Sarantis Polska S.A.

Financial Statement for the period

From 01.01.2008 to 31.12.2008

BDO

BDO Numerica International
Auditors & Consultants Sp. z o.o.

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Audit Opinion
for the Shareholders and Supervisory Board of Sarantis Polska S.A.

We have audited the accompanying financial statements of Sarantis Polska S.A. with its registered office in Piaseczno, ul. Puławska 42C, consisting of:

- an introduction;
- the balance sheet prepared as at 31 December 2008, showing total assets and liabilities of **121.167.613 zł;**
- the profit and loss account for the period from 1 January 2008 to 31 December 2008, showing a net profit of **14.462.266 zł;**
- statement of changes in shareholders' equity, showing a decrease in shareholders' equity of **2.993.808 zł;**
- the cash flow statement for the period from 1 January 2008 to 31 December 2008, showing a net cash increase of **1.144.601 zł;**
- notes to the financial statements.

The Company's Management Board is responsible for the truth and fairness of these financial statements prepared in accordance with the requirements of the European Union approved version of International Financial Reporting Standards, and in issues not regulated by these standards, in accordance with the Accounting Act dated 29 September 1994 (2002 Journal of Laws No. 76, item 694 with subsequent amendments).

Our responsibility was to audit the financial statements and to express an opinion whether they are free of material misstatements.

We conducted our audit in accordance with:
1) Chapter 7 of the Accounting Act dated 29 September 1994 (2002 Journal of Laws No. 76, item 694),
2) professional auditing standards issued by the Polish National Chamber of Certified Auditors.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provided a reasonable basis for our opinion.

This document is a translation.
The Polish original should be referred to in matters of interpretation.

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The Company did not perform an inventory count as at the balance sheet date. As the most recent inventory count was performed in January 2008, the Company has complied with the inventory count frequency and date requirements of the Accounting Act. A write down was created for anticipated inventory differences calculated based on the inventory differences from the previous year at the amount of 174 thousand zł. The auditor is unable to confirm the accuracy of the write down.

In our opinion, except for the above qualifications, the audited financial statements consisting of financial data and explanations:

- give a true and fair view of the financial position of Sarantis Polska S.A. as at 31 December 2008, as well as of its financial result for the period from 1 January 2008 to 31 December 2008,
- have been prepared correctly in all material respects, i.e. in accordance with the Company's accounting policies arising out of the European Union approved version of International Financial Reporting Standards, as well as the related interpretations announced by the European Commission in the form of implementing regulations, and in issues not regulated by these Standards – in accordance with the Accounting Act and the related regulatory provisions issued on the basis of this Act, as well as on the basis of properly maintained books of account,
- have been prepared in all material respects in accordance with the provisions of the above-mentioned Accounting Act, and on the basis of properly maintained books of account,
- are consistent with the laws and regulations binding in Poland and with the Company's Statute, to the extent to which such regulations affect the content of the financial statements.

The Directors Report on the Company's activities includes all information required by article 49 point 2 of the Accounting Act, and the financial data contained therein are consistent with the audited financial statements.

Warsaw, 9 February 2009

BDO Numerica
International Auditors & Consultants Sp. z o.o.
ul. Postępu 12, 02-676 Warszawa
Registration No. 3355

Auditor in charge:
Hanna Sztuczyńska
Polish Certified Auditor
Reg. No. 9269/6955
Board Member, BDO Numerica
International Auditors & Consultants Sp. z o.o.

On behalf of BDO Numerica
International Auditors & Consultants Sp. z o.o.
Dr. Andrè Helin
Polish Certified Auditor
Reg. No. 90004/502
Senior Partner, BDO Numerica
International Auditors & Consultants Sp. z o.o.

INTRODUCTION TO THE FINANCIAL STATEMENT

THE GENERAL INFORMATION

1. Name , address, the basic object of the activity of the Company

The subject of the Company's activity is mainly the sales activity in the scope of household articles made of artificial materials and skin care cosmetics.

The Company was registered on 24. 01.1991 by the District Court in Warsaw under the number 25872.
The Company was entered in the National Court Register of Entrepreneurships on 12.11.2001 under the number 0000050586.
On 24.04.2003 the Company was transformed to Joint Stock Company – entered in the National Court Register of Entrepreneurships under the number 0000158603.
On 24.10.2004 the Company changed it's name to Sarantis Polska S.A.

2. Company address
UL. Puławska 42 c
05-500 Piaseczno

Main Warehouse address
ul. 3 Maja 8
05-800 Pruszków

4. Management Board of the Company

On 31.Dec .2008 the Management Board composed :
Kyriakos Sarantis – President of the Board
Konstantinos Rozakeas – Vice President of the Board
Nikos Evangelou - Vice President of the Board

Representative were President of the Board together with Vice President of the Board.

5. Supervisory Board

The composition of the Supervisory Board as at 31 December 2008 was as following:
Grigorios Sarantis
Konstantinos Stamatiou
Pantazis Sarantis
Vasileios Meintanis

6. Statutory auditor

BDO Numerica International Auditors & Consultants Sp. z o.o.
ul. Postępu 12 , Warszawa

7. Name of the parent company
GR Sarantis Cyprus Ltd. , Cyprus

8. Name of the ultimate parent company
GR Sarantis SA, Greece

10. Principles of presentation

Information on principles adopted for preparation of financial statement for 2008

From 1 January 2007, Sarantis Polska S.A., acting under Resolution No. 1 of the Extraordinary General Shareholders' Meeting of Sarantis Polska S.A. of 16. November 2007 (adopted in compliance with Art. 45 1c of the Accounting Act) has prepared its statutory unconsolidated financial statements in accordance with IFRSs approved by the European Commission.
The financial statements have been prepared in accordance with accounting principles contained in the International Financial Reporting Standards approved by the European Union. The financial statement cover the period from 1 January to 31 December 2008 and the comparative period from 1 January to 31 December 2007.
In preparation of these financial statements the Company applied International Financial Reporting Standards adopted by the European Union (IFRSs) in force as at 31 December 2008.
The financial statements are compliant with all IFRS requirements adopted by the EU and present a true and fair view of the Company's financial position as at 31 December 2008 and 31 December 2007 results of its operations and cash flows for the year ended 31 December 2008 and 31 December 2007.

