



# **NIREUS AQUACULTURE S.A.**

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

**ANNUAL FINANCIAL REPORT 2009**

**for the year**

**from 1<sup>st</sup> January to 31<sup>st</sup> December 2009**

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

Dimokritou, 1st Km Koropiou-Varis Ave, 19400 Koropi  
Tel: +30 210 66 24 280, fax: +30 210 66 26 804,  
e-mail : [info@nireus.com](mailto:info@nireus.com)

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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 2009, 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, 30 March 2010

The declarers

**CHAIRMAN AND CEO**

**VICE CHAIRMAN 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 2009 (from 1<sup>st</sup> January to 31<sup>st</sup> December 2009)**

Dear Shareholders,

We submit to you, based on legal requirements, the annual financial statements for the year 2009 (1/1/2009-31/12/2009) 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 will potentially encounter and lastly the major transactions which have been incurred between the issuer and its, related to the Group, parties.

## **FINANCIAL DATA-DEVELOPMENT OF PROCEDURES-MAJOR EVENTS**

The aquaculture segment maintains, within the difficult financial conditions one of the three primary positions in the segment with the largest export sales in our country and one of leading position in export sales in the segment of primary production.

It is a dynamically developing segment with produced products which continuously increases its share in relation to consumer's preferences taking into consideration the ever decreasing quantity of the fish volume in the sea.

The product's price crisis (sea bream) during the last two years has caused increased pressure in the segment's production units. Given published segment information, it has been concluded that certain aquaculture companies preferred, during the financial crisis, to sell stock as much as possible in order that they cover their immediate and urgent needs, others which had greater endurance with respect to their liquidity chose to maintain a part of their stock in view of reducing their massive sales below cost due to over supply and others who were forced to either proceed in liquidation procedures or terminate operations. Due to the above common problems and consequences, all companies are expected to show similar operating results in the year in force.

The first showing negative operating results due to the extremely restricted gross margin or losses from sales below cost, the second showing adverse results due to the increasing cost of production, while the third whose position is extremely adverse were led to either a temporary or permanent exclusion from the market.

Differentiation exists in the total available quantity supplied, which the first two company categories possess and which continue their operations, in view of supporting future sales in the near future and during years 2010-2011. NIREUS S.A belongs to the category of companies which possesses increased inventory and therefore given that the remaining financial conditions and the general market conditions improve, an improvement in the results for 2010 is expected.

For the year 2010, the Group's main goal is to maintain its liquidity at satisfactory levels, to expand its sales volume and in conjunction with improved prices to achieve an increase in sales turnover by at least 17%.

The conditions which are formed are satisfactory as regards the production and the anticipated sales products, although liquidity nevertheless remains difficult given that this is closely related to the general economic framework of the financial crisis.

Management's goals for 2010 foresee:

a) the decrease of the cost of production reducing the cost ratios:

Specifically:

- Human resource payroll
- raw material consumption
- increase in the inventory turnover rate of raw material
- decrease in the total production cycle with the genetically improved produce of juveniles
- operating enhancement of the pre-growing juveniles units
- accumulation of the units 0-14 of the largest produced facilities

b) decrease in the total fish inventory by 6.000 tons ensuring liquidity and decrease in the average weight of inventory, which will generate a more productive relation between the cost of production and the sales price.

c) decrease in the customer collectibility days

d) restriction in the decrease of the credit days granted by the creditors for raw materials and services.

e) improved utilization of the Company's cash

For the year 2010, new investments are foreseen to be restricted solely to those necessary for the harmonized operations of the units (nets, cages, mooring, supportive boats and equipment)

The following table presents the development of the Group's and Company's basic figures during the last three years 2007-2009

## DEVELOPMENT OF ECONOMIC FIGURES

<b>COMPANY</b>					
<b>Amounts in € thds</b>					
	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>% Change</b>	<b>31/12/2009</b>	<b>% Change</b>
<b>Sales revenue</b>	218.253	175.427	-19,6	163.020	-7,1
<b>EBITDA</b>	32.312	25.132	-22,2	21.690	-13,7
<b>Profit before tax</b>	19.345	10.494	-45,7	6.191	-41
<b>Profit after tax and minority interests</b>	13.382	3.204	-76,1	2.575	-19,6
<b>Total Assets</b>	479.437	473.256	-1,3	480.355	1,5
<b>Total Liabilities</b>	311.250	307.483	-1,2	311.301	1,2
<b>Total Equity</b>	168.187	165.774	-1,4	169.055	2

<b>GROUP</b>					
<b>Amounts in € thds</b>					
	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>% Change</b>	<b>31/12/2009</b>	<b>% Change</b>
<b>Sales revenue</b>	214.261	169.753	-20,7	163.518	-3,7
<b>EBITDA</b>	36.301	29.914	-17,6	22.119	-26
<b>Profit before tax</b>	20.352	9.782	-51,9	939	-90,4
<b>Profit after tax and minority interests</b>	10.356	316	-96,9	340	7,6
<b>Total Assets</b>	529.692	524.429	1	521.900	0,5
<b>Total Liabilities</b>	353.568	356.161	1	355.959	0
<b>Total Equity</b>	176.124	168.268	-4,4	165.941	-1,4

<b>GROUP RATIOS</b>			
	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2009</b>
<b>Gross Margin EBITDA</b>	16,9%	17,6%	13,5%
<b>Net gross margin (ER.AF.M) %</b>	4,8%	0,2%	0,2%
<b>Net Equity Performance</b>	8,5%	0,7%	0
<b>Loans / Net equity</b>	2	2,12	2,14
<b>Loans /Total equity</b>	0,67	0,68	0,68
<b>General Liquidity</b>	1,52	1,66	1,95

## **PROFIT AFTER TAXES OF THE GROUP AND THE COMPANY**

The results of the Companies in the sector, due to the existing pressure on prices and the increase in the cost of production from the high levels of inventory with respect to both volume and value, are expected to result in negative profits after tax. In application of “International Financial Reporting Standards” on which the valuation of inventory is assessed, based on fair values (purchase prices), in essence, the result of the sale of the product performed at a subsequent period is discounted. As a result, companies with a significant increase in inventory, caused by either the production program or by acquisition during the year, or by a reduction in sales as compared to those anticipated, thus leading to an increase in the existing biomass, present positive results attributed to this cause.

The Group of Companies “NIREUS AQUACULTURE SA” achieved profit after taxes and minority interest of € 340 K as compared to € 316 K during the prior year.

The total decrease in results is attributed to the increase in the cost of production due to the existence of a large size of fish inventory with a weight in excess of 800 gr. With such fish volume and given the current prices at the end of the year (assessment of the fair value) there exists a disproportional increase in cost as compared to the increase in the sales price.

Supplementary, the nutrition program of the fish contributed to the increase in the cost of the large fish. Given this (decrease of the nutrition program), and in view of maintaining the figures at reasonable levels, this resulted in a reduction of fish inventory productivity.

## **SALES REVENUE**

The Group's sales for the year 2009 amounted to 163.518 K Euro, as compared to an amount of 169.752 K Euro during 2008.

The reduction in sales revenue is attributed to the conjunction of the decrease in juvenile sales and fish feed of an amount of 10.742 K Euro, of the sale of avistockbreeding products (KEGO AGRI SA) of an amount of 4.828 K Euro, of the sale of equipment of 745 K Euro and of the increase of sales of aquaculture products (apart from juveniles) of an amount of 10.081 K Euro.

## **TOTAL EXPENSES**

Total expenses for the year 2009 are shown to be reduced for two consecutive years as compared to 2008 by an amount of 8.419 K Euro despite the increase in production and inventory levels. This resulted from the cost reduction plan, which is being materialised since 2008 and has contributed to a total reduction of 24.371 K Euro during this two year period as compared to 2007.

The change per expense category is presented below:

<b>Expense Category</b>	<b>2007 (in thds €)</b>	<b>2008 (in thds €)</b>	<b>2009 (in thds €)</b>	<b>2009 vs. 2008 (in thds €)</b>
Consumables	124.588	104.673	100.686	3.987
Salaries and personnel expenses	36.848	36.330	32.807	3.523
Third party fees and benefits	23.184	23.292	21.973	1.319
Other expenses	21.442	19.908	17.655	2.253
Finance costs (income)	7.232	12.545	12.833	-288
Depreciation	7.798	8.392	10.767	-2.375
<b>Total</b>	<b>221.092</b>	<b>205.140</b>	<b>196.721</b>	<b>8.419</b>

## **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 structure of the Group's borrowings secure its stable financing. The short-term borrowings of a total of € 67.711 thds should be paid attention to, given that these are secured by pledges which are given to the bank lenders (customer cheques), which in terms of both volume and quantity are directly linked to the current adverse economic situation and its durability. The level of total borrowings as compared to the previous years has increased by 5.324 K Euro. In 2010 the payment of capital and interest of an amount of 14.115 K Euro and the reduction in the short-term loans of 13.770 K Euro is projected. Against this increase, there exists a planned refinancing of a total amount of 18 million Euro. The net reduction as at 31/12/2010 is estimated at 9.885 K Euro.

## **LIABILITIES**

The Group's total liabilities during 2009 (except for borrowings) were decreased by 5.526 K Euro as compared to the prior year 2008, from 103.289 K Euro in 2008 these decreased to 97.763 K in 2009. The reduction in liabilities was a result of the significant decrease in liabilities towards creditors and other short-term liabilities of an amount of 10.158 K Euro.

The total liabilities of the Group including bank borrowing are shown to be at approximately the same levels with the prior year, 355.959 K Euro in 2009 as compared to 356.161 K Euro in 2008. At this point, we would like to mention that, if we take into account that the total liabilities for the year 2009 were charged with deferred tax liabilities of an amount of 3.726 K Euro, which liabilities arose from the valuation of inventory at fair value, in addition to the increase of the fixed asset's useful lives (reduced depreciation expenses) which will be fulfilled on a long term horizon, in essence there was a reduction in total liabilities during the year 2009.

## **INVENTORY**

Total biological inventory has increased as compared to the year 2008 by an amount of 31.800 K Euro (272.949 K Euro during the year 2009 as compared to 241.149 Euro during 2008). The increase in inventory is attributed to reduced sales during 2009 as compared to initial plans despite the fact that the actual and realised figures were increased as compared to the previous year 2008. In addition., the increase in the total average weight of inventory (larger fish in size) which contributed to the increase in the fair value (market purchase price) used for the valuation of inventory led to the increased value of biological inventory. Management's plans for 2010 foresee a reduction in inventory by approximately 6.000 tons. In the event whereby sales prices remain stable for 2010, total inventory as at 31/12/2010 will be reduced by approximately 25 million Euro.

The remaining non-biological inventory is shown to be reduced by an amount of 6.183 K Euro as compared to the previous year (15.916 K Euro in 2008 as compared to 9.732 K Euro in 2009). This

reduction is the result of the improvement in inventory turnover rate which management has planned in view of improving total liquidity through the reduction of the used funds for raw material inventory.

## **RECEIVABLES**

The Company's Management made a significant effort in restricting its receivables. As a result in 2009, the total receivables amounted to 68.465 K Euro as compared to 77.612 K Euro during 2008. The average collectibility from trade receivables decreased from 123 days to 119 days in 2009.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as at 31/12/2009 amounted to 15.743 K Euro as compared to 29.639 K Euro in the prior year 2008. Management considers that it should maintain a high and direct liquidity level for the Group and actions are aimed towards this purpose. The decrease in cash and cash equivalents covered the difference resulting from the increase in working capital (due to the increase in biological assets), the funds used for investment goods and the increase in inflows from financing activities.

## **NET EQUITY**

The Group's share capital as at 31/12/2009 amounted to 85.238.262,90 Euro composed of 63.610.644 common shares with voting rights, of a par value of 1,34 Euro each. During the current year 2009 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 178.658,18 Euro and 133.327 new shares were issued which resulted from the conversion of debentures into shares at a par value of 1,34 Euro each.

Subsequent to this, and based on the Board of Directors decision taken as at 15/07/2009 the share capital of Nireus Aquaculture further increased by € 24.260,70 and 18.105 new shares were issued which resulted from the conversion of debentures to shares.

## **OUR POSITION IN THE MARKET**

The Group NIREUS is in the leading position amongst companies that operate in Aquaculture Mediterranean fish in Greece and its goals include, the continuous improvement in the quality of its products either these be aimed towards the final consumer (fresh fish, altered or not) or to the producers of the segment (juveniles, fishfeed, equipment), the increase in new products in the sector and in the mass production of these, the continuous improvement and the modernization of the production installations, in addition to establishing procedures that aim at protecting the environment which are the major concerns of Management. The satisfaction of shareholders both on a short-term and long-term basis is considered as the Company's responsibility, the management of which acts steadily towards this fundamental principle, planning actions with caution, vision, knowledge, provision and dynamism.

Towards fulfilling the above, the operations of the research unit at the location of Pirgoulaki Psachna Evias, which are involved in the production of new aquaculture products, in addition to the genetically improved production of sea-bream and sea-bass juveniles are being continued.

The design of the expansion of operations abroad with the further written contract in Spain, as regards the development of producers fresh fish (outsourcing), securing a) the improved operation of the pre-growing juveniles which is available in Spain through the subsidiary company Predomar SL and b) the production of the final product for the market in Spain which was not available until now. The produced products in Spain bear an advantage over other imports, so much as to the quality due to freshness as to costs due to reduced transportation expenses.

With respect to the Norwegian company MARINE FARMS ASA, which the company controls directly and indirectly by a percentage of 33%, a new Board of Directors was appointed with the contribution of three members of the Board of Directors of NIREUS. The goal and target of this is that the Company develop in order that the Parent company benefit from its participation, in addition to developing synergies between the two Groups both on a productive and commercial level with mutual benefits, for the shareholders of both companies.

For the servicing of our customers in Europe the design of creating offices- commercial branches is materialized in view of the more efficient and effective servicing of the existing and new customers in the largest markets in the segments in Italy, France and Spain. We consider that this manner of organization will have positive and direct results on both the volume and the price of our products. Our cooperation with the Group STEF, developing a Logistic Center of our products in Italy in the city of Milan nearby the large markets, will improve the operating conditions of the commercial network. This operation will lead to a reduction in the transportation costs and will provide the capability of servicing a larger number of point- of-sale areas without any problem.

Since January 2010 the operations of the branch in Italy have commenced which aim at a more efficient exploitation of the Italian Market.

During 2009, the information system on control, in addition to the Company's management information system were completed, providing the company's management with the ability to proceed with corrective actions in view of achieving the best results under the present conditions.

We consider that our contribution to our local communities significant, having developed activities from our actions. Despite the fact that this provides no financial benefit, the ethical satisfaction derived is considered for us a reward.

## **INVESTMENTS**

The Group's investments in 2009 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 where 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 indemnity 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 loss will arise in the total value (loss) with a corresponding impact on the current year's results. If, however, during 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 basic purchases of raw materials have been secured against, until the first six-month period of 2010 with forward purchase contracts. The risk of price volatility of raw materials for the second six month period of 2010 is possible. The market trend shows an increase in prices during the second six-month period by a percentage of 10%-15%.

The remaining suppliers, the products of which affect the total cost of production by less than 10%, a 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.

In the year in which we are currently advancing we note an extension in the credit terms which the customers of aquaculture are requesting in view of settling their liabilities. This is the result of the observed reduction in liquidity in the market. The Company within the abovementioned scope of securing its receivables, negotiates its long-term receivables, when required, servicing its customers to the extent of its capabilities, taking into account the conditions which prevail in the market and the economic environment. This approach will in the short-term negatively affect the basic economic figures (collectibility of receivables ratio) but Management believes that in the long-term it will have positive results on the sale of its produced product. Due to the present unfavorable economic conditions, a difficulty in maintaining the customers' insurance limits is noted on behalf of the insurance companies. Management's aim is to maintain its customer's receivables insured either directly through insurance companies or indirectly through Factoring without recourse procedures.

## **BORROWINGS-INTEREST RATE BORROWINGS**

With respect to the financing sector, the Group cooperates with Greek Banks which operate both domestically as well as abroad. 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 financing of 2,5 years of interest financing of 50 million Euro from the Greek State, aid in the restriction of the Group's finance cost. The level of the short-term borrowings of 67.711 K Euro as compared to the cash equivalents of the Group of 15,7 million Euro 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 loaned, it has entered into derivative contracts for products of a total level of 90,9 million Euro, which secure funds of 9 million Euro against an increase in interest rates above 3,25 %, funds of 56,9 million Euro against the increase in the interest rates above 4,5% up to 5,25% and funds of 25 million Euro against an increase in interest rates above 3,95%. In addition, given that funds of 50 million Euro are not affected by finance costs until 30/6/2010 from the change in interest rates, we consider that there is a significant level of security against this risk.

The planned servicing of the borrowings has been made at a total cost of 5,5%. Given that the Euribor ranges below 1%, 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:

	2009							2008						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
<b>Notional amounts</b>														
Financial assets	517.986	454.683	-	-	23.458	6.800.613	76.779	627.904	344.604	-	-	20.301	2.478.573	108.581
Financial liabilities	393.222	208	554	0	0	2.847.410	313	74.255	114.751	1.596	10.208	0	719.683	-
<b>Total current exposure</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>	<b>553.649</b>	<b>229.853</b>	<b>-1.596</b>	<b>-10.208</b>	<b>20.301</b>	<b>1.758.891</b>	<b>108.581</b>
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0	-
<b>Total non-current exposure</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>	<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 2009 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 as compared to the net equity is as follows:

<i>Amounts in Euro</i>	2009													
	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

  

<i>Amounts in Euro</i>	2008													
	USD		GBP		NOK		DKK		CAD		TRL		CHF	
Post-tax profit for the year	10,09%	-10,09%	5,06%	-5,06%	51,51%	-51,51%	0,46%	-0,46%	6,54%	-6,54%	13,18%	-13,18%	5,35%	-5,35%
Equity	55.865	-55.865	11.620	-11.620	-822	822	-47	47	1.327	-1.327	231.866	-231.866	5.809	-5.809
	55.865	-55.865	11.620	-11.620	-822	822	-47	47	1.327	-1.327	231.866	-231.866	5.809	-5.809

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. During 2010, the trading of the new 18.104 shares resulting from the conversion 8.350 convertible bonds, issued on 12.07.2007, with conversion price 4,50574 € and conversion ratio 2,16834 shares per bond commenced. As a result of the abovementioned conversion, the share capital increased by 24.259,36 €. This increase was certified by the Board of Directors on 13.01.2010, according to the resolutions of the General Meeting of 11.4.2007 and the decisions of the Board of Directors of 24.05.2007 and 09.07.2007, and it was registered at the Companies' Registry with the relevant announcement No K2 – 611/19.01.2010. Due to the commencement of trading of the new 18.104 shares that resulted from the conversion of the Company's convertible bond, the Company's share capital amounts to 85.262.522,32 € and is divided into 63.628.748 common registered shares of nominal value 1.34 each.

