NIREUS AQUACULTURE AE

Annual Financial Statements

For the Year 2007

from 1 January to 31 December 2007

in accordance with the International Financial Reporting Standards (IFRS)

This is to certify that the accompanying Annual Financial Statements for the year 2007 are those which have been approved by the Board of Directors of "NIREUS AQUACULTURE AE" on 24 March 2008, and have been published by filing them with the Public Companies (S.A.) Register and by posting them on the company's web site, at the address, www.nireus.gr. It is noted that, the published in the press condensed financial data aim to provide to any reader certain general financial data and information but they do not present a comprehensive picture of the financial position and of the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards. Moreover, for simplification purposes, certain financial data and information published in the press has been reclassified or amalgamated.

Aristides Belles

President of the Board of Directors

NIREUS Aquaculture AE

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NIREUS AQUACULTURE AE

Report on the Financial Statements

We have audited the accompanying separate and consolidated financial statements of NIREUS AQUACULTURE AE, which comprise the separate and consolidated balance sheet as at 31 December 2007, and the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2007, 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).

Without qualifying our opinion, we draw attention to:

1) The tax returns for the years 2005 to 2007 of the parent company and for years one to nine for its subsidiaries, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.
2) Because, for three consolidating by full consolidation domestic subsidiaries of total percentage (prior to inter-company eliminations) 12,62% of consolidated total assets, the total of their Equity is negative, (that is two companies of the Group "NIREUS AQUACULTURE AE", and one of the Group "SEAFARM IONIAN AE"), concur the conditions for the application of the provisions of articles 47 and 48 of c.L. 2190/1920 it is necessary for these companies to take the appropriate reconstruction measures so as to be removed the concurring application of these articles.

Report on Other Legal and Regulatory Requirements

The Report of the Board of Directors includes the information that is provided by the articles 43a paragraph 3 and 107 paragraph 3 of c.L. 2190/20 as well as the article 11a of L. 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 26 March 2008

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
Institute of CPA Reg. No 125
A Horwath Business Alliance Associate

STYLIANOS M. XENAKIS

Certified Public Accountant Auditor

Institute of CPA Reg. No. 11541

SOL S.A. – Certified Public Accountants Auditors

3, Fok. Negri Street - Athens, Greece

Income Statement

Amounts in Euro	Note	GROUP 31/12/2007	GROUP 31/12/2006
Fair value of Biological assets at 31/12/2006		**153.068.570**	**114.600.471**
Opening inventories at date of acquisition of subsidiary with biological assets		**7.215.420**	**13.153.647**
Purchases during the year		5.415.457	473.732
Sales during the year		134.243.555	99.015.323
Fair value of biological assets at 31/12/2007		**191.040.211**	**153.068.570**
Gain or Loss arising from changes in fair value of biological assets at 31/12/2007		**159.584.319**	**123.856.043**
Sales of non-biological goods-merchandise and other inventories	**7.25**	80.017.535	62.467.096
Disposals		124.588.303	94.281.505
Salaries & personnel expenses	**7.20**	36.848.233	30.647.472
Third party fees and benefits	**7.26**	23.184.420	17.434.735
Other expenses	**7.27**	21.441.587	17.712.524
Finance (costs)/Income	**7.28**	(7.232.035)	(6.095.622)
Profits/Losses from consolidation by the net equity method	**7.6**	753.662	481.777
Depreciation		7.798.207	7.108.782
Other income/(expenses)	**7.29**	1.089.087	1.014.775
Results for the year before taxes		**20.351.818**	**14.539.051**
Income tax	**7.30**	(1.564.213)	(1.711.747)
Deferred income tax	**7.30**	(3.311.765)	(1.176.461)
Prior years' tax audit differences	**7.30**	(546.055)	(2.725.025)
Other not charged to the operating cost taxes	**7.30**	-	(1.463)
Net profit for the year		**14.929.785**	**8.924.355**
Attributable to:			
Equity holders of the company		10.355.646	9.045.157
Minority interest		4.574.139	(120.802)
Total		**14.929.785**	**8.924.355**
Earnings after taxes per share – basic in €	**7.31**	**0,225**	**0,224**
Earnings after taxes per share – diluted in €	**7.31**	**0,222**	**0,000**

The accompanying explanatory notes are an integral part of these financial statements.

Amounts is Euro	Note	COMPANY 31/12/2007	31/12/2006
Fair value of Biological assets at 31/12/2006		**128.315.642**	**100.369.326**
Opening inventories at date of acquisition of subsidiary with biological assets		**-**	**9.700.237**
Purchases during the year		2.728.907	615.244
Sales during the year		101.969.141	82.656.140
Fair value of biological assets at 31/12/2007		**149.512.565**	**128.315.642**
Gain or Loss aristing from changes in fair value of biological assets at 31/12/2007		**120.437.157**	**100.286.975**
Sales of non-biological goods-merchandise and other inventories	**7.25**	82.172.463	71.901.640
Disposals		116.286.361	97.117.520
Salaries & personnel expenses	**7.20**	26.497.590	22.925.080
Third party fees and benefits	**7.26**	20.449.855	16.241.958
Other expenses	**7.27**	16.457.665	15.109.296
Finance (costs)/Income	**7.28**	(3.861.192)	(4.239.577)
Depreciation		5.180.747	4.713.072
Other income/(expenses)	**7.29**	(165.407)	590.621
Results for the year before taxes		**13.710.803**	**12.432.733**
Income tax	**7.30**	(1.323.748)	(1.257.364)
Deferred income tax	**7.30**	(2.143.261)	(287.743)
Prior years' tax audit differences	**7.30**	(424.605)	(1.115.958)
Other not charged to the operating cost taxes	**7.30**	-	(1.463)
Net profit for the year		**9.819.189**	**9.770.205**
Attributable to:			
Equity holders of the company		9.819.189	9.770.205
Total		**9.819.189**	**9.770.205**
Earnings after taxes per share – basic in €	**7.31**	**0,213**	**0,242**
Earnings after taxes per share – diluted in €	**7.31**	**0,211**	**0,000**

The accompanying explanatory notes are an integral part of these financial statements.

Balance Sheet

	Note	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
ASSETS					
Non-current assets					
Property, plant and equipment	**7.1**	66.813.786	53.656.698	42.452.540	43.169.594
Investment property	**7.2**	5.373.142	5.379.441	2.141.600	2.152.900
Goodwill	**7.3**	26.542.763	15.137.782	9.719.551	9.719.551
Intangible assets	**7.4**	14.578.101	9.121.012	483.716	615.724
Investments in subsidiaries	**7.5**	401.920	401.920	33.302.064	9.656.234
Investments in associates	**7.6**	37.601.397	1.333.861	35.581.656	462.959
Deferred income tax assets	**7.19**	75.559	425.281	-	-
Available-for-sale financial assets	**7.7**	1.929.831	2.054.485	48.955	123.229
Other long-term receivables	**7.8**	244.381	216.812	119.053	124.224
Biological assets	**7.9**	67.458.708	63.220.524	55.158.250	52.347.777
		221.019.588	**150.947.816**	**179.007.385**	**118.372.192**
Current assets					
Biological assets	**7.9**	123.581.503	89.848.047	94.354.315	75.967.865
Inventories	**7.10**	13.840.329	11.410.594	8.249.905	9.886.969
Trade and other receivables	**7.11**	93.706.828	55.306.707	66.664.550	57.976.850
Other receivables	**7.12**	23.650.100	19.407.879	23.776.301	19.209.293
Other current assets	**7.13**	1.609.079	910.295	1.089.242	515.895
Derivative financial instruments	**7.14**	265.859	-	15.530	-
Financial assets at fair value through profit or loss	**7.15**	1.166	1.304	1.166	1.304
Cash and cash equivalents	**7.16**	51.904.527	11.410.746	37.522.104	10.681.222
		308.559.391	**188.295.572**	**231.673.113**	**174.239.398**
Total Assets		**529.578.979**	**339.243.388**	**410.680.498**	**292.611.590**
EQUITY & LIABILITIES					
Equity					
Share capital	**7.17**	78.326.015	51.165.774	78.326.015	51.165.774
Share premium account	**7.17**	47.797.637	37.664.159	47.797.637	37.664.159
Fair value reserves	**7.17**	9.672.049	10.491.934	8.500.933	9.436.057
Exchange differences		61.751	(148.873)	-	-
Other reserves	**7.17**	6.078.088	13.004.382	5.973.248	13.123.657
Retained earnings		11.240.920	4.392.176	17.601.368	11.192.706
Capital and reserves attributable to Equity holders of the Company		**153.176.460**	**116.569.552**	**158.199.201**	**122.582.353**
Minority interest		**22.947.277**	**5.621.601**	-	-
Total Equity		**176.123.737**	**122.191.153**	**158.199.201**	**122.582.353**
Non-current liabilities					
Long-term borrowings	**7.18**	129.357.321	83.219.532	74.325.478	51.829.195
Deferred income tax liabilities	**7.19**	8.190.054	4.981.033	6.342.620	4.333.010
Retirement benefit obligations	**7.20**	2.655.038	2.155.854	1.990.487	1.876.440
Government grants	**7.21**	6.666.581	6.057.942	4.812.059	5.039.770
Other non-current liabilities	**7.22**	4.676.605	5.297.740	-	308.471
Total non-current liabilities		**151.545.599**	**101.712.101**	**87.470.644**	**63.386.886**
Current liabilities					
Trade & other payables	**7.23**	85.691.278	65.587.982	73.668.098	63.768.320
Short-term borrowings	**7.18**	85.875.256	28.426.099	67.629.959	28.424.023
Deferred payables	**7.18**	13.886.535	6.537.680	10.597.456	5.368.777
Other current liabilities	**7.24**	16.456.574	14.788.374	13.115.140	9.081.231
Total current liabilities		**201.909.643**	**115.340.135**	**165.010.653**	**106.642.351**
Total Liabilities		**353.455.242**	**217.052.235**	**252.481.297**	**170.029.237**
Total Equity and Liabilities		**529.578.979**	**339.243.388**	**410.680.498**	**292.611.590**

The accompanying explanatory notes are an integral part of these financial statements.

Statement of changes in equity

Consolidated statement of changes in equity

GROUP *Amounts in Euro*	Share Capital	Share Premium	Currency Translation Difference Reserve	Fair Value Reserve	Currency Translation Differences	Other Reserves	Retained Earnings	Minority Interest	Total
Balance at 1 January 2006	**50.460.643**	**37.152.013**	**-**	**11.424.075**	**-**	**11.391.293**	**(2.088.957)**	**1.895.374**	**110.234.440**
Exchange differences transfer to relative reserve (Note 2.1.2)	-	-	-	-	(148.873)	148.873	-	-	-
Change in percentage or acquisition of new subsidiary companies	-	-	-	44	-	81.571	(1.628.163)	4.184.373	**2.637.825**
Impact of absorption of subsidiary companies	87.194	(0)	-	37.953	-	565.413	2.605.059	(104.427)	**3.191.192**
Share options granted under IFRS 2	617.938	512.147	-	-	-	764.625	-	-	**1.894.709**
Negative minority interest transfer to retained earnings	-	-	-	-	-	-	(77.450)	77.450	**-**
Approved dividends and Directors' fees	-	-	-	-	-	-	(3.729.639)	(163.197)	**(3.892.836)**
Other changes (sale of assets, exchange differences)	-	-	-	(970.138)	-	(77.024)	395.801	(147.170)	**(798.532)**
Net income/(expense) for the year 01/01-31/12/2006	-	-	-	-	-	129.632	8.915.525	(120.802)	**8.924.354**
Total recognised Income and Expense for 2006	**705.131**	**512.146**	**-**	**(932.141)**	**(148.873)**	**1.613.089**	**6.481.132**	**3.726.228**	**11.956.713**
Balance of equity at 31 December 2006	**51.165.774**	**37.664.159**	**-**	**10.491.934**	**(148.873)**	**13.004.382**	**4.392.175**	**5.621.601**	**122.191.153**
Change in equity for the year 01/01 - 31/12/2007									
Change in percentage or acquisition of new subsidiary companies - Spin-off of sector	-	-	-	(263.189)	-	(3.944.723)	61.253	12.875.134	**8.728.475**
Share options granted under IFRS 2	546.750	315.944	-	-	-	444.027	-	-	**1.306.721**
Issue of shares with reserves	11.263.760	(8.081.787)	-	-	-	(3.250.586)	(24.657)	-	**(93.270)**
Issue of shares with cash	15.349.731	17.899.321	-	-	-	-	-	-	**33.249.052**
Reserve arising from convertible bond loan	-	-	-	-	-	(310.043)	-	-	**(310.043)**
Approved dividends and Directors' fees	-	-	-	-	-	-	(3.947.110)	(182.500)	**(4.129.610)**
Other changes (sale of assets, exchange differences)	-	-	-	(556.696)	210.624	-	538.644	58.902	**251.474**
Net income/(expense) for the year 01/01-31/12/2007	-	-	-	-	-	135.031	10.220.615	4.574.139	**14.929.785**
Total recognised Income and Expense for 2007	**27.160.241**	**10.133.478**	**-**	**(819.885)**	**210.624**	**(6.926.294)**	**6.848.745**	**17.325.675**	**53.932.584**
Balance of equity at 31 December 2007	**78.326.015**	**47.797.637**	**-**	**9.672.049**	**61.751**	**6.078.088**	**11.240.920**	**22.947.277**	**176.123.737**

The accompanying explanatory notes are an integral part of these financial statements.

Statement of changes in equity of the parent Company

COMPANY

Amounts in Euro	Share Capital	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total
Balance at 1 January 2006	**50.460.643**	**37.152.013**	**8.691.297**	**8.069.037**	**10.337.463**	**114.710.453**
Impact of absorption of subsidiary companies	87.194	(0)	744.759	4.160.363	(5.167.693)	**(175.377)**
Share options granted under IFRS 2	617.938	512.147	-	764.625	-	**1.894.709**
Approved dividends and Directors' fees	-	-	-	-	(3.617.639)	**(3.617.639)**
Net income/(expense) for the year 01/01-31/12/2006	-	-	-	129.632	9.640.575	**9.770.207**
Total recognised Income and Expense for 2006	**705.131**	**512.146**	**744.759**	**5.054.620**	**855.243**	**7.871.900**
Balance of equity at 31 December 2006	**51.165.774**	**37.664.159**	**9.436.057**	**13.123.657**	**11.192.706**	**122.582.353**
Change in equity for the year 01/01 - 31/12/2007						
Change in percentage or acquisition of new subsidiary companies - Spin-off of sector	-	-	(268.642)	(4.094.717)	(176.834)	**(4.540.193)**
Share options granted under IFRS 2	546.750	315.944	-	444.027	-	**1.306.721**
Issue of shares with reserves	11.263.760	(8.081.787)	-	(3.250.586)	(24.657)	**(93.270)**
Issue of shares with cash	15.349.731	17.899.321	-	-	-	**33.249.052**
Reserve arising from convertible bond loan	-	-	-	(310.043)	-	**(310.043)**
Approved dividends and Directors' fees	-	-	-	-	(3.814.610)	**(3.814.610)**
Other changes (sale of assets, exchange differences)	-	-	(666.482)	-	666.482	**-**
Net income/(expense) for the year 01/01-31/12/2007	-	-	-	60.910	9.758.281	**9.819.191**
Total recognised Income and Expense for 2007	**27.160.241**	**10.133.478**	**(935.124)**	**(7.150.409)**	**6.408.662**	**35.616.848**
Balance of equity at 31 December 2007	**78.326.015**	**47.797.637**	**8.500.933**	**5.973.248**	**17.601.368**	**158.199.201**

The accompanying explanatory notes are an integral part of these financial statements.

Cash Flow Statement

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash flows from operating activities				
Profit before taxes	20.351.818	14.539.051	13.710.804	12.432.733
Plus/less adjustments for:				
Depreciation charge	7.798.207	7.108.782	5.180.747	4.713.072
Provisions	-	60.886	-	-
Government Grants	(1.534.449)	(1.932.520)	(1.335.380)	(1.368.154)
Provisions for retirement benefit obligations	391.089	452.672	287.629	355.682
Portfolio measurement	109.262	(709)	58.882	(709)
Dividends	(33)	(33)	(50.033)	(51.230)
Interest income	(829.973)	(121.016)	(764.420)	(117.026)
Other non-cash items	(121.151)	186.219	435.999	789.194
Gains from sale of property, plant and equipment	(2.841.976)	266.650	(3.011.027)	(78.196)
Interest expense and similar charges	11.183.036	6.246.693	7.882.656	4.437.833
Plus/less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of inventories	(31.748.918)	(23.646.241)	(21.500.251)	(20.073.171)
Decrease/(increase) of receivables	(9.337.576)	1.802.949	(17.209.308)	8.920.556
(Decrease)/increase of payable accounts (except Banks)	8.122.921	11.112.400	14.017.865	7.121.777
Less:				
Interest expense and similar charges paid	(11.183.036)	(6.246.693)	(7.882.656)	(4.437.833)
Income tax paid	(4.071.516)	(4.776.475)	(2.133.903)	(2.818.045)
Net cash generated from operating activities (a)	**(13.712.295)**	**5.052.615**	**(12.312.396)**	**9.826.483**
Cash flows from investing activities				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(57.939.388)	(864.779)	(58.912.425)	(6.394.887)
Proceeds from sale of subsidiaries, associates, joint-ventures and other investments	8.076.123	5.067.048	7.600.000	2.208.381
Purchases of property, plant and equipment (PPE) and of intangible assets	(15.577.195)	(9.078.454)	(10.755.457)	(6.325.215)
Proceeds from sale of PPE and intangible assets	1.920.467	1.005.635	1.529.696	378.036
Proceeds from Government grants	1.607.630	1.515.139	1.607.630	1.167.617
Interest received	821.166	121.016	764.420	117.026
Dividends received	8.840	33	50.033	51.230
Net cash used in investing activities (b)	**(61.082.357)**	**(2.234.362)**	**(58.116.103)**	**(8.797.812)**
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	34.644.523	1.130.300	34.644.208	1.130.084
Expenses related to the issue of shares	(625.733)	-	(625.733)	
Proceeds from issued/raised bank loans	84.468.249	7.924.954	66.517.507	9.671.135
Dividends paid	(4.310.398)	(3.158.353)	(3.266.600)	(3.158.353)
Net cash used in from financing activities (c)	**114.176.641**	**5.896.901**	**97.269.382**	**7.642.866**
Net increase/(decrease) in cash and cash equivalents for year (a) + (b) + (c)	**39.381.989**	**8.715.154**	**26.840.883**	**8.671.537**
Cash and cash equivalents at beginning of year	**12.522.539**	**2.695.593**	**10.681.222**	**2.009.683**
Cash and cash equivalents at end of year	**51.904.528**	**11.410.747**	**37.522.105**	**10.681.220**

The accompanying explanatory notes are an integral part of these financial statements.