8. Statement of the Management Board

1) The Management Board of Sarantis Polska S.A. hereby honestly and sincerely declares that to the best of their knowledge the foregoing financial statements and comparative data were prepared in compliance with accounting principles contained in the International Financial Reporting Standards approved by the European Union and that they reflect true and fair view on financial position of Company and its financial result of and that the Management Board Commentary on the Company's Operations presents true overview of Company's development, achievement and business situation including basic risks and exposures.
2)The entity, authorized to audit and conducting the audit of financial statements, was selected in compliance with the law. The entity and auditors conducting the audit met the conditions to issue an independent opinion in compliance with relevant regulations of the domestic law.

Piaseczno, 23 January 2009 .

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

9. Significant accounting principles

Basic for financial statement

Financial statement of Sarantis Polska S. A. is prepared accordance with the International Financial Reporting Standards approved by the European Union.

Functional currency and presentation currency of financial statements

The finance statement is presented in polish zlotys after the round to full sums. The polish zloty is a functional currency of the Company.

Judgments and evaluations

Judgments, evaluations and assumptions, which have significant influence on accounting principles, presenting value of assets, liabilities, costs and incomes are required from the Management Board to execution of financial statement according to IFRS. Evaluations and assumptions based on the historical experiences, their results allowing estimate balance sheet value of assets and liabilities. Actual value can be different than estimated value. Evaluations and assumptions are currently verifying. Change in accounting estimations is included in the period in which the accounting estimations were amended or in the current and future periods.

Property, Plant and Equipment

Property, plant and equipment, excluding land and investment property, are stated at cost which consists of the acquisition cost and direct costs related to bringing the item of property, plant and equipment into use.
Property, plant and equipment are depreciated and subject to impairment allowances.
The cost of current maintenance of property, plant and equipment is recorded in the financial result during the period when they are incurred. The cost of significant repairs and regular maintenance programs is recognized as property, plant and equipment and depreciated in accordance with their economic useful lives.
Depreciation of property, plant and equipment starts sins it is available for use that means is it in the location and condition necessary for it to be capable of operating. The beginning of the depreciation starts not later than one month after acquisition date and follows in the manner intended by the management, over the period reflecting their estimated economic useful life. The correctness of applied periods and depreciation rates is verified periodically, and respective adjustments are made to the subsequent periods of depreciation.
Limit for low value fixed assets is 1 500 zloty.

The following useful lives are used for property, plant and equipment:

Buildings and constructions 10-40 years
Machinery and equipment 2-10 years

Vehicles and other 2-5 years

If there have been events or changes which indicate that the carrying amount of property, plant and equipment may not be recoverable, the assets are analyzed for potential impairment. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or cash-generating units is decreased to the recoverable amount by an appropriate allowance. The recoverable amount of property, plant and equipment reflects the higher of net selling price and value in use. Impairment allowances are recognized as other operating costs in the profit and loss.

Profit and loss resulting from the removal tangible fixed asset from the balance sheet, are calculated on the basic of difference between net incomes from disposal, and balance sheet value and shown like income or cost in the profit and loss account

Finance lease

A lease contract, under IAS 17, is regarded as a finance lease if it transfers substantially all risks and rewards incidental to ownership of the leased asset.
Assets used under lease, tenancy, rental or similar contracts which meet the criteria defined in IAS 17, “Leases”, are regarded as non-current assets and recognized at the lower of fair value of the leased asset at the commencement of the lease term and the present value of the minimum lease payments.
Depreciation methods for leased assets being depreciated are consistent with normal depreciation policies applied for similar Company owned assets and depreciation is calculated in accordance with IAS 16 and IAS 38. If it is not certain that the lessee will obtain title to the asset before the end of the lease term, the asset is depreciated over the shorter of the lease term and the asset’s economic useful life.

Intangible assets

Intangible assets are recognized if it is probable that expected future economic benefits that are directly attributable to the assets will flow to the entity. Initially intangible assets are stated at acquisition or construction cost.
After initial recognition, intangible assets are measured at acquisition or construction cost less amortization and impairment allowances. Intangible assets with a definite useful life are amortized when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management over their estimated economic useful life. The correctness of the applied amortization periods and rate is periodically reviewed, at least at the end of the reporting year, and potential adjustments to amortization allowances are made in the subsequent periods. Intangible assets with indefinite period of use are not subject to depreciation. Their value is decreased by the possible impairment loss.

The adopted standard economic useful lives for amortization of intangible assets are:

Acquired licenses, patents, and similar intangible assets 2-10 years
Acquired computer software 2-5 years

Other intangible assets are tested for impairment only if there are indications that their carrying amount may not be recoverable. If there are indications of impairment, and the carrying amount exceeds the estimated recoverable amount, the value of those assets or the related cash-generating units is decreased to the recoverable amount. The recoverable amount of those assets is the higher of the assets' net selling price and their value in use.

Valuation of shares in subordinated entities

Shares in subordinated entities are valuated at cost of acquisition price less accumulated impairment losses.

Financial instruments

Investments are classified in following categories:

a) investments retained until the maturity term
b) receivables and loans
c) financial assets available to sale
d) financial instruments estimated by profit and loss account

Classification to above categories depends on the aim of investments.

At the initial moment of presentation investments are valued at fair value, increased by transactional costs in the case non-classified investments as valued at fair value by profit and loss account. These transactional costs are allocated directly to acquisition or element of investments issue. Erasure of investment from the balance sheet is followed after expiry of economical profits rights and risks or its transfers for third persons connected with this rights.

(a) investments retained until the maturity term

Financial assets other than derivatives with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity term, except financial assets including to investments valued at fair value by profit and loss account, investments available to sale and loans and receivables. Current assets are realized or available to sale or use in normal operational cycle in the Company. Investments retained until the maturity term are evaluated in amount of amortized cost with using the effective interest rate.

(b) receivables and loans

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Except the assets with the maturity date above 12 months after the balance sheet date, receivables and loans are designate as current assets. Trade receivables and other receivables are evaluated in amount of the amortized costs with using effective interest rate decreased by allowances for bad debts, which are formed accordance with analysis of bad debts.

Revaluation take into consideration the payment day and payment's degree of probability

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(c) financial assets available to sale

There are financial assets, others than derivative assets, available to sale or others than included in category (a) or (b). Those assets are classified as current assets when are available to sale during the 12 months from the balance sheet date. Financial assets available to sale are evaluated in fair value.

Profits or loss from the valuation of financial assets available to sale are contained as separate element of founds to the moment of disposal or time, when the their value gone down.

