

**SIX MONTH REPORT OF THE BOARD OF DIRECTORS OF “ELGEKA S.A. TRADE-
DISTRIBUTIONS – REPRESENTATIONS – INDUSTRY” COVERING BOTH THE
CONSOLIDATED AND STAND-ALONE FINANCIAL STATEMENTS,
FOR THE PERIOD 01 JANUARY – 30 JUNE 2010.
(In accordance with Law 3356/2007, article 5)**

Dear Shareholders,

In accordance with the terms of Law 3556/2007 and the relevant decisions issued by the Stock Exchange Committee, we submit the present six-month Report of the Board of Directors for the six-month period of the current year 2010 (01.01.2010-30.06.2010).

This report includes in condensed form financial performance and variations of the period, reference to significant events during first semester of 2010, analysis of perspectives and risks that are expected to incur during the second semester of 2010, along with an analysis of related party transactions. This information refers to both the Parent company and the Group as a whole.

The contents of the report are presented as follows:

1. FINANCIAL PERFORMANCE OF THE GROUP & THE PARENT COMPANY FOR THE PERIOD 01/01/2010 TO 30/06/2010

During the first semester of 2010, the Consolidated financial results of the Group are summarized as follows:

Consolidated Turnover (Sales) for the six-month period ended 30 June 2010 amounted to Euro 142.839 thousand as opposed to Euro 146.540 thousand for the respective period of 2009, representing a decrease of Euro 3.701 thousand or by 2,53%. This is a result of the decrease in sales/turnover of the Parent Company, and its subsidiary SAMBROOK PHARMACEUTICALS S.A., after the sale of the business segment (at 30/12/2009), which related to the trade and distribution of generic products of "SANDOZ" pharmaceutical company.

Consolidated Gross Operating Results (Gross Profits) amounted to Euro 22.047 thousand for the six-month period ended 30 June 2010 as opposed to Euro 25.281 thousand for the respective period of 2009, representing a decrease of Euro 3.234 thousand or by 12,79%. The main reason is the decrease in gross operating results of the companies SAMBROOK PHARMACEUTICALS S.A. and DIAKINISIS S.A., while the gross profit margin amounted to 15,43% as opposed to 17,25% for the respective period in 2009.

Satisfactory decrease was noted in Consolidated Operating Expenses by 9,36% mainly due to the reduction in Selling and Distribution Expenses. More specifically, during the first semester of 2010 the Operating Expenses amounted to Euro 27.112 thousand as opposed to Euro 29.912 thousand for the respective period of 2009.

Consolidated profits before tax, financial, investing results and depreciation (EBITDA) during the first semester of 2010 amounted to Euro 5.681 thousand as opposed to Euro 5.036 thousand for the respective period of 2009, representing an increase by 12,81%, mainly due to the reduction of Group's "Selling and Distribution Expenses" and "Other operating Expenses".

Consolidated profits before tax, financial and investing results (Operating Results) during the first semester of 2010 amounted to Euro 2.887 thousand as opposed to Euro 2.114 thousand for the respective period of 2009, representing an increase of Euro 773 thousand or by 36,57%.

Consolidated profits before tax amounted to Euro 378 thousand for the first semester of 2010 as opposed to losses of Euro 1.159 thousand for the respective period of 2009, representing a significant variation of Euro 1.537 thousand. This is mainly due to the reduction of Financial Expenses ("Interest and related expenses") and to the profit resulted from the disposal of the participation (30% plus two (2) shares) in the Company

PAPADIMITRIOU S.A. of Euro 605 thousand and the transfer of the remaining participation percentage (19.99%) to Financial Assets Available for Sale and its valuation in fair value amounting to Euro 403 thousand.

Consolidated Net Losses after taxes amounted to Euro 309 thousand for the first semester of 2010 as opposed to Euro 1.603 thousand for the respective period of 2009, representing a significant decrease in losses of Euro 1.294 thousand or by 80,72%.

Earnings / (Losses) per share (EPS) amounted to Euro 0,0034 (for the first semester of 2010) as opposed to Euro (0,0284) for the respective period of 2009, which is an increase of Euro 0,0318 per share.

