THRACE PLASTICS Co. S.A.

ANNUAL FINANCIAL REPORT
(INDIVIDUAL & CONSOLIDATED)

1 January to 31 December 2011
(According to Law 3556/2007)

Company Reg. No. 11188/06/B/86/31
Domicile: Magiko, Municipality of Avdira, Xanthi Greece
Offices: 20 Marinou Antypa Str., 17455 Alimos, Attica Greece

*The accompanying Financial Statements, have been approved by the Board of Directors of THRACE PLASTICS Co. S.A. on March 29, 2012 and have been posted on the internet at the company's website **www.thraceplastics.gr**.*

Information regarding the preparation
of the Annual Financial Report
for the period from 1 January to 31 December 2011

The present Financial Report, which refers to the period from 1.1.2011 to 31.12.2011, was prepared according to article 5 of L.3556/2007 and the relevant decision issued by the Board of Directors of the Hellenic Capital Market Commission under Reg. No. 7/448/29.10.2007. The present Report was approved by the Board of Directors of THRACE PLASTICS Co. S.A. on 29 March 2012, and has been posted on the company's website www.thraceplastics.gr where such will remain available to investors for a period of at least 5 years from the publish date and includes:

STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS
(according to article 4 par. 2 of L 3556/2007)

We hereby state that to our knowledge, the Annual Financial Statements (Separate and Consolidated) of THRACE PLASTICS Co. S.A., which concern the period from January 1st 2011 to December 31st 2011, were prepared in accordance to the accounting standards in effect, accurately present the Assets and Liabilities, Equity and Results of the Company, as well as those of the companies included in the consolidation and considered aggregately as a whole.

We also state that to our knowledge, the Annual Report by the Company's Board of Directors accurately presents the developments, performance and position of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, including the description of basic risks and uncertainties such face.

Xanthi, 29 March 2012

The signatories:

The Chairman of the Board and Chief Executive Officer	The Vice-Chairman	The Member of the Board
Konstantinos St. Halioris	**Theodosios A. Kolyvas**	**Dimitrios Chroundas**

ANNUAL REPORT BY THE BOARD OF DIRECTORS
OF THRACE PLASTICS Co. S.A.
ON THE FINANCIAL STATEMENTS OF THE YEAR FROM 1-1-2011 TO 31-12-2011

INTRODUCTION

The present Annual Management Report by the Board of Directors (hereinafter the "Report") was prepared in accordance with the relevant provisions of Law 3556/2007 and the relevant to such executive decisions issued by the Hellenic Capital Market Commission and specifically Decision No. 7/448/11.10.2007, as well as the relevant provisions of Law 3873/2010.

The Report includes the total required information with an objective and adequate manner and with the principle of providing substantial and not typical information as regards to the issues included in such.

Despite the fact that the Company prepares consolidated and non-consolidated financial statements, the present Report is complete with main reference to the consolidated financial data.

It is noted that the present Report includes together with the 2011 financial statements, also the required by law data and statements in the Annual Financial Report, which concerns the financial year ended on 31 December 2011.

The sections of the Report and the contents of such are as follows:

SECTION A: *Significant events that took place during 2011*

Following we present the significant events that took place during financial year 2011:

- **3-08-2011 Acquisition of participation in the company Pareen Ltd**

  The company "Thrace Plastics Co. S.A." announced that it acquired a 100% participation stake in the Cypriot company under the name "Pareen Ltd", which had been established on 21 January 2010 with a share capital of Euro 1,000, divided into 1,000 registered shares with a nominal value of Euro 1 each.
  "Pareen Ltd", which had not developed any substantial activity until its acquisition by the Company, will be used in the process of the Group's internal restructuring at the level of legal entities.
  Immediately following its 100% acquisition above, the Cypriot company decided to increase its share capital, with the issue of new shares and an issue price above par and specifically with the issue of 10,000 new shares at an issue price of Euro 712 each, while the Company will undertake the full coverage of any new shares.
  With the raised capital from the above share capital increase, "Pareen Ltd" decided to proceed with the implementation of the aforementioned internal restructuring process of the Group's foreign subsidiaries.

- **9-08-2011 Decision for share capital increase of Thrace Linq Inc**

  The subsidiary company "Thrace Linq Inc.", which is based in North Carolina U.S.A. and whose business activity is the production and trade of synthetic fabrics, decided to increase its share capital with the issue of 500,000 new common shares, with a nominal value and issue price of 10 dollars each.
  It was announced that the above increase will be covered in total by the 100% subsidiary of Thrace Plastics Co. S.A., namely the Cypriot company "Pareen Ltd".
  Following the completion of the coverage, the share capital of "Thrace Linq Inc." will amount to 5,100,000 US dollars, divided into 510,000 common shares with a nominal value of 10 dollars each.
  The amount raised from the above increase will be used to strengthen the working capital of "Thrace Linq Inc." with the objective of covering the liabilities it has assumed.

- **24-08-2011 Completion of share capital increase Pareen Ltd**

  The company "Thrace Plastics Co. S.A." announced to investors that the share capital increase by cash of its 100% subsidiary Pareen Ltd was successfully completed. The total proceeds from the increase, which was covered in total by the Company, amounted to Euro 7,120,000.

- **26-8-2011 Completion of share capital increase of Thrace Linq Inc**

  The company "Thrace Plastics Co. S.A." announced that the share capital increase of the subsidiary "Thrace Linq Inc." by the amount of 5 mil US Dollars was completed. The increase was covered in total by the 100% subsidiary of the Company "Pareen Ltd", which is based in Cyprus.

- **20-09-2011 Decision for second share capital increase of Thrace Linq Inc**

The company "Thrace Plastics Co. S.A." announced that its subsidiary with the name "Thrace Linq Inc." decided to increase its share capital with the issue of 560,000 new registered shares, with a nominal value and issue price of 10 dollars each.
The above increase will be covered in part, and namely by the amount of 5,100,000 dollars from the 100% subsidiary of the Company under the name "Pareen Ltd", which is based in Cyprus, while the remaining amount will be covered from the other shareholder, also a subsidiary of the Company, Synthetic Holdings Limited.
Following the completion of the above coverage and the increase, the share capital of "Thrace Linq Inc." will amount to 10,700,000 US Dollars divided into 1,070,000 common shares, with a nominal value of 10 dollars each.
The proceeds from the above increase will be used by the subsidiary to strengthen its working capital.

- **23-09-2011 Completion of the above share capital increase of Thrace Linq Inc**

The company "Thrace Plastics Co. S.A." announced that the share capital increase by the amount of 5,600,000 dollars of the subsidiary "Thrace Linq Inc.", which is based in South Carolina USA and operates in the sector of production and trade of synthetic fabrics, was completed.

SECTION B: *Basic risks and uncertainties*

The financial assets used by the Group, mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Group's activities create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

- **Foreign exchange risk**

The Group is exposed to foreign exchange risk that arises from existing or expected cash flows in foreign currency and from investments in foreign countries. The management of several risks is applied with the use of natural hedging instruments. Specifically, the Group's policy is to contract loans in the corresponding currency for the amount of customer balances in foreign currency.

Sensitivity Analysis to Exchange Rate Changes

Effect of exchange rate changes in the financial statements of the Group from the translation of balance sheets of foreign subsidiaries.

		Effect (in thousand euro)		Effect (in thousand euro)	
Foreign Currency	**Change in exchange rate against the euro**	**Earnings before tax 2011**	**Equity 2011**	**Earnings before tax 2010**	**Equity 2010**
USD	5%	642	463	328	208
	-5%	(642)	(463)	(328)	(208)
GBP	5%	1241	767	1,511	1,199
	-5%	(1241)	(767)	(1,511)	(1,199)
NOK	5%	161	116	230	169
	-5%	(161)	(116)	(230)	(169)
SEK	5%	141	104	185	135
	-5%	(141)	(104)	(185)	(135)
RSD	5%	21	20	37	35
	-5%	(21)	(20)	(37)	(35)
RON	5%	132	103	106	92
	-5%	(132)	(103)	(106)	(92)
BGN	5%	182	162	137	122
	-5%	(182)	(162)	(137)	(122)
TRY	5%	115	115	150	150
	-5%	(115)	(115)	(150)	(150)

- **Risk from Fluctuation of Prices of Raw Materials**

The Company is exposed to fluctuations in the price of polypropylene (which represents 55% of cost of sales), which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price, induces pressure on profit margins.

- Credit Risk

The Group is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.

The following table presents an analysis of the maturity of trade and other receivables on 31/12/2011:

Maturity Days ***(in thousand euro)***	**Group**	**Company**
01 – 30 days	23,219	2,928
31 – 90 days	21,980	4,589
91 – 180 days	8,581	2,117
180 and over	7,494	2,576
	61,274	**12,210**
Provisions for doubtful debts	(7,737)	(2,096)
Total	**53,537**	**10,114**

- **Liquidity Risk**

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the financial statements, there were adequate cash reserves and also available unused approved bank credits towards the Group, which are considered sufficient to face a possible shortage of cash equivalents.
Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.
The following table presents the liabilities –loans provided on 31/12/2011 according to their maturity dates.
(amounts in thousand euro)

Group	**Up to 1 month**	**1-6 months**	**6-12 months**	**Over 1 year**	**Total**
Suppliers	14,659	7,664	1,489	-	23,812
Other liabilities	10,312	2,487	330	-	13,129
Short-term debt	3,389	5,472	63,604	-	72,465
Long-term debt	4,497	74	64	13,056	17,691
Total 31.12.2011	**32,857**	**15,697**	**65,487**	**13,056**	**127,097**

Company	**Up to 1 month**	**1-6 months**	**6-12 months**	**Over 1 year**	**Total**
Suppliers	1,780	2,121	-	-	3,901
Other liabilities	1,185	887	1,197	-	3,269
Short-term debt	-	699	22,732	-	23,431
Long-term debt	-	-	-	-	-
Total 31.12.2011	**2,965**	**3,707**	**23,929**	**-**	**30,601**

- Interest Rate Risk

The Group's long-term loans have been provided by Greek and foreign banks and are issued, mainly in Euro. The repayment period varies, according to the loan contract and long-term loans are mainly linked to Euribor plus a margin.

The Group's short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of Earnings Before Tax as follows:

Possible interest rate change	**Effect on Earnings before Tax (amounts in thousand euro)**			
	EBT 2010 of Group	**EBT 2010 of Group**	**EBT 2011 of Company**	**EBT 2010 of Company**
1% Interest rate increase	(870)	(829)	(221)	(213)
1% Interest rate decrease	870	829	221	213

- **Capital Adequacy Risk**

The Group controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity.

(amounts in thousand euro)	**Group**		**Company**	
	2011	**2010**	**2011**	**2010**
Long-term debt	16,025	18,487	-	92
Short-term debt	68,392	63,347	22,132	21,241
Total debt	**84,417**	**81,834**	**22,132**	**21,333**
Minus cash & cash equivalents	33,743	28,001	3,533	8,923
Net debt	**50,674**	**53,833**	**18,599**	**12,410**
EBITDA	**21,955**	**18,459**	**882**	**(1,186)**
EBITDA/Net Bank Debt	**0.43**	**0.34**	**0.05**	**(0.09)**
Equity	**99,333**	**105,755**	**72,760**	**75,618**
Net Bank Debt/Equity	**0.51**	**0.51**	**0.25**	**0.16**

SECTION C: *Significant transactions with related parties*

- **The most significant transactions between the Company and its related parties, as such are defined by International Accounting Standard 24, are described below**

(amounts in thousand euro)

Sales-Income	Sales	Income	Total
THRACE IPOMA	6,286		6,286
THRACE NONWOVENS & GEOSYNTHETICS	4,618	841	5,459
THRACE SARANTIS	1,888	25	1,913
THRACE PLASTICS PACK	272	974	1,246
LUMITE	332		332
DON & LOW LTD	-	575	575
Total	**13,396**	**2,415**	**15,811**

Purchases-Expenses	Purchases	Expenses	Total
THRACE NONWOVENS & GEOSYNTHETICS	3,014		3,014
THRACE IPOMA	956	17	973
Total	**3,970**	**17**	**3,987**

Customer - Receivables	31.12.2011
THRACE IPOMA	1,484
THRACE –SARANTIS	878
THRACE PLASTICS PACK	749
THRACE NONWOVENS & GEOSYNTHETICS	592
Total	**3,703**

Suppliers - Liabilities	31.12.2011
THRACE NONWOVENS & GEOSYNTHETICS	1,029
Total	**1,029**

- The remuneration of senior executives and members of Management, amounted to Euro 1,314 thousand at the parent level compared to € 1,207 thousand in 2010, and to Euro 3,406 thousand at the Group level, compared to Euro 3,574 thousand in 2010.

- The Company has issued letters of guarantee in favor of third parties, amounting to Euro 1,630 thousand while it has provided guarantees in favor of its subsidiaries for security against loans amounting to Euro 7 thousand.

- During 2011, the total fees of the company's legal auditors amounted to € 466 thousand for the Group and to €50 thousand for the Company, according to those stated in article 43a of C.L. 2190/1920, as amended by article 30 of L. 3756/2009

- There were no changes in transactions between the Company and its related parties, that could have substantial effects on the financial position and performance of the Company during 2011.

  All transactions described above have taken place under normal market terms

SECTION D: *Analytical information according to article 4 par. 7 of Law 3556/2007, ass currently in effect*

The Company, according to article 4 par. 7 of L. 3556/2007 is obliged to include in the present Report, analytical information regarding a series of issues, as follows:

1. Structure of Company's share capital

The Company's share capital amounts to twenty two million nine hundred and seventy four thousand seven hundred and fifty Euro (€ 22,974,750.00) and is divided into forty five million nine hundred and forty nine thousand five hundred (45,949,500) shares, with a nominal value of € 0.50 each. All Company shares are common, registered with voting rights, and are listed on the Securities Market of the Athens Exchange and specifically in the Main Market segment in the Chemicals – Specialized Chemicals sector. The structure and the creation 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 26 June 1995.

2. Limitations to the transfer of Company shares

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers from its Articles of Association.

3. Significant direct or indirect participations according to the definition of Law 3556/2007

As regards to significant participations in the share capital and voting rights of the Company, according to the definition of provisions of articles 9 to 11 of L. 3556/2007, Mr. Konstantinos Chalioris holds, at 31/12/2011 a percentage of 42.022% of the share capital of the Company and Miss Eufimia Chalioris holds, at 31/12/2011 a percentage of 19.849% of the share capital of the Company. No other physical or legal entity owned a percentage over 5% of the share capital. The data regarding the number of shares and voting rights held by individuals with a significant participation, have been derived from the Shareholder Registry kept by the Company and from disclosures provided to the Company by Law.

4. Owners of any type of shares incorporating special control rights

There are no Company shares that provide special control rights to owners.

5. Limitations on voting rights

According to the Company's Articles of Association, there are no limitations on voting rights.

6. Agreements of Company shareholders

To the knowledge of the Company there are no shareholder agreements, which result in limitations on the transfer of shares or limitations on the exercise of voting rights, that emanate from its shares.

7. Rules for appointment and replacement of Board members and amendment of the Articles of Association

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association, do not differ from those stipulated by C.L. 2190/1920. It is noted that the Company's Articles of Association have fully conformed to the provisions of L. 2190/1920, by means of a decision by its Ordinary General Shareholders' Meeting on 24 June 2008.

8. Responsibility of the Board of Directors or specific Board members for the issuance of new shares or the purchase of treasury shares.

According to paragraph 13 of article 13 of C.L. 2190/1920, as currently in effect, the Board of Directors increases the share capital of the Company by issuing new shares, in the context of the approved by the General Meeting Stock Option Plans, for the acquisition of company shares by beneficiaries.

According to the provisions of article 16 of C.L. 2190/1920, as currently in effect, the Company may acquire treasury shares, only following approval by the General Meeting, up to 1/10 of its paid up share capital, under the specific terms and procedures stipulated by the provisions of article 16 of CL 2190/1920, as currently in effect.
There are no opposite statements in the Company's article of Association.

9. Significant agreements made by the Company and put into effect, amended or terminated in case of a change in the Company's control following a tender offer.

There are no such agreements, which are put into effect, amended or terminated, in case of a change in the Company's control following a tender offer.

10. Significant agreements made by the Company with Board members or the Company's staff

There are no agreements of the Company with the members of its Board of Directors or with its staff, which stipulate the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment, due to a tender offer.

SECTION E: *Treasury Shares*

On 3 November 2010 the Company Thrace Plastics Co. SA announced the end of the share buyback program that was approved by the Extraordinary General Meeting of shareholders on 3 November 2008 and which stated the purchase of treasury shares up to 10% of the Company's existing shares, namely up to 4,594,950 shares.

Specifically, during the period from 4/11/2008 until 3/11/2010 a total of 854,880 treasury shares were purchased through Investment Bank and Praxis Securities, at an average acquisition price of € 0.65 cents of a euro, which overall represent a percentage of 1.86% of the Company's share capital.

The total treasury shares currently owned by the Company amount to 854,880 common shares, which represent 1.86% of its share capital.

SECTION F: *Information on labor and environmental issues*

The Group employed, on 31 December 2011, a total of 1,556 employees, from which approximately 674 are employed in Greece.

As regards to the management of human resources, the Management transfers its valuable experience from abroad and applies efforts to improve the working conditions at all levels, mainly as regards to issues involving education, hygiene and security. Specifically, the security of employees and of the operation of facilities, was and is a top priority for Management and for this reason annual a large amount is allocated for employee education and to secure conditions of absolute security for employees. In the Group's plants, guidance and education of staff is continuous and under the full guidance of supervisors and heads of departments.

The Company has particular awareness on environmental issues as well. In this context it has adopted and applies production methods that are environmentally friendly and that do not create gas and liquid waste, while it has achieved 100% recycling of the remains of its products.

SECTION G: *Company Branches*

The activity of the Thrace Plastics Group is distinguished into two sectors

The **Technical Fabrics Business Unit**, which has a global orientation with facilities in Xanthi Greece (Thrace Non Wovens & Geosynthetics), Scotland (Don & Low LTD), the U.S.A. (Thrace Linq Inc and Lumite Inc.) and Australia (Don&Low Australia Pty Ltd). The sector's basic products include geofabrics, insulation films and synthetic fabrics for agricultural and industrial use.
and
The **Packaging Business Unit** which refers to the European market with emphasis in South East European countries, Skandinavia, the United Kingdom and Ireland. Specifically it includes facilities and operates through twelve Group companies, including the parent company in Greece, companies in Turkey, Ireland, the UK, Sweden, Norway, Bulgaria, Romania and Serbia. The sector's products include Industrial Packaging Products that mainly concern bags, big bags (F.I.B.Cs) and pallet films for packaging of lubricants, fish food, animal food as well as chemical and inert materials and Consumer Product Packaging with applications in the packaging of food and chemicals.

SECTION H: *Evolution and performance of the Group*

1. Group Results

The following table presents the Group's results throughout 2011, compared to 2010:

2011 CONSOLIDATED RESULTS			
(amounts in thousand euro)	2011	2010	% Change
Turnover	261,884	234,520	11.7%
Gross Profit	42,524	39,722	7.1%
Gross Profit Margin	16.2%	16.9%	
Other Operating Income	3,524	4,833	-27.1%
As % of Turnover	1.3%	2.1%	
Distribution Expenses	19,321	21,790	-11.3%
As % of Turnover	7.4%	9.3%	
Administrative Expenses	12,261	11,948	2.6%
As % of Turnover	4.7%	5.1%	
Other Operating Expenses	3,254	3,854	-15.6%
As % of Turnover	1.2%	1.6%	
Expenses from foreign exchange differences	378	39	
EBIT	10,834	6,924	56.5%
EBIT Margin	4.1%	3.0%	
EBITDA	21,955	18,459	18.9%
EBITDA Margin	8.4%	7.9%	
Interest & Related (Expenses)/Income	-4,773	-3,793	25.8%
Other Financial Income/(Expenses)	1,480	765	93.5%
Loss from impairment of goodwill of participation	0	-1,156	
EBT	7,541	2,740	175.2%
EBT Margin	2.9%	1.2%	
Income Tax	3,659	1,844	
EAT	3,882	896	333.3%
EAT Margin	1.5%	0.4%	
Minority Interest	243	174	39.7%
EATAM	4,125	1,070	285.5%
EATAM Margin	1.6%	0.5%	
Basic Earnings per Share (in euro)	0.092	0.024	283.3%

Turnover €261,884 *(+11.7%)*

The increase of Turnover is mainly attributed to the increase in the sales prices and then to an increase of the sales volume. Specifically, sales volume increased by 2.48% at the Group level, namely sales in the Sector of Synthetic Fabrics increased by 3.46% while in the Packaging Business Unit the sales volume increased marginally by 0.8%.

