



PAPAPANAGIOTOU SA. - "DROMEAS"

Interim summary financial statements
As of 30 September, 2007
(January 1- September 30, 2007)

The interim financial statements for the period ending on September 30, 2007 which have been prepared in conformity with IFRS , were approved by the Board of Directors on 26/11/2007. The summary financial statements for the ninth month period ending on September 30, 2007 (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, 2006 and they must be read in conjunction with the financial statements of the Group for the period ending on December 31, 2006. 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, 2006. No Standards have been applied before their effective date.

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

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1. Balance Sheet*Amounts in € thousand*

ASSETS	CONSOLIDATED		COMPANY	
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
NON CURRENT ASSETS				
Tangible assets	36.999.578,57	36.506.156,66	34.503.476,26	34.073.304,25
Intangible assets	498.184,03	547.184,44	462.147,36	495.040,01
Investments in Subsidiaries	0,00	0,00	1.791.803,53	1.697.523,12
Other non current assets	831.098,47	464.931,41	568.552,13	207.059,66
	38.328.861,07	37.518.272,51	37.325.979,28	36.472.927,04
Current assets				
Inventories	10.926.388,95	9.900.950,41	10.303.508,80	9.651.389,20
Trade receivables	5.579.637,23	6.459.477,19	6.004.173,81	6.523.398,50
Other receivables	676.674,10	533.334,86	446.457,87	313.691,63
Financial assets	245.942,62	744.898,38	245.942,62	744.898,38
Cash and cash equivalents	1.809.798,72	902.988,38	1.515.174,54	544.716,48
	19.238.441,62	18.541.649,22	18.515.257,64	17.778.094,19
Total Assets	57.567.302,69	56.059.921,73	55.841.236,92	54.251.021,23
Equity and liabilities				
Share capital (17.360.000 shares of €0,59 each)	10.763.200,00	10.242.400,00	10.763.200,00	10.242.400,00
Share premium	19.202.825,27	19.723.625,27	19.202.825,27	19.723.625,27
Reserves	5.674.187,13	5.575.150,35	5.846.312,08	5.749.582,01
Retained earnings	1.393.049,63	1.480.988,71	1.160.922,81	1.132.528,35
Total equity attributable to shareholders				
Of the parent	37.033.262,04	37.022.164,33	36.973.260,16	36.848.135,63
Minority interest	133.607,05	134.661,40	0,00	0,00
Total Equity	37.166.869,09	37.156.825,73	36.973.260,16	36.848.135,63
LIABILITIES				
Long-term liabilities				
Bank loans	8.717.000,00	7.655.500,00	8.717.000,00	7.655.500,00
Deferred tax liabilities	1.597.283,92	1.459.228,46	1.588.381,97	1.447.833,96
Employee benefits	141.527,15	121.825,94	138.350,96	118.649,75
Other long-term liabilities	2.450.033,31	2.441.811,64	1.610.302,66	1.586.379,12
Total long-term liabilities	12.905.844,37	11.678.366,04	12.054.035,59	10.808.362,83
Short-term liabilities				
Trade and other liabilities	2.528.912,90	3.206.470,39	2.497.854,16	3.293.902,34
Short-term liabilities	3.829.453,49	3.171.179,80	3.212.305,70	2.512.066,78
Income tax payable	232.855,98	245.805,04	224.339,61	206.444,69
Other Short-term liabilities	903.366,86	601.274,73	879.441,70	582.108,96
Total short-term liabilities	7.494.589,23	7.224.729,96	6.813.941,17	6.594.522,77
Total liabilities	20.400.433,60	18.903.096,00	18.867.976,76	17.402.885,60
TOTAL EQUITY AND LIABILITIES	57.567.302,69	56.059.921,73	55.841.236,92	54.251.021,23