2. In accordance with The Extraordinary General Meeting of Shareholders of the Norwegian listed aquaculture company Marine Farms A.S.A held on 17 March 2010 the new composition of the Board of Directors are as follows:

- 1.Epaminondas Lambadarios (Chairman)
- 2.Dimitrios Loumpounis (Member)
- 3.Aristides Belles (Member)
- 4.Kristin Krohn Devold (Member)
- 5.Tone Bjornov (Member)
- 6.Katherine Innes Ker (Member)
- 7.Edoardo Bugnone (Member)

Three members of the Board are connected with the major shareholder, NIREUS, while the remaining four members are independent, in compliance with all relevant provisions of law and corporate governance.

There are no other events following the year ended 31 December 2009 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards (IFRS).

## **PROSPECTS FOR 2010**

We assess that prospects for 2010 for the Group to be positive, taking into consideration the following events:

1. In year 2010 improved sales prices of the aquaculture product is anticipated.
2. The projected sales quantities for 2010 as compared to the prior year are foreseen to be increased by approximately 15%.
3. There is a plan to reduce operating expenses as a consequence of the two last years resulting in a lower cost of production.
4. The total available quantities of fish stock in the segment are presented to be reduced in relation to the prior year of approximately 20%.
5. In the year 2010 the Group is presented with increased fish stock
6. The operations of the network sales has commenced in addition to the distribution abroad.

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 basic raw materials of fish feed from the second six-month period of the year 2010.
3. The policy which the global insurance companies will follow with respect to the rendering of financing security of the market.

## 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.

PURCHASE 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 A.E.	KEGO AGRI S.A	MARINE FARMS ASA	
NIREUS AQUACULTURE SA		342.645,24	370.795,52	1.138.078,10	-	1.799.346,30	21.945.400,51	3.050.530,53	-	28.646.796,20
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	813.321,30		-	-	-	-	-	-	-	813.321,30
PROTEUS EQUIPMENT S.A	87.288,89	-		-	-	-	-	-	-	87.288,89
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	-	-	-		-	862.330,41	-	-	-	862.330,41
BLUEFIN TUNA A.E (GROUP)	155.088,56	-	-	-		-	30.439,80	-	-	185.528,36
ILKNAK SU URUNLERI SAN Ve TIC A.S.	215.532,69	-	5.500,00	280.162,31	-		70.493,51	-	-	571.688,51
SEAFARM IONIAN A.E.	18.765.639,21	-	175.875,70	-	-	-		-	-	18.941.514,91
KEGO AGRI S.A	2.206.645,87	-	-	-	-	-	-		-	2.206.645,87
MARINE FARMS ASA	2.333,98	-	-	-	-	-	-	-		2.333,98
<b>TOTAL</b>	<b>22.245.850,50</b>	<b>342.645,24</b>	<b>552.171,22</b>	<b>1.418.240,41</b>	<b>-</b>	<b>2.661.676,71</b>	<b>22.046.333,82</b>	<b>3.050.530,53</b>	<b>-</b>	<b>52.317.448,43</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		2.433.252,37	642.717,82	-	676.000,00	1.017.904,47	183.907,52	4.002.560,69	-	-	32.369.949,89	-	-	-	-	41.326.292,76
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	342.645,24		-	-	-	-	-	-	-	-	-	-	-	-	-	342.645,24
PROTEUS EQUIPMENT S.A		-		-	-	-	7.735,00	231.370,29	-	-	2.080.377,34	-	-	-	-	2.319.482,63
MIRAMAR PROJECTS CO LTD - UK	13,53	-	13,53		-	398.110,31	-	-	-	-	-	-	-	-	-	398.137,37
NIREUS INTERNATIONAL LTD	-	-	-	1.581.918,60		-	-	-	-	-	-	-	-	-	-	1.581.918,60
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	-	-	490,00	-	-		-	230.476,17	-	-	-	-	-	-	1.537,93	232.504,10
BLUEFIN TUNA A.E (GROUP)	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
ILKNAK SU URUNLERI SAN Ve TIC A.S.	-	-	-	-	-		-		83.937,96	-	-	-	-	-	269,23	84.207,19
ILKNAK DENIZCILIK A.S.	-	-	-	-	-		-	-		-	-	-	-	-	-	-
AQUACOM LTD	55.973,60	-	-	-	-		-	-		-	-	-	-	-	-	55.973,60
SEAFARM IONIAN S.A	455.476,29	-	-	-	-		8.034,79	589.705,63	-	-		-	-	3.432.520,29	-	4.485.737,00
KEGO ACRI S.A	6.126.239,11	-	-	-	-		-	-	-	-	-	-	-	-	-	6.126.239,11
MARINE FARMS ASA	2.738,00	-	-	-	-		-	-	-	-	-	-	-	-	-	2.738,00
SEAFARM IONIAN GMBH	-	-	-	-	-		-	442.444,37	-	-	-	-	-	-	-	442.444,37
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	-	-	-	-	-		-	-	-	-	-	-	-	-		-
TOTAL	6.983.085,77	2.433.252,37	643.221,35	1.581.918,60	676.000,00	1.416.014,78	199.677,31	5.496.557,15	83.937,96	-	34.450.327,23	-	-	3.432.520,29	1.807,16	57.398.319,97

**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 85.238.262,96 composed into 63.610.644 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 31/12/2009 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	21,10%	direct & indirect
Haviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect

(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.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 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*



NIREUS AQUACULTURE S.A

*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.*

*B. The Company's Board of Directors can proceed with the purchase of treasury shares, in virtue of the decision taken by the Extraordinary Shareholders Meeting on 18/2/2008 by which the purchase of the treasury shares by the Company up to 1/20 of the paid-up share capital of the company (5%), the lowest purchase price limit being the current par value of the shares, that is 1,52 Euro and the highest purchase price limit being 6 Euro, with an approved duration of (24) months. The purchases are made with the Board of Directors responsibility and it is not permitted for them to exceed 1/20 of the paid-up share capital as referred to above, will not result in the reduction of net equity at an amount below the specified in paragraph 1 of article 44o of c.L 2190/1920 as this is valid, although transactions will relate only to shares which will have been fully repaid.*

It is noted that the allowed period of purchase of treasury shares in act of the above decision has lapsed.

(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 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.*

**Athens, 30 March 2010**

**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 separate and consolidated financial statements of NIREUS AQUACULTURE S.A, and its subsidiaries which comprise the separate and consolidated balance sheet as at 31 December 2009, and the separate and consolidated income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU), 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 auditor's 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 auditor considers 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 accompanying corporate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

## **Emphasis of Matter:**

Without qualifying our opinion, we draw attention to the following matter: Due to that one of the Group's domestic subsidiaries, which have been consolidated with the method of full consolidation and which comprise a total percentage (prior to any eliminations) of 11.30% out of the Group's total assets, have a negative Net Equity position, the effects of articles 47 and 48 of C.L 2190/1920 are applicable. Due to that the above matter it is therefore, required that management take appropriate measures in order to revoke the conditions under which these articles come into effect.

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

We verified the consistency and the correspondence of the content of the Report of the Board of Directors with the accompanying separate and consolidated financial statements, under the scope of articles 43a, 107 and 37 of C.L. 2190/1920.

Athens, March 30 2010

Certified Public Accountant Auditor

NIKOLAOS G. KANAKIDIS

SOEL Reg. No. 13321

SOL S.A. – Certified Public Accountants Auditors (A.E.O.E)

Member of the Crowe Horwath International

3, Fok. Negri Street – 11257 Athens

Reg. No: SOEL 125

**Income statement**

(Amounts in Euro)

		<b>GROUP</b>	
		<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>Note</b>		
<b>Fair value of Biological assets at 31/12/2008</b>		<b>241.148.927</b>	<b>191.040.211</b>
Purchases during the year		144.522	1.285.712
Sales during the year		120.062.421	111.977.688
<b>Fair value of biological assets at 31/12/2009</b>		<b>272.949.441</b>	<b>241.148.927</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2009</b>		<b>151.718.413</b>	<b>160.800.692</b>
Sales of non-biological goods-merchandise and other inventories	<b>7.26</b>	43.455.961	57.774.874
Raw Material Consumption		100.686.340	104.672.779
Salaries & personnel expenses	<b>7.20</b>	32.807.659	36.330.281
Third party fees and benefits	<b>7.27</b>	21.973.034	23.292.386
Other expenses	<b>7.28</b>	17.655.869	19.908.198
Finance (costs)/Income	<b>7.29</b>	(12.833.899)	(12.544.734)
Profits/Losses from consolidation by the net equity method	<b>7.6</b>	359.105	(619.210)
Depreciation		10.767.114	8.392.651
Other income/(expenses)	<b>7.30</b>	2.129.729	(3.032.986)
<b>Results for the year before taxes</b>		<b>939.293</b>	<b>9.782.341</b>
Income tax	<b>7.31</b>	(332.728)	(468.959)
Deferred income tax	<b>7.31</b>	(3.589.051)	(5.861.876)
Prior years' tax audit differences	<b>7.31</b>	-	(2.321.267)
<b>Net profit for the year</b>		<b>(2.982.486)</b>	<b>1.130.239</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		340.390	316.161
<b>Minority interest</b>		(3.322.876)	814.078
<b>Total</b>		<b>(2.982.486)</b>	<b>1.130.239</b>
<b>Earnings after taxes per share – basic in €</b>	<b>7.32</b>	<b>0,0054</b>	<b>0,0058</b>
		<b>COMPANY</b>	
		<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>Note</b>		
<b>Fair value of Biological assets at 31/12/2008</b>		<b>193.322.924</b>	<b>157.075.497</b>
Purchases during the year		270.402	1.900.945
Sales during the year		89.790.852	91.900.205
Biological inventory as at 30/09/2008 transferred to the spin-off segment		-	416.833
<b>Fair value of biological assets at 31/12/2009</b>		<b>222.123.238</b>	<b>193.322.924</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2009</b>		<b>118.320.764</b>	<b>126.663.520</b>
Sales of non-biological goods-merchandise and other inventories	<b>7.26</b>	73.229.393	83.526.599
Raw Material Consumption		111.095.309	115.804.428
Salaries & personnel expenses	<b>7.20</b>	25.544.744	28.751.749
Third party fees and benefits	<b>7.27</b>	17.520.022	20.248.405
Other expenses	<b>7.28</b>	15.662.705	17.867.809
Finance (expenses)/Income (net)	<b>7.29</b>	(9.176.763)	(9.734.296)
Depreciation		8.349.548	6.121.226
Other income/(expenses), net	<b>7.30</b>	1.990.031	(1.167.758)
<b>Results for the year before taxes</b>		<b>6.191.097</b>	<b>10.494.448</b>
Income tax	<b>7.31</b>	-	(286.533)
Deferred income tax	<b>7.31</b>	(3.616.284)	(4.774.676)
Prior years' tax audit differences	<b>7.31</b>	-	(2.228.889)
<b>Net profit for the year</b>		<b>2.574.813</b>	<b>3.204.350</b>
<b>Attributable to:</b>			
<b>Equity holders of the Parent company</b>		2.574.813	3.204.350
<b>Total</b>		<b>2.574.813</b>	<b>3.204.350</b>

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



**Statement of Financial Position**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7.1	67.126.808	71.393.415	55.351.690	59.326.412
Investment property	7.2	4.281.300	4.281.300	4.236.300	4.236.300
Goodwill	7.3	30.766.972	29.584.979	19.049.833	19.049.833
Intangible assets	7.4	16.030.957	15.932.437	4.735.307	4.639.223
Investments in subsidiaries	7.5	-	362.506	28.803.739	27.625.707
Investments in associates	7.6	35.013.591	34.132.602	35.568.697	35.568.697
Deferred income tax assets	7.19	21.191	26.182	-	-
Available-for-sale financial assets	7.7	56.703	1.897.549	6.800	16.674
Other long-term receivables	7.8	270.281	240.690	166.748	167.141
Biological assets	7.9	81.498.458	135.416.344	73.141.264	116.842.903
		<b>235.066.261</b>	<b>293.268.004</b>	<b>221.060.378</b>	<b>267.472.890</b>
<b>Current assets</b>					
Biological assets	7.9	191.450.983	105.732.583	148.981.974	76.480.021
Inventories	7.10	9.732.655	15.916.403	6.501.952	11.496.014
Trade and other receivables	7.11	53.427.689	57.070.480	78.215.722	69.753.174
Other receivables	7.12	15.038.685	20.542.828	9.867.577	17.549.226
Other current assets	7.13	1.440.343	2.258.574	836.276	1.804.695
Financial assets at fair value through profit or loss	7.15	238	73	238	73
Cash and cash equivalents	7.16	15.743.462	29.639.970	14.891.373	28.700.314
		<b>286.834.055</b>	<b>231.160.911</b>	<b>259.295.112</b>	<b>205.783.517</b>
<b>Total Assets</b>		<b>521.900.316</b>	<b>524.428.915</b>	<b>480.355.490</b>	<b>473.256.407</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	7.17	85.238.263	85.035.344	85.238.263	85.035.344
Less Treasury shares	7.17	(47.271)	(47.271)	(47.271)	(47.271)
Share premium account	7.17	36.164.621	36.488.862	36.164.621	36.488.862
Fair value reserves	7.17	9.580.312	9.583.777	9.530.427	9.533.760
Currency translation differences		(275.415)	(280.553)	-	-
Other reserves	7.17	9.204.775	8.358.029	8.722.212	7.891.169
Retained earnings		24.196.981	23.352.724	29.446.632	26.871.818
<b>Equity attributable to equity holders of the Parent Company</b>		<b>164.062.266</b>	<b>162.490.912</b>	<b>169.054.884</b>	<b>165.773.682</b>
<b>Minority interest</b>		<b>1.878.593</b>	<b>5.776.598</b>	-	-
<b>Total Equity</b>		<b>165.940.859</b>	<b>168.267.510</b>	<b>169.054.884</b>	<b>165.773.682</b>
<b>Non-current liabilities</b>					
Long-term borrowings	7.18	176.369.017	189.721.472	155.443.050	166.568.663
Deferred income tax liabilities	7.19	17.595.564	13.869.786	15.581.901	11.945.476
Retirement benefit obligations	7.20	2.625.025	2.840.019	2.222.062	2.286.913
Government grants	7.21	8.336.219	6.560.240	6.984.766	6.250.473
Other non-current liabilities	7.22	3.991.605	4.308.017	-	-
Provisions	7.23	297.386	170.000	59.273	150.000
<b>Total non-current liabilities</b>		<b>209.214.816</b>	<b>217.469.534</b>	<b>180.291.053</b>	<b>187.201.525</b>
<b>Current liabilities</b>					
Trade & other payables	7.24	53.709.855	63.868.544	50.669.248	53.289.881
Short-term borrowings	7.18	67.711.193	59.849.833	59.889.781	54.743.306
Derivative financial instruments	7.14	1.323.198	790.728	1.300.907	745.531
Deferred payables	7.18	14.115.928	3.301.183	11.374.142	1.002.330
Other current liabilities	7.25	9.884.467	10.881.583	7.775.476	10.500.152
<b>Total current liabilities</b>		<b>146.744.641</b>	<b>138.691.871</b>	<b>131.009.554</b>	<b>120.281.200</b>
<b>Total Liabilities</b>		<b>355.959.457</b>	<b>356.161.405</b>	<b>311.300.606</b>	<b>307.482.725</b>
<b>Total Equity and Liabilities</b>		<b>521.900.316</b>	<b>524.428.915</b>	<b>480.355.490</b>	<b>473.256.407</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	Fair Value Reserve	Currency Translation Differences	Other Reserves	Retained Earnings	Minority Interest	Total
<b>Balance of equity at 1 January 2008, in accordance with IFRS</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>9.672.049</b>	<b>61.751</b>	<b>6.078.087</b>	<b>11.240.920</b>	<b>22.947.277</b>	<b>176.123.737</b>
<i>Movement in equity for the year 2008</i>									
Change in percentage or acquisition of new subsidiary companies	-	-	-	-	-	-	-	(184.799)	<b>(184.799)</b>
Impact of absorption of subsidiary companies	6.234.405	-	10.230.659	-	-	-	-	(15.578.061)	<b>887.003</b>
Increase of share capital with reserves	18.992.455	-	(19.169.720)	-	-	-	(4.636)	(15.086)	<b>(196.987)</b>
Reduction of share capital for coverage of losses	(18.629.513)	-	-	-	-	(390.198)	19.019.713	-	<b>2</b>
Increase in share capital from the conversion of bondloan	111.982	-	268.350	-	-	-	-	-	<b>380.332</b>
Transfer of negative minority interests to retained earnings	-	-	-	-	-	-	(72)	72	-
Approved dividends	-	-	-	-	-	-	(5.153.027)	(1.946.881)	<b>(7.099.908)</b>
Amortization of the fair value reserve	-	-	-	(9.943)	-	-	9.943	-	-
Legal reserve	-	-	-	-	-	50.150	(50.150)	-	-
Purchase of treasury shares based on article 16 L.2190/1920	-	(47.271)	-	-	-	-	-	-	<b>(47.271)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(2.627.430)	-	-	2.627.430	-	-	-
Other changes (sale of assets)	-	-	-	(97.577)	-	-	121.971	12	<b>24.405</b>
Total comprehensive income after taxes	-	-	(10.634)	19.249	(342.304)	(7.442)	(1.831.939)	554.065	<b>(1.619.005)</b>
<b>Total recognised Income/ Expense for the year</b>	<b>6.709.329</b>	<b>(47.271)</b>	<b>(11.308.775)</b>	<b>(88.272)</b>	<b>(342.304)</b>	<b>2.279.941</b>	<b>12.111.803</b>	<b>(17.170.679)</b>	<b>(7.856.227)</b>
<b>Balance of equity as at 31 December 2008</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>8.358.028</b>	<b>23.352.724</b>	<b>5.776.598</b>	<b>168.267.510</b>
<i>Movement in equity for the year 2009</i>									
Change in percentage or acquisition of new subsidiary companies	-	-	-	(132)	-	(796)	-	(76.925)	<b>(77.854)</b>
Increase in share capital from the conversion of the convertible bond loan	202.919	-	512.556	-	-	-	-	-	<b>715.475</b>
Transfer of negative minority interests to retained earnings	-	-	-	-	-	-	(1.518)	1.518	-
Approved dividends	-	-	-	-	-	-	-	(500.000)	<b>(500.000)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(835.177)	-	-	835.177	-	-	-
Legal reserve	-	-	-	-	-	16.500	(16.500)	-	-
Total comprehensive income after taxes	-	-	(1.620)	(3.333)	5.138	(4.134)	862.275	(3.322.598)	<b>(2.464.272)</b>
<b>Total recognised Income/ Expense for the year</b>	<b>202.919</b>	<b>-</b>	<b>(324.241)</b>	<b>(3.465)</b>	<b>5.138</b>	<b>846.747</b>	<b>844.257</b>	<b>(3.898.006)</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>9.580.312</b>	<b>(275.415)</b>	<b>9.204.775</b>	<b>24.196.981</b>	<b>1.878.593</b>	<b>165.940.859</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	Fair Value Reserves	Other Reserves	Retained Earnings	Total
<b>Balance of equity as at 1 January 2008, in accordance with IFRS</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>9.524.455</b>	<b>21.945.217</b>	<b>10.593.902</b>	<b>168.187.226</b>
<i>Movement in net equity for the year 2008</i>							
Impact of merger of subsidiary companies	6.234.405	-	10.230.659	-	(15.612.016)	-	<b>853.049</b>
Increase in share capital with reserves	18.992.455	-	(19.169.720)	-	-	-	<b>(177.265)</b>
Reduction of share capital for coverage of equivalent losses	(18.629.513)	-	-	-	(390.198)	19.019.713	<b>2</b>
Increase in share capital from the conversion of the convertible bond loan	111.982	-	268.350	-	-	-	<b>380.332</b>
Approved dividends	-	-	-	-	-	(5.153.027)	<b>(5.153.027)</b>
Purchase of treasury shares based on article 16 N.2190/1920	-	(47.271)	-	-	-	-	<b>(47.271)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(2.627.430)	-	2.627.430	-	-
Amortization of fair value reserve	-	-	-	(42.704)	-	42.704	-
Net income for the period 01/01-30/09/2008 which are attributed to minority interests	-	-	-	-	575.058	(575.058)	-
Equity which is transferred to KEGO AGRI S.A.	-	-	-	32.761	-	(260.766)	<b>(228.005)</b>
Dividends for the year 2007 minority interests of KEGO S.A.	-	-	-	-	(1.246.881)	-	<b>(1.246.881)</b>
Total comprehensive income after taxes	-	-	(10.634)	19.248	(7.441)	3.204.350	<b>3.205.523</b>
<b>Total recognised Income/ Expense for the year</b>	<b>6.709.329</b>	<b>(47.271)</b>	<b>(11.308.775)</b>	<b>9.305</b>	<b>(14.054.048)</b>	<b>16.277.916</b>	<b>(2.413.544)</b>
<b>Total Equity as at 31 December, 2008</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>26.871.818</b>	<b>165.773.682</b>
<i>Movement in net equity for the year 2009</i>							
Increase in share capital from the conversion of the convertible bond loan	202.919	-	512.556	-	-	-	<b>715.475</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(835.177)	-	835.177	-	-
Total comprehensive income after taxes	-	-	(1.620)	(3.333)	(4.134)	2,574.813	<b>2,565.727</b>
<b>Total recognised Income/Expense for the year</b>	<b>202.919</b>	-	<b>(324.241)</b>	<b>(3.333)</b>	<b>831.043</b>	<b>2,574.813</b>	<b>3,281.202</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>

