



PAPAPANAGIOTOU SA. - "DROMEAS"

Interim summary financial statements
As of 31 Mars, 2008
(January 1- Mars 31 2008)

The interim financial statements for the period ending on March 31, 2008 which have been prepared in conformity with IFRS , were approved by the Board of Directors on 23/05/2008. The summary financial statements for the three-month period ending on March 31, 2008 (the financial statements) are prepared in accordance with IAS 34 *Interim Financial Statements*. The interim financial statements do not contain all the information and notes that are required for the financial statements of the Group as at December 31, 2007 and they must be read in conjunction with the financial statements of the Group for the period ending on December 31, 2007. The accounting principles that were applied in the preparation of the interim financial statements are in line with those used in the preparation of the annual financial statements for the period ending on December 31, 2007. No Standards have been applied before their effective date.

Athanasios Papapanagiotou
President and CEO of the Board of Directors
PAPAPANAGIOTOU A.B.E.E.A. - "DROMEAS"

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1. Balance Sheet*Amounts in € thousand*

	CONSOLIDATED		COMPANY	
	<u>31/3/2008</u>	<u>31/12/2007</u>	<u>31/3/2008</u>	<u>31/12/2007</u>
ASSETS				
NON CURRENT ASSETS				
Tangible assets	38.133.100,23	37.676.245,38	35.491.857,28	35.103.060,50
Intangible assets	1.202.962,34	1.284.975,20	1.174.955,77	1.253.495,23
Investments in Subsidiaries	0,00	0,00	1.720.346,85	1.720.346,85
Other non current assets	980.005,09	784.003,14	568.552,13	568.552,13
	<u>40.316.067,66</u>	<u>39.745.223,72</u>	<u>38.955.712,03</u>	<u>38.645.454,71</u>
Current assets				
Inventories	10.619.583,46	10.508.236,34	10.372.613,75	10.322.330,17
Trade receivables	5.887.530,68	6.052.210,89	6.001.431,53	6.077.677,63
Other receivables	702.269,42	602.535,18	383.180,14	371.960,68
Financial assets	226.922,94	226.922,94	226.922,94	226.922,94
Cash and cash equivalents	1.439.104,77	1.919.823,69	1.227.821,73	1.706.143,19
	<u>18.875.411,27</u>	<u>19.309.729,04</u>	<u>18.211.970,09</u>	<u>18.705.034,61</u>
Total Assets	<u>59.191.478,93</u>	<u>59.054.952,76</u>	<u>57.167.682,12</u>	<u>57.350.489,32</u>
Equity and liabilities				
Share capital	10.763.200,00	10.763.200,00	10.763.200,00	10.763.200,00
Share premium	19.202.825,27	19.202.825,27	19.202.825,27	19.202.825,27
Reserves	5.618.399,39	5.631.346,79	5.786.945,43	5.803.471,74
Retained earnings	1.842.442,71	1.661.895,96	1.471.582,59	1.411.651,76
Total equity attributable to shareholders				
Of the parent	37.426.867,37	37.259.268,03	37.224.553,28	37.181.148,78
Minority interest	139.983,78	127.850,14	0,00	0,00
Total Equity	<u>37.566.851,15</u>	<u>37.387.118,17</u>	<u>37.224.553,28</u>	<u>37.181.148,78</u>
LIABILITIES				
Long-term liabilities				
Bank loans	9.298.000,00	10.454.000,00	9.210.000,00	10.454.000,00
Deferred tax liabilities	1.721.379,49	1.670.030,84	1.692.697,83	1.641.349,18
Employee benefits	155.511,81	148.944,74	151.485,10	144.918,03
Other long-term liabilities	2.644.682,10	2.672.358,20	1.815.419,38	1.837.861,52
Total long-term liabilities	<u>13.819.573,40</u>	<u>14.945.333,78</u>	<u>12.869.602,31</u>	<u>14.078.128,73</u>
Short-term liabilities				
Trade and other liabilities	3.058.043,21	3.205.776,86	2.931.471,00	3.199.564,55
Short-term liabilities	3.701.660,99	2.575.371,08	3.140.027,85	2.020.632,82
Income tax payable	161.663,96	268.067,88	158.203,35	225.462,61
Other Short-term liabilities	883.686,22	673.284,99	843.824,32	645.551,83
Total short-term liabilities	<u>7.805.054,38</u>	<u>6.722.500,81</u>	<u>7.073.526,52</u>	<u>6.091.211,81</u>
Total liabilities	<u>21.624.627,78</u>	<u>21.667.834,59</u>	<u>19.943.128,83</u>	<u>20.169.340,54</u>
TOTAL EQUITY AND LIABILITIES	<u>59.191.478,93</u>	<u>59.054.952,76</u>	<u>57.167.682,11</u>	<u>57.350.489,32</u>