5. Cash flow Statement

Amounts in € thousand

	<u>Consolidated items</u>		<u>Company</u>	
	<u>1/1-30/9/07</u>	<u>1/1-30/9/06</u>	<u>1/1-30/9/07</u>	<u>1/1-30/9/06</u>
Cash flows from operating activities				
Profit before income taxes	978	488	1.112	705
<i>Plus/minus adjustments for:</i>		0		0
Depreciation	1.043	843	979	776
Provisions	20	13	20	13
Interest and related expenses	590	439	558	417
Gain from investments	-215	396	(578)	139
Operating profit before changes in working capital	2.416	2.179	2.091	2.050
Decrease/Increase in inventories	(1.454)	(1.009)	(652)	(1.126)
Decrease/Increase in receivables	1.235	1.190	274	677
Increase/Decrease in liabilities. (except bank borrowings)	(244)	(1.398)	(320)	(1.132)
<i>Total inflow from operating activities</i>	1.953	962	1.393	469
Interest and related expenses paid	(37)	(52)	(37)	(51)
Tax paid	(204)	(402)	(205)	(380)
<i>Net cash inflow/outflow from operating activities(a)</i>	1.712	508	1.151	38
Cash flows from investment activities				
Purchase of tangible and intangible fixed assets	(1.488)	(768)	-624.4	(710)
Sale of tangible and intangible fixed assets	0	0	0,0	0,0
Proceeds from sale of investment	612	0	152.6	0,0
Interest received	40	36	10.7	4.1
Dividends received	14	46	121.8	14.3
Decrease/Increase in other long-term liabilities	(366)	(13)	-107.4	150.4
<i>Total inflow from investment activities(b)</i>	(1.188)	(699)	-446.7	-79.9
Cash flow from financing activities				
Receives from increase in shareholders capital	(462)	(339)	(441)	(326)
Interest paid	(868)	(28)	(868)	(28)
Dividends paid	7.402	8.260	7.102	7.760
Proceeds from loans extended/ drawn	(5.689)	(7.330)	(5.187)	(6.837)
Loans paid	383	563	606	569
<i>Total inflow/outflow from financing activities(c)</i>	907	372	970	101
Increase/Decrease in cash and cash equivalents (a+b+c)	903	1.934	545	1.643
Cash and cash equivalents at the beginning of the period	0	0	0	0
Cash and cash equivalents at the end of the period	1.810	2.306	1.515	1.744

2. INCOME STATEMENT

Amounts in €

	CONSOLIDATED		COMPANY	
	<u>1/1-30/09/07</u>	<u>1/1-30/09/06</u>	<u>1/1-30/09/07</u>	<u>1/1-30/09/06</u>
Sales	13.525	13.106	13.709	13.004
Cost of sales	7.160	7.083	7.584	7.010
Gross Profit	6.365	6.023	6.125	5.994
Other income	293	329	413	227
Administrative expenses	1.402	1.460	1.355	1.403
Selling expenses	2.645	3.122	2.534	2.920
EBITDA	2.611	1.770	2.649	1.898
Depreciation	1.043	843	979	776
EBITA	1.568	927	1.670	1.122
Financial expenses	590	439	558	417
Earnings before taxes	978	488	1.112	705
Less: taxes	(217)	75	(264)	(16)
Profits after taxes	761	563	848	689
<u>Attributable to:</u>				
Equity holders of the parent	759	568	848	689
Minority interest	2	(5)	0	0
Basic earnings per share in€	0,022	0,033	0,024	0,040

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 2006, according to IFRS	10.242	19.724	5.661	43	127	35.797	
<i>Changes of shareholders equity during the period 01/01 - 30/09/2006</i>							
Income after taxes 01/01 - 30/09/2006	0	0	0	563	0	563	
Taxes	0	0	140	-66	0	74	
Profit after taxes attributable to equity – Transfer to reserves	0	0	-164	199	0	35	
Minority interests	0	0	0	0	-4	-4	
Profit of the period	0	0	138	662	-4	796	
Share capital on 30/09/2006	10.242	19.724	5.799	705	123	35.593	
Equity on 1st January 2007, according to IFRS	10.242	19.724	5.575	1.481	135	37157	
<i>Changes of shareholders equity during the period 01/01 - 30/09/2007</i>							
Income after taxes 01/01 - 30/09/2007	0	0		761	0	761	
Income Taxes	0	0	148	-43	0	105	
Profit after taxes attributable to equity – Transfer to reserves	521	(521)	-49	62	0	13	
Minority interests	0	0	0	0	-1	-1	
Total profit/loss of the period	10.763	19.203	5.674	1393	134	37167	

