FLEXOPACK SOCIÉTÉ ANONYME COMMERCIAL & INDUSTRIAL PLASTICS COMPANY

S.A. Reg. No. 18563/06/B/88/14
TZIMA POSITION – 194 00 KOROPI ATTICA

Annual Financial Report
for financial year 2011
(January 1st 2011 - December 31st 2011)

According to article 4 of L. 3556/2007

and the relevant Decisions issued by the Board of Directors of the Hellenic Capital Market Commission

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It is confirmed that the present Annual Financial Report that concerns the financial year 2011 (January 1st 2011 – December 31st 2011), is that approved by the Board of Directors of "FLEXOPACK PLASTICS S.A." on the 23th of March 2012 and is posted on the internet on the website www.flexopack.gr. The Annual Financial Report will remain available to investors on the internet for a period of at least five (5) years from its preparation date and initial release.

CONTENTS

CHAPTER 1 : Statements by Representatives of the Board of Directors 4
CHAPTER 2 : Annual Report by the Board of Directors (including the Corporate Governance Statement), for financial year 5
CHAPTER 3 : Audit Report by Independent Certified Auditor Accountant 29
CHAPTER 4 : Annual Financial Statements 31
Statement of financial position 32
Income statement 33
Statement of comprehensive income 34
Consolidated statement of changes in equity 35
Statement of changes in Parent Company's equity 36
Statement of cash flows 37
1. General Information on the Company and Group 38
2. Basis for the preparation of the financial statements 38
2.1 Significant accounting judgments, estimations and assumptions 39
2.2 New accounting standards, interpretations and amendment of existing standards 40
3. Basic accounting principles 42
3.1 Consolidation 42
3.1.1 Group Structure and consolidation method 42
3.2 Operation and presentation currency and foreign currency translation 43
3.3 Tangible fixed assets 43
3.4 Goodwill 44
3.5 Intangible assets 44
3.6 Impairment of Assets 45
3.7 Trade receivables 45
3.8 Inventories 45
3.9 Financial assets: 46
3.10 Financial Derivatives 46
3.11 Cash & cash equivalents 47
3.12 Share capital 47
3.13 Loans 47
3.14 Income tax (Current and deferred) 47
3.15 Employee benefits 47
3.16 Government Grants 48
3.17 Provisions for contingent claims-liabilities 48
3.18 Recognition of income 48
3.19 Leases 49
3.20 Dividend distribution 49
3.21 Earnings per Share 49
4. Segment reporting 50

5. Risk management 51
6. Notes on the Financial Statements 55
6.1 Tangible fixed assets 55
6.2 Goodwill 56
6.3 Intangible assets 57
6.4 Participations in Subsidiaries 58
6.5 Participations in associate companies 58
6.6 Other long-term receivables 59
6.7 Inventories 60
6.8 Trade receivables 60
6.9 Other receivables 61
6.10 Cash & cash equivalents 61
6.11 Equity 61
6.12 Deferred tax assets and liabilities 64
6.13 Provision for staff indemnities 66
6.14 Government grants 66
6.15 Long-term and short-term loan liabilities 67
6.16 Other provisions 69
6.17 Suppliers and other liabilities 69
6.18 Liabilities from income tax 70
6.19 Turnover 70
6.20 Analysis of Expenses per category 71
6.21 Employee Benefits 72
6.22 Other Operating Income and Expenses 73
6.23 Financial Income and Expenses 73
6.24 Other Financial Results 74
6.25 Income Tax 74
6.26 Contingent Receivables - Liabilities 75
6.26.1 Information regarding contingent liabilities 75
6.26.2 Tax un-audited fiscal years 75
6.26.3 Information regarding contingent receivables 76
6.27 Current charges 76
6.28 Operating leases 76
6.29 Transactions with related parties 77
6.30 Earnings per share 78
6.31 Dividends 78
6.32 Events after the reporting period 78
CHAPTER 5: Information of article 10 l. 3401/2005 80
CHAPTER 6: Data and Information for financial year 2011 81
CHAPTER 7 : Online availability of financial information 83

CHAPTER 1 : Statements by Representatives of the Board of Directors

(according to article 4 par. 2 of l. 3556/2007, as is in effect)

1. Georgios Ginosatis of Spyridonos, resident of Koropi Attica, 6 Karaiskaki Str., Chairman of the Board of Directors and Chief Executive Officer

2. Stamatios Ginosatis of Spyridonos, resident of Koropi Attica, 204 Vas. Konstantinou Str., Vice-Chairman of the Board of Directors and Deputy Chief Executive Officer.

3. Asimina Ginosati of Dimitrios, resident of Koropi Attica, 204 Vas. Konstantinou Str., Member of the Board of Directors.

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We the following signatories, under our capacity as mentioned above, according to the stipulations by law (article 4 par. 2 l. 3556/2007) and specifically as appointed by the Board of Directors of the Société Anonyme Company with the name "FLEXOPACK SOCIÉTÉ ANONYME COMMERCIAL AND INDUSTRIAL PLASTICS COMPANY", (hereinafter the "Company" or "FLEXOPACK"), hereby state that to our knowledge:
(a) The Annual financial statements of the Company for financial year 2011 (1.1.2011-31.12.2011), individual and consolidated, which were prepared in accordance with the current accounting standards in effect, accurately present the assets and liabilities, the equity and results for the period of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, and
(b) The Annual Report prepared by the Company's Board of Directors accurately presents the development, performance and position of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, including the main risks and uncertainties such face.

Koropi, March 23th 2012

Georgios Ginosatis Stamatios Ginosatis Asimina Ginosati

CHAPTER 2 : Annual Report by the Board of Directors (including the Corporate Governance Statement), for financial year 2011 (01/01/2011-31/12/2011)

The Annual Management Report by the Board of Directors (hereinafter for the sake of brevity the "Report" or "Annual Report") was prepared and is in line both with the relevant provisions of c.l. 2190/1920 (article 136 in combination with article 107 par. 3, as the Company prepares consolidated financial statements) and with those of law 3556/2007 (Government Gazette 91^A/30.4.2007) and the relevant, as stated by law, executive decisions issued by the Hellenic Capital Market Commission and specifically Decisions No. 1/434/2007 and 7/448/11.10.2007 by the Board of Directors of the Capital Market Commission.
The Report includes the total required information under an objective and adequate manner and with the principle of providing substantial and not typical information to shareholders and investors in general, as regards to all issues tackled in such.
Given the fact that the Company prepares consolidated and non-consolidated financial statements, the present Report is exclusive, however its basic and primary reference is to the Company's consolidated financial data and those of its related companies. References to non-consolidated financial data in the following analysis, are made in specific points deemed reasonable or necessary by the Company's Board of Directors, for the better understanding of the Report's contents.
The related and associate companies that are included in the consolidated financial statements with the respective participation percentages of the Company on 31.12.2011, are the following:
a) "Fescopack Sp. Z.o.o", which is based in Poland, with a 75% participation of the Company
b) "FLEXOSYSTEMS Ltd Belgrade", which is based in Serbia, with a 100% participation of the Company
c) the Société Anonyme company "INOVA SA PLASTICS", with a 50% participation of the Company
d) the Société Anonyme company, "VLAHOU BROS SA", with a 47.55% participation of the Company.
From the above 4 legal entities, the Company has the relationship of parent to subsidiary, as described in article 42e par. 5 of c.l. 2190/1920, only with the foreign companies Fescopack Sp. Zo.o and FLEXOSYSTEMS Ltd Belgrade.
Finally, it is noted that the present Report is included in total together with the 2011 annual financial statements and the other required by law information and statements in the Annual Financial Report for financial year 2011.

The sub-sections of the Report and the content of such are as follows:

1. REVIEW OF THE COMPANY'S AND GROUP'S MAIN EVENTS DURING 2011

The most important events that took place in 2011 for the Company and Group are briefly the following:

1.1 The Group realized new productive investments amounting to € 2.044 mil, while new productive investments for the Company amounted to € 2.002 mil. The new investments, which mainly concern mechanical equipment, provide the Group with the ability to further improve its production process, increase its production capacity as well as the production of new products.

1.2 The Company's exports amounted to € 33.803 mil, posting a 2.47% increase compared to 2010. Specifically:
-During 2011 the Company carried out exports to about 40 countries, amongst which the following are indicatively mentioned:
USA, Australia, United Kingdom, Germany, France, Belgium, Austria, Switzerland, Italy, Spain, Netherlands, Sweden, Ireland, Norway, Russia, Poland, Serbia, Turkey, Israel, Korea etc.
We note that the Group's sales appeal to a large number of customers both in the domestic market and in foreign markets. Meat industries, meat product, dairy product, seafood, frozen product, soda industries etc., are amongst the Group's classic clientele, with whom relationships have been developed characterized by professionalism and mutual trust, while the Group's philosophy corresponds to continuously reinforcing its relationship with such.

1.3 In the context of the Company's effort to further enhance the Group's exporting activity and to penetrate foreign markets fully and effectively, through promoting its products in such, the Company participated in the "Krasnodar Food industry Fair", that took place in Krasnodar of south Russia.
Through its selective participation in international exhibitions, the Company aims at increasing the recognizability of the Group's products, reinforcing its global contacts and expanding the Group's presence in foreign markets, both as regards to its product range and to its geographical dispersion.

1.4 Particular emphasis was given to further developing and reinforcing the operation of the Company's Research & Development Department during 2011.
The department is excellently organized and staffed and it consists of appropriate and exceptionally trained scientific staff, while it is equipped with state of the art machinery for the analysis and assessment of plastic film capacities. It includes all the necessary means and infrastructure, in order to continuously be able to meet the year-by-year increasing market demands and different needs, for the production of thinner, more transparent, low cost and advanced from any aspect, films.
The operation of the aforementioned department, which serves not only the Company but its subsidiaries as well, and generally the Company's policy as to its organization and effectiveness, with the objective to strengthen the Company's competitiveness and flexibility, can be summarized in three points: a) development of new products, b) utilization – exploitation of all new technological capabilities and practices, in a globalized market and c) improvement of existing products.

1.5 Annual Ordinary General Meeting of Shareholders
On June 16th 2011, the Annual Ordinary General Shareholders' Meeting of the Company took place at the company's offices (Tzima Position, Koropi, Ifaistou rural road) with a quorum of 75.72%, namely with a presence of shareholders or proxies representing 8,874,104 common registered voting shares, from a total of 11,720,024 shares and equal voting rights.
The Annual General Meeting made the following decisions on the issues of the daily agenda:
On the 1st issue, it unanimously approved the Annual Financial Statements (individual and consolidated) for the financial year 2010 (01.01.2010-31.12.2010), and the overall Annual Financial Report for the same financial year.
On the 2nd issue, it unanimously approved the Board of Directors' Annual Report, which is included in whole in the Company's Board Minutes on March 28th 2011, as well as the Audit Report dated March 28th 2011 by the Company's Certified Auditor – Accountant Mr. Serafeim D. Makris on the annual Financial Statements (individual and consolidated) that concern financial year 2010 (01.01.2010-31.12.2010).
On the 3rd issue, it unanimously approved the distribution of earnings for financial year 2010 (01.01.2010-31.12.2010) and specifically it approved not to distribute dividend to the Company's shareholders from the earnings of the said financial year 2010 (01.01.2010-31.12.2010).
On the 4th issue it unanimously cleared the members of the Board of Directors and the Auditors of the Company from any indemnity liability for the results and in general the management of the 2010 corporate year (01.01.2010-31.12.2010), as well as for the annual Financial Statements of financial year 2010.
On the 5th issue it unanimously elected the Auditors of financial year 2011 (01.01.2011-31.12.2011) for the audit of the annual and first half (corporate and consolidated) Financial Statements of the Company. Specifically it elected the following members of the auditing firm SOL S.A., which is registered in the Certified Auditors Registrar: a) Certified Auditor-Accountant Mr. Serafeim Makris of Dimitrios under Reg. No. S.O.E.L. 16311 was elected as ordinary auditor and b) Mr. Athanasios Vassis of Ioannis under Reg. No. S.O.E.L. 21301 was elected as deputy auditor. The auditors' fee was defined at €25,300.00, plus V.A.T.
On the 6th issue it unanimously approved the remuneration and fees paid to the Board of Directors' members during financial year 2010 (01.01.2010-31.12.2010) for services rendered by such, which amounted to a total of € 559,097.00 (gross remuneration) and it pre-approved the Board remuneration for financial year 2011 (01.01.2011-31.12.2011) and until the next annual ordinary General Meeting.
On the 7th issue it unanimously provided authorization, according to article 23 par. 1 of c.l. 2190/1920, towards the members of the Company's Board of Directors and Managers to proceed with actions relating to the Company's objectives on behalf of third parties, as well as to participate in Board of Directors or the Management of Group Companies (existing and/or future companies) that have the same or similar objectives.

1.6 Extraordinary General Meeting of Shareholders

On Monday, February 21st 2011 and at 14:00, the Extraordinary General Shareholders' Meeting of the Company took place at the company's offices (Tzima Position, Koropi, Ifaistou rural road) with a quorum of 74.04%, namely with a presence of shareholders or proxies representing 8,677,484 common registered voting shares, from a total of 11,720,024 shares and equal voting rights.

The Extraordinary General Meeting made the following decisions on the issues of the daily agenda:

On the 1st issue, it unanimously approved the increase of the Company's share capital by the amount of €1,289,202.64 with capitalization of reserves and with an increase of the nominal value per share by €0.11 (from €0.50 to €0.61).

On the 2nd issue, it unanimously approved the decrease of the Company's share capital by the amount of €1,054,802.16 with a decrease of the nominal value per share by €0.09, namely from €0.61 to €0.52 and an equal return – payment of capital to the Company's shareholders.

On the 3rd issue, it unanimously approved the relevant, in relation to the aforementioned decisions that were made (on the first and second issue), amendment of article 5 par. 1 of the Company's Memorandum of Association.

On the 4th issue, it provided the necessary authorization to the Company's Board of Directors to execute the above decisions regarding the increase and decrease respectively of the Company's share capital and specifically it authorized the company's Board of Directors to proceed, as defined by the Regulation of the Athens Exchange, with all necessary actions and procedures to implement both the above decisions, as indicatively to define the record date, ex date, payment date and in general all actions necessary to implement the above decision and the return of capital from the decrease to the company's beneficiary shareholders.

Following the above increase and at the same time decrease of the Company's share capital with a corresponding increase and decrease of the nominal value per share, the Company's share capital amounts to €6,094,412.48, it is fully paid and divided into 11,720,024 common registered shares, with a nominal value of €0.52 each.

Following the above decisions of the General Meeting, the amendment of the relevant article 5 par. 1 of the Company's Memorandum of Association was approved by means of the decision made by the Deputy Minister of Economics, Competitiveness and Shipping with reference number K2-2130/04-03-2011, which was registered in the Societe Anonyme Companies Registry on 04-03-2011. Subsequently, the Board of Directors of the Athens Exchange was informed during its meeting on March 28th 2011 on the increase and decrease of the Company's share capital through the respective increase and decrease of the Company's nominal value per share and the return of capital through cash to shareholders, amounting to €0.09 per share. The beneficiaries of the return of capital according to the record date are defined shareholders who are registered in the records of the Dematerialized Securities System on April 5th 2011 (the ex date was set at April 1st 2011, before the opening of the Athens Exchange session). From the same date, the opening price of the Company's shares on the Athens Exchange, was defined in accordance with the Regulation of the Athens Exchange together with the Decision No. 27 by the Board of the Athens Exchange, as currently in effect. The payment date for the return of capital (€0.09 per share) was set for April 11th 2011. The payment of cash for the return of capital began on April 11th 2011 and took place through the National Bank of Greece S.A.

1.7 Extraordinary General Meeting of Shareholders

On Wednesday, July 27th 2011 and at 11:00am, the Extraordinary General Shareholders' Meeting of the Company took place at the company's offices (Tzima Position, Koropi, Ifaistou rural road) with a quorum of 75.42%, namely with a presence of shareholders or proxies representing 8,839,406 common registered voting shares, from a total of 11,720,024 shares and equal voting rights.

The Extraordinary General Meeting made the following decisions on the issues of the daily agenda:

On the 1st issue, it unanimously approved the partial revocation and amendment of Decision No. 1 that was made by the Extraordinary General Meeting on 21.02.2011, by making a new decision regarding the implementation (coverage) of the decided share capital increase of the Company, so as to apply the relevant increase through capitalization of the following reserves: a) extraordinary taxed reserve of article 8 of l. 2579/1998 amounting to €55,950.76, and b) part of the share premium reserve amounting to

€1,233,251.88, and with increase of the nominal value per share by €0.11 (from €0.50 to €0.61), as well as the relevant amendment of article 5 par. 1 of the Company's Memorandum of Association, in accordance with the draft amendment that had already been published by the Company, in compliance with those stated by Law.
On the 2nd issue, it provided the necessary authorization to the Company's Board of Directors to execute the above decision regarding the increase of the Company's share capital and specifically it authorized the Company's Board of Directors to proceed, as defined by law, with all necessary actions and procedures, before any relevant authority and organization, to timely and prudently the above decision.

2. Evolution, performance and position of the Company – Basic Financial and non-financial performance ratios

The present paragraph includes a brief presentation of the evolution, performance, activities and position of the total companies included in the consolidation. Moreover, we also present several ratios that the Board of Directors consider as useful for the full understanding of the above issues.

A. The basic fundamentals of the income statement for 2011 are presented below in thousand euro.

GROUP	1/1-31/12/2011	1/1-31/12/2010	%Change
Turnover	47,473	45,160	5.12%
Earnings before interest, taxes, depreciation and amortization	6,961	6,364	9.38%
Earnings before taxes	3,894	3,502	11.19%
Earnings after taxes	3,084	2,420	27.45%
Earnings after taxes and minority interest	3,101	2,393	29.59%
COMPANY	**1/1-31/12/2011**	**1/1-31/12/2010**	**%Change**
Turnover	46,906	44,838	4.61%
Earnings before interest, taxes, depreciation and amortization	6,926	6,160	12.44%
Earnings before taxes	4,137	3,674	12.60%
Earnings after taxes	3,325	2,630	26.42%

B. Below we present a brief analysis of the Group's basic consolidated fundamentals for 2011, compared to 2010.

Other operating income increased by €861 thousand and amounted to €1,572 thousand. This increase is mainly due to the receipt of an indemnity awarded by court from P.P.C. amounting to €509 thousand, following irrevocable court decisions, due to damages provoked in previous years on the Company's mechanical equipment and products from continuous power outages.
It is also noted that earnings after taxes for 2010 had been charged by €296 thousand for the windfall tax imposed by law 3845/2010.
Not including the above amounts, namely a) the extraordinary income (receipt of awarded indemnity) amounting to €509 thousand and b) the windfall tax of €296 thousand that burdened the earnings after taxes of 2010, then the earnings after taxes of 2011 would have presented a marginal decline, which would correspond to 0.27% for the Company and 1.44% for the Group.

3. Significant transactions with related parties

The present paragraph includes the significant transactions realized between the Company and its related parties, as such are defined by International Accounting Standard 24, during 2011 and specifically:
A) Transactions between the Company and any related party that substantially affected the financial position or performance of the Company during the year.
B) Possible changes of transactions between the Company and any related party that are described in the previous Annual Report, which could have substantial consequences for the financial position or performance of the Company during 2011.

We note that the following reference to the aforementioned transactions includes all the following information:
(a) The amount of the transactions during 2011,
(b) The outstanding balance of the transactions at the end of the period (31/12/2011),
(c) The nature of the relation between the related party and the issuer, as well as
(d) Any information on the transaction, which is necessary for the understanding of the Company's financial position, given however that such transactions are substantial and have not taken place according to the normal market terms.

The most significant transactions realized during 2011 between the Company and its related parties (according to the definition of IAS24), are presented in the following table.

Financial Year 1/1-31/12/2011 (Amounts in thousand euro)

COMPANY	FESCOPACK Sp. zo.o	FLEXOSYSTEMS Ltd Belgrade	INOVA SA	VLAHOU SA	Total 1/1-31/12/2011
Sales of goods and services	2,761	293	159	1,659	4,873
Income from dividends	27	0	0	0	27
Sales of fixed assets	0	0	0	0	0
Purchases of goods and services	296	0	1	833	1,130
Receivables	875	57	63	669	1,665
Liabilities	0	0	1	282	283
Benefits towards management and executives					
Transactions and remuneration of senior executives and management				843	
Receivables from senior executives and management				0	
Liabilities towards senior executives and management				27	

Notes:
1. There are no other related parties towards the Company, according to the definition of International Accounting Standard 24, apart from the aforementioned.
2. No loans have been provided to members of the Board of Directors or to other senior executives of the Company (and their families).
3. There were no changes in the transactions between the Company and its related parties that could have significant effects on the financial position and performance of the Company for 2011.
4. The transactions described above have taken place according to the normal market terms and do not include any specific or distinct feature that would require the further analysis of such also per related party.
5. The transactions of the Company and the outstanding balances with its subsidiaries, have been written-off from the Group's consolidated financial data.

4. Basic risks and uncertainties – Macroeconomic environment

Given its exporting activities, the Group operates within an intense competitive global environment. The Group's general activities create several financial and other risks, including exchange rate risk, interest rate risk, credit and liquidity risk. The Group's overall risk management program focuses on the volatility of financial markets and aims at minimizing the potential adverse effects of such volatility on the financial performance of the Group.
The Group's financial assets and financial liabilities mainly consist of cash & cash equivalents, trade and other receivables, bank loans, as well as liabilities towards suppliers and related liabilities.

4.1 Financial risks

The usual Financial risks to which the Group is exposed, are as follows:

A. Exchange rate risk

The Group operates on a global level and realizes transactions in foreign currency, mainly a) in U.S. dollars (U.S.D.) due to the Company's exports and b) in Polish zlotys (PLN) due to the subsidiary Company FESCOPACK Sp.z.o.o which operates in Poland.
The Group's exposure to foreign exchange risk mainly emerges from existing or expected cash flows in foreign currency (exports-imports), as well as from investments in foreign operations whose equity is exposed to exchange rate risk during the translation of their financial statements for consolidation purposes.
The Group's priced sales as at 31/12/2011 in foreign currency represent 12.63% of total sales, from which 3.66% concerned sales in U.S.D., 6.64% sales in PLN and the remaining 2.33% sales in other foreign currencies.
The largest part of the foreign exchange risk that emanates from exports in foreign currency (U.S.D.) was hedged with the use of natural hedging instruments, namely by the maintenance of liabilities towards foreign suppliers in the same currency.
The Group also has the capacity to use forwards in foreign currency, foreign exchange futures, as well as loans in foreign currency, at any time according to the needs.
The Group monitors the movements of the above exchange rates closely. Nevertheless, given the fact that pricings in foreign currency represent a relatively low percentage, exchange rate risk is currently assessed as controlled and is unable to significantly affect the Group's results.