(d) financial investments estimated by profit and loss account

Instrument intended to turnover or classified to likes after the initial presentation is classified to investments evaluated in accordance with fair value by profit and loss account. The Company managed actively these investments and decided about sale and acquisition based on their fair value

After the initial presentation, costs of transactions connected with the investment are presented in the date, when the costs are bearded. All profit and loss connected with these investments are presented in the profit and loss account

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Inventories

Inventories are measured at the lower of cost and net realizable value, considering any inventory allowances. The net realizable value is the selling price estimated in the ordinary course of business activity less the estimated costs of completion and the estimated selling costs.

Cost of usage is determined based on the weighted average costs formula.

Receivables

Trade receivables and other receivables are presented when the determined amounts become due to Company. Trade receivables and other receivables evaluated in payment date with consideration of allowances for bad debts. Non-collectible receivables are deducted into the profit and loss account at the time of declaring that its non-collectible.

Cash and pecuniary equivalent

Cash contained cash in hand and at the bank. Pecuniary equivalent are short-term investments which are fluid, convertible on known amounts of cash and exposed to small risk of change the value. Cash is evaluated in the nominal value which is accordance with the fair value.

Trade incomes

Probability of derived economic benefits and possibility to determine the amount of income let the Company recognize the incomes. Trade incomes are evaluated in net value after the reduction by tax on goods and services and discounts. The amount of incomes is evaluated in the fair value. Particular items of Company's costs are decreased by the reinvoiced amounts which are not an income.

Equity capital

Equity capital is divided by the types accordance with low rights and resolutions of Company Statute.
Share capital is presented in the nominal value, in the amount according to the Company Statute and entry in the commercial register. Declared but no made contributions are included by due contributions to the initial capital.
Own founds of the Company are decreased by due contributions to the share capital
Non-divided profits for the previous years and the current results (profits) are presented in the financial statement as the detainee profit.

Loans and credits

Loans and credits are presented in the fair value of received inflows decreased by the costs of transactions.
Loans and credits are valuated it the amortized acquisition price in accordance with effective interest rate.

Transactions in foreign currency

Transactions in foreign currency are carried out in accordance with exchange rate published on the day of transaction. Exchange rate differences and evaluations of financial assets and liabilities on the balance sheet date, in accordance with National Bank of Poland exchange rate on this day are presented as financial costs or incomes in the profit and loss account.

Income tax

Gross profit with deferred tax is basic for calculating income tax. Deferred tax shown net tax effect of differences between balance sheet value and tax value of particular element of assets or liabilities. Tax rates expected in the future year are basic to calculating the amount of assets and provisions for deferred tax. Provisions for deferred tax are created for all positive interim tax differences
Assets and provisions are created regardless of the realization.
Assets and provisions for deferred tax are classified and presented in the balance sheet as fixed assets or long-term liabilities.

Fixed assets available to sale

Fixed assets available to sale satisfied a following criterions:

- The Management of the Board declared cooperation with a view to sale
- Assets are available to instantaneous sale in present condition
- Potential buyer is looked for
- Transaction of buying is highly probable and the transaction will be settle during the 12 months
- The trade price is rational and accordance with the current fair value

- Probability of introduction of changes into disposal plan is inconsiderable

If the criteria are met after the balance sheet date, the assets are not reclassified at the end of the reporting year prior to the designation for sale. The reclassification is reflected in the reporting period when the criteria are met. Depreciation is discontinued for the asset when it is designated for sale.
Assets held for sale are measured at the lower of the net carrying amount and the fair value less selling costs.

Provisions

The Company shall recognize a provision when it has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimate may be made of the amount of the obligation. The provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Liabilities

Trade and other liabilities are measured at the amount due.

Contingent liabilities

Contingent liabilities are defined as obligations that arise from past events and which are dependent on occurrence or non-occurrence of some uncertain future events. Contingent liabilities are not recognized in the balance sheet however the information on contingent liabilities is disclosed unless the probability of outflow of resources relating to economic benefits is remote.

Application of the accounting principles

The above principles are applicable for comparative data.

Impact of new Standards and interpretations on the Company's unconsolidated financial Statements

At of the 31 December 2006 the following new Standards, changes and interpretations to International Financial Reporting Standards were published:

- IFRIC 13 – "Customer Loyalty Programmers" – effective from 1 July 2008;
− IFRIC 14 – "The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction" - effective from 1 July 2008;
− IFRIC 16 – "Hedges of a Net Investment in a Foreign Operation" – effective from 1 October 2008;
− IFRS 2 – "Share – based Payment" – effective from 1 January 2009;
− IFRS 3 – "Business Combinations" – effective from 1 July 2009;
− IFRS 5 – ""Non – current Assets Held for Sale and Discontinued Operations" – effective from 1 July 2009;
− IFRS 8 – "Operating Segments" – effective from 1 January 2009;
− IAS 1 – "Presentation of Financial Statements" – effective from 1 January 2009;
− IAS 16 – "Property, Plant and Equipment" – effective from 1 January 2009;
− IAS 19 – "Employee Benefits" – effective from 1 January 2009;

− IAS 20 – "Accounting for Government Grants and Disclosure of Government Assistance" – effective from 1 January 2009;
− IAS 23 – "Borrowing Costs" – effective from 1 January 2009;
− IAS 27 – "Consolidated and Separate Financial Statements" – effective from 1 July 2009;
− IAS 28 – "Investments in Associates" – effective from 1 January 2009;
− IAS 31 – "Interests in Joint Ventures" – effective from 1 January 2009;
− IAS 32 – "Financial Instruments: Presentation" – effective from 1 January 2009;
− IAS 36 – "Impairment of Assets" – effective from 1 January 2009;
− IAS 38 – "Intangible Assets" – effective from 1 January 2009;
− IAS 39 – "Financial Instruments: Recognition and Measurement" – effective from 1 January 2009;

The Company evaluated effects of application of interpretations and changes in standards and identified that the changes in scope of IAS 23 can have an influence of presentation of financial statement in the application moment.

