

FLEXIPLAS S.A.

FINANCIAL STATEMENTS

31th December, 2006

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INCOME STATEMENT
31th December, 2006
(Expressed in '000, Euro)

	<u>Notes</u>	<u>31.12.2006</u>	<u>31.12.2005</u>
Revenue	4	9094	9517
Cost of sales	5	<u>-6107</u>	<u>-6177</u>
Gross profit		2987	3340
Other operating income		8	66
Distribution costs	5	-1446	-1467
Administrative expenses	5	-1151	-1136
Other operating expenses	5	-55	-90
Restructuring costs			
Profit from operations		343	713
Finance costs		-119	-113
Finance income		60	34
Loss on disposal of discontinued operations		-2076	-194
Exchange (loss)/gain			
Profit before tax		<u>-1792</u>	<u>440</u>
Income tax expense		-162	-286
Loss after tax – continuing operations			
Minority interest			
Net Profit/(Loss) for the period		<u>-1954</u>	<u>154</u>



Notes forming an integral part of the financial statements on pages 5 to 22.



BALANCE SHEET
31th December, 2006
 (Expressed in 000, Euro)

ASSETS	<u>Notes</u>	<u>31.12.2006</u>	<u>31.12.2005</u>
Non Current Assets			
Property, plant and equipment	6	5562	5855
Intangible assets	7	18	15
Goodwill	8		
Interests in associates and joint ventures		1765	3817
Current Assets		7345	9687
Inventories	9	718	627
Trade and other receivables	10	3383	3505
Investments held for trading			
Deferred tax asset			
Cash and cash equivalents	11	85	10
Prepayments/accrued income			
		4186	4142
Non current assets classified as held for sale			
Total assets		11531	13829
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	60	60
Capital reserves	13	4838	4765
Revaluation reserves	14	2510	2665
Hedging reserve			
Translation reserve			
Accumulated profit/loss		-1954	157
Minority interest			
Total equity		5454	7647
Non current liabilities			
Bank loans and overdrafts-due after one year	15	1415	1708
Retirement benefit obligation	16		
Deferred tax liabilities	21	1352	1435
Obligations under finance leases-due after one year	17		
		2767	3143
Current liabilities			
Trade and other payables	18	1649	1481
Bank loans and overdrafts-due within one year	15	1575	1290
Tax liabilities		31	187
Obligations under finance leases – due within one year	17	28	65
Provisions	19	27	16
Accrued expenses/Deferred income	20		
		3310	3039
Liabilities directly associated with non-current assets classified as held for sale			
Total equity and liabilities		11531	13829

Notes forming an integral part of the financial statements on pages 5 to 22.



STATEMENT OF CHANGES IN EQUITY
31th December, 2006
(Amounts Expressed in 000, Euro)

	Share capital	Capital reserves	Revaluation reserves	Accumulated Losses carried forward	Hedging reserves	Translation reserves	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Equity 31.12.2005							
Balance at 01.01.2005	60	4765	2820				7408
Revaluation Reserve			-155				-155
Profit for the year		157					157
Currency translation differences							
Net loss on hedges							
Other Reserves							
Equity as at 31.12.2005	60	4922	2665				7647
Equity 31.12.06							
Balance 01.01.2006	60	4922	2665				7647
Revaluation Reserve			-155				-155
Profit for the year		-1954					-1954
Currency translation differences							
Net loss on hedges							
Other reserves		-84					-84
Equity as at 31.12.2006	60	2884	2510				5454

CASH FLOW STATEMENT
31th December, 2006
(Expressed in 000, Euro)