2. INCOME STATEMENT

Amounts in €

	CONSOLIDATED		COMPANY	
	<u>1/1-31/03/08</u>	<u>1/1-31/03/07</u>	<u>1/1-31/03/08</u>	<u>1/1-31/03/07</u>
Sales	4.837	4.111	4.790	4.047
Cost of sales	(2.394)	(1.998)	(2.420)	(1.961)
Gross Profit	2.443	2.113	2.370	2.086
Other income	32	69	27	62
Administrative expenses	(571)	(440)	(552)	(422)
Selling expenses	(1.224)	(791)	(1.136)	(757)
EBITDA	680	951	709	969
Depreciation	(418)	(337)	(399)	(315)
EBITA	262	614	310	654
Financial expenses	(227)	(202)	(215)	(190)
Earnings before taxes	35	412	95	464
Less: taxes	145	(79)	(52)	(116)
Profits after taxes	180	333	43	348
<u>Attributable to:</u>				
Equity holders of the parent	168,00	337,00	43,00	348,00
Minority interest	12,00	(4,00)	0,00	0,00
Basic earnings per share in€	0,005	0,010	0,001	0,010

3. Statement of changes in shareholders equity – GROUP

<i>Amounts in €</i>	Attributable to the Shareholders of the Parent					Minority interest	Total
	Share capital	Share premium	Reserves	Retained earnings			
Amounts in thousand €							
Equity on 1st January 2007, according to IFRS	10.242	19.724	5.575	1.481	135	37.157	
<i>Changes of shareholders equity during the period 01/01 - 31/03/2007</i>							
Income after taxes 01/01 - 31/03/2007	0	0	0	333	0	333	
Taxes	0	0	0	(33)	0	(33)	
Profit after taxes attributable to equity – Transfer to reserves	0	0	145	0	0	145	
Minority interests	0	0	0	0	(7)	(7)	
Profit of the period	0	0	145	300	(7)	438	
Share capital on 31/03/2007	10.242	19.724	5.720	1.781	128	37.595	
Equity on 1st January 2008, according to IFRS	10.763	19.203	5.631	1.662	128	37.387	
<i>Changes of shareholders equity during the period 01/01 - 31/03/2008</i>							
Income after taxes 01/01 - 31/03/2008	0	0	0	180	0	180	
Taxes	0	0	0	0	0	0	
Profit after taxes attributable to equity – Transfer to reserves	0	0	(13)	0	0	(13)	
Minority interests	0	0	0	0	12	12	
Total profit/loss of the period	0	0	(13)	180	12	179	

Share capital on 31/03/2008	<u>10.763</u>	<u>19.203</u>	<u>5.618</u>	<u>1.842</u>	<u>140</u>	<u>37.566</u>
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4. Statement of changes in shareholders equity – Company