Piaseczno, 23 January 2009

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

BALANCE SHEET as at 31 December 2008

	Note	31 December 2008	31 December 2007
ASSETS			
Non-current assets			
Property, plant and equipment	2	7 205 484	6 658 677
Intangible assets	3	251 503	191 918
Investments in affiliated entities	5	3 101 378	3 101 378
Perpetual usufruct of land	4	1 462 980	1 462 980
Deferred tax assets	6	1 312 245	628 395
Total non-current assets		**13 333 590**	**12 043 348**
Current assets			
Inventory	7	29 490 960	22 526 149
Trade and other receivables	8	68 043 180	57 890 342
Income tax receivable		-	-
Short-term financial assets	9	4 193 621	-
Short-term prepayments	11	1 846 172	1 453 943
Cash and cash equivalents	12	4 260 090	3 115 489
Other financial assets		-	-
Non-current assets classified as held for sale		-	27 750
Total current assets		**107 834 023**	**85 013 673**
Total assets		**121 167 613**	**97 057 021**

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

	Note	31 December 2008	31 December 2007
LIABILITIES			
Equity			
Nominal share capital	13	34 400 000	34 400 000
Nominal share premium		1 055 603	1 055 603
Spare capital	13	3 165 090	1 647 171
Net profit		14 462 266	18 973 993
Total equity		**53 082 959**	**56 076 767**
Long-term liabilities			
Interest-bearing loans and borrowings			
Provisions			
Deferred tax liabilities		199 737	36 505
Other long-term liabilities	7	2 276 187	1 616 728
	15		
Total long-term liabilities		**2 475 924**	**1 653 233**
Short-term liabilities			
Trade and other liabilities	17	44 004 750	30 808 176
Interest-bearing loans and borrowings	15	16 906 562	3 450 101
Income tax payable	18	1 323 691	2 533 063
Provisions			
Liabilities transitional accounts	11	3 373 727	2 535 681
Total short-term liabilities		**65 608 730**	**39 327 021**
Total liabilities		**121 167 613**	**97 057 021**

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

PROFIT AND LOSS STATEMENT

	Note	31 December 2008	31 December 2007
Revenues from sale			
Revenues from the sale of goods and materials	19	241 204 349	227 335 102
Revenues from the sale of services	20		
Revenues from sale		**241 204 349**	**227 335 102**
Other income		3 783 191	4 283 797
Change In the value of product		(613 309)	(272 425)
Depreciation		(1 944 905)	(2 002 817)
Consumption of materials and power		(6 173 335)	(4 927 164)
Outsider services		(61 199 016)	(49 853 045)
Taxes and fees		(408 314)	(367 165)
Remunerations		(17 160 887)	(16 700 227)
Social insurance and other benefits	21	(2 759 765)	(2 758 405)
Other operating cost		(700 148)	(789 967)
Value of sold goods and materials		(130 160 082)	(129 646 381)
Other cost		(3 786 788)	(1 505 173)
Total cost on operating activity		**(224 906 551)**	**(208 822 769)**
Profit from operating activities		**20 080 988**	**22 796 130**
Financial revenues	22	367 285	1 121 694
Financial expenses		(2 346 216)	(594 389)
Net financial revenues and expenses		**(1 978 931)**	**527 305**
	23		
Profit before tax		**18 102 058**	**23 323 435**
Income tax expense		(3 639 791)	(4 349 442)
Net profit		**14 462 266**	**18 973 993**
Earnings per share		4.20	5.52

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

CASH FLOW STATEMENT

	Note	01.01.2008 -31.12.2008	01.01.2007- -31.12.2007
Cash flow from operating activities			
Profit before tax		**18 102 058**	**23 323 435**
Adjustments for:		(7 455 791)	(12 095 656)
Non- cash:			
Depreciation and impairment of property, plant and equipment		1 946 520	2 055 876
(Profit)/loss on account of foreign exchange differences		(434 597)	157 235
Profit from the sale of property, plant and equipment		(250 134)	(183 856)
Profit on liquidation of share in associated entities		-27 971	(887 057)
Interest expense		521 508	318 716
The compensation of liabilities with shares of liquidated companies			9 372 067
Working capital adjustments:			
Increase/decrease in inventories		(6 964 811)	(1 473 807)
Increase in trade and other receivables		(10 151 771)	(6 734 672)
Increase in trade and other payables		10 296 099	(12 970 332)
Change in the value of accrued assets and transitional accounts		445 816	193 706
Income tax paid		(2 836 449)	(1 943 532)
Net cash flows from operating activities		**10 646 267**	**11 227 779**
Cash flows - investing activities			
Revenues generated from sale of fixed assets and intangible assets		376 048	387 402
Revenues generated from sale of shares		34 500	
Acquisition of tangible fixed assets and intangible assets		(952 906)	(901 082)
Repayment of granted loans			
Granted loans		(3 768 000)	
Net cash used in investing activities		**(4 310 358)**	**(513 680)**
Cash flow - financing activities			
Revenues due to credit and loans		13 416 495	3 448 699
Repayment of credit and loans			
Settlement of liabilities due to finance lease		(700 385)	(403 029)
Interest paid		(481 541)	(318 716)
Dividends paid		(17 456 074)	(12 873 768)
Other net itmes			
Net cash provided by / (used in) financing activities		**(5 221 504)**	**(10 146 814)**
Net change in cash and cash equivalents		1 114 405	567 285
Effect of exchange rate changes		30 197	-157 235
Balance sheet change In the cash value		1 144 601	410 050
Cash and cash equivalents on 1 January 2008		3 115 489	2 705 439
Cash and cash equivalents on 31 December 2008		**4 260 090**	**3 115 489**

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

STATEMENT OF CHANGES IN EQUITY

	Nominal share capital	Nominal share premium	Spare capital	Retained earnings	Total equity
At 1 January 2007	**34 400 000**	**1 055 603**	**527 713**	**13 993 226**	**49 976 542**
Net profit	-	-	-	18 973 993	18 973 993
Payment of dividend	-	-	-	(12 873 768)	(12 873 768)
Distribution of profit (for spare capital)	-	-	1 119 458	(1 119 458)	-
At 31 December 2007	**34 400 000**	**1 055 603**	**1 647 171**	**18 973 993**	**56 076 767**
Net profit	-	-	-	14 462 266	14 462 266
Payment of dividend	-	-	-	(17 456 074)	(17 456 074)
Distribution of profit (for spare capital)	-	-	1 517 919	(1 517 919)	-
At 31 December 2008	**34 400 000**	**1 055 603**	**3 165 090**	**14 462 266**	**53 082 959**

The Management Board:

President of the Board	Vice President of the Board	Vice President of the Board
Kyriakos Sarantis	*Nikos Evangelou*	*Konstantinos Rozakeas*

ADDITIONAL INFORMATION AND EXPLANATIONS

Contents:

ADDITIONAL INFORMATION AND EXPLANATIONS

1. Information about segment of activity

A company estimates that the all important areas of its activity are including of household equipment segment and shows one segment of activity currently. Additionally all activity of Company and its assets are based on territory of Poland (at the same time a Company has shares in foreign company). With a view to these, other information in geographical interpretation are not presenting therein.

