



# **NIREUS AQUACULTURE S.A.**

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

**ANNUAL FINANCIAL REPORT 2008**

**for the year**

**from 1<sup>st</sup> January to 31<sup>st</sup> December 2008**

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

**CONTENTS**

DECLARATIONS BY THE MEMBERS OF THE BOARD OF DIRECTORS .....	4
ANNUAL BOARD OF DIRECTORS REPORT .....	5
INDEPENDENT AUDITOR'S REPORT .....	6
Income statement.....	8
Balance Sheet.....	9
Statement of Changes in Equity .....	10
Consolidated Statement of Changes in Equity .....	10
Statement of Change in Equity of the Parent Company.....	11
Cash Flow Statement .....	12
1. Notes on the Annual Financial Statements .....	13
1.1 General Information .....	13
1.2 Nature of operations.....	13
2. Basis of preparation of the financial statements .....	14
2.1 Changes in accounting policies.....	14
2.2 Critical accounting estimates and assumptions .....	23
3. Summary of Significant accounting policies.....	27
3.1 Segment Reporting .....	27
3.2 Consolidation .....	27
3.3 Biological Assets and Agricultural Activity.....	29
3.4 Foreign currency translation.....	30
3.5 Property, plant and equipment.....	31
3.6 Investment Property.....	32
3.7 Intangible assets.....	33
3.8 Impairment of non-financial assets.....	33
3.9 Financial Instruments (receivables/ liabilities) .....	34
3.10 Derivatives and Hedging Accounting .....	37
3.11 Inventories .....	37
3.12 Share capital .....	38
3.13 Current and deferred income tax.....	38
3.14 Employee benefits.....	39
3.15 Government grants.....	41
3.16 Provisions, Contingent Liabilities and Contingent Assets .....	41
3.17 Revenue and Expense Recognition .....	42
3.18 Leases .....	42
3.19 Dividend distribution.....	43
3.20 Related parties.....	43
3.21 Cash and cash equivalents .....	43
3.22 Post balance Sheet events .....	43
3.23 Comparative figures.....	44
3.24 Borrowing Costs .....	44
3.25 Non-current assets held for sale .....	44
3.26 Discontinued Operations .....	44
4. Objectives and risk management policies.....	44
4.1 Market risk.....	44
4.2 Credit risk.....	46
4.3 Liquidity risk .....	47



5. Structure of "NIREUS AQUACULATURE S.A" group of companies .....	48
6. Segmental information .....	49
6.1 Primary reporting format - Business segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2008 and 2007, respectively .....	49
6.2 Secondary reporting format - Geographical segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2008 and 2007, respectively .....	50
7. Notes to the Financial Statements .....	51
7.1 Property Plant and Equipment.....	51
7.2 Investment property.....	53
7.3 Goodwill .....	54
7.4 Intangible assets.....	58
7.5 Investments in subsidiaries.....	60
7.6 Investments in associates .....	61
7.7 Non Current Assets classified as held for sale.....	62
7.8 Other non-current receivables.....	63
7.9 Biological assets.....	63
7.10 Inventories .....	64
7.11 Trade and other receivables .....	64
7.12 Other receivables .....	64
7.13 Other current assets.....	65
7.14 Derivative Financial Instruments.....	65
7.15 Financial assets at fair value through profit or loss .....	66
7.16 Cash and cash equivalents .....	67
7.17 Equity.....	67
7.18 Borrowings.....	69
7.19 Deferred Income Taxes .....	70
7.20 Employee Benefits.....	71
7.21 Government Grants .....	72
7.22 Other non-current liabilities.....	73
7.23 Provisions .....	73
7.24 Trade and other payables .....	73
7.25 Other current liabilities.....	74
7.26 Sale of non-biological assets-goods and other material .....	74
7.27 Third party fees and benefits .....	74
7.28 Other expenses .....	74
7.29 Financial results .....	75
7.30 Other income/(expenses).....	75
7.31 Income tax expense .....	76
7.32 Earnings per share .....	76
8. Contingent Assets, Contingent Liabilities and un-audited fiscal years by the tax authorities-Commitments .....	77
9. Assets pledged as Security .....	79
10. Related parties.....	80
11. Merged (by absorption) companies - Spinned-off segment.....	82
12. Presentation of financial assets and liabilities per category.....	84
The financial assets as well as the financial liabilities at the date of the financial statements can also be classified as follows: .....	84
13. Subsequent Events.....	85
DATA AND INFORMATION FOR THE YEAR 2008 (1 JANUARY TO DECEMBER 31 2008) .....	86
REPORT FOR THE USE OF FUNDS FROM SHARE CAPITAL INCREASE.....	90



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

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

It is hereby confirmed, to the best of our knowledge, that the annual financial statements of the Company “NIREUS AQUACULTURE S.A.” for the year, 1<sup>st</sup> January to 31<sup>st</sup> December 2008, 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.

Athens, 30 March 2009

The declarers

**CHAIRMAN AND CEO**

**VICE CHAIRMAN AND  
MANAGING DIRECTOR**

**SUBSTITUTE MANAGING  
DIRECTOR**

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

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

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



NIREUS AQUACULTURE S.A

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

**“NIREUS AQUACULTURE S.A.”**

**On the consolidated and individual Financial Statements**

**For the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2008**

Koropi, March 30 2009

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

The chairman of the BOD

The members

**THE CHAIRMAN AND CEO**

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



## ***INDEPENDENT AUDITOR'S REPORT***

### **To the Shareholders of “NIREUS AQUACULTURE A.E.”**

#### **Report on the Financial Statements**

We have audited the accompanying separate and consolidated financial statements of NIREUS AQUACULTURE AE, which comprise the separate and consolidated balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

#### **Opinion**

In our opinion, the accompanying corporate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Without qualifying our opinion, we draw attention to the following matter: Due to that one of the Group's domestic subsidiaries, which have been consolidated with the method of full consolidation and which comprise a total percentage



NIREUS AQUACULTURE S.A

(prior to any eliminations) of 9,47% out of the Group's total assets, have a negative Net Equity position, the effects of articles 47 and 48 of C.L. 2190/1920 are applicable. It is therefore, required that the abovementioned company take appropriate measures in order to revoke the conditions under which these articles come into effect.

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

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

Athens, March 30 2009

STYLIANOS M. XENAKIS  
Certified Public Accountant Auditor



SOEL Reg. No. 11541

SOL S.A. – Certified Public Accountants Auditors

3, Fok. Negri Street - Athens, Greece

**Income statement**

		<b>GROUP</b>	
		<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>Note</b>		
<b>Fair value of Biological assets at 31/12/2007</b>		<b>191.040.211</b>	<b>153.068.570</b>
<b>Opening inventories at date of acquisition of subsidiary with biological assets</b>			<b>7.215.420</b>
Purchases during the year		1.285.712	5.415.457
Sales during the year		111.977.688	134.243.555
<b>Fair value of biological assets at 31/12/2008</b>		<b>241.148.927</b>	<b>191.040.211</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2008</b>		<b>160.800.692</b>	<b>159.584.319</b>
Sales of non-biological goods-merchandise and other inventories	<b>7.26</b>	57.774.874	80.017.535
Disposals		104.672.779	124.588.303
Salaries & personnel expenses	<b>7.20</b>	36.330.281	36.848.233
Third party fees and benefits	<b>7.27</b>	23.292.386	23.184.420
Other expenses	<b>7.28</b>	19.908.198	21.441.587
Finance (costs)/Income	<b>7.29</b>	(12.544.734)	(7.232.035)
Profits/Losses from consolidation by the net equity method	<b>7.6</b>	(619.210)	753.662
Depreciation		8.392.651	7.798.207
Other income/(expenses)	<b>7.30</b>	(3.032.986)	1.089.087
<b>Results for the year before taxes</b>		<b>9.782.341</b>	<b>20.351.818</b>
Income tax	<b>7.31</b>	(468.959)	(1.564.213)
Deferred income tax	<b>7.31</b>	(5.861.876)	(3.311.765)
Prior years' tax audit differences	<b>7.31</b>	(2.321.267)	(546.055)
<b>Net profit for the year</b>		<b>1.130.239</b>	<b>14.929.785</b>
<b>Attributable to:</b>			
<b>Equity holders of the company</b>		316.161	10.355.646
<b>Minority interest</b>		814.078	4.574.139
<b>Total</b>		<b>1.130.239</b>	<b>14.929.785</b>
<b>Earnings after taxes per share – basic in €</b>	<b>7.32</b>	<b>0,0058</b>	<b>0,2246</b>
<b>Earnings after taxes per share – diluted in €</b>	<b>7.32</b>	-	<b>0,2215</b>