1. Information on the Company

1.1 General Information

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

The company "NIREUS AQUACULTURE AE" (hereinafter the "Company") is a limited company and 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 following resolution of the Annual General Meeting held on 08/05/2007 and relevant authorization of the Minister of Development dated 21/05/2007 was transferred from the Municipality of Kabohoron, Chios, where the company had offices and production facilities, to Koropi-Attica,Dimokritou Street, Portsi Place. The company's web site is www.nireus.gr. The company was established in 1988 in Chios and in 1995 was listed on the Athens Stock Exchange. Since then began its spectacular development in the sector of aquaculture having as a result, today, to be in the Main Market of the ATHEX and having the highest position in the sector. Based on the provisions of the ATHEX new regulations, the company met the criteria to be listed on the category "large capitalization" and in accordance with the article 339 from 09/10/2006, the shares of the company are classified under this category.

The Financial Statements at 31 December 2007, (inclusive of the respective as of 31 December 2006), have been approved for issue by the company's Board of Directors on 24 March 2008. According to the provisions of the Capital Market Commission, amendments in the financial statements are not permitted after their approval.

1.2 Nature of Activities

"NIREUS AQUACULTURE AE" (the Company) and the Group is involved in a diverse range of activities in the aquaculture sector. More specifically, the main activities of the Group is the production of spawn, the production of fish as well as their trade and distribution in domestic and international market, the production of equipment such as nets, cages, etc. for fish production-units, the production and trade of fish feed, the production and trade of processed - manufactured fish and standardized food for mass supply (catering) and the industrial production of dairy products as well as the processing, production and trade of food products. After the acquisition of percentage 28,0922% of the company KEGO AE, in the current year was added to the Group activities the new business sector of livestock and poultry.

2. Basis of preparation of the financial statements

The annual financial statements of "NIREUS AQUACULTURE" AE and of the Group at 31 December 2007 covering the period from 1 January to 31 December 2007, 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.

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) 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

2.1.1 Review of Changes

The Group adopted for first time the IFRS 7 "Financial instruments: Disclosures". No other Standards and Interpretations were adopted during the current year.

The impact arising from the first adoption of the standard on the current, the previous and the subsequent financial statements of the above standard and concerns classification, valuation and disclosure is analysed below in Note 2.1.2. In Note 2.1.3 are presented in summary the Standards and Interpretations that the Company and the Group will adopt in subsequent periods.

Lastly, in Note 2.1.4 are presented in summary the Standards and Interpretations that have been adopted by the Company and the Group, during the current year but do not have any impact on the financial statements.

2.1.2 Changes in accounting policies (Amendments to existing standards effective in 2007)

The Changes in accounting policies adopted and in conformity with those of previous years are analysed as follows:

- **Amendment of IAS 1 "Presentation of Financial Statements"**

Owing to publication of IFRS 7 certain amendments in IAS 1 "Presentation of financial statements" were necessary and certain requirements were added to IAS 1 relating to disclosure of information of an entity. The Group now discloses information relating to its objectives, policies and procedures for managing capital. These disclosures that are required based on the change of IAS 1 are presented in Note 2.1.3.

- **Adoption of IFRS 7 "Financial instruments: Disclosures"**

IFRS 7 is mandatory for annual financial statements published for periods beginning on or after 1 January 2007. IFRS 7 supersedes and amends the required disclosures that earlier were defined by IAS 32 and it has been adopted by the Group for the consolidated financial statements for 2007. All disclosures relating to financial instruments as well as the information of comparative period have been updated in order to respond to the requirements of the new standard.

In particular, in the consolidated financial statements of the Group now are presented:

1. Sensitivity analysis with the intent to justify the exposure of the Group in market risk relating to its financial instruments, and
2. Maturity analysis of financial liabilities that shows the contractual liabilities still due, for each presented financial position. First application of the Standard has not led to material adjustments of items of the previous years as regards to cash flows, net profit or loss or other items of the Balance Sheet.

There are no standards, amendments and interpretations effective from 2007, which do not relate to the activities of the group.

The comparative data and information of 2006 that is included in the financial statements differs to that published in the financial statements for the year ended 31/12/2006. In particular were reclassified the following items of the Income Statement for the previous year 2006, the Statement of Changes in Equity and the Balance Sheet for the year 2006 in order to become similar and comparative to the respective items of the present year 2007:

A) Expenses from Share options granted under IFRS 2 (Group: Euro 764.625, Company: Euro 764.625) which were transferred respectively to item "Wages & Salaries including personnel expenses" decreasing equally the EBITDA and the results for the year before taxes. The net profit for the year 2006 was not changed as a consequence of this reclassification.

B) Profits or Losses from consolidation by the net equity method for the year 2006, (Group: Euro 481.777, Company: Euro 0,00) which was included in finance income/(costs) is disclosed separately without affecting the EBITDA, the results for the year before taxes and the net profit for the year 2006.

C) Currency translation reserve of the year 2006, amount Euro -148.873, which was included in Other reserves in the Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet for the year 2006 is disclosed separately.

D) Deferred income tax assets, amount Euro 425.281 which was disclosed offset in item Deferred income liabilities in the Consolidated Balance Sheet for the year 2006, is disclosed separately as an asset in Non-current Assets under item "Deferred income tax assets" increasing equally the item of Non-current Liabilities under item "Deferred income tax liabilities".

E) In the Balance Sheet of the parent company for the year 2006, amount euro 56.000 which concerns the acquisition cost of the company ILKNAK SU URUNLERI SAN Ve TIC A.S. S, was reclassified from item Investments in Associates to item "Investments in subsidiary companies".

F) In the Balance Sheet of the parent company and the Group for the year 2006, amount Euro 597.509 was transferred from
item "Trade and other receivables" to item "Other receivables" so as to become similar and comparable to the current year 2007.

G) In Income Statement of the Group, for the year 2006, the amount of Euros 17.536.744, as far the sales of Biological Assets, was transferred from the item "Sales of non- biological assets-goods and other material" to the item "Sales of Biological Assents", so that to become similar and comparable to the current year 2007.

2.1.3 Accounting standards, amendments and interpretations to existing standards which have not yet been in effect and have not been adopted

The following new Standards and Revisions of Standards but also the following interpretations for the existing standards have been published, which are not mandatory for the presented financial statements and the Group has not adopted earlier:

Standards or Interpretations	Description	Effective from year beginning on or after:
IFRIC 11	"IFRS 2 - Group and Treasury Share Transactions"	01.03.2007
IFRIC 12	Service Concession Arrangements	01.01.2008
IFRIC 13	Customer Loyalty Programmes	01.07.2008
IFRIC 14	"IAS 19-The Limit on a Defined Benefit Asset Minimum Funding Requirements and their Interaction"	01.01.2008
IFRS 8	Operating Segments	01.01.2009
IAS 23	Borrowing Costs (Revised 2007)	01.01.2009
IAS 1	Presentation of Financial Statements (Revised 2007)	01.01.2009

In summary the above interpretations and standards define the following:

IFRIC 11: "IFRS 2 Group and Treasury Share Transactions"

This interpretation provides guidance as to whether the share-based payment arrangements should be accounted for as cash - settled or equity - settled transactions in the financial statements of the entity. This is an important distinction as significantly differ the required accounting treatments.

For example, the cash - settled transactions are measured at fair value at each balance sheet date. Instead, for equity - settled transactions the fair value is determined at grant date and recognised in the period the relative service is granted.

Regardless that IFRS 11 focuses on share - based payment arrangements to employees its logic can also be used in similar transactions with suppliers of goods and services. Entities shall apply this Interpretation for annual periods beginning on or after 1 March 2007. Earlier application is permitted. If an entity appliers the interpretation for a period beginning before 1 March 2007, it shall disclose that fact.

IFRIC 12: "Service Concession Arrangements"

IFRIC 12 provides guidance on the accounting of service concession arrangements where (i) a public sector entity ("the grantor") grants service arrangements to a private sector entity ("the operator") and (ii) these service arrangements provide the use of the infrastructure by the operator (private entity). IFRIC 12 does not apply to all kind of service concession. It only applies for public-to-private service concession arrangements in which the operator uses the infrastructure. It does not cover concession arrangements between enterprises of the private sector. The IFRIC 12 implementation Guide specifies that these the regulatory authorities or the control of the service do not provide for the grantor to have full control of the pricing or the way of use of the infrastructure. Therefore, personal judgment is required for certain cases in order to determine whether these lay within the purpose of the Interpretation.

Arrangements not within the purpose of IFRC 12 should be treated according to the other IFRS. Arrangements in which the operator controls the infrastructure is likely to lead in recognition of its property assets according to IAS 16 or to constitute a lease (according to IFRIC 4).

An entity shall apply IFRIC 12 for annual periods beginning on or after 1 January 2008. Earlier application is permitted. Retrospective application is required at transition but there are exceptions in this requirement for the case where its full retrospective application is unfeasible.

IFIRC 13: Customer Loyalty Programmes

The customer loyalty programmes are used by entities to provide customers with incentives to buy their goods or services. If a customer buys goods or services, the entity grants the customer award credits ("points"), which the customer can redeem in the future for awards such as free or discounted goods or services. The entity may operate the customer loyalty programme itself or participate in a programme operated by a third party. IFRIC 13 applies to all customer loyalty award credits programmes that an entity may grant to its customers as part of a sales transaction. IFRIC 13 is mandatory for the accounting periods beginning on or after 1 July 2008. Retrospective application of the Interpretation is required while earlier application is encouraged as long as this fact is disclosed in the explanatory notes that accompany the financial statements of the entity.

IFRIC 14: IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14 refers to interaction between the Minimum funding requirements (which usually are imposed by laws and regulations) and the measurement of a defined benefit asset. The case study of IFRIC 14 relates only to limited cases of post-employment defined benefit plans, which are "in surplus" or subject to minimum funding requirements. Among other issues it deals specifically with the concept "available" that is used in IAS 19. Generally, the Interpretation noted that an economic benefit is available if the entity has the right to realize the benefit during the life of the plan or when the defined benefit plan liability is settled. The recognition of the asset does not depend on whether the economic benefits are immediately realizable at the balance sheet date or on how the entity intends to use the surplus. In addition, the Interpretation deals with the accounting treatment of an obligation under a minimum funding requirement to make additional contributions to a plan in respect of services already received by the entity. IFRIC 14 is to be applied from periods beginning on or after 1 January 2008. As for exemption IFRIC 14 does not require full retrospective application. The application is required from the beginning of the first period presented in the first financial statements to which the Interpretation applies.

IAS 23: Borrowing Costs (revised 2007)

The revised IAS 23 eliminates the option of immediately recognizing as an expense the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. An entity shall capitalize such borrowing costs as part of the cost of that asset.

The revised Standard does not require the capitalization of borrowing costs relating to assets measured at fair value and inventories that are manufactured or otherwise produced, in large quantities on a repetitive basis even if it is needed a substantial period of time to get ready for their intended use or sale.

The revised Standard applies to borrowing costs relating to qualifying assets and its effective date is on or after 1 January 2009. Earlier application is permitted.

IAS 1: Presentation of Financial Statements

The basic changes of this Standard are summarized in separate presentation of changes in equity arising from transactions with owners in their capacity as owners (i.e. dividends, increase of capital) from other changes in equity (i.e. currency translation reserves). In addition, the improved issue of Standard entails changes in glossary as well as in presentation of financial statements.

The new definitions of the Standard however do not change the rules for recognition, measurement or disclosure of particular transactions and other events that are required by the other Standards.

The amendment of IAS 1 is mandatory for the accounting period beginning on or after 1 January 2008 while these requirements are also provided for in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The changes arising from the amendment of IAS 1 are of retrospective application (IAS 8.19 (b)). Earlier application is encouraged, as far as the fact is disclosed in the explanatory notes that accompany the financial statements of the entity.

Based on the existing structure of the Group and the accounting policies adopted, Management does not expect significant impact on the financial statements of the Group from the application of the above Standards and interpretations when these become applicable.

The impact from the application of the revised IAS 23 has not yet been determined.

As referred to above the revised IAS 23 eliminates the option of immediately recognising as an expense the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. This is expected to have an impact on the measurement of assets that are internally created within the frame of the research and development procedure of the Group. The policy applied until now related to immediately recognising as an expense in the income statement the total finance expenses. The change in the way of the accounting policy for the recognition of these expenses will basically affect the time moment of recognition of the expense as well the way of disclosure of this expense (finance cost against amortisation).

IFRS 8: Operating Segments

The basic changes in this standard are summarized as follows:

1. The results of each segment are based on the operating results of each separate segment reporting. In the results of operating segments are not included, the finance cost and the finance income, including the results arising from investments in equity instruments of companies as well as the results from taxes and from discontinued operations.
2. Moreover, the Management of the Group for purposes of "chief operating decision maker" relating to allocation of resources in operating segments but also for the purpose of assessing the performance of the operating segments, does not take into account the expenses relating to post-employment benefit plans nor the cost arising from the settlement of the equity-settled transactions.

This Standard shall apply for annual financial statements beginning on or after 1 January 2009. Earlier application is permitted as long as this fact is disclosed. Segment reporting of comparative period from the initial year of application should be adjusted in order to comply with the requirements of the standard except if the information is not available and its development cost is excessive.

The Group does not intend to early adopt any of the Standards or Interpretations.

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2.1.4 Standards, amendments and interpretations to existing standards that are effective but not relevant to the Group's operations and have no impact on the financial statements

The following new Standards and Revisions of Standards but also the following interpretations for existing standards have been published which however are not mandatory for the presented financial statements and which the Group has not early adopted:

Standards or Interpretations	Description	Effective from year beginning on or after:
IFRIC 7	Applying the Restatement Approach under IAS 29	01.03.2006
IFRIC 8	Scope of IFRS 2	01.05.2006
IFRIC 9	Reassessment of Embedded Derivatives	01.06.2006
IFRIC 10	Interim Financial Reporting and Impairment	01.11.2006

IFRIC 7: Applying the Restatement Approach under IAS 29

IFRIC 7 provides guidance on how to apply the requirements of IAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period.

IFRIC 8: Scope of IFRS 2

IFRIC 8 requires the study of transactions including the issue of equity instruments -in the case where the identifiable consideration received appears to be less than the fair value of the equity instruments granted- in order to determine whether these lay within the scope of IFRS 2.

IFRIC 9: Reassessment of Embedded Derivatives

IFRIC 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract.

IFRIC 10: Interim Financial Reporting and Impairment

IFRIC 10, prohibits impairment loss that was recognised in an interim period on the items of goodwill, investments in equity instruments and investments in financial assets recognised at cost, to be reversed in a subsequent period of preparation of financial reporting.

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 believed to be reasonable under the circumstances.

Judgments

The basic judgments used by the Group management (except those in connection with estimates, which are disclosed hereafter) that have the most significant impact on the accounts recognised in the financial statements, mainly relate to:

A) Classification of investments

Management uses its judgment on the purchase of an investment, whether this will be 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 are met the criteria of IAS 39 and in particular as to 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. The classification of investments as measured at fair value through profit or loss depends on the way by which management monitors the return of these investments. When not classified as held for trading but there are available and reliable fair values and the changes in fair values are included in profit or loss of the management's accounts, are classified as unmeasured at fair value through profit or loss. All other investments are classified as available-for-sale.

B) Recovery of Receivables

Management reviews annually the recovery of the carrying amounts included in accounts receivable in connection with external information (data basis of customers credit ratings, legal advisors) in order to decide whether these carrying amounts included in accounts receivable are recoverable.

C) Impairment of non-financial assets

Management reviews annually future cash benefits from equity shares of other companies in order to recognise probable provision for their impairment.

Estimates and Assumptions

Certain amounts, which are included or affect the financial statements as well as the relevant disclosures, are evaluated requiring assumptions relating to values or conditions, which is not possible to be known with certainty at the period of preparation of financial statements. An accounting estimate is deemed important if it is significant for the picture of the company's financial position and financial performance and requires the most difficult, personal or complex judgments of management, often as a result of the need for making estimates relating to the impact of assumptions which are uncertain. The Group evaluates such estimates continually, based on past results and historical experience, consultations with experts, trends and other factors, which are considered reasonable in the particular circumstances, including expectation of future events. In Note 3, are stated the accounting policies which have been selected among accepted alternatives.

Estimated impairment

The Group tests annually whether goodwill has suffered any impairment and reviews the events or the circumstances that make probable the existence of impairment, as for example a significant unfavourable change in the corporate atmosphere or a decision for sale or disposal of a unit or an operating segment. The determination whether impairment exists requires the valuation of the respective unit, which is assessed using the cash flows discounted method. When the available information exists it is also used the method of market multiples in order to be crossed the results that have arisen from the cash flow discounted method. In the application of this methodology are included the actual operating results, future business plans, economic extensions as well as market data (statistic and non).

If from this analysis arises need for impairment of goodwill, the assessment of impairment requires measurement of fair value for each recognisable tangible or property asset. In this case, it is used the cash flows approach, which is referred to above, by external independent valuers, where deemed appropriate.

Moreover, annually are tested for any impairment other recognisable intangible assets of finite useful lives and subject to amortisation comparing the carrying amount with the total of the non discounted cash flows that is expected to be generated from the property asset. Intangible assets of infinite useful lives are tested annually, using a fair value method as the cash flows discounted.

The group tests annually whether goodwill has suffered any 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.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and therefore are not recognised relevant liabilities for anticipated tax audit issues.

Fair value of derivatives and other financial instruments

The Group uses derivative financial instruments to manage risks relating to interest rates. The accounting of derivatives as the accounting of hedging requires at the beginning and according to the terms of the contract, the hedged asset and relative derivative to satisfy the provisions for the application of hedging accounting. The accounting that relates to derivatives is complex. In the case where the accounting policies are not applied correctly the changes in the fair value of the derivative are presented in profits, while the offsetting of changes in the fair value is presented in profits only at their realization, irrespective of whether the hedging relationship is effective.

In assessing whether a hedging relationship qualifies for special hedge accounting, initially is identified to which extent the relationship meets the strict criteria for exception from ongoing assessing 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 which extent changes in fair value of a derivative, within a specific range of prices, offsets changes in fair value of a hedged item. This assessment is carried out cumulatively at each reporting period. In the cases where hedging is deemed non fully effective the hedge accounting in this hedging relationship should be discontinued. The fair values of derivative instruments and hedging instruments are measured using internal valuation models incorporating assumptions based on the market, that are confirmed by independent sources.

