(Translation from the Greek original)

BOARD OF DIRECTORS REPORT

To the Annual General Meeting of the Shareholders
Of FRIGOGLASS SAIC

Concerning the Financial Statements for the year ended 31.12.2006

Kifissia, 27 February 2007

Dear Shareholders,

In conjunction with the submission, for your approval, of the Consolidated and Parent Company Financial Statements for the fiscal year ended December 31st, 2006, we submit the present report concerning the financial performance of the company.

Review

Note:
The sector data are presented below based on the Group's organisational structure.

Consolidated Sales increased by 30.7% compared to the same period last year, with the contribution from Cool Operations increasing from 78% of total Sales in 2005 to 83.5% in 2006. Consolidated Sales for Q4, traditionally the least significant reporting period, were flat year-on-year.

Cool Operations grew Sales by 39.4% for the full year, to €336.4 million, boosted by strong sales in markets such as Germany, Russia, Italy, Ukraine, Romania and South Africa. Q4 2006 cycled a challenging comparable period versus the same period last year, leading to sales down 1.9%.

All geographies achieved strong sales growth, with Africa/Middle East achieving the highest rate of growth in Cool Operations, at 65.4% year-on-year; followed by Asia, which grew Sales by 49.2%, Western Europe which grew Sales by 48.0%. Eastern Europe, Cool's most significant region accounting for 51.6% of divisional sales (down from 55.4% last year), also performed strongly, growing sales 30%. Western Europe is still the second most significant region representing 34.8% (compared to 32.8% last year), with Africa now representing 8.5% compared to 7.1% at the same time last year. Asia accounted for 5.1% of divisional compared to 4.7% last year.

In line with our strategy to diversify our client base, Frigoglass continues to increase Sales to Coca-Cola bottlers other than Coca-Cola HBC, which now account for 25% of Cool Sales compared to 19% (with sales up 90% in the year) in the comparable period last year, as well as into breweries (sales up 41%), who have increased share to 24.0% (from 23%).

Nigeria Operations achieved Sales of €62.1 million, declining by 3.1% (on a Euro basis) compared to the same period last year. This development was strategic, and was the result of the closure of vehicles operations in Q3 and the restructuring of the PET operations. Excluding these impacts, like-for-like Sales in the Nigeria Operations increased by 6.5% in 2006 in Euro terms, and 7.7% in local currency.

There was substantial recovery with regard to volume sales to breweries in Nigeria, which increased by 44% for the full year, and exports recovered from time delays, growing volumes by 85.6% in Q4 versus the same period last year and by 4.7% for the full year. This led to the sharp recovery in Glass sales, which grew 8.1% during the year. Lower Operational Expenses in Nigeria (down 22.3% versus same period last year) led to a 3.3% improvement in EBIT compared to the same period last year, and a reduction in the tax rate saw Net Profit increase by 53.2%.

At a Consolidated level, the positive effect of operational leverage from strong volume growth, ongoing cost management and operational efficiencies (operating costs as a percentage of Sales fell from 13.4% to 12.3%), and product mix improvements, continue to offset the raw material cost pressures, (raw materials to sales margins increased 260 bps to 51.4%). This led to gross profit and EBITDA margin expansion of 150 bps to 27.8% and 20 bps to 20.0% respectively in 2006. EBIT increased 52.2%, to €62.7 million, whilst Net Profit increased by 58.5% to €38.5 million, for the full year.

Operational Review by Key Operations

	Revenues (€ 000's)				EBITDA (€ 000's)		
Full Year 2006	**Full Year 2006**	**Full Year 2005**	**Change**	**% of Group**	**Full Year 2006**	**Full Year 2005**	**Change**
Cool Operations	336,445	241,311	39.4%	84%	64,689	44,551	45.2%
Nigeria	62,093	64,090	-3.1%	15%	14,596	15,548	-6.1%
Plastics	4,111	3,550	15.8%	1%	1,030	518	98.8%
Interdivision eliminations	-1,610	-2,122					
Frigoglass Consolidated	**401,039**	**306,829**	**30.7%**	**100%**	**80,315**	**60,618**	**32.5%**