Gross Profit €42,524 *(+7.1%)*

The Gross Profit Margin amounted to 16.2% in 2011 from 16.9% in 2010. In the Technical Fabrics Business Unit the improvement of Gross Profit Margins that resulted from the improvement of the product mix and the increase of the percentage of new products with higher profit margins in the context of the innovative development, offset to a large degree the Packaging Business Unit's difficulty to transfer the increase in raw material prices to the sale price of products due to the larger exposure of the latter sector in the domestic market.

Other Operating Income €3,524 *(-27.1%)*

Other Operating Income mainly concerns income from grants.

Distribution Expenses €19,321 *(-11.3%)*

Distribution expenses as a percentage of turnover amounted to 7.4% versus 9.3% the previous year.

Administrative Expenses €12,261 *(+2 .6%)*

Administrative Expenses amounted to 4.7% as a percentage of Turnover, compared to 5.1% during 2010.

The relevant Administrative & Distribution Expenses are significantly lower by € 2,156 thousand during 2011 compared to 2010, as a result of the plan applied by the Group to reduce operating expenses.

Other Operating Expenses €3,254 *(-15.6%)*

Other Operating Expenses mainly concern provisions for doubtful receivables.

EBIT €10,834 *(+56.5%)*

The EBIT margin amounted to 4.1% from 3.0% in 2010.

EBITDA €21,955 *(+18.9%)*
EBITDA includes increased provisions amounting to € 2.1 mil, from which € 1.1 mil concern the Greek market.
The EBITDA margin amounted to 8.4% from 7.9% in 2010.

Interest and Related (Expenses)/Income € 4,773(+25,8%)

The increase is mainly attributed to the increase of interest rates.

Other Financial Income € 1,480(+93,5%)

Other financial income mainly concerns the financial result from the pension plan of Don & Low Ltd (€ 1,340 thousand).

Earnings before Tax €7,541 *(+175.2%)*

The EBT Margin amounted to 2.9% compared to 1.2% the previous year.

EATAM €4,125 *(+285.5%)*

The EATAM amounted to 1.7% compared to 0.5% the previous year.

Tax for 2011 amounted to € 3,659 thousand. The Company follows a conservative policy according to which it does not calculate a deferred tax asset on available tax losses.

2. Results of the Parent Company

The Company's Turnover amounted to Euro 30,176 thousand, posting an increase of 6.7% compared to 2010. Gross Profit for 2011 amounted to Euro 1,441 thousand, posting an increase of 50.4% compared to the previous year. EBITDA amounted to Euro 883 thousand in 2011 compared to losses of Euro 1,186 thousand the previous year. Losses before Taxes amounted to Euro 1,077 thousand in 2011, posting a decrease of 51.2% compared to 2010, while Losses after taxes amounted to Euro 1,130 thousand in 2011, decreased by 54.4% compared to the previous year.

3. Results per Activity Sector

The following table summarizes the results from the individual sectors where the Group operates in (Technical Fabrics and Packaging) for financial year 2011:

RESULTS PER ACTIVITY SECTOR						
	Synthetic Fabrics			Packaging		
(Amounts in thousand €)	2011	2010	*% Change*	2011	2010	*% Change*
Turnover	**161,772**	**137,288**	***17.8%***	**109,325**	**102,508**	***6.6%***
Gross Profit	**26,316**	**20,279**	***29.8%***	**16,105**	**18,681**	***-13.8%***
Gross Profit Margin	***16.3%***	*14.8%*		***14.7%***	*18.2%*	
EBITDA	**13,970**	**11,206**	***24.7%***	**7,055**	**6,303**	***11.9%***
EBITDA Margin	***8.6%***	***8.2%***		***6.5%***	***6.1%***	

4. Consolidated Balance Sheet of the Group

The following table summarizes the basic Balance Sheet information as at 31.12.2011:

CONSOLIDATED BALANCE SHEET			
(amounts in thousand euro)	**31.12.2011**	**31.12.2010**	***% Change***
Tangible Fixed Assets	83,699	87,676	***-4.5%***
Investment Property	110	110	***0.0%***
Intangible Assets	10,468	10,218	***2.4%***
Other Long-term Receivables	448	564	***-20.6%***
Deferred Tax Assets	4,462	1,472	***203.1%***
Total Fixed Assets	**99,187**	**100,040**	***-0.9%***
Inventories	49,482	44,974	***10.0%***
Income Tax Prepaid	678	919	***-26.2%***
Trade Receivables	53,537	54,802	***-2.3%***
Debtors and other Accounts	13,761	12,957	***6.2%***
Cash & Cash Equivalents	33,743	28,001	***20.5%***
Total Current Assets	**151,201**	**141,653**	***6.7%***
TOTAL ASSETS	**250,388**	**241,693**	***3.6%***
Shareholders' Equity	99,333	105,755	***-6.1%***
Minority Interest	1,531	1,787	***-14.3%***
TOTAL EQUITY	**100,864**	**107,542**	***-6.2%***
Long-term Liabilities	-	-	
Long-term Loans	16,025	18,487	***-13.3%***
Provisions for Employee Benefits	17,016	5,800	***193.4%***
Other Long-term Liabilities	10,192	8,209	***24.2%***
Total Long-term Liabilities	**43,233**	**32,496**	***33.0%***
Short-term Liabilities	-	-	
Short-term Bank Debt	68,392	63,347	***8.0%***
Suppliers	23,812	25,094	***-5.1%***
Other Short-term Liabilities	14,087	13,214	***6.6%***
Total Short-term Liabilities	**106,291**	**101,655**	***4.6%***
TOTAL LIABILITIES	**149,524**	**134,151**	***11.5%***
TOTAL EQUITY & LIABILITIES	**250,388**	**241,693**	***3.6%***
Net Bank Debt	**50,674**	**53,833**	***-5.9%***
Net Bank Debt/Equity	**0.5**	**0.5**	

Fixed Assets **€99,187 *(-4.5%)***

Increase of deferred taxes by € 2,990 thousand due to the significant increase of the liability created from the pension plan of Don & Low

Current Assets **€151,201*(+6.7%)***

Inventories amounted to € 49,482 thousand on 31.12.2011

The Inventories turnover (average) amounted to 79 days compared to 84 in 2010

Trade Receivables amounted to € 53,537 (-2.3%)

Trade Receivables Turnover (average) amounted to 75 days compared to 73 days in 2010

Equity €100,864 *(-6.2%)*

Equity amounted to Euro 100,864 thousand, posting a decrease of 6.2% compared to the previous year.

Employee Benefits €17,016 *(+193.4%)*

The increase is due to the significant increase of the actuarial deficit of the Don & Low LTD pension plan

The total liability of the pension plan as presented in the Balance Sheet of 31.12.2011, is analyzed as follows:

(amounts in thousand €)	**31.12.2011**	**31.12.2010**
Present Value of Liabilities	107,985	99,907
Present Value of Assets	92,661	95,376
Actuarial Deficit	**15,324**	**4,531**

The asset allocation of the plan is as follows:

(amounts in thousand €)	**31.12.2011**	**31.12.2010**
Shares	77,218	69,005
Bonds	11,373	22,770
Real Estate/Other	4,070	3,601
Total	92,661	95,376

Net Bank Debt €50,674 (-5.9%)

The Net Bank Debt / Equity ratio amounted to 0.5, at the same level as the previous year

Suppliers €23,812 *(-5.1%)*

The Turnover of Suppliers (average) amounted to 41 days, at the same level as the previous year

Amounts in thousand Euro, unless stated otherwise

5. Financial Ratios

Following the above analysis, we present the following basic Financial Ratios:

Profitability Ratios (%)	**2011**	**2010**
Gross Profit	16.2%	16.9%
EBITDA	8.4%	7.9%
EBT	2.9%	1.2%
EATAM	1.6%	0.5%

Receivables Turnover (in days)	**2011**	**2010**
Average Customer Turnover	75	73
Average Inventory Turnover	79	84
Average Suppliers Turnover	41	41

Capital Structure Ratios (:1)	**2011**	**2010**
Total Liabilities/Equity	1.5	1.2
Net Bank Debt/Equity	0.5	0.5
Net Tangible Assets/Total Assets	0.3	0.4
Equity/Net Tangible Assets	1.2	1.2

Leverage Ratios (:1)	**2011**	**2010**
Equity/Total Assets	0.4	0.4
Interest Coverage	2.3	1.8

Liquidity Ratios (:1)	**2011**	**2010**
Current Ratio	1.4	1.4
Quick Ratio	1.0	1.0

SECTION I: *Non-distribution of 2011 dividend*

Given that during 2011 the parent company posted losses before tax amounted to Euro 1.0 mil, and losses after tax amounted to Euro 1.1 thousand, the Board of Directors will propose to the Annual Ordinary General Meeting of Shareholders the non-distribution of dividend for financial year 2011.

SECTION J: *Group outlook for 2012*

As regards to the developments during the 1st quarter of 2012, we are expecting the upward trend of 2011 to continue both as regards to sales and as regards to profit. For the remaining year, the Group's Management continues to be cautious as the global environment remains unstable and creates uncertainty for future demand and prices of raw materials.

In the context of the Group's further development, as well as the geographic and product dispersion that continue to constitute a strategic goal, the Group is planning the establishment of a trade company in China, which will operate in the Technical Fabrics Business Unit given the significant size of the Chinese market. Moreover, the activity of the Group's subsidiaries is expanded to Skandinavia – apart from Packaging – also to the Technical Fabrics Business Unit with the creation of a new division.

Concerning the Group's activity in the Greek market, Management will pursue the least possible exposure of the Group domestically due to the deterioration of the Greek economy (currently only 15.9% of consolidated sales correspond to domestic sales).

It is estimated that the Group's investment plan for 2012 will amount to € 5 mil, from which €2.5 mil concern investments that will take place in Greece. The investment plan will be financed by Equity.

SECTION K: *Corporate Governance Statement*

The present Statement refers to the overall corporate governance principles and practices adopted by the Company, which form the structure through which it sets its objectives, defines the means to achieve such, identify the basic risks faced during its operation and organizes the risk management system. Moreover, the application of the above principles and practices allows monitoring the Management's performance and ensures the interests of Company shareholders, employees as well as of all interested parties.

The structure of the Corporate Governance Statement is as follows:

I. Compliance Statement with Corporate Governance Code
II. Deviations from the Corporate Governance Code and Justification of Such
III. Corporate Governance Practices applied by the Company apart from those stated by law
IV. Description of the internal control and risk management system as regards to the process for preparing financial statements
V. Information regarding the company's audit process (information stipulated by items (c), (d), (f), (h) and (i) of paragraph 1 of article 10 of Directive 2004/25/EC)
VI. Board of Directors and Committees
VII. General Meeting and Shareholders' Rights

I. Compliance Statement with Corporate Governance Code

Law 3873/2010, which incorporated the European Union Directive 2006/46/EC in Greek law, essentially establishes the adoption of Corporate Governance Codes by companies.

In compliance with the provisions and stipulations of the above Law, the Company has adopted and applies the Corporate Governance Code of the Hellenic Federation of Enterprises (S.E.V.) the text of which is available at the website http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf

Specifically, the Company complies with the special practices for listed companies in the Code, including the exceptions that are provided for small listed companies.

Amounts in thousand Euro, unless stated otherwise

II. Deviations from the Corporate Governance Code and Justification of Such

The Corporate Governance Code of S.E.V. follows the comply or explain approach and requires listed companies that adopt such to disclose their intention and either comply with the overall special practices or explain their reasons for non-compliance with specific special practices
In this context, following we present the Company's deviations from the special practices of the Corporate Governance Code:

C.G.C. Provisions	Deviation - Justification	Relevant Reference
SECTION A. : THE BOARD OF DIRECTORS AND ITS MEMBERS		
AII 2.3	The practice that states that 1/3 of the Board should consist of independent non-executive members, is applied with the additional note that if during application a fraction results, then it is rounded to the immediately preceding integer number (namely the Company's Board of Directors consists of seven (7) members, two (2) of which are independent non-executive).	Page 10 C.G.C.
AIII 3.3	The Vice-Chairman of the Board is not from the independent members. However, the Board of Directors considers that the executive Vice-Chairman is the most appropriate to contribute to the Chairman and Chief Executive Officer in exercising his responsibilities, given that due to his long-term experience with the Company he has a deep knowledge of corporate issues.	Page 12 C.G.C.
AV 5.1	The Board's term will continue to be five-year (5year) as stated by the Company's Memorandum of Association, as it has been assessed that this ensures its effective and productive operation.	Page 15 C.G.C.
SECTION B.: INTERNAL CONTROL		
BI 1.3 & BI 1.5	Risk management reports are currently not prepared. However, the application of the Company's risk management system is already under review. The overall process is supervised, on behalf of the Board of Directors, by the Audit Committee.	Pages 21 &22 C.G.C.

III. Corporate Governance Practices applied by the Company, apart from those stipulated by law

As regards to corporate governance issues, the Company applies the provisions of laws 2190/1920, 3016/2002 and 3693/2007, which have been incorporated in its Memorandum of Association, its Internal Operation Regulation and in the Audit Manual it has prepared. Moreover, the Company has adopted the Corporate Governance Code of SEV, which is in line with the provisions of the above laws and includes a series of additional Corporate Governance practices.

Also, apart from the provisions of law, the Company applies a series of additional measures that are included in its Internal Operation Regulation, as well as in the Operation Regulation of the Internal Audit System.

IV. Description of the internal controls system and risk management system of the Company as regards to the procedure of preparing financial statements.

The Internal Controls System consists of the operations established by the Company in order to ensure its assets, identify and handle the most significant risks it faces or that it may face in the future, ensure that the financial data based on which the financial statements are prepared are correct and accurate, as well as to ensure that the Company's adheres to the Law, as well as to the principles and policies decided by Management.

In order to develop this System, the Company has studied and applied several Policies, Procedures and Regulations, that have been incorporated in its Internal Operation Regulation. With its application the Company covers the Management of Possible Risks in relation to the procedure for preparing Financial Statements in the following three (3) levels:

1) Entity level controls,
2) Financial reporting process controls,
3) IT controls

Specifically:

1) Entity level controls

Role and Responsibilities of the Board of Directors: The Board of Directors decides on any action that concerns Management of the Company, Management of its assets and in general on anything that relates to the achievement of its objective.

Additionally, the Board of Directors:
- Defines the responsibilities of each Division and assigns each Manager to delegate responsibilities to his/her employees.
- Is responsible to recruit the Company's Senior Executives and to define their remuneration policy.
- Is responsible to appoint the Company's Internal Auditors and to define their remuneration.
- Is responsible to prepare a report with detailed transactions of the Company with its related parties, which is disclosed to the regulatory authorities.

Preparation of Budget and Supervising its Implementation at the Management level: The Annual Budget, which is also a guide for the Group's financial development, is prepared on an annual basis (consolidated and also per sector/subsidiary) and is presented to the Company's Board of Directors for approval. The Statements with the actual results are issued periodically, accompanied by the condensed reports including the deviations and are discussed at the Board level.

Identifying and assessing business risks: The Company systematically applies Risk Assessment, namely it monitors the evaluation, measurement and management of risks to which the company is exposed through studying the regular reports and business ratios that concern the Company's operation and effectiveness. The aforementioned reports and business ratios are evaluated sufficiently both by Management and by the Company's Board of Directors.

Internal Operation Regulation: The Company's Internal Operation Regulation is also the manual for its Internal Controls System, which amongst others includes the following:
- Guidance on handling the different operations
- Delegation of responsibilities
- Authorizations and limits of expense approvals
- Instructions for Controls on the basic sections of the Internal Controls System.

The adequacy of the Internal Controls System is monitored on a systematic basis by the Audit Committee through regular meetings that take place with the Internal Audit Service in the context of monitoring the Company's Annual Audit Program.

Prevention and Suppression of Financial Fraud: In the context of the complete risk management system applied by the Company, operations that are considered as critical for financial fraud are assessed and procedures are applied with increased controls. Indicatively we mention the Table of Operations-Duties-Responsibilities-Authorities-Approvals of Management and Executives and their incorporation in the Company's Internal Operation Regulation.

- Purchases – Supplies
- Investments
- Payment – Cash Withdrawal Approval Policy
- Credit Policy
- Cash Management

2) Financial reporting process controls

In order to ensure that the financial data, based on which the financial statements of both the Company and the Group, are correct and accurate, the Company applies specific controls that include the following:

- The records from the Company's accounting department are applied based on a specific process that requires all receipts/documents to be original, sealed with a standardized stamp and carry the respective signed approvals.
- The Company maintains a Certified Fixed Asset Registry in the Fixed Assets sub-system and applies depreciations according to the International Accounting Standards and Tax Rates in effect. Depreciations are reviewed by the Operational Head of the Finance Department.
- The accounting department carries out periodic reconciliation of balances of payroll, customers, suppliers accounts, VAT etc.
- The Operational Head of Financial Services is responsible for updating the Chart of Accounts (namely any changes and opening of new accounts).
- The Group prepares the consolidated and also the separate per Group sector/subsidiary budget on an annual basis for the next financial year, and such budgets are presented to the Company's Board of Directors for approval.
- Each month a detailed presentation is prepared per sector/subsidiary and on a consolidated Group level, for the financial results. This presentation is disclosed to the Group's Management.
- Companies that constitute the Group follow common accounting applications and procedures in line with the International Financial Reporting Standards (IFRS).
- At the end of each period, the accounting departments of the parent and subsidiary companies prepare their financial statements according to the International Financial Reporting Standards (IFRS).
- The Financial Services of the Group collect all the necessary data from subsidiaries and factories, consolidation entries are applied and the financial statements are prepared according to the International Financial Reporting Standards (IFRS).
- There are specific processes for the finalization of financial statements, which include deadlines for submission, responsibilities and information for the required disclosures.
- The financial statements are reviewed by the company's Audit Committee and Board of Directors.

3) IT controls

The Financial Services Division of the Group is responsible for maintaining the Company's IT applications. This Division has established powerful IT controls, which ensure the support of the direct and also the long-term objectives of the Company and the Group as well. All applied processes are described in detail in the Company's Internal Operation Regulation. The most significant of such are presented below:

- **Back Up Process (in Hardware):** According to the Operation Regulation, the IT Service develops the appropriate infrastructure and ensures that such is compatible with another company that has a respective IT system to cover each other's needs in cases of damage in the Company's central IT system.
- **Back Ups of Computer Files – Software of the central IT system**: The IT Service is responsible for the overall design of the Back Up System using the latest technology (Mirroring etc.) in order to ensure the Company's continuous operation ***(Business Continuity Plan).***
- **External Back Ups of Computer Files – Software of the central IT system:** As regards to the External Back Ups, the IT Service handles the system and frequency that entirely secures the Company, as well as the safekeeping of relevant copies in fireproof lockers / safe boxes, which have specifications with endurance even in case of a "collapse", as well as in spaces (outside of the building where the computer is located) that have been approved by Management ***(Disaster Recovery Plan).***
- **Safekeeping (Confidential) of the Company's Computer Files:** The IT Service applies the appropriate systems that ensure the "non" leakage of the Company's IT data.
- **Files – Software of the Central Computer:** Particular emphasis is given to the access of the space where the Central Computer is installed, in order to allow such access only by IT employees that have been authorized by Management. The

access is controlled adequately. The Operation Regulation defines who can access data whose possible alteration may result in calculation changes (i.e. invoices, payroll, discounts etc.).

