



NIREUS AQUACULTURE S.A



# **NIREUS AQUACULTURE S.A.**

**COMPANY'S REGISTER No. 16399/06/B/88/18**

**ANNUAL FINANCIAL REPORT 2010**

**for the year**

**from 1<sup>st</sup> January to 31<sup>st</sup> December 2010**

***In accordance with article 4 of L. 3556/2007***

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## ***DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS***

### **Declarations from the Members of the Board of Directors (In accordance with article 4 par. 2c of L. 3556/2007)**

It is hereby confirmed, to the best of our knowledge, that the annual financial statements of the Company “NIREUS AQUACULTURE S.A” for the year, 1<sup>st</sup> January to 31<sup>st</sup> December 2010, which have been compiled in accordance with the enforced Accounting Standards, give a true and fair view of the assets and liabilities, the net equity and the current year’s results of the issuer and its entities which are included in the consolidation and are taken as a whole and the board of directors report reflects a true view of the development, the performance and the position of the issuer, including the entities which are included in the consolidation, taken as a whole, including the description of the major risks and uncertainties which they encounter.

Koropi, 28 March 2011

The declarers

**CHAIRMAN AND CEO**

**VICE PRESIDENT AND  
MANAGING DIRECTOR**

**SUBSTITUTE MANAGING  
DIRECTOR**

**ARISTIDES ST. BELLES  
ID. No. AB 347823**

**NIKOLAOS EMM.CHAVIARAS  
ID. No. AA 499020**

**CHACHLAKIS G. ANTONIS  
ID. No. AE 083337**



***ANNUAL BOARD OF DIRECTORS REPORT***  
**of the company**

**“NIREUS AQUACULTURE S.A.”**

**On the consolidated and individual Financial Statements**

**For the year 2010 (from 1<sup>st</sup> January to 31<sup>st</sup> December 2010)**

Dear Shareholders,

We submit to you, based on legal requirements, the annual financial statements for the year 2010 (1/1/20010-31/12/2010) officially approved.

For your better notification, we display data and information with respect to the development of operations as well as to the financial position of the total of the entities which are included in the consolidation, the major risks and uncertainties which the Group of companies may potentially encounter and finally the major transactions which have been incurred between the issuer and its, related to the Group, parties.

**FINANCIAL RESULTS OF THE GROUP MAJOR DEVELOPMENTS AND PROSPECTS**

The total 2010 consolidated sales revenue of the Group amounted to €185,3 million, increased by 13.3% from €163,5 million in 2009.

Market demand has been quite strong during 2010, especially in markets outside Greece, with the group increasing sales in these markets by 29,77% vs. 2009. As a result, total sales outside Greece in 2010 amount to 75,54% of total group revenue compared to 66% in 2009.

Total profits before Tax for the Group amounted to losses of € 34,8 million, compared to losses of € 0,9 million in 2009.

Strong growth in fish sales in combination with the strategic decision to best align production with sales, which for 2010 meant lower levels of production compared to 2009, in line with the 2009 Board of Directors report, resulted in lower biological assets with a corresponding effect in financial results. According to IFRS, companies with biological assets are required to add (subtract) the increase (decrease) of the fair value of biological assets to their profits. The fair value of biological assets of the group at the end of 2010 has decreased by €15,1 million, negatively affecting the total profits before tax.



Furthermore, profits before tax have been affected negatively due to, losses from sale of participation in associated company; change in accounting policy of fixed assets valuation at fair value and from negative contribution of consolidated companies Marine Farms and Blue fin Tuna (consolidated using Net Equity method).

More specifically, the sale of the participation in the affiliate company Marine Farms, had a negative effect in profits before tax of €10 million; change in accounting policy of fixed assets valuation at fair value had a negative effect of €1,1 million while consolidation of Marine Farms and Blue Fin Tuna using Net Equity method had a negative impact of €1,2 million compared to a positive impact of €0,4 million in 2009.

Total Earnings after taxes for the Group amounted to losses of €34.1 million versus losses of €3 million in 2009.

It is noted that Total Earnings after Tax include the Special Social Contribution of €0,6m, imposed by the Greek Government to all profitable companies.

Group gross results from operations and gross profit margin have improved by approximately 91 basis points compared to 2009 (excluding the effect of biological assets valuation at fair value), due to the increased prices and the group market share increase. This reflects the special attention to our relations with customers and our continuing efforts in consistent and uninterrupted supply of high quality products. Improvement of the gross margin has also been affected by the satisfactory absorption of the significant increase in raw material costs, achieved through cost-conscious improvements formulas, without affecting quality parameters and standards. Formula improvements have resulted in containing fish-feed cost increase to 9% compared to the prior year, whereas had the average formula of 2009 been used, with 2010 raw materials costs, the final fish-feed cost would have increased by 19% compared to the prior year.

Production costs were 2,1% lower in 2010 compared to 2009, reflecting the special management efforts to control production cost.

Additionally, General and Administrative costs (excluding extraordinary one-off costs) have decreased by 2%, while Selling expenses increased by 32 basis points as a percentage of sales revenue compared to the prior year, reflecting the disciplined balance between controlling costs and the necessary efforts for supporting continuous growth, through the establishment and operation of the branch in Italy but also the entry in new markets for our existing products.

As a result of the above and the effort of improvement of the working capital the total cash flows from operating activities (interest expense inclusive) improved by € 10,8 million. More specifically, our coordinated actions for the reduction of the trade receivables brought about € 9,8 million in operating cash flows, the increase in trade and other non loan liabilities brought about € 5,7 million for the Group, despite the increase in receivables from the State in comparison to 2009 by € 4,3 million.

#### **DEVELOPMENT OF FINANCIAL FIGURES** (with the effect of the valuation of inventory at fair value)

<b>COMPANY</b>					
<b>Amounts in € thds</b>					
	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>% Change</b>	<b>31/12/2010</b>	<b>% Change</b>
<b>Sales revenue</b>	175.427	163.000	-7,1	185.180	13,48
<b>EBITDA</b>	25.132	21.690	-13,7	-9.800	-145,20
<b>Profit before tax</b>	10.494	6.191	-41	-39.276	-734,4
<b>Profit after tax and minority interests</b>	3.204	2.575	-19,6	-36.189	-1505
<b>Total Assets</b>	473.256	480.355	1,5	475.475	-1



<b>Total Liabilities</b>	307.483	311.301	1,2	322.023	3,5
<b>Total Equity</b>	165.774	169.055	2	153.451	-9,23

<b>GROUP</b>					
<b>Amounts in € thds</b>					
	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>% Change</b>	<b>31/12/2010</b>	<b>% Change</b>
<b>Sales revenue</b>	169.753	163.518	-3,7	185.313	13,3
<b>EBITDA</b>	29.914	22.119	-26	-2.537	-111,45
<b>Profit before tax</b>	9.782	939	-90,4	-34.824	-3809
<b>Profit after tax and minority interests</b>	316	340	7,6	-35.700	-10600
<b>Total Assets</b>	524.429	521.900	0,5	528.776	1,3
<b>Total Liabilities</b>	356.161	355.959	0	374.062	5,1
<b>Total Equity</b>	168.268	165.941	-1,4	154.714	-6,8

<b>GROUP RATIOS</b>			
	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2010</b>
<b>Gross Margin EBITDA</b>	17,6%	13,5%	-1,37
<b>Net gross margin (ER.AF.M) %</b>	0,2%	0,2%	-19,3
<b>Net Equity return</b>	0,7%	0	0
<b>Loans / Net Requity</b>	2,12	2,14	2,41
<b>Loans /Total equity</b>	0,68	0,68	0,70
<b>General Liquidity</b>	1,66	1,95	1,92

## SALES REVENUE BY SEGMENT

Analyzing revenue by segment, the Group has achieved higher fish sales in its history, capitalizing upon its existing sales network in a wide geographical area, increased demand for Sea Bass and Sea Bream and higher sales prices.

Sales Revenue of Aquaculture (fish and juveniles) amounted to €157,1 million, increased by 23,5% from €127,2 million in 2009. Fish Sales have increased by 22,3% due to higher prices and increased sales volume.

Fish-feed sales amounted to €17,2 million corresponding to 17,7 thousands tons. Aviculture-stockbreeding product sales (sold through 100% owned subsidiary KEGOagri) were stable. Sales of aquaculture equipment have been negatively affected by sector and country crisis, as producers have postponed new investments. In total, sales of other products amounted to €10,9 million compared to €14,7 million in 2009.

Revenue from sales in markets outside Greece amounted to €140,0 million, increased by 30%. In 2010, revenue from markets outside Greece was 76% of total revenue compared to 66% in 2009.

## LOAN BORROWINGS



Management's basic targets include the following: a) the reduction of bank borrowings which will lead to a reduction in finance costs and b) the maintenance of liquidity balances in order that it be able to encounter unanticipated events which result from the unstable mainly domestic economic environment (banks, receivables from the State) in addition to the global economic environment (insurance companies for credit liabilities of Nireus). The level of total net borrowings as compared to the previous years has decreased by € 12,7 million.

The Group as of November 2010 is in the process of restructuring a part of its loan, aiming at refinancing a part of the short-term loan borrowing of the company with an average and medium-long term refinancing structure, in addition to the examination of the recomposition of the payment schedule of part of its long-term loans.

## **LIABILITIES**

The Group's total liabilities during 2010 (except for borrowings) were increased by € 10,0 million as compared to the prior year 2009, from € 97,8 million in 2009 these increased to € 107,7 million in 2010. The increase in liabilities was a result of the significant increase in liabilities towards creditors of an amount of € 6,3 million and the increase in deferred tax by € 4,0 million.

The total liabilities of the Group including bank borrowing are shown to be increased as compared to the prior year, by € 18,1 million in 2010, € 374,1 million as compared to € 356,0 million in 2009. As mentioned above, this increase is attributed to the increase in the liabilities towards creditors due to the increase in the credit terms granted, the increase in deferred tax and in the increase in the long-term bank liabilities by € 8,1 million.

## **INVENTORY**

Total biological inventory has decreased as compared to the year 2009 by an amount of € 15,1 million ( € 257,8 million during the year 2010 as compared to € 272, 9 million during 2009). The decrease in inventory is attributed to increased sales as compared to the prior year 2009 in addition to the reduced production levels as compared to 2009. In addition, the decrease in the total value resulted from the reduction in the average weight of inventory and the fair value (market purchase price) used for the valuation of inventory led to the reduced biological inventory levels.

The remaining non-biological inventory is shown to be increased by an amount of € 1,9 million as compared to the previous year (€ 11,7 million in 2010 as compared to € 9,7 million in 2009).

## **RECEIVABLES**

The Company's Management made a significant effort in restricting its receivables. The average collectibility from trade receivables decreased from 119 days to 105 days in 2010.

## **CASH AND CASH EQUIVALENTS**



Cash and cash equivalents as at 31/12/2010 amounted to € 36,5 million as compared to € 15,7 million in the prior year 2009.

## **NET EQUITY**

The Group's share capital as at 31/12/2010 amounted to € 85,3 million composed of 63.628.748 common shares with voting rights, at a par value of 1,34 Euro each. During the current year 2010 and based on the Board of Directors decision on 13/1/2009, an increase in Share Capital of Nireus Aquaculture SA was made by an amount of € 24.259,36 and 18.104 new shares were issued which resulted from the conversion of 8.350 debentures into shares at a par value of 1,34 Euro each.

The total equity of the Group decreased by € 11,2 million, as a result of the negative results on the one hand and the positive goodwill of fixed assets resulting from the change in the accounting policy by € 22,3 million in connection with the change in the method of valuation of machinery and technical installations in addition to floating means, following the revaluation fair value method in replacement of the cost method, b) from the revaluation of land and buildings at fair value.

## **DIVIDEND POLICY**

For the year 2010 no dividend distribution will be proposed given the results of the year.

## **INVESTMENTS**

The Group's investments in 2010 were significantly reduced while the objective was to solely ensure the stable operations of the Company. Investments which were realized were mainly in connection with the purchase of nets, cages mooring installations and the floating means of the units.

## **MAJOR RISKS AND UNCERTAINTIES**

### **SUPPLIERS-INVENTORY**

The Group does not encounter any issues with respect to slow moving or obsolete stock considering that the major volume of inventory relates to work-in-progress of fresh fish in addition to raw materials for the production of the final product either aquaculture or fishfeed-stock breeding products. Finished goods inventory is minimal. In view of servicing sales requirements, the company is obliged to maintain a high level of fresh fish until the stage at which they reach market size which takes a period of 18-20 months. The entire inventory is insured against potential loss from any risk by Global Insurance Companies which secure reimbursement at cost in the event of a loss. A risk as regards the value of biological inventory can arise from a reduction in the market sales price. In such an event, given that the (biological) inventory is valued at fair values (market values) a reduction in the total value (loss) will incur with a corresponding impact on the current year's results. If, however, in the same period the Company is in the phase of anticipating an increase in the volume of inventory, then the loss in valuation of inventory may be off-set by the valuation, at market prices, of the additional stock produced.



The risk of price volatility of raw materials for 2011 is possible.

With respect to the remaining suppliers, the products of which affect the total cost of production by less than 10%, any potential change in prices will have a minimal effect on the final product.

The major concern of the Group's Management is the reduction in the period of production in order that the cost and the size of production decrease thus improving results and releasing working capital which in turn will lead to a reduction in total borrowings.

## **CUSTOMERS-CUSTOMER CREDITS**

The company's receivables from its customers have a minimal exposure to the risk of bad debts which can result only from the stockbreeding sector, which risk however is significantly restricted due to the large diversification. The percentage participation of the remaining segments as a percentage of the total amounts to 10%.

The remaining amount is insured twice, either through customer credit insurance contracts which insure 80% of the owed amount in the event of default in payment or through the retention of the ownership of the sold product (juveniles) until the date of repayment. The repayment date precedes the production completion date (from juveniles to marketable size fish). Under this approach, bad debts which are historically noted on receivables do not reach 0,5% on sales revenue.

## **BORROWINGS - LOAN INTEREST RATES**

With respect to the financing sector, the Group cooperates with Greek Banks which operate both domestically as well as internationally. The approved credit limits and the projected repayment period of these provide the company with leisure in managing its bank debt and with a sufficient level of working capital. The satisfactory cooperative terms and charges from the different bank services in addition to the 50% grant received on the finance interest of interest of the € 50 million from the Greek State, aid in the restriction of the Group's finance cost. The level of the short-term borrowings of € 81 million as compared to the cash equivalents of the Group of € 36,5 million is considered satisfactory.

In order that the company be insured against the risk of a variation in the basic interest Euribor rate with which it is loans, it has entered into derivative contracts for products of a total level of 25,5 million Euro, which secure funds of 0,5 million Euro from the increase in interest rates above 3,25 %, and funds of € 25 million from the increase in the interest rates above 3,95%. The planned servicing of the borrowings has been made at a total cost of 6%. Given that the Euribor ranges between 1%-1,5%, the provision for the total cost is adequately secured.

## **FOREIGN EXCHANGE RISK**



The Group operates on a global basis. The Group's exposure to foreign exchange risks is minimal given that the transactions at their majority are realized in Euro. This type of risk mainly arises from the commercial transactions in foreign currency in addition to net investments in foreign economic entities.

The Group possesses investments in foreign economic entities, the net assets of which are exposed to foreign exchange risk. The risk attributed to foreign exchange rates of this type arise from the exchange of the Turkish Lire against the Euro.

The finance assets and the respective liabilities of foreign currency, converted into Euro with the closing exchange rates are analyzed as follows:

	2010							2009						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRY	CHF	USD	GBP	NOK	DKK	CAD	TRY	CHF
<b>Notional amounts</b>														
Financial assets	517.426	919.664	-	-	28.570	8.681.654	70.180	517.986	454.683	-	-	23.458	6.800.613	76.779
Financial liabilities	20.809	606	590	0	0	1.505.824	317	393.222	208	554	0	0	2.847.410	313
<b>Total current exposure</b>	<b>496.617</b>	<b>919.058</b>	<b>-590</b>	<b>0</b>	<b>28.570</b>	<b>7.175.830</b>	<b>69.863</b>	<b>124.764</b>	<b>454.475</b>	<b>-554</b>	<b>0</b>	<b>23.458</b>	<b>3.953.204</b>	<b>76.466</b>
Financial assets	-	-	-	-	-	421.967	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	1.253	-	-	-	-	-	-	0	-
<b>Total non-current exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420.714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The table below presents the sensitivity of the current year's results in addition to net equity in relation to finance assets and finance liabilities and the foreign exchange rates in Euro as compared to the above currencies.

We assume that a change occurs as at December 31 2010 in the foreign exchange rate Euro/foreign currency. This percentage is based on the typical divergence of the foreign currency, as this results from monthly observations, of the Euro versus each foreign currency for a period of 12 months.

In the event that the Euro fluctuates in relation to the foreign currency by the percentages set below, then the effect on the current year's results and on net equity is as follows:

<i>Amounts in Euro</i>	2010													
	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Post-tax profit for the year	6,08%	-6,08%	2,36%	-2,36%	13,69%	-13,69%	0,51%	-0,51%	6,82%	-6,82%	6,86%	-6,86%	7,29%	-7,29%
Equity	30.182	-30.182	21.702	-21.702	-81	81	0	0	1.949	-1.949	520.923	-520.923	5.094	-5.094
	30.182	-30.182	21.702	-21.702	-81	81	0	0	1.949	-1.949	520.923	-520.923	5.094	-5.094

  

<i>Amounts in Euro</i>	2009													
	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Post-tax profit for the year	7,13%	-7,13%	2,66%	-2,66%	35,45%	-35,45%	0,34%	-0,34%	4,99%	-4,99%	5,17%	-5,17%	1,56%	-1,56%
Equity	8.901	-8.901	12.088	-12.088	-196	196	0	0	1.171	-1.171	204.458	-204.458	1.191	-1.191
	8.901	-8.901	12.088	-12.088	-196	196	0	0	1.171	-1.171	204.458	-204.458	1.191	-1.191

The Group's exposure to the foreign exchange risk varies during the year depending on the volume of transactions in foreign currency. Thus, the above analysis is considered representative of the Group's exposure to foreign exchange risk.



## **SUBSEQUENT EVENTS FOLLOWING THE BALANCE SHEET DATE**

1. According to the terms of the convertible bond loan on 12.7.2007 as this was approved by the General Assembly on 11.4.2007 and the Board of Directors on 24.5.2007, 450 bonds were converted to 975 new shares of € 1,34 par value each. As a result of the conversion, the company's share capital and share premium increased by € 1.306,50 and € 3.086,58 correspondingly. Following the above increase, the company's share capital amounts to € 85.263.828,82 divided into 63.629.723 shares of € 1,34 par value each.

2. The Competition Commission issued its decision no. 492/VI/2011 on the cooperation of the five fish farming companies, in which NIREUS participated, and for which it had been notified on 12 November 2008. Under this decision, a fine of € 273.582 was imposed on the company which amount has been charged to the current year's results through the establishment of a provision.

There are no other events following the year ended 31 December 2010 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.

## **PROSPECTS FOR 2011**

We assess that prospects for 2011 for the Group to be positive, taking into consideration the following events:

1. In year 2011 improved sales prices of the aquaculture product is anticipated due to the constant demand and the shortage of the total supply.
2. There is a plan to reduce operating expenses consistent with the last two years with the application of a total monitoring program of deviations on a monthly basis and the initiation of a series of projects with respect to cost reduction in all production units of the Group.

As negative aspects, the following can be considered:

1. The unstable economic environment and the confrontation of the liquidity crisis in the real economy from the financial credit institutions.
2. The emerging increase in prices of the primary raw materials of fish feed

**SIGNIFICANT TRANSACTIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES**

The major transactions between the Company and its related parties in accordance with IAS 24, relate to transactions with its subsidiaries (related entities based on article 42S of L.2190/20) which are shown in the table below.

PURCHASING COMPANY	SELLING COMPANY										TOTAL	
	NIREUS AQUACULTURE SA	PREENGORDE DE DORADAS PARA MARICULTURA S.L.	PROTEUS EQUIPMENT S.A	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	BLUEFIN TUNA A.E (GROUP)	ILKNAK SU URUNLERI SAN Ve TIC A.S.	SEAFARM IONIAN S.A	KEGO AGRI S.A	ILKNAK DENIZCILIK A.S.	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.		MARINE FARMS ASA
NIREUS AQUACULTURE SA		3.264.380,88	2.818.608,60	2.300.308,98	7.000,00	1.299,00	25.019.578,19	3.963.143,04	-	-	-	37.374.318,69
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	2.575.662,48		-	-	-	-	-	-	-	-	-	2.575.662,48
PROTEUS EQUIPMENT S.A	103.999,00	-		-	-	-	-	-	-	-	-	103.999,00
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	-	-	-		-	1.635.609,90	-	-	-	-	-	1.635.609,90
BLUEFIN TUNA A.E (GROUP)	156.575,29	-	-	-		-	31.692,06	-	-	-	-	188.267,35
ILKNAK SU URUNLERI SAN Ve TIC A.S.	458.948,00	-	151.290,00	356,33	-		111.616,44	-	23.405,27	-	-	745.616,04
SEAFARM IONIAN S.A	16.804.494,39	-	133.386,55	-	-	-	-	-	-	-	-	16.937.880,94
KEGO AGRI S.A	3.224.100,49	-	-	-	-	-	-	-	-	-	-	3.224.100,49
ILKNAK DENIZCILIK A.S.	-	-	-	-	-	1.400,32	-	-	-	-	-	1.400,32
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	-	-	-	-	-	200,05	-	-	-	-	-	200,05
MARINE FARMS ASA	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>23.323.779,65</b>	<b>3.264.380,88</b>	<b>3.103.285,15</b>	<b>2.300.665,31</b>	<b>7.000,00</b>	<b>1.638.509,27</b>	<b>25.162.886,69</b>	<b>3.963.143,04</b>	<b>23.405,27</b>	<b>-</b>	<b>-</b>	<b>62.787.055,26</b>



COMPANY BEARING THE RECEIVABLE	COMPANY BEARING THE LIABILITY															TOTAL
	NIREUS AQUACULTURE SA	PREENGORDE DE DORADAS PARA MARICULTURA S.L.	PROTEUS EQUIPMENT S.A	MIRAMAR PROJECTS CO LTD - UK	NIREUS INTERNATIONAL LTD	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	BLUEFIN TUNA A.E (GROUP)	ILKNAK SU URUNLERI SAN Ve TIC A.S.	ILKNAK DENIZCILIK A.S.	AQUACOM LTD	SEAFARM IONIAN S.A	KEGO AGRI S.A	MARINE FARMS ASA	SEAFARM IONIAN GMBH	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	
NIREUS AQUACULTURE SA		2.074.518,99	667.035,24	-	967.567,90	801.257,47	340.551,00	4.215.209,69	-	-	30.946.544,08	-	-	-	-	40.012.684,37
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	984.510,72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	984.510,72
PROTEUS EQUIPMENT S.A	-	-	-	-	-	-	7.735,00	382.660,28	-	-	2.225.094,35	-	-	-	-	2.615.489,63
MIRAMAR PROJECTS CO LTD - UK	13,53	-	13,53	-	-	254.164,51	-	-	-	-	-	-	-	-	-	254.191,57
NIREUS INTERNATIONAL LTD	-	-	-	1.608.418,60	-	-	-	-	-	-	-	-	-	-	-	1.608.418,60
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	-	-	490,00	-	-	-	-	1.979,80	-	-	-	-	-	-	1.601,32	4.071,12
BLUEFIN TUNA A.E (GROUP)	-	-	47.799,24	-	-	-	-	-	-	-	-	-	-	-	-	47.799,24
ILKNAK SU URUNLERI SAN Ve TIC A.S.	-	-	-	-	-	-	-	-	154.222,17	-	174.151,96	-	-	-	5.111,68	333.485,81
ILKNAK DENIZCILIK A.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AQUACOM LTD	55.973,60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55.973,60
SEAFARM IONIAN S.A	-	-	-	-	-	-	40.867,81	818.835,47	-	-	-	-	-	-	-	4.305.001,69
KEGO ACRİ S.A	4.991.187,93	-	-	-	-	-	-	-	-	-	-	-	-	3.445.298,41	-	4.991.187,93
MARINE FARMS ASA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEAFARM IONIAN GMBH	-	-	-	-	-	-	-	1.415.780,34	-	-	-	-	-	-	-	1.415.780,34
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	6.031.685,78	2.074.518,99	715.338,01	1.608.418,60	967.567,90	1.055.421,98	389.153,81	6.834.465,58	154.222,17	-	33.345.790,39	-	-	3.445.298,41	6.713,00	56.628.594,62



**EXPLANATORY REPORT  
OF THE BOARD OF DIRECTORS  
OF NIREUS AQUACULTURE S.A  
(based on article 7 and 8 a of L. 3556/2007)**

(a) The structure of the share capital, including the shares not listed for trading in an organized market in Greece or another member-state, reporting for each category of shares the rights and the obligations related to this category and the percentage of the total share capital that the shares of this category presented.

*The share capital of the Company amounts to Euro 85.262.522,32 composed into 63.628.748 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.*

(b) Restrictions in the transfer of the company's shares such as restrictions in holding of shares or the obligation in obtaining prior approval from the company or other shareholders or by a Public or Administrative Authority with the reserve of the article 4 par. 2 of L. 3371/2005.

*The transfer of the company's shares is made as enacted by Law and do not exist out of its Articles of Association restrictions in their transfer.*

(c) Significant direct or indirect participations as defined by articles 9 to 11 of the L. 3556/2007.

*As at 31/12/2010 persons holding significant direct or indirect participations as defined by articles 9 to 11 of L. 3556/2007 are:*

<b>Surname</b>	<b>Name</b>	<b>Father's Name</b>	<b>Number of Shares</b>	<b>% Percentage</b>	<b>Type of participation</b>
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
Kahka	Bendukidze			18,02%	Mr. Kahka Bendukidze and the company Linnaeus Capital Partners BV (with a fiduciary HSBC Private Bank Suisse SA) indirectly hold 18,02% voting rights. The company Linnaeus Capital Partners BV is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze.



(d) Holders of any type of share granting special control rights and description of relevant rights.

*Shares of the company, which grant special control rights to their shareholders do not exist.*

(e) Restrictions in voting right such as restrictions in voting rights to holders of certain percentage of the share capital or to holders of certain number of voting rights, and the time terms for exercise of voting rights.

*The Articles of Association do not provide for any restrictions in voting rights*

(f) Shareholders Agreements, which are known to the company and entail restrictions in transfer of shares or restrictions in exercise of voting rights.

*The company is not aware of the existence of shareholders agreements, which entail restrictions in the transfer of its shares or in the exercise of the voting rights arising from its shares.*

(g) Rules for appointment and/or replacement of members of the Board of Directors and amendment of the Articles of Association, when these differ to that provided by the c.L. 2190/1920.

*The rules provided by the company's Articles of Association for appointment and/or replacement of members of its Board of Directors and amendment of its articles, do not differ to that provided by the provisions of c. L. 2190/1920.*

(h) Competence of the Board of Directors or certain members of the Board of Directors, for the issue of new shares or for the purchase of treasury shares according to the article 16 of c.L. 2190/1920.

*A. The Board of Directors of the Company is allowed to proceed in the issuance of new shares, following stipulated authorization on the basis of the General Assembly's decision in the following cases.*

- 1) *In accordance with article 13 paragraph 9 of c.L.2190/1920, as in force, and in execution of the decision taken at the Company's Shareholders General Meeting held on 05-06-2006, which was listed in the Register of Companies on 20-06-2006, protocol number K2-9377, the three-year Stock Option Plan granted to the Members of the Board of Directors and to the Company's Management was approved. Specifically, following the exercise of rights have been vested from the participants in the program, a decision is taken by the Board of Directors as regards the increase of the Company's share capital by an amount which corresponds to the rights that have been exercised and the issuance of the respective new shares, in execution of the assumed liabilities based on the Plan. Subsequent to this, the Board of Directors proceeds with the decision released, based on article 11 of c.L.2190/1920 in respect of the certification of the paid-up share capital.*

*It is noted that due to the current economic decision of the capital market, the realisation of the exercise of the above rights in the third year has not been made possible.*



- 2) *In accordance with article 3a of c.L 2190/1920, as in force, and in execution of the decision of the A' Reiteration Extraordinary Shareholders Meeting of the Company, which was listed in the Companies Register of the Ministry of Development on 9-5-2007 with protocol number K2-6896, the issuance of the convertible bond loan into common with voting right shares with preference rights to old shareholders of an amount of 19.995.575,10 Euro was approved. Specifically, following the exercise of the right of conversion of debentures to shares, a Board of Directors decision is taken to increase the Company's share capital by an amount which corresponds to the conversion of debentures depending upon the conversion requests, and the conversion ratio, and the corresponding issuance of the company's new shares, in execution of the terms of the program of the convertible bond loan as these are in force. Subsequent to the above, the Board of Directors proceeds with the issuance of the decision, based on article 11 of c.L 2190/1920 in respect of the certified paid-up share capital.*

(h) Significant agreements of the company that are in force, amend or expire in case of a change in the company's control following public motion and the results of the agreement, except if, due to its nature, the publication of the agreement would cause serious loss in the company. The exemption of publication of the agreement is not effective when the obligation for publication arises from other provisions.

*In the event of a change in the company's control following public proposal, there are no agreements, which are in force, are amended or expire.*

(i) Agreements for indemnity compensation to members of the Board of Directors or personnel, in case of retirement of dismissal without basic reason or end of term or engagement due to public announcement.

*There are no special agreements for indemnity compensation to the members of the Board of Directors or to personnel, specifically in case of retirement or dismissal without basic cause or termination of their service or their engagement due to public proposal.*



**STATEMENT OF CORPORATE GOVERNANCE**

(The present statement is compiled according to article 43a paragraph 3d of the Law 2190/1920 and is part of the Annual Report of the Board of Directors)

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**GENERAL**



**The term Corporate Governance is referred to the total of rules and principles applied for the correct operation and control of the company. The ultimate purpose of the Corporate Governance is the safeguarding of the legitimate interests of the company, the promotion of the company's competition and the improvement of transparency regarding the company's operations.**

## **1. Code of Corporate Governance**

### 1.1 Disclosure of the voluntary compliance of the company with the code of corporate governance

The company voluntarily complies and adopts the code of corporate governance of the Hellenic Federation of Enterprises (SEV) for public listed companies, the general ( and solely until now) broadly accepted Code of Corporate Governance which has been formed from the Hellenic Federation of Enterprises (SEV) (available at [http:// www.sev.org.gr /Uploads/pdf/KED\\_TELIKO\\_JAN2011.pdf](http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf))

### 1.2 Deviations from the Code of Governance and explanation of the non- compliance. Special stipulations of the Code which are not applied by the company and explanations of the reasons of the non-application.

