

"SPIDER" N.PETSIOS AND SONS S.A.GROUP OF COMPANIES

**BALANCE SHEET**

Company:SPIDER ITALIA S.R.L.

Period:1/1/07-31/12/07-1/1/06-31/12/06

currency in: EURO

<u>ASSETS</u>	Period 1/1-31/12/07	Period 1/1-31/12/06
<b>A.UNPAID CAPITAL</b>	<u>0,00</u>	<u>0,00</u>
<b>B.FORMATION EXPENSES</b>		
1.Start-up costs		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
2.Exchange Rate adjustments on loans for acquisition		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
3.Construction Period Interest cost		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
4.Other formation expenses		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
Total Formation Expenses	<u>0,00</u>	<u>0,00</u>
<b>C.FIXED ASSETS</b>		
<i>I. Intangible Assets</i>		
1.Research and Development Costs		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
2.Concessions, Trademarks, Rights & Lisenses	25.374,50	8.456,00
<b>Less:</b> Accumulated Depreciation	<u>7.952,04</u>	<u>7.181,00</u>
	17.422,46	1.275,00
3.Goodwill	1.022.220,09	1.017.420,09
<b>Less:</b> Accumulated Depreciation	<u>712.226,89</u>	<u>610.452,01</u>
	309.993,20	406.968,08
4.Payments on Account for acquisition of intangibles		
5.Other Intangible Assets	0,00	46.297,12
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>46.297,12</u>
	0,00	0,00
5a.Consolidation Differences		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
Total Intangible Assets	<u>327.415,66</u>	<u>408.243,08</u>
<i>II. Tangible Assets</i>		
1.Land		
<b>Less:</b> Devaluation Provisions	<u>0,00</u>	<u>0,00</u>
3.Buildings and technical works		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
4.Machinery, technical installations and other equipment	220.160,02	14.897,24
<b>Less:</b> Accumulated Depreciation	<u>51.568,06</u>	<u>14.569,32</u>
	168.591,96	327,92
5.Motor Vehicles		
<b>Less:</b> Accumulated Depreciation	<u>0,00</u>	<u>0,00</u>
6.Furniture and fixtures	82.698,22	77.447,70
<b>Less:</b> Accumulated Depreciation	<u>73.483,02</u>	<u>68.675,53</u>
	9.215,20	8.772,17
7.Payments on Account & Constructions in progress		
Total Tangible Assets	<u>177.807,16</u>	<u>9.100,09</u>
Total Fixed Assets (CI+CII)	<u>505.222,82</u>	<u>417.343,17</u>
<i>III. Investments and other long term assets</i>		
1.Investments in Group Undertakings		

1a. Investments in associated companies		
2. Investments in other companies		
<b>Less:</b> Unpaid Installments		
	0,00	0,00
3. Long-term receivables from associated business		
4. Long-term receivables from other associated business		
6. Assets Securities		
7. Other long term assets		
Total Investments and other long term assets	0,00	0,00
Total Fixed Assets Employed (CI+CII+CIII)	505.222,82	417.343,17

#### D. CURRENT ASSETS

##### I. inventories

1. Merchandise	842.141,66	363.669,99
2. Finished goods and semi-finished goods		
3. Work in progress		
4. Raw & auxiliary materials, spare parts & packaging materials		
5. Advances against inventories purchases		
Total inventories	842.141,66	363.669,99

##### II. Current Receivables

1. Trade debtors	5.980.679,07	6.855.116,33
<b>less:</b> Doubtful Claims		
	5.980.679,07	6.855.116,33
2. Bills receivable		
<b>less:</b> Deferred Interest		
	0,00	0,00
3. Bills receivable overdue		
3a. Cheques receivable		
3b. Cheques receivable overdue		
4. Share capital receivable		
5. Short-term receivables from associated business		
6. Short-term receivables from other associated business		
7. Receivables from Directors and managers		
8. Blocked accounts		
9. Long-term receivables		
10. Doubtful trade debtors and receivables		
<b>less:</b> Provision for doubtful accounts		
	109.528,34	84.528,34
	-109.528,34	-84.528,34
11. Other debtors	101.851,64	4.250,74
11a. V.A.T. receivable-State		
11b. Tax advances-State	101.851,64	4.244,52
11c. Other Taxes-State		6,22
12. Advances and prepayments	805.066,27	456.264,72
Total Current receivables	6.778.068,64	7.231.103,45