		<b>COMPANY</b>	
		<b>31/12/2008</b>	<b>31/12/2007</b>
	<b>Note</b>		
<b>Fair value of Biological assets at 31/12/2007</b>		<b>157.075.497</b>	<b>128.315.642</b>
<b>Opening inventories at date of acquisition of subsidiary with biological assets</b>		-	7.215.420
Purchases during the year		1.900.945	6.308.213
Sales during the year		91.900.205	109.750.669
Biological inventory as at 30/09/2008 transferred to the spin-off segment		416.833	
<b>Fair value of biological assets at 31/12/2008</b>		<b>193.322.924</b>	<b>157.075.497</b>
<b>Gain or Loss arising from changes in fair value of biological assets at 31/12/2008</b>		<b>126.663.520</b>	<b>124.986.891</b>
Sales of non-biological goods-merchandise and other inventories	<b>7.26</b>	83.526.599	108.502.617
RM Consumption		115.804.428	133.258.974
Salaries & personnel expenses	<b>7.20</b>	28.751.749	29.463.741
Third party fees and benefits	<b>7.27</b>	20.248.405	22.134.275
Other expenses	<b>7.28</b>	17.867.809	19.144.487
Finance (costs)/Income (net)	<b>7.29</b>	(9.734.296)	(5.391.173)
Depreciation		6.121.226	5.746.795
Other income/(expenses), net	<b>7.30</b>	(1.167.758)	994.563
<b>Results for the year before taxes</b>		<b>10.494.448</b>	<b>19.344.626</b>
Income tax	<b>7.31</b>	(286.533)	(2.270.214)
Deferred income tax	<b>7.31</b>	(4.774.676)	(3.146.073)
Prior years' tax audit differences	<b>7.31</b>	(2.228.889)	(546.055)
<b>Net profit for the year</b>		<b>3.204.350</b>	<b>13.382.284</b>
<b>Attributable to:</b>			
<b>Equity holders of the company</b>		3.204.350	13.382.284
<b>Minority interest</b>		-	-
<b>Total</b>		<b>3.204.350</b>	<b>13.382.284</b>

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



**Balance Sheet**

	Note	GROUP		COMPANY	
		31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	7.1	71.393.415	66.813.786	59.326.412	55.639.547
Investment property	7.2	4.281.300	5.373.142	4.236.300	5.352.642
Goodwill	7.3	29.584.979	26.655.662	19.049.833	18.162.830
Intangible assets	7.4	15.932.437	14.578.101	4.639.223	3.283.897
Investments in subsidiaries	7.5	362.506	401.920	27.625.707	14.679.450
Investments in associates	7.6	34.132.602	37.601.397	35.568.697	35.948.198
Deferred income tax assets	7.19	26.182	75.559	-	-
Available-for-sale financial assets	7.7	1.897.549	1.929.831	16.674	48.955
Other long-term receivables	7.8	240.690	244.382	167.141	187.163
Biological assets	7.9	135.416.344	67.458.708	116.842.903	57.368.302
		<b>293.268.004</b>	<b>221.132.488</b>	<b>267.472.890</b>	<b>190.670.984</b>
<b>Current assets</b>					
Biological assets	7.9	105.732.583	123.581.503	76.480.021	99.707.196
Inventories	7.10	15.916.403	13.840.329	11.496.014	11.818.785
Trade and other receivables	7.11	57.070.480	93.706.828	69.753.174	107.272.591
Other receivables	7.12	20.542.828	23.650.100	17.549.226	17.992.923
Other current assets	7.13	2.258.574	1.609.079	1.804.695	1.136.366
Derivative financial instruments	7.14	-	265.859	-	237.076
Financial assets at fair value through profit or loss	7.15	73	1.166	73	1.166
Cash and cash equivalents	7.16	29.639.970	51.904.527	28.700.314	50.599.832
		<b>231.160.911</b>	<b>308.559.391</b>	<b>205.783.517</b>	<b>288.765.935</b>
<b>Total Assets</b>		<b>524.428.915</b>	<b>529.691.879</b>	<b>473.256.407</b>	<b>479.436.919</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
Share capital	7.17	85.035.344	78.326.015	85.035.344	78.326.015
Less Treasury shares	7.17	(47.271)	-	(47.271)	-
Share premium account	7.17	36.488.862	47.797.637	36.488.862	47.797.637
Fair value reserves	7.17	9.583.777	9.672.049	9.533.760	9.524.455
Currency translation differences		(280.553)	61.751	-	-
Other reserves	7.17	8.358.029	6.078.088	7.891.169	21.945.217
Retained earnings		23.352.724	11.240.920	26.871.818	10.593.902
<b>Capital and reserves attributable to Equity holders of the Company</b>		<b>162.490.912</b>	<b>153.176.460</b>	<b>165.773.682</b>	<b>168.187.226</b>
<b>Minority interest</b>		<b>5.776.598</b>	<b>22.947.277</b>	-	-
<b>Total Equity</b>		<b>168.267.510</b>	<b>176.123.737</b>	<b>165.773.682</b>	<b>168.187.226</b>
<b>Non-current liabilities</b>					
Long-term borrowings	7.18	189.721.472	129.357.321	166.568.663	104.171.521
Deferred income tax liabilities	7.19	13.869.786	8.190.054	11.945.476	7.309.236
Retirement benefit obligations	7.20	2.840.019	2.655.038	2.286.913	2.283.580
Government grants	7.21	6.560.240	6.666.581	6.250.473	6.212.407
Other non-current liabilities	7.22	4.308.017	4.676.605	-	-
Provisions	7.23	170.000	-	150.000	-
<b>Total non-current liabilities</b>		<b>217.469.534</b>	<b>151.545.599</b>	<b>187.201.525</b>	<b>119.976.744</b>
<b>Current liabilities</b>					
Trade & other payables	7.24	63.868.544	85.691.278	53.289.881	79.547.365
Short-term borrowings	7.18	59.849.833	85.875.256	54.743.306	85.723.646
Derivative financial instruments	7.14	790.728	-	745.531	-
Deferred payables	7.18	3.301.183	13.886.535	1.002.330	12.058.140
Other current liabilities	7.25	10.881.583	16.569.474	10.500.152	13.943.798
<b>Total current liabilities</b>		<b>138.691.871</b>	<b>202.022.543</b>	<b>120.281.200</b>	<b>191.272.949</b>
<b>Total Liabilities</b>		<b>356.161.405</b>	<b>353.568.142</b>	<b>307.482.725</b>	<b>311.249.693</b>
<b>Total Equity and Liabilities</b>		<b>524.428.915</b>	<b>529.691.879</b>	<b>473.256.407</b>	<b>479.436.919</b>

