Hightex Group PLC ("the Company")

Preliminary Audited Results for the Period Ended 31 December 2006

Hightex Group plc ('Hightex' or 'the Company') is the holding company for a group of companies engaged in:

- the design, production and installation of polymer membrane tensile structures; and
- the exploitation of intellectual property assets in the field of solar energy and related areas

The Company's principal operating subsidiary, Hightex International AG ('HTI') and its subsidiary undertakings are involved in the design, production and installation of polymer membrane structures for use by architects and structural engineers. Recent completed projects include the roofs on the new Grandstand at Royal Ascot Racecourse and the passenger concourses at the new Bangkok International Airport, Thailand.

The Company's intellectual property subsidiary, SolarNext AG ('SolarNext'), owns and is negotiating to acquire additional intellectual property rights which are chiefly focussed on applications in the generation of solar energy, solar cooling, the prevention of heat from entering homes, offices and other structures, and the desalination of water. SolarNext has close links with the Fraunhofer Institute for Solar Energy Systems in Freiburg, Germany, which has a staff of more than 400 and is the largest solar energy research institute in Europe.

KEY POINTS:

- 2006 a transitional year of internal restructuring and the AIM admission process.
- Audited consolidated results reflect merely the four month period after the acquisitions.
- Turnover was €3.8 million; the gross profit was €1.95 million and after charging approximately €353,000 of development expenditure on SolarNext, the loss before taxation was €1.15 million.
- On a pro forma basis and assuming that the Hightex Group had been in existence (as it is presently constituted) on 1 January 2006, full year turnover was €8.4 million, the gross profit was €3.5 million and the loss before tax €2 million.
- Revenues lower than expected due to delay in starting work on the installation of the roof at the new Robina Gold Coast Stadium in Brisbane for a total value of €4.2 million and delays in the definitive award of a contract for a stadium in a city in northern Europe for which the consortium (of which Hightex formed part) won the tender.
- Signed contracts for membrane business to date will deliver revenues greater than the entire pro forma revenues of 2006. The chief contracts in this category include the Robina Gold Coast Stadium in Brisbane, the MTZ Münchner Technologiezentrum, the 11M Monument in Madrid and the start of work on the retractable roof above the Centre Court at Wimbledon.
- Dave Capezzuto who joined from a competitor and was appointed to the new post of head of sales in the Company's new USA subsidiary, has developed several leads and the board look forward to announcing in due course the first significant contract in the USA.
- The solar business has signed a Letter of Intent to secure a licence for the joint development and exclusive supply of a thin, flexible photovoltaic component, which is extremely light and capable of being incorporated into an overall membrane structure.
- During 2007, the executive team will be devoting all its resources to growing the Hightex businesses, free from the time constraints of any internal re-organisation and from the fund raising process.

COMMENT:

Charles DesForges, Chairman, said: "The membrane business has made a good start to the current financial year and the board is working diligently to build the solar business. The directors look forward to making significant progress in 2007."

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Chairman's Statement

The audited results for the Company cover the four month period from 6 September to 31 December 2006. On 6 September, the entire issued share capital of the Company was admitted to AIM and the Company completed the acquisition of the Hightex businesses, chiefly Hightex International (HTI) AG and SolarNext AG.

The audited consolidated results reflect merely the four month period after the acquisitions. Turnover was €3.8 million; the gross profit was €1.95 million and, after charging approximately €353,000 of development expenditure on SolarNext, the loss before taxation was €1.15 million.

On a pro forma basis and assuming that the Hightex Group had been in existence (as it is presently constituted) on 1 January 2006, full year turnover was €8.4 million, the gross profit was €3.5 million and the loss before tax €2 million, after charging approximately €353,000 of development expenditure on SolarNext. The pro forma level of sales is lower than had been anticipated. In part this is due to a delay in starting work on the Company's first major contract in Australia, the design and installation of the roof at the new Robina Gold Coast Stadium in Brisbane for a total value of €4.2 million (most of the revenue from which will fall into 2007) and delays in the definitive award of a contract for a stadium in a city in northern Europe for which the consortium (of which Hightex formed part) won the tender.

