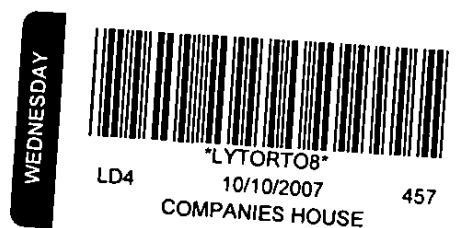


Company Registration No. 4935739 (England and Wales)

ALMATIS UK LIMITED
DIRECTOR'S REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006



ALMATIS UK LIMITED

COMPANY INFORMATION

Director	Marcelo Zocchi (Appointed 25 May 2007)
Secretary	Warwick Consultancy Services Ltd
Company number	4935739
Registered office	69/85 Tabernacle Street London EC2A 4RR
Business address	Suite 19 The Pensneth Estate Kingswood West Midlands DY6 7NA

ALMATIS UK LIMITED

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ALMATIS UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The director presents his report and financial statements for the year ended 31 December 2006

Principal activities

The principal activity of the company is marketing and selling aluminum oxide products, manufactured by its parent company

Directors

The following directors have held office since 1 January 2006

Ms Heidemane Evans
Marcelo Zocchi

(Resigned 25 May 2007)
(Appointed 25 May 2007)

Director's interests

The director does not have any interest that is required to be disclosed under Schedule 7 of the Companies Act 1985

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

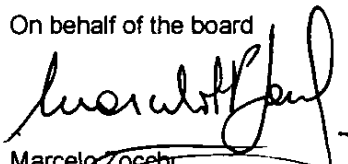
Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Marcelo Zocchi
Director

ALMATIS UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover		349,609	366,779
Administrative expenses		(105,029)	(109,019)
Operating profit	2	244,580	257,760
Investment income	3	18,743	-
Other interest receivable and similar income	3	687	3,093
Profit on ordinary activities before taxation		264,010	260,853
Tax on profit on ordinary activities	4	(78,878)	(78,650)
Profit for the year	10	185,132	182,203

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

ALMATIS UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	5		-		185
Current assets					
Debtors	6	444,721		42,596	
Cash at bank and in hand		58,258		318,061	
		<u>502,979</u>		<u>360,657</u>	
Creditors, amounts falling due within one year	7	<u>(47,398)</u>		<u>(90,393)</u>	
Net current assets			455,581		270,264
Total assets less current liabilities			<u>455,581</u>		<u>270,449</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		455,580		270,448
Shareholders' funds	11		<u>455,581</u>		<u>270,449</u>

ALMATIS UK LIMITED

BALANCE SHEET (CONTINUED)

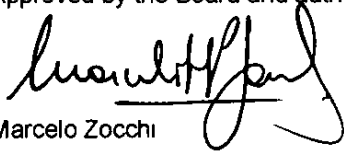
AS AT 31 DECEMBER 2006

In preparing these financial statements

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on



Marcelo Zocchi
Director

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods provided in the normal course of business. Revenue is recognised in line with accrual accounting based on fees received for services provided during the financial year

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	over 3 years
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1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

2	Operating profit	2006	2005
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	185	180
	Loss on foreign exchange transactions	6,735	7,266
	Operating lease rentals		
	- Plant and machinery	4,181	4,083
		<u> </u>	<u> </u>
3	Investment income	2006	2005
		£	£
	Income from shares in group undertakings	18,743	-
	Bank interest	687	3,093
		<u> </u>	<u> </u>
		<u>19,430</u>	<u>3,093</u>

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

4 Taxation	2006	2005
	£	£
Domestic current year tax		
U K corporation tax	79,581	79,334
Adjustment for prior years	(703)	(684)
	<u>78,878</u>	<u>78,650</u>
Current tax charge		
	<u>78,878</u>	<u>78,650</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	264,010	260,853
	<u>264,010</u>	<u>260,853</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	79,203	78,256
	<u>79,203</u>	<u>78,256</u>
Effects of		
Non deductible expenses	339	343
Depreciation add back	56	54
Capital allowances	(16)	(21)
Adjustments to previous periods	(703)	(684)
Marginal relief	-	702
Other tax adjustments	(1)	-
	<u>(325)</u>	<u>394</u>
Current tax charge	<u>78,878</u>	<u>78,650</u>

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2006 & at 31 December 2006	470
Depreciation	
At 1 January 2006	285
Charge for the year	185
At 31 December 2006	470
Net book value	
At 31 December 2006	-
At 31 December 2005	185

6 Debtors

	2006 £	2005 £
Amounts owed by group undertakings	438,241	37,667
Other debtors	6,480	4,929
	<u>444,721</u>	<u>42,596</u>

7 Creditors' amounts falling due within one year

	2006 £	2005 £
Trade creditors	1,371	2,166
Taxation and social security	39,012	83,487
Other creditors	7,015	4,740
	<u>47,398</u>	<u>90,393</u>

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	5,994	5,994

9 Share capital

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2006	270,448
Profit for the year	185,132
Balance at 31 December 2006	455,580

11 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	185,132	182,203
Opening shareholders' funds	270,449	88,246
Closing shareholders' funds	455,581	270,449

ALMATIS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2006**

12 Control

The ultimate parent company is Almatris Holdings 3 B V , a company registered in The Netherlands

Almatris Holding 3 B V prepares group financial statements and copies can be obtained from Teemsweg 30, 3197 KM Botlek, The Netherlands

13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company