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



## Cash Flow Statement

(Amounts in Euro)

	GROUP		COMPANY	
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
<b>Cash flows from operating activities</b>				
Profit before taxes	939.293	9.782.341	6.191.097	10.494.448
Plus/less adjustments for:				
Depreciation charge	10.767.114	8.392.651	8.349.548	6.121.226
Provisions	218.113	170.000	-	150.000
Government Grants	(2.421.081)	(1.425.427)	(2.027.214)	(1.217.987)
Provisions for retirement benefit obligations	(214.994)	184.981	(64.851)	143.892
Portfolio measurement	1.405.470	803.553	571.884	729.573
Dividends	-	(440)	(1.450.574)	(700.232)
Interest income	(273.267)	(1.447.588)	(225.347)	(1.401.688)
Other non-cash items	(356.986)	980.955	(6.306)	(1.220.470)
Gains from sale of property, plant and equipment-investments	17.300	128.451	112.472	(24.311)
Interest expense and similar charges	11.701.697	13.087.964	10.280.800	11.296.301
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease/(increase) of inventories	(25.616.765)	(52.184.791)	(23.806.252)	(37.906.469)
Decrease/(increase) of receivables	11.273.560	39.097.817	637.914	28.414.205
(Decrease)/increase of payable accounts (except Banks)	(11.520.090)	(25.350.508)	(5.269.906)	(22.737.839)
Less:				
Interest expense and similar charges paid	(11.701.697)	(13.087.964)	(10.280.800)	(11.296.301)
Income tax paid	(666.358)	(5.315.869)	(129.525)	(4.758.306)
<b>Net cash generated from operating activities (a)</b>	<b>(16.448.691)</b>	<b>(26.183.874)</b>	<b>(17.117.060)</b>	<b>(23.913.958)</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(1.315.032)	(2.264.714)	(1.314.032)	(4.610.273)
Proceeds from sale of subsidiaries, associates, joint-ventures and other investments	34.000	784.677	34.000	784.677
Purchases of property, plant and equipment (PPE) and of intangible assets	(6.856.603)	(14.814.067)	(4.587.055)	(12.189.707)
Proceeds from sale of PPE and intangible assets	254.495	708.616	105.180	152.282
Proceeds from Government grants	4.197.061	1.319.086	2.761.507	1.256.053
Interest received	273.267	1.447.588	225.347	1.401.688
Dividends received	-	440	1.000.574	700.232
<b>Net cash used in investing activities (b)</b>	<b>(3.412.812)</b>	<b>(12.818.374)</b>	<b>(1.774.479)</b>	<b>(12.505.048)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares / convertible bond	735.259	376.643	733.837	376.643
Expenses related to the issue of shares	(7.308)	(266.018)	(7.308)	(241.085)
Proceeds from issued/raised bank loans	5.323.650	23.753.376	4.392.675	20.810.240
Purchase / sale of treasury shares	-	(47.271)	-	(47.271)
Dividends paid	(86.606)	(7.079.039)	(36.606)	(6.379.039)
<b>Net cash used in from financing activities (c)</b>	<b>5.964.995</b>	<b>16.737.691</b>	<b>5.082.598</b>	<b>14.519.488</b>
<b>Net increase/(decrease) in cash and cash equivalents for the year (a) + (b) + (c)</b>	<b>(13.896.508)</b>	<b>(22.264.557)</b>	<b>(13.808.941)</b>	<b>(21.899.518)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>29.639.970</b>	<b>51.904.527</b>	<b>28.700.314</b>	<b>50.599.832</b>
<b>Cash and cash equivalents at end of the year</b>	<b>15.743.462</b>	<b>29.639.970</b>	<b>14.891.373</b>	<b>28.700.314</b>

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



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

### **1.1 General Information**

These group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

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 5 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. Since then, it has marked a significant development aquaculture sector which has resulted in its being listed in the Main Market of the ATHEX, having the highest position in the sector.

The Financial Statements as at 31 December 2009, (prior year 31 December 2008 data included), have been approved by the company’s Board of Directors on March 30, 2010. 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.

### **1.2 Nature of operations**

“NIREUS AQUACULTURE SA” (the Company) and the Group is involved in a range of activities in the aquaculture sector. In particular, the main activities of the Group includes the production of spawn, 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**

The annual financial statements of “NIREUS AQUACULTURE” AE and of the Group at 31 December 2009 covering the period from 1 January to 31 December 2009, have been prepared under the historical cost convention as amended with the adjustment of certain assets and liabilities items at current value, the going concern basis and are in accordance with the International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board (IASB), as well as their interpretations, as published by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of the IASB and which have been adopted by the European Union and are in force as at December 31, 2009.

The preparation 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 group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the



consolidated financial statements are stated in note 2.2. These policies have been consistently applied to all the years presented.

In 2003 and 2004, was issued by the International Accounting Standards Board (IASB) issued a series of new International Financial Reporting Standards (IFRS) and revised International Accounting standards (IAS), which in connection with the non revised International Accounting Standards (IAS) which were published by the International Accounting Standards Committee, preceding the International Accounting Standards Board (IASB), which is referred to as “IFRS Stable Platform 2005”. The Group adopts the IFRS Stable Platform 2005 from 1 January 2005.

## ***2.1 Changes in accounting policies***

**New standards, amendments to standards and interpretations:** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

### **2.1.1 New standards, amendments to standards and interpretations that are effective for the financial year beginning 1 January 2009 for the Group:**

- **IFRS 8 Operating Segments**

IFRS 8 is effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 ‘Segment reporting’. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group will apply the above standard on its financial statements as of 2009. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14 and as shown in Note 6.

- **IAS 39 Financial Instruments: Recognition and Measurement and IFRIC 9 Reassessment of embedded derivatives (Amended)**

The amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from the host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be based on circumstances that existed on the later of the date the entity first came party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured the entire hybrid instrument can remain classified at fair value through profit and loss. This amendment had no impact on the Group’s financial statements.

- **IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements (Amended)**

The amendments to IFRS 1 allows an entity to determine the ‘cost’ of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The amendment to IAS 27 will have to be applied prospectively. The new



requirements affect only the parent's separate financial statement and do not have an impact on the consolidated financial statements.

- **IFRS 2 Share-based Payments (Amended)**

The amendment clarifies two issues. The definition of 'vesting condition', introduces the term 'non-vesting condition' for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment did not have any impact on the financial statements of the Group.

- **IFRS 7 Financial Instruments: Disclosures (Amended)**

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The Group utilizes the following hierarchy for the derivation of the fair value and the disclosures of the fair value of the financial assets/liabilities as per valuation method:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation of the fair value of financial assets/liabilities of the Group has been based on the available information in active markets, or on observable fair values.

During the year there were no transfers between the corresponding three levels. The reconciliation of the beginning and ending fair values are presented in the respective notes of the financial statements.

- **IAS 1 Presentation of Financial Statements (Revised)**

The revised standard requires that the statement of changes in equity includes only transactions with shareholders; introduces a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income" (either in one single statement or in two linked statements); and requires the inclusion of a third column on the balance sheet to present the effect of restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group made the necessary changes to the presentation of its financial statements in 2009 and has elected to present two linked statements for the statement of comprehensive income.

- **IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and obligations arising on liquidation (Amended)**

The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if certain criteria are met. This amendment did not have any material impact on the financial statements of the Group.



- **IAS 23 Borrowing Costs (Revised)**

The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The amendment has no effect on the financial statements of the Group.

- **IFRIC 13 Customer Loyalty Programmes**

This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. IFRIC 13 had no impact of the financial statements on the Group.

- **IFRIC 15 Agreements for the Construction of Real Estate**

This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognised. IFRIC 15 is not relevant to the group's operations as the Group does not operate in this segment.

- **IFRIC 16 Hedges of a Net Investment in a foreign operation**

This interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risk that qualifies for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how the entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. IFRIC 16 had no impact on the financial statements of the Group.

- **IFRIC 18 Transfers of Assets from Customers**

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. It is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both. IFRIC 18 had no impact on the financial statements of the Group.

**In May 2008 the IASB issued its first 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 January 2009.**

- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale.

- **IFRS 7 Financial Instruments: Disclosures**

This amendment removes the reference to 'total interest income' as a component of finance costs.

- **IAS 1 Presentation of Financial Statements**



This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet.

○ **IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

○ **IAS 10 Events after the Reporting Period**

This amendment clarifies that dividends declared after the end of the reporting period are not obligations.

○ **IAS 16 Property, Plant and Equipment**

This amendment clarifies that items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.

○ **IAS 18 Revenue**

This amendment replaces the term ‘direct costs’ with ‘transaction costs’ as defined in IAS 39.

○ **IAS 19 Employee Benefits**

This amendment revises the definitions of ‘past service costs’, ‘return on plan assets’ and ‘short-term’ and ‘other long term’ employee benefits to focus on the point in time at which the liability is due to be settled.

○ **IAS 20 Accounting for Government Grants and Disclosure of Government Assistance**

Loans granted with no or low interest rates are not exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009.

○ **IAS 23 Borrowing Costs**

The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of ‘borrowing costs’ into one – the interest expense calculated using the effective interest rate method as described in IAS 39.

○ **IAS 27 Consolidated and Separate Financial Statements**

When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

○ **IAS 28 Investment in Associates**

This interpretation clarifies that (i) if an associate is accounted for at fair value in accordance with IAS 39 only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies and (ii) an investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance and any impairment is reversed if the recoverable amount of the associate increases.



○ **IAS 29 Financial Reporting in Hyperinflationary Economies**

This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

○ **IAS 31 Interest in Joint ventures**

This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply.

○ **IAS 34 Interim Financial Reporting**

This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

○ **IAS 36 Impairment of assets**

This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'.

○ **IAS 38 Intangible Assets**

- Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services.
- Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method.
- A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.

○ **IAS 39 Financial instruments recognition and measurement**

- Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification.
- Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.

○ **IAS 40 Investment property**

- Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.

○ **IAS 41 Agriculture**

- Replaces the term 'point-of-sale costs' with 'costs to sell'.



- Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
- Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account.

**2.1.2 The following New Standards, Amendments and Interpretations that have been issued but are effective for the accounting period which begins January 1st 2010 for the Group.**

- **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. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests.

- **IAS 39 Financial Instruments: Recognition and Measurement (Amended) – eligible hedged items**

The amendment is effective for annual periods beginning on or after 1 July 2009. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Company does not expect that the amendment will have any impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.

- **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.

- **IFRS 2 Group Cash-settled Share-based Payment Transactions (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2010. This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. This interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position given that it has not entered into such transactions.

- **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. This interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position of the Group.

- **IFRS 1 Additional Exemptions for First-time Adopters (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2010. This interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position.

- **Restricted Exemption from IFRS 1 from the Comparative Disclosures of IFRS 7 during the first-time adoption of IFRS.**

The amendment is effective for annual periods beginning on or after 1 January 2010. The interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position.

- **IFRIC 12 Contract Concessions**

The amendment relates to companies which are involved in the contract concessions. The Group does not expect that the interpretation will have an impact on the financial position.

- **IFRIC 17 Distributions of Non-cash Assets to Owners**

This interpretation is effective for annual periods beginning on or after 1 July 2009 with early application permitted. The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The Group does not expect IFRIC 17 to have an impact on the financial statements as the Group has not made any non-cash distributions to shareholders in the past.

- **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. This interpretation has not yet been endorsed by the EU. The Group does not expect that the amendment will have impact 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. This amendment has not yet been endorsed by the EU. The Company does not expect that the amendment will have impact on the financial position.



**In April 2009 the IASB issued its second 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 2009. This annual improvements project has not yet been endorsed by the EU.**

- **IFRS 2 Share-based Payment**, effective for annual periods beginning on or after 1 July 2009. Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations**, effective for annual periods beginning on or after 1 January 2010. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.
- **IFRS 8 Operating Segment Information**, effective for annual periods beginning on or after 1 January 2010. Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- **IAS 1 Presentation of Financial Statements**, effective for annual periods beginning on or after 1 January 2010. The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.
- **IAS 7 Statement of Cash Flows**, effective for annual periods beginning on or after 1 January 2010. Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.
- **IAS 17 Leases**, effective for annual periods beginning on or after 1 January 2009. The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.
- **IAS 18 Revenue**, The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:
  - Has primary responsibility for providing the goods or service
  - Has inventory risk
  - Has discretion in establishing prices
  - Bears the credit risk
- **IAS 36 Impairment of Assets**, effective for annual periods beginning on or after 1 January 2010. The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.
- **IAS 38 Intangible Assets**, effective for annual periods beginning on or after 1 July 2009. Clarifies that if an intangible asset acquired in business combination is identifiable only with another intangible asset, the acquirer may recognise the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also, clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IAS 39 Financial Instruments: Recognition and Measurement**, effective for annual periods beginning on or after 1 January 2010. The amendment clarifies that:
  - A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.



- The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognised financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010).
- **IFRIC 9 Reassessment of Embedded Derivatives**, effective for annual periods beginning on or after 1 July 2009. The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or business under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IFRIC 16 Hedges of a Net Investment in a Foreign Operation**, effective for annual periods beginning on or after 1 July 2009. The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

## **2.2 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of preparation of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those, which have been estimated. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are assessed to be reasonable under the present circumstances.

### **Judgments, Estimates and Assumptions**

The Management of the Group performs basic valuations in relation to specific amounts which are included or affect the financial statements, in addition to specific disclosures which are evaluated, requiring the establishment of assumptions as regards the values or conditions, those which cannot be assessed with certainty at the time of preparation of the financial statements. An accounting estimate is deemed important if it is significant for the presentation of the company's financial position and financial performance and requires management's most difficult, subjective or complex judgments, often as a result of the requirement of forming estimates in connection with the impact of assumptions which are uncertain. The Group continuously evaluates such estimates, based on past results and historical experience, consultations with experts, trends and other factors, which are considered reasonable under particular circumstances, including expectation of future events. Accounting policies which have been selected among accepted alternatives are presented in Note 3. The basic judgments and estimates used by the Group management (except those in connection with estimates, which are disclosed hereafter) that have the most significant impact on the accounts recognized in the financial statements, mainly relate to:

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



Management uses its judgment with respect to the acquisition of an investment, in view of this being classified as held to maturity, held for trading, 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 as financial asset or liability held for trading if these were acquired principally for the purpose of generating profit in the short term. When investments are not classified as held for trading, and when reliable fair values are available and the changes in fair values are included in the profit or loss of the management's accounts, these are classified as measured at fair value through profit or loss. All other investments are classified as available-for-sale.

## **B. Recovery of Receivables**

Management annually reviews the recoverability of the carrying amounts of accounts receivable 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. Impairment of non-financial assets**

Management annually reviews future cash benefits which will inflow from equity shares of other companies in order that any potential provision for impairment is recognized. The impairment test for goodwill is based on values in use calculations that use a discounted cash flow model. The cash flows are derived from the companies' budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used in the discounted cash flow model as well as to the expected future cash inflows and the growth rate used for extrapolation purposes.