The board views 2006 as being a transitional year, The internal re-structuring of the companies of which Hightex Group plc is now the holding company, the fund raising of €2.5m (before expenses) which closed in March 2006, together with the subsequent AIM Admission process all impacted on the ability and availability of senior management to focus on generating additional revenue.

The prospects for 2007 look much more encouraging. On the membrane business, signed contracts to date will deliver revenues greater than the entire pro forma revenues of 2006. The chief contracts in this category include the Robina Gold Coast Stadium in Brisbane, the MTZ Münchner Technologiezentrum, the 11M Monument in Madrid and the start of work on the retractable roof above the Centre Court at Wimbledon.

Part of the proceeds of the placing in September 2006 has been deployed in the hire of further salesmen and engineers, including Dave Capezzuto who joined from a competitor and was appointed to the new post of head of sales in the Company's new USA subsidiary. He has developed several leads and the board look forward to announcing in due course the first significant contract in the USA.

Hightex is actively pursuing several major new contracts including, among others, new stadia for the FIFA 2010 World Cup in South Africa and it will be bidding for a variety of structures for the 2012 London Olympics. The list of potential projects identified by the executive team as being within the Company's capability and capacity, with construction schedules stretching from 2007 to 2009, and located mainly in Europe, the USA and Asia, exceeds €100 million. These are being vigorously pursued.

The solar business has been slower to develop than anticipated, but the Company has signed a Letter of Intent to secure a licence for the joint development and exclusive supply of a thin, flexible photovoltaic component, which is extremely light and capable of being incorporated into an overall membrane structure. The Company is already negotiating a contract to construct a roof over a new and remote sawmill, which would incorporate this membrane, thus allowing the sawmill to generate its own power. The directors believe that this membrane would be a significant contribution to the creation of the Company's Intelligent Building division. The Company's first solar cooling system has been successfully installed in Germany.

The Company has also reached an agreement with a party in relation to a previous contract which has resulted in the payment by that party to Hightex of approximately €1,040,000. This sum represents an increase to both profit before taxation and to the group's cash resources and will be accounted for wholly in the accounts for the year ending 31 December 2007.

During 2007, the executive team will be devoting all its resources to growing the Hightex businesses, free from the time constraints of any internal re-organisation and from the fund raising process. The membrane business has made a good start to the current financial year and the board is working diligently to build the solar business. The directors look forward to making significant progress in 2007.

Charles DesForges
Non-Executive Chairman

Finance Report

The Company came into existence on 6 September 2006, the day it was admitted to AIM when it completed the acquisition of its present subsidiaries. The Company's maiden financial report has been presented on a different basis from the financial information on the underlying Hightex businesses which was contained in the Company's AIM admission document and in the interim financial information published in respect of the period prior to the acquisition of those businesses.

Basis of presentation

The financial information set out in the Company's AIM Admission document and, subsequently in its interim statements for the six months ended 30 June 2006, related to the period before the Company acquired HTI and SolarNext businesses. That financial information was prepared on the basis of presenting the results for HTI and its now wholly owned operating subsidiaries and of SolarNext on a combined basis, as though they had been owned with effect from 1 January 2006. The financial statements of the Company for the period from 6 September 2006 to 31 December 2006 have been prepared on a consolidated basis and reflect only four months of trading of the Group as it is now constituted. The pro forma results of the newly constituted Group, presented as if the date of all acquisitions in the year ended 31 December 2006 had been 1 January 2006, are set out in the Business Combinations table in Note 6. For comparison purposes, the results are reproduced below:

	6 months ended 30 June 2006 (Unaudited) €'000	**6 months ended 31 Dec 2006 (Pro forma) €'000**	**Full year ended 31 Dec 2006 (Pro forma) €'000**	**4 months 31 Dec 2006 (Audited) €'000**
Turnover	3,878	4,568	8,446	3,790
Cost of sales	(2,737)	(2,178)	(4,915)	(1,838)
Gross profit	**1,141**	**2,390**	**3,531**	**1,952**
Salaries and related expenses	(959)	(1,161)	(2,120)	(947)
Other operating expenses	(1,000)	(2,146)	(3,146)	(1,969)
Depreciation and amortisation	(83)	(159)	(242)	(136)
Operating deficit	**(901)**	**(1,076)**	**(1,977)**	**(1,100)**
Net interest	7	(87)	(80)	(46)
Net deficit before taxation	**(894)**	**(1,163)**	**(2,057)**	**(1,146)**
Taxation	353	131	484	249
Deficit after taxation but before minority interests	**(541)**	**(1,032)**	**(1,573)**	**(897)**
Minority interests	-	(37)	(37)	(53)
Retained deficit after taxation	**(541)**	**(1,069)**	**(1,610)**	**(950)**

