



NIREUS AQUACULTURE S.A



NIREUS AQUACULTURE S.A.

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

ANNUAL FINANCIAL REPORT 2012

for the year

from 1st January to 31st December 2012

In accordance with article 4 of L. 3556/2007

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DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS

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

It is hereby confirmed, to the best of our knowledge, that the annual financial statements of the Company “NIREUS AQUACULTURE S.A” for the year, 1st January to 31st December 2012, which have been compiled in accordance with the enforced Accounting Standards, give a true and fair view of the assets and liabilities, the net equity and the current year’s results of the issuer and its entities which are included in the consolidation and are taken as a whole and the board of directors report reflects a true view of the development, the performance and the position of the issuer, including the entities which are included in the consolidation, taken as a whole, including the description of the major risks and uncertainties which they encounter.

Koropi, 29 March 2013

The declarers

CHAIRMAN AND CEO

**VICE PRESIDENT AND
MANAGING DIRECTOR**

DEPUTY MANAGING DIRECTOR

ARISTIDES ST. BELLES
ID. No. AB 347823

NIKOLAOS EMM.CHAVIARAS
ID. No. AH 935562

CHACHLAKIS G. ANTONIS
ID. No. AE 083337



ANNUAL BOARD OF DIRECTORS REPORT
of the company

“NIREUS AQUACULTURE S.A.”

On the consolidated and individual Financial Statements

For the year 2012 (from 1st January to 31st December 2012)

Dear Shareholders,

We submit to you, based on legal requirements, the annual financial statements for the year 2012 (1/1/2012-31/12/2012) officially approved.

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

FINANCIAL RESULTS OF THE GROUP MAJOR DEVELOPMENTS AND PROSPECTS

The financial performance of our Group in 2012 with respect to the operating results (before the effect of the biological assets) depicted stability thus continuing the satisfactory growth pattern of 2011.

The significant increase in volume and value in sales noted which resulted from the increased penetration and expansion of market share in new geographical markets, in conjunction with the continuing design and the implementation of our dynamic pricing policy. The basic target of 2012, which was achieved, was the maintenance of our market share in traditional markets of the Eurozone and our enhancement of our presence in new markets with higher growth rates.

The total 2012 consolidated sales revenue for Nireus Aquaculture Sa (“Nireus” or the “Group”) amounted to € 202,2 million, as compared to € 196,9 million in 2011 showing an increase of 2,7% .

Market demand has been quite strong during the year, especially in markets outside Greece, with the group increasing sales in these markets by 5% vs. 2011. As a result, total sales outside Greece in 2012 amount to €155,6 million of total group revenue and comprises 77% of total Group Sales.



Total profits before Tax for the Group amounted to losses of € (15,26) million, compared to losses of € (1,42) million in 2011.

It should be noted that according to International Financial Reporting Standards, companies with biological assets are obliged to add (subtract) to profits the difference in the net fair value of biological assets. This difference appears negative at the end of 2012 as compared to 2011 by € (14,27) million mainly due to the lower average sales prices of small size fish and due to the increased production cost. Therefore the total profit after tax for the Group amounted to € (13,17) million as compared to the positive results of € 0,24 million in 2011.

A significant increase in basic raw material fishfeed expenses was marked in 2012 by an average of approximately 15%. The satisfactory absorption of the significant increase in these costs was achieved through the timely commitment of quantities for the coverage of the Group's needs and with the improvement of cost formularies, without affecting quality parameters and standards thus restricting the increase in fish-feed costs to 8,5% per kilogram.

EBITDA (before the effect of the biological assets) amounted to € 21,6 million setting the margin at 10,7%.

As a result of the above, in addition to the effort of improving working capital, the total cash flows from operating activities (interest expense inclusive) decreased by € 1,74 million.

Despite the increase in sales by € 5,2 million, commercial receivables (Trade receivables and Other receivables except for receivables from the State, Bad debts and Factoring) marked a decrease of € 75,4 million in 2012 from € 78,9 million in 2011.

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

	COMPANY		
	31/12/2012	amounts in thds € 31/12/2011	Change %
Sales revenue	172.002	172.850	-0,49%
EBITDA (after fair value of biological assets)	2.725	29.887	90,88%
Biological assets effect	(13.754)	10.622	229,49%
EBITDA (before fair value of biological assets)	16.479	19.265	-14,46%
Profit before tax	(16.799)	10.125	265,92%
Profit after tax	(14.383)	9.676	248,65%
Total Assets	433.862	457.166	-5,10%
Total Liabilities	284.703	293.777	-3,09%
Total Equity	149.159	163.389	-8,71%



	GROUP		
	31/12/2012	amounts in thds €	
		31/12/2011	Change %
Sales revenue	202.156	196.929	2,65%
EBITDA (after fair value of biological assets)	7.333	21.609	66,07%
Valuation of Biological assets effect	(14.266)	(1.999)	-613,66%
EBITDA (before fair value of biological assets)	21.598	23.608	-8,51%
Profit before tax	(15.260)	(1.423)	-972,38%
Profit after tax and non-controlling interests	(13.326)	9.536	239,74%
Total Assets	470.098	498.415	-5,68%
Total Liabilities	330.107	346.041	-4,60%
Total Equity	139.991	152.375	-8,13%

	GROUP RATIOS	
	31/12/2012	31/12/2011
Gross Margin EBITDA	3,63%	10,97%
Net gross margin (ER.AF.M) %	-6,59%	4,84%
Net Equity Return	-9,41%	0,16%
Loans / Net equity	2,36	2,27
Loans / Total equity	0,70	0,69
General Liquidity	1,30	1,60

SALES REVENUE BY SEGMENT

Sales of aquaculture products (fish, juveniles, and other related products and services) amounted to € 176,2 million as compared to € 168,7 million in 2011, marking an increase of 4,45 %. Fish sales increased by 5,5% in value which is the cumulative result of the increase in both quantity by 8,3% and of a small decrease in prices by 2,6%.

The increase in fishfeed amounted to € 12,6 million, marking an decrease of € 3,7 million, given that an increased quantity of fishfeed is used for self-consumption.

The sales of aviculture products (sold through the 100% subsidiary of KEGOAgri) and the sale of equipment amounted to € 13,4 million, marking an increase of 12%.

LOAN BORROWINGS

Management's basic targets include the following: a) the reduction of bank borrowings which will lead to a reduction in finance costs and b) the maintenance of liquidity balances in order that it be able to encounter unanticipated events which result from the unstable mainly domestic economic environment. The level of total borrowings as compared to the previous years has decreased by € 18,9 million (-7,8%). The Group as of November 2011 is in the process of restructuring a part of its loan, aiming at refinancing a part of the short-term loan borrowing of the company with an average and medium-long



term refinancing structure, in addition to examining of the recomposition of the payment schedule of part of its long-term loans.

LIABILITIES

The Group's total liabilities during 2012 (except for borrowings) amounted to € 105,80 million as compared to € 102,83 million in 2011 and were increased by € 2,97 million. The increase in liabilities was a result of the significant increase in liabilities towards creditors of an amount of € 4,3 million in addition to the decrease in deferred tax by € 2,3 million and an increase in other liabilities by € 0,97 million.

The total liabilities of the Group including bank borrowings decreased as compared to the prior year, by € 16 million, € 330 million in 2012 as compared to € 346 million in 2011.

INVENTORY

Total biological inventory has decreased as compared to the year 2011 by an amount of € 11,2 million (€ 240,1 million during the year 2012 as compared to € 251,3 million during 2011). The decrease is attributed to the valuation of fish inventory up to 400 gr with reduced prices.

The remaining non-biological inventory is shown to be reduced by an amount of € 1,7 million as compared to the previous year (€ 9,8 million in 2012 as compared to € 11,5 million in 2011).

RECEIVABLES

The Company's Management made a strong effort in restricting its receivables. The average collectibility from trade receivables decreased from 110 days in 2011 to 97 days in 2012.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31/12/2012 amounted to € 7,9 million as compared to € 18,7 million in the prior year 2011 from which an amount of € 4,9 million are restricted for 2012 and € 10,7 in 2011.

NET EQUITY

The Group's share capital as at 31/12/2012 amounted to € 85,3 million composed of 63.683.276 common shares with voting rights, at a par value of 1,34 Euro each.

In the current year 2012 and in accordance with the decision of the Board of Directors dated 17/01/2012 the Company increased its share capital by the amount of € 27.654,92 and 20.638 new shares of a par value of € 1,34 each resulting from the conversion of 9.518 convertible bonds were issued. Further to the above increase, and in accordance with the decision



of the Board of Directors dated 12.10.2012 the Company increased its share capital by the amount of € 41.530,62 and 30.993 new shares of a par value of € 1,34 each resulting from the conversion of 3.350 convertible bonds were issued.

As a result of the above increases in shares that resulted from the conversion of the Company's convertible bond, the Company's share capital amounts to € 85.335.589,84 and is divided into 63.683.276 common registered shares of nominal value € 1,34 each.

The Group's total Equity decreased by € 12,38 million which is, among all, attributed to the decrease in retained earnings due to the increase in current year's losses.

DIVIDEND POLICY

For the year 2012 no dividend distribution will be proposed given the results of the year.

INVESTMENTS

During 2012 the implementation of the business plan of the Group which foresees the aggregation of the units in large production centers has continued. The net investments in property plant and equipment amounted to € 5,5 million as compared to € 6,9 million in 2011.

Bank borrowings amounted to € 224,3 million and marked a decrease of € 18,9 million during 2012. As at December 31, 2012 net borrowings were € 224,3 million although the Group had cash and cash equivalents of an amount of € 7,9 million in cash for the repayment of the existing loans and for future investments.

MAJOR RISKS AND UNCERTAINTIES

SUPPLIERS-INVENTORY

The Group does not encounter any issues with respect to slow moving or obsolete stock considering that the major volume of inventory relates to work-in-progress of fresh fish in addition to raw materials for the production of the final product either aquaculture or fishfeed-stock breeding products. Finished goods inventory is minimal. In view of servicing sales requirements, the company is obliged to maintain a high level of fresh fish until the stage at which they reach market size which takes a period of 16-20 months. The entire inventory is insured against potential loss from any risk by Global Insurance Companies which secure reimbursement at cost in the event of a loss. A risk as regards the value of biological inventory can arise from a reduction in the market sales price. In such an event, given that the (biological) inventory is valued at fair values (market values) a reduction in the total value (loss) will incur with a corresponding impact on the current year's results. If, however, in the same period the Company is in the phase of anticipating an increase in the volume of inventory, then the loss in valuation of inventory may be off-set by the valuation, at market prices, of the additional stock produced.



The risk of price volatility of raw materials for 2012 is possible.

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

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

CUSTOMERS-CUSTOMER CREDITS

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

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

BORROWINGS - LOAN INTEREST RATES

With respect to the financing sector, the Group cooperates with Greek Banks which operate both domestically as well as internationally. The approved credit limits and the projected repayment period of these provide the company with leisure in managing its bank debt and with a sufficient level of working capital. The satisfactory cooperative terms and charges from the various bank services in addition to the 50% grant received on the finance interest of the € 45 million from the Greek State, aid in the restriction of the Group's finance cost. The level of the short-term borrowings of € 56,4 million as compared to the cash equivalents of the Group of € 7,9 million is considered satisfactory.

The weighted average interest for 2012 is 5,1% from 5,9% in 2011.

FOREIGN EXCHANGE RISK

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

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



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

	2012							2011						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Notional amounts														
Financial assets	838.370	568.672	-	-	186.908	9.623.567	121.289	698.524	566.078	-	-	82.048	12.510.506	151.487
Financial liabilities	1.756.953	6.093	1.619	0	0	1.002.705	385	1.434.861	0	0	0	0	6.961.291	382
Total current exposure	(918.583)	562.579	-1.619	0	186.908	8.620.862	120.904	(736.337)	566.078	0	0	82.048	5.549.215	151.105
Financial assets	-	-	-	-	-	5.744.585	-	-	-	-	-	-	4.430.251	-
Financial liabilities	-	-	-	-	-	743.875	-	-	-	-	-	-	607.501	-
Total non-current exposure	0	0	0	0	0	5.000.710	0	0	0	0	0	0	3.822.750	0

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

We assume that a change occurs as at December 31 2012 in the foreign exchange rate Euro/foreign currency. This percentage is based on the typical divergence of the foreign currency, as this results from monthly observations, of the Euro versus each foreign currency for a period of 12 months.

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

<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF
	3,48%	-3,48%	1,76%	-1,76%	13,21%	-13,21%	1,09%
Post-tax profit for the year	-31.944	31.944	9.893	-9.893	-214	214	0
Equity	-31.944	31.944	9.893	-9.893	-214	214	0
	-0,80%	2,90%	-2,90%	13,37%	-13,37%	4,61%	-4,61%
Post-tax profit for the year	-38.833	38.833	9.776	-9.776	0	0	0
Equity	-38.833	38.833	9.776	-9.776	0	0	0

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

SUBSEQUENT EVENTS FOLLOWING THE BALANCE SHEET DATE

There are no events following the year ended 31 December 2012 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.



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

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

The share capital of the Company amounts to 85.335.589,84 composed into 63.683.276 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.

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

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

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

As at 31/12/2012 persons holding significant direct or indirect participations as defined by articles 9 to 11 of L. 3556/2007 are:

Surname	Name	Father's Name	Number of Shares	% Percentage	Type of participation
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
TEFTHYS OCEAN BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA holds an indirect percentage of 23,68% with voting rights. The company TEFTHYS OCEAN BV is fully controlled by Linnaeus Capital Partners BV which is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze. Given the above, Mr.



					Kahka Bendukidze, the company I.I.H.C Industrial Investments Ltd and the company Linnaeus Capital Partners BV hold a total indirect percentage of 23,68% of the shares and the voting rights (15.070.847 shares).
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(d) Holders of any type of share granting special control rights and description of relevant rights.

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

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

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

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

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

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

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

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

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

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



and the issuance of the respective new shares, in execution of the assumed liabilities based on the Plan. Subsequent to this, the Board of Directors proceeds with the decision released, based on article 11 of c.L.2190/1920 in respect of the certification of the paid-up share capital.

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

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

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

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

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

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



STATEMENT OF CORPORATE GOVERNANCE

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

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GENERAL

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

1. Code of Corporate Governance

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

The company voluntarily complies and adopts the code of corporate governance of the Hellenic Federation of Enterprises (SEV) for public listed companies, the general (and solely until now) broadly accepted Code of Corporate Governance which has been formed from the Hellenic Federation of Enterprises (SEV) (available at [http:// www.sev.org.gr /Uploads/pdf/KED_TELIKO_JAN2012.pdf](http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2012.pdf))

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

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

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

Part A'- Board of Directors and its members

I. Role and responsibilities of the Board of Directors

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



II. Composition of the BoD

The BoD is comprised of three (3) executive and (4) non-executive members.

III. Role and characteristics of the President of the BoD

- In the Company's Articles of Association there is discern between the responsibilities of the President and the Managing Director, however, it is permitted that these responsibilities coincide. There is no specific discern according to the Board of Directors nor is it required given the organisation and operational structure of the company.

- the BoD does not appoint an independent Vice President stemming from its independent members, but an executive Vice President, as his contribution in exercising of the executive duties of the President is considered of utmost importance.

IV. Duties and conduct of the members of the BoD

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

V. Nomination of candidates for the BoD

- the maximum service of the BoD is not a four-year period, but longer, at least five – year so that the need to elect a new BoD does not come about in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc). Furthermore, the expanded service duration of the BOD secures the better knowledge of the company and a more discreet decision taking.

- there is no committee for recommending candidates to the BoD, given that it is not deemed necessary due to the size and operation of the company.

VI. Operation of the BoD

- there is no specific rule for the operation of the BoD, as the articles of Association are adequate for the organization and operation of the BoD

- the BoD at the beginning of every calendar year does not adopt a calendar of convocations and 12month program of actions, since all its members live in Attica and the convocation of the BoD is easy when the needs of the company render it necessary or, by law, without there being a predefined action program.

- there is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, since the technology exists to record and map the convocations of the BoD

- there is no obligation for the President and the non executive members of the BoD to convene on a regular basis without the presence of the executive members in order that the performance and the fees of the latter be discussed given that all relevant matters are discussed in the presence of all members of the BOD.

- there is no provision for the existence of introductory informative programs for the new members of the BoD or their constant education since the members that are promoted for election have adequate and proven experience of organisational and managerial skills.



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

VII. Evaluation of the BoD

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

Part B- Internal Audit Committee

I. Internal Control – Audit Committee

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

Part C- Compensation

I. Level and structure of the compensation

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

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

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

2. BOARD OF DIRECTORS

2.1 Composition and Services of the BoD

2.1.1 Services of the BoD



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

2.1.2 Members of the Board of Directors

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

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

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

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

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

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

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

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

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

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



Constantinos Lambrinopoulos is an Independent Non-Executive Member Graduate of the Business Administration department of the University of Piraeus and Political Sciences department of Panteion University. He is a PhD candidate in Marketing at the University of Piraeus and has 35 years of experience in managerial positions in Greek and multinational companies. He is the CEO of PRC GROUP and SPRINT Advertising. He, in addition, is the President of the BOD EEDE, the vice-president of the business club, President of the European Management Confederation, Member of the BoD IOBE, Member of the General Assembly of SEB. Is an honorary President of the European and Global Marketing Confederation.

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

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

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

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

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

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

In 2012 the Board of Directors convened 58 times in which there was always the legal majority of the purpose of decision making. In these meetings, with the major daily issue (approval of the financial statements etc) there was always a quorum of all members of the Board of Directors.

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



2.2. Committees

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

A. AUDIT COMMITTEE:

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

The Audit Committee has the following tasks:

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

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

The Audit committee during the year 2012 (01/01/2012-31/12/2012) convened five times and more specifically on 23.3.2012, 29.8.2012, 18.10.2012 and 27.11.2012.

The members of the Audit Committee are Mr. Lambadarios Epaminondas, Mr. Konstantinos Lambrinopoulos, and Ms. Lito Ioannidou.

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

B) STRATEGY AND INVESTMENTS COMMITTEE

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

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

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



Finally, a Group Executive Committee exists which comprises executive members of the Board of Directors and General Managers and is involved with business issues.