Financial Review

Frigoglass – Summary Consolidated Profit and Loss account

Full Year 2006	**Full Year 2006**	**Full Year 2005**	**Change**
	(€ 000's)	(€ 000's)	%
Revenues	401,039	306,829	30.7%
Gross profit	111,376	80,786	37.9%
EBITDA	80,315	60,618	32.5%
Operating profit (EBIT)	62,725	41,225	52.2%
EBT	56,444	37,706	49.7%
Net profit (after minorities)	38,487	24,287	58.5%

Operating Costs

Total operating expenses rose 20.4% in the year to €49.4 million, supporting a 30.7% increase in Consolidated Sales. Thus, as a percentage of Sales, Operating expenses decreased from 13.4% to 12.3% in the prior year comparable period. Administration expenses, which accounts for 53.6% of Consolidated operating expenses, rose 11.8%. Excluding a one-off item relating to employee benefits, the increase was 7.5%.

Working Capital Management, Cash flow and Net Debt

Frigoglass' excellent working capital management was evidenced this year with the Net Trade Sales to Net Working Capital Ratio (NTS/NWC) improving 11.0% from 2.85 to 3.16 (average for the year). This is mainly owing to improved inventory management, with inventories only rising 11.9% in the year, in spite of Sales rising 30.7%, and the cost of goods sold rising 28.1%. Stock turn rates improved by 22 days from 131 in 2005 to 109 in 2006, owing to improved production planning.

Days of Sales Outstanding (DSO) declined from 69 days in 2005 to 67 days in 2006. Days of Payable Outstanding also declined from 68 days in 2005 to 61 days in 2006 owing to an increase in the advancement of payments in order to finance the major capacity increase projects.

Cash generated from operations rose 46.3% to €56.2 million owing to strong sales growth and effective working capital management. Following capital expenditure (€17.1 million in 2005 and €24.3 million in 2006), and the €12 million proceeds from the VPI sale, free cash flow for 2006 equates to €43.1 million, up from €21.3 million in 2005.

Improved working capital management and increased profitability led to a decline in Net Debt by 48.6% during the year, from €68.5 million at full year 2005 to €35.2 million at full year 2006. Therefore, the net gearing ratio fell from 44.3% in 2005 to 21.7% in 2006. In addition, the Net Finance expense as a percentage of Sales fell to 1.1% in 2006, from 1.4% in the comparable period last year.

Taxation

Frigoglass' focus on effective tax planning continues, with an effective 29.1% tax rate for 2006 compared to 31.7% in the comparable period last year.

CAPEX

Capital expenditure for 2006 equated to €24.3 million, led by Cool. The majority was attributable to Cool, and applied towards capacity increases and optimisation, machinery, process automation and quality enhancement. Major project commitments also occurred in Romania, Russia and China. Capex for the Nigerian operations was directed primarily towards Glass.

Outlook

2006 represented an extraordinary year of growth, partially driven by an exceptional large order in the first nine months, and underpinned by Frigoglass' successful efforts of controlling working capital requirements. Together with its ongoing focus on efficiencies and product mix, this enabled margin expansion in spite of strong increases in raw material prices.

Looking forward, we remain very positive on prospects for 2007, though growth will clearly be at a more realistic and sustainable level than seen in 2006. Furthermore, we expect raw materials pressure to remain. In addition, we will invest at a high level during the year in order to create significant new platforms for superior long-term growth, such as the greenfield development in China, capacity increases and the replacement of an old glass furnace in Nigeria. These commitments will be funded from internal resources.

Parent Company Financial Data

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 €97.5m, and increased by 58.4% compared to previous year. The increase is mainly attributable to the increased sales volume of new products.

Gross Profit doubled to €15.6m, compared to €7.4m in 2005.

Earnings Before Tax reached €27.2m, and increased by 167.7% compared to 2005, mainly due to the increase in gross profit and dividends from subsidiaries.

Earnings after Tax increased by 112% y-o-y reaching €16.3m.

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.

Based on the above, on the audit report and on the annual financial statements of December 31st, 2006, 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, 2006 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