- **Files – Software of the Peripheral Computers:** Access to files and computer software is provided to specific individuals with the use of personal passwords.
- **Record File of Incidents:** According to the Operation Regulation, the IT Service prints modifications / changes in computer files each month, in order to identify whether there are possible "unorthodox" cases and informs the Operational Head of the Group's Financial Service and subsequently such reports are handled to the Internal Auditor.
- Processes for Protection of the **Central Computer and Peripheral Computers:** In the context of protecting the Group's IT system, and taking advantage of the latest technology available, the IT Service applies the most advanced protection techniques, such as antivirus security software, e-mail security, firewalls etc.

The Board of Directors of the company monitors the adequacy of the Company's Internal Controls System on a continuous basis, given that:

- It has approved the Company's Internal Operation Regulation which has incorporated the appropriate Policies, Processes and Regulations that consist the Internal Controls System applied by the company.

- The Company's Board members are recipients of the reports prepared by the Company's Internal Audit service. Through such reports, several sections/operations of the Company are assessed as well as the adequacy of Internal Control Systems applied in such.

V. Information regarding the Company's control status (Information of items (c), (d), (f), (h) and (i) of paragraph 1 of article 10 of Directive 2004/25/EC)

Significant direct or indirect participations (including indirect participations through pyramid structures or cross-participation) according to the definition of article 85 of directive 2001/34/EC

As regards to significant participations in the share capital and voting rights of the Company, according to the definition of **article 85 of directive 2001/34/EC**, Mr. Konstantinos Halioris owned a percentage of 42.022% of the Company's share capital on 31/12/2011 and Ms Eufimia Haliori owned a percentage of 19.849% of the Company's share capital on 31/12/2011. No other physical or legal entity owns a percentage over **10%** of the Company's share capital. Data regarding the number of shares and voting rights of individuals owning significant participations, has been derived by the Shareholders' registry kept by the Company and the disclosures notified to the Company according to Law.

Owners of any type of titles that provide special control rights and description of such rights.

There are no Company titles that provide owners with special control rights.

Any kind of limitations on voting rights, such as limitations on voting rights of owners that hold a specific percentage or number of votes, the exercise deadlines for voting rights, or systems through which, with the cooperation of the company, financial entitlements that emanate from the titles are distinguished from the ownership of the titles ·

The Company's Memorandum of Association provides no limitations to voting rights emanating from its shares any type of ownership titles.

Rules that regard the appointment and replacement of Board members as well as regarding amendment of the Memorandum of Association ·

The rules included in the Company's Memorandum of Association, both as regards to the appointment and the replacement of Board Members and as regards to its amendments, do not differ from those stated by C.L. 2190/1920. It is noted that the Company's Memorandum of Association is fully in line with the provisions of L 2190/1920, based on the resolution by the Ordinary General Meeting of shareholders dated 24 June 2008.

The authorities of Board members, specifically as regards to the ability to issue or buyback shares

According to par. 13 article 13 of CL 2190/1920, as currently in effect, the Board of Directors increases the Company's share capital by issuing new shares in the context of implementing the approved by the General Meeting Stock Option Plans, for purchase of Company shares by beneficiaries.

According to the provisions of article 16 of CL 2190/1920, as currently in effect, the Company may acquire its own shares , only following an approval by the General Meeting, up to 1/10 of the paid up share capital, under the specific terms and procedures stipulated by the provisions of article 16 of CL 2190/1920, as currently in effect. There is no provision in the Company's Memorandum of Association that states otherwise.

VI. Board of Directors and Committees

1) Composition of the Board of Directors

According to the Memorandum of Association, the Company is managed by a Board of Director which consists of five to nine (5-9) members. The Board members are elected by the General Meeting of shareholders, amongst shareholders or not, for a five-year term, which is automatically extended until the first ordinary General Meeting following the end of their term, without however extending over six-years.

- In case of resignation, death or in any other way loss of the capacity of a Board member, the remaining members may either elect members of such in replacement of the above or may continue the management and representation of the company without the replacement of past members, with the condition that the number of the remaining members is not less than half of the number of members during the time such events occurred. In any case, the Board members cannot be less than three(3).
-In case of electing a replacement, the decision for the election is subject to the disclosure requirements of article 7b of C.L. 2190/1920, as currently in effect, and is announced by the Board of Directors at the forthcoming General Meeting, which can replace those elected, even if the relevant issue had not been included in the daily agenda.
- The actions of the elected temporary replacement are valid even if the General Meeting does not validate his/her possible election or even if it has elected or not another final member of the Board.

Amounts in thousand Euro, unless stated otherwise

- The term of an elected Board member is terminated when and whenever the term of the replaced member would have been terminated.

The present Board of Directors consists of seven (7) members, from which three (3) are executive, two (2) are non-executive and two (2) are independent non-executive.

The following table presents the members of the Board of Directors

Board Member	Position in the Board	Term
Konstantinos Halioris	Chairman & Chief Executive Officer	30.06.2009-30.06.2014
Theodosios Kolyvas	Executive Vice-Chairman	30.06.2009-30.06-2014
Dimitrios Chrountas	Executive Member	30.06.2009-30.06-2014
Stephen Duffy	Non-Executive Member	05.01.2012-30.06.2014
Christos Siatis	Non-Executive Member	23-07-2010-30.06.2014
Konstantinos Gianniris	Independent Non-Executive Member	30.06.2009-30.06.2014
Ioannis Apostolakos	Independent Non-Executive Member	30.06.2009-30.06.2014

The present Board of Directors resulted following the replacement of the Non-Executive Member Mr. Christos Komninos by Mr. Stephen Duffy, and was formed to a body based on the Board Minutes dated 05-01-2012. The replacement of a member by Mr. Stephen Duffy will be announced at the Annual General Meeting of shareholders.

The CVs of the Company's Board members, are as follows:

Konstantinos Halioris, *Chairman of the Board & CEO, 50 years old*

He has 30 years experience in the Plastics Industry. From 1999 he has served as Chief Executive Officer and through the adoption of modern and flexible practices was able to maintain continuous development of the Group within the continuously changing conditions of the global market. Carrying on the vision of the founder Stavros Halioris, he set the Company on a global path by realizing a series of investments, which included either acquisitions or the establishment of new companies both in Europe and in America. Specifically, in 1999 the acquisition of the Scottish company Don & Low, a former subsidiary of the multinational Shell group, opened the way for the Company to become a global supplier of synthetic fabrics in the next years. In 2000 the acquisition of the Irish company Synthetic Holdings, offered the Company the opportunity to become a leader in the sector of industrial packaging in the Nordic region. During the four year period 2002-2006, the Company realized a series of investments in the Rigid Packaging Business Unit, and as a result it currently holds a leading position in consumer products packaging in the broader Balkans regions. Finally during 2007-2008 the Company entered the North American market dynamically, by acquiring a production and commercial base in the Technical Fabrics Business Unit in two states.

Theodosios Kolyvas, *Vice Chairman of the Board, 68 years old*

Mr. Kolyvas is a graduate of the Economics Department of the Athens University of Economics and Business (AUEB). He has been with the Company since 1982. Until 2002 he held the position of Head of Financial Services. With multi-year experience and given his deep knowledge of corporate issues, he has assisted the CEO essentially in exercising his duties, he has supported the Company's development and has contributed in promoting issues on all levels of the Company's business activity. He has been Vice-Chairman of the Board since 2009.

Dimitrios Chrountas, *Executive Member, 55 years old*

A graduate of the Business Administration department of the Economic University of Thessalonica. He has 30 years of experience in companies of the industrial sector. He has worked at the Company since January 1998, holding the position of Head of Financial Management. Currently he participates in the Board of Directors of the subsidiaries Thrace Plastics Pack S.A., Pairis Packaging S.A., while he is Vice-Chairman for the subsidiary Thrace Nonwovens & Geosynthetics S.A.

Stephen Duffy, *Non-Executive Member, 65 years old*

A Fellow of both the Chartered Institute of Management Accountants and the Chartered Association of Certified Accountants.He began his career in the electricity supply industry before moving - between 1970 and 1982 - into the UK steel industry where he held a variety of senior posts. In 1982 he was recruited by Arthur Young (now Ernst and Young) where he acted as a "company doctor" to a variety of companies requiring financial turn round. Subsequently in 1989, he joined PE International plc at Director level, and worked in international management consultancy for the next six years. Following a five year spell with the PA Consulting Group, headquartered in London, he joined Don & Low, as a Director, shortly before its acquisition by the Thrace Group.

He is currently Executive Chairman of Don & Low Limited in Scotland.

Christos Siatis, *Non-Executive Member, 63 years old*

An Associate Member of the Fellows of Chartered Accountants of England and Whales. He is a Certified Public Accountant by the Cyprus Institute of Chartered Accountants and Member of the Hellenic Association of Certified Accountants (SOEL). He began his career in 1981 at the auditing firm Kostouris – Michailidis (Grant Thornton) in Athens. In 1993 he became Managing Partner of the Greek company and in 1997 he assumed the position of Territory Senior Partner at the company that resulted from the merger of Kostouris-Michailidis and Coopers & Lybrand. In 1998 he was elected Chairman and Chief Executive Officer of the company Pricewaterhouse Coopers in Greece. At the same time he was exercising his Management responsibilities at the above auditing firms, Mr. Siatis worked in the Consultancy sector providing advisory services to senior management of large firms.

Konstantinos Gianniris, *Independent Non-Executive Member, 67 years old*

A graduate of the Business Administration Department of the University of Piraeus and of the Law School of Athens University. He has served as Chief Executive Officer, General Manager or Senior Management Executive at large Greek companies of the private sector (Iaso, Athens Euroclinic, Izola, Selman, A.G. Petzetakis, Soulis etc.) . He has established the Institute of Internal Auditors, for which he served as Chairman for seven years. He has established the Association of Greek Clinics, for which he served as Chairman for 2 years, while currently he is Honorary Chairman. He also participates in the Board of Directors of the companies Elastron S.A. and Eurodrip SA.

Ioannis Apostolakos, *Independent Non-Executive Member, 48 years old*

He has an M.B.A. from University of Wales, and a bachelors degree from the Business Administration Department of the Athens University of Economics and Business (AUEB). Mr. Ioannis Apostolakos has served as senior management executive in the past in the Credit and Investment Banking sectors of the Ergasias Bank Group (currently named Efg Eurobank Ergasias), Omega Securities (currently Proton Bank), Sigma Securities (currently Piraeus Securities) and the Piraeus Bank Group, while until recently he held the position of Vice-Chairman of the Board for a Group of companies listed on European Stock Markets.

The Independent Non-Executive Members, Messieurs Konstantinos Gianniris and Ioannis Apostolakis, meet the independence criteria as such are defined by L 3016/2002 and by the Corporate Governance Code of SEV.

The following table presents the external professional commitments of Board members

Board Member	Companies outside the Group in which the Board members participate	Position
Konstantinos Halioris	Civil non-Profit Company Stavros Halioris	Vice-Chairman of the Board
	Xanthi Photovoltaic Park S.A.	Chief Executive Officer
	Paros Photovoltaic Park S.A.	Chief Executive Officer
	EYTERPI S.A.	Chief Executive Officer
	ERATO S.A.	Chairman & CEO
	THALEIA S.A.	Chief Executive Officer
Theodosios Kolyvas	EYTERPI S.A.	Board Member
	Kleio Technical Tourism Real Estate Commercial Company	Board Member
	Xanthi Photovoltaic Park S.A.	Board Member
	Paros Photovoltaic Park S.A.	Board Member
	THALEIA S.A.	Board Member
	Thrace Management & Consulting Services S.A.	Board Member
Konstantinos Gianniris	Eurodrip S.A.	Board Member
	Elastron S.A.	Board Member
	K. Gianniris & Associates G.P.	
	Association of Hellenic Clinics	Honorary Chairman
	K. Gianniris	
Stephen Duffy	Don & Low Ltd	Chairman
	Thrace Synthetic Packaging Ltd	Board Member
	Synthetic Holding Ltd	Board Member
	Synthetic Textiles Ltd	Board Member
Dimitrios Chrountas	Optipack SA	Board Member

2) Responsibilities of the Board of Directors

The Board of Directors is the administrative body that decides on any action that concerns the Company's Management, the management of its assets and in general anything that refers to achieving its objective.

According to the Company's Memorandum of Association:

The Board of Directors is responsible for the representation, administration and unlimited management of corporate affairs. It decides on any issue that concerns the company's management, the achievement of the company objective and the management of company assets, including the issue of common and convertible bond loans. Only decisions, which according to the provisions of Law, are subject explicitly to the responsibility of the General Meeting of shareholders, are excluded.
The Board of Directors may appoint, for any time period and under any conditions it deems necessary each time, to exercise its representation and duties in general, fully or partially to one or more of its members or Managers or Executive advisors or other employees of the Company or third parties or committees, defining however each time their authority and the signatures that bind the Company.

Specifically, according to the Internal Operation Regulation, the responsibilities, duties and authorities of the Board include the following:

1. The Board is responsible to reinforce the company's long-term financial value and to promote corporate interests.
2. The Board members are not allowed to seek their own interests that conflict the company's interests.
3. The Board members and any third party who has been assigned similar duties are must promptly inform others in case where a transaction they realize constitutes a conflict of interest between such and the company or its related companies.
4. Each year the Board of Directors prepares a report with the detailed transaction of the company with its related companies, which is also disclosed to the regulatory authorities.
5. The Board of Directors defines the responsibilities of each department and assigns to each manager the responsibility to allocate duties to his/her employees.
6. Apart from other Responsibilities, the Board is exclusively Responsible (according to those stipulated by article 3 of L. 3016/02) for the following as well:
   - The remuneration policy for employees

- The remuneration of Senior Executives
- The remuneration of Internal Auditors
- The appointment of Internal Auditors.

3) Operation of the Board of Directors
As regards to the operation of the Board, the Company's Memorandum of Association states the following:

Formation of the Board of Directors
- The Board of Directors, as soon as it is elected and specifically during its first meeting, elects from its members and for the entire period of its term a Vice-Chairman and Chairman, whereas if the Chairman is absent or unable the Vice-Chairman substitutes such, and if the latter is absent or unable then the advisor that is appointed by means of a decision by the Board of Directors substitutes such.
- The Chairman of the Board of Directors presides the Board meetings, manages its activities and informs the Board of Directors on the Company's operation.
- The Board of Directors may elect one of its members as Chief Executive Officer or Executive Advisor, it may appoint responsibilities of the CEO to the Chairman or Vice-Chairman of the Board and it may elect the deputy CEO or Executive Advisor from its members.
- The responsibilities of the CEO and Executive Advisor are defined by means of a decision by the Board.

Decision Making
The Board of Directors considered to be in quorum and meets vaudly given that half plus one member are present ore represented at the meeting, however the number of members present in persion cannot be less than three (3). To establish quorum, possible fractions are omitted.
The decisions of the Board of Directors are made with absolute majority of the members present and represented at the meeting.

Representation of Board Members
A Board member that is absent may be represented by another member. Each Board member may represent only one absent member, with a written authorization.

Minutes of the Board of Directors
- Copies or excerpts of the Board of Directors' Minutes are certified by the Chairman or his/her legal representative or by a member of the Board that has specifically been authorized for such by a decision from the Board.
- The preparation and signing of minutes by all Board members or their representative constitutes a decision by the Board of Directors, even if a meeting has not previously taken place.

Remuneration of Board Members
The members of the Board may receive remuneration for each of their presence in person at Board meetings, only if such is approved with a special decision by the Ordinary General Meeting.

4) Board Meetings

According to the Company's Memorandum of Association

- The Board of Directors convenes at the company's registered offices each time such is required by Law or the company's needs.
- The Board of Directors may convene through teleconference. In this case, the invitation towards Board members includes all information necessary for their participation in the meeting.
- The Board meetings may be presided by the Chairman or his/her substitute.

At the beginning of each calendar year, the Board adopts a meetings calendar and a 12-month action plan, which are reviewed according to company needs, in order to ensure the proper, complete and prompt fulfillment of their duties, as well as the adequate assessment of all issues on which it makes decisions.

During 2010, 23 Board meetings took place. All Board members participated in 14 meetings, while in 10 of such the two independent non-executive members did not participate.

5) Audit Committee

Fully in compliance with the provisions and stipulations of L 3693/2008, during the annual General Meeting of shareholders that took place on 30.06.2009 the Company elected an Audit Committee with the objective to support the Board in performing its duties as regards to financial reporting, internal controls and supervising the regular audits.

The basic responsibilities of the Audit Committee are as follows:

- It monitors the financial reporting process and the reliability of the Company's financial statements.
- It supervises the Company's internal financial controls and monitors the effectiveness of the internal control systems and risk management.
- It examines conflicts of interest during the Company's transactions with its related parties and submits relevant reports to the Board of Directors.
- The Audit Committee ensures the implementation of a whistleblower policy, namely processes for reporting possible irregularities.
- It ensures the proper operation of the Internal Audit Service and the procedures that are defined by the Audit Manual.

It participates in the process to appoint the Company's Ordinary Auditor and to define his remuneration, it assesses and monitors the objectivity and effectiveness of the audit procedures.
The Audit Committee consists of the following non-Executive Members:

Konstantinos Gianniris	Independent Non-Executive Board Member, Chairman of the Committee
Christos Siatis	Non-Executive Board Member
Ioannis Apostolakos	Independent Non-Executive Board Member

Meetings – The frequency of each Board member present each year during meetings

The Committee convenes at least four (4) times a year. The Chairman of the Committee decides on the frequency and time schedule of the meetings. The external auditors are entitled to request a meeting by the Committee if they deem necessary.

During 2011 the Committee convened 4 times and all members were present during the meetings, whereas all issues mentioned in the Operation Regulation were discussed and handled, the basic of which are as follows:

- Supervision and approval of the Internal Audit Service's activities
- Evaluation of the Financial Statements as to their completeness and consistency
- Opinion on the selection of the auditing firm
- Ensuring the independence of the Certified Public Accountants

5) Recruitment – Remuneration of Executive Board Members & Senior Executives and Board Member Nominee Committee

During 2011 and following a relevant provision in the SEV Code, the role of the Recruitment – Remuneration of Executive Board Members & Senior Executives and Board Member Nominee Committee was expanded and the committee was more systematically organized. The responsibilities of the Committee will be described in the Company's Internal Operation Regulation and mainly include the following:

As regards to proposing nominee Board members:

- the definition of criteria for the selection and of processes for appointing Board members
- the periodic review of the size and composition of the Board
- the assessment of the existing balance of qualifications, knowledge and experience in the Board, and based on such the evaluation, clear description of the role and skills needed to fill vacant positions
- the submission of proposals to the Board for nominee members

As regards to remuneration of Board members:

- the submission of proposals to the Board regarding remuneration of executive Board members as well as senior executives
- defining the remuneration (fixed and variable) and benefits strategy
- the assessment and submission of proposals to the Board (and through such to the General Meeting of shareholders, when required) as regards to stock option plans
- the establishment of principles that govern the Corporate Social Responsibility policy

The "Recruitment – Remuneration of Executive Board Members & Senior Executives and Board Member Nominee Committee" consists of the following two (2) Non-Executive Members:

Konstantinos Gianniris	Independent Non-Executive Member, Chairman of the Committee
Christos Siatis	Non-Executive Member

The composition of the committee resulted from the replacement of the Non-Executive Board Member Mr. Christos Komninos by Mr. Christos Siatis (Non-Executive Board Member), in the Senior Executives and Board Member Nominee Committee, which took place during the Board's meeting on 9 January 2012.

Meetings

The Committee will convene at least once (1) a year and in any case whenever deemed necessary.

VII. General Meeting and Shareholders' Rights

- **Basic Authorities**

The General Meeting of the Company's shareholders is the highest body of the company and is entitled to decide on any issue that concerns the Company, while its legal decisions also bind shareholders that are not present or who disagree.
Issues regarding invitation, convening and conducting General Meetings of shareholders, that are not defined by the Company's Memorandum of Association, are those according to the relevant provisions of C.L. 2190/1920, as currently in effect.

- **Convening the General Meeting**

The General Meeting convenes at the company's registered offices or in a district of another municipality within the prefecture of its domicile or another municipality near the domicile. The General Meeting may also convene in the district of the municipality where the domicile of the relevant stock exchange (where the Company's shares are listed) is located.