Results

Turnover reached €8.4 million in the 12 months ended 31 December, of which €3.8 million is included in the consolidated financial statements as post acquisition. Gross profit in the full year amounted to €3.53million, of which €1.95 million is included in the consolidated financial statements as post acquisition. After charging approximately €353,000 of development expenditure on the solar business (SolarNext), the loss before tax amounted to €2.0 million for the full year to 31 December, of which €1.15 million is included in the consolidated financial statements as post acquisition.

Cash resources

As family owned enterprises before their acquisition by the Company, the Hightex businesses were restricted in the scale of their potential operations by a lack of financial resources. To remedy this restriction, HTI first raised €2.5m through a private placing which closed in March 2006.

Secondly, the transactions at the time of Admission to AIM brought a further €4.4m (net) through the merger with West 175 Media Group Inc, a cash shell with approximately €3.0m, and a placing by the Company of €2.2m at the time of the acquisition of HTI and admission to AIM, less costs of the placing and admission of approximately €850,000.

At 31 December 2006 the Group had cash resources amounting to approximately €5.3 million. Included in those cash resources were amounts of approximately €2.3 million, which are lodged as security for performance bonds and warranties relating to the integrity of membrane structures. Such amounts are released over varying time periods, as specified in individual construction contracts. Amounts so lodged represent a drain on the group's available free working capital resources and the Board is currently and actively seeking to replace these cash deposits with alternative security arrangements involving the use of insurance products and/or specific bank finance.

Frank Molter
Finance Director

GROUP INCOME STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2006

	Notes	2006 €'000
Continuing operations		
Revenue	4	3,790
Cost of sales		(1,838)
Gross profit		1,952
Salaries and related expenses		(947)
Other operating expenses		(1,969)
Depreciation and amortisation		(136)
Operating loss		(1,100)
Interest and other income		69
Finance costs		(115)
Loss on ordinary activities before tax		(1,146)
Income tax credit		249
Loss after tax and before minorities		(897)
Minority interest		(53)
Loss from continuing operations and attributable to equity holders		(950)
Loss per share (cents):		
Basic and diluted	7c	(0.79)

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2006

	Share capital €'000	*Share Premium* €'000	*Retained earnings* *€'000*	*Total* €'000
Balance at 28 June 2006	-	-	-	-
Loss for the period	-	-	(950)	(950)
Currency translation differences	-	-	(41)	(41)
Total recognised income and expenses for the year	-	-	(991)	(991)
Issue of shares	1,775	12,845	-	14,620
Costs of issue of shares	-	(1,088)	-	(1,088)
Balance at 31 December 2006	1,775	11,757	(991)	12,541

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 €'000
Assets		
Non-current assets		
Goodwill	6	6,627
Other intangibles		65
Property, plant and equipment		768
Deferred tax asset		143
		7,603
Current assets		
Cash at bank and in hand		5,305
Inventories		143
Trade and other receivables		3,638
		9,086
Total assets		**16,689**
Equity and liabilities		
Current liabilities		
Trade payables		1,329
Accrued liabilities and deferred income		1,358
Other accounts payable		1,009
		3,696
Non-current liabilities		
Accrued liabilities and deferred income		187
Other accounts payable		67
		254
Total liabilities		3,950
Capital and reserves		
Share capital	7	1,775
Share Premium		11,757
Retained earnings		(991)
Minorities		198
Total equity		12,739
Total equity and liabilities		**16,689**

GROUP CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2006

	Notes	2006 €'000
Cash flows from operating activities		
Operating loss for the period		(1,100)
Adjustments for:		