B. Credit risk

The Group does not face significant credit risk until today. Trade receivables stem from a wide client base, both from Greece and from abroad. The Group's turnover mainly consists of transactions with reliable and creditworthy firms and companies in general, with which it sustains a long-term collaboration. As regards to sales with new customers, the Company ensures that such sales take place towards customers with a positive and rated credit history.
On this basis and in conjunction with the existing experience and continuous monitoring of the credit ability of each customer-counterparty the Group trades with, credit risk is estimated at relatively low levels.
It should be noted that the Group has established and systematically applies credit control procedures that aim at minimizing bad debt. The Credit Control Department defines credit limits per customer and specific sales and payment terms are applied, while possible security is requested when possible. The Group continuously and systematically monitors the performance and financial position of its customers, in order to be pro-active and to evaluate the need to take specific measures per customer, also according to the market characteristics and difficulties where each customer operates in.
It is noted that credit risk, even though present, particularly in relation to customers that operate financially in countries whose economies have significantly been affected by the economic crisis, as well as to customers within Greece, is currently assessed, according to historic data recorded by the Group and also according to the aforementioned pro-active measures taken and the processes established, as limited and controlled.

C. Liquidity risk

In General, the monitoring of liquidity risk is focused on systematic monitoring and effectively managing cash inflows and outflows on a constant basis, in order for the Group to be able to smoothly meet its cash liabilities.
Liquidity risk is maintained at low levels by holding and ensuring adequate cash balances, while it should also be noted that there are adequate unused credit lines with financial institutions, in order to face any possible shortage in cash, which however despite the clearly negative circumstances and conditions particularly in the domestic market, have not been used until today.
According to the above, liquidity risk is currently not assessed as capable to significantly affect the Group's activity and development.

D. Cash flow risk due to changes in interest rates

The Group's cash flows are affected by changes in interest rates, particularly following the steep increase in the cost of capital during 2011, however the Group's relatively low level of net bank debt renders this risk as controlled.
Specifically, the existing ratio between net bank debt and total equity of the Group on 31/12/2011 corresponds to 4.76%.
The Group's bank debt is linked to floating interest rates.

E. Capital Management

The Group's objectives in relation to capital management are the smooth operation of its business activities, ensuring financing for its investment plans and the optimal allocation of capital in order to decrease the cost of capital.
For the purpose of capital management, the Group monitors the following ratio on a continuous basis:
"Net debt to Total Employed Capital"

Net bank debt is calculated as total short-term and long-term interest-bearing debt minus total cash & cash equivalents.
Total employed capital is calculated as total net debt plus total equity.

For financial years ended on December 31st 2011 and 2010 respectively, the above financial ratios evolved as follows.

Amounts in thousand euro

	Group		Company	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Long-term bank debt	4,792	6,226	4,676	6,036
Short-term bank debt	4,937	1,420	4,883	1,360
Total Bank Debt	9,729	7,646	9,559	7,396
Minus: Cash & cash equivalents	7,806	5,289	7,663	5,117
Net Bank Debt (1)	**1,923**	**2,357**	**1,896**	**2,279**
Total equity (2)	**40,414**	**38,455**	**40,616**	**38,341**
Total employed capital (1)+(2)	**42,337**	**40,812**	**42,512**	**40,620**
Net bank debt / Total employed capital	**4.5%**	**5.8%**	**4.5%**	**5.6%**

The Group may affect its capital structure, by repaying part of its debt or receiving additional debt, by increasing its share capital or returning capital to shareholders and by distributing or not distributing dividends.

4.2 Other risks to which the Group is exposed:

A. Risk arising from competition of foreign and domestic firms

There is risk from competition of foreign firms, however the sector in which the Company operates is characterized by significant entry barriers for new entrants due to the particular technological know-how required and the significant investments in infrastructure that are required.

The Group based on the Research and Development Department it owns, manages to differentiate its products from the current competition and to present innovative diversified solutions. The quality of the Group's produced products, the brand name and the development of long-term relationships with suppliers and customers, contribute to this differentiation.

Taking the above factors into account, this risk, even though present, is considered to be at low levels and insufficient to affect the Group's performance during the present financial year.

B. Risk of reduced demand due to consumption slowdown

The Group is active in an intensive and competitive global environment. Its specialized know-how in conjunction with the research, development and creation of new products and strong infrastructure in production equipment, assist the Group in remaining competitive and expanding its penetration in new markets.

The products of the Group are used mainly in food packaging which, since food is of first need, are usually affected the least from consumption slowdown, however they may be affected subsequently by external factors that may prevail in the markets in which the Group is active. External factors that may harm demand for the Group's products include the probability of illnesses in meat, the change in food and nutrition patterns, climate changes, a slowdown of the global economy etc.

During the present period and given that the general economic conditions continue to be characterized by uncertainty that leads to a climate of negative psychology in the market, the assessment of this risk remains as significant, because despite the fact that the Group's operation is directly linked to the food sector, which traditionally is less affected by any economic crisis, there are indications that point to the fact that the declining trend in demand has not been reversed.

For this reason, and until clear and final indications arise for a final reversal of the negative climate, the risk is currently considered as significant, as it may possibly adversely affect the performance and in general the future results of the Group.

C. Risk from the price increase of raw materials

The Group due to lack of domestic production of raw materials, is exposed to price volatility of raw materials that it acquires internationally. This volatility may result from abrupt changes in oil prices or other related reasons.

In order to reduce this risk, the Group's inventory and commercial policy is adjusted accordingly in order to diversify and transfer part of this risk, to the extent that this is possible and according to the current conditions present each time as regards to competition. Nevertheless, if the cost of raw materials cannot be essentially transferred to the price of the final product, then this risk is considered as substantial and may negatively affect the Group's results.

5. Proposed dividend distribution

The Company's Board of Directors, taking into account the results for financial year 2011, the company's financial position, its general capital needs, the regulatory environment in which the Company's develops its activities, as well as the current conditions of the broader financial environment (taking also into account the duration of the economic crisis in the domestic market and its effects, the significant changes in oil prices due to the tensions in the Northern Africa geographic region etc., which inevitably affect the cost of raw materials for the Group and the broader geopolitical instability), will propose to the Annual Ordinary General Shareholders' Meeting not to distribute any dividend from the earnings of financial year 2011.

It is also noted that the Annual Ordinary General Meeting of Company Shareholders' that took place on June 16th 2011 unanimously approved, with the required majority defined by law, the non-distribution of dividend from earnings of financial year 2010.

6. Analytic information, according to article 4 par. 7 l. 3556/2007, as currently in effect

According to article 4 par. 7 l. 3556/2007 the Company is obliged to disclose analytic information in the present Report, as regards to a number of issues. Therefore, we disclose the following:

1) The Company's share capital currently amounts to 6,094,412.48 Euro as of 31-12-2011, is paid up in full and is divided into 11,720,024 common voting registered shares with a nominal value of 0.52 Euro each. All Company shares are listed and traded on the Athens Exchange, in the General Category (Main Market).

2) There are no limitations as regards to transfers of Company shares, either from the company's Articles of Association, or from specific agreements, or from other regulatory provisions etc, except for limitations imposed by existing common Bond Loan agreements and specifically by the Terms of Common Bond Loans issued by the Company, according to which the Ginosati family aggregately must own a percentage of at least 34% of the Company's paid up share capital, in order to maintain the capacity of a "Controlling Majority".

3) The Company's main participations, are as follows:

- FESCOPACK Sp.z.o.o foreign (Polish) Company: participation of 75% of shares and voting rights

- "FLEXOSYSTEMS Ltd Belgrade", foreign, based in Serbia, a company in which the Company participates by 100% of shares and voting rights.

- The Société Anonyme company INOVA PLASTICS SA: participation of 50% of shares and voting rights

- The Société Anonyme company VLAHOU BROS SA: participation of 47.55% of shares and voting rights

Moreover and regarding the direct or indirect significant participations in the share capital and voting rights of the Company, according to the definition of provisions of article 9 to 11 of l. 3556/2007, and according to information known to the Company during the preparation of the present report, such participations are as follows:

(1) - Stamatis Ginosatis, 31.74%(direct participation)
(2) –Georgios Ginosatis, 19.31% (direct participation)
(3) – Nikolaos Ginosatis, 16.29% (direct participation)
(4) -Competrol Establishment, 7.47% (direct participation)
(5) -Collins Stewart (CI) Limited, 6.33% (direct participation)

4) There are no shares, which provide special control rights.

5) To the Company's knowledge, no restrictions on voting rights emanate from the Company shares.

6) To the Company's knowledge, there are no agreements between shareholders that imply limitation on the transfer of shares or limitations on the exercise of voting rights.

7) As regards to the appointment and replacement of the Company's Board members and the amendment of the Company's Articles of Association, there are no rules that differ than those stipulated in C.L. 2190/1920, as such is in effect today.

8) The Board of Directors or specific members of the Board of Directors have no special authority for the issuance of new shares or the purchase of treasury shares, as no relevant decision has been made according to article 16 or according to article 13 of C.L. 2190/1920.

9) There is no significant agreement contracted by the Company, which becomes in effect, is amended or terminated in case of change in the Company's control following a tender offer, with the exception of:

a) the Bond Loans contracted by the Company and the National Bank of Greece SA dated 6/9/2006 and 26/3/2007, according to which "Bondholders have the right to denounce the loan if the Issuer's shareholding structure is altered as regards to the controlling majority and specifically if the Ginosatis family in total ceases to own a percentage at least equal to 33.4% of the Issuer's paid up share capital" and,

b) the Bond Loan contracted by the Company and the Emporiki Bank of Greece SA dated 28/9/2010, which however includes the right of the Bondholder to denounce the loan "if the Issuer's current shareholding structure is altered, directly or indirectly, as regards to the controlling majority and specifically if the Ginosatis family in total ceases to own a percentage at least equal to 34%, given that the management of the Issuer remains under the control of the Ginosatis family, of the Issuer's paid up share capital and voting rights".

The aforementioned term is common practice and is included in all common Bond Loans (in fact the controlling majority is usually defined as over 50%).

10) There is no agreement between the Company and the Board members or employees, which provides for indemnity in case of resignation or termination of employment without reason or termination of employment term or termination emanating from any public tender offer.

Explanatory report regarding the information, prepared according to article 4 par. 8 l. 3556/2007

The numbering in the present explanatory report (which is prepared according to article 4 par. 8 l. 3556/2007) follows the respective relevant numbering of information of article 4 par. 7 l. 3556/2007, as such information is presented above:
1. The structure and form of the Company's share capital is presented in detail in article 5 of the Company's Articles of Association. The Company's shares were listed on the Athens Exchange on April 2nd 1996.
2. No such limitation is imposed either by law, either by the company's Memorandum of Association, or by any other agreement, apart from the common Bond Loan Agreements, reference to which is made also in point 9.
3. Data regarding the number of shares and voting rights owned by individuals with significant participations, have been derived by the shareholders registry kept by the Company and by disclosures notified according to law to the Company.
4. There are no other categories of shareholders, namely there are only common registered shares with voting rights.
5. No such limitations have been notified to the Company.
6. Likewise no such agreements have been notified to the Company.
7. On the specific issues, the Company's Articles of Association do not deviate from the provisions of c.l. 2190/1920. It is explicitly mentioned that the Company's Articles of Association are fully conformed to the provisions of l. 3604/2007.
8. There is no such special authority.
9. In the lack of such agreements, apart from those mentioned, no clarification is deemed necessary.
10. Likewise, in the lack of such agreements no clarification is deemed necessary.

7. Information on labor and environmental issues

On 31/12/2011 the Group employed 233 people and the Company 208 people, under regular employment terms. It should be noted that the Company maintains an excellent relationship with its employees and no work problems arise since one of the top priorities for the Company is to maintain and promote a peaceful work environment and to continuously improve and upgrade working conditions, in order to achieve the best possible utilization of human resources on a production level. The Company takes care of all necessary measures and adopts practices in order to fully comply with current labor and insurance regulation.
The Company recognizing the need for continuous improvement of its environmental targets based on the principle of sustainable development and compliance with current regulation and international standards, aims for balanced economic development in harmony with nature. Following a viable growth route it develops its activities in such a way to secure the protection of environment and the health and safety of its employees, the local community and the public.
The Company's policy to secure environmental protection is particularly based on the following basic principles:

• It takes measures to protect the environment in line with environmental legislation and the approved, in relation to its operation license, environmental terms.
• It applies an Environmental Management System on the overall activities of its production process.
• It adopts specific rules for environmental controls on its internal production operation.
• It improves its overall environmental behavior particularly on issues of prevention of environmental pollution and management of emergencies.
• It establishes, to the extent and degree possible, the definition of ecological sensitivity and environmental vision, which inspires the highest level throughout the entire pyramid of the Company's employees.
Finally, it must be noted that the production process has been planned in a way that renders the use of available sources effective and minimizes the negative effect on the environment.

8. Other information, Treasury shares, Events after the reporting period

8.1 None of the Group's companies has branches, apart from the parent Company whose new building, which is located across from the old industrial plan, is considered as a branch. During 2010 there was no transfer of domicile for any of the Group's companies, nor was any decision made regarding the opening or operation of any branch.
8.2 The Company has a special Research and Development Department, which promotes activities for the development of new products and the improvement of existing products. The other related companies have the ability to refer to the aforementioned Department for research issues of interest in the context of promoting the development of their products with the use of special advice and the evaluation of relevant studies that are prepared for such a purpose.
8.3 None of the companies participating in the consolidation, own shares or interests of par. 5 article 103 of c.l.2190/1920.
8.4 The significant events that took place after the end of the reporting period for financial year 2011 and until the preparation date of the present Report, are as follows:
8.4.1 The extraordinary General Meeting of Shareholders of the associate company "VLACHOU BROS SA", decided on 20.1.2012 on the one hand to increase the company's share capital by the amount of €150,000, through payment of cash and the issue of new shares, and on the other to issue a convertible bond loan amounting to €150,000.
The Company exercised its preemptive right regarding the share capital increase, as well as for the coverage of the convertible bond loan and it also declared its intention to cover any possible undistributed bonds.
Following the relevant statements by other shareholders of the associate company, the Company covered the Convertible Bond Loan in full. The process for covering the share capital increase has not yet been completed.

9. Corporate governance statement

The present Corporate Governance Statements (hereinafter the "Statement" or "CGS") is prepared according to article 43a par. 3.d of c.l. 2190/1920 and is part of the Annual Report of the Company's Board of Directors. The Contents of the CGS are as follows:

*** INTRODUCTION**
*** 1. Corporate Governance Code**
1.1 Disclosure of the Company's voluntary compliance with the Corporate Governance Code.
1.2 Deviations from the Corporate Governance Code and justification of such. Special provisions of the Code not applied by the Company and explanation for their non-application.
1.3 Corporate governance practices applied by the Company, apart from those stated by law
*** 2. Board of Directors**
2.1 Composition and operation of the Board of Directors
2.2 Information on the members of the Board of Directors
2.3 Audit Committee
*** 3. General Meeting of shareholders**

3.1 Operation of the General Meeting and basic authorities of such
3.2 Shareholders' rights and how such are exercised
***4. Internal control and risk management system**
4.1 Basic characteristics of the internal control system
4.2 Risk management of the Company and Group in relation to the procedure for preparing financial statements (separate and consolidated)
***5. Other management, supervisory bodies or committees of the Company**
***6. Additional information**

*** <u>INTRODUCTION</u>**

The term "corporate governance" describes the manner in which companies are managed and controlled. Corporate governance is defined and structured as a system of relations between the Company's Management, the Board of Directors, shareholders and other interested parties, it constitutes the structure through which the Company's objectives are approached and set out, the means to achieve such objectives are defined and the effective monitoring of Management's performance while implementing the above is rendered possible.

The effective and essential corporate governance plays a substantial and leading role in promoting competitiveness of companies, while the increased transparency it promotes results in an improvement of transparency throughout the entire economic activity of private companies as well as public organizations and institutions.

*** <u>1. Corporate Governance Code</u>**

<u>1.1 Disclosure of the Company's voluntary compliance with the Corporate Governance Code</u>

In Greece and during the preparation date of the present CGC, there are not many broadly accepted Corporate Governance Codes (CGC) that establish standards of optimal governance practices for Greek companies. This specific shortage differentiates Greece from other European Union country-members and renders the compliance of Greek companies with European law on corporate governance more difficult, a fact that is in part understandable, given that the first institutional provisions regarding corporate governance were introduced in 2002.

Specifically in Greece, the corporate governance framework has mainly been developed through the adoption of mandatory rules such as law 3016/2002, which imposes the participation of non-executive and independent executive members in the Board of Directors of Greek companies, whose shares are traded on an organized stock exchange, the establishment and operation of an internal audit unit and the adoption of an internal operation regulation. Following, other more recent legislation has incorporated the European directives on corporate law in Greek law, thus creating new corporate governance rules, such as law 3693/2008, which imposes the establishment of audit committees as well as significant disclosure requirements as regards to the ownership and governance of a Company and law 3884/2010 that refers to shareholders' rights and additional corporate disclosure requirements towards shareholders during the preparation of a general meeting. Finally, law 3873/2010 also incorporated the EU Directive 2006/46/EC in Greek law, thus operating as a reminder for the need to establish a Corporate Governance Code and at the same time acting as its foundation.

Our Company <u>fully complies with the statutory requirements and regulations of the aforementioned legislation (specifically c.l. 2190/1920, 3016/2002 and 3693/2008), which also constitute the minimum content of any Corporate Governance Code and essentially (the relevant provisions) make up such an informal Code.</u> During the present financial year, the Company was unable to drastically promote the development and design of its own Corporate Governance Code, despite the initial planning to do so, given that the negative conditions that have prevailed and effect the market in which the Company develops its activity, as specifically the recession climate in the domestic market, rendered it necessary to redefine the Company's initiatives and priorities and to focus on protecting its operations.

Moreover, the unprecedented financial crisis that has hit the domestic market and the reclassifications that such implies, result in reviewing the governance standards and principles and necessitate the adoption of new practices that are adjusted to the circumstances and conditions present today. It is obvious that the basic principles advocated by the Company that govern its operation, such as principles of transparency and equal treatment of its shareholders, constitute continuous principles of any business activity and its initiative and therefore such are integral parts of any corporate governance rules. However, the preparation and design of a Corporate Governance Code that incorporates such practices and principles while adjusting at the same time to the Company's operations, should be implemented and completed as soon as the uncertainty characterizing the broader macroeconomic environment is cleared.

Taking into account the above and until the market is stabilized, the Company considered it appropriate to postpone the project of designing its own Corporate Governance Code, in order to ensure that the contents and structure of such a Code, when completed, is in line with the conditions and trends of the broader environment.

For the above reasons, and in light of fully complying with the statutory requirements of l. 3873/2010, our Company **declares also during the present financial year** that at the present stage it adopts as its Corporate Governance Code (CGC) the generally broadly accepted Corporate Governance Code developed by the Hellenic Federation of Enterprises (S.E.V.) (available at http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf), and it declares that it is governed by the Code, with the following deviations and exceptions.

1.2 Deviations from the Corporate Governance Code and justification of such. Special provisions of the Code not applied by the Company and the reasons for the non-application

The Company first of all assures through the present statement that it faithfully and strictly applies the overall provisions of Greek law (c.l. 2190/1920, l. 3016/2002 and l. 3693/2008) which define the minimum requirements that any Corporate Governance Code, applied by a Company whose shares are traded on an organized market, must meet.

Such minimum requirements are incorporated in the aforementioned Corporate Governance Code (SEV) to which the Company is subject to, however the Code also includes a series of additional (to the minimum requirements) special practices and principles, most of which "exceeds" the Company's structure, as they apply to companies of a greater size and different structure.

In relation to such additional practices and principles there are several deviations at the present time (including the case of non-application), for which we present a brief analysis and explanation of the reasons that justify such deviations.

•Section A΄- The Board of Directors and its members

I. Role and responsibilities of the Board of Directors

- until today the Board of Directors has not proceeded with establishing a separate committee, which will head the process for submitting nominees for election of Board members and prepares proposals towards the Board as regards to the remuneration of executive members and basic senior executives, given that the Company's policy in relation to such remuneration is fixed and defined and the policy is followed consistently, as evidenced by the Company's history.

II. Size and composition of the Board of Directors

- the Board of Directors does not consist from seven (7) to fifteen (15) members, as the size and organization of the Company do not justify such a multi-member board, while at the same time the flexible structures adopted by the Company as regards to the composition of its Board, allows a quick decision making process and efficient monitoring of the implementation and application of such
- the Board of Directors does not consist of a majority of non-executive members, but of three (3) executive and three (3) non-executive members, whereas this specific balance ensures its effective and productive operation.

III. Role and required capacity of the Chairman of the Board

- there is no explicit distinction between the responsibility of the Chairman and that of the Chief Executive Officer, nor is it considered necessary given the organizational structure and operation of the Company to establish such a distinction.

- the Board of Directors does not appoint an independent Vice-Chairman from its independent members, but an executive Vice-Chairman as the contribution of the Vice-Chairman is considered as of primary significance for the Chairman of the Board in exercising his executive duties and responsibilities.

IV. Responsibilities and behavior of Board members

- the Board of Directors has not adopted, as part of the Company's internal operation regulations, policies for management of conflict of interests amongst its members and the Company, as such policies have not yet been finalized.
- there is no requirement for detailed disclosure of possible professional commitments of the Board's members (including significant non-executive commitments in companies and non-profit organizations) prior to their appointment in the Board of Directors.

V. Proposal of nominee Board members

- the maximum term of Board members is not four years, but longer (at least five years) in order to avoid the need of electing a new Board of Directors in a shorter time period, a fact that would lead to burdens with additional formalities (validation before third parties etc).
- there is no committee to propose nominee Board members, as given the structure and operation of the Company such a committee is not considered as necessary at the present time.

