



**Gartner Extrusion GmbH**  
**Peterswörther Straße 1a**  
**89423 Gundelfingen a.d. Donau, Germany**



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## Report on the situation of the Gartner extruding GmbH over the financial year 2005

### **Business and strategy**

#### Overview

The subject of the enterprise is the production of aluminum profiles as well as their subsequent treatment by surface coating or cutting treatment up to the assembly of building groups from profiles.

#### Goals of the society

Based on the existing know-how and the manufacturing depth the society wants to be the European-wide leading manufacturer in the range of high-quality precision profiles and complete products.

On basis of the Balanced Score Card Principle for the reaching of this goal a strategy was defined for the years 2004 to 2006 and the measures were specified. These are monthly pursued on the basis of characteristic numbers.

#### Business process

The enterprises of the German aluminum industry registered a stable demand in the year 2005 altogether. The industry became in 2. quarter a cycling which concerned most of the industrial ranges. An economic recovery in the 2. half of the year could catch this development, so that altogether an easy increase of the output was to be registered.

The financial year of the society was formed by the investment in a new press line and the concentration of nearly all profile activities in the profile manufacturing center. Selling-laterally further decreases in the construction industry could be counterbalanced by increases within the pneumatics range and within the range of automotives. The mechanical treatment of profiles developed very positively and points out that the society with the hit strategy of the precision profiles and the further processing of profiles lies correctly.

The export portion went back by the omission of a former customer in Italy on approx. 21%. (approx. 27% prior year)

The number in the annual average of employees amounted to 281, the same as in the previous year.

#### Research and development

The society took part in development projects of the parent company, which concern themselves with the engagement of aluminum within the range of regenerativ energy. At different customers the society is listed as a development supplier and is in very close co-operation with their development departments.

### **Result situation, financial position**

### Earnings

Under the production stop with the press change the sales volume decreased by around 5% in relation to the previous year. The weak building range caused also decreases in the surface treatment plants by around 8%, but the mechanics increased by 12% and the connecting increased by 24%.

The result before income taxes (0,5 millions €) lies over the previous year (0,4 millions €). A further improvement was prevented by a weak economic situation to beginning of the year, by a sluggish approach of the new press line as well as by an aluminum price risen strongly. Additionally loaded high maintenance cost, which are connected with the excerpt from the past production halls and a blocking of investment from the years 2000 to 2003.

The order books by 31.12.2005 amounted to 11.2 million €. This corresponds in for instance an extent of utilization of 2.0 months. In addition there are master agreements, which guarantee a full utilization into the second half of the year 2006.

### Financial situation

With installing of the new press line special attention to an energy-saving execution was put. These efforts were supported by a subsidy of the Bavarian Department of State for Economics, Traffic and Technology.

For the financing of the new press line a long-term loan was taken up.

### Financial position

The fixed assets rose by the investment into a new press line and various processing machines to 14,8 million €. The two oldest press lines could be sold. The current assets lies around altogether 4.2 millions € over the previous year's value. The longer dates of payment in the sales market automobile industry and also in the export led in particular to clearly higher receivables and tendentious even to higher stocks.

## **Procedures of special importance**

Procedures of special importance did not occur after the conclusion of the financial year.

## **Risk and prognosis report**

### Risks

The increase of the pure energy costs and the additional charges for the EEG and KWKG stress the earning power of the enterprise. Cost-saving alternatives of the power supply (BHKW) are examined at present.

The society provides annually an environmental report, which reaches also to the district administration office Dillingen as supervisory authority.

A steady rise in aluminum prices would increase the risk of the substitution of the material aluminum by steel or plastic.



### Chances

The Gartner Extrusion GmbH pursues further the strategy of the specialization and niche politics. Due to the good situation concerning orders a price increase is published to the customers, in order to intersperse a part of the cost increases of the past years.

The society returned in the year 2005 to the 40-hours-week without wage adjustment and the conditions improved to exist in the international competition.

The society is still active to 46% in the building range, withdrew themselves however nearly completely from the market of the German system manufacturers and is limited to offers in the market of large international building. Here the society is in international business due to their know-how and the manufacturing depth with all large facade constructors.

### Prognosis

For 2006 the economic perspectives of the aluminum industry are very positive. The recovery relating to market conditions is based on favorable indicators for the industry producing capital goods and the export.