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

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

<b>GROUP</b>	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Share Premium</b>	<b>Fair Value Reserve</b>	<b>Currency Translation Differences</b>	<b>Other Reserves</b>	<b>Retained Earnings</b>	<b>Minority Interest</b>	<b>Total</b>
<b>Balance at 1 January 2007, as initially presented</b>	<b>51.165.774</b>		<b>37.664.159</b>	<b>10.491.934</b>	-	<b>12.855.509</b>	<b>4.392.176</b>	<b>5.621.601</b>	<b>122.191.153</b>
Exchange differences transfer to relative reserve	-		-	-	(148.873)	148.873	-	-	-
<b>Balance of equity at 1 January 2007, restated</b>	<b>51.165.774</b>		<b>37.664.159</b>	<b>10.491.934</b>	<b>(148.873)</b>	<b>13.004.382</b>	<b>4.392.176</b>	<b>5.621.601</b>	<b>122.191.153</b>
Change in percentage or acquisition of new subsidiary companies-spin-off of segment	-	-	-	(263.189)	-	(3.944.723)	61.253	12.875.134	<b>8.728.475</b>
Reserve resulting from the Convertible bond	-	-	-	-	-	(310.043)	-	-	<b>(310.043)</b>
Share capital increase with reserves	11.263.760	-	(8.081.787)	-	-	(3.250.586)	(24.657)	-	<b>(93.270)</b>
Share capital increase with cash	15.349.731	-	17.899.321	-	-	-	-	-	<b>33.249.052</b>
Impact of absorption of subsidiary companies	546.750	-	315.944	-	-	444.027	-	-	<b>1.306.721</b>
Transfer of negative minority interests to retained earnings	-	-	-	-	-	-	-	-	-
Approved dividends	-	-	-	-	-	-	(3.947.110)	(182.500)	<b>(4.129.610)</b>
Other changes (sale of assets, exchange differences)	-	-	-	(556.696)	210.624	-	538.644	58.902	<b>251.474</b>
Net income/(expense) for the year 01/01-31/12/2007	-	-	-	-	-	135.031	10.220.615	4.574.139	<b>14.929.785</b>
<b>Total recognised Income and Expense for the year</b>	<b>27.160.241</b>		<b>10.133.478</b>	<b>(819.885)</b>	<b>210.624</b>	<b>(6.926.294)</b>	<b>6.848.745</b>	<b>17.325.676</b>	<b>53.932.584</b>
<b>Balance of equity at 1 January 2008</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>9.672.049</b>	<b>61.751</b>	<b>6.078.088</b>	<b>11.240.921</b>	<b>22.947.277</b>	<b>176.123.737</b>
Change in percentage or acquisition of new subsidiary companies	-	-	-	-	-	-	-	(184.799)	<b>(184.799)</b>
Impact of absorption of subsidiary companies	6.234.405	-	10.230.659	-	-	-	-	(15.578.061)	<b>887.003</b>
Issue of share capital with reserves	18.992.455	-	(19.169.720)	-	-	-	(4.636)	-	<b>(181.901)</b>
Reduction of share capital for coverage of losses	(18.629.513)	-	-	-	-	(390.198)	19.019.713	(15.086)	<b>(15.084)</b>
Increase in share capital with reserves	111.982	-	268.350	-	-	-	-	-	<b>380.332</b>
Transfer of negative minority interests to retained earnings	-	-	-	-	-	-	(72)	72	-
Approved dividends	-	-	-	-	-	-	(5.153.027)	(1.946.881)	<b>(7.099.908)</b>
Purchase of treasury shares based on article 16 L.2190/1920	-	(47.271)	-	-	-	-	-	-	<b>(47.271)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(2.627.430)	-	-	2.627.430	-	-	-
Change in tax rate 25%-20%	-	-	(10.634)	19.249	-	(7.441)	-	-	<b>1.174</b>
Other changes (sale of assets, exchange differences)	-	-	-	(107.521)	(342.304)	-	(2.016.186)	(260.002)	<b>(2.726.012)</b>
Net income/(expense) for the year 01/01-31/12/2008	-	-	-	-	-	50.150	266.011	814.078	<b>1.130.238</b>
<b>Total recognised Income and Expense for the year</b>	<b>6.709.329</b>	<b>(47.271)</b>	<b>(11.308.775)</b>	<b>(88.272)</b>	<b>(342.304)</b>	<b>2.279.941</b>	<b>12.111.803</b>	<b>(17.170.679)</b>	<b>(7.856.227)</b>
<b>Balance of equity at 31 December 2008</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>9.583.777</b>	<b>(280.553)</b>	<b>8.358.029</b>	<b>23.352.724</b>	<b>5.776.598</b>	<b>168.267.510</b>

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

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

	Share Capital	Treasury Shares	Share Premium	Fair Value Reserves	Other Reserves	Retained Earnings	Total
<b>Balance at 1 January 2007, as initially presented</b>	<b>51.165.774</b>	-	<b>37.664.159</b>	<b>9.436.057</b>	<b>13.123.657</b>	<b>11.192.706</b>	<b>122.582.353</b>
Impact from change in the percentage or acquisition of new subsidiary companies - spin-off of segment	-	-	-	(268.642)	(4.094.717)	(176.834)	<b>(4.540.193)</b>
Reserve resulting from convertible bond	-	-	-	-	(310.043)	-	<b>(310.043)</b>
Share capital increase through reserves	11.263.760	-	(8.081.787)	-	(3.250.586)	(24.657)	<b>(93.270)</b>
Share capital increase through cash	15.349.731	-	17.899.321	-	-	-	<b>33.249.052</b>
Share options granted under IFRS 2	546.750	-	315.944	-	444.027	-	<b>1.306.721</b>
Approved dividends	-	-	-	-	-	(3.814.610)	<b>(3.814.610)</b>
Other changes (sale of assets, exchange differences)	-	-	-	(666.482)	-	666.482	-
Net income/(expense) for the year 31/12/2007	-	-	-	-	60.910	9.758.281	<b>9.819.191</b>
<b>Total recognised Income and Expense for 2007</b>	<b>27.160.241</b>	-	<b>10.133.478</b>	<b>(935.124)</b>	<b>(7.150.409)</b>	<b>6.408.662</b>	<b>35.616.848</b>
Effect from the merger of the subsidiaries	-	-	-	1.023.522	15.971.969	(10.570.559)	<b>6.424.932</b>
Net income/(expense) for the year from the merged companies	-	-	-	-	-	3.563.093	<b>3.563.093</b>
<b>Restatement of Income and expense for the year</b>	<b>27.160.241</b>	-	<b>10.133.478</b>	<b>88.398</b>	<b>8.821.560</b>	<b>(598.804)</b>	<b>45.604.873</b>
<b>Balance of equity at 31 December 2007</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>9.524.455</b>	<b>21.945.217</b>	<b>10.593.902</b>	<b>168.187.226</b>
Impact of merger of subsidiary companies	6.234.405	-	10.230.659	-	(15.612.016)	-	<b>853.048</b>
Increase in share capital with reserves	18.992.455	-	(19.169.720)	-	-	-	<b>(177.265)</b>
Reduction of share capital for coverage of equivalent losses	(18.629.513)	-	-	-	(390.198)	19.019.713	<b>2</b>
Increase in share capital from the conversion of the convertible bond loan	111.982	-	268.350	-	-	-	<b>380.332</b>
Approved dividends	-	-	-	-	-	(5.153.027)	<b>(5.153.027)</b>
Acquisition of treasury shares based on article 16 N.2190/1920	-	(47.271)	-	-	-	-	<b>(47.271)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	(2.627.430)	-	2.627.430	-	-
Change in tax rate from 25% to 20%	-	-	(10.634)	19.248	(7.441)	-	<b>1.173</b>
Other changes (sale of assets, exchange differences)	-	-	-	(42.704)	-	42.704	-
Net income/(expense) for the year 31/12/2008	-	-	-	-	-	3.204.350	<b>3.204.350</b>
Net income/(expense) for the period 01/01-30/09/2008 that are attributed to minority interests	-	-	-	-	575.058	(575.058)	-
Equity which is transferred to KEGO AGRI S.A.	-	-	-	32.761	-	(260.766)	<b>(228.005)</b>
Dividends for the year 2007 minority interests of KEGO S.A.	-	-	-	-	(1.246.881)	-	<b>(1.246.881)</b>
<b>Total recognised Income and Expense for the year</b>	<b>6.709.329</b>	<b>(47.271)</b>	<b>(11.308.775)</b>	<b>9.305</b>	<b>(14.054.048)</b>	<b>16.277.916</b>	<b>(2.413.544)</b>
<b>Balance of equity at 31 December 2008</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.861</b>	<b>9.533.760</b>	<b>7.891.169</b>	<b>26.871.818</b>	<b>165.773.682</b>