The Group's financial position is deemed as satisfactory and is presented in the Consolidated Financial Statements for the six-month period ended June 30, 2010.

In specific, the net book value of Consolidated Non-Current Assets amounted to Euro 129.804 thousand representing the 47,98% of the Group's Total Assets as opposed to Euro 136.690 thousand at 31/12/2009 (representing the 46,30% of the Group's Total Assets).

The Group shareholders' equity represents 27,78% of the Group's total shareholders' equity & liabilities amounting to Euro 75.155 thousand as opposed to Euro 78.359 at 31/12/2009, representing a decrease of 4,09%.

The Group's total liabilities amounted to Euro 195.378 thousand as opposed to Euro 216.894 thousand at 31/12/2009, representing a decrease by 9,92%. The long term liabilities amounted to Euro 56.225 thousand as opposed to Euro 62.832 thousand at 31/12/2009, representing a reduction of 10,52%.

The Group's long term bank liabilities (long term liabilities payable within the following year included) amounted to Euro 32.196 thousand and decreased by Euro 4.219 thousand as opposed to 31/12/2009, which amounted to Euro 36.415 thousand, representing a reduction by 11,59%.

The Group's short term bank liabilities amounted to Euro 68.247 thousand (25,23% of the total liabilities and shareholders' equity) and increased by Euro 9.371 thousand as opposed to 31/12/2009, which amounted to Euro 58.876 thousand, representing an increase by 15,92%.

The Parent Company's financial results are summarized as follows:

Turnover (Sales) of ELGEKA S.A. for the six-month period ended 30 June 2010 amounted to Euro 61.977 thousand as opposed to Euro 63.908 thousand for the respective period of 2009, representing a decrease of Euro 1.931 thousand or by 3,02%. The main reason for the decrease is the reduction in demand for consumer goods in the domestic market.

Gross Profits amounted to Euro 13.653 thousand as opposed to Euro 13.939 thousand for the respective period of 2009, representing a decrease of Euro 286 thousand or by 2,05%, whereas gross profit margin increased by 1,01% (that is from 21,81% to 22,03%).

Operating Expenses increased by 5,03%, from Euro 15.409 thousand during first semester of 2009 to Euro 16.184 thousand for the respective period in 2010, representing an increase of Euro 775 thousand, which is mainly due to the increase in Selling and Distribution Expenses.

Profits before tax, financial, investing results and depreciation (EBITDA) amounted to Euro 2.547 thousand in first semester of 2010 as opposed to Euro 2.469 thousand for the respective period of 2009, representing an increase of 3,16%, mainly due to the reduction in "Other Operating Expenses". The main reason is the reduction of provisions for doubtful trade receivables (as the Parent Company has secured much of its credit, either through an insurance program of credit cover or by receiving guarantees from clients), and the increase in "Other operating income" which relates to the participation of Company's suppliers in advertising and promotion expenses of their products.

Profits before tax, financial and investing results (Operating Profits) amounted to Euro 1.937 thousand for the first semester of 2010 as opposed to Euro 1.793 thousand for the respective period of 2009, representing an increase of Euro 144 thousand or by 8,03%.

Profits before tax of the Parent Company amounted to Euro 1.038 thousand for the current period as opposed to Euro 1.151 thousand for the respective period of 2009, representing a decrease of Euro 113 thousand or by 9,82%. The profits before tax for ELGEKA S.A. have been adversely affected by the increase occurred during the current period in the "Other Financial Results-Expenses" amounted to Euro 363 thousand compared to first semester of 2009, mainly due to losses incurred by the disposal of financial assets available for sale (the disposal of participation in GALACO S.A. which resulted in loss of Euro 195 thousand).

Net Profit after taxes amounted to Euro 582 thousand for the first semester of 2010 as opposed to Euro 817 thousand for the respective period of 2009, representing a decrease of Euro 235 thousand or by 28,76%. The main reason for the decrease is decrease in profits before tax and the additional tax imposed (mainly due to the special contribution for social responsibility) compared with the respective period of 2009.

