

FLEXIPLAS S.A.

FINANCIAL STATEMENTS

31st December, 2010

I N D E X

- **INCOME STATEMENT**
- **BALANCE SHEET**
- **STATEMENT OF CHANGES IN EQUITY**
- **CASH FLOW STATEMENT**
- **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

INCOME STATEMENT
31st December, 2010
(Expressed in '000, Euro)

	<u>Notes</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Revenue	4	5,316	5,361
Cost of sales	5	-4,243	-4,092
Gross profit		1,073	1,269
Other operating income		5	0
Distribution costs	5	-905	-896
Administrative expenses	5	-842	-944
Other operating expenses	5	-54	-60
Restructuring/Exceptional costs	5	0	-408
Profit \ - Loss from operations		-723	-1,040
Finance costs		-135	-113
Finance income		56	47
Loss on disposal of discontinued operations		0	0
Exchange (loss)/gain		0	0
Profit (-Loss) before tax		-802	-1,105
Income tax expense		0	0
Loss after tax – continuing operations		0	0
Minority interest		0	0
Net Prof /(-Loss) for the period		-802	-1,105

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 25.

BALANCE SHEET
31st December, 2010
(Expressed in 000, Euro)

ASSETS	<u>Notes</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
Non Current Assets			
Property, plant and equipment	6	8,750	9,237
Intangible assets	7	0	0
Goodwill		0	0
Interests in associates and joint ventures	8	1,676	1,620
		10,426	10,857
Current Assets			
		0	
Inventories	9	659	586
Trade and other receivables	10	1,856	2,018
Investments held for trading		0	0
Deferred tax asset		0	0
Cash and cash equivalents	11	182	74
Prepayments/accrued income		0	0
		2,697	2,678
Non current assets classified as held for sale			
Total assets		13,123	13,535
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	60	60
Capital reserves	13	1,987	3,093
Revaluation reserves	14	5,713	5,713
Hedging reserve		0	0
Translation reserve		0	0
Accumulated profit/loss		-802	-1,105
Minority interest		0	0
Total equity		6,958	7,761
Non current liabilities			
		0	0
Bank loans and overdrafts-due after one year	15	1,326	1,379
Retirement benefit obligation	16	0	0
Deferred tax liabilities	21	2,440	2,440
Obligations under finance leases-due after one year	17	0	0
		3,766	3,819
Current liabilities			
		0	0
Trade and other payables	18	1,349	874
Bank loans and overdrafts-due within one year	15	1,059	1,076
Tax liabilities		-9	0
Obligations under finance leases – due within one year	17	0	0
Provisions	19	0	5
Accrued expenses/Deferred income	20	0	0
		2,399	1,955
Liabilities directly associated with non-current assets classified as held for sale			
		0	0
Total equity and liabilities		13,123	13,535

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 25.

STATEMENT OF CHANGES IN EQUITY

31st December, 2010
(Amounts Expressed in 000, Euro)

Equity 31/12/08							
Balance 01/01/08	60	3362	2537				5959
Revaluation Reserve			-148				-148
Update revaluation reserve at 31/12/08			3324				3324
Profit for the year		-287					-287
Net loss on hedges							
Other reserves		229					229
Dividends		-211					-211
Equity as at 31/12/08	60	3093	5713				8866
Equity 31/12/09							
Balance 01/01/09	60	3093	5713				8866
Revaluation Reserve							
Update revaluation reserve at 31/12/09							
Profit for the year		-1105					-1105
Net loss on hedges							
Other reserves							
Dividends							
Equity as at 31/12/09	60	1988	5713				7761
Equity 31/12/2010							
Balance 01/01/10	60	1988	5713				7761
Revaluation Reserve							
Update revaluation reserve at 31/12/09							
Profit for the year		-802					-802
Net loss on hedges							
Other reserves							
Dividends							
Equity as at 30/09/2010	60	1186	5713				6959

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 25.