At 31 December 2007, the derivative financial asset was Euro 15.530 for the Company and Euro 265.859 for the Group. Further information relating to the use of derivatives for hedging purposes is stated in note 7.14.

Fair value of biological assets

Management classifies the reserves 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 prices (i.e. selling prices) of the first week that follows from the year-end date for the preparation of financial statements or in case of significant change in the price till the preparation of the Financial Statements, takes as measurement this price. 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 the number of spawn included in it (fish). Gain or loss arising from change in fair value of biological assets is disclosed in the income statement.

At 31/12/2007 the fair value of spawn amounted to Euro 14.513.774 (31/12/2006: Euro 18.045.000) and of fish to Euro 176.099.658 (31/12/2006: Euro 135.023.571) and of poultry-livestock to Euro 426.778 (2006: Euro 0,00). Further information relating to the fair value of biological assets is stated in note 7.9.

Provisions

Un-collectable accounts are disclosed with the amounts, which is likely to be recovered. Estimations concerning the amounts, which are expected, that will be recovered arise following relevant analysis as well as from the Group experience relating to probability that customers will default in payments. As soon as there is evidence that a particular account is subject to 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 un-collectable receivable if circumstances evidence that the claim is uncollected.

Contingencies

The Group has contingent liabilities in respect of legal claims arising in 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 2007. Nevertheless, the determination of contingent liabilities relating to litigations and legal claims is a complex procedure that includes judgments as regards to probable consequences and interpretations relating to laws and regulations. Changes in judgments or interpretations are likely to lead to an increase or decrease of contingent liabilities of the group in the future.

3. Summary of Significant accounting policies

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

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

A geographical segment is defined as a geographical area providing products and services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The primary activity segments of the Group are aquaculture, the production and sale of fishmeal, the production of foodstuffs & confectionery products and their resale as well as the other related services and pet. As for the geographical area the Group is active in the Greek Territory, the Euro zone and in other countries.

3.2 Consolidation

The significant accounting policies, which have been used in the preparation of these consolidated financial statements, are summarized here below.

Subsidiaries: are all entities that are managed or controlled, directly or indirectly, by another entity (parent company), either through the holding of the majority of the shares of the investee company or through its dependence on the know-how provided by the Group. That is to say that subsidiaries are entities on which the parent company exercises control. Nireus AE gains and exercises control through voting rights. 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 (full consolidation) with the purchase method 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 recognised 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) was used the exemption of IFRS 1 and was not retrospectively applied the purchase method. 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 recognised 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.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

Associates: are entities over which the Group has significant influence but do not meet the conditions to be considered either as subsidiaries or participation in a joint venture. The assumptions used by the group have a shareholding of between 20% and 50% of the voting rights of a company states a significant influence on this company. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. At the end of each year, the cost is increased with the percentage of the investing company of the changes in equity of the invested company and is decreased with the received dividends from the associate.

As regards to the surplus acquisition, this reduces the value of the participation with charge of the income statement, when its value is reduced. The Group by applying the IFRS 3 does not perform depreciation and the goodwill will be presented in the net book value that has been formed until 31/12/2003, less any impairments of its value.

The Group's share of its associates' post-acquisition profits or losses is recognised 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 recognised 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 recognise further losses, unless it has incurred obligations or 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 is the management by an enterprise 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 should 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. If an enterprise has access to different active markets, the enterprise uses the most relevant one. If an enterprise has access to two active markets, it would use the price existing in the market that is expected that will be used.

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.

The company after the initial recognition of the biological assets measures them 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 arise also on initial recognition of biological assets, as for example, 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 special software programme measuring the biomass depending on the consumed food and the prevailing temperature and

(b) From sampling test of fish is calculated the average weight per fish. The average weight multiplied by the number of fish, determines the total fish.

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 in each fish cage exists specific category and size of fish.

Biological assets are divided into subcategories depending on the stage of ripeness so that the reader of the financial statements is informed for the timing of future cash flows, which the enterprise expects to have 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 transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions 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.

The Group's operations abroad in foreign currency (which comprise an inseparable part of the parent's operations), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, while the assets and liabilities of the operations abroad, including goodwill and the adjustments of the fair value, resulting from the consolidation are translated into Euro with the exchange rates prevailing at the balance sheet date.

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. 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 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 items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the Group and the cost of the item can be measured reliably. All repairs and maintenance 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 held for the production or management is presented at its fair value. Because it cannot be determined the limited useful lives, the relevant carrying amounts are not subject to depreciation.

The fair value is assessed based on valuations by external independent valuers every three or four years, except if factors of the market indicate impairment risk of the value, so as to assure that the carrying value does not differ significantly 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 suffered any impairment or an impairment loss as stated in Note 3.8. If an asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity recognised in other comprehensive income however, the decrease shall be debited directly to equity under the heading of revaluation surplus recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease of land and building carrying amount arising from valuations or from tests for impairment is recognised with the decrease to be debited directly to any revaluation surplus of equity relating to this property asset and any remaining decrease is recognised in other comprehensive income.

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

Gains and losses on disposals of land and buildings are determined by comparing net proceeds from disposal, if any, with 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 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 if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. All repairs and maintenance are charged to the income statement during the financial period in which they incurred.

Company-developed property, plant and equipment are added to the cost of the assets, which include the direct payroll cost of the staff that participates in the development (respective employer contributions), the cost of consumables and other general costs.

3.6 Investment Property

Investment property are investments that concern all property (in which are included land, buildings or part of a building or both) that is held by the owner (or by the lessee under a finance lease), or for the purpose of earning rentals from their leasing either for the increase of their value (strengthening of capital) or for both.

Investment property is initially recognised at cost, which is surcharged with all expenses related to the transaction for its acquisition (e.g. notary fees, broker's fees, transfer taxes).

After the 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 annually at fair value either by relevant study of the company or by an independent, professionally qualified valuer.

Any change in fair value of investment property is recorded in the income statement in the financial period in which it arises.

The carrying amount recognised 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 investment property constitutes result and is recognised in the income statement for the year in which it is incurred. For the result recognised in the income statement for the year, 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 end of construction or development of an operating lease to 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 till 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 pervious 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 pervious 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 retirement or disposal of investment property determine 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 for the period retirement or disposal occurred.

At 31/12/2007, the Group has classified in investment property, land and buildings totalling Euro 5.373.142 (2006: Euro 5.379.440,57) and the Company Euro 2.141.600 (2006: Euro 2.152.900).

3.7 Intangible assets

Intangible assets include goodwill, concessions and industrial property rights such as exploitation in fish farming, as well as the 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 at the date of acquisition. The company at the date of acquisition recognises 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.

After the initial recognition goodwill is measured at cost less accumulated losses owing to decrease of its value. Goodwill is not subject to amortisation, but is tested annually or more often, for impairment of its value, if there are events that provide evidence for loss according to IAS 36.

In the circumstance where the cost of acquisition is less than the company's share in equity of the acquired enterprise, then the first calculates once again the cost of the acquisition, measures the asset items, the liabilities and contingent liabilities of the acquired enterprise and recognises directly in the income statement as profit any difference remains after the recalculation.

Concessions and industrial property rights: The concessions and the industrial property rights concern the licences for aquaculture and are measured at fair value according to the appraisal of qualified appraisers, less any impairment.

Computer software: Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives, 1 to 3 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

3.8 Impairment of non-financial assets

Goodwill of the Group, intangible and tangible assets are subject to impairment tests. For the purposes of assessing impairment, certain assets are grouped at the lowest separately identifiable group of asset items that generates cash flows from their use (Cash-Generating Units). As a result certain assets are tested separately for impairment while some other are tested as Cash-Generating Units.

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

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 the other assets of the C.G.U.

In the case where the Group sells an activity forming part of a C.G.U. to which goodwill has earlier been allocated, then this goodwill is taken into account at the determination of profit or loss from the disposal and is proportionally allocated to the selling activity. Under this aspect goodwill that is 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 another method reflects in a better way the goodwill in connection with the activity disposed, then that other method is applied.

The Note 3.7 provides 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 events indicate 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 amount of fair value and value in use (arises based on assessment of discounted future cash flows of the asset or the C.G.U.).

Fair value is considered the amount from the disposal of an asset within the frame of a reciprocal transaction, in which the parties have full knowledge and enter willingly, after the deduction of any additional direct disposal costs of the asset, while, the value in use is the present value of the estimated future cash flows, expected to flow to the enterprise from the use of an asset and from its disposal at the end of its estimated useful life. With the exception of goodwill all the assets subsequently are re-assessed in circumstances where the impairment loss that was initially recognised may no longer exist.

3.9 Financial Instruments

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

- Loans and receivables
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets
- Held-to-maturity investments

The classification depends on the economic characteristics and the purpose for which the financial assets were acquired. Management determines the classification of its financial assets into the above categories, which differ as to the way of measurement and recognition of the determined result either in income statement or directly in equity. In note 11 is set out a summary 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 an objective evidence that a financial asset or group of assets is impaired or not.

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 the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to the host contract.

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 if only the Group's Management has the positive intent and ability to hold them until maturity. The Group has no held-to-maturity investments.

After initial recognition, investments that are classified under this category are measured at amortised cost based on the effective interest method. Amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability was measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount calculated using the effective interest method, and minus any write-down. In the computation are included all fees and points paid or received between parties that constitute an integral part of the effective interest rate, the transaction costs and any dept premium or discount.

In addition, if there is any objective evidence that the financial asset is impaired then the investment is measured at the present value of expected future cash flows discounted and any difference with the carrying amount of the investment is recognised as loss in net profit or loss.

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 hedging 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 modify significantly 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 thought 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 after calculation of any effect from taxes.

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.

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 acquisition cost (after deduction of principal repayments and amortisation) and 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 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 after the recognition of impairment in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Are created when the Group provides money, goods or services directly to a debtor without any intent of trading. Loss and receivables are measured at amortised cost using the effective interest method less 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 or impaired as well as through the amortisation process.

For certain receivables are tested for impairment per each separate receivable (i.e. for each customer separately) in cases where the collection of the receivable is considered default at the balance sheet date or in cases where the is objective evidence that indicate need for their impairment. The other receivables are grouped and tested for impairment for their total. The groups have as common characteristic the geographical allocation, the sector of activity of the parties and, if exist, other common indicators of credit risk attributable.

Receivables and loans are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. In the balance sheet are classified as "Trade and other receivables" and constitute the largest part of the Group's financial assets.

Fair values

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

3.10 Derivatives and Hedging Accounting

Derivative financial assets such as futures and forward, swap 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 for recognition of profit or loss depends on whether a derivative has been designated as hedging instrument and whether it is for hedging by the nature of the asset it offsets.
Gain or loss from change 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 derivative financial assets. These agreements have been realised with the intent to be reduced the interest risk arising from part of borrowing liabilities of the Group.

3.11 Inventories

Inventories include raw materials, suppliers 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 enterprise from the tax authorities), and transport, handling and other costs directly attributable. 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 are those indirect costs of production that remain relatively constant regardless 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 that will 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

The 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. Expenses related to the issue of shares for acquisition of enterprises are included in cost of the enterprise that is acquired.

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 shares are cancelled, reissued or disposed of. Every gain or loss from sale of treasury shares net from direct for the transaction of other expenses & taxes is shown as a reserve in equity.

3.13 Financial Liabilities

The financial liabilities of the Group include bank loans and trade and other payables.

3.13.1 Borrowings

Bank borrowings provide long-term financing to operations of the Group. All borrowings are recognised initially at cost, that 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 is divided in two components: the first concerns the liability component and the second represents the equity conversion component. The portion that concerns the liability component represents the liability of the Group for future coupon payments and principal redemption payments. The equity component represents the value of the holder's option to convert it into ordinary shares of the company and it is disclosed in equity (net of proportional tax).

3.13.2 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.
Liabilities from finance leases are measured at initial value net of the amount of principal repayments.
Trade liabilities are recognised initially at their nominal value and then measured at amortised cost less the settlement payments.
Dividends to shareholders are included in item "Other Current Liabilities" when the General Meeting of Shareholders approves dividends.
Gains or losses are recognised in the income statement when liabilities are written off as well as through the amortisation process.
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, as an exchange or an amendment, this 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.

3.14 Current and deferred income tax

The taxes charged to the period consist of current and deferred taxes, i.e. taxes and tax relieves related to the financial benefits incurring within the period but have been charged or are going to be charged from the tax authorities to different periods. The income tax is recognised in the income statement of the period, except when the tax concerns transactions directly classified in equity, in which case it is directly charged in equity.
Current income taxes include short-term liabilities or receivables attributable to the tax authorities related to payable taxes on the period's taxable income and any additional prior period's taxes.
Current taxes are calculated according to effective tax rates and tax laws prevailing in the relevant periods, based on taxable profits for the year. 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 in all temporary tax differences as of preparation date of the balance sheet occurring between the tax base and the book value of the assets and liabilities. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than business combination, that at the same time of the transaction affects neither 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 is likely that taxable profit will be generated in the future, which will generate the 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. Only these changes in the assets or liabilities affecting temporary tax differences are directly recorded in equity, such as the revaluation of the value of property, and cause the slight change in the deferred tax receivables or liabilities to be debited against the equity account.

3.15 Employee benefits

Short-term benefits: Short-term benefits to employees (except for indemnities for termination or retirement) 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 contribute 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 after deducting 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 cost of work experience. The commitment of the defined benefit is calculated on a yearly basis from an independent actuary using the projected unit credit method. For prepayment thereof, the interest rate of the long-term Greek Government bonds is used.

The actuarial profits or losses are part of both the benefit obligation of the undertaking and the cost that will be recognized in the Income Statement. Those arising from adjustments based on historical data that are higher or lower than the 10% margin of the accumulated obligation are recorded in the Income Statement within the anticipated average insurance time of the participants to the plan. The cost of previous service is recognized directly in the Income Statement, except for the case where the changes in the plan are dependent upon the remaining time of service of the employees. In the said case, the cost of previous service is recorded in the Income Statement using the straight-line method within the maturity period.

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 offer.

In case of an employment termination where the number of employees that will be using those benefits cannot be determined, they are not recorded but presented as contingent liability.

Share-based compensation: Share options are granted to specific officers of key management. Options are exercised at preference price, which is the at each time average 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 November of each year of effect of the plan. The plan has a contractual duration of there years. The fair value of the officers services received in exchange for the grant of the options is recognised 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.

3.16 Government grants

The Group recognizes the 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 recognised at fair value and recognised 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 recognised on a systematic basis and correctly in income over the useful lives of the asset.

3.17 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 is likely to be affected by it. Provisions are not recognised for future operating losses.

Where some 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 enterprise settles the obligation. The reimbursement is recognised as a separate asset. The amount recognised 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 recognised for a reimbursement.

A provision is used only for expenditures for which the provision was originally recognised. 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 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 passage of time. This increase is recognised as borrowing cost in the income statement. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

In the cases 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 recognised in the consolidated Balance Sheet, except if it is regarded within the scope of business combinations.

These contingent liabilities are recognised according to the allocation of cost of acquisition to the assets and liabilities as at a business combination. Then are measured at the higher amount of a comparable provision as described above and at the amount they were recognised initially, less any amortisation.

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

3.18 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 recognised as follows:

- **Sales of biological assets:** It is recognised after their gathering. Products are delivered to the customer; the customer has accepted the products and collectibles of the related receivables is reasonably assured.
- **Sales of goods:** Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectibles of the receivables is reasonably assured.
- **Gain/Loss due to changes in Fair Value of Biological Assets:** A gain or loss is recognised during the year/period and arise from changes so much as in price as also in the quantity and development of the Biological assets.
- **Sales of services:** Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the basis of the actual service provided as a proportion of the total services to be provided.
- **Interest income:** Interest income is recognised 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 recognised using the original effective interest.
- **Dividend income:** Dividend income is recognised when the right to receive payment is established.

Expenses: Expenses are recognised in the income statement on an accrual basis. Payments realised for operating leases are transferred in the income statement as expenses, during the time of use of the leased element. The expenses from interest are recognised on an accrued basis.

3.19 Leases

Group Company is the lessee: Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised 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 is the lessor: When assets are leased out under a finance lease, the present value of the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

3.20 Dividend distribution

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

3.21 Related-party transactions

The transactions and inter-company balances between the related parties and Group are disclosed according to IAS 24 "Related Party Disclosures". These transactions concern 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.

3.22 Cash and cash equivalents

Cash and cash equivalents include cash in 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.

4. Objectives and risk management policies

4.1 Market risk

Foreign exchange risk

The Group operates trans-nationally. The exposure to foreign exchange risk is zero because the transactions over a percentage of 90% are realised 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 analysed as follows:

	2007							2006						
Amounts in Euro														
Notional amounts	**USD**	**GBP**	**NOK**	**DKK**	**CAD**	**TRL**	**CHF**	**USD**	**GBP**	**NOK**	**DKK**	**CAD**	**TRL**	**CHF**
Financial assets	508.370	450.745	-	-	4.369	2.649.666	73.373	324.979	523.595	-	-	16.477	1.376.024	96.876
Financial liabilities	151.823	95.479	6.723	7.784	5.418	2.178.338	-	157.401	44.769	558	7.786	544	739.068	-
Total current exposure	**660.193**	**546.224**	**6.723**	**7.784**	**9.787**	**4.828.004**	**73.373**	**482.380**	**568.364**	**558**	**7.786**	**17.021**	**2.115.092**	**96.876**
Financial assets	-	-	-	-	-	472.813	-	-	-	-	-	-	-	-
Total non-current exposure	**-**	**-**	**-**	**-**	**-**	**472.813**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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 2007 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from monthly observation of Euro against any foreign currency, for a period of 12 months.

In the case 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:

Amounts in Euro	2007													
	USD		GBP		NOK		DKK		CAD		TRL		CHF	
	5,73%	-5,73%	1,89%	-1,89%	14,47%	-14,47%	0,51%	-0,51%	5,24%	-5,24%	5,99%	-5,99%	1,96%	-1,96%
Post-tax profit for the year	37.828	-37.828	10.308	-10.308	973	-973	40	-40	513	-513	261.085	-261.085	1.434	-1.434
Equity	37.828	-37.828	10.308	-10.308	973	-973	40	-40	513	-513	261.085	-261.085	1.434	-1.434

Amounts in Euro	2006													
	USD		GBP		NOK		DKK		CAD		TRL		CHF	
	4,27%	-4,27%	0,81%	-0,81%	16,67%	-16,67%	0,30%	-0,30%	4,44%	-4,44%	15,85%	-15,85%	1,43%	-1,43%
Post-tax profit for the year	20.614	-20.614	4.580	-4.580	93	-93	23	-23	755	-755	335.219	-335.219	1.390	-1.390
Equity	20.614	-20.614	4.580	-4.580	93	-93	23	-23	755	-755	335.219	-335.219	1.390	-1.390

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

Cash flow and fair value 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 its borrowings at 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 2012. The Company's estimation is that there can be a problem from fluctuation of interest rates for this period and therefore has proceeded in derivative forward contracts so as to be secured from this risk.