Earnings per share (EPS) of the Parent Company for the first semester of 2010 amounted to Euro 0,0182 as opposed to Euro 0,0256 for the respective period of 2009, representing a decrease by 28,91%.

2. SIGNIFICANT EVENTS FOR THE PERIOD 01/01/2010 to 30/06/2010

The most significant events which took place during first semester of 2010 are the following:

- On March 16, 2010, the Group proceeded with the disposal of interest in "SAMBROOK PHARMA Pharmaceutical Ltd" in which the sole shareholder was the subsidiary "SAMBROOK PHARMACEUTICAL S.A." where the Parent Company participated with 91.34%. The sale price was Euro 21 thousand, representing the cost of acquisition by the subsidiary. This sale has not materially affected the Consolidated Financial Statements as the financial figures of the subsidiary are immaterial for the Group (Equity at 31/12/2009 amounted to approximately Euro 70 thousand and Losses before taxes amounted to Euro 10.6 thousand).

From this disposal there was a profit for the Group amounting to Euro 70 thousand, which is included in "Other Financial Results."

- On April 15, 2010, the Parent Company proceeded to the sale of part of its participation in the company "PAPADIMITRIOU S.A.". Specifically, the Parent Company sold 37.372 shares of the subsidiary from the total 62.283 shares held, representing participation of 30% plus two (2) shares. Consequently, the new participation percentage in that company is 19.99% from 50% plus one (1) share that was before this sale. The sale price of the abovementioned transaction amounted to Euro 1.800 thousand.

In the stand-alone financial statements there was no result, as the participation was valued at cost less any accumulated impairment losses.

In the Consolidated Financial Statements there was a profit of Euro 1.008 thousand, which includes profit of Euro 403 thousand as a result of the fair value of the remaining participation.

The results and the equity of the subsidiary had no material effect on the Consolidated Financial Statements. Specifically, turnover and loss after tax and non-controlling interest of this subsidiary at 15/04/2010, which were included in the Consolidated Financial Statement, amounted to Euro 1.734 thousand and Euro 128 thousand respectively (31/12/2009: Euro 6.603 thousand and Euro 82 thousand respectively).

Consequently, the company "PAPADIMITRIOU S.A." which was incorporated in the Consolidated Financial Statements of ELGEKA S.A. under the full consolidation method at December 31, 2009, after the disposal on 15/04/2010, is no longer consolidated and it is presented as Financial Assets Available for Sale at fair value of Euro 1.200 thousand.

- On April 27, 2010, the 99.99% subsidiary "DIAKINISIS S.A. Warehousing-Distribution-Packages" signed a 2-year cooperation agreement with COSCO PCT (with automatic renewal in the absence of

written notice six months before the expiry of the contract by one of the parties) for the provision of management services, loading and unloading of containers and other services at the Pier II of the New Container Terminal in Port of Piraeus.

This agreement, which may be transferred to any subsidiary of ELGEKA GROUP concerns the implementation of the project handling and movement of containers arriving at the port of Piraeus, especially at the Pier II, which was granted to COSCO PCT for the next 35 years.

This cooperation, which is particularly important at national level because it is one of the first to arise in the context of broader cooperation between Greece and the COSCO GROUP and creates the conditions for the further development of business relationships between Greece and China. The importance of this cooperation was sealed by the visit of Capt. Wei Jiafu, President and Managing Director of COSCO in the facilities of DIAKINISIS S.A.

The organization and infrastructure of DIAKINISIS in conjunction with the support provided from ELGEKA GROUP, which presented turnover of Euro 318 million in 2009 and 1.750 employees approximately, led COSCO to the choice of DIAKINISIS as the main "player" in the partnerships that sought to implement its business plans in the port of Piraeus.

