

## EXTRAORDINARY INFORMATION

### The evaluation of the financial position, strategy and plans by Pannonplast Nyrt's Management

August 29, 2006

Today, Pannonplast Nyrt. has held a meeting with the representatives of the media, as well as the investors to explain and expand the information having been disclosed in the subject of **“The evaluation of the financial position by Pannonplast Nyrt's Management”** on August 28 2006. The purpose of this information is the disclosure of the material details that have been exposed at the above-mentioned meeting.

Pannonplast Nyrt's Management has performed the evaluation of the major assets directly or indirectly owned by the Company as of June 30 2006 (participations, real-estate properties, etc.) on the basis of independent market information sources, as well as the Company's own professional and transaction experience gained in the recent period.

In the light of the findings of the analysis, the Company's Management estimates the net assets per share to be between HUF 4,500 and HUF 4,700.

#### Plastic packaging

Just in a few days, Pannonplast is founding its 66% Serbian subsidiary to be involved in the manufacture of plastic packaging implements. The immediate investment demand of such a move towards expansion is HUF 355 million. Production is to be launched in Q1 of 2007. With the locally available production capacities, the division will be exempt from paying the 20% Serbian protective duties. In the first year, the Serbian subsidiary is expected to realize sales revenues in an amount of HUF 400 million, while within the next three years this volume should be doubled. With respect to the EBITDA, the first year of operations is foreseen to generate a HUF 70 million value, while within three years HUF 140–150 million is expected on an annual basis.

Our presence in Romania is projected to be transformed both in terms of trading operations and the technology applied. The associated outcomes have a potential to generate an additional amount of HUF 120 million EBITDA within three years, with gradual increases. In 2007, plastic packaging activities are planned to generate HUF 1,250 million EBITDA.

#### Manufacture of composite insulators for high-voltage electric networks

After the development of new technologies, our subsidiary, FCI Furukawa started to cover the European markets with intensive sales. As a result, 2007 is expected to witness HUF 170 million EBITDA, while the corresponding figure by 2009 should hit HUF 280 million.

According to estimates of Pannonplast, the value of the two above-mentioned divisions has the potential to represent a HUF 3,000–3,500 million excess value over the Company's equity published as corresponding to IFRS.

Pannonplast Group holds five real-estate complexes in Budapest, Debrecen, Székesfehérvár and Szombathely. The majority of these real-estate properties are utilized in the framework of medium-term lease contracts. According to the Company's related estimates the value of the real-estate portfolio has the potential to represent a HUF 1,700–1,900 million excess value over the Company's equity published as corresponding to IFRS.

## Depreciating factors

In the light of the Company's assessment, minority participations and some of the intangible assets have a depreciating influence on the Company's equity published in accordance with IFRS in an amount of HUF 800–900 million.

## Synergon

Pannonplast Nyrt. sees a considerable potential in this investment provided that a proper and extensive incentive system can be established together with a uniform organizational structure, stable shareholding background, as well as finely tuned Board of Directors and Supervisory Board. It seems to be inevitable to amend Synergon's articles of corporation so as to create an investor-friendly environment. Apart from growth, special emphasis should be placed on reaching up to a profitability featuring a 4.5–5% net margin. Our objective is to witness Synergon realizing a HUF 950–1,200 million profit after taxes by 2008 with an annual sales revenue of HUF 24,000 million as irrespective of the effects of any acquisition in the meantime.

## Alternative energy resources

In June, Pannonplast started the establishment of a new business line. The associated aim is to act as a main contractor in investments heading for the exploitation of alternative energy resources. At the present, Pannonplast Polifin A Kft. is assigned to attend such main contracting tasks in the installation of bioethanol, biogas and biomass power plants. In the near future, the Company foresees the construction of 16 bioethanol plants in Hungary, out of which Pannonplast plans to take part in projects in excess of EUR 200 million up to 2008. As concerning the related technology, the conditions of cooperation are in the process of elaboration with the Siemens/Lurgi companies.

We are to note to the investors and the stakeholders of the capital markets that the estimates prepared by Pannonplast Nyrt. cannot be regarded as a guarantee for any corresponding trends assumed to occur in the share prices.

Pannonplast Nyrt's  
Board of Directors