<i>Amounts in € thousand</i>	Attributable to the Shareholders of the Parent				
	Share capital	Share premium	Reserves	Retained earnings	Total
Equity on 1st January 2007, according to IFRS	10.242	19.724	5.750	1.132	36.848
<i>Changes of shareholders equity during the period 01/01 - 31/03/2007</i>					
Income after taxes 01/01 - 31/03/2007	0	0	0	348	348
Taxes	0	0	0	(14)	(14)
Profit after taxes attributable to equity – Transfer to reserves	0	0	142	17	159
Profit of the period	<u>0</u>	<u>0</u>	<u>142</u>	<u>351</u>	<u>493</u>
Share capital on 31/03/2007	<u>10.242</u>	<u>19.724</u>	<u>5.892</u>	<u>1.483</u>	<u>37.341</u>
Equity on 1st January 2008, according to IFRS	10.763	19.203	5.803	1.412	37.181
<i>Changes of shareholders equity during the period 01/01 - 31/03/2008</i>					
Income after taxes 01/01 - 31/03/2008	0	0	0	43	43
Taxes	0	0	0	0	0
Profit after taxes attributable to equity – Transfer to reserves	0	0	(16)	16	0
Total profit/loss of the period	<u>0</u>	<u>0</u>	<u>(16)</u>	<u>59</u>	<u>43</u>
Share capital on 31/03/2008	<u>10.763</u>	<u>19.203</u>	<u>5.787</u>	<u>1.471</u>	<u>37.224</u>

5. Cash flow Statement

Amounts in € thousand

	Consolidated items		Company	
	<u>1/1-31/3/08</u>	<u>1/1-31/3/07</u>	<u>1/1-31/3/08</u>	<u>1/1-31/3/07</u>
Cash flows from operating activities				
Profit before income taxes	35	412	95	464
<i>Plus/minus adjustments for:</i>				
Depreciation	418	337	399	315
Provisions	7	5	7	5
Exchange differences	0	0	0	0
Interest and related expenses	227	202	215	190
Gain from investments	(4)	407	(5)	0
Operating profit before changes in working capital	683	1.363	711	974
Decrease/Increase in inventories	(111)	(1.305)	(50)	(923)
Decrease/Increase in receivables	13	641	65	714
Increase/Decrease in liabilities. (except bank borrowings)	42	(566)	(160)	(727)
<i>Total inflow from operating activities</i>	627	133	566	38
Interest and related expenses paid	(36)	(29)	(32)	(28)
Tax paid	0	0	0	0
<i>Net cash inflow/outflow from operating activities(a)</i>	591	104	534	10
Cash flows from investment activities				
Purchase of tangible and intangible fixed assets	(793)	(194)	(710)	(150)
Sale of tangible and intangible fixed assets	0	0	0	0
Sale/Purchase of subsidiaries and other investments	0	0	0	0
Interest received	5	3	5	3
Dividends received	0	0	0	0
Decrease/Increase in other long-term liabilities	0	0	0	0
<i>Total inflow from investment activities(b)</i>	(788)	(191)	(705)	(147)
Cash flow from financing activities				
Receives from increase in shareholders capital	0	0	0	0
Interest paid	(187)	(127)	(182)	(127)
Dividends paid	0	0	0	0
Proceeds from loans extended/ drawn	778	5.250	750	5.250
Loans paid	(875)	(3.595)	(875)	(3.594)
<i>Total inflow/outflow from financing activities(c)</i>	(284)	1.528	(307)	1.529
Increase/Decrease in cash and cash equivalents (a+b+c)	(481)	1.441	(478)	1.392
Cash and cash equivalents at the beginning of the period	1.920	903	1.706	545
Cash and cash equivalents at the end of the period	1.439	2.344	1.228	1.937

6. Additional information

6.1. Company formations and operations

The summary financial statements for the three month period ending on Mars 31, 2008 (the “financial statements”) are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and in particular the provisions set forth in IAS 34 “Interim Financial Reporting” and the amounts are reflected in thousand €, the official currency of the country in which the Company is seated. The financial statements have been prepared on a historical cost basis with the exception of available for sale financial assets which are measured at fair value.

The preparation of financial statements in conformity with IFRS, requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The accounting policies which have been applied to the interim summary financial statements are in line with those used in the company’s annual statements for the year ended on December 31, 2007.

6.2. Consolidation

The consolidated financial Statements are consisted of the Parent company, and the subsidiaries.

The subsidiaries are:KEM SA,and DROMEAS BG EAD.

6.3. Segment Information

The Group operates in three business sectors, office furniture-manufacture, and production of metal and aluminum departments.