Share capital on 30/09/2007	10.242	19.724	5.720	1138	132	36927
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4. Statement of changes in shareholders equity – Company

<i>Amounts in € thousand</i>	Share capital	Share premium	Reserves	Attributable to the Shareholders of the Parent Retained earnings	Total
Equity on 1st January 2006, according to IFRS	10.242	19.724	5.510	43	35.519
<i>Changes of shareholders equity during the period 01/01 - 30/09/2006</i>					
Income after taxes 01/01 - 30/09/2006	0	0	0	689	689
Taxes	0	0	140	-66	74
Profit after taxes attributable to equity – Transfer to reserves	0	0	-44	44	0
Profit/loss after taxes	0	0	162	-34	128
Profit of the period	0	0	258	633	891
Share capital on 30/09/2006	10.242	19.724	5.768	676	36.410
Equity on 1st January 2007, according to IFRS	10.242	19.724	5.749	1.133	36.848
<i>Changes of shareholders equity during the period 01/01 - 30/9/2007</i>					
Income after taxes 01/01 - 30/09/2007	0	0	0	848	848
Taxes	0	0	146	-1	145
Profit after taxes attributable to equity – Transfer to reserves	521	(521)	-49	49	0
Profit/loss after taxes	521	(521)	97	28	125
Total profit/loss of the period	521	(521)	97	28	125

Share capital on 30/09/2007

<u>10.763</u>	<u>19.203</u>	<u>5.846</u>	<u>1.161</u>	<u>36.973</u>
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6. Additional information

6.1. Company formations and operations

The summary financial statements for the ninth month period ending on September 30, 2007 (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, 2006.

6.2. Consolidation

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries.

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 of the parent company from internal and external activities are as follows:

The revenues per product for the period of 1/1/2007 until 30/9/2007, are:

Amount in thousand €	1/1-30/9/2007	1/1-30/9/2006
Offices	3.919,50	2.090,49
Drawers	1.178,17	722,36
Office chairs	3.776,51	3.498,01
Libraries	2.441,52	2.204,25
Mullions	503,32	662,98
General furniture	395,04	2.124,50
Young furniture	1.300,62	352,83
Kitchens	164,21	1.038,25
Total	13.709,12	13.004,50

The revenues of the subsidiaries for each product for the period of 1/1/2007 until 30/9/2007 are:

Amount in thousand €	1/1-30/9/2007	1/1-30/9/006
KEM SA		
Moulds	304,17	374,38
Plastics	220,87	282,58
Total	525,05	656,96
“DROMEAS BG” L.T.D (Bulgaria)		
Office sales	463,73	917,22
Services	14,32	59,3
Total	478,04	976,52

6.4 Tangible assets

Property, plant and equipment are recorded on 01/01/2004 in deemed cost, according to IFRS 1. Deemed cost is the fair value of a tangible asset during the first introduction of IFRS by the company. The fair value calculated by independent body.

Tangible assets

Amount in €thousand

	COMPANY						Total
	Property	Buildings	Equipment	Vehicles	Other equipment	Tangible assets under production	
Accounting value on 31/12/2005	4.412.000	13.581.515	9.530.106	553.305	156.301	5.935.557	34.168.784
Improvements	0	5.182.901	616.191	55.962	180.253	0	6.035.307
Sales	0	0	0	0	0	5.170.543	5.170.543
Depreciation	0	536.108	331.636	20.738	71.763	0	960.245
Accounting value on 31/12/2006	4.412.000	18.228.308	9.814.661	588.529	264.791	765.014	34.073.303
Improvements	0	7.557	944.981	76.906	30.380	245.387	1.305.211
Sales	0	0	34.409	0	0	0	34.409
Depreciation 1/1/2007-30/9/2007	0	432.485	322.740	18.085	67.319	0	840.629
Accounting value on 30/9/2007	4.412.000	17.803.380	10.402.493	647.350	227.852	1.010.401	34.503.476