## **D. 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). 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. Further, 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 to the end of their economic life and non-current assets (or disposal groups) that are to be closed rather than sold.



## **E. Consolidation of an entity through the net equity method**

The company applies the net equity method by using the most recent and available financial statements of the affiliated company. In the event that the accounting policies of the affiliated companies differ from those of the Group for common transactions and events under common conditions, appropriate adjustments are made in order that the net equity method is applied.

## **F. Estimated Impairment of Goodwill and Intangible assets**

The Group annually tests goodwill for impairment and reviews events or conditions that provide evidence for the existence of impairment, as for example a significant unfavorable change in the corporate environment or a decision taken for a sale or disposal of a unit or an operating segment. The assessment of whether an impairment exists requires the valuation of the recoverable amount (which is the higher of fair value less costs to sell and value-in-use) of the respective cash generating unit to which goodwill has been allocated. The recoverable amount is assessed using the cash flows discounted method which effectively gives the Value in Use. The application of this methodology includes actual operating results, future business plans, economic extensions as well as market data (statistic and non-statistical) and is obtained by independent valuers. If a requirement for an impairment of goodwill results from this analysis, the assessment of impairment requires the measurement of fair value for each identifiable asset. In this event, the cash flows approach, referred to above is used by external independent valuers.

The group annually tests goodwill for impairment, in accordance with the accounting policy stated in Note 3.8. The recoverable amounts of cash-generating units have been determined on the basis of value-in-use calculations, which require the use of estimates.

Moreover, other recognizable intangible assets of infinite useful lives and not subject to amortization, are tested for impairment by comparing the carrying amount with the Value In Use, namely the total of the non discounted cash flows that is expected to be generated from the asset. Intangible assets of infinite useful lives and tangible assets are annually tested for impairment whenever an impairment indicator exists, using a Value In Use, fair value method as the cash flows discounted.

## **G. Income taxes**

The Group is subject to income taxes from numerous tax regulatory authorities. Significant judgments are required in determining the provision for income taxes. There are many transactions and calculations involved during the accurate assessment of tax liabilities which are uncertain during the ordinary course of business and the corresponding provisions with respect to anticipated tax audit issues are based on management's estimates.

## **H. Fair value of derivatives and other financial instruments**

Accounting for derivatives similar to hedge accounting requires, upon inception and according to contract terms, that the hedged asset and the relative derivative meet the criteria for hedging accounting. Accounting for derivatives is a complex issue. In the event whereby the accounting policies are accurately applied, changes in the fair value of the derivative are



presented in the profit and loss, while the net-off of changes in the fair value is presented in the profit and loss only upon their realization, irrespective of whether the hedging relationship is effective.

In assessing whether a hedging relationship qualifies for hedge accounting, the relationship is examined as to whether it meets the strict criteria for exception from the ongoing assessment of hedge effectiveness. For a hedging relationship which does not meet the criteria for exception, effectiveness is assessed at the inception and for each six-month period that follows, determining to the extent to which changes in the fair value of a derivative, within a specific range of prices, offsets changes in the fair value of a hedged item. This assessment is carried out cumulatively at each reporting period. In the event whereby hedging is deemed ineffective, hedge accounting in this hedging relationship is discontinued. The fair values of derivative instruments and hedging instruments are measured through the use of internal valuation models incorporating market assumptions that are confirmed by independent sources.

The Group uses derivatives in order to mitigate the risk which relates to the interest rate volatility, which though do not meet the criteria of hedge accounting.

At 31 December 2009, the derivative financial liabilities were € 1.300.907 for the company (2008: € 745.531) and € 1.323.198 for the Group (2008: € 790.728). Further information relating to the use of derivatives is presented in note 7.14.

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

Management classifies the inventory of biological assets in two basic categories. The first is that where due to their size these can be sold and are measured at market values (i.e. selling prices, which reflect the fair value less the point of sale costs) of the first week following the 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 spawn included in it (fish). Gain or loss arising from changes in the fair value of biological assets is disclosed in the income statement.

At 31/12/2009 the fair value of spawn and fish for the Group amounted to Euro 272.595.736 (31/12/2008: Euro 240.712.232) and of poultry-livestock to Euro 353.705 (31/12/2008: Euro 436.695). Further information relating to the fair value of biological assets is stated in note 7.9.

## **J. Provisions**

Uncollectible accounts are disclosed at recoverable amounts. Estimations in connection with the recoverable amounts are based on relevant analysis and in accordance with Group experience regarding the probability of which customers may default in payments. On the basis of evidence that a particular account is subject to a higher than usual credit risk (i.e. low credit rating of the customer, litigation relating to existence or to the amount of the claim, etc.), the account is analysed and then recorded as an uncollectible receivable if circumstances indicate that the claim is unrecoverable.



## **K. Contingencies**

The Group has contingent liabilities in respect of legal claims arising from the ordinary course of business. Management deems that any outcome of these legal claims would not materially affect the financial position of the group as of 31 December 2009. Nevertheless, the determination 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.

### **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.

It is worth mentioning as referred to in detail in the preceding paragraph 2.2, that accounting estimates and assumptions are used in the preparation of the financial statements. Despite the fact that these estimates are based on management's best knowledge as regards current events and actions, actual results may differ from those which have initially been estimated.

The consolidated financial statements are presented in Euro.

#### **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. This 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 Consolidation**

The significant accounting policies, which have been used in the preparation of these consolidated financial statements, are summarized as follows:

**Subsidiaries:** Are all entities that are managed or controlled, directly or indirectly, by another entity (parent company). Control exists when the parent company has (a) the power over more than half of the voting rights by virtue of an agreement with other investors; (b) power to govern the financial and operating policies of the entity under a statute or an agreement; (c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or (d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

Nireus S.A gains and exercises control through voting rights in conjunction with control over the majority of the board of directors. The existence of potential voting rights that are exercisable during the preparation of the financial statements is



considered in order to assess whether the parent company controls the subsidiaries. The subsidiaries are fully consolidated from the date on which control is transferred to the group and are de-consolidated from the date that control ceases.

The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable assets acquired, the difference is recognized directly in the income statement.

Especially for the business combinations that took place before the date of transition of the Group to the IFRS (1st January 2004) the exemption of IFRS 1 was adopted while the purchase method was not retrospectively applied. Within the framework of the above exemption, the Company did not recalculate the cost of subsidiaries acquired before the date of transition to the IFRS, or the fair value of the assets and liabilities acquired on the date of the acquisition. Therefore, the goodwill recognized on the transition date was based on the exemption of the IFRS 1 and was calculated according to the previous accounting policies and was presented in the same way that it was presented in the last published financial statements of the group, before the transition to the IFRS. The examination of the impairment of goodwill resulted from the transition date to IFRS.

Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated.

Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

**Associates:** are entities over which the Group has significant influence but which do not meet the criteria of either a subsidiary or participation in a joint venture. The assumptions used by the group indicate that a shareholding of between 20% and 50% of the voting rights of a company implies a significant influence on this company. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. At the end of each year, the cost is increased with the proportion of the contribution in the net equity of the invested company and is decreased with the dividends obtained from the associate company. As regards the goodwill of the investment in associates, this is included in the value of the investment and is tested for impairment when such indicators exist. Through the application of IFRS 3, the Group does not account for depreciation of goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement under item "Profits or Losses from consolidation by the net equity method" in the consolidated income statement for the year and therefore have an impact on the net results of the group, while its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment in associates. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or has made payments on behalf of the associate and in general those arising from its capacity as owner.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset



transferred. When the Financial Statements of an associate used for the equity method consolidation are prepared at reporting date that differs to that of the parent then adjustments in the financial statements of the associate are made that reflect the impact of significant transactions or events occurred between that date and the date of the Financial Statements of the investing company. In any case, the difference between the reporting date of the associate and that of the investing company is more than 3 months.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

### **3.3 Biological Assets and Agricultural Activity**

Agricultural activity refers to an enterprise's management of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets. A biological asset is a living animal or plant under management by an enterprise, while agricultural produce is the harvested product of the enterprise's biological assets, which are intended for sale, process or consumption. The right of management of 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, the living animals and plants that is capable of biological transformation.
- ✓ Management of change, creating, reinforcement or at least stabilising conditions necessary in order for the living organism to develop.
- ✓ Measurement of change, that is the difference brought about by biological transformation so much in quality (ripeness, fat cover) as also in quantity (weight, progeny, etc.) of the enterprise's biological assets.

An enterprise should recognise a biological asset or agricultural produce when and only when:

- 1) The enterprise controls the asset as a result of past events.
- 2) It is probable that future economic benefits associated with the asset will flow to the enterprise.
- 3) The cost of the asset can be measured reliably.

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

If an active market exists for a biological asset or agricultural produce, the quoted price in that market is the appropriate basis for determining the fair value of that asset.

There is a presumption that fair value can be measured reliably for a biological asset. However, that presumption can be rebutted only on initial recognition for a biological asset for which market-determined prices or value are not available and for which alternative estimates of fair value are determined to be clearly unreliable. In such a case, that biological asset should be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an enterprise should measure it at fair value less estimated point-of-sale costs (in the event of such a case).

The company, following initial recognition of the biological assets measures these at each subsequent balance sheet date at fair value less the estimated until disposal cost.



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 for 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:

Spawn is counted in pieces, which arise from expected quantity net of statistically arisen mortality. This quantity is

physically verified with the quantity of sold spawn plus the quantity consumed for the production of fresh fish of the Company.

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

The total fish arises:

- (a) From a special software programme measuring the biomass depending on the consumed food and the prevailing temperature and
- (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.

The year-end inventory of fish is performed applying the (b) method, namely the sampling test verification of inventory weight recorded by categories of fish provided that each fish cage contains a specific category and size of fish.

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

### **3.4 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 transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items measured at fair value through profit or loss are reported as part of their fair value gain or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance (costs)/ income". All other foreign exchange gains and losses are presented in the income statement within "other income/(expenses)".

The individual financial statements of the companies participating in the consolidation, and which are initially presented in a different currency from that of the presentation currency of the Group (none of which has currency in a hyperinflationary economy), are translated into Euro. The assets and liabilities have been translated into Euro at the exchange rate prevailing at the closing date of the balance sheet. The income and expenses have been translated into the Group's presentation currency at the average exchange rates of the referred period, although the net equity have been valued at historical rates apart from the currency translation differences. Any exchange differences arising from that procedure have been debited/(credited) to the reserve for translation of subsidiaries balance sheets in foreign currency of the equity.



### **3.5 Property, plant and equipment**

All property, plant and equipment, apart from land and buildings, are presented in the financial statements at cost or at values of cost incurred as defined according to the fair values at the date of transition, less the accumulated depreciation and impairments of assets. Cost includes all directly attributable expenditure for the acquisition of the asset.

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.

Buildings are measured at fair value decreased by accumulated depreciation and any accumulated impairment loss.

Land used either for the production or managerial purpose is presented at its fair value. Given the indefinite useful life of land, the relevant carrying amounts of the assets are not subject to depreciation.

The fair value is assessed based on valuations by external independent valuers every five years, except if market conditions indicate impairment in value, so as to assure that the carrying value does not significantly differ from the fair value.

Any revaluation surplus arising from revaluation of land and buildings is credited to the item "revaluation reserve" directly in equity, except if the carrying amount of the particular property asset has incurred an impairment loss as stated in Note 3.8. To the extent to which devaluation has previously been recognized in other comprehensive income, a revaluation surplus is recorded in other comprehensive income, with the remaining being credited to equity. The decrease of the carrying amount of land and buildings arising from valuations or from impairment test is recognised with the decrease being debited directly to a revaluation surplus in equity relating to this asset and any remaining decrease being recognized in other comprehensive income.

The revaluation surplus is transferred directly to retained earnings upon the sale, write off or full obsolescence of the asset.

Gains and losses on disposals of land and buildings are determined by comparing net proceeds from disposal, if any, against the asset's carrying amount and are recognised in the income statement. When revalued assets (land) are sold, the amounts included in revaluation reserve are transferred to retained earnings.

Depreciation on other assets (except for land which is not depreciated) is calculated using the straight-line method over its estimated useful lives, as follows:

Buildings	40 years
Plant and machinery	7 – 8 years
Vehicles	5 – 7 years
Furniture & other equipment	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount and charged to the results, if the asset's carrying amount is greater than its estimated recoverable amount.



Gains and losses on disposals are assessed by comparing the proceeds against the carrying amount and are included in the income statement. All repairs and maintenance costs are charged to the income statement during the financial period in which they incur.

Self-constructed property, plant and equipment comprise additions to property plant and equipment and include direct payroll cost of staff who participates in the development (respective employer contributions), consumables and other general costs.

### **3.6 Investment Property**

Investment property are investments that relate to all property (which includes land, buildings or part of a building or both) held by the owner (or by the lessee under a finance lease), with the purpose of earning rental income or for capital appreciation, or for both.

Investment property is initially recognized at cost, which is surcharged with all expenses which relate to the purchase transaction (e.g. notary fees, broker's fees, transfer taxes).

After 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 either through the company's internal study or 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.

Any gain or loss arising from a change in the fair value of the investment property constitutes a profit and loss item and is recognised in the income statement for the year in which it is incurred. For the current year's result recognised in the income statement, see Note 7.2.

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-occupation 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 property becomes an investment property the Group applies the accounting defined by IAS 16 until the date of change in use. For a transfer from inventories to investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount should be recognised in net profit or loss for the period. When the Group completes the construction or development of a self-constructed investment property that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount should be recognised in net profit or loss for the period.

An investment property is derecognised (eliminated from the balance sheet) on disposal 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 withdrawal or disposal of investment property is assessed the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as income or expense in the income statement in the period of withdrawal or disposal.

At 31/12/2009, the Group has classified as investment property, land and buildings of a total Euro 4.281.300 (2008: € 4.281.300) and the Company € 4.236.300 (2008: € 4.236.300).

### **3.7 Intangible assets**

Intangible assets include goodwill, concessions and industrial property rights such as exploitation in fish farming, as well as computer software.

**Goodwill:** Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate (goodwill of associates is included in the amount of investment in associate and is not identified as a separate asset) at the date of acquisition. The company at the date of acquisition recognizes goodwill arising from the acquisition, as an asset item, and discloses it at cost. This cost is equal to the amount by which the consolidation cost exceeds the enterprise's share in assets, liabilities and in the contingent liabilities of the acquired company which are valued at their fair values.

Following initial recognition, goodwill is measured at cost less accumulated losses due to impairment. Goodwill is not subject to amortisation, but is tested for impairment on an annual basis or more frequently, if events occur which provide an indication of loss in accordance with IAS 36.

In the event where the cost of acquisition is less than the company's share in assets, liabilities and in the contingent liabilities of the acquired enterprise, then the cost of the acquisition is recalculated, the fair values of the asset items, the liabilities and the contingent liabilities of the acquired enterprise are remeasured, and recognizing the difference directly in the income statement.

**Concessions and industrial property rights:** The concessions and the industrial property rights relate to licences for aquaculture and were measured at cost incurred as defined according to the fair values at the date of acquisition, less the accumulated depreciation and impairments of assets. Following the valuation at the date of transition, such assets are valued at cost less any impairment since they are of infinite useful lives and not subject to amortisation less any impairment.

**Computer and other software.** Acquired computer and other software licences are capitalized on the basis of cash costs incurred to acquire and bring the specific software to use. These costs are amortised using the straight-line method over their estimated useful lives, from 1 to 5 years.

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

Goodwill, intangible and tangible assets of the Group are subject to impairment tests. For the purpose of assessing impairment, certain assets are grouped to the lowest separately identifiable group of assets that generates cash flows from



their use (Cash-Generating Units). As a result, certain assets are separately tested for impairment while certain others are tested as Cash-Generating Units.

Goodwill is allocated to each Cash Generating Unit that is expected to benefit from the business combination in which the goodwill resulted. The C.G.U. represents the lowest level within the Group where goodwill is monitored for management purposes.

Impairment losses of a C.G.U. in which goodwill has been allocated, initially decrease the carrying amount of goodwill. Any remaining impairment loss is proportionally allocated to other assets of the C.G.U.

In the event where the Group sells an activity comprising part of a C.G.U. to which goodwill has earlier been allocated, then this goodwill is taken into account for the determination of profit or loss from the disposal and is proportionally allocated to the selling activity. Under this aspect, goodwill disposed is measured on the basis of the relative values of the disposed activity and the retained part of the C.G.U. Alternatively, when the group can reliably assess and prove that an alternative method can better reflect an assessment of goodwill in connection with the activity disposed, then the alternative method is applied.

Note 3.7 provide further details on initial recognition of goodwill.

Assets or C.G.U. that include part of the goodwill, other intangible assets that have an indefinite useful life and assets that are not yet available for use are tested for impairment at least on an annual basis. The other assets and C.G.U. are tested for impairment whenever there is an indication that the carrying amount may not be recoverable. Impairment loss is recognised to the amount by which the carrying amount of assets or C.G.U. exceeds the recoverable amount. Recoverable amount of an asset item or C.G.U., is the higher of the fair value and value in use (arises based on assessment of discounted future cash flows of the asset or the C.G.U.).

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

The financial instruments of the Group, other than hedging instruments are classified into the following categories:

- Loans and receivables (receivables)
- Financial assets at fair value through profit or loss (receivables/liabilities)
- Available-for-sale financial assets (receivables)
- Held-to-maturity investments (receivables)
- Borrowings (liabilities)
- Other financial liabilities (liabilities)

Management determines the classification of its financial assets into the above categories at initial recognition, which differ in the manner of measurement and recognition of the result occurred, either through the income statement or directly through equity. Note 11 sets out a summarized presentation of all financial assets per category.

Financial assets are recognised using settlement date accounting.

Assessment of impairment is carried out at least at each balance sheet date or when there is objective evidence that a financial asset or group of assets may be impaired.

The Group determines whether a host contract includes an embedded derivative in the agreement. An embedded derivative is separated from the host contract and accounted for as a derivative if a supporting analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to the host contract.



### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are established when the Group provides money, goods or services directly to a debtor without any intent of trading. Loans and receivables are measured at amortised cost using the effective interest method less any provision for impairment. Changes in the value of loans and receivables are recognised in profit or loss when the loans and receivables are written off, impaired or amortised.

