



PAPAPANAGIOTOU SA. - "DROMEAS"

Interim summary financial statements
As of 31 Mars, 2007
(January 1- Mars 31 2007)

The interim financial statements for the period ending on March 31, 2007 which have been prepared in conformity with IFRS , were approved by the Board of Directors on 29/05/2007. The summary financial statements for the three month period ending on March 31, 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"

TABLE OF CONTENTS

PAR.	TITLE	PAGE
1.	Balance Sheet	3
2.	Income Statement	4
3.	Consolidation Statement of changes in Shareholders equity	5
4.	Statement of changes in Shareholders equity of the parent company	6
5.	Cash flow statement	8
6.	Additional information	9
6.2.	Consolidation	9
6.3.	Segment information	9
6.4.	Borrowing costs	11
6.7.	Deferred income taxes	10
6.8.	Number of employees and employee benefits	11
6.9.	Related party transactions	12
6.10.	Events after the balance sheet date	12

1. Balance Sheet*Amounts in € thousand*

ASSETS	CONSOLIDATED		COMPANY	
	<u>31/3/2007</u>	<u>31/12/2006</u>	<u>31/3/2007</u>	<u>31/12/2006</u>
NON CURRENT ASSETS				
Tangible assets	36.409.884,61	36.506.156,66	33.949.002,44	34.073.304,25
Intangible assets	500.479,04	547.184,44	453.981,24	495.040,01
Investments in Subsidiaries	0,00	0,00	1.697.523,12	1.697.523,12
Other non current assets	356.058,38	464.931,41	103.997,18	207.059,66
	<u>37.266.422,03</u>	<u>37.518.272,51</u>	<u>36.204.503,98</u>	<u>36.472.927,04</u>
Current assets				
Inventories	10.777.216,31	9.471.998,55	10.573.890,81	9.651.389,20
Trade receivables	5.780.197,50	6.459.477,19	5.725.284,52	6.523.398,50
Other receivables	530.567,71	533.334,86	356.876,61	313.691,63
Financial assets	786.374,94	744.898,38	786.374,94	744.898,38
Cash and cash equivalents	2.343.495,39	902.988,38	1.936.768,61	544.716,48
	<u>20.217.851,85</u>	<u>18.112.697,36</u>	<u>19.379.195,49</u>	<u>17.778.094,19</u>
Total Assets	<u>57.484.273,88</u>	<u>55.630.969,87</u>	<u>55.583.699,47</u>	<u>54.251.021,23</u>
Equity and liabilities				
Share capital	10.242.400,00	10.242.400,00	10.242.400,00	10.242.400,00
Share premium	19.723.625,27	19.723.625,27	19.723.625,27	19.723.625,27
Reserves	5.720.128,90	5.575.150,35	5.892.253,85	5.749.582,01
Retained earnings	1.759.786,50	1.052.036,85	1.482.592,13	1.132.528,35
Total equity attributable to shareholders				
Of the parent	37.445.940,67	36.593.212,47	37.340.871,25	36.848.135,63
Minority interest	127.704,79	134.661,40	0,00	0,00
Total Equity	<u>37.573.645,46</u>	<u>36.727.873,87</u>	<u>37.340.871,25</u>	<u>36.848.135,63</u>
LIABILITIES				
Long-term liabilities				
Bank loans	8.768.800,00	7.655.500,00	8.768.800,00	7.655.500,00
Deferred tax liabilities	1.324.517,26	1.459.228,46	1.315.615,31	1.447.833,96
Employee benefits	126.556,80	121.825,94	123.380,61	118.649,75
Other long-term liabilities	2.418.697,49	2.441.811,64	1.568.498,93	1.586.379,12
Total long-term liabilities	<u>12.638.571,55</u>	<u>11.678.366,04</u>	<u>11.776.294,85</u>	<u>10.808.362,83</u>
Short-term liabilities				
Trade and other liabilities	2.396.059,37	3.206.470,39	2.289.397,54	3.293.902,34
Short-term liabilities	3.761.646,68	3.171.179,80	3.093.561,61	2.512.066,78
Income tax payable	163.895,82	245.805,04	154.125,52	206.444,69
Other Short-term liabilities	950.455,00	601.274,73	929.448,70	582.108,96
Total short-term liabilities	<u>7.272.056,87</u>	<u>7.224.729,96</u>	<u>6.466.533,37</u>	<u>6.594.522,77</u>
Total liabilities	<u>19.910.628,42</u>	<u>18.903.096,00</u>	<u>18.242.828,22</u>	<u>17.402.885,60</u>
TOTAL EQUITY AND LIABILITIES	<u>57.484.273,88</u>	<u>55.630.969,87</u>	<u>55.583.699,47</u>	<u>54.251.021,23</u>