- At the Annual General Meeting of the Parent Company held on June 28, 2010, was decided among others to resume treasury share repurchase program, in accordance with Article 16 paragraph 1 of Codified Law 2190/1920, and, in particular the repurchase of treasury shares by the Company, through the Athens Stock Exchange during the period from 01/07/2010 until 22/06/2012, up to 10% of the subscribed share capital, which now amounts to 3.193.703 shares, including 140.850 treasury shares previously acquired by the Company (pursuant to the 30/06/2008 and 21/04/2010 decisions of the Annual General Meeting of shareholders and the Board of Directors respectively for the purchase of treasury shares up to 30/06/2010). Maximum purchase price was set at a price of Euro 10.00 and minimum purchase price was set at Euro 0.50 per share.

The Company will be able to use its treasury shares, in whole or part thereof, for either the fulfillment of future stock option plan to employees of the Company or the possibility of exchanging shares acquired under a future program to purchase equity shares of other companies or future reduction of share capital by cancellation of treasury shares.

Subsequently, in execution of the decision of the Annual General Meeting of the Parent Company held on June 28, 2010 and the decision of the Board of Directors held on June 29, 2010, the company purchased 61.650 treasury shares from 01/07/2010 up to the date of approval of this Report of the Board of Directors. Thus, total treasury shares currently held by the Parent Company amount to 202.500 ordinary shares, which represent 0,634% of share capital and total number of shares, while the total acquisition value amounts to Euro 157.407,03 (average price of Euro 0.777319 per share).

- Also, the Annual General Meeting of the subsidiary MEDIHELM PHARMACEUTICAL S.A. held on June 30, 2010 decided to reduce its share capital by the amount of Euro 1.174 thousand, reducing the nominal value of its shares from Euro 20 to Euro 10 for the capitalization of previous years losses and, at the same time, the increase in the share capital of Euro 1.186 thousand by issuing 118.600 new ordinary shares with a nominal value of Euro 10 each. By doing so, the new share capital amounts to Euro 2.360 thousand, divided into 236.000 ordinary shares with a nominal value of Euro 10 each. ELGEKA S.A. entirely undertook the increase by paying on 19/08/2010 Euro 1.186 thousand, increasing its participation percentage from 96.95% to 98.48% approximately.

- During the first semester of 2010, in accordance with Article 5 of the Law 3845/2010 (Government Gazette A 65/06-05-2010) a special contribution for social responsibility on the overall net income of companies for the year 2010 was imposed, in case their income exceeded Euro 100 thousand.

Consequently, after the assessment of Group's management, the special contribution of Article 5 of Law 3845/2010 which was included in the results of the first semester of 2010 amounted to Euro 73 thousand for the Parent Company and Euro 236 thousand for the ELGEKA Group respectively. Note that these amounts will be finalized after the receipt of the respective paycheck from the relevant tax authorities.

- The investments in fixed assets for the first semester of 2010 amounted to Euro 1.493 thousand and Euro 379 thousand for the Group and the Parent Company respectively.

3. PERSPECTIVES – PROGRESS OF ACTIVITIES - SIGNIFICANT RISKS AND UNCERTAINTIES OF THE SECOND SEMESTER OF 2010

The efforts and perspectives for further development, expansion and enlargement of the Group's activities are already visible from the beginning of the second semester of 2010.

The Parent Company's Management constantly seeks to improve and expand its products' distribution location through alternative retail channels. Its fundamental goals are the continuous investment in existing trading brands, through advertising and promotion expenses and actions at selling points to consumers, as well as the attraction of new cooperations.

Furthermore, ELGEKA S.A. having as a criterion the strategic development in the wholesale market, an activity which is related and fully consistent with its existing activities, proceeded at the beginning of the second semester of 2010 in the acquisition of the company "VITA PI S.A." taking the following actions:

On July 7th, 2010, the Parent Company acquired a rights option on the share capital increase of the wholesaler "VITA PI S.A.". The participation percentage from the listed company "ATLANTIC SUPER MARKET S.A.", before the purchase, on the share capital increase was 99,71%. ELGEKA acquired from "ATLANTIC SUPER MARKET S.A." the abovementioned participation for the amount of Euro 10.280 thousand.