VI. Operation of the Board of Directors

- there are no specific operation rules of the Board of Directors as the provisions of the Company's Memorandum of Association, together with the existing regulatory framework are considered as entirely adequate for the organization and operation of the Board.
- at the beginning of each calendar year the Board does not adopt a meetings calendar and 12month action plan, which may be revised according to Company needs, as on the one hand given that all Board members are residents of Athens, it is easy for the Board of Directors to convene and meet, when required necessary by Company needs or the law, without a predetermined action plan.
- there is no provision for support of the Board of Directors in exercising its duties, by a capable, specialized and experience corporate secretary, as the Company has the technological infrastructure for the direct and accurate recording and proofing of the Board meetings.
- there is no obligation to conduct meetings on a regular basis between the Chairman of the Board and the non-executive board members without the presence of the executive members in order to discuss the performance and remuneration of the latter, as all relevant issues are discussed with the presence and contribution of all Board members, without any limitation between such.
- there is no provision for introductory information programs for new Board members and for the continuous professional training and education of the remaining members, given that individuals with capable and proved experience and organizational – management skills are proposed for election as Board members.
- there is no provision to provide adequate resources towards the Board's committees to fulfill their duties and for hiring external advisors to the extent that such are needed, as the relevant resources are approved according to each case separately by the Company's management, based on the prevailing corporate needs.

VII. Evaluation of the Board of Directors

- there is no established process that aims at evaluating the effectiveness of the Board of Directors and its committees, nor is the performance of the Board's Chairman evaluated during a procedure in which the independent Vice-Chairman is head or another non-executive Board member in lack of the former. This process is not considered necessary given the Company's organizational structure.

•Section B΄- Internal Control

I. Internal control-Audit Committee

- the audit committee does not convene over three (3) times a year.

-there is no special and particular operation regulation of the audit committee, as the basic duties and responsibilities of the committee are adequately defined by the regulatory provisions currently in effect.

-no particular funds are allocated to the Committee for the use of external advisors on its behalf, as the composition of the Committee and the specialized knowledge and experience of its members ensure its efficient operation.

•Section C' - Remuneration

I. Level and structure of remuneration

- there is no remuneration committee, consisting exclusively of non-executive members, the majority of which independent, whose objective is to define the remuneration of the executive and non-executive Board members and therefore there are no regulations for the responsibilities of such a committee, the frequency of its meetings and for other issues that concern its operation. The establishment of such a committee, given the structure and operation of the Company has not been considered necessary until today.

-the contracts of the Board's executive members do not include a provision that the Board may request a refund of all or part of the bonus paid due to revised financial statements of previous years or in general due to incorrect financial data that were used to calculate such a bonus, as possible rights on bonuses mature only after the final approval and audit of the financial statements.

-the remuneration of each executive Board member is not approved by the Board following a proposal by the remuneration committee, without the presence of such executive members, given that there is no such remuneration committee.

•Section D' – Relations with shareholders

I. Communication with shareholders

- There was no deviation.

II. General Meeting of shareholders

- There was no deviation.

<u>1.3 Corporate governance practices applied by the Company, apart from those stated by law</u>

The Company strictly applies the provisions of the aforementioned legal framework as regards to corporate governance. At the present time there are no applied practices apart from the above provisions.

<u>* 2. Board of Directors</u>

<u>2.1 Composition and operation of the Board of Directors</u>

2.1.1 The Company's Board of Directors, according to article 9 of its Memorandum of Association, consists of five (5) to seven (7) members, physical or legal entities. In case of a legal entity, such must appoint a physical person to exercise the authorities of the legal entity as a Board member. The Board members are elected by the General Meeting of the Company's shareholders for a term of five years, which begins from the day of their election and is extended automatically until the first ordinary General Meeting following the end of their term, which however cannot exceed a six-year period. The General Meeting may also elect deputy members, equal to the number of the ordinary members. The Board members always have the right to be re-elected and freely revocable by the General Meeting, regardless of the maturity of their term.

2.1.2 The Board of Directors convenes whenever deemed necessary by the law, the present Memorandum of Association or the Company's needs, following an invitation by the Chairman of the Board or his deputy or by two (2) Board members either at the domicile of the Company or in the district of another Municipality within the prefecture of the Company's domicile. The invitation must necessarily include the issues of the daily agenda with clarity, otherwise decision making is permitted only if all Board Members are present or represented at the meeting and no one opposes to the decision making. The Board of Directors also convenes to a meeting whenever requested by the Chairman or by two Board members, according to the

provisions of article 20 par. 5 of c.l. 2190/20, as currently in effect. The Board of Directors validly convenes outside of its domicile at another location, either in Greece or abroad, if during the meeting all members are present or represented and no one opposes to holding the meeting and to the decision making. The Board of Directors may convene through a teleconference. In this case, the invitation towards the Board members includes all the necessary information for their participation in the teleconference.
2.1.3 The Board of Directors is in quorum and validly convenes, when fifty percent (50%) plus one (1) of the members are present or represented. However in no case may the number of members present in person, be less than three (3).
2.1.4 The Board of Directors decides with an absolute majority of its members, which are present or represented. In case of a tie vote, the vote of the Chairman of the Board does not overpower. Each Board member has one (1) vote. Exceptionally, a member may have two (2) votes when representing another member. Voting in the Board of Directors is conducted openly, unless a decision by the Board defines that a secret voting will take place and thus in this case voting is made with ballots.
2.1.5 The discussions and decisions of the Board of Directors are recorded in summary in a special book, that may be kept electronically as well and which is signed by the Chairman and his Deputy and by the members present during the meeting. Following a request by a Board member, the Chairman is obliged to record an exact summary of his opinion in the minutes. The book also includes a record of the Board members present or represented during the meeting. Copies of Board meeting minutes, which must be submitted to the Société Anonyme Registrar according to article 7a of CL 2190/1920, are submitted to the relevant Regulatory Authority within twenty (20) days from the meeting of the Board of Directors. Copies and excerpts of the Board of Directors' minutes are certified by the Chairman or his deputy, or in case of his inability by the General Manager of the Company. The preparation and signing of minutes by all Board Members or their representatives is equivalent with a decision by the Board, even if a meeting has not previously taken place.
2.1.6 The Board of Directors may assign the exercise of all or part of its authorities and responsibilities (apart from those that require collective action) as well as the internal control of the Company, and its representation, to one or more persons, member of the Board or not, by defining the extent of such an assignment at the same time.
2.1.7 If, for any reason, there is a vacant position in the Board of Directors due to resignation, death or loss of the member capacity in any other way, then the remaining Members, given that such are at least three, must temporarily elect a replacement for the remaining term of the substituted Member with the condition that this substitution is not plausible by the deputy members that may have been elected by the General Meeting. The above election by the Board of Directors takes place with a decision by the remaining members, if such are at least three (3) and is in effect for the remaining term of the member replaced. The decision for the election is subject to the disclosure requirements of article 7b of c.l. 2190/1920 and is announced by the Board of Directors in the immediately forthcoming general meeting, which may replace those elected, even if a relevant issue has not been included in the daily agenda. The actions of members elected by the above process are considered valid, even in the case where their election is not approved by the General Meeting.
2.18 In case of resignation, death or in any other manner loss of the capacity of Board member, the remaining members may continue the management and representation of the Company without replacing the former members according to the previous paragraph, with the condition that the number of such exceeds half of the members as such were numbered prior to the realization of the above events. In any case the remaining members cannot be less than three (3).

2.2 Information on the Board members

2.2.1 The present Board of Directors of the Company consists of six-members and specifically of the following:
i. Georgios Ginosatis of Spyridonos, resident of Koropi Attica, 6 Karaiskaki Street, **Chairman of the Board and Chief Executive Officer of the Company, executive member.**
ii. Stamatios Ginosatis of Spyridonos, resident of Koropi Attica, 204 Vas. Konstantinou Street, **Vice-Chairman of the Board and Deputy CEO of the Company, executive member.**
iii. Asimina Ginosati, of Dimitrios Papanikolaou, resident of Koropi Attica 204 Vas. Konstantinou Street, **executive Board Member.**

iv. Nikolaos Regos of Eleftherios, resident of Papagou Attica, 7 Reppa Street, **independent non-executive Board Member.**
v. Eleni-Flora Zaverdinou of Paraskevas, resident of Heraklion Attica, 20 Parthenonos Street, **independent non-executive Board Member, and**
vi. Nikolaos Vlachos of Matthaios, resident of Glyfada Attica, 4 Sokratous Street, **non-executive Board Member.**
The above Board of Directors was elected by the annual Ordinary General Meeting of the Company's shareholders on the 26th of July 2009 and was formed into a body on that date (26.6.2009), while its term ends on June 30th 2014 (Govt. Gazette, SA and LTD companies issue No. 8245/10.7.2009)

2.3 Audit Committee
2.3.1 The Company, in full compliance with the provisions and requirements of l. 3693/2008 elected during the annual General Meeting of shareholders on June 26th 2009 and Audit Committee, which consists of the following non-executive Board Members:
1) Mr. Nikolaos Regos,
2) Ms. Eleni-Flora Zaverdinou and
3) Mr. Nikolaos Vlachos.
It is noted that from the above members, two (2) (Nikolaos Regos and Eleni-Flora Zaverdinou) are also independent non-executive members of the Board of Directors.
2.3.2 The responsibilities and duties of the Audit Committee include:
a) monitoring the financial reporting process,
b) monitoring the effective operation of the internal control system and the risk management system, as well as monitoring the proper operation of the Company's internal audit unit,
c) monitoring the course of the mandatory audit of separate and consolidated financial statements of the Company,
d) reviewing and monitoring issues relating to the existence and maintenance of objectivity and independence of the legal auditor or auditing firm, especially as regards to the provision of other services by the legal auditor or the auditing firm, towards the Company.
2.3.3 The mission of the Audit Committee is to ensure the effectiveness and efficiency of the corporate activities, to control the reliability of financial information provided to investors and Company shareholders, the compliance of the Company with the effective legal and regulatory framework, the protection of the Company's investments and assets and locating and handling the most significant risks.
2.3.4 The Audit Committee convened twice during financial year 2011.
2.3.5 It is clarified that the Ordinary Auditor of the Company, who conducts the audit of the annual and semi-annual financial statements, does not provide other non-auditing services to the Company, nor is he related in any other way with the Company, in order thus to ensure his objectivity, impartiality and independence, with the exception of assurance services that concern the conduct of the special tax audit required according to the provisions of article 82 par. 5 l.2238/1994, as amended and in effect today and the Circular with No. 1159/22.7.2011, according to which after the audit the "Annual Tax Certificate" is issued, following the relevant Report.

*** 3. General Meeting of shareholders**
3.1 Operation of the General Meeting and basic authorities of such
3.1.1 The General Meeting of shareholders is the highest-level body of the Company and is entitled to decide on any corporate affair and to decide on all issued submitted to such.
Specifically the General Meeting is exclusively responsible to decide on the following:
a) amendment of provisions of the Memorandum of Association. An increase or decrease of share capital is also considered an amendment, except for the case of par. 1 article 6 of the present, as well as those stipulated by provisions of other laws.
b) election of Board Members, except for the case of article 10 of the present.
c) election of auditors.
d) approval of the Company's annual financial statements.
e) appropriation of the earnings of each financial year.
f) merger, spin-off, conversion, revival, extension of the duration or liquidation of the Company.
g) appointment of liquidators and

h) approval of the election, according to article 10 of the present Memorandum of Association, of temporary Board members, in replacement of members that have resigned, deceased or in any other way lost their member capacity.
3.1.2 The decisions of the General Meeting are mandatory also for shareholders that are absent or disagree.
3.1.3 The General Meeting of shareholders, is always convened by the Board of Directors and meets regularly at the Company's domicile or in the district of another Municipality within the domicile's prefecture, at least once each financial year and always within the first six-months from the end of each financial year. The General Meeting may also convene in a district of the Municipality where the Athens Exchange is based.
The Board of Directors may convene an extraordinary General Meeting of shareholders, when deemed necessary or when requested by shareholders that represent the respective percentage as stated by law and the Memorandum of Association.
3.1.4 The General Meeting, with the exception of repeated Meetings and those equivalent to such, is convened at least twenty (20) days prior to the date set for the meeting. It is noted that non-working days are also counted. The release date of the invitation and the date of the meeting are not counted. The invitation to the General Meeting of shareholders must include the time, day, hour and location where the Meeting will convene, the issues of the daily agenda with clarity, the shareholders that have the right to participate, as well as exact instruction on the manner in which shareholders will be able to participate in the meeting and exercise their rights either in person or through a proxy or possibly from long-distance. An invitation to convene a General Meeting is not required in the case where shareholders representing the total share capital are present or represented and no one from such opposes to conducting the Meeting and to the decision making process.
3.15 The General Meeting is in quorum and convenes validly on the daily agenda issues when shareholders representing at least one fifth (1/5) of the paid up share capital or present or represented in such.
If this quorum is not achieved, then the General Meeting convenes again in twenty (20) days from the date of the meeting that was cancelled, after an invitation for such at least ten (10) days before. This repeated meeting convenes validly on the issues of the initial daily agenda regardless of the portion of the paid up share capital represented in such.
3.1.6 The decisions of the General Meeting are made with absolute majority of votes, that are represented in such.
3. Exceptionally, for decision making on issues that concern:
a) Change of the Company's nationality,
b) Change of the Company's business objective,
c) Increase of the shareholders' obligations,
d) Increase of the share capital with the exception of the increases of article 6 par. 1 of the present or those stipulated by legal provisions, or by means of capitalization of reserves or share capital decrease, unless if carried out according to par. 6 of article 16 of c.l. 2190/1920,
e) Issue of a loan with convertible bonds or with a participation right on earnings, according to article 8 and 9 of l. 3156/2002 respectively,
f) Change in the way earnings are distributed,
g) Extension of the duration or liquidation of the Company,
h) Merger, spin-off, conversion, revival of the Company,
i) Provision or renewal of authorization towards the Board of Directors for increase of the share capital according to par. 1 of article 6 of the present,
j) any other case, in which the law states that the following quorum is required by the General Meeting to make a specific decision:
the General Meeting is at quorum and convenes validly on such issues, when shareholders representing two thirds (2/3) of the paid up share capital are present or represented in the Meeting.
3.1.7 The Chairman of the Board of Directors temporarily acts as Chairman of the General Meeting or in case he is unable then his legal deputy, and the Chairman assigns one of the shareholders or their proxies present as Secretary, until the General Meeting ratifies the list of shareholders that are entitled to participate in the Meeting and elects the normal presidium. The Presidium consists of the Chairman and Secretary, who also acts as voting teller.
3.1.8 The discussions and decisions of the General Meeting are limited to issues of the daily agenda. The daily agenda is prepared by the Board of Directors and includes proposals of the Board towards the Meeting as well as possible proposals of the auditors or shareholders that represent one twentieth (1/20) of the paid

up share capital. The discussions and decisions of the General Meetings are recording in a special book (minutes) and the relevant minutes are signed by the Chairman and Secretary of the Meeting. The beginning of the minutes include a record of shareholders that are present or represented in the General Meeting, whereas the minutes are prepared according to article 22 par. 8 of the Memorandum of Association.
Following a request by a shareholders, the Chairman of the Meeting must record the former's opinion in the minutes.
If only one (1) shareholder is present at the General Meeting, then the presence of a Notary Public is mandatory and such a Notary countersigns the minutes.

3.2 Shareholders' rights and how such are exercised

3.2.1 Participation and voting rights

3.2.1.1 Shareholders exercise their rights, in relation to the Company's Management, only through the General Meetings and according to those stated by law and the Memorandum of Association. Each share provides the right for one vote at the General Meeting, given those stated by article 16 of c.l. 2190/1920, as currently in effect.
3.2.1.2 Anyone who appears as a shareholder on the records of the Dematerialized Securities System managed by "Hellenic Exchanges S.A." (HELEX), which keeps records of the Company's securities (shares), has the right to participate in the General Meeting of shareholders. The shareholder capacity is evidenced by submitting the relevant written certification by HELEX or alternatively, by the Company's online connection with the records of HELEX. The shareholder's capacity must be in effect during the beginning of the fifth (5th) day prior to the date of the General Meeting (record date), and the relevant certification or electronic certification regarding the shareholder capacity must be provided to the Company at least the third (3rd) day prior to the date of the General Meeting.
3.2.1.3 Only those that have the shareholder capacity during the respective record date is considered by the Company to have the right of participation and voting at the General Meeting. In the cases of non-compliance with the provisions of article 28a of C.L. 2190/1920, the said shareholder participates in the General Meeting only after the latter's permission.
3.2.1.4 It is noted that the exercise of the above rights (participation and voting) does not require the blockage of the beneficiary's shares or any other relevant process, which limits the ability to sell or transfer shares during the time period between the record date and the date of the General Meeting.
3.2.1.5 The shareholder participates in the General Meeting and votes either in person or through a proxy. Each shareholder may appoint up to three (3) proxies. Legal entities participate in the General Meeting by appointing up to three (3) persons as representatives. However, if a shareholder owns Company shares, which appear in more than one securities accounts, this limitation does not obstruct the said shareholder from appointing different proxies for the shares that appear in each security account in relation to the General Meeting. A proxy that acts on behalf of more than one shareholder, can vote separately for each shareholder. A shareholder proxy must disclose to the Company, prior to the beginning of the General Meeting, any specific event that may be useful to shareholders in assessing the risk of the proxy serving other interests than those of the represented shareholder. According to the definition of the present paragraph, there might be conflict of interests specifically when the proxy:
a) is a shareholder that exercises control on the Company or is another legal entity controlled by the shareholder,
b) is a member of the Board of Directors or generally the management of the Company or of a shareholder that exercises control on the Company, or another legal entity that is controlled by a shareholder who exercises control on the Company,
c) is an employee or certified public accountant of the Company or shareholder that exercises control on the Company, or another legal entity controlled by the shareholder who exercises control on the Company,
d) is a spouse or first degree relative with one of the persons mentioned above in cases (a) through (c).
The appointment and revocation of a proxy is applied in written and disclosed to the Company in the same form, at least three (3) days prior to the date of the General Meeting.

3.2.2 Other shareholders' rights

3.2.2.1 Ten (10) days prior to the Ordinary General Meeting, any shareholder can obtain copies of the annual financial statements and reports by the Board of Directors and auditor from the Company. Such documents must be submitted in time by the Board of Directors to the Company's relevant office.

3.2.2.2 With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to convene an Extraordinary General Meeting of shareholders, setting the date of such, which cannot be more than forty five (45) days from the day the request was delivered to the Chairman of the Board. The request must list the daily agenda issue. If a general meeting is not convened by the Board of Directors within twenty (20) days from the delivery of the relevant request, then the meeting takes place by the requesting shareholders, at the expense of the Company, by means of a decision by the court of first instance of the Company's domicile, which is issued during the injunction process. This decision states the place and time of the meeting, as well as the daily agenda.

3.2.2.3 With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to list additional issues on the daily agenda of the General Meeting that has already been set, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. The Board of Directors must publish or disclose the additional issues, according to those stated by article 36 of c.l. 2190/1920, at least seven (7) days prior to the General Meeting. If the additional issues are not published, then the requesting shareholders are entitled to request postponement of the General Meeting according to paragraph 3 of article 39 of c.l. 2190/1920 and to proceed themselves with publishing the issues, according to those stated in the previous paragraph, at the expense of the Company.

3.2.2.4 With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors provides shareholders, according to those stated by article 27 par. 3 of c.l. 2190/1920, at least six (6) days prior to the date of the General Meeting, access to the draft resolutions on issues that have been included in the initial or revised daily agenda, if the relevant request is received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

3.2.2.5 Following a request of any shareholder that is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the specifically required information on the Company's affairs, to the extent that such are useful for the real assessment of the daily agenda issues.

3.2.2.6 With the request of a shareholder or shareholders that represent one twentieth (1/20) of the paid up share capital, the Chairman of the General Meeting is obliged to postpone the decision making process only once, for all or specific issues, by the Extraordinary or Ordinary General Meeting, defining the day when the meeting will re-convene for decision making that is stated on the shareholders' request, which however cannot be more than thirty (30) days from the day of the postponement. The General Meeting that follows the postponement is considered a continuance of the previous and thus the disclosure requirements of the shareholders' invitation are not repeated and new shareholders cannot take part in the Meeting, according to the provisions of articles 27 par.2 and 28 of c.l. 2190/1920.

3.2.2.7 With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, which must be submitted to the Company five (5) full days prior to the ordinary General Meeting, the Board of Directors is obliged to announce to the General Meeting the amounts made during the past two-years for any cause by the Company to Board Members or Managers or other employees, as well as any amounts emanating from any other contract of the Company signed for any cause with such individuals. Also, with the request of any shareholder submitted as above, the Board of Directors is obliged to provide the specific information requested regarding the Company's affairs to the extent that such are useful for the real assessment of the daily agenda issues. The Board of Directors may decline the provision of such information for reasonable cause, stating the relevant justification in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of c.l. 2190/1920.

3.2.2.8 Following a request by shareholders that represent one fifth (1/5) of the paid up share capital, which is submitted to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide to the General Meeting information on the development of corporate affairs and the financial position of the Company. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. Such a reasonable cause may consist according to the circumstances the representation of requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of c.l. 2190/1920, given that the respective Board members have received the relevant information in an adequate manner.

3.2.2.9 Following a request by shareholders that represent one twentieth (1/20) of the paid of share capital, the decision making on any issue of the daily agenda of the General Meeting is conducted by open voting.
3.2.2.10 Company Shareholders, that represent one twentieth (1/20) of the paid up share capital, have the right to request an audit of the Company by the Unilateral Court of First Instance of the district of the Company's domicile, which holds the relevant jurisdiction. The audit is ordered if actions that violate the provisions of law or the Memorandum of Association or decisions by the General Meeting, are assumed.
3.2.2.11 Company Shareholders, that represent one fifth (1/5) of the paid up share capital, have the right to request audit of the Company by the relevant court, according to the previous paragraph, given that the overall developments of corporate affairs indicate the Management of corporate affairs is not conducted as according to proper and prudent management. This provision is not applied whenever the minority requesting the audit is represented in the Company's Board of Directors.