According to the Memorandum of Association, participation in voting remotely during the General Meeting of shareholders is permitted given the prior dispatch to shareholders of the daily agenda issues and relevant voting ballots accompanying such issues at least five (5) days prior to the General Meeting. The issues and voting ballots may be provided and submitted online through the internet. Shareholders that vote in this manner are calculated to define quorum and majority, given that the relevant ballots have been received by the company at least two (2) full days prior to the day of the General Meeting.

The relevant provision has not been applied until today.

- **Representation of shareholders at the General Meeting**

Shareholders that have the right to participate in the General Meeting may be represented in such by legally authorized proxies.

- **Chairman of the General Meeting**

The Chairman of the Board of Directors temporarily serves as chairman of the General Meeting, or if he is unable his substitute, as defined by the Memorandum of Association or if the latter is unable also, then the oldest in age from the present Members. Those appointed by the Chairman serve as temporary Secretary of the General Meeting.

Following the reading of the final list of shareholders that have voting rights, the Meeting proceeds with electing a Chairman and a Secretary who also serves as a vote teller.

- **Minutes**

Copies or excerpts of the General Meeting minutes are certified by the Chairman or his legal substitute or by the latter's substitute, and/or by anyone that is defined for such by the Board of Directors.

The Board of Directors ensures that the preparation and performance of the General Meeting of shareholders facilitate the effective exercise of shareholders' rights, whereas shareholders should be fully informed on all issues relating to their participation in the General Meeting, including the daily agenda issues and their rights during the General Meeting. The Board of Directors will take advantage of the General Meeting of shareholders in order to facilitate an essential and open dialogue with the company.

According to the provisions of Law 3884/2010, as regards to the General Meeting, the Company will also apply the following:

Release of information prior to the general meeting on the Company's website

From the day the invitation to convene a general meeting is released and until the day of the general meeting, at least the following information is posted on the Company's website:
• The invitation to convene the general meeting,
• The total number of shareholders and voting rights during the date of the invitation,
• The documents that will be submitted to the general meeting,
• A draft resolution for each issue on the daily agenda that is proposed, or if no decision has been proposed for approval than a comment by the board of directors for each issue on the daily agenda and draft resolutions proposed by shareholders, as soon as they have received such by the company.
• The documents that must be used to exercise voting right through a proxy.

Participation and Voting Right
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 (5^{th}) 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 (3^{rd}) day prior to the date of the General Meeting. For the 1^{st} Repeated General Meeting, the shareholder capacity must be in effect on the beginning of the fourth (4^{th}) day prior to the date of the 1^{st} Repeated General Meeting, while the relevant written or electronic certification that certifies the shareholder capacity must be provided to the Company at least the third (3^{rd}) day prior to the date of the aforementioned Repeated Meeting. 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. 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.

Minority Rights of Shareholders
(a) 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 General Meeting's daily agenda, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. The request for the listing of additional issues on the daily agenda is accompanied by a justification or by a draft resolution for approval by the General Meeting and the revised daily agenda is published in the same manner as the previous daily agenda, at least thirteen (13) days prior to the General Meeting date and at the same time is disclosed to shareholders on the Company's website together with the justification or draft resolution submitted by the shareholders according to those stipulated by article 27 par. 3 of c.l. 2190/1920.

(b) 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.

(c) 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. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. The Board of Directors may respond collectively to shareholders' requests with the same content. There is no obligation to provide information when the relevant information is already available on the Company's website, especially in the form of questions and answers.

(d) Following a request by shareholders that represent one fifth (1/5) of the paid up share capital, which 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 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. Respective deadlines for exercising minority rights of shareholders also hold for Repeated General Meetings. In all the aforementioned cases, shareholders submitting requests must evidence their shareholder capacity and the number of shares owned when exercising the relevant right. Such evidence is provided by submitting the certification by the authority that keeps records of the specific securities or by certifying the shareholders' capacity through the online connection between the authority and the Company.

Process for exercising voting rights through a proxy
The shareholder participates in the Extraordinary General Meeting and votes either in person or through a proxy. Each shareholders 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 shareholders 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 Extraordinary 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 exercising control on the Company, or another legal entity that is controlled by a shareholder who exercising control of the Company,
c) is an employee or certified public accountant of the Company or shareholder that exercising control of the Company, or another legal entity controlled by the shareholder who exercising control of 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.

The Company will post the form it uses to appoint proxies on its website. This form is filled in and submitted signed by the shareholder to the Company's Shareholders' Department or is sent by fax to the latter at least three (3) days prior to the date of the Extraordinary General Meeting.
The beneficiary shareholder is requested to confirm the successful dispatch and receipt of the proxy form by the Company.

- **Shareholders' Rights**

Shareholders' Rights & their exercise

The Company has issued common registered shares listed on the Athens Exchange, and registered in immaterial form in the records of the Dematerialized Securities System. There are no special rights in favor of specific shareholders.

The acquisition of Company shares implies ipso jure acceptance of its Memorandum of Association and of the legal decisions made by its relevant bodies.

Each share provides rights corresponding to the respective percentage of share capital such represents. The responsibility of shareholders is limited respectively to the nominal value of shares owned. In case of co-ownership of a share, the rights of the co-beneficiaries are exercised only by a joint representative of such. The co-beneficiaries are responsible with solidarity and entirely for fulfilling the obligations that emanate from the common share.

Each Company share incorporates all the rights and obligations defined by C.L. 2190/1920 and its Memorandum of Association, and specifically:

- The right to participate and vote in the General Meeting.
- The right to receive dividend from the Company's earnings.
- The right on the product of liquidation, or respectively the capital depreciation that corresponds to the share, given that such is decided by the General Meeting. The General Meeting of the Company's shareholders maintains all its rights during liquidation.
- The pre-emptive right in any increase of the Company's share capital that takes place by cash and through the issue of new shares, as well as the pre-emptive right in any issue of convertible bonds, given that the General Meeting that approves the increase does not decide differently.
- The right to receive a copy of the financial statements and reports by the certified public accountants and Board of Directors of the Company.
- The rights of minority shareholders described below.

The right to participate in the General Meeting and exercise voting rights through electronic means or by mail is currently not provided, as the Company is expecting the issuance of the relevant ministerial decision, as stated by l. 3884/2010.

Minority Rights

The following minority rights are provided according to C.L. 2190/1920:

Shareholders that own 1/20th of the share capital and voting rights are entitled to make the following requests and the Company is obliged to satisfy such (under the conditions stated by law):

- Request towards the Company's Board to convene an Extraordinary General Meeting of shareholders.
- Request towards the Company's Board to enlist an additional issue on the daily agenda of the general meeting, which has already convened.
- Request towards the Chairman of the General Meeting to postpone only once the decision making by the General Meeting.
- Request that the Company's Board provides shareholders with draft resolutions on issues included in the daily agenda.

- Request that the decision making on any issue of the General Meeting's daily agenda take place with open voting.
- Request for audit of the Company by the relevant courts in the district where it resides.
- Request towards the Board to announce during a forthcoming ordinary General Meeting the amounts that were paid, during the last two years, to each Board Member or to managers of the Company as well as any benefit paid towards such persons for any purpose or according to any contract between them and the Company.

Shareholders that own 1/5th of the share capital and voting rights are entitled to make the following requests and the Company is obliged to satisfy such (under the conditions stated by law):

- Request that the Company's Board provides information on the development of corporate affairs and the assets of the Company during the forthcoming General Meeting.
- Request for audit of the Company by the relevant court, given that it is conceived from the overall development of corporate affairs that the management of such is not exercised as required by proper and prudent management.

Shareholders that represent two percent (2/100) of the paid up share capital may request the annulment of a resolution by the General Meeting of shareholders, if such was made without providing the required information requested by shareholders under their minority right or by abusing authority of the majority.

Shareholders that represent one tenth (1/10) of the paid up share capital may request by the Board or the Company's liquidators to exercise all the Company's claims against the Board members that emanate from the management of corporate affairs.

Shareholders that represent one third (1/3) of the paid up share capital may request its liquidation before the relevant court, if a significant reason exists for such, which in an obvious manner renders the continuance of the Company impossible.

Any shareholder may request by the Board of Directors to provide the requested specific information on the Company's affairs at the forthcoming General Meeting, to the extent that such information is useful for the real assessment of the Daily Agenda issues.

Xanthi, 29 March 2012

Konstantinos Halioris
Chairman of the Board and Chief Executive Officer

Audit Report by Independent Certified Auditor Accountant

Towards the Shareholders of the Company THRACE PLASTICS Co. S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company THRACE PLASTICS Co. S.A., which consist of the separate and consolidated statement of financial position of 31 December 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 principles and methods and other explanatory notes.

Management's Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated 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 separate and consolidated financial statements.

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company THRACE PLASTICS Co. S.A. and its subsidiaries as at 31 December 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, 30 March 2012

THE CERTIFIED AUDITOR ACCOUNTANT

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Auditing Firm
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SOEL Company Reg. No. 113

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Amounts in thousand Euro, unless stated otherwise

NOTES ON THE FINANCIAL STATEMENTS

1. Foundation and Activities of the Group

The company THRACE PLASTICS Co. S.A. (hereinafter the "Company") was founded in 1977 and registered in Magiko of municipality of Bistonida in Xanthi, Northern Greece (Public Companies (S.A.) Reg. No. 11188/06/B/86/31). The main activity of the Company is the production and distribution of Polypropylene (PP) products. In a short period of time the Company turned into a Group of companies (hereinafter "the Group"), by acquiring or settling up new entities, all of them being involved in the production of four basic categories of products: Synthetic woven fabrics, synthetic non-woven fabrics, production of big bags (F.I.B.Cs) and products of rigid packaging. The shares of the Company are listed on the Athens Stock Exchange since June 26, 1995. The Group maintains production and trade facilities in Greece, Scotland, Northern Ireland, Ireland, Sweden, Norway, Serbia, Bulgaria, Romania, U.S.A. and Turkey. On December 31st 2011 the Group employed in total 1,556 employees, from which 204 are employed by the Company. The structure of the Group as of 31 December 2011 is as follows:

Company	Registered Office	Participation Percentage	Consolidation Method
THRACE PLASTICS Co. S.A.	**GREECE-Xanthi**	**Parent**	**Full**
*** DON & LOW LTD**	**SCOTLAND-Forfar**	**100.00%**	**Full**
****** DON & LOW AUSTRALIA Pty LTD	AUSTRALIA	100.00%	Full
*** THRACE NON WOVENS & GEOSYNTHETICS S.A.**	**GREECE-Xanthi**	**100.00%**	**Full**
*** THRACE PLASTICS PACK S.A.**	**GREECE-Ioannina**	**92.84%**	**Full**
** THRACE GREINER PACKAGING SRL	ROMANIA-Sibiu	50.00%	Proportionate
** CAPSNAP HELLAS S.A.	GREECE-Ioannina	50.00%	Proportionate
** THRACE TEKNIK AMBALAJ SANAII A.S.	TURKEY-Istanbul	50.00%	Proportionate
** THRACE PLASTICS PACKAGING D.O.O.	SERBIA-Nova Pazova	100.00%	Full
** PAIRIS PACKAGING S.A.	GREECE-Thiva	100.00%	Full
** TRIERINA TRADING LTD	CYPRUS-Nicosia	100.00%	Full
***** THRACE IPOMA A.D.	BULGARIA-Sofia	99.89%	Full
*** SYNTHETIC HOLDINGS LTD**	**N.IRELAND-Belfast**	**100.00%**	**Full**
*** SYNTHETIC PACKAGING LTD	IRELAND -Clara	100.00%	Full
*** ARNO LTD	IRELAND -Dublin	100.00%	Full
*** SYNTHETIC TEXTILES LTD	N.IRELAND-Belfast	100.00%	Full
*** SYNTHETIC POLYBULK A.B.	SWEDEN -Köping	100.00%	Full
*** SYNTHETIC POLYBULK A.S.	NORWAY-Brevik	100.00%	Full
*** THRACE LINQ INC.	USA-South Carolina	100.00%	Full
*** LUMITE INC.	USA-Georgia	50.00%	Proportionate
*** ADFIRMATE LTD	CYPRUS-Nicosia	100.00%	Full
**** DELTA REAL ESTATE INVESTMENTS LLC	USA-South Carolina	100.00%	Full
*** THRACE-SARANTIS S.A.**	**GREECE-Xanthi**	50.00%	Proportionate
*** PAREEN LTD**	**CYPRUS - Nicosia**	100.00%	**Full**

The participation of each company as regards their subsidiaries on 31 December 2011 is analyzed as follows:

Amounts in thousand Euro, unless stated otherwise

(*) Subsidiaries of THRACE PLASTICS Co. S.A.

(**) Subsidiaries of THRACE PLASTICS PACK Co. S.A.

(***) Subsidiaries of SYNTHETIC (HOLDINGS) LTD

(****) Subsidiaries of ADFIRMATE LTD

(*****) Subsidiaries of TRIERINA TRADING LTD

(******) Subsidiary of DON & LOW LTD

The value of the Company's participations, in subsidiaries, on 31 December 2011, is as follows:

Company	2011	2010
COMPANIES CONSOLIDATED WITH THE FULL CONSOLIDATION METHOD		
DON & LOW LTD	33,953	33,953
THRACE PLASTICS PACK S.A.	15,508	15,508
THRACE NON WOVENS & GEOSYNTHETICS S.A.	5,997	5,997
SYNTHETIC HOLDINGS LTD	4,607	4,607
PAREEN LTD	7,121	-
COMPANIES CONSOLIDATED WITH THE PROPORTIONATE CONSOLIDATION METHOD		
THRACE-SARANTIS S.A.	700	700
Total	67,886	60,765

Thrace Plastics Co. S.A., acquired a 100% participation in the Cypriot company with the name "Pareen Ltd", which had been established on 21 January 2010 with a share capital of Euro 1,000, divided into 1,000 shares with a nominal value of Euro 1 each.
Immediately following its 100% acquisition mentioned above, the Cypriot company decided to increase its share capital, with the issue of new shares and an issue price above par, specifically with the issue of 10,000 new shares at an issue price of Euro 712 each, while "Thrace Plastics Co. S.A." has undertaken the full coverage of any new shares.

2. Basis for the preparation of the Financial Statements

2.1 Basis for Presentation

The present financial statements have been prepared according to the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (I.A.S.) and interpretations that have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as such have been adopted by the European Union until 31 December 2011. The basic accounting principles that were applied for the preparation of the financial statements for the year ended on 31 December 2011 are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2010 and are described in such.

When deemed necessary, the comparative data have been reclassified in order to conform to possible changes in the presentation of the data of the present year.

Differences that possibly appear between accounts in the financial statements and the respective accounts in the notes, are due to rounding.

The financial statements have been prepared according to the historic cost principle, as such is disclosed in the company's accounting principles presented below.

Moreover, the group's and company's financial statements have been prepared according to the "going concern" principle taking into account all the macroeconomic and microeconomic factors and their effect on the smooth operation of the group and company. The financial statements were approved by the Board of Directors on 29/3/2012 and are subject to approval by the General Meeting.

The financial statements of the Group THRACE PLASTICS Co. S.A. are posted on the internet, on the website www.thraceplastics.gr.

2.2 New standards, amendments of standards and interpretations

Specific new standards, amendments of standards and interpretations have been issued, which are mandatory for accounting periods beginning during the present period or after. The Group's assessment as regards to the effect from the application of the new standards, amendments and interpretations is presented below.

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. The amendment does not apply to the Group.

IAS 32 (Amendment) "Financial instruments: Presentation"
The present amendment provides clarifications regarding the manner in which specific options should be classified. Specifically, rights, call or put options or stock options for the acquisition of a specific number of the entity's own equity instruments for a specific amount in any currency, constitute equity instruments if the entity offers such rights or options proportionately to all existing shareholders of the same category of the entity's own, non-derivative, equity instruments. The amendment has no effect on the Group's financial statements.

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 part or in whole, 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 consist part of the IASB (International Accounting Standards Board) 2010 annual improvement plan.

The following amendments describe the most important changes introduced to IFRS as a result of the annual improvement plan of the IASB, which was released in May 2010. Unless stated otherwise, the following amendments do not have a 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 replaces 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.

<u>Standards and interpretations that are mandatory for periods beginning on or after 1 January 2012</u>

IFRS 9 "Financial instruments" <u>(applied for annual accounting periods beginning on or after 1 January 2015).</u>
IFRS 9 is the first phase of the IASB's (International Accounting Standards Board) plan to replace IAS 39 and refers to the classification and measurement of financial assets and financial liabilities. During the next phases of the project, the IASB will extend IFRS 9 in order to add new requirements for impairment and hedge accounting. The Group is in the process of assessing the effect of IFRS 9 on its financial statements. IFRS 9 cannot be applied earlier by the Group as it has not been adopted by the European Union. Only after its adoption, the Group will decide whether it will apply IFRS 9 before 1 January 2015.

IFRS 13 "Fair Value Measurement" <u>(applied for annual accounting periods beginning on or after 1 January 2013)</u>
IFRS 13 provides new guidance relating to the measurement of fair value and the necessary disclosures. The standard's requirements do not extend the use of fair value but provide clarifications for its application in case where the use of fair values is imposed by other standards. IFRS 13 provides an exact definition of fair value as well as guidance referring to the measurement of fair value and the necessary disclosures, regardless of the standard according to which fair values are applied. Moreover, the necessary disclosures have been extended and cover all assets and liabilities measured at fair value and not only financial assets and liabilities. The standard has not yet been adopted by the European Union.

IFRIC 20 "Stripping costs in the production phase of a surface mine" <u>(applied for annual accounting periods beginning on or after 1 January 2013)</u>
The interpretation provides guidance on the accounting of costs incurred in undertaking stripping activities during the production phase of a mine. Based on the interpretation, mining entities may have to write off in retained earnings at the beginning of the period the already capitalized stripping costs of mines that cannot be attributed to a recognizable ore body. The interpretation only applies to costs of surface mines and not to underground mines or oil and natural gas extracting. The interpretation has not yet been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets <u>(applied for annual accounting periods beginning on or after 1 July 2011).</u>
The present amendment provides the disclosures for transferred financial assets that have not been de-recognized entirely as well as for transferred financial assets that have been fully de-recognized but in which the Group continues to be involved. Guidance is also provided for the application of the required disclosures.

IAS 12 (Amendment) "Income Tax" <u>(applied for annual accounting periods beginning on or after 1 January 2012).</u>
The amendment to IAS 12 offers a practical method to measure deferred tax liabilities and deferred tax assets when investment property is measured with the fair value method according to IAS 40 "Investment Property". This amendment has not yet been adopted by the European Union.

IAS 1 (Amendment) "Presentation of Financial Statements" <u>(applied for annual accounting periods beginning on or after 1 July 2012)</u>
This amendment requires economic entities to separate items presented in other comprehensive income in two groups, depending on whether such items are likely to be transferred to the results in the future or not. This amendment has not yet been adopted by the European Union.

IAS 19 (Amendment) "Employee Benefits" (applied for annual accounting periods beginning on or after 1 January 2013)
This amendment induces significant changes in the recognition and measurement of the cost of defined benefit plans and other post-employment benefits (the corridor method is eliminated), as well as in the disclosures of all employee benefits. The basic changes mainly refer to the recognition of actuarial profit and losses, the recognition of service cost/reductions, the measurement of retirement expenses, the required disclosures, the treatment of expenses and taxes related to defined benefit plans, as well as the distinction between short-term and long-term benefits. The amendment has not yet been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (applied for annual accounting periods beginning on or after 1 January 2013)
The IASB published this amendment in order to include further information that will assist users of the financial statements of an entity to assess the effect or possible effect of netting arrangements, including the right to offset recognized financial assets and liabilities, on the entity's financial position. The amendment has not yet been adopted by the European Union.

IAS 32 (Amendment) "Financial Instruments: Presentation" (applied for annual accounting periods beginning on or after 1 January 2014)
This amendment to the application of IAS 32 provides clarification regarding some requirements for offsetting financial assets and liabilities in the statement of financial position. This amendment has not yet been adopted by the European Union.