2. Tangible fixed assets

	31.12.2008	**31.12.2007**
Land	**-**	**-**
Buildings, premises and structures of land and water engineering	1 529 796	1 504 529
Machinery and technical equipment	1 886 844	1 566 502
Transportation means	3 623 443	3 303 786
Other fixed assets	163 042	224 860
Fixed assets under constructions	2 358	59 000
Total tangible fixed assets	**7 205 483**	**6 658 677**

There are no tangible assets which are security for liabilities of the company at 31st December 2008 and at 31st December 2007 accordingly

Balance sheet value of tangible fixed assets which are using based on financial leasing agreement as at:

- 31st December 2007 – 2 240 762 PLN
- 31st December 2008 – 3 227 564 PLN

Financial leasing agreements are connecting with cars, which are use to Company's activity. Except tangible fixed assets included financial leasing agreements a rights to dispose of Company's tangible fixed assets are unlimited.

Changes in tangible fixed assets according to the category criterion:

Gross value of tangible fixed assets	**Buildings, premises and structures of land and water engineering**	**Machinery and technical equipment**	**Transportation means**	**Other fixed assets**	**Fixed assets under construction**	**Total**
Gross value as at 1st January 2007	**1 634 061**	**4 099 151**	**5 361 512**	**684 265**	**94 811**	**11 873 800**
Increases:	108 296	403 476	1 768 298	42 751	59 000	2 381 821
acquisition	108 296	403 476	1 768 298	42 751	59 000	2 381 821
transfer	-	-	-	-		-
Decreases::	60 209	177 473	1 228 704	941	94 811	1 562 138
sales	-	6 684	1 228 704	-		1 235 388
liquidation	60 209	170 789	-	941		231 939
transfer	-	-	-	-	94 811	94 811
Gross value as at 31st December 2007	**1 682 148**	**4 325 154**	**5 901 106**	**726 075**	**59 000**	**12 693 483**
Increases:	74 100	856 707	1 638 813	84 185	2 358	2 656 163
acquisition	12 000	856 707	1 638 813	84 185	2 358	2 656 163
transfer	62 100	-	-	-		-
Decreases::	3 100	296 051	1 328 435	111 604	59 000	1 798 190
sales	-	60 596	1 328 435	2 521		1 391 552
liquidation	-	235 455	-	50 083		258 538
transfer	3 100	-	-	59 000	59 000	121 100
Gross value as at 31st December 2008	**1 753 148**	**4 885 810**	**6 211 484**	**698 656**	**2 358**	**13 551 456**

Changes in tangible fixed assets according to the category criterion:

	Buildings, premises and structures of land and water engineering	Machinery and technical equipment	Transportation means	Other fixed assets	Fixed assets under construction	Total
Accumulated depreciation and impairment loss as at 31st January 2007	**139 411**	**2 449 647**	**2 519 406**	**394 156**		**5 502 620**
Increases::	45 358	486 478	1 103 427	108 000	-	1 743 263
Depreciation for the year	45 358	486 478	1 103 427	108 000	-	1 743 263
reclassifications	-	-	-	-	-	-
Decreases::	7 150	177 473	1 025 513	941	-	1 211 077
sales	-	6 684	1 025 513	-	-	1 032 197
liquidation	7 150	170 789	-	941	-	178 880
reclassifications	-	-	-	-	-	-
Accumulated depreciation and impairment loss as at 31st December 2007	**177 619**	**2 758 652**	**2 597 320**	**501 215**	**-**	**6 034 806**
Increases::	45 733	535 048	1 192 174	86 706	-	1 859 660
Depreciation for the year	45 733	535 048	1 192 174	86 706	-	1 859 660
reclassifications	-	-	-	-	-	-
Decreases::	-	294 734	1 201 454	52 307	-	1 548 495
sales	-	60 596	1 201 454	2 521	-	1 264 571
liquidation	-	234 138	-	49 786	-	283 924
reclassifications					-	-
Accumulated depreciation and impairment loss as at 31st December 2008	**223 352**	**2998 965**	**2 588 040**	**535 614**	**-**	**6 345 971**
Net accounting value:						
as at 1st January 2007	1 494 650	1 649 504	2 842 106	290 109	94 811	6 371 180
as at 31st December 2007	1 504 529	1 566 502	3 303 786	224 860	59 000	6 658 677
as at 31st December 2008	**1 529 796**	**1 886 845**	**3 623 444**	**163 042**	**2 358**	**7 205 485**

3. Intangible fixed assets

	31.12.2008	31.12.2007
Computer software	183 718	188 585
Trademarks, licenses	-	3 333
Advances for intangible fixed assets	67 785	-
Total intangible fixed assets	**251 503**	**191 918**

Changes in state of value of intangible fixed assets are as follow:

	Trademarks, licenses	Computer software	Advances for Intangible fixed assets	Total
Gross value of intangible fixed assets				
Gross value as at 1st January 2007	**381 700**	**1 863 113**	**0**	**2 244 813**
Increases:	91 800	103 151	-	194 951
acquisition	91 800	103 151	-	194 951
reclassifications	-	-	-	-
Transfer:	-	860	-	860
sales	-	-	-	-
liquidation	-	860	-	860
reclassifications	-	-	-	-
Gross value as at 31st December 2007	**473 500**	**1 965 404**	**0**	**2 438 904**
Increases:	-	77 045	67 785	144 830
acquisition	-	77 045	67 785	144 830
reclassifications	-	-	-	-
Transfer:	-	237 144	-	237 144
sales	-	-	-	-
liquidation	-	237 144	-	237 144
reclassifications	-	-	-	-
Gross value as at 31st December 2008	**473 500**	**1 805 305**	**67 785**	**2 346 590**

	Trademarks, licenses	Computer software	Advances for Intangible fixed assets	Total
Accumulated depreciation and impairment loss as at 31st January 2007	**367 850**	**1 620 442**	**0**	**1 988 292**
Increases::	102 317	157 237	-	259 554
Depreciation for the year	102 317	157 237	-	259 554
reclassifications	-	-	-	-
Decreases::	-	860	-	860
sales	-	-	-	-
liquidation	-	860	-	860
reclassifications	-	-	-	-

Accumulated depreciation and impairment loss as at 31st December 2007	**470 167**	**1 776 819**	**0**	**2 246 986**
Increases::	3 333	81 912	-	85 245
depreciation for year	3 333	81 912	-	85 245
reclassification	-	-		-
Decreases:	-	237 144	-	237 144
sales	-	-	-	-
liquidation	-	237 144	-	237 144
reclassification	-	-	-	-
Accumulated depreciation and impairment loss	**-**	**-**	-	-
as at 31st December 2008	**473 500**	**1 621 587**	**0**	**2 095 087**
Net accounting value:				
as at 1st January 2007	13 850	242 671		256 521
as at 31st December 2007	3 333	188 585		191 918
as at 31st December 2008	**0**	**183 718**		**251 503**