The company states that it conforms to all legal obligations (C.L 2190/1920, C.L. 3016/2002 και C.L 3693/2008). These minimum obligations are embodied in the Code of Corporate Governance of which a company must comply with the shares of which are exchanges in an active market.

The minimum requirements are included in the above Code of Conduct (SEV) to which the company comes under except for that the code includes a series of additional (of the minimum requirements) special principles. As compared to the mentioned principles there are currently certain deviations in order that there be compliance with the conditions, values, inheritance and ownership regime of the company such that the company's interest be promoted in the best possible manner. An analysis and explanation which justifies the reasons for the deviations follows:

## **Part A'- Board of Directors and its members**

### **I. Role and responsibilities of the Board of Directors**

The BoD has not formed a separate committee, which manages the procedure for recommending candidates for election of the BoD and prepares itself proposals for the BoD. The proposals are subject to the judgement of the General Assembly which approves the election of the members of the Board of Directors. In addition it has not proceeded with the formation of a fee committee given that the Compensation and Benefits Committee which has been formed has replaced the Management and Performance System which was designed by Hay Group and which the company applies since 2009.

### **II. Composition of the BoD**

- the BoD until February 2011 was comprised by majority of non-executive members. Currently though it comprises of (4) executive and (4) non executive members due to the resignation of a non-executive member since February 2011. Following



this, a decision was taken not to replace the position given the specific equilibrium of composition and the efficient and productive operation of the Board of Directors which is secured. This matter will be forwarded as a new issue to the following Ordinary General Assembly.

### **III. Role and characteristics of the President of the BoD**

- In the Company's Articles of Association there is discern between the responsibilities of the President and the Managing Director, however, it is permitted that these responsibilities coincide. There is no specific discern according to the Board of Directors nor is it required given the organisation and operational structure of the company.
- the BoD does not appoint an independent Vice President stemming from its independent members, but an executive Vice President, as his contribution in exercising of the executive duties of the President is considered of utmost importance.

### **IV. Duties and conduct of the members of the BoD**

- the BoD has not adopted as part of its internal rules, specific policies to encounter conflict of interests between its members and the company, given that in any case the stipulations of the law and the Articles of Association will come into effect.

### **V. Nomination of candidates for the BoD**

- the maximum service of the BoD is not a four-year period, but longer, at least five – year so that the need to elect a new BoD does not come about in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc). Furthermore, the expanded service duration of the BOD secures the better knowledge of the company and a more discreet decision taking.
- there is no committee for recommending candidates to the BoD, given that it is not deemed necessary due to the size and operation of the company.

### **VI. Operation of the BoD**

- there is no specific rule for the operation of the BoD, as the articles of Association are adequate for the organization and operation of the BoD
- the BoD at the beginning of every calendar year does not adopt a calendar of convocations and 12month program of actions, since all its members live in Attica and the convocation of the BoD is easy when the needs of the company render it necessary or, by law, without there being a predefined action program.
- there is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, since the technology exists to record and map the convocations of the BoD
- there is no obligation for the President and the non executive members of the BoD to convene on a regular basis without the presence of the executive members in order that the performance and the fees of the latter be discussed given that all relevant matters are discussed in the presence of all members of the BOD.
- there is no provision for the existence of introductory informative programs for the new members of the BoD or their constant education since the members that are promoted for election have adequate and proven experience of organisational and managerial skills.



- there is no provision for the supply of sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed as such resources are approved by the management of the company, based on the company's needs.

## **VII. Evaluation of the BoD**

- there is no institutional procedure with the aim to assess the effectiveness of the BoD and its committees or the assessment of the performance of the President of the BoD during the procedure in which the independent vice- president directs, or any other non-executive member of the BOD in the absence of the independent vice-president. This procedure is not deemed necessary given the structure of the company.

## **Part B- Internal Audit Committee**

### **I. Internal Control – Audit Committee**

- no specific funds are given out to the committee for the use of external consultants, as the composition of the committee and the specialized knowledge and experience of its members ensure its operation

## **Part C- Compensation**

### **I. Level and structure of the compensation**

- there is no fee committee of compensation, comprising exclusively of non executive members, independent of their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the frequency of its convocations and other issues concerning its operation. The Compensation Committee which has been formed has replaced the Management and Performance System which was designed from Hay Group and which the company applies since 2009.

- in the contracts of the executive members of the BoD, there is no provision that the BoD may ask for part or full refund of the bonuses paid due to possible revision of the financial statements of previous years or in general erroneous financial data that were used to calculate such a bonus since such rights come about, only after the approval of the financial statements.

- the compensation of every executive member of the BoD is not approved by the BoD after the proposal of the compensation committee without the presence of the BOD's executive members, given that no such committee exists for the compensation of the Board of Directors.

## **2. BOARD OF DIRECTORS**

### **2.1 Composition and Services of the BoD**

#### **2.1.1 Services of the BoD**



1. The primary obligation and responsibility of all members of the board of directors of the company as a listed in an organized market, is the continuous aim to enhance the long-term economic value of the company and the protection of the company's interest. The board of directors is exclusively responsible for:

- A. The election and the determination of fees of the Managing Director
- B. The approval of the employment, replacement and the assessment of the fees of the company's managers.
- C. The recommendation-proposal to the shareholders in the case of election or re-election of the members of the BOD.
- D. The review that all accounting practices and generally approved accounting standards are followed.
- E. The review of the financial results of the company in relation to the budget, the prior years and the competition.
- F. The involvement of preparation and the regular reassessment of the strategic design.
- G. The approval of significant investments, loans, acquisitions and sale of financial assets of the company.
- H. The approval of significant changes in the company's policy and its structure
- I. The monitoring of the company's compliance to the regulations, ways of operations and the decisions of the authorities
- J. The proposal for distribution of profits

2. The Company is governed by the Board of Directors that is composed of a minimum of 3 and a maximum of 11 members. The members of the Board of Directors are elected by the General Meeting of the Shareholders through a silent vote and with a quorum and a majority based on article 35 and 42 of paragraph 1 of the Articles of Association.

3. The board of Directors is revoked liberally and at any point in time before the end of the service term with a decision taken by the General Assembly of the shareholders through a quorum and a majority vote of the previous paragraph 2 of this article. The General Assembly is obliged to simultaneously elect a new Board of Directors.

The service term of the members of the Board of Directors is 5 years. It begins from their elections from the General Assembly of the shareholders and is extended up to the ordinary General Assembly who will approve the annual financial statements of the year, but which cannot exceed a six year term.

Following the expiration of the service term, the Board of Directors is renewed. The members whose term has expired can be re-elected.

4. The Board of Directors elects members in replacement of members that have resigned, have died, or have lost their identity with whichever manner. The election is feasible under the condition that the replacement of the above members is not possible from substitute members, who have been elected by the general assembly. The above election from the Board of Directors is done with a decision taken by the remaining members, if these are at least three (3) and is valid for the remaining of the service term of the members which they replace. The decision of election is submitted to the public according to article 7b of C.L. 2190/1920, as this is valid, and is announced from the Board of Directors in the immediate general assembly which follows, even though no relevant issue may have been stated in the agenda.

In the event of resignation, death or in any other manner loss of the identity of the member or members of the Board of Directors, the remaining members can continue the management and the representation of the company and without the replacement of the missing members based on the preceding paragraph, under the condition that this number exceeds half of the members, as was the case before the occurrence of the above events. In any case, it is not permitted that these members



be less than three (3). In any case, the remaining members of the Board of Directors, irrespective of their number, can proceed in convening in a general assembly with a sole aim the election of the board of directors.

5. A member of the Board of Directors can even be a legal entity. In this case the legal entity is obliged to appoint a physical person for exercising the authority of the legal entity as a member of the Board of Directors.

6. A member who is absent or who is hindered, can assign with his responsibility his representation to the Board only to another member, whom he can appoint with a notary document or with a simple letter or telefax which is addressed to the board of Directors. The power of attorney for representation can include more than one meetings. No member can represent more than one members.

7. With the reservation of the previous paragraph, each member should attend and continuously participate in the meetings of the Board of Directors.

8. Each member of the Board of Directors is obliged to a strict adherence to the company's confidential information which were made known to him as a result of his identity as a member.

9. The Board of Directors is obliged to convene at the company's head offices, each time that the law, the articles of association, or the needs of the company considers this necessary. The Board of Directors convenes on a timely basis and at a location other than the head office at another location, either at a domestic or foreign location, given that all members are present and are represented by all members and no one objects to the realisation of the meeting and the decision making. All members of the Board of Directors are invited by the President or the legal proxy at least 2 working days before convening via an invitation, which includes the time and place where the Board of Directors will convene, in addition to the matters included in the agenda with clarity, otherwise decision making is permitted only under the condition that all members of the Board of Directors are either present or are represented and no one objects to the decision taking process.

Two members of the Board of Directors can request the convocation of the Board of Directors through a request to the President or to his substitute, who are obliged to convene the Board of Directors so that the meeting be held with the time limits of 7 days commencing from the date of request.

In this request application, the matters which will occupy the Board of Directors should be stated with clarity. If the Board of Directors does not convene through the President or the substitute as of the above timeframe, it is permitted that the members that have requested the meeting that they themselves call the meeting within 5 days before the expiration of the above 7 days time limits, notifying the remaining members of the Board of Directors with an invitation.

10. The company's Board of Directors can convene through teleconferencing. In such a case the invitation to the members of the Board of Directors will include the necessary information for the participation of these in the meeting, given that the minimum technical security specifications in connection with the validity of the meeting, as these may have been specified by the Ministry of Development, are met.

11. The Board of Directors is in a quorum and convenes on a timely basis when half and one members are present or are represented by the elected members. In no case however, does the number of members who are personally present cannot be less than three (3). In order for the quorum to be identifies the rounding number is ignored.

12. The decisions of the Board of Directors are taken on a timely manner with a majority of the members who are present personally and those that may be represented. For personal matters the decisions of the Board of Directors are taken via a silent vote which is done with ballots.

13. Discussions and decisions of the Board of Directors are certified with minutes that are written in the book, which is being specially maintained for this reason and is being signed by he who has been seated as President from the members that were present in the meeting as well as from the secretary. No member can ignore the signing of the minutes of the



meeting who participated, he can however, ask that that his opinion be accurately summarized in the minutes if he disagrees with the opinion that is being taken. In any case his non-approval in no manner constitutes the decision taken as void, as long as his refusal to sign is mentioned in the minutes.

### **2.1.2 Members of the Board of Directors**

The present BOD is composed of 8 members and is the following:

1) Aristides Belles of Stergiou and Anti, economist, born in Katarakti Chios in 1953, citizen of Ano Voula Attikis, President and Managing Director, is an Executive Member.

He is also the elected Chairman of the Board of the Greek Entrepreneurship Club and has served as the elected Chairman of the Board of the Federation of Greek Mariculturers. He holds a degree in Business Administration from the University of Piraeus.

2) Nikolaos Chaviaras of Emmanuel and Ekaterini, entrepreneur, was born at Dafnona Chios in 1952, Vice-President and Managing Director, and is an Executive Member

Mr. Nikolaos Chaviaras is the co-founder and major shareholder of the Company. He is responsible for the coordination and implementation of the investment projects of NIREUS group. He is also Member of the Board in subsidiaries of the Group.

3) Anthonios Chachlakis of Georgiou, mechanical electrician was born in 1958 in Piraeus, and is a Substitute Managing Director Executive Member

Mr. Anthonios Chachlakis holds a BSc and an MSc in Electrical Engineering Department from the Technical University of Brooklyn, New York, USA. He has 10 years of managerial experience in Industrial Automation. He works for NIREUS group since 1996.

4) Dimitrios Loumpounis of Athanasios and Marias mechanical electrician was born in Agio Nikolao, Crete in 1955, and is an authorised member, executive member

Mr. Dimitrios Loumpounis has a Diploma in electrical engineering from the National Metsovio Polytechnic School. From 1983 to 1988 he worked for the Ministry of Economy. In 1988 he founded an advisory firm that he run till 1998. He joined NIREUS group in 1995.

5) Epaminondas Lambadarios of Konstantinos and Kakias, lawyer was born in Athens in 1944 and is an Non-executive member



Mr. Epaminondas Lambadarios is a Graduate of the Law School of the University of Athens with a postgraduate degree in Law from the University of Harvard. From 1969 to 1970 he worked in the firm Cleary, Gottlieb, Steen & Hamilton in New York. Since 1970, he works for the law firm Lambadarios & Associates, where he holds the position of Managing Partner.

6) Constantinoç Lambrinopoulos of Petros and Euaggelia, Entrepreneur was born in Athens in 1952 and is an Independent Non-Executive Member

Constantinoç Lambrinopoulos is an Independent Non-Executive Member Graduate of the Business Administration department of the University of Piraeus and Political Sciences department of Panteion University. He is a PhD candidate in Marketing at the University of Piraeus and has 35 years of experience in managerial positions in Greek and multinational companies. He is the CEO of PRC GROUP and SPRINT Advertising.

7) Lito Ioannidou of Antonios and Alexandra, Business Consultant who was born in P. Faliro Attiki in 1954, is an Independent Non Executive Member.

Ms. Lito Ioannidou is business consultant in connection with raising funds, acquisitions and mergers, finding strategic investors and restructuring of debts in the company “ Lito Ioannidou & Cooperators LTD, Business Consultants” which was founded in 2006 and has also served as an Executive Vice President – General Manager in the Athens Exchange Market. She has also served as Local Corporate Head of Citibank Greece, President and Chief Executive Officer of City-Leasing and Executive Vice President and General Manager of the Athens Stock Exchange, as well as Chairman of the Audit Committee and Member of the Working Committee of the Federation of European Securities Exchanges and President of the Audit Committee of the Exchange Market and has dealt with the quality audit of portfolios and risk management of Citibank Germany (1986), Egypt (1988), Italy (1991) and London (1994).

Ms Lito Ioannidou holds a Bachelor of Commerce and an MBA from McGill University in Canada.

8) Markos Komondouros of Panagiotis and Janet, Economist who was born in Athens Attiki in 1963 and is an Independent Non-executive Member. Mr. Komondouros had a 15-year career at S.G.Warburg / UBS in international capital markets and investments in Paris, London and Istanbul, where he set up the bank’s Turkish office. He resided in Turkey for 5 years increasing the operations in all segments with a special emphasis in international investements in Turkey. Since leaving UBS in 2003, he has continued his advisory work in the UK, Greece and Turkey. He holds a holds a B.Sc. in Mathematics from Imperial College, an MBA from London Business School and an MA in applied linguistics from Birkbeck College. He speaks English, Turkish, French, Spanish and Italian.

The Board of Directors will administer the company until the Ordinary General Assembly in 2015.

2.1.3 The Board of Directors convene as frequently as the needs deem it necessary.

In 2010 the Board of Directors convened 53 times in which there was always the legal majority of the purpose of decision making. In these meetings, with the major daily issue (approval of the financial statements etc) there was always a quorum of all members of the Board of Directors.

The members of the BoD have other business obligations which are referred to in the appendix of the Present.



## 2.2. Committees

The company has formed the following committees which operate a) Audit Committee, b) Strategy and Investments committee, c) Corporate Governance Committee d) Asset Utilisation Committee

### A. AUDIT COMMITTEE :

The company had already formed an Audit Committee since 2002, while it fully complies with the provisions of article 37 of the L.3693/2008 regarding the formation of Audit Committee comprising of members of the Board of Directors.

The Audit Committee has the following tasks:

- a) Supervising the financial reporting procedure
- b) Supervising the effectiveness of the Internal Audit and the risk management systems, as well as supervising the efficiency of the Internal Audit department of the company
- c) Monitoring the audit procedure on financial and consolidated financial statements.
- d) Reviewing and monitoring all issues related to the independence and objectiveness of the external Audit control firm, in particular when other services are also provided from the audit firm to the company.

The task of the audit committee and the matters of discussion are in connection with securing the effectiveness and efficiency of the company's operations, the audit and reliability of financial information presented to the investors and to the shareholders of the company, the compliance of the company with the legal and normative framework, the safeguarding of the company's assets and the location and confrontation of the most significant risks.

The Audit committee during the year 2010 (01/01/2010-31/12/2010) convened 4 times having a 100% quorum.

The members of the Audit Committee based on the decision taken since 18/6/2010 of the Ordinary General Assembly of the shareholders were until 22.2.2011 Ms. Karachaliou Ioanna, Mr. Konstantinos Lambrinopoulos, and Ms. Lto Ioannidou. Beginning from 22.2.2011 Ms. Karachaliou Ioanna resigned and was replaced by Mr. Lambadarios Epaminondas.

Ms. Lito Ioannidou is the president of the Committee. The service term of the members is 3 years.

### B) STRATEGY AND INVESTMENTS COMMITTEE

The main task of the Strategy and Investments Committee is to define the investment strategy of the company as well as the short-term and long term strategic goals .



The members of the Strategy and Investments Committee are currently Mr Antonios Chachlakis, Dimitrios Loumpounis, Markos Komondouros, Lito Ioannidou and Epaminondas Lambadarios.

The Strategic planning and Investment Committee convene as frequently as the requirements deem this necessary.

### **C) CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee's primary task is to monitor the corporate governance system which has been adopted by the Company, to supervise the implementation of the company's internal regulations, to monitor the international trends regarding corporate governance systems and best practices, as well as the legal framework in force, and to propose to the Board of Directors amendments and improvements of best conduct.

The members of the Corporate Governance Committee currently are Mr Antonis Chachlakis, Ms Ioanna Karahaliou and Mr Constantinos Lambrinopoulos. Beginning from 22.2.2011 Ms. Ioanna Karahaliou resigned and was replaced by Mr Epaminondas Lambadarios.

The Corporate and Governance Committee convene as frequently as the requirements deem this necessary.

Finally, an Executive Committee of the Group exists which is composed from executive members of the BoD and General Managers and deals with corporate matters.

### **3. General Assembly of the Shareholders**

#### **3.1 Way of operation of the General Assembly and its basic Authorities**

3.1.1 The General Assembly is the supreme body of the Company and has the right to decide for any company matter and to conclude upon all matters and the legal decisions which are submitted or said to those that are either present or absent.

More specifically the General Assembly is exclusively competent to decide upon:

a) the amendments of the articles of association which include increases or decreases of the capital share, apart from the cases which are mentioned in article six (6) paragraph of the Articles of Association and other cases that are enforced by law,

b) the election of the members of the Board of Directors, with the exemption of paragraph 1 of article 17 of the Articles of Association and the appointment of the Auditors,

c) the approval of the annual financial statements of the Company,



d) the distribution of annual profits,

e) the issuance loans with debentures as these are referred to in articles 3a, 3b, and 3c of C.L. 2190/1920.

f) the merge, extension of the duration or dissolution of the Company,

g) the appointment of liquidators,

h) the appointment of members of the first BoD, as stated in paragraph 4 of article 16 of the Articles of Association.

3.1.2 The General Assembly convenes obligatorily at the Company's offices or at the region of of another municipality which is located within the province in which the headoffice is located or in the region where the office of the exchange market is located, at least once in each financial year and within 6 months at most from the end of the year (Ordinary Shareholders Meeting).

3.1.3 The General Assembly is always convened by the BoD in an extraordinary meeting whenever it considers it necessary

3.1.4 The Shareholder Meeting ordinary or extraordinary, with the exception of the repeating Meetings and those that simulate it, must convene twenty (20) days at least before its date including the non working days. The date of publication of the invitation and the day of the General Assembly are not calculated.

3.1.5 The invitation to the Shareholder Meeting includes at least the location, the date and the time of the meeting in addition to the matters in the agenda in a clear manner.

3.1.6 The right to extension in any general assembly, ordinary or extraordinary, in person or via a proxy who is a shareholder of the company or is a third party but has been appointed from the shareholder as a proxy with any sort of document even through a simple letter is possessed by each shareholder having at least one share.

3.1.7 The Shareholder Meeting has a quorum and duly convokes in the matters of the agenda when in the said shareholders who represent one fifth (1/5) at least of the paid share capital are represented. If such quorum is not achieved the General Assembly converges again in twenty (20) days from the date of the meeting which was cancelled invited for that purpose ten (10) at least days earlier. The said repetitive meeting duly convokes for the matters of the initial agenda no matter what percentage of the share capital is represented. A new invitation is not required if in the first invitation the date and location of the repetitive meeting is stated in the provisional by law meetings, for the event of non achievement of a quorum.

3.1.8 Exceptionally, when it concerns decisions regarding the alteration of the Company's nationality, the alteration of the purpose or object of the Company's business, the alteration of the Company's shares to registered, the increase of the obligations of shareholders, the increase of share capital, which is not based on the provisions of the Articles of Association in accordance with article 13 (paragraph 1 and 2) of C.L 2190/1920 or as required by the articles of the law or through the capitalisation of reserves, the decrease of share capital, the alteration of the mode of distribution of profits, the merging, dispersion, alteration, revival of the company, extension of the company's term of operation or dissolution of the company service or renewal of the authority to the Board of Directors for capital increase in accordance with article 13 of paragraph 1 of C.L 2190/1920. The General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented. If such a quorum is not achieved, the General Assembly is invited and is gathered according to the provisions of paragraph 2 of article 35 of the Articles of Association and forms a quorum and meets upon the matters of the initial agenda when at least ½ of the paid up share capital is represented. If such a quorum is still not achieved, the General Assembly is invited and is gathered and meets upon the matters of the initial agenda when at least 1/5 of the paid up share capital is represented. A new invitation is not required if in the first invitation the date and location of the repetitive meeting is stated in the provisional by law meetings, for the event of non achievement of a quorum.



3.1.9 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one of the Shareholders or their proxys who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the said and elects the ordinary presiding office. The Presiding Office is composed of the President and the Secretary who also executes duties of vote – teller. The election is performed with a silent vote except if the General assembly decides through a majority the election of the President with an open voting procedure.

3.1.10 The discussions and the decisions of the General Assembly are restricted to the matters of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards the Assembly. Discussions other than the matters in the agenda are not permitted with the exception of extraordinary cases such as the modification of the issues of the Board of Directors to the General Assembly or for matters intended for another General Assembly.

### 3.2 Shareholders Rights and manner of exercising these

Each share carries all the rights and obligations set out in law and in the Articles of Association of the Company. Ownership of a share automatically entails acceptance by the owner of the Articles of Association and of the legal decisions taken by the competent bodies of the Company.

Each common share entitles the owner to one vote.

Shareholders' liability is limited to the nominal value of the shares they hold.

#### 3.2.1. SHAREHOLDERS RIGHTS IRRESPECTIVE OF THE PERCENTAGE SHAREHOLDING

##### **a. Right to attend and vote at the Shareholders' General Meeting**

Any person appearing in the capacity of shareholder in the Dematerialized Securities System files managed by "Hellenic Stock Exchanges SA" [former Central Securities Depository], where company's securities are being held, is entitled to participate at the General Meeting.

Shareholding capacity is evidenced by presenting a relevant written certificate issued by the aforementioned entity, or by direct online connection of our company with said entity's files. Shareholding capacity must be effective at the beginning of the fifth (5th) day ( Date of Record) prior to the date of the General Meeting, and the relevant certificate regarding the shareholding capacity must be received by Company no later than the third (3rd) day prior to the date of the General Meeting.

With regard to the 1st Reiterative Extraordinary General Meeting, the shareholding capacity must be effective at the beginning of the fourth (4th) day prior to the date scheduled for the 1st Reiterative Extraordinary General Meeting (1st Reiterative Extraordinary General Meeting date of record), and the relevant written or electronic certificate regarding shareholding capacity must be received by company no later than the third (3rd) day prior to the date of the 1st Reiterative Extraordinary General Meeting.



The same provisions are applicable in the event of a 2nd Reiterative Extraordinary General Meeting .

Any shareholder failing to comply with the provisions of article 28a of codified law 2190/1920 may participate at the General Meeting only upon its permission. Exercise of these rights does not require blockage of the beneficiary's shares or compliance with any other procedure restricting the ability to sell and transfer them during the period between the Date of Record and the date of General Meeting.

A shareholder may attend the General Meeting and vote either in person or by proxy. Each shareholder may appoint up to three (3) proxies. Legal entities may participate at the General Meeting by appointing up to three (3) individuals as proxies. However, if a shareholder holds shares in a company, which appear in several securities accounts, said restriction will not prevent said shareholder from appointing different proxies in respect of the shares in each securities account in relation with the General Meeting. A proxy acting on behalf of several shareholders may vote differently for each shareholder.

A shareholder proxy must disclose to the company, before the General Meeting begins, any specific event which may be useful to the shareholders in assessing the risk of the proxy serving interests other than those of the shareholder. In the sense of this paragraph, a conflict of interest may especially arise when a proxy: a) is a shareholder controlling the company or is another legal entity or an entity controlled by that shareholder; b) is a member of the board of directors or of the administration of the company or shareholder controlling the company in general, or another legal entity or an entity controlled by a shareholder who controls the company; c) is an employee or auditor of the company or shareholder controlling the company, or of another legal entity or entity controlled by a shareholder who controls the company; d) is spouse or first degree relative to one of the individuals referred to under (a) through (c) above.

The appointment and revocation of a shareholder proxy is made in writing and notified to the Company under the same form, at least three (3) days prior to the date scheduled for the General Meeting.

The company will make available at its website ([www.nireus.com](http://www.nireus.com)) for the purpose of the General Assembly a form which may be used for the appointment of proxy which can also be obtained from the Company's offices (tel 210-6698335, Investors Relations Department). The said form must be submitted, duly completed and signed by the shareholder, to the Company's Shareholders Service at 1st km Koropiou-Varis Avenue, Koropi Attikis 19400 or by fax to the number 210-6626998 at least three (3) days prior to the date of the General Meeting. Beneficiaries are responsible for confirming successful remittance and receipt of proxy documentation by the company, by calling the following numbers: 210-6698335.

The participation of the shareholders to the General Meeting by electronic means is not yet available.

**b. Preference rights** : In case of a share capital increase, when that increase is not realized by contribution in kind, or by the issue of convertible bonds, preference rights are granted to Shareholders of the Company at the date of issue, proportionate to their holding in the existing share capital.

According to the provisions of article 13 cl.10 of L.2190/1920, preference rights can be limited or cancelled, by decision of the General Meeting, taken according to the provisions of articles 29 cl.3 and 31 cl.2 of the L.2190/1920 ( quorum of 2/3 of the issued share capital, majority of 2/3 of the present or represented voting rights)

**c. Right to collect dividends** : According to the company's Articles of Association the minimum dividend which must be distributed each year by the Company is equal to the minimum annual dividend specified by law (Article 45 of Codified



Law 2190/1920) which according to Article 3 of Development Law 148/1967 is at least 35% of the Company's net profits, after all necessary withholdings are made in order to establish the statutory reserve.

Dividends are paid within 2 months from the date of the Ordinary General Assembly of Shareholders which have approved the Company's annual financial statements. The place and method of payment is announced in notices published in the press, the ATHEX Daily Official List and website and the Company website. Dividends which remain unclaimed for a period of five years from the date on which they become payable may not be claimed and are forfeited to the State.

**d. Rights in product of liquidation**

On completion of the liquidation, the liquidators return the contributions of the Share-holders in accordance with the Articles of Association and distribute to them the balance from the liquidation of the Company's assets in proportion to their share in the paid-up capital of the Company.

**e. Right to request information :** Following a request of any shareholder, which is submitted to the Company at least five (5) full days prior to the Annual General Assembly, the Board of Directors is obligated to provide at the General Assembly the specifically requested information regarding the affairs of the Company, to the extent that these are relevant for the proper evaluation of the issues on the agenda.

**f. Right to request the recording of an accurate summary of its opinion in the minutes of a shareholders general meeting .**

**g. Right to receive copies of financial statements and reports from the Board of Directors and auditors ten (10) days prior to the Annual General Assembly.**

**h. Right to object the list of the attending and voting shareholders**, which is prepared 24 hours before the shareholders meeting, until the opening of the meeting.

**i. Right to claim loss indemnity from the company for damages** incurred due to a shareholders' meeting decision which was not taken according to the law or the company's articles of association or which was made by abuse of power from the majority shareholders or which was taken by a general meeting illegally convoked or formed or due to the fact that the requested information on the items of the agenda were not provided . ( this right must be exercised within three (3) months from the date of the submission of the general meeting minutes to the competent authority)

**j. Right to claims against the members of the company's Board of Directors** in relation to the management of the corporate affairs , if the damage incurred was due to fraud.

### 3.2.2. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 2/100 OF THE SHARE CAPITAL

Right to request by a civil lawsuit the annulment of a shareholders' meeting decision. A decision may be annulled if taken without giving the required information requested by the shareholders who are also requesting the annulment or by abuse of right by the majority under the conditions of article 281 of the Civil Code.



### 3.2.3. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/20 OF THE SHARE CAPITAL

a.Right to request from the President of the meeting to postpone ( only once) the taking of a decision by the general meeting for all or some subjects of the agenda. The meeting continues within 30 days the latest.

b.Right to request from the company's Board of Directors the convocation of an extraordinary General Shareholders meeting within 30 days.

c.Right to request from the Board of Directors to include in the agenda of the General Meeting which has already been convoked any additional subjects including justification and decision drafting, if the relevant request is communicated to the Board of Directors at least fifteen (15) days before the meeting. The revised agenda is published thirteen (13) days before the meeting, including justification or decision draft.

d.Right to request, until the 7th day before the Shareholders Meeting, to be provided with the drafts of the decisions on the items of the agenda at least six (6) days before the Meeting.

e.Right to request the announcement to the Annual General Meeting the amounts which during the last two years were paid to each member of the Board of Directors or the managers of the company, as well as any benefit to these persons for any reason or any contract between them and the company.

f.Right to request that the decision on any subject of the agenda of the general meeting is taken by roll-call vote.

g.Right to oppose to the granting of permission by the general meeting for the granting of guarantee of other security in favour of the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above.

h.Right to file a petition to the Court of first instance of the district where the company has its registered seat requesting the company's audit. The court orders the audit if it finds probable that certain acts violate the provisions of the law or the company's articles of association or the general meeting's decisions.

i.Right to oppose to the approval by special decision of the Shareholders General Meeting after the conclusion of a contract between the company and the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above.