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



## Cash Flow Statement

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>Cash flows from operating activities</b>				
Profit before taxes	9.782.341	20.351.818	10.494.448	19.344.626
Plus/less adjustments for:				
Depreciation charge	8.392.651	7.798.207	6.121.226	5.746.795
Provisions	170.000	-	150.000	-
Exchange differences				
Government Grants	(1.425.427)	(1.534.449)	(1.217.987)	(1.377.460)
Provisions for retirement benefit obligations	184.981	391.089	143.892	309.601
Portfolio measurement	803.553	109.262	729.573	58.882
Dividends	(440)	(33)	(700.232)	(50.033)
Interest income	(1.447.588)	(829.973)	(1.401.688)	(773.868)
Other non-cash items	980.955	(121.152)	(1.220.470)	576.758
Gains from sale of property, plant and equipment-investments	128.451	(2.841.976)	(24.311)	(2.829.176)
Interest expense and similar charges	13.087.964	11.183.036	11.296.301	9.336.006
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease/(increase) of inventories	(52.184.791)	(31.748.918)	(37.906.469)	(22.255.139)
Decrease/(increase) of receivables	39.097.817	(9.337.576)	28.414.205	(19.449.630)
(Decrease)/increase of payable accounts (except Banks)	(25.350.508)	8.235.820	(22.737.839)	6.998.048
Less:				
Interest expense and similar charges paid	(13.087.964)	(11.183.036)	(11.296.301)	(9.336.006)
Income tax paid	(5.315.869)	(4.071.516)	(4.758.306)	(3.541.409)
<b>Net cash generated from operating activities (a)</b>	<b>(26.183.874)</b>	<b>(13.599.397)</b>	<b>(23.913.958)</b>	<b>(17.242.005)</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(2.264.714)	(58.052.287)	(4.610.273)	(58.930.425)
Proceeds from sale of subsidiaries, associates, joint-ventures and other investments	784.677	8.076.123	784.677	7.600.000
Purchases of property, plant and equipment (PPE) and of intangible assets	(14.814.067)	(15.577.195)	(12.189.707)	(11.607.614)
Proceeds from sale of PPE and intangible assets	708.616	1.920.467	152.282	1.887.667
Proceeds from Government grants	1.319.086	1.607.630	1.256.053	1.607.630
Interest received	1.447.588	829.973	1.401.688	773.868
Dividends received	440	33	700.232	50.033
Time deposits		-		-
<b>Net cash used in investing activities (b)</b>	<b>(12.818.374)</b>	<b>(61.195.256)</b>	<b>(12.505.048)</b>	<b>(58.618.841)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares / convertible bond	376.643	34.644.523	376.643	34.644.208
Expenses related to the issue of shares	(266.018)	(625.733)	(241.085)	(625.733)
Proceeds from issued/raised bank loans	23.753.376	84.468.249	20.810.240	84.810.587
Purchase / sale of treasury shares	(47.271)	-	(47.271)	-
Dividends paid	(7.079.039)	(4.310.398)	(6.379.039)	(4.209.201)
<b>Net cash used in from financing activities (c)</b>	<b>16.737.691</b>	<b>114.176.641</b>	<b>14.519.488</b>	<b>114.619.861</b>
<b>Net increase/(decrease) in cash and cash equivalents for the year (a) + (b) + (c)</b>	<b>(22.264.557)</b>	<b>39.381.988</b>	<b>(21.899.518)</b>	<b>38.759.015</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>51.904.527</b>	<b>12.522.539</b>	<b>50.599.832</b>	<b>11.840.817</b>
<b>Cash and cash equivalents at end of the year</b>	<b>29.639.970</b>	<b>51.904.527</b>	<b>28.700.314</b>	<b>50.599.832</b>

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



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

### **1.1 General Information**

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

The company “NIREUS AQUACULTURE AE” (hereinafter the “Company”) is a company (societe anonyme) and a parent company of the group “NIREUS AQUACULTURE” (hereinafter the “Group”). The structure of the Group and the subsidiary companies are presented in Note 5 of the financial statements. The registered office of the company is situated at Koropi-Attica, Dimokritou Street, Portsi Place. The company’s web site is [www.nireus.gr](http://www.nireus.gr). The company was established in 1988 in Chios and in 1995 was listed on the Athens Stock Exchange. Since then, it has marked a significant development aquaculture sector which has resulted in its being listed in the Main Market of the ATHEX, having the highest position in the sector. Based on the provisions of the ATHEX new regulations, the company has met the criteria required for the listing on the “large capitalization” category and the shares of the company have been classified under this category in accordance with article 339 from 09/10/2006.

The Financial Statements as at 31 December 2008, (prior year 31 December 2007 data included), have been approved by the company’s Board of Directors on March 30, 2009. According to the provisions of the Capital Market Commission, amendments to the financial statements are not permitted following their approval. Authorized changes are made only by the Shareholders during the Ordinary Annual Shareholders Meeting.

### **1.2 Nature of operations**

“NIREUS AQUACULTURE SA” (the Company) and the Group is involved in a range of activities in the aquaculture sector. In particular, the main activities of the Group includes the production of spawn, and fish as well as the trading and distribution of various products in domestic and international markets, the production of equipment such as nets, cages etc. for fish farming units, the production and trade of fish feed, the production and trade of processed fish as well as the production of dairy products and the processing, production and trade of related food stuffs. Following the merger with the company KEGO S.A. by the parent company, and the spin-off of the segment of stock feeding and aviculture and its absorption in the subsidiary company KEGO AGRI S.A, the activities of stock feeding and aviculture have been added to the Group’s primary activity segments. Furthermore, the parent company, until the end of the prior year, had been involved in confectionary activities. Based on the Board of Directors decision taken on 28/09/2007, the company proceeded with the spin-off of the confectionary segment and its integration in the subsidiary company of the Group, subsequently proceeding with its sale to third party, external to the Group, entrepreneurs.



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

The annual financial statements of “NIREUS AQUACULTURE” AE and of the Group at 31 December 2008 covering the period from 1 January to 31 December 2008, have been prepared under the historical cost convention as amended with the adjustment of certain assets and liabilities items at current value, the going concern basis and are in accordance with the International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board (IASB), as well as their interpretations, as published by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of the IASB and which have been adopted by the European Union and are in force as at December 31, 2008.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are stated in note 2.2. These policies have been consistently applied to all the years presented.

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

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

#### **2.1.1 New pronouncements (new standards, amendments / revisions to standards or interpretations) effective for the financial year beginning 1 January 2008 for the Group.**

- **IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial instruments: Disclosures” – Reclassification of Financial Assets** (effective prospectively from 1 July 2008)

This amendment permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. This amendment will not have any impact on the Group’s financial statements.

- **IFRIC 11, “IFRS 2 – Group and Treasury Share Transactions”.** IFRIC 11 requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. The interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. This Interpretation applies to the way the Group’s subsidiaries account, in their individual financial statements, for options



granted to their employees to buy equity shares of the Company. The accounting treatment followed by the Group is in line with the relevant provisions of the Interpretation.

- **IFRIC 12, “Service Concession Arrangements”**. This Interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset and/or an intangible asset. IFRIC 12 is not relevant to the Group.
- **IFRIC 14, “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”**. IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the “asset ceiling test”, may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation will have no impact on its financial position or performance as all defined benefit schemes are currently in deficit.

**2.1.2 The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2008:**

- **IFRIC 13, “Customer Loyalty Programmes”**, effective for financial years beginning on or after 1 July 2008. This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation will have no impact on the Group’s financial statements as no such schemes currently exist.
- **IFRIC 15, “Agreements for the Construction of Real Estate”**, effective for financial years beginning on or after 1 January 2009 and is to be applied retrospectively. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognised. This Interpretation has not yet been endorsed by the EU. IFRIC 15 will not have any impact on the financial statements because the group does not conduct real estate activity.
- **IFRIC 16, “Hedges of a Net Investment in a foreign operation”**, effective for financial years beginning on or after 1 October 2008 and is to be applied prospectively.  
IFRIC 16 clarifies three main issues, namely:
  - A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.
  - Hedging instrument(s) may be held by any entity or entities within the group.





- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

This Interpretation has not yet been endorsed by the EU. The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment.

- **IFRIC 17, “Distributions of Non-cash Assets to Owners”**, effective for annual periods beginning on or after 1 July, 2009. IFRIC 17 clarifies the following issues, namely:
  - a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
  - an entity should measure the dividend payable at the fair value of the net assets to be distributed;
  - an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
  - an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions This Interpretation has not yet been endorsed by the EU. It is to be applied prospectively and earlier application is permitted. The Group is in the process of assessing the impact of this interpretation.

- **IFRIC 18, “Transfers of Assets from Customers”**, effective for financial years beginning on or after 1 July 2009 and is to be applied prospectively. However, limited retrospective application is permitted. This Interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of goods/services. Group is in the process of assessing the impact of this interpretation.
- **IFRS 2, “Share-based Payments” (Amended)**, effective for annual periods beginning on or after 1 January 2009. The amendment clarifies two issues. The definition of ‘vesting condition’, introducing the term ‘non-vesting condition’ for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group expects that this Interpretation will have no impact *or* no material impact on its financial statements
- **IFRS 3, “Business Combinations” (Revised) and IAS 27, “Consolidated and Separate Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 July 2009. A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and





future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) must be applied prospectively and will affect future acquisitions and transactions with minority interests. The revised IFRS 3 and amendments to IAS 27 have not yet been endorsed by the EU.

- **IFRS 8, “Operating Segments”**, effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 ‘Segment reporting’. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group will apply the above standard on its financial statements as of 2009.
- **IAS 1, “Presentation of Financial Statements” (Revised)**, effective for annual periods beginning on or after 1 January 2009. IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with “other comprehensive income”; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.
- **IAS 32 and IAS 1, “Puttable Financial Instruments” (Amended)**, effective for annual periods beginning on or after 1 January 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements of the Group.
- **IAS 23, “Borrowing Costs” (Revised)**, effective for annual periods beginning on or after 1 January 2009. The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Group / Company will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after 1 January 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.