*** 4. Internal control system and risk management**

4.1 Basic characteristics of the internal control system

4.1.1 The Company's internal control is performed by the internal audit Service and conducted according to the audit schedule included in the Internal Operation Regulation adopted and approved by the Company.
It is noted that the audit, according to which the relevant Report is prepared, is performed within the regulatory framework of l. 3016/2002, as currently in effect, and specifically according to articles 7 and 8 of the latter law, as well as according to those stated by Decision No. 5/204/2000 issued by the Board of Directors of the Hellenic Capital Market Commission, as currently in effect following its amendment by Decision No. 3/348/19.7.2005 issued by the Commission's Board.
4.1.2 During the audit, the internal audit Service receives knowledge of all necessary accounting books, entries, files, bank accounts and portfolios of the Company and requests the complete and continuous cooperation of Management in order to be provided with all the requested information and data, with the objective of obtaining reasonable assurance for the preparation of a Report that will be free from substantial inaccuracies as regards to the information and conclusions included in such. The audit does not include any assessment of the appropriateness of the accounting policies applied as well as of the logic of estimations made by Management, as such are responsibilities of the Company's legal auditor.
4.1.3 The objective of the audit is to assess the general level and operational processes of the internal control system. In each audit period, specific audit areas-divisions are selected, while the operation and organization of the Company's Board of Directors is evaluated and reviewed on a constant and continuous basis, as well as the operation of the 2 basic Services that operate according to the provisions of l. 3016/2002, namely the Shareholders' Service Department and the Corporate Releases Department.

4.2 Risk management of the Company and Group in relation to the financial reporting process (separate and consolidated)

The company has developed and applies policies and processes for the preparation of financial statements with the objective to ensure the reliability of such and to comply with the laws and regulations that govern their preparations and publications.
Such processes concern the audit and recording of income and expenses as well as monitoring the position and value of assets.
The policies and processes that have been established are evaluated and re-defined in case where such are considered inadequate or if changes in laws demand so.
At the end of each financial period, the company's accounting department proceeds with actions that are required to prepare the financial statements according to law.
The established policies and processes related to the preparation of financial statements include, amongst others, the following:
Processes for closing financial periods, which include deadlines for submission, responsibilities, classification and analysis of accounts and information on required disclosures.
Reconciliations of the balances of the Customers and Suppliers accounts as well as other receivables and liabilities of the company in frequent time periods.
Processes that ensure that transactions are recognized according to the International Financial Reporting Standards.

Reconciliations of the bank accounts and loan accounts kept by the company in approved Banks on a monthly basis.
Audits and reconciliation of checks receivable and payable.
Calculation of provisions for the company's receivables and liabilities in cases when the relevant receipts have not yet been presented.
Physical recording of inventory and audits on imports-exports in warehouses on a monthly basis.
Audit and reconciliation of sales and issued receipts.
Policies and processes for purchases, payments, receipts, management of inventory etc.
Establishment of processes for accounting entries by different individuals in the context of distinguishing responsibilities.
Approvals and processes for the correct recording of company expenses in the accounts of the kept Accounting Schedule and in the appropriate cost center.
Processes for approval of purchases, registration and monitoring of fixed assets and calculation of the required depreciations.
Processes for supervising and managing employees and payroll liabilities.
Processes that ensure the correct use of the Accounting Schedule applied by the company and that the access and changes in such through the Company's IT system can be made only by authorized users with specific responsibilities.
The IT system used by the company is continuously developed and upgraded by its IT department, in close cooperation with a recognized IT company in order to adjust to the continuously expanding and specialized IT needs, with the objective to support the company's long-term goals and prospects. Amongst others, the IT department is responsible for the application of security processes (back-ups on a daily basis) as well as for the application of processes established by the company (Anti-virus Software and Firewall).

<u>*5. Other management or supervisory bodies or committees of the Company</u>

At the present time, there are no other management or supervisory bodies of committees of the Company, apart from those mentioned above.

<u>* 6. Additional information</u>

6.1 Article 10 par.1 of the EU Directive 2004/25/EC dated April 21st 2004, relating to takeover bids, states the following as regards to companies whose total shares are listed on an organized market:

"1. Country members ensure that the companies mentioned in article 1 paragraph 1 disclose detailed information as regards to the following:
a) their capital structure, including securities that are not listed on an organized market of a country-member and, according to the case, indication of different categories of shares with the rights and obligations linked to each share category and the percentage of the total share capital such represent;
b) all the limitations on transfer of securities, such as limitations on the ownership of securities or the obligation to receive approval by the Company or other shareholders, with the reservation of article 46 of Directive 2001/34/EC;
c) the significant direct or indirect holdings (including indirect holdings through pyramid structures or cross-holdings) according to the definition of article 85 of directive 2001/34/EC;
d) the owners of any kind of securities that provide special control rights and the description of such rights.
(e) the system of control of any employee share scheme where the control rights are not exercised directly by the employees;
(f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;
(g) any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC;
(h) the rules governing the appointment and replacement of board members and the amendment of the articles of association;
(i) the powers of board members, and in particular the power to issue or buy back shares;
(j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where

their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements;
(k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid."

6.2 The above information is included in detail in Chapter 6 of the present Report by the Board of Directors. As regards to items c, d, f, h and i of par. 1 of article 10, the Company states the following:
• as regards to item c': the important direct or indirect participations of the Company are the following:
- FESCOPACK Sp.z.o.o, (subsidiary) in which the Company participates with a stake of 75% of shares and voting rights.

- "FLEXOSYSTEMS Ltd Belgrade", (subsidiary) in which the Company participates with a stake of 100% of shares and voting rights.

- "INOVA SA PLASTICS" (related company) in which the Company participates with a stake of 50% of shares and voting rights.

- "VLACHOU BROS SA" (related company) in which the Company participates with a stake of 47.55% of shares and voting rights.

Moreover, the significant direct or indirect holdings in the share capital and voting rights of the Company, according to the definition of provisions of articles 9 through 11 of l. 3556/2007, are the following:

-Stamatis Ginosatis, percentage of 31.74%(direct participation)
-Georgios Ginosatis, percentage of 19.31% (direct participation)
-Nikolaos Ginosatis, percentage of 16.29% (direct participation)
-Competrol Establishment, percentage of 7.47% (direct participation)
- Collins Stewart (CI) Limited, percentage of 6.33% (direct participation)

• as regards to item d': there are no kind of securities (including shares), that provide special control rights.
• as regards to item f΄: there are no known limitations on voting rights (such as limitation of voting rights on owners of a specific percentage or number of shares, deadlines to exercise voting rights, or systems through which with the cooperation of the Company financial rights emanating from shares are distinguished by the ownership of the shares). As regards to exercising voting rights during the General Meeting, extensive reference is made in Section 3 of the present Corporate Governance Statement.
• as regards to item h΄: regarding the appointment and replacement of Board members and regarding the amendment of the Company's Memorandum of Association, there are no rules that differ from those stated by c.l. 2190/1920, as currently in effect. Such rules are described in detail in Section 2.1 of the present Corporate Governance Code.
• as regards to item o΄: there are no special authorities of Board members as regards to the issue or buyback of shares.

The present Corporate Governance Statement constitutes an inseparable and distinct part of the annual (Management) Report of the Company's Board of Directors.

10. Group's outlook for 2012

With the continuous and sustainable development of the Company and Group as the main objective, despite the negative financial circumstances that are present particularly in the domestic market, the basic axis of strategic development for 2012, are as follows:

- Further penetration in foreign markets, both through partnerships and also through the commercial network the Company has already developed and continues to expand. The development and expansion of this network forms one of the top priorities for the Group, a fact reflected by the Company's subsidiaries in Poland and Serbia.
- Improvement and continuous development of the range of produced products, with an emphasis on high-quality product diversification as compared to competition, together ongoing and systematic monitoring or market trends and needs.
- Maintenance of high quality of produced products.
- Development of new products and perfecting the existing modern production methods.
- Emphasis on the development of new products that aim at:
 a) Reducing energy consumption
 b) Reducing the carbon footprint
 c) Contributing to sustainable development.
- Strengthening of the structure and production operations of the Polish subsidiary Fescopack, with emphasis on optimally serving the Polish and neighboring markets, so as for Fescopack to constitute the Group's production arm in the respective geographic region.
- Strengthening of the present of the Serbian company Flexosystems, with emphasis on its participation in specialized exhibitions and its systematic presence in targeted local clients.
- Continuous development of the existing organizational structure aiming at the further increase of efficiency, the further reduction of costs and finally the continuous and increased spread of information at all the Company's and Group's levels.

The Group's results and outlook for financial year 2012 are directly linked, given its export orientation, to the conditions prevailing in the global economy and market, which at the present time is characterized by strong uncertainty, both as regards to the oil market and the relating raw materials of the Company, and as regards to the economic crisis that has hit many of the geographic markets where the Group operates.
It is obvious and there is clear exogenous uncertainty, which results from the volatile economic environment, however the Group has historically shown it has the ability to face forthcoming challenges as it is supported by its globalized character, its healthy financial structure and the flexibility of its organizational structure. This offers contained optimism for the Group's outlook in 2012, with the condition however that extreme adverse conditions do not arise, both as regards to increases in raw material prices, and as regards to declines in consumer demand.

In view of the above, the Group's management has its own reservations with regard to any kind of forecast for the financial results of 2012. At this stage, it is not possible to predict when and under what consequences the economic crisis will end, when prices of raw materials will stabilize and when recovery will begin in the broader global economic environment and specifically in the Group's markets. Thus any kind of relevant forecast and estimation at this point in time is considered as fragile.

Koropi, March 23th 2012
THE BOARD OF DIRECTORS

CHAPTER 3 : Audit Report by Independent Certified Auditor Accountant

Towards the Shareholders of the Company

"Flexopack Société Anonyme Commercial and Industrial Plastics Company"

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company "**Flexopack Société Anonyme Commercial and Industrial Plastics Company**" and its subsidiaries, which consist of the separate and consolidated statement of financial position of December 31st 2011, the separate and consolidated statements of comprehensive income, statements of changes in equity and statements of cash flow for the year ended on the aforementioned date, as well as the 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 company financial statements in accordance with the International Financial Reporting Standards, as such have been adopted by the European Union, as well as for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error.

In making those risk assessments, the auditor reviews the internal control relevant to the preparation and fair presentation of the company's separate and consolidated financial statements, in order to design audit procedures that are appropriate for the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles and methods used and whether the estimates made by management are reasonable, 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of "**Flexopack Société Anonyme Commercial and Industrial Plastics Company**" and its subsidiaries as at December 31st 2011, their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as such have been adopted by the European Union.

Report on other Legal and Regulative issues

a) The Board of Directors' Management Report includes the corporate governance statements, which presents the information required by paragraph 3d of article 43a of C.L. 2190/1920.

b) We have verified the reconciliation and consistency of the contents of the Board of Directors' Management Report with the accompanying separate and consolidated financial statements, in the context of those defined by article 43a, 108 and 37 *of C.L. 2190/1920.*

Athens, March 26th 2012

The Certified Auditor Accountant
Makris D. Serafeim
Certified Auditor Reg. No. 16311

Chartred Auditors Accountants S.A. (SOL S.A.)
a member of Crowe Horwath International
3 Fokiono Negri Str, 11257 Athens Greece
Certified Auditors Association Reg. No. 125

CHAPTER 4 : Annual Financial Statements

Annual Financial Statements of financial year 2011
(January 1st 2011 – December 31st 2011)

According to the International Financial Reporting Standards (IFRS)

Statement of financial position

		GROUP		COMPANY	
ASSETS	Note	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Non-current assets					
Tangible Assets	6.1	32,631	33,920	31,970	33,167
Goodwill	6.2	309	309	0	0
Intangible Assets	6.3	989	920	989	920
Investments in subsidiary companies	6.4	0	0	809	809
Investments in associate companies	6.5	1,867	1,961	2,127	2,127
Other Long-term Receivables	6.6	106	113	102	107
		35,902	**37,223**	**35,998**	**37,129**
Current assets					
Inventories	6.7	8,702	9,065	8,474	8,810
Trade Receivables	6.8	9,818	10,184	9,985	10,227
Other Receivables	6.9	2,066	3,008	2,048	2,986
Cash and cash equivalents	6.10	7,806	5,289	7,663	5,117
		28,392	**27,546**	**28,170**	**27,139**
Total Assets		**64,294**	**64,769**	**64,168**	**64,268**
EQUITY & LIABILITIES					
Share capital	6.11	6,094	5,860	6,094	5,860
Share premium	6.11	8,590	9,823	8,590	9,823
Reserve Capital	6.11	13,727	11,807	13,672	11,766
Retained Earnings	6.11	11,872	10,791	12,260	10,892
Total Shareholders' Equity		**40,282**	**38,281**	**40,616**	**38,341**
Non-controlling interests		132	175	0	0
Total Equity		**40,414**	**38,455**	**40,616**	**38,341**
LIABILITIES					
Long-term liabilities					
Deferred tax liabilities	6.12	2,295	2,097	2,275	2,073
Provision for employee benefits	6.13	555	490	555	490
Government grants	6.14	2,057	2,648	2,057	2,648
Long-term bank liabilities	6.15	4,792	6,226	4,676	6,036
Other provisions	6.16	144	142	142	142
		9,844	**11,603**	**9,706**	**11,389**
Short-term liabilities					
Suppliers and related liabilities	6.17	8,616	12,310	8,480	12,222
Liabilities from income tax	6.18	483	981	483	956
Short-term bank liabilities	6.15	4,937	1,420	4,883	1,360
		14,035	**14,710**	**13,845**	**14,538**
Total Liabilities		**23,880**	**26,313**	**23,552**	**25,927**
Total Equity & Liabilities		**64,294**	**64,769**	**64,168**	**64,268**

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

Income statement

		GROUP		COMPANY	
Continuing Operations	Note	**1/1-31/12/2011**	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Turnover	6.19	47,473	45,160	46,906	44,838
Cost of Sales	6.20	(39,163)	(36,582)	(39,129)	(36,834)
Gross Profit		**8,311**	**8,578**	**7,776**	**8,004**
Other operating income	6.22	1,572	711	1,582	663
Administrative expenses	6.20	(2,010)	(1,718)	(1,717)	(1,501)
Research & Development Expenses	6.20	(531)	(273)	(531)	(273)
Distribution expenses	6.20	(2,766)	(3,287)	(2,564)	(3,113)
Other operating expenses	6.22	(209)	(139)	(159)	(54)
Operating Results		**4,368**	**3,873**	**4,388**	**3,726**
Financial income	6.23	102	139	128	163
Financial expenses	6.23	(452)	(251)	(448)	(247)
Other Financial Results	6.24	(30)	50	69	33
Proportion of associate companies' Result	6.5	(94)	(309)	0	0
Earnings before taxes		**3,894**	**3,502**	**4,137**	**3,674**
Income tax	6.25	(810)	(1,082)	(812)	(1,044)
Earnings after taxes		**3,084**	**2,420**	**3,325**	**2,630**
Allocated to :					
-Shareholders of the parent		3,101	2,393	3,325	2,630
-Non-controlling interests		(17)	28	0	0
		3,084	**2,420**	**3,325**	**2,630**
Basic Earnings per share that correspond to the parent's shareholders (Euro per share)	6.30	0.2646	0.2042	0.2837	0.2244

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

Statement of comprehensive income

	GROUP		COMPANY	
Continuing Operatings	**1/1-31/12/2011**	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Earnings after taxes	**3,084**	**2,420**	**3,325**	**2,630**
Other comprehensive income				
Foreign exchange differences from consolidation of foreign subsidiaries	(67)	18	0	0
Hedging of cash flow risk	5	0	5	0
Other comprehensive income after taxes	**(62)**	**18**	**5**	**0**
Total comprehensive income after taxes	**3,022**	**2,438**	**3,330**	**2,630**
Allocated to :				
-Shareholders of the parent	3,056	2,405	3,330	2,630
-Non-controlling interests	(34)	33	0	0
	3,022	**2,438**	**3,330**	**2,630**

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

Consolidated statement of changes in equity

GROUP

	Attributed to shareholders of the parent							
	Share Capital	Share premium	Reserves	FX differences from consolidation	Retained Earnings	Total	Non-controlling interests	Total Equity
Balance as at January 1st 2010	**5,860**	**9,823**	**10,404**	**(35)**	**10,480**	**36,531**	**150**	**36,682**
Change in Equity								
Total comprehensive income after taxes	0	0	0	13	2,393	2,405	33	2,438
Distributed dividends	0	0	0	0	(656)	(656)	(8)	(664)
Transfer to Reserves	0	0	994	0	(994)	0	0	0
Transfer of amortization of grants of L. 3299/04	0	0	431	0	(431)	0	0	0
Balance of Equity as at December 31st 2010	**5,860**	**9,823**	**11,829**	**(22)**	**10,791**	**38,280**	**175**	**38,455**
Balance as at January 1st 2011	**5,860**	**9,823**	**11,829**	**(22)**	**10,791**	**38,280**	**175**	**38,455**
Change in Equity								
Total comprehensive income after taxes	0	0	5	(50)	3,101	3,057	(34)	3,022
Distributed dividends	0	0	0	0	0	0	(9)	(9)
Transfer to Reserves (Note 6.11)	0	0	1,607	0	(1,607)	0	0	0
Share capital increase (Note 6.11)	1,289	(1,233)	(56)	0	0	0	0	0
Share capital decrease (Note 6.11)	(1,055)	0	0	0	0	(1,055)	0	(1,055)
Transfer of amortization of grants of L. 3299/04	0	0	413	0	(413)	0	0	0
Balance of Equity as at December 31st 2011	**6,094**	**8,590**	**13,799**	**(72)**	**11,871**	**40,282**	**132**	**40,414**

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

Statement of changes in Parent Company's equity

COMPANY

	Share Capital	Share premium	Reserves	Retained Earnings	Total
Balance as at January 1st 2010	**5,860**	**9,823**	**10,394**	**10,290**	**36,367**
Change in Equity					
Total comprehensive income after taxes	0	0	0	2,630	2,630
Distributed dividends	0	0	0	(656)	(656)
Transfer to Reserves	0	0	941	(941)	0
Transfer of amortization of grants of L. 3299/04	0	0	431	(431)	0
Balance of Equity as at December 31st 2010	**5,860**	**9,823**	**11,766**	**10,892**	**38,341**
Balance as at January 1st 2011	**5,860**	**9,823**	**11,766**	**10,892**	**38,341**
Change in Equity					
Total comprehensive income after taxes	0	0	5	3,325	3,330
Distributed dividends	0	0	0	0	0
Transfer to Reserves (Note 6.11)	0	0	1,544	(1,544)	0
Share capital increase (Note 6.11)	1,289	(1,233)	(56)	0	0
Share capital decrease (Note 6.11)	(1,055)	0	0	0	(1,055)
Transfer of amortization of grants of L. 3299/04	0	0	413	(413)	0
Balance of Equity as at December 31st 2011	**6,094**	**8,590**	**13,672**	**12,260**	**40,616**

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

Statement of cash flows

	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Cash flows from operating activities				
Earnings before taxes	**3,894**	**3,502**	**4,137**	**3,674**
Adjustments on Earnings for:				
Depreciation of tangible assets	3,059	2,916	3,004	2,859
Amortization of intangible assets	125	160	125	160
Impairment	112	163	100	150
Provisions	68	71	65	71
Foreign exchange differences	(34)	(28)	(34)	(28)
Profit/(Loss) from the sale of tangible assets	(1)	14	(1)	14
Interest income	(102)	(138)	(102)	(138)
Interest expenses	452	250	448	247
Income from dividends	0	0	(27)	(25)
Amortization of grants	(590)	(585)	(590)	(585)
Other results from investment activity	5	0	5	0
Share of results in related companies	94	309	0	0
Total adjustments on Earnings for Cash Flows	**3,187**	**3,132**	**2,993**	**2,725**
	7,081	**6,634**	**7,130**	**6,399**
Working capital changes				
(Increase) / decrease of inventories	341	(2,316)	335	(2,306)
(Increase) / decrease of receivables	1,060	(4,997)	998	(4,841)
Increase/ (decrease) of liabilities	(3,625)	4,379	(3,742)	4,291
	(2,224)	***(2,934)***	***(2,409)***	***(2,856)***
Cash flows from operating activities	**4,857**	**3,700**	**4,721**	**3,543**
minus: Interest paid	0	0	0	0
minus: Income tax paid	(986)	(675)	(962)	(659)
Net cash flows from operating activities	**3,871**	**3,025**	**3,759**	**2,884**
Cash flows from investment activities				
Acquisition of subsidiaries, associates, joint ventures and other investmen	0	(290)	0	(360)
Purchases of tangible fixed assets	(1,851)	(3,010)	(1,808)	(2,763)
Purchases of intangible assets	(194)	(201)	(194)	(201)
Sales of tangible fixed assets	1	354	1	354
Interest received	102	139	102	138
Dividends received	0	0	27	25
Net cash flows from investment activities	**(1,942)**	**(3,008)**	**(1,873)**	**(2,807)**
Cash flows from financing activities				
Dividends payable	(9)	(664)	0	(656)
Received loans	(1,055)	0	(1,055)	0
Loans received	3,523	3,878	3,523	3,640
Payment of loans	(1,413)	(1,951)	(1,360)	(1,952)
Interest paid	(452)	(251)	(448)	(247)
Inflows from government grants	0	0	0	0
Net Cash flows from financing activities	**594**	**1,012**	**660**	**785**
Net (decrease)/ increase in cash and cash equivalents	**2,523**	**1,029**	**2,546**	**862**
Cash and cash equivalents at the beginning of the period	5,289	4,261	5,117	4,254
Effect from foreign exchange differences	(7)	(1)	0	0
Cash and cash equivalents at the end of the period	**7,806**	**5,289**	**7,663**	**5,116**

The accompanying notes constitute an inseparable part of these financial statements.

Amounts in thousand euro

1. General Information on the Company and Group

The Group operates in the sector of producing flexible plastic packaging items mainly for the food industry but also for other advanced special applications.

The Company "FLEXOPACK SOCIÉTÉ ANONYME COMMERCIAL AND INDUSTRIAL PLASTICS COMPANY" specifically is active in the production of flexible plastic packaging materials that broadly appeal to many sectors, the main of which are the food packaging sector. The Company has developed advanced know-how in the production of multiple layer packing films, holding the leading position in the Greek market as the competition comes from a limited number of companies that are active abroad.

The Company was initially established as a General Partnership in 1979 in Koropi Attica. In 1998 it is converted from a General Partnership to a Société Anonyme, its current form, under the corporate name "FLEXOPACK SOCIÉTÉ ANONYME COMMERCIAL AND INDUSTRIAL PLASTICS COMPANY", according to L. 1297/1972 and C.L. 2190/1920 (Gov. Gazette11/5.1.1989, S.A. and L.T.D. issue). The company's base (constitutive and administrative) is located at the Municipality of Koropi Attica, at the position Tzima (Postal Code 194 00, tel.: + 30 210 6680000) and is registered in the Société Anonyme Registrar with registration number 18563/06/B/88/14. Its duration has been set to 50 years, namely until 2038.