The above approval is not necessary in case of acts that do not exceed the limits of current transactions of the company with third parties.

### 3.2.4. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/10 OF THE SHARE CAPITAL



a.Right to request for a mandatory filing of claims against the members of the Board of Directors arising from the management of the company's affairs , within six months from the request . The request of the minority shall be taken into account only if it is verified that the applicants had become shareholders at least three (3) months before such request was submitted.

b.Right to oppose to the approval by special decision of the Ordinary General Meeting on the granting of any remuneration or compensation to a Director with exception of the remuneration for services provided to the company on the basis of a special relationship of employment or mandate the amount of which is not specified in the Articles of Association.

### 3.2.5. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/5 OF THE SHARE CAPITAL

a.Right to request from the Board of Directors the provision of information to the General Meeting about the course of the company matters and the financial position of the company.

b.Right to oppose to the company's waiver of its claim for damages against members of the Board of Directors or to the settlement two years after such claim was established, in the frame of the General Meeting convoked to decide upon granting of consent on the above matters.

c.Right to petition the Court of First instance requesting the audit of the company, if from the overall track record it is credible to believe that the management is not exercised according to the rules of good and prudent management.

### 3.26. SHAREHOLDERS RIGHTS REPRESENTING AT LEAST 1/3 OF THE SHARE CAPITAL

Right to oppose to the approval by special decision of the Shareholders General Meeting of a contract between the company and the members of the Board of Directors, the persons who exercise control over the company, their spouses and relatives by blood or by marriage up to the third degree, as well as the legal entities which are controlled by the above persons. The above approval is not necessary in case of acts that do not exceed the limits of current transactions of the company with third parties.

## **4. System of Internal Control and Risk Management**

### 4.1 Main characteristics of the Internal Control

4.1.1. The Internal Audit of the company is conducted by the Service of internal control according to the programme of control included in the Internal Operational Guideline of the company.

It is noted that the audit on the base of which the relevant report is drawn up in accordance with law 3016/2002, as it stands today and especially in accordance with the articles 7 and 8 of the present law, as well as Decision 5/204/2000 of the



Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005.

4.1.2 During the control the Service of Internal Audit takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the management so that all the necessary information and data with the purpose to reach conclusions that do not entail substantial inaccuracies. This control does not include any evaluation of the appropriateness of the accounting principles that were adopted as well as the estimations made from the management as these are a matter of the legal auditor.

4.1.3 The scope of audit is the evaluation of the general level of the procedures of the system of internal control. In any period under audit several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

## **4.2 Risk management concerning the financial statements**

The Group has installed and maintains an infrastructure of information systems which secure the accurate reflection of financial data. More specifically, the parent company and the companies which are located in Greece operate via a Central ERP system in which entries are made to the subsystems of the commercial, productive, tracking and other accounting management processes, on a daily basis.

In addition a Payroll Monitoring System and Human Resource Management system operates for the correct presentation of the payroll charges.

Sales Management system which aims at the detailed analysis per item, document, sale customer, country etc for the preparation of the weekly sales report which includes historical, budgeted, and actual data and analysis of the deviations at both the level of the parent company as well as on a Group basis.

The production management system which all fattening production units with a daily recording and audit of all production works.

Separate budget and actual management system for each company and for the consolidated data. The organisational structure in addition to the business model of each company has been coded for each of its operations. The entries of financial production and other data are made on a cost center and business unit basis. They are audited and analysed and are presented both on a weekly basis and on a monthly basis.

Furthermore, there are security checks during the preparation of financial statements and financial reporting.

The basic areas in which the above checks operate are the following:



- The assignment of responsibilities and authority to senior management as well as to middle and lower level management ensures the enhancement of the performance of the System of Internal Audit, with a parallel safeguarding of the necessary segregation of duties.
- The appropriate staffing of the finance department with employees that have the necessary technical knowledge and experience for the responsibilities to which are assigned.

#### Accounting review procedures and preparation of financial statements

- The existence of common policies and manner of operation of the accounting departments which have been announced to the subsidiaries of the Group, which have terms, accounting principles which are used form the Company and its subsidiaries, guidance for the preparation of financial statements, financial reporting consolidation etc.
- Automatic audits and checks which are carried out between the different information systems while a special approval is required for one-off extraordinary transactions.

#### Safeguarding of assets

- The existence of specific checks for the fixed assets, the inventories, cash and cash equivalents –cheques and other assets of the company, such as for instance the physical security of cash or stock and the stocktaking and the comparison of the counted quantity and those of the accounting books.
- Existence of a list of approved levels of authorities to which the assigned authorities to the various management of the company for specific transactions or duties (for example payments, receipts, legal transactions).

## **5. Additional information**

5.1 Article 10, par. 1 of the Guidance 2004/25/EK of the European Parliament and Committee of April 21st 2004, relevant to the public offerings for the titles of companies that are negotiated in organized markets:

“The EU countries ensure that the companies which are referred to in article 1 of paragraph 1 publish detailed information with respect to the following: a) structure of their capital including titles which are not listed in an organised market of an EU country and in special cases , an indication of the different categories of shares with the rights and the obligations which are associated with each category of shares and the percentage of the total share capital which they represent b) all restrictions in the transfer of titles, such as the restrictions in the ownership of titles or the obligation to obtain approval from the company or from other owners of titles, with the reservation of article 46 of the Guidance 2001/34/EK.

c) the significant direct or indirect participations (including indirect investments via pyramid structure) as defined by articles 85 of the Guidance 2001/34/EK

d) the owners of any type of title which grants special audit rights and description of the said rights



- e) the audit mechanism which may possibly be provided for in a system in which employees participate , under the condition that the audit rights are not exercised directly through the employees.
- f) any type of restrictions in voting rights, such as the restrictions in the voting rights to owners of a specific percentage or number of votes, the due dates of exercising the voting rights or systems to which along with the cooperation of the company, the financial rights which result from the titles and are separated from the titles.
- g) agreements between shareholders which are known to the company and may possibly result in restrictions in the transfer of titles and/or voting rights as defined by the Guidance 2001/34/EK
- h) regulations concerning the appointment and replacement of board of directors members in addition to the amendment of the Articles of Association
- i) each significant agreement to which the company participates and which begins to be valid, is amended or expires in the event of a change in the audit of the company following public acquisition proposal and the results of such an agreement except if, due to its nature, its disclosure would create serious damage to the company. This exemption is not valid when the company is explicitly obliged to disclose similar information based on other legal requirements.
- j) Each agreement which the company has contracted with the members of the board of directors or with its personnel, for which a provision exists for indemnity in the event of resignation or redundancy without a justifiable reason or their employment has terminated as a result of the public acquisition proposal”

## **5.2 In relation to this information the company declares the following:**

- (a) The structure of the share capital, including the shares not listed for trading in an organized market in Greece or another member-state, reporting for each category of shares the rights and the obligations related to this category and the percentage of the total share capital that the shares of this category presented.

*The share capital of the Company as at 31.12.2010 amounted to Euro 85.262.522,32 composed into 63.628.748 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.*

- (b) Restrictions in the transfer of the company's shares such as restrictions in holding of shares or the obligation in obtaining prior approval from the company or other shareholders or by a Public or Administrative Authority with the reserve of the article 46 of the Guidance 2001/34/EK..

*The transfer of the company's shares is made as enacted by Law and do not exist out of its Articles of Association restrictions in their transfer.*

- (c) The company does not have direct or indirect participations (including indirect investments pyramid structure) as defined by articles 85 of the Guidance 2001/34/EK.

Furthermore, the significant direct or indirect participation in the share capital and voting rights of the Company, based on the last disclosure, as defined by articles 9 to 11 of L. 3556/2007 are as follows:



Surname	Name	Father's Name	Number of Shares	% Percentage	Type of participation
Belles *	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
Kahka	Bendukidze			18,02%	Mr. Kahka Bendukidze and the company Linnaeus Capital Partners BV (with a fiduciary HSBC Private Bank Suisse SA) indirectly hold 18,02% voting rights. The company Linnaeus Capital Partners BV is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze.

(d) Holders of any type of share granting special control rights and description of relevant rights.

*Shares of the company, which grant special control rights to their shareholders do not exist.*

(e) Restrictions in voting rights such as restrictions in voting rights to holders of certain percentage of the share capital or to holders of certain number of voting rights, and the time limits for the exercise of voting rights.

*The Articles of Association do not provide for any restrictions in voting rights*

(f) Shareholders Agreements, which are known to the company and entail restrictions in transfer of shares or restrictions in exercise of voting rights.

*The company is not aware of the existence of shareholders agreements, which entail restrictions in the transfer of its shares or in the exercise of the voting rights arising from its shares.*

(g) Regulations with respect to the appointment and replacement of members of the Board of Directors and amendment of the Articles of Association.



*The rules provided by the company's Articles of Association for appointment and replacement of members of its Board of Directors and amendment of its articles, do not differ to that provided by the provisions of c. L. 2190/1920.*

(h) Ability of the Board of Directors or certain members of the Board of Directors, to the issue new shares or repurchase treasury shares.

The Board of Directors of the Company is allowed to proceed with the issuance of new shares, following stipulated authorization on the basis of the General Assembly's decision in the following cases:

*In accordance with article 13 paragraph 9 of c.L2190/1920, as in force, and in execution of the decision taken at the Company's Shareholders General Meeting held on 05-06-2006, which was listed in the Register of Companies on 20-06-2006, protocol number K2-9377, the three-year Stock Option Plan granted to the Members of the Board of Directors and to the Company's Management was approved. Specifically, following the exercise of rights have been vested from the participants in the program, a decision is taken by the Board of Directors as regards the increase of the Company's share capital by an amount which corresponds to the rights that have been exercised and the issuance of the respective new shares, in execution of the assumed liabilities based on the Plan. Subsequent to this, the Board of Directors proceeds with the decision released, based on article 11 of c.L.2190/1920 in respect of the certification of the paid-up share capital.*

*It is noted that due to the current economic decision of the capital market, the exercise of the above rights in the third year has not been made possible.*

*In accordance with article 3a of c.L 2190/1920, as in force, and in execution of the decision of the A' Reiteration Extraordinary Shareholders Meeting of the Company, which was listed in the Companies Register of the Ministry of Development on 9-5-2007 with protocol number K2-6896, the issuance of the convertible bond loan into common with voting right shares with preference rights to old shareholders of an amount of 19.995.575,10 Euro was approved. Specifically, following the exercise of the right of conversion of debentures to shares, a Board of Directors decision is taken to increase the Company's share capital by an amount which corresponds to the conversion of debentures depending upon the conversion requests, and the conversion ratio, and the corresponding issuance of the company's new shares, in execution of the terms of the program of the convertible bond loan as these are in force. Subsequent to the above, the Board of Directors proceeds with the issuance of the decision, based on article 11 of c.L 2190/1920 in respect of the certified paid-up share capital.*

(i) Significant agreements of the company that are in force, amend or expire in case of a change in the company's control following public motion and the results of the agreement, except if, due to its nature, the publication of the agreement would cause serious loss in the company. The exemption of publication of the agreement is not effective when the obligation for publication arises from other provisions.

*In the event of a change in the company's control following public proposal, there are no agreements, which are in force, are amended or expire.*



(j) Agreements for indemnity compensation to members of the Board of Directors or personnel, in case of retirement or dismissal without basic reason or end of term or engagement due to public announcement.

*There are no special agreements for indemnity compensation to the members of the Board of Directors or to personnel, specifically in case of retirement or dismissal without basic cause or termination of their service or their engagement due to public proposal.*

The present Statement of Corporate Governance entails an integral and special part of the company's annual Board of Directors Report.



<b>Name</b>	<b>Company which participates</b>	<b>Position in the Company</b>
<b>Aristides Belles Chariman and CEO</b>	EUROMARE INSURANCE AGENCY S.A	Vice President and Managing Director
	PROTEUS EQUIPMENT S.A	President and Managing Director
	KEGO AGRI S.A	President and Managing Director
	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	President and Managing Director
	FISH OF AFRICA LTD	President
	TEMPLE TRADING	President
	SEA FARM IONIAN SA	Managing Director
	SUNNYLAND A.E. UTILISATION OF PROPERTY	President and Managing Director
	FOOD CARRIERS S.A.	President
	ENTERPRISE CLUB	President
	EVOIKI DEVELOPMENT SEACULTURE COMPANY	President
	IOBE	President
	SOCIETE ANONYM CIVILISATION AND TOURISM	Member
	FLEXINOVA LTD	Administrator
<b>Nikolaos Chaviaras Vice President and Managing Director</b>	ILKNAK A.S	Member
	PROTEUS EQUIPMENT S.A	Vice President
	NIREUS INTERNATIONAL LTD	Administrator
	MIRAMAR PROJECTS CO LTD	Administrator
	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Vice President
	SEA FARM IONIAN S.A	President
	KEGO AGRI S.A.	President and Managing Director
	KEY FOOD S.A	President and Managing Director
	KEY PARKING O.E.	Administrator
	FOOD CARRIERS S.A	Vice President and Managing Director
	WHITEFLEX LIMITED	President
<b>Antonios Chachlakis Substitute Managing Director</b>	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	Vice President & Substitute Managing Director
	PREENCODE DE DORADAS PARA MARICULTURA S.L. (PREDOMAR)	Vice President
	KEGO AGRI S.A	Member
	PROTEUS EQUIPMENT S.A	Member
<b>Dinitrios Loumpounis, Member of BOD &amp; authorized consultant</b>	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	President
	PREENCODE DE DORADAS PARA MARICULTURA S.L. (PREDOMAR)	President
	CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS	President
	ILKNAK A.S	President



	BLUEFIN TUNA HELLAS A.E.	Vice President
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<b>Epaminondas Labadarios Member of BOD</b>	ATHINAIKI ZITHIPOIIA	Member
	GREY ADVERTISING S.A.	Member
	HELLENIC COMPANY INVESTMENT SA.	Member
	KOYTSIKOS WINERY SA	Member
	AFOI KALOGIANNI SA	Member
	DOW HELLAS	Member
	GOODYEAR DUNLOP ELASTIC HELLAS SA	Member
	SONY BMG MUSIC	Member

<b>Contantinos Labrinopoulos, Member of BOD</b>	SPRINT ADVERTISING SA.	Managing Director
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<b>Leto Ioannidou , Member of BOD.</b>	LAVIPHARM SA	Member of BOD
	M.I.MAILLIS	Member of BOD
	LETO IOANNIDOU MONOPROSOPI LTD CONSULTANTS	Administrator

<b>Markos Komondouros , Member of BOD</b>	ILIOGENESIS SA	Member of BOD
	ENEXON HELLAS SA	Member of BOD and Managing Director
	BIORANANEOSIS SA	Vive President of BOD
	VECTOR PARTNERS SA	Member of BOD and Managing Director

Athens, 28 March 2011

THE CHAIRMAN OF THE BOD

THE MEMBERS

An exact copy of the Minutes of the Meetings of the Board of Directors

THE CHAIRMAN AND CEO

ARISTIDES ST. BELLES

## **INDEPENDENT AUDITOR’S REPORT**

**To the Shareholders of “NIREUS AQUACULTURE S.A.”**

### **Report on the Separate and Consolidated Financial Statements**

“We have audited the accompanying consolidated financial statements of NIREUS AQUACULTURE S.A. (the “Company”) and its subsidiaries (“the Group”), which comprise the separate and consolidated statement of financial position as at 31 December 2010 and the separate and consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management’s responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as these have been adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair



presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the separate and consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2010, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as these have been adopted by the European Union.

## **Report on Other Legal and Regulatory Requirements**

(a) The Director's Report includes the statement of Corporate Governance, which comprises the information as defined by paragraph 3d of article 43a, of Codified Law 2190/1920.

(b) We confirm that the information given in the Directors' Report is consistent with the accompanying separate and consolidated financial statements in the context of the requirements of articles 43a, 108 and 37 of C. L.2190/1920.

**Athens, 30 March 2011**

**THE CERTIFIED AUDITOR ACCOUNTANT**

**CHRISTODOULOS SEFERIS**

**S.O.E.L. R.N. 23431**

**ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.**

**11TH KLM NATIONAL ROAD ATHENS – LAMIA, METAMORFOSI**

**COMPANY S.O.E.L. R.N. 107**



## Income statement

(Amounts in Euro)

		<b>GROUP</b>	
		<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>Note</b>		
<b>Fair value of biological assets at 31/12/2009</b>		<b>272.949.441</b>	<b>241.148.927</b>
Purchases during the Year		(101.460)	(144.522)
Sales during the Year		147.518.526	120.062.421
<b>Fair value of biological assets at 31/12/2010</b>		<b>257.804.269</b>	<b>272.949.441</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2010</b>	<b>26</b>	<b>132.271.894</b>	<b>151.718.413</b>
Sales of non-biological goods-merchandise and other inventories	<b>9</b>	37.794.420	43.455.961
Raw Material Consumption		(92.742.679)	(100.686.340)
Salaries & personnel expenses	<b>10</b>	(31.898.913)	(32.807.659)
Third party fees and benefits	<b>11</b>	(25.251.420)	(21.973.034)
Finance costs	<b>12</b>	(12.891.320)	(13.197.297)
Finance income	<b>12</b>	1.040.227	363.397
Profits/Losses from consolidation by the net equity method	<b>13</b>	(1.175.926)	359.105
Gain/(loss) from revaluation of assets	<b>18,19</b>	(1.136.935)	-
Loss from the sale of associate companies	<b>13</b>	(10.001.006)	-
Depreciation		(10.627.853)	(10.767.113)
Other expenses	<b>14</b>	(23.557.852)	(21.453.337)
Other income	<b>15</b>	3.353.170	5.927.197
<b>Results for the Year before taxes</b>		<b>(34.824.193)</b>	<b>939.293</b>
Income tax	<b>16</b>	(806.209)	(332.728)
Deferred income tax	<b>16</b>	1.914.489	(3.589.051)
Prior Years tax audit differences	<b>16</b>	(381.122)	-
<b>Net profit for the Year</b>		<b>(34.097.035)</b>	<b>(2.982.486)</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(35.699.847)	340.390
<b>Non-controlling interests</b>		1.602.812	(3.322.876)
<b>Total</b>		<b>(34.097.035)</b>	<b>(2.982.486)</b>
<b>Earnings after taxes per share – basic in €</b>	<b>17</b>	<b>(0,5613)</b>	<b>0,0054</b>
		<b>COMPANY</b>	
		<b>31/12/2010</b>	<b>31/12/2009</b>
	<b>Note</b>		
<b>Fair value of biological assets at 31/12/2009</b>		<b>222.123.238</b>	<b>193.322.924</b>
<b>Opening inventories at date of acquisition of subsidiary with biological assets</b>			
Purchases during the Year		(401.360)	(270.402)
Sales during the Year		109.660.571	89.790.852
<b>Fair value of biological assets at 31/12/2010</b>		<b>200.568.733</b>	<b>222.123.238</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2010</b>	<b>26</b>	<b>87.704.706</b>	<b>118.320.764</b>
Sales of non-biological goods-merchandise and other inventories	<b>9</b>	75.519.189	73.229.393
Raw material consumption		(109.887.910)	(111.095.309)
Salaries & personnel expenses	<b>10</b>	(24.767.405)	(25.544.744)
Third party fees and benefits	<b>11</b>	(19.367.899)	(17.520.022)
Finance costs	<b>12</b>	(11.925.165)	(10.919.907)
Finance income	<b>12</b>	1.367.522	1.743.144
Gain/(loss) from revaluation of assets	<b>18,19</b>	(1.179.017)	-
Loss from the sale of associate companies	<b>13</b>	(10.496.927)	-
Depreciation		(8.359.507)	(8.349.548)
Other expenses	<b>14</b>	(19.947.805)	(16.802.417)
Other income	<b>15</b>	2.064.717	3.129.743
<b>Results for the Year before taxes</b>		<b>(39.275.501)</b>	<b>6.191.097</b>
Income tax	<b>16</b>	(493.110)	-
Deferred income tax	<b>16</b>	3.604.954	(3.616.284)
Prior Years tax audit differences	<b>16</b>	(25.397)	-
<b>Net profit for the Year</b>		<b>(36.189.054)</b>	<b>2.574.813</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		(36.189.054)	2.574.813
<b>Total</b>		<b>(36.189.054)</b>	<b>2.574.813</b>

**The attached notes form an integral part of these financial statements**

**Statement of Comprehensive Income**

(Amounts in Euro)

	<b>GROUP</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Net profit for the Year (A)</b>	<b>(34.097.035)</b>	<b>(2.982.486)</b>
<b>Other comprehensive income</b>		
Currency translation differences from the consolidation of foreign subsidiaries	(818.585)	5.416
Write-off of Currency translation reserve due to the sale of associate companies	698.316	-
Effect from the revaluation of property plant & equipment	22.107.791	-
Proportion of other recognised income from associate companies	407.092	521.884
Change in the tax rate from 24% to 20%	894.461	(9.087)
Deferred tax which is included in other comprehensive income	<b>23.289.075</b>	<b>518.213</b>
<b>Total other comprehensive income (B)</b>	<b>(10.807.960)</b>	<b>(2.464.273)</b>
<b>Total comprehensive income after taxes (A+B)</b>	(13.834.140)	858.325
-Equity holders of the parent company	3.026.180	(3.322.598)
-Non-controlling interests	<b>(10.807.960)</b>	<b>(2.464.273)</b>

	<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Net profit for the Year (A)</b>	<b>(36.189.054)</b>	<b>2.574.813</b>
<b>Other comprehensive income</b>		
Effect from the revaluation of property plant & equipment	19.710.116	-
Change in the tax rate from 24% to 20%	786.680	(9.087)
Deferred tax which is included in other comprehensive income	<b>20.496.796</b>	<b>(9.087)</b>
<b>Total other comprehensive income (B)</b>	<b>(15.692.258)</b>	<b>2.565.726</b>
<b>Total comprehensive income after taxes (A+B)</b>	<b>(15.692.258)</b>	<b>2.565.726</b>
-Equity holders of the parent company	(15.692.258)	2.565.726
	<b>(15.692.258)</b>	<b>2.565.726</b>

**The attached notes form an integral part of these financial statements**

**Statement of Financial Position**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	18	90.972.254	67.126.808	77.546.981	55.351.690
Investment property	19	3.534.425	4.281.300	3.432.549	4.236.300
Goodwill	20	30.766.972	30.766.972	19.049.833	19.049.833
Intangible assets	21	16.026.648	16.030.957	4.734.973	4.735.307
Investments in subsidiaries	22	-	-	29.201.879	28.803.739
Investments in associates	13	520.297	35.013.591	650.000	35.568.697
Deferred income tax assets	23	7.536	21.191	-	-
Available-for-sale financial assets	24	56.703	56.703	6.800	6.800
Other long-term receivables	25	233.351	270.281	158.388	166.748
Biological assets	26	71.552.426	81.498.458	67.860.977	73.141.264
		<b>213.670.612</b>	<b>235.066.261</b>	<b>202.642.380</b>	<b>221.060.378</b>
<b>Current assets</b>					
Biological assets	26	186.251.843	191.450.983	132.707.756	148.981.974
Inventories	27	11.658.571	9.732.655	7.692.073	6.501.952
Trade and other receivables	28	46.624.487	53.427.689	65.784.550	78.215.722
Other receivables	29	33.305.875	15.038.685	30.536.291	9.867.577
Other current assets	30	715.396	1.440.343	134.449	836.276
Financial assets at fair value through profit or loss	31	82	238	82	238
Cash and cash equivalents	32	36.549.387	15.743.462	35.976.972	14.891.373
		<b>315.105.641</b>	<b>286.834.055</b>	<b>272.832.173</b>	<b>259.295.112</b>
<b>Total Assets</b>		<b>528.776.253</b>	<b>521.900.316</b>	<b>475.474.553</b>	<b>480.355.490</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	33	85.262.522	85.238.263	85.262.522	85.238.263
Less Treasury shares	33	(47.271)	(47.271)	(47.271)	(47.271)
Share premium account	33	36.228.730	36.164.621	36.228.730	36.164.621
Fair value reserves	33	30.924.906	9.580.654	30.031.810	9.530.427
Currency translation differences		(854.781)	(1.880.823)	-	-
Other reserves	33	8.612.337	9.089.761	8.718.078	8.722.212
Retained earnings		(10.215.222)	25.917.061	(6.742.422)	29.446.632
<b>Equity attributable to equity holders of the Parent Company</b>		<b>149.911.221</b>	<b>164.062.266</b>	<b>153.451.447</b>	<b>169.054.884</b>
<b>Non-controlling interests</b>		<b>4.803.043</b>	<b>1.878.593</b>	-	-
<b>Total Equity</b>		<b>154.714.264</b>	<b>165.940.859</b>	<b>153.451.447</b>	<b>169.054.884</b>
<b>Non-current liabilities</b>					
Long-term borrowings	34	174.822.861	176.369.017	151.366.697	155.443.050
Deferred income tax liabilities	23	21.622.093	17.595.564	17.416.803	15.581.901
Retirement benefit obligations	10	2.764.436	2.625.025	2.319.541	2.222.062
Government grants	35	7.447.170	8.336.219	6.175.989	6.984.766
Other non-current liabilities	36	3.453.510	3.991.605	-	-
Provisions	37	530.201	297.386	332.855	59.273
<b>Total non-current liabilities</b>		<b>210.640.271</b>	<b>209.214.816</b>	<b>177.611.885</b>	<b>180.291.052</b>
<b>Current liabilities</b>					
Trade & other payables	38	60.045.565	53.709.855	52.157.908	50.669.248
Short-term borrowings	34	80.704.332	67.711.193	72.088.951	59.889.781
Derivative financial instruments	39	554.838	1.323.198	554.838	1.300.907
Deferred payables	34	10.817.348	14.115.928	10.716.759	11.374.142
Other current liabilities	40	11.299.635	9.884.467	8.892.765	7.775.476
<b>Total current liabilities</b>		<b>163.421.718</b>	<b>146.744.641</b>	<b>144.411.221</b>	<b>131.009.554</b>
<b>Total Liabilities</b>		<b>374.061.989</b>	<b>355.959.457</b>	<b>322.023.106</b>	<b>311.300.606</b>
<b>Total Equity and Liabilities</b>		<b>528.776.253</b>	<b>521.900.316</b>	<b>475.474.553</b>	<b>480.355.490</b>

**The attached notes form an integral part of these financial statements**



## Statement of Changes in Equity

### Consolidated Statement of Changes in Equity

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Non-controlling interests	Total
<b>Balance of equity as at 1 January 2009</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>9.583.777</b>	<b>(280.553)</b>	<b>8.358.029</b>	<b>23.352.724</b>	<b>5.776.598</b>	<b>168.267.510</b>
Reclassification of figures in the associate company	-	-	-	342	(2.127.292)	(115.015)	2.241.965	-	-
<b>Balance as at January 1st 2009 following the restatement, in accordance with IFRS</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>9.584.119</b>	<b>(2.407.845)</b>	<b>8.243.014</b>	<b>25.594.689</b>	<b>5.776.598</b>	<b>168.267.510</b>
<i>Movement in equity for the Year 1/1-31/12/2009</i>									
Profit / (losses) after taxes	-	-	-	-	-	-	340.390	(3.322.876)	<b>(2.982.486)</b>
Other comprehensive income	-	-	(1.620)	(3.333)	527.022	(4.134)	-	278	518.213
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>(1.620)</b>	<b>(3.333)</b>	<b>527.022</b>	<b>(4.134)</b>	<b>340.390</b>	<b>(3.322.598)</b>	<b>(2.464.273)</b>
Change in percentage or acquisition of new subsidiary companies	-	-	-	(132)	-	(796)	-	(76.925)	(77.853)
Increase in share capital from the conversion of the convertible bond loan	202.919	-	512.556	-	-	-	-	-	715.475
Transfer of negative Non-controlling interests to retained earnings	-	-	-	-	-	-	(1.518)	1.518	-
Approved dividends	-	-	-	-	-	-	-	(500.000)	(500.000)
Transfer of reserves for coverage of own investments N.3229/04	-	-	(835.177)	-	-	835.177	-	-	-
Legal reserve	-	-	-	-	-	16.500	(16.500)	-	-
<b>Total recognised Income/ Expense for the Year</b>	<b>202.919</b>	<b>-</b>	<b>(324.241)</b>	<b>(3.465)</b>	<b>527.022</b>	<b>846.747</b>	<b>322.372</b>	<b>(3.898.005)</b>	<b>(2.326.651)</b>
<b>Balance of equity as at 31 December 2009</b>	<b>85.238.263</b>	<b>(47.271)</b>	<b>36.164.621</b>	<b>9.580.654</b>	<b>(1.880.823)</b>	<b>9.089.761</b>	<b>25.917.061</b>	<b>1.878.593</b>	<b>165.940.859</b>
<b>Balance of equity as at 1 January 2010 in accordance with IFRS</b>	<b>85.238.263</b>	<b>(47.271)</b>	<b>36.164.621</b>	<b>9.580.654</b>	<b>(1.880.823)</b>	<b>9.089.761</b>	<b>25.917.061</b>	<b>1.878.593</b>	<b>165.940.859</b>
<i>Movement in equity for the Year 1/1-31/12/2010</i>									
Profit / (losses) after taxes	-	-	-	-	-	-	(35.699.847)	1.602.812	(34.097.035)
Other comprehensive income	-	-	(453)	21.344.252	1.026.042	(504.134)	-	1.423.368	23.289.075
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>(453)</b>	<b>21.344.252</b>	<b>1.026.042</b>	<b>(504.134)</b>	<b>(35.699.847)</b>	<b>3.026.180</b>	<b>(10.807.960)</b>
Change in percentage or acquisition of new subsidiary companies	-	-	-	-	-	-	(405.726)	7.586	(398.140)
Increase in share capital from the conversion of the convertible bond loan	24.259	-	64.562	-	-	-	-	-	88.821
Legal reserve for the year	-	-	-	-	-	26.710	(26.710)	-	-
Approved dividends	-	-	-	-	-	-	-	(109.316)	(109.316)
<b>Total recognised Income/ Expense for the Year</b>	<b>24.259</b>	<b>-</b>	<b>64.109</b>	<b>21.344.252</b>	<b>1.026.042</b>	<b>(477.424)</b>	<b>(36.132.283)</b>	<b>2.924.450</b>	<b>(11.226.595)</b>
<b>Balance of equity as at 31 December 2010</b>	<b>85.262.522</b>	<b>(47.271)</b>	<b>36.228.730</b>	<b>30.924.906</b>	<b>(854.781)</b>	<b>8.612.337</b>	<b>(10.215.222)</b>	<b>4.803.043</b>	<b>154.714.264</b>