The Parent Company, in conjunction with the resignation from rights option of the other shareholder to participate in the share capital increase, has purchased the total of share capital increase for the amount of Euro 1.855 thousand (3.500 thousand shares of 0,53 Euro each) and as result its participation percentage amounted to 72,92%.

In addition, on the same day the Parent Company has purchased the remaining percentage of the listed company "ATLANTIC SUPER MARKET S.A." to the wholesaler "VITA PI S.A." (1.296.182 shares of nominal value of Euro 0,53 each or 27% of the share capital) for Euro 4.520 thousand.

As a result, the Parent Company's participation percentage is finally 99,92%. The allocation of acquisition costs relating to the transaction is expected to be completed by the end of the current fiscal year, as in accordance with the provisions of IFRS 3 "Business combinations", it must be completed within twelve months from the date of acquisition.

"VITA PI S.A." was founded in 1986 and its headquarters are located in Anchialos of Thessaloniki, Municipality of Agios Athanasios. Its operation is the representation, distribution and merchandise of food and other consumable products. Following a consistent quality strategy to the market and implementing innovative techniques in the field of sales and marketing, the company is easily distinguished from other companies in the market.

"VITA PI S.A.", formerly a subsidiary of a listed company "ATLANTIC SUPER MARKET S.A.", which held the majority of its shares (99.71%), is able to cover each category of retail sales, providing the best possible service to satisfy the needs of the continually number of growing customers, with a basic policy of continuous development and improvement. Today, "VITA PI S.A." has an exclusive distribution of the products of TASTY / LAYS in the areas of Thessaloniki, Drama, Kavala, Kilkis. The Company's distribution centers and warehouses in Thessaloniki, Kavala, Komotini, Trikala and Iraklio of Crete are able to support the company's operations and instant satisfaction of the requirements and expectations of its customers.

"VITA PI S.A."s turnover in 2009 and 2008 amounted to Euro 24.837 thousand and Euro 23.137 thousand respectively, while earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to Euro 462 thousand and Euro 421 thousand respectively. The company has gradually operated in trading during the first half of 2010 in the wholesale sector, through small groups of super markets. This resulted in a sharp increase of its turnover of Euro 46.647 thousand in the first semester of 2010 as opposed to Euro 12.145 thousand in the respective period of 2009. The annualized turnover for the current year is estimated to Euro 105.000 thousand approximately and profit before tax, financial investing results and depreciation (EBITDA) of Euro 2.200 thousand.

Finally, ELGEKA S.A. plans, in continuation of its lease program for ten warehouses approximately, to lease during the second semester of 2010 additional warehouses, in the Greek territory (apart from the three already leased in Kozani, Kavala and Larissa), aiming at a better service rendered to its clients and an increase in sales through the distribution of fresh short life products.

The negative global financial conditions during the first semester of 2010, coupled with the contractionary macroeconomic domestic policy, have significantly restricted the demand due to the continuous lack of liquidity in the domestic and international markets. As a result, the operation of some of the Group Companies, resulted in the decrease of the gross margin for those companies as well as for the Group. However, these conditions did not have a significant impact on the Group's results, as all other figures were significantly increased.

For the second semester of 2010, the Parent Company's Management has as fundamental goals the increase of Group's turnover, the decrease of its operating expenses and the improvement of working capital along with the decrease of borrowings, as well as the smooth integration and further development of the newly acquired company "VITA PI S.A." and the further development of the recently signed and substantial cooperation between "DIAKINISIS S.A." and "COSCO PCT".

Also, at the beginning of the second semester of 2010, as part of wider development and planning for the achievement of the Group's goals, the following events took place:

a) On July 5, 2010, ELGEKA (CYPRUS) LTD, a 100% subsidiary, has founded a new company under the name «DIAKINISIS PORT (CY) LIMITED», which is based in Nicosia, Cyprus. The participation percentage of ELGEKA (CYPRUS) LTD in the equity (40,000 Euro) of the newly formed company «DIAKINISIS PORT (CY) LIMITED» is 50,01%, and the objective of the new company is to participate in other companies.

b) On August 5, 2010, "DIAKINISIS PORT (CY) LIMITED", newly formed subsidiary with participation percentage of 50,01%, has founded a new trade limited company under the name «DIAKINISIS PORT & Co, which is situated in the Municipality of Piraeus. The participation percentage of «DIAKINISIS PORT (CY) LIMITED» in the equity (Euro 30.000) of newly formed company "DIAKINISIS PORT & Co" is 99%. The objective of the new company is to conduct port services associated with loading, unloading and handling containers and transport them to storage areas.