For the financial year 2006 an increase in sales on 62,3 millions € is expected during full utilization. Planning proves a result of the usual business activity of 1,0 millions €. By the niche politics, which pursue the society, it uncouples itself increasingly from the pricing pressure in the general market, so that a rising net yield can be achieved in the next years.

In March 2006

**Dr. Harald Westheide**



**Attestation Report on the Review of the Adjustment  
of Accounting from German Commercial Law (HGB) to  
International Financial Reporting Standards (IFRS)**

**To the Gartner Extrusion GmbH, Gundelfingen a.d. Donau, Germany**

According to my review I issue the following attestation report:

I reviewed the adjustment of accounting of the annual financial statements on 31 December 2005 of the company

Gartner Extrusion GmbH

from the regulations of German Commercial Law (HGB) to International Financial Reporting Standards (IFRS) (so-called "Überleitungsrechnung"). The preparation of the annual financial statements in accordance with the requirements of German commercial law (HGB) and the adjustment to International Financial Reporting Standards (IFRS) is the responsibility of the Company's management. My responsibility is to issue an attestation report on the adjustment of the annual financial statements to International Financial Reporting Standards based on my review.

I performed my review of the adjustment of the annual financial statements on 31 December 2005 from HGB to IFRS in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer.



Those standards require that I plan and conduct the review so that I can preclude through critical evaluation, with a certain level of assurance, that the adjustment of the annual financial statements on 31 December 2005 has not been prepared, in material respects in accordance with the regulations of the IFRS. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with my engagement I have not performed a financial statement audit, I cannot issue an auditor's report.

Based on my review no matters have come to my attention that causes me to presume that the adjustment of the annual financial statements on 31 December 2005 from HGB to IFRS has not been prepared in material respects in accordance with requirements of IFRS.

In case of publication or if the attestation report is passed on to third parties my statement is required once more.

Kronach, 24.02.2006

Dipl.-Kfm. Wolfgang Bijok

German Public Auditor



## BALANCE SHEET

AS OF DECEMBER 31, 2005 (JANUARY 1 -  
DECEMBER 31, 2005)

All amounts in EURO

### ASSETS

#### Non current assets

	<u>31.12.2005</u>	<u>31.12.2004</u>
Tangible Assets	14.651.544,12	12.173.378,55
Intangible Assets	130.484,00	85.407,00
Investments in affiliates	0,00	0,00
Investments in other undertakings	0,00	0,00
Deferred Taxes	204.948,97	-14.719,71
Other assets	142.381,76	449.667,39
	<u>15.129.358,85</u>	<u>12.693.733,23</u>

#### Current assets

Inventories	6.158.113,38	4.527.161,03
Trade and other receivables	6.305.192,99	3.516.571,06
Cash and cash equivalents	162.665,42	3.030,59
	<u>12.625.971,79</u>	<u>8.046.762,68</u>

#### Total assets

<u>27.755.330,64</u>	<u>20.740.495,91</u>
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### EQUITY

Share Capital	5.000.000,00	5.000.000,00
Reserves	393.448,02	-117.337,30
Retained losses / earnings	500.481,80	414.082,68
<u>Total equity</u>	<u>5.893.929,82</u>	<u>5.296.745,38</u>

#### Non current liabilities

Loans	4.848.484,85	0,00
Deferred tax liabilities	286.780,34	117.151,27
Provisions for staff retirement benefits	1.765.438,00	1.277.635,00
	<u>6.900.703,19</u>	<u>1.394.786,27</u>

#### Current liabilities

Trade and other payables	9.707.962,19	8.626.682,32
Current tax liabilities	836.318,98	574.494,91
Loans	2.289.302,95	2.582.166,30
Provisions	2.127.113,51	2.265.620,73
	<u>14.960.697,63</u>	<u>14.048.964,26</u>

#### Total liabilities

<u>21.861.400,82</u>	<u>15.443.750,53</u>
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#### Total equity and liabilities

<u>27.755.330,64</u>	<u>20.740.495,91</u>
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## INCOME STATEMENT