On 31 December 2007, the Group NIREUS AQUACULTURE AE is not exposed to changes in market interest rate to its total bank borrowings, but a significant balance of it (Euro 79.000.000) has 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 +0,5% or –0,5% (2006: +/-0,6%). The changes in interest rates are deemed that fluctuate on a reasonable basis in relation to current market conditions.

Amounts in Euro	2007		2006	
	0,50%	-0,50%	0,60%	-0,60%
Post-tax profit for the year	896.184	-896.184	641.924	-641.924
Equity	896.184	-896.184	641.924	-641.924

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 values of these assets are not considerable so that any large changes to create risks for the Company. The investments in equity securities of publicly traded companies (KEGO, 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) or by full consolidation (KEGO).

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 estimates the price risk changes of the biological assets regularly and examines the need to take actions to face the financial risk.

The department of financial analysis of the sector operates as to this purpose, which collects information for the offer of the product from the domestic and international production, as well, the changes in demand from the existing Traditional International market and the New markets opening in Eastern Europe and America. This information is assessed and are defined the parameters of the size of the inventories of the product and the expected prices for the following two (2) years.

4.2 Credit risk

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

Amounts in Euro

Categories of financial assets	**2007**	**2006**
Cash and cash equivalents	51.904.527	11.410.746
Trade and other receivables	93.706.828	55.306.707
Other receivables	23.650.100	19.407.879
Total	**169.261.455**	**86.125.332**

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

For the 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, which are insured for the payment of their transaction. Moreover, the sale of spawn is realised to its total with the term of retention of ownership of the product up until its payment. Therefore, because the time needed up until the cycle of production of fresh fish is completed is greater than the credit time of sale, the receivable is fully secured.

4.3 Liquidity risk

The Group "NIREUS AQUACULTURE AE" manages its liquidity needs by careful monitoring of the 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 determined monthly.

The Group "NIREUS AQUACULTURE AE" maintains cash for covering liquidity needs for periods of 30 days. The funds for the long-term liquidity needs are additionally maintained available 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 2007 for the Group "NIREUS AQUACULTURE AE" is analysed as follows:

Amounts in Euro	2007			
	Short-term		Long-term	
	within 6 months	between 6 and 12 moths	between 1 and 5 years	over 5 years
Long-term borrowings	11.956.562	18.351.215	108.211.135	34.883.086
Short-term borrowings	20.710.720	69.707.900	-	-
Other Long-term borrowings	-	-	-	4.676.605
Trade payables	61.388.654	24.302.624	-	-
Other short-term liabilities	10.962.603	4.624.479	795.580	73.912
Total	**105.018.539**	**116.986.218**	**109.006.715**	**39.633.603**

The relevant maturity of the financial liabilities as of 31 December 2006 was as follows:

Amounts in Euro	2006			
	Short-term		Long-term	
	within 6 months	between 6 and 12 moths	between 1 and 5 years	over 5 years
Long-term borrowings	5.030.722	6.355.200	64.765.227	41.720.551
Short-term borrowings	600	30.594.701	-	-
Other Long-term borrowings	-	308.471		4.989.269
Trade payables	57.111.978	7.465.121	889.444	121.439
Other short-term liabilities	7.764.642	4.948.835	2.074.897	-
Total	**69.907.943**	**49.672.329**	**67.729.568**	**46.831.259**

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 the Group "NIREUS AQUACULTURE AE"

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

COMPANY	PARTICIPATION PERCENTAGE
THETIS AE (UNDER LIQUIDATION)	100,00%
AQUACOM LTD	100,00%
FISH OF AFRICA LTD	100,00%
ALPINO AE	100,00%
NIREUS CONSULTANTS AE (UNDER LIQUIDATION)	55,00%
PROTEUS EQUIPMENT AE	50,00%
A-SEA AEBE	100,00%
PER MARE RESEARCH AE (UNDER LIQUIDATION)	39,00%
BLUFIN TUNA AE	25,00%
HELLENIC FISHERY QUALITY	4,34%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	48,242%
AQUACULTURE INFORMATION NETWORK	14,00%
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%
RED ANCHOR AE	100,00%
KEGO AE	28,0922%
KEGO AGRI AE	28,0922%
VITA TRACE NUTRITION LTD	7,3321%
SEAFARM IONIAN AE	21,292%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	21,292%
AQUA TERRAIR AE	10,433%
MARINE FARMS ASA	30,1954%

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

COMPANY	COUNTRY OF INCORPORATION	PARTICIPATION PERCENTAGE	METHOD OF CONSOLIDATION
AQUACOM LTD	BRITISH VIRGIN ISLANDS	100,00%	Full consolidation
ALPINO AE	GREECE	100,00%	Full consolidation
PROTEUS EQUIPMENT AE	GREECE	50,00%	Full consolidation
A-SEA AE	GREECE	100,00%	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	3,096% direct + 45,146% indirect = 48,242%	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
RED ANCHOR AE	GREECE	100,00%	Full consolidation
KEGO AE	GREECE	28,0922%	Full consolidation
KEGO AGRI AE	GREECE	28,0922% indirect	Full consolidation
VITA TRACE NUTRITION LTD	CYPRUS	7,3321% indirect	Net equity
BLUEFIN TUNA AE	GREECE	25,00%	Net equity
MARINE FARMS ASA	NORWAY	30,1954%	Net equity
SEAFARM IONIAN AE	GREECE	21,292% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	21,292% indirect	Full consolidation
AQUA TERRAIR AE	GREECE	10,433% indirect	Net equity

6. Segmental information

6.1 Primary reporting format - Business segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2007 and 2006, respectively

The Group is active in five business segments: Aquaculture, Fish Meal, Foodstuffs and Confectioneries, Livestock and Poultry, Pet and Services - Other.

The segment results of the group are as follows:

Segment Results for the year 1/1 - 31/12/2007	BUSINESS SEGMENT						
Amounts in Euro	AQUACULTURE	FISHMEAL	FOODSTUFFS & CONFECTIONARIES	OTHER & PET	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Total gross segment sales	169.360.020	79.368.392	8.300.208	7.764.151	13.838.016	-	278.630.786
Inter-segment sales	28.274.651	35.615.179		475.727	4.139	-	64.369.696
Net Sales	**141.085.369**	**43.753.213**	**8.300.208**	**7.288.424**	**13.833.877**		**214.261.090**
Operating profit	15.143.769	7.638.278	188.997	1.903.622	1.955.525	-	26.830.191
Finance costs/income	(5.071.005)	(1.000.577)	(895.190)	(61.030)	(204.233)	-	(7.232.035)
Profits/(losses) from consolidation by the net equity method	*753.662*	-	-	-	-	-	753.662
Profit before income tax	**10.826.425**	**6.637.701**	**(706.192)**	**1.842.592**	**1.751.292**	**-**	**20.351.818**
Income tax expense	-	-	-	-	-	(1.564.213)	(1.564.213)
Deferred tax	-	-	-	-	-	(3.311.765)	(3.311.765)
Prior years' tax audit differences	-	-	-	-	-	(546.055)	(546.055)
Net profit	**10.826.425**	**6.637.701**	**(706.192)**	**1.842.592**	**1.751.292**	**(5.422.033)**	**14.929.785**

Segment Results for the year 1/1 - 31/12/2006	BUSINESS SEGMENT						
Amounts in Euro	AQUACULTURE	FISHMEAL	FOODSTUFFS & CONFECTIONARIES	OTHER & PET	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Total gross segment sales	137.670.186	33.565.333	15.182.103	5.732.617	-	-	192.150.239
Inter-segment sales	17.876.377	9.151.885	3.592.416	47.142	-	-	30.667.820
Net Sales	**119.793.809**	**24.413.448**	**11.589.687**	**5.685.475**	**-**	**-**	**161.482.419**
Operating profit	15.330.773	*4.700.092*	(1.340.551)	1.462.582	-	-	20.152.896
Finance costs/income	(4.340.509)	(1.071.509)	(628.667)	(54.937)	-	-	(6.095.622)
Profits/(losses) from consolidation by the net equity method	*481.777*	-	-	-	-	-	481.777
Profit before income tax	**11.472.041**	**3.628.583**	**(1.969.218)**	**1.407.645**	**-**	**-**	**14.539.051**
Income tax expense	-	-	-	-	-	(1.711.747)	(1.711.747)
Deferred tax	-	-	-	-	-	(1.176.461)	(1.176.461)
Prior years' tax audit differences	-	-	-	-	-	(2.725.025)	(2.725.025)
Other not charged to the operating cost taxes	-	-	-	-	-	(1.463)	(1.463)
Net profit	**11.472.041**	**3.628.583**	**(1.969.218)**	**1.407.645**	**-**	**(5.614.696)**	**8.924.355**

The consolidated assets and liabilities, capital expenditure and depreciation are allocated to business segments as follows:

	BUSINESS SEGMENT						
Segment assets and liabilities at 31/12/2007	AQUACULTURE	FISHMEAL	FOODSTUFFS & CONFECTIONARIES	OTHER & PET	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Segment assets	258.401.766	11.070.493	5.237.054	155.284	2.940.643	214.172.342	491.977.582
Investments in Associates	37.601.397	-	-	-	-	-	37.601.397
Total Segment assets	**296.003.163**	**11.070.493**	**5.237.054**	**155.284**	**2.940.643**	**214.172.342**	**529.578.979**
Segment liabilities	-	-	-	-	-	*353.455.242*	353.455.242
Total segment liabilities	**-**	**-**	**-**	**-**	**-**	**353.455.242**	**353.455.242**

	BUSINESS SEGMENT						
Capital expenditure at 31/12/2007	AQUACULTURE	FISHMEAL	FOODSTUFFS & CONFECTIONARIES	OTHER & PET	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Property, plan and equipment	13.353.591	1.840.318	115.541	56.327	35.723	-	15.401.499
Intangible assets	123.305	33.777	11.960	1.652	-	-	170.694
Investment property	-	-	5.002	-	-	-	5.002
Depreciation/Amortisation	6.403.156	938.783	314.659	49.154	92.454	-	7.798.207

There are no sale transactions between the business segments. Segment assets consist primarily of property, plant and equipment, intangible assets, investments in associates and biological assets. Unallocated assets comprise deferred taxation, non-current receivables, goodwill, available-for-sale financial assets, inventories, receivables, cash and cash equivalents and derivatives.

A part of segment expenses was allocated to business segments in proportion to the segment revenue of these business segments.

6.2 Secondary reporting format - Geographical segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2007 and 2006, respectively

	BUSINESS SEGMENT						
Segment assets and liabilities at 31/12/2006	***AQUACULTURE***	***FISHMEAL***	***FOODSTUFFS & CONFECTIONARIES***	***OTHER & PET***	***POULTRY-LIVESTOCK***	***UNALLOCATED***	***TOTAL***
Segment assets	204.249.547	5.591.770	11.232.842	151.563	-	116.683.805	337.909.527
Investments in Associates	1.333.861	-	-	-	-	-	1.333.861
Total segment assets	**205.583.408**	**5.591.770**	**11.232.842**	**151.563**	**-**	**116.683.805**	**339.243.388**
Segment liabilities	-	-	-	-	-	217.052.235	217.052.235
Total segment liabilities	**-**	**-**	**-**	**-**	**-**	**217.052.235**	**217.052.235**

	BUSINESS SEGMENT						
Capital expenditure at 31/12/2006	***AQUACULTURE***	***FISHMEAL***	***FOODSTUFFS & CONFECTIONARIES***	***OTHER & PET***	***POULTRY-LIVESTOCK***	***UNALLOCATED***	***TOTAL***
Property, plan and equipment	7.903.590	626.212	239.427	51.004	-	-	8.820.233
Intangible assets	197.182	50.081	10.361	597	-	-	258.221
Depreciation/Amortisation	5.268.786	1.191.306	608.712	39.977	-	-	7.108.782

The registered office of the Group is in Greece and its main activity is developed in countries within the euro zone.

The sales of the Group per geographical segment are analysed as follows:

	GROUP	
Amounts in Euro	**31/12/2007**	**31/12/2006**
Greece	97.333.411	58.517.927
Euro-zone	101.048.040	89.673.042
Other countries	15.879.639	13.291.449
	214.261.091	**161.482.419**

The assets of the Group per geographical segment are as follows:

	GROUP	
Amounts in Euro	**31/12/2007**	**31/12/2006**
Greece	513.275.339	332.707.735
Euro-zone	3.928.182	23.177
Other countries	12.375.459	6.512.475
	529.578.979	**339.243.387**

The additions to PPE of the Group per geographical segment are as follows:

Amounts in Euro	**GROUP**	
	31/12/2007	**31/12/2006**
Greece	13.825.767	8.114.908
Euro-zone	218.447	-
Other countries	1.532.981	963.546
	15.577.195	**9.078.454**

7. Notes to the Financial Statements

7.1 Property, plant and equipment

The property, plant and equipment of the Company and the Group is analysed as follows:

GROUP	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Work in progress	Total
Amounts in Euro							
Cost							
Balance at 1 January 2006	7.818.463	22.173.967	44.338.696	4.946.303	4.866.466	3.747.435	**87.891.330**
Balance at 1 January 2006 of new companies	66.030	6.480.181	12.355.563	2.487.817	1.170.643	34.294	**22.594.528**
Additions	324.527	292.147	4.149.955	594.524	264.350	3.194.730	**8.820.233**
Disposals/write-offs/transfers	(579.401)	(3.691.233)	(384.252)	(286.310)	(347.726)	-	**(5.288.922)**
Reclassifications	-	1.835.091	1.247.257	394.001	22.841	(3.540.100)	**(40.910)**
Re-estimation	182.511	(1.069.501)	(40.811)	-	(16.040)	-	**(943.842)**
Changes - Exchange differences	-	(117.230)	(176.310)	(15.548)	(9.529)		**(318.616)**
Balance at 31 December 2006	**7.812.130**	**25.903.422**	**61.490.098**	**8.120.788**	**5.951.005**	**3.436.359**	**112.713.801**
Accumulated depreciation							
Balance at 1 January 2006	-	(2.125.074)	(28.435.259)	(3.627.318)	(3.712.312)	-	**(37.899.964)**
Balance at 1 January 2006 of new companies	-	(4.247.701)	(8.800.965)	(1.874.693)	(960.830)	-	**(15.884.188)**
Depreciation charge	-	(1.049.774)	(4.639.408)	(584.104)	(497.177)	-	**(6.770.463)**
Disposals/write-offs/transfers	-	363.731	182.806	239.794	337.744	-	**1.124.074**
Reclassifications	-	-	-	-	-	-	**-**
Re-estimation	-	137.968	-	-	-	-	**137.968**
Changes - Exchange differences	-	71.650	139.661	15.580	8.578	-	**235.469**
Balance at 31 December 2006	**-**	**(6.849.200)**	**(41.553.164)**	**(5.830.741)**	**(4.823.998)**	**-**	**(59.057.104)**
Net book amount at 31 December 2006	**7.812.130**	**19.054.222**	**19.936.934**	**2.290.046**	**1.127.007**	**3.436.359**	**53.656.698**
Cost							
Balance at 1 January 2007	7.812.129	25.903.422	61.490.098	8.120.788	5.951.005	3.436.359	**112.713.801**
Balance at 1 January 2007 of new companies	966.620	7.093.739	7.270.792	1.078.106	2.984.074	118.390	**19.511.720**
Additions	25.626	346.313	6.015.986	643.367	699.474	7.670.734	**15.401.499**
Disposals/write-offs/transfers	(293.470)	(2.770.991)	(1.146.790)	(224.476)	(27.100)	(905.349)	**(5.368.177)**
Spin-off assets	(341.491)	(2.567.730)	(3.362.708)	(171.973)	(389.667)	-	**(6.833.569)**
Reclassifications	-	3.388.325	2.367.129	150.750	10.750	(6.204.988)	**(288.033)**
Re-estimation	122.033	-	-	-	-	-	**122.033**
Changes - Exchange differences	57.137	126.551	219.698	17.970	11.533	48.974	**481.862**
Balance at 31 December 2007	**8.348.583**	**31.519.630**	**72.854.204**	**9.614.532**	**9.240.069**	**4.164.119**	**135.741.137**
Accumulated depreciation							
Balance at 1 January 2007	-	(6.849.201)	(41.553.164)	(5.830.741)	(4.823.998)	-	**(59.057.104)**
Balance at 1 January 2007 of new companies	-	(1.527.333)	(2.717.027)	(476.617)	(2.560.166)	-	**(7.281.143)**
Depreciation charge	-	(1.224.346)	(5.058.020)	(659.177)	(590.187)	-	**(7.531.730)**
Disposals/write-offs/transfers	-	1.843.087	1.075.869	158.001	20.261	-	**3.097.218**
Spin-off assets	-	170.775	1.453.212	149.301	359.196	-	**2.132.484**
Reclassifications	-	-	-	-	-	-	**-**
Re-estimation	-	600	-	-	-	-	**600**
Changes - Exchange differences	-	(89.140)	(171.679)	(16.513)	(10.343)	-	**(287.675)**
Balance at 31 December 2007	**-**	**(7.675.558)**	**(46.970.808)**	**(6.675.747)**	**(7.605.237)**	**-**	**(68.927.350)**
Net book amount at 31 December 2007	**8.348.583**	**23.844.072**	**25.883.396**	**2.938.785**	**1.634.832**	**4.164.119**	**66.813.786**