CASH FLOW STATEMENT
31st December, 2010
(Expressed in 000, Euro)

<u>Cash flows from operating activities</u>	<u>31/12/2010</u>	<u>31/12/2009</u>
(Loss)/ Profit for the year	-802	-1,105
Adjustments for:		
Depreciation of tangible assets	517	530
Foreign Exchange differences		
Profit from Discontinued operations		
Provisions	-5	5
Cash flows from operating activities	<u>-290</u>	<u>-570</u>
Decrease/(Increase) in inventories	-74	133
(Increase) / Decrease in debtors	162	357
Decrease/(Increase)in other receivables		
Increase)/ Decrease in suppliers & other payables	475	-471
(Decrease)/Increase in borrowings	-17	165
Cash flows from operating activities	<u>546</u>	<u>184</u>
Taxes paid	-9	25
Total inflows (outflows) from operating activities	<u>247</u>	<u>-361</u>
<u>Cash flow from investing activities</u>		
Purchase of tangible assets	-30	-9
Decrease (increase) in other non current assets	-56	-97
Revaluation reserve		
Net cash flow from investing activities	<u>-86</u>	<u>-106</u>
<u>Cash flow from financing activities</u>		
Repayment of bank loans	-53	535
Repayments of obligation under finance leases		
Bank loans		
Decrease of share capital / Dividends paid	0	
Cash flow from financing activities	<u>-53</u>	<u>535</u>
Net increase in cash and cash equivalents	<u>108</u>	<u>68</u>
Cash and cash equivalents at beginning of year	<u>74</u>	<u>6</u>
Cash and cash equivalents at end of year	<u>182</u>	<u>74</u>

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 25.

Notes to the consolidated financial statements

31st December, 2010

1. Corporate information

The financial statements for the period 01/10-31/12//2010 have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. Objective

Flexiplas is devoted in the manufacture and commercialisation of pipes and hoses produced from plastic in PVC and Polyethylene. Its range of products is applied in several activity sectors, among which stand out the agriculture, industrial and building site and public works.

3. Summary of significant accounting policies

3.1. Basis of presentation

These financial statements are presented in Thousand of Euros that is the currency in which the majority of the company's transactions are denominated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for the tangible fixed assets and related revaluation reserve and for the measurement of certain financial instruments. The principal accounting policies are set out below.

The more significant inter group operational transactions and balances are hold with Induplas (Italy), AGP. The operational trade balances are recognised as "Trade and other receivables and/or payables". Other balances are recognised as "Interest in associates and join ventures". The company accounting system does not prepare automatically, trial balances and financial statements according to IFRS. So, these financial statements have been prepared upon reconciliation (with reclassifications and adjustments) with the local financial statements prepared in accordance with the Spanish generally accepted accounting principles.

Notes to the consolidated financial statements 31st December, 2010

3.2. Statement of compliance

The financial statements of the company have been prepared, for first time (first adoption opening balances of 1.1.2003), in accordance with International Financial Reporting Standard 1. All these Financial Statements for the period ended at 31st December, 2010 (and those one comparative for the year ended at 31st December, 2009) were prepared according to International Financial Reporting Standards / International Accounting Standards, issued by International Accounting Standards Board (IASCF Foundation), approved by the endorsement mechanism issued by (EC) Reg n° 1606/ 2002, of 19th July, 2002.

3.3. Foreign currency translation

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in the income statement.

There are no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.

3.4. Depreciation and amortisation

Property, plant and equipment

Land, buildings, fixtures and equipment are stated in the balance sheet at the fair value (using the replacement value performed by an external entity, less estimated accumulated depreciation) on the basis of their existing use, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase / decrease arising on the revaluation of such land and buildings is credited / debited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Notes to the consolidated financial statements
31st December, 2010

Current depreciation on revaluated assets is charged at depreciation expenses. On the subsequent sale or retirement of a revaluated property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to accumulated profits.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, less estimated residual value, using the straight-line method on the following bases:

<u>Category of assets</u>	<u>Useful life (from 1st January, 2010)</u>
Buildings	33
Plant and machinery	8-12.5
Office equipment	8-10
Transportation means	6

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Following initial recognition at cost, land and buildings are carried at a revaluated amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on building accumulated impairment losses.

Fair value is determined by independent estimators and is defined as the amount for which the assets could be exchanged between knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet. Any revaluation deficit directly offsetting a previous surplus in the same asset is directly offset against the surplus in the asset revaluation reserve and the rest is transferred to the income statement. Accumulated depreciation at revaluation date is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after the revaluation equals its revaluated amount. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Notes to the consolidated financial statements
31st December, 2010

The operating property, land and machinery were appraised in year 2004 by a specialised appraisal. In year 2008, according to IAS 16, the appraisal has been updated also by an independent specialised appraisal with the following revaluation result:

	Carrying amount	Appraisal	Revaluation
Land and Buildings	3.984	7.799	3.815
Fixtures and Equipment	1.006	1.940	934
	-----	-----	-----
	4.990	9.739	4.749