C) CORPORATE GOVERNANCE COMMITTEE

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

The members of the Corporate Governance Committee currently are Mr Antonis Chachlakis, Ms Ioanna Karahaliou and Mr Constantinos Lambrinopoulos. Beginning from 22.2.2012 Ms. Ioanna Karahaliou resigned and was replaced by Mr Epaminondas Lambadarios.

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

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

3. General Assembly of the Shareholders

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

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

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

- a) the amendments of the articles of association which include increases or decreases of the capital share, apart from the cases which are mentioned in article six (6) paragraph of the Articles of Association and other cases that are enforced by law,
- b) the election of the members of the Board of Directors, with the exemption of paragraph 1 of article 17 of the Articles of Association and the appointment of the Auditors,
- c) the approval of the annual financial statements of the Company,
- d) the distribution of annual profits,
- e) the issuance loans with debentures as these are referred to in articles 3a, 3b, and 3c of C.L. 2190/1920.



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

g) the appointment of liquidators,

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

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

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

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

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

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

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

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

3.1.9 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one of the Shareholders or their proxys who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the said and elects the ordinary presiding office. The Presiding Office



is composed of the President and the Secretary who also executes duties of vote – teller. The election is performed with a silent vote except if the General assembly decides through a majority the election of the President with an open voting procedure.

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

3.2 Shareholders Rights and manner of exercising these

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

Each common share entitles the owner to one vote.

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

3.2.1. SHAREHOLDERS RIGHTS IRRESPECTIVE OF THE PERCENTAGE SHAREHOLDING

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

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

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

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

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

Any shareholder failing to comply with the provisions of article 28a of codified law 2190/1920 may participate at the General Meeting only upon its permission. Exercise of these rights does not require blockage of the beneficiary's shares or



compliance with any other procedure restricting the ability to sell and transfer them during the period between the Date of Record and the date of General Meeting.

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

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

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

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

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

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

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

c. Right to collect dividends : According to the company's Articles of Association the minimum dividend which must be distributed each year by the Company is equal to the minimum annual dividend specified by law (Article 45 of Codified Law 2190/1920) which according to Article 3 of Development Law 148/1967 is at least 35% of the Company's net profits, after all necessary withholdings are made in order to establish the statutory reserve.



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

d. Rights in product of liquidation

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

4. System of Internal Control and Risk Management

4.1 Main characteristics of the Internal Control

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

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



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

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

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

4.2 Risk management concerning the financial statements

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

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

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

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

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

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

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



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

Accounting review procedures and preparation of financial statements

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

Safeguarding of assets

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

5. Additional information

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

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

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

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



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

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

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

The share capital of the Company as at 31.12.2012 amounted to Euro 85.335.589,84 composed into 63.683.276 shares of par value Euro 1,34 each and is fully paid up. The entire company's shares are ordinary, registered, with voting rights, listed for trading on the Athens Exchange and have all the rights and the obligations prescribed by the Law.

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

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

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

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



Surname	Name	Father's Name	Number of Shares	% Percentage	Type of participation
Belles	Aristides	Stergios	13.428.101	21,16%	direct & indirect
Chaviaras	Nikolaos	Emmanuel	3.421.393	5,38%	direct & indirect
TEFTHYS OCEAN BV			15.070.847	23,68%	TEFTHYS OCEAN BV SA holds an indirect percentage of 23,68% with voting rights. The company TEFTHYS OCEAN BV is fully controlled by Linnaeus Capital Partners BV which is fully controlled by the company I.I.H.C Industrial Investments Ltd, which is controlled by Kahka Bendukidze. Given the above, Mr. Kahka Bendukidze, the company I.I.H.C Industrial Investments Ltd and the company Linnaeus Capital Partners BV hold a total indirect percentage of 23,68% of the shares and the voting rights (15.070.847 shares).

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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



Attachment I

Name	Company which participates	Position in the Company
Aristides Belles Chairman and CEO	EUROMARE INSURANCE AGENCY S.A	Vice President and Managing Director
	PROTEUS EQUIPMENT S.A	President and Managing Director
	KEGO AGRI S.A	President and Managing Director
	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	President and Managing Director
	FISH OF AFRICA LTD	President
	TEMPLE TRADING	Shareholder
	SEA FARM IONIAN SA	Managing Director
	SUNNYLAND S.A. UTILISATION OF PROPERTY	President and Managing Director
	ILKNAK AS	President
	ENTERPRISE CLUB	Member
	EVOIKI DEVELOPMENT SEACULTURE COMPANY	President
	IOBE	Member
	FLEXINOVA LIMITED	Administrator
	PREDOMAR S.L	President
	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	President
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS	President	
Nikolaos Chaviaras Vice President and Managing Director	PROTEUS EQUIPMENT S.A	Vice President
	NIREUS INTERNATIONAL LTD	Member of the BOD
	MIRAMAR PROJECTS CO LTD	Member of the BOD
	SEA FARM IONIAN S.A	President
	KEGO AGRI S.A.	Vice-President and Managing Director
	KEY FOOD S.A	President
	KEY PARKING S.A.	Administrator
	WHITEFLEX LIMITED	President
	Chaviaras N. & Co	Administrator
Antonios Chachlakis Deputy Managing Director	SAFE ENERGY A.E. EXPLOITATION OF MILD FORMS OF ENERGY	Vice President & Deputy Managing Director
	PREDOMAR SL	Member
	KEGO AGRI S.A	Member
	PROTEUS EQUIPMENT S.A	Member
	ILKNAK AS	Member
	SEA FARM IONIAN SA	Member
	MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Member
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI AS	Member	



Epaminondas Labadarios Member of BOD	ATHINAIKI ZITHIPOIIA	Member
	GREY ADVERTISING S.A.	Member
	HELLENIC COMPANY INVESTMENT SA.	Member
	KOYTSIKOS WINERY SA	Member
	AFOI KALOGIANNI SA	Member
	DOW HELLAS	Member
	GOODYEAR DUNLOP ELASTIC HELLAS SA	Member
SONY BMG MUSIC	Member	

Constantinos Labrinopoulos, Member of BOD	SPRINT ADVERTISING SA.	Managing Director
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Leto Ioannidou , Member of BOD.	LAVIPHARM SA	Member of BOD
	M.I.MAILLIS	Member of BOD
	LETO IOANNIDOU MONOPROSOPI LTD CONSULTANTS	Administrator

Markos Komondouros , Member of BOD	ILIOGENESIS SA	Member of BOD
	CD MEDIA S.A	Member of BOD
	VECTOR PARTNERS SA	Member of BOD and Managing Director
	NEW FINANCE FUND (TANEO)	Member

Athens, 29 March 2013

THE CHAIRMAN OF THE BOD

THE MEMBERS

THE CHAIRMAN AND CEO

ARISTIDES ST. BELLES

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



THIS REPORT HAS BEEN TRANSLATED FROM THE ORIGINAL VERSION IN GREEK

INDEPENDENT CERTIFIED AUDITOR'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of NIREUS AQUACULTURE S.A., which comprise the separate and consolidated statement of financial position as at 31 December 2012, the separate and consolidated income statement, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the separate and consolidated financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

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



Opinion

In our opinion the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of Nireus Aquaculture SA and its subsidiaries as at 31 December 2012, 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.

Report on Other Legal and Regulatory Requirements

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

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

Athens, 29 March 2013

THE CERTIFIED AUDITOR ACCOUNTANT

CHRISTODOULOS SEFERIS

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

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

11TH KLM NATIONAL ROAD ATHENS – LAMIA, METAMORFOSI

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

**Income statement**

(Amounts in Euro)

		GROUP	
		31/12/2012	31/12/2011
	Note		
Fair value of biological assets at the beginning of the period		251.308.832	257.804.269
Purchases during the period		(281.583)	(601.659)
Sales during the period		158.918.631	152.896.440
Fair value of biological assets at 31/12/2012		240.082.616	251.308.832
Gain or Loss arising from changes in fair value of biological assets at the end of the period	26	147.410.832	145.799.344
Sales of non-biological goods-merchandise and other inventories	9	43.237.559	44.032.161
Raw Material Consumption		(104.191.177)	(90.308.907)
Salaries & personnel expenses	10	(31.521.439)	(31.033.428)
Third party fees and benefits	11	(24.398.424)	(21.723.881)
Finance expenses	12	(14.256.108)	(15.383.808)
Finance income	12	356.988	1.082.675
Profits/Losses from consolidation by the net equity method	13	-	(520.297)
Gain or loss on measurement of financial assets at fair value	19	270.110	245.641
Depreciation	18,21	(9.728.782)	(9.782.906)
Other expenses	14	(26.929.139)	(28.315.224)
Other income	15	4.489.446	4.485.519
Results for the period before taxes		(15.260.134)	(1.423.111)
Income tax	16	(487.512)	(632.005)
Deferred income tax	16	2.579.150	2.339.936
Prior periods' tax audit differences	16	-	(40.000)
Net profit for the period		(13.168.496)	244.820
Attributable to:			
Equity holders of the Parent company		(13.326.280)	9.536.123
Non-controlling interests		157.784	(9.291.303)
Total		(13.168.496)	244.820
Earnings after taxes per share – basic in €	17	(0,2093)	0,1499

		GROUP	
		31/12/2012	31/12/2011
	NOTE		
Results for the period before taxes		(15.260.134)	(1.423.111)
Finance expenses	12	14.256.108	15.383.808
Finance income	12	(356.988)	(1.082.675)
Gain or loss on measurement of financial assets at fair value	19	(270.110)	(245.641)
Depreciation	18, 21	9.728.782	9.782.906
Grants	36	(765.022)	(805.848)
Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)	8	7.332.636	21.609.439
Effect from the change in biological assets at fair value		(14.265.783)	(1.999.038)
Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets		21.598.419	23.608.477

The attached notes form an integral part of these financial statements



		COMPANY	
		31/12/2012	31/12/2011
	Note		
Fair value of biological assets at the beginning of the period		237.295.193	200.568.733
Purchases during the period		-	(28.781.374)
Sales during the period		146.461.785	137.487.024
Fair value of biological assets at 31/12/2012		225.093.516	237.295.193
Gain or Loss arising from changes in fair value of biological assets at the end of the period	26	134.260.108	145.432.110
Sales of non-biological goods-merchandise and other inventories	9	25.540.593	35.362.834
Raw material consumption		(85.421.692)	(81.885.215)
Salaries & personnel expenses	10	(24.850.255)	(24.153.950)
Third party fees and benefits	11	(25.516.130)	(21.337.101)
Finance expenses	12	(13.026.860)	(13.833.499)
Finance income	12	498.602	1.358.604
Gain or loss on measurement of financial assets at fair value	19	277.963	(52.777)
Depreciation	18,21	(7.902.261)	(7.894.548)
Other expenses	14	(23.046.502)	(25.282.300)
Other income	15	2.387.540	2.411.244
Results for the period before taxes		(16.798.894)	10.125.402
Income tax	16	(5.659)	(15.967)
Deferred income tax	16	2.421.154	(433.484)
Net profit for the period		(14.383.399)	9.675.951
Attributable to:			
Equity holders of the Parent company		(14.383.399)	9.675.951
Total		(14.383.399)	9.675.951

		COMPANY	
	NOTE	31/12/2012	31/12/2011
Results for the period before taxes		(16.798.894)	10.125.402
Finance expenses	12	13.026.860	13.833.499
Finance income	12	(498.602)	(1.358.604)
Gain or loss on measurement of financial assets at fair value	19	(277.963)	52.777
Depreciation	18, 21	7.902.261	7.894.548
Grants	36	(628.727)	(660.172)
Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)	8	2.724.935	29.887.450
Effect from the change in biological assets at fair value		(13.754.060)	10.622.069
Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA) - before the effect of biological assets		16.478.995	19.265.381

The attached notes form an integral part of these financial statements

**Statement of Financial Position**

(Amounts in Euro)

	Note	GROUP		COMPANY	
		31/12/2011	31/12/2011 (Restated) *	31/12/2012	31/12/2011 (Restated) *
ASSETS					
Non-current assets					
Property, plant and equipment	18	84.835.794	87.968.186	73.006.547	76.027.519
Investment property	19	4.050.176	3.780.066	3.657.735	3.379.772
Goodwill	20	30.766.972	30.766.972	19.049.833	19.049.833
Intangible assets	21	15.715.901	15.853.375	4.419.779	4.561.590
Investments in subsidiaries	22	-	-	32.286.407	30.246.427
Deferred income tax assets	23	1.004	14.217	-	-
Available-for-sale financial assets	24	8.410	8.410	6.800	6.800
Other long-term receivables	25	248.250	243.565	175.514	167.530
Biological assets	26	53.871.417	70.614.681	50.037.794	67.134.038
		189.497.924	209.249.472	182.640.409	200.573.509
Current assets					
Biological assets	26	186.211.199	180.694.151	175.055.721	170.161.155
Inventories	27	9.832.519	11.456.189	6.204.162	8.305.672
Trade and other receivables	28	55.193.174	60.152.880	42.894.862	46.547.476
Other receivables	29	18.959.428	15.263.460	18.651.620	13.493.832
Other current assets	30	2.940.554	2.808.961	2.309.796	2.030.233
Financial assets at fair value through profit or loss	31	100.000	-	-	-
Time deposits	32	4.856.835	10.680.945	4.856.835	10.680.945
Cash and cash equivalents	32	3.006.832	8.109.298	1.248.438	5.373.525
		281.100.541	289.165.884	251.221.434	256.592.838
Total Assets		470.598.465	498.415.356	433.861.843	457.166.347
EQUITY & LIABILITIES					
Equity					
Share capital	34	85.335.590	85.266.404	85.335.590	85.266.404
Less Treasury shares	34	(47.271)	(47.271)	(47.271)	(47.271)
Share premium account	34	36.316.116	36.232.678	36.316.116	36.232.678
Fair value reserves	34	31.821.693	31.182.186	30.280.701	30.290.219
Currency translation differences		(1.797.408)	(1.784.877)	-	-
Other reserves	34	8.189.081	7.802.697	8.220.478	7.889.765
Retained earnings		(14.629.542)	(994.991)	(10.946.355)	3.757.607
Equity attributable to equity holders of the Parent Company		145.188.259	157.656.826	149.159.259	163.389.402
Non-controlling interests		(5.197.174)	(5.282.116)	-	-
Total Equity		139.991.085	152.374.710	149.159.259	163.389.402
Non-current liabilities					
Long-term borrowings	35	85.385.318	65.417.096	66.856.734	44.715.072
Deferred income tax liabilities	23	16.625.067	18.971.828	15.181.862	17.600.947
Retirement benefit obligations	10	2.371.865	2.895.611	1.950.296	2.451.127
Government grants	36	5.777.579	6.542.601	4.887.090	5.515.816
Other non-current liabilities	37	2.611.912	3.033.440	-	-
Provisions	38	782.105	648.868	455.826	336.909
Total non-current liabilities		113.553.846	97.509.444	89.331.808	70.619.871
Current liabilities					
Trade & other payables	39	62.538.325	58.195.363	51.974.394	45.960.650
Short-term borrowings	35	56.356.993	71.755.767	49.714.240	63.412.588
Liabilities payable within the following year	35	82.567.285	106.042.017	80.393.845	103.791.180
Other current liabilities	40	15.090.931	12.538.055	13.288.297	9.992.656
Total current liabilities		216.553.534	248.531.202	195.370.776	223.157.074
Total Liabilities		330.107.380	346.040.646	284.702.584	293.776.945
Total Equity and Liabilities		470.098.465	498.415.356	433.861.843	457.166.347

* As a result of the reclassification of the amount of € 68 million from long-term loans to the short-term portion of the long-term loans as referred to in Note 45.