2. INCOME STATEMENT

Amounts in €

	CONSOLIDATED		COMPANY	
	<u>1/1-31/03/07</u>	<u>1/1-31/03/06</u>	<u>1/1-31/03/07</u>	<u>1/1-31/03/06</u>
Sales	4.111	3.860	4.047	3.840
Cost of sales	-1.998	-2.012	-1.961	-1.930
Gross Profit	2.113	1.848	2.086	1.910
Other income	69	154	62	147
Administrative expenses	-440	-442	-422	-431
Selling expenses	-791	-728	-757	-726
EBITDA	951	832	969	900
Depreciation	-337	-263	-315	-239
EBITA	614	569	654	661
Financial expenses	-202	-51	-190	-45
Earnings before taxes	412	518	464	616
Less: taxes	-79	-139	-116	-175
Profits after taxes	333	379	348	441
<u>Attributable to:</u>				
Equity holders of the parent	337,00	378,95	348,00	441,00
Minority interest	-4,00	0,05	0,00	0,00
Basic earnings per share in€	0,019	0,022	0,020	0,025

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 - 31/03/2006</i>							
Income after taxes 01/01 - 31/03/2006	0	0	0	379	0	379	
Taxes	0	0	0	-89	0	-89	
Profit after taxes attributable to equity – Transfer to reserves	0	0	49	139	0	188	
Minority interests	0	0	0	0	0	0	
Profit of the period	0	0	49	429	0	478	
Share capital on 31/03/2006	10.242	19.724	5.710	472	127	36.275	
Equity on 1st January 2007, according to IFRS	10.242	19.724	5.575	1.052	135	36.728	
<i>Changes of shareholders equity during the period 01/01 - 31/03/2007</i>							
Income after taxes 01/01 - 31/03/2006	0	0	0	333	0	333	
Taxes	0	0	0	-56	0	-56	
Profit after taxes attributable to equity – Transfer to reserves	0	0	145	430	0	575	
Minority interests	0	0	0	0	-7	-7	
Total profit/loss of the period	0	0	145	707	-7	845	

Share capital on 31/03/2007	10.242	19.724	5.720	1.759	128	37.573
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4. Statement of changes in shareholders equity – Company

<i>Amounts in € thousand</i>	Attributable to the Shareholders of the Parent				Total
	Share capital	Share premium	Reserves	Retained earnings	
Equity on 1st January 2006, according to IFRS	10.242	19.724	5.508	45	35.519
<i>Changes of shareholders equity during the period 01/01 - 31/03/2006</i>					
Income after taxes 01/01 - 31/03/2006	0	0	0	441	441
Taxes	0	0	0	-190	-190
Profit after taxes attributable to equity – Transfer to reserves	0	0	126	175	301
Profit/loss after taxes	0	0	0	0	0
Profit of the period	0	0	126	426	552
Share capital on 31/03/2006	10.242	19.724	5.634	471	36.071
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 - 31/03/2006	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/loss after taxes	0	0	0	0	0
Total profit/loss of the period	0	0	142	351	493

Share capital on 31/03/2007

<u><u>10.242</u></u>	<u><u>19.724</u></u>	<u><u>5.892</u></u>	<u><u>1.483</u></u>	<u><u>37.341</u></u>
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5. Cash flow Statement

Amounts in € thousand

	Consolidated items		Company	
	<u>1/1-31/3/07</u>	<u>1/1-31/3/06</u>	<u>1/1-31/3/07</u>	<u>1/1-31/3/06</u>
Cash flows from operating activities				
Profit before income taxes	412,0	518,0	464,0	616,0
<i>Plus/minus adjustments for:</i>				
Depreciation	337,0	263,0	315,0	239,0
Provisions	5,0	4,0	5,0	4,0
Exchange differences	0,0	0,0	0,0	0,0
Interest and related expenses	202,0	51,0	190,0	45,0
Gain from investments	407,0	-25,0	0,0	-51,0
Operating profit before changes in working capital	1.363,0	811,0	974,0	853,0
Decrease/Increase in inventories	-1.305,0	-1.108,0	-923,0	-1.069,0
Decrease/Increase in receivables	641,0	582,0	714,0	332,0
Increase/Decrease in liabilities. (except bank borrowings)	-566,0	-1.200,0	-727,0	-1.003,0
<i>Total inflow from operating activities</i>	133,0	-915,0	38,0	-887,0
Interest and related expenses paid	-29,0	-4,0	-28,0	-4,0
Tax paid	0,0	-139,0	0,0	-135,0
<i>Net cash inflow/outflow from operating activities(a)</i>	104,0	-1.058,0	10,0	-1.026,0
Cash flows from investment activities				
Purchase of tangible and intangible fixed assets	-194,0	-275,0	-150,0	-351,0
Sale of tangible and intangible fixed assets	0,0	0,0	0,0	0,0
Sale/Purchase of subsidiaries and other investments	0,0	0,0	0,0	0,0
Interest received	3,0	0,0	3,0	0,0
Dividends received	0,0	0,0	0,0	0,0
Decrease/Increase in other long-term liabilities	0,0	183,0	0,0	219,0
<i>Total inflow from investment activities(b)</i>	-191,0	-92,0	-147,0	-132,0
Cash flow from financing activities				
Receives from increase in shareholders capital	0,0	0,0	0,0	0,0
Interest paid	-127,0	-93,0	-127,0	-93,0
Dividends paid	0,0	-28,0	0,0	-28,0
Proceeds from loans extended/ drawn	5.250,0	5.500,0	5.250,0	5.500,0
Loans paid	-3.595,0	-2.543,0	-3.594,0	-2.543,0
<i>Total inflow/outflow from financing activities(c)</i>	1.528,0	2.836,0	1.529,0	2.836,0
Increase/Decrease in cash and cash equivalents (a+b+c)	1.441,0	1.686,0	1.392,0	1.678,0
Cash and cash equivalents at the beginning of the period	903,0	1.934,0	545,0	1.643,0
Cash and cash equivalents at the end of the period	2.344,0	3.620,0	1.937,0	3.321,0