4. Perpetual usufruct

The Company use perpetual usufruct of land with 8 004 square meters which are property of the State Treasury and are located in Piaseczno, ul. Puławska 42C

5. Investments in subordinated entities

Shares and stocks in subordinates entities	**31.12.2008**	**31.12.2007**
Beginning of a period	3 101 378	11 586 388
Increases	-	-
Reclassification to assets intended to sale		
Decreases	(8 485 010)	(8 485 010)
In the end of a period	**3 101 378**	**3 101 378**

The Company has 100% share capital of Sarantis Czech Republic s.r.o. with registered seat in Prague, which distribute household equipment made of plastic and cosmetics to body care. Shortened financial information about Sarantis Czech Republic s.r.o. is presented in following table, converted into Polish zlotys:

	31.12.2008	**31.12.2007**
Fixed assets	261 365	216 769
Current assets	12 690 551	12 233 100
Equity capital	3 086 116	3 105 522
Short-term liabilities	5 658 584	9 058 964
Incomes	25 663 832	25 107 728
Profit	(470 004)	564 543

6. Deferred tax

Deferred tax as at 31 December is resulting from:

Assets due to deferred tax	**31.12.2008**	**31.12.2007**
Accelerated depreciation	-	10 371
Accruals	628 807	473 653
Inventories valuation	61 165	22 659
Interest payables and other	32 898	26 012
Remuneration and Social Insurance Institution liabilities	91 693	6 368
Leasing liabilities	49 600	49 600
Assets and liabilities valuation in foreign currency	448 082	39 372
	1 312 245	**628 395**

Provision for deferred tax	**31.12.2008**	**31.12.2007**
Assets and liabilities valuation in foreign currency	195 245	36 505
Interest receivables	4 492	-
	199 737	**36 505**

7. Inventories

	31.12.2008	**31.12.2007**
Trade goods	20 471 596	17 897 136
Materials	9 019 364	4 629 013
	29 490 960	**22 526 149**

As at 31 December 2008 and 31 December 2007 have not established a pledge on the inventories to secure the Company’s liabilities.

8. Trade receivables and other receivables

	31.12.2008	31.12.2007
Trade receivables from affiliated entities	3 335 416	1 575 020
Trade receivables from other entities	65 563 565	57 306 085
Receivables from the State budget	-	73 422
Other receivables	139 051	98 056
Allowances for bad debts	(994 852)	(1 162 241
Short-term receivables.	**68 043 180**	**57 890 342**

Trade receivables are interest-free and their term of payment is 30-90 days. As at 31 December 2008 trade receivables in amount of 994 852 PLN have been considered for difficult to recover and constituted an allowance. Changes in allowances for bad debts:

Change of state allowances for short-term bad debts	**31.12.2008**	**31.12.2007**
Beginning of a period	1 162 241	1 399 233
Increases	536 032	151 927
Usage	(646 392)	(196 970)
Decreases - termination	(57 029)	(191 949
At the end of a period	**994 852**	**1 162 241**

Analysis of trade receivables overdue as at 31 December 2008 and 31 December 2007, but recoverable is below in table:

			Overdue , but recoverable				
Year	**Total**	**Not overdue**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**90 -120 days**	**> 120 days**
2007	57 767 786	51 552 983	5 580 114	329 011	86 753	12 014	206 911
2008	67 968 583	59 095 016	7 513 560	993 159	104 479	170 453	13 910

Currency structure of short-term trade receivables and other receivables

	31.12.2008	31.12.2007
Receivables in local currency	62 803 023	54 457 001
Receivables in foreign currency	5 240 157	3 433 341
	68 043 180	**57 890 342**

	31.12.2008	31.12.2007
Receivables in EUR	5 237 090	3 231 321
Receivables in USD	3 067	202 020
	5 240 157	**3 433 341**

Concentration of credit risk, connected with trade receivables is limited due to a lot of Company's clients and their dispersion, mainly in Poland.

9. Short term financial assets

	31.12.2008	31.12.2007
Granted loans	4 193 621	-
	4 193 621	**-**

In 2008 Sarantis Polska S.A granted short term loan to subsidiary Sarantis Czech Republic s. r.o. in amount 1 mln EUR with term of payment until 30 November 2009.

10. Transactions with affiliated entities.

Receivables from affiliated entities:

	31.12.2008	31.12.2007
Sarantis Czech Republic s.r.o.- Czech Republic	65 742	370 571
Gr. Sarantis SA – Greece	90 495	160 936
Sarantis Romania SA –Romania	2 044 588	677 396
Sarantis D.O.O. – Serbia	732 498	190 452
Sarantis Bulgarin Ltd. – Bulgarin	204 919	137 180
Sarantis Ukraine SA - Ukraine	-	-
Sarantis Hungary Kft.-Hungary	181 213	38 485
Sarantis Russia - Russia	15 961	-
	3 335 416	**1 575 020**

Liabilities of affiliated entities

	31.12.2008	31.12.2007
Sarantis Czech Republic s.r.o. – Czech Republic	17 495	46 272
Gr. Sarantis SA - Greece	9 666 597	3 191 375
Sarantis Romania SA - Romania	12 027	59 346
Sarantis Distribution SRL - Romania	-	33 316
Sarantis Bulgaria Ltd. - Bulgaria	-	74 862
Sarantis Anadol - Turkey	-	80 204
Sarantis Hangary Kft. - Hungary	154 933	18 205
	9 851 052	**3 503 580**

Income from the sales – affiliated entities

	31.12.2008	31.12.2007
Sarantis Czech Republic s.r.o. – Czech Republic	1 776 624	1 952 877
Gr. Sarantis SA – Greece	160 405	363 525
Sarantis Romania SA – Romania	4 468 964	2 359 852
Sarantis D.O.O. - Serbia	2 617 740	1 386 815
Sarantis Bulgarin Ltd. – Bulgarin	1 118 065	649 488
Sarantis Ukraina SA - Ukraine	-	61 428
Sarantis Hungary Kft. – Hungary	188 429	118 175
Sarantis Russia	32 250	-
	10 362 478	**6 892 160**