The attached notes form an integral part of these financial statements

**Statement of Changes in Equity****Consolidated Statement of Changes in Equity**

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Foreign Currency Translation Reserve	Other Reserves	Retained Earnings	Non-controlling interests	Total
Balance of equity as at 1 January 2011	85.262.522	(47.271)	36.228.730	30.924.906	(854.781)	8.612.337	(10.215.222)	4.803.043	154.714.264
<i>Movement in equity for the period 1/1-31/12/2011</i>									
Profit / (losses) after taxes	-	-	-	-	-	-	9.536.123	(9.291.303)	244.820
Other comprehensive income	-	-	(4.912)	262.300	(930.096)	(4.961)	-	(436.161)	(1.113.831)
Total comprehensive income after taxes	-	-	(4.912)	262.300	(930.096)	(4.961)	9.536.123	(9.727.465)	(869.011)
Change in percentage or acquisition of new subsidiary companies (Note 22)	-	-	-	-	-	-	(1.126.846)	82.299	(1.044.547)
Increase in share capital from the conversion of the convertible bond loan	3.882	-	8.860	-	-	-	-	-	12.742
Approved dividends	-	-	-	-	-	-	-	(440.364)	(440.364)
Legal reserve	-	-	-	-	-	18.672	(18.672)	-	(0)
Transfer of stock option reserve	-	-	-	-	-	(823.352)	823.352	-	-
Other changes	-	-	-	(5.020)	-	-	6.274	371	1.626
Total recognised Income/ Expense for the period	3.882	-	3.948	257.280	(930.096)	(809.641)	9.220.231	(10.085.159)	(2.339.555)
Balance of equity as at 31 December 2011	85.266.404	(47.271)	36.232.678	31.182.186	(1.784.877)	7.802.697	(994.991)	(5.282.116)	152.374.710
<i>Movement in equity for the period 1/1-31/12/2012</i>									
Profit / (losses) after taxes	-	-	-	643.577	(12.531)	-	(13.326.280)	157.784	(13.168.496)
Other comprehensive income	-	-	-	-	-	-	-	213.869	844.915
Total comprehensive income after taxes	-	-	-	643.577	(12.531)	-	(13.326.280)	371.653	(12.323.581)
Change in percentage or acquisition of new subsidiary companies (Note 22)	-	-	-	-	-	-	63.046	(63.046)	-
Increase in share capital from the conversion of the convertible bond loan	69.186	-	83.438	-	-	-	10.150	-	162.774
Negative Non-controlling interests transfer to retained earnings	-	-	-	-	-	-	-	77	77
Approved dividends	-	-	-	-	-	-	(4.571)	(229.020)	(233.591)
Legal reserve	-	-	-	-	-	12.404	(12.404)	-	-
Changes during the year resulting from the convertible bond loan	-	-	-	-	-	330.713	(330.713)	-	-
Other changes	-	-	-	(4.070)	-	43.267	(33.779)	5.278	10.696
Total recognised Income/ Expense for the period	69.186	-	83.438	639.507	(12.531)	386.384	(13.634.551)	84.942	(12.383.625)
Balance of equity as at 31 December 2012	85.335.590	(47.271)	36.316.116	31.821.693	(1.797.408)	8.189.081	(14.629.542)	(5.197.174)	139.991.085

The attached notes form an integral part of these financial statements

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

(Amounts in Euro)

	Share Capital	Treasury Shares	Share Premium	Asset Revaluation Reserve	Other Reserves	Retained Earnings	Total
Balance of equity as at 1 January 2011	85.262.522	(47.271)	36.228.730	30.031.810	8.718.078	(6.742.422)	153.451.447
<i>Movement in Net equity for the period 01/01-31/12/2011</i>							
Profit / (losses) after taxes	-	-	-	-	-	9.675.951	9.675.951
Other comprehensive income	-	-	(4.912)	258.990	(4.961)	-	249.117
Total comprehensive income after taxes	-	-	(4.912)	258.990	(4.961)	9.675.951	9.925.068
Increase in share capital from the conversion of the convertible bond loan	3.882	-	8.860	-	-	-	12.742
Transfer of stock option reserve	-	-	-	-	(823.352)	823.352	-
Other changes	-	-	-	(581)	-	727	145
Total recognised Income/Expense for the period	3.882	-	3.948	258.409	(828.313)	10.500.029	9.937.955
Balance of equity as at 31 December 2011	85.266.404	(47.271)	36.232.678	30.290.219	7.889.765	3.757.607	163.389.402
<i>Movement in Net equity for the period 01/01-31/12/2012</i>							
Profit / (losses) after taxes	-	-	-	-	-	(14.383.399)	(14.383.399)
Other comprehensive income	-	-	-	(9.518)	-	-	(9.518)
Total comprehensive income after taxes	-	-	-	(9.518)	-	(14.383.399)	(14.392.917)
Increase in share capital from the conversion of the convertible bond loan	69.186	-	83.438	-	-	10.150	162.774
Changes during the year resulting from the convertible bond loan	-	-	-	-	330.713	(330.713)	-
Total recognised Income/Expense for the period	69.186	-	83.438	(9.518)	330.713	(14.703.962)	(14.230.143)
Balance of equity as at 31 December 2012	85.335.590	(47.271)	36.316.116	30.280.701	8.220.478	(10.946.355)	149.159.258

The attached notes form an integral part of these financial statements



Cash Flow Statement

(Amounts in Euro)

Note	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash flows from operating activities				
Profit before taxes	(15.260.135)	(1.423.111)	(16.798.894)	10.125.402
Plus/less adjustments for:				
Depreciation charge	18,21 9.728.782	9.782.906	7.902.261	7.894.548
Provisions	1.511.004	3.366.189	618.917	2.832.983
Government Grants	36 (765.022)	(805.848)	(628.727)	(660.172)
Provisions for retirement benefit obligations	10 (523.746)	131.176	(500.831)	131.586
Portfolio measurement	31 -	(554.756)	-	(554.756)
Dividends	12 -	-	(226.861)	(440.364)
Interest income	12 (356.988)	(527.838)	(271.741)	(363.402)
Movement in the fair value of biological assets	14.250.424	2.003.414	13.754.060	(10.628.715)
Other non-cash items	(643.477)	186.028	(644.069)	582.463
Gains/(loss) from sale of property, plant and equipment-investments	(6.325)	(961)	(759)	(11.927)
Interest expense and similar charges	12 14.256.108	15.383.726	13.026.860	13.833.417
Plus/less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of inventories	(1.400.538)	4.694.405	549.127	(26.711.345)
Decrease/(increase) of receivables	(3.157.709)	(681.343)	(3.971.034)	32.216.860
(Decrease)/increase of payable accounts (except Banks)	11.040.582	(3.201.638)	9.935.436	(7.441.559)
Less:				
Interest expense and similar charges paid	(13.744.834)	(11.592.507)	(12.457.224)	(10.175.002)
Income tax paid	(769.564)	(861.804)	(31.934)	-
Net cash generated from operating activities (a)	14.158.562	15.898.038	10.254.587	10.630.017
Cash flows from investing activities				
Acquisition of subsidiaries	22,31 (100.000)	(1.045.158)	(40)	(1.044.548)
Purchases of property, plant and equipment (PPE) and of intangible assets	18,21 (5.537.094)	(6.987.785)	(4.836.463)	(6.222.289)
Proceeds from sale of PPE and intangible assets	74.364	49.867	34.856	32.513
Interest received	12 342.310	513.838	271.741	353.540
Net cash used in investing activities (b)	(5.220.420)	(7.469.238)	(4.529.906)	(6.880.784)
Cash flows from financing activities				
Proceeds from issuance of ordinary shares / convertible bond	77	-	-	-
Expenses related to the issue of shares	(3.028)	(3.041)	(3.028)	(3.041)
Proceeds from issued/raised bank loans	741.088	1.245.889	-	-
Restricted cash	32 5.824.110	(10.680.945)	5.824.110	(10.680.945)
Repayments of loans	(20.363.201)	(25.788.315)	(15.670.850)	(23.666.331)
Dividends paid	(283.576)	(528.636)	-	(2.363)
Net cash used in from financing activities (c)	(14.084.530)	(35.755.048)	(9.849.768)	(34.352.680)
Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(5.146.388)	(27.326.248)	(4.125.087)	(30.603.447)
Effect from changes in the foreign exchange differences	43.922	(1.113.841)	-	-
Cash and cash equivalents at beginning of the year	8.109.298	36.549.387	5.373.525	35.976.972
Cash and cash equivalents at end of the year	3.006.832	8.109.298	1.248.438	5.373.525

The attached notes form an integral part of these financial statements



1. Notes on the Annual Financial Statements

1.1 General Information

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

1.2 Nature of operations

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

2. Basis of preparation of the financial statements

2.1 Basis of preparation of the financial statements

The consolidated and separate financial statements as at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and which have been adopted by the European Union until December 31 2012. The consolidated financial statements have been prepared on a going concern basis and in accordance with the historical cost method, as amended by the fair value revaluation of assets and liabilities at market values.

During the current year the Company and the Group incurred losses after taxes of an amount of € (14,38) million and € (13,17) million respectively, while as mentioned in Note 35 of the Financial Statements, certain financial indicators as included in the restrictive loan terms of two loans with a total balance of € 73 million were not complied with.

The Financial Statements of both the Group and Company have been prepared by Management on a going concern basis, given that management assesses that there is no substantial doubt with respect to their ability of the company to continue as a going concern, on the basis that:



NIREUS AQUACULTURE S.A

- ✓ The losses incurred during the current year are attributed to a large extent to the losses which were resulted during the year from the valuation of the biological assets at fair value according to IFRS, while
- ✓ With respect to the non-compliance of the financial indicators on the loan of € 69,7 million, the Group and Company received a letter from the loan creditors based on which a period of grace is granted regarding the breach of the loan covenants up to 30.06.2013.

Furthermore, the Management of the Company and Group consider that:

- Operations are steadily progressing, with an expected increase in sales in addition to an improvement in the market prices.
- The Group and Company have a strong customer and sales base.
- Have unused borrowing credit lines limits.
- Have quantities of current biological assets which can easily be liquidated if deemed necessary from a cash flow perspective.
- Has sufficient working capital for its daily requirements and positive cash flows from its operating activities.
- As also mentioned in Note 35 the Group and Company are in a process of negotiation with their bank creditors regarding the restructuring of their loan liability and anticipate that the negotiations will have a positive outcome in the interest of the Company, the Group and the shareholders.

The consolidated financial statements are presented in Euro.

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

The Financial Statements as at 31 December 2012, (prior year 31 December 2011 data included), have been approved by the company's Board of Directors on March 29, 2013. According to the provisions of the Capital Market Commission, amendments to the financial statements are not permitted following their approval. Authorized changes are made only by the Shareholders during the Ordinary Annual Shareholders Meeting.

2.2 Basis of consolidation of the financial statements

The attached financial statements comprise the financial statements of the Parent Company in addition to the consolidated financial statements of the Group and its subsidiaries on which the Parent Company has the ability to exercise control on 31 December 2012.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group obtains control of these, and which continue to be consolidated until the date at which such control ceases. The financial statements of the



subsidiaries are prepared for the same reporting period as those of the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

Derecognises:

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

Recognises:

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

3. Summary of Significant accounting policies

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

3.1 Segment Reporting

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

3.2 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair



value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in the profit or loss statement.

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

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

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

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

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

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

3.3 Associates

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



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

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

3.4 Biological Assets and Agricultural Activity

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

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

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

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

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

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

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

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

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



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

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

The total fish arises:

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

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

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

3.5 Foreign currency translation

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date at which the financial statements are prepared all monetary receivables and liabilities in foreign currency are translated into Euro in accordance with the prevailing exchange rate at the balance sheet date and foreign exchange differences are recorded in the income statement of the year.

Non-monetary items denominated in foreign currency which are carried at historical cost are translated in accordance with the exchange rate at the date of acquisition. Non-monetary items which are measured at the fair value's foreign currency are translated by using the exchange rate at the date of designation of the fair value. Gains and losses resulting from the translation of the non-monetary items are recognized in the same manner as gains and losses from the change in the fair value of these items.

During the consolidation assets and liabilities of foreign entities (foreign subsidiaries) are translated to the Euro currency by using the exchange rate which prevails at the reporting date of the financial statements and the results of the year are translated using the rate which prevails at the date of transaction. The exchange differences which result from the conversion for consolidation purposes are recorded in the foreign currency translation reserve, as a separate item in the Statement of Comprehensive Income and are transferred in the Income Statement during the sale of the foreign operation.



3.6 Property, plant and equipment

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

Cost includes all directly attributable expenditure incurred for the acquisition of the asset, in addition to the replacement cost of parts of the fixed assets in addition to the borrowing cost provided that the capitalization criteria are met.

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

Subsequent costs and borrowing costs are included in the asset's carrying amount or recognized as a separate asset provided that the capitalization criteria are met.

All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land and Buildings in addition to machinery, technical installations and floating means are measured at fair value reduced by accumulated depreciation and accumulated impairment loss, if any. Measurement of fair value occurs at frequent intervals so as to ensure that the fair value of an adjusted asset does not significantly differ from its book value.

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

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

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



An asset which is used for the purpose of self-use is derecognized during its sale or when no future economic benefits are incurred from its use of sale. Gains and losses on disposals are assessed by comparing the proceeds against the carrying amount and are recorded in the income statement during the derecognition of the asset.

The assets' residual values and useful lives are reexamined, and adjusted if appropriate, for future benefits at the end of each balance sheet date.

3.7 Investment Property

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

Subsequent to initial recognition, the investment property are stated at fair value, which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise, including its corresponding tax effects. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

Transfers to, or from, investment property should be made when, and only when, there is a change in use.

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. For a transfer from investment property to owner occupied property, the deemed cost for the subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group and Company account for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8 Intangible assets

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

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



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

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

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

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

Development Costs

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

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

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

3.9 Impairment of non-financial assets

The Group and Company assess at each financial statement's reporting date whether an indication exists whereby the carrying value of the non-financial assets is not recoverable. In the event whereby an indication for impairment exists or whether an annual impairment test is necessary, the recoverable amount of the asset is assessed. The recoverable amount of the asset is the greater between the fair value of the asset or the Cash-Generating Unit, less the required selling costs and the value in use and is individually assessed for each asset, except if the asset does not create cash flows which are to a large extent independent from other assets or group of assets. If the carrying amount of an asset or Cash generating unit exceeds the revalued recoverable amount, then the asset is considered impaired and is thus decreased until its recoverable amount. For the valuation of its value in use, the valued future cash flows are discounted at present value with the use of a pre-tax



interest rate which reflects the current market value for the time-value of money and for the risks which are associated with these assets. For the assessment of the fair value less the selling expenses, the most recent market transactions are taken into consideration if these exist. If such corresponding transactions cannot be identified in the market, then an appropriate revaluation method is used.

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

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

3.10 Financial Instruments (receivables/ liabilities)

A) Financial Assets

Initial Recognition and Measurement

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

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

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

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

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

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or



premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included under finance income in the income statement. The losses arising from impairment are recognized in the income statement under other financial costs.

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

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

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

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

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

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

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to liquidity needs or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value when this can be reliably measured, with unrealized gains or losses being recognized in other comprehensive income in the available for sale reserve until the investment is derecognized at which time the cumulative gains or losses are recognized in financial income, or the investment is determined to be impaired, when the cumulative loss is reclassified from available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available for sale financial investments is reported as interest income using the EIR method.



- **Held-to-maturity investments**

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

The Group did not have any held-to-maturity investments during the years ended 31 December 2012 and 2011.

Derecognition

A financial asset is derecognized when:

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

Impairment of financial assets

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

More specifically, the Group and the Company carries out an impairment test for certain receivables on an individual basis (for example for each customer separately) in cases where collection of the receivable has been characterized as overdue as at the balance sheet date or in cases where objective evidence indicates the need for impairment. All other receivables are categorized and tested for impairment on an aggregate basis. The categories have as a common characteristic the geographical distribution, the operational segment of the counterparties and if any, other common characteristics of credit risk which characterizes them.

Indication of impairment may include events such as when debtors or a group of debtors are experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability of bankruptcy or financial



restructuring, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in the structure of payments or financial conditions that associate with defaults.

- **Financial assets carried at amortised cost**

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

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

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

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

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

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

Future interest income continues to be accrued based on the reduced amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively



related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

B) Financial Liabilities

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

Initial recognition and measurement

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

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

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

- **Loans and trade payables**

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

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

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

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

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

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

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for



trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separate embedded derivatives are also classified as held for trading unless they are designated as hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement.

Derecognition

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

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

C) Off-setting of financial statements

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

3.11 Derivatives and Hedging Accounting

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

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

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

3.12 Inventories

Inventories include raw materials, consumables and goods purchased.

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



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

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

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

3.13 Share capital

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

No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Group's and Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Voting rights related to the treasury shares are nullified for the Group and no dividends are allocated to them.

3.14 Current and deferred income tax

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

Current income taxes include short-term liabilities or receivables attributable to the tax authorities which relate to taxes payable on the period's taxable income in addition to any taxes relating to prior years which could not be previously assessed. Current taxes are calculated according to the effective tax rates and tax laws prevailing as at the Balance Sheets dates in the territories in which the Group operates and in which taxable income arises. All changes in short-term tax assets or liabilities are recognised as tax expenses in the current year's income statement.



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

Deferred tax liabilities are recognized for all taxable temporary differences except where the deferred tax liability arises from:

- ❖ the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ❖ in respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward or unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be used against the deductible temporary differences, and the carry forward of unused tax losses, except:

- ❖ when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ❖ In respect of deductible temporary differences associated with investments in subsidiaries and associates deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated according to the tax rates which are expected to be applied in the period during which the asset will be recognized or the liability will be settled, taking into account the tax rates (and tax regulations) that are in effect or have been enacted during the date of preparation of the Balance Sheet. In the event of the inability to determine the time of reversal of the temporary differences the tax rate applicable in the year following the balance sheet date is used.

Current year's deferred tax calculation is based on the current tax rate of 20%.

3.15 Pensions and other post-employment benefits plans

Short-term benefits: Short-term benefits to employees in money or in kind are recognised as an expense when they are accrued. Any outstanding amounts are classified as a liability, while in case the amount already paid exceeds the amount of



the benefits, the Group and company recognise the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future or in return payments.

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

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

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

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

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

According to the revised IAS 19 "Employee Benefits" (IAS19.93), which amendment will be applicable commencing from 1 January 2013, with retrospective application, the actuarial gains/(losses) will be recognized immediately in the period in which they incur and will be presented in other comprehensive income (OCI) in the Statement of Other comprehensive income. Furthermore, the unvested past service cost will not be deferred and recognized over the future vesting period but instead all past service costs will be recognized at the earlier of when the amendment /curtailment occurs or when the entity recognizes related restructuring or termination costs. The effect that the change would have in the current year on the Group's and Company's Financials Statements in year 2013 with respect to the comparative figures of 2012 is presented in Note 10 "Salaries and Personnel Expenses".



Share-based payment transactions: Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

The share based stock options which have been granted to specific high level executives have been recorded in the results of the previous years with a corresponding increase in the reserve in equity. Up until the reporting date of the financial statements no stock option rights have been exercised and therefore the established reserve has not yet been converted to shares.

3.16 Government grants

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

3.17 Provisions, Contingent Liabilities and Contingent Assets

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

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



statement. Where there are a number of similar obligations, the probability that an outflow will be required for settlement is assessed by considering the class of obligations in its entirety.

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

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

3.18 Revenue and Expense Recognition

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

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

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

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



3.19 Leases

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

Group or Company as a lessee: Finance leases on assets where substantially all risks and rewards of ownership are transferred to the Group or Company are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the income statement. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

3.20 Dividend distribution

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

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

3.21 Related parties

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

3.22 Cash and cash equivalents

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



3.23 Post Balance Sheet events

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

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

3.24 Comparative figures

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

3.25 Borrowing Costs

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

3.26 Non-current assets held for sale

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

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

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

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



4. Changes in accounting policies

4.1 New and revised standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year apart from the following revised standards which was effective from January 1 2012 but which did not have an effect on the financial statements of the Group and Company.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements**
- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets**

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

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income**

The amendment is effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or ‘recycled’) to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group’s financial position or performance.

- **IAS 19 Employee Benefits (Revised)**

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The management of the Group and the Company assess that application of the change in the standard will have an impact on the financial statements of the Group and of the Company for the year 2013 as well as to the comparative prior year figures. Further information on the effect is presented in Note 10 “Salaries and Personnel Expenses”.

- **IAS 28 Investments in Associates and Joint Ventures (Revised)**

The Standard is effective for annual periods beginning on or after 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.



IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities

The amendment is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2013. These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity’s financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 9 Financial Instruments: Classification and Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. This standard has not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are



controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 12 Disclosures of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 13 Fair Value Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

The interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Group is in the process of assessing the impact of the project on the financial position or performance of the Group.



- **IAS 1 Financial Statement Presentation:** Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. In addition, the opening statement of financial position (known as the third balance sheet) must be presented in the following circumstances: when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. The opening statement would be at the beginning of the preceding period. However, unlike the voluntary comparative information, the related notes are not required to accompany the third balance sheet.
- **IAS 16 Property, Plant and Equipment:** Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- **IAS 32 Financial Instruments: Presentation:** Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.
- **IAS 34 Interim Financial Reporting:** Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.
- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If more than one comparative period is presented, additional relief is given to require only one period to be restated. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of the guidance on the financial position or performance of the Group.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**
The amendment is effective for annual periods beginning on or after 1 January 2014 with early adoption permitted. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term



‘investment entity’ to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities. This amendment has not yet been endorsed by the EU.

5. Critical accounting estimates and assumptions

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

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

A. Classification of investments

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

B. Recovery of Receivables

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

C. Provisions

Bad debt accounts are presented according to estimations as regards the amounts which are expected to be recovered following analysis as well as in accordance with the experience of the Group regarding the probability of customer default.



At the time at which a specific account is subject to a greater risk as compared to the normal credit risk (for example, low customer credibility, dispute in respect of the existence or the amount of the receivable etc) the Group and the Company establish a provision for bad debts in view of covering the loss which may be estimated and which stems from these receivables. The established provision is remeasured with a corresponding charge to the results of each year and any write-offs are accounted for through the provision.

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

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

E. Impairment of investments in subsidiaries and associates

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

F. Discontinued operations

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



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

G. Provision for Income taxes

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

H. Fair value of financial instruments

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

I. Fair value of biological assets

Management classifies the inventory of biological assets into two basic categories. The first is that where due to their size these can be sold and are measured at market values (i.e. sales catalogue which reflects the fair value less the point of sale costs) of the first week following the period or year-end date of preparation of the financial statements, or in the event of significant changes in the price arising until the date of preparation of the Financial Statements, the latter price is used as a measurement value. The second category is that where due to the size of the produce, these cannot be sold. This category is measured at cost as regards fish and at fair value as regards the number of juveniles included in it (fish). Gain or loss arising from changes in the fair value of biological assets is disclosed in the income statement.

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



J. Contingencies

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

6. Objectives and risk management policies

6.1 Market risk

Foreign exchange risk

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

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

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

	2012							2011						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Notional amounts														
Financial assets	838.370	568.672	-	-	186.908	9.623.567	121.289	698.524	566.078	-	-	82.048	12.510.506	151.487
Financial liabilities	1.756.953	6.093	1.619	0	0	1.002.705	385	1.434.861	0	0	0	0	6.961.291	382
Total current exposure	(918.583)	562.579	-1.619	0	186.908	8.620.862	120.904	(736.337)	566.078	0	0	82.048	5.549.215	151.105
Financial assets	-	-	-	-	-	5.744.585	-	-	-	-	-	-	4.430.251	-
Financial liabilities	-	-	-	-	-	743.875	-	-	-	-	-	-	607.501	-
Total non-current exposure	0	0	0	0	0	5.000.710	0	0	0	0	0	0	3.822.750	0

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

We assume that a change occurs on 31 December 2012 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from the monthly observation of the Euro against any foreign currency, for a period of 12 months.

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

*Amounts in Euro*

	USD		GBP		NOK		2012 DKK		CAD		TRL		CHF	
Post-tax profit for the year	3,48%	-3,48%	1,76%	-1,76%	13,21%	-13,21%	1,09%	-1,09%	2,93%	-2,93%	5,38%	-5,38%	0,40%	-0,40%
Equity	-31.944	31.944	9.893	-9.893	-214	214	0	0	5.473	-5.473	733.468	-733.468	483	-483

Amounts in Euro

	USD		GBP		NOK		2011 DKK		CAD		TRL		CHF	
Post-tax profit for the year	5,27%	-5,27%	1,73%	-1,73%	10,18%	-10,18%	0,80%	-0,80%	2,90%	-2,90%	13,37%	-13,37%	4,61%	-4,61%
Equity	-38.833	38.833	9.776	-9.776	0	0	0	0	2.377	-2.377	1.253.241	-1.253.241	6.970	-6.970

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

Interest rate risk

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

The risk of changes in the interest rates mainly arises from the long-term borrowings, the largest balance of which has duration until the year 2014.

The table below presents the sensitivity of the post-tax profit for the year as well as of equity at a reasonable change in the interest rate of +1% or -1% (2011: +/-1%). Changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

<i>Amounts in Euro</i>	2012		2011	
	1,00%	-1,00%	1,00%	-1,00%
Post-tax profit for the year	2.359.804	(2.359.804)	2.563.227	(2.563.227)
Equity	2.359.804	(2.359.804)	2.563.227	(2.563.227)

Price risk

The Group and Company have exposed to equity securities price risk due to investments held either for trading or which are classified as available-for-sale financial assets. Changes in the value of assets are significant so as to result in a significant fluctuations which can result in risk to the Group due to non-maturity dates.

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



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

6.2 Credit risk

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

<i>Amounts in Euro</i>	2012	2011
<i>Categories of financial assets</i>		
Restricted Cash	4.856.835	10.680.945
Cash and cash equivalents	3.006.832	8.109.298
Trade and other receivables	54.693.174	60.152.880
Other receivables	18.959.428	15.263.460
Total	81.516.269	94.206.583

The Group and Company's management considers all of the above financial assets, which have not been impaired in prior period financial statements, of a high credit rating.

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

6.3 Liquidity risk

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

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

The maturity of the financial liabilities at 31 December 2012 for the Group is analyzed as follows:



Amounts in Euro

2012

	Short-term		Long-term	
	within 6 months	between 6 to 12 months	between 1 to 5 years	over 5 years
Long-term borrowings	19.134.320	13.837.714	127.490.587	27.925.395
Short-term borrowings	16.809.123	43.806.334	-	-
Other Long-term liabilities	-	-	1.683.507	928.405
Trade payables	58.089.527	4.097.297	351.500	-
Other short-term liabilities	4.841.965	10.105.648	143.317	-
Total	98.874.935	71.846.993	129.668.911	28.853.800

The relevant maturity of the financial liabilities as of 31 December 2011 was as follows:

Amounts in Euro

2011

	Short-term		Long-term	
	within 6 months	between 6 to 12 months	between 1 to 5 years	over 5 years
Long-term borrowings	8.688.318	37.467.727	120.839.002	32.559.199
Short-term borrowings	17.471.160	59.908.508	-	-
Other Long-term borrowings	-	-	1.683.507	1.469.371
Trade payables	52.818.689	5.376.673	-	-
Other short-term liabilities	8.540.584	3.893.975	103.495	-
Total	87.518.751	106.646.883	122.626.004	34.028.570

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

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

The company has the following participations which are consolidated either through the full consolidation or through the net equity method as follows:

COMPANY	PARTICIPATION PERCENTAGE
AQUACOM LTD	100,00%
PROTEUS EQUIPMENT S.A	50,00%
BLUEFIN TUNA A.E (GROUP)	25,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	78,366%
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.	99,944%
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	100,00%
KEGO AGRI S.A	100,00%
SEAFARM IONIAN S.A	26,454%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	26,454%
ILKNAK DENIZCILIK A.S.	81,187%
FISH OF AFRICA LTD	100,000%
AQUA TERRAIR A.E.	12,963%



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
PROTEUS EQUIPMENT S.A	GREECE	50,00%	Full consolidation
NIREUS INTERNATIONAL LTD	CYPRUS	100,00%	Full consolidation
MIRAMAR PROJECTS CO LTD - UK	ENGLAND	100,00% indirect	Full consolidation
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	TURKEY	99,93% indirect + 0,02% direct = 99,95%	Full consolidation
ILKNAK SU URUNLERI SAN Ve TIC A.S.	TURKEY	24,914% direct + 53,452% indirect = 78,366%	Full consolidation
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	TURKEY	99,944% indirect	Full consolidation
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	SPAIN	100,00% indirect	Full consolidation
KEGO AGRI S.A	GREECE	100,00%	Full consolidation
ILKNAK DENIZCILIK A.S	TURKEY	81,187% indirect	Full consolidation
BLUEFIN TUNA S.A	GREECE	25,00%	Net equity
SEAFARM IONIAN S.A	GREECE	26,454% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	26,454% indirect	Full consolidation
AQUA TERRAIR S.A	GREECE	12,963% indirect	Net equity

It should be noted that the consolidation method used for the subsidiary company PROTEUS EQUIPMENT SA and SEA FARM IONIAN SA is that of the full consolidation method, given that the parent company “NIREUS AQUACULTURE SA” has the control of the above companies through the ability of the parent company to appoint the majority of the members of the Board of Directors who control these companies.

For further analysis see Note 22.

8. Segment Information

Information per segment

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

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

The operating segments which have been determined based on the financial decision making and the location of monitoring are as followed:

- Aquaculture



NIREUS AQUACULTURE S.A

- Fish feed
- Aviculture-Stockbreeding

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

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

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

The following amounts are presented in Euro.

31/12/2012

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Sales revenue per segment	176.234	12.556	12.536	2.834	(2.004)	202.156
Intersegment sales	-	-	-	2.004	(2.004)	-
Thrid party sales	176.234	12.556	12.536	829	-	202.156
Net operating costs	(175.862)	(10.830)	(12.211)	(1.590)	(16.923)	(217.416)
Profit before taxes	372	1.726	325	(760)	(16.923)	(15.260)
Depreciation expense	7.787	1.131	45	565	201	9.728

31/12/2011

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Sales revenue per segment	168.666	17.392	11.280	4.241	(4.650)	196.929
Intersegment sales	-	1.061	-	3.589	(4.651)	-
Thrid party sales	168.666	16.331	11.280	651	-	196.929
Net operating costs	(152.077)	(13.406)	(11.146)	(1.394)	(20.328)	(198.351)
Profit before taxes	16.589	2.925	134	(743)	(20.328)	(1.423)
Depreciation expense	(7.790)	(1.137)	(49)	(448)	(360)	(9.783)

Assets per segment include those which the executive committee monitors and which can be distinguished into separate operating segments. Liabilities are monitored as a whole.

31/12/2012

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Assets per segment	340.104	21.815	3.620	9.379	95.180	470.098
Capital expenditure	5.358	90	5	2	82	5.537

31/12/2011

Amounts in Thds of €	Aquaculture	Fishfeed	Aviculture-Stockbreeding	All other remaining segments	Eliminations/Adjustments	Consolidation
Assets per segment	355.493	24.047	3.869	7.471	107.535	498.415
Investments in associate companies (net equity method)	1.045	-	-	-	-	1.045
Capital expenditure	6.713	139	1	-	135	6.988

**GEOGRAPHICAL INFORMATION**

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

<i>Amounts in Euro</i>	GROUP	
	31/12/2012	31/12/2011
Greece	46.573.387	48.791.207
Euro-zone	122.239.327	120.322.157
Other countries	33.343.476	27.815.237
	202.156.190	196.928.601

An analysis of the revenue and non current assets based on the geographical area of customers in which they are located is presented below:

Revenue from foreign customers

<i>Amounts in Euro</i>	31/12/2012	31/12/2011
Greece	181.291.676	179.004.583
Spain	11.035.528	9.640.380
Turkey	9.828.986	8.283.638
	202.156.190	196.928.601

Non current Assets

<i>Amounts in Euro</i>	31/12/2012	31/12/2011
Greece	97.862.941	102.165.225
Spain	3.304.701	3.087.442
Turkey	3.434.229	2.348.960
	104.601.871	107.601.627

	NOTE	GROUP		COMPANY	
		31/12/2012	31/12/2011	31/12/2012	31/12/2011
Gain or Loss arising from changes in fair value of biological assets at the end of the period		147.410.832	145.799.344	134.260.108	145.432.110
Sales of non-biological goods-merchandise and other inventories	9	43.237.559	44.032.161	25.540.593	35.362.834
Raw material consumption		(104.191.177)	(90.308.907)	(85.421.692)	(81.885.215)
Salaries & personnel expenses	10	(31.521.439)	(31.033.428)	(24.850.255)	(24.153.950)
Third party fees and benefits	11	(24.398.424)	(21.723.881)	(25.516.130)	(21.337.101)
Profits/Losses from consolidation by the net equity method		-	(520.297)	-	-
Other expenses	14	(26.929.139)	(28.315.224)	(23.046.502)	(25.282.300)
Other income		3.724.424	3.679.671	1.758.813	1.751.072
Profit/ (Loss) before taxes, financing and investing results and depreciation (EBITDA)		7.332.636	21.609.439	2.724.935	29.887.450

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Sale of merchandise	27.918.255	27.705.292	9.572.223	14.779.728
Sale of finished and semi-finished goods	12.787.366	14.355.758	14.245.858	18.596.952
Sales of other inventories and scrap material	1.656.674	1.347.734	1.271.984	1.547.684
Sale of services	875.264	623.377	450.528	438.470
Total sales of merchandise and other materials	43.237.559	44.032.161	25.540.593	35.362.834

10. Salaries and personnel expenses**(α) Retirement benefit obligations**

The Group and the Company assess the retirement benefit obligation as the present value of the legal obligation which has been assumed for the lump sum indemnity payment to personnel who terminate employment as a result of retirement. The relative obligation was estimated based on actuarial calculations.

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Balance liability at beginning of the year	2.895.611	2.764.436	2.451.127	2.319.541
Current service cost (Note10b)	272.515	260.739	187.512	195.797
Interest cost (Note 12)	146.447	141.142	127.246	120.316
Benefits paid	(290.473)	(375.133)	(245.837)	(268.126)
Exchange differences arising from foreign subsidiaries	3.100	(15.604)	-	-
Actuarial (gains)/losses on obligation and effect from change in legislation (Note 14,15)	(655.334)	120.031	(569.752)	83.599
Total liability at end of the year	2.371.865	2.895.611	1.950.296	2.451.127

The increase in the actuarial gains in the year is attributed to the fact that the final actuarial obligation as at 31 December 2012 is less than the expected due to the applicable legislation L. 4093/2012. More specifically, and according to the L. 2112/1920 and the revised indemnity of personnel indemnity decreases from 24 salaries to a maximum of 12 salaries for all employees that up to 12/11/2012 had not completed 17 years of service.

The main actuarial assumptions used were as follows:



	31/12/2012	31/12/2011
Discount rate	3,40%	5,20%
Future salary increases	2,00%	3,75%
Inflation rate	2,00%	2,00%

According to IAS 19, the discounted interest rate of defined obligations following termination of services should be determined by reference to the yield of high quality corporate bonds at the end of the reporting period. In countries where there is no deep market in such bonds the yields on corporate bonds should be used instead. For this reason the basis on which the discount rate was determined was the decreasing trend which the yield of the European bonds iBoxx AA Corporate Overall 10+ EUR indices present and which was determined at 3,4% (2011: 5,2%).

The use of an increased technical interest rate of 0,5% would result in the actuarial liability being smaller than 7% while the opposite percentage rate, meaning the use of a smaller interest rate of 0,5% would result in a higher actuarial liability by 8%.

The corresponding sensitivity checks with respect to the anticipated increase in salaries, that is the use of the 0,5% higher than the anticipated increase in salaries would result in the actuarial liability being increased by 8% while the exact opposite percentage, that is the use of a decreased by 0,5% rate would result in the actuarial liability being less than 7%.

According to the revised IAS 19 “Employee Benefits” (IAS19.93), which amendment will be applicable commencing from 1 January 2013, with retrospective application, the actuarial gains/(losses) will be presented in other comprehensive income (OCI) in the Statement of Other comprehensive income, while the accounting policy applied up until December 31 2012 by the Group and the Company was to recognize these in the current year’s income statement.

The application of the change in the accounting policy will result in actuarial gains of an amount of € 480.897,94 for the Group and of an amount of € 454.139,62 for the Company which have been presented as at 31 December 2012 in “Salaries and Personnel expenses” in the Income Statement, being reclassified in the Statement of Other Comprehensive income in the financial statements of 2013, resulting in the Profit/(loss) for the year, and statement of cash flows being revised in addition to the reclassification of figures in the Statements of Changes in Equity of the Group and Company of the comparative figures.

(β) Employee benefit expense

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Wages and Employee Salaries	(25.022.597)	(24.365.448)	(19.865.790)	(19.014.146)
Social contributions	(6.192.650)	(5.965.719)	(4.778.035)	(4.607.098)
Provision for staff termination indemnity (Note 10a)	(272.515)	(260.739)	(187.512)	(195.797)
Provision for unpaid employees' leave	(33.677)	(441.522)	(18.917)	(336.909)
	(31.521.439)	(31.033.428)	(24.850.255)	(24.153.950)



Number of employed personnel

The number of employed personnel on December 31, 2012 amounted to 857 for the Company, and 1.166 for the Group (for the Company: 857, for the Subsidiaries: 309 employees) while on December 31, 2011 this amounted to 816 for the Company, and 1.105 for the Group (for the Company: 816 Subsidiaries: 270 and Associates: 19 respectively).

Personnel compensation based on equity instruments

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

Due to the current exchange market price, the third phase of the program was postponed based on the decision taken by the Board as at November 3, 2008, which vesting conditions were met in November 2008. The Company had established a reserve for the last phase of the vesting conditions which is presented in Equity (Note 34). During the prior year, the Company decided to transfer the remaining reserve which related to the first and second phase of the program and the right of which had been exercised by the holders, to Retained Earnings.

