

FLEXIPLAS S.A.
FINANCIAL STATEMENTS

31st December, 2009

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INCOME STATEMENT
31st December, 2009
(Expressed in '000, Euro)

	<u>Notes</u>	<u>31/12/09</u>	<u>31/12/08</u>
Revenue	4	5361	8592
Cost of sales	5	<u>-4080</u>	<u>-6239</u>
Gross profit		1281	2353
Other operating income			
Distribution costs	5	-892	-1372
Administrative expenses	5	-962	-1049
Other operating expenses	5	-60	-52
Restructuring/Exceptional costs	5	-408	-120
Profit \ - Loss from operations		-1041	-240
Finance costs		-111	-152
Finance income		47	80
Loss on disposal of discontinued operations			
Exchange (loss)/gain		=	=
Profit (-Loss) before tax		-1105	-312
Income tax expense		-	25
Loss after tax – continuing operations			
Minority interest			
Net Prof /(-Loss) for the period		-1105	-287

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 26.



BALANCE SHEET
31st December, 2009
(Expressed in 000, Euro)

ASSETS	<u>Notes</u>	<u>31/12/09</u>	<u>31/12//08</u>
Non Current Assets			
Property, plant and equipment	6	9237	9756
Intangible assets	7	0	2
Goodwill			
Interests in associates and joint ventures	8	1620	1523
		<u>10857</u>	<u>11281</u>
Current Assets			
Inventories	9	586	719
Trade and other receivables	10	2018	2375
Investments held for trading			
Deferred tax asset			
Cash and cash equivalents	11	74	6
Prepayments/accrued income			
		<u>2.678</u>	<u>3100</u>
Non current assets classified as held for sale			
Total assets		<u>13.535</u>	<u>14381</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	60	60
Capital reserves	13	3093	3380
Revaluation reserves	14	5713	5713
Hedging reserve			
Translation reserve			
Accumulated profit/loss		<u>-1105</u>	<u>-287</u>
Minority interest			
Total equity		<u>7761</u>	<u>8866</u>
Non current liabilities			
Bank loans and overdrafts-due after one year	15	1379	844
Retirement benefit obligation	16		
Deferred tax liabilities	21	2440	2440
Obligations under finance leases-due after one year	17		
		<u>3819</u>	<u>3284</u>
Current liabilities			
Trade and other payables	18	874	1345
Bank loans and overdrafts-due within one year	15	1076	911
Tax liabilities			-25
Obligations under finance leases – due within one year	17		
Provisions	19	5	
Accrued expenses/Deferred income	20		
		<u>1955</u>	<u>2231</u>
Liabilities directly associated with non-current assets classified as held for sale			
Total equity and liabilities		<u>13535</u>	<u>14381</u>

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 26.

STATEMENT OF CHANGES IN EQUITY

31st December, 2009

(Amounts Expressed in 000, Euro)

	Share capital € '000	Capital reserves € '000	Revaluation reserves € '000	Accumulated Losses carried forward € '000	Hedging reserves € '000	Translation reserves € '000	Total Equity € '000
Equity 31/12/2007							
Balance at 01/01/07	60	2884	2510				5454
Revaluation Reserve			27				27
Profit for the year		249					249
Other Reserves		229					229
Dividends							
Equity as at 31/12/07	60	3362	2537				5959
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							
Net loss on hedges		-287					-287
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							
Net loss on hedges		-1105					-1105
Other reserves							
Dividends							
Equity as at 31/12/09	60	1988	5713				7761

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 26.