(Profit)/loss on disposal		4
Depreciation		127
Amortisation and impairment of intangibles		59
Operating cash flows before movements in working capital		(910)
Decrease/(increase) inventories		(143)
(Increase)/decrease in receivables		903
Increase/(decrease) in payables		595
Cash generated from operating activities		**445**
Interest paid		(115)
Income tax paid		(23)
Net cash generated from operating activities		**307**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired		4,307
Acquisition of property, plant and equipment		(468)
Interest received		69
Net cash used in investing activities		**3,908**
Cash flows from financing activities		
Proceeds from issuance of shares		2,178
Costs of issue of shares		(1,088)
Net cash from financing activities		**1,090**
Net decrease in cash and cash equivalents		
Cash at bank and in hand at the beginning of the period		-
Cash at bank and in hand at the end of the period		**5,305**
Cash at bank and in hand comprises:		
Cash and cash equivalents	3	2,997
Cash lodged under performance and warranty bonds		2,308
		5,305

1. Corporate information

Hightex Group plc was incorporated in England on 28 June 2006. Since that date the Company acquired its interests in its subsidiaries such that the Company is now the holding company for the Group. The principal activity of the Group is the design, supply and assembly of polymer membrane structures for use in engineering and construction of technically advanced buildings.

The Company's principal subsidiary, Hightex International AG ('HTI') is a private company registered in the Canton of Thurgau in Switzerland. HTI is the recently formed holding company for a number of entities which were acquired by HTI during 2006.

In addition, SolarNext AG, a private company incorporated in Traunstein, Germany, has acquired, and will acquire further, licences and other rights to solar IP from a variety of sources including the Fraunhofer Institute for Solar Energy Systems in Freiburg, Germany.

Hightex Americas LLC, a limited liability company formed and registered in the state of Delaware, USA, was formed to effect the statutory merger with West 175 Media Group Inc described in note 6.

2. Basis of presentation

The financial information set out in this announcement does not constitute the Company's statutory accounts for the period ended 31 Decembe The auditors have reported on the 2006 accounts; their report was unqualified and did not contain a statement under section 237 (2) or (3) Companies Act 1985.

The financial information contained in this preliminary announcement has been prepared using accounting policies and practices consistent with those used in preparing the statutory accounts. The Company's statutory accounts have been presented on a different basis from the financial information on the underlying Hightex businesses which was contained in the admission document issued in relation to the admission of Hightex Group plc to the AIM Market of the London Stock Exchange on 6th September 2006. In that document financial information on the Hightex companies was presented on a combined basis in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom.

The consolidated financial information of the Group has been prepared for the four month period from 6 September 2006 to 31 December 2006 on the basis that the current Group structure has only been in place through this period.

The financial information has been prepared under the historical cost convention, and in accordance with applicable International Financial Reporting Standards (IFRS). A summary of the significant accounting policies, which have been applied consistently, are set out below.

The consolidated financial information is presented in Euros because the Group is expected to transact more of its business in Euros than any other currency.

The directors approved this preliminary announcement for issue on 30 March 2007.

3. Accounting Policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year. The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated income statement from or up to their effective dates of acquisition or disposal respectively.

All inter-company transactions and balances within the group are eliminated on consolidation.

Control is normally evidenced when the Company, or a company which it controls, owns more than 50% of the voting rights of a company's share capital. A list of the Group's principal subsidiaries is set out in note 5.

Going concern

The financial information has been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management takes into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements.

Use of estimates

The preparation of the financial information in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the year end date and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. The principal areas in which judgement is applied are as follows:

- Recoverability of trade receivables;
- Assessment of the percentage of completion of construction projects;
- Valuations of provisions; and
- Useful lives of intangible fixed assets

Foreign currency translation

The reporting currency of the Company and the Group is the Euro. Gains and losses that arise from the effect of exchange rate changes on balances denominated in currencies other than the reporting currency are included in the income statement as incurred.

Cash and cash equivalents

All highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents.

Revenue recognition

Revenue represents the invoiced value, net of sales taxes, of goods sold and services provided to customers.

Revenues on long-term construction contracts are recognised according to the percentage of completion method. Revenue is recognised on a pro-rata basis according to the work performed and the degree of completion of the contract. Where the value of the work performed on a contract exceeds the aggregate of payments received on account from customers, the resulting balance is included in inventories. Where the aggregate of payments received on account from customers exceeds the value of work performed on a contract, the resulting balance is included in creditors.

To date, the Group has recognised €2,281,000 in relation to long-term contracts, and at the balance sheet date €1,376,000 has been recognised as income from contracts yet to be fully completed.