11. Third party fees and benefits

The analysis of third party fees and benefits follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Third party fees and expenses	(12.430.949)	(12.055.930)	(16.062.310)	(13.948.761)
Third party benefits	(11.967.475)	(9.667.951)	(9.453.820)	(7.388.340)
Total third party fees and benefits	(24.398.424)	(21.723.881)	(25.516.130)	(21.337.101)

**12. Financial results**

Analysis of finance income and expenses is as follows:

Finance Income

Amounts in Euro

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Dividend income	-	-	226.861	440.364
Interest income	356.988	527.837	271.741	363.402
Gain on measurement of derivative financial instruments (Note 31)	-	554.838	-	554.838
Total finance income	356.988	1.082.675	498.602	1.358.604

Finance Expenses

Amounts in Euro

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Interest expense from bank borrowings at amortised cost	(13.809.661)	(15.193.680)	(12.599.614)	(13.713.101)
Interest expense from defined benefit plans (Note 10a)	(146.447)	(141.142)	(127.246)	(120.316)
Loss on measurement of other financial assets (Note 24,31)	-	(48.986)	-	(82)
Present Value of bad debts (Note 28,29)	(300.000)	-	(300.000)	-
Impairment of financial assets	-	(15.383.808)	-	-
Total finance expenses	(14.256.108)	(15.383.808)	(13.026.860)	(13.833.499)

13. Investments in associates

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	<u>31/12/2012</u>	<u>31/12/2011</u>	<u>31/12/2012</u>	<u>31/12/2011</u>
Beginning of the year		520.297	-	650.000
Consolidation by the net equity method		815.745	-	-
Impairment loss	-	(1.336.042)		(650.000)
Total	-	-	-	-

The company's percentage of ownership interest in its associates, none of which are listed on the Exchange Market is as follows:



<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Value of Financial Position</u>	<u>Country of incorporation</u>	<u>Participation percentage</u>
BLUEFIN TUNA S.A	650.000	(650.000)	-	GREECE	25%
	650.000	(650.000)	-		

31/12/2011

<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Value of Financial Position</u>	<u>Country of incorporation</u>	<u>Participation percentage</u>
BLUEFIN TUNA S.A	650.000	(650.000)	-	GREECE	25%
	650.000	(650.000)	-		

14. Other expenses

The analysis of other income and expenses is the following:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Donations and subsidies	(25.352)	(80.503)	(25.152)	(49.603)
Special export expenses	(252.470)	(233.969)	(249.394)	(231.323)
Printed material and stationery	(91.696)	(85.082)	(71.770)	(70.269)
Publication expenses	(35.723)	(35.635)	(18.347)	(20.372)
Exhibition and demonstration expenses	(86.119)	(105.287)	(66.143)	(84.764)
Transportation expenses	(16.700.307)	(15.152.520)	(15.027.775)	(13.721.602)
Sales promotion and advertising expenses	(769.527)	(228.355)	(749.779)	(206.736)
Travelling expenses	(523.018)	(440.933)	(354.865)	(274.510)
Losses from disposal of assets	-	(22.336)	-	(1.807)
Losses from destruction of scrap inventories	(68.596)	(74.410)	(2.099)	(21.002)
Other extraordinary & non-operating expenses	(373.448)	(171.396)	(119.539)	(752.992)
Other prior year expenses	(635.563)	(974.130)	(580.115)	(833.942)
Provision for bad debts of trade receivables and other receivables (Note 28,29)	(1.083.514)	(3.322.864)	(200.000)	(2.894.272)
Net actuarial gains/(losses) (Note 10a)	(41.463)	(125.218)	(8.616)	(83.599)
Operating provisions (Note 38)	(100.000)	-	(100.000)	-
Exchange differences	(904.980)	(1.373.150)	(277.079)	(221.597)
Subscriptions – Contributions	(120.556)	(112.581)	(105.367)	(97.133)
Consumable materials	(3.827.827)	(4.335.242)	(4.013.052)	(4.543.540)
Taxes-duties (other than the non-incorporated in the operating cost taxes)	(709.936)	(823.458)	(577.524)	(681.524)
Tax fines and surcharges	(90.299)	(100.069)	(49.527)	(52.568)
Cleaning expenses	(176.946)	(169.623)	(167.943)	(160.039)
Security expenses	(160.659)	(152.415)	(160.481)	(151.760)
Various expenses	(151.140)	(196.048)	(121.935)	(127.346)
Total expenses	(26.929.139)	(28.315.224)	(23.046.502)	(25.282.300)

Other expenses include an amount of € 1.083.514 which regards the provision for bad debt expense and other receivables (Note 28 and 29).

**15. Other income**

Analysis of other operating expenses is as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Sales subsidies and other sales revenue	783.344	1.015.091	298.219	390.580
Income from other operations	46.401	143.773	75.698	192.316
Income from operating leases	67.775	109.432	48.151	76.199
Gain on disposal of assets	6.325	19.765	759	13.734
Other unutilised prior year income	169.399	393.822	69.820	252.834
Other income	901.604	780.731	461.671	639.750
Exchange differences	1.052.779	1.211.870	226.128	185.659
Actuarial gains (Note 10a)	696.797	5.187	578.367	-
Amortization of grants on fixed assets (Note 36)	765.022	805.848	628.727	660.172
Total Income	4.489.446	4.485.519	2.387.540	2.411.244

Other income mainly relates to third party revenue. Furthermore, other income includes an amount of € 5.244 for the Group which relates to the reversal of the provision for bad debts (Note 28).

16. Income tax expense

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Current tax	487.512	632.005	5.659	15.967
Prior years' tax audit differences	-	40.000	-	-
Deferred tax (Note 23)	(2.579.150)	(2.339.936)	(2.421.154)	433.484
Total	(2.091.638)	(1.667.931)	(2.415.495)	449.451
Profit before tax	(15.260.134)	(1.423.110)	(16.798.894)	10.125.402
Tax rate	20%	20%	20%	20%
Estimated tax charge	(3.052.027)	(284.622)	(3.359.779)	2.025.080
Adjustments for income that is not subject to tax	-	(2.094.933)	-	(1.678.245)
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	960.389	671.624	944.284	102.616
- Prior years' tax audit differences	-	40.000	-	-
Actual Tax Charge	(2.091.638)	(1.667.931)	(2.415.495)	449.451

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Current tax	487.512	632.005	5.659	15.967
Prior years' tax audit differences	-	40.000	-	-
Deferred tax	(2.579.150)	(2.339.936)	(2.421.154)	433.484
Income tax expense	(2.091.638)	(1.667.931)	(2.415.495)	449.451
Deferred tax - recognised in other comprehensive income	-	(261.201)	-	(249.117)
Total income tax from continuing operations	(2.091.638)	(1.929.132)	(2.415.495)	200.334



In January 2013 the new legislation of L. 4110/18-1-2013 (FEK 17/23-1/2013 A), on the basis of which new changes were enacted in the income taxes of legal entities, as the increase in the income tax rate of 20% to 26% for the years which begin January 1 2013 and thereafter. The effect from the change is presented in Note 23: “Deferred Tax receivables/liabilities”

The parent company and all domestic subsidiaries have been audited for tax purposes for the prior year, according to the provisions of par. 5 of article 82 of L. 2238/94. From this audit no liabilities resulted apart from those that are presented in the financial statements.

Furthermore with respect to the 2012 the tax audit regarding the issuance of the “Tax Compliance Report” is currently under progress by the Company’s legal auditors. The management of the Company does not foresee any significant tax obligations resulting from the audit apart from those that are already recorded and presented in the Financials Statements.

According to the same provisions and based on the tax audit of prior years, the companies which may have taxable profits after the net off of accumulated tax losses, have established a provision for contingent tax liabilities which may arise from the tax audit of the open tax years. The established provision therefore for unaudited tax years is considered adequate.

Information in respect of unaudited, by the tax authorities, financial years

The unaudited, by the tax authorities, financial years for the group companies are as follows:

<u>GROUP COMPANIES</u>	UNAUDITED TAX YEARS
NIREUS AQUACULTURE S.A	From 2009 to 2010
AQUACOM LTD	-
PROTEUS EQUIPMENT S.A	2010
ILKNAK SU URUNLERI SAN Ve TIC A.S.	Since 2012
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	Since 2012
PREDOMAR S.L.	Since 2007
KEGO AGRI S.A	2010
NIREUS INTERNATIONAL LTD	Since 2006
MIRAMAR PROJECTS CO LTD - UK	Since 2005
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	Since 2012
BLUEFIN TUNA S.A	Since 2010
SEAFARM IONIAN S.A	From 2005 to 2010
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	Since 1999
AQUA TERRAIR S.A	Since 1999
ILKNAK DENIZCILIK A.S.	Since 2012

Further analysis of the deferred tax is presented in Note 23 “Deferred Income Tax assets/liabilities”.

17. Earnings per share

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

**Basic earnings per share**

<i>Amounts in Euro</i>	GROUP	
	31/12/2012	31/12/2011
Profit attributable to equity holders of the Company	(13.326.280)	9.536.123
Weighted average number of ordinary shares	63.683.276	63.607.742
Basic earnings per share (€ per share)	(0,2093)	0,1499

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

18. Property Plant and Equipment

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

During the current year and as at 31/12/2012 land and buildings of the subsidiary companies ILKNAK SU URUNLERI and PREDOMAR were revalued based on the valuation of recognized independent valuers.

During the current year and as at December 31, 2012 the land and buildings of the subsidiary companies ILKNAK SU URUNLERI και PREDOMAR S.L.U were revalued. The fair value of land was based on market values in accordance with the comparative method where the current prices were adjusted according to the location, and physical condition of the corresponding fixed assets, while the valuation of buildings was based on the cost method.

The effect from the revaluation of land and buildings of the subsidiary companies in addition that of the parent company at fair value was a net increase in the equity position of the Group by an amount of € 759.720.

The remaining fixed assets are presented at cost less accumulated depreciation and accumulated impairment losses.

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



Property, plant and equipment is analysed as follows:

GROUP	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
Cost									
Balance at 1 January 2011	10.425.424	40.413.031	58.665.629	19.809.190	4.914.868	4.703.226	10.456.726	466.452	149.854.546
Additions	-	214.430	4.511.908	75.831	69.755	197.510	118.037	1.730.994	6.918.465
Disposals/write-offs	-	(73.673)	(3.375.803)	(8.391)	(74.743)	(21.772)	(282.332)	-	(3.836.714)
Reclassifications	-	-	6.761	-	-	-	-	(702.568)	(695.807)
Balance at 31 December 2011	10.407.959	40.499.609	59.425.949	19.770.160	4.903.200	4.850.450	10.277.884	1.484.155	151.619.366
Accumulated depreciation									
Balance at 1 January 2011	-	(3.847.698)	(41.451.435)	-	(4.207.971)	-	(9.375.188)	-	(58.882.292)
Depreciation charge	-	(897.005)	(4.540.121)	(2.229.986)	(294.066)	(437.846)	(445.495)	-	(8.844.519)
Disposals/write-offs	-	70.142	3.357.290	174	74.743	161	281.763	-	3.784.273
Balance at 31 December 2011	-	(4.641.123)	(42.396.065)	(2.227.453)	(4.421.752)	(437.288)	(9.527.499)	-	(63.651.180)
Net book value at 31 December 2011	10.407.959	35.858.486	17.029.884	17.542.707	481.448	4.413.162	750.385	1.484.155	87.968.186
Cost									
Balance at 1 January 2012	10.407.959	40.499.609	59.425.949	19.770.160	4.903.200	4.850.450	10.277.884	1.484.155	151.619.366
Additions	-	414.423	2.743.571	202.499	40.247	423.166	178.627	1.499.126	5.501.659
Disposals/write-offs	-	(2.149)	(3.854.838)	(80.383)	(331.490)	(13.510)	(1.190.048)	(20.592)	(5.493.010)
Reclassifications	-	5.712	237.158	810.940	-	-	-	(1.789.754)	(735.944)
Revaluation of assets	-	308.119	-	(11.897)	-	-	-	-	296.222
Exchange differences	3.617	10.355	73.130	21.809	1.383	5.210	2.791	11.427	129.722
Balance at 31 December 2012	10.411.576	41.236.069	58.624.970	20.713.128	4.613.340	5.265.316	9.269.254	1.184.362	151.318.015
Accumulated depreciation									
Balance at 1 January 2012	-	(4.641.123)	(42.396.065)	(2.227.453)	(4.421.752)	(437.288)	(9.527.499)	-	(63.651.180)
Depreciation charge	-	(882.698)	(4.648.937)	(2.250.168)	(226.988)	(463.335)	(347.858)	-	(8.819.984)
Disposals/write-offs	-	487	3.822.668	16.466	331.491	1.558	1.190.049	-	5.362.719
Revaluation of assets	-	694.925	-	-	-	-	-	-	694.925
Exchange differences	(6.465)	(6.789)	(50.535)	(1.217)	(1.171)	(204)	(2.320)	-	(68.701)
Balance at 31 December 2012	(6.465)	(4.835.198)	(43.272.869)	(4.462.372)	(4.318.420)	(899.269)	(8.687.628)	-	(66.482.221)
Net Book Value at 31 December 2012	10.405.111	36.400.871	15.352.101	16.250.756	294.920	4.366.047	581.626	1.184.362	84.835.794
COMPANY									
	Land	Buildings	Other Installations and equipment	Mechanical equipment and technical installations	Other Transportation means	Floating means	Furniture and other equipment	Assets under construction	Total
<i>Amounts in Euro</i>									
Cost									
Balance at 1 January 2011	9.870.038	33.455.989	40.547.201	17.479.760	3.810.814	3.007.973	8.963.271	15.000	117.150.046
Additions	-	161.417	4.126.940	75.830	69.490	114.071	107.661	1.498.129	6.153.538
Disposals/write-offs	-	-	(3.362.051)	-	(74.743)	(2.103)	(263.971)	-	(3.702.868)
Reclassifications	-	-	6.761	-	-	-	-	(702.568)	(695.807)
Balance at 31 December 2011	9.870.038	33.617.406	41.318.851	17.555.590	3.805.561	3.119.941	8.806.961	810.561	118.904.909
Accumulated depreciation									
Balance at 1 January 2011	-	(940.632)	(27.520.544)	-	(3.188.321)	-	(7.953.568)	-	(39.603.065)
Depreciation charge	-	(666.340)	(3.354.121)	(1.987.191)	(258.371)	(274.722)	(415.862)	-	(6.956.607)
Disposals/write-offs	-	-	3.343.543	-	74.743	161	263.835	-	3.682.282
Balance at 31 December 2011	-	(1.606.972)	(27.531.121)	(1.987.191)	(3.371.949)	(274.561)	(8.105.595)	-	(42.877.390)
Net Book Value at 31 December 2011	9.870.038	32.010.434	13.787.729	15.568.399	433.612	2.845.380	701.366	810.561	76.027.519
Cost									
Balance at 1 January 2012	9.870.038	33.617.406	41.318.851	17.555.590	3.805.561	3.119.941	8.806.961	810.561	118.904.909
Additions	-	260.349	2.297.569	202.499	41.106	352.875	153.245	1.498.592	4.806.235
Disposals/write-offs	-	-	(2.313.128)	(53.264)	(261.702)	(4.755)	(1.081.976)	(10.991)	(3.725.816)
Reclassifications	-	-	86.238	810.940	-	-	-	(1.633.122)	(735.944)
Revaluation of assets	-	-	-	(11.897)	-	-	-	-	(11.897)
Balance at 31 December 2012	9.870.038	33.877.755	41.389.530	18.503.868	3.584.965	3.468.061	7.878.230	665.040	119.237.487
Accumulated depreciation									
Balance at 1 January 2012	-	(1.606.972)	(27.531.121)	(1.987.191)	(3.371.949)	(274.561)	(8.105.595)	-	(42.877.390)
Depreciation charge	-	(668.705)	(3.494.484)	(2.007.964)	(203.477)	(295.299)	(324.348)	-	(6.994.277)
Disposals/write-offs	-	-	2.283.625	13.264	261.703	159	1.081.976	-	3.640.727
Balance at 31 December 2012	-	(2.275.677)	(28.741.980)	(3.981.891)	(3.313.723)	(569.701)	(7.347.967)	-	(46.230.940)
Net Book Value at 31 December 2012	9.870.038	31.602.078	12.647.549	14.521.977	271.242	2.898.360	530.263	665.040	73.006.547

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

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



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

GROUP			
	Mechanical equipment and technical installations	Floating means	Total
Amounts in Euro			
Cost			
Balance at 31 December 2012	30.851.015	6.995.842	37.846.858
Accumulated depreciation 31 December 2012	(26.426.396)	(5.383.175)	(31.809.571)
Net Book value at 31 December 2012	4.424.619	1.612.667	6.037.287

Company			
	Mechanical equipment and technical installations	Floating means	Total
Amounts in Euro			
Cost			
Balance at 31 December 2012	27.726.371	4.455.592	32.181.963
Accumulated depreciation 31 December 2012	(23.826.912)	(3.234.399)	(27.061.311)
Net Book value at 31 December 2012	3.899.459	1.221.193	5.120.652

19. Investment properties

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

<i>Amounts in Euro</i>	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
Carrying value at 1 January 2011	1.010.353	2.524.072	3.534.425	908.477	2.524.072	3.432.549
Gains/(losses) from fair value	609.390	(363.749)	245.641	310.972	(363.749)	(52.777)
Carrying value at 31 December 2011	1.619.743	2.160.323	3.780.066	1.219.449	2.160.323	3.379.772
Gains/(losses) from fair value	(173.632)	443.742	270.110	(165.779)	443.742	277.963
Carrying value at 31 December 2012	1.446.111	2.604.065	4.050.176	1.053.670	2.604.065	3.657.735

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



As at 31/12/2012 the Group and Company revalued land and buildings based on independent recognised valuers. The fair value has been based on market values whereby the current values were revalued in accordance with the location and physical condition of the respective assets.

The fair value of land was determined based on the most recent transactions observable in the market in accordance with the sales comparison Method. The fair value of buildings was determined based on the method of depreciable replacement cost. The above methods are in accordance with the International Valuation Standards Committee.

The effect from the revaluation of land and buildings at fair value was a decrease in the equity position of the Company and Group by an amount of € 277.963 and € 270.110 respectively through profit and loss (amounts are before tax).

20. Goodwill

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

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

Carrying amount of goodwill and fish-farm licenses allocated to each of the cash-generating units is further analysed in Note 21:

	AQUACULTURE		FISHFEED		AVICULTURE - STOCKBREEDING		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Goodwill	27.000.364	27.000.364	3.708.975	3.708.975	57.633	57.633	30.766.972	30.766.972
Aquaculture Licenses	14.057.000	14.057.000	-	-	-	-	14.057.000	14.057.000

The Group performed its annual impairment test for goodwill and fish-farm licenses as at 31 December 2012. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2012, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill and impairment of the assets of each operating segment.