However, we should note that the Group operates in a strongly competitive environment and regardless of its continuing investment in know-how, fixed equipment and human resources, which strengthens its leading position into the Greek and Romanian markets, the Group is still exposed to a number of business risks, most of which are managed by the Parent Company's Financial Department in cooperation with the Group companies' managements. The most important risks and uncertainties for the second semester of 2010 are the following:

a) Market Risk

Due to the most recent credit crisis both in global and in domestic markets, consumers' expectations, as well as their available income, have been decreased, having as a consequence the decrease in demand of consumers' products. A general decrease in demand combined with an increase in raw materials' prices will boost international inflation and intensify the inflationary pressures.

b) Credit Risk

The Group does not have a significant concentration of credit risk deriving from contracting parties, due to its highly diversified client list in its main operating sectors and the strong credit ability of its clients that perform the most significant percentage of turnover. The exposure to credit risks as well as the financial performance of the clients is assessed on a constant basis by the Group's companies, so as the granted credit for significant customers not to exceed the predefined credit limit. Furthermore, in order to have higher level of security, management has initially decided for the Parent Company and VIOTROS S.A. to insure a significant part of credits to a reputable insurance company (EULER HERMES). As a result, the Management considers that during the second semester of 2010 there will be no significant credit risk

uncovered by any security or by adequate provisions for doubtful receivables both for the Parent Company and the Group's companies.

c) Interest and Foreign Exchange Risk

Group bank loans are mostly denominated in Euro and is based in floating interest rates. Group Management considers that there is no significant risk deriving from possible significant changes in interest rates (EURIBOR). Especially for the Group companies ELGEKA FERFELIS ROMANIA S.A. and SC GATEDOOR HOLDINGS COM S.R.L. that operate in Romania, based on the fact that there are significant transactions in local currency (functional currency), the Group has decided, since the beginning of 2010, to enter into two hedging agreements of total value of current contracts of Euro 24 million and with an exercise date at December 31st, 2010, so as to decrease or eliminate foreign exchange losses that might arise at 31/12/2010 during the valuation process of its borrowing liabilities in foreign currency (in case of negative variations in exchange rates), using financial products (options). Thus, the risk of recording potentially high amount of exchange losses, in the case of substantial devaluation of the local currency, is significantly decreased, without adding new risks in its operation.

Furthermore, the Parent Company's (ELGEKA S.A.) Management decided to enter into hedging contracts with Alpha Bank & Emporiki Bank. These are interest rates contracts up to Euro 7.500 thousand each in order to hedge for the Company's interest rate exposure. For the same reasons, the subsidiary DIAKINISIS S.A. entered into a hedging contract with the amount of Euro 7.500 thousand (Parent Company as guarantor). The abovementioned contracts, "Plain Vanilla IRS" products, were signed at the beginning of July 2009 and activated in October 2009.

The Group finances its investments and needs for working capital through bank loans, bonds (long-term borrowings) and Sale & Lease Back property contract, that result in interest expense charges to its financial statements. The potential increasing trends of interest rates (changes of EURIBOR interest rate) during the second semester of 2010 will have a negative impact on Group's financial results, due to increased borrowing costs.

Group short-term loans are contracted on floating interest rates. The interest rates' renewal takes place, for short-term loans, every 1 to 3 months, and for long-term loans every 3 to 6 months. This fact enables the Group to avoid the risk from immense interest rate fluctuations.