COMPANY

Amounts in Euro	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Work in progress	Total
Cost							
Balance at 1 January 2006	7.010.775	15.116.937	32.258.440	3.979.944	3.827.832	2.950.358	**65.144.286**
Balance at 1 January 2006 of new companies	410.797	1.446.407	4.686.354	657.122	446.517	784.987	**8.432.185**
Additions	-	123.509	2.742.786	368.785	230.227	2.616.154	**6.081.461**
Disposals/write-offs/transfers	-	-	(109.944)	(63.245)	(325.348)	-	**(498.536)**
Reclassifications	-	1.835.091	1.247.257	394.001	22.841	(3.536.156)	**(36.966)**
Re-estimation	-	-	-	-	-	-	**-**
Changes - exchange differences	-	-	-	-	-	-	**-**
Balance at 31 December 2006	**7.421.572**	**18.521.944**	**40.824.894**	**5.336.607**	**4.202.069**	**2.815.343**	**79.122.430**
Accumulated depreciation							
Balance at 1 January 2006	-	(855.903)	(21.043.905)	(3.013.471)	(2.926.501)	-	**(27.839.781)**
Balance at 1 January 2006 of new companies	-	(339.597)	(3.030.301)	(355.380)	(356.752)	-	**(4.082.030)**
Depreciation charge	-	(563.829)	(3.104.276)	(381.324)	(385.719)	-	**(4.435.149)**
Disposals/write-offs/transfers	-	-	56.200	25.541	322.384	-	**404.125**
Reclassifications	-	-	-	-	-	-	**-**
Re-estimation	-	-	-	-	-	-	**-**
Changes - Exchange differences	-	-	-	-	-	-	**-**
Balance at 31 December 2006	**-**	**(1.759.330)**	**(27.122.282)**	**(3.724.635)**	**(3.346.589)**	**-**	**(35.952.836)**
Net book amount at 31 December 2006	**7.421.572**	**16.762.614**	**13.702.612**	**1.611.973**	**855.480**	**2.815.343**	**43.169.594**
Cost							
Balance at 1 January 2007	7.421.572	18.521.944	40.824.894	5.336.607	4.202.069	2.815.343	**79.122.429**
Balance at 1 January 2007 of new companies	-	-	-	-	-	-	**-**
Additions	-	158.092	3.685.612	396.809	390.969	5.986.767	**10.618.248**
Disposals/write-offs/transfers	(293.470)	(1.218.547)	(298.481)	(89.809)	(18.431)	(6.529)	**(1.925.267)**
Spin-off assets	(341.491)	(2.567.730)	(3.362.708)	(171.973)	(389.667)	-	**(6.833.569)**
Reclassifications	-	3.388.325	2.367.129	150.750	10.750	(5.919.243)	**(2.288)**
Re-estimation	-	-	-	-	-	-	**-**
Changes - Exchange differences	-	-	-	-	-	-	**-**
Balance at 31 December 2007	**6.786.611**	**18.282.084**	**43.216.446**	**5.622.385**	**4.195.689**	**2.876.338**	**80.979.553**
Accumulated depreciation							
Balance at 1 January 2007	-	(1.759.330)	(27.122.282)	(3.724.635)	(3.346.589)	-	**(35.952.835)**
Balance at 1 January 2007 of new companies	-	-	-	-	-	-	**-**
Depreciation charge	-	(640.235)	(3.473.378)	(428.722)	(385.251)	-	**(4.927.586)**
Disposals/write-offs/transfers	-	14.261	126.753	67.794	12.115	-	**220.924**
Spin-off assets	-	170.775	1.453.212	149.301	359.196	-	**2.132.484**
Reclassifications	-	-	-	-	-	-	**-**
Re-estimation	-	-	-	-	-	-	**-**
Changes - Exchange differences	-	-	-	-	-	-	**-**
Balance at 31 December 2007	**-**	**(2.214.529)**	**(29.015.695)**	**(3.936.261)**	**(3.360.529)**	**-**	**(38.527.013)**
Net book amount at 31 December 2007	**6.786.611**	**16.067.555**	**14.200.752**	**1.686.124**	**835.161**	**2.876.338**	**42.452.540**

The property, plant and equipment of all the companies acquired in the current year 2007 was revalued at fair values, by independent qualified valuers, at the date of its acquisition and at balance sheet date.

The Group revalued the fair value of land and buildings last in December 2007, where deemed necessary. In order to determine the fair value of land and buildings the Group assigned to an independent qualified valuer to make valuations. The fair value was determined on the basis of recent market transactions on arm's length terms (recent purchase and sale in the same area) and subsequently revaluations were made in order these values to reflect the particularities of the specific land and buildings.

(1) On the non-current assets (tangible and investment property) of the parent company "NIREUS AE" have been registered real mortgages for an amount of Euro 15.000.000,00 for securing a bond loan in favour of EUROBANK the outstanding balance of which at 31 December 2007 amounted to Euro 44.537.409,00. Moreover, on PPE of the consolidating subsidiary company "ALPINO AE" unlisted on the ATHEX has been granted real mortgage of Euro 4.225.000,00 for securing bond loan in favour of ALPHA BANK the outstanding balance of which at 31 December 2007 amounted to Euro 3.385.000,00.

(2) On the land of the consolidating subsidiary company "SEAFARM IONIAN AE" have been registered the following real liens:

- (a) Pre-notice or mortgage of Euro 200.000,00 for securing bank loan made by Attica Bank S.A. the outstanding balance of which at 31 December 2007 amounted to Euro 157.786,18.
- (b) Mortgage of Euro 100.000,00 in favour of "AGROINVEST AE".
- (c) Pre-notice of mortgage of Euro 381.511,37 for securing loan made by the Bank of Cyprus the outstanding balance of which at 31 December 2007 amounted to Euro 720.620,44.
- (d) Pre-notice of mortgage of euro 296.404,98 for securing loan made by N.B.G. the size of which at 31 December 2007 amounted to Euro 1.704.917,40.
- (e) Mortgage of Euro 450.000,00 in favour of "PROTEINS OF ANIMAL FOOD-FISHMEAL LTD".
- (f) Pre-notice of mortgage in favour of "AGROINVEST AE" of Euro 150.000,00 and
- (g) Pre-notice of mortgage in favour of the company "TH. & CH. VLACHOS General Partnership" of Euro 400.000,00.

(3) On the land of the consolidating subsidiary company "KEGO AE" have been registered the following real liens:

- (a) Pre-notice of mortgage of Euro 293.470,00 for securing loan made by N.B.G. the outstanding balance of which at 31 December 2007 amounted to Euro 3.718.666,09.
- (b) Pre-notice of mortgage of Euro 1.100.000,00 for securing long-term loan made by N.B.G. the outstanding balance of which at 31 December 2007 amounted to Euro 449.249,57 and
- (c) Pre-notice of mortgage of Euro 264.135,25 for securing loan made by EUROBANK the outstanding balance of which at 31 December 2007 amounted to Euro 293.426,15.

Further to the above there are no other real liens on the PPE of "NIREUS AE" and its Group.

7.2 Investment property

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

Amounts in Euro	GROUP Land	GROUP Buildings	GROUP Total	COMPANY Land	COMPANY Buildings	COMPANY Total
Carrying value at 1 January 2006	**2.287.330**	**171.300**	**2.458.630**	**2.127.030**	**11.300**	**2.138.330**
Balance at acquisition date of new companies	20.500	-	20.500	-	-	-
Disposals/write-offs/transfers from PPE	293.971	2.606.339	2.900.311	(145.430)	160.000	14.570
Carrying value at 31 December 2006	**2.601.801**	**2.777.639**	**5.379.441**	**1.981.600**	**171.300**	**2.152.900**
Additions	5.002	-	5.002	-	-	-
Disposals/write-offs/transfers from PPE	-	(11.300)	(11.300)	-	(11.300)	(11.300)
Carrying value at 31 December 2007	**2.606.803**	**2.766.339**	**5.373.142**	**1.981.600**	**160.000**	**2.141.600**

Investment property is measured annually, every December either by a relevant research of the Company or by using an independent qualified valuer.

The following amounts have been recognised in the income statement:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Direct operating expenses non-generating income from rentals	(257.719)	(231.233)	-	-

7.3 Goodwill

The main changes in the carrying value of goodwill in relation to the previous year arose as follows:

In the present year 2007 were acquired the companies "KEGO AE" and its subsidiaries, "PREENGORDE DE DORADAS PARA MARICULTURA S.L. (PREDOMAR)", "RED ANCHOR AE" and "CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)" which were consolidated for first time by the method of full consolidation. Hereon we state that, in the consolidated income statement for the year 2007 (1/1-31/12/2007) are included the respective items of the above participating interests from the date of their purchase until 31/12/2007 in a) "KEGO AE" and its subsidiaries from 28/2-31/12/2007, b) "PREENGORDE DE DORADAS PARA MARICULTURA S.L. (PREDOMAR)" from 24/1-31/12/2007, c) "RED ANCHOR AE" from 27/11-31/12/2007 and d) "CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)" from 11/3-31/12/2007.

The carrying value of goodwill is analysed as follows:

GROUP	
Amounts in Euro	
Carrying value at 1 January 2006	**6.882.944**
Carrying value at 1 January 2006 of new companies	**-**
Additions	8.254.838
Carrying value at 31 December 2006	**15.137.782**
Carrying value at 1 January 2007	**15.137.782**
Additions	11.404.981
Carrying value at 31 December 2007	**26.542.763**

COMPANY	
Amounts in Euro	
Carrying value at 1 January 2006	**5.718.910**
Inventory closing balance of absorbed companies	**531.181**
Additions	3.469.460
Carrying value at 31 December 2006	**9.719.551**
Carrying value at 1 January 2007	**9.719.551**
Additions	-
Carrying value at 31 December 2007	**9.719.551**

Analysis of additions

The calculation of the account "Goodwill" after the above acquisitions, was made based on the fair value of the investment and calculated for the year ended 31/12/2007, per company as follows:

Group SEAFARM IONIAN AE

Acquisition date	*22/5/2007*
Acquired percentage	*1,6257%*
Total Consideration of Acquisition	**1.160.367**
Less: Fair value of company property assets and liabilities	**127.274**
Goodwill of purchase	***1.033.093***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	73.860.929
Liabilities	66.032.068
Contingent liabilities	0
Total Equity of Company	**7.828.861**
Participation Percentage	*1,6257%*
Fair Value	***127.274***

Acquisition date	*Period 2/7/2007 - 19/7/2007*
Acquired percentage	*2,8332%*
Total Consideration of Acquisition	**1.765.418**
Less: Fair value of company property assets and liabilities	**221.813**
Goodwill of purchase	***1.543.604***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	73.860.929
Liabilities	66.031.894
Contingent liabilities	0
Total Equity of Company	**7.829.035**
Participation Percentage	*2,8332%*
Fair Value	***221.813***

Acquisition date	*14/11/2007*
Acquired percentage	*0,1016%*
Total Consideration of Acquisition	**71.184**
Less: Fair value of company property assets and liabilities	**7.639**
Goodwill of purchase	***63.546***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	81.164.445
Liabilities	73.645.930
Contingent liabilities	0
Total Equity of Company	**7.518.515**
Participation Percentage	*0,1016%*
Fair Value	***7.639***

Group KEGO AE

Acquisition date	*28/2/2007*
Acquired percentage	*20,00%*
Total Consideration of Acquisition	**6.834.397**
Less: Fair value of company property assets and liabilities	**3.830.734**
Goodwill of purchase	***3.003.663***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	57.730.011
Liabilities	38.576.342
Contingent liabilities	0
Total Equity of Company	**19.153.669**
Participation Percentage	*20,00%*
Fair Value	***3.830.734***

Acquisition date	*30/4/2007*
Acquired percentage	*0,0045%*
Total Consideration of Acquisition	**82.680**
Less: Fair value of company property assets and liabilities	**882**
Goodwill of purchase	***81.797***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	61.904.533
Liabilities	42.287.299
Contingent liabilities	0
Total Equity of Company	**19.617.234**
Participation Percentage	*0,0045%*
Fair Value	***882***

Acquisition date	*Period 24/7/2007 - 16/8/2007*
Acquired percentage	*2,6186%*
Total Consideration of Acquisition	**1.653.875**
Less: Fair value of company property assets and liabilities	**506.891**
Goodwill of purchase	***1.146.985***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	58.659.771
Liabilities	39.302.646
Contingent liabilities	0
Total Equity of Company	**19.357.126**
Participation Percentage	*2,6186%*
Fair Value	***506.891***

Acquisition date	*Period 17/8/2007 - 25/9/2007*
Acquired percentage	*5,4691%*
Total Consideration of Acquisition	**3.235.394**
Less: Fair value of company property assets and liabilities	**1.142.563**
Goodwill of purchase	***2.092.832***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	62.764.714
Liabilities	41.873.422
Contingent liabilities	0
Total Equity of Company	**20.891.292**
Participation Percentage	*5,4691%*
Fair Value	***1.142.563***

Acquisition date	*11/10/2007*
Acquired percentage	*100%*
Total Consideration of Acquisition	**514.122**
Less: Fair value of company property assets and liabilities	**456.489**
Goodwill of purchase	***57.633***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	536.642
Liabilities	80.153
Contingent liabilities	0
Total Equity of Company	**456.489**
Participation Percentage	*100%*
Fair Value	***456.489***

Company KEGO AGRI AE

The Company's Management decided that the value of the participation in the Limited Company KEGO AGRI AE, consolidated for first time in the year 2007 in its group KEGO AE, to be shown increased in relation to the paid for its acquisition consideration amount Euro 18.000,00 by Euro 496.122,00 due to:

a) Acceptance by the absorbing company to transfer an overdue receivable of the holding indirect interests company LEMONT AE to the total paid consideration of the acquired of total value Euro 496.122,00 and b) of the estimated fair value of the company, amount Euro 456.489,05, by the use of an Independent Qualified Valuer, where deemed necessary.

Company PREENGORDE DE DORADAS PARA MARICULTURA S.L.

Acquisition date	*24/1/2007*
Acquired percentage	*100%*
Total Consideration of Acquisition	**2.038.438**
Less: Fair value of company property assets and liabilities	**1.821.167**
Goodwill of purchase	***217.271***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	3.409.615
Liabilities	1.588.448
Contingent liabilities	0
Total Equity of Company	**1.821.167**
Participation Percentage	*100%*
Fair Value	***1.821.167***

Acquisition date	*11/3/2007*
Acquired percentage	*99,9429%*
Total Consideration of Acquisition	**416.812**
Less: Fair value of company property assets and liabilities	**370.259**
Goodwill of purchase	***46.554***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	378.233
Liabilities	7.762
Contingent liabilities	0
Total Equity of Company	**370.470**
Participation Percentage	*99,9429%*
Fair Value	***370.259***

Company RED ANCHOR AE

Acquisition date	*26/11/2007*
Acquired percentage	*100%*
Total Consideration of Acquisition	**5.617.261**
Less: Fair value of company property assets and liabilities	**3.499.257**
Goodwill of purchase	***2.118.003***
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	Fair Value
Elements of Assets	5.424.600
Liabilities	1.925.343
Contingent liabilities	0
Total Equity of Company	**3.499.257**
Participation Percentage	*100%*
Fair Value	***3.499.257***

Especially for the goodwill that arose from the consolidation for fist time of the companies "KEGO AE", "PREDOMAR", "RED ANCHOR AE" and "CARBON" was used the relevant care of IFRS 3 about the temporary measurement of acquisition according to which when there is no final estimation either at fair values or at acquisition cost the acquirer uses temporary values and subsequently recognises adjustments to these temporary values:

a) Within 12 months from the acquisition date
b) By retrospective application from the acquisition date considering that the correct fair value was in effect from the very beginning and correcting respectively the amount of goodwill and the comparative data.

The temporary total acquisition cost of the subsidiary company PREDORMAR S.L. amounts to Euro 2.038.438.

The total acquisition cost of the subsidiary company CARBON A.S. is Euro 416.812.

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:

GROUP	**Software Programmes**	**Aquaculture Licences**	**Total**
Amounts in Euro			
Cost			
Carrying value 1 January 2006	**1.247.840**	**-**	**1.247.840**
Carrying value 1 January 2006 of new companies	**212.203**	**-**	**212.203**
Additions	258.221	-	258.221
Disposals/Write-offs/Transfers to investments	(13.725)	-	(13.725)
Transfers from investments, work in progress	36.804	-	36.804
Re-estimation	-	8.500.000	8.500.000
Changes/Exchange differences	(2.610)	-	(2.610)
Carrying value at 31 December 2006	**1.738.733**	**8.500.000**	**10.238.733**
Accumulated amortisation			
Carrying value at 1 January 2006	**(602.501)**	**-**	**(602.501)**
Carrying value 1 January 2006 of new companies	**(183.824)**	**-**	**(183.824)**
Amortisation charge	(338.318)	-	(338.318)
Disposals/Write-offs/Transfers to investments	4.800	-	4.800
Transfers from investments/work in progress	-	-	-
Re-estimation	-	-	-
Changes/Exchange differences	2.124	-	2.124
Carrying value at 31 December 2006	**(1.117.719)**	**-**	**(1.117.719)**
Net book value at 31 December 2006	**621.014**	**8.500.000**	**9.121.014**
Cost			
Carrying value 1 January 2007	**1.738.733**	**8.500.000**	**10.238.733**
Carrying value 1 January 2007 of new companies	**131.994**	**5.348.000**	**5.479.994**
Additions	**170.694**	**-**	170.694
Disposals/Write-offs/Transfers to investments	(2.800)	-	(2.800)
Spin-off assets	(77.815)	-	(77.815)
Transfers from investments/work in progress	2.288	-	2.288
Re-estimation	-	209.000	209.000
Changes/Exchange differences	2.825	-	2.825
Carrying value 31 December 2007	**1.965.918**	**14.057.000**	**16.022.918**
Accumulated amortisation			
Carrying value 1 January 2007	**(1.117.720)**		**(1.117.720)**
Carrying value 1 January 2007 of new companies	**(120.222)**		**(120.222)**
Amortisation charge	(266.477)		(266.477)
Disposals/Write-offs/Transfers to investments	653		653
Spin-off assets	61.618		61.618
Transfers from investments/work in progress	-		-
Re-estimation	-		-
Changes/Exchange differences	(2.669)		(2.669)
Carrying value at 31 December 2007	**(1.444.817)**	**-**	**(1.444.817)**
Net book value at 31 December 2007	**521.101**	**14.057.000**	**14.578.101**

COMPANY

Amounts in Euro	Software Programmes	Total
Cost		
Carrying value 1 January 2007	**1.017.573**	**1.017.573**
Inventory closing balance of absorbed companies	**212.351**	**212.351**
Additions	243.754	243.754
Disposals/Write-offs/Transfers to investments	-	-
Transfers from investments, work in progress	36.804	36.804
Re-estimation	-	-
Changes/Exchange differences	-	-
Carrying value at 31 December 2006	**1.510.482**	**1.510.482**
Accumulated amortisation		
Carrying value at 1 January 2006	**(506.097)**	**(506.097)**
Carrying value 1 January 2006 of new companies	**(110.737)**	**(110.737)**
Amortisation charge	(277.922)	(277.922)
Disposals/Write-offs/Transfers to investments	-	-
Transfers from investments/work in progress	-	-
Re-estimation	-	-
Changes/Exchange differences	-	-
Carrying value at 31 December 2006	**(894.757)**	**(894.757)**
Net book value at 31 December 2006	**615.724**	**615.724**
Cost		
Carrying value 1 January 2007	**1.510.482**	**1.510.482**
Carrying value 1 January 2007 of new companies		**-**
Additions	**137.209**	137.209
Disposals/Write-offs/Transfers to investments	(2.800)	(2.800)
Spin-off assets	(77.815)	(77.815)
Transfers from investments/work in progress	2.288	2.288
Re-estimation		-
Changes/Exchange differences		-
Carrying value 31 December 2007	**1.569.363**	**1.569.363**
Accumulated amortisation		
Carrying value 1 January 2007	**(894.757)**	**(894.757)**
Carrying value 1 January 2007 of new companies	**-**	**-**
Amortisation charge	(253.161)	(253.161)
Disposals/Write-offs/Transfers to investments	653	653
Spin-off assets	61.618	61.618
Transfers from investments/work in progress		-
Re-estimation		-
Changes/Exchange differences		-
Carrying value at 31 December 2007	**(1.085.647)**	**(1.085.647)**
Net book value at 31 December 2007	**483.716**	**483.716**

The account "Aquaculture Licences" at Group level concerns the fair value of the aquaculture licences of the companies of the Group "SEAFARM IONIAN AE", the Group "KEGO", the "PREENGORDE DE DORADAS PARA MARICULTURA S.L. (PREDOMAR)", the "RED ANCHOR AE" and the "CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)" which arose following appraisal performed by an independent appraisal Firm and was determined to amount Euro 14.057.000. The said fair value is not amortised but shall be tested for any impairment of its value, if there are events that provide indications for loss, according to IAS 36.