- **IAS 39, “Financial Instruments: Recognition and Measurement” and IFRIC 9, “Reassessment of embedded derivatives” (Amended)**, effective for annual periods ending on or after 30 June 2009. This amendment clarifies the accounting treatment of embedded derivatives for entities that make use of the Reclassification Amendment issued by the IASB in October 2008. The reclassification amendment allows entities to reclassify particular financial instruments out of the 'fair value through profit or loss' category in specific circumstances. These amendments to IFRIC 9 and IAS 39 clarify that on reclassification of a financial asset out of the 'fair value through profit or loss' category, all embedded derivatives have to be assessed and, if necessary, separately accounted for in financial statements. The amendments apply retrospectively and are required to be applied. This amendment is not relevant to the Group. This amendment has not yet been endorsed by the EU.
- **IFRS 1, “First-time Adoption of International Financial Reporting Standards” and IAS 27, “Consolidated and Separate Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 January 2009. The amendments to IFRS 1 allows an entity to determine the ‘cost’ of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The amendment to IAS 27 will have to be applied prospectively. The new requirements affect only the parent’s separate financial statement and do not have an impact on the consolidated financial statements. The Group expects that this amendment will have no impact on its financial statements
- **IFRS 7, “Financial Instruments: Disclosures” (Amended)**, effective for annual periods beginning on or after 1 January 2009. The amendment requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: a) Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1). (b) Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3). This information must be given by class of financial instrument. The amendment also revises specified minimum liquidity risk disclosures. This amendment will not have a significant impact on the Group or the Company. This amendment has not yet been endorsed by the EU.
- **IAS 39, “Financial Instruments: Recognition and Measurement” (Amended)**, effective for annual periods beginning on or after 1 July 2009. The amendment relates to eligible hedged items and addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. The amendment to IAS 39 has not yet been endorsed by the EU. The Company has concluded that the amendment will have no impact on the financial position or performance of the Company, as the Company has not entered into any such hedges.



**In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments are effective for periods beginning on or after 1 January 2009 and have not yet been endorsed by the EU.**

- **IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations” (Amended)**, effective for annual periods beginning on or after 1 July 2009. The amendment clarifies that all of a subsidiary’s assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. If early adopted, IAS 27 (as amended in January 2008) must also be adopted from that date.
- **IFRS 7, “Financial Instruments: Disclosures” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment removes the reference to ‘total interest income’ as a component of finance costs.
- **IAS 1, “Presentation of Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. To be applied retrospectively. Early application is permitted.
- **IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.
- **IAS 10, “Events after the Reporting Period” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that dividends declared after the end of the reporting period are not obligations.
- **IAS 16, “Property, Plant and Equipment” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Replaces the term ‘net selling price’ with ‘fair value less costs to sell’, regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36 Impairment of Assets.
  - Items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.



- **IAS 18, “Revenue” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment replaces the term ‘direct costs’ with ‘transaction costs’ as defined in IAS 39.
  
- **IAS 19, “Employee Benefits” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Revises the definition of ‘past service costs’ to include reductions in benefits related to past services (‘negative past service costs’) and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively – to changes to benefits occurring on or after 1 January 2009. Early application is permitted.
  
  - Revises the definition of ‘return on plan assets’ to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.
  
  - Revises the definition of ‘short-term’ and ‘other long term’ employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.
  
  - Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted.
  
- **IAS 20, “Accounting for Government Grants and Disclosure of Government Assistance” (Amended)**, effective for annual periods beginning on or after 1 January 2009. Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively – to government loans received on or after 1 January 2009. Early application is permitted. However, IFRS 1 First-time Adoption of IFRS has not been revised for first-time adoptees; hence they will be required to impute interest on all such loans outstanding at the date of transition.
  
- **IAS 23, “Borrowing Costs” (Amended)**, effective for annual periods beginning on or after 1 January 2009. The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of ‘borrowing costs’ into one – the interest expense calculated using the effective interest rate method as described in IAS 39. To be applied retrospectively. Early application is permitted.
  
- **IAS 27 “Consolidated and Separate Financial Statements” (Amended)**, effective for annual periods beginning on or after 1 January 2009. When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be re-evaluated. Early application is permitted.



- **IAS 28, “Investment in Associates” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
  - An investment in an associate is a single asset for the purpose of conducting the impairment test – including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- **IAS 29, “Financial Reporting in Hyperinflationary Economies” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list. No specific transition requirements have been stated as it is a clarification of the references rather than a change.
- **IAS 31, “Interest in Joint ventures” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply. Early application is permitted. If early adopted, an entity must also adopt the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, IAS 28 Investments in Associates and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- **IAS 34, “Interim Financial Reporting” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.
- **IAS 36, “Impairment of assets” (Amended)**, effective for annual periods beginning on or after 1 January 2009. This amendment clarifies that when discounted cash flows are used to estimate ‘fair value less costs to sell’, the same disclosure is required as when discounted cash flows are used to estimate ‘value in use’. To be applied retrospectively. Early application is permitted.



- **IAS 38, “Intangible Assets” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services. To be applied retrospectively. Early application is permitted.
  - Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.
  - A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.
  
- **IAS 39, “Financial instruments recognition and measurement” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Clarifies that changes in circumstances relating to derivatives – specifically derivatives designated or de-designated as hedging instruments after initial recognition – are not reclassifications. Thus, a derivative may be either removed from, or included in, the ‘fair value through profit or loss’ classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification. To be applied retrospectively. Early application is permitted.
  - Removes the reference in IAS 39 to a ‘segment’ when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.
  - Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting. To be applied retrospectively. Early application is permitted.
  
- **IAS 40, “Investment property” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. To be applied prospectively. Early application is permitted. An entity is permitted to apply the amendments to investment properties under construction from any date before 1 January 2009 provided that the fair values of investment properties under construction were determined at those dates.



- Revises the conditions for a voluntary change in accounting policy to be consistent with IAS 8.
- Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.
- **IAS 41, “Agriculture” (Amended)**, effective for annual periods beginning on or after 1 January 2009.
  - Replaces the term ‘point-of-sale costs’ with ‘costs to sell’. Revises the example of produce from trees in a plantation forest from ‘logs’ to ‘felled trees’.
  - Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
  - Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the ‘most relevant market’ are taken into account. To be applied prospectively. Early application is permitted.

## **2.2 Critical accounting estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of preparation of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those, which have been estimated. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are assessed to be reasonable under the present circumstances.

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

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





## **A. Classification of investments**

Management uses its judgment with respect to the acquisition of an investment, in view of this being classified as held to maturity, held for trading, measured at fair value through profit or loss, or available-for-sale. For investments classified as held to maturity, management assesses whether the criteria of IAS 39 are met and in particular whether the Group has the positive intent and ability to hold to maturity. The company classifies the investments as financial asset or liability held for trading if these were acquired principally for the purpose of generating profit in the short term. When investments are not classified as held for trading, and when reliable fair values are available and the changes in fair values are included in the profit or loss of the management's accounts, these are classified as measured at fair value through profit or loss. All other investments are classified as available-for-sale.

## **B. Recovery of Receivables**

Management annually reviews the recoverability of the carrying amounts of accounts receivable given external information (data base of customers credit ratings, legal advisors) in order to assess the recoverability of the carrying value of accounts receivable.

## **C. Impairment of non-financial assets**

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

## **D. Discontinued operations**

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

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





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

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

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

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

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

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

## **G. Income taxes**

The Group is subject to income taxes from numerous tax regulatory authorities. Significant judgments are required in determining the provision for income taxes. There are many transactions and calculations involved during the accurate assessment of tax liabilities which are uncertain during the ordinary course of business and therefore no recognition is made for relevant liabilities with respect to anticipated tax audit issues.

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

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



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

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

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

At 31 December 2008, the derivative financial asset was € 0 for the company (2007: € 15.530) and € 0 for the Group (2007: € 265.859). Further information relating to the use of derivatives is presented in note 7.14.

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

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

At 31/12/2008 the fair value of spawn and fish for the Group amounted to Euro 240.722.149 (31/12/2007: Euro 190.613.433) and of poultry-livestock to Euro 436.695 (31/12/2007: Euro 426.778). Further information relating to the fair value of biological assets is stated in note 7.9.