Furthermore, due to Group international activities, there are trade transactions in foreign currency. As a result, the Group is exposed to fluctuations of the exchange rates (main country, apart from Greece, is Romania). Finally, the Group's exposure to foreign exchange risks is reduced regarding the conversion of subsidiaries' financial statements.

d) Liquidity risk (financial risk)

The Group faces no difficulties in the settlement of its liabilities, due to a) good operating cash flows, b) high debt capacity from financial institutions and c) financial assets, whose book values do not deviate from their fair values.

The Group manages the risks that may occur from the lack of adequate liquidity by maintaining unused bank credit limits. As at 30/06/2010, the Group had Euro 12.237 thousand in cash, whereas the available unused approved bank credit limits amounted to Euro 17.881 thousand are deemed adequate for the Group to cover for a potential short-fall of cash and cash equivalents.

e) Capital management

The Group's primary goal regarding capital management is to ensure the maintenance of high credit rating and strong capital ratios, in order to secure and expand the Group's activities and to maximize shareholders' value.

No changes are expected occur to the Group's approach regarding capital management during the second semester of 2010.

Not only does the Group but also the Parent Company manage capital adequacy by reviewing the ratio of total borrowings to Equity, in order to constantly improve its capital structure.

f) Macroeconomic risk

The main macroeconomic risks to which the Group is exposed is the inflation cost, the income policy and the recession risk that might lead into compression and shrinkage of consumer expenses. The decrease in consumption might lead not only to an exacerbation of competition but also to a sales decline, a gross profit decline and, as a result, to a negative influence on profitability.

g) Risk relevant to Food safety

The Group's main area of activity is the food sector.

Packaging, marketing, distribution and food sales include inherent risks as far as the products' quality responsibility, the potential return and the consequent unfavorable publicity is concerned. This might lead into negative consequences in reputation, operation, financial position and Group's results.

Such products might lead to an unintentional distribution by the Group and might have consequences in customers' health. As a result, the Group has a legal responsibility for potential reimbursement demands and, as a result, has proceeded to adequate insurance cover.

The Group applies a strict quality policy and safety for food products, in order to offer to its customers, high quality and secure products and to faithfully and strictly follow safety and hygiene rules.

Both Management and the entire Group structure are socially sensitive, in order to offer to customers high quality and safe products, as indicated by the following certifications granted to the Parent Company:

ELGEKA S.A., following relevant amendments – reviews of Food Hygiene and Safety System (H.A.C.C.P.) in Athens and Thessaloniki premises (04.03.2004 and 10.03.2004 respectively), received certificate approval in regard with:

- “CODEX ALIMENTARIUS” standard by TÜV-NORD, accredited by German organization DAR.
- “ELOT 1416” standard by TÜV-NORD (member of RWTÜV Group), accredited by E.S.I.D.

It is noted that ELGEKA S.A. is one of the few members, which have certifications for H.A.C.C.P. from two (2) non-associated organizations with global reputation in two (2) different standards.

4. RELATED-PARTY TRANSACTIONS (in thousand Euro)

The most significant transactions and Parent Company's balances with related parties in accordance to IAS 24, refer to transactions with the following subsidiaries and other related parties (in accordance with Codified Law 2190/1920, article 42e, par.5), as shown in the following table:

SUBSIDIARY COMPANIES	Sales / Income	Purchases / Expenses	Receivables	Liabilities
DIAKINISIS S.A.	42	2.027	46	431
PAPADIMITRIOU S.A.	6	21	-	-
VIOTROS S.A.	60	150	65	54
SAMBROOK PHARMACEUTICALS S.A.	9	-	-	-
MEDIHELM PHARMACEUTICALS S.A.	6	-	-	-
ELGEKA FERFELIS ROMANIA S.A.	19	-	19	-
Total	142	2.198	130	485

	Sales / Income	Purchases / Expenses	Receivables	Liabilities
OTHER RELATED PARTIES	-	1	-	-
TOTAL OF OTHER RELATED PARTIES	-	1	-	-
TOTAL OF SUBSIDIARY COMPANIES AND OTHER RELATED PARTIES	142	2.199	130	485

