other Charges:	€	349,955.24
Purchases:	€	710,914.10
Collections:	€	10,043,139.22
Payments:	€	696,825.09
Overdue Interest:	€	248,870.42

SIAT SPA

Sales:	€	3,614.53
Other Charges:	€	485,882.32
Purchases:	€	29,239.00
Collections:	€	2,464,795.24
Payments:	€	51,025.87

M.J. MAILLIS NETHERLANDS B.V.

Sales:	€	738,183.59
Other Charges:	€	17,500.00
Collections:	€	1,047,285.78
Share Capital Increase:	€	1,200,000.00
Sale of Participation:	€	1,898,870.32

WULFTEC INTERNATIONAL INC

Sales:	€	77,694.78
Other Charges:	€	548,581.33
Collections:	€	859,785.67

SANDER GMBH & CO KG

Sales:	€	8,539,318.10
Other Charges:	€	691,154.33
Purchases:	€	137,120.18
Collections:	€	3,429,355.73
Payments:	€	84,336.76
Interest Expense:	€	162,242.50
Overdue Interest:	€	337,665.32

M.J. MAILLIS BELGIUM NV

Sales:	€	2,372,241.04
Other Charges:	€	74,000.00
Collections:	€	1,541,653.66
Payments:	€	2,622.90

M.J. MAILLIS FRANCE SAS

Sales:	€	4,421,665.22
Other Charges:	€	5,063.94
Purchases:	€	450.00
Collections:	€	4,060,573.36

SIAT BENELUX B.V.

Sales:	€	394,505.23
Collections:	€	389,267.17

MAILLIS STRAPPING SYSTEMS USA INC

Sales:	€	1,409,968.64
Other Charges:	€	203,956.37
Purchases:	€	44,372.71
Payments:	€	28,727.57

M.J. MAILLIS d.o.o-Beograd

Sales:	€	476,668.70
Other Charges:	€	421.42
Purchases:	€	77,798.58
Collections:	€	575,209.22
Interest Expense:	€	10,197.13
Overdue Interest:	€	3,064.80
Loan Repayment :	€	380,000.00
Sale of Participation:	€	49,988.00

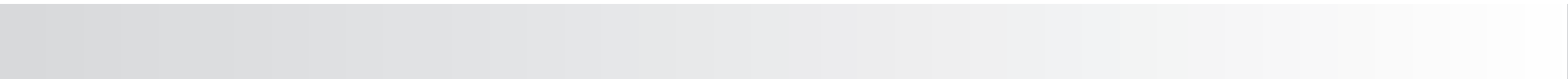
MAILLIS STRONG STRAP PRIVATE LTD

Sales:	€	450,003.43
Other Charges:	€	100.00
Collections:	€	214,796.88

5. INFORMATION ACCORDING TO ARTICLE 10 OF L.3401/2005

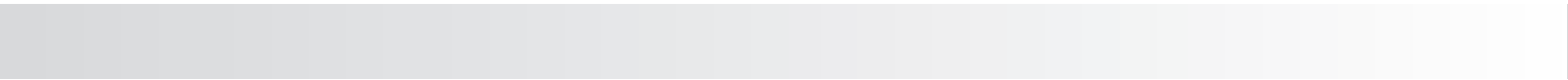
The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted on the Athens Exchange website as well as to our Company's website: www.maillis.com.

DATE	ANNOUNCEMENT
2/2/2007	Comment on Press
22/2/2007	2006 Financial Results' Announcement Date
6/3/2007	Announcement of Share Buy - Back
8/3/2007	Establishment of M.J. Maillis Systems Srl
15/3/2007	Corporate Actions Schedule
16/3/2007	M.J.MAILLIS GROUP : Annual Financial Results (for the period 01/01/2006 - 31/12/2006)
16/3/2007	Twelve Months 2006 Financial Statements Group and Parent Company
16/3/2007	Twelve Months 2006 Full Year Financial Statements
18/4/2007	Corporate Actions Schedule - Revised Edition
23/4/2007	Presentation at the Association of Greek Institutional Investors
25/4/2007	Invitation to the Annual Ordinary General Meeting 21st May 2007
25/4/2007	Expalanatory Report of the Board of Directors 2006
4/5/2007	Announcement Annual Report 2006
17/5/2007	New Member of the Management Team
21/5/2007	Dividend Payment for the Fiscal Year 2006
22/5/2007	M.J. MAILLIS S.A. Annual Ordinary General Shareholders' Meeting
22/5/2007	Resolutions of the Annual General Shareholders' Meeting
22/5/2007	Announcement of Share Buy - Back
22/5/2007	Change in the Board of Directors
31/5/2007	M.J.MAILLIS GROUP: 1st QUARTER 2007 FINANCIAL RESULTS (for the period 01/01/2007 – 31/03/2007)
31/5/2007	First Quarter 2007 Financial Statements Group and Parent Company
31/5/2007	First Quarter 2007 Interim Financial Statements
8/6/2007	Announcement
13/6/2007	Announcement
22/6/2007	Change of a member of the Management Team
26/6/2007	Restructuring Announcement
3/8/2007	Restructuring Announcement
30/8/2007	M.J.MAILLIS GROUP: 1st HALF 2007 FINANCIAL RESULTS (for the period 01/01/2007 – 30/06/2007)
30/8/2007	First Half 2007 Financial Statements Group and Parent Company
30/8/2007	First Half 2007 Interim Financial Statements
31/8/2007	Correction of Announcement
31/8/2007	Change in the Board of Directors
16/10/2007	Procedure for the Notification of Significant Transactions
26/10/2007	Statement of regulated information in the frame of article 27 of Law 3556/2007 - Important participations of major shareholders
6/11/2007	New Member of the Management Team
8/11/2007	Comment on Press
28/11/2007	Appointment CEO Designate
30/11/2007	M.J.MAILLIS GROUP: Nine months 2007 FINANCIAL RESULTS (for the period 01/01/2007 – 30/09/2007)
30/11/2007	Nine Months 2007 Financial Statements Group and Parent Company
30/11/2007	Nine Months 2007 Interim Financial Statements
6/12/2007	Comment on Press Releases



6. ANNUAL FINANCIAL STATEMENTS OF SUBSIDIARIES

The companies included in the consolidated Financial Statements of M.J.MAILLIS S.A., which are required to publish their statutory Financial Statements according to IFRS, will make their Financial Statements available on the website of the parent company: <http://www.maillis.com> as soon as they are finalized.



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