Tangible assets

Amount in €thousand

	GROUP						Total
	Property	Buildings	Equipment	Vehicles	Other equipment	Tangible assets under production	
Accounting value on 31/12/2005	4.531.000	14.393.390	11.026.257	556.884	161.516	5.628.154	36.297.201
Improvements	0	5.220.697	621.498	56.473	197.579	0	6.096.247
Sales	0	0	0	0	0	4.863.140	4.863.140
Depreciation	0	554.975	369.537	20.738	78.903	0	1.024.153
Accounting value on 31/12/2006	4.531.000	19.059.112	11.278.218	592.619	280.192	765.014	36.506.155
Improvements	62.887	7.557	996.030	76.906	30.568	245.387	1.419.337
Sales	0	0	34409	0	0	0	34.409
Depreciation 1/1/2007-30/9/2007	0	446.635	353.816	18.597	72.455	0	891.503
Accounting value on 30/9/2007	4.593.887	18.620.034	11.886.023	650.928	238.305	1.010.401	36.999.578

7.0 Intangible Assets

Goodwill

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

Computer software

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as part of office equipment, in property, plant and equipment. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Other intangible assets

Patents, trademarks and licences are shown at historical cost.

INTANGIBLE ASSETS

Amount in €thousand

	COMPANY			
	Patents and license agreements	Software	Research and Development cost	Total
Accounting value on 31/12/2005	6.242	13.795	192.907	212.944
Improvements	0	200.529	223.997	424.526
Sales	0	0	0	0
Depreciation	1.400	33.905	107.125	142.430
Accounting value on 31/12/2006	4.842	180.419	309.779	495.040
Improvements	90.000	15.500	0	105.500
Sales	0	0	0	0
Depreciation 1/1/2007-30/9/2007	14.550	40.469	83.374	138.393
Accounting value on 30/9/2007	80.292	155.450	226.405	462.147

<u>Total:</u>				
Historic cost on 30/9/2007	125.619	371.671	696.555	1.193.845
Minus: Accumulated Depeceation	45.327	216.221	470.150	731.698
Accounting value on 30/9/2007	80.292	155.450	226.405	462.147

INTANGIBLE ASSETS*Amount in €thousand*

	GROUP			Total
	Patents and license agreements	Software	Research and Development cost	
Accounting value on 31/12/2005	6.242	85.956	192.907	285.105
Improvements	0	204.108	223.997	428.105
Sales	0	0	0	0
Depreciation	1.400	57.501	107.125	166.026
Accounting value on 31/12/2006	4.842	232.563	309.779	547.184
Improvements	90.000	15.500	0	105.500
Sales	0	0	0	0
Depreciation 1/1/2007-30/9/2007	14.550	56.576	83.374	154.500
Accounting value on 30/9/2007	80.292	191.487	226.405	498.184

Total:

Historic cost on 30/9/2007	125.619	477.937	696.555	1.300.111
Minus: Accumulated Depeceation	45.327	286.450	470.150	801.927
Accounting value on 30/9/2007	80.292	191.487	226.405	498.184

7.1 Number of employees and pension obligation

	GROUP		COMPANY	
	30.09.2007	31.09.2006	30.09.2007	31.09.2006
Number of employees				
- Employees	108	111	102	95
- workers	180	180	157	165
Total	288	291	259	260

	GROUP		COMPANY	
	30.09.2007	31.09.2006	30.09.2007	31.09.2006
Obligations for:				
- Pensions	141.527.15	117.095.08	138.350.96	113.918.89

Provisions are evaluated at the end of each year.

7.2 Events after the Balance Sheet date:

Dromeas SA, was participated in the competition of OPAP SA, for the reconstruction of the 5.500 stores all over the country. The value of the competition was €60.000.000, for 4 years. In the competition were participated 4 firms. After the first round of the competition, OPAP announce that in the next phase qualified SATO SA and Dromeas SA. Until today there is no information about the outcome of the competition.

The sales are growing, as mentioned in previous reports in all production lines.

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Industrial area of Serres, 23 of November 2007

The President of the
Board of Directors

The Chief Executive
Officer

The Chief Financial
Officer

The Chief
Accountant

ATHANASIOS
PAPAPANAGIOTOU

IOANNIS
PAPAPANAGIOTOU

PHEDON
TSAGALIDIS

EIRINI
ELEUTHERIADOU