Additionally, the Group operates in different countries, geographical areas. Those are:

- α) Northeast Europe (main country Greece)
- β) Middle East
- γ) Cyprus

The revenues by product for the period of 1/1/2008 until 31/3/2008, are:

Amount in thousand €	1/1-31/3 2008	1/1-31/3 2007
Offices	978,92	1.107,20
Drawers	328,67	338,18
Office chairs	1.430,27	1.193,83
Libraries	1.200,32	704,96
Mullions	115,24	159,21
General furniture	76,07	0,00

Young furniture	131,85	118,58
Kitchens	454,58	404,57
Total	4.789,63	4.046,51

The revenues of the subsidiaries for each product for the period of 1/1/2008 until 31/3/2008 are:

Amount in thousand €	1/1-31/3 2008	1/1-31/3 2007
KEM SA		
Moulds	110,00	78,70
Plastics	113,40	66,87
Services	1,00	0,00
Total	224,40	145,57
“DROMEAS BG” L.T.D (Bulgaria)		
Office sales	110,95	189,68
Services	0,00	6,13
Total	110,95	195,81

6.4. Income taxes – Deferred taxes

Income (current and deferred) taxes of the period are calculated according the tax laws.

Deferred tax assets

	<u>COMPANY</u>	<u>GROUP</u>
31/12/2006	103.036	327.779
Adjustment due to change of tax factor	(14.212)	(56.633)
Deferred tax assets-due to taxable dividends of 2006	393.609	393.609
Deferred tax assets	0	0
31/12/2007	482.433	664.755
Deferred tax assets of the period	0	196.002
31/3/2008	482.433	860.757

Deferred tax liabilities

	<u>COMPANY</u>	<u>GROUP</u>
31/12/2006	1.447.834	1.459.228
Adjustment due to change of tax factor	(199.701)	(202.193)
Deferred tax liability due to overestimation of plant	40.418	40.418
Deferred tax liability -due to taxable dividends of 2006	36.231	36.231
Deferred tax liability of the period	316.567	336.347
31/12/2007	1.641.349	1.670.031
Deferred tax liabilities of the period	51.349	51.349
31/3/2008	1.692.698	1.721.380

6.5. Bank borrowings

The long-term borrowings of the Group recognized at an amount equal to the fair value of the funds received less any directly related expenses. Gains and losses are shown in the Income Statement when liabilities are derecognized or decreased, through the amortization process

6.6. Audited obligations:

The tax authorities audit parent company Dromeas SA and subsidiary KEM until 2002.

6.9. Number of Employees and employee benefits

	GROUP		COMPANY	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
Number of employees				
- Employees	110	114	101	106
- Workers	179	168	149	155
Total number of employees	289	282	250	261

	GROUP		COMPANY	
	31.3.2008	31.3.2007	31.3.2008	31.3.2007
Liabilities for:				
- Retirement benefits	155.511,81	126.556,80	151.485,10	123.380,61

Provisions are evaluated every year and adjusted in order to demonstrate the best possible valuations.

6.10. Related party transactions

Related parties are companies over which the Group has control or significant influence over their financial and operating policies.

More specifically:

<i>Amount in thousand €</i>	GROUP	COMPANY
	31/03/2008	31/03/2008
α) Sale of goods and services	0,00	67.863,80
β) Purchase of goods and services	0,00	219.865,08
γ) Receivables from related parties	0,00	104.785,79
δ) Liabilities towards related parties	0,00	0,00
ε) Transactions and remuneration of officers and directors	77.873,13	54.173,13
στ) Receivables from officers and directors	151.593,29	0,00
ζ) Liabilities towards officers and directors	0,00	21.012,73

6.11. Events after the Balance Sheet date:

There do not exist other significant events after the 31/03/2008 to be reported or to affect the financial statements.

Industrial area of Serres, 23 of May 2008

The President and CEO
of the Board of Directors

The Chief Financial
Officer

The Chief
Accountant

ATHANASIOS
PAPAPANAGIOTOU

PHEDON
TSAGALIDIS

EIRINI
ELEUTHERIADOU