The company's building facilities are located at the Tzima position in Koropi Attica, in two self-owned plots with a total area of 19,695 sq. m. The total useful area of the building facilities amounts to 15,000 sq. m.
From September 19th 1995 the Company operates and is a holder of the ISO 9001 quality assurance certificate with No. 106563 for research, development, production, distribution and technical support of its products. The aforementioned certificate has been granted to the Company from the company Bureau Veritas Quality International.
Furthermore, in April 2003 the Company was certified with the new hygiene standard, the British Retail Consortium (BRC). This standard – with pan European recognition – introduces very high hygiene, products security and quality demands.
The Company's shares are listed and traded on the Athens Exchange from April 1996.

2. Basis for the preparation of the financial statements

The consolidated and individual financial statements of FLEXOPACK PLASTICS SA of December 31st, 2011 covering the period from January 1st up to December 31st, 2011 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as such have been adopted by the European Union.
Also, the financial statements have been prepared based on the historic cost principle and the going concern principle.
The consolidated financial statements of the Company include the financial statements of the parent Company FLEXOPACK PLASTICS SA, as well as those of its subsidiaries FESCOPACK Sp.zo.o and FLEXOSYSTEMS Ltd Belgrade, on which FLEXOPACK SA exercises control. (The Group).
The financial statements are expressed in thousand euro.
It is noted that any differences in summations of the accompanying financial statements and analysis are due to rounding.
The accounting principles, based on which the accompanying financial statements have been prepared and which the Group applies systematically, are consistent with those applied in the previous financial year.

2.1 Significant accounting judgments, estimations and assumptions

The preparation of financial statements according to IFRS requires management to make decisions, perform estimations and use assumptions that affect the amounts presented in the financial statements, the assets, liabilities, as well as the disclosure of contingent assets and liabilities during the preparation date of the financial statements and the published income and expenses amounts for the reporting period. The actual results may differ from such estimations.
Estimations and judgments by the Management are continuously evaluated and are based on empirical data and other factors, such as expectations for future events considered probable under specific conditions.
Specific amounts which are included or affect the financial statements, and the relevant disclosures, must be estimated. During the estimations, assumptions must be created as regards to the values or conditions that cannon be known with certainty during the preparation period of the financial statements. An important accounting estimation is considered as one that is important for the depiction of the company's financial position and results and demands the most difficult, subjective or complicated judgments by management, often as a result of the need to create estimations regarding the effect of assumptions which are uncertain. The Group evaluates such estimations on a constant basis, based on the results of the past and based on experience, meetings with specialists, trends and other methods that are considered appropriate under the specific circumstances.
The significant accounting judgments, estimations and assumptions that refer to data, the evolution of which could affect the financial statements' accounts, are the following.

Income taxes of tax un-audited fiscal years
The provision for income tax, according to IAS 12, is calculated by estimating the taxes that will be paid to the tax authorities and includes the current income tax for each fiscal year.
For fiscal year 2011 and onwards, Greek Societe Anonyme Companies and Limited Liability Companies whose annual financial statements must be audited, are obliged to receive an "Annual Tax Certificate" in accordance with par. 5 of article 82 of L.2238/1994, which is issued after a tax audit conducted by the same Legal Auditor or audit firm that audits the annual financial statements. After the tax audit is completed, the Legal Auditor or audit firm issues a "Tax Compliance Report" for the company and subsequently the Legal Auditor or audit firm submits such electronically to the Ministry of Finance the latest ten days after the final approval date of the company's financial statements by the General Meeting of Shareholders. The Ministry of Finance will select a sample of companies representing at least 9% of the total to be audited by the relevant audit services of the Ministry. This audit must be completed in a period not longer than eighteen months from the date the "Tax Compliance Report" was submitted to the Ministry.

Estimated impairment of goodwill
The Group annually reviews the impairment of goodwill, when events or conditions indicate possible impairment. The recoverable amounts of cash flow generating units are set based on estimations of the value in use. Additional information is provided in paragraph 3.4.

Useful life of tangible fixed assets
The Management makes certain estimations regarding the useful life of depreciated fixed assets. For more information see paragraph 3.3.

Provisions
Doubtful accounts are presented with the amounts likely to be recovered. When it is known that a specific account is subject to a larger risk than the normal credit risk, then the account is analyzed and is registered as doubtful if conditions indicate that the receivable is non-collectable.

2.2 New accounting standards, interpretations and amendment of existing standards

The International Accounting Standards Board (IASB) as well as the International Financial Reporting Interpretation Committee (IFRIC), have already issued a series of new accounting standards and interpretations, while they have also revised previous standards, which are mandatory for accounting periods beginning on or after January 1st 2011.
The Company's assessment regarding the effect from the application of the new standards and interpretations on the financial statements of the Group and Company, is presented below.

2.2.1. Standards and Interpretations in effect during 2011

IAS 24 (Amendment) "Related party disclosures"
The present amendment attempts to relax the disclosures of transactions between government-related entities and to clarify the definition of a related party. Specifically, the obligation of government-related entities to disclose details of all transactions with the government and other government-related entities is repealed, the definition of a related party is clarified and simplified and the amendment also imposes the disclosure not only of the relationships, transactions and balances between related parties but also of the commitments both in the separate and in the consolidated financial statements. This amendment does not apply to the Group.

IAS 32 (Amendment) "Financial instruments: Presentation"
The amendment provides clarification regarding the manner in which specific rights must be classified. Specifically, rights, stock options or warrants for the acquisition of a specific number of equity instruments of the entity for a specific amount of any currency are considered as equity instruments if the entity provides such rights, options or warrants proportionately to all existing shareholders of the same category of non-derivative equity instruments. This amendment has no effect on the financial statements of the Group.

IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"
IFRIC 19 refers to the accounting treatment applied by the entity that issues equity instruments to a creditor, in order to settle, in full or in part, a financial liability. The interpretation does not apply to the Group.

IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"
The amendments apply to limited cases: when the entity is subject to a minimum funding requirement and proceeds with an advance payment of contributions to cover such requirements. The amendments allow such an entity to face the benefit from such an advance payment as an asset. The interpretation does not apply to the Group.

Amendments to standards that are part of the IASB (International Accounting Standards Board) annual improvement plan for 2010

The following amendments describe the most important changes introduced to IFRS following the results of the IASB annual improvement plan that was published in May 2010. Unless stated otherwise, the amendments have no significant effect on the Group's financial statements.

IFRS 3 "Business Combinations"
The amendments provide additional clarification as regards to: (a) contingent consideration agreements that result from business combinations with acquisition dates prior to the application of IFRS 3 (2008), (b) the calculation of the non-controlling interest, and (c) the accounting treatment of share-based payments that are part of a business combination, including awards based on shares and that were not replaced or indirectly replaced.

IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications regarding the disclosures of financial instruments.

IAS 1 "Presentation of Financial Statements"
The amendment clarifies that entities may present the analysis of the individual items in total comprehensive income either in the statement of changes in equity or in the notes.

IAS 27 "Consolidated and Separate Financial Statements"
The amendment clarifies that the amendments of IAS 21, IAS 28 and IAS 31 that emanate from the revision of IAS 27 (2008) must be applied in the future.

IFRS 34 "Interim Financial Reporting"
The amendment put the largest emphasis on the disclosure principles that must be applied in relation to significant events and transactions, including the changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRS 13 "Customer Loyalty Programs"
The amendment clarifies the definition of the term "fair value", in the context of the measurement of customer loyalty programs.

Standards and Interpretations mandatory for periods beginning on or after 1 January 2012

IFRS 9 "Financial instruments" (applied for annual accounting periods beginning on or after 1 January 2015)
IFRS 13 "Fair Value Measurement" (applied for annual accounting periods beginning on or after 1 January 2013)
IFRIC 20 "Stripping costs in the production phase of a surface mine" (applied for annual accounting periods beginning on or after 1 January 2013)
IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (applied for annual accounting periods beginning on or after 1 July 2011)
IAS 12 (Amendment) "Income tax" (applied for annual accounting periods beginning on or after 1 January 2012)
IAS 1 (Amendment) "Presentation of Financial Statements" (applied for annual accounting periods beginning on or after 1 July 2012)
IAS 19 (Amendment) "Employee Benefits" (applied for annual accounting periods beginning on or after 1 January 2013)
IFRS 7 (Amendment) "Financial Instruments: Disclosures" (applied for annual accounting periods beginning on or after 1 January 2013)
IAS 32 (Amendment) "Financial Instruments: Presentation" (applied for annual accounting periods beginning on or after 1 January 2014)

3. Basic accounting principles

The accounting principles based on which the accompanying financial statements have been prepared, and which are consistently applied by the Group, are presented as follows.

3.1 Consolidation

Subsidiaries

All companies that are managed or controlled, directly or indirectly, by another company (parent) either through the holding of majority voting rights in the undertaking or, in the case where there is no majority shareholding, through agreement of the Company with the other shareholders in the undertaking. That is to say that subsidiaries are companies in which control is exercised by the parent. Subsidiaries are consolidated completely (full consolidation) with the purchase method from the date that control over them is acquired and cease to be consolidated from the date that this control no longer exists.
The acquisition cost of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked directly in the results.
Inter-company transactions, balances and unrealized profits from transactions between Group companies are written-off. Unrealized losses are also eliminated except if the transaction provides indication of impairment of the transferred asset.
The participations in subsidiaries, are measured at acquisition cost minus any impairment losses in the Company's financial statements.
The accounting principles of subsidiaries have been adjusted when deemed necessary in order to ensure consistency with the accounting principles adopted by the Group. The preparation date of the financial statements of subsidiaries coincides with that of the parent Company.
Non-controlling interests represents the percentage of profit or loss and equity that don't correspond to the Group and are presented separately in the consolidated income statements as well as in a separate line in equity in the consolidated of financial position.

Associate companies

Associates are companies on which the Group can exercise significant influence but not control. The assumptions used by the group imply that a holding of between 20% and 50% of a company's voting rights suggests significant influence on the company. In the financial statements of the Company, investments in associates are measured at acquisition cost minus impairment losses, while in the consolidated financial statements associates are consolidated with the equity method.
The Group's share in the profit or losses of associate companies after the acquisition is recognized in the results, while the share of changes in reserves after the acquisition is recognized in reserves. When the Group's share in the losses of an associate is equal or larger than its participation in the associate, including any other doubtful debts, the Group does not recognize any further losses, except if it has covered liabilities or made payments on behalf of the associate company.
Unrealized profits from transactions between the Group and its associates are eliminated according to the percentage of the Group's holding in the associates. The accounting principles of the associates have been amended so as to conform with those adopted by the Group.

3.1.1 Group Structure and consolidation method

The Group's companies with the respective addresses, and percentages by which the Group participates in their share capital, as well as the respective consolidation method in the consolidated financial statements, are presented below.

Name	Domicile	Activity	Participation % 31/12/2011	Participation % 31/12/2010	Type of Participation	Relationship that dictated the consolidation	Year of Acquisition
Full Consolidation Method							
FLEXOPACK SA	Koropi - Attica		Parent				
FESCOPACK Sp. zo.o	Malbork Poland	Production of Flexible plastic packaging	75.00	75.00	Direct	The participation percentage	2007
FLEXOSYSTEMS LTD BELGRADE	Serbia	Trade of Flexible plastic packaging	100.00	100.00	Direct	The participation percentage	2010
Equity Consolidation Method							
VLAHOU BROS SA PRODUCTION OF PACKAGING - TRADE - REPRESENTATIONS	Koropi - Attica	Production of Flexible plastic packaging	47.55	47.55	Direct		2001
INOVA SA PLASTICS AND IRON	Thiva	Production of Rigid plastic packaging	50.00	50.00	Direct		2001

3.2 Operation and presentation currency and foreign currency translation

Euro is the Group's and Company's presentation and operation currency. Foreign exchange transactions are translated to euro based on the exchange rates in effect at the transaction dates. At the date when the financial statements are prepared, receivables and liabilities in foreign currency are translated in order to reflect the foreign exchange rates at the balance sheet date.
Profit and losses deriving from transactions in foreign currencies as well as from the valuation of foreign currency units at the end of the year are included in the income statement, with the exclusion of transactions that fulfill the conditions of cash flow hedging, which are depicted in the statement of comprehensive income.
The operating currency of the foreign subsidiaries is the official currency of the country which each company operates in. For foreign subsidiaries which do not operate in the euro area, the conversion of their financial statements will be as follows.
Assets and liabilities are translated with the exchange rates in effect during the date of the statement of financial position.
Equity is translated with the exchange rates in effect during the dates when such resulted.
Income and expenses are translated with the average exchange rate during the period. The resulting foreign exchange differences from the above translation are registered in the statement of comprehensive income until the sale, write-off of a subsidiary, when such are transferred to the results.

3.3 Tangible fixed assets

Tangible fixed assets are reported in the financial statements at acquisition cost, less accumulated depreciations and any accumulated impairment losses. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Amounts in thousand euro

Subsequent expenditure is added to the carrying value of the assets or is booked as a separate asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately measured.
The cost of repairs and maintenance is booked in the results when such are realized.
Tangible assets under construction include fixed assets under construction and are presented at cost.
Tangible assets under construction are not depreciated until the asset is completed and ready for its intended productive operation.
Land is not depreciated. Depreciation of other tangible fixed assets is calculated using the straight line method over their useful lives, as follows:

- Buildings: Up to 50 years
- Mechanical equipment: 5-21 years
- Vehicles: 5-8 years
- Other equipment: 3-7 years

Upon sale of tangible fixed assets, any difference between the proceeds and the carrying value are booked as profit or loss in the results.

3.4 Goodwill

Goodwill is the difference between acquisition cost and the net assets that were acquired during the acquisition date. The resulting acquisition expenses are accounted for in expenses. The Company during the acquisition date recognizes the goodwill that resulted from the acquisition, presenting such as an asset at cost. Following initial recognition, goodwill is valued at cost less the cumulative losses due to impairment. Goodwill is not amortized however it is reviewed annually for any impairment, or even more frequently if there are events that indicate loss. Impairment losses related to goodwill cannot be reversed in subsequent periods.
In the case where the fair value of equity during the acquisition date of a company is larger than the price paid for its acquisition then a negative goodwill (income) is recorded directly as income in the income statement.

3.5 Intangible assets

Intangible assets are presented in the financial statements at acquisition cost minus accumulated amortization and any accumulated impairment losses.
Amortization is calculated with the straight line method through the duration of their useful economic life.
Intangible assets comprise know-how rights, patents, cost for the development of new products and software licenses.
a) Know-how rights concern the purchase of a patent right and of all the applications of the patent of the patent right group based on the "multiple layer heat-shrinkable packing film", with all the rights and obligations stemming thereof. The initial recognition of the intangible asset has been done at cost (contractual consideration for purchase) which is reduced on an annual basis through amortization. The useful life of the intangible asset has been estimated by the Management to be 20 years. It is noted that this right may become the object of a trade in the future.
b) Cost for the development of patents related to various products such as multiple-layer packing film, which are exported to various countries and amortized based on their useful life as this is estimated by Management at 20 years. The initial recognition is made at acquisition cost which is reduced annually through amortization.
c) Expenses related directly to research, which includes the cost of raw materials used. The cost of in-house research of products is recognized as an intangible asset. Until the completion of the research, assets are subject to impairment reviews. Amortization begins with the completion of the asset and is calculated based on the straight line method. The useful life of the above intangibles is estimated by Management at 10-20 years.
The expenses related to research activities are recognized as expenses during the period. Expenses realized during the research phase of a new product are recognized as intangible assets if the following are met:

• the technical viability of the under development product for internal use or sale may be proven.
• the intangible asset will create potential future benefits from the internal use or sale.
• there are adequate and available technical, economic and other resources for the completion of its development and
• the value of intangible asset may be reliably estimated.

d) Software: Software licenses are valued at acquisition cost less amortization. Amortization is effected using the straight line method throughout the useful life of these assets which ranges from 1 to 3.5 years.

3.6 Impairment of Assets

The Group examines at each balance sheet date whether and to what extent there are indications that the value of an asset may be impaired. Apart from goodwill and intangible assets with an indefinite economic life, which are reviewed for impairment annually, the carrying values of other assets are subject to an impairment review when events or changing conditions imply that their carrying value may not be recoverable. The impairment loss of an asset is recorded as an expense in the income statement when the net book value of the asset is higher than its recoverable value. The recoverable value is defined as the highest between the fair value less the cost of sale and the value in use of the asset. Fair value less the cost of sale is the amount that can be received from the sale of an asset in the context of a bilateral agreement where both parties have full knowledge and proceed on their own will, after the deduction of any additional direct cost for the sale of the asset. Value in use is the present value of the estimated future cash flows expected to be generated as result of the asset's constant use and sale at the end of its useful life. For the purposes of determining the impairment, assets are grouped at the lowest possible level for which separate cash flows can be determined.

3.7 Trade receivables

Short term receivables accounts are presented at their nominal value following provisions for any non receivable balances, whereas long term receivables (balances beyond the year) are valued at net book cost with the effective interest rate method.

Provision for doubtful receivables is recorded when the Company is not likely to receive the aggregate amount due. The balance of the particular provision for doubtful receivables is adjusted accordingly in the balance sheet closing date of each year in order to reflect any possible relevant risks. Every deletion of customer balances is debited against the existing provision for doubtful receivables. The Group's policy is not to delete any customer receivable until all possible legal measures have been taken in order to receive the payment.

The provision amount is recorded as expense in other operating expenses in the income statement.

3.8 Inventories

Inventories include raw and auxiliary materials, packaging items, consumables, spare parts, finished and semi-finished products and merchandise.

The cost of inventories includes all the purchasing and manufacturing expenses as well as the expenses that were realized in order to render the inventory at its current position and condition. The cost of inventories does not include financial expenses.

At the balance sheet date, inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of business of the company less any relevant sales expenses.

The cost of inventories is defined by the weighted average cost method.

3.9 Financial assets:

Financial assets that fall under the provisions of IAS 39 are classified according to their nature and features in one of the following four categories:
• Financial assets at fair value through results,
• Receivables and loans,
• Investments held to maturity, and
• Investments available for sale
These financial assets are initially recognized at acquisition cost which usually represents fair value.
The classification of the above financial assets is implemented after the initial recognition and whenever possible, is reviewed and adjusted on an interim basis.

(i) Financial assets or liabilities at fair value through profit of loss

a) Such are held for trading and are expected to be sold in the immediate future, b) Such also include derivative assets unless such are defined as hedging instruments. Profit or losses from the valuation of particular items are recorded in the results.
The Group did not hold such type of investments at the balance sheet date.

(ii) Receivables and loans

Receivables and loans created from the Group's activity, are valued at net book cost with the effective interest method. Profit and losses are recorded in the results when the relevant items are deleted or impaired.

(iii) Financial assets held to maturity

Financial assets with determined flows and predetermined maturity are classified as held to maturity when the Group intends and has the ability to hold such until maturity. Financial assets held for an indefinite or undetermined period cannot be classified in this category. Financial assets held to maturity, after initial recognition, are valued at net book cost based on the effective interest rate method. Profit and losses are recorded in the income statement when the relevant items are deleted or impaired.
The Group did not hold such type of investments at the balance sheet date.

(iv) Financial assets available for sale

Financial assets that cannot be classified in any of the above categories are characterized and classified as assets available for sale. Following initial recognition, financial assets available for sale are valued at fair value and the resulting changes in fair value are directly recorded in a reserve (equity). Upon sale or write-off or impairment of the investment, the cumulative profit and losses are recorded in the results.
The fair value of financial assets that are traded on organized markets results from the market value of the investment during the end of the reporting period. With regard to financial assets not traded in an active market, the fair value is calculated with relevant valuation techniques. Such techniques are based on recent bilateral transactions of similar investments with reference to the market value of another investment with similar characteristics with the ones of the investment which is to be valued, discounted cash flow analysis and other investment valuation models.
As of the balance sheet date, the Group did not hold any such type of investments.

3.10 Financial Derivatives

All financial derivatives are initially recorded at fair value during the settlement date and subsequently are valued at fair value. Changes in fair value are recorded in the results unless hedge accounting is applied. The fair value of financial derivatives is defined by the price of such in an active market, or by using valuation techniques in cases where there is no active market for such instruments.
During 2011 the Group used forward foreign exchange contracts to hedge foreign exchange risks (Cash flow risk hedging).
Specifically, the Group made agreements with a bank for derivative products, in order to minimize the risk relating to amounts that are payable in foreign currency and which resulted from the purchase of machinery realized abroad.

Using the above derivatives for hedging of cash flow risk meets the conditions for hedge accounting according to the provisions of IAS 39 "Financial instruments: recognition and measurement" and therefore, any change in their fair value is recorded in the statement of comprehensive income and through such are recognized in the "hedging reserve" of equity.

3.11 Cash & cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term time deposits. Cash & cash equivalents have negligible market risk.

3.12 Share capital

The share capital depicts the nominal value of the common shares issued and outstanding. The price paid above nominal value per share is recorded in the account "Share Premium" in Equity. Direct expenses paid for the issuance of new shares or rights are recorded in equity as a deduction from the amounts of the issue.

3.13 Loans

Loans are initially recognized at cost, namely at the fair value of the amount received, less any possible direct costs for the realization of the transaction. Subsequently, loans are valued at net book cost based on the effective interest rate method. The borrowing cost is recognized in the results of the period when such is realized.
Borrowing cost that is directly linked to the purchase or construction of an asset, which requires a significant period in order to render such ready for use, is capitalized as part of the asset's acquisition cost. From the beginning of the fixed asset's production operation and after, the loan's interest are charged in the results.
Loan liabilities are classified as short-term except for the cases where the Group has the right to postpone the payment of the liability for at least 12 months after the balance sheet date.

3.14 Income tax (Current and deferred)

The period charge for income tax consists of current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but which have been or will be assessed by the tax authorities in different periods.
Current income tax is calculated based on the tax balance sheets of each company included in the financial statements according to the tax law which is in effect in Greece or other tax regimes which foreign subsidiaries operate in. The expense for the current income tax includes the income tax resulting from the earnings of each consolidated company, as it is revised in its tax statements, as well as provisions for additional taxes and surcharges for non tax audited years. It is based on the legally effective tax rates as of the balance sheet date.
Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets and liabilities.
Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up during the balance sheet date.
Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.