Certain receivables are tested for impairment per each individual receivable (i.e. for each customer separately) in cases where the collection of the receivable has been considered overdue at the balance sheet date or in cases where there is objective evidence that indicates impairment. The remaining receivables are grouped and tested for impairment in total. Common characteristics of the Group include their geographical allocation, their sector of activity and, if applicable, other common indicators of credit risk.

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

At each balance sheet date the company assesses whether objective indications exist which result in an impairment of the financial assets and liabilities.

### ***Financial assets or Financial liabilities at fair value through profit or loss***

The financial assets or financial liabilities at fair value through profit or loss include financial assets that are classified either as held for trading or defined by the company as measured at fair value through profit or loss at their initial recognition. In addition, the derivative financial assets that do not qualify for hedge accounting (see note 3.10.) are classified as held for trading assets.

If a host contract includes one or more embedded derivatives, the Group assesses the entire combined contract as a financial asset at fair value through profit or loss except if the embedded derivative does not significantly modify the cash flows that otherwise the host contract itself would require, or separation of the embedded derivative(s) from the host contract is not permitted.

Following initial recognition the financial assets included in this category are measured at fair value through profit or loss. Financial assets that have initially been recognised as financial assets at fair value through profit or loss cannot be reclassified under another category.

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. All financial assets designated in this category are measured at fair value, as long as this can be reliably determined, and gains or losses are recognised in equity following calculation of any tax effects.

When assets classified as available for sale are sold or impaired, the accumulated gains or losses recognised in equity are recognised in the income statement.



The fair value of financial instruments that are traded in active markets is determined based on their current bid prices. For financial instruments that are not traded in an active market their fair value is determined by the use valuation techniques such as recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis. Equity securities that are not traded in an active market and are classified as Available-for-sale financial assets and for which their fair value cannot be reliably determined are measured at cost. At each balance sheet date the Group assesses whether there an indication that a financial asset or group of financial assets is impaired. For equity shares classified as financial assets available-for-sale, such evidence may entail a significant or prolonged decline in the fair value of the share below its cost. If such evidence exists, the cumulative loss in equity which is the difference between the acquisition cost and the current fair value of the asset is transferred to the profit or loss.

When assets are impaired the amount of accumulated impairment loss that is transferred from equity and recognised in profit or loss is the difference arising between the acquisition cost (after deduction of principal repayments and amortisation) and the fair value minus any impairment loss previously recognised.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through the profit or loss. Losses recognised in consolidated financial statements of previous periods arising from impairment of monetary securities are reversed through profit or loss, if the increase (impairment reverse) relates to events occurred subsequent to the recognition of impairment in the 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. The Group has no held-to-maturity investments.

### ***Borrowings***

Bank borrowings provide long-term financing to operations of the Group. All borrowings are recognised initially at cost, which is the fair value of the consideration received net of transaction costs incurred. Borrowings are classified as current and non-current depending on the effective contracts, whether their redemption is anticipated in the following twelve months or later, respectively.

After initial recognition, borrowings are subsequently stated at amortised cost and any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The amortised cost is calculated taking into account any transaction cost and any discount or above par amount at settlement.

The convertible bond loan comprises two components: a financial liability (a contractual arrangement to deliver cash or another financial asset) and an equity instrument (a call option granting the holder the right, for a specified period of time, to convert it into a fixed number of ordinary shares of the entity). The economic effect of issuing such an instrument is substantially the same as issuing simultaneously a debt instrument with an early settlement provision and warrants to purchase ordinary shares, or issuing a debt instrument with detachable share purchase warrants. Accordingly, the company presents the liability and equity (net of proportional tax) components separately on its balance sheet.



### ***Other financial liabilities***

The financial liabilities of the Group (except for loans) are disclosed in the Balance Sheet item “Other Non-current liabilities” as well as in the items “Trade and Other Payables” and “Other Current Liabilities”.

The financial liabilities are recognised when the Group takes part in a contractual agreement of the financial instrument and derecognised when the Group is exempted from the liability or this is annulled or expires.

Interest is recognised as an expense in the item “Finance costs” in the income statement.

Trade liabilities are recognised initially at their nominal value and then measured at amortised cost less the settlement payments.

Gains or losses are recognised in the income statement when liabilities are written off or amortised.

When an existing financial liability is exchanged with another liability of a different type with the same lender but substantially at different terms or the terms of an existing liability are amended significantly, such as an exchange or as an amendment, this transaction is treated as a repayment of the initial liability and recognition of a new liability. Any difference in the respective carrying amounts is recognised in profit or loss.

### ***3.10 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 in assets when the fair value is positive and in liabilities when the fair value is negative. The fair value is determined from the price they have in an active market or by using measurement techniques in cases where there is no active market for these instruments.

The method of recognition of profit or loss depends on whether a derivative has been designated as a hedging instrument and whether it is used for hedging by the nature of the asset it offsets.

Gains or losses from changes during the year, in the fair value of derivatives that are not recognised as hedging instruments, is recognised in the income statement.

During the current period the Group has recognised specific contracts cap with knock out barrier as well as interest rate swaps as derivative financial assets. These agreements have been realised with the intent to reduce the interest risk resulting from part of borrowing liabilities of the Group.

The above contracts, which do not meet the criteria set for hedge accounting have as an objective the mitigation of the interest rate risks and as a result part of the company’s loan liabilities.

### ***3.11 Inventories***

Inventories include raw materials, consumables and goods purchased.

The cost of inventories includes all costs of purchase, conversion and other costs realised in order for the inventories to reach their present state and position.



The cost of purchase of inventories comprises the purchase price, import duties and other taxes (other than those subsequently recoverable 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 costs of purchase.

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.

Other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. For example, it may be appropriate to include non-production overheads or the costs of designing products for specific customers in the cost of inventories. Cost of inventories does not include finance expenses.

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 applicable variable selling expenses. Cost is determined using the average weighted cost method.

### **3.12 Share capital**

Share capital is determined according to the nominal value of shares issued. Ordinary shares are classified as equity. Expenses realised for the issue of shares are shown 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 from arising from sale of treasury shares, of directly attributable other expenses & taxes, are shown as a reserve in equity.

### **3.13 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 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%.

. All changes in short-term tax assets or liabilities are recognised as tax expenses in the income statement.



Deferred taxes are calculated with the liability method on all temporary tax differences between the tax base and the book value of the assets and liabilities existing as at balance sheet date. The deferred income tax is not accounted for if it has resulted from initial recognition of an asset or liability in a transaction, other than business combination, which had not affected either the accounting nor taxable profit or loss.

Deferred tax assets and liabilities are determined using tax rates that (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. In case it is not possible to determine the time of reversal of the temporary tax differences, the tax rate used is that of the fiscal year following that of the balance sheet.

Deferred tax assets are recognised only to the extent that it is likely that future taxable profit will be generated, and which will result in a deferred tax asset.

The deferred income tax is recognised for the temporary tax differences arising from investments in subsidiaries and related parties, except where the Group controls the timing of reversal of the temporary tax differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Most of the changes in the deferred assets or liabilities are recognised as part of the tax expenses in the income statement for the year. Changes in the assets or liabilities which result in temporary tax differences and which are directly recorded in equity, such as the revaluation of the value of property, result in the respective change in the deferred tax receivables or liabilities being debited against the equity account.

### ***3.14 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 company recognises 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 company's obligation (legal or inferred) 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 (or the employee as well) and the paid investments of these contributions.

The contribution paid by the company in a defined contribution plan is recognized either as a liability following the deduction of the contribution paid or as an expense.



➤ **Defined benefit plan**

The liability recorded in the balance sheet for the defined benefit plan is the current value of the liability for the defined benefit less the fair value of the assets of the plan (if any) and the changes occurring from any other actuarial profit or loss and the past service cost. Contributions to defined contribution plans are recognised in profit or loss as they accrue.

The cost of providing defined benefits is determined using the projected unit credit method from an independent valuer. Valuations are conducted annually. For prepayment thereof, the interest rate of the long-term Greek Government bonds is used.

Actuarial gains and losses that exceed 10% of the greater of the present value of the group's pension obligations or the fair value of plan assets are recognized immediately in profit or loss. Gains or losses on the curtailment or settlement of a defined benefit plan are recognized in profit or loss when the group is demonstrably committed to the curtailment or settlement.

Past service costs are recognized immediately in profit or loss to the extent that the benefits are already vested. Otherwise they are amortized on a straight-line basis over the average period until the amended benefits become vested.

**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 valuation of employment termination benefits should be 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 officers 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 officers' 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.

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 program is now considered invalid.

### **3.15 Government grants**

The Group recognizes government grants, which satisfy the following criteria: a) There is reasonable assurance that the enterprise will comply with all attached conditions and b) the grants will be received. Grants are recognized at fair value and



recognized on a systematic basis in income, based on the correlation principle of the grants with the respective cost, which will be granted.

Government grants related to assets are included in the long-term liabilities as deferred income and are recognized on a systematic basis and correctly in income over the useful lives of the asset.

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

Provisions are recognised when a present obligation is probable that will result in an outflow of resources for the Group while this can be reliably estimated. The timing or the amount of the outflow may be uncertain.

A present obligation arises from a present legal or constructive obligation as a result of past events, for example 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.

Where a part or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is recognized as a separate asset. The amount recognized for the reimbursement should not exceed the amount of the provision.

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 expenditures for which the provision was originally recognized. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at expected value that 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 are a number of similar obligations, the probability that an outflow will be required for settlement is assessed by considering the class of obligations as a whole. A provision is recognized even if the probability of an outflow with respect to any one item included in the same class of obligations is minimal.

If the probability that an outflow of resources embodying economic benefits required to settle the obligation ceases to exist, the provision is reversed.

In the event where the probable outflow of economic resources as a result of present obligations is regarded as not probable or the amount of the provision cannot be reliably estimated, no liability is recognized in the consolidated Balance Sheet, except if it is considered being within the scope of business combinations.



These contingent liabilities are recognized according to the allocation of cost of acquisition to the assets and liabilities in a business combination. They are subsequently remeasured at the higher of a comparable provision as described above and at the amount they were recognized initially, less any amortization.

Probable inflows from economic benefits for the Group that do not yet meet the criteria of an asset are regarded as contingent assets.

### **3.17 Revenue and Expense Recognition**

**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:** It is recognized after their gathering. Products are delivered to the customer; the customer 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, the customer has accepted the products and collectibility of the receivables is reasonably assured.
- **Gain/Loss attributed to changes in Fair Value of Biological Assets:** A gain or loss is recognized during the year/period and results from changes both in price and in the quantity and development of the Biological assets.
- **Sales of services:** Sales of services are recognized in the accounting period in which the services are rendered, by reference to 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.

**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.

### **3.18 Leases**

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

**Group Company as a lessee:** Leases of property, plant and equipment where the Group has substantially maintained all the risks and rewards of ownership are classified as finance leases. Finance leases 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. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of



the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all 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 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.

### ***3.19 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 item "Other Current Liabilities" when the General Meeting of Shareholders approves dividends.

### ***3.20 Related parties***

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

### ***3.21 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 the bank deposits as well as the overdraft bank accounts. The products of the financial market are financial assets measured at fair value through the income statement.

### ***3.22 Post Balance Sheet events***

Recognized amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note.



### **3.23 Comparative figures**

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

### **3.24 Borrowing Costs**

Borrowing costs are expensed in the period in which they are incurred. 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, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

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

Non-current assets (or disposal group) 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 as held for sale it is measured at the lower of the carrying amount and fair value less costs to sell. 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 costs to sell. A gain for any subsequent increase in fair value less costs to sell 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 Impairment of Assets.

Non-current assets or disposal groups that are classified as held for sale are not depreciated.

### **3.26 Discontinued Operations**

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

## **4. Objectives and risk management policies**

### **4.1 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:

	2009							2008						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
<b>Notional amounts</b>														
Financial assets	517.986	454.683	-	-	23.458	6.800.613	76.779	627.904	344.604	-	-	20.301	2.478.573	108.581
Financial liabilities	393.222	208	554	0	0	2.847.410	313	74.255	114.751	1.596	10.208	0	719.683	-
<b>Total current exposure</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>	<b>553.649</b>	<b>229.853</b>	<b>-1.596</b>	<b>-10.208</b>	<b>20.301</b>	<b>1.758.891</b>	<b>108.581</b>
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0	-
<b>Total non-current exposure</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>	<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 the 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 2009 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>	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

  

<i>Amounts in Euro</i>	2008													
	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Post-tax profit for the year	10,09%	-10,09%	5,06%	-5,06%	51,51%	-51,51%	0,46%	-0,46%	6,54%	-6,54%	13,18%	-13,18%	5,35%	-5,35%
Equity	55.865	-55.865	11.620	-11.620	-822	822	-47	47	1.327	-1.327	231.866	-231.866	5.809	-5.809

The Group's exposure in 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 were loans with floating interest rates.

The risk of change in the interest rates mainly arises from the long-term borrowings, the largest balance of which has 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 2009, the Group NIREUS AQUACULTURE SA was not exposed to changes in market interest rate to its total bank borrowings, but a significant balance of it (Euro 90.897.300) had the 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 the equity at a reasonable change in the interest rate of +1% or -1% (2008: +/-0,5%). The changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

<i>Amounts in Euro</i>	<b>2009</b>		<b>2008</b>	
	1%	-1%	0,50%	-0,50%
Post-tax profit for the year	2.527.090,30	(2.527.090,30)	1.192.981	-1.192.981
Equity	2.527.090,30	(2.527.090,30)	1.192.981	-1.192.981

### **Price risk**

The Group is exposed to equity securities price risk because of investments held either for trading or as available-for-sale financial assets. The changes in the value of the assets are not expected to result in a significant risk to the Group due to non-maturity dates. Investments in equity securities of publicly traded companies (MAFA) are considered long-term strategic movements. According to the Group policy, no particular hedging policy is applied for these investments, which are incorporated in the consolidated financial statements either by the method of net equity (MAFA).

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 forecasted within the year small fluctuation. The Group assesses price risk changes 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, which collects information in order to offer 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 examined the parameters regardless of the inventories of the product and the expected prices to be set for the following two (2) years are thereby determined.

### **4.2 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>2009</b>	<b>2008</b>
<i>Categories of financial assets</i>		
Cash and cash equivalents	15.743.462	29.639.970
Trade and other receivables	53.427.689	57.070.480
Other receivables	15.038.685	20.542.828
<b>Total</b>	<b><u>84.209.836</u></b>	<b><u>107.253.278</u></b>

The Group management deems that all 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 spawn is realized to its total with the term of retention of ownership of the product up until its payment. 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.

### 4.3 Liquidity risk

The Group “NIREUS AQUACULTURE SA” manages its liquidity needs by careful monitoring its debts, long-term financial liabilities as well as of the payments that are effected daily. 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 periods of 30 days. The funds for the long-term liquidity requirements are additionally maintained by an adequate amount of committed credit facilities and the ability to be sold long-term financial assets.

The maturity of the financial liabilities at 31 December 2009 for the Group “NIREUS AQUACULTURE S.A” is analyzed 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 moths</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 relevant maturity of the financial liabilities as of 31 December 2008 was as follows:

Amounts in Euro

	<b>2008</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 and 12 moths</b>	<b>between 1 and 5 years</b>	<b>over 5 years</b>
Long-term borrowings	2.864.473	2.824.495	130.970.523	110.262.009
Short-term borrowings	10.789.262	52.302.092	-	-
Other Long-term borrowings	-	-	-	4.308.017
Trade payables	59.624.230	4.052.121	192.193	-
Other short-term liabilities	8.977.493	1.701.179	760.639	233.000
<b>Total</b>	<b>82.255.458</b>	<b>60.879.887</b>	<b>131.923.355</b>	<b>114.803.026</b>

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

**5. Structure of "NIREUS AQUACULATURE 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.	70,000%
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%
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	100,00%
KEGO AGRI S.A	100,00%
SEAFARM IONIAN S.A	24,995%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	24,995%
MARINE FARMS ASA (GROUP)	30,195%
ILKNAK DENIZCILIK A.S.	75,081%
EVOIKI DEVELOPMENT SEACULTURE COMPANY	11,746%
FISH OF AFRICA LTD	100,000%
HELLENIC FISHERY QUALITY	4,340%
AQUACULTURE INFORMATION NETWORK	14,000%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	24,995%
BLUE WATER FLATFISH FARMS LIM	3,749%
AQUA TERRAIR A.E.	12,247%

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	1,882% direct + 68,118% indirect = 70,00%	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	75,081% indirect	Full consolidation
BLUEFIN TUNA S.A	GREECE	25,00%	Net equity
MARINE FARMS ASA (GROUP)	NORWAY	30,195%	Net equity
SEAFARM IONIAN S.A	GREECE	24,995% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	24,995% indirect	Full consolidation
AQUA TERRAIR S.A	GREECE	12,247% indirect	Net equity



## **6. Segmental information**

### **6.1 Information per segment**

In accordance with IFRS 8 the new operating segments of the Group “NIREUS AQUACULTURE S.A” 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 operations of the segments 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 fry.

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.

Profits from associates are presented under eliminations/adjustments.

**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	179.976
Intersegment sales	0	15.906	0	552	0	16.458
Thrid party sales	127.215	21.550	10.744	4.009	0	163.518
Net operating costs	-119.054	-15.450	-10.138	-3.694	-14.243	-162.579
Profit before taxes	8.161	6.100	606	315	-14.243	939
Depreciation expense	8.211	1.621	92	273	571	10.767
Gain form associate companies	0	0	0	0	359	359

**31/12/2008**

<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	122.368	69.111	14.633	5.167	0	211.280
Intersegment sales	0	41.104	0	422	0	41.527
Thrid party sales	122.368	28.007	14.633	4.745	0	169.753
Net operating costs	-101.278	-21.974	-13.125	-4.089	-19.505	-159.971
Profit before taxes	21.090	6.033	1.508	655	-19.505	9.782
Depreciation expense	6.850	925	53	72	492	8.392
Gain form associate companies (net equity method)	0	0	0	0	-619	-619

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.