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

The IASB published five new standards regarding consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment), IAS 28 (Amendment). These standards are applied in annual accounting periods beginning on or after 1 January 2013. Prior application is permitted only if all five standards are applied at the same time. The standards have not yet been adopted by the European Union. The Group is in the process of assessing the effect of the new standards on its consolidated financial statements. The basic terms of the standards are the following:

IFRS 10 "Consolidated Financial Statements"
IFRS 10 replaces all guidance regarding the control and consolidation included in IAS 27 and SIC 12. The new standard changes the definition of control as a definitive factor in order to decide whether an entity should be consolidated or not. The standard provides extensive clarifications that dictate the different manners in which an entity (investor) may control another entity (investment). The revised definition of control focuses on the need for both the right (the ability to direct activities that significantly affect the returns) and the variable returns (positive, negative or both) to be present in order to establish control. The new standard also provides clarification regarding equity rights and protective rights, as well as regarding factoring relations.

IFRS 11 "Joint arrangements"
IFRS 11 provides a more realistic treatment of joint arrangements focusing on the rights and obligations, rather on their legal form. The types of arrangements are limited to two: jointly controlled activities and joint ventures. The method of proportionate consolidation is no longer permitted. Those participating in joint ventures are obliged to use the equity consolidation method. The entities that participate in jointly controlled activities apply an accounting treatment similar to that applied currently by those participating in jointly controlled assets or jointly controlled activities. The standard also provides clarifications regarding those participating in joint arrangements, without joint control.

IFRS 12 "Disclosure of interest in other entities"
IFRS 12 refers to the required disclosures of an entity, including significant judgments and assumptions, which allow readers of the financial statements to evaluate the nature, risks and financial effects related to the participation of the entity in subsidiaries, associates, joint arrangements and structured entities. An entity has the option to proceed with some or all of the above disclosures without the obligation to apply IFRS 12 overall, or IFRS 10 or 11 or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard was published together with IFRS 10 and both standards together replace IAS 27 *"Consolidated and Separate Financial Statements".* The amended IAS 27 defines the accounting treatment and the required disclosures regarding participations in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. Also, the IASB transferred terms of IAS 28 *"Investments in Associates"* and IAS 31 *"Participations in Joint Ventures"* that concern separate financial statements, in IAS 27.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"
IAS 28 *"Investments in Associates and Joint Ventures"* replaces IAS 28 *"Investments in Associates".* The purpose of this Standard is to define the accounting treatment regarding investments in associates and to present the requirements for the application of the equity method during the accounting of investments in associates and joint ventures, as results from the publication of IFRS 11.

2.3 Management Estimations

The preparation of Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that may affect, the accounting balances of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses that have been recognized during the reported period. The use of the available information, which is based in historical data and assumptions and the implementation of subjective evaluation are necessary in order to conduct estimates. The actual future results may differ from the above estimates and these differences may affect the Financial Statements. Estimates and relative assumptions are revised constantly. The revisions in accounting estimations are recognized in the period they occur if the revision affects only the specific period or the revised period and the future periods if the revisions affect the current and the future periods.

The basic estimations and subjective judgments that refer to data, the evolution of which could affect the accounts of the Financial Statements during the next twelve months, are as follows:

2.3.1 Doubtful debts

The Group and Company calculate impairment on the value of trade receivables when there is data or evidence that indicates that the collection of the receivable overall or part of the receivable is not likely. The Group's Management periodically reviews the adequacy of the created provision for doubtful debts together with its credit policy and taking into account data from the Legal Service, which result from processing historic data and recent developments on cases it handles.

2.3.2 Provision for income tax

The provision for income tax according to I.A.S. 12 is calculated by estimating taxes that will be paid to the tax authorities and includes the current income tax for each financial year and a provision for additional taxes that may arise in future tax audits. In order to define the Group's and Company's provision for income tax, an essential understanding of the above is required. The finalization of income tax may differ from the relevant amounts booked in the Group's and Company's financial statements and such differences will affect income tax and the provisions for deferred taxes.

2.3.3 Provisions for employee benefits

The liability for employee benefits is defined according to a study by independent actuaries. The final liability may differ from the actuarial calculation due to different real data as regards to the discount rate, inflation, wage increases, demographics and other data.

2.3.4 Depreciation/amortization of tangible and intangible assets

The Group calculates depreciation/amortization on tangible and intangible assets based on estimation of the useful life of such. The residual value and useful life of such assets are reviewed and defined at the end of each reporting period, if deemed necessary.

2.3.5 Legal cases

The Group recognizes a provision for pending legal cases according to information from its Legal Service.

2.3.6 Provisions for contractual obligations

The Group recognizes provisions for contractual obligations towards customers, which are calculated based on historic data and statistics from the solution of respective cases in the past.

2.3.7 Impairment of participations

The Group recognizes provisions for impairment of participations taking into account the future benefits that will result from such.

2.3.8 Estimation of impairment of goodwill

The Group examines if goodwill has suffered any impairment on an annual basis, according to the Group's accounting principle (see note 2.7.1). The recoverable amounts of the cash flow generating units have been defined according to fair value. Such calculations require the use of estimations.

2.4 Basis of Consolidation

2.4.1 Subsidiaries

Subsidiaries are those companies, which are, directly or indirectly, controlled by the parent Company. Control exists when the Company has the power to govern the financial and operating principles of a company so as to obtain benefits from its activities. To establish the existence of control, any minority interest that may be exercised or amended are taken into account. The Financial Statements of the subsidiaries are included in consolidated Financial Statements from the date the control on them was exercised until the cease of this control. The Financial Statements of subsidiaries are consolidated using the full consolidation method at the same date and using the same accounting policies as the ones referring to the Group. When needed, the accounting principles of subsidiaries are amended in order to ensure the consistency of such with the principles adopted by the Group.

2.4.2 Related Companies

Related companies are those in which the Group has a significant effect but it does not control their financial and operational activities. The Consolidated Financial Statements include the analogy of the Group on the recognized profit or losses of the related companies based on the net equity method, from the period where the effect started till the dated this effect ceased to exist. When the losses attributed to the Group exceed the book value of the participation on the related company, the book value is reduced to zero and no further losses are recognized unless the Group has created liabilities or realized payments regarding the related company.

2.4.3 Joint Ventures

Joint Ventures are the economic units in which the Group has a joint control as this is evident based on an agreement. The consolidated Financial Statements include the participation of the Group on the assets, liabilities, income and expenses with the amounts referring to the period when the control started till the end of this control.

2.4.4 Intra-company balances and transactions – profit and losses deleted during consolidation

Intra-company balances and transaction, as well as profit and losses arising from intra-company transactions are erased during the preparation of Consolidated Financial Statements.

2.5 Tangible Fixed Assets

Tangible assets are stated at book cost, net of any grants received, less accumulated depreciation and any impairment in value. Any adjustments that might have taken place (on land or buildings) based on Greek legislation are reversed. Expenses for replacement of part of fixed assets are included in the value of the asset if they can be estimated accurately and increase the future benefits of the Group from such. The repairs and maintenance of fixed assets charge the results, in the period when such are realized. The acquisition cost and the related accumulated depreciation of assets retired or sold, are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the Results.
Depreciation is charged in the Results based on the straight-line method over the estimated useful life of assets. The estimated useful life of each category of asset is presented below:

Amounts in thousand Euro, unless stated otherwise

Category	Depreciation rate	Useful life
Buildings and technical works	2.5% - 5%	20 - 40 years
Machinery and technical installations	7% - 10%	10 - 14 years
Specialized mechanical equipment	12% - 15%	7 - 8 years
Vehicles	10% - 20%	5 - 10 years
Furniture and fixture	10% - 30%	3 - 10 years

Land and plots are not depreciated, however they are reviewed for impairment. Residual values and economic life of fixed assets might be adjusted if necessary at the time financial statements are prepared. Fixed assets, that have been impaired, are adjusted to reflect their recoverable amount (Note 2.8). The remaining value, if not negligible, is re-estimated on an annual basis.

2.6 Investment property

Property that is held to achieve long-term returns from rents or for capital appreciation or for both, are categorized as investment property. Investment property includes self-owned land-plots. Investment property is initially valued at cost, including the relevant direct acquisition expenses. Subsequently investment property is recognized as "fair value". The "fair value" is based on prices that are effective in an active market, adjusted when deemed necessary, due to differences in the nature, location or condition of each asset. If such information is not available, then the Group applies alternative valuation methods such as recent prices in less active markets or discounted cash flow method.

Subsequent expenses are added to the book value of the property only when it is likely that future economic benefits, that are related to the property, will result for the Company and when the relevant costs can by reliably measured. Repair and maintenance expenses are charged to the period's results when such are realized. Changes in "fair value" are registered in the results. Investment property is eliminated when sold or when future economic benefits are no longer expected.

2.7 Intangible Assets

2.7.1 Goodwill

The acquisition of a subsidiary by the Group is accounted for based on the acquisition method. The acquisition cost of a subsidiary is the fair value of assets acquired, shares issued and liabilities assumed during the transaction date, plus possible expenses directly linked to the transaction. The individual assets, liabilities and contingent liabilities acquired in a business combination are measured during the acquisition at fair value regardless of the participation percentage. The acquisition cost above fair value of the individual assets acquired, is booked as goodwill. If the total acquisition cost is less than the fair value of the individual assets acquired, the difference is registered directly in the results.

Increases of the Group's participation in subsidiaries are recognized as transactions in equity. The difference between the acquisition cost and the participation in the new equity of the subsidiary acquired, is recognized directly in the Group's equity. Profit or losses from the sale of a participation percentage that does not lead to loss of the control of the subsidiary by the Group, is also recognized in the Group's equity.

Goodwill is not amortized but the balance of goodwill is subject regularly (at least annually) to a review for possible impairment. This review is carried out according to the provisions of I.A.S. 36 "Impairment of Assets". Therefore, after initial recognition, goodwill is measured at acquisition cost, minus possible cumulative impairment losses. The impairment loss on goodwill is not subsequently offset after its recognition. The goodwill that arises from acquisitions of associate companies is included in the value of the investment.

2.7.2 Other Intangible Assets

Other intangible assets mainly refer to software and industrial ownership rights. Their values are stated at acquisition cost, less the accumulated depreciation and any impairment losses. Amortization of intangible assets is registered in the Results, based on the straight-line method over the estimated useful life of assets. The following table depicts the estimated useful life of assets:

Category	Amortization rate	Useful life
Industrial ownership rights	20%	5 years
Software	20%	5 years

Subsequent expenses on the capitalized intangible assets are capitalized only when they increase the future benefits that are attributed to the specific asset. All other expenses are recorded when they incur.

2.8 Impairment of Assets

With the exception of intangible assets with an indefinite life, which are reviewed for impairment at least on an annual basis, the book values of other long-term assets are reviewed for impairment when events or changes in conditions indicate that the book value may not be recoverable. When the book value of an assets exceeds its recoverable amount, the respective impairment loss is registered in the results. The recoverable amount is defined as the largest value between the net sales price and the value in use. Net sale price is the amount that can be received from the sale of an asset, in the context of an arm's length transaction in which the parties have full knowledge and voluntarily proceed, after the deduction of any additional direct cost for sale of the asset. Value in use is the present value of estimated future cash flows expected to be realized from the continuous use of an asset and from the revenue expected to result from its sale and the end of its estimated useful life. For purposes of defining impairment, assets are grouped at the lowest level for which cash flows can be recognized separately.

2.9 Inventories

Inventories are stated at the lower of cost (acquisition or production) and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, less any selling cost. Cost includes all cost of purchase, cost of materials, costs of production and other cost incurred in bringing the inventories to their present condition. The cost of inventories is calculated using the weighted average method.

2.10 Accounts Receivable – Provisions from Doubtful Debts

Accounts receivable are initially recognized at fair value and subsequently measured at net book cost using the effective interest rate, less any provisions for impairment. Impairment provisions are recognized when there is objective indication that the Group is not in a position to collect all the amounts due according to the contractual terms.

Accounts receivable include open balances, checks and notes receivable from customers and other debtors. Serious financial problems of the customers, the possibility or default or financial reorganization and the inability to regularly perform payments are considered indications that the receivable is impaired. The amount of the impairment provision is the difference between the book value of the receivables and the present value of estimated future cash flows, discounted with the effective interest rate. The amount of impairment loss is registered as an expense in the results and included in "Other Expenses".

2.11 Cash & cash equivalents

For purposes of preparing the Statement of Cash Flows, the category of cash & cash receivables include cash in hand, cash equivalents, such as site deposits and short-term time deposits, namely those with a maturity less than three months from the preparation date of the Financial Statements.

2.12 Foreign exchange translations

2.12.1 Operating currency and presentation currency

The data in the financial statements of the Group's companies are registered in the currency of the primary economic environment, in which each Company operates ("operating currency").

The consolidated financial statements are presented in Euro, which is the operating valuation currency and presentation currency of the parent Company.

2.12.2 Transactions and balances

The amounts that result from transactions in foreign currency are translated to Euro with the exchange rate in effect during the date of the transactions. Monetary assets and liabilities in foreign currency are translated, during the balance sheet date, to Euro based on the exchange rate in effect on that date. Any foreign exchange differences (profit or losses) that result from such a translation, are registered in the Results. The translation of Financial Statements of subsidiaries, whose currencies are other than the Euro, is done as follows:

a) The Assets and Liabilities are translated to Euro, based on the closing exchange rate during the Balance Sheet date. The comparative data are presented, based on the Euro exchange rage, during the respective preparation dates of the Financial Statements.

b) The Income Statement accounts are translated to Euro, based on the average exchange rate of the respective year. The resulting foreign exchange differences of cases a and b, as well as those that result from monetary assets that are part of the net investment in foreign subsidiaries, are registered directly in equity and transferred to the Results upon sale of the subsidiaries.

2.13 Acquisition of Treasury Shares

The paid price to acquire Treasury Shares, including the relevant expenses for their purchase, is presented as a deduction of Equity. Any profit or loss from the sale of Treasury Shares, net of direct transaction costs and taxes, is recognized directly in Equity, in the account "Treasury Share Reserve".

2.14 Dividends

Payable dividends are presented as a liability during the time when such are approved by the Annual General Meeting of Shareholders.

2.15 Income

2.15.1 Income from Sales of Goods and Services

Income from the sale of goods, after the deduction of turnover discounts, sales incentives and the corresponding VAT, is recognized when all significant risks and awards emanating from ownership of the goods are transferred to the buyer, the income and expenses related to the sale can be measured reliably, it is likely that economic benefits relating to the transaction will result for the Group, the Group does not maintain management and does not exercise significant influence on the sold goods.

Income from the provision of services is registered in the Results according to the completion stage of the transaction, during the Balance Sheet date.

2.15.2 Government Grants - Subsidies

Government grants on tangible and intangible assets, are deducted from the book value of the asset for which they were received. The relevant income is recognized with the form of reduced depreciation amounts during the useful life of the relevant asset. Government grants that concern payroll expenses are recognized as income during the period that such relate to the respective expenses and are presented in the Income Statement in the account "Other Operating Income".

2.15.3 Income from Dividends – Interim Dividends

Income from dividends are recognized in the Income Statement as income, during the date when such are approved by the Annual General Meeting of Shareholders. Interim dividends are recognized during the date such are approved by the Extraordinary General Meeting of Shareholders.

2.15.4 Interest Income

Interest income is recognized on an accrual basis.

2.16 Expenses

Expenses are recognized in the Results on an accrual basis.

2.17 Leases

Lease in which the lessor transfers the rights and obligations (risks) arising from the ownership of an asset, is assumed as a financial lease and accounts as the acquisition of an asset and the undertaking of a liability. In this case the rents are divided in financial expenses (interest) and reduction of the liability. Financial expenses are recorded directly in the Results.

The financial lease appears in the lower cost between their fair value and the present value of the minimum rent payment at the beginning of the lease less accumulated depreciation or impairment loss.

If from the lease agreement the rights and liabilities (risks) arising from the ownership of an asset are not transferable, the lease is assumed operational for the lessor and the rents are recorded as expenses when they incur using the direct method for the duration of the lease.

2.18 Income Tax

Tax burden for the year relates to current and deferred taxes.

Current income taxes are payable taxes on taxed income for the year based on effective tax rates as of the balance sheet date, as well as additional income taxes relating to previous years.

Deferred taxes are tax burden/exemptions relating to current year’s profit (or losses) that will be charged by the tax authorities in future years. Deferred income taxes are calculated according to tax rates effective as of the dates they will be paid, on the difference between accounting and tax base of individual assets and liabilities, provided that these differences imply time deviations, which will be erased in future.

Deferred tax receivables are recognized only to the extent they imply future taxable income, which will be offset by these deferred tax receivables. Deferred tax receivables might be lowered any time when it is not evident that such future tax relaxation will be certain.

Current and deferred tax is recorded in the Results or directly in Equity, if it relates to elements directly recognized in Equity.

The Group offsets deferred tax receivables with deferred tax liabilities, only if:

a) It has a legal applicable right to offset current tax receivables with current tax liabilities.

b) The deferred tax receivables and liabilities relate to income taxes imposed by the same tax authority.

2.19 Employee benefits

2.19.1 Defined contribution plans

Liabilities for defined contribution plans are fully recorded as expense in the Results at the time they incur, with fulfillment of the liability.

2.19.2 Defined benefit plans

The net liability of the Group, related to the defined benefit plan is estimated independently for each plan with the estimation of future benefits the employees are entitled to based on their working years in current and previous periods. The future benefits are discounted at present value following the deductions of the fair value of the assets in the plan. The discount rate is the yield to maturity, at the balance sheet date, of the bonds that have a maturity that approaches the maturity of the liabilities. The defined benefit liability is calculated by an independent actuary, using the projected unit credit method.

When the benefits of a plan improve, the proportion of the increased benefit that refer to the past working length of the employees is recorded as expense in the Results using the straight-line method on the average fiscal years until the full recognition of the benefits. To the extent that the benefits are given instantly, the expense is recorded directly in the results.

2.19.3 Liability of DON & LOW LTD & SYNTHETIC HOLDINGS LTD Group

Subsidiary companies DON & LOW LTD, SYNTHETIC PACKAGING LTD and THRACE POLYBULK A.B have defined benefit pension plans for their personnel. These plans define a specific amount of pension that each employee will receive at the time of his retirement. The amount is a result of a series of factors such as the age, the time working for the specific employer and the level of wage.

Net liabilities of the above companies with regard to their pension plans have been calculated separately for each plan, by estimating the amount of future benefits that correspond to each employee, according to aggregate years of service. The amount is then discounted to present value in order to calculate the total liability of the plan. The fair value of the plan’s assets is finally deducted from the total liability in order to calculate the net actuarial surplus or deficit of the plan at the Balance Sheet date.

The actuarial profits and losses arising from the adjustment of working years as well as the changes in the estimation of the actuarial officer have are recognized in equity through other comprehensive income during the period when such arise.

All the above calculations are made based on an actuarial study, while estimations are made for the interim periods. The discount rate is taken from the yield of long-term bonds rated AA, with maturity equal to the that of the plan’s liabilities. The relevant calculation method is called “Projected Unit Credit Method”.

2.20 Provisions

Provisions are recognized only when there is a liability, due to events that have occurred and it is likely (namely more possible than not) that there settlement will create an outflow, the amount of which can be estimated reliably. The recognition of provisions is based on the present value of capital flows that may be needed for the above liabilities to be settled. Amounts paid in order to arrange the repayment of such liabilities are deducted from the recorded provisions. The amounts are also reviewed at the periods when the Financial Statements are prepared. Provisions for any future losses should not be recognized. Compensation received from third parties and relate to the aggregate amount or part of the estimated capital flow, should be recognized on the asset side only when there is certainty for the final payment of the corresponding amount.

2.21 Financial instruments

The Group’s investments are classified in the following categories. The classification depends on the purpose for which the investment was acquired. Management defines the classification during initial recognition and reviews the classification at the end of each reporting period.

2.21.1 Investment held until maturity

This category includes non-derivative financial assets, with fixed or predefined payments and specific maturity and which the Group intends to hold to maturity and has the ability to do so.