6. Additional information

6.1. Company formations and operations

The summary financial statements for the three month period ending on Mars 31, 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

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 1/1/2007 until 31/3/2007, are:

Amount in thousand €	1/1-31/3 2007	1/1-31/3 2006
Offices	1.107,20	804,17
Drawers	338,18	299,92
Office chairs	1.193,83	1.242,40
Libraries	704,96	847,02
Mullions	159,21	217,29
General furniture	0,00	72,51

Young furniture	118,58	67,19
Kitchens	404,57	290,10
Total	4.046,51	3.840,61

The revenues of the subsidiaries for each product for the period of 1/1/2007 until 31/3/2007 are:

Amount in thousand €	1/1-31/3 2007	1/1-31/3 2006
KEM SA		
Moulds	78,70	135,77
Plastics	66,87	103,89
Services	0,00	0,00
Total	145,57	239,66
“DROMEAS BG” L.T.D (Bulgaria)		
Office sales	189,68	169,23
Services	6,13	8,18
Total	195,81	177,41

6.4. Income taxes – Deferred taxes

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

	<u>Deferred tax assets</u>	
	<u>COMPANY</u>	<u>GROUP</u>
1/1/2006	408.240,84	549.565,65
Adjustment due to change of tax factor	-75.158,34	-75.158,34
Deferred tax assets-deferred tax liability of the period	-230.047,02	-230.047,02
Deferred tax assets	0,00	83.417,98
31/12/2006	<u>103.035,48</u>	<u>327.778,27</u>
Adjustment due to change of tax factor	-14.211,79	-56.632,53
Deferred tax assets-deferred tax liability of the period	-88.823,69	-88.823,69
Deferred tax assets	0,00	36.610,19
31/3/2007	<u>0,00</u>	<u>218.932,24</u>
	<u>Deferred tax liabilities</u>	
	<u>COMPANY</u>	<u>GROUP</u>
1/1/2006	1.597.609,87	1.609.004,37
Adjustment due to change of tax factor	-149.775,91	-149.775,91
31/12/2006	<u>1.447.833,96</u>	<u>1.459.228,46</u>
Adjustment due to change of tax factor	-159.283,07	-161.775,62
Deferred tax liabilities	27.064,42	27.064,42
31/3/2007	<u>1.315.615,31</u>	<u>1.324.517,26</u>

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:

Parent company Dromeas and subsidiary KEM are audited by the tax authorities until 2002.

6.9. Number of Employees and employee benefits

	GROUP		COMPANY	
	31.3.2007	31.3.2006	31.3.2007	31.3.2006
Number of employees				
- Employees	114	115	106	102
- Workers	168	188	155	164
Total number of employees	282	303	261	266

	GROUP		COMPANY	
	31.3.2007	31.3.2006	31.3.2007	31.3.2006
Liabilities for:				
- Retirement benefits	126.556,80	107.394,43	123.380,61	104.457,17

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
	31/03/2007	31/03/2007
α) Sale of goods and services	0,00	146.219,19
β) Purchase of goods and services	0,00	130.659,85
γ) Receivables from related parties	0,00	146.219,19
δ) Liabilities towards related parties	0,00	108.897,18
ε) Transactions and remuneration of officers and directors	114.516,71	86.116,71
στ) Receivables from officers and directors	157.110,81	0,00
ζ) Liabilities towards officers and directors	49.789,96	49.789,96

6.11. Events after the Balance Sheet date:

There is a major cooperation with CORPORATE EXPRESS, for the production of office furniture for the Daimler Craisler (Mercedes Benz). The revenues of April and May are up to €450 thousand.

Revenues until 29/5/2007 are increased 13% in relation to the previous year. Moreover, exports are the 27% of the total revenues, while the same period last year was the 23% of the total revenues.

Industrial area of Serres, 29 of May 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