## **J. Provisions**

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

## **K. Contingencies**

The Group has contingent liabilities in respect of legal claims arising from the ordinary course of business. Management deems that any outcome of these legal claims would not materially affect the financial position of the group as of 31 December 2008. Nevertheless, the determination of contingent liabilities relating to litigations and legal claims is a complex



procedure that includes judgments as regards probable consequences and interpretations relating to laws and regulations. Changes in judgments or interpretations are likely to result in an increase or a decrease of the Group's contingent liabilities in the future.

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

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

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

The consolidated financial statements are presented in Euro.

#### **3.1 Segment Reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

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

The primary activity segments of the Group are: aquaculture, the production and sale of fishfeed, aviculture and stockfeed products the production of foodstuffs & confectionery products (only for the year 2007) and their resale as well as the other related services. With respect to the geographical segments the Group is active in the Greek Territory, the Euro zone and in other countries.

#### **3.2 Consolidation**

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

**Subsidiaries:** Are all entities that are managed or controlled, directly or indirectly, by another entity (parent company).

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

Nireus AE gains and exercises control through voting rights in conjunction with control over the majority of the board of directors. The existence of potential voting rights that are exercisable during the preparation of the financial statements is considered in order to assess whether the parent company controls the subsidiaries. The subsidiaries are fully consolidated from the date on which control is transferred to the group and are de-consolidated from the date that control ceases.



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

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

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

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

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

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

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

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When the Financial Statements of an associate used for the equity method consolidation are prepared at reporting date that differs to that of the parent then adjustments in the financial statements of the associate are made that



reflect the impact of significant transactions or events occurred between that date and the date of the Financial Statements of the investing company. In any case, the difference between the reporting date of the associate and that of the investing company is more than 3 months.

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

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

Agricultural activity refers to an enterprise's management of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets. A biological asset is a living animal or plant under management by an enterprise, while agricultural produce is the harvested product of the enterprise's biological assets, which are intended for sale, process or consumption. The right of management of biological assets can arise from ownership or from another type of legal action.

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

- ✓ Capability of change, as for example, the living animals and plants that is capable of biological transformation.
- ✓ Management of change, creating, reinforcement or at least stabilising conditions necessary in order for the living organism to develop.
- ✓ Measurement of change, that is the difference brought about by biological transformation so much in quality (ripeness, fat cover) as also in quantity (weight, progeny, etc.) of the enterprise's biological assets.

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

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

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

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

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

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

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

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



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

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

The total fish arises:

- (a) From a special software programme measuring the biomass depending on the consumed food and the prevailing temperature and
- (b) The average weight per fish is calculated based on sampling testing of fish . The average weight multiplied by the number of fish, determines the total fish biomass.

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

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

### **3.4 Foreign currency translation**

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction dates.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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





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

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

### **3.6 Investment Property**

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

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

After initial recognition the investment property is measured at fair value, that is, the price at which the property can be exchanged between informed and willing parties in a usual trade transaction. The investment property is valued on an annual basis at fair value either through the company's internal study or by an independent, professionally qualified valuer.

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

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

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

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

An investment property is derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the withdrawal or disposal of investment property is assessed the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as income or expense in the income statement in the period of withdrawal or disposal.





At 31/12/2008, the Group has classified in investment property, land and buildings of a total Euro 4.281.000 (2007: € 5.373.142) and the Company € 4.236.300 (2007: € 5.352.642).

### **3.7 Intangible assets**

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

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

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

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

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

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

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

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



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

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

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

Note 3.7 provide further details on initial recognition of goodwill.

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

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

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

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

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

Financial assets are recognised using settlement date accounting.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

The fair value of financial instruments that are traded in active markets is determined based on their current bid prices. For financial instruments that are not traded in an active market their fair value is determined by the use valuation techniques



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

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

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through the profit or loss. Losses recognised in consolidated financial statements of previous periods arising from impairment of monetary securities are reversed through profit or loss, if the increase (impairment reverse) relates to events occurred subsequent to the recognition of impairment in the income statement.

### ***Held-to-maturity investments***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. The Financial assets are classified as held-to-maturity investments provided that the Group's Management has the positive intent and ability to hold until maturity. The Group has no held-to-maturity investments.

### ***Borrowings***

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

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

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

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



## ***Other financial liabilities***

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

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

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

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

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

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

### ***3.10 Derivatives and Hedging Accounting***

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

All derivatives are initially recognised at fair value on the date of settlement and are subsequently re-measured at their fair value. Derivatives are reported in assets when the fair value is positive and in liabilities when the fair value is negative. The fair value is determined from the price they have in an active market or by using measurement techniques in cases where there is no active market for these instruments.

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

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

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

Furthermore, during the current year the company entered into an interest rate swap agreement with a three year term for a capital of €25.000.000. The above contracts, which do not meet the criteria set for hedge accounting have as an objective the mitigation of the interest rate risks and as a result part of the company’s loan liabilities.

### ***3.11 Inventories***

Inventories include raw materials, consumables and goods purchased.

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



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

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

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

At the balance sheet date, inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using the average weighted cost method.

### ***3.12 Share capital***

Share capital is determined according to the nominal value of shares issued. Ordinary shares are classified as equity. Expenses realised for the issue of shares are shown in equity as a deduction, net of tax, from the proceeds.

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

### ***3.13 Current and deferred income tax***

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

Current income taxes include short-term liabilities or receivables attributable to the tax authorities which relate to taxes payable on the period's taxable income in addition to any taxes relating to prior years.

Current taxes are calculated according to effective tax rates and tax laws prevailing in the relevant periods, based on taxable profits for the year. All changes in short-term tax assets or liabilities are recognised as tax expenses in the income statement.



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

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

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

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

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

### ***3.14 Employee benefits***

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

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

#### **➤ Defined contribution plan**

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

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





➤ **Defined benefit plan**

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

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

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

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

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

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

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

**Share-based compensation:** Share options are granted to specific officers of key management. Options are exercised at preference price, which is the average existing price of the parent company's share over the period 1/10-1/11 of each year decreased by 40%. Options may be exercised within the first fifteen days of the month of November of each year of effect of the plan. The plan has a contractual duration of three years. The fair value of the officers' services received in exchange for the grant of the options is recognized as an expense. The proceeds received net of any directly attributable transaction costs are credited to Share Capital (nominal value) and share premium when the options are exercised.

Based on the company's announcement on 03/11/2008 the implementation of the third annual series of its stock option plan is suspended for a maximum period of up to one year because of the current market price of the stock. The Company's BoD reserves the right to re-activate the plan if the conditions permit.





### **3.15 Government grants**

The Group recognizes government grants, which satisfy the following criteria: a) There is reasonable assurance that the enterprise will comply with all attached conditions and b) the grants will be received. Grants are recognized at fair value and recognized on a systematic basis in income, based on the correlation principle of the grants with the respective cost, which will be granted.

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

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

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

A present obligation arises from a present legal or constructive obligation as a result of past events, for example warranties on products, litigations or onerous contracts.

Restructuring provisions are recognised only when a detailed formal plan has been developed and implemented or Management has at least announced the main features of the plan to those that are likely to be affected by it. Provisions are not recognised for future operating losses.

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

The expense relating to a provision may be presented in the income statement, net of the amount recognized for a reimbursement.

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

Provisions are measured at expected value that is required to determine the present obligation, using the most reliable evidence that is available as at balance sheet date, including the risks and uncertainties specific to the present obligation.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures, expected that will be required, to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate does not reflect risks for which future cash flow estimates have been adjusted.

Where the discounting method is used, the carrying amount of a provision increases in each period to reflect the flow of time. This increase is recognized as a borrowing cost in the income statement. Where there are a number of similar obligations, the probability that an outflow will be required for settlement is assessed by considering the class of obligations as a whole. A provision is recognized even if the probability of an outflow with respect to any one item included in the same class of obligations is minimal.

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



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

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

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

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

**Revenue:** Revenue comprises the fair value of the produced Fish and Other Biological assets, sales of goods and services, net of value added tax rebates and discounts. Inter-company revenue within the Group is fully eliminated. Revenue is recognized as follows:

- **Sales of biological assets:** It is recognized after their gathering. Products are delivered to the customer; the customer has accepted the products and collectibility of the related receivables is reasonably assured.
- **Sales of goods:** Sales of goods are recognized when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the receivables is reasonably assured.
- **Gain/Loss attributed to changes in Fair Value of Biological Assets:** A gain or loss is recognized during the year/period and results from changes both in price and in the quantity and development of the Biological assets.
- **Sales of services:** Sales of services are recognized in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion to the total services which are to be provided.
- **Interest income:** Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired (new carrying) value is recognized using the original effective interest.
- **Dividend income:** Dividend income is recognized when the right to receive payment is established.

