

(Translation from the Greek original)

BOARD OF DIRECTORS REPORT

To the Annual General Meeting of the Shareholders Of FRIGOGLASS SAIC

Concerning the Company Financial Statements for the year ended 31.12.2005

Kifissia, 23 February 2006

Dear Shareholders,

In conjunction with the submission, for your approval, of the Company Financial Statements for the fiscal year ended December 31st, 2005, we submit the present report concerning the financial performance of the company.

General

The present fiscal year is the twelfth consecutive one for which financial statements are prepared and concerns the period from January 1st, 2005 to December 31st, 2005.

During the above-mentioned financial year the company's activities were in accordance with the current legislation, as defined in the company's Articles of Association.

The Balance Sheet, the Income Statement, the Statement of Changes in Equity and the Cash Flow Statement of the above-mentioned financial year, which have been published and are submitted to the Annual General Meeting of the Shareholders, have been prepared according to IFRS as adopted by the European Union.

The Board of Directors attempting an overview of the company's operations, the Balance sheet and the Income statement would like to inform you on the following:

The Company's Net Sales reached €61,5m, and increased by 23, 6% compared to previous year. The increase is mainly attributable to the increased sales volume of new products.

Gross Profit amounted to €8,8m, compared to €4,8m in 2004, increased by 83% as a result of increased sales volume.

Earnings Before Tax reached €10,2m, and increased by 56,6% compared to 2004, mainly due to the increase in gross profit and dividends from subsidiaries.

Earnings after Tax increased by 57% to reach €7,7m.

The increase in investments in Fixed Assets for 2005 was €2m and primarily concerned machinery and equipment.

The increase in Intangible Assets amounted to €1,6m derived mainly from the purchase and installation of new computer software and the capitalisation of new product development expenditure.

Our Investments in Subsidiaries amounted to €44,9m; lower than 2004, since the investment in VPI has been transferred to the balance sheet account "Assets Held for Sale".

The Company's Working Capital (the net balance of inventories, trade debtors and trade creditors) decreased by €1m to €10,1m compared to 2004, as a result of more efficient inventory management.

Trade Debtors increased by €2,8m, mainly due to 2005 Q4's increased sales of €8m versus the same quarter of 2004.

Inter-group Receivables increased by €1,2m as charges for technical and managerial support grew and as the triangular trade transactions of the Parent Company in Greece with its subsidiaries in Germany and Romania also increased.

Other Debtors include receivables from the State and increased by €4,5m mainly due to VAT receivable and Income Tax prepaid. The Company has already requested a VAT rebate of €6,8m.

Other information

No significant events have occurred from the end of the fiscal year under consideration to the date of this report, that have any affect on the reported fiscal year.

No significant losses are present at the time of our report's submission, nor are any expected to occur in the future as a result of possible events.

According to our estimates for the year 2006, and based on the current progress of the company's activities, this year's performance is expected to be satisfactory.

Based on the above, on the audit report and on the annual financial statements of December 31st, 2005, we consider that all the available information is at your disposal so as to proceed with the approval of the financial statements for the fiscal year that ended on December 31st, 2005 and to relieve the Board of Directors and the auditors of any further responsibility.

Yours Faithfully,

THE BOARD OF DIRECTORS

Exact copy from register of the minutes of Board of Directors Meetings

Dimitrios P. Lois

Managing Director