

Eurohose Limited

FINANCIAL STATEMENTS

31st December, 2008

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INCOME STATEMENT
31st December, 2008
(Expressed in £ 000's)

	<u>Notes</u>	<u>31/12/08</u>	<u>31/12/07</u>
Revenue	4	338	378
Cost of sales	5	<u>-280</u>	<u>-329</u>
Gross profit		58	49
Other operating income			
Distribution costs	5	-63	-78
Administrative expenses	5	-82	-136
Other operating expenses	5		
Restructuring/Exceptional costs	5		
Profit from operations		-87	-165
Finance costs		-243	-0
Finance income			
Loss on disposal of discontinued operations			
Exchange (loss)/gain		-63	-26
Profit before tax		-393	-191
Income tax expense			
Loss after tax – continuing operations			
Minority interest			
Net Profit/(Loss) for the period		-393	-191

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

BALANCE SHEET
31st December, 2008
(Expressed in £ 000's)

ASSETS	<u>Notes</u>	<u>31/12/08</u>	<u>31/12/07</u>
Non Current Assets			
Property, plant and equipment	6	0	0
Intangible assets	7	0	0
Goodwill			
Interests in associates and joint ventures	8		
Current Assets		0	0
Inventories	9	95	76
Trade and other receivables	10	82	69
Investments held for trading			
Deferred tax asset			
Cash and cash equivalents	11	28	43
Prepayments/accrued income			
Non current assets classified as held for sale		205	188
Total assets		205	188
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	0	0
Capital reserves	13	-938	-747
Revaluation reserves	14	0	0
Hedging reserve			
Translation reserve			
Accumulated profit/loss		-393	-191
Minority interest			
Total equity		-1,331	-938
Non current liabilities			
Bank loans and overdrafts-due after one year	15		
Retirement benefit obligation	16		
Deferred tax liabilities	21		
Obligations under finance leases-due after one year	17		
		0	0
Current liabilities			
Trade and other payables	18	1519	1099
Bank loans and overdrafts-due within one year	15		
Tax liabilities		12	9
Obligations under finance leases – due within one year	17		
Provisions	19		
Accrued expenses/Deferred income	20	5	18
		1536	1126
Liabilities directly associated with non-current assets classified as held for sale			
Total equity and liabilities		205	188

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

STATEMENT OF CHANGES IN EQUITY
31st December, 2008
(Amounts Expressed in £ 000's)

	Share capital	Capital reserves	Revaluation reserves	Accumulated Losses carried forward	Hedging reserves	Translation reserves	Total Equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Equity 31/12/06							
Balance at 01/01/06	0	-660					-660
Revaluation Reserve							
Profit for the year		-87					-87
Other Reserves							
Dividends							
Equity as at 31/12/06	0	-747					-747
Equity 31/12/2007							
Balance at 01/01/07	0	-747					-747
Revaluation Reserve							
Profit for the year		-187					-187
Currency translation differences							
Net loss on hedges							
Other Reserves							
Dividends							
Equity as at 31/12/07	0	-938					-938
Equity 31/12/08							
Balance 01/01/08	0	-938					-938
Revaluation Reserve							
Profit for the year		-393					-393
Currency translation differences							
Net loss on hedges							
Other reserves							
Dividends							
Equity as at 31/12/08	0	-1331					-1331

CASH FLOW STATEMENT
31st December, 2008
(Expressed in £ 000's)

<u>Cash flows from operating activities</u>	<u>31/12/08</u>	<u>31/12/07</u>
(Loss)/ Profit for the year	-393	-191
Adjustments for:		
Depreciation of tangible assets	0	3
Foreign Exchange differences		
Profit from Discontinued operations		
Provisions		
Cash flows from operating activities	<u>-393</u>	<u>-188</u>
Decrease/(Increase) in inventories	-19	84
(Increase) / Decrease in debtors	-16	33
Decrease/(Increase)in other receivables		
Increase)/ (Decrease) in suppliers & other payables	268	52
(Decrease)/Increase in borrowings	145	37
Cash flows from operating activities	<u>-15</u>	<u>18</u>
Taxes paid	<u>0</u>	<u>0</u>
Total inflows (outflows) from operating activities	<u>-15</u>	<u>18</u>
 <u>Cash flow from investing activities</u>		
Purchase of tangible assets	0	0
Decrease (increase) in other non current assets	0	0
Revaluation reserve		
Net cash flow from investing activities	<u>0</u>	<u>0</u>
 <u>Cash flow from financing activities</u>		
Repayment of bank loans	0	0
Repayments of obligation under finance leases		
Bank loans		
Decrease of share capital / Dividends paid	<u>0</u>	<u>0</u>
Cash flow from financing activities	<u>0</u>	<u>0</u>
 Net increase in cash and cash equivalents	<u>-15</u>	<u>18</u>
 Cash and cash equivalents at beginning of year	<u>43</u>	<u>23</u>
 Cash and cash equivalents at end of year	<u>28</u>	<u>43</u>

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

Notes to the consolidated financial statements
31st December, 2008

1. Corporate information

The financial statements for the period 1/1-31/12/2008 have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. Objective

Eurohose buys in and sells a wide range of industrial hoses. In the majority buying in from Italy and distributing around United Kingdom.

