

Phil. Andreou Public Ltd
UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE, 2009

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 27% from €14.764 thousand during the first six months of 2008 to €18.715 thousand during the first six months of 2009. The increase is mainly due to the following reasons:

1. Increase in turnover of the subsidiary So Easy Kiosks Ltd by €4.296 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. Marginal local sales increase 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. Small decrease in advertising media turnover.
4. Decrease of exports by €192 thousand mainly due to the international crisis

3. Profit from operation

The Group showed a profit from operations, before net financing costs and taxation, during the first six months of 2009, of €369 thousand compared to €501 thousand during the corresponding period of 2008. This decrease of €132 thousand is mainly due to:

- Increase of So Easy's turnover and gross profit
- Increase of operating expenses in So Easy to support the turnover increase
- Reduction of export sales
- Reduction of the holding company gross profit due raw material prices increase
- Increase of operating expenses due to the financing of the new operation of the Group for manufacturing steel structures for residential units.
- Reduction of the advertising media turnover.

4. Profit before and after tax

The Group's consolidated loss before tax for the first six months of 2009 amounted to €31 thousand compared to €168 thousand in the corresponding period of 2008.

The net financing income for the first six months of 2009 including exchange differences reached €400 thousand compared to €333 thousand in the first 6 months of 2008. As a result of the above the net profit after taxation for the first half of 2009 was €5 thousand compared to €149 thousand in 2008. The minority interest for subsidiary companies was €45 thousand (credit balance) compared to €26 thousand (debit balance) the corresponding period in 2008.

5. Prospects for the rest of the financial year 2009

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 the results to remain at the same levels for the rest of the year.

6. Dividends

The Board of the Directors will examine the payment of an interim dividend for the year 2009 in a meeting to follow.