7.5 Investments in subsidiaries

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

Amounts in Euro	**GROUP** **31/12/2007**	**COMPANY** **31/12/2007**
Beginning of year before reclassification	**401.920**	**9.600.234**
Transfers from reclassification	**-**	**56.000**
Beginning of year after reclassification	**401.920**	**9.656.234**
(Disposals)	**-**	(147.581)
Additions	**-**	23.793.411
Total	**401.920**	**33.302.064**

The amount of Euro 401.920 that is disclosed in the annual financial statements at 31/12/2007 concerns by Euro 39.414 the impaired cost of subsidiary company "THETIS AE", which was not consolidated in the current period 2007, since it has been put under liquidation and by amount Euro 362.506 the impaired cost of the subsidiary company of the Group SEAFARM IONIAN AE. "DIATROFIKI AE", which was not consolidated in the present period 2007 for the same reason.

In the parent company in the year 2006, amount Euro 56.000 concerns the acquisition cost of the company ILKNAK SU URUNLERI SAN Ve TIC A.S. S, which was reclassified from Investments in Associates to Investments in Subsidiaries.

The participation percentages of the company in investments, which are unlisted on the ATHEX, (except for "KEGO AE") have as follows:

Company	**Cost**	**Impairment**	**Recovery of investment from dividends**	**Value of balance sheet**	**Country of incorporation**	**% Interest held**
THETIS AE	1.690.060	(1.650.646)	-	39.414	GREECE	100,00%
PROTEUS EQUIPMENT AE	29.347	-	-	29.347	GREECE	50,00%
ALPINO AE	17.328.978	(15.548.567)	-	1.780.412	GREECE	100,00%
AQUACOM LTD	1.141.394	-	-	1.141.394	VIRGIN ISLANDS	100,00%
A-SEA AE	575.446	(337.159)	-	238.288	GREECE	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	56.000	-	-	56.000	TURKEY	3,10%
NIREUS INTERNATIONAL LTD	3.976.440	-	-	3.976.440	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	232	-	-	232	TURKEY	0,02%
SEA FARM IONIAN AE	8.859.746	-	-	8.859.746	GREECE	21,292%
RED ANCHOR AE	5.617.261	-	-	5.617.261	GREECE	100,00%
KEGO AE	11.834.731	-	(271.200)	11.563.531	GREECE	28,0922%
	51.109.634	**(17.536.371)**	**(271.200)**	**33.302.064**		

As recovery of investment are considered the dividends received from profits arising prior to the date of acquisition of a subsidiary company. There are no significant limitations as to the ability of subsidiaries to transfer funds to the parent company in the form of cash dividends, repayment of loans or advances.

7.6 Investments in Associates

In the separate financial statements the investments in associates have been measured at impaired acquisition cost, while in the financial statements of the Group it is applied the net equity method. The investments in related enterprises are presented here below:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Beginning of year	**1.333.861**	**852.084**	**462.959**	**518.959**
Transfers from reclassification	**-**	**-**	**-**	**(56.000)**
Balance at date of acquisition of new companies	**529.875**	-	-	-
Additions	35.118.697		35.118.697	-
Consolidation by the net equity method	618.964	481.777	-	-
Total	**37.601.397**	**1.333.861**	**35.581.656**	**462.959**

Transfers in the year 2006, amount Euro 56.000 concerns the acquisition cost of ILKNAK SU URUNLERI SAN Ve TIC A.S. S, which was reclassified from item Investments in Associates to item Investments in Subsidiaries.
Amount Euro 618.964 disclosed in the consolidation by the Net Equity method of the Group at 31/12/2007 concerns by amount Euro -122.407 the company BLUE FIN TUNA AE, by amount Euro 142.889 the company VITA TRACE NUTRITION LTD and by amount Euro 598.482 the company MARINE FARMS ASA. Amount Euro 529.875 concerns the value of participation (at acquisition date) in the company VITA TRACE NUTRITION LTD disclosed by the Group "KEGO A.E.".
The participation percentages of the company in investments, which are unlisted on a Stock Exchange (except for MARINE FARMS ASA) as well as the participation percentage in property assets (including goodwill) and liabilities, are as follows:

31/12/2007

Company	**Cost**	**Impairment**	**Value of Balance sheet**	**Country of incorporation**	**Participation percentage**
PER MARE RESEARCH AE	22.891	(9.932)	12.959	GREECE	39%
BLUEFIN TUNA AE	650.000	-	650.000	GREECE	25%
MARINE FARMS ASA	34.918.697	-	34.918.697	NORWAY	30,1954%
	35.591.587	**(9.932)**	**35.581.656**		

There are no significant limitations as to the ability of associates to transfer funds to the parent company in the

31/12/2006

Company	**Cost**	**Impairment**	**Value of Balance sheet**	**Country of incorporation**	**Participation percentage**
PER MARE RESEARCH AE	22.891	(9.932)	12.959	GREECE	39%
BLUEFIN TUNA AE	450.000	-	450.000	GREECE	25%
	472.891	**(9.932)**	**462.959**		

form of cash dividends, repayment of loans or advances. The investment in the associate company "MARINE FARMS ASA" includes goodwill amount Euro 17.937.740.

7.7 Available-for-sale financial assets

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

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Beginning of year	**2.054.485**	**2.384.016**	123.229	2.384.016
Balance at date of acquisition of new companies	**-**	**4.682.269**	-	-
Additions	-	2.000	-	2.000
Write-offs	(124.655)	-	(74.274)	-
Disposals	-	(5.013.800)	-	(2.262.787)
Balance at end of year	**1.929.831**	**2.054.485**	**48.955**	**123.229**

The available-for-sale financial assets concern participation in unlisted on an organized market companies. Available-for-sale financial assets are measured at acquisition cost, as it cannot be reliably measured their fair value.
In the present year were eliminated to the charge of other income/expenses the companies "SOS AEGEAN" and "HELLENIC AGROEXPORTS", which were liquidated.

7.8 Other non-current receivables

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

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other non-current receivables	12.260	-	-	-
Given guarantees	232.121	216.812	119.053	124.224
Total	**244.381**	**216.812**	**119.053**	**124.224**

7.9 Biological assets

The biological assets of the Group were measured at their fair value, according to IAS 41.
Biological assets are the reserves of spawn-generating adult fish, fish, spawn and livestock-poultry products at that time and are measured at fair value (i.e. selling price) based on IAS 41. This method has as a consequence in periods with intensive harvesting the significant growth of reserves and gains that arise from the difference between cost of produce and measurement at selling prices.
Fair value reconciliation of biological assets is presented in the following table:

Biological assets

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Balance of biological assets at 1 January	**153.068.570**	**114.600.471**	**128.315.642**	**100.369.326**
Opening inventories at date of acquisition of subsidiary with biological assets	**7.215.420**	**13.153.647**	**-**	**9.700.237**
Increases due to purchases of biological assets	5.415.457	473.732	2.728.907	615.244
Gain/Loss arising from changes in fair value attributable to price of biological assets	-	-	-	
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	159.584.319	123.856.043	120.437.157	100.286.975
Decreases due to sales of biological assets	(134.243.555)	(99.015.323)	(101.969.141)	(82.656.140)
End balance of biological assets at 31 December 2007	**191.040.211**	**153.068.570**	**149.512.565**	**128.315.642**
ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET				
A) Biological assets below 200gr (Assets – Non-current assets)	67.458.708	63.220.524	55.158.250	52.347.777
B) Biological Poultry-Livestock (Assets - Non-current assets)	-	-	-	-
TOTAL BIOLOGICAL ASSETS - Assets - Non-current	***67.458.708***	***63.220.524***	***55.158.250***	***52.347.777***
C) Biological assets above 200gr (Inventories - Current assets)	123.399.724	89.848.047	94.354.315	75.967.865
D) Biological Poultry-Livestock (Inventories - Current assets)	181.779	-	-	-
TOTAL BIOLOGICAL ASSETS - Assets - Current	***123.581.503***	***89.848.047***	***94.354.315***	***75.967.865***
TOTAL BIOLOGICAL ASSETS	**191.040.211**	**153.068.570**	**149.512.565**	**128.315.642**

7.10 Inventories

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

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Merchandise	3.255.739	1.420.752	1.569.591	1.413.569
Finished and semi-finished goods	5.315.722	5.722.447	4.062.188	5.566.643
Work in progress	8.449	126.499	8.449	126.499
Raw and auxiliary materials-Package materials	5.123.406	4.015.841	2.485.243	2.663.380
Consumables	128.750	82.806	117.141	75.421
Packing items	8.263	42.248	7.293	41.457
Total	**13.840.329**	**11.410.594**	**8.249.905**	**9.886.969**

The amount of inventories recognised as an expense during the year and included in the item consumables, amounts to Euro 124.588.303 for the Group and Euro 116.286.361 for the Company (2006: Euro 94.281.505 Group and Euro 97.117.520 Company).

The Group has no pledged inventories.

For the determination of the inventories net sale value Management considers the most reliable data that is available at the date the measurement occurs.

7.11 Trade and other receivables

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

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade receivables from third parties (Trade debtors)	51.714.891	37.039.729	48.906.099	33.662.480
Trade receivables from third parties (Notes)	1.401.962	1.148.456	976.856	1.123.671
Trade receivables from third parties (Cheques receivable)	56.164.992	30.915.175	22.909.310	29.318.414
Less: Provision for uncollectible receivables	(15.575.017)	(13.796.653)	(6.127.715)	(6.127.715)
Total trade & other receivables-net	**93.706.828**	**55.306.707**	**66.664.550**	**57.976.850**

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. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers and the credit risk is dispersed.

The carrying value of a receivable (measured at amortised cost) is considered that approximates its fair value as its collection is expected that will occur in such a time period that the impact of the money time value is considered insignificant.

For all the receivables of the Group has been performed valuation of the indicators of any impairment. The impaired receivables mainly relate to customers of the Group, which are in unexpectedly difficult economic situations.

7.12 Other receivables

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

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Sundry debtors	7.823.461	7.786.633	11.869.097	10.524.303
Claims from Greek State	15.517.686	11.246.343	11.772.405	8.440.290
Other receivables	109.760	-		-
Disputed debtors	30.000	70.379	30.000	30.000
Cash accommodation to personnel	169.194	-	104.799	-
Prepayments to personnel	-	304.525		214.700
Total	**23.650.100**	**19.407.879**	**23.776.301**	**19.209.293**

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 that approximates its fair value as its collection is expected that will be realised in such a time period that the impact of the money time value is considered insignificant.

For all the receivables of the Group has been performed valuation of the indicators for any impairment. Certain of the receivables are impaired and provided for. The respective provision for impairment amounts to Euro 9.359.869 (2006: Euro 9.318.076) for the Group and Euro 597.509 (2006: Euro 597.509) for the Company.

7.13 Other current assets

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

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Deferred expenses	423.643	477.372	351.976	345.825
Accrued income-year	643.039	339.086	194.869	76.233
Purchases under delivery	488.736	93.837	488.736	93.837
Other prepayments and accrued income	53.661	-	53.661	-
Total	**1.609.079**	**910.295**	**1.089.242**	**515.895**

7.14 Derivative financial instruments

The derivative financial instruments refer to:

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Derivative financial instruments				
CAP contracts with or without knock out barrier-Cash flow hedging	265.859	-	15.530	-
Derivative financial instruments (assets)	**265.859**	**-**	**15.530**	**-**

The fair value of these forward contracts was measured using relative interest rates and foreign exchange rates prevailing in the market.

The total fair value of a derivative is classified as a current asset or liability. The movement of derivative financial instruments is as follows:

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Opening balance	-	-	-	-
Additions	265.859	-	15.530	-
Total	**265.859**	**-**	**15.530**	**-**

The changes in fair value were recognised in the income statement for the year and particularly in item "Finance income/costs" (Note 7.28.).

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 are analysed here below as follows:

Financial assets at fair value through profit or loss	**GROUP** 31/12/2007	**GROUP** 31/12/2006	**COMPANY** 31/12/2007	**COMPANY** 31/12/2006
Securities	1.166	1.304	1.166	1.304
Total	**1.166**	**1.304**	**1.166**	**1.304**

The movement of derivative financial instruments is as follows:

Amounts in Euro	**GROUP** 31/12/2007	**GROUP** 31/12/2006	**COMPANY** 31/12/2007	**COMPANY** 31/12/2006
Opening balance	1.304	595	1.304	595
Changes in fair value	(138)	709	(138)	709
Total	**1.166**	**1.304**	**1.166**	**1.304**

The changes in fair value of these financial assets are included in the item "Finance income/costs" (Note 7.28.). The fair value of the above equity instruments is based on their current market value, in the market these are traded.

7.16 Cash and cash equivalents

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

Amounts in Euro	**GROUP** 31/12/2007	**GROUP** 31/12/2006	**COMPANY** 31/12/2007	**COMPANY** 31/12/2006
Cash in hand	641.033	125.857	50.085	60.514
Sight bank deposits	4.843.847	10.629.752	2.292.019	10.340.000
Time bank deposits	46.419.647	655.137	35.180.000	280.708
Total	**51.904.527**	**11.410.746**	**37.522.104**	**10.681.222**

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

7.17 Equity

Share capital

The Share capital of "NIREUS AQUACULTURE AE" consists of ordinary shares with a par value of Euro 1,52 per share. All shares grant equal rights in receipt of dividends and repayment of capital and represent one vote at the General Meeting of Shareholders of NIREUS AQUACULTURE AE. The share of NIREUS AE is freely traded in the Athens Stock Exchange. The amounts received, above the par value of the shares, are included in equity item "Share premium" net of any directly attributable incremental transaction costs, other legal fees and the related income tax effects. The movement of share capital is as follows:

	GROUP				COMPANY			
Amounts in Euro	Number of shares	**Share capital (ordinary shares)**	**Share premium**	**Total**	Number of shares	**Share capital (ordinary shares)**	**Share premium**	**Total**
At 1 January 2006	40.368.514	**50.460.643**	**37.152.013**	**87.612.655**	40.368.514	**50.460.643**	**37.152.013**	**87.612.655**
Change due to absorption of subsidiaries	69.755	87.194	-	**87.194**	69.755	**87.194**	-	**87.194**
Share options granted under IFRS 2	494.350	617.938	512.147	**1.130.084**	494.350	**617.938**	512.147	**1.130.084**
Balance at 31 December 2006	40.932.619	**51.165.774**	**37.664.159**	**88.829.933**	40.932.619	**51.165.774**	**37.664.159**	**88.829.933**
Issue of shares with capitalization of reserves and retained earnings	-	11.263.760	(7.988.517)	**3.275.243**	-	11.263.760	(7.988.517)	**3.275.243**
Issue of shares with cash	10.233.154	15.349.731	18.419.678	**33.769.409**	10.233.154	15.349.731	18.419.678	**33.769.409**
Share options granted under IFRS 2	364.500	546.750	328.050	**874.800**	364.500	546.750	328.050	**874.800**
Expenses related to the issue of shares	-	-	(625.733)	**(625.733)**	-	-	(625.733)	**(625.733)**
Balance at 31 December 2007	51.530.273	**78.326.015**	**47.797.637**	**126.123.652**	51.530.273	**78.326.015**	**47.797.637**	**126.123.652**

- The A' Second Call Extraordinary General Meeting of Shareholders, held on 11/04/2007 resolved among other:
  a) The increase of the share capital of the company with capitalization of reserves by amount ten million two hundred thirty three thousand one hundred fifty four Euro and seventy five cents (Euro 10.233.154,75) by increase of the par value of the company's share from Euro 1,25 to Euro 1,50 and
  b) The increase of the share capital with cash payments by amount fifteen million three hundred forty nine thousand seven hundred thirty one Euro (Euro 15.349.731) by the issue of 10.233.154 new shares of par value Euro 1,50 and issue price Euro 3,30 each one.

The increase of the Share Capital by cash payments with pre-emption right in favour of old shareholders that was resolved by the A' Second Call Extraordinary General Meeting of Shareholders, held on 11/04/2007, was realized from 21/06/2007 to 05/07/2007 and covered fully with the payment of total amount Euro 33.769.408,20 and the issue of 10.233.154 new ordinary registered shares of par value Euro 1,50 each and offer price Euro 3,30 each share.

The difference between the issue price and the par value of each share of a total amount Euro 18.419.677,20 was transferred, according to the law and the Articles of Association to the credit of the account "Reserve from issue of shares above par".

- According to the Minutes dated 20/11/2007 of the Board Meeting of the Company an increase of the company's Share Capital was made by Euro 546.750,00 with the issue of 364.500 new shares of par value Euro 1,50 each and offer price Euro 2,40, while the excess of the share capital paid as above amounting Euro 328.050 was carried to the account "Reserve from issue of shares above par" owing to exercise of pre-emption rights for the purchase of shares, which were approved by the General Meeting of Shareholders held on 05/06/2006.
- According to the resolution dated 10/12/2007 of the Extraordinary General Meeting of Shareholders of the Company the share capital of the company was increased by Euro 1.030.605,46 with capitalization of

reserve from the account "Reserve from issue of shares above par" and with a parallel increase of the Company's share par value from Euro 1,50 to Euro 1,52.

- After the above increase the share capital of the company amounts to Euro 78.326.014,96 and is divided into 51.530.273 ordinary registered shares of par value Euro 1,52 each share.