Net revaluation of 3.324 has been credited to revaluation reserves and 1.425 to Deferred tax liabilities

	AFTER REVALUATION			BEFORE REVALUATION		
	COST	ACCUMDEPREC	CARRYING AMOUNT	COST	ACCUM DEPREC	CARRYING AMOUNT
Land and Buildings	9.455	1656	7.799	5.197	1.213	3.984
Fixtures and Equipment	8.132	6175	1.957	3.897	2.874	1.023
	17.587	7.831	9.756	9.094	4.087	5.007

3.5. Income tax / Taxation

Income tax is based on taxable profits for the period at the rate of 30% for both years 2009 & 2010. Taxable profits differ from company's profit as reported in the income statement because they exclude items of income or expenses that are taxable or deductible in other years and they further exclude items that are never taxable or deductible.

Deferred income tax is provided using the liability method, on all temporary differences at the Balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred income tax assets, are recognised to the extent that it is probably that future taxable profit will be available, against which the temporary differences can be utilised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date and are reduced if it is necessary to the extent that it is no longer probable that taxable profits will be available to allow all or part of the asset or liability to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the liability is settled or asset is realised.

Deferred tax is charged or is credited to profit or loss, except when it relates to items charged or credited directly to equity in which case the deferred tax is also accounted for against equity.

Notes to the consolidated financial statements
31st December, 2010

3.6. Goodwill

Not applicable. There is no goodwill recognised.

3.7. Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows for both the current and previous year.

Raw materials - average cost;

Finished goods and work-in-progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.8. Retirement benefits

Not applicable. There are no retirement benefit costs or liabilities.

3.9. Revenue

Sales of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured (excluding relevant V.A.T.).

Notes to the consolidated financial statements

31st December, 2010

Revenue is recorded during the period to which they refer regardless of when received, in accordance with the accrual accounting principle. Differences between amounts received and the corresponding revenue are recorded under accruals and deferrals.

Revenue in respect of sales of goods and products are stated net of value added tax and trade discounts, and is recognised when title is passed to the customer, which is generally when products and goods are delivered to the customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Interest

Revenue is recognised as the interests accrued to the net carrying amount of the financial asset.

Dividend

3.10. Government grants

Not applicable. There are no government grants.

3.11. Trade and other receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Bad debts are written off when identified.

3.12. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity of three month or less. For the purpose of the consolidated cash flow statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

3.13. Bank borrowings

Interest – bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs.

Notes to the consolidated financial statements
31st December, 2010

3.14. Trade payables

The trade payables are stated at their nominal value.

3.15. Finance leases

The company as lessee. Finance leases, which transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income except if related to investment property which can be treated according to IAS 23 "Borrowing costs and capitalised".

3.16. Borrowing costs

Are recognised as an expense when incurred and charged directly against income.

3.17. Investments in subsidiaries and related companies

3.18. Available for sale financial assets (not applicable)

31/12/2010 31/12/2009

3.19. Derivative financial instruments (not applicable)

31/12/2010 31/12/2009

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

4. Revenue

Analysis of company's revenue is as follows:

	31/12/2010	31/12/2009
Sales of Goods	5,316	5,361
Finished and semi finished goods		
Other		
	5,316	5,361

The following table provides an analysis of the sales by geographical area:

		Greece	Rest of Europe	S. Africa	Others	Total
31/12/2010	Volume Sales ('000 Kgr)		1,666			1,666
	Sales to external customers		4,557			4,557
	Sales to external customers (within the group)	17	742			759
	Total Sales	17	5,299	0	0	5,316
31/12/2009	Volume Sales ('000 Kgr)		1,821			1,821
	Sales to external customers		5,213			5,213
	Sales to external customers (within the group)		148			148
	Total Sales	0	5,361	0	0	5,361

Segment Reporting:

	31/12/2010					31/12/2009				
	PVC	PE	Hoses/SPVC	Other	Total	PVC	PE	Hoses/SPVC	Other	Total
Revenue	4,832	484			5,316	4,657	704			5,361
Operation Profit	- 658	- 66			- 723	- 873	- 148			- 1,021
Profit before Tax	- 729	- 73			- 802	- 928	- 157			- 1,085
Net Profit / Loss	- 729	- 73			- 802	- 928	- 157			- 1,085
Depreciation	470	47			517	451	77			528
Total Assets	11,928	1,195			13,123	11,570	1,965			13,535
Total Liabilities	11,928	1,195			13,123	11,570	1,965			13,535