**AS OF DECEMBER 31, 2005  
(JANUARY 1 - DECEMBER 31, 2005)**

All amounts in EURO

	<u>31.12.2005</u>	<u>31.12.2004</u>
Sales	59.907.419,07	59.258.073,36
Cost of sales	53.494.509,69	49.574.719,09
Gross profit	6.412.909,38	9.683.354,27
Other operating income	1.424.990,70	85.726,35
Administrative expenses	4.965.926,70	7.050.700,35
Distribution costs	1.125.148,22	1.374.718,27
Other operating expenses	731.333,58	257.643,73
Earnings before tax and financial expenses	1.015.491,58	1.086.018,27
Financial expenses	458.458,84	413.165,43
Earnings before tax	557.032,74	672.852,84
Tax for the period	261.499,91	244.050,45
Earnings after tax for the period	295.532,83	428.802,39
Deferred tax	-204.948,97	14.719,71
<b>Earnings after tax for the period and deferred tax</b>	<b>500.481,80</b>	<b>414.082,68</b>
Depreciation	3.753.212,02	4.063.748,25
Earnings before tax, financial expenses and depreciation	4.310.244,76	4.736.601,09



Notes to the adjustment of accounting  
from German Commercial Law (HGB)  
to International Financial Reporting Standards (IFRS)  
on 31 December 2005  
of the company

**Gartner Extrusion GmbH**  
**Peterswörther Straße 1a**  
**89423 Gundelfingen a.d. Donau, Germany**



## A. General information about the company

The **Gartner Extrusion GmbH** – called Gartner - is a private limited company in the sense of German law (GmbHG).

The company is domiciled in Gundelfingen, Peterswörther Straße 1a, 89423 Gundelfingen a.d. Donau.

The company is listed as Gartner Extrusion GmbH in the following register in Germany:

‘Handelsregister des Amtsgerichts Augsburg, Abteilung B 20387’

The subject of the enterprise is the production of aluminum profiles as well as their subsequent treatment by surface refinement or mechanical treatment up to the assembly of building groups or systems.

The company has the target to advance to the leading European producer of high-class precision profiles and complete assemblies.

The financial year of the company is determined of the investment in a new press line and the concentration of nearly all activities in a profil-producing-center.

The sales of the Gartner Extrusion GmbH amount to 59,9 Mio € (2004: 59,2 Mio €).

In the financial year 2005 the grand total of 6,8 Mio € (2004: 7,6 Mio €) has been spend for investments in property, plant and equipment. Investments have been financed in substance with bank loans.

The number of employees was 281 like in 2004.

## **B. General information about the financial statements**

### **I. General information**

The financial statements on 31 December 2005 have been prepared in accordance with the requirements of German commercial law (HGB) and audited. An unqualified auditor's report according to § 322 HGB has been issued.

The adjustment of accounting from German Commercial Law (HGB) to International Financial Reporting Standards (IFRS) on 31 December 2005 has been prepared in material respects in accordance with the IFRS. The adjustment has been reviewed, the findings of the review are summarized in the attestation report on the review of the adjustment of accounting dating on 24 February 2006.

Each component of the financial statements can be identified clearly.

The financial statements cover the individual entity Gartner.

Balance sheet day is 31 December 2005.

The presentation currency is EURO.

### **II. Application of IAS/IFRS**

The adjustment of accounting from HGB to IFRS and the financial statements comply in material respects with IFRS.

### **III. Accounting policies, estimates**

#### **1. Intangible assets**

Acquired intangible assets are recognised at cost. These costs are amortised over the estimated definite useful lives using the straight-line method.

The useful lives are estimated with 4 years.

Costs for research and development are recognised as an expense when they are incurred.



## 2. Tangible Assets

Tangible assets are measured at cost which comprises its' purchase price plus any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent depreciation is deducted.

Subsequent costs such as repairs and maintenances are recognised as an expense as incurred.

The depreciable amount of the assets is allocated over its useful life using the straight-line method. The useful lives are estimated with:

- |   |              |
|---|--------------|
| • Machinery, technical installations and other mechanical equipment | 5 – 15 years |
| • Transportation equipment  | 3 – 8 years  |
| • Furniture and fixture   | 2 – 14 years |
| • Extrusion dies  | 2 years      |

Payments on account and tangible assets in course of construction are rebooked and capitalized as an tangible asset at the moment when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

## 3. Leases

Leases of machinery, technical installations, transportation equipment, furniture and fixtures where the lessor retains all the risks and rewards incidental to the ownership are classified by the company as operating leases.