2.21.2 Financial assets available for sale

Such include non-derivative financial assets that are either defined in this category or cannot be included in any of the above categories. Financial assets available for sale are included in non-current assets given that Management does not intend to liquidate such within 12 months from the Balance Sheet date.

The purchases and sales of investments are recognized during the transaction date, which is also the date on which the Group commits to purchasing or selling the assets. Investments available for sale are initially recognized at fair value, plus any transaction costs.

Subsequently, financial assets available for sale are valued at fair value and the relevant profit or losses are registered in an equity reserve until such are sold or suffer impairment. During sale or impairment, the profit or losses are transferred to the results. Impairment losses that have been recognized in the results cannot be reversed through the results.

The fair values of financial assets traded on active markets are defined by the current market prices. For assets not traded on active markets, the fair values are estimated by using valuation techniques such as analysis of recent transactions, comparable assets traded on active markets and discounted cash flows.

On each balance sheet date the Group assesses whether there is objective indication that leads to the conclusion that the financial assets have suffered impairment. For company shares classified as financial assets available for sale, such an indication is the significant or continuous reduction of fair value compared to the acquisition cost. If impairment is evidenced, the cumulative loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results. Impairment losses on shares that are registered in the results, are not reversed through the results.

2.21.3 Financial Derivatives

The group uses financial derivatives, mainly forward foreign exchange contracts, to hedge risks that emanate from changes in exchange rates.

Financial derivatives are measured at fair value, during the balance sheet date. The fair value of forward contracts is calculated based on the market prices of contracts with respective maturities (valuation of 1st level of IFRS 7).

2.21.4 Loans and receivables

Such include non-derivative financial assets with fixed or predefined payments, which are not traded on active markets and there is no intention to sell such. They are included in current assets, apart from those with a maturity over 12 months from the balance sheet date. The latter are included in non-current assets.

2.22 Interest Bearing Loans

Loans are initially recognized at fair value, less any possible expenses directly linked to the relevant transaction. Subsequently loans are valued at net book cost. Any difference between the received amount, net of relevant expenses, and the repayment value is recognized in the results during the borrowing period based on the effective interest rate method. Loans are characterized as short-term liabilities except if the Group has the final right to postpone repayment for at least 12 months after the balance sheet date. Bank overdrafts are included in short-term debt in the balance sheet and in investment activities in the statement of cash flows.

2.23 Suppliers and Other Creditors

Suppliers and other liabilities are initially recognized at fair value and subsequently measured according to amortized cost, while the effective interest rate method is used. Liabilities are classified as short-term if payment is expected in less than one year. If not, then such are included in long-term liabilities.

Amounts in thousand Euro, unless stated otherwise

2.24 Share Premium

The share capital includes common shares of the Company. The difference between the nominal value of shares and their issue price is registered in the "Share Premium" account. Direct expenses for the issue of shares, are presented after the deduction of the relevant income tax and reduce the issue proceeds, namely as a deduction from the share premium.

2.25 Segment Reporting

The Group applies I.F.R.S. 8 for monitoring its business segments. Segments are defined based on the structure of the Group's companies, given that the Group's management (CODM – Chief Operating Decision Maker) is responsible to make economic decisions, it monitors the financial information separately as presented by the parent Company and by each subsidiary. A segment is a distinct portion of the Group, which involves the production of products or services.

3. Exchange rates

Thrace Plastics Co. S.A. translates the Statements of Comprehensive Income of its subsidiaries to Euro at the average exchange rate and the Statements of Financial Position at the closing exchange rate of each period. The exchange rates used for the translation of the financial statements to Euro, are as follows:

Currency	**Average exchange rate** *(foreign currency per 1 Euro)*		**Closing exchange rate** *(foreign currency per 1 Euro)*	
	1.1 –31.12.2011	1.1 – 31.12.2010	31.12.2011	31.12.2010
Great Britain Pound (GBP)	**0.8679**	0.8578	**0.8353**	0.8608
Romanian Lei (RON)	**4.2391**	4.2122	**4.3233**	4.2620
Serbian Dinar (RSD)	**101.9872**	103.0431	**104.6409**	105.4982
Turkish Pound (TRY)	**2.3378**	1.9965	**2.4432**	2.0694
Bulgarian Lev (BGN)	**1.9558**	1.9558	**1.9558**	1.9558
U.S.Dollar (USD)	**1.3920**	1.3257	**1.2939**	1.3362
Swedish Krone (SEK)	**9.0298**	9.5373	**8.9120**	8.9655
Norwegian Krone (NOK)	**7.7934**	8.0043	**7.7540**	7.800

4. Other Operating Income

	Group		**Company**	
	2011	2010	**2011**	2010
Grants	**1,951**	1,906	**858**	937
Gains on disposal of fixed assets	**258**	1,283	**49**	-
Income from rents	**54**	110	**9**	9
Income from provision of services	**98**	152	**2,923**	2,552
Other operating income	**1,163**	1,382	**352**	186
Total	**3,524**	4,833	**4,191**	3,684

Amounts in thousand Euro, unless stated otherwise

5. Analysis of Expenses (Production – Administrative – Distribution)

	Group		Company	
	2011	2010	**2011**	2010
Payroll expenses	**48,973**	46,939	**8,932**	8,560
Third party fees - expenses	**3,735**	4,172	**606**	1,048
Electric power	**11,302**	10,690	**1,543**	1,502
Other third party benefits	**12,017**	12,108	**1,526**	759
Transfer expenses	**11,482**	11,481	**788**	936
Sundry expenses - Consumables	**4,489**	4,646	**179**	776
Depreciation / Amortization	**11,030**	11,474	**1,300**	1,349
Subtotal	**103,028**	101,510	**14,874**	14,930
Cost of consumed inventories recognized as an expense	**147,914**	127,026	**19,432**	17,478
Total	**250,942**	228,536	**34,306**	32,408

The analysis of expenses per operating category, is as follows:

	2011				2010			
	Cost of sales	Administrative	Distribution	**Total**	Cost of sales	Administrative	Distribution	**Total**
Group	219,360	12,261	19,321	**250,942**	194,798	11,948	21,790	228,536
Company	28,735	3,981	1,589	**34,305**	27,322	3,448	1,638	32,408

6. Payroll Expenses

Payroll expenses, are as follows:

	Group		Company	
	2011	2010	**2011**	2010
Wages	**17,129**	15,699	**3,262**	3,289
Employer contributions	**2,938**	2,547	**952**	547
Retirement benefits	**334**	569	**20**	-
Total	**20,401**	18,815	**4,234**	3,836
Day-wages	**22,712**	22,270	**4,021**	3,621
Employer contribution	**3,843**	4,140	**570**	1,052
Retirement benefits	**1,161**	897	**88**	-
Other expenses	**673**	817	**-**	51
Total	**28,389**	28,124	**4,679**	4,724
Subtotal	**48,790**	46,939	**8,913**	8,560
Indemnities and other employee expenses	**183**	317	**19**	305
Grand Total	**48,973**	47,256	**8,932**	8,865

Amounts in thousand Euro, unless stated otherwise

The number of employed staff at the Group and Company at the end of the present financial year, was as follows:

	Group		Company	
	2011	2010	**2011**	2010
Regular employees	**580**	561	**61**	69
Day-wage employees	**976**	1,026	**143**	164
Total	**1,556**	1,587	**204**	233

The total staff of companies that are based in Greece, is primarily insured with the Social Insurance Institute (I.K.A.), both as regards to medical care and as regards to primary pension.

7. Analysis of Depreciations

The analysis of depreciation expenses, per operating category, is as follows:

	Group		Company	
	2011	2010	**2011**	2010
Production	**9,851**	10,354	**1,183**	1,281
Other operating expenses	**100**	61	**74**	37
Administrative – Distribution	**1,170**	1,120	**118**	68
Total	**11,121**	11,535	**1,375**	1,386

8. Other Operating Expenses

	Group		Company	
	2011	2010	**2011**	2010
Provisions for doubtful customers	**2,101**	1,641	348	**820**
Other taxes non-incorporated in operating cost	**94**	65	**245**	-
Depreciations	**100**	61	**74**	37
Staff indemnities	**244**	281	**-**	281
Other operating expenses	**715**	1,556	**61**	526
Provision for customer indemnities	**-**	250	**-**	250
Total	**3,254**	3,854	**728**	1,914

9. Financial income/(expenses)

9.1 Interest and related (expenses)/income

	Group		Company	
	2011	2010	**2011**	2010
Interest and interest related income	**536**	516	**168**	199
Interest charges and related costs	**(5,309)**	(4,309)	**(1,399)**	(993)
Total	**(4,773)**	(3,793)	**(1,231)**	(794)

Amounts in thousand Euro, unless stated otherwise

9.2 Other financial (expenses) / income

	Group		Company	
	2011	2010	**2011**	2010
Foreign exchange differences on loans	**51**	316	**-**	-
Financial Result of Pension Plans	**1,340**	449	**-**	-
Financial derivatives	**89**	-	**-**	-
Total	**1,480**	765	**-**	-
Income from dividends	**-**	-	**646**	1,160

10. Earnings per share

Earnings after tax, per share, are calculated by dividing net earnings (after tax) allocated to shareholders, by the weighted average number of shares outstanding during the relevant financial year, after the deduction of possible treasury shares.

10.1 Basic earnings per share

	Group	
	2011	2010
Earnings allocated to shareholders	**4,125**	1,070
Number of shares outstanding (Weighted)	**45,094**	45,490
Basic and adjusted earnings per share *(Euro in absolute terms)*	**0.0915**	0.024

By means of a resolution by the Extraordinary General Meeting dated November 3rd 2008, a share buyback program was approved. As a result of this decision, on 31 December 2011 the Company owned 854,880 treasury shares, with an average acquisition price of euro 0.65 (in absolute terms).

11. Income Tax

According to Greek tax law L. 3697/2008, income tax for Greek companies is calculated at 20%.

The analysis of tax charged in the year's Results, is as follows:

	Group		Company	
	2011	2010	**2011**	2010
Income tax	**(1,926)**	(827)	**-**	-
Tax difference of previous years	**-**	-	**-**	-
Provision for tax on un-audited fiscal years	**(90)**	(55)	**(90)**	-
Non-exempt taxes of foreign operations	**(137)**	(402)	**(120)**	(303)
Windfall tax – L. 3845 / 2010	-	(141)	-	(112)
Special tax finalization – L. 3888/2010	**(355)**	(235)	**-**	-
Deferred tax (expense)/income	**(1,151)**	(184)	**157**	146
Total	**(3,659)**	(1,844)	**(53)**	(269)

Amounts in thousand Euro, unless stated otherwise

Income tax (reconciliation with the effective tax rate) is analyzed as follows:

	Group		Company	
	2011	2010	**2011**	2010
(Earnings)/losses before tax	**7,541**	2,740	**(1,077)**	(2,206)
Income tax rate	**20%**	24%	**20%**	24%
Corresponding income tax	**(1,508)**	(657)	**215**	529
Tax difference due to different tax rate	**(728)**	543	**-**	-
Income tax of write-offs in consolidation	**78**	344	**-**	-
Non tax-deductible expenses	**(403)**	(926)		8
Unrecognized tax receivable due to non-recognized tax losses	**(1,320)**	(953)	**(199)**	(330)
Deferred tax non-recognized in the present financial year	**-**	26	**157**	-
Tax-exempt reserves	**633**	46	**-**	-
Windfall tax	**-**	(141)	**-**	(112)
Tax of foreign operation non-offset	**(137)**	(402)	**(120)**	(303)
Provision for un-audited fiscal years	**(90)**	(55)	**(90)**	-
Special tax finalization	**(355)**	(235)	**-**	-
Other	**171**	566	**(16)**	(61)
Income tax	**(3,659)**	(1,844)	**(53)**	(269)

In Greece, the results reported to tax authorities are deemed temporary and are subject to audit by the tax authorities until financial year 2010, included. Therefore, for the non-audited fiscal years there is the possibility that additional tax may be imposed on such when they are audited by the tax authorities.

The Greek companies of the Group, have created a provision amounting to euro 285 which is considered as adequate to cover possible liabilities that will arise from a tax audit.

From 2011 and after, Greek Société Anonyme Companies and Limited Liability Companies, whose annual financial statements must by audited by Legal Certified Auditors that are registered in the public Registry of Law 3693/2008, are obliged to receive an “Annual Certificate”, as stipulated by par. 5 of article 82 of L.2238/1994. The relevant certificate is issued after tax audit conducted by the same Legal Certified Auditor or audit firm that audits the annual financial statements. Following the completion of the tax audit, the Legal Auditor or audit firm issues a “Tax Compliance Report” for the Company, which is accompanied by the Notes on Detailed Information. The latest within ten days from the final approval date of the Company’s financial statements by the General Meeting of Shareholders, the aforementioned Report and the relevant Notes are submitted electronically to the Ministry of Economics by the Legal Auditor or the audit firm. The Ministry of Economics will subsequently select a sample of companies corresponding to at least 9% for a tax review by the relevant tax 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” is submitted to the Ministry of Economics.

For 2011, the Company has been submitted to the tax audit of Certified Auditors Accountants stipulated by the provisions of article 82 par. 5 L. 2238/1994. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2011 financial statements. (If until the completion of the tax audit additional tax liabilities arise, we assess that such will not have a substantial effect on the financial statements).

The fiscal years that have not been audited by the tax authorities, as regards to the Greek companies, are reported below:

Amounts in thousand Euro, unless stated otherwise

Company	Tax un-audited fiscal years
THRACE PLASTICS S.A.	2008-2010
THRACE NON WOVENS & GEOSYNTHETICS S.A.	2005-2010
THRACE PLASTICS PACK S.A.	2007-2010
CAPSNAP HELLAS S.A.	2010
PAIRIS PACKAGING S.A.	2007-2010
THRACE-SARANTIS	2010

During the completion of the aforementioned tax audits, the Company's management does not expect significant tax liabilities to arise apart from those registered and presented in the consolidated financial statements. The Group makes provisions according to the needs and by Company against possible additional taxes.

Moreover, the possibility of additional taxes being imposed also holds for companies based abroad, whose tax un-audited fiscal years are analyzed as follows:

Company	
DON & LOW LTD	-
SYNTHETIC (HOLDINGS) LTD	2010-2011
SYNTHETIC PACKAGING LTD	2006-2010
ARNO LTD	-
SYNTHETIC TEXTILES LTD	-
THRACE POLYBULK A.B	2006-2011
THRACE POLYBULK A.S	2006-2011
THRACE GREINER PACKAGING SRL.	2005-2011
TRIERINA TRADING LTD	2010-2011
THRACE IPOMA A.D.	2004-2011
THRACE TEKNIK AMBALAJ SANAII A.S.	2004-2011
THRACE PLASTICS PACKAGING D.O.O.	2005-2011
LUMITE INC.	2007-2011
THRACE LINQ INC.	2007-2011
ADFIRMATE LTD	2010-2011
DELTA REAL ESTATE INV. LLC	2007-2011

Amounts in thousand Euro, unless stated otherwise

12. Tangible Assets and Intangible Assets

12.1 Tangible Fixed Assets

Group

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2010	**4,646**	**51,650**	**187,973**	**1,218**	**6,955**	**1,396**	**253,838**
Foreign exchange difference	(175)	477	1,176	(4)	147	628	2,249
Additions	256	337	7,378	214	299	5,540	14,024
Sales / transfers	7	231	(2,580)	(203)	14	(6,325)	(8,856)
Acquisition cost 31.12.2011	**4,734**	**52,695**	**193,947**	**1,225**	**7,415**	**1,239**	**261,255**
DEPRECIATIONS							
Cumulative depreciations 31.12.2010	**-**	**(17,195)**	**(142,135)**	**(779)**	**(6,054)**	**-**	**(166,163)**
Foreign exchange difference	-	(241)	(1,203)	2	(147)	(10)	(1,599)
Depreciations for the period	-	(1,503)	(9,026)	(148)	(381)	10	(11,048)
Sales / transfers	-	-	1,109	145		-	1,254
Cumulative depreciations 31.12.2011	**-**	**(18,939)**	**(151,255)**	**(780)**	**(6582)**	**-**	**(177,556)**
NET BOOK VALUE							
31.12.2010	4,646	34,455	45,838	439	901	1,396	87,675
31.12.2011	**4,734**	**33,756**	**42,692**	**445**	**833**	**1,239**	**83,699**

Group

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2009	**5,123**	**49,131**	**181,985**	**1,089**	**6,510**	**2,610**	**246,448**
Foreign exchange difference	149	945	2,320	30	184	(4)	3,624
Additions	173	1,440	2,015	128	195	2,045	5,996
Sales / transfers	(799)	134	1,653	(29)	66	(3,255)	(2,230)
Acquisition cost 31.12.2010	**4,646**	**51,650**	**187,973**	**1,218**	**6,955**	**1,396**	**253,838**
DEPRECIATIONS							
Cumulative depreciations 31.12.2009	-	(15,395)	(130,925)	(640)	(5,531)	59	(152,432)
Foreign exchange difference	-	(246)	(1,617)	(11)	(68)	(59)	(2,001)
Depreciations for the period	-	(1,518)	(9,472)	(140)	(395)	-	(11,525)
Sales / transfers	-	(36)	(121)	12	(60)	-	(205)
Cumulative depreciations 31.12.2010	**-**	**(17,195)**	**(142,135)**	**(779)**	**(6,054)**	**-**	**(166,163)**
NET BOOK VALUE							
31.12.2009	5,123	33,736	51,060	449	979	2,669	94,016
31.12.2010	**4,646**	**34,455**	**45,838**	**439**	**901**	**1,396**	**87,675**

Amounts in thousand Euro, unless stated otherwise

Company

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2010	**381**	**8,999**	**29,378**	**248**	**952**	**1,244**	**41,202**
Additions	-	31	867	-	22	12	932
Sales / transfers	-	108	1,058	-	-	(1,244)	(78)
Acquisition cost 31.12.2011	**381**	**9,138**	**31,303**	**248**	**974**	**12**	**42,056**
DEPRECIATIONS							
Cumulative depreciations 31.12.2010	**-**	**(4,227)**	**(25,376)**	**(212)**	**(892)**	**-**	**(30,707)**
Depreciations for the period	-	(244)	(1,052)	(4)	(24)	-	(1,324)
Sales / transfers	-	-	68	-	-	-	68
Cumulative depreciations 31.12.2011		**(4,471)**	**(26,360)**	**(216)**	**(916)**		**31,963**
NET BOOK VALUE							
31.12.2010	381	4,772	4,002	36	60	1,244	10,495
31.12.2011	**381**	**4,667**	**4,943**	**32**	**58**	**12**	**10,093**

Company

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	**Total**
ACQUISITION COST							
Acquisition cost 31.12.2009	**381**	**8,999**	**29,221**	**232**	**919**	**373**	**40,125**
Additions	-	-	157	16	33	871	1,077
Acquisition cost 31.12.2010	**381**	**8,999**	**29,378**	**248**	**952**	**1,244**	**41,202**
DEPRECIATIONS							
Cumulative depreciations 31.12.2009	-	(3,986)	(24,267)	(208)	(862)	-	(29,323)
Depreciations for the period	-	(241)	(1,109)	(4)	(30)	-	(1,384)
Cumulative depreciations 31.12.2010	**-**	**(4,227)**	**(25,376)**	**(212)**	**(892)**	**-**	**(30,707)**
NET BOOK VALUE							
31.12.2009	381	5,013	4,954	24	57	373	10,802
31.12.2010	**381**	**4,772**	**4,002**	**36**	**60**	**1,244**	**10,495**

The above table for the Group includes a property that was acquired with financial leasing with a cost of euro 1,519 during 31/12/2011 and cumulative depreciations amounting to euro 68.

There are no liens and guarantees on the Company's tangible fixed assets, while the liens on the Group's assets amount to euro 12,491.

