

***AKRITAS WOOD PROCESSING INDUSTRY Communication on Progress (COP)
REPORT for 2009***

Brief Company Profile

AKRITAS is one of the most significant companies in the Greek artificial wood production sector, having distinguished itself through the high quality of its products, its capacity, its solid organizational structure, and the rapid rate with which it is growing.

While its prestige and reliability have been recognized throughout its 32 years of operation, it continues to “build” on its growth by taking firm, certain steps.

AKRITAS was established in 1977 and employs more than 300 people today. Its production facilities are located in the area of Alexandroupoli, in Northern Greece.

It is active in the production of chipboard products, the covering of artificial wood with melamine and veneer, the production of semi-finished furniture components (kitchen cupboard doors-worktops) called POLYTHETA®. The company added in its products range the series ARTIKA® and the new pioneering material EVROPANEL®.

All of AKRITAS’ products meet international quality standards. Production is ISO-9001 2000 certified.

AKRITAS’ commercial network extends throughout Greece with main bases its northern Greece sales offices in Thessaloniki and its southern Greece sales office in Athens. AKRITAS has developed significant export activity abroad through an organized sales network headquartered in N. Agchialos, Thessaloniki. The company exports its products mainly to the following countries like Turkey, FYROM, Bulgaria, Albania, Cyprus, Serbia and Croatia.

AKRITAS has established a subsidiary company in Bulgaria, AKRITAS Bulgaria, and has installed a melamine production line. Since January 2010, the products of this unit will be promoted regularly in the Bulgarian market and the near-by Balkan markets.

AKRITAS philosophy is still focusing on the disposition of high quality products in the field of artificial wood processing sector, based on up-to-date equipment of high technology.

The company has been listed on the Athens Stock Exchange since April 2000

AKRITAS is a healthy and strong organization that offers acclaimed products and at the same time contributes to the local community, especially in the fields of environment.

Statement of the Chairman

The financial crisis and the economic recession have had a negative impact on the societies, globally. In this difficult financial period, companies revise their strategies so as to rationalize their operation emphasizing on cost cutting.

In the scope of the unfavorable economic situation, The Board of Directors decided to adopt a conservative policy for the year 2009 and as a result not to distribute more funds for 2009. In this scope, we maintain the corporate culture by confirming our adherence to the following principles:

- Environmental protection and improvement
- Fair labor conditions and occupational safety
- Protection of human rights, continuous investment in human resources and developing good relationship and cooperation within our labour force.
- Contribution to Local community development.

It is worthwhile mentioning that our company voluntarily supports the United Nations Global Compact since 2005. The public commitment depicts the administration's will, the employees and the whole's company in general for continuous and responsible growth.

For AKRITAS, the priority is to protect the environment as well as to provide a safer workplace. Investments in programs for the environment of the life's quality are at our plans and this fact not only affect the local community in which we operate but also the country in general.

Loukia Saranti
BoD Chairman

A.PERSONNEL

Our continuous efforts at building and maintaining a safety environment throughout the Company is one of our objectives.

We have safety rules and regulations that govern the safety policy of the Company. More specifically, there is a periodical written or oral briefing for accidents prevention. There is a specialized person called safety technical adviser who is exclusively dealt with these matters and we have periodical specialized training for safety issues. **The coordination and continuous improvement of the application of occupational safety and health is among the responsibilities of the safety technical adviser.**

We have programs of prevention of health and accident's: Doctor's presence at the working environment, life insurance program for all the personnel of value 25.000 euros annually.

There is nobody that is remunerated with salary smaller than the lower one and we have workers Union that have full and free syndical action. Moreover, collective bargaining with union representatives is an integral part of the Company's human resource policy.

Remuneration packages and additional benefits are provided to our employees like **sales bonuses or annual achievement award programs** for employee's children gaining entry to Universities and Technical Colleges, worth **10000 € each year.**

TRAINING AND HUMAN RESOURCES DEVELOPMENT

Our human resource policy features workforce education, training and development with participation and training programs designed to develop staff skills and abilities.

To be specific, Staff executives participated in **training programs and education workshops** in-house - and out of the company 'on Administration issues - Technical Training of - Information technology - Marketing and Sales for a total of **1000 training man-hours of value 35.000 Euros annually.**

B.ENVIRONMENT

Respect for the environment and recognition that business has a responsibility for protecting the nature's balance are fundamental principles of AKRITAS.

The wood processing industry doesn't produce any kind of pollutants.

The company has invested substantially in the use of environmentally-friendly alternative forms of energy production, setting up facilities to generate power from biomass-a process which produces no pollutants and does away with the burning of hydrocarbons. The company has also installed machinery and set up certified procedures for tracing and managing polluting emissions.

Apart from active involvement in the protection of its immediate environment, AKRITAS also makes financial contributions to and encourages the wildlife and Habitat work of a number of well-respected environmental agencies.

It makes regular contributions to:

- Elaborations of Scientific research for the conservation of Evros wetlands
- Projects for the protection of the brown bear and its habitats
- The Forestry and Natural Environment Department of the Aristotle University Of Thessaloniki and the University of Orestiada, to promote environmental Protection, the improvement of its management and contribution to the economic development of the country.

C.SOCIETY

AKRITAS facilities are located in the in Evros Prefecture in the small town of Tycherio, near Greek-Turkish borders. It is worth while mentioning that it is an area with small population and not many businesses.

Therefore, one of the company's main concerns is its contribution to local development and social solidarity. The community in which a company operates and develops represents its immediate natural environment and should be the target of attention and corporate giving. The company also recognizes, in practical terms, that Businesses need the community just as much as the community needs business.

AKRITAS' financial activity creates indirect employment for 2000 people in various areas of the local community, such as woodcutting, transportation, port and merchant services. By creating local employment and enabling people to stay in the area, the company helps improve the acute demographic problem in the area.

Indirect work in 2.000 posts in the network of suppliers for raw and assistant materials, benefit of services (Forest workers, lumberjacks, carriers, dockers, agents, customs officers, machine- works, hotels) **value 5.000.000 Euros annually**

The company maintains a blood bank for its workforce at the General State Hospital of Alexandroupoli.

To date, our concern for the community has mainly focused on:

- Provision of scholarships to various educational bodies like The AMERICAN COLLEGE OF THESSALONIKI, THE AMERICAN FARM SCHOOL.
- Contributions to charitable foundations and organizations like the SOS children villages, KETHEA therapy center for dependent individuals who are drugs addicted.
- Support for programs of environmental education and awareness-raising for schoolchildren like the **Forestry and Natural Environment Department of the Aristotle University of Thessaloniki and the University of Orestiada** for promoting environmental protection, improving environmental management and support their endeavors related to education of the school children in Green Thinking.

Total companies donations for 2009 came to approximately to 100.000€.

D.BRIBERY

Of course, we renounce the bribery but we don't have any systems or control mechanisms in order to prevent it.