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

5. Operating expenses

An analysis of the operative expenses is as follows:

	31/12/2010	31/12/2009
Wages	1,388	1636
Utilities	126	124
Transportation costs	415	432
Depreciation	517	530
Sundry expenses	1,000	876
Material costs	2,598	2386
Marketing	0	0
Restructuring /exceptional costs	0	50
Total	6,044	6,035

The above amounts have been allocated as follows:

Cost of sales

	31/12/2010	31/12/2009
Wages	825	927
Utilities	126	124
Transportation costs	0	0
Depreciation	512	524
Sundry expenses	182	130
Material costs	2,598	2,386
Marketing	0	0
Restructuring /exceptional costs	0	0
Total	4,243	4,092

Administration expenses

	31/12/2010	31/12/2009
Wages	247	341
Utilities	0	0
Transportation costs	0	0
Depreciation	5	7
Sundry expenses	590	597
Material costs	0	0
Marketing	0	0
Restructuring /exceptional costs	0	0
Total	842	944

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

Other operating expenses

	31/12/2010	31/12/2009
Wages	53	53
Utilities	0	0
Transportation costs	1	0
Depreciation	0	0
Sundry expenses	0	0
Material costs	0	0
Marketing	0	0
Restructuring /exceptional costs	0	0
Total	54	53

Distribution expenses

	31/12/2010	31/12/2009
Wages	263	315
Utilities	0	0
Transportation costs	414	432
Depreciation	0	0
Sundry expenses	228	149
Material costs	0	0
Marketing	0	0
Restructuring /exceptional costs	0	0
Total	905	896

Restructuring costs

	31/12/2010	31/12/2009
Millenium write off	0	0
Dismissals	0	0
AGP Bad Debts	0	0
Extraordinary expenses	0	50
Reversal bonuses 2007	0	0
Indemnity night shift worker	0	0
Indemnity for dismiss of employees	0	0
Total	0	50

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

6. Property, plant and equipment

	Land and Buildings 000' Euro	Fixtures and Equipment 000' Euro	Transportation Means 000' Euro	Assets under Construction 000' Euro	Total 000' Euro
Cost of valuation					
At 1 January, 2009	9455	8132			17587
Translation difference					
Additions		9			9
Disposals					
At 31 December, 2009	<u>9455</u>	<u>8141</u>			<u>17596</u>
Accumulated depreciation and impairment					
At 1 January, 2009	1656	6175			7831
Translation difference					
Charge for the year	95	433			528
Disposals					
At 31 December, 2009	<u>1751</u>	<u>6608</u>			<u>8359</u>
Carrying amount					
At 31 December, 2009	<u>7704</u>	<u>1533</u>			<u>9237</u>

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

6. Property, plant and equipment (cont'd)

	Land and Buildings 000' Euro	Fixtures and Equipment 000' Euro	Transportation Means 000' Euro	Assets under Construction 000' Euro	Total 000' Euro
Cost of valuation					
At 1 January, 2010	9,455	8,141			17,596
Translation difference					
Additions		30			30
Disposals					
At 31 December, 2010	<u>9,455</u>	<u>8,171</u>			<u>17,626</u>
Accumulated depreciation and impairment					
At 1 January, 2010	1,751	6,608			8,359
Translation difference					
Charge for the year	95	422			517
Disposals					
At 31 December, 2010	<u>1,846</u>	<u>7,030</u>			<u>8,876</u>
Carrying amount					
At 31 December, 2010	<u>7,609</u>	<u>1,141</u>			<u>8,750</u>

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

7. Intangible assets

	<u>Patents, Trademarks</u>	<u>Other</u>	<u>Total</u>
Cost			
At 1 January, 2010		62	62
Translation difference			
Additions			
At 31 December, 2010		62	62
Accumulated amortisation			
At 1 January, 2010		62	62
Translation difference			
Charge for the year			
Impairment			
At 31 December, 2010		62	62
Carrying amount			
At 31 December, 2010		0	0

8. Interest in associates and joint ventures

LOANS TO GROUP COMPANIES:	31/12/2010	31/12/2009
INDUPLAS	77	77
A.G.PETZETAKIS	1,360	1,360
A.G.P. INTERNATIONAL	-	-
MILLENIUM	-	-
Total interests accrued	239	183
	1,676	1,620