**31/12/2009**

<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 (net equity method)	1.315	0	0	0	0	1.315
Capital expenditure	6.413	251	66	1	125	6.857
Liabilities per segment	0	0	0	0	355.959	355.959

**31/12/2008**

<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	332.278	24.762	3.586	7.618	156.185	524.429
Investments in associate companies (net equity method)	2.265					2.265
Capital expenditure	11.135	3.587	67	26	0	14.814
Liabilities per segment	0	0	0	0	356.161	356.161

**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>31/12/2009</b>	<b>31/12/2008</b>
Greece	158.258.123	162.779.385
Spain	2.039.001	2.431.282
Turkey	3.221.258	4.541.895
	<b>163.518.382</b>	<b>169.752.562</b>

**Non current Assets**

<i>Amounts in Euro</i>	<b>31/12/2009</b>	<b>31/12/2008</b>
Greece	81.999.030	86.061.258
Spain	3.239.066	3.359.370
Turkey	2.200.968	2.186.524
	<b>87.439.065</b>	<b>91.607.152</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>31/12/2009</b>	<b>31/12/2008</b>
Greece	55.645.981	66.489.936
Euro-zone	95.206.144	90.756.041
Other countries	12.666.257	12.506.585
	<b>163.518.382</b>	<b>169.752.562</b>

**7. Notes to the Financial Statements****7.1 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. All other remaining assets are valued at historical cost less accumulated depreciation and any other impairment losses. 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:

<b>GROUP</b>							
	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>							
<b>Cost</b>							
<b>Balance at 1 January 2008</b>	8.348.583	31.519.630	72.854.204	9.614.532	9.240.069	4.164.119	<b>135.741.137</b>
Additions	-	425.369	5.097.683	795.863	728.017	7.112.212	<b>14.159.143</b>
Disposals/write-offs/transfers	(351.452)	(101.141)	(864.370)	(159.920)	(13.049)	(353.573)	<b>(1.843.505)</b>
Spin-off assets	-	-	-	-	-	-	-
Reclassifications	1.100.000	3.495.666	3.870.584	401.258	59.715	(9.058.555)	<b>(131.332)</b>
Changes - Exchange differences	(67.937)	(80.867)	(603.118)	(24.470)	(18.045)	(47.772)	<b>(842.209)</b>
<b>Balance at 31 December 2008</b>	<b>9.029.195</b>	<b>35.258.658</b>	<b>80.354.983</b>	<b>10.627.262</b>	<b>9.996.706</b>	<b>1.816.430</b>	<b>147.083.234</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2008</b>	-	(7.675.558)	(46.970.808)	(6.675.747)	(7.605.237)	-	<b>(68.927.350)</b>
Depreciation charge	-	(1.464.348)	(5.099.554)	(707.194)	(594.418)	-	<b>(7.865.514)</b>
Disposals/write-offs/transfers	-	14.034	613.868	142.761	5.656	-	<b>776.319</b>
Spin-off assets	-	-	-	-	-	-	-
Changes - Exchange differences	-	14.260	275.619	22.586	14.260	-	<b>326.725</b>
<b>Balance at 31 December 2008</b>	-	<b>(9.111.612)</b>	<b>(51.180.874)</b>	<b>(7.217.594)</b>	<b>(8.179.739)</b>	-	<b>(75.689.819)</b>
<b>Net book amount at 31 December 2008</b>	<b>9.029.195</b>	<b>26.147.046</b>	<b>29.174.110</b>	<b>3.409.668</b>	<b>1.816.967</b>	<b>1.816.430</b>	<b>71.393.415</b>
<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>9.996.706</b>	<b>1.816.430</b>	<b>147.083.232</b>
Additions	53.753	372.389	4.180.826	1.026.071	252.374	920.760	<b>6.806.173</b>
Disposals/write-offs/transfers	-	-	(731.540)	(387.548)	(17.353)	(3.278)	<b>(1.139.718)</b>
Reclassifications	-	205.577	924.288	72.774	102.402	(2.165.931)	<b>(860.889)</b>
Re-estimation	-	-	6.878	4.997	-	-	<b>11.875</b>
Changes - Exchange differences	(301)	(423)	(6.206)	222	(174)	(69)	<b>(6.952)</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>	-	(9.111.611)	(51.180.873)	(7.217.594)	(8.179.738)	-	<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/transfers	-	-	650.738	199.740	24.626	-	<b>875.104</b>
Spin-off assets	-	-	-	-	-	-	-
Changes - Exchange differences	-	(952)	2.141	383	135	-	<b>1.707</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 amount at 31 December 2009</b>	<b>9.082.647</b>	<b>24.907.739</b>	<b>27.678.603</b>	<b>3.405.140</b>	<b>1.484.767</b>	<b>567.912</b>	<b>67.126.808</b>

<b>COMPANY</b>							
	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>							
<b>Cost</b>							
<b>Balance at 1 January 2008</b>	7.753.231	23.262.264	54.801.479	6.707.613	7.864.414	3.030.609	<b>103.419.610</b>
Additions	-	213.940	3.857.462	457.645	678.342	6.424.100	<b>11.631.489</b>
Disposals/write-offs/transfers	-	(96.729)	(329.960)	(132.868)	(11.922)	(700)	<b>(572.180)</b>
Spin-off assets	(294.140)	(1.438.534)	(100.815)	(221.991)	(59.061)	(8.101)	<b>(2,122,641)</b>
Reclassifications	1.100.000	3.635.279	3.564.379	401.258	59.715	(8,891,962)	<b>(131,332)</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2008</b>	<b>8.559.091</b>	<b>25.576.220</b>	<b>61.792.545</b>	<b>7.211.656</b>	<b>8.531.487</b>	<b>553.947</b>	<b>112.224.946</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2008</b>	-	(2,378,658)	(34,511,067)	(4,520,437)	(6,369,900)	-	<b>(47,780,062)</b>
Depreciation charge	-	(852.561)	(3,732.341)	(518.884)	(522.360)	-	<b>(5,626,146)</b>
Disposals/write-offs/transfers	-	8.858	79.805	118.392	4.529	-	<b>211,584</b>
Spin-off assets	-	153.585	22.378	68.941	51.185	-	<b>296,090</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2008</b>	-	<b>(3,068,776)</b>	<b>(38,141,224)</b>	<b>(4,851,988)</b>	<b>(6,836,546)</b>	-	<b>(52,898,534)</b>
<b>Net book amount at 31 December 2008</b>	<b>8.559.091</b>	<b>22,507,444</b>	<b>23,651,321</b>	<b>2,359,668</b>	<b>1,694,942</b>	<b>553,947</b>	<b>59,326,412</b>
<b>Cost</b>							
<b>Balance at 1 January 2009</b>	<b>8.559.091</b>	<b>25.576.220</b>	<b>61.792.545</b>	<b>7.211.656</b>	<b>8.531.487</b>	<b>553.947</b>	<b>112.224.946</b>
Additions	53.753	330.321	2,309,506	709,694	239,908	897,077	<b>4,540,259</b>
Disposals/write-offs/transfers	-	-	(631,748)	(171,782)	(8,950)	(510)	<b>(812,990)</b>
Reclassifications	-	44,302	431,821	-	102,402	(1,439,414)	<b>(860,889)</b>
Re-estimation	-	-	6,878	4,997	-	-	<b>11,875</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<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>	-	(3,068,776)	(38,141,224)	(4,851,988)	(6,836,546)	-	<b>(52,898,534)</b>
Depreciation charge	-	(1,244,509)	(5,040,157)	(621,601)	(631,680)	-	<b>(7,537,946)</b>
Disposals/write-offs/transfers	-	-	570,433	96,490	18,047	-	<b>684,970</b>
Spin-off assets	-	-	-	-	-	-	-
Changes - Exchange differences	-	-	-	-	-	-	-
<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 amount 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>



Mortgages and pledges against Group's assets are analysed in paragraph 9, below.

## 7.2 Investment property

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

<i>Amounts in Euro</i>	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
<b>Carrying value at 1 January 2008</b>	<b>2.606.803</b>	<b>2.766.339</b>	<b>5.373.142</b>	<b>2.586.303</b>	<b>2.766.339</b>	<b>5.352.642</b>
Transfers from PPE	(1.100.000)	-	<b>(1.100.000)</b>	(1.100.000)	-	<b>(1.100.000)</b>
Gains/(losses) from fair value	68.497	(60.339)	<b>8.158</b>	43.997	(60.339)	<b>(16.342)</b>
<b>Carrying value at 31 December 2008</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 31 December 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>

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.

## 7.3 Goodwill

Goodwill is analysed as follows:

GROUP		COMPANY	
<i>Amounts in Euro</i>		<i>Amounts in Euro</i>	
<b>Carrying value at 1 January 2008</b>	<b>26.655.662</b>	<b>Carrying value at 1 January 2008</b>	<b>18.162.830</b>
Additions	2.979.515	Additions	887.002
Impairment losses	(50.199)	Impairment losses	-
<b>Carrying value at 31 December 2008</b>	<b>29.584.979</b>	<b>Carrying value at 31 December 2008</b>	<b>19.049.833</b>
<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	-
Disposals	(28.737)	Disposals	-
<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>

### Analysis of Additions

The measurement of "Goodwill" following the above additions has been determined based on the net fair value of the investment and has been calculated for the year ending 31/12/2009, per company as follows:

### For The Group SEAFARM IONIAN S.A



Acquisition date	3/3/2009
Acquired percentage	0,1626%
<b>Total Consideration of Acquisition</b>	<b>148.032</b>
<i>Less: Fair value of the Group's assets and liabilities</i>	<b>10.030</b>
<b>Goodwill</b>	<b>138.002</b>
The assets acquired and the liabilities undertaken by the Group upon acquisition of the new participation percentage in the Group were as follows:	
	<b>Fair Value</b>
Assets	82.700.670
Liabilities	76.533.315
Contingent liabilities	0
<b>Total Equity of Group</b>	<b>6.167.355</b>
Participation Percentage	0,1626%
<b>Fair Value</b>	<b>10.030</b>

Acquisition date	15/6/2009
Acquired percentage	0,9367%
<b>Total Consideration of Acquisition</b>	<b>866.250</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>63.072</b>
<b>Goodwill</b>	<b>803.178</b>
The assets acquired and the liabilities undertaken by the Group upon acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	80.745.628
Liabilities	74.012.143
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>6.733.485</b>
Participation Percentage	0,9367%
<b>Fair Value</b>	<b>63.072</b>



Acquisition date	27/7/2009
Acquired percentage	0,3475%
<b>Total Consideration of Acquisition</b>	<b>292.950</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>23.400</b>
<b>Goodwill</b>	<b>269.550</b>
The assets acquired and the liabilities undertaken by the Group upon acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	80.745.628
Liabilities	74.012.143
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>6.733.485</b>
Participation Percentage	0,3475%
<b>Fair Value</b>	<b>23.400</b>

#### 7.4 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 2008</b>	<b>1.965.918</b>	<b>14.057.000</b>	<b>16.022.918</b>
Additions	654.924	-	654.924
Disposals/Write-offs/Transfers to investments	(4.000)	-	(4.000)
Spin-off assets	-	-	-
Transfers from investments/work in progress	1.231.332	-	1.231.332
Changes/Exchange differences	(7.644)	-	(7.644)
<b>Balance 31 December 2008</b>	<b>3.840.531</b>	<b>14.057.000</b>	<b>17.897.531</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2008</b>	<b>(1.444.817)</b>	-	<b>(1.444.817)</b>
Amortisation charge	(527.139)	-	(527.139)
Spin-off assets	-	-	-
Changes/Exchange differences	6.862	-	6.862
<b>Balance at 31 December 2008</b>	<b>(1.965.094)</b>	-	<b>(1.965.094)</b>
<b>Net book value at 31 December 2008</b>	<b>1.875.437</b>	<b>14.057.000</b>	<b>15.932.437</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>COMPANY</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 2008</b>	<b>1.725.753</b>	<b>2.766.000</b>	<b>4.491.753</b>
Additions	624.075	-	624.075
Disposals/Write-offs/Transfers to investments	(4.000)	-	(4.000)
Spin-off assets	(3.405)	-	(3.405)
Transfers from investments/work in progress	1.231.332	-	<b>1.231.332</b>
Changes/Exchange differences	-	-	-
<b>Balance 31 December 2008</b>	<b>3.573.754</b>	<b>2.766.000</b>	<b>6.339.754</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2008</b>	<b>(1.207.855)</b>	-	<b>(1.207.855)</b>
Amortisation charge	(495.080)	-	(495.080)
Spin-off assets	2.405	-	2.405
Changes/Exchange differences	-	-	-
<b>Balance at 31 December 2008</b>	<b>(1.700.531)</b>	-	<b>(1.700.531)</b>
<b>Net book value at 31 December 2008</b>	<b>1.873.223</b>	<b>2.766.000</b>	<b>4.639.223</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
Disposals/Write-offs/Transfers to investments	-	-	-
Transfers from investments/work in progress	860.889	-	860.889
Changes/Exchange differences	-	-	-
<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)
Disposals/Write-offs/Transfers to investments	-	-	-
Changes/Exchange differences	-	-	-
<b>Balance at 31 December 2009</b>	<b>(2.512.132)</b>	-	<b>(2.512.132)</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>

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.

Transfer of work in progress of other programs, during the year, of an amount € 860.889 (2008: € 1.231.332) relates to costs incurred in relation to the research station, which concerns the production of new aquaculture items in addition to the genetically improvement of the production of sea-bream and sea-bass fry.

The above mentioned costs are amortised on a straight-line basis, within a 5-year period beginning from their development.

## 7.5 Investments in subsidiaries

In the individual financial statements, the investments in subsidiary companies have been measured at impaired acquisition cost.

<i>Amounts in Euro</i>	<b>GROUP</b> <b>31/12/2009</b>	<b>COMPANY</b> <b>31/12/2009</b>
Opening Balance	<b>362.506</b>	<b>27.625.707</b>
Reductions	-	(129.200)
Liquidations	(362.506)	
Additions	-	1.307.232
<b>Total</b>	<b>0</b>	<b>28.803.739</b>

During the current year the subsidiary company ILKNAK DENIZCILIK A.S was incorporated in the consolidated financial statements for the first time and through the full consolidation method by a percentage (indirect) of 75,081%. The companies ILKNAK SU URUNLERI SAN Ve TIC A.S and MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S contributed to the company's incorporation by an amount of € 34.543,30 (percentage of 72,990%) and € 11.358,26 (percentage of 24%) respectively.

The company NIREUS AQUACULTURE S.A sold during the current year 85.000 shares of the company SEA FARM IONIAN of a cost of € 129.200 for the price of € 34.000 which resulted in a loss on disposal of an amount of € 95.200.

During the current year, the liquidation of the subsidiary company of the Group SEAFARM IONIAN S.A "Diatrofiki S.A", was completed, whereby from the cost of the investment of an amount of € 362.506 an amount of € 275.422 was charged to the results of the year 2009 (finance (costs)/income) with the remaining amount of € 87.084 to comprise the liquidation effect.

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



<b>Company</b>	<b>Cost</b>	<b>Sale of Percentage</b>	<b>Amount as per Financial Position</b>	<b>Country of incorporation</b>	<b>Percentage Shareholding</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	12.431.692	(129.200)	12.302.492	GREECE	24,995%
KEGO AGRI S.A	8.952.835	-	8.952.835	GREECE	100,00%
	<b>28.932.939</b>	<b>(129.200)</b>	<b>28.803.739</b>		

### 7.6 Investments in associates

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>	<b><u>31/12/2009</u></b>	<b><u>31/12/2008</u></b>
<b>Beginning of the year</b>	<b>34.132.602</b>	<b>37.601.397</b>	<b>35.568.697</b>	<b>35.948.198</b>
Additions				
Disposals	-	(688.526)	-	(366.542)
Write-offs/ liquidation	-	(12.959)	-	(12.959)
Consolidation by the net equity method	880.989	(2.767.310)	-	-
<b>Total</b>	<b>35.013.591</b>	<b>34.132.602</b>	<b>35.568.697</b>	<b>35.568.697</b>

The amount of € 880.989 that appears in the consolidation of investments in associates using the equity method as at 31/12/2009, relates to € 13.783,76 (Profit for the year € 13.754,38 / Increase in equity € 29,38) for the company BLUE FIN TUNA S.A., and to € 867.205,25 (Profit for the year € 345.350,27 / Increase in equity € 521.854,99) for the company MARINE FARMS A.S.A.

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:

**31/12/2009**

<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>-</b>	<b>35.568.697</b>		

**31/12/2008**

<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>-</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. Investment in the associate company “MARINE FARMS ASA” includes goodwill of an amount of € 17.937.740.

**7.7 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Beginning of the year</b>	<b>1.897.549</b>	<b>1.929.831</b>	<b>16.674</b>	<b>48.955</b>
Additions	7.800	-	6.800	-
Other impairments	(1.337.986)	-	-	-
Write-offs/ liquidations/devaluations	(510.660)	(32.282)	(16.674)	(32.282)
<b>Balance at end of the year</b>	<b>56.703</b>	<b>1.897.549</b>	<b>6.800</b>	<b>16.674</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. During the current year 2009 a provision for the impairment of investments both on an individual and Group level was established, with an equivalent reduction in the current year’s 2009 results (Finance expenses: Note 7.29).

The additions relate to the participation of the Group and the Parent Company in the company “EVOIKI DEVELOPMENT SEACULTURE COMPANY” (management company of organized regions of developed aquaculture) with a percentage shareholding for the Group of 11,746% and that of the Company 11,333%.

During the year 2009 the followed investments of the Parent Company have been devalued: “Hellenic Fishery Quality” of an amount of Euro 14.674 and “Varvasiakos S.A” by an amount of € 2.000.



During the current year the amount of Euro 1.337.985,98 in relation to the loan denominated in British pounds which had been granted by the company Sea Farm Ionian to the company Bluewater Flatfish Farms Ltd, was transferred from available for sale financial assets to the receivables. Following this, the remaining investment was devalued by a percentage of 90% of the initial value and by an amount of Euro 440.131,44 which is presented in (Finance expenses: Note 7.29).

During the year 2009 the following investments of the subsidiary company Sea Farm Ionian were devalued: Seafarm Ionian Holdings Ltd by an amount of € 1.750, Seafarm Ionain Holdings (USA) Inc. of an amount of € 11.269,21, Hellenic Fishery of an amount of € 38.151,13 and Alpha Lamda € 2.684,69.