The recoverable amount of the three operating segments has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been calculated in such a way so as reflect the demand conditions of each segment. The pre-tax discount rate applied to cash flow projections is 9,3%. The cash flows which relate to the period of 5 years change in accordance with estimates for operating profits, investments for equipment and working capital needs. Indicatively it is noted that for the 5 year period (2013-2017) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 9%, for fish feed



segment at 12% while for the Aviculture stock breeding segment the projections are 0%. Following the 5 year period the cash flows are extended with a growth rate of 3% taking into consideration the long-term projections of the company for the three segments in addition to the course of long-term inflation.

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

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

- a) Profit margin
 - b) Discount rates
 - c) Market share during the budget period
 - d) Growth rate to perpetuity
- *Margin of earnings before interest, taxes, depreciation and amortisation* – Margins of earnings before interest, taxes, depreciation and amortisation are based on estimations during the budget period of five years and relate to expected prices, sale quantities, market share and cost of sale and operating costs. Estimations for those amounts use the existing data of the industry in which the three units operate.
 - Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash generating unit. The discount rate was estimated based on the average percentage of a weighted average cost of capital for the industry which takes into account the debt to equity ratio. The cost of capital arises from the expected yield of investments from the investors of the Group and the cost of debt is based on the debt that the Group should accommodate. This rate was further adjusted to reflect the market assessment of any risk specific to the cash generating unit for which future estimates.
 - Market share during the budget period – These assumptions are important because, as well as using industry data for growth rates management assesses how the unit's position, relative to its competitors, might change over the budget period. Management expects stability in the market where the three units operate during the budgeted period.
 - Growth rate to perpetuity – Rates are based on long-term prospective of the group for the three reporting segments.

*Sensitivity to changes in assumptions*

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

21. Intangible assets

The intangible assets of the Group and Company relate mainly to 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			
<i>Amounts in Euro</i>	Computer and other software	Aquaculture Licences	Total
Cost			
Balance 1 January 2011	5.645.538	14.057.000	19.702.538
Additions	69.323	-	69.323
Transfers from investments/work in progress	695.808	-	695.808
Exchange differences	(7.478)	-	(7.478)
Balance 31 December 2011	6.403.191	14.057.000	20.460.191
Accumulated amortisation			
Balance 1 January 2011	(3.675.890)	-	(3.675.890)
Amortisation charge	(938.387)	-	(938.387)
Exchange differences	7.461	-	7.461
Balance at 31 December 2011	(4.606.816)	-	(4.606.816)
Net book value at 31 December 2011	1.796.375	14.057.000	15.853.375
Balance 1 January 2012	6.403.191	14.057.000	20.460.191
Additions	35.436	-	35.436
Transfers from work under construction	735.944	-	735.944
Exchange differences	1.480	-	1.480
Balance 31 December 2012	7.176.051	14.057.000	21.233.051
Accumulated amortisation			
Balance 1 January 2012	(4.606.816)	-	(4.606.816)
Amortisation charge	(908.798)	-	(908.798)
Exchange differences	(1.536)	-	(1.536)
Balance at 31 December 2012	(5.517.150)	-	(5.517.150)
Net book value at 31 December 2012	1.658.901	14.057.000	15.715.901



COMPANY

<i>Amounts in Euro</i>	Computer and other software	Aquaculture Licences	Total
Cost			
Balance 1 January 2011	5.377.994	2.766.000	8.143.994
Additions	68.750	-	68.750
Transfers from investments/work in progress	695.808	-	695.808
Exchange differences	-	-	-
Balance 31 December 2011	6.142.552	2.766.000	8.908.552
Accumulated amortisation			
Balance 1 January 2011	(3.409.021)	-	(3.409.021)
Amortisation charge	(937.941)	-	(937.941)
Exchange differences	-	-	-
Balance at 31 December 2011	(4.346.962)	-	(4.346.962)
Net book value at 31 December 2011	1.795.590	2.766.000	4.561.590
Balance 1 January 2012			
Balance 1 January 2012	6.142.552	2.766.000	8.908.552
Additions	30.229	-	30.229
Transfers from work under construction	735.944	-	735.944
Exchange differences	-	-	-
Balance 31 December 2012	6.908.725	2.766.000	9.674.725
Accumulated amortisation			
Balance 1 January 2012	(4.346.962)	-	(4.346.962)
Amortisation charge	(907.984)	-	(907.984)
Exchange differences	-	-	-
Balance at 31 December 2012	(5.254.946)	-	(5.254.946)
Net book value at 31 December 2012	1.653.779	2.766.000	4.419.779

The “Aquaculture licences” on a Group level relate to the value of the aquaculture licenses of the companies of the Group “SEAFARM IONIAN SA”, The Group “KEGO”, “PREENGORDE DE DORADAS PARA MARICULTARA S.L (PREDOMAR)”, “ NIREUS AQUACULTURE SA” and “CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S. (CARBON)”, that which resulted following the appraisal of the independent appraisers, and was assessed at a value of € 14.057.000. The resulting goodwill is not depreciated, but is tested for impairment loss, on an annual basis. Further analysis is presented in Note 20.

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

**22. Investments in subsidiaries**

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

<i>Amounts in Euro</i>	COMPANY
	<u>31/12/2012</u>
Opening Balance	30.246.427
Additions	2.039.980
Closing Balance	32.286.407

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

<u>Company</u>	<u>Cost</u>	<u>Amount as per Financial Position</u>	<u>Country of incorporation</u>	<u>Percentage Shareholding</u>
PROTEUS EQUIPMENT S.A	29.347	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	1.141.394	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN VE TIC A.S.	1.036.873	1.036.873	TOYPKIA	24,914%
NIREUS INTERNATIONAL LTD	7.380.508	7.380.508	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	272	272	TURKEY	0,02%
SEA FARM IONIAN S.A	13.745.179	13.745.180	GREECE	26,454%
KEGO AGRI S.A	8.952.834	8.952.834	GREECE	100,00%
	32.286.407	32.286.407		

Investments impairment test

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

	AQUACULTURE		AVICULTURE AND STOCKBREEDING		TOTAL	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Investments in subsidiaries	23.333.572	21.293.592	8.952.835	8.952.835	32.286.407	30.246.427

Regarding separate Financial Statements of the Company, an impairment test was conducted as of 31 December 2012 for investment in subsidiaries where an indicator of impairment existed mainly due to loss-making subsidiaries. More specifically, an impairment test on the cash generating units of the Aquaculture segment was performed where an indication existed mainly due to the loss making of the subsidiaries. The recoverable amount of the unit was determined based on



value in use which was calculated based on the projected cash flows from financial budgets of the company approved by senior management covering a period of 5 years. The projected cash flows have been calculated in order that these reflect the current demand. The pre-tax interest which was used for the discount of the projected cash flows amounts to 9,3%. The cash flows which relates to the 5 years change in accordance with the projections for operating profits, investments in equipment and working capital requirements. Indicatively it is noted that for the 5 year period (2013-2017) the compound growth rate of (CAGR) for the aquaculture segment is estimated at 9%. Following the 5 year period the cash flows are extended with a growth rate of 3% taking into consideration the long-term projections and the course of long-term inflation. Management assesses that that the recoverable amount of the Aquaculture segment exceeds the book value thus reflecting the positive prospects which prevail in the market for the future.

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

INCREASE OF SUBSIDIARIES' SHARE CAPITAL

During the year the following increases in share capital of the subsidiary companies were made:

- Increase in the share capital of the subsidiary company ILKNAK SU URUNLERI A.S by an amount of € 980.873 as a result of the capitalisation of its liability towards the Company. The above amount corresponds to 25% of the total approved share capital increase which amounts to € 3.921.492. Apart from the Company, the remaining shareholders did not participate in the above increase, that which resulted in a decrease in their corresponding percentage shareholding, while Company's investment increased from 71,709% to 78,366% (the direct percentage increased from 1,810% to 24,914% while the indirect percentage decreased from 69,47% to 53,45%)
- Increase in the share capital of the subsidiary company MIRAMAR SU URUNLERI by an amount of € 254.318,11 through the contribution of each shareholder equivalent to their percentage shareholding.
- Increase in the share capital of the subsidiary company NIREUS INTERNATIONAL SA through the capitalisation of its liability towards the parent company of an amount of € 1.059.067,90
- Increase in the share capital of the subsidiary company MIRAMAR PROJECTS Co LIMITED through the capitalisation of its liability towards the company NIREUS INTERNATIONAL SA of an amount of € 1.650.118,60

23. Deferred Income Receivables/Liabilities

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



	STATEMENT OF FINANCIAL POSITION				INCOME STATEMENT			
	GROUP		COMPANY		GROUP		COMPANY	
	2012	2011	2012	2011	2012	2011	2012	2011
DEFERRED TAX LIABILITIES								
Intangible assets	(169.030)	(114.184)	(181.803)	(144.747)	(56.515)	(429.463)	(37.662)	(399.738)
Property, Plant & Equipment	(7.708.568)	(7.411.776)	(6.541.201)	(6.485.510)	(79.088)	(178.753)	(58.070)	(85.218)
Inventories	(12.237.133)	(15.096.999)	(11.498.882)	(14.249.693)	2.886.256	2.529.165	2.750.812	(307.150)
Receivables	2.384.684	2.175.592	1.830.971	1.738.209	208.738	273.024	92.761	218.513
Retirement benefit obligations	473.429	578.303	389.115	489.406	(105.494)	21.690	(100.291)	19.713
Other non-current liabilities	540.034	510.874	741.124	686.454	34.212,80	97.627	59.724	122.740
Provisions	84.873	78.163	71.165	57.240	6.622,51	78.227	13.925	57.305
Other current liabilities	7.649	322.415	7.649	307.694	(315.583)	(51.581)	(300.045)	(59.648)
	(16.624.062)	(18.957.611)	(15.181.862)	(17.600.947)	2.579.150	2.339.936	2.421.154	(433.484)
TOTAL DEFERRED TAX ASSETS	1.004	14.217	-	-				
TOTAL DEFERRED TAX LIABILITIES	(16.625.067)	(18.971.828)	(15.181.862)	(17.600.947)				
TOTAL DEFERRED TAX	(16.624.062)	(18.957.611)	(15.181.862)	(17.600.947)				

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. The offsetting of deferred income tax assets and liabilities occurs when there is, on behalf of the company, a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The deferred tax liabilities of the Group as at 31/12/2012 relate to the subsidiaries located in Turkey by an amount of € 540.712 (tax rate 20%), to subsidiaries located in Spain by an amount of € 338.193 (tax rate 25%-30%) and by an amount of € 15.847.039 for companies that are located in Greece (tax rate 20%). The respective amounts as at 31/12/2011 were for the companies which are located in Turkey € 500.842,52, those located in Spain by an amount of € 269.434,68 and by an amount of € 18.201.551 for companies that are located in Greece.

The deferred tax receivables for the Group as at 31/12/2012 and 31/12/2011 entirely stem from the subsidiary companies which are located in Turkey.

In accordance with the new tax legislation and based on L. 4110/18-1-2013 (FEK 17/23-1-2013 issue. A) the income tax rate increase from 20% to 26% beginning from 1.1.2013. Due to that the change entails a “non-adjusting” event according to IAS 10 par.22, the Group and Company have calculated current and deferred taxes based on the applicable tax rate of 20% and in accordance with IAS 12 par. 47.

The effect from the change in the tax rate to 26% on the Group’s financial statements as at 31 December 2012, if the change in the tax rate were applied amounts to an additional charge of € 2.929.551,16 and € 2.957.795,51 accordingly in the income statement and a decrease in reserves of € 11.794.305 and € 1.596.771 in Equity for the Group and Company respectively.

24. Available for sale financial assets

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Beginning of the year	8.410	56.703	6.800	6.800
Additions	-	610	-	-
Other impairments	-	(48.903)	-	-
Balance at end of the year	8.410	8.410	6.800	6.800



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

25. Other non-current receivables

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Other non-current receivables	2.935	2.935	2.577	2.945
Guarantees provided	245.315	240.630	172.937	164.585
Total	248.250	243.565	175.514	167.530

26. Biological assets

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

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Balance of biological assets at 1 January	251.308.832	257.804.269	237.295.193	200.568.733
Increases due to purchases of biological assets	281.583	601.659	-	28.781.374
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	147.410.832	145.799.344	134.260.108	145.432.110
Decreases due to sales of biological assets	(158.918.631)	(152.896.440)	(146.461.785)	(137.487.024)
End balance of biological assets at 31 December	240.082.616	251.308.832	225.093.515	237.295.193
ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET				
A) Biological assets of fish (Assets – Non-current assets)	53.685.417	70.400.681	50.037.794	67.134.038
B) Biological Poultry-Livestock (Assets - Non-current assets)	186.000	214.000	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</i>	53.871.417	70.614.681	50.037.794	67.134.038
C) Biological assets fish (Inventories - Current assets)	185.871.250	180.381.229	175.055.721	170.161.155
D) Biological Poultry-Livestock (Inventories - Current assets)	339.949	312.922	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Current</i>	186.211.199	180.694.151	175.055.721	170.161.155
TOTAL BIOLOGICAL ASSETS	240.082.616	251.308.832	225.093.515	237.295.193

The foreign exchange differences (expense) which results from the valuation of the biological assets of the foreign subsidiary companies amounts to € 265.479 which has been presented in the Raw Materials Consumption figure in the Income Statement



The pledged assets regarding the biological assets of fish population against loans obtained amount to € 90.671.292 as described in Note 42 below.

27. Inventories

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Merchandise	1.737.623	1.673.937	191.241	89.148
Finished and semi-finished goods	2.348.625	4.347.387	2.214.537	4.232.008
Work in progress	134.590	440.397	134.590	440.397
Raw and auxiliary materials-Package materials	5.464.906	4.914.211	3.574.826	3.477.835
Consumables	143.276	76.430	88.968	66.284
Packing items	3.499	3.827	-	-
Total	9.832.519	11.456.189	6.204.162	8.305.672

The amount of inventories which was consumed during the year and included in consumables, amounts to € 104.169.568 for the Group and € 85.400.083 for the Company (2011: € 90.308.907 for the Group and € 81.446.063 for the Company). For the assessment of the inventories net sales value Management takes into consideration the most reliable data available at the date of measurement.

The Group and Company perform impairment testing of its inventories on a continuous basis and as at 31/12/2012 no such indication was identified and thus deemed necessary.

28. Trade and other receivables

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade receivables from third parties (Trade debtors)	35.440.464	39.477.700	33.610.119	35.378.665
Trade receivables from third parties (Notes)	4.988.284	5.274.129	1.498.080	1.364.920
Trade receivables from third parties (Cheques receivable)	25.270.444	25.770.069	16.145.726	17.662.954
Less: Provision for uncollectible receivables	(11.006.018)	(10.369.018)	(8.359.063)	(7.859.063)
Total trade & other receivables-net	54.693.174	60.152.880	42.894.862	46.547.476

Under the scope of the Group's working capital requirements, the Group uses factoring services for its receivables in view of the immediate collection of domestic debtors. The factoring contracts signed regard collection of receivables with recourse.



The movement in the established provision for bad debts of trade receivables is presented below:

Trade receivables

	GROUP		COMPANY	
Opening Balance 01/01/2012	10.369.018	8.807.562	7.859.063	6.430.555
Additions during the year (Note 14)	642.245	2.202.432	500.000	2.045.128
Reclassifications	-	(527.040)	-	(527.040)
Write-offs	-	(30.024)	-	(30.024)
Reversals (income from unused provisions) (Note 15)	(5.244)	(83.912)	-	(59.556)
Closing Balance 31/12/2012	11.006.019	10.369.018	8.359.063	7.859.063

With respect to the Group's receivables, an assessment of the impairment indicators has been performed. Receivables that have been impaired mainly relate to customers of the Group, which encounter financial difficulties.

The movement in the established, during the year, provision for the Group of an amount of € 637.001 relates to the additional provision of an amount of € 642.245, and a reversal of an amount of € (5.244).

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

2012

GROUP						
	<30	30-60	60-90	90-180	Over 180	Total
2012	19.040.801	10.619.135	5.625.755	7.856.294	11.551.190	54.693.174

2011

GROUP						
	<30	30-60	60-90	90-180	Over 180	Total
2011	19.396.676	10.025.846	8.659.334	9.856.816	12.214.208	60.152.880

29. Other receivables

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Sundry debtors	5.414.424	4.816.762	7.377.780	4.762.297
Receivables from Factoring	854.711	76.605	854.711	76.605
Other receivables	12.341.184	10.124.416	10.222.890	8.523.374
Disputed debtors	81.971	53.500	-	-
Less: Provisions for doubtful debtors	43.889	63.015	30.000	30.000
Derivatives	223.249	129.162	166.239	101.556
Total	18.959.428	15.263.460	18.651.620	13.493.832



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

The balance of other receivables includes the established provision which is presented below:

Other receivables

	GROUP		COMPANY	
Opening Balance 01/01/2012	3.297.570	1.724.923	2.002.238	626.054
Additions during the year (Note 14)	741.269	1.120.432	-	849.144
Reclassifications	-	527.040	-	527.040
Write-offs	(121.375)	-	-	-
Foreign Exchange differences	15.141	(74.825)	-	-
Closing Balance 31/12/2012	3.932.605	3.297.570	2.002.238	2.002.238

30. Other current assets

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Deferred expenses	576.038	556.512	400.691	513.085
Accrued income-year	2.286.695	2.037.704	1.838.768	1.444.922
Inventory-in-transit	31	5.328	31	5.328
Other prepayments and accrued income	77.790	209.417	70.306	66.898
Total	2.940.554	2.808.961	2.309.796	2.030.233

31. Financial assets at fair value through profit or loss

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Opening balance	-	82	-	82
Additions	100.000	-	-	-
Changes in fair value	-	(82)	-	(82)
Closing Balance	100.000	-	-	-

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



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

32. Restricted Cash

As at 31/12/2012 the Group and Company have restricted cash balances of an amount of € 4.856.835 (31/12/2011: € 10.680.945) from which an amount of € 4.000.000 relates to the pledge against the firevictim loan, and an amount of € 856.835 relates to the collateral against other short-term loans (Note 42).