Lease payments are recognised as an expense on a straight-line basis over the lease term.



#### **4. Inventories**

Concerning the recognition of raw materials and consumables cost comprises all expenses of purchase. For supplies of aluminium cost is determined by using the average price method. The lower of cost or LME-price is reported.

Cost of conversion for semi-finished and finished products includes direct labour, raw materials, all directly attributable expenses as well as proportionally attributable fixed and variable overheads and depreciation. General administrative overheads and selling costs are not included. Interest on borrowed capital relating to manufacture is not reported as an asset.

#### **5. Receivables**

Trade debtors are recorded at nominal value. Provisions for impairment have been made by means of value adjustments on the basis of past empirical values.

Uncollectible debtors are written off as an expense.

The amount due to impairment or uncollectibility is recorded as administrative expenses.

Other current assets include substantially refunds of mineral oil taxes.

#### **6. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits and checks. They are recognised at fair value.

#### **7. Deferred taxes**

Deferred taxes are accounted on temporary differences arising between the tax bases of assets and liabilities and their carrying amount after adjustment to the regulations of IFRS.

Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised.



## 8. Share capital

The share capital is completely paid up and recorded at nominal value.

## 9. Provisions for staff retirement benefits

Current obligations towards the company's staff are recognised directly as an expense as soon as they accrue. Post-employment benefits are granted as follows:

The company has committed itself to defined benefit plans. The amount of pension that employees will receive on retirement depends on several factors such as age and years of service.

The calculation was made by an independent, qualified actuary based in IAS 19. The reports' date is 20 January 2006.

The projected unit credit method was used.

The following assumptions have been made for 31 December 2005:

- Discount Rate 4,3 %
- Cost-of-living adjustments of pensions in payment: (as far as committed) 1,7 %
- Probability of disability and death according to Heubeck Tables 2005 G

The provision recognised in the balance sheet in respect of defined pension plans is the present value of the defined benefit obligation at the balance sheet.

The company also has defined contribution plans where fixed contributions are paid into a separate entity on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the company has no further payment obligations. The contributions to these separate entities are recorded in salaries as an expense when they are due.

## 10. Provisions for tax

Provisions for tax include present obligations for real tax expenses concerning financial income of current and past years.



### **11. Other provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated.

Provisions have not been discounted as the effect was not material.

### **12. Long term debt and current liabilities**

Liabilities are shown in the balance sheet at the amounts repayable.

Debts are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet day.

### **13. Revenue recognition**

Revenue from sales is recognised when products are delivered to the customer, the customer has accepted the product and when the collectibility of the related receivables is reasonably assured.

Credit interest and similar charges are included in the period which they are paid for according to the agreement.

### **14. Accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

The company makes estimates to consider potential risks concerning provisions and the estimated useful lives of assets.





#### **IV. Financial risk management**

As a result of its international activities the company is exposed to certain financial risks, i.e. market risk (included price risk for raw material and general price risk), credit risk, cash-flow-risk and interest risk. The company's overall risk management programme focuses to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the controlling department which identifies and evaluates financial risks in cooperation with the company's operating units. The managing director provides principles and guidance for overall risk management.

The company has no significant concentration of credit risk. Policies are in place to ensure that sales are only made to customers with appropriate credit rating.

For the bank loan with a nominal value of 5 Mio € (Valuta 2005) the interest rate is 3,85



## **C. Exemption from Consolidation**

The Gartner Extrusion GmbH is a majority-owned subsidiary of the HERMANN GUTMANN WERKE AG, Nürnberger Straße 57 – 81, 91781 Weißenburg, Germany.

The HERMANN GUTMANN WERKE AG itself is a subsidiary of ALCO HELLAS S.A. who presents the consolidated financial statements.

ALCO HELLAS S.A. draws up consolidated financial statements according to IFRS. The consolidated financial statements of ALCO HELLAS S.A. are obtainable for public use in their sites.

## **D. Currency**

Foreign currency translation is not necessary as EURO is the functional currency.