For the "Group and Treasury Share Transactions" IFRS 2 see detailed note 7.20 relating to defined benefit plan based on equity instruments.

Fair Value Reserves

The analysis of reserves at fair value is as follows:

Amounts in Euro	**GROUP**	**COMPANY**
Balance at 1 January 2006	**11.424.075**	**8.691.297**
Transfers	37.997	744.759
Revaluation 2006	(508.391)	-
Sale	(461.748)	-
Balance at 31 December 2006	**10.491.934**	**9.436.057**
Revaluation 2007	115.239	-
Sale	(666.482)	(666.482)
Spin-off	(268.642)	(268.642)
Balance at 31 December 2007	**9.672.049**	**8.500.933**

Other Reserves

The other reserves of the Company are analysed as follows:

Amounts in Euro	**LEGAL RESERVE**	**IMPAIRMENT LOSS OF PARTICIPATIONS**	**UNDER SPECIAL LAW PROVISIONS**	**RESERVE UNDER IFRS 2**	**RESERVE OF CONVERTIBLE BOND LOAN ***	**RESERVES INTENDED FOR FUTURE INCREASE OF S.C.**	**OTHER RESERVES**	**TOTAL**
Balance at 1 January 2006	**2.819.341**	**(3.598.628)**	**8.802.639**	**-**	**-**	**-**	**45.687**	**8.069.038**
Transfers from absorption of Subsidiaries	45.751	-	121.841	-	-	-	6.367	**173.959**
Changes from absorption of subsidiaries	-	3.598.628	-	-	-	387.775	-	**3.986.403**
Share options under IFRS 2	-	-	-	764.625	-	-	-	**764.625**
Changes throughout the year	129.632	-	-	-	-	-	-	**129.632**
Balance at 31 December 2006	**2.994.724**	**-**	**8.924.479**	**764.625**	**-**	**387.775**	**52.054**	**13.123.657**
Share options under IFRS 2	-	-	-	444.027	-	-	-	**444.027**
Changes throughout the year for issue of shares	-	-	(2.810.756)	-	-	(387.775)	(52.054)	**(3.250.586)**
Changes throughout the year arising from convertible Bond Loan	-	-	-	-	(310.043)	-	-	**(310.043)**
Spin-off of sector	-	-	(4.094.717)	-	-	-	-	**(4.094.717)**
Changes throughout the year	60.910	-	-	-	-	-	-	**60.910**
Balance at 31 December 2007	**3.055.634**	**-**	**2.019.006**	**1.208.652**	**(310.043)**	**-**	**-**	**5.973.248**

** Corresponds to item Equity (conversion rights) 2.046.630 registered convertible into ordinary registered bond shares, which were issued in the present year 2007.*

7.18 Borrowings

The non-current and current borrowings are as follows:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Non-current borrowings				
Bank borrowings	143.243.856	89.610.477	84.922.934	57.051.237
Less: Borrowings payable in following year (Loans)	(13.886.535)	(6.390.945)	(10.597.456)	(5.222.042)
Total non-current borrowings	**129.357.321**	**83.219.532**	**74.325.478**	**51.829.195**
Liabilities payable in following year				
Liabilities payable in following year (Loans)	13.886.535	6.390.945	10.597.456	5.222.042
Liabilities payable in following year (other non-current liabilities)	-	146.735	-	146.735
Total liabilities payable in following year	**13.886.535**	**6.537.680**	**10.597.456**	**5.368.777**
Short-term loans				
Bank borrowings	85.875.256	28.426.099	67.629.959	28.424.023
Total short-term loans	**85.875.256**	**28.426.099**	**67.629.959**	**28.424.023**
Total loans	**229.119.112**	**118.036.576**	**152.552.893**	**85.475.260**

The maturity of non-current borrowings is as follows:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Between 1 and 2 years	18.925.873	8.488.681	14.862.522	6.872.849
Between 2 and 5 years	75.016.900	38.371.283	56.129.620	28.691.785
Over 5 years	35.414.548	36.359.568	3.333.335	16.264.562
	129.357.321	**83.219.532**	**74.325.478**	**51.829.195**

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

	31/12/2007	31/12/2006
	€	€
Bank borrowings (current)	5,96%	5,46%
Bank borrowings (non-current)	5,90%	5,40%

On 12/07/2007 was issued the convertible bond loan of total issue amount Euro 19.995.575,10 that corresponds to 2.046.630 registered bonds convertible to ordinary shares of the issuer, of nominal value Euro 9,77 per bond. The bond offer price was set to Euro 9,77 per bond while the life of the bond loan was set to 5 years from the issue date at fixed annual interest rate 1,00% and maturity yield 31,01%.

Each one (1) bond shall grant to Bondholder right for its conversion to 2,08703 ordinary registered shares of the Company with voting right, while the conversion price will be Euro 4,68129 per share.

7.19 Deferred income tax

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

	GROUP			
Amounts in Euro	31/12/2007		31/12/2006	
	TAX ASSETS	TAX LIABILITIES	TAX ASSETS	TAX LIABILITIES
Non-current Assets				
Intangible assets	910.607	515.414	598.726	186.121
Property, Plant & Equipment	496.445	1.998.550	414.189	393.558
Other long-term receivables	5.569	40.902	-	-
Current Assets				
Inventories	1.029.215	11.330.862	608.425	8.621.228
Receivables	2.288.786	203.712	2.671.286	52.494
Non-current liabilities				
Retirement benefit obligations	709.125	25.047	572.247	16.542
Other non-current liabilities	254.234	142.342	-	135.846
Provisions	673.340	300.000	-	4.832
Current liabilities				
Other current liabilities	166.492	91.478	-	-
Adjustment of tax rate	-	-	59.356	69.359
	6.533.812	**14.648.307**	**4.924.229**	**9.479.980**
Offsetting	**-6.458.253**	**-6.458.253**	**-4.498.947**	**-4.498.947**
Balance at end of year	***75.559***	***8.190.054***	***425.281***	***4.981.033***

	COMPANY			
Amounts in Euro	31/12/2007		31/12/2006	
	TAX ASSETS	TAX LIABILITIES	TAX ASSETS	TAX LIABILITIES
Non-current Assets				
Intangible assets	213.570		218.606	-
Property, Plant & Equipment	5.538	42.185	240.454	-
Other long-term receivables	5.569	4.206		
Current Assets				
Inventories	10.833	8.765.838	10.833	6.783.781
Receivables	1.654.418	7.782	1.655.064	2.618
Non-current liabilities				
Retirement benefit obligations	497.622		469.110	-
Other non-current liabilities	254.234	142.342	-	135.846
Provisions			-	4.832
Current liabilities				
Other current liabilities		22.051	-	-
Adjustment of tax rate			-	-
	2.641.784	**8.984.404**	**2.594.068**	**6.927.078**
Offsetting	**-2.641.784**	**-2.641.784**	**-2.594.068**	**-2.594.068**
Balance at end of year		***6.342.620***	***0***	***4.333.010***

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, from the company side, 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 income tax liabilities of the Group at 31/12/2007 concern by amount Euro 159.879 the companies with registered offices in Turkey (tax rate 20%) and by amount Euro 8.030.175 the companies with registered offices in Greece. The respective amounts at 31/12/2006 were for the companies with registered offices in Turkey Euro 389.935 and for the companies with registered offices in Greece Euro 4.591.098.

The deferred income tax assets of the Group at 31/12/2007 concern by amount Euro 10.873 the companies with registered offices in Spain (tax rate 30%) and by amount Euro 64.686 the companies with registered offices in Greece (tax rate 25%). The respective amounts at 31/12/2006 were for the companies with registered offices in Turkey Euro 26.418 and for the companies with registered offices in Greece Euro 398.863.

7.20 Employee Benefits

Retirement benefit obligations

The Group and the company recognises as retirement benefit obligation the present value of the legal commitment that has assumed for the payment of 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:

	GROUP		COMPANY	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Balance liability at beginning of the year	2.155.854	1.538.117	1.876.440	1.318.626
Liabilities acquired in a business combination	271.121	165.065	-	202.132
Current service cost	259.761	14.810	195.081	-
Finance cost	107.641	6.665	84.440	-
Compensation paid	(153.360)	(4.602)	(140.794)	-
Exchange differences arising from foreign plans	1.971	-		-
Net actuarial (profit)/losses recognised in the income statement	12.050	435.799	(24.680)	355.682
Total liability at end of the year	**2.655.038**	**2.155.854**	**1.990.487**	**1.876.440**

The principal actuarial assumptions used were as follows:

	31/12/2007	**31/12/2006**
Discount rate	4,5%	4,5%
Future salary increases	3,5%	3,5%
Inflation rate	2,5%	2,5%
Percentage of retirements	0,5%	0,5%

The interest expenses are included in the item "Finance cost" in the Income Statement (see Note 7.28.).

Employee benefit expense

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

Amounts in Euro	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY 2006
Employee benefits cost				
Salaries and personnel expenses	36.404.206	29.882.847	26.053.563	22.160.455
Expenses arising from Share Options Granted under IFRS 2	444.027	764.625	444.027	764.625
Total	**36.848.233**	**30.647.472**	**26.497.590**	**22.925.080**

Number of employed personnel

The number of employed personnel of the Company amounted at 31 December 2007 to 983 and of the Group to 1.976 persons and at 31 December 2006 to 878 and 1.210 persons, 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 B. of D., 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 preference and it will be the at each time average price of the parent Company's share over the period 1/10 – 1/11 of each year decreased by 40%. The options will be exercised within the first fifteen days of the month November of each year of the plan in force. Options may be exercised in parts starting three years from the grant date, namely at rate 40% in November 2006, at rate 30% in November 2007 and at 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. The fair value of the options exercised in 2007 amounts to Euro 1.218 per option and arises as the difference between the fair value of the share at the exercise date (average price of period 1/1 to 15/11/07 = Euro 3,6182) and the exercise price of the option (Euro 2,40). Due to uncertainty so as to the number and the fair value of the options that will be exercised, as also to whether options will be exercised in 2008, no provision was made in the present and the previous year for the options relating to years 2007 and 2008.

All compensation to employees based on equity instruments is settled at net. The Group has no legal or constructive obligation to repurchase or settle the options.

The options exercised over the years 2006 and 2007 had as a result the equal in amount increase of the number of common shares.

In total, for the year 2007 has been included in the consolidated income statement an amount of Euro 444.047 (2006: Euro 764.625) as compensation to employees with respective increase of the equity item "Other reserves". No liability was recognised from compensation based on equity instruments.

7.21 Government Grants

The analysis of Grants of the Group and the Company, is as follows:

Amounts in Euro	GROUP	COMPANY
Balance at 1 January 2006	**5.806.629**	**4.654.290**
Balance at date of acquisition of new companies	668.694	586.017
Proceeds received over the year	1.515.139	1.167.617
Recognised in the income statement	(1.932.520)	(1.368.154)
Balance at 31 December 2006	**6.057.942**	**5.039.770**
Balance at date of acquisition of new companies	1.035.418	
Balance of spin-off sector	(499.960)	(499.960)
Proceeds received over the year	1.607.630	1.607.630
Recognised in the income statement	(1.534.449)	(1.335.380)
Balance at 31 December 2007	**6.666.581**	**4.812.059**

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	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Non-current liabilities based on article 44 L.1892/90	4.676.605	4.989.269	-	-
Liability for purchase of PPE assets	-	308.471	-	308.471
Total	**4.676.605**	**5.297.740**	**-**	**308.471**

The other non-current liabilities at 31/12/2007 concerning the Group arise from liabilities of the Group "SEAFARM IONIAN AE" owing to its subject to article 44 of L. 1892/90.

7.23 Trade and other payables

The analysis of the balances of trade and other payables of the Group and the Company, is as follows:

	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade payables	30.904.104	20.473.365	19.726.829	20.448.037
Cheques payable	53.772.144	44.531.045	52.936.334	42.833.706
Promissory notes	1.004.936	486.577	1.004.936	486.577
Notes payable	10.094	96.995		-
Total	**85.691.278**	**65.587.982**	**73.668.098**	**63.768.320**

The fair values of trade and other payables are not presented separately since, owing to their short-term duration, management considers that the carrying values that are recognised in the balance sheet constitute a reasonable approach of the fair values.

7.24 Other current liabilities

Follows analysis of other current liabilities:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Wages and salaries payable	1.636.538	1.428.797	1.257.179	1.096.502
Dividends	136.973	91.858	-	1.637
Social security	2.015.522	1.775.564	1.252.970	1.133.317
Taxes - duties	3.888.478	4.601.283	2.516.943	2.791.046
Accrued expenses	1.838.239	3.534.556	655.036	1.946.191
Sundry creditors - Prepayments	6.940.824	3.356.317	7.433.012	2.112.537
Total	**16.456.574**	**14.788.374**	**13.115.140**	**9.081.231**

7.25 Sales of non-biological goods - merchandise and other inventories

Follows analysis of sales of merchandise and other inventories:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Sales of merchandise & goods	67.976.244	52.474.393	70.819.747	62.865.060
Sales of other inventories and junk	11.080.300	9.460.427	10.904.049	9.031.049
Sale of services	960.992	532.276	448.667	5.532
Total sales of merchandise and other inventories	**80.017.535**	**62.467.096**	**82.172.463**	**71.901.640**

7.26 Third party fees and benefits

Follows analysis of third party fees and benefits:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Third party fees and expenses	14.126.919	9.634.679	14.239.807	10.098.952
Third party benefits	9.057.501	7.800.056	6.210.047	6.143.007
Total third party fees and benefits	**23.184.420**	**17.434.735**	**20.449.855**	**16.241.958**

7.27 Other operating expenses

Follows analysis of other operating expenses:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Taxes-duties (other than the non-incorporated in the operating cost taxes)	607.287	644.727	460.849	313.344
Transportation expenses	12.211.778	9.880.367	10.651.782	9.125.760
Travelling expenses	873.516	756.666	689.678	668.834
Sales promotion and advertising expenses	1.987.875	2.794.490	1.917.326	2.456.934
Exhibition and demonstration expenses	278.785	185.191	250.905	179.039
Special export expenses	143.092	107.382	134.737	101.756
Subscriptions – Memberships	136.593	173.099	105.253	155.474
Donations and subsidies	280.103	93.732	219.422	71.855
Printed matter and stationery	160.393	138.832	117.382	122.620
Consumable materials	3.045.853	1.464.817	1.274.997	1.044.108
Publication expenses	134.394	122.381	83.864	62.984
Expenses for participating interests and securities	-	13.812	-	11.333
Losses from sale of participating interests and securities	-	54.406	-	54.406
Sundry expenses	1.146.380	496.168	330.320	295.301
Estimated – prepaid sundry expenses	-	-	-	(14.389)
Operating provisions	435.538	786.454	221.150	459.936
Total other operating expenses	**21.441.587**	**17.712.524**	**16.457.665**	**15.109.296**

7.28 Finance results

Follows analysis of finance income and costs:

Finance income

Amounts in Euro	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY 2006
Dividends	33	-	50.033	51.197
Interest income on financial assets at amortised cost	843.166	150.362	747.597	146.350
Gain on measurement of other financial assets	-	709		709
Gain on measurement of Derivatives	289.291	-	16.823	-
Gain on sale of participating interests	3.207.149	-	3.207.149	-
Total finance income	**4.339.638**	**151.071**	**4.021.602**	**198.256**

Finance costs

Amounts in Euro	GROUP 2007	GROUP 2006	COMPANY 2007	COMPANY 2006
Interest expense from bank borrowings at amortised cost	11.467.245	6.246.693	7.798.216	4.437.833
Interest expense from defined benefit plans	103.955	-	84.440	-
Loss on measurement of other financial assets	473	-	138	-
Total finance costs	**11.571.673**	**6.246.693**	**7.882.794**	**4.437.833**

On 27/12/2007 was completed the sale of 100% of the shares of the subsidiary company MARANT FINANCE AE to which was contributed the sector of confectionary products. The sale consideration amounted to Euro 7.600.000 and the gain from the sale to Euro 3.207.148. This amount is included in the item "Gains on sale of participating interests".

7.29 Other income/(expenses)

Follows analysis of other income and expenses:

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Grants and other sales revenue	718.040	602.727	180.110	116.534
Income from side business	258.620	362.004	213.010	648.290
Other income	2.513.482	2.449.585	1.329.452	1.209.202
Tax fines and surcharges	(167.642)	(34.523)	(6.517)	(17.669)
Exchange differences	53.909	(191.571)	(148.221)	(105.120)
Other extraordinary & non-operating expenses	(1.428.321)	(301.934)	(663.588)	(121.741)
Losses from destruction of unfit inventories	(1.138.456)	(372.142)	(1.095.395)	(205.786)
Losses from disposal of assets	(425.267)	(429.032)	(215.970)	(6.477)
Profit from disposal of assets	62.707	131.131	20.047	84.672
Surcharges on contributions to social security funds	-	(3.053)	-	-
Taxes-duties brought forward (except income tax)	(548.705)	(109.381)	-	-
Other expenses/Income brought forward	1.190.721	(1.089.037)	221.665	(1.011.283)
TOTAL OTHER INCOME/(EXPENSES)	**1.089.087**	**1.014.775**	**(165.407)**	**590.621**

The income from side business concerns, mainly, income from rendering of services to third parties as well as income from rentals.

In other income is included mainly income from exchange differences, as well as proportional to the year grants.

In other extraordinary and non-operating expenses are also included the eliminations of the companies "SOS AEGEAN" and "HELLENIC AGROEXPORTS".

7.30 Income tax expense

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

	GROUP		COMPANY	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Current tax	(1.564.213)	(1.711.747)	(1.323.748)	(1.257.364)
Prior years' tax audit differences	(546.055)	(2.725.025)	(424.605)	(1.115.958)
Other non-incorporated in the operating cost taxes	-	(1.463)	-	(1.463)
Deferred tax	(3.311.765)	(1.176.461)	(2.143.261)	(287.743)
Total	**(5.422.033)**	**(5.614.696)**	**(3.891.614)**	**(2.662.528)**
Profit before tax	**20.351.818**	**14.539.051**	**13.710.803**	**12.432.733**
Tax rate	25%	29%	25%	29%
Estimated tax charge	**(5.087.955)**	**(4.216.325)**	**(3.427.701)**	**(3.605.493)**
Deferred income tax asset	(3.311.765)	(1.176.461)	(2.143.261)	(287.743)
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	3.523.742	2.504.578	2.103.953	2.348.129
- Prior years' tax audit differences	(546.055)	(2.725.025)	(424.605)	(1.115.958)
- Other non-incorporated in the operating cost taxes	-	(1.463)	-	(1.463)
Actual Tax Charge	**(5.422.033)**	**(5.614.696)**	**(3.891.614)**	**(2.662.528)**

For the year 2007 the tax charge has been calculated at tax rate 25% on taxable profit.