3.15 Employee benefits

Short-term benefits

Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment Benefits

According to Law 2112/20, the Company pays to employees compensation as a lump sum due to retirement or dismissal. The level of the paid indemnity depends on the years of service, the level of remuneration and whether it is due to retirement or dismissal.

In Greece, the indemnity payable in the case of retirement equals with 40% of the indemnity that would be payable in case of dismissal.

The relevant liability for employee indemnities recorded in the balance sheet is the present value of the commitment for the defined benefit less the changes deriving from the non recognized actuarial profit and loss and the service cost. The commitment for the defined benefit is calculated by an independent actuarial officer with the use of the projected unit credit method. The liability is defined by taking into consideration several parameters such as age, service years, salary and specific obligations for paid benefits.

The provisions corresponding to the current financial year are recorded in the income statement.

Apart from the above, the Company and Group do not have legal or implied liabilities of long term nature towards employees.

3.16 Government Grants

The Group recognizes the government grants that cumulatively satisfy the following criteria: (a) There is reasonable certainty that the company has complied or will comply with the conditions of the grant and (b) it is certain that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

Amortization of grants is presented in "Other operating income" in the Income Statement.

3.17 Provisions for contingent claims-liabilities

Provisions are recognized when the Group has present obligations (legal or constructive) as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed at the end of each reporting period so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources is very small.

Contingent claims are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.18 Recognition of income

Income includes the fair value of goods and services sold, net of Value Added Tax, discounts and returns. Inter-company income within the Group is eliminated completely. The recognition of income is done as follows:

Income from sales of goods is recognized when the significant risks and benefits emanating from ownership of the goods are transferred to the buyer and the collection of the resulting claim is reasonably assured.

Income from provision of services is recognized according to the completion stage of the services rendered as of the balance sheet date compared to the total services to be provided, and the Company has ensured the receipt of the amounts payable.

Interest income is recognized on a time proportion basis using the effective interest rate.

Income from dividends are recognized upon approval from the appropriate bodies of the companies that distribute them.

3.19 Leases

Operating Leases: Leases where the lessor essentially maintains all benefits and risks emanating from ownership of the asset are classified as operating leases. The lease payments for operating leases are recorded as an expense in the results systematically during the lease period.
Financial Leases: Leases that transfer to the Group essentially all risks and benefits emanating from the leasing of the asset, are capitalized during the start of the lease at the fair value of the leased asset or in case the asset's value is lower, at the present value of the minimum leases. The Company and the Group had no financial leases as of December 31st 2011.

3.20 Dividend distribution

The distribution of dividends to shareholders of the parent Company is recognized as a liability in the financial statements at the date on which the distribution is authorized by the General Shareholders Meeting.

3.21 Earnings per Share

Basic earnings per share are calculated by dividing the year's net earnings corresponding to the common shareholders with the weighted average number of shares outstanding during the same year.
There are no convertible bonds to shares or other securities that may be converted into shares and which would dilute the earnings of the year which the accompanying financial statements refer to, and therefore diluted earnings per share have not been calculated.

4. Segment reporting

The Group is active in the production of flexible plastic film packing materials and its total turnover results from this segment.

Given that the conditions for application of I.F.R.S. 8 "Operating Segments" are not met, and specifically the condition (b) and (c) of paragraph 5 of the Standard are not met, the Group's activities are presented as one segment.
The above conditions define that an operating segment constitutes part of the company: a) for which operating results are reviewed regularly by the "Chief Operating Decision Maker", which corresponds to the parent company's Board of Directors for the Group, in order to make decisions regarding the allocation of resources and to assess its effectiveness and b) for which separate financial information is available.

The geographical allocation of the Group's sales and assets is presented in the following table.

GROUP

1/1-31/12/2011	GREECE	EUROPE	OTHER COUNTRIES	Intra-Group Write-offs	TOTAL
Income from external customers	13,103	21,076	13,294	0	**47,473**
Assets	64,168	1,818	0	(1,692)	**64,294**
Purchases of Fixed Assets	2,002	42	0	0	**2,044**

GROUP

1/1-31/12/2010	GREECE	EUROPE	OTHER COUNTRIES	Intra-Group Write-offs	TOTAL
Income from external customers	11,850	20,344	12,966	0	**45,160**
Assets	64,268	1,864	0	(1,363)	**64,769**
Purchases of Fixed Assets	2,408	246	0	0	**2,654**

Amounts in thousand euro

5. Risk management

Given its exporting activities, the Group operates within an intense competitive global environment. The Group's general activities create several financial risks, including exchange rate risk, interest rate risk, credit and liquidity risk. The Group's overall risk management program focuses on the volatility of financial markets and aims at minimizing the potential adverse effects of such volatility on the financial performance of the Group.
The Group's financial assets and financial liabilities mainly consist of cash & cash equivalents, trade and other receivables, bank loans, as well as liabilities towards suppliers and related liabilities.
The fair values of trade receivables and liabilities, as well as cash & cash equivalents do not differ significantly from their book values.
Also, all of the Group's bank loans are under floating interest rates and therefore their fair values do not differ significantly from their book values.
Risk management is monitored by the finance department and is designed in the context of rules approved by the Board of Directors. The finance department defines and evaluates the financial risks related to the Group's activities and acts accordingly for the management of such, according to specific guidance and instructions received by the Board of Directors to handle each specific risk.

I. The usual Financial risks to which the Group is exposed, are as follows:

A. Exchange rate risk

The Group operates on a global level and realizes transactions in foreign currency, mainly a) in U.S. dollars (U.S.D.) due to the Company's exports and b) in Polish zlotys (PLN) due to the subsidiary Company FESCOPACK Sp.z.o.o which operates in Poland.
The Group's exposure to foreign exchange risk mainly emerges from existing or expected cash flows in foreign currency (exports-imports), as well as from investments in foreign operations whose equity is exposed to exchange rate risk during the translation of their financial statements for consolidation purposes.
The Group's priced sales as at 31/12/2011 in foreign currency represent 12.63% of total sales, from which 3.66% concerned sales in U.S.D., 6.64% sales in PLN and the remaining 2.33% sales in other foreign currencies.
The hedging of part of the foreign exchange risk that emanates from exports in foreign currency (U.S.D.) can be applied with the use of natural hedging instruments, namely by the maintenance of liabilities towards foreign suppliers in the same currency.
Forwards in foreign currency, foreign exchange futures, as well as loans in foreign currency, can be used according to the needs.
The following table presents the effect on earnings before tax and equity, from a possible 5% change in the euro/dollar and euro/zloty exchange rates on 31/12/2011, compared to the average exchange rate during 2011, with all other variables constant.

Sensitivity Analysis for Foreign Exchange Changes				
GROUP				
	Foreign currency	**Increase / decrease of foreign currency against €**	**Effect on earnings before taxes**	**Effect on equity**
Amounts for 2011	USD	5.00%	55	44
		-5.00%	-55	-44
	PLN	5.00%	104	105
		-5.00%	-104	-105
Amounts for 2010	USD	5.00%	68	55
		-5.00%	-68	-55
	PLN	5.00%	85	95
		-5.00%	-85	-95

Amounts in thousand euro

The Group monitors the movements of the above exchange rates closely and updates the above analysis regularly. Nevertheless, given the fact that pricings in foreign currency represent a relatively low percentage, exchange rate risk is currently assessed as controlled.

D. Cash flow risk due to changes in interest rates

The Group's cash flows are affected by changes in interest rates, particularly following the steep increase in the cost of capital during 2011, however the Group's relatively low level of net bank debt renders this risk as controlled.
Specifically, the existing ratio between net bank debt and total equity of the Group on 31/12/2011 corresponds to 4.76%.
The Group's bank debt is linked to floating interest rates.
The following table presents the changes on the Group's earnings before tax (through the effects of loan balances with a floating interest rate at the end of the year on earnings) from possible interest rate changes compared to the weighted average interest rate for 2011, with all other variables constant.

Sensitivity Analysis of the Group's Loans to Interest Rate Changes

Interest and expenses on received bank loans			
GROUP	**Interest rate change**	**Effect on earnings before taxes**	**Effect on equity**
Amounts for 2011	1%	-97	-78
	-1%	97	78
Amounts for 2010	1%	-76	-61
	-1%	76	61

C. Credit risk
The Group is not exposed to significant credit risk. Trade receivables stem from a wide client base. The Group's turnover mainly consists of transactions with reliable and creditworthy firms and companies in general, with which it sustains a long-term collaboration. As regards to sales with new customers, the Company ensures that such sales take place towards customers with a positive and rated credit history.
On this basis and in conjunction with the existing experience and continuous monitoring of the credit ability of each customer-counterparty the Group trades with, credit risk is estimated at relatively low levels.
It should be noted that the Group has established and applies credit control procedures that aim at minimizing bad debt. The Credit Control Department defines credit limits per customer and specific sales and payment terms are applied. Possible security is requested, when possible. The Group continuously and systematically monitors the performance and financial position of its customers, in order to be pro-active and to evaluate the need to take specific measures per customer, also according to the market characteristics and difficulties where each customer operates in.
It is noted that credit risk, even though present, particularly in relation to customers that operate financially in countries whose economies have significantly been affected by the economic crisis, is currently assessed, according to historic data recorded by the Group as well and also according to the aforementioned pro-active measures taken, as limited and controlled.

Amounts in thousand euro

On December 31st 2011, the maturity of trade receivables was as follows:

Trade receivables	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Up to 3 months	8,877	9,694	9,079	9,751
Between 3 and 6 months	675	463	664	461
Between 6 months and 1 year	264	15	242	15
Over 1 year	2	12	0	0
Total	**9,818**	**10,184**	**9,985**	**10,227**
Non overdue and non-impaired	9,087	9,694	9,289	9,751
Overdue and non-impaired	731	490	696	476
Total	**9,818**	**10,184**	**9,985**	**10,227**

D. Liquidity risk

In General, the monitoring of liquidity risk is focused on systematic monitoring and effectively managing cash inflows and outflows on a constant basis, in order for the Group to be able to meet its cash liabilities.
Liquidity risk is maintained at low levels by holding and ensuring adequate cash balances, while it should also be noted that there are adequate unused credit lines with financial institutions, in order to face any possible shortage in cash, which however have not been used until today.
According to the above, liquidity risk is currently not assessed as capable to affect the Group's activity and development in any way.

The following table summarizes the maturity dates of financial liabilities as at December 31st 2011, according to payments derived from the relevant loan agreements, in non-discounted prices.

Financial Liabilities

GROUP 2011	up to 6 months	6 to 12 months	1 to 5 years	> 5 years	Total
Bank Debt	3,724	1,213	4,792	0	9,729
Suppliers and related liabilities	8,616	0	0	0	8,616
Taxes payable	121	362	0	0	483
Total	**12,461**	**1,575**	**4,792**	**0**	**18,828**
GROUP 2010	**up to 6 months**	**6 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Bank Debt	710	710	4,026	2,200	7,646
Suppliers and related liabilities	12,162	148	0	0	12,310
Taxes payable	264	717	0	0	981
Total	**13,136**	**1,575**	**4,026**	**2,200**	**20,936**

Amounts in thousand euro

E. Capital Management

The Group's objectives in relation to capital management are the smooth operation of its business activities, ensuring financing for its investment plans and the optimal allocation of capital in order to decrease the cost of capital.
For the purpose of capital management, the Group monitors the following ratio:
"Net debt to Total Employed Capital"

Net bank debt is calculated as total short-term and long-term interest-bearing debt minus total cash & cash equivalents.
Total employed capital is calculated as total net debt plus total equity.

For financial years ended on December 31st 2011 and 2010 respectively, the above financial ratios evolved as follows.

	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term bank debt	4,792	6,226	4,676	6,036
Short-term bank debt	4,937	1,420	4,883	1,360
Total Bank Debt	9,729	7,646	9,559	7,396
Minus: Cash & cash equivalents	7,806	5,289	7,663	5,117
Net Bank Debt (1)	**1,923**	**2,357**	**1,896**	**2,279**
Total equity (2)	**40,414**	**38,455**	**40,616**	**38,341**
Total employed capital (1)+(2)	**42,337**	**40,812**	**42,512**	**40,620**
Net bank debt / Total employed capital	**4.5%**	**5.8%**	**4.5%**	**5.6%**

The Group may affect its capital structure, by repaying part of its debt or receiving additional debt, by increasing its share capital or returning capital to shareholders and by distributing or not distributing dividends.

Amounts in thousand euro

6. Notes on the Financial Statements

6.1 Tangible fixed assets

The Group's tangible fixed assets are analyzed as follows.

						GROUP
Tangible fixed assets	**Plots**	**Buildings**	**Mechanical equipment**	**Vehicles, furniture and Other equipment**	**Assets under construction**	**Total**
Acquisition Cost as at January 1st 2010	4,554	9,158	34,055	2,120	3,074	52,961
Accumulated Depreciations	0	(1,726)	(14,951)	(1,551)	0	(18,228)
Book value as at January 1st 2010	**4,554**	**7,433**	**19,104**	**568**	**3,074**	**34,733**
Additions	0	131	176	163	1,983	2,453
FX differences	0	5	10	2	4	21
Transfers	19	21	4,264	54	(4,358)	(0)
Sales - Reductions	0	(30)	(1,013)	(43)	0	(1,086)
Depreciations of the current period	0	(252)	(2,517)	(148)	0	(2,916)
FX differences of depreciations	0	(1)	(2)	(1)	0	(4)
Depreciations of sold , written-off goods	0	26	649	43	0	718
Acquisition Cost as at December 31st 2010	4,573	9,286	37,492	2,296	703	54,350
Accumulated Depreciations	0	(1,952)	(16,821)	(1,657)	0	(20,429)
Book value as at December 31st 2010	**4,573**	**7,335**	**20,671**	**639**	**703**	**33,920**
Additions	0	175	93	74	1,526	1,868
FX differences	(3)	(19)	(38)	(13)	(27)	(100)
Transfers	8	256	1,102	3	(1,387)	(18)
Sales - Reductions	0	0	0	(87)	0	(87)
Depreciations of the current period	0	(241)	(2,677)	(142)	0	(3,059)
FX differences of depreciations	0	3	12	4	0	19
Depreciations of sold , written-off goods	0	1	0	87	0	88
Acquisition Cost as at December 31st 2011	4,579	9,698	38,649	2,273	814	56,013
Accumulated Depreciations	0	(2,188)	(19,486)	(1,708)	0	(23,382)
Book value as at December 31st 2011	**4,579**	**7,510**	**19,163**	**565**	**814**	**32,631**

The Group has no tangible fixed assets under financial leasing.
There are no charges on the property of the parent Company and its subsidiaries.

Amounts in thousand euro

The Company's tangible fixed assets are analyzed as follows.

						COMPANY
Tangible fixed assets	**Plots**	**Buildings**	**Mechanical equipment**	**Vehicles, furniture and Other equipment**	**Assets under construction**	**Total**
Acquisition Cost as at January 1st 2010	4,548	8,998	33,612	2,055	2,956	52,169
Accumulated Depreciations	0	(1,706)	(14,755)	(1,522)	0	(17,982)
Book value as at January 1st 2010	**4,548**	**7,292**	**18,858**	**533**	**2,956**	**34,187**
Additions	0	131	176	159	1,741	2,207
Transfers	0	10	4,237	0	(4,247)	0
Sales - Reductions	0	(30)	(1,013)	(43)	0	(1,086)
Depreciations of the current period	0	(243)	(2,475)	(141)	0	(2,859)
Depreciations of sold , written-off goods	0	26	649	43	0	718
Acquisition Cost as at December 31st 2010	4,548	9,110	37,012	2,170	450	53,290
Accumulated Depreciations	0	(1,923)	(16,581)	(1,619)	0	(20,123)
Book value as at December 31st 2010	**4,548**	**7,187**	**20,431**	**551**	**450**	**33,167**
Additions	0	175	93	74	1,484	1,826
Transfers	0	11	1,087	3	(1,120)	(18)
Sales - Reductions	0	0	0	(87)	0	(87)
Depreciations of the current period	0	(233)	(2,638)	(132)	0	(3,004)
Depreciations of sold , written-off goods	0	0	0	87	0	87
Acquisition Cost as at December 31st 2011	4,548	9,296	38,192	2,160	814	55,011
Accumulated Depreciations	0	(2,156)	(19,220)	(1,665)	0	(23,040)
Book value as at December 31st 2011	**4,548**	**7,140**	**18,973**	**495**	**814**	**31,970**

6.2 Goodwill

Gross book value at January 1st 2010	309
Cumulative impairment loss	0
Net book value at January 1st 2010	309
Addition form acquisition	0
Gross book value at December 31st 2010	309
Cumulative impairment loss	0
Net book value at December 31st 2010	309
Addition from acquisition	0
Gross book value at December 31st 2011	309
Cumulative impairment loss	0
Net book value at December 31st 2011	**309**

The amount of recognized goodwill for 2007 refers to the acquisition of 75% of the Polish company FESCOPACK Sp. z.o.o.

Amounts in thousand euro

Impairment Review of Goodwill

For purposes of reviewing goodwill for possible impairment in 2011, the aforementioned subsidiary constitutes an individual cash flow generating unit. As regards to goodwill recognized from the acquisition of FESCOPACK Sp. z.o.o., the recoverable amount of such was calculated based on the "value in use", discounting its future cash flows.
The definition of the subsidiary's future cash flows took place by well-founded estimations of management for the level of the subsidiary's future profitability and by evaluating current market conditions. The basic assumptions regarding the estimation of the subsidiary's value, are as follows:
Discount rate 10.00%
Average growth of turnover in the next five years 10.00%
Growth rate after five-years 2.00%
According to the impairment review on 31/12/2011 no impairment losses emerged for the above goodwill.

6.3 Intangible assets

The Group's and Company's intangible assets are analyzed as follows:

Intangible assets						
	GROUP			COMPANY		
	Software	Other intangibles	Total	Software	Other intangibles	Total
Acquisition Cost as at January 1st 2010	577	911	1,488	577	910	1,487
Accumulated Depreciations	(475)	(135)	(609)	(474)	(134)	(608)
Book value as at January 1st 2010	**102**	**777**	**879**	**103**	**776**	**879**
Additions	15	185	201	15	185	201
Amortization during the period	(75)	(85)	(160)	(75)	(85)	(160)
Acquisition Cost as at December 31st 2010	592	1,097	1,689	592	1,096	1,688
minus: Accumulated Amortization	(549)	(220)	(769)	(549)	(219)	(768)
Book value as at December 31st 2010	**43**	**877**	**920**	**43**	**876**	**920**
			0			
Additions	13	163	176	13	163	176
Transfers	18	0	18	18	0	18
Amortization during the period	(27)	(97)	(125)	(27)	(97)	(125)
Acquisition Cost as at December 31st 2011	623	1,260	1,883	624	1,258	1,882
minus: Accumulated Amortization	(576)	(317)	(894)	(576)	(317)	(893)
Book value as at December 31st 2011	**47**	**942**	**989**	**47**	**942**	**989**

Other intangible assets include know-how use rights, costs for development of patents used to establish patents on different applications of multiple layer packing films as well as cost for development of new products. The cost for development of new products that was fixed during financial year 2010, amounted to 55 thousand euro.

Amounts in thousand euro

6.4 Participations in Subsidiaries

In the parent financial statements, investments in subsidiaries are valued at acquisition cost. The movement of investments is analyzed as follows.

	COMPANY	
	31/12/2011	31/12/2010
Opening balance	**809**	**739**
Acquisition of companies	0	70
Share capital increases	0	0
Closing balance	**809**	**809**

Brief financial information on subsidiaries

	Domicile	Acquisition cost	Assets	Liabilities	Income	Earnings (losses) before taxes	Earnings (losses) after taxes
2011							
FESCOPACK Sp. zo.o	Poland	739	1,729	1,201	3,432	(70)	(68)
FLEXOSYSTEMS LTD BELGRADE	Serbia	70	90	59	435	(52)	(52)
2010							
FESCOPACK Sp. zo.o	Poland	739	1,629	929	3,071	148	111
FLEXOSYSTEMS LTD BELGRADE	Serbia	70	234	153	497	14	13

6.5 Participations in associate companies

Participations in associate companies are analyzed as follows.

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
INOVA SA	1,299	1,359	1,199	1,199
VLACHOS BROS S.A.	568	602	927	927
	1,867	**1,961**	**2,127**	**2,127**

Amounts in thousand euro

The movement of investments in associate companies for the Group and Company is as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening balance	**1,961**	**1,980**	**2,127**	**1,837**
Share capital increase of VLAHOS BROS SA	0	290	0	290
Proportion in profit/loss (after taxes)	(94)	(309)	0	0
Closing balance	**1,867**	**1,961**	**2,127**	**2,127**

Brief financial information on associate companies:

	Domicile	Assets	Liabilities	Income	Earnings (losses) before taxes	Earnings (losses) after taxes
2011						
INOVA SA	Greece	6,027	3,429	3,733	(103)	(121)
VLACHOS BROS S.A.	Greece	12,189	10,994	13,683	(72)	(71)
2010						
INOVA SA	Greece	6,340	3,621	3,635	(110)	(123)
VLACHOS BROS S.A.	Greece	12,711	11,445	11,752	(259)	(586)

6.6 Other long-term receivables

The Group's and Company's other long-term receivables are analyzed as follows:

	GROUP		COMPANY	
Other Long-term Receivables	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Given Guarantees	102	107	102	107
Other Long-term Receivables	3	5	0	0
Total	**106**	**112**	**102**	**107**

These receivables refer to collateral for rents and collateral towards PPC.