Goods purchased from affiliated entities

	31.12.2008	31.12.2007
Sarantis Czech Republic s.r.o. – Czech Republic	14 884	54 458
Gr. Sarantis SA - Greece	19 724 888	16 462 980
Sarantis Romania SA - Romania	85 979	529 322
Sarantis Distribution SRL - Romania	-	237 660
Sarantis Bulgaria Ltd. - Bulgaria	-	113 341
Sarantis Anadol - Turkey	51 564	84 634
Sarantis Hangary Kft. - Hungary	370 550	102 744
	20 247 865	**17 585 139**

11. Accruals and deferred income

Deferred charges - assets

	31.12.2008	31.12.2007
Insurances	162 257	188 753
Subscriptions	674	15 693
Input Vat to deduction	1 656 754	1 235 768
Other	33 531	13 729
	1 853 216	**1 453 943**

Accrued revenues – liabilities

	31. 12.2008	31.12.2007
Provisions for costs	3 340 667	2 492 911
Future periods incomes	33 060	42 770
	3 373 727	**2 535 681**

12. Cash and pecuniary equivalent

	31.12.2008	31.12.2007
In a hand	14 348	15 721
At the bank	1 896 859	3 098 082
In the Company Social Benefits Found account	45 476	1 686
Bills of exchange and foreign checks	57 532	-
Cash in transmit	2 245 875	-
	4 260 090	**3 115 489**

	31.12.2008	31.12.2007
In local currency	2 597 267	352 895
In foreign currency	1 662 823	2 762 594
	4 260 090	**3 115 489**

	31.12.2008	31.12.2007
Cash in EUR	1 657 896	2 460 445
Cash in USD	4 927	302 149
	1 662 823	**2 762 594**

Except founds collected on the Company Social Benefits Found account, the right to dispose of other founds are unlimited. Concentration of credit risk connected with financial founds is limited because the Company investments founds in reputable financial institutions. According with the polish low, the Company manages founds from CSBF for its employees name . Premiums paid on the CSBF are deposited on the separate account.

13. Share capital and supplementary capital from the issuance of shares above their nominal value.

Share capital of Sarantis Polska S.A. is 34 400 000 PLN and includes:

1 915 000 registered, not preferential A series shares
1 135 000 registered, not preferential B series shares
390 000 registered, not preferential C series shares

Nominal value of share is 10 PLN. GR Sarantis Cyprus Ltd. is the sole owner.

Supplementary capital from the issuance of shares above their nominal value as at 31st December of 2008 is 1 055 603 PLN. It is a remained part of share premium (after the coverage of loss from the previous years), connected with the issuance of B series shares in 2003 (stock issue price was 20,12 PLN)

14. Suggested division of profit for 2008

Board Management proposes to allocate profit for 2007 in amount 14 462 266 for :

- supplementary capital (obligatory write-off 8%) - 1 156 981 PLN
- one-off dividend - 13 305 285 PLN

15. Credits, loans and other liabilities

Credit liabilities

	31.12.2008	31.12.2007
Credit on current account	16 906 562	3 450 101
	16 906 562	**3 450 101**

Guarantee granted by ABN AMRO Bank N.V. in Greece, guarantee granted by Hypo Vereinsbank AG in Greece and guarantee granted by EFG Eurobank Ergasias S.A. are security for credits on current account. There is variable rate of interest for credit and it is based on reference rate of WIBOR 1M and WIBOR T/N plus bank margin.

Financial leasing

The Company cars are used basing on leasing agreement of financial nature with purchase option. Future minimal leasing charges under this leasing agreements and net present value of minimal leasing charges are following:

	31. 12.2008
Future minimal leasing charges, which constituted commitment on the Company	
Liabilities:	
Liabilities falling due within one year	896 417
Liabilities falling due after more than one year and less than five	2 519 395
Liabilities falling due after more than five years	-
	3 415 812
Net present value:	
Liabilities falling due within one year	695 722
Liabilities falling due after more than one year and less than five	2 276 187
Liabilities falling due after more than five years	-
	2 971 909

Operational leasing

Based on the lease agreement, a Company use a real estate in Pruszków consists warehouses and offices with a joint area of 7 473,69 square meters. In 2008 a Company entered into a lease agreement with the subject of an agreement as real estate in Brwinów / near to Piaseczno , where the Company will be lease premises and

administrative offices in March 2009. Because of it the actually lease agreement will be terminate. The agreement includes indexation prices clause in accordance with current market terms.
Future minimum fees under the agreement are following:

During the year	1 700 000
More than one year and less than five years	10 500 000
	12 200 000

16. Financial instruments

Financial instruments in accordance with category:	**31. 12.2008**	**31.12.2007**
Financial assets valued to the fair value by financial result	-	-
Financial assets available to sale	-	-
Granted loans and own receivables i należności własne w tym:	72 162 204	57 718 864
- granted loans	4 193 621	
- trade receivables	67 968 583	57 718 864
Cash	4 260 090	3 115 489
Financial liabilities valued to the fair value by financial result	-	-
Commercial liabilities	41 027 129	28 425 796
Credits and loans	16 906 562	3 450 101

17. Short-term trade payables and other liabilities

	31. 12.2008	**31.12.2007**
Trade payables to affiliated entities	9 851 052	3 503 580
Trade payables to other entities	31 176 077	24 922 216
Liabilities towards to the State Budget	1 801 945	1 899 868
Salary payables	304 717	26 180
Lease liabilities falling due within one year	695 722	417 653
Other liabilities	148 036	37 827
Special founds	27 201	851
Total short-term liabilities	**44 004 750**	**30 808 175**

Trade payables are interest-free and usually settled within 60-90 days. Interests are usually paid on a quarterly during the year.

Currency structure of short-term liabilities

	31. 12.2008	**31.12.2007**
Liabilities in local currency	26 059 256	21 734 861
Liabilities in foreign currency	17 945 494	9 073 314

	44 004 750	**30 808 175**

	31. 12.2008	**31.12.2007**
Liabilities in EUR	15 801 127	7 484 066
Liabilities in USD	2 144 367	1 589 248
	17 945 494	**9 073 314**

18. Income tax liabilities

	31. 12.2008	**31.12.2007**
Income tax liabilities	1 323 691	2 533 063
	1 323 691	**2 533 063**

19. Sales Revenues

	31. 12.2008	**31.12.2007**
Revenues from sales of goods	241 204 349	227 335 103
Revenues from sales of materials	814 425	945 797
Revenues from sales of services	2 207 068	2 015 842
	244 225 842	**230 296 742**

	31.12.2008	**31.12.2007**
Revenues from domestic sales	225 340 453	212 894 065
Revenues from foreign sales	18 885 389	17 402 677
	244 225 842	**230 296 742**

The Director's report includes detailed information about sales structure and basic factors affected on the sales value.