**The attached notes form an integral part of these financial statements**

### ***Statement of Change in Equity of the Parent Company***

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total
<b>Balance of equity at 1 January 2009, in accordance with IFRS</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>9.533.760</b>	<b>7.891.169</b>	<b>26.871.819</b>	<b>165.773.683</b>
<i>Movement in Net equity for the Year 01/01-31/12/2009</i>							
Profit / (losses) after taxes	-	-	-	-	-	2.574.813	2.574.813
Other comprehensive income	-	-	(1.620)	(3.333)	(4.134)	-	(9.087)
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>(1.620)</b>	<b>(3.333)</b>	<b>(4.134)</b>	<b>2.574.813</b>	<b>2.565.726</b>
Increase in share capital from the conversion of the convertible bond loan	202.919	-	512.556	-	-	-	715.475
Transfer of reserves for coverage of own investments N.3229/04	-	-	(835.177)	-	835.177	-	-
<b>Total recognised Income/Expense for the Year</b>	<b>202.919</b>	<b>-</b>	<b>(324.241)</b>	<b>(3.333)</b>	<b>831.043</b>	<b>2.574.813</b>	<b>3.281.201</b>
<b>Balance of equity as at 31 December 2009</b>	<b>85.238.263</b>	<b>(47.271)</b>	<b>36.164.621</b>	<b>9.530.427</b>	<b>8.722.212</b>	<b>29.446.632</b>	<b>169.054.884</b>
<i>Movement in Net equity for the Year 01/01-31/12/2010</i>							
Profit / (losses) after taxes	-	-	-	-	-	(36.189.054)	(36.189.054)
Other comprehensive income	-	-	(453)	20.501.383	(4.134)	-	20.496.796
<b>Total comprehensive income after taxes</b>	<b>-</b>	<b>-</b>	<b>(453)</b>	<b>20.501.383</b>	<b>(4.134)</b>	<b>(36.189.054)</b>	<b>(15.692.258)</b>
Increase in share capital from the conversion of the convertible bond loan	24.259	-	64.562	-	-	-	88.821
<b>Total recognised Income/Expense for the Year</b>	<b>24.259</b>	<b>-</b>	<b>64.109</b>	<b>20.501.383</b>	<b>(4.134)</b>	<b>(36.189.054)</b>	<b>(15.603.437)</b>
<b>Balance of equity as at 31 December 2010</b>	<b>85.262.522</b>	<b>(47.271)</b>	<b>36.228.730</b>	<b>30.031.810</b>	<b>8.718.078</b>	<b>(6.742.422)</b>	<b>153.451.447</b>

**The attached notes form an integral part of these financial statements**



## Cash Flow Statement

(Amounts in Euro)

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Cash flows from operating activities</b>				
Profit before taxes	(34.824.193)	939.293	(39.275.501)	6.191.097
Plus/less adjustments for:				
Depreciation charge	10.627.853	10.767.113	8.359.507	8.349.548
Provisions	(506.615)	407.921	* 273.582	64.808
Government Grants	(1.329.595)	(2.421.081)	(1.117.170)	(2.027.214)
Provisions for retirement benefit obligations	139.411	(214.994)	97.479	(64.851)
Portfolio measurement	(768.204)	1.405.470	(745.914)	571.884
Dividends	-	-	(404.208)	(1.450.574)
Interest income	(271.868)	(273.267)	(217.244)	(225.347)
Change in the fair value of biological assets and other non-cash items	6.369.527	(18.173.761)	* 13.423.617	(18.001.754)
Gains from sale of property, plant and equipment-investments	10.036.662	17.300	10.481.564	112.472
Interest expense and similar charges	12.891.164	11.701.697	11.925.009	10.280.800
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease/(increase) of inventories	8.126.070	(7.928.444)	* 8.004.238	(5.913.715)
Decrease/(increase) of receivables	(9.791.191)	11.137.286	* (7.167.589)	600.689
(Decrease)/increase of payable accounts (except Banks)	5.711.464	(11.538.245)	* 1.292.859	(5.286.537)
Less:				
Interest expense and similar charges paid	(10.760.521)	(10.485.841)	* (9.849.630)	(9.092.010)
Income tax paid	(189.424)	(666.358)	(4.498)	(129.525)
<b>Net cash generated from operating activities (a)</b>	<b>(4.539.460)</b>	<b>(15.325.911)</b>	* <b>(4.923.899)</b>	* <b>(16.020.229)</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(398.140)	(1.315.032)	(398.140)	(1.314.032)
Proceeds from sale of subsidiaries, associates, joint-ventures and other investments	24.421.770	34.000	24.421.770	34.000
Purchases of property, plant and equipment (PPE) and of intangible assets	(5.802.382)	(6.856.603)	(4.996.674)	(4.587.055)
Proceeds from sale of PPE and intangible assets	91.494	254.495	16.670	105.180
Proceeds from Government grants	308.393	4.197.061	308.393	2.761.507
Interest received	236.446	440.693	* 217.244	418.723
Dividends received	-	-	265.402	1.000.574
<b>Net cash used in investing activities (b)</b>	<b>18.857.581</b>	<b>(3.245.386)</b>	* <b>19.834.665</b>	* <b>(1.581.103)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares / convertible bond	-	1.425	* -	-
Expenses related to the issue of shares	(1.767)	(7.308)	(1.767)	(7.308)
Proceeds from issued/raised bank loans	13.258.060	7.861.360	* 12.199.170	5.146.475
Repayments of loans	(6.398.489)	(3.094.081)	* (6.022.570)	(1.310.170)
Dividends paid	(370.000)	(86.606)	-	(36.606)
<b>Net cash used in from financing activities (c)</b>	<b>6.487.804</b>	<b>4.674.790</b>	* <b>6.174.833</b>	* <b>3.792.391</b>
<b>Net increase/(decrease) in cash and cash equivalents for the Year (a) + (b) + (c)</b>	<b>20.805.925</b>	<b>(13.896.507)</b>	<b>21.085.599</b>	<b>(13.808.941)</b>
<b>Cash and cash equivalents at beginning of the Year</b>	<b>15.743.462</b>	<b>29.639.970</b>	<b>14.891.373</b>	<b>28.700.314</b>
<b>Cash and cash equivalents at end of the Year</b>	<b>36.549.387</b>	<b>15.743.463</b>	<b>35.976.972</b>	<b>14.891.373</b>

\* Certain figures in the Cash flow Statement are not consistent with the published Financial statements of 2009 and reflect reclassifications of figures for comparative purposes with the current year.

**The attached notes form an integral part of these financial statements**



## **1. Notes on the Annual Financial Statements**

### **1.1 General Information**

The company “NIREUS AQUACULTURE SA” (hereinafter the “Company”) is a company (societe anonyme) and a parent company of the group “NIREUS AQUACULTURE” (hereinafter the “Group”). The structure of the Group and the subsidiary companies are presented in Note 7 of the financial statements. The registered office of the company is situated at Koropi-Attica, Dimokritou Street, Portsi Place. The company’s web site is [www.nireus.gr](http://www.nireus.gr). The company was established in 1988 in Chios and in 1995 was listed on the Athens Stock Exchange.

### **1.2 Nature of operations**

The Company and the subsidiary companies of the Group are involved in a range of activities in the aquaculture sector. In particular, the main activities of the Group includes the production of juveniles, and fish as well as the trading and distribution of various products in domestic and international markets, the production of equipment such as nets, cages etc. for fish farming units, the production and trade of fish feed, the production and trade of processed fish, and production and sale of stock & avibreeding products.

## **2. Basis of preparation of the financial statements**

### **2.1 Basis of preparation of the financial statements**

The consolidated and standalone financial statements as at 31 December 2010 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and which have been adopted by the European Union until December 31 2010. The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, as amended by the fair value revaluation of assets and liabilities at market values.

The consolidated financial statements are presented in Euro.

The annual of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Company and the Group. These policies have been consistently applied to all years presented and which are analysed in Note 3. Areas which involve a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the individual and consolidated financial statements are stated in note 5.

The Financial Statements as at 31 December 2010, (prior year 31 December 2009 data included), have been approved by the company’s Board of Directors on March 28, 2011. According to the provisions of the Capital Market Commission, amendments to the financial statements are not permitted following their approval. Authorized changes are made only by the Shareholders during the Ordinary Annual Shareholders Meeting.



## 2.2 Basis of consolidation of the financial statements

The attached financial statements comprise the financial statements of the Parent Company in addition to the consolidated financial statements of the Group and its subsidiaries on which the Parent Company has the ability to exercise control on 31 December 2010.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group obtains control of these, and which continue to be consolidated until the date at which such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as those of the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

### **Derecognises:**

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences, recorded in Equity

### **Recognises:**

- Recognises the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings whenever this is considered necessary

## **Business Combinations prior to 1 January 2010**

The following differences are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired was recognized as goodwill.
- Losses incurred by the Group were attributed to non-controlling interests (NCI) until the balance was reduced to nil. Any further excess losses were attributed to the parent, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between NCI and the parent shareholders.



- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments at 1 January 2010 have not been restated.

### ***3. Summary of Significant accounting policies***

The main accounting policies applied in the preparation of the consolidated financial statements and the standalone financial statements of the parent are set out below.

#### ***3.1 Segment Reporting***

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. In accordance with IFRS 8, the Group uses the management approach to segment information. Information is based on that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. The segments as these are determined based on IFRS 8 are the following: Aquaculture, Fishfeed and Aviculture-stockbreeding.

#### ***3.2 Business Combinations and Goodwill***

##### **Business Combinations from 1 January, 2010**

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the profit or loss statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for the appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.



Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### **Business combinations prior to 1 January 2010**

In comparison to the above-mentioned requirements, the following differences have been applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognized goodwill.

Contingent consideration was recognized, if and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognized as part of goodwill.

### **3.3 Associates**

Associates are entities over which the Group has significant influence but which does not exercise control over their financial and business strategies. Significant influence is substantiated when the Group has a right to participate in the financial and strategic decision making, without it having the right to enact these. Investments in associates on which significant influence is exercised are accounted for using the equity method. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate until significant influence ceases to exist. Furthermore, the cost of the investment is adjusted with any potential impairment loss. When the losses attributed to the Group exceed the carrying amount of the investment, the carrying amount is reduced to zero without any further recognition of losses, except if the Group has established liabilities



or has made payments in relation to the associate. The proportion of goodwill which relates to each associate company is included in the carrying amount of the investment and is neither amortised nor is individually examined for potential impairment.

The income statement reflects the proportion of the Group's investment in the results of the associate company. In the event that there is a change which is directly recognized in the associate company's equity, the Group recognizes the proportion of its investment in these changes and reflects these in Other comprehensive income. Unrealised gains and losses arising from transactions between the Group and its associate companies are eliminated to the extent of the Group's share in the associates. The Financial Statements of an associate are prepared for the same accounting period as those of the parent company and appropriate changes are made in order to ensure consistency with those of the Group when considered necessary.

### **3.4 Biological Assets and Agricultural Activity**

Agricultural activity refers to an entity's management of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets. Biological assets are defined as animals and fish which are under growth and are classified as such until the point in time of harvest of the entity's biological assets, given that they are intended for sale, process or consumption. Management's right to biological assets can arise from ownership or from another type of legal action.

With the definition "Agricultural Activity" we describe a diverse range of activities, which have certain common features such as:

- ✓ Capability of change, as for example, living organisms (animals and fish) that are capable of biological transformation.
- ✓ Management of change, creating, reinforcing or at least stabilizing conditions necessary for the development of the living organism.
- ✓ Measurement of change, that is the difference brought about by biological transformation so much in quality (maturity, fat cover) as also in quantity (weight, progeny, etc.) of the entity's biological assets.

The Group and Company should recognise a biological asset or agricultural produce when and only when:

- 1) They control the asset as a result of past events.
- 2) It is probable that future economic benefits associated with the asset will flow into the Group and the Company.
- 3) The cost of the asset can be measured reliably.

A biological asset is measured upon initial recognition and at each balance sheet date at its fair value less estimated point-of-sale costs, apart from the case where the fair value cannot be measured reliably.

The Group and company, following initial recognition of the biological assets measures these at each subsequent balance sheet date at fair value less the estimated, until disposal, costs. In such a case where the biological asset cannot be measured accurately it is remeasured at its cost less any accumulated depreciation and any accumulated impairment losses.

A gain or loss that may arise on initial recognition of a biological asset and its subsequent measurement (less the estimated point-of-sale costs in both circumstances), are recognised in the results of the year in which it arises. Gain may also arise on initial recognition of biological assets, as for example, at the birth of a living organism.

The method applied in relation to stocktaking of biological inventories of the Company and the Group, is as follows:



Juveniles are counted in pieces, which arise from expected quantity net of statistically arisen mortality. This quantity is physically verified with the quantity of sold juveniles plus the quantity consumed for the production of fresh fish of the Company.

Raw fish is monitored in pieces taking into account the initial number of juveniles imported into production and the daily supervision of losses that is recorded.

The total fish arises:

- (a) From a special software program measuring the biomass depending on the consumed food and the prevailing temperature and the type of the fish
- (b) The average weight per fish is calculated based on sampling testing of fish. The average weight multiplied by the number of fish, determines the total fish biomass provided that each fish cage contains a specific category and fish size.

Biological assets are classified into subcategories depending on the maturity stage so that the user of the financial statements is informed with respect to the timing of future cash flows, which the Group and Company expects to generate from the exploitation of the biological assets.

Given that there is no active market of reproduced fish, the fair value of the biological assets are determined in accordance with the sales price per category of fish given that there is such a price catalogue.

### **3.5 Foreign currency translation**

The financial statements of the Group and the Company are presented in Euros, which is the parent Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions during the period are recognised in the income statement. At each reporting date at which the financial statements are prepared all monetary receivables and liabilities in foreign currency are translated into Euro in accordance with the prevailing exchange rate at the balance sheet date and the foreign exchange gains and losses are recorded in the income statement of the year. The non-monetary items denominated in foreign currency which are carried at historical cost are translated in accordance with the exchange rate at the date of acquisition. Foreign exchange differences from non-monetary items which are measured at fair value, are considered part of the fair value and are thus recorded similar to the changes in fair value.

The individual financial statements of the companies participating in the consolidation, which are initially presented in a currency different from that of the presentation currency of the Group are translated into Euro. The assets and liabilities are translated into Euro at the exchange rate prevailing at the closing balance sheet date. Income and expenses are translated into the Group's presentation currency at the average exchange rates of the referred period. Any exchange differences resulting from the translation are recorded in the foreign currency translation reserve, as a separate item in the Statement of Comprehensive Income and are transferred in the Income Statement during the sale of the foreign operation.



### **3.6 Property, plant and equipment**

All owner occupied property, plant and equipment, apart from land, buildings, machinery and technical installations as well as floating means, are presented in the financial statements at cost less the accumulated depreciation and accumulated impairment losses, if any.

Cost includes all directly attributable expenditure incurred for the acquisition of the asset.

Self-constructed property plant and equipment comprise an addition to the cost of the assets at values which include direct personnel costs, those which contribute to the construction (corresponding social contribution expenses), raw material costs and other general expenses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land and Buildings are measured at fair value reduced by accumulated depreciation and accumulated impairment loss, if any. Measurement of fair value occurs at frequent intervals so as to ensure that the fair value of an adjusted asset does not significantly differ from its book value. As at 31/12/2010 the Group decided to proceed in the change of its accounting policy in relation to the valuation method of machinery, technical installations and floating means following the fair value method in replacement of the cost method. (See Note 18).

Any revaluation surplus which results from the revaluation of land, buildings, mechanical equipment and floating means are credited to the asset revaluation reserve in Equity, except if it reverses any previous impairment loss (as described in Note 3.9) in which case it is recognized in the Income Statement. In case of an impairment, this is recognized in the results, except if it reverses any previous revaluation surplus of the same asset in which case it is recognized in Equity. In addition, the accumulated depreciation during the revaluation date is eliminated against the cost of the asset and the net amount is restated as the revalued asset amount. The revaluation surplus is transferred directly to retained earnings during the disposal (sale), write-off or full impairment of the asset.

Depreciation is calculated using the straight-line method over its estimated useful lives, as follows:

Buildings	50 years
Other installations and equipment	7-8 years
Mechanical equipment and technical installations	20-22 years
Other transportation means	5-7 years
Floating means	14-18 years
Furniture and other equipment	3-5 years

Gains and losses on disposals are assessed by comparing the proceeds against the carrying amount and are recorded in the income statement.

The assets' residual values and useful lives are examined, and adjusted if appropriate, at each balance sheet date.



### **3.7 Investment Property**

Investment property is initially recognized at cost, which is surcharged with all expenses in connection with acquiring the asset.

Following initial recognition, the investment property is measured at fair value, that is, the price at which the property can be exchanged between informed and willing parties in a usual trade transaction. The investment property is valued on an annual basis at fair value by an independent, professionally qualified valuer.

The carrying amount recognized in the financial statements of the Group reflects market conditions at the Balance Sheet date.

Transfers to, or from, investment property should be made when, and only when, there is a change in use, that is evidenced by commencement or end of owner-occupied assets by the Group and by the end of construction or development of an operating lease to a third party.

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's cost for subsequent accounting should be its fair value at the date of change in use. If an owner-occupied asset is transferred to the category of investment property, the Group applies the accounting treatment followed for the asset similarly as when it belonged to the self-occupied category and until the date of change in use. Investment property is derecognised upon disposal of the asset or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the disposal of the asset relate to the difference between the net result of the disposed asset and the carrying value of the asset and is recognised as income or expense in the income statement in the period of derecognition.

### **3.8 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets mainly include licenses computer software, and other programs. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Intangible assets include goodwill, concessions and industrial property rights such as exploitation in fish farming, which relates to aquaculture licenses. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of assets are assessed as either finite or infinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of the reporting period.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment at least on an annual basis, either individually or at the cash-generating unit level. The assessment expense is reviewed annually to determine whether the indefinite life continues to be supportable.



Aquaculture licenses are not amortised due to indefinite useful life, although licenses and software computer licenses, and other programs are amortised using the straight-line method over their estimated useful lives, from 1 to 5 years.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

### **Development Costs**

Research costs are expensed as incurred. Development expenditures on an individual project, are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The ability to reliably measure the expenditure during the development

Following initial recognition of the development expenditure of the asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use, while the asset is tested for impairment on an annual basis during its development stage.

### **3.9 Impairment of non-financial assets**

The Group assesses at each balance sheet date whether an indication exists whereby the carrying value of the non-financial assets is not recoverable. In the event whereby an indication for impairment exists or whether an annual impairment test is necessary, the recoverable amount of the asset is assessed. The recoverable amount of the asset is the greater between the fair value of the asset or the Cash-Generating Unit, less the required selling costs and the value in use and is individually assessed for each asset, except if the asset does not create cash flows which are to a large extent independent from other assets or group of assets. If the carrying amount of an asset or Cash generating unit exceeds the revalued recoverable amount, then the asset is considered impaired and is thus decreased until its recoverable amount. For the valuation of its value in use, the valued future cash flows are discounted at present value with the use of a pre-tax interest rate which reflects the current market value for the time-value of money and for the risks which are associated with these assets. For the assessment of the fair value less the selling expenses, the most recent market transactions are taken into consideration if these exist. If such corresponding transactions cannot be identified in the market, then an appropriate revaluation method is used.

The Group's assessment of impairment losses is based on detailed budgets and projected calculations which are prepared separately for each Cash generating unit of the Group to which each asset has been allocated. The budgets and projected calculations generally cover a period of 5 years although for extended periods, a long term growth rate is calculated which is applied to future cash flows following the fifth year.



The impairment losses are recognized in current year's results apart from the revalued assets where the previous valuation results have been recognized in Other Comprehensive Income until the amount of the previous revaluation.

For non-financial assets, apart from goodwill, a valuation is performed at each balance sheet date if indications exist which had previously resulted in an impairment loss which does not exist or has been reduced. A previously recognized impairment loss which had been recognized in previous years, is reversed only in the event whereby changes in assumptions which have been used for the assessment of the recoverable amount of the asset exists from the last time that the impairment loss had been recognized. The reversal is restricted up to the asset's carrying amount which does not exceed the recoverable amount, nor the carrying value which would have been determined, less accumulated depreciation, if an impairment loss had not been previously recognized. This reversal is recognized in the results except if it relates to revalued asset amounts, whereby the reversal is recognized as an increase in the revaluation.

Goodwill and other intangible assets with an indefinite useful life are tested for impairment on an annual basis (as at 31 December) and when conditions imply that the carrying amount has been revalued.

The impairment loss of goodwill and intangible assets with an indefinite useful life is determined in accordance with the recoverable amount of each Cash Generating Unit, to which these have been allocated. If the recoverable amount of the Cash Generating Unit is less than its carrying amount, then an impairment loss is recognized which initially reduces the carrying amount of goodwill and each remaining impairment loss is allocated to the remaining Cash Generating Units.

### ***3.10 Financial Instruments (receivables/ liabilities)***

#### ***A) Financial Assets***

##### ***Initial Recognition and Measurement***

During initial recognition, financial assets are classified into the following categories:

- Loans and receivables
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Held-to-maturity investments
- Derivative financial instruments designated as hedge accounting

The classification of the financial assets is made according to management's intent and is based on the characteristics and the reason for which it has been acquired. All financial assets are recognized initially at fair value which is the value at which it has been acquired, plus, in cases where investments are not valued at fair value through profit or loss, all directly attributed transaction costs.

The financial assets of the Group and the Company include cash and short-term deposits, trade and other receivables, available for sale financial assets and derivative financial instruments.



Measurement of financial assets after initial recognition depends on the category to which they belong:

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included under finance income in the income statement. The losses arising from impairment are recognized in the income statement under other costs.

Receivables and loans are included in current assets, with the exception of items with a maturity date in excess of 12 months following the balance sheet date. These are classified as non-current assets in the balance sheet date and are presented as “Trade and other receivables” and “Other Receivables”, constituting the largest part of the Group’s financial assets.

- **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments which have not been designated as hedging instruments (see note 39). Following initial recognition, financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the income statement.

The Group evaluated its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management’s intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

- **Available-for-sale financial assets**

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt



securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value when this can be reliably measured, with unrealized gains or losses being recognized in other comprehensive income in the available for sale reserve until the investment is derecognized. When derecognized, the cumulative gains or losses are presented in operating results. Furthermore, in the event whereby an asset has been impaired, the cumulative losses which have been classified in other comprehensive income are transferred to finance costs in the current year's income statement.

- **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. The Financial assets are classified as held-to-maturity investments provided that the Group's Management has the positive intent and ability to hold until maturity. Following initial recognition, the held-to-maturity financial investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

The Group did not have any held-to-maturity investments during the years ended 31 December 2010 and 2009.

### ***Derecognition***

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### ***Impairment of financial assets***

The Group assesses at each reporting date whether there is an objective indication that a financial asset or a group of financial assets has been impaired. A financial asset or a group of financial assets is deemed to be impaired, if and only if, there is objective indication of impairment as a result of one or more events that has occurred after the initial recognition of the asset and the loss has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably measured.

More specifically, the Group and the Company carries out an impairment test for certain receivables on an individual basis (for example for each customer separately) in cases where collection of the receivable has been characterized as overdue as



at the balance sheet date or in cases where objective evidence indicates the need for impairment. All other receivables are categorized and tested for impairment on an aggregate basis. The categories have as a common characteristic the geographical distribution, the operational segment of the counterparties and if any, other common characteristics of credit risk which characterizes them.

Indication of impairment may include events such as when debtors or a group of debtors are experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability of bankruptcy or financial restructuring, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in the structure of payments or financial conditions that associate with defaults.

- **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group or Company initially assesses whether an objective indication of impairment exists for financial assets that are solely significant, on an individual basis, or on an aggregate basis for financial assets that are not individually significant. If the Group assesses that no objective indication exists for impairment on an individual basis, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been occurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated cash flows is discounted at the financial assets original effective interest rate. The carrying amount of the asset is either reduced directly in equity or through a provision account. The amount of the loss is recognized in the income statement.

In the event whereby in subsequent periods, the impairment loss is reduced and the reduction objectively relates to an event which occurs following the recognition of the impairment loss, the impairment loss which had been previously recognized is reversed either directly or through a provision account. The reversal does not result in a carrying amount of the asset which exceeds the amount which the amortised cost of the asset would have had if the impairment had not been recognized during the date of the reversal. The amount of the reversal is recognized in the income statement.

- **Available-for-sale financial assets**

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below cost. "Significant" is evaluated against the original cost of the investment below and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement - is removed from other comprehensive income and recognized in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognized directly in other comprehensive income.



In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement.

## ***B) Financial Liabilities***

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial liabilities at initial recognition.

### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The financial liabilities of the Group and the Company include trade and other payables, other long-term and short-term liabilities, short-term and long-term loans and derivative financial instruments.

Subsequent measurement of financial liabilities depends on the classification as follows:

- **Loans and trade payables**

Bank borrowings provide financing to the Group and to the Company. The distinction between short-term and long-term is based according to prevailing contracts, if a repayment in the next 12 months or afterwards is made accordingly.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the income statement.

The convertible bond loan is composed of two parts: a financial liability (a contracted liability to deliver cash or another financial asset) and an equity component (a purchase right granted to the holder which provides the capability, for a fixed period of time, to convert the instrument into common shares). The financial benefit of such an instrument is substantially the same as the simultaneous issuance of such a title, with a lien of a premature settlement and a right to purchase common shares or with the issuance of a debt title having a splitted purchase right of shares. As a result, the company presents both the liability and the equity portion (net of taxes) separately identified in the Balance Sheet.

Trade payables, are initially recognized at cost and are subsequently remeasured at amortised cost less settlement payments.

- **Financial liabilities at fair value through profit and loss**



Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separate embedded derivatives are also classified as held for trading unless they are designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in the income statement.

### ***B) Off-setting of financial statements***

Financial assets and financial liabilities are off-set and the net amount is presented in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### ***3.11 Derivatives and Hedging Accounting***

Derivative financial assets such as futures and forwards, swaps and option contracts are used for financial risk management from the Group's business activities and the financing of these activities.

All derivatives are initially recognised at fair value on the date of settlement and are subsequently re-measured at their fair value. Derivatives are reported as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value is determined from the price prevailing in active markets or through the use of measurement techniques in cases where there is no active market for these instruments. Gains or losses from changes during the year, in the fair value of derivatives that are not recognised as hedging instruments, are recognised in the income statement, apart from the effective portion of the hedged derivatives which have been characterized as a cash flow hedge which is recognized in other comprehensive income.

During the current period the Group and Company has recognised specific contracts cap with knock out barrier as well as interest rate swaps as derivative financial assets. The above agreements have not been characterized as hedge accounting and are intended to reduce the risk attributed to changes in the interest rates to which the Group and Company encounters due to the borrowing liabilities of the Group and Company.



### **3.12 Inventories**

Inventories include raw materials, consumables and goods purchased.

The cost of inventories includes all purchase costs, conversion and other costs realised in order for the inventories to reach their present state and position and financial costs are not included. The cost is determined in accordance with the weighted average.

The purchase costs of inventories comprises the purchase price, import duties and other taxes (other than those which subsequently can be recovered by the entity from the tax authorities), and transport, handling and other directly attributable costs. Trade discounts, rebates and other similar items are deducted in determining the purchase cost.

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads comprise indirect costs of production that remain relatively constant irrespective of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity.

At the balance sheet date, inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses incurred until its completion and which ever costs are associated with the sale.

### **3.13 Share capital**

Share capital is determined according to the nominal value of shares issued. Ordinary shares are classified as equity. Expenses incurred in connection with the issuance of shares are presented in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the time at which the shares are cancelled, reissued or disposed of. Gains or losses arising from sale of treasury shares, of directly attributable other expenses & taxes, are shown as a reserve in equity.

### **3.14 Current and deferred income tax**

Taxes charged to the period's results consist of current and deferred taxes, i.e. taxes and tax relieves related to the financial benefits which incur during the period but have been charged or are going to be charged by the tax authorities in different periods. The income tax is recognised in the income statement of the period, except for taxes relating to transactions which have been directly classified in equity, in which case the respective tax is similarly charged to equity.



Current income taxes include short-term liabilities or receivables attributable to the tax authorities which relate to taxes payable on the period's taxable income in addition to any taxes relating to prior years. Current taxes are calculated according to the effective tax rates and tax laws prevailing as at the Balance Sheets dates in the territories in which the Group operates and in which taxable income arises. All changes in short-term tax assets or liabilities are recognised as tax expenses in the current year's income statement.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be used against the deductible temporary differences, and the carry forward of unused tax losses, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. The value of deferred taxes is examined at each balance sheet date and is reduced to the extent to which there will not be sufficient taxable profits to cover the entire or part of the deferred tax asset.

Deferred tax assets and liabilities are calculated according to the tax rates which are expected to be applied in the period during which the asset will be recognized or the liability will be settled, taking into account the tax rates (and tax regulations) that are in effect or have been enacted during the date of preparation of the Balance Sheet. In the event of the inability to determine the time of reversal of the temporary differences the tax rate applicable in the year following the balance sheet date is used. Current taxes are calculated according to the effective tax rates and tax laws prevailing in the relevant periods and which for the domestic companies are as follows: 2010: 24%, 2011: 23%, 2012:22%, 2013: 21%, 2014:20%.

The year's tax (current and deferred) which relates to transactions which are classified in equity are accordingly recorded in equity and not in the income statement.

### ***3.15 Employee benefits***

**Short-term benefits:** Short-term benefits to employees in money or in kind are recognised as an expense when they are accrued. Any outstanding amounts are classified as a liability, while in case the amount already paid exceeds the amount of the benefits, the Group and company recognise the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future or in return payments.



**Benefits on retirement:** The benefits on retirement include a lump sum pension indemnity or other benefits (social security or medical coverage) paid to employees upon retirement in exchange for their service. Therefore, they include both defined contribution plans and defined benefit plans. The accrued cost of the defined contribution plans is recorded as an expense in the period to which it refers.