## **E. Notes to the balance sheet**

### **I. General information**

#### **1. Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

## II. Assets

### 1. Intangible Assets

<b>Book value 01.01.2004</b>	776.200,00
<b>Cost 01.01.2004</b>	776.200,00
Additions	1.353.441,00
Disposals	290.542,50
<b>Cost 31.12.2004</b>	1.839.098,50
<b>Accumulated Depreciation 01.01.2004</b>	0,00
Additions	1.777.904,00
Disposals	24.212,50
<b>Accumulated Depreciation 31.12.2004</b>	1.753.691,50
<b>Book value 31.12.2004</b>	85.407,00
<b>Book value 01.01.2005</b>	85.407,00
<b>Cost 01.01.2005</b>	1.839.098,50
Additions	83.017,15
Disposals	1.733.133,24
<b>Cost 31.12.2005</b>	188.982,41
<b>Accumulated Depreciation 01.01.2005</b>	1.753.691,50
Additions	37.940,15
Disposals	1.733.133,24
<b>Accumulated Depreciation 31.12.2005</b>	58.498,41
<b>Book value 31.12.2005</b>	130.484,00

## 2. Tangible assets

	Machinery, technical installations and mechanical equipment	Transportation equipment	Furniture and fixtures	Payments on account and tangible assets in course of construction	Total
<b>Book value 01.01.2004</b>	3.200.000,00	0,00	5.411.800,00	0,00	8.611.800,00
<b>Cost 01.01.2004</b>	3.200.000,00	0,00	5.411.800,00	0,00	8.611.800,00
Additions	53.810,00	1.685,00	2.974.641,32	3.212.326,53	6.242.462,85
Disposals	0,00	0,00	0,00	395-040,05	395.040,05
Reclassification	5.200.000,00	0,00	-4.461.328,07	-738.671,93	0,00
<b>Cost 31.12.2004</b>	8.453.810,00	1.685,00	3.925.113,25	2.078.614,55	14.459.222,80
<b>Accumulated Depreciation 01.01.2004</b>	0,00	0,00	0,00	0,00	0,00
Additions	1.400.782,00	772,00	884.290,25	0,00	2.285.844,25
Disposals	0,00	0,00	0,00	0,00	0,00
<b>Accumulated Depreciation 31.12.2004</b>	1.400.782,00	772,00	884.290,25	0,00	2.285.844,25
<b>Book value 31.12.2004</b>	7.053.028,00	913,00	3.040.823,00	2.078.614,55	12.173.378,55
<b>Book value 01.01.2005</b>	7.053.028,00	913,00	3.040.823,00	2.078.614,55	12.173.378,55
<b>Cost 01.01.2005</b>	8.453.810,00	1.685,00	3.925.113,25	2.078.614,55	14.459.222,80
Additions	8.000,00	5.650,00	2.817.066,04	3.931.447,67	6.762.163,71
Disposals	723.999,00	0,00	68.427,31	13.527,28	805.953,59
Reclassification	4.787.766,82	0,00	0,00	-4.787.766,82	0,00
<b>Cost 31.12.2005</b>	12.525.577,82	7.335,00	6.673.751,98	1.208.768,12	20.415.432,92
<b>Accumulated Depreciation 01.01.2005</b>	1.400.782,00	772,00	884.290,25	0,00	2.285.844,25
Additions	1.360.849,82	1.373,00	2.353.049,04	0,00	3.715.271,86
Disposals	172.553,00	0,00	64.674,31	0,00	237.227,31
Reclassification	176.000,00	0,00	0,00	-176.000,00	0,00
<b>Accumulated Depreciation 31.12.2005</b>	2.413.078,82	2.145,00	3.172.664,98	176.000,00	5.763.888,80
<b>Book value 31.12.2005</b>	10.112.499,00	5.190,00	3.501.087,00	1.032.768,12	14.651.544,12



### 3. Inventories

	31.12.2005	31.12.2004
Finished and semi-finished goods	3.466.067,64	2.943.718,08
Raw and auxiliary materials	2.692.045,74	1.583.442,95
Payments on account	0,00	0,00
<b>Total</b>	<b>6.158.113,38</b>	<b>4.527.161,03</b>