3. Summary of significant accounting policies

3.1. Basis of presentation

These financial statements are presented in Thousand of Pounds 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 held with Induplas (Italy), AGP, AGPI . The operational trade balances are recognised as "Trade and other receivables and/or payables". Other balances are recognised as "Interest in associates and joint 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 English generally accepted accounting principles.

Notes to the financial statements
31st December, 2008

Statement of compliance

The financial statements of the company have been prepared, for first time, in accordance with International Financial Reporting Standard 1. All these Financial Statements for the period ended at 31st December, 2008 (and those one comparative for the year ended at 31st December, 2007) 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 Pounds 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
31st December, 2008

Current depreciation on revaluated assets is charged at depreciation expenses and the depreciation of the former year, less the deferred tax, decreases the revaluation reserve. 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, 2008)</u>
Buildings	0
Plant and machinery	0
Office equipment	0
Transportation means	0

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 and 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 revaluated 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 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.

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 : (32,5% for year 2007 and 30% for 2008). 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
31st December, 2008

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
31st December, 2008

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 financial statements
31st December, 2008

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)

3.19 Derivative financial instruments (not applicable)

Notes to the financial statements
(Expressed in £ 000's)
31st December, 2008

4. Revenue

Analysis of company's revenue is as follows:

	<u>31/12/08</u>	<u>31/12/07</u>
Sales of goods	338	378
Finished and semi finished goods		
Other		
	<u>338</u>	<u>378</u>

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

	Greece	Rest of Europe	S. Africa	Other	Total
31/12/08 Volume Sales ('000)					
Sales to external customers		338			338
Sales to internal customers (within the group)					
Total sales		338			338
31/12/07 Volume Sales ('000)					
Sales to external customers		378			378
Sales to internal customers (within the group)					
Total sales		378			378

Segment Reporting:

	31/12/08					31/12/07				
	PVC	PE	Hoses/ SPVC	Other	Total	PVC	PE	Hoses/ SPVC	Other	Total
Revenue	338				338	378				378
Operating Profit	-87				-87	-165				-165
Profit before tax	-393				-393	-191				-191
Net Profit	-393				-393	-191				-191
Depreciation	0				0	3				3
Total Assets	205				205	188				188
Total Liabilities	205				205	188				188

Notes to the financial statements
(Expressed in £ 000's)
31st December, 2008

5. Operating expenses

An analysis of the company's revenue is as follows:

	<u>31/12/08</u>	<u>31/12/07</u>
Wages	44	34
Utilities	0	0
Depreciation	0	3
Sundry expenses	101	177
Material costs	280	329
Restructuring /exceptional costs	0	0
	<u>425</u>	<u>543</u>

The above amounts have been allocated as follows:

Cost of sales	<u>31/12/08</u>	<u>31/12/07</u>
Wages	0	0
Utilities	0	0
Depreciation	0	0
Sundry expenses	0	0
Material costs	280	329
Marketing/promotion costs	0	0
	<u>280</u>	<u>329</u>
Administration expenses	<u>31/12/08</u>	<u>31/12/07</u>
Wages	44	34
Utilities	0	0
Depreciation	0	3
Sundry expenses	38	99
Material costs	0	0
Marketing/promotion costs	0	0
	<u>82</u>	<u>136</u>

Notes to the financial statements
(Expressed in £000's)
31st December, 2008

Other operating expenses

	<u>31/12/08</u>	<u>31/12/07</u>
Wages	0	0
Utilities		
Depreciation		
Sundry expenses		
Material costs		
Marketing/promotion costs		
	<u>0</u>	<u>0</u>

Distribution expenses

	<u>31/12/08</u>	<u>31/12/07</u>
Wages	0	0
Utilities		
Transportation costs	29	46
Depreciation		
Sundry expenses	34	32
Material costs		
Marketing/promotion costs		
	<u>63</u>	<u>78</u>

Restructuring costs

	<u>31/12/08</u>	<u>31/12/07</u>
None Arising	-----	
	0	

Notes to the financial statements
31st December, 2008
Expressed in £ 000's)

6. **Property, plant and equipment**

	Land and Buildings £ 000	Fixtures and Equipment £ 000	Transportation Means £ 000	Assets under Construction £ 000	Total £ 000
Cost of valuation					
At 1 January, 2008	0	64			64
Translation difference					
Additions					
Disposals					
Revaluation increase					
At 31 December, 2008	<u>0</u>	<u>64</u>			<u>64</u>
Accumulated depreciation and impairment					
At 1 January, 2008	0	64			64
Translation difference					
Charge for the year	0				
Disposals					
At 31 December, 2008	<u>0</u>	<u>64</u>			<u>64</u>
Carrying amount at 31 December 2008	<u>0</u>	<u>0</u>			<u>0</u>

Notes to the financial statements
31st December, 2008
(Expressed in £ 000's)