**Defined contribution plan:** According to the defined contribution plan, the Group's or company's obligation (legal or constructive) is limited to the amount agreed to for contribution to the entity (e.g. social security entity), which manages the contributions and grants the benefits. Therefore, the amount of benefits received by the employee is defined by the amount contributed by the company and the employee and the paid investments of these contributions.

The accrued cost in a defined contribution plan is recognized as an expense in the period in which it relates to.

**Defined benefit plan:** The staff termination indemnity provision recorded in the balance sheet for the defined benefit plan is the current value of the liability for the defined benefit in addition to changes occurring from any other actuarial profit or loss and the past service cost. The discount rate is considered as the yield, at the balance sheet date, of high quality European corporate bonds which have a maturity which approaches the time period of the Group's liability.

The liability for this plan is determined using the projected unit credit method from an independent valuer and is composed of the present value of accrued services during the year, the interest on future liabilities, the prior service cost and the actuarial gains or losses. Past service costs are immediately recognized in the year's results to the extent to which the services have been vested, otherwise it is recognized as an expense over a straight line basis over the average period until the benefits become vested. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the income statement. Gains and losses arising from settlement or curtailment of a defined benefit plan is recognized in the income statement at the point in time when the Group has been committed to the curtailment or settlement.

**Employee termination benefits:** The benefits due to termination of the employment relationship are paid when employees leave before their normal retirement date. The Group records such benefits when it is committed, either when it actually terminates the employment of current employees based upon a detailed formal plan without possibility of withdrawal, or when it provides the said benefits as an incentive for voluntary redundancy. When these benefits are due for payment in a period, which exceeds twelve months from the balance sheet date, they must be prepaid according to the returns of high quality company bonds or government bonds.

In case of an offer made to encourage voluntary redundancy, the measurement of employment termination benefits is based on the number of employees expected to accept the proposal.

In case of an employment termination where the number of employees that will be consuming those benefits cannot be determined, this is not recorded but is instead presented as a contingent liability.

**Share-based compensation:** Share options are granted to specific employees of key management. Options are exercised at preference price, which is the average existing price of the parent company's share over the period 1/10-1/11 of



each year decreased by 40%. Options may be exercised within the first fifteen days of the month of November of each year of effect of the plan. The plan has a contractual duration of three years. The fair value of the employee's services received in exchange for the grant of the options is recognized as an expense. The proceeds received net of any directly attributable transaction costs are credited to Share Capital (nominal value) and share premium when the options are exercised. The Group and the Company have not yet recognized an expense in relation to these options given that the vesting terms as these had been specified at the grant date have not been settled.

### **3.16 Government grants**

The Group and the Company recognize government grants, which satisfy the following criteria: a) There is reasonable assurance that the Group and company will comply with all attached conditions and b) the grants will be received. Grants which are associated with expenses are recognized at fair value and are recognized on a systematic basis in income, based on the matching principle of the grants with the respective cost, which will be granted. Government grants which relate to assets are included in the long-term liabilities as deferred income and are recognized as income on a systematic basis over the useful lives of the asset.

### **3.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group and Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Examples of present obligations which arise from a present legal or constructive obligation as a result of past events, include warranties on products, litigations or onerous contracts. Restructuring provisions are recognised only when a detailed formal plan has been developed and implemented or Management has at least announced the main features of the plan to those that are likely to be affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at an expected cost which is required to determine the present obligation, using the most reliable evidence that is available as at balance sheet date, including the risks and uncertainties specific to the present obligation. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures, expected that will be required, to settle the obligation. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted. Where the discounting method is used, the carrying amount of a provision increases in each period to reflect the flow of time. This increase is recognized as a borrowing cost in the income statement. Where there is a number of similar obligations, the probability that an outflow will be required for settlement is assessed by considering the class of obligations in its entirety.

The expense relating to a provision may be presented in the income statement, net of the amount recognized for a reimbursement. A provision is used only for an expense for which the provision was originally recognized. Provisions are examined at each balance sheet date and the provision is reversed if an outflow of sources required to settle the obligation ceases to be probable.



Probable inflows of economic benefits for the Group which do not yet meet the criteria of an asset are considered contingent assets. Contingent assets and contingent liabilities are not recognized in the Balance Sheet. Contingent liabilities which are recognized under the scope of a business combination are measured at fair value. Subsequent to this they are remeasured at the higher of the amount of the provision which would have been recognized based on the basic recognition principles as described above and at the amount which was initially recognized, less any accumulated amortization which was recognized based on the principles of revenue recognition.

### **3.18 Revenue and Expense Recognition**

**(a) Revenue:** Revenue comprises the fair value of the produced fish and other biological assets, sales of goods and services, net of value added tax rebates and discounts. Inter-company revenue within the Group is fully eliminated. Revenue is recognized as follows:

- **Sales of biological assets:** Are recognized after their harvest, provided that the products are delivered to the customer who has accepted the products and collectibility of the related receivables is reasonably assured.
- **Sales of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer who has accepted the products and collectibility of the receivables is reasonably assured.
- **Sales of services:** Sales of services are recognized in the accounting period in which the services are rendered, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion to the total services which are to be provided.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired (new carrying) value is recognized using the original effective interest.
- **Dividend income:** Dividend income is recognized when the right to receive payment is established.

**(b) Expenses:** Expenses are recognized in the income statement on an accrual basis. Payments realized for operating leases are transferred to the income statement as expenses, during the time of use of the leased asset. Interest expenses are recognized on an accrual basis.

**(c) Gains/Losses attributed to changes in Fair Value of Biological Assets:** Are recognized during the year and result from changes both in price, quantity and development of the Biological assets.

### **3.19 Leases**

Liabilities from finance leases are measured at initial value net of the amount of principal repayments.

**Group or Company as a lessee:** Finance leases on assets where substantially all risks and rewards of ownership are transferred to the Group or Company are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges



and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease agreements where the lessor transfers the right of use of the asset for an agreed period of time, without transferring the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**Group or Company as a lessor:** When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Lease income is recognized over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

### ***3.20 Dividend distribution***

Dividend distribution to the parent Company's shareholders is recognized as a liability in the interim financial statements in the period in which the General Meeting of Shareholders approves the dividends.

Dividends to shareholders are included in the item "Other Current Liabilities" in the period in which the General Meeting of Shareholders approves the dividends.

### ***3.21 Related parties***

Transactions and intercompany balances between the related parties and the Group and Company are disclosed according to IAS 24 "Related Party Disclosures". These transactions relate to transactions between management, the principal shareholders and the subsidiaries of the Group with the parent company and other subsidiaries that comprise the Group.

### ***3.22 Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months, such as products of the financial market and bank deposits as well as overdraft bank accounts.

### ***3.23 Post Balance Sheet events***

The presented amounts in the financial statements are adjusted to reflect events arising after the balance sheet date for which conditions existed prior to the balance sheet date.

Events which occurred after the balance sheet date and for which no indications existed as at the balance sheet date but occurred subsequent to this date, are disclosed in the notes to the financial statements.



### **3.24 Comparative figures**

Comparative figures are restated in the event of a change in accounting policy or prior period error.

### **3.25 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are expensed in the period in which they are incurred. Other borrowing costs are charged to the period in which they are incurred.

### **3.26 Non-current assets held for sale**

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use.

Immediately prior to being classified as held for sale the carrying amount of the item is measured in accordance with the applicable standard.

After classification of an asset as held for sale, it is measured at the lower of the carrying amount and fair value less selling costs. An impairment loss is recognized in profit or loss for any initial and subsequent write-down of the asset and disposal group to fair value less selling costs. A gain for any subsequent increase in fair value less selling costs is recognized in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognized either in accordance with IFRS 5 or in accordance with IAS 36. Non-current assets (or disposal groups) that are classified as held for sale are not depreciated.

The results of discontinued operations are presented separately in the income statement and assets associated with these operations are included along with non-current assets held for sale in the balance sheet.

## **4. Changes in accounting policies**

### **4.1 New and revised standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations:

- **IFRIC 17 Distributions of Non-cash Assets to Owners**
- **IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items**
- **IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)**



- **IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)**
- **Annual improvement to IFRSs (May 2008).** All improvements which were issued were effective as at 3 December 2009, apart from the following: IFRS 5 Non-current assets held for sale and discontinued operations. The amendment clarifies that when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale even when the entity remains a non-controlling interest after the sale transaction.
- **Annual improvement to IFRSs (April 2009).**

In the event that the adoption of a standard or an amendment had an effect on the financial statements or on the operations of the Group or Company the effect is presented below:

#### **IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)**

The revision and amendment is effective for annual periods beginning on or after 1 July 2009. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. All of the above amendments have been applied from the date of effectiveness and have accordingly affected the future investments and the transactions of the minority interests from this date onwards (See Note 33).

**4.2 The following New Standards, Amendments and Interpretations have been issued but have not yet been applied to the Group and to the Company nor has there been any earlier application.**

- ***IFRS 7 Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities (amended),***

This amendment is effective for annual periods beginning on or after 1 July 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitisations), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The amendments broadly align the relevant disclosure requirements of IFRSs and US GAAP. The “Group” is in the process of assessing the impact of the new standard on the financial position of the Group



- **IFRS 9 Financial Instruments – Phase 1 financial assets, classification and measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The “Group” is in the process of assessing the impact of the new standard on the financial position of the Group.

- **IAS 32 Classification on Rights Issues (Amended)**

The amendment is effective for annual periods beginning on or after 1 February 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. The “Group” does not expect that this amendment will have an impact on the financial position.

- **IAS 24 Related Party Disclosures (Revised)**

The revision is effective for annual periods beginning on or after 1 January 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. The “Group” does not expect that this amendment will have an impact on its financial position.

- **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

The interpretation is effective for annual periods beginning on or after 1 July 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity’s equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The Group does not expect that the amendment will have an impact on its the financial position.

- **IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This Earlier application permitted and must be applied retrospectively. The “Group” does not expect that the amendment will have impact on its financial position.



In May 2010 the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases. These amendments relate to the below Standards and Interpretations and the “Group” is in the process of assessing this impact on the financial statements:

- **IFRS 1 First-time adoption**, effective for annual periods beginning on or after 1 January 2011.  
This improvement clarifies the treatment of accounting policy changes in the year of adoption after publishing an interim financial report in accordance with IAS 34 Interim Financial Reporting, allows first-time adopters to use an event-driven fair value as deemed cost and expands the scope of ‘deemed cost’ for property, plant and equipment or intangible assets to include items used subject to rate regulated activities.
- **IFRS 3 Business Combinations**, effective for annual periods beginning on or after 1 July 2010  
This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).  
Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments’ proportionate share of the acquiree’s identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity’s net assets.  
Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree’s share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses.
- **IFRS 7 Financial Instruments: Disclosures**, effective for annual periods beginning on or after 1 January 2011  
This improvement gives clarifications of disclosures required by IFRS 7 and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments.
- **IAS 1 Presentation of Financial Statements**, effective for annual periods beginning on or after 1 January 2011  
This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- **IAS 27 Consolidated and Separate Financial Statements**, effective for annual periods beginning on or after 1 July 2010  
This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures



apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

- **IAS 34 Interim Financial Reporting**, effective for annual periods beginning on or after 1 January 2011  
This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.
  
- **IFRIC 13 Customer Loyalty Programmes**, effective for annual periods beginning on or after 1 January 2011  
This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.
  
- **IAS 12 Deferred tax: Recovery of Underlying Assets (Amended)** The amendment is effective for annual periods beginning on or after 1 January 2012. This amendment concerns the determination of deferred tax on investment property measured at fair value and also incorporates SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16. The aim of this amendment is to include a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. This amendment has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

## ***5. Critical accounting estimates and assumptions***

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the value of assets and liabilities, revenue and expenses during the year, in addition to the disclosures of contingent assets and liabilities which are included in the financial statements. Actual results may differ from those, which have been estimated, under different conditions and circumstances. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under the present circumstances.

The basic judgments and estimates made by the Group and Company which have the most significant impact on the financial statements, mainly relate to:

### **A. Classification of investments**

Management uses its judgment with respect to the classification of an investment as held to maturity, measured at fair value through profit or loss, or available-for-sale. For investments classified as held to maturity, management assesses whether the criteria of IAS 39 are met and in particular whether the Group has the positive intent and ability to hold to maturity. The company classifies the investments at fair value through profit or loss if they are held for trading and if these were acquired principally for the purpose of generating profit in the short term. All other investments are classified as available-for-sale.



## **B. Recovery of Receivables**

Management examines the recoverability of the carrying amounts of accounts receivable on an annual basis, given external information (data base of customers credit ratings, legal advisors) in order to assess the recoverability of the carrying value of accounts receivable.

## **C. Provisions**

Bad debt accounts are presented according to estimations as regards the amounts which are expected to be recovered following analysis as well as in accordance with the experience of the Group regarding the probability of customer default. At the time at which a specific account is subject to a greater risk as compared to the normal credit risk (for example, low customer credibility, dispute in respect of the existence or the amount of the receivable etc) the Group and the Company establish a provision for bad debts in view of covering the loss which may be estimated and which stems from these receivables. The established provision is remeasured with a corresponding charge to the results of each year and any write-offs are accounted for through the provision.

## **D. Impairment of goodwill and intangible assets with an indefinite useful life**

The Group examines at least on an annual basis whether an impairment of goodwill and intangible assets with an indefinite useful life exists, and examines the conditions and circumstances surrounding such an impairment, such for example a significant and adverse change in the corporate environment or a decision to dispose a cash generating unit or a reporting segment. For the purpose of impairment testing the value in use of each cash generating unit must be estimated and to which a specific portion of goodwill and intangible assets with an indefinite useful life has been allocated. The application of the methodology used in assessing the value in use takes into consideration the actual operating results, future company plans and the Group's financial projections in view of the calculations of future cash generating unit's cash flows and the selection of the appropriate discount rate with which the present value of the future cash flows are calculated. The Group examines on an annual basis by what amount, if any, the abovementioned assets have been impaired in accordance with the accounting policy referred to in paragraph 3.9.

## **E. Impairment of investments in subsidiaries and associates**

The management of the Company examines the existence of any indication of impairment of the Company's investments in the share capital of other companies through the impairment test of cash generating units to which these investments are allocated. In the event that indications of impairment are proven, the Company proceeds in the calculation of the value in use of the cash generating unit based on the discount cash flow method. The recoverable amount which is reflected through cost, is sensitive to factors such as the discount interest rate which is used in the above method as well as in the projected cash inflows and in the incremental rate which is used for extrapolation purposes and approximate calculations.



## **F. Discontinued operations**

Management examines the classification of a non-current asset (or disposal group) as held for sale if the carrying amount will be recovered principally through sale rather than through continuing use. In order for this to occur, the asset or (disposal group) should be immediately available for sale at its present state, based on terms which are common and standardized for the sale of such assets (or disposal group). In order for the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Furthermore, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value.

An entity shall not classify, as held for sale, a non-current asset (or disposal group) that is to be abandoned. This is because its carrying amount will be recovered principally through continuing use. Non-current assets (or disposal groups) to be abandoned include non-current assets (or disposal groups) that are to be used until the end of their economic life and non-current assets (or disposal groups) which will not be further used instead of them being sold.

## **G. Income taxes**

The Group is subject to income taxes from numerous tax regulatory authorities. The provision for income taxes includes the current tax and the provision for possible additional taxes which may incur as a result of the audit from the tax authorities in addition to that significant judgments are required in determining the provision for income taxes. The actual income taxes may differ from the estimated amounts due to future changes in the tax regulations, significant changes in the regulations of the countries in which the Group operates or unanticipated effects from the final assessment of the tax liability of each year from the tax authorities. In the event whereby the final additional taxes which result following the tax audits are different from the initial estimations, these differences will affect the income taxes and the deferred taxes of the year in which the tax differences were assessed.

## **H. Fair value of financial instruments**

In cases where the fair value of the financial assets and liabilities which are recorded in the financial statements cannot be derived from the market, the fair value is assessed through other valuation techniques such as the discounted cash flows. The data used in these valuation methods take into consideration observable market data, provided that this is feasible. In the even that this is not feasible, judgement is required in determining the fair values in assessing the market risk, the credit risk and variability. Changes in the parameters may affect the published fair values of the financial instruments.

Further information relating to the fair value of financial instruments is provided in note 39.

## **I. Fair value of biological assets**

Management classifies the inventory of biological assets into two basic categories. The first is that where due to their size these can be sold and are measured at market values (i.e. sales catalogue which reflects the fair value less the point of sale



costs) of the first week following the period or year-end date of preparation of the financial statements, or in the event of significant changes in the price arising until the date of preparation of the Financial Statements, the latter price is used as a measurement value. The second category is that where due to the size of the produce, these cannot be sold. This category is measured at cost as regards fish and at fair value as regards the number of juveniles included in it (fish). Gain or loss arising from changes in the fair value of biological assets is disclosed in the income statement.

Further information relating to the fair value of biological assets is provided in note 26.

## J. Contingencies

The Group has contingent liabilities in respect of legal claims arising from the ordinary course of business. At each balance sheet date management takes into account the negotiations which have been undertaken and uses judgment in assessing which of these will not materially affect the financial position of the Group or Company. Nevertheless, the assessment of contingent liabilities relating to litigations and legal claims is a complex procedure that includes judgments as regards probable consequences and interpretations relating to laws and regulations. Changes in judgments or interpretations are likely to result in an increase or a decrease of the Group's contingent liabilities in the future.

## 6. Objectives and risk management policies

### 6.1 Market risk

#### Foreign exchange risk

The Group operates internationally. The exposure to foreign exchange risk is zero because the transactions are realized in Euro. Foreign exchange risk arises from future commercial transactions, as well as from net investments in foreign operations.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency transaction risk. Foreign exchange risk arises from the rate of the Turkish Lira against the Euro.

The financial assets and the respective liabilities in foreign currency, translated into Euro at the fixing rate, are analyzed as follows:

	2010							2009						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRY	CHF	USD	GBP	NOK	DKK	CAD	TRY	CHF
<b>Notional amounts</b>														
Financial assets	517.426	919.664	-	-	28.570	8.681.654	70.180	517.986	454.683	-	-	23.458	6.800.613	76.779
Financial liabilities	20.809	606	590	0	0	1.505.824	317	393.222	208	554	0	0	2.847.410	313
<b>Total current exposure</b>	<b>496.617</b>	<b>919.058</b>	<b>-590</b>	<b>0</b>	<b>28.570</b>	<b>7.175.830</b>	<b>69.863</b>	<b>124.764</b>	<b>454.475</b>	<b>-554</b>	<b>0</b>	<b>23.458</b>	<b>3.953.204</b>	<b>76.466</b>
Financial assets	-	-	-	-	-	421.967	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	1.253	-	-	-	-	-	-	0	-
<b>Total non-current exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>420.714</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



The table below presents the sensitivity of the post-tax profit for the year as well as of equity in relation to financial assets and financial liabilities and the Euro exchange rate against the above currencies.

Assuming that a change occurs on 31 December 2010 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from the monthly observation of Euro against any foreign currency, for a period of 12 months.

In the event where the Euro changes in relation to the Foreign Currency by the following percentages then the impact on the post-tax profit for the year and on equity is as follows:

<i>Amounts in Euro</i>	<b>2010</b>													
	USD		GBP		NOK		DKK		CAD		TRL		CHF	
Post-tax profit for the year	6,08%	-6,08%	2,36%	-2,36%	13,69%	-13,69%	0,51%	-0,51%	6,82%	-6,82%	6,86%	-6,86%	7,29%	-7,29%
Equity	30.182	-30.182	21.702	-21.702	-81	81	0	0	1.949	-1.949	520.923	-520.923	5.094	-5.094
	30.182	-30.182	21.702	-21.702	-81	81	0	0	1.949	-1.949	520.923	-520.923	5.094	-5.094

  

<i>Amounts in Euro</i>	<b>2009</b>													
	USD		GBP		NOK		DKK		CAD		TRL		CHF	
Post-tax profit for the year	7,13%	-7,13%	2,66%	-2,66%	35,45%	-35,45%	0,34%	-0,34%	4,99%	-4,99%	5,17%	-5,17%	1,56%	-1,56%
Equity	8.901	-8.901	12.088	-12.088	-196	196	0	0	1.171	-1.171	204.458	-204.458	1.191	-1.191
	8.901	-8.901	12.088	-12.088	-196	196	0	0	1.171	-1.171	204.458	-204.458	1.191	-1.191

The Group's exposure to foreign exchange risk varies over the year in proportion to the volume of transactions in foreign currency. However, the above analysis is deemed representative of the Group's exposure to foreign exchange risk.

### ***Interest rate risk***

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has significant interest-bearing assets. Group policy, estimating the present economic junctures and in general the fluctuation of the Euro interest rates, is to maintain part of borrowings in products with floating interest rates EURIBOR and SPREAD. At the end of the accounting period, the total borrowings related to loans with floating interest rates.

The risk of changes in the interest rates mainly arises from the long-term borrowings, the largest balance of which has a duration until the year 2014. The Company's expectation is that there can be an issue from fluctuations in interest rates for this period and therefore has proceeded in derivative forward contracts so as to mitigate this risk.

On 31 December 2010, the Group NIREUS AQUACULTURE SA was not exposed to changes in market interest rates to its total bank borrowings, but a significant balance of it (Euro 25.545.500) was covered by interest ceiling agreements protection (CAP) with knock out barrier or without knock out barrier.

The table below presents the sensitivity of the post-tax profit for the year as well as of equity at a reasonable change in the interest rate of +1% or -1% (2009: +/-1%). Changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

<i>Amounts in Euro</i>	<b>2010</b>		<b>2009</b>	
	1%	-1%	1%	-1%
Post-tax profit for the year	2.615.823	(2.615.823)	2.527.090	(2.527.090)
Equity	2.615.823	(2.615.823)	2.527.090	(2.527.090)



### **Price risk**

The Group is exposed to equity securities price risk due to investments held either for trading or which are classified as available-for-sale financial assets. Changes in the value of assets are not expected to result in a significant risk to the Group due to non-maturity dates.

The Group is exposed to changes in the value of its biological assets. There is no significant risk from changes in issue prices of the biological assets, which have a fixed and foreseeable small fluctuation throughout the year. The Group assesses price risk fluctuations of biological assets regularly and examines the need for actions in order to anticipate the financial risk.

The financial analysis department operates towards meeting this purpose, by collecting information in view of offering the product, from the domestic and international production, in addition to changes in demand from the existing Traditional International market and the new markets introduced in Eastern Europe and America. This information is evaluated and the parameters regarding the level of inventories and the product's expected prices for the following two (2) years are set.

### **6.2 Credit risk**

The Group exposure to credit risk is limited to financial assets, which at the Balance Sheet date are analyzed as follows:

<i>Amounts in Euro</i>	<b>2010</b>	<b>2009</b>
<i>Categories of financial assets</i>		
Cash and cash equivalents	36.549.387	15.743.462
Trade and other receivables	46.624.487	53.427.689
Other receivables	33.305.875	15.038.685
<b>Total</b>	<b><u>116.479.749</u></b>	<b><u>84.209.836</u></b>

The Group management deems that all of the above financial assets, which have not been impaired in prior dates of preparation of the financial statements, are of high credit quality.

For trade and other receivables, the Group is not exposed to significant credit risks. The wholesales of fresh fish and poultry-livestock are mainly made to customers, who are insured for the payment of their debt. Moreover, the sale of juveniles is realized in its totality with the term that retention of ownership of the product up until its repayment will be maintained. Therefore due to that the time required for the completion of the production cycle of fresh fish is greater than the credit time granted for the sale, the receivable is fully secured.

### **6.3 Liquidity risk**

The Group manages its liquidity needs by carefully monitoring its debts, long-term financial liabilities as well as of the payments that are made on a daily basis. The liquidity needs are monitored on a daily and weekly basis as well as on a rolling period of 30 days. The Long-term liquidity needs for the next 6 months and the following year are monthly assessed.



The Group "NIREUS AQUACULTURE SA" maintains cash for covering liquidity needs for a period of 30 days. The funds for the long-term liquidity requirements are additionally maintained by an adequate amount of committed credit facilities including the ability to sell long-term financial assets.

The maturity of the financial liabilities at 31 December 2010 for the Group is analyzed as follows:

*Amounts in Euro*

	<b>2010</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 and 12 months</b>	<b>between 1 and 5 years</b>	<b>over 5 years</b>
Long-term borrowings	7.793.032	7.509.646	154.455.760	43.829.430
Short-term borrowings	18.187.082	67.347.948	-	-
Other Long-term borrowings	-	-	1.680.484	1.890.539
Trade payables	57.568.942	2.476.623	-	-
Other short-term liabilities	10.359.601	940.572	375.915	178.385
<b>Total</b>	<b>93.908.657</b>	<b>78.274.789</b>	<b>156.512.159</b>	<b>45.898.354</b>

The relevant maturity of the financial liabilities as of 31 December 2009 was as follows:

*Amounts in Euro*

	<b>2009</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 and 12 months</b>	<b>between 1 and 5 years</b>	<b>over 5 years</b>
Long-term borrowings	6.815.540	13.544.273	121.542.450	87.681.823
Short-term borrowings	4.375.002	67.036.636	-	-
Other Long-term borrowings	-	-	1.680.117	2.311.488
Trade payables	49.963.865	3.745.990	-	-
Other short-term liabilities	9.111.915	925.657	1.170.093	-
<b>Total</b>	<b>70.266.322</b>	<b>85.252.556</b>	<b>124.392.660</b>	<b>89.993.311</b>

The above contractual maturity dates reflect the gross cash flows, which may differ from the carrying values of the liabilities as at the balance sheet date.

## **7. Structure of "NIREUS AQUACULTURE S.A" group of companies**

The company has the following participations, table set out below:



<b>COMPANY</b>	<b>PARTICIPATION PERCENTAGE</b>
AQUACOM LTD	100,00%
PROTEUS EQUIPMENT S.A	50,00%
BLUEFIN TUNA A.E (GROUP)	25,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	71,285%
NIREUS INTERNATIONAL LTD	100,00%
MIRAMAR PROJECTS CO LTD - UK	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	99,95%
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	99,943%
PREDOMAR S.L.	100,00%
KEGO AGRI S.A	100,00%
SEAFARM IONIAN S.A	25,342%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	25,342%
ILKNAK DENIZCILIK A.S.	76,019%
EVOIKI DEVELOPMENT SEACULTURE COMPANY	11,755%
FISH OF AFRICA LTD	100,000%
HELLENIC FISHERY QUALITY	4,34%
AQUACULTURE INFORMATION NETWORK	14,000%
BLUE WATER FLATFISH FARMS LIM	3,801%
AQUA TERRAIR S.A.	12,418%

The companies participating in the financial statements are set out in the following table:

<b>COMPANY</b>	<b>COUNTRY OF INCORPORATION</b>	<b>PARTICIPATION PERCENTAGE</b>	<b>METHOD OF CONSOLIDATION</b>
AQUACOM LTD	BRITISH VIRGIN ISLANDS	100,00%	Full consolidation
PROTEUS EQUIPMENT S.A	GREECE	50,00%	Full consolidation
NIREUS INTERNATIONAL LTD	CYPRUS	100,00%	Full consolidation
MIRAMAR PROJECTS CO LTD - UK	ENGLAND	100,00% indirect	Full consolidation
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	TURKEY	99,93% indirect + 0,02% direct = 99,95%	Full consolidation
ILKNAK SU URUNLERI SAN Ve TIC A.S.	TURKEY	1,810% direct + 69,475% indirect = 71,285%	Full consolidation
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	TURKEY	99,943% indirect	Full consolidation
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	SPAIN	100,00% indirect	Full consolidation
KEGO AGRI S.A	GREECE	100,00%	Full consolidation
ILKNAK DENIZCILIK A.S	TURKEY	76,019% indirect	Full consolidation
BLUEFIN TUNA S.A	GREECE	25,00%	Net equity
SEAFARM IONIAN S.A	GREECE	25,243% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	25,342% indirect	Full consolidation
AQUA TERRAIR S.A	GREECE	12,418% indirect	Net equity



## 8. Segment Information

### Information per segment

In accordance with IFRS 8 the new operating segments of the Group have been designated based on monthly internal information which is provided to an Executive Committee (“CODM”) which has been assigned by Management and which monitors the allocation of resources and the performance of the segments’ operations as well as determining their business activities.

We consider that it be mentioned that the operating segments have similar products and production, similar policies (sales – distribution) and similar financial characteristics that have been accumulated in one segment.

Following the examination of all of the above, the Group has concluded that no amendments are required to the previously specified operating segments thus resulting in the development of the same reports of the following operating segments:

- Aquaculture
- Fish feed
- Aviculture-Stockbreeding

The segment of Aquaculture includes the sales of whole and processed fish in addition to the sales of juveniles.

The remaining segments mainly include sales of equipment for Aquaculture companies.

The profit before tax per segment does not include the segment’s financial results and the general administrative expenses of the Parent Company and are presented under the column eliminations/adjustments.

Gains / (losses) from associate companies have not been presented below given that they are not allocated to the below segments but are monitored on a total basis.

Profits from associates are presented under eliminations/adjustments.



## 31/12/2010

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Sales revenue per segment	157.163	33.537	10.792	3.220	0	204.712
Intersegment sales	0	16.295	0	3.103	0	19.398
Thrid party sales	157.163	17.242	10.792	117	0	185.314
Net operating costs	-164.889	-15.290	-10.261	-893	-28.804	-220.137
Profit before taxes	-7.726	1.952	531	-776	-28.804	-34.823
Depreciation	8.187	1.425	63	500	453	10.628
Gains/(losses) from associated companies	0	0	0	0	-11.177	-11.177

## 31/12/2009

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Sales revenue per segment	127.215	37.457	10.744	4.561	0	179.977
Intersegment sales	0	15.906	0	552	0	16.458
Thrid party sales	127.215	21.551	10.744	4.009	0	163.519
Net operating costs	-119.054	-15.451	-10.138	-3.694	-14.243	-162.580
Profit before taxes	8.161	6.100	606	316	-14.243	940
Depreciation	8.211	1.621	92	273	571	10.768
Gains/(losses) from associated companies	0	0	0	0	359	359

Assets per segment include those which the executive committee monitors and which can be distinguished into separate operating segments.

Liabilities are monitored as a whole and are presented under the column eliminations/adjustments.