### 4. Trade debtors and other current assets

	31.12.2005	31.12.2004
Trade debtors	6.505.192,99	3.648.571,06
Less provisions	200.000,00	132.000,00
Trade debtors net	6.305.192,99	3.516.571,06
Of it against affiliated undertakings	167.287,50	9.333,58
Of it to be recovered after more than 12 months	0,00	0,00
Other receivables	142.381,76	441.464,63
Of it against affiliated undertakings	0,00	0,00
Of it to be recovered after more than 12 months	0,00	0,00
<b>Total</b>	<b>6.447.574,75</b>	<b>3.958.035,69</b>

## 5. Deferred taxes

### Deferred tax assets:

	Accelerated depreciation	Provisions	Total
<b>01.01.2004</b>	0,00	0,00	0,00
Charged to income statement	117.151,27	-102.431,56	14.719,71
<b>31.12.2004</b>	117.151,27	-102.431,56	14.719,71
<b>01.01.2005</b>	117.151,27	-102.431,56	14.719,71
Charged to income statement	16.583,88	-221.532,85	-204.948,97
Charged to equity	117.151,27	-102.431,56	14.719,71
<b>31.12.2005</b>	16.583,88	-221.532,85	-204.948,97

## 6. Other provisions

	Warranty	Employee	Other	Total
<b>01.01.2004</b>			2.000,00	<b>2.000,00</b>
Liquidation of provision				
Use of provision				
Set up of provision	123.000,00	1.402.320,73	738.300,00	2.263.620,73
<b>31.12.2004</b>	<b>123.000,00</b>	<b>1.402.320,73</b>	<b>740.300,00</b>	<b>2.265.620,73</b>
<b>01.01.2005</b>	<b>123.000,00</b>	<b>1.402.320,73</b>	<b>740.300,00</b>	<b>2.265.620,73</b>
Liquidation of provision	0,00	1.183.476,34	552.138,21	1.735.614,55
Use of provision	36.000,00	44.476,98	8.000,00	88.476,98
Set up of provision	106.000,00	1.365.584,31	214.000,00	1.685.584,31
<b>31.12.2005</b>	<b>193.000,00</b>	<b>1.539.951,72</b>	<b>394.161,79</b>	<b>2.127.113,51</b>

## 7. Long term debt and other liabilities

	31.12.2005	31.12.2004
<b>Long-term debt</b>		
Bank loans	4.848.484,85	0,00
Of it to be recovered after more than 12 months	4.242.424,24	0,00
<b>Current liabilities</b>		
Suppliers	3.547.440,01	1.943.220,47
Banks	2.289.302,95	2.582.166,30
Advances from trade debtors	70.728,33	47.776,22
Tax duties	334.950,67	333.994,91
Social securities	327.984,16	336.354,53
Other creditors	5.761.809,67	6.299.331,10
Of it to be recovered after more than 12 months	0,00	0,00
<b>Total</b>	<b>12.332.215,81</b>	<b>11.542.843,53</b>

**8. Deferred taxes****Deferred tax liabilities:**

	Total
<b>01.01.2004</b>	0,00
Charged to equity	117.151,27
<b>31.12.2004</b>	117.151,27
<b>01.01.2005</b>	117.151,27
Charged to equity	169.629,07
<b>31.12.2005</b>	286.780,34



## F. Notes to the income statement

### 1. General information

The company classifies expenses by function.

### 2. Extraordinary result

The repayment of taxes on energy (275 T€) and the positive result of an asset disposal (159 T€) are the main positions.

### 3. Sales and other income

Net turnover sales	59.907.419,07 €
Capitalized manufacturing cost	279.354,57 €
Credit interest and similar income	2.057,83 €

### 4. Additional Disclosure

Raw materials and consumables used	36.840.716,69 €
Salaries and social securities	12.656.867,11 €
Depreciation and amortisation expense	3.753.212,02 €

### 5. Taxes of income (including deferred taxes)

Current tax	261.499,91 €
Deferred tax	-204.948,97 €
Of it charged directly into equity	56.550,94 €

### 6. Leases

The total of lease payments is:

• Not later than one year	116.784,82 €
• Later than one year and not later than five years	224.632,59 €
• Later than five years	9.564,00 €

The lease payment is mostly for cars and forklifters.