### **7.8 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Other non-current receivables	2.935	2.935	3.681	4.049
Guarantees provided	267.346	237.755	163.067	163.092
<b>Total</b>	<b>270.281</b>	<b>240.690</b>	<b>166.748</b>	<b>167.141</b>

### **7.9 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 spawn-generating adult fish, fish spawn and stock breeding products at a specific point in time and are measured at fair value (i.e. selling price) based on IAS 41. 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Balance of biological assets at 1 January</b>	<b>241.148.927</b>	<b>191.040.211</b>	<b>193.322.924</b>	<b>157.075.497</b>
Increases due to purchases of biological assets	144.522	1.285.712	270.402	1.900.945
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	151.718.413	160.800.692	118.320.764	126.663.520
Decreases due to sales of biological assets	(120.062.421)	(111.977.688)	(89.790.852)	(91.900.205)
Biological inventory as at 30/09/2008 transferred to the spin-off segment	-	-	-	(416.833)
<b>End balance of biological assets at 31 December 2009</b>	<b>272.949.441</b>	<b>241.148.927</b>	<b>222.123.238</b>	<b>193.322.924</b>
<b>ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET</b>				
<b>A) Biological assets of fish (Assets – Non-current assets)</b>	81.317.458	135.172.344	73.141.264	116.842.903
<b>B) Biological Poultry-Livestock (Assets - Non-current assets)</b>	181.000	244.000	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</i>	<b>81.498.458</b>	<b>135.416.344</b>	<b>73.141.264</b>	<b>116.842.903</b>
<b>C) Biological assets fish (Inventories - Current assets)</b>	191.278.278	105.539.887	148.981.974	76.480.021
<b>D) Biological Poultry-Livestock (Inventories - Current assets)</b>	172.705	192.695	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Current</i>	<b>191.450.983</b>	<b>105.732.583</b>	<b>148.981.974</b>	<b>76.480.021</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>272.949.441</b>	<b>241.148.927</b>	<b>222.123.238</b>	<b>193.322.924</b>

## 7.10 Inventories

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Merchandise	1.697.970	2.575.069	219.961	1.324.499
Finished and semi-finished goods	2.526.505	6.957.670	2.427.535	6.259.896
Work in progress	118.580	155.028	118.580	155.028
Raw and auxiliary materials-Package materials	5.289.871	6.075.361	3.642.106	3.612.675
Consumables	90.750	141.128	86.644	134.354
Packing items	8.979	12.147	7.126	9.562
<b>Total</b>	<b>9.732.655</b>	<b>15.916.403</b>	<b>6.501.952</b>	<b>11.496.014</b>

The amount of inventories recognised as an expense during the year and included in consumables, amounts to € 100.686.340 for the Group and € 111.095.309 for the Company (2008: € 104.672.779 for the Group and € 115.804.428 for the Company).

The Group has no pledged inventories.

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

## 7.11 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Trade receivables from third parties (Trade debtors)	26.722.747	36.453.660	54.915.613	49.280.109
Trade receivables from third parties (Notes)	3.356.438	1.585.126	1.538.421	1.200.464
Trade receivables from third parties (Cheques receivable)	31.901.521	31.606.292	28.192.243	26.026.575
Trade receivables from related parties	-	-	-	-
Less: Provision for uncollectible receivables	(8.553.017)	(12.574.598)	(6.430.555)	(6.753.974)
<b>Total trade &amp; other receivables-net</b>	<b>53.427.689</b>	<b>57.070.480</b>	<b>78.215.722</b>	<b>69.753.174</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.

The carrying value of a receivable (measured at amortised cost) is considered to approximate its 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. 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.

We hereby refer to that during the current year 2009 a write-off of bad debts has performed in accordance with article 31 par. 1st of L. 2238/1994.

### **7.12 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Sundry debtors	8.250.345	8.807.502	6.178.637	9.519.096
Claims from Greek State	6.393.177	10.830.221	3.546.903	7.803.167
Other receivables	42.831	534.450	-	-
Disputed debtors	207.145	111.269	30.000	30.000
Cash advances to personnel	145.188	259.385	112.037	196.963
<b>Total</b>	<b>15.038.685</b>	<b>20.542.828</b>	<b>9.867.577</b>	<b>17.549.226</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.

The carrying value of a receivable (measured at amortised cost) is considered to approximate its 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 € 626.054 (2008: € 9.359.869) for the Group and € 626.054 (2008: € 626.348) for the Company.

We hereby refer to that during the current year 2009 a write-off of bad debts has performed in accordance with article 31 par. 1st of L. 2238/1994.

**7.13 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Deferred expenses	954.025	373.931	789.893	323.797
Accrued income-year	465.040	1.792.733	40.922	1.427.344
Inventory-in-transit	-	34.161	-	-
Other prepayments and accrued income	21.277	57.750	5.461	53.555
<b>Total</b>	<b>1.440.343</b>	<b>2.258.574</b>	<b>836.276</b>	<b>1.804.695</b>

**7.14 Derivative Financial Instruments**

The derivative financial instruments refer to the following:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Derivative financial instruments</b>				
CAP contracts with or without knock out barrier-Cash flow hedging	(103.330)	(152.933)	(81.040)	(107.736)
Interest rate swap	(1.219.867)	(637.795)	(1.219.867)	(637.795)
<b>Derivative financial instruments (assets)</b>	<b>(1.323.198)</b>	<b>(790.728)</b>	<b>(1.300.907)</b>	<b>(745.531)</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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Opening balance</b>	<b>(790.728)</b>	<b>265.859</b>	<b>(745.531)</b>	<b>237.076</b>
Additions	-	(637.795)	-	(637.795)
Changes in fair value	(532.470)	(418.792)	(555.376)	(344.812)
<b>Total</b>	<b>(1.323.198)</b>	<b>(790.728)</b>	<b>(1.300.907)</b>	<b>(745.531)</b>

Changes in fair value are recognized in the Income Statement and specifically in the account "Finance (costs)/income".  
Note 7.29

**7.15 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Securities	238	73	238	73
<b>Total</b>	<b>238</b>	<b>73</b>	<b>238</b>	<b>73</b>

The movement of derivative financial instruments is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Opening balance</b>	73	1.166	73	1.166
Changes in fair value	165	(1.094)	165	(1.094)
<b>Total</b>	<b>238</b>	<b>73</b>	<b>238</b>	<b>73</b>

The changes in fair value of these financial assets are included in the item “Finance income/costs” (Note 7.29.).

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

**7.16 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Cash on hand	67.748	108.192	46.214	61.273
Sight bank deposits	3.810.714	2.431.778	2.980.159	1.809.040
Time bank deposits	11.865.000	27.100.000	11.865.000	26.830.000
<b>Total</b>	<b>15.743.462</b>	<b>29.639.970</b>	<b>14.891.373</b>	<b>28.700.314</b>

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

**7.17 Equity****i) Issued Capital**

The share capital of “NIREUS AQUACULTURE S.A” 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 “NIREUS AQUACULTURE S.A”. The shares of “NIREUS AQUACULTURE S.A” are freely traded in the Athens Stock Exchange.



Amounts in Euro	GROUP					COMPANY				
	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 2008</b>	51.530.273	78.326.015	-	47.797.637	126.123.652	51.530.273	78.326.015	-	47.797.637	126.123.652
Purchase of treasury shares	-	-	(47.271)	-	(47.271)	-	-	(47.271)	-	(47.271)
Change from the merger of subsidiary companies	11.845.370	6.234.405	-	10.230.659	16.465.064	11.845.370	6.234.405	-	10.230.659	16.465.064
Issue of shares with capitalization of reserves	-	18.992.455	-	(19.169.720)	(177.265)	-	18.992.455	-	(19.169.720)	(177.265)
Reduction of share capital for coverage of losses	-	(18.629.513)	-	-	(18.629.513)	-	(18.629.513)	-	-	(18.629.513)
Transfer of reserves for coverage of own investments N.3229/04	-	-	-	(2.627.430)	(2.627.430)	-	-	-	(2.627.430)	(2.627.430)
Share capital increase from the conversion of debentures	83.569	111.982	-	268.350	380.332	83.569	111.982	-	268.350	380.332
Change in tax rate from 25%-20%	-	-	-	(10.634)	(10.634)	-	-	-	(10.634)	(10.634)
<b>Balance at 31 December 2008</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>	63.610.644	85.238.263	(47.271)	36.164.621	121.355.613	63.610.644	85.238.263	(47.271)	36.164.621	121.355.613

Based on the decision taken by the Board of Directors of NIREUS AQUACULTURE S.A held on 13/01/2009 the company's share capital increased by € 178.658,18 and 133.327 new shares were issued through the conversion of the debentures to shares, of a nominal value of € 1,34 each.

Subsequent to this, and based on the Board of Directors decision taken as at 15/07/2009 the share capital of Nireus Aquaculture further increased by € 24.260,70 and 18.105 new shares were issued which resulted from the conversion of the bonds to shares.

Subsequent to the above, the company's share capital amounts to € 85.238.262,96 composed of 63.610.644 common nominal shares with voting rights with a nominal value of 1,34 € each.

## ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

Amounts in Euro	GROUP	COMPANY
<b>Balance at 1 January 2008</b>	<b>9.672.049</b>	<b>9.524.455</b>
Sale	(97.577)	-
Write-off of fair value reserve and transfer to retained earnings	(9.943)	(42.704)
Spin-off	-	32.761
Change in tax rate 25%-20%	19.248	19.248
<b>Balance at 31 December 2008</b>	<b>9.583.777</b>	<b>9.533.760</b>
Change in percentage of subsidiary companies	(132)	-
Change in tax rate 25%-20%	(3.333)	(3.333)
<b>Balance at 31 December 2009</b>	<b>9.580.312</b>	<b>9.530.427</b>

## iii) Other reserves

Other reserves of the Company are as follows:



<i>Amounts in Euro</i>							
	<b>LEGAL RESERVE</b>	<b>LAW PROVISIONS</b>	<b>UNDER IFRS 2</b>	<b>CONVERTIBLE BOND LOAN *</b>	<b>INTERESTS KEGO S.A</b>	<b>OTHER RESERVES</b>	<b>TOTAL</b>
<b>Balance at 1 January 2008</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(310.043)</b>	<b>16.283.838</b>	-	<b>21.945.217</b>
Transfers from merged companies	-	-	-	-	(671.823)	-	<b>(671.823)</b>
Write-off of absorbed companies	-	-	-	-	(15.612.016)	-	<b>(15.612.016)</b>
Transfer of reserve for the coverage of equivalent losses	-	-	-	-	-	(390.198)	<b>(390.198)</b>
Transfer of reserve for coverage of own investment of L. 3299/04	-	-	-	-	-	2.627.430	<b>2.627.430</b>
Change in the tax rate 25%-20%	-	-	-	(7.441)	-	-	<b>(7.441)</b>
<b>Balance at 31 December 2008</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	<b>(0)</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>(0)</b>	<b>3.068.275</b>	<b>8.722.212</b>

## 7.18 Borrowings

The non-current and current borrowings are as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Non-current borrowings</b>				
Bank borrowings	190.484.945	193.022.655	166.817.193	167.570.992
Less: Borrowings payable in following year (Loans)	(14.115.928)	(3.301.183)	(11.374.142)	(1.002.330)
<b>Total non-current borrowings</b>	<b>176.369.017</b>	<b>189.721.472</b>	<b>155.443.050</b>	<b>166.568.663</b>
<b>Liabilities payable in following year</b>				
Liabilities payable in following year (Loans)	(14.115.928)	(3.301.183)	(11.374.142)	(1.002.330)
<b>Total liabilities payable in following year</b>	<b>(14.115.928)</b>	<b>3.301.183</b>	<b>(11.374.142)</b>	<b>1.002.330</b>
<b>Short-term loans</b>				
Bank borrowings	67.711.193	59.849.833	59.889.781	54.743.306
<b>Total short-term loans</b>	<b>67.711.193</b>	<b>59.849.833</b>	<b>59.889.781</b>	<b>54.743.306</b>
<b>Total loans</b>	<b>258.196.138</b>	<b>252.872.488</b>	<b>226.706.973</b>	<b>222.314.298</b>

Maturities of non-current borrowings are analysed below:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Between 1 and 2 years	18.695.328	13.824.389	16.426.007	11.521.127
Between 2 and 5 years	77.664.181	77.112.375	71.069.725	70.303.090
Over 5 years	80.009.507	98.784.707	67.947.319	84.744.445
	<b>176.369.017</b>	<b>189.721.472</b>	<b>155.443.050</b>	<b>166.568.663</b>

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

	<b>31/12/2009</b>	<b>31/12/2008</b>
	<b>€</b>	<b>€</b>
Bank borrowings (current)	4,93%	5,20%
Bank borrowings (non-current)	4,75%	4,75%

On 28/01/2008 a 7 year bond loan contract was signed of an amount of € 90.000.000 for the purpose of refinancing existing loan borrowings.

## 7.19 Deferred Income Taxes



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

Amounts in Euro

	GROUP		COMPANY	
	2009	2008	2009	2008
<b>DEFERRED TAX ASSETS</b>				
Intangible assets	422.854	463.957	330.518	365.236
Receivables	2.140.742	2.041.486	1.743.395	1.671.388
Retirement benefit obligations	537.996	591.345	455.666	474.413
Other non-current liabilities	273.083	486.896	520.889	482.543
Provisions	-	13.227	-	-
Other current liabilities	398.546	405.825	383.060	399.099
<b>TOTAL DEFERRED TAX ASSETS (prior to net-offs)</b>	<b>3.773.220</b>	<b>4.002.736</b>	<b>3.433.528</b>	<b>3.392.680</b>
Effect from net-offs of deferred tax assets	(3.752.029)	(3.976.554)	(3.433.528)	(3.392.680)
<b>TOTAL DEFERRED TAX ASSETS (following the net-offs)</b>	<b>21.191</b>	<b>26.182</b>	<b>-</b>	<b>-</b>
<b>DEFERRED TAX LIABILITIES</b>				
Intangible assets	-	-	-	-
Property, Plant & Equipment	(1.704.078)	(1.793.707)	(1.486.716)	(1.568.060)
Other long-term receivables	-	(12.080)	-	-
Inventories	(19.629.532)	(16.040.552)	(17.515.176)	(13.769.261)
Provisions	(13.982)	-	(13.537)	(835)
<b>TOTAL DEFERRED TAX LIABILITIES (prior to net-offs)</b>	<b>(21.347.592)</b>	<b>(17.846.339)</b>	<b>(19.015.429)</b>	<b>(15.338.156)</b>
Effect from net-offs of deferred tax liabilities	3.752.029	3.976.554	3.433.528	3.392.680
<b>TOTAL DEFERRED TAX LIABILITIES (following the net-offs)</b>	<b>(17.595.564)</b>	<b>(13.869.786)</b>	<b>(15.581.901)</b>	<b>(11.945.476)</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 31/12/2009 relate to the subsidiaries located in Turkey by an amount of € 200.499 (tax rate 20%), to subsidiaries located in Spain by an amount of € 193.277 (tax rate 30%) and by an amount of € 17.201.788 for companies that are located in Greece (tax rate 20%-24%). The respective amounts as at 31/12/2008 were for the companies which are located in Turkey € 266.811, those located in Spain by an amount of € 163.037 and by an amount of € 13.439.938 for companies that are located in Greece. The deferred tax receivables for the Group as at 31/12/2009 relate to, an amount of € 14.889 for the companies which are located in Turkey (tax rate of 20%), and an amount of € 6.302 to the companies which are located in Greece (tax rate 20%-24%). The respective amounts as at 31/12/2008 were € 20.683 for the companies which are located in Turkey, and an amount of € 5.499 to the companies which are located in Greece.



## 7.20 Employee Benefits

### Retirement benefit obligations

The Group and the company assesses the retirement benefit obligation as the present value of the legal commitment assumed for the lump sum compensation to retired personnel. 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
<b>Balance liability at beginning of the year</b>	2.840.019	2.655.038	2.286.913	2.283.580
<b>Transfer of pension obligation to the spined-off segment</b>		-		(140.560)
Current service cost	269.732	271.177	206.539	202.506
Finance cost	128.452	120.097	102.911	96.436
Compensation paid	(924.707)	(184.356)	(602.973)	(156.693)
Exchange differences arising from foreign plans	(82)	(11.576)		-
Net actuarial (profit)/losses recognised in the income statement	311.611	(10.361)	228.672	1.643
<b>Total liability at end of the year</b>	<b>2.625.025</b>	<b>2.840.019</b>	<b>2.222.062</b>	<b>2.286.913</b>

The main actuarial assumptions used were as follows:

	<b>31/12/2009</b>	<b>31/12/2008</b>
Discount rate	5,2%	4,5%
Future salary increases	4,0%	3,5%
Inflation rate	2,5%	2,5%

Interest expenses are included in the item "Finance cost" in the Income Statement (see Note 7.29.).

### 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2008</b>	<b>31/12/2008</b>
<b>Employee benefits cost</b>				
Salaries and personnel expenses	32.807.659	36.330.281	25.544.744	28.751.749
<b>Total</b>	<b>32.807.659</b>	<b>36.330.281</b>	<b>25.544.744</b>	<b>28.751.749</b>

**Number of employed personnel**

The number of employed personnel on December 31, 2009 amounted to 852 for the Company, and 1.797 for the Group (for the Company: 852, for the Subsidiaries: 294, for the Associates 651) while on December 31, 2008 this amounted to 962 for the Company, and 1.918 for the Group (for the Company: 962 Subsidiaries: 345 and Associates: 611 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. The options granted by the plan were accounted for according to IFRS 2 - "Group and Treasury Share Transactions". 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 program is now considered invalid.

**7.21 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 2008</b>	<b>6.666.581</b>	<b>6.212.407</b>
Proceeds received over the year	1.319.086	1.256.053
Recognised in the income statement	(1.425.427)	(1.217.987)
<b>Balance at 31 December 2008</b>	<b>6.560.240</b>	<b>6.250.473</b>
Proceeds received over the year	4.197.061	2.761.507
Recognised in the income statement	(2.421.081)	(2.027.214)
<b>Balance at 31 December 2009</b>	<b>8.336.219</b>	<b>6.984.766</b>

**7.22 Other non-current liabilities**

The analysis of other non-current liabilities, of the Group and the Company, is as follows:

*Amounts in Euro*Non-current liabilities based on article 44 L.1892/90  
**Total**

<b>GROUP</b>	
<b>31/12/2009</b>	<b>31/12/2008</b>
3.991.605	4.308.017
<b>3.991.605</b>	<b>4.308.017</b>

Other non-current liabilities at 31/12/2009 relating to the Group result from liabilities of the Group “SEAFARM IONIAN AE” which is subject to article 44 of L. 1892/90.

### **7.23 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Other provisions	218.113	-	-	-
Provision for unaudited tax years	79.273	170.000	59.273	150.000
<b>Total</b>	<b>297.386</b>	<b>170.000</b>	<b>59.273</b>	<b>150.000</b>

Other provisions relate to, under litigation and in favour of third parties, legal cases, for which management taken these to the superior courts.