Analytically, the following relationships exist between ELGEKA S.A. and related companies:

1. ELGEKA S.A. – DIAKINISIS S.A.

ELGEKA charged DIAKINISIS the following services:

- Euro 23 thousand for consultancy services regarding SAP implementation
- Euro 7 thousand for sales of fixed assets
- Euro 5 thousand for compensation of lack of supplies
- Euro 7 thousand as fee for preparing financial statements in accordance with IFRS

Furthermore, DIAKINISIS charged ELGEKA under service contracts for 3rd party logistics contract and subleasing contracts for office spaces, the following amounts:

- Euro 1.224 thousand for goods delivery services
- Euro 635 thousand for storage services
- Euro 150 thousand for rents and Euro 18 thousand for other services (lighting, water)

2. ELGEKA S.A. – PAPADIMITRIOU S.A.

PAPADIMITRIOU was related company to ELGEKA until 15/04/2010. Since then, the participation percentage of ELGEKA is 19.99%, and is no longer consolidated. Up to that date, the transactions between the two companies were formed as follows.

- ELGEKA purchased from PAPADIMITRIOU goods amounting to Euro 21 thousand. PAPADIMITRIOU, whose operation is, among others, the production of mustard, has as an exclusive agent and distributor ELGEKA S.A. for the promotion of TESTA mustard according to an agreement signed by both parties.

- In addition, ELGEKA charged PAPADIMITRIOU the amount of Euro 6 thousand as fee for preparing financial statements in accordance with IFRS.

3. ELGEKA S.A. – VIOTROS S.A.

According to the private agreement signed by both counterparties, ELGEKA S.A. has undertaken VIOTROS S.A.'s product distribution in the Greek market. VIOTROS sales to ELGEKA amounted to Euro 121 thousand during the first semester of 2010.

Furthermore, ELGEKA S.A. has charged VIOTROS S.A. the amount of Euro 6 thousand as fee for preparing financial statements in accordance with IFRS and Euro 53 thousand as fee for providing consultation services.

VIOTROS purchased from ELGEKA fixed assets of Euro 1 thousand, and sold to ELGEKA fixed assets of Euro 29 thousand.

4. ELGEKA S.A. – SAMBROOK PHARMACEUTICALS S.A.

ELGEKA charged SAMBROOK PHARMA PHARMACEUTICALS LTD Euro 9 thousand as fee for preparing financial statements in accordance with IFRS.

5. ELGEKA S.A. – MEDIHELM PHARMACEUTICALS S.A.

ELGEKA charged MEDIHELM Euro 6 thousand as fee for preparing financial statements in accordance with IFRS.

6. ELGEKA S.A – ELGEKA FERFELIS ROMANIA S.A.

ELGEKA charged ELGEKA FERFELIS ROMANIA Euro 19 as fee for rendering consultant services.

The only company in the capital of which a member of the Board of Directors participates in the share capital with a percentage higher than 10% is EXCEED CONSULTING (FANDRIDIS & PARTNERS - CONSULTANTS) in which ELGEKA paid fees of Euro 1 thousand for research.

Finally, key management personnel and members of board remuneration (Parent Company and Group) for the first semester of 2010 amounted to Euro 527 and Euro 529 respectively. These include the following:

BoD members' payrolls, that offer their services as Managers to the Company, amounted to Euro 384 thousand and 384 thousand for the Group.

Expenses for the presence of BoD's members that do not offer their services as Managers to the Company and the Group amounted to Euro 56 thousand.

Other remunerations to Managers and BoD members amounted to Euro 87 thousand and Euro 89 thousand for the Company and the Group respectively.

No loans were given to BoD's members or to Group's Managers.

There were no changes in the transactions between the Company and its related parties individuals which could lead to important consequences with regard to the financial position and performance of the Company during first semester of 2010.

All aforementioned transactions were accomplished under the standard market rules.

Exact abstract from the Board of Directors minutes book
Municipality Echedorou-Industrial Area Sindos
Thessaloniki, August 26, 2010

President & Managing Director
Alexander Katsiotis