

Phil. Andreou Public Ltd
UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE, 2008

1. Basis of preparation and audit

The intermediate financial statements of the Group were prepared using International Accounting Standard 34 and the accounting policies used for their preparation are the same as those adopted in the preparation of its annual financial statements.

The external auditors of the Group, PKF Savvides & Partners, have not audited these financial statements.

2. Turnover

The turnover of the Group for the first six months of 2008 increased by 39% from €10.633 thousand during the first six months of 2007 to €14.764 thousand during the first six months of 2008. The increase is mainly due to the following reasons:

1. Increase in turnover of the subsidiary So Easy Kiosks Ltd by €4.010 thousand due to the opening of more shops and due to the increase in turnover of the existing shops despite the adverse effect that the imposition of the new legislation on retail trading is having in the operation of our stores.
2. Local sales increased by 6% mainly due to increase in sale of display stands, shelving and shop-fittings and also due to the increase in digital printing sales and high tech products sales.
3. Exports were kept at 2007 level. It has to be noted that the increasing competition as well as a weak U.S. Dollar against the Euro has an adverse effect in income received from exports in local currency.

3. Profit from operation

The Group showed a profit from operations, before net financing costs and taxation, during the first six months of 2008, of €501 thousand compared to €308 thousand during the corresponding period of 2007. This increase of €193 thousand, and despite the increase in certain operational expenses (e.g. electricity) due to the fact that the new factory is fully operational, further weakening of U.S. dollar, and the imposition of a new adverse legislation regarding the retail stores, is mainly due to:

- Increase of So Easy's gross profit
- Improvement of Phil. Andreou Public Ltd gross profit
- Increase of turnover in high tech products and advertising media.

4. Profit before and after tax

The Group's consolidated profit before tax for the first six months of 2008 amounted to €168 thousand compared to €62 thousand in the corresponding period of 2007.

The net financing income for the first six months of 2008 including exchange differences reached €333 thousand compared to €247 thousand in the first 6 months of 2007. As a result of the above the net profit after taxation for the first half of 2008 was €149 thousand compared to €37 thousand in 2007. Taxation for the first half of 2008 was positive due to deferred taxation and the minority interest for subsidiary companies was €26 thousand (debit balance) compared to €36 thousand (debit balance) the corresponding period in 2007.

5. Prospects for the rest of the financial year 2008

The Board of Directors considers that the financial results of the Group for the remainder of the financial year will be influenced by further improvement in the international economy as well as the Cypriot economy, the Company's exports and the further increase in local sales, the cost of raw materials and especially metal sheet and fuel, as well as the exchange rate of the Dollar to the Euro.

Given that there will be no adverse developments in relation to the factors above for the rest of the year, the Board of Directors is expecting further improvement of the results.

6. Dividends

The Board of the Directors will examine the payment of an interim dividend for the year 2008 in a meeting to follow.