## 31/12/2010

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Assets per segment	364.395	24.445	3.907	7.518	128.512	528.777
Investments in associate companies	398	0	0	0	0	398
Capital expenditure	5.673	31	1	12	85	5.802
Liabilities per segment	-	-	-	-	374.062	374.062

## 31/12/2009

<i>Amounts in Thds of €</i>	<b>Aquaculture</b>	<b>Fishfeed</b>	<b>Aviculture-Stockbreeding</b>	<b>All other remaining segments</b>	<b>Eliminations/Adjustments</b>	<b>Consolidation</b>
Assets per segment	361.545	18.629	3.575	6.751	131.400	521.900
Investments in associate companies	1.315	0	0	0	0	1.315
Capital expenditure	6.413	251	66	1	125	6.856
Liabilities per segment	0	0	0	0	355.959	355.959

**GEOGRAPHICAL INFORMATION**

The geographical information for the Group's revenue from external customers and the non-current assets are analysed as follows:

**Revenue from foreign customers**

<i>Amounts in Euro</i>	<b>31/12/2010</b>	<b>31/12/2009</b>
Greece	175.078.046	158.258.123
Spain	5.263.612	2.039.001
Turkey	4.971.288	3.221.258
	<b>185.312.946</b>	<b>163.518.382</b>

<i>Amounts in Euro</i>	<b>31/12/2010</b>	<b>31/12/2009</b>
Greece	104.851.044	81.999.030
Spain	3.194.706	3.239.066
Turkey	2.487.577	2.200.968
	<b>110.533.327</b>	<b>87.439.064</b>

Information which relates to revenue and which is presented above is based on the geographical headquarters of each company.

For the purpose of the geographical information, the non-current assets comprise of property, plant & equipment, investment property, aquaculture licenses and other intangible assets.

Information in relation to the destination location of revenue is presented below.

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
Greece	45.323.715	55.645.981
Euro-zone	119.956.465	95.206.144
Other countries	20.032.766	12.666.257
	<b>185.312.946</b>	<b>163.518.382</b>

**9. Sale of non-biological assets-goods and other material**

The analysis of sales of non-biological assets-goods and other material is as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Sales of merchandise & goods	36.877.878	42.535.711	69.867.492	69.939.149
Sales of other inventories and junk	595.999	688.882	4.358.354	2.133.829
Sale of services	320.543	231.368	1.293.343	1.156.415
<b>Total sales of merchandise and other materials</b>	<b>37.794.420</b>	<b>43.455.961</b>	<b>75.519.189</b>	<b>73.229.393</b>

## 10. Employee Benefits

### (a) Retirement benefit obligations

The Group and the company assesses the retirement benefit obligation as the present value of the legal commitment which has been undertaken for the lump sum indemnity payment to personnel who terminates employment due to retirement. The relative obligation was determined based on actuarial calculations.

The respective obligation of the Group and the Company is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Balance liability at beginning of the year</b>	2.625.025	2.840.019	2.222.062	2.286.913
Current service cost	266.675	269.732	197.995	206.539
Finance cost	136.402	128.452	115.547	102.911
Compensation paid	(404.706)	(924.707)	(336.488)	(602.973)
Exchange differences arising from foreign plans	1.049	(82)	-	-
Net actuarial (profit)/losses recognised in the income statement	139.991	311.611	120.425	228.672
<b>Total liability at end of the year</b>	<b>2.764.436</b>	<b>2.625.025</b>	<b>2.319.541</b>	<b>2.222.062</b>

The main actuarial assumptions used were as follows:

	<b>31/12/2010</b>	<b>31/12/2009</b>
Discount rate	5,20%	5,20%
Future salary increases	4,00%	4,00%
Inflation rate	2,50%	2,50%

Interest expenses are included in the item "Finance cost" in the Income Statement (see Note 12).

### (b) Employee benefit expense

The expenses recognised for benefits to employees are analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Wages and Employee Salaries	(25.549.886)	(26.314.100)	(19.915.570)	(20.555.644)
Social contributions	(6.082.352)	(6.223.827)	(4.653.840)	(4.782.561)
Provision for staff termination indemnity	(266.675)	(269.732)	(197.995)	(206.539)
	<b>(31.898.913)</b>	<b>(32.807.659)</b>	<b>(24.767.405)</b>	<b>(25.544.744)</b>

**Number of employed personnel**

The number of employed personnel on December 31, 2010 amounted to 854 for the Company, and 1.175 for the Group (for the Company: 854, for the Subsidiaries: 296, for the Associates 25) while on December 31, 2009 this amounted to 852 for the Company, and 1.797 for the Group (for the Company: 852 Subsidiaries: 294 and Associates: 651 respectively).

**Personnel compensation based on equity instruments**

On 05/06/2006 the Company approved an equity - settled, share-based compensation plan granting share options up to 1.400.000 ordinary shares with voting right, over the years 2006, 2007 and 2008 to Members of the Board of Directors., General Directors, Managers and Head of Departments of the Company and of its related companies, conditional on the employee completing at least three year's service in the company or in a related company. In case of termination of the employment relationship with the company, either due to retirement or due to notice of termination, the right ceases to be in force. The exercise price of each granted option will be preferential and it will be the prevailing average price of the parent Company's share over the period 1/10 – 1/11 of each year reduced by 40%. The options will be exercised within the first fifteen days of the month of November of each year of the plan in force. Options may be exercised proportionally commencing three years from the grant date, namely at a rate 40% in November 2006, at a rate 30% in November 2007 and at a rate 30% in November 2008, always though within the first fifteen days of November of each year of effect of the plan. Should this time limit elapse with no action taken the option is amortised. In 2006 were exercised 494.350 options and in 2007 were exercised 364.500 options.

Due to the current exchange market price, and taking into consideration the annual postponement of the materialisation of the program assumed by management as at 3/11/2008 following its expiration, the Group and the Company have not yet recognized an expense in relation to these benefits given that the vesting terms as these had been specified at the grant date have not yet been settled.

**11. Third party fees and benefits**

The analysis of third party fees and benefits follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Third party fees and expenses	(16.010.433)	13.132.934	(12.119.978)	(10.701.380)
Third party benefits	(9.240.987)	8.840.100	(7.247.921)	(6.818.642)
<b>Total third party fees and benefits</b>	<b>(25.251.420)</b>	<b>21.973.034</b>	<b>(19.367.899)</b>	<b>(17.520.022)</b>

**12. Financial results**

Analysis of finance income and expenses is as follows:

**Finance Income***Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Dividends	-	-	404.208	1.450.574
Interest income on financial assets at amortised cost	271.868	273.268	217.245	225.347
Gain on securing interest rate risk	-	-	-	-
Gain on measurement of other financial assets	-	165	-	165
Gain on measurement of derivative financial instruments	768.359	89.964	746.069	67.058
<b>Total finance income</b>	<b>1.040.227</b>	<b>363.397</b>	<b>1.367.522</b>	<b>1.743.144</b>

**Finance Expenses***Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Interest expense from bank borrowings at amortised cost and other similar charges	(12.754.762)	(11.573.245)	(11.809.462)	(10.177.888)
Interest expense from defined benefit plans (Note 10a)	(136.402)	(128.452)	(115.547)	(102.911)
Loss on measurement of other financial assets	(156)	(510.660)	(156)	(16.674)
Loss from measurement of derivative financial instruments	-	(622.434)	-	(622.434)
Loss from sale of participating interests	-	(362.506)	-	-
<b>Total finance expenses</b>	<b>(12.891.320)</b>	<b>(13.197.297)</b>	<b>(11.925.165)</b>	<b>(10.919.907)</b>

**13. Investments in associates**

In the individual financial statements of the Company, investments in associates have been measured at impaired cost, and in the Group financial statements these have been valued based on the net equity method. Investments in associates are analyzed as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Beginning of the year</b>	<b>35.013.591</b>	<b>34.132.602</b>	<b>35.568.697</b>	<b>35.568.697</b>
Disposals	(33.724.460)	-	(34.918.697)	-
Write-offs/ liquidation	-	-	-	-
Consolidation by the net equity method	(768.834)	880.989	-	-
<b>Total</b>	<b>520.297</b>	<b>35.013.591</b>	<b>650.000</b>	<b>35.568.697</b>

The amount of € (768.834) that appears in the consolidation of investments in associates using the Group's equity method as at 31/12/2010, relates to € (977.266) (Losses of the period) € (477.266) / decrease in Equity € (500.000) for the company BLUE FIN TUNA S.A. and to € 208.432 (Losses of the period € (698.660) / Increase in Equity € (907.092) the company MARINE FARMS ASA.

During the current year (13/09/2010) the Company sold the total of shares which it possessed of 11.057.147 shares of MARINE FARMS ASA which correspond to 30,2% of the total share capital of the associate company at a sales price of 18 NOK per share and at a total sale value of 199 million NOK or € 25,3 million (foreign exchange rate on 13/09/2010 € / NOK 7,852).

The effect from the sale of MARINE FARMS ASA on both the results of the period and on Equity is analysed below.



<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>EFFECT ON EQUITY</b>		
Loss from the sale of the investment of associate company	(8.376.950)	(9.571.187)
Foreign exchange differences	(326.870)	(326.870)
Selling expenses	(598.870)	(598.870)
<b>Total (Loss) from the sale</b>	<b>(9.302.690)</b>	<b>(10.496.927)</b>
<b>EFFECT ON THE INCOME STATEMENT</b>		
Loss from the sale of the investment of associate company	(8.376.950)	(9.571.187)
Foreign exchange differences	(326.870)	(326.870)
Selling expenses	(598.870)	(598.870)
Write-off of the currency translation reserve	(698.316)	-
<b>Total (Loss) from the sale</b>	<b>(10.001.006)</b>	<b>(10.496.927)</b>

The company's percentage of ownership interest in its associates, none of which are listed on the Exchange Market (apart from MARINE FARMS A.S.A.), is as follows:

**31/12/2010**

<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Value of Financial Position</u>	<u>Country of incorporation</u>	<u>Participation percentage</u>
BLUEFIN TUNA AE	650.000	-	650.000	GREECE	25%
	<b>650.000</b>	-	<b>650.000</b>		

**31/12/2009**

<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Value of Financial Position</u>	<u>Country of incorporation</u>	<u>Participation percentage</u>
BLUEFIN TUNA AE	650.000	-	650.000	GREECE	25%
MARINE FARMS ASA	34.918.697	-	34.918.697	NORWAY	30,1954%
	<b>35.568.697</b>	-	<b>35.568.697</b>		

There are no major restrictions in the ability of the subsidiaries to transfer capital to the parent company in the form of cash dividends, repayment of loans or advance payments.

**14. Other expenses**

The analysis of other income and expenses is the following:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Donations and subsidies	(77.433)	(50.803)	(46.444)	(26.803)
Special export expenses	(201.625)	(163.013)	(200.201)	(156.834)
Printed material and stationery	(102.226)	(95.245)	(83.403)	(73.418)
Publication expenses	(29.318)	(40.659)	(16.402)	(23.797)
Exhibition and demonstration expenses	(112.285)	(109.129)	(106.454)	(102.414)
Transportation expenses	(15.507.093)	(12.568.377)	(14.134.762)	(11.487.932)
Sales promotion and advertising expenses	(319.661)	(356.544)	(298.372)	(315.762)
Expenses for participating interests and securities	-	(35)	-	(35)
Travelling expenses	(511.028)	(527.351)	(368.433)	(391.091)
Losses from disposal of assets	(69.782)	(87.711)	(582)	(33.411)
Losses from destruction of scrap inventories	(115.153)	(195.536)	(115.153)	(25.789)
Losses from sale of participating interests and securities	-	(11.962)	-	(95.200)
Other extraordinary & non-operating expenses	(1.062.570)	(1.303.618)	(85.000)	(366.242)
Other prior year expenses	(878.941)	(501.949)	(472.864)	(265.497)
Net actuarial gains/(losses) (Note 10a)	139.991	(311.611)	(120.425)	(228.672)
Operating provisions	(108.926)	(125.000)	(5.770)	-
Exchange differences	(221.948)	(1.274.193)	(210.116)	(167.689)
Subscriptions – Contributions	(122.863)	(103.118)	(106.330)	(93.096)
Consumable materials	(2.844.409)	(2.378.891)	(2.274.549)	(1.871.113)
Taxes-duties (other than the non-incorporated in the operating cost taxes)	(673.743)	(698.015)	(562.913)	(598.634)
Tax fines and surcharges (Note 37)	(331.759)	(122.849)	(305.561)	(52.412)
Cleaning expenses	(189.102)	(216.103)	(189.102)	(216.103)
Security expenses	(113.707)	(125.704)	(113.707)	(125.704)
Various expenses	(104.271)	(85.921)	(131.262)	(84.769)
<b>Total expenses</b>	<b>(23.557.852)</b>	<b>(21.453.337)</b>	<b>(19.947.805)</b>	<b>(16.802.417)</b>

## 15. Other income

Analysis of other operating expenses is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Sales subsidies and other sales revenue	597.755	482.864	37.079	97.279
Income from other operations	218.117	336.101	240.839	305.654
Gain on disposal of assets	34.122	90.154	15.944	21.152
Other unutilised prior year income	566.945	940.673	430.352	316.522
Other income	189.023	916.041	14.412	210.665
Exchange differences	417.613	740.283	208.921	151.257
Amortization of grants on fixed assets	1.329.595	2.421.081	1.117.170	2.027.214
<b>Total Income</b>	<b>3.353.170</b>	<b>5.927.197</b>	<b>2.064.717</b>	<b>3.129.743</b>

Other income mainly relates to third party revenue in addition to income from rents.

## 16. Income tax expense

The income tax expense of the Group and the Company is as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Current tax	806.209	332.728	493.110	-
Prior years' tax audit differences	381.122	-	25.397	-
Deferred tax	(1.914.489)	3.589.051	(3.604.954)	3.616.284
<b>Total</b>	<b>(727.158)</b>	<b>3.921.779</b>	<b>(3.086.447)</b>	<b>3.616.284</b>
<b>Profit before tax</b>	<b>(34.824.193)</b>	<b>939.293</b>	<b>(39.275.501)</b>	<b>6.191.097</b>
Tax rate	24%	25%	24%	25%
<b>Estimated tax charge</b>	<b>(8.357.806)</b>	<b>234.823</b>	<b>(9.426.120)</b>	<b>1.547.774</b>
Adjustments for income that is not subject to tax	(671.774)	(619.160)	(513.789)	(571.460)
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	7.921.300	4.306.116	6.828.065	2.639.970
- Prior years' tax audit differences	381.122	-	25.397	-
<b>Actual Tax Charge</b>	<b>(727.158)</b>	<b>3.921.779</b>	<b>(3.086.447)</b>	<b>3.616.284</b>

In accordance with L.3296/2004 the income tax rate for Greece was 25% since year 2007. Based on the stipulation of article 19 of L. 3687/2008 a steady reduction in the income tax rate on the profits of the legal entities is as follows: 24% for the year 2010, 23% for the year 2011, 22% for the year 2012, 21% for the year 2013 and 20% for the year 2014 and onwards.

On May 6, 2010 the Greek Government put into effect the law concerning the "Extraordinary One-off Contribution of Social Responsibility", (Law 3845/2010). In accordance with article 5 the "Extraordinary One-off Contribution of Social Responsibility" has been retroactively applied on the total income of the year 2009 and has resulted in the imposition of additional taxes of an amount of Euro 493 thds for the "Company", and of an amount of Euro 567 thds for the "Group". The above amounts have been presented in the income tax expense of the current year.

The open tax years for the following companies were finalised until the approval of the financial statements:

- i) Its subsidiary PROTEUS SA settled off the tax years 2008-2010. The one-off settlement amounts to € 110.386,05
- ii) Its subsidiary KEGO AGRI SA settled off the tax years 2008 – 2010. The one-off settlement amounts to € 201.342,7.
- iii) Its absorbed subsidiary ALPINO SA settled off the tax years 2008-2009. The one-off settlement amounts to € 1.418,43
- iv) Its absorbed subsidiary A-SEA SA settled off the tax years 2008-2009. The one-off settlement amounts to € 1.490.
- v) Its absorbed subsidiary RED ANCHOR SA settled off the tax years 2008-2009. The one-off settlement amounts to € 22.489
- vi) The absorbed subsidiary of SEAFARM IONIAN SA ALFA ZOOTROFES SA settled off tax year 2008. The one-off settlement amounts to € 680
- vii) The subsidiary (currently under absorption) of SEAFARM IONIAN SA ALFA PAVLAKI BROS. settled off tax years 2008-2010. The one-off settlement amounts to € 13.315,36

There have been no surcharges. All the above amounts have been charged to the current year's results (presented in prior year's tax audit differences)

**17. Earnings per share**

Analysis of earnings per share of the Group and the Company is as follows:

**Basic earnings per share**

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
Profit attributable to equity holders of the Company	(35.699.847)	340.390
Weighted average number of ordinary shares	63.604.622	63.564.358
<b>Basic earnings per share (€ per share)</b>	<b>(0,5613)</b>	<b>0,0054</b>

Basic earnings per share is calculated as profit attributable to equity holders of the parent Company divided by the weighted average number of ordinary shares in issue during the year.

**18. Property Plant and Equipment**

Land utilised for the purpose of either production or administration is stated at their fair value, as well as buildings, which are presented at their fair value less accumulated depreciation reduced by any other impairment losses.

During 31/12/2010 the Group and Company revalued (wherever deemed necessary) land and buildings in accordance with a recognized independent valuers. The fair value was based on the current market values whereby current market prices were adjusted based on the location, and physical condition of each asset.

As at 31/12/2010 the Group decided to change its accounting policy in relation to the valuation of machinery, technical installations and floating means following the fair value method in replacement of the cost method. As a result the Group revalued the above assets in accordance with studies from independent valuers for the assessment of the fair value as at 31.12.2010.

The effect from the revaluation of land and buildings was an increase in the equity position of the company and the Group by an amount of € 13.063.384 (profit and loss effect of an amount of € (374.716) and direct equity effect of € 13.438.100, before taxes) and € 13.983.515 (profit and loss effect of € (389.510) and direct equity effect of €14.373.025, before taxes ) correspondingly.

The other fixed assets as at the balance

The effect from the change in the accounting policy of machinery and technical installations in addition to floating means at fair value resulted in an increase in the company's equity position and that of the Group by an amount of € 12.496.262 (direct equity effect of € 12.496.262, amounts are before taxes) and € 14.708.826 (direct equity effect of € 14.708.826, amounts are before taxes ) accordingly.



The remaining fixed assets as at the balance sheet date in addition to machinery, technical installations and floating means before the revaluation are presented at cost less the accumulated depreciation and any accumulated impairment losses.

The comparative prior year's figures have not been restated based on IFRS 8 par. 17.

Depreciation expense of tangible assets (except for land which is a non-depreciable asset) is calculated on a straight-line basis over the useful life of the asset.

Property, plant and equipment is analysed as follows:

GROUP	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
<b>Cost</b>									
<b>Balance at 1 January 2009</b>	<b>9.029.195</b>	<b>35.258.658</b>	<b>80.354.981</b>	-	<b>10.627.262</b>	-	<b>9.996.707</b>	<b>1.816.430</b>	<b>147.083.234</b>
Additions	53.753	372.389	4.180.826	-	1.026.071	-	252.374	920.760	<b>6.806.173</b>
Disposals/write-offs	-	-	(724.662)	-	(382.551)	-	(10.353)	(3.278)	<b>(1.127.844)</b>
Reclassifications	-	205.577	924.288	-	72.774	-	102.402	(2.165.931)	<b>(860.890)</b>
<b>Balance at 31 December 2009</b>	<b>9.082.647</b>	<b>35.836.200</b>	<b>84.729.227</b>	-	<b>11.343.778</b>	-	<b>10.333.956</b>	<b>567.912</b>	<b>151.893.721</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2009</b>	-	<b>(9.111.611)</b>	<b>(51.180.874)</b>	-	<b>(7.217.595)</b>	-	<b>(8.179.738)</b>	-	<b>(75.689.818)</b>
Depreciation charge	-	(1.815.898)	(6.522.629)	-	(921.167)	-	(694.212)	-	<b>(9.953.906)</b>
Disposals/write-offs	-	-	650.738	-	199.740	-	24.626	-	<b>875.104</b>
<b>Balance at 31 December 2009</b>	-	<b>(10.928.461)</b>	<b>(57.050.624)</b>	-	<b>(7.938.639)</b>	-	<b>(8.849.189)</b>	-	<b>(84.766.913)</b>
<b>Net book value at 31 December 2009</b>	<b>9.082.647</b>	<b>24.907.739</b>	<b>27.678.603</b>	-	<b>3.405.139</b>	-	<b>1.484.767</b>	<b>567.912</b>	<b>67.126.808</b>
<b>Cost</b>									
<b>Balance at 1 January 2010</b>	<b>9.082.647</b>	<b>35.836.200</b>	<b>84.729.227</b>	-	<b>11.343.778</b>	-	<b>10.333.956</b>	<b>567.912</b>	<b>151.893.721</b>
Additions	-	79.652	4.225.012	-	177.958	-	144.378	1.118.424	<b>5.745.425</b>
Disposals/write-offs	-	(26.962)	(588.384)	-	(165.706)	-	(24.279)	-	<b>(805.331)</b>
Reclassifications	231.662	189.075	(29.809.841)	29.796.335	(6.441.804)	6.441.806	217	(1.237.435)	<b>(829.984)</b>
Revaluation of assets	1.106.596	12.876.919	-	11.935.055	-	2.773.772	-	-	<b>28.692.342</b>
Transfers	-	(8.551.433)	-	(21.922.201)	(4.214)	(4.512.352)	-	-	<b>(34.990.200)</b>
Exchange differences	4.519	9.580	109.615	-	4.856	-	2.454	17.550	<b>148.575</b>
<b>Balance at 31 December 2010</b>	<b>10.425.424</b>	<b>40.413.031</b>	<b>58.665.629</b>	<b>19.809.189</b>	<b>4.914.868</b>	<b>4.703.226</b>	<b>10.456.726</b>	<b>466.452</b>	<b>149.854.547</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2010</b>	-	<b>(10.928.461)</b>	<b>(57.050.624)</b>	-	<b>(7.938.639)</b>	-	<b>(8.849.189)</b>	-	<b>(84.766.913)</b>
Depreciation charge	-	(1.608.894)	(6.717.206)	-	(855.800)	-	(544.855)	-	<b>(9.726.755)</b>
Disposals/write-offs	-	5.314	578.965	-	72.417	-	21.279	-	<b>677.975</b>
Reclassifications	-	145.048	21.777.201	(21.922.201)	4.512.352	(4,512.352)	(48)	-	-
Transfers	-	8.551.433	-	21.922.201	4.214	4,512.352	-	-	<b>34.990.200</b>
Exchange differences	-	(12.138)	(39.771)	-	(2.515)	-	(2.375)	-	<b>(56.799)</b>
<b>Balance at 31 December 2010</b>	-	<b>(3.847.698)</b>	<b>(41.451.435)</b>	-	<b>(4.207.971)</b>	-	<b>(9.375.188)</b>	-	<b>(58.882.292)</b>
<b>Net book value at 31 December 2010</b>	<b>10.425.424</b>	<b>36.565.333</b>	<b>17.214.194</b>	<b>19.809.189</b>	<b>706.897</b>	<b>4.703.226</b>	<b>1.081.538</b>	<b>466.452</b>	<b>90.972.255</b>

COMPANY

	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
<b>Cost</b>									
<b>Balance at 1 January 2009</b>	<b>8.559.091</b>	<b>25.576.220</b>	<b>61.792.544</b>	-	<b>7.211.655</b>	-	<b>8.531.488</b>	<b>553.947</b>	<b>112.224.945</b>
Additions	53.753	330.321	2.309.506	-	709.694	-	239.908	897.077	<b>4.540.260</b>
Disposals/write-offs	-	-	(624.870)	-	(166.785)	-	(8.950)	(510)	<b>(801.115)</b>
Reclassifications	-	44.302	431.821	-	-	-	102.402	(1.439.414)	<b>(860.889)</b>
<b>Balance at 31 December 2009</b>	<b>8.612.844</b>	<b>25.950.843</b>	<b>63.909.001</b>	-	<b>7.754.564</b>	-	<b>8.864.848</b>	<b>11.100</b>	<b>115.103.200</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2009</b>	-	<b>(3.068.776)</b>	<b>(38.141.224)</b>	-	<b>(4.851.987)</b>	-	<b>(6.836.546)</b>	-	<b>(52.898.533)</b>
Depreciation charge	-	(1.244.509)	(5.040.157)	-	(621.601)	-	(631.680)	-	<b>(7.537.947)</b>
Disposals/write-offs	-	-	570.433	-	96.490	-	18.047	-	<b>684.970</b>
<b>Balance at 31 December 2009</b>	-	<b>(4.313.285)</b>	<b>(42.610.948)</b>	-	<b>(5.377.098)</b>	-	<b>(7.450.178)</b>	-	<b>(59.751.510)</b>
<b>Net book value at 31 December 2009</b>	<b>8.612.844</b>	<b>21.637.558</b>	<b>21.298.053</b>	-	<b>2.377.466</b>	-	<b>1.414.669</b>	<b>11.100</b>	<b>55.351.690</b>
<b>Cost</b>									
<b>Balance at 1 January 2010</b>	<b>8.612.844</b>	<b>25.950.843</b>	<b>63.909.001</b>	-	<b>7.754.564</b>	-	<b>8.864.848</b>	<b>11.100</b>	<b>115.103.200</b>
Additions	-	32.326	3.641.724	-	87.361	-	102.597	1.065.546	<b>4.929.554</b>
Disposals/write-offs	-	(4.962)	(496.762)	-	(35.070)	-	(4.174)	-	<b>(540.968)</b>
Reclassifications	231.662	-	(26.506.762)	26.506.762	(3,996.041)	3,996.041	-	(1,061.646)	<b>(829.984)</b>
Revaluation of assets	1,025,532	12,037,852	-	10,755,189	-	1,741,073	-	-	<b>25,559,646</b>
Transfers	-	(4,560,070)	-	(19,782,191)	-	(2,729,141)	-	-	<b>(27,071,402)</b>
Exchange differences	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2010</b>	<b>9.870.038</b>	<b>33.455.989</b>	<b>40.547.201</b>	<b>17.479.760</b>	<b>3.810.814</b>	<b>3.007.973</b>	<b>8.963.270</b>	<b>15.000</b>	<b>117.150.046</b>
<b>Accumulated depreciation</b>									
<b>Balance at 1 January 2010</b>	-	<b>(4.313.285)</b>	<b>(42.610.948)</b>	-	<b>(5.377.098)</b>	-	<b>(7.450.179)</b>	-	<b>(59.751.510)</b>
Depreciation charge	-	(1,192,379)	(5,187,871)	-	(574,844)	-	(507,523)	-	<b>(7,462,618)</b>
Disposals/write-offs	-	4,962	496,084	-	34,480	-	4,134	-	<b>539,660</b>
Reclassifications	-	-	19,782,191	(19,782,191)	2,729,141	(2,729,141)	-	-	-
Transfers	-	4,560,070	-	19,782,191	-	2,729,141	-	-	<b>27,071,402</b>
Exchange differences	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2010</b>	-	<b>(940.633)</b>	<b>(27.520.544)</b>	-	<b>(3.188.321)</b>	-	<b>(7.953.568)</b>	-	<b>(39.603.065)</b>
<b>Net book value at 31 December 2010</b>	<b>9.870.038</b>	<b>32.515.356</b>	<b>13.026.656</b>	<b>17.479.760</b>	<b>622.493</b>	<b>3.007.973</b>	<b>1.009.703</b>	<b>15.000</b>	<b>77.546.981</b>



Other Installation and equipment are mainly include fixed assets which relate to the fattening units and the hatchery unit and more specifically the cages, nets, anchorage, air compressor, generators, filters etc.

Mortgages and pledges against Group's assets are analysed in paragraph 42, below.

If machinery and technical installations in addition to floating means were to be valued at cost the net book values would be the following:

<b>GROUP</b>			
	<b>Machinery and Technical Installations</b>	<b>Floating means</b>	<b>Total</b>
<i>Amounts are in Euro</i>			
<b>Cost</b>	29.796.335	6.441.806	<b>36.238.141</b>
<b>Accumulated Depreciation</b>	-21.922.201	-4.512.352	<b>-26.434.553</b>
<b>Net book value as at 31 December 2010 (at cost)</b>	7.874.134	1.929.454	<b>9.803.588</b>
<b>Net book value as at 31 December 2010 (at fair value)</b>	19.809.189	4.703.226	<b>24.512.415</b>
<b>Effect from the change in accounting method</b>	<b>11.935.055</b>	<b>2.773.772</b>	<b>14.708.827</b>

<b>COMPANY</b>			
	<b>Machinery and Technical Installations</b>	<b>Floating means</b>	<b>Total</b>
<i>Amounts are in Euro</i>			
<b>Cost</b>	26.506.761	3.996.041	<b>30.502.802</b>
<b>Accumulated Depreciation</b>	-19.782.191	-2.729.141	<b>-22.511.332</b>
<b>Net book value as at 31 December 2010 (at cost)</b>	6.724.570	1.266.900	<b>7.991.470</b>
<b>Net book value as at 31 December 2010 (at fair value)</b>	17.479.760	3.007.972	<b>20.487.732</b>
<b>Effect from the change in accounting method</b>	<b>10.755.190</b>	<b>1.741.072</b>	<b>12.496.262</b>

## 19. Investment property

The investment property of the Group and the Company is analysed as follows:

	<b>GROUP</b>			<b>COMPANY</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total</b>	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<i>Amounts in Euro</i>						
<b>Carrying value at 1 January 2009</b>	<b>1.575.300</b>	<b>2.706.000</b>	<b>4.281.300</b>	<b>1.530.300</b>	<b>2.706.000</b>	<b>4.236.300</b>
<b>Carrying value at 1 January 2009 (merged company revised shareholding)</b>	<b>1.575.300</b>	<b>2.706.000</b>	<b>4.281.300</b>	<b>1.530.300</b>	<b>2.706.000</b>	<b>4.236.300</b>
Additions		550	550	-	550	550
Gains/(losses) from fair value	(564.947)	(182.478)	(747.425)	(621.823)	(182.478)	(804.301)
<b>Carrying value at 31 December 2010</b>	<b>1.010.353</b>	<b>2.524.072</b>	<b>3.534.425</b>	<b>908.477</b>	<b>2.524.072</b>	<b>3.432.549</b>

Investment property is measured on an annual basis, at year-end either by a study carried out by the Company or by the use of an independent qualified valuer.