33. Cash and cash equivalents

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash on hand	54.022	65.041	45.463	46.583
Sight bank deposits	2.449.210	2.884.190	849.375	923.154
Time bank deposits	503.600	5.160.067	353.600	4.403.788
Total	3.006.832	8.109.298	1.248.438	5.373.525

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

34. Equity

i) Issued Capital

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

<i>Amounts in Euro</i>	GROUP					COMPANY				
	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total
Balance at 1 January 2011	63.628.748	85.262.522	(47.271)	36.228.730	121.443.981	63.628.748	85.262.522	(47.271)	36.228.730	121.443.981
Share capital increase from the conversion of debentures	2.897	3.882	-	8.860	12.742	2.897	3.882	-	8.860	12.742
Effect from the change in the tax rate to 20%	-	-	-	(4.912)	(4.912)	-	-	-	(4.912)	(4.912)
Balance at 31 December 2011	63.631.645	85.266.404	(47.271)	36.232.678	121.451.811	63.631.645	85.266.404	(47.271)	36.232.678	121.451.811
Share capital increase from the conversion of debentures	51.631	69.186	-	83.438	152.624	51.631	69.186	-	83.438	152.624
Balance at 31 December 2012	63.683.276	85.335.590	(47.271)	36.316.116	121.604.435	63.683.276	85.335.590	(47.271)	36.316.116	121.604.435

In the current year 2012 and in accordance with the decision of the Board of Directors dated 17/01/2012 the Company increased its share capital by the amount of € 27.654,92 and 20.638 new shares of a par value of € 1,34 each resulting from the conversion of 9.518 convertible bonds were issued.

Further to the above increase, and in accordance with the decision of the Board of Directors dated 12.10.2012 the Company increased its share capital by the amount of € 41.530,62 and 30.993 new shares of a par value of € 1,34 each resulting from the conversion of 3.350 convertible bonds were issued.



As a result of the above increases in shares that resulted from the conversion of the Company's convertible bond, the Company's share capital amounts to € 85.335.589,84 and is divided into 63.683.276 common registered shares of nominal value € 1,34 each.

ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

<i>Amounts in Euro</i>	GROUP	COMPANY
Balance at 1 January 2011	30.924.906	30.031.810
Sale of fixed asset	(3.959)	(581)
Effect from the change in the tax rate to 20%	261.239	258.990
Balance at 31 December 2011	31.182.186	30.290.219
Revaluation of assets	643.577	(9.518)
Sale of fixed asset	(4.071)	-
Balance at 31 December 2012	31.821.693	30.280.701

iii) Other reserves

Other reserves of the Group are as follows:

GROUP						
<i>Amounts in Euro</i>						
	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASD PAYMENTS RESERVE	RESERVE OF CONVERTIBLE BOND LOAN	VARIOUS RESERVES	TOTAL
Balance at 1 January 2011	3.367.474	1.929.568	1.208.652	(317.484)	2.424.127	8.612.337
Share options under IFRS 2	-	-	-	-	-	-
Transfer of stock option reserve	-	-	(823.352)	-	-	(823.352)
Effect from the change in the tax rate to 20%	-	-	-	(4.961)	-	(4.961)
Reclassification of amounts	(987.496)	(359.014)	-	(8.268)	1.354.778	-
Balance at 31 December 2011	2.398.651	1.570.554	385.300	(330.713)	3.778.905	7.802.697
Reserve arising from the convertible bond loan	-	-	-	330.713	-	330.713
Movements during the period from distribution of profits	12.404	-	-	-	43.267	55.671
Balance at 31 December 2012	2.411.055	1.570.554	385.300	(0)	3.822.172	8.189.081

Other reserves of the Company are as follows:

COMPANY						
<i>Amounts in Euro</i>						
	LEGAL RESERVE	UNDER SPECIAL LAW PROVISIONS	SHARE BASED PAYMENTS RESERVE	RESERVE OF CONVERTIBLE BOND LOAN	VARIOUS RESERVES	TOTAL
Balance at 1 January 2011	3.129.755	-	1.633.016	1.208.652	(317.484)	8.718.078
Share options under IFRS 2	-	-	-	-	-	-
Transfer of stock option reserve	-	-	(823.352)	-	-	(823.352)
Effect from the change in the tax rate to 20%	-	-	-	(4.961)	-	(4.961)
Reclassification of amounts	(987.496)	(359.014)	-	(8.268)	1.354.778	-
Balance at 31 December 2011	2.142.259	-	1.274.002	385.300	(330.713)	7.889.765
Changes during the year resulting from the convertible bond loan	-	-	-	330.713	-	330.713
Movements during the period from distribution of profits	-	-	-	-	-	-
Balance at 31 December 2012	2.142.259	-	1.274.002	385.300	(0)	8.220.478

**35. Borrowings**

The non-current and current borrowings are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-current borrowings				
Bank borrowings	167.952.603	171.459.113	147.250.579	148.506.252
Less: Borrowings payable in following year (Loans)	(82.567.285)	(106.042.017)	(80.393.845)	(103.791.180)
Total non-current borrowings	85.385.318	65.417.096	66.856.734	44.715.072
Liabilities payable in following year				
Liabilities payable in following year (Loans)	82.567.285	106.042.017	80.393.845	103.791.180
Total liabilities payable in following year	82.567.285	106.042.017	80.393.845	103.791.180
Short-term loans				
Bank borrowings	56.356.993	71.755.767	49.714.240	63.412.588
Total short-term loans	56.356.993	71.755.767	49.714.240	63.412.588
Total loans	224.309.596	243.214.880	196.964.819	211.918.840

Maturity dates of non-current borrowings are analysed below:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Between 1 and 2 years	12.382.617	7.985.349	9.135.939	5.811.910
Between 2 and 5 years	48.096.983	29.352.421	38.356.944	18.539.143
Over 5 years	24.905.718	28.079.326	19.363.851	20.364.019
	85.385.318	65.417.096	66.856.734	44.715.072

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

	31/12/2012	31/12/2011
	€	€
Bank borrowings (current)	7,64%	7,96%
Bank borrowings (non-current)	4,06%	4,91%

The major long-term loans of the Group and that of the Company as at 31 December 2012 are summarized as follows:

Bond Loan of € 90 million: As at 28 January 2008, the Company signed a bond loan contract of a total amount of € 90 million with a joint venture with banks and a Euribor interest rate plus a margin which fluctuates according to the financial indicators which are specified in the contract. The purpose of the loan was the refinancing of the previous loan borrowings. The full repayment of the loan is stated to be a portion at the beginning of 2015 in 10 six-month installments from which the first 9 will be of an equivalent amount for the repayment of 50% of the loan and the last installment will be paid at the



expiration date of the loan for the remaining 50% of the total amount of the loan. The basic interest rate will be based on the corresponding Euribor plus a profit margin of 4%.

Convertible Bond loan € 20,0 million: On July 11 2007 the Company signed the contract of a convertible bond loan with a duration of 5 years to be fully repaid on July 2012. As at September 29, 2012 an agreement was signed between the bondholders with respect to the extension of the loan agreement. Based on the new contract the following were agreed upon:

- a. Extension of the loan balance for an additional 3 years and until July 2015
- b. Euribor interest rate of +5%
- c. Repayment in 4 six month installments of € 1.500.000 and a final payment of € 17.916.743,74
- d. Adjustment of the conversion ratio to 9,25
- e. Change in the loan term ratios

Bond loan € 5 million: On May 30, 2005 the company signed a joint venture agreement of 13 year duration to be fully repaid at the end of 2021, via 27 six-month instalments with the first instalment paid on 23 November 2008. The basic interest rate will be based on the corresponding Euribor plus a profit margin of 1%.

Long-term loan € 25 million: On February 14 2008, the Company signed a long-term contract based on decision Number 36579/ B.1666 (FEK 1740 30.8.2007) on fire victims, of an 8 year duration and with 16 six month capital instalments € 1,5 million each, to be fully repaid at the end of 2019. In accordance with the FEK No. 1346-25.04.2012, the loan instalments of the financial year of 2012 will be transferred for repayment along with the final loan instalments. The basic interest rate is set in accordance with the interest rate of the Interest bearing Bills of the Greek State increased by 70%, that which is subsidized by 50% from the Greek State.

Long-term loan € 24,9 million: During the merger with KEGO AGRI, the Company undertook the liability a long-term contract based on the decision Number 36579/ B.1666 (FEK 1740 30.8.2007) on fire victims, of the of an 8 year duration loan with 16 equivalent six month capital instalments. The date of commencement of repayment was determined to be September 30 2012 and the date of full repayment is at the end of 2019, after a two year postponement which was granted in 2010, to be fully repaid at the end of 2019. In accordance with the FEK No. 1346-25.04.2012, the loan instalments of the financial year of 2012 will be transferred for repayment along with the final loan instalments. The basic interest rate is set in accordance with the interest rate of the Interest bearing Bills of the Greek State increased by 70%, that which is subsidized by 50% from the Greek State.

Syndicate loan € 4 million: On the 25th of October 2005 the company SEAFARM IONIAN SA signed a joint venture contract of an amount of € 4 million as working capital, with Nireus being a guarantor. The repayment of the loan will be in 27 installments, the first being payable in 24 months and the last in 180 days following the day of repayment of the loan. The basic interest rate will be based on the six month Euribor plus a profit margin of 1%.

From the contract of the first three syndicate loans (of the € 90 million, of the € 5 million and of the convertible bond loan of the € 20 million) there arises and an obligation for the Group and Company to comply with the terms of specific financial indicators. It is specified that until the end of 2012, the Group and Company have not complied with certain of the specified, by the existing loan contracts, financial loan ratios.



Group and Company are in a process of negotiation with their bank creditors regarding the restructuring of their loan liability and anticipate that the negotiations will have a positive outcome in the interest of the Company, the Group and the shareholders.

The existing pledged assets as these arise from the loan borrowing contracts of the Group and the Company are analysed in Note 42.

36. Government Grants

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Balance liability at beginning of the year	2.895.611	2.764.436	2.451.127	2.319.541
Current service cost (Note10b)	272.515	260.739	187.512	195.797
Interest cost (Note 12)	146.447	141.142	127.246	120.316
Benefits paid	(290.474)	(375.133)	(245.837)	(268.126)
Exchange differences arising from foreign subsidiaries	3.100	(15.604)	-	-
Actuarial (gains)/losses on obligation and effect from change in legislation (Note 14,15)	(655.334)	120.031	(569.752)	83.599
Total liability at end of the year	2.371.865	2.895.611	1.950.296	2.451.127

37. Other non-current liabilities

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

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Non-current liabilities based on article 44 L.1892/90	2.611.912	3.033.440	-	-
Total	2.611.912	3.033.440	-	-

Other non-current liabilities, relating to long-term liabilities at 31/12/2012 relating to the Group result from liabilities of the Group "SEAFARM IONIAN SA" which is subject to article 44 of L. 1892/90. Further analysis of ageing of liabilities is presented in Note 6.

38. Provisions

The analysis of provisions for the Group and the Company is as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Provisions in relation to court litigation	117.346	117.346	-	-
Other provisions	574.759	441.522	455.826	336.909
Provision for unaudited tax years	90.000	90.000	-	-
Total	782.105	648.868	455.826	336.909



	GROUP							
	31/12/2012				31/12/2011			
	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL
Beginning Balance 01/01/2012	117.346	441.522	90.000	648.868	147.346	273.582	129.273	550.201
Additions	-	148.106	-	148.106	-	441.522	20.000	461.522
Write-off of provisions	-	(14.430)	-	(14.430)	-	(273.582)	(59.273)	(332.855)
Collections of receivables	-	-	-	-	(30.000)	-	-	(30.000)
Foreign exchange differences	-	(439)	-	(439)	-	-	-	-
Ending Balance 31/12/2012	117.346	574.759	90.000	782.105	117.346	441.522	90.000	648.868

	COMPANY							
	31/12/2012				31/12/2011			
	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL	Provisions in relation to court litigation	Other provisions	Provision for unaudited tax years	TOTAL
Beginning Balance 01/01/2012	-	336.909	-	336.909	-	273.582	59.273	332.855
Additions	-	118.917	-	118.917	-	336.909	-	336.909
Write-off of provisions	-	-	-	-	-	(273.582)	(59.273)	(332.855)
Ending Balance 31/12/2012	-	455.826	-	455.826	-	336.909	-	336.909

Provisions in relation to court litigation

The established provision relates to the subsidiary company Sea Farm Ionian of an amount of € 117.346 for which cases either no final decision has been issued or a decision has been issued from the multi-member first instance court has been appealed.

Other provisions

Other provisions for the Group of an amount of € 574.759 (2011: € 441.522) and for the Company of an amount of € 455.825 (2011: € 336.909) relate to the provision for unpaid employees leave of an amount of € 474.759 and € 355.826 for the Group and Company, in addition to an amount of € 100.000 which regards a provision for penalties and surcharges on the settlement of insurance contributions for the company.

Provision for unaudited tax years

The amount of € 90.000 relates to the provision for unaudited open tax years of the subsidiary companies of the Group.

39. Trade and other payables

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



<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade payables	36.116.654	27.714.571	32.039.625	23.184.163
Cheques payable	23.855.462	27.165.916	19.934.769	22.753.732
Promissory notes	437.074	1.556.836	-	22.755
Notes payable	2.129.135	1.758.040	-	-
Total	62.538.325	58.195.363	51.974.394	45.960.650

The carrying values that are recognised in the balance sheet reasonably approach their fair values.

40. Other current liabilities

The analysis of other current liabilities is as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Wages and salaries payable	1.401.546	1.477.348	1.089.226	1.163.741
Dividends	130.318	128.519	91.294	89.495
Social security	3.418.765	2.029.031	2.998.817	1.687.088
Taxes - duties	1.013.114	1.319.373	448.665	317.954
Accrued expenses	3.577.316	3.672.678	3.517.136	3.538.442
Sundry creditors - Prepayments	5.549.872	3.911.106	5.143.160	3.195.936
Total	15.090.931	12.538.055	13.288.298	9.992.656

41. Contingent Assets & Contingent Liabilities and un-audited fiscal years by the tax authorities-Commitments

The Company and the Group have contingent liabilities and assets with respect to Banks, other guarantees and other securities-pledged assets, as presented in Note 42: “Assets pledged as Security” arising in the ordinary course of business, as following:

Guarantees

Contingent liabilities for the year 01/01- 31/12/2012 for the Group amounted to € 34.937.873 and for the Company to € 27.290.562, which amount includes guarantees for the parent company to its subsidiaries of the amount of € 27.250.562,47. The contingent assets for the nine month period amount to € 1.693.227 for the Group and to the amount of € 1.360.934 for the Company.

No significant charges are expected to result from the contingent liability. No additional payments are expected to arise following the preparation of the financial statements.

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

At 31 December 2012, certain companies of the Group have leased sea- areas under operating lease agreement. The future minimum lease payments payable under the lease terms are as follows:

<i>Amounts in Euro</i>	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
No later than 1 year	278.076	278.183	129.082	156.698
Later than 1 year and no later than 5 years	554.643	697.238	194.231	393.727
Later than 5 years	548.741	711.294	133.616	234.267
	1.381.460	1.686.715	456.929	784.692

There are no other claims or litigations to national or arbitrary courts that may have a material effect on the financial position or operations of the Group, apart from those referred to in Note 38 and for which the Company has established a corresponding provision.

Tax obligations

The unaudited open tax years are presented in Note 16 “Income tax”. For the year 2012 the Tax Compliance Report according to the provisions of par. 5 of article 82 of L. 2238/1994 of the Company and its domestic subsidiaries is under progress.

42. Assets pledged as Security

1. The following mortgages have been registered for the fixed assets of the parent company “NIREUS AQUACULTURE SA”:

(a) First class mortgages, have been registered of an amount of € 10.000.000 in favour of the Greek State, to secure the issuance of a loan an amount of € 25.000.000 from the Bank of Piraeus, under the framework of favourable regulations for the fire victims, the balance of which amounted as at 31/12/2012 to € 25.000.000,00.

(b) First class mortgages, of an amount of € 15.000.000, have been registered in favour of the Commercial Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which amounted as at 31/12/2012 to € 69.748.599,58.

(c) A first class mortgage has been registered of an amount of € 6.240.000 in favour of the Commercial Bank as a representative of the bond loaners, to secure the bond loan of an amount of € 90.000.000, the balance of which as at 31/12/2012 amounted to € 69.748.599,58.

(d) Mortgages of an amount of € 7.000.000 in favour of the Greek State for the securing of the bond loan of an amount of Euro 24.910.000 from the National Bank of Greece, under the framework of favourable regulations for the fire victims, the balance of which as at 31/12/2012 amounted to € 24.910.000

(e) An underwriting of a mortgage of an amount of € 264.123 in favour of EUROBANK has been registered.



2. An underwriting of a mortgage from the National Bank of Greece of an amount of € 2.000.000 has been registered on the land of the consolidated subsidiary company “KEGO AGRI S.A” to secure the long-term loan of the parent company “NIREUS AQUACULTURE S.A”.

3. On the land of the consolidated subsidiary “SEAFARM IONIAN S.A”, the following mortgages have been registered:

(a) An underwriting of a mortgage of an amount of € 200.000, to secure the loan from Attikis Bank S.A, the balance of which as at 31/12/2012 amounted to € 118.339,64.

(b) A Mortgage has been registered of an amount of € 100.000 and underwritings of € 230.000 in favour of “AGROINVEST S.A”.

(c) An underwriting of a mortgage of an amount of € 381.511 to secure a loan from the Bank of Cyprus, the balance of which amounted as at 31/12/2012 to € 576.496,34.

(d) An underwriting of a mortgage of an amount of € 296.404,98 has been registered to secure the loan from the National Bank of Greece, the balance of which as at 31/12/2012 amounted to € 1.363.933,93.

(e) Mortgages have been registered of an amount of € 3.283.364 to secure the loan from the Agrotiki Bank of Greece, the balance of which as at 31/12/2012 amounted to € 328.994,81. It should be mentioned that the referred to balance will be paid in 22 equivalent semi-annual interest and capital instalments of an amount of € 16.449 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the abovementioned amount.