Amounts in thousand euro

6.7 Inventories

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
Inventories	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Raw Materials	5,127	5,894	5,030	5,829
Consumables	109	120	109	120
Spare parts & packaging items	743	731	743	729
Products & other inventory	2,724	2,320	2,593	2,131
Total	8,702	9,065	8,474	8,810
Less: Provisions for impairment of inventories	0	0	0	0
Total	**8,702**	**9,065**	**8,474**	**8,810**

6.8 Trade receivables

The Group's and Company's customers and other trade receivables are analyzed as follows:

Trade receivables	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Customers (open account)	8,577	9,107	8,718	9,135
Checks Receivable	1,532	1,567	1,532	1,565
Less: Impairment Provisions	(291)	(490)	(265)	(474)
Total	**9,818**	**10,184**	**9,985**	**10,227**
Charges to the results				
Impairment provisions	(112)	(163)	(100)	(150)
Total	**(112)**	**(163)**	**(100)**	**(150)**

Amounts in thousand euro

6.9 Other receivables

The Group's and Company's other receivables are analyzed as follows:

	GROUP		COMPANY	
Other receivables	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Receivables from the Greek State for taxes	466	516	454	498
Orders of current assets	106	212	106	212
Purchases of inventory under receipt	1,153	1,702	1,153	1,702
Discounts on purchases under settlement	264	402	264	402
Deferred expenses	49	53	43	49
Accrued income	0	31	0	31
Prepayments and loans to employees	18	13	18	13
Hedging of cash flow risk	6	0	6	0
Sundry Debtors	4	79	3	78
Total	**2,066**	**3,008**	**2,048**	**2,986**

6.10 Cash & cash equivalents

Cash and cash equivalents refer to the Group's and Company's cash in hand and to short-term bank deposits and term deposits held at call with banks.

The Group's and Company's cash and cash equivalents are as follows:

	GROUP		COMPANY	
Cash and cash equivalents	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Cash in hand	5	4	5	4
Short-term bank deposits	7,801	5,285	7,659	5,113
Total	**7,806**	**5,289**	**7,663**	**5,117**

6.11 Equity

i) Share Capital and Share Premium

The Company's share capital consists of 11,720,024 common fully paid-up shares, with a nominal value of € 0.52 each. The total share capital amounts to € 6,094,412.48.

	Share Capital	Share premium	Treasury Shares	Total
31/12/2011	6,094	8,590	0	14,684
31/12/2010	5,860	9,823	0	15,683

Amounts in thousand euro

The Company's share premium emerged from the issue of shares through cash at a value larger than their nominal value.

The Extraordinary General Meeting of Shareholders of FLEXOPACK, that took place on February 21st 2011, decided amongst others on the following issues:
a) the increase of the Company's share capital by the amount of €1,289,202.64 with capitalization of reserves and with an increase of the nominal value per share by €0.11, namely from €0.50 to €0.61
b) the decrease of the Company's share capital by the amount of €1,054,802.16 with a decrease of the nominal value per share by €0.09, namely from €0.61 to €0.52 and an equal return – payment of capital to the Company's shareholders.
Following the above increase and at the same time decrease of the Company's share capital with a corresponding increase and decrease of the nominal value per share, the Company's share capital amounts to €6,094,412.48, it is fully paid and divided into 11,720,024 common registered shares, with a nominal value of €0.52 each.
It is noted that the said decision by the General Meeting was amended in part by a new decision made by the Extraordinary General Meeting of shareholders held on July 27th 2011, regarding the implementation (coverage) of the decided share capital increase of the Company, without however essentially any difference in the above decisions.
Specifically, the Extraordinary General Meeting of Shareholders of FLEXOPACK that took place on July 27th 2011 unanimously approved the partial revocation and amendment of Decision No. 1 that was made by the Extraordinary General Meeting on 21.02.2011, by making a new decision regarding the implementation (coverage) of the decided share capital increase of the Company, so as to apply the relevant increase through capitalization of the following reserves: a) extraordinary taxed reserve of article 8 of l. 2579/1998 amounting to €55,950.76, and b) part of the share premium reserve amounting to €1,233,251.88, and with increase of the nominal value per share by €0.11 (from €0.50 to €0.61), as well as the relevant amendment of article 5 par. 1 of the Company's Memorandum of Association, in accordance with the draft amendment that had already been published by the Company, in compliance with those stated by Law.

ii) Reserves

The Group's and Company's reserves are analyzed as follows:

Reserves	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Statutory reserve	**1,418**	**1,278**	**1,418**	**1,278**
Specially taxed reserves	**10,431**	**8,614**	**10,431**	**8,614**
Extraordinary reserves	**0**	**56**	**0**	**56**
Other reserves analyzed as follows:				
Tax-exempt reserves of L. 1828/89	876	876	876	876
Tax-exempt reserves of L. 3220/2004	321	321	321	321
Reserves from tax-exempt income	530	530	530	530
Reserves from specially taxed income	33	33	33	33
Other reserves	184	120	57	57
Reserve for hedging of cash flow risk	5	0	5	0
Total other reserves	**1,950**	**1,881**	**1,823**	**1,818**
Reserve from FX differences	**(72)**	**(22)**	**0**	**0**
Grand total	**13,727**	**11,807**	**13,672**	**11,766**

Amounts in thousand euro

1. Statutory reserve:
According to Greek corporate law, companies are obliged to create 5% of the period's earnings as an statutory reserve until such reaches one third of the paid up share capital. During the Company's life the statutory reserve cannot be distributed.

2. Special taxed reserves:
Special taxed reserves of the Parent Company were created to cover its own participation in the context of implementing investment plans, according to the provisions of several development laws.
The Group's Management does not intend to capitalize or distribute such reserves and thus has not recognized a relevant deferred tax liability.

3. Other reserves
Other reserves include tax-exempt reserves and reserves taxed under special provision and are analyzed as follows.
-Tax-exempt reserves according to L. 1828/89 and tax-exempt reserves according to L. 3220/2004
Such reserves have been created according to the provisions of tax law and are directly capitalized, with payment of income tax.
-Tax-exempt reserves and reserves of special laws
Such concern interest income that was either not taxed or on which tax has been withheld at the source. According to Greek tax law, these reserves are exempt from income tax, with the condition that they will not be distributed to shareholders.
The Group does not intend to distribute the above reserves and thus it has not recognized a deferred tax liability for the income tax that will be rendered payable in case of distribution.
-Cash flow hedging reserve
During 2011 the Company used forward foreign exchange contracts to hedge foreign exchange risks (Cash flow risk hedging).
Using the above derivatives for hedging of cash flow risk meets the conditions for hedge accounting according to the provisions of IAS 39 "Financial instruments: recognition and measurement" and therefore, any change in their fair value is recorded in the statement of comprehensive income and through such are recognized in the "hedging reserve" of equity.

4. Reserve for foreign exchange differences:
This reserve is used to register foreign exchange differences from the translation of financial statements of foreign subsidiaries.

The movement of the Group's and Company's reserves, is as follows:

Reserves	GROUP					
	Statutory reserve	Specially taxed reserves	Extraordinary reserves	Other reserves	FX differences from consolidation	Total
Balance as at January 1st 2010	**1,127**	**7,393**	**56**	**1,827**	**(35)**	**10,369**
Formation of reserves from net earnings of the period	151	790	0	54	0	994
Transfer of amortization of grants of L. 3299/04 from balance carried forward	0	431	0	0	0	431
FX differences from translation	0	0	0	0	13	13
Balance as at December 31st 2010	**1,278**	**8,614**	**56**	**1,881**	**(22)**	**11,807**
Formation of reserves from net earnings of the period	140	1,404		63	0	1,607
Share capital increase (Note 6.11)			(56)			(56)
Reserve for hedging of cash flow risk	0	0	0	5	0	5
Transfer of amortization of grants of L. 3299/04 from balance carried forward	0	413	0	0	0	413
FX differences from translation	0	0	0	0	(50)	(50)
Balance as at December 31st 2011	**1,418**	**10,431**	**0**	**1,950**	**(72)**	**13,727**

Amounts in thousand euro

Reserves	COMPANY				
	Statutory reserve	Specially taxed reserves	Extraordinary reserves	Other reserves	Total
Balance as at January 1st 2010	**1,127**	**7,393**	**56**	**1,818**	**10,394**
Formation of reserves from net earnings of the period	151	790	0	0	941
Transfer of amortization of grants of L. 3299/04 from balance carried forward	0	431	0	0	431
Balance as at December 31st 2010	**1,278**	**8,614**	**56**	**1,818**	**11,766**
Formation of reserves from net earnings of the period	140	1,404		0	1,544
Share capital increase (Note 6.11)			(56)		(56)
Reserve for hedging of cash flow risk	0	0	0	5	5
Transfer of amortization of grants of L. 3299/04 from balance carried forward	0	413	0	0	413
Balance as at December 31st 2011	**1,418**	**10,431**	**0**	**1,823**	**13,672**

iii) Retained earnings

Retained earnings	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance as at January 1st	**10,791**	**10,480**	**10,892**	**10,290**
Net Results for the period	3,101	2,393	3,325	2,630
Distributed dividends	0	(656)	0	(656)
Transfers to reserves	(1,607)	(994)	(1,544)	(941)
Transfer of amortization of grants of L. 3299/04 to reserves	(413)	(431)	(413)	(431)
Balance as at December 31st	**11,871**	**10,791**	**12,260**	**10,892**

6.12 Deferred tax assets and liabilities

The calculation of deferred tax assets and liabilities is conducted at the individual Group company level and to the extent where receivables and liabilities arise, such are offset between each other (at the level of each individual company).
The deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax assets against current tax liabilities and when the deferred income taxes refer to the same tax authority.

The Group's deferred tax assets and liabilities result from the following items:

Amounts in thousand euro

	Deferred tax liabilities/assets Statement of Financial Position GROUP		Deferred tax Income statement GROUP	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Deferred tax assets				
Provision for staff indemnities	111	98	13	6
Government grants	46	72	(26)	(36)
Other provisions	0	0	0	0
	157	**170**	**(13)**	**(30)**
Deferred tax liabilities				
Intangible assets	(89)	(67)	(23)	(16)
Tangible assets	(2,326)	(2,183)	(143)	(55)
Trade receivables	(37)	(17)	(20)	24
	(2,452)	**(2,267)**	**(186)**	**(47)**
Net deferred tax liabilities	**(2,295)**	**(2,097)**		
Net charge of deferred tax on the results			**(198)**	**(77)**

The Company's deferred tax assets and liabilities result from the following items:

	Deferred tax liabilities/assets Statement of Financial Position COMPANY		Deferred tax Income statement COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Deferred tax assets				
Provision for staff indemnities	111	98	13	6
Government grants	46	72	(26)	(36)
	157	**170**	**(13)**	**(30)**
Deferred tax liabilities				
Intangible assets	(89)	(67)	(23)	(16)
Tangible assets	(2,306)	(2,159)	(147)	(55)
Trade receivables	(37)	(17)	(20)	24
	(2,432)	**(2,243)**	**(189)**	**(48)**
Net deferred tax liabilities	**(2,275)**	**(2,073)**		
Net charge of deferred tax on the results			**(202.1)**	**(78)**

Amounts in thousand euro

6.13 Provision for staff indemnities

The Group and Company recognize the liability for staff retirement indemnities as the present value of the legal commitment for the payment of staff retirement lump sum. The relevant liability was calculated based on an actuarial study and is analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Balance sheet liabilities for:				
Retirement benefits	555	490	555	490
Total	**555**	**490**	**555**	**490**
Charges to the results				
Retirement benefits	65	51	65	51
Total	**65**	**51**	**65**	**51**

The basic actuarial assumptions used are as follows:

	31/12/2011	31/12/2010
Discount rate	5.2%	5.2%
Future wage increases	3.5%	3.5%
Inflation	2.5%	2.5%
Percentage of departures from the company	0.5%	0.5%

6.14 Government grants

The Group receives grants that relate to fixed assets and are provided from governmental entities in order to purchase fixed assets for long-term exploitation.

The Group registers the effect from the acceptance of government grants for fixed assets according to IAS 20, as deferred income in the category of long-term liabilities. The transfer of grants to the results of each period is conducted with the straight line method according to the expected useful lives of the respective fixed assets which they finance.

At the Group and Company level, the grants are analyzed as follows:

Government grants	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening balance	2,648	3,233	2,648	3,233
Additions	0	0	0	0
Amortization on income	(591)	(585)	(591)	(585)
Total	**2,057**	**2,648**	**2,057**	**2,648**

Amounts in thousand euro

6.15 Long-term and short-term loan liabilities

The Company's long-term and short-term bank loans have been provided by domestic banks and are in Euro. The amounts of long-term loans payable within one year from the end of the reporting period are registered in short-term liabilities, while the amounts that are payable at a later stage are characterized as long-term.
The Group's total long-term debt is under floating interest rates based on Euribor and predefined margins.
The Group's short-term debt is also under floating interest rates based on Euribor plus a margin.
The fair values of the Group's loans are almost equal to their book values.

On September 28th 2010, the company issued a common bond loan, through private placement, according to the provisions of l. 3156/2003 and c.l. 2190/1920, as currently in effect, with a total nominal value of 5,000,000 Euro and duration of six (6) years.
The coverage – funding of the above common and unsecured bond loan took place in October 2010, with Emporiki Bank of Greece as the sole Bondholder Lender, while the loan was used by the Company to purchase machinery, in the context of its approved investment plan as currently in effect, and also to repay an existing loan by the Bondholder and the refinancing-repayment of the Company's short-term bank debt.
The existing common bond loans of the parent company, that had been received initially in 2006 and 2007 with a total value of 5,000,000 euro, are divided in simple paper certificate bear bonds, provide bondholders the right to receive interest, have a duration of seven (7) years and were issued with the objective to finance investments for the purchase of mechanical equipment.

The Company has the right to proceed with early repayment of the existing aforementioned common bond loans with no penalty or other cost.
The terms of the existing bond loans include the obligation to preserve specific ratios of (a) total debt to equity, and (b) EBITDA to debit interest.
No collateral has been used for the Company's bank loans.

Long-term and short-term liabilities from the Group's and Company's loans are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term debt				
Common bond loans	6,036	7,396	6,036	7,396
Bank debt in foreign currency (PLN)	170	250	0	0
	6,206	**7,646**	**6,036**	**7,396**
Minus part of bond loans payable in the next period	1,360	1,360	1,360	1,360
Minus part of long-term bank debt payable in the next period	54	60	0	0
	4,792	**6,226**	**4,676**	**6,036**
Short-term debt				
Bank debt	3,523	60	3,523	0
Short-term portion of bond loans	1,360	1,360	1,360	1,360
Short-term portion of long-term bank debt	54	0	0	0
	4,937	**1,420**	**4,883**	**1,360**
Total debt	**9,729**	**7,646**	**9,559**	**7,396**
Maturities of long-term debt				
Up to 1 year	1,414	1,420	1,360	1,360
2 - 5 years	4,792	4,026	4,676	3,836
Over 5 years	0	2,200	0	2,200
Total	**6,206**	**7,646**	**6,036**	**7,396**
Weighted average interest rate charged on the results	4.72%	2.98%	4.72%	2.98%

Amounts in thousand euro

6.16 Other provisions

The other provisions that have been made cumulatively on 31/12/2011 amount to €142 thousand for the Group and Company. From the above amount, €138 thousand concerns provisions for tax un-audited fiscal years of the company and €4 thousand concerns other provisions.

The Group's and Company's other provisions are analyzed as follows:

	GROUP	COMPANY
Other Provisions		
January 1st 2010	**122**	**122**
Additional provisions for the period	20	20
December 31st 2010	**142**	**142**
Additional provisions for the period	2	0
December 31st 2011	**144**	**142**
Analysis of additional provisions for the period		
Provision for other taxes	0	0
Other provisions	2	0
Total	**2**	**0**

6.17 Suppliers and other liabilities

The Group's and Company's balances for the suppliers' and other related liabilities accounts are analyzed as follows:

	GROUP		COMPANY	
Suppliers and related Liabilities	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Suppliers	7,025	10,871	7,000	10,889
Checks payable	321	450	321	450
Customer prepayments	79	4	79	4
Dividends payable	2	2	2	2
Sundry creditors	29	13	29	13
Payable employee remuneration	283	317	268	302
Accrued expenses	271	103	265	88
Social Security Funds	334	318	334	318
Other taxes, other than income tax	273	230	182	156
Total	**8,616**	**12,309**	**8,480**	**12,222**

Amounts in thousand euro

6.18 Liabilities from income tax

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Liabilities from Income Tax	483	685	483	660
Windfall tax of l. 3845/2010	0	296	0	296
Total	**483**	**981**	**483**	**956**

Income tax is paid in eight (8) equal monthly installment, from which the first is paid during May of the next financial year.

6.19 Turnover

The Group's and Company's turnover is analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Income from sale of merchandise	2,599	2,075	1,538	1,640
Income from sale of products	43,581	41,490	44,018	41,539
Income from sale of other inventories	156	133	172	154
Income from provision of services	1,138	1,461	1,178	1,505
	47,473	**45,160**	**46,906**	**44,838**

Amounts in thousand euro

6.20 Analysis of Expenses per category

The analysis of the Group's expenses per category is as follows:

GROUP	1/1-31/12/2011					1/1-31/12/2010				
Expenses per category	**Cost of Goods Sold**	**Distribution Expenses**	**R&D Expenses**	**Admin-istrative Expenses**	**Total**	**Cost of Goods Sold**	**Distribution Expenses**	**R&D Expenses**	**Admin-istrative Expenses**	**Total**
Provision for staff indemnities	35	23	0	7	**65**	34	9	1	8	**51**
Remuneration & other employee benefits	5,723	943	50	1,091	**7,807**	5,732	782	54	924	**7,492**
Third party fees & expenses	118	268	0	337	**723**	40	273	0	243	**555**
Third party benefits (energy, insurance, maintenance etc.)	3,178	249	11	259	**3,697**	2,971	242	7	235	**3,455**
Taxes-Dues	82	4	0	46	**133**	76	2	0	32	**110**
Other sundry expenses (Transfers, export expenses etc.)	650	1,240	49	241	**2,181**	669	1,786	52	238	**2,745**
Depreciations of fixed assets	2,963	37	41	19	**3,059**	2,859	40	6	10	**2,916**
Amortization of intangible assets	15	1	99	11	**125**	43	2	87	28	**160**
Provisions for doubtful debts	0	0	0	0	**0**	0	150	0	0	**150**
Cost of inventories recognized as an expense	26,398	0	280	0	**26,678**	24,229	0	67	0	**24,296**
Total	39,162	2,766	531	2,009	**44,468**	36,653	3,287	273	1,719	**41,932**
Self-production of fixed assets	0	0	0	0	**0**	-71	0	0	0	**-71**
Total	**39,162**	**2,766**	**531**	**2,009**	**44,468**	**36,582**	**3,287**	**273**	**1,719**	**41,861**

Amounts in thousand euro

The analysis of the Company's expenses per category is as follows:

COMPANY	1/1-31/12/2011					1/1-31/12/2010				
Expenses per category	Cost of Goods Sold	Distribution Expenses	R&D Expenses	Admin-istrative Expenses	Total	Cost of Goods Sold	Distribution Expenses	R&D Expenses	Admin-istrative Expenses	Total
Provision for staff indemnities	35	23	0	7	**65**	34	9	1	8	**51**
Remuneration & other employee benefits	5,612	875	50	959	**7,495**	5,623	741	54	824	**7,241**
Third party fees & expenses	31	207	0	196	**434**	39	270	0	200	**510**
Third party benefits (energy, insurance, maintenance etc.)	3,128	205	11	227	**3,571**	2,863	185	7	205	**3,259**
Taxes-Dues	80	2	0	45	**127**	75	1	0	31	**108**
Other sundry expenses (Transfers, export expenses etc.)	641	1,221	49	258	**2,170**	646	1,725	52	198	**2,621**
Depreciations of fixed assets	2,917	30	41	15	**3,004**	2,816	30	6	7	**2,859**
Amortization of intangible assets	15	1	99	10	**125**	43	2	87	28	**160**
Provisions for doubtful debts	0	0	0	0	**0**	0	150	0	0	**150**
Cost of inventories recognized as an expense	26,669		280		**26,949**	24,766		67		**24,833**
Total	39,129	2,564	531	1,717	**43,940**	36,905	3,113	273	1,502	**41,793**
Self-production of fixed assets	0	0	0	0	0	(71)	0	0	0	**-71**
Total	**39,129**	**2,564**	**531**	**1,717**	**43,940**	**36,834**	**3,113**	**273**	**1,502**	**41,722**

6.21 Employee Benefits

The Group's and Company's employee benefits are analyzed as follows:

Employee Benefits	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	31/12/2011	31/12/2010
Wages and daily wages and benefits	5,657	5,397	5,396	5,188
Remuneration of Board of Directors	546	546	546	546
Social security expenses	1,533	1,466	1,490	1,432
Remuneration for termination of service	20	13	20	13
Other employee benefits	50	70	44	63
Total	**7,807**	**7,492**	**7,496**	**7,241**

Employed staff as at 31/12/11: Group 232 individuals, Company 208 individuals.
Employed staff as at 31/12/10: Group 231 individuals, Company 206 individuals.

Amounts in thousand euro

6.22 Other Operating Income and Expenses

The Group's and Company's other operating income and expenses are analyzed as follows:

	GROUP		COMPANY	
Other income	**1/1-31/12/2011**	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Amortization of received grants	591	585	591	585
Income from indemnity by PPC	509	0	509	0
Income from other indemnities	74	0	74	0
Income from subsidy of OAED	351	72	351	72
Profit from sale of fixed assets	1	0	1	0
Other income	47	55	57	6
Total	**1,572**	**711**	**1,582**	**663**
Other expenses				
Provisions for doubtful customers	113	0	100	0
Loss from sales of fixed assets	0	14	0	14
Other expenses	97	125	59	40
Total	**209**	**139**	**159**	**54**

6.23 Financial Income and Expenses

The Company's and Group's financial income and expenses are analyzed as follows:

	GROUP		COMPANY	
	1/1-31/12/2011	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Financial income				
Bank interest	102	138	102	138
Income from participations	0	0	27	25
	102	**138**	**128**	**163**
Financial expenses				
Interest and expenses of bank loans	394	208	390	207
Other bank expenses	58	42	58	40
	452	**251**	**448**	**247**

Amounts in thousand euro

6.24 Other Financial Results

The Group's and Company's financial results are analyzed as follows:

	GROUP		COMPANY	
Other Financial Results	**1/1-31/12/2011**	**1/1-31/12/2010**	**1/1-31/12/2011**	**1/1-31/12/2010**
Foreign exchange differences from valuation of receivables and liabilities in foreign currency (debit)	(242)	(173)	(90)	(109)
Foreign exchange differences from valuation of receivables and liabilities in foreign currency (credit)	213	223	159	142
	(30)	**50**	**69**	**33**

6.25 Income Tax

The income tax rate to which the Company is subject to for its domestic activities, amounted to 20% for financial year 2011, versus 24% for financial year 2010.