20. Other revenues

	31. 12.2008	**31.12.2007**
Profits from disposal of assets	242 496	183 856
Received compensations	163 444	189 797
Termination of allowances for bad debts	57 029	191 949
Grants, subsidies	-	18 575
Return of adjudged costs	31 184	28 322
Due to stock-taking differences	173 919	397 615
Time-barred liabilities	36	9 194
Other	93 589	302 849
	761 697	**1 322 157**

21. Other operating costs

	31. 12.2008	31.12.2007
Breakage costs of aluminum foil delivery	2 321 797	**-**
Liquidation of fixed assets	1 614	53 059
Write-down of inventories	-	-
Allowance for ad debts	536 032	151 927
Costs of litigious proceedings	32 290	24 486
Donations	28 603	45 272
Write-off bad debts	3 869	42 472
Due to stock-taking differences	572 055	909 552
Overestimate of inventories	-	16 771
Liquidation of property damages costs	127 533	159 189
Other	162 995	102 445
	3 786 788	**1 505 173**

22. Financial costs and revenues

Financial revenues

	31. 12.2008	31.12.2007
Profit from liquidation of affiliated entities	-	887 057
Profit from sale of non-affiliated entities	6 750	-
Interest on receivables	199 382	44 334
Bank interest	140 176	190 303
Net exchange rate differences	20 977	-
	367 285	**1 121 694**

Financial costs

	31. 12.2008	31.12.2007
Interest on liabilities	136 007	146 895
Bank interest	308 811	236 034
Interest under the leasing agreements	212 697	82 682
Net exchange rate differences	1 450 980	9 750
Commissions, charges	237 721	119 028
	2 346 216	**594 389**

23. Income tax

The main components of tax burdens for 2008 and 2007 are presented below:

	31. 12.2008	31.12.2007
Current income tax	4 129 813	4 476 595
Occurrence/ inversion of interim differences	(-520 619)	(127 153)
Corrections of currently tax from the previous years	30 597	-
Income tax shown in the profit and loss account	**3 639 791**	**4 349 442**

The difference between the amount of income tax shown in the profit and loss account and the amount calculated on the basic of tax rate is resulting from the following items:

	31. 12.2008
Gross financial results	18 102 057
The amount of the tax according to the tax rate **19%**	3 439 391
- tax effects of incomes which are not subject to the tax	(174 442)
- tax effects of costs which are not revenue-earning costs	867 962
Tax results of deductions from income	3 097
Current income tax	**4 129 813**

Effective tax rate **22,81 %**

24. Net profit per share

	31. 12.2008	31.12.2007
Net profit in period	14 462 266	18 973 993
Quantity of shares	3 440 000	3 440 000
Net profit per share	**4.2**	**5.52**

25. Dividend per share

Dividend for 2007, adopted and paid until balance sheet date	17 456 074
Quantity of shares	3 440 000
Dividend per share	**5.07**

26. Credit risk management

Limitation of cash flows and potential economic losses is the main aim of the Company. The credit risk management includes process of identification, measurement and risk minimum system, based on exchange rate volatility and interest rate volatility.

Credit risk

Credit exposure is monitored currently according with the credit policy realized by the Company. Evaluation of credibility is conducted in relation with clients need lending over than determined amount. Blank promissory note from certain clients is a security for the Company . The part of the foreign receivables is insured in reputable insurance corporation. Additionally receivables are regularly monitored by financial department.
Sales is stopped and receivables collection is started in connection with overdue receivables according with procedures. At the balance sheet date there is no significant concentration of credit risk. There are allowances for bad debts.

Interest rate risk

Interest rate risk is connecting with bearing assets and liabilities. Interest rate fluctuations affected on the financial costs and incomes. Increase of interest rates affects on increase of the Company's financial cost , specially on costs of interest and on the increase of accrued interest.

Exchange rate risk

Transactions of purchase goods in foreign currency are the main sources of exchange rate risk. Significant part of trade payables is in foreign currency specially in EUR and USD. The sales is above all conducted in polish currency.

Sensitivity of gross financial results to exchange rates fluctuations which are rational possible is in following table:

Interest rate risk

Financial statements item	Accounting value of financial instruments	Average interest rate in 2007.	Influence on financial results (Increase by100 pb)	Influence on equity capital (Increase by 100 pb)	Influence on financial results (Decrease by100 pb)	Influence on equity capital (Decrease by100 pb)
Variable rate of interest assets						
Cash at bank	3 846 183	0.50%	38 462	0	-38 462	0
Bank deposit	413 907	2.46%	4 139	0	-4 139	0

Variable rate of interest liabilities						
A bank loans	16 906 562	6.48%	-169 066	0	169 066	0
Leasing liabilities - long-term	2 276 187	7.50%	-22 762		22 762	
Leasing liabilities – short-term	695 722	7.50%	-6 957		6 957	
			-156 184	0	156 184	0

Sensitivity of financial results to USD and EUR exchange rates fluctuations which are rational possible is in following table:

Exchange rate risk

Financial statement item	Accounting value of financial instruments	Average exchange rate in 2008	Influence on financial results (Increase by15%)	Influence on equity capital (Increase by 15%)	Influence on financial results (Decrease by15%)	Influence on equity capital (Decrease by15%)
Assets in currency of denomination						
Receivable debts in EUR	5 237 090	3.5129	219 309	0	-219 309	0
Receivable debts in USD	3 067	2.4061	189		-189	
Cash in hand and at bank in EUR	1 657 896	3.5129	69 426	0	-69 426	0
Cash in hand and at bank in USD	4 927	2.4061	304		-304	
Liabilities in currency of denomination						
Liabilities in EUR	15 801 127	3.5129	-661 689	0	661 689	0
Liabilities in USD	2 144 367	2.4061	-132 097	0	132 097	0
Total			-504 558	0	504 558	0

Liquidity risk

Operational activity is conducted with assuming that fixed surplus of liquid cash and open credit lines will be retain.

In opinion of Management Board the balance sheet value of assets and financial liabilities reflects their fair value.

27. Structure of employment

Average employment in Company amount (in persons):

	31.12.2008	**31.12.2007**
White-collar workers	273	270
Blue collar workers	-	-
	273	**270**

28. Events after date of balance sheet

There are no events exercised significant influence on assessment of presented financial statement and financial position of Company.

Piaseczno, on 23 January 2009

Management of Board:

President of the Management Board *Kyriakos Sarantis*	Vice-President of the Mangement Board *Nikos Evangelou*	Vice-President of the Management Board *Konstantinos Rozakeas*