CASH FLOW STATEMENT

31st December, 2009

(Expressed in 000, Euro)

<u>Cash flows from operating activities</u>	<u>31/12/2009</u>	<u>31/12/2008</u>
(Loss)/ Profit for the year	-1105	-287
Adjustments for:		
Depreciation of tangible assets	530	337
Foreign Exchange differences		
Profit from Discontinued operations		
Provisions	5	
Cash flows from operating activities	-570	50
Decrease/(Increase) in inventories	133	158
(Increase) / Decrease in debtors	357	1152
Decrease/(Increase)in other receivables		
Increase)/ Decrease in suppliers & other payables	-471	-406
(Decrease)/Increase in borrowings	165	-510
Cash flows from operating activities	184	394
Taxes paid	25	-103
Total inflows (outflows) from operating activities	-361	341
<u>Cash flow from investing activities</u>		
Purchase of tangible assets	-9	-60
Decrease (increase) in other non current assets	-97	186
Revaluation reserve		
Net cash flow from investing activities	-106	126
<u>Cash flow from financing activities</u>		
Repayment of bank loans	535	-291
Repayments of obligation under finance leases		
Bank loans		
Decrease of share capital / Dividends paid		-210
Cash flow from financing activities	535	-501
Net increase in cash and cash equivalents	68	-34
Cash and cash equivalents at beginning of year	6	40
Cash and cash equivalents at end of year	74	6

Notes 1 to 24 forming an integral part of the financial statements on pages 6 to 26.

Notes to the consolidated financial statements
31st December, 2009

1. Corporate information

The financial statements for the period 1/1-31/12/2009 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 financial statements
31st December, 2009

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, 2009 (and those one comparative for the year ended at 31st December, 2008) 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 financial statements
31st December, 2009**

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, 2009)</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 financial statements
31st December, 2009

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 (See note 6):

	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 (See notes 6 and 21).

	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 2008 & 2009. 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 financial statements
31st December, 2009**

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, 2009

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, 2009

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)

31/12/09 31/12/08

3.19. Derivative financial instruments (not applicable)

31/12/09 31/12/08



Notes to the financial statements
(Expressed in '000 euro)
31st December, 2009

4. Revenue

Analysis of company's revenue is as follows:

	<u>31/12/09</u>	<u>31/12/08</u>
Sales of goods	5.361	8,592
Finished and semi finished goods		
Other		
	<u>5.361</u>	<u>8,592</u>

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

		Greece	Rest of Europe S. Africa	Other	Total
31/12/09	Volume Sales ('000 Kgr)		1821		1821
	Sales to external customers		5213		5213
	Sales to internal customers (within the group)		148		148
	Total sales		5361		5361
31/12/08	Volume Sales ('000 Kgr)		3115		3115
	Sales to external customers		8558		8558
	Sales to internal customers (within the group)		34		34
	Total sales		8,592		8,592

Segment Reporting:

	31/12/09					31/12/08				
	PVC	PE	Hoses/ SPVC	Other	Total	PVC	PE	Hoses/ SPVC	Other	Total
Revenue	4657	704			5361	7450	1142			8592
Operating Profit	-873	-148			-1021	-209	-31			-240
Profit before tax	-928	-157			-1085	-271	-41			-312
Net Profit	-928	-157			-1085	-250	-37			-287
Depreciation	451	77			528	293	44			337
Total Assets	11570	1965			13535	12511	1870			14381
Total Liabilities	11570	1965			13535	12511	1870			14381

Notes to the financial statements
 (Expressed in '000 euro)
31st December, 2009

5. Operating expenses

An analysis of the operative expenses is as follows:

	<u>31/12/09</u>	<u>31/12/08</u>
Wages	1643	1780
Utilities	125	195
Transportation costs	432	850
Depreciation	530	337
Sundry expenses	878	1164
Material costs	2386	4386
Restructuring /exceptional costs	408	120
	<u>6402</u>	<u>8832</u>

The above amounts have been allocated as follows:

Cost of sales

	<u>31/12/09</u>	<u>31/12/08</u>
Wages	915	1022
Utilities	125	195
Transportation costs		
Depreciation	523	318
Sundry expenses	131	318
Material costs	2386	4386
Marketing/promotion costs		
	<u>4080</u>	<u>6239</u>

Administration expenses

	<u>31/12/09</u>	<u>31/12/08</u>
Wages	358	380
Utilities		
Transportation costs		
Depreciation	7	19
Sundry expenses	597	650
Material costs		
Marketing/promotion costs		
	<u>962</u>	<u>1049</u>