Goodwill on consolidation

Goodwill arising on the acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other intangible assets – computer software

Computer software is measured initially at purchase or production cost and is amortised on a straight-line basis over its estimated useful life, which is currently estimated to be 3 – 5 years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.
If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated on a straight-line basis over their estimated useful lives set out below:

Technical equipment, plant and machinery	3 – 10 years
Other equipment, fixtures and fittings	3 – 10 years

An impairment review is undertaken where there are indicators of impairment. Maintenance and repairs are charged to expenses when incurred.

Research and development expenditure

Research and development costs are expensed as incurred, except for development costs, which are deferred as intangible assets when the Group can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention and ability to use or sell the intangible asset;
- The existence of a market for the output of the intangible asset or the intangible asset itself;
- The availability of adequate technical resources to complete the development;
- The availability of adequate financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development;

Deferred development costs are originally recorded at cost, which includes:

- Expenditure on materials and services used or consumed in generating the intangible asset;
- The salaries, wages and other employment related costs of personnel directly engaged in generating the asset; and
- Any expenditure that is directly attributable to generating the asset, such as the amortisation of patents used to generate the asset.

Capitalised development costs have a finite useful life and as such, are amortised on a straight-line basis over the estimated revenue earning period of the relevant product.

Inventories

Inventories are valued on a first in, first out basis at the lower of cost and net realisable value. Cost includes all expenditure incurred during the normal course of business in bringing in stocks to their present location and condition, including in the case of work-in-progress and finished goods an appropriate proportion of production overheads. Net realisable value is based on the estimated useful selling price less further costs expected to be incurred to completion and subsequent disposal.

Fair value of financial instruments

Due to their short maturities, carrying amounts of certain of the Group’s financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximate fair value, based on borrowing rates currently available to the Group.

Deferred Taxation

Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are only recorded for deferred tax assets that are more likely than not to be realised.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is more likely than not.

Financial assets

Sales and purchases are accounted for at trade date. Investments included as financial assets are valued at fair value and are held as available for sale. Any impairment will be charged to income and expenditure account on recognition. Accounts receivable and other assets are valued at acquisition cost after taking account of the risk of default in arriving at those valuations.

Leases

Lease agreements under which the Group is lessee are classified as finance leases, as the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance lease are recognised as assets of the Group at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against the statement of operations.

Assets held under finance leases are depreciated at the shorter of the lease term and their useful economic lives.

Borrowing costs

Borrowing costs are charged as expenses in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

Share based payments

The Company’s employee share schemes allow the Group’s employees to acquire shares in the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

4. **Business and Geographical Segments**

For business purposes, the Group is currently organised into just one significant operating division - design, supply and fit of membrane structures. A second division, the exploitation of solar intellectual property rights ("Solar") is in development but has not reached significant revenue stage to date and so is not included as a separate division.

This single division is the basis on which Group reports its primary information by geographic segment as follows:

	Europe €'000	***Asia €'000***	***USA €'000***	***Australasia €'000***	***Total €'000***
Revenue	2,255	398	-	1,137	***3,790***
Carrying amount of segment assets	6,386	-	2,780	896	***10,062***
Carrying amount of segment liabilities	(3,240)	-	(30)	(680)	***(3,950)***
Additions to plant and equipment	344	-	-	-	***344***
Additions to intangible assets	122	-	-	-	***124***

Segment assets and intangible assets exclude goodwill. Additions to goodwill on consolidation in the period were €6,627,000 in aggregate and relate entirely to operations in Europe.

5. **Principal subsidiaries**

The company holds more than 20% of the share capital of the following companies:

Company **Subsidiary undertakings**	**Country of registration or incorporation**	**Shares held**
Hightex International (HTI) AG	Switzerland	100%
Hightex GmbH	Germany	100%
Hightex Engineering GmbH	Germany	100%
SolarNext AG	Germany	100%
Hightex Limited	UK	100%
Hightex Structures Pty. Ltd.	South Africa	100%
Hightex Pty. Ltd.	Australia	100%
Metal System Sp z.o.o	Poland	50%