The Group's and Company's income tax is analyzed as follows:

Income Tax	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Income Tax	612	689	610	650
Windfall tax of l. 3845/2010	0	296	0	296
Deferred tax (Note 6.12)	198	77	202	78
Other taxes on earnings of previous years (Provisions)	0	21	0	20
Total income tax	**810**	**1,082**	**812**	**1,044**

Following we present an analysis and reconciliation of the nominal and effective tax rate.

	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
Earnings before taxes (IFRS)	3,894	3,502	4,137	3,674
Tax Rate	20%	24%	20%	24%
Income tax based on effective tax rate	779	841	827	882
Tax corresponding to:				
Other tax exempt income	(93)	(98)	(98)	(103)
Losses of subsidiary for which no deferred tax was recognized	5	0	0	0
Proportion of Results by associate companies	19	74	0	0
Other non deductible expenses	100	88	83	79
Adjustment of deferred tax due to change in tax rate	0	(95)	0	(95)
Other settlements of deferred tax	0	(35)	0	(35)
Results of subsidiaries taxed with a different tax rate	6	(9)	0	0
Windfall tax of L. 3845/2010	0	296	0	296
Other taxes and differences of previous years	(6)	21	(1)	20
Tax expense in the income statement	**810**	**1,082**	**812**	**1,044**
Weighted tax rate	20.80%	30.89%	19.63%	28.41%

Amounts in thousand euro

The real final tax rate differs from the nominal. Several factors affect the resulting real tax rate, the most important of which are the non-exemption of specific expenses and the non-taxation of specific income.
According to L. 3845/2010, a windfall tax was imposed on the earnings of financial year 2009. The total charge for the Group and Company amounts to 296 thousand Euro and burdened the results of financial year 2010.

6.26 Contingent Receivables - Liabilities

6.26.1 Information regarding contingent liabilities

There are no litigious claims or differences under dispute of the Company or its subsidiaries as well as decisions by courts or arbitration bodies that could have a significant impact on the Company's and Group's financial position or operation.

The contingent liabilities of the Company and Group in the context of their ordinary activity, are as follows:
a) In October 2010 the Company was included in a program of the Manpower Agency of Greece (O.A.E.D.) for subsidies of social security employer contributions on existing employment positions, with the objective to maintain job positions in the private sector (Joint Ministerial Decision No. 19721/790/15.10.2010).
Specifically, the Company is subsidized for the total employer contribution it will pay for 80 employees, according to the provisions of the aforementioned Joint Ministerial Decision. The duration of the subsidy is 12 months, namely from 27/10/2010 to 26/10/2011. The benefit for the Company from the subsidy during 2011 amounted to 351 thousand Euro.
A prerequisite for the subsidy is to maintain the number of employees at the Company that were employed during the submission of the application, namely to maintain 205 employees, for a period of 18 months and specifically from 27/10/2010 to 26/4/2012.

b) In the context of its ordinary activity the Company has provided a guarantee towards a bank, in favor of its Polish subsidiary "Fescopack Sp. Z.o.o" for the smooth repayment by the latter of a loan amounting to approximately to 250,000 Euro.

6.26.2 Tax un-audited fiscal years

The tax un-audited fiscal years for the parent Company are years 2008 to 2011 included. The cumulative provisions made against the possibility of additional taxes being imposed during the tax audit, amount to 138 thousand euro and concern the parent Company.

Tax compliance report
For fiscal year 2011 and onwards, Greek Societe Anonyme Companies and Limited Liability Companies whose annual financial statements must be audited, are obliged to receive an "Annual Tax Certificate" in accordance with par. 5 of article 82 of L.2238/1994, which is issued after a tax audit conducted by the same Legal Auditor or audit firm that audits the annual financial statements.
The tax audit for fiscal year 2011 is already underway by S.O.L. S.A. and no significant tax deviations are expected to result apart from those recorded and presented in the financial statements.

The tax-unaudited years for the Group's companies are:

FESCOPACK Sp. z.o.o	: 2009-2011
FLEXOSYSTEMS Ltd Belgrade	: 2010-2011
INOVA AEBE PLASTICS AND IRON	: 2007-2011
VLAXOS BROS S.A.	: 2010-2011

Amounts in thousand euro

6.26.3 Information regarding contingent receivables

There are no contingent receivables that are of significance to report in the Company's and Group's financial statements.
The Company is involved in several legal claims during the course of its normal activities, the majority of which concerns a claim to receive doubtful trade receivables. Such pending claims also include several indemnity claims by the Company against PPC, which are at the final legal stage, while an irrevocable decision has already been issued for a large part of the indemnities, whereas such have already been received.
The definition of the Company's contingent receivables regarding such legal claims and receivables is a complex process that includes judgment regarding the possible consequences and interpretations relating to laws and regulations and the outcome of such cases may differ from the initial estimates.
At the current stage, the contingent claims of the Company against PPC, the estimated amount of which corresponds to almost 150,000 Euro, are likely to be awarded.

6.27 Current charges

No charges are written on property of the parent Company's or its subsidiaries.

6.28 Operating leases

Such concern long-term leases of the Group's vehicles.
Future payments of the Group that concern Operating leases, are analyzed as follows:

	GROUP		COMPANY	
Leases from operating leasing payable:	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
Up to 1 year	170	173	161	164
From 2 to 5 years	142	161	131	153
Total	**311**	**334**	**292**	**317**
Charges to the results				
Leases from operating leasing	221	211	202	201

Amounts in thousand euro

6.29 Transactions with related parties

The company's transactions with related parties, according to IAS 24, are as follows.

	GROUP		COMPANY	
	1/1-31/12/2011	1/1-31/12/2010	1/1-31/12/2011	1/1-31/12/2010
Sales of goods and services				
To subsidiaries	0	0	3,054	2,724
To associates	1,819	1,714	1,819	1,714
	1,819	**1,714**	**4,873**	**4,437**
Purchases of goods and services				
From subsidiaries	0	0	296	522
From associates	834	861	834	861
	834	**861**	**1,130**	**1,383**
Income from dividends				
From subsidiaries	0	0	27	25
From associates	0	0	0	0
	0	**0**	**27**	**25**
Sales of fixed assets				
To subsidiaries	0	0	0	0
To associates	0	0	0	0
	0	**0**	**0**	**0**
Receivables				
From subsidiaries	0	0	932	697
From associates	732	929	732	929
	732	**929**	**1,665**	**1,626**
Liabilities				
To subsidiaries	0	0	0	0
To associates	208	448	283	448
	208	**448**	**283**	**448**
Benefits towards the company's management and executives				
Wages and other short-term benefits	843	845	843	845
Receivables from senior executives and management	0	0	0	0
Liabilities towards senior executives and management	27	29	27	29

The aforementioned transactions took place according to normal market terms.
The transactions of the Company and the outstanding balances with its subsidiaries have been written-off the Group's consolidated balance sheet, while the transactions that concern the associate companies are included in the relevant accounts of the consolidated balance sheet and results.
No loans have been granted to members of the Board of Directors or other senior executives of the Group (and their families).

Amounts in thousand euro

6.30 Earnings per share

Earnings per share are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Earnings after taxes corresponding to shareholders of the parent (1)	3,101	2,393	3,325	2,630
Weighted number of shares outstanding (2)	11,720.024	11,720.024	11,720.024	11,720.024
Basic earnings per share (Euro per share) (1)/(2)	0.2646	0.2042	0.2837	0.2244

6.31 Dividends

The Company's Board of Directors, taking into account the results for financial year 2011, the company's financial position, its general capital needs as well as the current conditions of the broader financial environment (taking also into account the duration of the economic crisis in the domestic market and its effects, the significant changes in oil prices due to the tensions in the Northern Africa geographic region etc., which inevitably affect the cost of raw materials for the Group and the broader geopolitical instability), will propose to the Annual Ordinary General Shareholders' Meeting not to distribute dividend from the earnings of financial year 2011.
The Annual Ordinary General Meeting of Company Shareholders' that took place on June 16th 2011 unanimously approved, with the required majority defined by law (over 70% of the paid up share capital), the non-distribution of dividend from earnings of financial year 2010.

6.32 Events after the reporting period

The extraordinary General Meeting of Shareholders of the associate company "VLACHOU BROS SA", decided on 20.1.2012 on the one hand to increase the company's share capital by the amount of €150,000, through payment of cash and the issue of new shares, and on the other to issue a convertible bond loan amounting to €150,000.
The Company exercised its preemptive right regarding the share capital increase, as well as for the coverage of the convertible bond loan and it also declared its intention to cover any possible undistributed bonds.
Following the relevant statements by other shareholders of the associate company, the Company covered the Convertible Bond Loan in full and moreover apart from the new shares it covered from the increase according to its participation, it also intends to cover any possible undistributed shares. The process for covering the share capital increase has not yet been completed.

Amounts in thousand euro

There are no other significant events after the end of the reporting period, which concern the Group or the Company, and whose disclosure is required by the International Accounting Standards (IAS).

Koropi, 23/3/2012

THE CHAIRMAN OF THE BOARD	THE VICE-CHAIRMAN OF THE BOARD	THE CHIEF FINANCIAL OFFICER
GEORGIOS S. GIONOSATIS ID No/AE 153990	STAMATIOS S. GINOSATIS ID No /Σ.500301	ANASTASIOS A. LYMBEROPOULOS ID No /X.094106 Reg. No.3544/99

CHAPTER 5: Information of article 10 l. 3401/2005

The following Announcements/Disclosures have been send to the Athens Exchange Daily Bulletin and are posted on the Athens Exchange website www.ase.gr as well as on the company website www.flexopack.gr

DATE	SUBJECT
25/1/2011	Invitation to Extraordinary General Meeting on 21.2.2011
1/2/2011	Announcement of draft amendment of the Company's Memorandum of Association
15/2/2011	Completion of Share Capital Increase of Associate Company
22/2/2011	Decisions by the Extraordinary General Meeting of 21.2.2011
28/3/2011	Annual Financial Statements according to I.A.S. for 2010
29/3/2011	Comment on 2010 Financial Results
30/3/2011	Announcement for increase and at the same time decrease of share capital through increase and decrease of nominal value per share
20/5/2011	Invitation to Annual General Meeting on 16.6.2011
25/5/2011	Interim Financial Statements according to I.A.S for Q1 2011
26/5/2011	Comment on Q1 Interim Financial Statements
16/6/2011	Decisions by the Annual General Meeting of 16.6.2011
4/7/2011	Invitation to Extraordinary General Meeting on 27.7.2011
19/7/2011	Announcement of Regulated Information of L. 3556/2007
25/7/2011	Announcement of draft amendment of the Company's Memorandum of Association
27/7/2011	Decisions by the Extraordinary General Meeting of 27.7.2011
25/8/2011	Interim Financial Statements according to I.A.S for 1st Half 2011
26/8/2011	Comment on 1st Half 2011 Results
24/11/2011	Interim Financial Statements according to I.A.S for 9M 2011
13/10/2010	Deadline for dividend payment of financial year 2004
25/11/2011	Comment on 9M 2011 Results

CHAPTER 6: Data and Information for financial year 2011

FLEXOPACK

FLEXOPACK SOCIÉTÉ ANONYME COMMERCIAL & INDUSTRIAL PLASTICS COMPANY

FLEXOPACK SOCIETE ANONYME COMMERCIAL AND INDUSTRIAL PLASTICS COMPANY

S.A. Reg. No. 18563/06/B/88/14

TZIMA POSITION – KOROPI ATTICA - POSTAL CODE 194 00

SUMMARY FINANCIAL DATA AND INFORMATION FOR THE PERIOD from January 1st 2011 to December 31st 2011

(Published in accordance with the Codified Law 2190, article 135 for companies that prepare consolidated and company annual financial statements in accordance with IAS

The following data and information that arise from the financial statements, aim to provide a general update regarding the financial position and the results of "FLEXOPACK SOCIETE ANONYME COMMERCIAL AND INDUSTRIAL PLASTICS COMPANY". As a result, we recommend that the reader, before performing any investment or other transaction with the issuer, should refer to the issuer's website address, where the financial statements as well as the review report of the legal auditor are posted, whenever necessary.

(Amounts in € thousands)

COMPANY DATA

Supervising Prefecture :Ministry of Economy, Competitiveness and Shipping
Website address : www.flexopack.gr
Composition of the Boards of Diectors
Ginosatis Georgios: Chairman & C.E.O
Ginosatis Stamatios: Vice-Chairman & deputy C.E.O
Ginosati Asimina: Executive member
Regos Nikolaos:Independent non executive member
Zaverdinou Elini-Flora:Independent non executive member
Vlachos Nikolaos:Non Executive member

Date of approval of the financial statements by the Board of Directors:	March 23 2012
Certified Auditor Accountant :	Makris Serafeim (Certified Auditor Reg. No. 16311)
Certified Auditors firm :	SOL S.A (Certified Auditors Association Reg. No. 125)
Type of Auditors report :	With a concurring opinion

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31/12/2011	**31/12/2010**	**31/12/2011**	**31/12/2010**
ASSETS				
Own use tangible fixed assets	32.631	33.920	31.970	33.167
Intangible assets	989	920	989	920
Other non-current assets	2.282	2.383	3.038	3.042
Inventories	8.702	9.065	8.474	8.810
Receivables from customers	9.818	10.184	9.985	10.227
Other current assets	9.872	8.297	9.712	8.102
TOTAL ASSETS	**64.294**	**64.769**	**64.168**	**64.268**
EQUITY AND LIABILITIES				
Share Capital	6.094	5.860	6.094	5.860
Other equity	34.188	32.420	34.522	32.481
Total equity of parent company shareholders (a)	40.282	38.280	40.616	38.341
Non-controlling interest (b)	132	175	0	0
Total equity (c)=(a)+(b)	**40.414**	**38.455**	**40.616**	**38.341**
Long-term bank liabilities	4.792	6.226	4.676	6.036
Provisions / Other long-term liabilities	5.052	5.377	5.030	5.353
Short-term bank liabilities	4.937	1.420	4.883	1.360
Other short-term bank liabilities	9.099	13.291	8.963	13.178
Total liabilities (d)	**23.880**	**26.314**	**23.552**	**25.927**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**64.294**	**64.769**	**64.168**	**64.268**

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01/01/11-31/12/11	**01/01/10-31/12/10**	**01/01/11-31/12/11**	**01/01/10-31/12/10**
Continuing operations				
Turnover	47.473	45.160	46.906	44.838
Gross profit / (loss)	8.311	8.578	7.776	8.004
Earnings / (loss) before interest and taxes (EBIT)	4.368	3.873	4.388	3.726
Profit / (loss) before taxes	3.894	3.502	4.137	3.674
Profit / (loss) after taxes (A)	**3.084**	**2.420**	**3.325**	**2.630**
Allocated to:				
-Shareholders of parent company	3.101	2.393	3.325	2.630
- Non-controlling interest	(17)	27	0	0
Other comprehensive income-(loss) after taxes (B)	**(62)**	**18**	**5**	**0**
Total comprehensive income after taxes (A)+(B)	**3.022**	**2.438**	**3.330**	**2.630**
Allocated to:				
-Shareholders of parent company	3.056	2.405	3.330	2.630
- Non-controlling interest	(34)	33	0	0
Earnings / (loss) after taxes per share - basic (in Euro)	0,2646	0,2042	0,2837	0,2244
Proposed dividend per share(in euro)	0	0	0	0
Earnings / (loss) before interest,taxes,depreciations and amortisation (EBITDA)	6.961	6.364	6.926	6.160

STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	01/01/11-31/12/11	**01/01/10-31/12/10**	**01/01/11-31/12/11**	**01/01/10-31/12/10**
Total equity at the beginning of the period (1 January 2011 and 1 January 2010, respectively)	38.455	36.682	38.341	36.367
Total comprehensive income after taxes (continuing and discontinued operations)	3.022	2.438	3.330	2.630
Share capital increase/(decrease)	(1.055)	0	(1.055)	0
Distributed dividends	(9)	(664)	0	(656)
Acquisitions/(sales) of own shares	0	0	0	0
Total equity at the end of the period (31 December 2011 and 31 December 2010, respectively)	**40.414**	**38.455**	**40.616**	**38.341**

STATEMENT OF CASH FLOWS (Indirect method)

	GROUP		COMPANY	
	01/01/11-31/12/11	**01/01/10-31/12/10**	**01/01/11-31/12/11**	**01/01/10-31/12/10**
Operating activities				
Earnings / (loss) before taxes (continuing operations)	3.894	3.502	4.137	3.674
Plus / less adjustments for:				
Amortisations	3.184	3.076	3.129	3.019
Depreciation	180	234	165	221
Foreign exchange differences	(34)	(28)	(34)	(28)
Results (income, expenses, profit and loss) from investment activities	(4)	184	(125)	(149)
Amortisations of subsidies	(590)	(585)	(590)	(585)
Interest charges and related expenses	452	251	448	247
Plus/less adjustments for changes in working capital accounts or related to operating activities:				
Decrease/(increase) of inventories	341	(2.316)	336	(2.306)
Decrease/(increase) of receivables	1.060	(4.997)	998	(4.841)
(Decrease)/increase of liabilities (except loans)	(3.626)	4.379	(3.743)	4.291
Less:				
Taxes paid	(986)	(675)	(962)	(659)
Total inflows/ (outflows) from operating activities (a)	**3.871**	**3.025**	**3.759**	**2.884**
Investment activities				
Acquisition of subsidiaries, affiliates, joint ventures and other	0	(290)	0	(360)
Acquisition of tangible and intangible fixed assets	(2.045)	(3.211)	(2.002)	(2.964)
Proceeds from the sale of tangible and intangible fixed assets	1	354	1	354
Interest received	102	139	102	138
Dividends received	0	0	27	25
Total inflows/ (outflows) from investment activities (b)	**(1.942)**	**(3.008)**	**(1.872)**	**(2.807)**
Financing activities				
Proceeds from share capital increase	0	0	0	0
Proceeds from loans	3.523	3.878	3.523	3.640
Loan repayments	(1.865)	(2.202)	(1.808)	(2.199)
Capital return	(1.054)	0	(1.054)	0
Dividends paid	(9)	(664)	0	(656)
Total inflows/(outflows) from financing activities (c)	**595**	**1.012**	**661**	785
Net increase/(decrease) in cash and cash equivalents for the period (a)+(b)+(c)	**2.524**	**1.029**	**2.547**	**862**
Cash & cash equivalents at the beginning of the period	**5.289**	**4.261**	**5.116**	**4.254**
Effect of foreign exchange differences	(7)	(1)	0	0
Cash & cash equivalents at the end of the period	**7.806**	**5.289**	**7.663**	**5.116**

ADDITIONAL DATA AND INFORMATION

1) The Group's companies with their respective addresses, the percentages by which the Group participates in the companies' share capital, as well as the method used for their incorporation in the consolidated financial statements, are detailed in note 3.1.1 of the financial statements.2) Employees as at 31/12/ 2011. Group 233 individuals. Company 208 individuals.Employees as at 31/12/2010. Group 231 individuals. Company 206 individuals.

3)The amounts from any kind of transactions (income and expenses) accrued since the beginning of the financial year and the balances from the Company and Group receivables and liabilities at the end of the current period, which have arisen from their transactions with the related parties, as determined in the IAS 24, are the following (expressed in thousand Euro):

	Group	Company
a)Income	1.819	4.900
b) Expenses	834	1.130
c) Receivables	732	1.665
d) Liabilities	208	283
e) Transactions and remuneration of senior executives and management	843	843
f) Receivables from senior executives and management	0	0
g) Liabilities towards senior executives and management	27	27

4) The tax unaudited financial years of the Company and the Group companies are detailed in note 6.26.2 of the interim summary financial statements.5) There are no litigious claims or disputes under arbitration on behalf of the Company or its subsidiaries, nor any decisions by judicial or arbitration bodies that have or could have a significant impact on the Company's and the Group's financial position or operation. The other provisions that have been accrued on 30/12/2011 amount for both the Group and the Company to 142 thousand Euro, of which 138 thousand Euro relate to provisions for the tax unaudited financial years of the Company and 4 thousand Euro relate to other provisions.6)The Accounting principles used in the annual financial statements for the financial year 2010 have been followed.7) At the end of the current period there were no parent company shares held either by the company itself or by its subsidiaries or affiliates.8) Any differences in total sums are due to rounding.

9) The other comprehensive income (loss) after taxes of the consolidated income statement amounting to (59) thousand Euro relate to: a) foreign exchange translation differences from foreign subsidiaries (64) thousand Euro and b) cash flow hedges 5 thousand Euro,while the company's amount of 5 thousand Euro relate to cash flow hedges.

10) On February 21st, 2011, the Extraordinary General Shareholders' Meeting of the Company took place at the company's registered offices, and the following decisions were made:a. The General Meeting unanimously approved the increase of the Company's share capital by the amount of 1,289,202.64 Euro through capitalisation of reserves and with an increase of the nominal value per Company share by 0.11 Euro (from 0.50 Euro to 0.61 Euro).b. The General Meeting unanimously approved the decrease of the Company's share capital by the amount of 1,054,802.16 Euro with a decrease of the nominal value per Company share by 0.09 Euro, namely from 0.61 Euro to 0.52 Euro and with an equivalent return – payment of capital to the Company's shareholders.

c. The General Meeting unanimously approved the relevant amendment of article 5 par. 1 of the Company's Articles of Association, with regard to the above decisions.It is noted that the said decision of the General Meeting was partially amended by a new decision approved by the Extraordinary General Meeting of the Shareholders on 27th July 2011 regarding the implementation method (coverage) of the approved increase of the Company's share capital, without any material change in the above decisions.

THE CHAIRMAN OF THE BoD	THE VICE-CHAIRMAN OF THE BoD	THE CHIEF FINANCIAL OFFICER
GEORGIOS S. GINOSATIS	STAMATIOS S. GINOSATIS	ANASTASIOS A. LYMBEROPOULOS
ID Card No./AE 153990	ID Card No./Σ.500301 (S.500301)	ID Card No./X.094106 Reg. No.3544/99

CHAPTER 7 : Online availability of financial information

According to those stipulated by Decision No. 7/448/2007 issued by the Board of Directors of the Hellenic Capital Market Commission, we announce that the Annual Financial Statements of the Group and Company, the Audit Report by the Certified Auditor and the Report by the Company's Board of Directors, as well as the annual financial statements, audit reports and reports by Board of Directors of the companies included in the Company's consolidated financial statements, are available online on the website www.flexopack.gr