Notes to the financial statements
(Expressed in '000 euro)
31st December, 2009

Other operating expenses

	<u>31/12/09</u>	<u>31/12/08</u>
Wages	60	52
Utilities		
Transportation costs		
Depreciation		
Sundry expenses		
Material costs		
Marketing/promotion costs		
	<hr/>	<hr/>
	60	52

Distribution expenses

	<u>31/12/09</u>	<u>31/12/08</u>
Wages	310	326
Utilities		
Transportation costs	432	850
Depreciation		
Sundry expenses	150	196
Material costs		
Marketing/promotion costs		
	<hr/>	<hr/>
	892	1372

Restructuring costs

	<u>31/12/09</u>	<u>31/12/08</u>
Millenium write-off		42
Dismissals		---
AGP Bad debts		---
Extraordinary expense	50	---
Reversal bonuses 2007		68
Indemnity night shift worker		10
Indemnity for dismiss of employees	358	
	<hr/>	<hr/>
	408	120

Indemnity for dismissals of employees affected 25% of the labour force of the Company.

Notes to the financial statements
31st December, 2009
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, 2008	5197	3836	17		9050
Translation difference					
Additions		64			64
Disposals		-3	-17		-20
Revaluation	4258	4235			8493
At 31 December, 2008	9455	8132			17587
Accumulated depreciation and impairment					
At 1 January, 2008	1066	2700	12		3778
Translation difference					
Charge for the year	147	177	1		325
Disposals		-3	-13		-16
Revaluation	443	3301			3744
At 31 December, 2008	1656	6175			7831
Carrying amount at 31 December 2008	3984	1023			5007
Net revaluation increase at 31 December 2008	3815	934			4749
Net Carrying amount at 31 December 2008	7799	1957			9756

The accumulated depreciation at the date of revaluation has been 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.

Notes to the financial statements
31st December, 2009
(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, 2009	9455	8132			17587
Translation difference					
Additions					
Disposals		9			9
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>

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Notes to the financial statements
31st December, 2009
(Expressed in 000, Euro)

7. **Intangible assets**

	<u>Patents, Trademarks</u>	<u>Other</u>	<u>Total</u>
Cost			
At 1 January, 2009		62	62
Translation difference			
Additions			
At 31 December, 2009		62	62
Accumulated amortisation			
At 1 January, 2009		60	60
Translation difference			
Charge for the year		2	2
Impairment			
At 31 December 2009		62	62
Carrying amount			
At 31 December, 2009		0	0

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

LOANS TO GROUP COMPANIES:	31/12/09	31/12/08
INDUPLAS	77	115
A.G.PETZETAKIS	1.360	1.260
A.G.P. INTERNATIONAL	-	-
MILLENIUM	-	-
Total interests accrued	183	148
	1.620	1.523



Notes to the financial statements
31st December, 2009
(Expressed in 000, Euro)

9. Inventories

	<u>31/12/09</u>	<u>31/12/08</u>
Raw materials	281	346
Work in progress		
Finished and semi-finished goods	305	373
Merchandise		
Spare parts		
Other inventories		
Advances to suppliers		
	586	719

10. Trade and other receivables

	<u>31/12/09</u>	<u>31/12/08</u>
Trade receivables	1926	2364
Less: Provisions for doubtful debts	-59	-23
Net amount	1867	2341
Checks receivable		
Receivables from group companies	180	72
Less: Provisions group bad debts	- 43	-58
Prepaid expenses		
Accrued income		
Other receivables	14	20
	2018	2375

Receivables : For overdue amounts

<6 months	6-12 months	1-5 years	>5 years		Total
206	27	74			307

11. Cash and cash equivalents

	<u>31/12/09</u>	<u>31/12/08</u>
Cash in hand	1	1
Balances with banks	73	5
Deposits with banks		
	74	6

12. Share capital

	<u>31/12/09</u>	<u>31/12/08</u>
Authorised, issued and fully paid:		
10,000€ ordinary shares of 6,02€ each	60	60



Notes to the financial statements
31st December, 2009
(Expressed in 000, Euro)