7.31 Earnings per share

The basic and diluted earnings per share of the Group and the Company, are analysed as follows:

Basic earnings per share

	GROUP		COMPANY	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Profit attributable to equity holders of the Company	10.355.646	9.045.157	9.819.189	9.770.205
Weighted average number of ordinary shares	46.103.238	40.432.536	46.103.238	40.432.536
Basic earnings per share (€ per share)	**0,225**	**0,224**	**0,213**	**0,242**

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

Diluted earnings per share

Amounts in Euro	GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
Profit attributable to equity holders of the Company	10.808.305	-	10.271.848	-
Weighted average number of ordinary shares	48.794.364	-	48.794.364	-
Diluted earnings per share (€ per share)	**0,222**	**-**	**0,211**	**-**

The diluted earnings per share concern the convertible bond loan issued on 12/07/2007.

8. Commitments - Contingencies - Un-audited by tax authorities financial years

The Company and the Group has contingent liabilities and receivables in respect of Banks, other guarantees and other matters arising in the ordinary course of business, as follows:

Information in respect of contingent liabilities

There are no disputed or under arbitration cases of national or arbitral courts that may have a material effect on the financial position or operation of the Group.

Liabilities	31/12/2007	31/12/2006
Letters of guarantee for securing good performance of suppliers contracts	223.312	143.613
Letters of guarantee for securing liabilities	519.597	542.723
Other collaterals for securing liabilities	99.182	488.208
Ceded real mortgages & pre-notices on land and buildings	3.159.252	3.159.252
Total	**4.001.343**	**4.333.794**

Information in respect of contingent receivables

Receivables	31/12/2007	31/12/2006
Notes receivable for securing execution of contract terms	171.093	171.093
Letters of guarantee for securing receivables	176.596	176.596
Cheques receivable for securing execution of contract terms	37.380	101.133
Other collaterals for securing receivables	165.078	151.274
Bills of exchange from trade debtors for guarantee	29.347	29.347
Total	**579.494**	**629.443**

Information in respect of the un-audited by tax authorities financial years

The un-audited by the tax authorities financial years for the companies forming part of the Group are as follows:

	UN-AUDITED YEARS
A. GROUP COMPANIES OF "NIREUS AQUACULTURE AE"	
NIREUS AQUACULTURE AE	2005-2007
AQUACOM LTD	---
ALPINO AE	2001-2007
PROTEUS EQUIPMENT AE	2005-2007
A-SEA	2003-2007
ILKNAK SU URUNLERI SAN Ve TIC A.S.	2007
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	2000-2007
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	1999-2007
RED ANCHOR AE	2006-2007
KEGO AE	2007
KEGO AGRI AE	1999-2007
VITA TRACE NUTRITION LTD	2003-2007
NIREUS INTERNATIONAL LTD	2006-2007
MIRAMAR PROJECTS CO LTD - UK	2006-2007
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	2006-2007
BLUEFIN TUNA AE	2004-2007
MARINE FARMS ASA	---
B. GROUP COMPANIES OF "SEAFARM IONIAN AE"	
SEAFARM IONIAN AE	2005-2007
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	1999-2007
AQUA TERRAIR AE	1999-2007

Information in respect of contingent liabilities

At 31 December 2007, the companies forming part of the Group lease sea-spaces under operating lease agreement. The future minimum lease payments payable under the lease terms are as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
No later than 1 year	230.325	216.844	111.091	108.827
Later than 1 year and no later than 5 years	637.269	768.112	383.846	437.879
Later than 5 years	310.766	417.060	206.650	270.519

The sea-spaces lease rentals charged to the income statement for the year are analysed as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
	269.513	259.009	187.128	186.217

According to No. 18402/28.06.2006 and No. 18433/07.07.2006 preliminary agreements and the Private Agreement dated 04/07/2006, was agreed the acquisition by "NIREUS AQUACULTURE AE" of 3.144.907 registered shares of "SEAFARM IONIAN AE" against total purchase consideration Euro 7.731.000,00. The payment of the consideration and the respective delivery of the shares arranged to be made by instalments starting from 06/07/2006 and the last to expire on 30/06/2010. Hereon we state that until 31/12/2007 in accomplishment of the above have been purchased by the company 1.393.444 registered shares of "S.F.I." against total purchase consideration Euro 2.306.028 and the participation percentage amounts to 21,292% on the total voting rights of the company and to an equal in amount percentage on its share capital.

Moreover, the company is at an advanced stage of negotiations for the elimination of the relevant binding terms and amendment of the special agreement of "NIREUS AQUACULTURE AE" as Strategic Investor of "SEAFARM IONIAN AE" with the Banks - Creditors that participate in the equity structure of the Enterprise "SEAFARM IONIAN AE".

The Board of Directors of NIREUS AQUACULTURE AE at its meeting held on 28/09/2007 decided the merger by absorption of the subsidiary companies SEAFARM IONIAN AE, ALPINO AE and A-SEA AE by the parent NIREUS AQUACULTURE AE with Transformation Balance Sheets at 31/12/2007. The prosecute of absorption for SEAFARM IONIAN and ALPINO AEBE will delay because of a) the absorption of SEAFARM IONIAN depends on the results of the aforementioned negotiations and b) ALPINO AEBE hasn't completed its Regular Tax Audit.

Lastly, following relevant decision of the Board Meetings held on 19/12/2007 of the companies KEGO and NIREUS AE, KEGO will start, together with the procedures about its absorption by NIREUS and with transformation balance sheet date the 31/12/2007, the spin-off of the agro-poultry products sector which will be contributed to a subsidiary company of KEGO AE, in order to be developed dynamically and autonomously within the frame of the Group maintaining its successful brand KEGO.

9. Real liens

(1) On PPE of the parent "NIREUS AE" have been registered real mortgages of Euro 15.000.000,00 for securing bond loan in favour of EUROBANK the outstanding balance of which at 31 December 2007 amounted to Euro 44.537.409,00. Moreover, on PPE of the consolidating subsidiary company "ALPINO AE" unlisted on the ATHEX has been granted real mortgage of Euro 4.225.000,00 for securing bond loan in favour of ALPHA BANK the outstanding balance of which at 31 December 2007 amounted to Euro 3.385.000,00.

(2) On the land of the consolidating subsidiary company "SEAFARM IONIAN AE" have been registered the following real liens:

   (a) Pre-notice of mortgage of Euro 200.000,00 for securing bank loan made by Attica Bank S.A. the outstanding balance of which at 31 December 2007 amounted to Euro 157.786,18.

   (b) Mortgage of Euro 100.000,00 in favour of "AGROINVEST AE".

   (c) Pre-notice of mortgage of Euro 381.511,37 for securing loan made by the Bank of Cyprus the outstanding balance of which at 31 December 2007 amounted to Euro 720.620,44.

(d) Pre-notice of mortgage of Euro 296.404,98 for securing loan made by N.B.G. the size of which at 31 December 2007 amounted to Euro 1.704.917,40.

(e) Mortgage of Euro 450.000,00 in favour of "PROTEINS OF ANIMAL FOOD-FISHMEAL LTD".

(f) Pre-notice of mortgage in favour of "AGROINVEST AE" of Euro 150.000,00 and

(g) Pre-notice of mortgage in favour of the company "TH. & CH. VLACHOS General Partnership" of Euro 400.000,00.

(3) On the land of the consolidating subsidiary company "KEGO AE" have been registered the following real liens:

(a) Pre-notice of mortgage of Euro 293.470,00 for securing loan made by N.B.G. the outstanding balance of which at 31 December 2007 amounted to Euro 3.718.666,09.

(b) Pre-notice of mortgage of Euro 1.100.000,00 for securing long-term loan made by N.B.G. the outstanding balance of which at 31 December 2007 amounted to Euro 449.249,57 and

(c) Pre-notice of mortgage of Euro 264.135,25 for securing loan made by EUROBANK the outstanding balance of which at 31 December 2007 amounted to Euro 293.426,15.

Further to the above there are no other real liens on the PPE of "NIREUS AE" and its Group.

Lastly hereon we state that shares of consolidating by full consolidation subsidiary company listed on the ATHEX, of total current value at 31 December 2007 Euro 12.391.419,00 have been pledged at banks CYPRUS and PROTON for securing long-term loan of the parent company the outstanding balance of which at 31 December 2007 amounted aggregate for both banks to Euro 13.460.636.

Likewise, shares of the consolidating by the net equity method associate company listed on foreign Stock Exchange, of total current value at 31 December 2007 Euro 31.652.239,13 have been pledged at PROTON BANK for securing long-term loan of the parent company the outstanding balance of which at 31 December 2007 amounted to Euro 25.911.797.

10. Related parties

Related - party transactions

The amounts of purchases and sales of the company, cumulatively from the beginning of the financial year as well as the balances of receivables and payables of the company that have arisen from its transactions with related parties at the end of the current year are as follows:

Sales of goods and services	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	29.976.882	12.878.127
Associates	114.516	-	90.262	-
Directors and key management	-	-	-	-
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**114.516**	**0**	**30.067.144**	**12.878.127**

Purchases of goods and services	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	29.690.684	6.579.891
Associates	553	-	553	-
Directors and key management	208.475	188.113	208.475	188.113
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**209.028**	**188.113**	**29.899.712**	**6.768.004**

Fees to Directors and compensation	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Directors and key management	4.842.679	4.274.752	3.175.358	3.525.187
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**4.842.679**	**4.274.752**	**3.175.358**	**3.525.187**

Year-end balances arising from Fees to Directors and compensation	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Directors and key management	214.351	122.401	182.403	84.972
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**214.351**	**122.401**	**182.403**	**84.972**

Receivables	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	26.022.774	10.527.518
Associates	-	-	-	-
Directors and key management	-	-	-	-
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**0**	**0**	**26.022.774**	**10.527.518**

Payables	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Immediate Parent	-	-	-	-
Subsidiaries	-	-	6.206.532	2.653.838
Associates	-	-	56.625	-
Directors and key management	-	-	-	-
Joint-Ventures	-	-	-	-
Other related-parties	-	-	-	-
Total	**0**	**0**	**6.263.157**	**2.653.838**

Transactions with key management

The compensation to the Members of the Board of Directors for 2007 and 2006 is analysed as follows:

Transactions and compensation to Directors and key management	GROUP		COMPANY	
Amounts in Euro	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Salaries, employment benefits and other compensation to Directors	1.054.529	805.920	1.054.529	805.920
Salaries and other employment benefits to key management	1.923.771	1.621.703	1.255.841	1.465.361
Compensation to Directors approved by A.G.M.	891.187	1.230.242	533.464	852.018
Directors' withdrawals from year's profits approved by A.G.M.	1.181.667	805.000	540.000	590.000
	5.051.154	**4.462.865**	**3.383.833**	**3.713.300**

Receivables from Directors and key management	**GROUP**		**COMPANY**	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Receivables from loans advanced	0,00	0,00	0,00	0,00
Other receivables	0,00	0,00	0,00	0,00
	0,00	**0,00**	**0,00**	**0,00**

Payables to Directors and key management	**GROUP**		**COMPANY**	
Amounts in Euro	**31/12/2007**	**31/12/2006**	**31/12/2007**	**31/12/2006**
Payables for loan repayments	-	-	-	-
Payables for salaries, employment benefits and other compensation	106.029	112.594	96.080	105.165
Payables for Directors compensation approved by A.G.M.	68.778	35.794	46.778	5.794
Payables for Directors withdrawals from year's profits approved by A.G.M.	76.670	-	76.670	-
	251.476	**148.388**	**219.528**	**110.960**

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:

2007

Amounts in Euro	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	Total
Property, plant and equipment	-	-	-	-	-	-	-	66.813.786	66.813.786
Investment property	-	-	-	-	-	-	-	5.373.142	5.373.142
Goodwill	-	-	-	-	-	-	-	*26.542.763*	26.542.763
Intangible assets	-	-	-	-	-	-	-	14.578.101	14.578.101
Investments in Subsidiaries	-	-	-	-	-	-	-	401.920	401.920
Investments in Associates	-	-	-	-	-	-	-	37.601.397	37.601.397
Deferred income tax assets	-	-	-	-	-	-	-	75.559	75.559
Available-for-sale financial assets	-	-	-	1.929.831	-	-	-	-	1.929.831
Other non-current receivables	244.381	-	-	-	-	-	-	-	244.381
Biological assets	-	-	-	-	-	-	-	191.040.211	191.040.211
Inventories	-	-	-	-	-	-	-	13.840.329	13.840.329
Trade and other receivables	93.706.828	-	-	-	-	-	-	-	93.706.828
Other receivables	23.650.100	-	-	-	-	-	-	-	23.650.100
Other-non current assets	-	-	-	-	-	-	-	1.609.079	1.609.079
Derivative financial instruments	-	-	-	-	265.859	-	-	-	265.859
Financial assets at fair value through profit or loss	-	-	1.166	-	-	-	-	-	1.166
Current income tax assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	51.904.527	-	-	-	-	-	-	-	51.904.527
Total Assets	**169.505.836**	**-**	**1.166**	**1.929.831**	**265.859**	**-**	**-**	**357.876.287**	**529.578.979**
Long-term borrowing liabilities	-	-	-	-	-	-	129.357.321	-	129.357.321
Deferred income tax liabilities	-	-	-	-	-	-	-	8.190.054	8.190.054
Retirement benefit obligations	-	-	-	-	-	-	-	2.655.038	2.655.038
Grants	-	-	-	-	-	-	-	6.666.581	6.666.581
Other non-current liabilities	-	-	-	-	-	-	4.676.605	-	4.676.605
Provisions	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	85.691.278	-	85.691.278
Current income tax liabilities	-	-	-	-	-	-	-	-	-
Short-term borrowings	-	-	-	-	-	-	85.875.256	-	85.875.256
Deferred non-current liabilities	-	-	-	-	-	-	13.886.535	-	13.886.535
Other current liabilities	-	-	-	-	-	-	16.456.574	-	16.456.574
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**335.943.569**	**17.511.673**	**353.455.242**

2006

Amounts in Euro	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	Total
Property, plant and equipment	-	-	-	-	-	-	-	53.656.698	53.656.698
Investment property	-	-	-	-	-	-	-	5.379.441	5.379.441
Goodwill	-	-	-	-	-	-	-	15.137.782	15.137.782
Intangible assets	-	-	-	-	-	-	-	9.121.012	9.121.012
Investments in Subsidiaries	-	-	-	-	-	-	-	401.920	401.920
Investments in Associates	-	-	-	-	-	-	-	1.333.861	1.333.861
Deferred income tax assets	-	-	-	-	-	-	-	425.281	425.281
Available-for-sale financial assets	-	-	-	2.054.485	-	-	-	-	2.054.485
Other non-current receivables	216.812	-	-	-	-	-	-	-	216.812
Biological assets	-	-	-	-	-	-	-	153.068.571	153.068.571
Inventories	-	-	-	-	-	-	-	11.410.594	11.410.594
Trade and other receivables	55.306.707	-	-	-	-	-	-	-	55.306.707
Other receivables	19.407.879	-	-	-	-	-	-	-	19.407.879
Other-non current assets	-	-	-	-	-	-	-	910.295	910.295
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	1.304	-	-	-	-	-	1.304
Current income tax assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	11.410.746	-	-	-	-	-	-	-	11.410.746
Total Assets	**86.342.144**	**-**	**1.304**	**2.054.485**	**-**	**-**	**-**	**250.845.455**	**339.243.388**
Long-term borrowing liabilities	-	-	-	-	-	-	83.219.532	-	83.219.532
Deferred income tax liabilities	-	-	-	-	-	-	-	4.981.033	4.981.033
Retirement benefit obligations	-	-	-	-	-	-	-	2.155.854	2.155.854
Grants	-	-	-	-	-	-	-	6.057.942	6.057.942
Other non-current liabilities	-	-	-	-	-	-	5.297.740	-	5.297.740
Provisions	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	65.587.982	-	65.587.982
Current income tax liabilities	-	-	-	-	-	-	-	-	-
Short-term borrowings	-	-	-	-	-	-	28.426.099	-	28.426.099
Deferred non-current liabilities	-	-	-	-	-	-	6.537.680	-	6.537.680
Other current liabilities	-	-	-	-	-	-	14.788.374	-	14.788.374
Total Liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**203.857.407**	**13.194.829**	**217.052.235**

12. Events after the Balance Sheet date

On 07/01/2008, the Extraordinary General Meeting of Shareholders of NIREUS AE resolved the issue of common bond loan at maximum amount Euro 90 mil., according to the provisions of L. 3156/03 while amount Euro 25 mil. of existing loans will be refinanced at more favourable terms for ten years in virtue of relevant agreement with PIRAEUS BANK. Subsequent to the resolutions of the Extraordinary General Meeting, was signed on 28/01/2008 the agreement for contracting a bond loan of Euro 90 mil., with team representatives of the Banks, amending the real liens. The life of the loan is of 7 years at annual interest rate euribor +1,4 basic. Organizers of the issue of the bond loan is the Emporiki Bank, the EFG Eurobank Ergasias and the Millenium Bank while coordinator-organizer, payments proxy and bondholders agent is the Emporiki Bank. The loan will be used for floating the existing borrowings of the company of a respective size, at more favourable terms.

On 18/02/2008, the Extraordinary General Meeting of Shareholders of NIREUS AE approved the purchase through the Stock Exchange of treasury shares within a time period of twenty four (24) months, according to the provisions of article 16 of c.L. 2190/1920, up to 5% of the at each time paid-up share capital at lowest acquisition price level Euro 1,52 (current par value) and highest level Euro 6,00 per share.

There are no other events subsequent to the end of the year ended 31 December 2007, which concern either the Group or the company that need to be referred to, according to the International Financial Reporting Standards (IFRS).

Koropi, 24 March 2008

THE PRESIDENT AND CEO	THE VICE PRESIDENT AND CEO	THE GENERAL FINANCE MANAGER OF THE GROUP	THE ACCOUNTS DEPT. MANAGER
ARISTIDES ST. BELLES ID. No. AB 347823	NIKOLAOS EMM. CHAVIARAS ID. No. AA 499020	DIMITRIOS I. PAPANICOLAOU ID. No. Σ 260153	IOANNIS G. KONSTANTOPOULOS ID. No. AB 264939

It is certified that the above Consolidated Report of the Board of Directors, which comprises of eight (8) pages, is what is referred to in the Independent Auditor's Report issued and submitted by us on 26 March 2008 on the Financial Statements at 31 December 2007 of NIREUS AQUACULTURE AE.

Athens, 26 March 2008

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
Institute of CPA Reg. No 125
A Horwath Business Alliance Associate

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