4. In addition the following pledges have been underwritten for certain loans:

- On the loan referred to in (1a) Contracts related to fish population of an amount of € 11.556.000 have been pledged in favor of the Piraeus Bank
- On the loan referred to in (1b) Contracts related to fish population and floating installations owed by “NIREUS AQUACULTURE S.A” of an amount of € 68.504.180 have been secured.
- On the loan referred to in (1d) Insurance contracts which cover products, raw materials and loss of income of a total amount of € 10.000.000. In respect of the same loan, bank deposits of an amount of € 4.000.000 have been restricted as at 30/9/2012.
- There is a pledge of fish population of an amount of € 5.500.000 in favour of PROTOBANK for a loan of € 2.850.000
- There is a pledge of fish population of an amount of € 2.000.000 in favour of the HELLENIC bank for a loan of € 2.000.000
- On the balance of the syndicated loan of the Subsidiary company Sea Farm Ionian SA (balance as at 31/12/2012 an amount of € 2.962.964) a pledge of fish population exists (as at 31/12/2012 of an amount of € 3.111.112).

There are no other assets pledged as security on the fixed assets for the Company and of the Group.

43. Related party disclosures

Related party transactions

The company’s purchases and sales, cumulatively from the beginning of the current year as well as the balance of receivables and payables of the company that have resulted from the transactions with related parties at the end of the current year are as follows:



	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
<u>Sales of goods and services</u>				
Subsidiaries	-	-	3.946.328	6.086.458
Associates	105.013	127.382	105.013	127.382
Total	105.013	127.382	4.051.342	6.213.840
<u>Other income</u>				
Subsidiaries	-	-	47.130	65.810
Associates	19.625	33.233	-	-
Total	19.625	33.233	47.130	65.810
<u>Purchases of goods and services</u>				
Subsidiaries	-	-	13.638.923	46.332.274
Associates	124.639	160.615	-	-
Directors and key management	65.040	65.040	65.040	65.040
Total	189.679	225.655	13.703.963	46.397.314
<u>Sales of property, plant and equipment</u>				
Subsidiaries	-	-	34.756	-
Total	-	-	34.756	-
<u>Purchases of property, plant and equipment</u>				
Subsidiaries	-	-	1.413.690	2.886.364
Total	-	-	1.413.690	2.886.364
<u>Fees to Directors and compensation</u>				
Directors and key management	2.360.664	2.630.723	1.347.354	1.291.195
Total	2.360.664	2.630.723	1.347.354	1.291.195
<u>Period-end balances arising from Fees to Directors and compensation</u>				
Directors and key management	102.487	137.092	51.846	76.285
Total	102.487	137.092	51.846	76.285
<u>Period-end balances arising from purchases of goods and services</u>				
Directors and key management	5.583	5.583	5.583	5.583
Total	5.583	5.583	5.583	5.583
<u>Receivables</u>				
Subsidiaries	-	-	12.687.933	11.048.443
Associates	1.727.350	547.352	1.566.897	407.231
Total	1.727.350	547.352	14.254.830	11.455.674

**Payables**

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Subsidiaries			3.052.683	3.146.380
Associates	1.727.350	547.352		-
Total	1.727.350	547.352	3.052.683	3.146.380

Transactions with major Directors

The fees of the members of the Board of Directors for the year 2012 and 2011 are as follows:

Transactions and compensation to Directors and key management

Amounts in Euro

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Salaries, employment benefits and other compensation to Directors	936.341	857.644	843.675	817.603
Salaries and other employment benefits to key management	664.236	607.154	349.940	283.260
Compensation to Directors approved by A.G.M.	825.127	1.230.965	218.779	255.372
	2.425.704	2.695.763	1.412.394	1.356.235

Payables to Directors and key management

Amounts in Euro

Payables for salaries, employment benefits and other compensation
Payables for Directors compensation approved by A.G.M.

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Payables for salaries, employment benefits and other compensation	29.427	32.582	15.426	19.913
Payables for Directors compensation approved by A.G.M.	78.642	110.093	42.002	61.955
	108.069	142.675	57.428	81.868

Change in the Disclosure Note of the Prior Year

In June 2012, the Company announced that, as compared to the published Annual financial statements of 2011, changes were made to the published information due to error. In Note 8 (e) “Directors fees and key management compensation” of the Financial Data and Information of the year 2011 and more specifically, in the “Additional data and Information” section, the amount of € 2.266.288 had been erroneously stated instead of the correct amount of € 2.695.763. Furthermore, in Note 43 “Related Party Disclosures” of the Annual Financial Statements 2011, and more specifically under “Fees to Directors and compensation” of the Group, the amount of € 2.201.248 had been erroneously stated instead of the correct amount of € 2.630.723, in addition to that the amount of € 2.266.288 under “Transactions and compensation to directors and key management”, of the same note, has been changed to the correct amount of € 2.695.763.

44. Presentation of financial assets and liabilities per category

Financial Assets and Liabilities: The following tables present a comparison between the cost and fair value amounts per category of financial instruments which are presented in the consolidated and stand alone financial statements.



GROUP	COST		FAIR VALUE	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Financial Assets				
Available-for-sale financial assets	8.410	8.410	8.410	8.410
Other non-current receivables	248.250	243.565	248.250	243.565
Trade and other receivables	54.693.174	60.152.880	54.693.174	60.152.880
Other receivables	18.959.428	15.263.460	18.959.428	15.263.460
Other-non current assets	2.940.554	2.808.961	2.940.554	2.808.961
Financial assets at fair value through profit or loss	100.000	-	100.000	-
Restricted cash	4.856.835	10.680.945	4.856.835	10.680.945
Cash and cash equivalents	3.006.832	8.109.298	3.006.832	8.109.298
Financial Liabilities				
Long-term borrowing liabilities	85.385.318	65.417.096	85.385.318	65.417.096
Other non-current liabilities	2.611.912	3.033.440	2.611.912	3.033.440
Trade and other payables	62.538.325	58.195.363	62.538.325	58.195.363
Short-term borrowings	56.356.993	71.755.767	56.356.993	71.755.767
Liabilities payable within the following year	82.567.285	106.042.017	82.567.285	106.042.017
Other current liabilities	15.090.931	12.538.055	15.090.931	12.538.055

COMPANY	COST		FAIR VALUE	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Financial Assets				
Available-for-sale financial assets	6.800	6.800	6.800	6.800
Other non-current receivables	175.514	167.530	175.514	167.530
Trade and other receivables	42.894.862	46.547.476	42.894.862	46.547.476
Other receivables	18.651.620	13.493.832	18.651.620	13.493.832
Other-non current assets	2.309.796	2.030.233	2.309.796	2.030.233
Financial assets at fair value through profit or loss	-	-	-	-
Restricted cash	4.856.835	10.680.945	4.856.835	10.680.945
Cash and cash equivalents	1.248.438	5.373.525	1.248.438	5.373.525
Financial Liabilities				
Long-term borrowing liabilities	66.856.734	44.715.072	66.856.734	44.715.072
Other non-current liabilities	-	-	-	-
Trade and other payables	51.974.394	45.960.650	51.974.394	45.960.650
Short-term borrowings	49.714.240	63.412.588	49.714.240	63.412.588
Liabilities payable within the following year	80.393.845	103.791.180	80.393.845	103.791.180
Other current liabilities	13.288.297	9.992.656	13.288.297	9.992.656

The Group uses the following hierarchy for the determination of the fair value of its financial assets and liabilities per valuation method.

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

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

During the year there were no reclassifications between the level of hierarchies.



	GROUP		Hierarchy of Fair Value
	FAIR VALUE		
	31/12/2012	31/12/2011	
Financial Assets			
Financial assets at fair value through profit or loss	100.000	-	Level 2
Long-term borrowing liabilities			
Long-term borrowing liabilities	85.385.318	65.417.096	Level 2
Short-term borrowings	56.356.993	71.755.767	Level 2
Liabilities payable within the following year	82.567.285	106.042.017	Level 2
	COMPANY		Hierarchy of Fair Value
	FAIR VALUE		
	31/12/2012	31/12/2011	
Financial Assets			
Financial assets at fair value through profit or loss	-	-	-
Long-term borrowing liabilities			
Long-term borrowing liabilities	66.856.734	44.715.072	Level 2
Short-term borrowings	49.714.240	63.412.588	Level 2
Liabilities payable within the following year	80.393.845	103.791.180	Level 2

45. Restatement of the Financial Position of year ended 31.12.2011

During 31.12.2011 the Group and Company were not in compliance with the certain financial indicators as specified in the bond loan contracts. The Group and Company received a letter from the loan creditors based on which a period of grace is granted due to non-compliance of the financial indicators for a period of twelve months following the Balance Sheet date, though the letter was received on March 29 2012 instead of December 31 2011 as required by paragraph 74 and 75 of IAS 1 as required in such cases.

As a result, the long-term portion of the bond loan of an amount of € 68 million should have typically been presented as a short term liability as at December 31, 2011 instead of being presented as long-term as was finally presented in the financial statements of 2011.

The Group and Company, in its consolidated financial statements have restated the Statement of Financial Position of both the Group and Company as at 31.12.2011 reclassifying the above amounts from the Balance Sheet line item “Long-term borrowings” to the Balance Sheet line item “Liabilities payable within the following year”, in order that the presentation is consistent with paragraphs 74 and 75 of IAS 1, as well as to be consistent and comparable with current year’s presentation.

The remaining financial statements were not affected by this reclassification.



46. Events after the reporting period

There were no events following the year ended 31 December 2012 which relate to the Group or to the company and which will require reference to in accordance with the International Financial Reporting Standards.

Koropi, March 29, 2013

**PRESIDENT AND
MANAGING DIRECTOR**

BELLES ST. ARISTIDES
I.D No: AB 347823

**VICE PRESIDENT AND
MANAGING DIRECTOR**

CHAVIARAS EMM. NIKOLAOS
I.D. No: AH 935562

**GROUP CHIEF FINANCIAL
OFFICER**

EFSTRATIOS G. ELISSAIOS
I.D. No: AB 593929

**ACCOUNTING
MANAGER**

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



NIREUS AQUACULTURE S.A

DATA AND INFORMATION FOR THE YEAR 2012 (1 JANUARY TO 31 DECEMBER 2012)

NIREUS AQUACULTURE S.A
Companies Register No. 16399/06/B/88/18



Address of Registered Office: Municipality of Kropia, Attiki, Dimokritou, 1st Km Koropiou-Varis Ave, 19400 Koropi
Financial data and information for the year from 1 January 2012 to 31 December 2012
(published in accordance with L.2190/20, article 133 for companies that prepare annual financial statements, consolidated or non-consolidated, in accordance with IFRS)

The following data and information, which result from the Financial Statements, aim at providing a general briefing of the financial position and the results of operators of "NIREUS AQUACULTURE S.A." and its Group. We therefore, recommend to the reader visit the issuer's web site, where the Financial Statements as well as the Auditor's Review Report, are presented, whenever required prior to proceeding with any investing decision, or with any other transaction with the issuer.

Table with 4 columns: Authorized/Responsible, Review of Documents, Certified Public Accountant, Board of Directors. Includes names like Nikolas Chalkias, Dimitris Young, and various board members.

STATEMENT OF FINANCIAL POSITION (consolidated and non-consolidated) Amounts reported in Euro. Table with columns for 31/12/2012, 31/12/2011, and 31/12/2010. Rows include Assets, Liabilities, and Total Assets.

STATEMENT OF COMPREHENSIVE INCOME (consolidated and non-consolidated) Amounts reported in Euro. Table with columns for 31/12/2012, 31/12/2011, and 31/12/2010. Rows include Sales revenue, Profit, and Net Income.

STATEMENT OF CASH FLOW (consolidated and non-consolidated) Amounts reported in Euro. Table with columns for 31/12/2012, 31/12/2011, and 31/12/2010. Rows include Cash flow from operating activities, investing activities, and financing activities.

ADDITIONAL DATA AND INFORMATION. Table with columns for GROUP and COMPANY for 31/12/2012 and 31/12/2011. Rows include provisions related to litigation and court decisions.

4. The provisions of the Group and the Parent company are analysed as follows. Table with columns for GROUP and COMPANY for 31/12/2012 and 31/12/2011. Rows include provisions related to litigation and court decisions.

1. The Group companies, which are included in the consolidated financial statements, with the respective shareholding percentages, method of consolidation and reference to unconsolidated tax units are analysed in Note 1. Structure of NIREUS AQUACULTURE S.A. group of companies and Note 16. "Trustee bases" of the Annual Financial Statements.
2. (1) The Company holds 22.390 treasury shares of a total value of € 47.375,17.
(2) The treasury shares that have been considered in the current period 1/1/2012-31/12/2012 no change in the method of incorporation has been made.
3. "Other income" presented in the Statement of Changes in Equity of the Group of an amount of € 22.282,29, in the form of fixed assets of an amount of € 10,607. In the settlement of the consolidated bond loan from the Government of Greece to holders of an amount of € 20,160, in addition to an amount of € 10,607, as regards the transfer of eligible monthly interests to related savings.
(8) "Other comprehensive income after taxes" presented in the Statement of Comprehensive Income of the Group is analysed as follows:

Table with columns for GROUP and COMPANY for 31/12/2012 and 31/12/2011. Rows include Revenue, Expenses, and Profit before tax.

8. The consolidating subsidiary company "SEAFARM GNAKAS SA" and the associated by "LECTAFUS SA" according to the No. 487/718.8.2005 and No. 877/718.10.2005 decisions of the Athens Court of Appeal have been subject to article 44 of L. 1852/1990 and arranged their liabilities to Banks, Suppliers and Creditors, which are presented in the above financial statements of the Group in accordance with the attached decision.
10. Significant financial events of the period 1/1/2012 are presented in the Notes, which events, however, do not affect the figures of the consolidated financial statements.
11. The Company and the Group have applied the same accounting policies with those of the previous year. In addition to the adoption of the new accounting standards for which their application is obligatory from the current year as referred to in Note 4 of the annual financial statements.

Table with columns for PRESIDENT AND CEO, VICE PRESIDENT AND MANAGING DIRECTOR, GENERAL FINANCIAL DIRECTOR OF THE GROUP, and ACCOUNTING MANAGER. Includes names like Aristides St. Bellis, Nikolaos Dmr. Chalkias, and others.

**INFORMATION (WITH REFERENCE) OF ARTICLE 10 OF L. 3401/2005**

During the year and until the present date, Nireus Aquaculture SA, made available to the public, in accordance with the applicable legislation, the following information which are posted on the company's web site at www.nireus.com as well as on the web site of the Athens Stock Exchange at www.athex.gr.

DATE	ANNOUNCEMENT	WEB SITE
	Resolutions of Shareholders General Meeting	
4.6.2012	Proxy form for the Annual General Meeting of 29.06.2012	www.nireus.com
4.6.2012	Draft Decisions for the Ordinary General Meeting of Shareholders 2012	www.nireus.com
4.6.2012	Invitation to Annual General Meeting of Shareholders	www.nireus.com
4.6.2012	Invitation to General Meeting of Bondholders	www.nireus.com
2.7.2012	Announcement	www.nireus.com
3.7.2012	Resolutions of the General Meeting of the Bondholders of 29 June 2012	www.nireus.com
11.7.2012	Resolutions of the 1st Iterative General Meeting of Shareholders of 11 July 2012	
	Annotation of Financial Statements	
21.3.2012	Date for the announcement of Full Year 2011 financial results	www.nireus.com
30.3.2012	12 Months 2011 Financial Results	www.nireus.com
30.3.2012	NIREUS SA Financial Calendar 2011	www.nireus.com
7.5.2012	Conference call for Full Year 2011 Financial Results	www.nireus.com
30.5.2012	3M 2012 Financial Results	www.nireus.com
28.6.2012	Announcement on changes in the Published Annual Financial Statements of 2011	www.nireus.com
30.8.2012	6M 2012 Financial Results	www.nireus.com
29.11.2012	Financial Results 9M 2012	www.nireus.com
	Other announcements and Press Releases	
3.1.2012	Interest Payment on the Convertible Bond Loan (Ninth Period)	www.nireus.com
13.2.2012	Listing of the new shares of NIREUS resulting from the conversion of the Company's convertible bonds	www.nireus.com
16.2.2012	Announcement for the Total Amount of Share Capital – Law 3556/2007	www.nireus.com
28.6.2012	Announcement for the Convertible Bond	www.nireus.com
9.7.2012	Payment of Interest, Capital Surcharge and Withholding Tax on the Convertible Bond Loan (Tenth Period)	www.nireus.com
11.7.2012	Review and setting of the interest rate on Convertible Bond Loan	www.nireus.com
2.10.2012	Invitation for the conversion of the Company's convertible bonds	www.nireus.com
2.11.2012	Announcement on Listing of the new shares of NIREUS resulting from the conversion of the Company's convertible bonds.	www.nireus.com
14.11.2012	Announcement for the Total Amount of Share Capital – Law 3556/2007	www.nireus.com
27.12.2012	Invitation for the conversion of the Company's convertible bonds	www.nireus.com
8.1.2013	Payment of Interest on the Convertible Bond Loan (Eleventh Period)	www.nireus.com
10.1.2013	Review and setting of the interest rate on Convertible Bond Loan	www.nireus.com
28.3.2013	Reply to questions from the Capital Market Commission	www.nireus.com
	Announcement of other transactions	
16.2.2012	Announcement of regulated information according to Law 3556/2007	www.nireus.com
31.5.2012	Notification of transaction according to regulations of L. 3340/2005 & L. 3556/2007	www.nireus.com
28.6.2012	Notification for important changes on voting rights – Law 3556/2007	www.nireus.com
11.10.2012	Notification of transaction according to regulations of L. 3340/2005 & L. 3556/2007	www.nireus.com
	Changes in the BOD or upper level management directors	
29.5.2012	Announcement	www.nireus.com
2.7.2012	Announcement	www.nireus.com
13.1.2013	Announcement of Change to Senior Executives	www.nireus.com
20.2.2013	Announcement of Change to Senior Executives	www.nireus.com