Amounts in thousand Euro, unless stated otherwise

12.2 Intangible Assets

	Group: Concessions & industrial property rights	Company goodwill	Total	Company: Concessions & industrial property rights	Total
ACQUISITION COST					
Acquisition cost 31.12.2010	**807**	**10,145**	**10,952**	**541**	**541**
Foreign exchange difference	85	11	96	-	-
Additions	62	-	62	225	225
Acquisition cost 31.12.2011	**954**	**10,156**	**11,110**	**766**	**766**
AMORTIZATION					
Cumulative amortization 31.12.2010	**(734)**	**-**	**(734)**	**(514)**	**(514)**
Foreign exchange differences	165	-	165	-	-
Amortization for the period	(73)		(73)	(51)	(51)
Cumulative amortization 31.12.2011	**(642)**	**-**	**(642)**	**(565)**	**(565)**
NET BOOK VALUE					
31.12.2010	**73**	**10,145**	**10,218**	**27**	**27**
31.12.2011	**312**	**10,156**	**10,468**	**201**	**201**

	Group: Concessions & industrial property rights	Company goodwill	Total	Company: Concessions & industrial property rights	Total
ACQUISITION COST					
Acquisition cost 31.12.2009	962	10,942	11,904	541	541
Foreign exchange difference	(298)	359	61	-	-
Additions	143	-	143	-	-
Impairment of goodwill	-	(1,156)	(1,156)	-	-
Acquisition cost 31.12.2010	**807**	**10,145**	**10,952**	**541**	**541**
AMORTIZATION					
Cumulative amortization 31.12.2009	(724)	-	(724)	(513)	(513)
Foreign exchange difference	-	-	-	-	-
Amortization for the period	(10)	-	(10)	(1)	(1)
Cumulative amortization 31.12.2010	**(734)**		**(734)**	**(514)**	**(514)**
NET BOOK VALUE					
31.12.2009	238	10,942	11,180	28	28
31.12.2010	**73**	**10,145**	**10,218**	**27**	**27**

Amounts in thousand Euro, unless stated otherwise

Intangible assets include the goodwill of the following companies:

Don & Low LTD	7,468
Trierina Trading	798
SHL Group	1,890
Total	**10,156**

12.3 Investment Property

	Group	Company
Balance as at 1.1.2011	110	110
Additions / (Reductions)	-	-
Depreciation	-	-
Foreign exchange differences	-	-
Balance as at 31.12.2011	110	110
Balance as at 31.12.2010	110	110

13. Inventories

	Group		Company	
	2011	2010	**2011**	2010
Merchandise	**6,303**	10,650	**410**	202
Finished and semi-finished products	**27,816**	19,007	**3,466**	3,663
Raw & auxiliary materials	**16,839**	13,238	**2,812**	2,343
Provision for impairment of inventory*	**(1,942)**	(284)	**-**	(196)
Prepayments for purchases of inventories	**465**	2,363	**115**	91
Total	**49,481**	44,974	**6,802**	6,103

** An amount of 800 thousand Euro during 2011 concerns impairment of raw material of the subsidiary company Don & Low Ltd*

14. Trade and other receivables

14.1 Trade Receivables

	Group		Company	
	2011	2010	**2011**	2010
Customers	**45,458**	48,686	**3,493**	4,220
Notes – checks postdated	**10,289**	9,605	**2,855**	2,975
Doubtful customers – Checks – notes overdue	**5,492**	2,228	**1,900**	1,882
Trade receivables (related companies)	**35**	25	**3,961**	7,780

Amounts in thousand Euro, unless stated otherwise

Provisions for doubtful debts	**(7,737)**	(5,742)	**(2,095)**	(1,807)
Total	**53,537**	54,802	**10,114**	15,050

14.2 Debtors and other accounts

	Group		Company	
	2011	2010	**2011**	2010
Other Receivables	**5,493**	7,144	**118**	570
Accrued income	**8,268**	5,813	**3,784**	2,930
Total	**13,761**	12,957	**3,903**	3,500

15. Cash & Cash Equivalents

	Group		Company	
	2011	2010	**2011**	2010
Cash in hand	**2,564**	5,910	**5**	4
Site and term deposits	**31,179**	22,091	**3,528**	8,919
Total	**33,743**	28,001	**3,533**	8,923

Credit rating of cash & cash equivalents (Fitch)

Following, cash & cash equivalents are categorized according to the credit rating of banks where the relevant deposits are placed.

	Group		Company	
	2011	2010	**2011**	2010
AAA	**937**	-	**-**	-
AA-	**-**	1,072	**-**	1,017
A+	**3,006**	205	**1,002**	-
A	**15,014**	3	**-**	-
BBB+	**602**	9	**-**	7
BBB-	**-**	25	**-**	-
BB+	**226**	20,702	**2**	7,895
B+	**37**	-	**-**	-
B-	**11,310**	-	**2,524**	-
Other	**47**	75	**-**	-
Total	**31,179**	22,091	**3,528**	8,919

Amounts in thousand Euro, unless stated otherwise

16. Share Capital and Share Premium

The last share capital increase of 225 euro paid in cash took place following the decision at the General Shareholders Meeting at June 14, 2007 regarding the Share Capital increase with the issuance of 449,500 new registered shares which were offered at their nominal value of euro 0.50 to Board members and Company executives due to stock options exercised.
Following the increase, the Share Capital at December 31, 2011 amounts to euro 22,975 thousand divided in 45,949,500 shares of nominal value 0.50 euro each.

17. Reserves

17.1 Statutory Reserve

In accordance with the provisions of Greek Law, the creation of a statutory reserve – by transferring to such a reserve an amount equal to 5% of the annual after tax profits realized – is mandatory until the time the reserve reaches the 1/3 of the Company's share capital. The statutory reserve can be distributed only upon the dissolution of the Company. However it can be used to offset accumulated loss.

17.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of laws for development. In case of their distribution will be taxed with the tax rate prevailing at the time of their distribution.

17.3 Foreign exchange difference reserves

These reserves are formed from the translation of the Assets, Liabilities and Results of subsidiaries based abroad into EUR according to the exchange rate as of the accounting policies mentioned in note 2.11.
During the present period, the strengthening of the euro against foreign currencies and particularly against the British pound, resulted in the increase of the reserve that mainly arises from the translation of the Balance Sheet of the foreign subsidiary during the consolidation process. (See analysis of note 3).

18. Net Debt

The Group' s long term loans have been granted from Greek and foreign banks. The repayment time varies, according to the loan contract, while most loans are linked to Euribor plus a margin.
The Group's short term loans have been granted from various banks with interest rates of Euribor plus a margin and Libor plus a margin. The book value of loans approaches their fair value during 31/12/2011.

Specifically, net debt at the end of the year is analyzed as follows:

	Group		Company	
	2011	2010	**2011**	2010
Long-term loans	16,025	18,487	-	92
Short-term loans	68,392	63,347	22,132	21,241
Minus cash equivalents	33,743	28,001	3,533	8,923
Net Debt	**50,674**	**53,833**	**18,599**	**12,410**

Amounts in thousand Euro, unless stated otherwise

The maturity of loans is as follows:

	Group		Company	
	2011	2010	**2011**	2010
Up to 1 year	**72,761**	63,347	**22,132**	21,241
From 1 – 5 years	**7,918**	18,487	**-**	92
Over 5 years	**3,738**	-	**-**	-

19. Operating leases

The Company has signed operating leasing contracts, for use of buildings and vehicles. The liabilities that emanate from such contracts are analyzed as follows:

	Group	Company
Liability up to 1 year	1,993	236
Liability up to 5 years	6,547	486
Liability over 5 years	451	-

The amounts of leases charged during the year amount to euro 264 for the Company and euro 542 for the Group.

20. Financial leases

	Group	Company
Liability up to 1 year	170	-
Liability up to 5 years	928	-
Liability over 5 years	591	-
Total	1,689	-

An amount that concerns a financial lease of property of the subsidiary THRACE-SARANTIS SA amounting to 1,304 is included in the account “Other long-term liabilities”.
The net book value of the relevant property on 31/12/2011, amounts to euro 1,452.

Amounts in thousand Euro, unless stated otherwise

21. Employee Benefits

The liabilities of the Company and the Group towards its employees in providing them with certain future benefits, depending on the length of service is calculated by an actuarial study and is reported on the basis of the accrued entitlement, as at the date of the Balance Sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The liability for the Company and the Group, as presented in the Balance Sheet, is analyzed as follows:

	Group		Company	
	2011	2010	**2011**	2010
Provision for staff indemnities of the parent Company *	**670**	544	**670**	544
Provision for staff indemnities of other Greek companies*	**650**	393	-	-
Provision for staff indemnities of THRACE IPOMA AD **	**44**	34	-	-
Pension plan of DON & LOW LTD **	**15,325**	4,531	-	-
Pension plan of THRACE POLYBULK A.S. **	**128**	42	-	-
Pension plan of SYNTHETIC PACKAGING LTD **	**199**	256	-	-
Total provision at the end of the year	**17,016**	5,800	**670**	544

* Non-financed plans
** Financed plans

21.1 Provision for staff indemnities

21.1.1 Provision for staff indemnities of Greek companies

	Group		Company	
	2011	2010	**2011**	2010
Net liability on 1 January	**937**	817	**544**	470
Service cost	**50**	24	**24**	22
Interest cost	**47**	17	**27**	24
Actuarial result charged in Equity	**326**	33	**131**	37
Paid amounts due to withdrawal from employment	**(370)**	(3)	**(107)**	(9)
Expense charged in the year	**330**	87	**51**	46
Provision during the end of the year	**1,320**	937	**670**	544

The calculation of the provision for staff retirement indemnities of the Group's Greek companies was estimated according to 40% of the defined indemnity per employee and day wage according to Greek law.

Assumptions	**2011**	2010
Average annual wage increase	**2.50%**	2.50%
Discount rate	**4.83%**	5.15%
Inflation rate	**2.50%**	2.50%

Amounts in thousand Euro, unless stated otherwise

Retirement age		
-Men	65 years	65 years
-Women	60 years	60 years

21.1.2 Provision for staff indemnities of THRACE IPOMA AD

	2011	2010
Provision during the beginning of the year	**34**	29
Actuarial result charged in Equity	**-**	-
Expense charged for the year	**10**	5
Provision at the end of the year	**44**	34

Assumptions	**2011**	2010
Average annual wage increase	**5%**	5%
Discount rate	**5.7%**	6.5%
Inflation rate	**3%**	5%
Retirement age		
-Men	**63**	63
-Women	**60**	60

21.2 Pension Plans

21.2.1 Pension Plan of DON & LOW LTD

The Pension Plan of the subsidiary DON & LOW LTD is a defined benefit plan that operates as an independent legal entity having the form of a trust. This means that its assets are independent to those of the company DON & LOW LTD.

The newest actuarial valuation of the plan was made on 31 December 2010, while estimations were made using the data on 31 December 2010. The basic financial assumptions adopted for the valuations are as follows:

	2011	2010
Discount rate	**4.8%**	5.5%
Inflation rate	**3.1%**	3.7%
Pension increase	**3.00%**	3.05%
Future wage increases	**3.85%**	4.3%

Amounts in thousand Euro, unless stated otherwise

The total liability for the plan, as presented in the Balance Sheet, is analyzed as follows:

	2011	2010
Present value of liabilities	**(107,985)**	(99,907)
Fair value of assets	**92,661**	95,376
Net liability as at 31 December	**(15,324)**	(4,531)

The asset allocation of the Plan is shown below:

	2011	2010
Shares	**77,218**	69,005
Bonds	**11,373**	22,770
Real Estate / Other	**4,070**	3,601
Total	**92,661**	95,376

Change in the liability, as presented in the Balance Sheet:

	2011	2010
Net liability as at 1 January	**4,531**	17,904
Contributions paid	**(1641)**	(1,639)
Expense charged on results	**1,437**	1,373
Other financial income	**(1,769)**	(697)
Actuarial loss / (profit)	**12,655**	(13,011)
Foreign exchange difference	**111**	601
Net liability as at 31 December	**15,324**	4,531

Analysis of the amounts recorded directly in Equity:

	2011	2010
Difference between the real and forecasted return of assets	**(19,937)**	**(10,339)**
Adjustment based on experience	**(3,472)**	**(1,394)**
Change of assumptions that affect the fair value	**6,190**	**(1,278)**
Actuarial loss / (profit)	**12,655**	**(13,011)**

The demographic assumptions are as follows:

A) The average pension age is 62 years.

B) the life expectancy is based on the normal mortality tables.

Amounts in thousand Euro, unless stated otherwise

21.2.2 Pension Plans of companies included in the Group of SYNTHETIC (HOLDINGS) LTD

Two subsidiaries of the associate company SYNTHETIC HOLDINGS LTD, have defined benefit pension plans, which are described below.

21.2.2.1 Pension Plan of SYNTHETIC PACKAGING

The Pension Plan of the subsidiary company Synthetic Packaging LTD is a defined benefit plan and operates as a separate legal entity with the form of a trust. This means that the assets are entirely separate from the assets of the company Synthetic Packaging LTD.

The newest actuarial valuation of the plan was made on 01/04/2009, while estimations were made using the data on December 31, 2010. The basic financial assumptions that have been adopted for the valuations are as follows:

	2011	2010
Discount rate	**5%**	5.10%
Inflation rate	**2%**	2.0%
Pension increase	**4%**	4.0%
Future wage increases	**4%**	4.0%

The total liability of the plan, as presented in the Balance Sheet, is analyzed as follows:

	2011	2010
Present value of liabilities	**(629)**	(904)
Fair value of assets	**430**	648
Net liability as at 31 December	**(199)**	(256)

The asset allocation of the Plan is shown below:

	2011	2010
Shares	**321**	312
Bonds	**66**	59
Real Estate / Other	**43**	277
Total	**430**	648

Amounts in thousand Euro, unless stated otherwise

Change in the liability as presented in the balance sheet:

	2011	2010
Net liability as at 1 January	**(256)**	(269)
Paid contributions	**48**	41
Expenses registered in the results	**(19)**	(42)
Other financial expenses / (income)	**55**	(9)
Actuarial loss / (profit)	**(27)**	23
Net liability as at 31 December	**(199)**	(256)

Analysis of the amounts recorded directly in equity:

	2011	2010
Difference between the real and forecasted return of assets	**(49)**	29
Adjustment based on experience	**22**	53
Change of assumptions that affect the fair value	-	(59)
Actuarial loss / (profit)	**(27)**	23

The demographic assumptions are as follows:

A) The average retirement age is 65 years old.

B) The life expectancy is based on the normal mortality tables.

21.2.2.2 Pension Plan of THRACE POLYBULK A.S.

The Company THRACE POLYBULK A.S. has a defined benefits Pension Plan, which is covered by the Life Insurance Company "Storebrand".

The most recent actuarial valuations of the plan took place in 2010. The basic financial assumptions that have been adopted in order to perform the valuations, are as follows:

	2011	2010
Discount rate	**2.60%**	4.0%
Inflation rate	**3.25%**	3.75%
Pension increase	**0.10%**	1.3%
Future wage increases	**3.50%**	4.0%

Amounts in thousand Euro, unless stated otherwise

	2011	2010
Present value of liabilities	**(812)**	(531)
Present value of assets	**684**	490
Total liability of the plans	**(128)**	(41)

The asset allocation of the Plan is shown below:

	2011	2010
Shares	**-**	-
Bonds	**-**	-
Real Estate / Other	**684**	490
Total	**684**	490

Change of liability, as presented in the balance sheet:

	2011	2010
Opening balance	**42**	37
Current servicing expenses	**121**	110
Actuarial (losses) / profit	**147**	1
Interest rate cost	**23**	20
Contribution from members	**(24)**	(14)
Contribution from employer	**(168)**	(99)
Expected return on assets	**(22)**	(17)
Foreign exchange differences	**9**	4
Total	**128**	42

Analysis of amounts recorded directly in equity:

	2011	**2010**
Difference between the real and forecasted return of assets	**147**	1
Adjustment based on experience	-	-
Change of assumptions that affect the fair value	-	-
Actuarial loss / (profit)	**147**	1

The demographic assumptions are as follows:
A) The average retirement age is 67 years old.
B) The life expectancy is based on the normal mortality tables.

Amounts in thousand Euro, unless stated otherwise

22. Deferred Taxes

Group

A. Change of deferred tax in the results

	2011	2010
As at 1 January	(4,633)	(744)
Change in the results	(1,151)	(157)
Foreign exchange differences	(107)	227
Change in statement of comprehensive income	53	(61)
Change in equity	2,627	(3,898)
As at 31 December	**(3,211)**	**(4,633)**

B. Deferred tax liabilities

	Depreciations	Other	**Total**
As at 1 January 2010	(4,649)	-1,929	(6,518)
Change in the results	(330)	-23	(353)
Change in statement of comprehensive income	-	-58	(58)
Foreign exchange differences	(52)	-108	(160)
Change in equity	-	37	37
As at 31 December 2010	**(5,031)**	**(2,021)**	**(7,052)**
Change in the results	(274)	569	295
Change in statement of comprehensive income			
Foreign exchange differences	(1)	(30)	(32)
Change in equity		(2)	(2)
As at 31 December 2011	**(5,307)**	**(1,484)**	**(6,790)**

C. Deferred tax assets

	Liabilities for employee benefits	Provisions	Non-recognized taxes	Other	**Total**
As at 1 January 2010	5,287	431	-	280	5,998
Change in the results	(10)	244	-	(38)	196
Change in statement of comprehensive income	(3)	-	-	-	(3)
Foreign exchange differences	160	1	-	2	163
Change in equity	(3,935)	-	-	-	(3,935)
As at 31 December 2010	**1,499**	**676**	**-**	**244**	**2,419**
Change in the results	(0)	206		(1,652)	(1,446)
Change in statement of comprehensive income				53	53
Foreign exchange differences	(5)	(0)		(70)	(75)
Change in equity	2,616			13	2,629
As at 31 December 2011	**4,109**	**882**		**(1,412)**	**3,579**

Amounts in thousand Euro, unless stated otherwise

Company

A. Change of deferred tax in the results

	2011	2010
As at 1 January	(667)	(785)
Change in the results	157	146
Foreign exchange differences	-	-
Change in statement of comprehensive income	-	-
Change in equity	26	(28)
As at 31 December	**(483)**	**(667)**

B. Deferred tax liabilities

	Depreciations	Other	**Total**
As at 1 January 2010	(1,135)	(4)	(1,139)
Change in the results	67	(80)	(13)
Change in equity	-		
Spin-off			
As at 31 December 2010	**(1,068)**	**(84)**	**(1,152)**
Change in the results	50	77	127
As at 31 December 2011	**(1,018)**	**(6)**	**(1,025)**

C. Deferred tax assets

	Liabilities for employee benefits	Provisions	other	**Total**
As at 1 January 2010	127	174	53	354
Change in the results	(28)	164	(14)	122
Change in equity	9			9
As at 31 December 2010	**108**	**338**	**39**	**485**
Change in the results		70	(39)	31
Change in equity	26			26
As at 31 December 2011	**134**	**408**	**-**	**542**

In the statement of financial position, deferred tax assets and liabilities are offset per Company, while in the specific table deferred tax assets and liabilities are presented in detail. Therefore, any reconciliation is made in the change between assets and liabilities.

Amounts in thousand Euro, unless stated otherwise

23. Other Short-term Liabilities – Accrued Expenses

	Group		Company	
	2011	2010	**2011**	2010
Suppliers	**23,812**	25,094	**3,901**	4,269
Sundry creditors	**1,685**	2,983	**311**	470
Liabilities from tax and pensions	**2,832**	3,471	**1,120**	738
Dividends payable	**26**	59	**26**	22
Customer prepayments	**1,601**	402	**52**	76
Accrued expenses – Other accounts payable	**6,949**	5,563	**727**	377
Total other short-term liabilities	**36,905**	37,572	**6,137**	5,952
Liabilities towards related companies	**36**	10	**1,030**	1,144
Total short-term liabilities	**36,941**	37,582	**7,167**	7,096

24. Financial Derivatives

The Group enters into forward foreign exchange contracts to cover foreign exchange risk from the receipt of receivables and payments of suppliers in foreign currencies. Such contracts have several maturity dates, according to the date of the expected receipt or payment. The valuation of the Company's open positions on 31 December 2011 is as follows:

Currency	Open Position	Forward purchase / (sale) amount	Forward purchase / (sale) value	Market Value	Valuation Profit / (Loss)
USD	Long	-	-	-	**-**
USD	Short	3,725	2,789	2,878	**(89)**
		3,725	**2,789**	**2,878**	**(89)**

25. Factoring

During 2010 the Company Thrace Plastics Pack signed a Factoring agreement with ABC Factors. According to I.A.S. 39, on 31/12/2011 the amount of euro 2,472 that has been received by the Company from ABC Factors and corresponds to customers without the right to recourse (insured) has been deducted from Customers, while an amount of euro 1,591 that has been received by the Company from ABC Factors and corresponds to customers with the right to recourse (uninsured) has been registered in Loans.