## G. Notes to the cash-flow statement

<b>Cash Flows from Operating Activities</b>	<b>31.12.2005</b>	<b>31.12.2004</b>
Profit before Tax	557.032,74	672.852,84
<b>Adjustments for:</b>		
Depreciation and Amortisation	3.753.212,02	4.063.748,25
Provisions	349.295,78	3.541.255,73
Exchange Differences	0,00	0,00
(Gain) or Loss from investing activities	2.057,83	27.044,98
Decrease / (increase) in inventories	-1.630.952,35	-4.527.161,03
Decrease / (increase) in Receivables	-2.481.336,30	-2.462.161,01
Decrease / (increase) in Payables (except banks)	1.731.789,79	-6.956.447,75
Interest payable	458.458,84	413.165,43
Less:		
Interest paid	(458.458,84)	(413.165,43)
Tax paid	(631,60)	(3.550,45)
changing in IFRS - adjustments	0,00	0,00
<b>Net Cash from operating activities (a)</b>	<b>2.280.467,91</b>	<b>-5.644.418,44</b>
 <b>Cash Flows from Investing Activities</b>		
Acquisition of Subsidiary	0,00	0,00
Purchase of intangible Assets, Property, Plant and Equipment	-6.845.180,86	-6.934.533,80
Proceeds of sale Equipment	568.726,28	0,00
Interest Received	0,00	0,00
Dividend Received	0,00	0,00
 <b>Net Cash from investing activities (b)</b>	<b>-6.276.454,58</b>	<b>-6.934.533,80</b>
 <b>Cash Flows from Financing Activities</b>		
Proceeds from increase of capital stock	0,00	0,00
Proceeds from Borrowings	5.000.000,00	2.582.166,30
Payments of Finance Lease Liabilities	0,00	0,00
Payments of Borrowings	-844.378,50	-4.000.000,00
Dividend paid	0,00	0,00
 <b>Net Cash used in Financing Activities( c)</b>	<b>4.155.621,50</b>	<b>-1.417.833,70</b>
 <b><u>Net increase / (decrease) in and Cash Equivalents (a)+ (b) + ( c)</u></b>	<b>159.634,83</b>	<b>-13.996.785,94</b>
<b>Cash and cash Equivalents in Beginning of Period</b>	<b>3.030,59</b>	<b>13.999.816,53</b>
<b>Cash and cash Equivalents at End of Period</b>	<b>162.665,42</b>	<b>3.030,59</b>



## H. Notes to the statement of changes in equity

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY -31 DECEMBER 2005

	Share capital	Share premium	Revaluation reserves	Legal reserves	Special reserves	O.C.I	Results carried forward	Balance results	Total Equity
Balance at 31/12/2004	5.000.000,00				-117.151,27		-186,03	414.082,68	<b>5.296.745,38</b>
Changes in accounting policies, estimates and errors									
Total	<b>5.000.000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>-117.151,27</b>	<b>0,00</b>	<b>-186,03</b>	<b>414.082,68</b>	<b>5.296.745,38</b>
<b>1/1/2005-31/12/2005</b>									
Earnings(losses) per income statement								500.481,80	
Profit carried forward							414.082,68	-414.082,68	
Increase of share stock									
Distribution of profits (Dividend paid)									
IFRS adjustments					-49.413,14		-23.513,29		
*****									
<b>Net loss (earnings) attributable in net equity</b>									
Analysis									
Reduction of deferred taxes					169.629,07				
*****									
<b>Balance at 31/12/2005</b>	<b>5.000.000,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>3.064,66</b>	<b>0,00</b>	<b>390.383,36</b>	<b>500.481,80</b>	<b>5.893.929,82</b>

## I. Other notes

### 1. Segment reporting

According to IAS 14.3 only companies listed at stock exchange or those that are in progress of issuing shares in public markets have to present segment information.

### 2. Contingent liabilities

The company has contingent liabilities in respect of long-term hire contracts. The contingent liabilities amount to:

- |                       |          |
|-----------------------|----------|
| • payable 2006 – 2008 | 2.004 T€ |
| • payable after 2008  | 3.342 T€ |

### 3. Distribution of profit

The assessment basis for cash dividend payable is - corresponding to the articles of association - the balance result which is recorded according to the regulations of German Commercial Law (HGB).

The managing director proposes on the general meeting of the associates to carry forward the balance result of 500.481,80 €