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

### **3.18 Leases**

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

**Group Company as a lessee:** Leases of property, plant and equipment where the Group has substantially maintained all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is



allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

### ***3.19 Dividend distribution***

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

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

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

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

### ***3.21 Cash and cash equivalents***

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

### ***3.22 Post balance Sheet events***

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



### **3.23 Comparative figures**

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

### **3.24 Borrowing Costs**

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

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

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

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

After classification as held for sale it is measured at the lower of the carrying amount and fair value less costs to sell. An impairment loss is recognized in profit or loss for any initial and subsequent write-down of the asset and disposal group to fair value less costs to sell. A gain for any subsequent increase in fair value less costs to sell is recognized in profit or loss to the extent that it is not in excess of the cumulative impairment loss previously recognized either in accordance with IFRS 5 or in accordance with IAS 36 Impairment of Assets.

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

### **3.26 Discontinued Operations**

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

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

### **4.1 Market risk**

#### **Foreign exchange risk**

The Group operates internationally. The exposure to foreign exchange risk is zero because the transactions over a percentage of 90% are realized in Euro. Foreign exchange risk arises from future commercial transactions, as well as from net investments in foreign operations.

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



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

	2008							2007						
<i>Amounts in Euro</i>	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
<b>Notional amounts</b>														
Financial assets	627.904	344.604	-	-	20.301	2.478.573	108.581	508.370	450.745	-	-	4.369	2.649.666	73.373
Financial liabilities	74.255	114.751	1.596	10.208	0	719.683	-	151.823	95.479	6.723	7.784	5.418	2.178.338	-
<b>Total current exposure</b>	<b>553.649</b>	<b>229.853</b>	<b>-1.596</b>	<b>-10.208</b>	<b>20.301</b>	<b>1.758.891</b>	<b>108.581</b>	<b>356.547</b>	<b>355.266</b>	<b>-6.723</b>	<b>-7.784</b>	<b>-1.049</b>	<b>471.328</b>	<b>73.373</b>
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	472.813	-
Financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	0	-
<b>Total non-current exposure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>472.813</b>	<b>0</b>

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

Assuming that a change occurs on 31 December 2008 in the exchange rate Euro/Foreign Currency. This percentage is based on a typical variance of the foreign currency, as this arises from the monthly observation of Euro against any foreign currency, for a period of 12 months.

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

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

  

<i>Amounts in Euro</i>	2007													
	USD	GBP	NOK	DKK	CAD	TRL	CHF	USD	GBP	NOK	DKK	CAD	TRL	CHF
Post-tax profit for the year	5,73%	-5,73%	1,89%	-1,89%	14,47%	-14,47%	0,51%	-0,51%	5,24%	-5,24%	5,99%	-5,99%	1,96%	-1,96%
Equity	20.429	-20.429	6.704	-6.704	-973	973	-40	40	-55	55	56.599	-56.599	1.434	-1.434

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

### **Interest rate risk**

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

The risk of change in the interest rates mainly arises from the long-term borrowings, the largest balance of which has a duration until the year 2012. The Company's expectation is that there can be an issue from fluctuations in interest rates for this period and therefore has proceeded in derivative forward contracts so as to mitigate this risk.

On 31 December 2008, the Group NIREUS AQUACULTURE AE was not exposed to changes in market interest rate to its total bank borrowings, but a significant balance of it (Euro 97.750.000) had the interest ceiling agreements protection (CAP) with knock out barrier or without knock out barrier.



The table below presents the sensitivity of the post-tax profit for the year as well as of the equity at a reasonable change in the interest rate of +0,5% or -0,5% (2006: +/-0,6%). The changes in interest rates are deemed to fluctuate on a reasonable basis in relation to current market conditions.

<i>Amounts in Euro</i>	<b>2008</b>		<b>2007</b>	
	0,50%	-0,50%	0,50%	-0,50%
Post-tax profit for the year	1.192.981	-1.192.981	896.184	-896.184
Equity	1.192.981	-1.192.981	896.184	-896.184

### **Price risk**

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

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

The financial analysis department operates towards meeting this purpose, which collects information in order to offer the product, from the domestic and international production, in addition to changes in demand from the existing Traditional International market and the New markets introduced in Eastern Europe and America. This information is examined the parameters regardless of the inventories of the product and the expected prices to be set for the following two (2) years are thereby determined.

### **4.2 Credit risk**

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

<i>Amounts in Euro</i>	<b>2008</b>	<b>2007</b>
<i>Categories of financial assets</i>		
Cash and cash equivalents	29.639.970	51.904.527
Trade and other receivables	57.070.480	93.706.828
Other receivables	20.542.828	23.650.100
<b>Total</b>	<b><u>107.253.278</u></b>	<b><u>169.261.455</u></b>

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

For trade and other receivables, the Group is not exposed to significant credit risks. The wholesales of fresh fish and poultry-livestock are mainly made to customers, who are insured for the payment of their debt. Moreover, the sale of spawn



is realized to its total with the term of retention of ownership of the product up until its payment. Therefore due to that the time required for the completion of the production cycle of fresh fish is greater than the credit time granted for the sale, the receivable is fully secured.

### 4.3 Liquidity risk

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

The Group “NIREUS AQUACULTURE AE” maintains cash for covering liquidity needs for periods of 30 days. The funds for the long-term liquidity requirements are additionally maintained by an adequate amount of committed credit facilities and the ability to be sold long-term financial assets.

The maturity of the financial liabilities at 31 December 2008 for the Group “NIREUS AQUACULTURE AE” is analyzed as follows:

Amounts in Euro

	<b>2008</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 and 12 months</b>	<b>between 1 and 5 years</b>	<b>over 5 years</b>
Long-term borrowings	2.864.473	2.824.495	130.970.523	110.262.009
Short-term borrowings	10.789.262	52.302.092	-	-
Other Long-term borrowings			-	4.308.017
Trade payables	59.624.230	4.052.121	-	-
Other short-term liabilities	8.977.493	1.701.179	760.639	233.000
<b>Total</b>	<b>82.255.458</b>	<b>60.879.887</b>	<b>131.731.162</b>	<b>114.803.026</b>

The relevant maturity of the financial liabilities as of 31 December 2007 was as follows:

Amounts in Euro

	<b>2007</b>			
	<b>Short-term</b>		<b>Long-term</b>	
	<b>within 6 months</b>	<b>between 6 and 12 months</b>	<b>between 1 and 5 years</b>	<b>over 5 years</b>
Long-term borrowings	11.956.562	18.351.215	108.211.135	34.883.086
Short-term borrowings	20.710.720	69.707.900	-	-
Other Long-term borrowings	-	-	-	4.676.605
Trade payables	61.388.654	24.302.624	0	-
Other short-term liabilities	10.962.603	4.737.379	795.580	73.912
<b>Total</b>	<b>105.018.539</b>	<b>117.099.118</b>	<b>109.006.714</b>	<b>39.633.603</b>

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



## 5. Structure of "NIREUS AQUACULATURE S.A" group of companies

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

COMPANY	PARTICIPATION PERCENTAGE
AQUACOM LTD	100,00%
FISH OF AFRICA LTD	100,00%
PROTEUS EQUIPMENT S.A	50,00%
BLUFIN TUNA A.E (GROUP)	25,00%
HELLENIC FISHERY QUALITY	4,34%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	69,530%
AQUACULTURE INFORMATION NETWORK	14,00%
NIREUS INTERNATIONAL LTD	100,00%
MIRAMAR PROJECTS CO LTD - UK	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET	99,95%
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	99,943%
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	100,00%
KEGO AGRI S.A	100,00%
SEAFARM IONIAN S.A	23,811%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	23,811%
AQUA TERRAIR S.A	11,667%
MARINE FARMS ASA (GROUP)	30,195%

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	1,882% direct + 67,648% indirect = 69,53%	Full consolidation
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI A.S.	TURKEY	99,943% indirect	Full consolidation
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	SPAIN	100,00% indirect	Full consolidation
KEGO AGRI S.A	GREECE	100,00%	Full consolidation
BLUFIN TUNA S.A	GREECE	25,00%	Net equity
VITA TRACE NUTRITION ( was sold on March 2008)	CYPRUS	7,332% indirect	Net equity
MARINE FARMS ASA (GROUP)	NORWAY	30,195%	Net equity
SEAFARM IONIAN S.A	GREECE	23,811% direct	Full consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	23,811% indirect	Full consolidation
AQUA TERRAIR S.A	GREECE	11,667% indirect	Net equity





## 6. Segmental information

### 6.1 Primary reporting format - Business segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2008 and 2007, respectively

The Group is active in five business sectors: Aquaculture, fishfeed, foodstuffs and confectionary (until 2007), stockbreeding & aviculture products and Pet (until 2007) & Services-Other.