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

9. **Inventories**

	31/12/2010	31/12/2009
Raw materials	291	281
Work in progress		
Finished and semi-finished goods	368	305
Merchandise		
Spare parts		
Other inventories		
Advances to suppliers		
Total	659	586

10. **Trade and other receivables**

	31/12/2010	31/12/2009
Trade Receivables	1,660	1,926
Less: Provisions for doubtful debts	-118	-59
Net amount	1,542	1,867
Checks receivable		
Receivables from group companies	348	180
Less: Provisions group bad debts	-54	-43
Prepaid expenses		
Accrued income		
Other receivables	20	14
Total	1,856	2,018

Receivables: For overdue amounts

<6 months	6-12 months	1-5 years	>5 years	Total
152	13	158	0	323

11. **Cash and cash equivalents**

	31/12/2010	31/12/2009
Cash in hand	0	1
Balances with banks	182	73
Deposits with banks		
Total	182	74

12. **Share capital**

	<u>31/12/2010</u>	<u>31/12/2009</u>
Authorised, issued and fully paid:		
10,000€ordinary shares of 6,02€each	60	60

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

13. **Capital reserves**

	31/12/2010	31/12/2009
Statutory reserve	56	56
Special reserves		
Tax free reserves		
Share premium		
Translation reserves		
Other reserves	1931	3037
Total	<u>1,987</u>	<u>3,093</u>

14. **Revaluation reserve**

	Land & Buildings	Plants & machinery	Other	Total
Balance as at 01.01.2009	4044	1669		5713
Addition for the year	-	-		-
Balance 31/12/2009	4044	1669		5713
Addition for the period	-	-		-
Balance 31/12/2010	4044	1669		5713

15. **Bank loans and overdrafts**

	31/12/2010	31/12/2009
Bank loans and overdrafts – due after one year	1326	1379
Bank loans and overdrafts – within one year	1059	1076
Total	<u>2,385</u>	<u>2,455</u>

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

Bank loans due after one year:

<u>Bank</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Security</u>
Bilbao Vizcaya	8 years	Euribor+2,4%	Land &Building
Bilbao Vizcaya	8 years	Euribor+2,4%	Land &Building
Caixa Galicia	1 year	Euribor+3,5 %	Unsecured
Caixa Terrassa	5 years	6,68 %	Unsecured
Caixa Tarragona	4 years	7,75 %	Unsecured
La Caixa	3 months	Euribor + 3%	Unsecured

Bank loans & overdraft within one year:

<u>Bank</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Security</u>
Bilbao Vizcaya	yearly renewal	Euribor 90 +3,5%	unsecured
Popular	yearly renewal	5,25%	unsecured
Caixa Galicia	yearly renewal	Euribor 90 +2,5%	unsecured
Banco Pastor	yearle renewal	Euribor 90 + 1,75%	unsecured

16. Retirement benefit obligation (Staff leaving indemnities SLI) (not applicable)

Notes to the consolidated financial statements
31st December, 2010

17. Obligation under finance lease

The company has financial leases for plant and machinery. Future minimum lease payments under finance leases together with the present value of the minimum lease payment are as follows:

	Lease 1	Lease 2	Lease 3	
Payable within 2010				
Payable 2011				
Payable 2012-2014				
Total	xxx	xxx	xxx	A
Present value of finance lease payments	xxx	xxx	xxx	A
Less: Short term finance lease Obligation	xxx	xxx	xxx	B
Long term finance lease obligation 31/12/2010	xxx	xxx	xxx	A-B

18. Trade and other payables

	31/12/2010	31/12/2009
Trade payables	1,143	722
Insurance and pension funds		
Current tax liabilities		
Liabilities to group companies		
Advances from clients		
Other payables	206	152
Total	1,349	874

Liabilities:

	Past due	<6 months	6-12 months	1-5 years	>5 years	Total
Bank debt		827	232	125	1,201	2,385
Suppliers		1,349				1,349
Total Liabilities		2,176	232	125	1,201	3,734

19. Provisions for other liabilities and charges

	<u>31/12/2010</u>	<u>31/12/2009</u>
Provision for customer claims	0	5
	-----	-----

Notes to the financial statements
31st December, 2010
(Expressed in 000, Euro)

20. **Accrued expenses/Deferred income**

	<u>31/12/2010</u>	<u>31/12/2009</u>
Government grants		
Accrued expenses		
Deferred income		
	_____	_____