##### III. Marketable Securities

1. Shares		
2. Bonds		
3. Other Securities		
4. Own shares		
<b>less:</b> Unpaid installments		
	0,00	0,00
Total Marketable Securities	0,00	0,00

##### IV. Cash

1. Cash	16.972,20	11.014,95
2. Coupons due		
3. Current & Deferred accounts at banks	783.345,69	61.812,32
Total Cash	800.317,89	72.827,27
Total Current Assets (DI+DII+DIII+DIV)	8.420.528,19	7.667.600,71

#### E. TEMPORARY ASSETS

1. Deferred expenses	68.735,23	88.840,32
2. Accrued income		
3. Other assets suspense accounts		
Total Temporary Assets	68.735,23	88.840,32
TOTAL ASSETS (A+B+C+D+E)	8.994.486,24	8.173.784,20

**DEBIT MEMO ACCOUNTS**

- 1.Third parties' assets
- 2.Guarantees and collateral securities
- 3.Claims of bilateral contracts
- 4.Other

	0,00	0,00
	0,00	0,00

**LIABILITIES AND SHAREHOLDERS EQUITY****A. SHARE CAPITAL***I. Share Capital*

- |                           |            |            |
|---------------------------|------------|------------|
| 1.Issued and fully paid   | 100.000,00 | 100.000,00 |
| 2.Unpaid Share Capital    |            |            |
| 3.Amortized Share Capital |            |            |

	100.000,00	100.000,00
	100.000,00	100.000,00

*II. Share premium account (Excess over par Value of Shares Issued)**III. Revaluation reserves and investment grants*

- 1.Revaluation of investments
- 2.Revaluation reserves
- 3.Government Grants for fixed Assets

	0,00	0,00
	0,00	0,00

*IV. Reserves*

- 1.Statutory reserve
- 2.Reserves provided by the articles of incorporation
- 3.Special reserves
- 4.Extraordinary reserves
- 5.Tax-free reserves under special laws
- 6.Reserves for redemption of own shares

	21,95	
	59.458,01	59.041,01

**less:** Consolidation Differences

Depreciation of Participation Goodwill in affiliat

	0,00	0,00
	59.479,96	59.041,01

*V. Profit / Losses carried forward*

- |                                  |            |        |
|----------------------------------|------------|--------|
| Retained Earnings / Current Year |            | 438,95 |
| Retained Earnings / Prior Year   |            |        |
| <Loss for the year>              | -57.448,78 |        |
| <Loss brought forward>           |            |        |

	-57.448,78	438,95
	-57.448,78	438,95

*VI. Amounts to increase share capital*

- 1.Shareholders deposits
- 2.Dividends to increase share capital

	0,00	0,00
	0,00	0,00

*Less/Plus: Consolidation's Reformation*

- Consolidation's Reformation/Rrior Years
- Consolidation's Reformation/Current Year

	0,00	0,00
	0,00	0,00

*VII. Consolidation Differences***Less:** Charges in the Consolidated Results

	0,00	0,00
	0,00	0,00

*VIII. Exchange Differences due to the Consolidation of Subsidiaries**IX. Minority Interests*

- |   |            |            |
|---|------------|------------|
| Total shareholders equity<br>(AI+AIII+AIII+AIV+AV+AVI+AVII+AVIII+AIX) | 102.031,18 | 159.479,96 |
|---|------------|------------|

	102.031,18	159.479,96
	102.031,18	159.479,96

**B. PROVISIONS FOR LIABILITIES AND EXPENSES**

- 1.Severance pay indemnities due to retirement
- 2.Other provisions

	27.453,79	23.502,95
	826,33	826,33
	28.280,12	24.329,28
	28.280,12	24.329,28

**C. LIABILITIES***I. Long terms Liabilities*

- 1.Bond Loans
- 2.Bank Loans
- 3.Savings accounts loans
- 4.Long terms liabilities - affiliates
- 5.Long terms liabilities - other affiliates
- 6.Banks - Long term loans