26. Segment reporting

The operating segments are based on the different group of products, the structure of the Group's management and the internal reporting system. From the present financial year and onwards the Group's activity will be distinguished into two segments, the synthetic fabrics segment and the packaging segment. The activity of the parent Company is included in the Packaging segment.

Amounts in thousand Euro, unless stated otherwise

The group's operating segments are as follows:

- <u>Technical Fabrics Business Unit</u>
  Production and trade of Technical Fabrics for industrial and technical use.

- <u>Packaging Business Unit</u>
  Production and trade of packaging products, plastic bags, plastic boxes for packaging of food and paints and other packaging materials for agricultural use.

Group

BALANCE SHEET FOR 31.12.2011

	TECHNICAL FABRICS	PACKAGING	NON-CLASSIFIED	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Segment assets	135,159	125,009	-	(9,779)	250,389
Investments between segments	-	-	74,926	(74,926)	-
Receivables from other segments	-	-	-	-	-
Total consolidated assets	135,159	125,009	74,926	(84,705)	250,389

INCOME STATEMENT FOR THE PERIOD FROM 1.1 – 31.12.2011

Turnover towards third parties					
Sales towards other segments					
Total turnover	161,772	109,325		-9,213	261,884
<u>Minus:</u> cost of sales	-135,456	-93,220		9,317	-219,359
Gross profit	**26,316**	**16,105**		**104**	**42,525**
<u>Plus:</u> Other operating income	2,620	3,617		-2,713	3,524
<u>Minus:</u> Distribution expenses	-9,742	-9,579		-	-19,321
Administrative expenses	-6,555	-7,145		1,438	-12,262
Other operating expenses	-2,267	-2,205		1,217	-3,255
Income/Expenses from fx differences	-365	-26		12	-379
Operating Profit	**10,007**	**767**		**58**	**10,832**
Interest and other financial income/expenses	385	-3,633		-44	-3,292
Earnings before tax and dividends	**10,392**	**-2,866**		**14**	**7,540**

Amounts in thousand Euro, unless stated otherwise

Group

BALANCE SHEET OF 31.12.2010

	TECHNICAL FABRICS	PACKAGING	NON-CLASSIFIED	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Segment assets	115,323	131,804	-	(5,434)	241,693
Investments between segments	-	-	60,765	(60,765)	-
Receivables from other segments	-	-	-	-	-
Total consolidated assets	115,323	131,804	60,765	(66,199)	241,693

INCOME STATEMENT FOR THE PERIOD FROM 1.1 – 31.12.2010

	TECHNICAL FABRICS	PACKAGING	NON-CLASSIFIED	WRITE-OFF OF TRANSACTIONS BETWEEN SEGMENTS	GROUP
Turnover towards third parties	137,289	102,508	-	(5,277)	234,520
Sales towards other segments	-	-	-	-	-
Total turnover	137,289	102,508	-	(5,277)	234,520
Minus: cost of sales	(117,010)	(83,827)	-	6,039	(194,798)
Gross profit	**20,279**	**18,681**	**-**	**762**	**39,722**
Plus: Other operating income	2,635	3,396	938	(2,136)	4,833
Minus: Distribution expenses	(10,461)	(11,329)	-	-	(21,790)
Administrative expenses	(6,695)	(6,627)	-	1,374	(11,948)
Other operating expenses	(511)	(3,355)	-	12	(3,854)
Income/Expenses from fx differences	510	(549)			(39)
Operating Profit	**5,757**	**217**	**938**	**12**	**6,924**
Interest and other financial income/expenses	(233)	(2,795)	-	-	(3,028)
Impairment of goodwill of participations	-	(1,156)	-	-	(1,156)
Earnings before tax and dividends	**5,524**	**(3,734)**	**938**	**12**	**2,740**

27. Dividend

The General Meeting of shareholders that took place on 28 April 2011 approved the 2011 annual financial statements and decided to distribute a dividend (net) of € 0.0284 per share, the payment of which began on 9 May 2011.

Amounts in thousand Euro, unless stated otherwise

28. Transactions with Related Parties

Below we present transactions with subsidiaries and related companies.
The transactions of the parent with the Group's subsidiaries, are analyzed as follows:

	Group	Company
Income	-	16,431
Expenses	-	4,152
Receivables	-	3,925
Liabilities	-	1,030

The transactions between the Group's companies and related companies are analyzed as follows:

	Group	Company
Income	12	12
Expenses	251	146
Receivables	35	35
Liabilities	36	-

	Group		Company	
	2011	2010	**2011**	2010
Remuneration of Board Members and Senior Executives	**3,406**	3,574	**1,314**	1,207

29. Commitments and Contingent Liabilities

On December 31, 2011 there are no significant legal issues pending that may have a material effect in the financial position of the Companies in the Group.

An amount of taxes – surcharges of euro 171 that emerged from the tax audit of fiscal years 2006 and 2007 is under dispute by the Company's Management and will be resolved in the tax courts.

The Company, and the Group's companies have issued letters of guarantee concerning the Greek State, suppliers and customers.

The Company has issued letters of guarantee in favor of third parties, amounting to euro 1,630 while it has provided guarantees in favor of its subsidiaries for security against loans amounting to euro 7,477.

Analysis of guarantees towards subsidiaries:

	2011
THRACE NON WOVENS & GEOSYNTHETICS S.A.	7,013
LUMITE	464

Amounts in thousand Euro, unless stated otherwise

30. Fees of auditing firms

During 2011, the total fees of the Company's and Group's legal auditors, are analyzed as follows, according to those stated in article 43a of C.L. 2190/1920, as amended by article 30 of L. 3756/2009:

	Group		Company	
	2011	2010	**2011**	2010
Annual audit of financial data	**446**	355	50	26

31. Reclassifications of accounts

The present financial statements include comparative data of the previous financial year that have been amended to a small extent, for comparability purposes.

32. Risk Management

The financial assets used by the Group, mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Group's activities create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

32.1 Risk from fluctuation of prices of raw materials

The Company is exposed to fluctuations in the price of polypropylene (which represents 55% of cost of sales), which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price, induces pressure on profit margins.

32.2 Credit risk

The Group is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.

The following table presents an analysis of the maturity of trade and other receivables on 31/12/2011:

2011	Group	Company
01 – 30 days	23,219	2,928
31 – 90 days	21,980	4,589
91 – 180 days	8,581	2,117
180 and over	7,494	2,576
Subtotal	**61,274**	**12,210**
Provisions for doubtful debts	(7,737)	(2,096)
Total	**53,537**	**10,114**

The following table presents an analysis of the maturity of trade and other receivables on 31/12/2010:

Amounts in thousand Euro, unless stated otherwise

2010	Group	Company
01 – 30 days	29,601	3,319
31 – 90 days	22,364	7,098
91 – 180 days	9,605	1,970
180 and over	11,932	7,968
Subtotal	**73,502**	**20,356**
Provisions for doubtful debts	(5,742)	(1,807)
Total	**67,760**	**18,549**

32.3 Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the financial statements, there were adequate cash reserves and also available unused approved bank credits towards the Group, which are considered sufficient to face a possible shortage of cash equivalents.
Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities –loans according to their maturity dates.

Group	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	14,659	7,664	1,489	-	23,812
Other liabilities	10,312	2,487	330	-	13,129
Short-term debt	3,389	5,472	63,604	-	72,465
Long-term debt	4,497	74	64	13,056	17,691
Total 31.12.2011	**32,857**	**15,697**	**65,487**	**13,056**	**127,097**

Company	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	1,780	2,121	-	-	3,901
Other liabilities	1,185	887	1,197	-	3,269
Short-term debt	-	699	22,732	-	23,431
Long-term debt	-	-	-	-	-
Total 31.12.2011	**2,965**	**3,707**	**23,929**	**-**	**30,601**

Group	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	10,543	10,001	5,450	-	25,994
Other liabilities	2,761	1,781	7,348	270	12,160
Short-term debt	35	1,022	59,396	1,090	61,543
Long-term debt	14	68	7,261	13,020	20,363
Total 31.12.2010	**13,353**	**12,872**	**79,455**	**14,380**	**120,060**

Company	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	1,278	2,991	-	-	4,269
Other liabilities	254	437	2,135	-	2,826
Short-term debt	-	51	21,190	-	21,241
Long-term debt	-	-	-	92	92
Total 31.12.2010	**1,532**	**3,479**	**23,325**	**92**	**28,428**

32.4 Foreign exchange risk

The Group is exposed to foreign exchange risk that arises from existing or expected cash flows in foreign currency and from investments in foreign countries. The management of several risks is applied with the use of natural hedging instruments. Specifically, the Group's policy is to contract loans in the corresponding currency for the amount of customer balances in foreign currency.

Amounts in thousand Euro, unless stated otherwise

Effect of exchange rate changes in the financial statements of the Group from the translation of balance sheets of foreign subsidiaries.

Amounts concerning 2011

Foreign currency	Change in exchange rate against the euro	Earnings before tax	Equity
USD	5%	642	463
	-5%	(642)	(463)
GBP	5%	1241	767
	-5%	(1241)	(767)
NOK	5%	161	116
	-5%	(161)	(116)
SEK	5%	141	104
	-5%	(141)	(104)
RSD	5%	21	20
	-5%	(21)	(20)
RON	5%	132	103
	-5%	(132)	(103)
BGN	5%	182	162
	-5%	(182)	(162)
TRY	5%	115	115
	-5%	(115)	(115)

Amounts in thousand Euro, unless stated otherwise

Amounts concerning 2010

Foreign currency	Change in exchange rate against the euro	Earnings before tax	Equity
USD	5%	328	208
	-5%	(328)	(208)
GBP	5%	1,511	1,199
	-5%	(1,511)	(1,199)
NOK	5%	230	169
	-5%	(230)	(169)
SEK	5%	185	135
	-5%	(185)	(135)
RSD	5%	37	35
	-5%	(37)	(35)
RON	5%	106	92
	-5%	(106)	(92)
BGN	5%	137	122
	-5%	(137)	(122)
TRY	5%	150	150
	-5%	(150)	(150)

32.5 Interest rate risk

The Group's long-term loans have been provided by Greek and foreign banks and are issued, mainly in Euro. The repayment period varies, according to the loan contract and long-term loans are mainly linked to Euribor plus a margin.

The Group's short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of earnings before tax as follows:

Possible interest rate change	Effect on earnings before tax			
	Group		Company	
	2011	2010	**2011**	2010
Increase by 1%	(870)	(829)	(221)	(213)
Decrease by 1%	870	829	221	213

32.6 Capital Adequacy Risk

The Group controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity. The Group's objective in relation to capital management is to ensure its smooth operation aiming at providing satisfactory returns for shareholders and benefits for other parties, as well as to maintain an ideal capital structure in order to ensure a low cost of capital. For this purpose the Group systematically monitors working capital, in order to maintain the lowest possible level of external financing.

Amounts in thousand Euro, unless stated otherwise

	Group		Company	
	2011	2010	**2011**	2010
Long-term debt	16,025	18,487	-	92
Short-term debt	68,392	63,347	22,132	21,241
Total debt	**84,417**	**81,834**	**22,132**	**21,333**
Minus cash & cash equivalents	33,743	28,001	3,533	8,923
Net debt	**50,674**	**53,833**	**18,599**	**12,410**
EBITDA	**21,955**	**18,459**	**882**	**(1,186)**
EBITDA/NET BANK DEBT	**0,43**	**0.34**	**0.05**	**(0.09)**
EQUITY	**99,333**	**105,755**	**72,760**	**75,618**
NET BANK DEBT / EQUITY	**0.51**	**0.51**	**0.25**	**0.16**

33. Significant events

Following we present the significant events that took place during financial year 2011.

3-08-2011 Acquisition of participation in the company Pareen Ltd

The company "Thrace Plastics Co. S.A." announced that it acquired a 100% participation stake in the Cypriot company under the name "Pareen Ltd", which had been established on 21 January 2010 with a share capital of Euro 1,000, divided into 1,000 registered shares with a nominal value of Euro 1 each.
"Pareen Ltd", which had not developed any substantial activity until its acquisition by the Company, will be used in the process of the Group's internal restructuring at the level of legal entities.
Immediately following its 100% acquisition above, the Cypriot company decided to increase its share capital, with the issue of new shares and an issue price above par and specifically with the issue of 10,000 new shares at an issue price of Euro 712 each, while the Company will undertake the full coverage of any new shares. With the raised capital from the above share capital increase, "Pareen Ltd" decided to proceed with the implementation of the aforementioned internal restructuring process of the Group's foreign subsidiaries.

9-08-2011 Decision for share capital increase of Thrace Linq Inc

The subsidiary company "Thrace Linq Inc.", which is based in North Carolina U.S.A. and whose business activity is the production and trade of synthetic fabrics, decided to increase its share capital with the issue of 500,000 new common shares, with a nominal value and issue price of 10 dollars each. It was announced that the above increase will be covered in total by the 100% subsidiary of Thrace Plastics Co. S.A., namely the Cypriot company "Pareen Ltd". Following the completion of the coverage, the share capital of "Thrace Linq Inc." will amount to 5,100,000 US dollars, divided into 510,000 common shares with a nominal value of 10 dollars each. The amount raised from the above increase will be used to strengthen the working capital of "Thrace Linq Inc." with the objective of covering the liabilities it has assumed.

24-08-2011 Completion of share capital increase Pareen Ltd

The company "Thrace Plastics Co. S.A." announced to investors that the share capital increase by cash of its 100% subsidiary Pareen Ltd was successfully completed. The total proceeds from the increase, which was covered in total by the Company, amounted to Euro 7,120,000.

26-8-2011 Completion of share capital increase of Thrace Linq Inc

The company "Thrace Plastics Co. S.A." announced that the share capital increase of the subsidiary "Thrace Linq Inc." by the amount of 5 mil US Dollars was completed. The increase was covered in total by the 100% subsidiary of the Company "Pareen Ltd", which is based in Cyprus.

20-09-2011 Decision for second share capital increase of Thrace Linq Inc

The company "Thrace Plastics Co. S.A." announced that its subsidiary with the name "Thrace Linq Inc." decided to increase its share capital with the issue of 560,000 new registered shares, with a nominal value and issue price of 10 dollars each. The above increase will be covered in part, and namely by the amount of 5,100,000 dollars from the 100% subsidiary of the Company under the name “Pareen Ltd”, which is based in Cyprus, while the remaining amount will be covered from the other shareholder, also a subsidiary of the Company, Synthetic Holdings Limited. Following the completion of the above coverage and the increase, the share capital of “Thrace Linq Inc.” will amount to 10,700,000 US Dollars divided into 1,070,000 common shares, with a nominal value of 10 dollars each. The proceeds from the above increase will be used by the subsidiary to strengthen its working capital.

23-09-2011 Completion of the above share capital increase of Thrace Linq Inc

The company “Thrace Plastics Co. S.A.” announced that the share capital increase by the amount of 5,600,000 dollars of the subsidiary “Thrace Linq Inc.”, which is based in South Carolina USA and operates in the sector of production and trade of synthetic fabrics, was completed.

34. Events after the end of the reporting period

9-01-2012 Change in the Composition of the Board of Directors

In the context of the Decision No. 3/347/12.07.2005 issued by the Board of the Hellenic Capital Market Commission and the relevant provisions of securities law, the Company “THRACE PLASTIC Co. SA” informed investors that the Company’s Board of Directors during its meeting on 5 January 2012, in replacement of the resigned Non-Executive Board Member Mr. Christos Komninos, elected Mr. Stephen Duffy as new Non-Executive Member for the remaining term of the Board of Directors. Mr. Stephen Duffy is a senior management executive of the Group’s 100% subsidiary Don & Low Ltd, which is based in the United Kingdom. The election of the new Non-Executive Member will be verified by the Company’s Ordinary General Meeting.

The Financial Statements were prepared according to the International Financial Reporting Standards, as such have been adopted by the European Union, and were approved by the Board of Directors on 29 March 2012 and are signed by the representatives of such.

The Chairman and Chief Executive Officer	The Vice-Chairman	The Chief Financial Officer	The Head Accountant
KONSTANTINOS ST. HALIORIS	THEODOSIOS A. KOLYVAS	SPYRIDON A. NTAKAS	CHRISTOS VL. ARGYRIOU
ID No. AI 569344	ID No.AI 101026	ID No.AE 044759	ID No.AB 463263 Accountant Lic. Reg. No. 417 A CLASS

Amounts in thousand Euro, unless stated otherwise

INFORMATION OF ARTICLE 10 OF LAW 3401/2005

During 2011 the Company published the following press releases – announcements, relevantly informing investors:

DATE	SUBJECT	"ONLINE AVAILABILITY "
28-03-2011	Announcement of Release Date of 2010 Financial Statements	www.ase.gr
31-03-2011	Announcement of 2010 Results	www.ase.gr
07-04-2011	Pre-Announcement of Ordinary General Meeting	www.ase.gr
08-04-2011	Announcement on appointment of new management executive	www.ase.gr
11-04-2011	Announcement of Draft Amendment of Articles of Association	www.ase.gr
28-04-2011	Announcement of Resolutions of Annual Ordinary General Meeting	www.ase.gr
28-04-2011	Announcement of Information for ex dividend and dividend payment date	www.ase.gr
27-05-2011	Release date of 1st Quarter 2011 financial statements	www.ase.gr
30-05-2011	Announcement of 1st Quarter 2011 financial results	www.ase.gr
01-06-2011	Announcement of Regulated Information of Law 3556/2007	www.ase.gr
03-06-2011	Announcement of Regulated Information of Law 3556/2007	www.ase.gr
06-06-2011	Announcement of Regulated Information of Law 3556/2007	www.ase.gr
08-06-2011	Announcement of Regulated Information of Law 3556/2007	www.ase.gr
15-06-2011	Announcement of Regulated Information of Law 3556/2007	www.ase.gr
03-08-2011	Announcement for acquisition of participation in company	www.ase.gr
09-08-2011	Announcement of share capital increase of subsidiary	www.ase.gr
24-08-2011	Completion of share capital increase of subsidiary	www.ase.gr
24-08-2011	Announcement of results for 1st half of 2011	www.ase.gr
26-08-2011	Announcement for release date of 1st half 2011 results	www.ase.gr
26-08-2011	Completion of share capital increase of subsidiary	www.ase.gr
29-08-2011	Press release regarding comments on 1st half 2011 results	www.ase.gr
20-09-2011	Decision for share capital increase of subsidiary	www.ase.gr
23-09-2011	Completion of share capital increase of subsidiary	www.ase.gr
29-11-2011	Press Release regarding comments on 9M 2011 results	www.ase.gr

It is noted that all the above information, apart from the Athens Exchange website, has also been posted on the Company's website (www.thraceplastics.gr) in the section "Corporate News" of the "Investor Relations" webpage.

Disclosures of Transactions

The disclosures of transactions that take place in the context of the obligation imposed by article 13 Law 3340/2005 and article 6 of Decision No. 3/347/2005 by the Board of the Hellenic Capital Market Commission, as well as the disclosure of significant participations according to Law 3556/2007 are available on the Company's website:
http://www.thraceplastics.gr/el/Index.cfm?get=ir&show=transac in the sub-section "Corporate Governance" - "Trade Acknowledgment" in the section "Investor Relations".

ONLINE AVAILABILITY OF FINANCIAL INFORMATION

The Annual Financial Statements of the Company (Separate and Consolidated), the Audit Report by the Certified Public Accountant and the Report by the Board of Directors, as well as the Financial Statements, Audit Reports and Reports by Board of Directors of companies incorporated in the consolidated financial statements of the company THRACE PLASTICS Co. S.A., are available on the internet at the website www.thraceplastics.gr.