13. **Capital reserves**

	<u>31/12/09</u>	<u>31/12/08</u>
Statutory reserve	56	56
Special reserves		
Tax free reserves		
Share premium		
Translation reserves		
Other reserves	3036	3324
	3092	3380

14. **Revaluation reserve**

	Land & Buildings	Plants & machinery	Other	Total
Balance as at 1.1.2008	2072	465		2537
Addition for the year	1972	1204		3176
Balance 31/12/08	4044	1669		5713
Addition for the period	-	-		-
Balance 31/12/09	4044	1669		5713

Addition in year 2008 refers mainly to the revaluation due to an updated of the appraisal carried out in this year (see note 3.4).

15. **Bank loans and overdrafts**

	<u>31/12/09</u>	<u>31/12/08</u>
Bank loans and overdrafts – due after one year	1.379	844
Bank loans and overdrafts – within one year	1.076	911
	2.455	1.755



Notes to the financial statements
31st December, 2009
(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+2,2%	Land & Building
Bilbao Vizcaya	8 years	Euribor+2,4%	Land & Building

The long term loan was enlarged on due date for another period of 8 years and another loan for an additional amount was agreed with the same bank, both with the same security on Land & buildings.

Bank loans & overdraft within one year:

<u>Bank</u>	<u>Duration</u>	<u>Interest rate</u>	<u>Security</u>
Bilbao Vizcaya	yearly renewal	5,75%	unsecured
La Caixa	yearly renewal	Euribor 90 + 2,8%	unsecured
Popular	yearly renewal	5,7%	unsecured
Caixa Galicia	yearly renewal	Euribor 90 +2%	unsecured
Deutsche Bank	yearly renewal	Euribor 90+3%	unsecured
Caixa Tarragona	yearly renewal	6,35%	unsecured
Banco Pastor	yearly renewal	5,5%	unsecured

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



**Notes to the financial statements
31st December, 2009**

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 2009				
Payable 2010-2011				
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 31/12/2009	xxx	xxx	xxx	A-B

18. Trade and other payables

	<u>31/12/09</u>	<u>31/12/08</u>
Trade payables	722	1100
Insurance and pension funds		
Current tax liabilities		
Liabilities to group companies		
Advances from clients		
Other payables	152	245
	874	1345

Liabilities:

	Past due	<6 months	6-12 months	1-5 years	>5 years	Total
Bank debt		649	427	1379		2.455
Suppliers		854				854
Total Liabilities		1.503	427	1.379		3.339

19. Provisions for other liabilities and charges

	<u>31/12/09</u>	<u>31/12/08</u>
Provision for customer claims	5	-----



Notes to the financial statements
31st December, 2009
(Expressed in 000, Euro)

20. **Accrued expenses/Deferred income**

	<u>31/12/09</u>	<u>31/12/08</u>
Government grants		
Accrued expenses		
Deferred income		

21. **Deferred tax liabilities**

Deferred tax liabilities relates to the following:

	<u>31/12/09</u>	<u>31/12/08</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 financial statements
31st December, 2009

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 31/12/09 / 31/12/08

		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	31/12/09	25	52	81	35	45	4	
	31/12/08	14	64	127	34	94	7	
Petzetakis A.G	31/12/09	54	13	1539	54	87	43	
	31/12/08	58	11	1396	-	74	71	
AGP GmbH	31/12/09	87	-	-	87	-	-	
	31/12/08	-	-	-	-	-	-	
Eurohose Ltd.	31/12/09	14	-	-	19	-	-	
	31/12/08	-	-	-	-	-	-	

Notes to the financial statements
31st December, 2009

b) Directors' remuneration

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

	<u>Board Retribution</u>	<u>Basic Salary</u>	<u>Bonus</u>	<u>Expenses allowance</u>	<u>Pension contribution</u>	<u>Total</u>
31 December 2009						
Members of Board	225	108	-	-	-	333
Managers	-	171	-	-	-	171
31 December 2008						
Members of Board	350	105	10	-	-	465
Managers	-	175	9	-	-	184



Notes to the financial statements
31st December, 2009

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%.