	350.000,00	23.011,22
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7. Long-term bills payable		
<b>Less:</b> Deffered interest		
8. Other long-term liabilities		
Total L-T liabilities	<u>350.000,00</u>	<u>23.011,22</u>
<b>II. Short term liabilities</b>		
1. Suppliers	7.020.862,00	6.931.671,62
2. Bills payable		
<b>Less:</b> Deffered interest		
	<u>0,00</u>	<u>0,00</u>
2a. Cheques payable		
3. Banks - short-term liabilities	1.263.828,06	816.319,29
4. Customers' advances		
5. Taxes and duties payable	209.028,24	205.695,49
5a. Taxes Related with the dividends of Subsidiaries		
6. Social security insurance	5.844,22	1.946,83
7. Current portion of long term loans		
8. Liabilities to associated business		
9. Liabilities to other affiliates		
10. Dividends payable		
11. Other creditors	14.612,42	11.330,51
Total S-T liabilities	<u>8.514.174,94</u>	<u>7.966.963,74</u>
TOTAL LIABILITIES (CI+CII)	<u>8.864.174,94</u>	<u>7.989.974,96</u>

#### D. ACCRUALS

1. Accrued income		
2. Accrued expenses		
3. Other liabilities suspense accounts		
	<u>0,00</u>	<u>0,00</u>
TOTAL LIABILITIES (A + B + C + D)	<u>8.994.486,24</u>	<u>8.173.784,20</u>

#### CREDIT MEMO ACCOUNTS

1. Beneficiaries of third parties' assets		
2. Beneficiaries of guarantees and collateral securities		
3. Obligations from bilateral contracts		
4. Other		
	<u>0,00</u>	<u>0,00</u>
	0,00	0,00

#### PROFIT & LOSS STATEMENT

##### I. Operating results

Turnover	7.056.793,69	8.574.860,56
<b>Less:</b> Cost of goods sold	<u>6.197.863,66</u>	<u>7.795.843,05</u>
Gross operating profit	<u>858.930,03</u>	<u>779.017,51</u>
<b>Plus:</b> 1. Other operating income	9.722,49	67.854,06
Subtotal	<u>868.652,52</u>	<u>846.871,57</u>
<b>LESS:</b> 1. Administration Expenses	210.495,68	219.013,72
2. Research and Development Expenses		
3. Sales and Marketing Expenses	586.749,44	535.133,34
	<u>797.245,12</u>	<u>754.147,06</u>
Subtotal	<u>71.407,40</u>	<u>92.724,51</u>
<b>PLUS (or less)</b>		
1. Income from participation		
1a. Income/Dividends from affiliates		
2. Income from marketable securities		
3. Profit from sales of participations and marketable Securities		
4. Interest income and similar income	12.764,83	8.763,37
Subtotal	<u>12.764,83</u>	<u>8.763,37</u>
<b>less:</b>		
1. Valuation differences of equity participations & securities		
1a. Losses from affiliates		
2. Expenses & losses from participations and marketable securities		
3. Interest expense and similar expense	110.521,03	85.352,61
Subtotal	<u>110.521,03</u>	<u>85.352,61</u>
Total operating profit / <loss>	<u>-26.348,80</u>	<u>16.135,27</u>

##### II. PLUS (or less): Non operating items

1.Non operating/extraordinary income & revenues		
2.Extraordinary profits	9.596,69	4.585,60
2a.Monetary gain		
3.Previous years' income/revenue		
4.Income from previous years' provisions		
	<u>9.596,69</u>	<u>4.585,60</u>
<b>Less:</b>		
1.Non operating/extraordinary expenses		
2.Extraordinary losses	28.696,67	12.781,92
3.Previous years' expenses		
4.Provisions for special risks and unforeseen expenses		
Subtotal of non operating items	<u>-19.099,98</u>	<u>-8.196,32</u>
Total operating and non operating results	<u><u>-45.448,78</u></u>	<u><u>7.938,95</u></u>
<b>LESS:</b>		
Total Depreciation	112.882,34	112.284,11
Less: Depreciation included in operating results	<u>112.882,34</u>	<u>112.284,11</u>
Depreciation not included in operating results	0,00	0,00
Depreciation of Consolidation Differences		
Depreciation of the goodwill / participation in affiliates		
Exchange differences (revenues/expenses) due consolidation of the Affiliates		
Subtotal	<u>0,00</u>	<u>0,00</u>
PROFIT / < LOSS> BEFORE TAXES	<u><u>-45.448,78</u></u>	<u><u>7.938,95</u></u>
Prior Year Retained Earnings / <Losses>		
Prior years income taxes enforced by the tax au (Only if they have not been incorporated in the operating cost)		
Other taxes not incorporated in the operating cost		
Income taxes / provision for income taxes	12.000,00	7.500,00
Minority Interest		
	<u>12.000,00</u>	<u>7.500,00</u>
PROFITS / < LOSSES> FOR DISTRIBUTION / AP	<u><u>-57.448,78</u></u>	<u><u>438,95</u></u>