### **7.24 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Trade payables	25.015.466	27.936.387	26.615.144	22.282.919
Cheques payable	27.524.934	33.925.832	24.054.104	30.469.052
Promissory notes	413.540	1.027.517	-	537.910
Notes payable	755.915	978.809	-	-
<b>Total</b>	<b>53.709.855</b>	<b>63.868.544</b>	<b>50.669.248</b>	<b>53.289.881</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.

### **7.25 Other current liabilities**

The analysis of other current liabilities is as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Wages and salaries payable	1.605.466	1.685.898	1.224.024	1.339.262
Dividends	580.882	167.488	91858,32	128.464
Social security	1.778.190	1.958.732	1.357.539	1.455.143
Taxes - duties	927.342	887.339	639.192	248.631
Accrued expenses	1.521.327	2.048.282	1.400.062	1.690.833
Sundry creditors - Prepayments	3.471.260	4.133.844	3.062.800	5.637.819
<b>Total</b>	<b>9.884.467</b>	<b>10.881.583</b>	<b>7.775.476</b>	<b>10.500.152</b>

### **7.26 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Sales of merchandise & goods	42.535.711	53.868.453	69.939.149	79.695.032
Sales of other inventories and junk	688.882	2.832.827	2.133.829	2.399.837
Sale of services	231.369	1.073.594	1.156.415	1.431.731
<b>Total sales of merchandise and other materials</b>	<b>43.455.961</b>	<b>57.774.874</b>	<b>73.229.393</b>	<b>83.526.599</b>

### **7.27 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Third party fees and expenses	13.132.934	13.252.170	10.701.380	12.457.317
Third party benefits	8.840.100	10.040.216	6.818.642	7.791.089
<b>Total third party fees and benefits</b>	<b>21.973.034</b>	<b>23.292.386</b>	<b>17.520.022</b>	<b>20.248.405</b>

### **7.28 Other expenses**

Analysis of other operating expenses is as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Taxes-duties (other than the non-incorporated in the operating cost taxes)	698.014	526.367	598.634	475.375
Transportation expenses	12.568.374	13.064.903	11.487.932	11.920.811
Travelling expenses	527.351	852.261	391.091	709.405
Sales promotion and advertising expenses	356.544	537.759	315.762	481.803
Exhibition and demonstration expenses	109.129	208.863	102.414	200.369
Special export expenses	163.013	178.534	156.834	175.988
Subscriptions – Contributions	103.118	148.260	93.096	128.356
Donations and subsidies	50.803	217.933	26.803	203.513
Printed matter and stationery	95.245	157.899	73.418	139.462
Consumable materials	2.378.891	2.871.992	1.871.113	2.444.367
Publication expenses	40.658	106.799	23.797	89.205
Expenses for participating interests and securities	35	8.825	35	225
Losses from sale of participating interests and securities	11.962	-	95.200	-
Sundry expenses	427.728	740.936	426.576	625.990
Operating provisions	125.000	286.868	-	272.942
<b>Total other operating expenses</b>	<b>17.655.869</b>	<b>19.908.198</b>	<b>15.662.705</b>	<b>17.867.809</b>

## 7.29 Financial results

Analysis of finance income and expenses is as follows:

### Finance Income

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Dividends	-	440	1.450.574	700.232
Interest income on financial assets at amortised cost	273.267	1.447.645	225.347	1.401.688
Gain on securing interest rate risk	-	133.734	-	133.734
Gain on measurement of other financial assets	165	24.352	165	-
Gain on measurement of derivative financial instruments	89.964	-	67.058	-
Gain on sale / disposal of participating interests	-	254.119	-	333.480
<b>Total finance income</b>	<b>363.397</b>	<b>1.860.289</b>	<b>1.743.144</b>	<b>2.569.134</b>

### Finance Expenses

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Interest expense from bank borrowings at amortised cost and other similar charges	11.573.244	12.922.670	10.177.889	11.223.294
Interest expense from defined benefit plans	128.452	120.097	102.911	96.436
Loss on measurement of other financial assets	510.660	1.094	16.674	1.094
Loss from measurement of Dividends	-	-	-	-
Loss from measurement of derivative financial instruments	622.434	1.056.587	622.434	982.607
Loss from sale of participating interests	362.506	304.576	-	-
<b>Total finance expenses</b>	<b>13.197.297</b>	<b>14.405.023</b>	<b>10.919.907</b>	<b>12.303.430</b>

## 7.30 Other income/(expenses)

The analysis of other income and expenses is the following:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Sales subsidies and other sales revenue	482.864	600.894	97.279	336.467
Income from other operations	336.101	210.728	305.654	173.026
Other income/expenses	2.290.752	740.744	1.802.240	971.080
Tax fines and surcharges	(122.849)	(186.663)	(52.412)	(1.982)
Theft-Misappropriation	-	-	-	-
Exchange differences	(533.910)	(1.437.049)	(16.432)	(79.249)
Other extraordinary & non-operating expenses	(500.964)	(512.383)	(174.318)	(409.664)
Losses from destruction of scrap inventories	(195.536)	(1.503.918)	(25.789)	(1.470.431)
Losses from disposal of assets	(87.711)	(366.130)	(33.411)	(162.127)
Gain on disposal of assets	90.154	77.105	21.152	25.864
Gain on revaluation of investment property at fair value	-	8.158	-	(16.342)
Other expenses/income brought forward	370.828	(664.470)	66.068	(534.399)
<b>TOTAL OTHER INCOME/(EXPENSES)</b>	<b>2.129.729</b>	<b>(3.032.986)</b>	<b>1.990.031</b>	<b>(1.167.758)</b>

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

Other income/ (expenses) mainly include the proportion of the amortisation of Grants.

### 7.31 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Current tax	332.728	(468.959)		(286.533)
Prior years' tax audit differences	-	(2.321.267)		(2.228.889)
Other non-incorporated in the operating cost taxes		-		-
Deferred tax	3.589.051	(5.861.876)	3.616.284	(4.774.676)
<b>Total</b>	<b>3.921.779</b>	<b>(8.652.102)</b>	<b>3.616.284</b>	<b>(7.290.098)</b>
<b>Profit before tax</b>	<b>939.295</b>	<b>9.782.341</b>	<b>6.191.097</b>	<b>10.494.448</b>
Tax rate	25%	25%	25%	25%
<b>Estimated tax charge</b>	<b>234.824</b>	<b>2.445.585</b>	<b>1.547.774</b>	<b>(2.623.612)</b>
Adjustments for income that is not subject to tax	(619.160)	234.506	(571.460)	228.502
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	4.306.115	3.650.744	2.639.970	7.456.319
- Prior years' tax audit differences	-	2.321.267	-	2.228.889
<b>Actual Tax Charge</b>	<b>3.921.779</b>	<b>8.652.102</b>	<b>3.616.284</b>	<b>7.290.098</b>

For the year 2009 the tax charge has been calculated applying a tax rate of 25% on taxable profit.

### 7.32 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>31/12/2009</b>	<b>31/12/2008</b>
Profit attributable to equity holders of the Company	340.390	316.161
Weighted average number of ordinary shares	63.564.358	54.492.340
<b>Basic earnings per share (€ per share)</b>	<b>0,0054</b>	<b>0,0058</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.

### ***8. 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 7.23 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 2009 amounted to € 7.384.217 and for the Company to € 3.207.754 in addition to guarantees for the parent company to its subsidiaries of the amount of € 22.650.562. The contingent assets for the year 2009 amount to € 3.686.382 for the Group and to the amount of € 3.373.533 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:

**GROUP COMPANIES OF "NIREUS AQUACULTURE S.A"****UNAUDITED TAX YEARS**

NIREUS AQUACULTURE S.A	2008-2009
AQUACOM LTD	-
PROTEUS EQUIPMENT S.A	2007-2009
ILKNAK SU URUNLERI SAN Ve TIC A.S.	2009
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	2009
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	1999-2009
KEGO AGRI S.A	2007-2009
NIREUS INTERNATIONAL LTD	2006-2009
MIRAMAR PROJECTS CO LTD - UK	2005-2009
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	2009
BLUEFIN TUNA S.A	2007-2009
MARINE FARMS ASA	-
SEAFARM IONIAN S.A	2005-2009
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	1999-2009
AQUA TERRAIR S.A	1999-2009
ILKNAK DENIZCILIK A.S.	2009

**Information in respect of contingent liabilities from sea-area operating leases.**

At 31 December 2009, 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*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
No later than 1 year	219.223	43.067	121.525	15.535
Later than 1 year and no later than 5 years	742.181	336.315	411.339	174.488
Later than 5 years	392.328	498.739	96.731	133.962
	<b>1.353.733</b>	<b>878.120</b>	<b>629.595</b>	<b>323.984</b>

The sea leases recognized in the profit and loss for the year are analysed as follows:

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
	370.747	317.931	206.872	192.273

The acquisition by "NIREUS AQUACULTURE SA" of 3.144.907 registered shares of "SEAFARM IONIAN AE" 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. The payment of the consideration and the respective delivery of shares have been arranged to be made by instalments starting from 06/07/2006 until 30/06/2010 (expiry date). Hereon we state that until 31/12/2008 in performance of the above, 2.672.428 registered shares of "S.F.I." have been purchased by the company against a total purchase consideration Euro 6.873.066 with a participation percentage amounting to 24,995% 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 of “NIREUS AQUACULTURE S.A” as Strategic Investor of “SEAFARM IONIAN S.A” with the Banks - Creditors that participate in the equity structure of the Enterprise “SEAFARM IONIAN S.A”.

The Board of Directors of NIREUS AQUACULTURE SA at its meeting held on 28/09/2007 approved the merger by absorption of the subsidiary companies SEAFARM IONIAN AE by the parent NIREUS AQUACULTURE SA with Transformation Balance Sheets at 31/12/2007. The procedure of absorption for SEAFARM IONIAN will be delayed because the absorption of SEAFARM IONIAN depends on the results of the aforementioned negotiations.

## **9. 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 31/12/2009 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 31/12/2009 to € 89.234.471,56.

(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 31/12/2009 amounted to € 89.234.471,56.

(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 31/12/2009 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 31/12/2009 amounted to € 138.062,92.

(b) Mortgages have been registered of an amount of € 250.000 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 31/12/2009 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 31/12/2009 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 31/12/2009 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 € 6.450.000, in addition to customer cheques of an amount of € 5.039.352,62 have been pledged in favor of the Piraeus Bank. In respect of the same loan, bank deposits of an amount of € 129.586,93 have been restricted
- 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 € 1.795.184,58 have been secured. In respect of the same loan, bank deposits of an amount of € 8.205.000 have been restricted as at 31/12/2009.

There are no other assets pledged as security on the fixed assets for “NIREUS AQUACULTURE S.A” and of the Group.

## ***10. 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>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Subsidiaries	-	-	22.052.275	22.730.192
Associates	157.423	133.159	157.423	133.159
<b>Total</b>	<b>157.423</b>	<b>133.159</b>	<b>22.209.698</b>	<b>22.863.351</b>

**Other income**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Subsidiaries	-	-	36.153	23.338
Associates	30.440	-	-	-
<b>Total</b>	<b>30.440</b>	<b>0</b>	<b>36.153</b>	<b>23.338</b>

**Purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Subsidiaries	-	-	28.646.796	22.135.487
Associates	187.862	133.159	-	-
Directors and key management	265.040	180.000	265.040	180.000
<b>Total</b>	<b>452.902</b>	<b>313.159</b>	<b>28.911.836</b>	<b>22.315.487</b>

**Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Directors and key management	3.042.712	3.213.746	2.227.058	2.195.187
<b>Total</b>	<b>3.042.712</b>	<b>3.213.746</b>	<b>2.227.058</b>	<b>2.195.187</b>

**Year-end balances arising from Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Directors and key management	170.871	143.626	137.210	104.927
<b>Total</b>	<b>170.871</b>	<b>143.626</b>	<b>137.210</b>	<b>104.927</b>

**Year-end balances arising from purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Directors and key management	53.928	18.563	53.928	18.563
<b>Total</b>	<b>53.928</b>	<b>18.563</b>	<b>53.928</b>	<b>18.563</b>

**Receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Subsidiaries	-	-	41.142.385	31.804.860
Associates	203.010	67.953	183.908	52.341
<b>Total</b>	<b>203.010</b>	<b>67.953</b>	<b>41.326.293</b>	<b>31.857.200</b>

**Payables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2009</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>31/12/2008</b>
Subsidiaries	-	-	6.980.348	3.637.026
Associates	203.010	67.953	2.738	-
<b>Total</b>	<b>203.010</b>	<b>67.953</b>	<b>6.983.086</b>	<b>3.637.026</b>

**Transactions with major Directors**

The fees of the members of the Board of Directors for the year 2009 and 2008 are as follows:



**Transactions and compensation to Directors and key management**

*Amounts in Euro*

Salaries, employment benefits and other compensation to Directors  
Salaries and other employment benefits to key management  
Compensation to Directors approved by A.G.M.

GROUP		COMPANY	
31/12/2009	31/12/2008	31/12/2009	31/12/2008
1.245.242	985.828	1.245.242	985.828
1.579.586	1.761.743	1.153.426	1.116.355
482.924	646.175	93.430	273.004
<b>3.307.752</b>	<b>3.393.746</b>	<b>2.492.098</b>	<b>2.375.187</b>

**Receivables from Directors and key management**

*Amounts in Euro*

Receivables from loans advanced  
Other receivables

GROUP		COMPANY	
31/12/2009	31/12/2008	31/12/2009	31/12/2008
0	0	0	0
0	0	0	0
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Payables to Directors and key management**

*Amounts in Euro*

Payables for loan repayments  
Payables for salaries, employment benefits and other compensation  
Payables for Directors compensation approved by A.G.M.  
Payables for Directors withdrawals from year's profits approved by A.G.M.

GROUP		COMPANY	
31/12/2009	31/12/2008	31/12/2009	31/12/2008
136.329	91.103	121.568	76.304
88.470	71.086	69.570	47.186
0	0	0	0
<b>224.799</b>	<b>162.189</b>	<b>191.138</b>	<b>123.489</b>

**11. 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:

<i>Amounts in Euro</i>	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>



Amounts in Euro	2008							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	-	-	-	-	-	-	-	71.393.415	71.393.415
Investment property	-	-	-	-	-	-	-	4.281.300	4.281.300
Goodwill	-	-	-	-	-	-	-	29.584.979	29.584.979
Intangible assets	-	-	-	-	-	-	-	15.932.437	15.932.437
Investments in Subsidiaries	-	-	-	-	-	-	-	362.506	362.506
Investments in Associates	-	-	-	-	-	-	-	34.132.602	34.132.602
Deferred income tax assets	-	-	-	-	-	-	-	26.182	26.182
Available-for-sale financial assets	-	-	-	1.897.549	-	-	-	-	1.897.549
Other non-current receivables	240.690	-	-	-	-	-	-	-	240.690
Biological assets	-	-	-	-	-	-	-	241.148.927	241.148.927
Inventories	-	-	-	-	-	-	-	15.916.403	15.916.403
Trade and other receivables	57.070.480	-	-	-	-	-	-	-	57.070.480
Other receivables	20.542.828	-	-	-	-	-	-	-	20.542.828
Other-non current assets	-	-	-	-	-	-	-	2.258.574	2.258.574
Derivative financial instruments	-	-	-	-	-	-	-	-	0
Financial assets at fair value through profit or loss	-	-	73	-	-	-	-	-	73
Current income tax assets	-	-	-	-	-	-	-	-	0
Cash and cash equivalents	29.639.970	-	-	-	-	-	-	-	29.639.970
<b>Total Assets</b>	<b>107.493.968</b>	<b>0</b>	<b>73</b>	<b>1.897.549</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>415.037.325</b>	<b>524.428.915</b>
Long-term borrowing liabilities	-	-	-	-	-	-	189.721.472	-	189.721.472
Deferred income tax liabilities	-	-	-	-	-	-	-	13.869.786	13.869.786
Retirement benefit obligations	-	-	-	-	-	-	-	2.840.019	2.840.019
Grants	-	-	-	-	-	-	-	6.560.240	6.560.240
Other non-current liabilities	-	-	-	-	-	-	-	4.308.017	4.308.017
Provisions	-	-	-	-	-	-	-	170.000	170.000
Trade and other payables	-	-	-	-	-	-	-	63.868.544	63.868.544
Current income tax liabilities	-	-	-	-	-	-	-	-	0
Short-term borrowings	-	-	-	-	-	-	59.849.833	-	59.849.833
Derivative financial instruments	-	-	-	-	790.728	-	-	-	790.728
Deferred non-current liabilities	-	-	-	-	-	-	-	3.301.183	3.301.183
Other current liabilities	-	-	-	-	-	-	-	10.881.583	10.881.583
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>790.728</b>	<b>-</b>	<b>331.930.632</b>	<b>23.440.045</b>	<b>356.161.405</b>

## 12. Subsequent Events

1. During 2010, the trading of the new 18.104 shares resulting from the conversion 8.350 convertible bonds, issued on 12.07.2007, with conversion price 4,50574 € and conversion ratio 2,16834 shares per bond commenced. As a result of the abovementioned conversion, the share capital increased by 24.259,36 €. This increase was certified by the Board of Directors on 13.01.2010, according to the resolutions of the General Meeting of 11.4.2007 and the decisions of the Board of Directors of 24.05.2007 and 09.07.2007, and it was registered at the Companies' Registry with the relevant announcement No K2 – 611/19.01.2010. Due to the commencement of trading of the new 18.104 shares that resulted from the conversion of the Company's convertible bond, the Company's share capital amounts to 85.262.522,32 € and is divided into 63.628.748 common registered shares of nominal value 1.34 each.

2. In accordance with The Extraordinary General Meeting of Shareholders of the Norwegian listed aquaculture company Marine Farms A.S.A held on 17 March 2010 the new composition of the Board of Directors are as follows:

1. Epaminondas Lambadarios, Chairman
2. Dimitrios Loumpounis, Member
3. Aristides Belles, Member
4. Kristin Krohn Devold, Member
5. Tone Bjornov, Member
6. Katherine Innes Ker, Member
7. Edoardo Bugnone, Member

Three members of the Board are connected with the major shareholder, NIREUS, while the remaining four members are independent, in compliance with all relevant provisions of law and corporate governance. The term of office is two years.



There are no other events following the year ended 31 December 2009 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.

**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

**PAPANIKOLAOU H. DIMITRIOS**  
I.D. No: S 260153

**KONSTANTOPOULOS G. IOANNIS**  
I.D. No: AB 264939

**Koropi, March 30, 2010**