<u>Cash flows from operating activities</u>	<u>31.12.06</u>	<u>31.12.2005</u>
(Loss)/ Profit for the year	-1954	154
Adjustments for:		
Depreciation of tangible assets	342	371
Foreign Exchange differences		
Profit from Discontinued operations		
Provisions	11	
Cash flows from operating activities	<u>-1601</u>	<u>525</u>
Decrease/(Increase) in inventories	-91	35
(Increase) / Decrease in debtors	122	-33
Decrease/(Increase)in other receivables		-208
Increase)/ Decrease in suppliers & other payables	168	-15
(Decrease)/Increase in borrowings	285	-184
Cash flows from operating activities	<u>484</u>	<u>-405</u>
Taxes paid	-156	160
Total inflows (outflows) from operating activities	<u>-1273</u>	<u>280</u>
 <u>Cash flow from investing activities</u>		
Purchase of tangible assets	-51	-204
Decrease (increase) in other non current assets	2052	-813
Revaluation reserve		
Net cash flow from investing activities	<u>2001</u>	<u>-1017</u>
 <u>Cash flow from financing activities</u>		
Repayment of bank loans	-293	-233
Repayments of obligation under finance leases	-37	-46
Bank loans		817
Decrease of share capital / Dividends paid	-323	194
Cash flow from financing activities	<u>-653</u>	<u>732</u>
 Net increase in cash and cash equivalents	<u>75</u>	<u>-5</u>
 Cash and cash equivalents at beginning of year	<u>10</u>	<u>15</u>
 Cash and cash equivalents at end of year	<u><u>85</u></u>	<u><u>10</u></u>



Notes forming an integral part of the financial statements on pages 5 to 22.

Notes to the consolidated financial statements
31th December, 2006

1. Corporate information

The financial statements for the period 1/1-31/12/2006 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 Heliflex (Portugal) and Induplas(Italy).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 financial statements
31th December, 2006

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 30th June, 2006 (and those one comparative for the year ended at 31st December, 2005) 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 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.

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 financial statements
31th December, 2006

Depreciation on revaluated buildings is charged to income. 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, 2006)</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 an 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 as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. 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 derecognition 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.

The operating property, land and machinery have been estimated by a specialised appraisal company at 2004.

3.5. **Income tax / Taxation**

Income tax is based on taxable profits for the period at the rate which is in force for each year for the company : (35% for year 2005 and 2006). 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.

Notes to the financial statements
31th December, 2006

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.

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 financial statements
31th December, 2006

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

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

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 financial statements
31th December, 2006**

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)

31.12.2006 31.12 2005

3.19 Derivative financial instruments (not applicable)

31.12.2006 31.12.2005



Notes to the financial statements
(Expressed in '000 euro)
31th December, 2006

4. Revenue

Analysis of company's revenue is as follows:

	<u>31.12.06</u>	<u>31.12.05</u>
Sales of goods	9094	9518
Finished and semi finished goods		
Other		
	<u>9094</u>	<u>9518</u>

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

	<u>Greece</u>	<u>Rest of Europe</u>	<u>S. Africa</u>	<u>Other</u>	<u>Total</u>
31.12.2006 Volume Sales ('000 Kgr)		3312			3312
Sales to external customers		8823			8823
Sales to internal customers (within the group)		271			271
Total sales		9094			9094
31.12.2005 Volume Sales ('000 Kgr)		3545			3545
Sales to external customers		9310			9310
Sales to internal customers (within the group)	6	202			208
Total sales	6	9512			9518

The following table provides an analysis of the sales by product segment :

	<u>Infra- Structure</u>	<u>Housing</u>	<u>Agriculture</u>	<u>Industrial</u>	<u>Mining / Garden</u>	<u>Other</u>	<u>Total</u>
31.12.2006 Volume Sales ('000 Kgr)	1487	382	185	1247		11	3312
Sales to external customers	2790	914	546	4556		17	8823
Sales to internal customers (within the group)				271			271
Total sales	2790	914	546	4846		17	9094
31.12.2005 Volume Sales ('000 Kgr)	1610	378	286	1260		11	3545
Sales to external customers	2886	913	801	4674		35	9309
Sales to internal customers (within the group)				209			209
Total sales	2886	913	801	4883		35	9518

Notes to the financial statements
(Expressed in '000 eur)
31th December, 2006

5. Operating expenses

An analysis is company's revenue is as follows:

	<u>31.12.06</u>	<u>31.12.05</u>
Wages	1693	1671
Utilities	147	145
Depreciation	342	371
Sundry expenses	2250	2375
Material costs	4326	4312
Marketing/promotion costs	8758	8874

The above amounts have been allocated as follows:

Cost of sales		
	<u>31.12.2006</u>	<u>31.12.2005</u>
Wages	953	978
Utilities	147	145
Depreciation	330	356
Sundry expenses	350	389
Material costs	4326	4312
Marketing/promotion costs	6106	6180
Administration expenses		
	<u>31.12.2006</u>	<u>31.12.2005</u>
Wages	385	372
Utilities		
Depreciation	12	15
Sundry expenses	754	749
Material costs		
Marketing/promotion costs	1151	1136



Notes to the financial statements
(Expressed in '000 euro)
31th December, 2006

Other operating expenses

	<u>31.12.2006</u>	<u>31.12.2005</u>
Wages	48	44
Utilities		
Depreciation		
Sundry expenses	6	47
Material costs		
Marketing/promotion costs		
	<hr/>	<hr/>
	54	91

Distribution expenses

	<u>31.12.2006</u>	<u>31.12.2005</u>
Wages	306	277
Utilities		
Transportation costs	895	898
Depreciation		
Sundry expenses	245	292
Material costs		
Marketing/promotion costs		
	<hr/>	<hr/>
	1446	1467



Notes to the financial statements
31th December, 2006
 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, 2006	<u>5197</u>	<u>3750</u>	<u>56</u>		<u>9002</u>
Translation difference					
Additions		46			46
Disposals		-20			-20
Revaluation increase					
At 31, December, 2006	<u>5197</u>	<u>3776</u>	<u>56</u>		<u>9029</u>
Accumulated depreciation and impairment					
At 1 January, 2006	<u>772</u>	<u>2353</u>	<u>22</u>		<u>3147</u>
Translation difference					
Charge for the year	147	184	9		340
Disposals		-20			-20
At 31 December, 2006	<u>919</u>	<u>2517</u>	<u>31</u>		<u>3467</u>
Carrying amount					
At 31 December, 2006	<u>4278</u>	<u>1259</u>	<u>25</u>		<u>5562</u>



Notes to the financial statements
31th December, 2006
 (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, 2005	5197	3567	71		8835
Translation difference					
Additions		187			187
Disposals		-4	-16		-20
Revaluation increase					
At 31 December, 2005	<u>5197</u>	<u>3750</u>	<u>56</u>		<u>9002</u>
Accumulated depreciation and impairment					
At 1 January, 2005	625	2146	26		2797
Translation difference					
Charge for the year	147	209	12		368
Disposals		<u>-2</u>	-16		<u>-18</u>
At 31 December, 2005	<u>772</u>	<u>2353</u>	<u>22</u>		<u>3147</u>
Carrying amount					
At 31 December, 2005	<u>4425</u>	<u>1397</u>	<u>34</u>		<u>5855</u>



Notes to the financial statements
31th December, 2006
 (Expressed in 000, Euro)

7. **Intangible assets**

	<u>Patents, Trademarks</u>	<u>Other</u>	<u>Total</u>
Cost			
At 1 January, 2006		57	57
Translation difference			
Additions		5	5
At 31 December 2006		62	62
Accumulated amortisation			
At 1 January, 2006		42	42
Translation difference			
Charge for the year		3	3
Impairment			
At 31 December 2006		45	45
Carrying amount			
At 31 December, 2006		17	17

8. **Goodwill**



Notes to the financial statements
31th December, 2006
(Expressed in 000, Euro)

9. Inventories

	<u>31.12.06</u>	<u>31.12.05</u>
Raw materials	340	190
Work in progress		
Finished and semifinished goods	264	301
Merchandise	113	136
Spare parts		
Other inventories		
Advances to suppliers		
	<u>717</u>	<u>627</u>

10. Trade and other receivables

	<u>31.12.06</u>	<u>31.12.05</u>
Trade receivables	3202	3084
Less: Provisions for doubtful debts	-7	-42
Net amount	3195	3042
Checks receivable		
Receivables from group companies	43	48
Prepaid expenses		
Accrued income		
Other receivables	145	415
	<u>3383</u>	<u>3505</u>

11. Cash and cash equivalents

	<u>31.12.06</u>	<u>31.12.05</u>
Cash in hand	2	1
Balances with banks	83	9
Deposits with banks		
	<u>85</u>	<u>10</u>