6. **Investments in subsidiary companies and business combinations**

On 6 September 2006, Hightex Group plc acquired 100 percent of the share capital of Hightex International (HTI) AG for a consideration of the issue of 64,454,862 ordinary shares of 1p each credited as fully paid. The fair value of the consideration, net assets of HTI on acquisition and goodwill arising on consolidation have been provisionally estimated as follows:

	Fair value €'000
Cash and cash equivalents	1,466
Trade and other receivables	4,385
Trade and other payables: including accruals and taxes	(2,696)
Long term liabilities	(395)
Property, plant & equipment	555
Minority interests	(145)
Net assets acquired by the company	3,170
Debt acquired on acquisition	
Fair value of the consideration	9,571
Cash paid	-
Goodwill arising on acquisition	6,401

On 6 September 2006, Hightex Americas LLC - a wholly owned subsidiary of Hightex Group plc formed for the purpose - completed a statutory merger under the laws of the State of California and the state of Delaware with West 175 Media Group Inc ('West'), an AIM listed company with no trade. The effect of the merger, as a result of which the merged entities fused and West ceased to exist, was that the shareholders in West exchanged their shareholdings in that company for 39,195,747 new ordinary shares and up to a further 1,434,561 further new ordinary shares in Hightex Group plc. The directors consider that the substance of the US statutory merger was that it was a group re-organisation and no goodwill has therefore been recognised in relation to the transaction. The fair value of both the consideration and the net assets acquired in this transaction has therefore been provisionally estimated as €2,821,000 as follows:

	Acquiree's carrying value before combination €'000	**Fair value adjustments €'000**	**Fair value €'000**
Cash at bank	2,821	-	2,821
Net assets acquired by the company			2,821
Debt acquired on acquisition			-
Consideration			2,821
Cash paid			-
Goodwill arising on acquisition			-

On 6 September 2006, Hightex Group plc acquired 100 percent of the share capital of SolarNext AG for a consideration of €1 payable at signing and a further consideration of €50,000 payable according to the profits of SolarNext to 31 December 2008. The fair value of the consideration, net assets of SolarNext on acquisition and goodwill arising on consolidation have been provisionally estimated

as follows:

	Acquiree's carrying value before combination	Fair value adjustments	Fair value
	€'000	**€'000**	**€'000**
Cash at bank	20	-	20
Trade and other receivables	27	-	27
Trade and other payables: including accruals and taxes	(223)	-	(223)
Net liabilities acquired by the company	(176)	-	(176)
Debt acquired on acquisition			-
Consideration			50
Cash paid			-
Goodwill arising on acquisition			226

If all of the above acquisitions had been completed on 1 January 2006, the trading activity of the group would have been as follows:

	€'000
Turnover	8,446
Cost of sales	(4,915)
Gross margin	3,531
Salaries and related expenses	(2,120)
Other operating expenses	(3,146)
Depreciation and amortisation	(242)
Operating deficit	**(1,977)**
Net interest	(80)
Net deficit before taxation	**(2,057)**
Taxation	484
Deficit after taxation but before minority interests	**(1,573)**
Minority interests	(37)
Retained deficit after taxation	**(1,610)**

7. **Share capital and loss per share**

a) Share capital

	Group 2006 € '000	**Company 2006 € '000**
Authorised:		
170,000,000 Ordinary shares of 1p each	2,524	2,524
Issued:		
119,541,217 Ordinary shares of 1p each	1,775	1,775

b) Warrants

On 31 December 2006 and as at the date of this document, the Company had outstanding warrants to subscribe for 8,928,750 new ordinary shares as follows:

	Number of warrants	*Exercise price per share*	*Expiry date*
Issued in connection with the Placing of March 2006	1,128,750	€0.1107419	1 Dec 2010
Issued in connection with the Placing of September 2006	7,800,000	£0.11	6 Sept 2008

The warrants are exercisable at any time before their respective expiry dates. RAB Special Situations (Master) Fund Limited holds a warrant to subscribe for 5,000,000 ordinary shares out of the 7,800,000 noted in the table above.

c) Loss per share

(i) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

Profit attributable to equity holders of the company	€950,000
Weighted average number of ordinary shares in issue	119,541,217
Basic loss per share	(0.79) cents

(ii) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares during the period. However, no potential ordinary shares are considered dilutive, as loss per share would decrease had the warrants in issue been exercised.

END