As at 31/12/2010 the Group and Company land and buildings based on independent recognised valuers. The fair value has been based on market values whereby the current values were revalued in accordance with the location and physical condition of the respective assets.

The effect from the revaluation of land and buildings at fair value resulted in a decrease in the equity position of the company and Group by an amount of € (804.301) (profit and loss effect of € (804.301), amounts are before tax) and € (747.425) (profit and loss effect of € (747.425), amounts are before tax) respectively.

## 20. Goodwill

Goodwill is analysed as follows:

<b>GROUP</b>		<b>COMPANY</b>	
<i>Amounts in Euro</i>		<i>Amounts in Euro</i>	
<b>Carrying value at 1 January 2009</b>	<b>29.584.979</b>	<b>Carrying value at 1 January 2009</b>	<b>19.049.833</b>
Additions	1.210.730	Additions	-
Impairment losses	(28.737)	Impairment losses	-
<b>Carrying value at 31 December 2009</b>	<b>30.766.972</b>	<b>Carrying value at 31 December 2009</b>	<b>19.049.833</b>
<b>Carrying value at 1 January 2010</b>	<b>30.766.972</b>	<b>Carrying value at 1 January 2010</b>	<b>19.049.833</b>
<b>Carrying value at 31 December 2010</b>	<b>30.766.972</b>	<b>Carrying value at 31 December 2010</b>	<b>19.049.833</b>

Goodwill acquired through business combinations and intangible assets with indefinite lives, i.e. fish-farm licenses, have been allocated to three cash-generating units (CGUs), which are also operating and reportable segments, for impairment testing as follows:

- Aquaculture unit
- Fish feed unit
- Aviculture-Stockbreeding unit

Carrying amount of goodwill and fish-farm licenses allocated to each of the cash-generating units:

	Aquaculture		Fish feed		Aviculture-Stockbreeding		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>Goodwill</b>	27.000.364	27.000.364	3.708.975	3.708.975	57.633	57.633	30.766.972	30.766.972
<b>Aquaculture Licenses</b>	14.057.000	14.057.000	-	-	-	-	14.057.000	14.057.000



The Group performed its annual impairment test for goodwill and fish-farm licenses as at 31 December 2010. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2010, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of each operating segment.

The recoverable amount of the three operating segments has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been calculated in such a way so as reflect the demand conditions of each segment. The pre-tax discount rate applied to cash flow projections is 9,3%. The cash flows which relate to the period of 5 years change in accordance with estimates for operating profits, investments for equipment and working capital needs. Indicatively it is noted that for the 5 year period (2011-2015) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 26%, for fish feed segment at 31% while for the Aviculture stock breeding segment the projections are 0%. Following the 5 year period the cash flows are extended with a growth rate of 2,24% taking into consideration the long-term projections of the company for the three segments in addition to the course of long-term inflation.

The above percentages are based on management's projections. More specifically, management assesses that the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future. Similarly, the recoverable amount of the Aquaculture & the Aviculture stockbreeding segment exceeds the book value. Therefore, there is no issue of impairment of goodwill and aquaculture licenses.

The calculation of value-in-use for the three units is most sensitive to the following assumptions:

a) Profit margin

b) Discount rates

c) Market share during the budget period

d) Growth rate to perpetuity

- *Margin of earnings before interest, taxes, depreciation and amortisation* – Margins of earnings before interest, taxes, depreciation and amortisation are based on estimations during the budget period of five years and relate to expected prices, sale quantities, market share and cost of sale and operating costs. Estimations for those amounts use the existing data of the industry in which the three units operate.
- *Discount rates* – Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry which takes into account the debt to equity ratio. The cost of capital arises from the expected yield of investments from the investors of the Group and the cost of debt is based on the debt that the Group should accommodate. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates.



- Market share during the budget period – These assumptions are important because, as well as using industry data for growth rates management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects stability in the market where the three units operate during the budgeted period.
- Growth rate to perpetuity – Rates are based on long-term prospective of the group for the three reporting segments.

### ***Sensitivity to changes in assumptions***

Management performed a sensitivity analysis of the value in use and the three cash generating units as regards changes in the above assumptions. With respect of the Aquaculture segment and Aviculture stock breeding segment, management assess that any potential and intense change in any of the above mentioned assumptions will not result in the book value to exceed the recoverable amount of the respective unit.

With respect to the aquaculture unit, and based on the assumptions which have been adopted for the determination of the recoverable amount, the margin which exists between the recoverable and the book value is approximately 70 million Euro. Any potential negative change in the cash flows by approximately 4,5% would have resulted in the equalization of the book value with the recoverable amount due to the non - achievement of prices which have been adopted.

### ***21. Intangible assets***

The intangible assets of the Group concern mainly acquired aquaculture licences and computer software licences. Analysis of the carrying values of the above is presented in summary in the tables here below:



<b>GROUP</b>			
<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2009</b>	<b>3.840.531</b>	<b>14.057.000</b>	<b>17.897.531</b>
Additions	50.430	-	50.430
Disposals/Write-offs/Transfers to investments	(4.695)	-	(4.695)
Transfers from investments/work in progress	860.889	-	860.889
Changes/Exchange differences	(103)	-	(103)
<b>Balance 31 December 2009</b>	<b>4.747.052</b>	<b>14.057.000</b>	<b>18.804.052</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2009</b>	<b>(1.965.094)</b>	-	<b>(1.965.094)</b>
Amortisation charge	(813.207)	-	(813.207)
Disposals/Write-offs/Transfers to investments	4.695	-	4.695
Changes/Exchange differences	511	-	511
<b>Balance at 31 December 2009</b>	<b>(2.773.095)</b>	-	<b>(2.773.095)</b>
<b>Net book value at 31 December 2009</b>	<b>1.973.957</b>	<b>14.057.000</b>	<b>16.030.957</b>
<b>Cost</b>			
<b>Balance 1 January 2010</b>	<b>4.747.052</b>	<b>14.057.000</b>	<b>18.804.052</b>
Additions	66.570	-	66.570
Transfers from investments/work in progress	829.985	-	829.985
Changes/Exchange differences	1.931	-	1.931
<b>Balance 31 December 2010</b>	<b>5.645.538</b>	<b>14.057.000</b>	<b>19.702.538</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2010</b>	<b>(2.773.095)</b>	-	<b>(2.773.095)</b>
Amortisation charge	(901.099)	-	(901.099)
Changes/Exchange differences	(1.696)	-	(1.696)
<b>Balance at 31 December 2010</b>	<b>(3.675.890)</b>	-	<b>(3.675.890)</b>
<b>Net book value at 31 December 2010</b>	<b>1.969.648</b>	<b>14.057.000</b>	<b>16.026.648</b>

**COMPANY**

<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2009</b>	<b>3.573.755</b>	<b>2.766.000</b>	<b>6.339.755</b>
Additions	46.796	-	46.796
Transfers from investments/work in progress	860.889	-	860.889
<b>Balance 31 December 2009</b>	<b>4.481.440</b>	<b>2.766.000</b>	<b>7.247.440</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2009</b>	<b>(1.700.531)</b>	-	<b>(1.700.531)</b>
Amortisation charge	(811.602)	-	(811.602)
<b>Balance at 31 December 2009</b>	<b>(2.512.133)</b>	-	<b>(2.512.133)</b>
<b>Net book value at 31 December 2009</b>	<b>1.969.307</b>	<b>2.766.000</b>	<b>4.735.307</b>
<b>Cost</b>			
<b>Balance 1 January 2010</b>	<b>4.481.440</b>	<b>2.766.000</b>	<b>7.247.440</b>
Additions	66.570	-	66.570
Transfers from investments/work in progress	829.984	-	829.984
<b>Balance 31 December 2010</b>	<b>5.377.994</b>	<b>2.766.000</b>	<b>8.143.994</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2010</b>	<b>(2.512.132)</b>	-	<b>(2.512.132)</b>
Amortisation charge	(896.889)	-	(896.889)
<b>Balance at 31 December 2010</b>	<b>(3.409.021)</b>	-	<b>(3.409.021)</b>
<b>Net book value at 31 December 2010</b>	<b>1.968.973</b>	<b>2.766.000</b>	<b>4.734.973</b>

The “Aquaculture licences” on a Group level relate to the value of the aquaculture licenses of the companies of the Group “SEAFARM IONIAN SA”, The Group “KEGO”, “PREENGORDE DE DORADAS PARA MARICULTARA S.L (PREDOMAR)”, “ NIREUS AQUACULTURE SA” and “CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)”, that which resulted following the appraisal of the independent appraisers, and was assessed at a value of € 14.057.000. The resulting goodwill is not depreciated, but is tested for impairment loss, shall events occur that indicate a potential loss, in accordance with IAS 36.

In the Company’s Financial Position, the presented value of Aquaculture licenses relates to the value of aquaculture licenses based on IAS 38, of the absorbed subsidiary companies KEGO S.A and RED ANCHOR.

## **22. Investments in subsidiaries**

In the separate financial statements, investments in subsidiary companies have been measured at acquisition cost less any impairment losses.

<i>Amounts in Euro</i>	<b>GROUP 31/12/2010</b>	<b>COMPANY 31/12/2010</b>
Opening Balance	-	<b>28.803.739</b>
Additions	-	398.140
<b>Closing Balance</b>	<b>-</b>	<b>29.201.879</b>



In the current year 2010 the Company acquired 112.504 shares of SEAFARM IONIAN SA for the total amount of € 398.139,50. The percentage participation of the Company arises to 25,342% of the total voting rights of the Company SEAFARM IONIAN S.A. and an equivalent percentage of its share capital.

The company's percentage participation in investments, which are not listed on the Athens Stock Exchange Market, is analysed as follows:

<b><u>Company</u></b>	<b><u>Cost</u></b>	<b><u>Amount as per Financial Position</u></b>	<b><u>Country of incorporation</u></b>	<b><u>Percentage Shareholding</u></b>
PROTEUS EQUIPMENT S.A	29.347	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	1.141.394	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	56.000	56.000	TOYPKIA	1,882%
NIREUS INTERNATIONAL LTD	6.321.440	6.321.440	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	232	232	TURKEY	0,02%
SEA FARM IONIAN S.A	12.700.631	12.700.631	GREECE	25,342%
KEGO AGRI S.A	8.952.835	8.952.835	GREECE	100,00%
	<b>29.201.879</b>	<b>29.201.879</b>		

### Investments impairment test

The Company identifies similar nature CGUs as those identified by the Group which effectively overlap individual investments in subsidiaries. The Company identifies two units, namely Aquaculture unit and Fish-Feed unit where investments in subsidiaries have been allocated for impairment test purposes:

	<b>Aquaculture</b>		<b>Fish feed</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Investments in subsidiaries</b>	20.249.044	19.850.904	8.952.835	8.952.835	29.201.879	29.201.879

Regarding separate Financial Statements of the Company, an impairment test was conducted as of 31 December 2010 for investment in subsidiaries where an indicator of impairment existed mainly due to loss-making subsidiaries. More specifically, an impairment test on the cash generating units of the Aquaculture segment was performed where an indication existed mainly due to the loss making of the subsidiaries. The recoverable amount of the unit was determined based on the the value in use which was calculated based on the projected cash flows from financial budgets of the company approved by



senior management covering a period of 5 years. The projected cash flows have been calculated in order that these reflect the current demand. The pre-tax interest which was used for the discount of the projected cash flows amounts to 9,3%. The cash flows which relates to the 5 years change in accordance with the projections for operating profits, investments in equipment and working capital requirements. Indicatively it is noted that for the 5 year period (2011-2015) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 26%. Following the 5 year period the cash flows are extended with a growth rate of 2,24% taking into consideration the long-term projections and the course of long-term inflation. Management assess that that the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future.

The calculation of the Value in use of the unit is more sensitive to the assumptions which were previously referred to above for the calculation of the value in use of the cash generating unit of the Group (Note 20).

### 23. Deferred Income Taxes

Deferred income tax assets and liabilities which result from relative temporary tax differences, are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>DEFERRED TAX ASSETS</b>				
Intangible assets	319.217	422.853	260.165	330.518
Receivables	1.903.987	2.140.742	1.519.697	1.743.395
Retirement benefit obligations	559.728	537.996	469.694	455.666
Other non-current liabilities	417.868	273.083	568.334	520.889
Provisions	8.133	-	-	-
Other current liabilities	367.342	398.546	367.342	383.060
<b>TOTAL DEFERRED TAX ASSETS (prior to net-offs)</b>	<b>3.576.275</b>	<b>3.773.220</b>	<b>3.185.232</b>	<b>3.433.528</b>
Effect from net-offs of deferred tax assets	(3.568.739)	(3.752.029)	(3.185.232)	(3.433.528)
<b>TOTAL DEFERRED TAX ASSETS (following the net-offs)</b>	<b>7.536</b>	<b>21.191</b>	<b>-</b>	<b>-</b>

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>DEFERRED TAX LIABILITIES</b>				
Intangible assets	-	-	-	-
Property, Plant & Equipment	(7.501.151)	(1.704.079)	(6.659.427)	(1.486.716)
Inventories	(17.689.681)	(19.629.532)	(13.942.543)	(17.515.176)
Provisions	-	(13.982)	(65)	(13.537)
<b>TOTAL DEFERRED TAX LIABILITIES (prior to net-offs)</b>	<b>(25.190.832)</b>	<b>(21.347.593)</b>	<b>(20.602.035)</b>	<b>(19.015.429)</b>
Effect from net-offs of deferred tax liabilities	3.568.739	3.752.029	3.185.232	3.433.528
<b>TOTAL DEFERRED TAX LIABILITIES (following the net-offs)</b>	<b>(21.622.093)</b>	<b>(17.595.564)</b>	<b>(17.416.803)</b>	<b>(15.581.901)</b>

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The offsetting of deferred income tax assets and liabilities occurs



when there is, on behalf of the company, a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The deferred tax liabilities of the Group as at 31/12/2010 relate to the subsidiaries located in Turkey by an amount of € 313.535,73 (tax rate 20%), to subsidiaries located in Spain by an amount of € 104.687,92 (tax rate 30%) and by an amount of € 21.709.788 for companies that are located in Greece (tax rate 20%-23%). The respective amounts as at 31/12/2009 were for the companies which are located in Turkey € 200.499, those located in Spain by an amount of € 193.277 and by an amount of € 17.201.788 for companies that are located in Greece. The deferred tax receivables for the Group as at 31/12/2010 relate to, an amount of € 7.535,82 for the companies which are located in Turkey (tax rate of 20%), and an amount of € 0 to the companies which are located in Greece (tax rate 20%-23%). The respective amounts as at 31/12/2009 were € 14.889 for the companies which are located in Turkey, and an amount of € 6.302 to the companies which are located in Greece.

## 24. Available for sale financial assets

The change in available-for-sale financial assets is analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Beginning of the Year</b>	<b>56.703</b>	<b>1.897.549</b>	<b>6.800</b>	<b>16.674</b>
Additions	-	7.800	-	6.800
Other reductions/impairments	-	(1.337.986)	-	-
Write-offs/ liquidations/devaluations	-	(510.660)	-	(16.674)
<b>Balance at end of the Year</b>	<b>56.703</b>	<b>56.703</b>	<b>6.800</b>	<b>6.800</b>

Assets held for investment relate to investments in non-listed in an organised market, companies. All assets held for investment, are stated at historical cost given that their fair value cannot be accurately measured.

## 25. Other non-current receivables

Other non-current receivables of the Group and the Company relate to receivables, which are to be collected subsequent to the following year-end, and are analysed in the table here below:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Other non-current receivables	2.935	2.935	3.313	3.681
Guarantees provided	230.416	267.346	155.075	163.067
<b>Total</b>	<b>233.351</b>	<b>270.281</b>	<b>158.388</b>	<b>166.748</b>



## 26. Biological assets

The biological assets of the Group were measured at their fair value, according to IAS 41.

The fair value was determined based on market prices at the Balance Sheet date. Biological assets are the reserves of juveniles-generating adult fish, fish juveniles and stock breeding products at a specific point in time and are measured at fair value (i.e. selling price) based on IAS 41 at each balance sheet date. During periods of substantial increases in inventory, this methodology applied results in significant gains arising from the difference between the production cost and the sales value.

Fair value reconciliation of biological assets is presented in the following table:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Balance of biological assets at 1 January</b>	<b>272.949.441</b>	<b>241.148.927</b>	<b>222.123.238</b>	<b>193.322.924</b>
Increases due to purchases of biological assets	101.460	144.522	401.360	270.402
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	132.271.893	151.718.413	87.704.706	118.320.764
Decreases due to sales of biological assets	(147.518.526)	(120.062.421)	(109.660.571)	(89.790.852)
<b>End balance of biological assets at 31 December 2010</b>	<b>257.804.269</b>	<b>272.949.441</b>	<b>200.568.733</b>	<b>222.123.238</b>
<b>ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET</b>				
<b>A) Biological assets of fish (Assets – Non-current assets)</b>	71.325.426	81.317.458	67.860.977	73.141.264
<b>B) Biological Poultry-Livestock (Assets - Non-current assets)</b>	227.000	181.000	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</i>	<b>71.552.426</b>	<b>81.498.458</b>	<b>67.860.977</b>	<b>73.141.264</b>
<b>C) Biological assets fish (Inventories - Current assets)</b>	186.016.088	191.278.278	132.707.756	148.981.974
<b>D) Biological Poultry-Livestock (Inventories - Current assets)</b>	235.755	172.705	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Current</i>	<b>186.251.843</b>	<b>191.450.983</b>	<b>132.707.756</b>	<b>148.981.974</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>257.804.269</b>	<b>272.949.441</b>	<b>200.568.733</b>	<b>222.123.238</b>

During the current year, the Group adopted a more specialized method of valuation of the biomass of biological assets which takes into consideration supplementary parameters and which determine with a greater precision the growth rate of biomass. More specifically, a significant parameter which has been taken into account is the loss of humidity of the living organism between the living organism during the sample testing and the harvested produce during packaging.

The change in the method of valuation was considered necessary following the more specialized stocktaking method which was performed during the year 2010 and the calculations of the deviations between the actual harvested quantities in relation to the corresponding quantities which were expected to be harvested based on the previous method of calculation of biomass. The total effect on the biological inventory balance as at December 31, 2010 from the change in the valuation method in relation to the calculation of biomass amounts to € 5,54 million.

## 27. Inventories

The inventories of the Group and the Company are as follows:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Merchandise	1.842.009	1.697.970	117.215	219.961
Finished and semi-finished goods	4.632.686	2.526.505	4.505.707	2.427.535
Work in progress	394.841	118.580	250.535	118.580
Raw and auxiliary materials-Package materials	4.629.026	5.289.871	2.714.157	3.642.106
Consumables	154.910	90.750	102.140	86.644
Packing items	5.099	8.979	2.319	7.126
<b>Total</b>	<b>11.658.571</b>	<b>9.732.655</b>	<b>7.692.073</b>	<b>6.501.952</b>

The amount of inventories recognised as an expense during the year and included in consumables, amounts to € 92.742.679 for the Group and € 109.887.910 for the Company (2009: € 100.686.340 for the Group and € 111.095.309 for the Company).

For the assessment of the inventories net sales value Management takes into consideration the most reliable data available at the date of measurement.

## **28. Trade and other receivables**

The trade and other receivables of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Trade debtors	28.431.083	26.722.747	51.951.550	54.915.613
Notes receivables	2.103.325	3.356.438	1.455.382	1.538.421
Cheques receivables	24.897.641	31.901.521	18.808.173	28.192.243
Less: Provision for uncollectible receivables	(8.807.562)	(8.553.017)	(6.430.555)	(6.430.555)
<b>Total trade &amp; other receivables-net</b>	<b>46.624.487</b>	<b>53.427.689</b>	<b>65.784.550</b>	<b>78.215.722</b>

All the above receivables are current and of a short-term maturity. The fair value of these current financial assets is not independently assessed given that their carrying value approximates their fair value, given that its collectibles is expected to occur within a time period where the effect of the time value of money is considered insignificant. There is no concentration of credit risk in relation to these customers given that the Group has a big number of customers and the credit risk is dispersed.

The ageing of receivables is considered the following:

<b>GROUP</b>							
	<b>Are not yet due</b>	<b>&lt;30</b>	<b>30-60</b>	<b>60-90</b>	<b>90-180</b>	<b>Above 180</b>	<b>Total</b>
<b>2010</b>	6.846.509	9.336.305	5.852.501	3.962.267	6.975.762	13.651.143	<b>46.624.487</b>

With respect to the Group's receivables, an assessment of the impairment indicators has been performed. Receivables that have been impaired mainly relate to customers of the Group, which encounter financial difficulties. The additional provision established in the year of an amount of Euro 254.545 mainly relates to the subsidiary company Sea Farm Ionian by an



amount of € 220.796,05. The movement of the bad debt expense in the year includes the amount € 932.886 as this is presented in Note 29 Other receivables.

## 29. Other receivables

The other receivables of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Sundry debtors	5.065.834	5.151.005	5.072.738	3.079.297
Receivables from Factoring	17.177.653	3.099.340	17.177.653	3.099.340
Claims from Greek State	10.731.819	6.393.177	8.137.274	3.546.903
Other receivables	21.037	42.831	-	-
Disputed debtors	165.076	207.145	30.000	30.000
Cash advances to personnel	144.456	145.187	118.626	112.037
<b>Total</b>	<b>33.305.875</b>	<b>15.038.685</b>	<b>30.536.291</b>	<b>9.867.577</b>

All the above receivables are current (short-term maturity). The fair value of these current financial assets is not determined independently as the carrying value is considered that approximates their fair value given that its collectibility is expected to occur within a time period where the effect of the time value of money is considered insignificant.

All of the Group's receivables have been valued with respect to the impairment indicators. Certain of the receivables have been impaired and have been provided for. The established provision for impairment amounts to € € 1.724.922,32 for the Group and € 626.054 for the Company.

The additional provision established for the Group mainly relates to the subsidiary company Sea Farm Ionian SA by an amount of € 609.804,61 for the debtors Aqua Terrair SA by an amount of € 565.492 for Fantasy Cruises SA., an amount of € 44.312,61 and an amount of € 68.537 for smaller provisions of other subsidiaries.

The movement in the established provision for bad debts (receivables inclusive) is presented below:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Opening Balance 01/01/2010	9.581.225	21.934.467	7.056.609	7.380.323
Additions during the year	932.886	786.905	-	-
Write-offs of receivables	-	(12.945.084)	-	259.751
Reversals	-	(194.943)	-	(388.521)
Foreign Exchange differences	18.374	(120)	-	(194.944)
<b>Closing Balance 31/12/2010</b>	<b>10.532.485</b>	<b>9.581.225</b>	<b>7.056.609</b>	<b>7.056.609</b>

We hereby refer to that during the current year 2010 a write-off of bad debts has performed in accordance with article 31 par. 1st of L. 2238/1994.

**30. Other current assets**

The other current assets of the Group and the Company are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Deferred expenses	137.513	954.025	93.527	789.893
Accrued income-year	577.883	465.040	40.922	40.922
Other prepayments and accrued income	-	21.278	-	5.461
<b>Total</b>	<b>715.396</b>	<b>1.440.343</b>	<b>134.449</b>	<b>836.276</b>

**31. Financial assets at fair value through profit or loss**

The financial assets held for trading and the other financial assets recognised at their initial recognition at fair value through profit or loss is analysed here below as follows:

<b>Financial assets at fair value through profit or loss</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Securities	82	238	82	238
<b>Total</b>	<b>82</b>	<b>238</b>	<b>82</b>	<b>238</b>

The movement of derivative financial instruments is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Opening balance</b>	238	73	238	73
Changes in fair value	(156)	165	(156)	165
<b>Total</b>	<b>82</b>	<b>238</b>	<b>82</b>	<b>238</b>

The changes in fair value of these financial assets are included in the item "Finance income/costs" (Note 12.).

The fair value of the above equity instruments is based on their current market value, in the market in which these are traded.

**32. Cash and cash equivalents**

The cash and cash equivalents of the Group and the Company are as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Cash on hand	67.045	67.748	47.849	46.214
Sight bank deposits	27.078.816	3.810.714	26.525.597	2.980.159
Time bank deposits	9.403.526	11.865.000	9.403.526	11.865.000
<b>Total</b>	<b>36.549.387</b>	<b>15.743.462</b>	<b>35.976.972</b>	<b>14.891.373</b>

The cash and cash equivalents represent cash and bank deposits available upon first call.

### 33. Equity

#### i) Issued Capital

The share capital of the Company consists of common registered shares of € 1,34 par value. All shares grant equal rights concerning the receipt of dividends and the repayment of capital, and represent one voting right at the Shareholders' General Assembly of the Company. The shares of the Company are freely traded in the Athens Stock Exchange.

<i>Amounts in Euro</i>	<b>GROUP</b>					<b>COMPANY</b>				
	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total
<b>Balance at 1 January 2009</b>	63.459.212	85.035.344	(47.271)	36.488.862	121.476.935	63.459.212	85.035.344	(47.271)	36.488.862	121.476.935
Transfer of reserves for coverage of own investments N.3229/04	-	-	-	(835.177)	(835.177)	-	-	-	(835.177)	(835.177)
Share capital increase from the conversion of debentures	151.432	202.919	-	512.556	715.475	151.432	202.919	-	512.556	715.475
Change in tax rate from 25%-20%	-	-	-	(1.620)	(1.620)	-	-	-	(1.620)	(1.620)
<b>Balance at 31 December 2009</b>	<b>63.610.644</b>	<b>85.238.263</b>	<b>(47.271)</b>	<b>36.164.621</b>	<b>121.355.613</b>	<b>63.610.644</b>	<b>85.238.263</b>	<b>(47.271)</b>	<b>36.164.621</b>	<b>121.355.613</b>
Share capital increase from the conversion of debentures	18.104	24.259	-	64.562	88.821	18.104	24.259	-	64.562	88.821
Change in tax rate from 24%-20%	-	-	-	(453)	(453)	-	-	-	(453)	(453)
<b>Balance at 31 December 2010</b>	<b>63.628.748</b>	<b>85.262.522</b>	<b>(47.271)</b>	<b>36.228.730</b>	<b>121.443.981</b>	<b>63.628.748</b>	<b>85.262.522</b>	<b>(47.271)</b>	<b>36.228.730</b>	<b>121.443.981</b>

During the current period and in accordance with the resolutions of the Board of Directors as at 13.01.2010, the share capital of the Company increased by an amount of € 24.259,36 and 18.104 new shares were issued, arising from the conversion of debentures to shares, at a par value of € 1,34 each.

Following the above, the Company's share capital amounts to € 85.262.522,32 comprised of 63.628.748 common registered shares of nominal value € 1.34 each.

#### ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2009</b>	<b>9.583.777</b>	<b>9.533.760</b>
Reclassification of figures from associate companies	342	-
<b>Balance 1/1/2009, following the restatement</b>	<b>9.584.119</b>	<b>9.533.760</b>
<b>Change in percentage of subsidiary companies</b>	(132)	-
Change in tax rate 25%-20%	(3.333)	(3.333)
<b>Balance at 31 December 2009</b>	<b>9.580.654</b>	<b>9.530.427</b>
Revaluation of assets	20.519.335	19.710.116
Change in tax rate 24%-20%	824.917	791.268
<b>Balance at 31 December 2010</b>	<b>30.924.906</b>	<b>30.031.810</b>

**iii) Other reserves**

Other reserves of the Group are as follows:

Amounts in Euro

	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASD PAYMENTS RESERVE	RESERVE OF CONVERTIBLE BOND LOAN	VARIOUS RESERVES	TOTAL
<b>Balance January 1 2009, as initially presented</b>	<b>3.289.541</b>	<b>1.930.076</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.247.244</b>	<b>8.358.029</b>
<b>Balance at 1 January 2009</b>	<b>3.324.526</b>	<b>1.930.076</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.097.244</b>	<b>8.243.014</b>
Transfer of reserve for coverage of own investment of L. 3299/04	-	-	-	-	835.177	<b>835.177</b>
Change in the tax rate 25%-20%	-	-	-	-	(4.134)	<b>(4.134)</b>
<b>Balance at 31 December 2009</b>	<b>3.340.764</b>	<b>1.929.568</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.928.261</b>	<b>9.089.761</b>
Cash flow hedge	-	-	-	-	(500.000)	<b>(500.000)</b>
Change in the tax rate 24%-20%	-	-	-	-	(4.134)	<b>(4.134)</b>
<b>Balance at 31 December 2010</b>	<b>3.367.474</b>	<b>1.929.568</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.424.127</b>	<b>8.612.337</b>

Other reserves of the Company are as follows:

Amounts in Euro

	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASED PAYMENTS RESERVE	RESERVE OF CONVERTIBLE BOND LOAN	VARIOUS RESERVES	TOTAL
<b>Balance January 1 2009, as initially presented</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.237.232</b>	<b>7.891.169</b>
<b>Balance at 1 January 2009</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>2.237.232</b>	<b>7.891.169</b>
Transfer of reserve for coverage of own investment of L. 3299/04	-	-	-	-	835.177	<b>835.177</b>
Change in the tax rate 25%-20%	-	-	-	-	(4.134)	<b>(4.134)</b>
<b>Balance at 31 December 2009</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>3.068.275</b>	<b>8.722.212</b>
Change in the tax rate 24%-20%	-	-	-	-	(4.134)	<b>(4.134)</b>
<b>Balance at 31 December 2010</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>3.064.140</b>	<b>8.718.078</b>

For comparative purposes of the Group Financial Statements a reclassification of the equity reserve components attributed to the equity holders of the parent was made. More specifically, amounts were transferred from Retained Earnings (Opening Balance 2009 (€ 2.241.964), in the year 2009 (€ 521.884) ) to foreign exchange reserves (Opening Balance 2009 (€ 2.127.292), in the year 2009 (€ 521.884)), to the Revaluation reserve ((Opening Balance 2009 € 342 , in the year 2009 (0)) and to other reserves (Opening Balance 2009 (€ 115.014)), in the year 2009 (0)).The reclassification of the amounts is attributed to the fact that during the dates at which the Group Financial Statements were published, the detailed analysis of the Shareholders Equity figures of the associate companies was not feasible with a subsequent publishment date.

The goodwill of an amount of € 405.726 which resulted from the acquisition of an additional percentage of 0,347% of SEAFARM IONIAN S.A (112.504 shares) in addition to the participation of MIRAMAR PROJECTS U.K in the share capital increase of ILKNAK SU URUNLERI SAN Ve TIC AS by an amount of € 11.005. The remaining shareholders did not participate in the above increase and as a result the direct percentage shareholding in ILKNAK SU URUNLERI SAN



Ve TIC AS decreased by 0,0724%, while the indirect percentage increased by 1,2202% (total increase 1,1478%). Based on IFRS 3 “Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)” the above increase is presented as a reduction in Equity (Retained Earnings).