21. **Deferred tax liabilities**

Deferred tax liabilities relates to the following:

	<u>31/12/2010</u>	<u>31/12/2009</u>
Accelerated depreciation for account purposes		
Accelerated wear and tear for tax purposes		
Finance lease		
Prepayments		
Provision for doubtful debts		
Salary related provision		
Provision for settlement discount		
Provision for credit notes		
Tax loss		
Revaluation of plant and machinery	2440	2440
Other		
	2440	2440

Notes to the consolidated financial statements
31st December, 2010

22. **Commitments and contingencies (not applicable)**

Other than financial leases, for example bank guarantees, claims

23. **Related party disclosures**

a) Intercompany transactions (ICOY file) as per 31/12/2010 31/12/2009

		Amounts owed by related parties	Amounts owed to related parties	Loans to related parties	Sales to related parties	Purchases from related parties	Financial revenues	Other services
Induplas, SpA	31/12/2010	12	69	84	19	61	3	
	31/12/2009	25	52	81	35	45	4	
A.G Petzetakis	31/12/2010	71	85	1593	17	72	53	
	31/12/2009	54	13	1539	54	87	43	
AGP GmbH	31/12/2010	219	3		494	5		
	31/12/2009	87			87			
Eurohose Ltd.	31/12/2010	33			132			
	31/12/2009	14			19			
AGP Romania	31/12/2010	12			96			
	31/12/2009							

b) Directors' remuneration

The following table records the emoluments payable to each director during the period:

	Board Retribution	Basic Salary	Bonus	Expenses allowance	Pension contribution	Total
31 December 2010						
Members of Board	239	114	-	-	-	353
Managers	-	140	-	-	-	140
31 December 2009						
Members of Board	225	108	-	-	-	333
Managers		171	-	-	-	171

Notes to the consolidated financial statements
31st December, 2010

24. Financial risk management objective and policies

The company principal financial instruments, other than derivatives, comprise bank loans, and instalment sale agreements hire purchase contracts, cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. It is, and has been throughout the year under review, the company policy that no trading in financial instruments shall be undertaken. The main risks arising from the company financial instruments are, liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below. The company also monitors the market price risk arising from all financial instruments. The magnitude of this risk that has arisen over the year is discussed in note.

Foreign currency risk

The company has no significant transactional currency exposures.

As issued in note 3.3. *There is no significant foreign exchange risks, because the majority of transactions are made in Euro (domestic and European market). That's why the company has no necessity of financial instruments to avoid this risk.*

Commodity price risk

The Group's exposure to price risk is minimal.

Credit risk

The company trades only with recognised, creditworthy third parties. It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. For transactions that are not denominated in the measurement currency of the relevant operating unit, the company does not offer credit terms without the specific approval of the Head of Credit Control. The audit risk is minimum. All the significant single clients accounts with credit risk (taking in consideration aging) are covered at 100%.

PARTICIPATING OFFICE AUDIT CLEARANCE MEMORANDUM

To:

BDO Certified & Registered Auditors AE	email: m.michelinaki@bdo.com.gr
Attn. Marianna Michelinaki	
Patission 81 Street	
GR 104 34 Athens	Fax no: +30 210 8894 321
Greece	

Group entity:	FLEXIPLAS, S.A. (Sociedad Unipersonal)
Year:	31.12.2010
Local Audit Firm:	BDO AUDITORES, S.L.
Local Audit Engagement Partner:	IGNACIO ALGÁS
Local Audit Engagement Manager:	MANUEL CORRAL

INDEPENDENT AUDITORS REPORT on FLEXIPLAS, S.A. (Sociedad Unipersonal)

We have audited the accompanying financial statements of Flexiplas, S.A. (Sociedad Unipersonal), which comprise the statement of financial position as at December 31, 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Except for the following, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for a qualified audit opinion.

The Company has provided credits amounting to EUR 1.7 million to group companies, mainly to the shareholder. The recovery of these credits is doubtful due to financial difficulties of the group companies; therefore, we consider that an impairment allowance should be registered.

We have not obtained an updated appraisal in connection with the net book value given to certain fixed assets.

In our opinion, except for the effects of the matter described above, and for the effects that could arise if the limitation to the scope mentioned in the previous paragraph was known, the attached financial statements present fairly, in all material respects, the financial position of **Flexiplas, S.A (Sociedad Unipersonal)** as of December 31, 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

BDO Auditores, S.L.



Ignacio Algás
Audit Partner

February 21st, 2011