12. Share capital

	<u>31.12.06</u>	<u>31.12.05</u>
Authorised, issued and fully paid:		
10,000€ordinary shares of 6,02€each	<u>60</u>	<u>60</u>

Notes to the financial statements
31th December, 2006
(Expressed in 000, Euro)

13. **Capital reserves**

	<u>31.12.06</u>	<u>31.12.05</u>
Statutory reserve	56	56
Special reserves		
Tax free reserves		
Share premium		
Translation reserves		
Other reserves	4782	4709
	4838	4765

14. **Revaluation reserve**

	Land & Buildings	Plants & machinery	Other	Total
Balance as at 1.1.2006	2187	633		2820
Addition for the year	-66	-89		-155
Balance 31.12.2006	2121	544		2665
Addition for the period	-66	-89		-155
Balance 31.12.2006	2070	513		2510

15. **Bank loans and overdrafts**

	<u>31.12.06</u>	<u>31.12.05</u>
Bank loans and overdrafts – due after one year	1415	1708
Bank loans and overdrafts – within one year	1575	1290
	2990	2998

Bank loans due after one year:

<u>Bank</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Security</u>
Bilbao Vizcaya	7 years	Euribor+0.7	Land & Building

Bank loans & overdraft within one year:

<u>Bank</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Security</u>
Bank	Duration	Amount	Interest rate
Bankinter	yearly renewal		Euribor+0,5
Bilbao Vizcaya	yearly renewal		Euribor+0,75
La Caixa	yearly renewal		Euribor+0,7

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

Notes to the financial statements
31th December, 2006

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 2006	27			
Payable 2007-2011	27			
Payable 2012-2014	27			
Total	27	xxx	xxx	A
Present value of finance lease payments	27	xxx	xxx	A
Less: Short term finance lease Obligation	xxx	xxx	xxx	B
Long term finance lease obligation 30.06.2006	xxx	xxx	xxx	A-B

18. Trade and other payables

	<u>31.12.06</u>	<u>31.12.05</u>
Trade payables	1220	1174
Insurance and pension funds		
Current tax liabilities		
Liabilities to group companies		
Advances from clients		
Other payables	429	307
	<hr/>	<hr/>
	1649	1481

19. Provisions for other liabilities and charges

	<u>31.12.06</u>	<u>31.12.05</u>
Provision for customer claims	27	16
Prov.on Loan to Petzetakis Usa (Bankruptcy)	194	194
	<hr/>	<hr/>
	27	210



Notes to the financial statements
31th December, 2006
 (Expressed in 000, Euro)

20. **Accrued expenses/Deferred income**

	<u>31.12.06</u>	<u>31.12.05</u>
Government grants		
Accrued expenses		
Deferred income	_____	_____
	=====	=====

21. **Deferred tax liabilities**

Deferred tax liabilities relates to the following:

	<u>31.12.06</u>	<u>31.12.05</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	1351	1435
Other	_____	_____
	<u>1351</u>	<u>1435</u>



Notes to the financial statements
31th December, 2006

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 31.12.06 / 31.12.05**

		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	31/12/2006	14	31	246	51	186	10	
	31/12/2005	19	48	246	42	161	10	
Petzetakis, U.S.A.	31/12/2006							
	31/12/2005							
Petzetakis, A.G.	31/12/2006	29		1260	5		45	
	31/12/2005	1		1398	1		24	
AG Petzetakis GMBH	31/12/2006							
	31/12/2005				8			
AGPIntercontinental	31/12/2006			160			4	
	31/12/2005							
Millenium	31/12/2006			40			0.5	
	31/12/2005							



b) Directors' remuneration

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

	<u>Fees for Services</u>	<u>Basic Salary</u>	<u>Bonus</u>	<u>Expenses allowance</u>	<u>Pension contribution</u>	<u>Total</u>
30 Dec 2006						
Executive directors						
Name Surname						
Jordi Solé		93				93
Non executive directors						
Name Surname						
Eugeni Barfull		81				81
Emilio Hernandez		78				78
30 Dec 2005						
Executive directors						
Name Surname						
Jordi Solé		90				67
Non executive directors						
Name Surname						
Eugeni Barfull		77				77
Emilio Hernandez		75				75

**Notes to the financial statements
31th December, 2006**

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%.