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

	Land and Buildings £ 000	Fixtures and Equipment £ 000	Transportation Means £ 000	Assets under Construction £ 000	Total £ 000
Cost of valuation					
At 1 January, 2007	0	64			64
Translation difference					
Additions					
Disposals					
Revaluation increase					
At 31 December, 2007	<u>0</u>	<u>64</u>			<u>64</u>
Accumulated depreciation and impairment					
At 1 January, 2007	0	61			61
Translation difference					
Charge for the year	0	3			3
Disposals					
At 31 December, 2007	<u>0</u>	<u>64</u>			<u>64</u>
Carrying amount					
At 31 December, 2007	<u>0</u>	<u>0</u>			<u>0</u>

Notes to the financial statements
31st December, 2008
(Expressed in £ 000's)

7. **Intangible assets**

	<u>Patents, Trademarks</u>	<u>Other</u>	<u>Total</u>
Cost			
At 1 January, 2008		0	0
Translation difference			
Additions			
At 30 September, 2008		0	0
Accumulated amortisation			
At 1 January, 2008		0	0
Translation difference			
Charge for the year		0	0
Impairment			
At 31 December, 2008		0	0
Carrying amount			
At 31 December, 2008		0	0

8. **Interest in associates and joint ventures**

LOANS TO GROUP COMPANIES:	31/12/08	31/12/07
INDUPLAS	693	386
A.G.PETZETAKIS	0	0
A.G.P. INTERNATIONAL		0
MILLENIUM		0
Total interests accrued	0	0
	693	386

Notes to the financial statements
31st December, 2008
(Expressed in £ 000's)

9. Inventories

	<u>31/12/08</u>	<u>31/12/07</u>
Raw materials		
Work in progress		
Finished and semi finished goods	95	76
Merchandise		
Spare parts		
Other inventories		
Advances to suppliers		
	95	76

10. Trade and other receivables

	<u>31/12/08</u>	<u>31/12/07</u>
Trade receivables	94	75
Less: Provisions for doubtful debts	-12	-6
Net amount	82	69
Checks receivable		
Receivables from group companies		
Less: Provisions group bad debts		
Prepaid expenses		
Accrued income		
Other receivables		
	82	69

Receivables : For overdue amounts

<6 months	6-12 months	1-5 years	>5 years	Total
0	0	0		0

11. Cash and cash equivalents

	<u>31/12/08</u>	<u>31/12/07</u>
Cash in hand	0	0
Balances with banks	28	43
Deposits with banks		
	28	43

12. Share capital

	<u>31/12/08</u>	<u>31/12/07</u>
Authorised, issued and fully paid:		
100 ordinary shares of £1 each	0	0

Notes to the financial statements
31st December, 2008
(Expressed in £ 000's)

13. **Capital reserves**

	<u>31/12/08</u>	<u>31/12/07</u>
Statutory reserve		
Special reserves		
Tax free reserves		
Share premium		
Translation reserves		
Other reserves	-938	-747
	-938	-747

14. **Revaluation reserve**

	Land & Buildings	Plants & machinery	Other	Total
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Not Applicable

15. **Bank loans and overdrafts**

	<u>31/12/08</u>	<u>31/12/07</u>
Bank loans and overdrafts – due after one year	0	0
Bank loans and overdrafts – within one year	0	0
	0	0

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

Notes to the financial statements
31st December, 2008

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 2008				
Payable 2009-2011				
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 30.06.2009	xxx	xxx	xxx	A-B

18. Trade and other payables

	<u>31/12/08</u>	<u>31/12/07</u>
Trade payables	827	711
Insurance and pension funds		
Current tax liabilities		
Liabilities to group companies	693	386
Advances from clients		
Other payables	0	2
	1520	1099

Liabilities:

	Past due	<6 months	6-12 months	1-5 years	>5 years	Total
Bank debt						
Suppliers	827					827
Total Liabilities	827					827

19. Provisions for other liabilities and charges

	<u>31/12/08</u>	<u>31/12/07</u>
Provision for customer claims	-----	-----

Notes to the financial statements
31st December, 2008
 (Expressed in £ 000's)

20. **Accrued expenses/Deferred income**

	<u>31/12/08</u>	<u>31/12/07</u>
Government grants		
Accrued expenses		
Deferred income	_____	_____
	=====	=====

21. **Deferred tax liabilities**

Deferred tax liabilities relates to the following:

	<u>31/12/08</u>	<u>31/12/07</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		
Other	_____	_____
	<u>0</u>	<u>0</u>

**Notes to the financial statements
31st December, 2008**

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 31/12/08 / 31/12/07

		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	31/12/08		764	693		252		
	31/12/07		711	386		131		
Petzetakis, A.G.	31/12/08		62	0		54		
	31/12/07					56		
AGP Intercontinental	31/12/08							
	31/12/07							
Millenium	31/12/08							
	31/12/07							

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>
31 December 2008						
Executive directors		0				0
Name	Surname					
Non executive directors		0				0
31 December 2007						
Executive directors		0				0
Name	Surname					
Non executive directors		0				0

Notes to the financial statements
31st December, 2008

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%.