### 34. Borrowings

The non-current and current borrowings are as follows:

Amounts in Euro

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Non-current borrowings</b>				
Bank borrowings	185.640.210	190.484.945	162.083.456	166.817.192
Less: Borrowings payable in following year (Loans)	(10.817.348)	(14.115.928)	(10.716.759)	(11.374.142)
<b>Total non-current borrowings</b>	<b>174.822.861</b>	<b>176.369.017</b>	<b>151.366.697</b>	<b>155.443.050</b>
<b>Liabilities payable in following year</b>				
Liabilities payable in following year (Loans)	10.817.348	14.115.928	10.716.759	11.374.142
<b>Total liabilities payable in following year</b>	<b>10.817.348</b>	<b>14.115.928</b>	<b>10.716.759</b>	<b>11.374.142</b>
<b>Short-term loans</b>				
Bank borrowings	80.704.332	67.711.193	72.088.951	59.889.781
<b>Total short-term loans</b>	<b>80.704.332</b>	<b>67.711.193</b>	<b>72.088.951</b>	<b>59.889.781</b>
<b>Total loans</b>	<b>266.344.542</b>	<b>258.196.138</b>	<b>234.172.407</b>	<b>226.706.973</b>

Maturity dates of non-current borrowings are analysed below:

Amounts in Euro

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Between 1 and 2 years	40.801.817	18.695.328	38.577.351	16.426.007
Between 2 and 5 years	93.675.291	77.664.181	83.894.811	71.069.725
Over 5 years	40.345.753	80.009.508	28.894.535	67.947.318
	<b>174.822.861</b>	<b>176.369.017</b>	<b>151.366.697</b>	<b>155.443.050</b>

The actual weighted average borrowing rate of the Group is as follows:

	31/12/2010	31/12/2009
Bank borrowings (current)	5,50%	4,93%
Bank borrowings (non-current)	3,82%	4,75%

The major long-term loans of the Group and that of the Company as at 31 December 2010 are summarised as follows:

**Bond Loan of € 90 million:** As at 28 January 2008, the Company signed a bond loan contract of a total amount of € 90 million with a joint venture with banks and a Euribor interest rate plus a margin which fluctuates according to the financial indicators which are specified in the contract. The purpose of the loan was the refinancing of the previous loan borrowings. The full repayment of the loan is stated to be a portion at the beginning of 2015 in 10 six-month instalments from which the first 9 will be of an equivalent amount for the repayment of 50% of the loan and the last instalment will be paid at the expiration date of the loan for the remaining 50% of the total amount of the loan.

**Convertible Bond loan € 19,9 million:** On July 11 2007 the Company signed the contract of a convertible bond loan with a duration of 5 years to be fully repaid on July 2012.



**Bond loan € 5 million:** On May 30, 2005 the company signed a joint venture agreement of a 13 years duration to be fully repaid at the end of 2021, via 27 six-month instalments with the first instalment paid on 23 November 2008.

**Bond loan € 25 million:** On February 14 2008, the Company signed a joint venture contract of an 8 year duration and with 16 six month capital instalments € 1,5 million each, to be fully repaid at the end of 2019.

**Bond loan € 25 million:** During the merger with KEGO AGRI, the Company undertook the liability of the joint venture of an 8 year duration loan with 16 equivalent six month capital instalments. The date of commencement of repayment was determined to be June 30 2012 and the date of full repayment is at the end of 2019, after a two year postponement which was granted in 2010, to be fully repaid at the end of 2019.

**Joint Venture loan € 4 million:** On the 25th of October 2005 the company SEAFARM IONIAN SA signed a joint venture contract of an amount of € 4 million as working capital, with Nireus being a guarantor. The repayment of the loan will be in 27 instalments, the first being payable in 24 months and the last in 180 days following the day of repayment of the loan.

The existing pledged assets as these arise from the loan borrowing contracts of the Group and the Company are analysed in Note 42.

From the contract of the three joint ventures (of € 90 million, the € 5 million and the convertible bond loan of € 19,9 million) an obligation arises to the Group and Company that they comply with certain specific financial indicators.

The Group and the Company are at a final stage of negotiations with the lenders as regards the restructuring of the borrowings which will include a change in the repayment period, the margins in addition to the terms of the financial indicators to which the company must comply.

It should be noted that at the end of the year 2010, the Group and Company did not comply with certain of the financial indicators as these have been stated in the existing loan contracts. Due to the above mentioned restructuring, the Group and Company have received a waiver from the obligation of compliance with the financial ratios for the year 2011.

### **35. Government Grants**

The analysis of Grants of the Group and the Company is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2009</b>	<b>6.560.240</b>	<b>6.250.473</b>
Proceeds received over the year	4.197.060	2.761.507
Recognised amortisation in the income statement (Note 15)	(2.421.081)	(2.027.214)
<b>Balance at 31 December 2009</b>	<b>8.336.219</b>	<b>6.984.766</b>
Proceeds received over the year	440.546	308.393
Recognised amortisation in the income statement (Note 15)	(1.329.595)	(1.117.170)
<b>Balance at 31 December 2010</b>	<b>7.447.170</b>	<b>6.175.989</b>

**36. Other non-current liabilities**

The analysis of other non-current liabilities, of the Group and the Company, is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>
Non-current liabilities based on article 44 L.1892/90	3.453.510	3.991.605
<b>Total</b>	<b>3.453.510</b>	<b>3.991.605</b>

Other non-current liabilities at 31/12/2010 relating to the Group result from liabilities of the Group “SEAFARM IONIAN SA” which is subject to article 44 of L. 1892/90.

**37. Provisions**

The analysis of provisions for the Group and the Company is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Other provisions	420.928	218.113	273.582	-
Provision for unaudited tax years	109.273	79.273	59.273	59.273
<b>Total</b>	<b>530.201</b>	<b>297.386</b>	<b>332.855</b>	<b>59.273</b>

Other provisions relate to, under litigation and in favour of third parties, legal cases, for which management taken these to the superior courts. In the year 2010, the provision was utilised by an amount of Euro 27.766, was reversed by € 5.000 and additionally established by an amount € 7.000.

In addition to the above, a provision of an amount of € 273.582 was established as regard the fine which was imposed by the Competition committee enacted by the decision taken on November 12 2008 Number 492/VI/2011 notified partnership of the five companies of the aquaculture segment in which NIREUS is included. The charge of fine has been charged to the account “Tax fines and surcharges” Note 14.

**38. Trade and other payables**

The analysis of the balances of trade and other payables of the Group and the Company, are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Trade payables	29.602.880	25.015.466	28.607.582	26.615.144
Cheques payable	28.508.678	27.524.934	23.550.326	24.054.104
Promissory notes	319.754	413.540	-	-
Notes payable	1.614.253	755.915	-	-
<b>Total</b>	<b>60.045.565</b>	<b>53.709.855</b>	<b>52.157.908</b>	<b>50.669.248</b>



The fair values of trade and other payables are not separately presented since, due to their short-term duration. Management considers that the carrying values that are recognised in the balance sheet constitute a reasonable approach to the fair values.

### 39. Derivative Financial Instruments

The derivative financial instruments refer to the following:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Derivative financial instruments</b>				
CAP contracts with or without knock out barrier-Cash flow hedging	(2.737)	(103.331)	(2.737)	(81.040)
Interest rate swap	(552.101)	(1.219.867)	(552.101)	(1.219.867)
<b>Derivative financial instruments (assets)</b>	<b>(554.838)</b>	<b>(1.323.198)</b>	<b>(554.838)</b>	<b>(1.300.907)</b>

The fair value of the contracts has been measured by the use of the relative interest rates and exchange rates prevailing in the market.

The total of fair value of derivative financial instrument is classified either as an asset or as a liability. The movement in the derivative financial instruments is analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
<b>Opening balance</b>	<b>(1.323.198)</b>	<b>(790.728)</b>	<b>(1.300.907)</b>	<b>(745.531)</b>
Changes in fair value	768.360	(532.470)	746.069	(555.376)
<b>Total</b>	<b>(554.838)</b>	<b>(1.323.198)</b>	<b>(554.838)</b>	<b>(1.300.907)</b>

Changes in fair value are recognized in the Income Statement and specifically in the account "Finance (costs)/income".  
Note 12

### 40. Other current liabilities

The analysis of other current liabilities is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Wages and salaries payable	1.720.216	1.605.466	1.218.107	1.224.024
Dividends	309.267	580.882	91.858	91.858
Social security	1.523.790	1.778.190	1.202.547	1.357.539
Taxes - duties	1.365.642	927.342	916.010	639.192
Accrued expenses	1.808.097	1.521.327	1.710.628	1.400.063
Sundry creditors - Prepayments	4.572.623	3.471.260	3.753.615	3.062.800
<b>Total</b>	<b>11.299.635</b>	<b>9.884.467</b>	<b>8.892.765</b>	<b>7.775.476</b>



#### **41. Contingent Assets, Contingent Liabilities and un-audited fiscal years by the tax authorities-Commitments**

Any claims or litigations to the national or arbitration courts are not expected to have a material effect on the financial position or operation of the Group.

##### **Information in respect of contingent assets and liabilities**

There are no other claims or litigations to national or arbitrary courts that may have a material effect on the financial position or operations of the Group, apart from those referred to in Note 37 and for which the Company has established a corresponding provision.

The Company and the Group have contingent liabilities and assets in respect to Banks, other guarantees and other matters arising in the ordinary course of business, as following:

Contingent liabilities of the Group for the year 2010 amounted to € 6.896.602 and for the Company to € 3.207.754 in addition to guarantees for the parent company to its subsidiaries of the amount of € 21.445.562,47. The contingent assets for the year 2010 amount to 7.097.300 for the Group and to the amount of € 7.051.290 for the Company.

No significant charges are expected to occur as a result of the contingent liabilities. No additional payments are expected to be made, following the compilation of these financial statements.

##### **Information in respect of unaudited, by the tax authorities, financial years**

The unaudited, by the tax authorities, financial years for the group companies are as follows:

<b><u>GROUP COMPANIES OF "NIREUS AQUACULTURE S.A"</u></b>	<b>UNAUDITED TAX YEARS</b>
NIREUS AQUACULTURE S.A	Since 2009
AQUACOM LTD	-
PROTEUS EQUIPMENT S.A	Since 2010
ILKNAK SU URUNLERI SAN Ve TIC A.S.	Since 2010
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	Since 2010
PREDOMAR S.L.	Since 2007
KEGO AGRI S.A	Since 2010
NIREUS INTERNATIONAL LTD	Since 2006
MIRAMAR PROJECTS CO LTD - UK	Since 2005
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Since 2010
BLUEFIN TUNA S.A	Since 2010
SEAFARM IONIAN S.A	Since 2005
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Since 1999
AQUA TERRAIR S.A	Since 1999
ILKNAK DENIZCILIK A.S.	Since 2010

##### **Information in respect of contingent liabilities from sea-area operating leases.**



At 31 December 2010, certain companies of the Group have leased sea- areas under operating lease agreement. The future minimum lease payments payable under the lease terms are as follows:

### Sea Areas

*Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
No later than 1 year	254.648	219.224	146.509	121.525
Later than 1 year and no later than 5 years	891.044	742.181	470.684	411.339
Later than 5 years	1.485.495	392.328	190.637	96.731
	<b>2.631.187</b>	<b>1.353.733</b>	<b>807.830</b>	<b>629.595</b>

The sea leases recognized in the profit and loss for the year are analysed as follows:

*Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	406.180	370.747	242.384	206.872

The acquisition by “NIREUS AQUACULTURE SA” of 3.144.907 registered shares of “SEAFARM IONIAN SA” for a total purchase consideration Euro 7.731.000,00 was agreed upon, in accordance with No. 18402/28.06.2006 and No. 18433/07.07.2006 preliminary agreements and the Private Agreement dated 04/07/2006. Hereon we state that until 31/12/2010 in performance of the above, 2.784.932 registered shares of “S.F.I.” have been purchased by the company against a total purchase consideration Euro 7.271.206 with a participation percentage amounting to 25,342% on the total voting rights of the company and to an equal in amount percentage on its share capital.

Moreover, the company is at a stage of negotiations for the elimination of the relevant binding terms and amendment of the special agreement with the Company as a Strategic Investor of “SEAFARM IONIAN S.A” with the Banks - Creditors that participate in the equity structure of the Entity “SEAFARM IONIAN S.A”.

## 42. Assets pledged as Security

1. The following mortgages have been registered for the fixed assets of the parent company “NIREUS AQUACULTURE SA”:

(a) First class mortgages, have been registered of an amount of € 10.000.000 in favour of the Greek State, to secure the issuance of a loan an amount of € 25.000.000 from the Bank of Piraeus, under the framework of favourable regulations for the fire victims, the balance of which amounted as at 31/12/2010 to € 25.000.000,00.

(b) First class mortgages, of an amount of € 15.000.000, have been registered in favour of the Commercial Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which amounted as at 31/12/2010 to € 84.421.994,52

(c) A first class mortgage has been registered of an amount of € 6.240.000 in favour of the Commercial Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which as at 31/12/2010 amounted to € 84.421.994,52.



(d) Mortgages of an amount of € 7.000.000 in favour of the Greek State for the securing of the bon loan of an amount of Euro 24.910.000 from the National Bank of Greece, under the framework of favourable regulations for the fire victims, the balance of which as at 31/12/2010 amounted to € 24.910.000

(e) An underwriting of a mortgage of an amount of € 264.123,25 in favour of EUROBANK has been registered.

2. An underwriting of a mortgage from the National Bank of Greece of an amount of € 2.000.000 has been registered on the land of the consolidated subsidiary company “KEGO AGRI S.A” to secure the long-term loan of the parent company “NIREUS AQUACULTURE S.A”.

3. On the land of the consolidated subsidiary “SEAFARM IONIAN S.A”, the following mortgages have been registered:

(a) An underwriting of a mortgage of an amount of € 200.000, to secure the loan from Attikis Bank S.A, the balance of which as at 31/12/2010 amounted to € 138.062,92.

(b) A Mortgage has been registered of an amount of € 100.000 and underwritings of € 230.000 in favour of “AGROINVEST S.A”.

(c) An underwriting of a mortgage of an amount of € 381.511,37 to secure a loan from the Bank of Cyprus, the balance of which amounted as at 31/12/2010 to € 634.145,98.

(d) An underwriting of a mortgage of an amount of € 296.404,98 has been registered to secure the loan from the National Bank of Greece, the balance of which as at 31/12/2010 amounted to € 1.500.327,32.

(e) Mortgages have been registered of an amount of € 3.283.364,38 to secure the loan from the Agrotiki Bank of Greece, the balance of which as at 31/12/2010 amounted to € 361.894,29. It should be mentioned that the referred to balance will be paid in 22 equivalent semi-annual interest and capital instalments of an amount of € 16.449,74 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the abovementioned amount.

4. In addition the following pledges have been underwritten for certain loans:

- On the loan referred to in (1a) Contracts related to fish population of an amount of € 11.556.000 have been pledged in favor of the Piraeus Bank
- On the loan referred to in (1b) Contracts related to fish population and floating installations owed by “NIREUS AQUACULTURE S.A” of an amount of € 68.504.180 have been secured.
- On the loan referred to in (1d) Insurance contracts which cover products, raw materials and loss of income of a total amount of € 3.000.000 in addition to customer cheques of an amount of €1.913.000,43.have been secured in favour of the National Bank. In respect of the same loan, bank deposits of an amount of € 8.087.050,68 have been restricted as at 31/12/2010.
- There is a pledge of fish population of an amount of € 5.500.000 in favour of PROTOBANK for a loan of € 4.000.000
- There is a pledge of fish population of an amount of € 2.000.000 in favour of the HELLENIC bank for a loan of € 2.000.000
- On the balance of the Joint venture loan of the Subsidiary company Sea Farm Ionian SA (balance as at 31/12/2010 an amount of € 3.259.260) a pledge of fish population exists (as at 31/12/2010 of an amount of € 3.600.000).
- There is a pledge of fish population of an amount of € 1.000.000 in favour of the supplier company NORSIDMEL in security of its receivables from the supply of fish flour to the extent that this exceeds the insurance limit of Nireus.

There are no other assets pledged as security on the fixed assets for “NIREUS AQUACULTURE S.A” and of the Group.

**43. Related parties****Related party transactions**

The company's purchases and sales, cumulatively from the beginning of the current year as well as the balance of receivables and payables of the company that have resulted from the transactions with related parties at the end of the current year are as follows:

**Sales of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Subsidiaries	-	-	23.107.851	22.052.275
Associates	163.575	157.423	156.575	157.423
<b>Total</b>	<b>163.575</b>	<b>157.423</b>	<b>23.264.426</b>	<b>22.209.698</b>

**Other income**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Subsidiaries	-	-	59.353	36.153
Associates	31.692	30.440	-	-
<b>Total</b>	<b>31.692</b>	<b>30.440</b>	<b>59.353</b>	<b>36.153</b>

**Purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Subsidiaries	-	-	37.367.319	28.646.796
Associates	195.267	187.862	7.000	-
Directors and key management	65.040	265.040	65.040	265.040
<b>Total</b>	<b>260.307</b>	<b>452.902</b>	<b>37.439.359</b>	<b>28.911.836</b>

**Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2010</b>	<b>31/12/2009</b>	<b>31/12/2010</b>	<b>31/12/2009</b>
Directors and key management	3.002.339	3.042.712	1.994.810	2.227.058
<b>Total</b>	<b>3.002.339</b>	<b>3.042.712</b>	<b>1.994.810</b>	<b>2.227.058</b>

**Year -end balances arising from Fees to Directors and compensation**

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Directors and key management	264.521	170.871	85.060	137.210
<b>Total</b>	<b>264.521</b>	<b>170.871</b>	<b>85.060</b>	<b>137.210</b>

**Year -end balances arising from purchases of goods and services**

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Directors and key management	5.583	53.928	5.583	53.928
<b>Total</b>	<b>5.583</b>	<b>53.928</b>	<b>5.583</b>	<b>53.928</b>

**Receivables**

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Subsidiaries	-	-	39.672.133	41.142.385
Associates	446.243	203.010	340.551	183.908
<b>Total</b>	<b>446.243</b>	<b>203.010</b>	<b>40.012.684</b>	<b>41.326.293</b>

**Payables**

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Subsidiaries	-	-	6.031.686	6.980.348
Associates	446.243	203.010		2.738
<b>Total</b>	<b>446.243</b>	<b>203.010</b>	<b>6.031.686</b>	<b>6.983.086</b>

**Transactions with major Directors**

The fees of the members of the Board of Directors for the year 2010 and 2009 are as follows:

**Transactions and compensation to Directors and key management**

*Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Salaries, employment benefits and other compensation to Directors	803.186	1.245.242	803.186	1.245.242
Salaries and other employment benefits to key management	1.469.203	1.579.586	1.010.634	1.153.426
Compensation to Directors approved by A.G.M.	794.990	482.924	246.030	93.430
	<b>3.067.379</b>	<b>3.307.752</b>	<b>2.059.850</b>	<b>2.492.098</b>

**Payables to Directors and key management**

*Amounts in Euro*

	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Payables for loan repayments				
Payables for salaries, employment benefits and other compensation	68.875	136.329	52.737	121.568
Payables for Directors compensation approved by A.G.M.	201.229	88.470	37.906	69.570
	<b>270.104</b>	<b>224.799</b>	<b>90.643</b>	<b>191.138</b>

**44. Presentation of financial assets and liabilities per category**

The financial assets as well as the financial liabilities at the date of the financial statements can also be classified as follows:



Amounts in Euro	2010								Total
	Loans and receivables	Investments held-to-maturity	Financial assets held for trading (recognised in the income statement)	Available-for-sale financial assets	Derivative financial instruments	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Non-financial assets	
Property, plant and equipment	-	-	-	-	-	-	-	90.972.254	90.972.254
Investment property	-	-	-	-	-	-	-	3.534.425	3.534.425
Goodwill	-	-	-	-	-	-	-	30.766.972	30.766.972
Intangible assets	-	-	-	-	-	-	-	16.026.648	16.026.648
Investments in Subsidiaries	-	-	-	-	-	-	-	-	0
Investments in Associates	-	-	-	-	-	-	-	520.297	520.297
Deferred income tax assets	-	-	-	-	-	-	-	7.536	7.536
Available-for-sale financial assets	-	-	-	56.703	-	-	-	-	56.703
Other non-current receivables	233.351	-	-	-	-	-	-	-	233.351
Biological assets	-	-	-	-	-	-	-	257.804.269	257.804.269
Inventories	-	-	-	-	-	-	-	11.658.571	11.658.571
Trade and other receivables	46.624.487	-	-	-	-	-	-	-	46.624.487
Other receivables	33.305.875	-	-	-	-	-	-	-	33.305.875
Other non-current assets	-	-	-	-	-	-	-	715.396	715.396
Derivative financial instruments	-	-	-	-	-	-	-	-	0
Financial assets at fair value through profit or loss	-	-	82	-	-	-	-	-	82
Current income tax assets	-	-	-	-	-	-	-	-	0
Cash and cash equivalents	36.549.387	-	-	-	-	-	-	-	36.549.387
<b>Total Assets</b>	<b>116.713.100</b>	<b>0</b>	<b>82</b>	<b>56.703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>412.006.368</b>	<b>528.776.253</b>
Long-term borrowing liabilities	-	-	-	-	-	-	174.822.861	-	174.822.861
Deferred income tax liabilities	-	-	-	-	-	-	-	21.622.093	21.622.093
Retirement benefit obligations	-	-	-	-	-	-	-	2.764.436	2.764.436
Grants	-	-	-	-	-	-	-	7.447.170	7.447.170
Other non-current liabilities	-	-	-	-	-	-	3.453.510	-	3.453.510
Provisions	-	-	-	-	-	-	-	530.201	530.201
Trade and other payables	-	-	-	-	-	-	60.045.565	-	60.045.565
Current income tax liabilities	-	-	-	-	-	-	-	-	0
Short-term borrowings	-	-	-	-	-	-	80.704.332	-	80.704.332
Derivative financial instruments	-	-	-	-	554.838	-	-	-	554.838
Deferred non-current liabilities	-	-	-	-	-	-	10.817.348	-	10.817.348
Other current liabilities	-	-	-	-	-	-	11.299.635	-	11.299.635
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>554.838</b>	<b>-</b>	<b>341.143.251</b>	<b>32.363.900</b>	<b>374.061.989</b>

Amounts in Euro	2009								Total
	Loans and receivables	Investments held-to-maturity	Financial assets held for trading (recognised in the income statement)	Available-for-sale financial assets	Derivative financial instruments	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Non-financial assets	
Property, plant and equipment	-	-	-	-	-	-	-	67.126.808	67.126.808
Investment property	-	-	-	-	-	-	-	4.281.300	4.281.300
Goodwill	-	-	-	-	-	-	-	30.766.972	30.766.972
Intangible assets	-	-	-	-	-	-	-	16.030.957	16.030.957
Investments in Subsidiaries	-	-	-	-	-	-	-	-	0
Investments in Associates	-	-	-	-	-	-	-	35.013.591	35.013.591
Deferred income tax assets	-	-	-	-	-	-	-	21.191	21.191
Available-for-sale financial assets	-	-	-	56.703	-	-	-	-	56.703
Other non-current receivables	270.281	-	-	-	-	-	-	-	270.281
Biological assets	-	-	-	-	-	-	-	272.949.441	272.949.441
Inventories	-	-	-	-	-	-	-	9.732.655	9.732.655
Trade and other receivables	53.427.689	-	-	-	-	-	-	-	53.427.689
Other receivables	15.038.685	-	-	-	-	-	-	-	15.038.685
Other non-current assets	-	-	-	-	-	-	-	1.440.343	1.440.343
Derivative financial instruments	-	-	-	-	-	-	-	-	0
Financial assets at fair value through profit or loss	-	-	238	-	-	-	-	-	238
Current income tax assets	-	-	-	-	-	-	-	-	0
Cash and cash equivalents	15.743.462	-	-	-	-	-	-	-	15.743.462
<b>Total Assets</b>	<b>84.480.117</b>	<b>0</b>	<b>238</b>	<b>56.703</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>437.363.258</b>	<b>521.900.316</b>
Long-term borrowing liabilities	-	-	-	-	-	-	176.369.017	-	176.369.017
Deferred income tax liabilities	-	-	-	-	-	-	-	17.595.564	17.595.564
Retirement benefit obligations	-	-	-	-	-	-	-	2.625.025	2.625.025
Grants	-	-	-	-	-	-	-	8.336.219	8.336.219
Other non-current liabilities	-	-	-	-	-	-	3.991.605	-	3.991.605
Provisions	-	-	-	-	-	-	-	297.386	297.386
Trade and other payables	-	-	-	-	-	-	53.709.855	-	53.709.855
Current income tax liabilities	-	-	-	-	-	-	-	-	0
Short-term borrowings	-	-	-	-	-	-	67.711.193	-	67.711.193
Derivative financial instruments	-	-	-	-	1.323.198	-	-	-	1.323.198
Deferred non-current liabilities	-	-	-	-	-	-	14.115.928	-	14.115.928
Other current liabilities	-	-	-	-	-	-	9.884.467	-	9.884.467
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.323.198</b>	<b>-</b>	<b>325.782.065</b>	<b>28.854.194</b>	<b>355.959.457</b>

## 45. Subsequent Events

1. According to the terms of the convertible bond loan on 12.7.2007 as this was approved by the General Assembly on 11.4.2007 and the Board of Directors on 24.5.2007, 450 bonds were converted to 975 new shares of € 1,34 par value each. As a result of the conversion, the company's share capital and share premium increased by € 1.306,50 and € 3.086,58 correspondingly. Following the above increase, the company's share capital amounts to € 85.263.828,82 divided into 63.629.723 shares of € 1,34 par value each.



2. The Competition Commission issued its decision no. 492/VI/2011 on the cooperation of the five fish farming companies, in which NIREUS participated, and for which it had been notified on 12 November 2008. Under this decision, a fine of 273,582 € was imposed on the company which amount has been charged to the current year's results through the establishment of a provision.

There are no other events following the year ended 31 December 2010 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.

Koropi, March 28, 2011

**PRESIDENT AND  
MANAGING DIRECTOR**

**VICE PRESIDENT AND  
MANAGING DIRECTOR**

**GROUP CHIEF FINANCIAL  
OFFICER**

**ACCOUNTING  
MANAGER**

**ARISTIDIS ST. BELLES**  
I.D No: AB 347823

**HAVIARAS EMM. NIKOLAOS**  
I.D. No: AA 499020

**DIMITRIOS M. DELONAS**  
I.D. No: X 897371

**KONSTANTOPOULOS G. IOANNIS**  
I.D. No: AB 264939



**INFORMATION (WITH REFERENCE) OF ARTICLE 10 OF L. 3401/2005**

DATE	ANNOUNCEMENT	WEB SITE
	<b>Resolutions of Shareholders General Meeting</b>	
21/5/2010	Invitation to Annual Ordinary General Meeting of Shareholders	<a href="http://www.nireus.gr">www.nireus.gr</a>
21/6/2010	Resolutions of the Annual Ordinary Shareholders Meeting of 18 June 2010	<a href="http://www.nireus.gr">www.nireus.gr</a>
	<b>Annotation of Financial Statements</b>	
30/3/2010	Press release for Full Year 2009 Results	<a href="http://www.nireus.gr">www.nireus.gr</a>
28/5/2010	Press Release for 3 Months 2010 Results	<a href="http://www.nireus.gr">www.nireus.gr</a>
30/8/2010	Press Release for 6 Months 2010 Results	<a href="http://www.nireus.gr">www.nireus.gr</a>
29/11/2010	Press Release for 9 Months 2010 Results	<a href="http://www.nireus.gr">www.nireus.gr</a>
	<b>Other announcements and Press Releases</b>	
19/1/2010	Clarification on published article	<a href="http://www.nireus.gr">www.nireus.gr</a>
1/2/2010	Listing of the new shares resulting from the conversion of the Company's convertible bonds	<a href="http://www.nireus.gr">www.nireus.gr</a>
4/2/2010	Announcement for the Total Amount of Share Capital – Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
18/3/2010	New Board of Directors of Marine Farms ASA	<a href="http://www.nireus.gr">www.nireus.gr</a>
23/3/2010	Financial Calendar 2010	<a href="http://www.nireus.gr">www.nireus.gr</a>
8/6/2010	Extraordinary contribution – imposed by article 5 of L. 3845/2010	<a href="http://www.nireus.gr">www.nireus.gr</a>
29/6/2010	Invitation for the conversion of the Company's convertible bonds	<a href="http://www.nireus.gr">www.nireus.gr</a>
19/7/2010	Completion of the ordinary tax audit for fiscal year 2008	<a href="http://www.nireus.gr">www.nireus.gr</a>
14/9/2010	Divestment in affiliate	<a href="http://www.nireus.gr">www.nireus.gr</a>
12/11/2010	PRESS RELEASE	<a href="http://www.nireus.gr">www.nireus.gr</a>
21/12/2010	Invitation for the conversion of the Company's convertible bonds	<a href="http://www.nireus.gr">www.nireus.gr</a>
	<b>Announcement of other transactions</b>	
25/6/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
30/6/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
15/10/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
26/10/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
27/10/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
27/10/2010	Announcement of regulated information according to Law 3556/2007	<a href="http://www.nireus.gr">www.nireus.gr</a>
1/11/2010	Announcement of regulated information according to Law 3556/2007	
12/11/2010	Announcement of regulated information according to Law 3556/2007	
15/11/2010	Announcement of regulated information according to Law 3556/2007	
	<b>Changes in the BOD or upper level management directors</b>	
1/5/2010	Resignation of Board Member	<a href="http://www.nireus.gr">www.nireus.gr</a>
10/6/2010	New Director of Strategy, M&A and Corporate Development	<a href="http://www.nireus.gr">www.nireus.gr</a>
24/6/2010	Composition of Board of Directors and Audit Committee	<a href="http://www.nireus.gr">www.nireus.gr</a>
9/7/2010	Announcement	<a href="http://www.nireus.gr">www.nireus.gr</a>
31/8/2010	Resignation of Board Member	<a href="http://www.nireus.gr">www.nireus.gr</a>