The results of the Group by business segment are as follows:

#### Results 1/1-31/12/2008

#### BUSINESS SEGMENT

Amounts in Euro

	AQUACULTURE	FISHFEED	FOODSTUFFS	OTHER	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Total gross segment sales	151.705.998	44.657.082	400	6.686.593	16.630.519	-	219.680.592
Inter-segment sales	30.756.015	16.770.881	-	403.255	1.997.879	-	49.928.030
<b>Net Sales</b>	<b>120.949.984</b>	<b>27.886.201</b>	<b>400</b>	<b>6.283.338</b>	<b>14.632.640</b>		<b>169.752.562</b>
Operating profit	17.478.786	2.449.332	(332.498)	1.787.171	1.563.493	-	22.946.285
Finance costs/income	(11.713.270)	(485.714)	(282.955)	(7.510)	(55.286)	-	(12.544.734)
Profits/(losses) from consolidation by the net equity method	(619.209)	-	-	-	-	-	(619.209)
<b>Profit before income tax</b>	<b>5.146.307</b>	<b>1.963.617</b>	<b>(615.452)</b>	<b>1.779.661</b>	<b>1.508.207</b>		<b>9.782.341</b>
Income tax expense	-	-	-	-	-	(468.959)	(468.959)
Deferred tax	-	-	-	-	-	(5.861.876)	(5.861.876)
Prior years' tax audit differences	-	-	-	-	-	(2.321.267)	(2.321.267)
<b>Net profit</b>	<b>5.146.307</b>	<b>1.963.617</b>	<b>(615.452)</b>	<b>1.779.661</b>	<b>1.508.207</b>	<b>(8.652.102)</b>	<b>1.130.239</b>

#### Results 1/1-31/12/2007

#### BUSINESS SEGMENT

Amounts in Euro

	AQUACULTURE	FISHFEED	FOODSTUFFS & CONFECTIONARIES	OTHER + PET	POULTRY-LIVESTOCK	UNALLOCATED	TOTAL
Total gross segment sales	169.360.020	79.368.392	8.300.208	7.764.151	13.838.016	-	278.630.786
Inter-segment sales	28.274.651	35.615.179	-	475.727	4.139	-	64.369.696
<b>Net Sales</b>	<b>141.085.369</b>	<b>43.753.213</b>	<b>8.300.208</b>	<b>7.288.424</b>	<b>13.833.877</b>		<b>214.261.090</b>
Operating profit	15.143.769	7.638.278	188.997	1.903.622	1.955.525	-	26.830.191
Finance costs/income	(5.071.005)	(1.000.577)	(895.190)	(61.030)	(204.233)	-	(7.232.035)
Profits/(losses) from consolidation by the net equity method	753.662	-	-	-	-	-	753.662
<b>Profit before income tax</b>	<b>10.826.425</b>	<b>6.637.701</b>	<b>(706.193)</b>	<b>1.842.592</b>	<b>1.751.292</b>		<b>20.351.818</b>
Income tax expense	-	-	-	-	-	(1.564.213)	(1.564.213)
Deferred tax	-	-	-	-	-	(3.311.765)	(3.311.765)
Prior years' tax audit differences	-	-	-	-	-	(546.055)	(546.055)
<b>Net profit</b>	<b>10.826.425</b>	<b>6.637.701</b>	<b>(706.193)</b>	<b>1.842.592</b>	<b>1.751.292</b>	<b>(5.422.033)</b>	<b>14.929.785</b>

The allocation of the consolidated results of assets and liabilities, capital expenditure and depreciation, by business segment are as follows:



<b>BUSINESS SEGMENT</b>							
<b>Segment assets and liabilities at 31/12/2008</b>	<b>AQUACULTURE</b>	<b>FISHFEED</b>	<b>FOODSTUFFS &amp; CONFECTIONARIES</b>	<b>OTHER &amp; PET</b>	<b>POULTRY-LIVESTOCK</b>	<b>UNALLOCATED</b>	<b>TOTAL</b>
Segment assets	340.543.093	13.349.575	5.178.445	479.704	2.790.240	127.755.255	490.096.313
Investments in Associates	34.132.602	-	-	-	-	-	34.132.602
<b>Total Segment assets</b>	<b>374.675.695</b>	<b>13.349.575</b>	<b>5.178.445</b>	<b>479.704</b>	<b>2.790.240</b>	<b>127.755.255</b>	<b>524.228.915</b>
Segment liabilities	-	-	-	-	-	356.161.405	356.161.405
<b>Total segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>356.161.405</b>	<b>356.161.405</b>
<b>BUSINESS SEGMENT</b>							
<b>Capital expenditure at 31/12/2008</b>	<b>AQUACULTURE</b>	<b>FISHFEED</b>	<b>FOODSTUFFS &amp; CONFECTIONARIES</b>	<b>OTHER &amp; PET</b>	<b>POULTRY-LIVESTOCK</b>	<b>UNALLOCATED</b>	<b>TOTAL</b>
Property, plan and equipment	10.545.389	3.522.242	-	24.765	66.747	-	14.159.143
Intangible assets	589.488	64.298	-	1.139	-	-	654.924
Investment property	-	-	-	-	-	-	-
Depreciation/Amortisation	7.577.792	714.686	-	47.076	53.096	-	8.392.651
<b>BUSINESS SEGMENT</b>							
<b>Segment assets and liabilities at 31/12/2007</b>	<b>AQUACULTURE</b>	<b>FISHFEED</b>	<b>FOODSTUFFS &amp; CONFECTIONARIES</b>	<b>OTHER &amp; PET</b>	<b>POULTRY-LIVESTOCK</b>	<b>UNALLOCATED</b>	<b>TOTAL</b>
Segment assets	258.401.766	11.070.493	5.237.054	155.284	2.940.643	214.285.242	492.090.482
Investments in Associates	37.601.397	-	-	-	-	-	37.601.397
<b>Total Segment assets</b>	<b>296.003.163</b>	<b>11.070.493</b>	<b>5.237.054</b>	<b>155.284</b>	<b>2.940.643</b>	<b>214.285.242</b>	<b>529.691.879</b>
Segment liabilities	-	-	-	-	-	353.455.242	353.455.242
<b>Total segment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353.455.242</b>	<b>353.455.242</b>
<b>BUSINESS SEGMENT</b>							
<b>Capital expenditure at 31/12/2007</b>	<b>AQUACULTURE</b>	<b>FISHFEED</b>	<b>FOODSTUFFS &amp; CONFECTIONARIES</b>	<b>OTHER &amp; PET</b>	<b>POULTRY-LIVESTOCK</b>	<b>UNALLOCATED</b>	<b>TOTAL</b>
Property, plan and equipment	13.353.591	1.840.318	115.541	56.327	35.723	-	15.401.499
Intangible assets	123.305	33.777	11.960	1.652	-	-	170.694
Investment property	-	-	5.002	-	-	-	5.002
Depreciation/Amortisation	6.403.156	938.783	314.659	49.154	92.454	-	7.798.207

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

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

## **6.2 Secondary reporting format - Geographical segments for the Group of "Nireus Aquaculture AE" for the year ended 31 December 2008 and 2007, respectively**

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

The Group's sales per geographical segment are analysed as follows:

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
Greece	66.489.936	97.333.411
Euro-zone	90.756.041	101.048.040
Other countries	12.506.585	15.879.639
	<b>169.752.562</b>	<b>214.261.090</b>

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

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
Greece	507.880.917	513.275.339
Euro-zone	4.301.045	4.041.082
Other countries	12.246.953	12.375.459
	<b>524.428.915</b>	<b>529.691.879</b>

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

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
Greece	13.442.616	13.825.767
Euro-zone	830.564	218.447
Other countries	540.887	1.532.981
	<b>14.814.067</b>	<b>15.577.195</b>

## **7. Notes to the Financial Statements**

### **7.1 Property Plant and Equipment**

Land utilised for the purpose of either production or administration is stated at their fair value, as well as buildings, which are presented at their fair value less accumulated depreciation reduced by any other impairment losses. All other remaining assets are valued at historical cost less accumulated depreciation and any other impairment losses. Depreciation expense of tangible assets (except for land which is a non-depreciable asset) is calculated on a straight-line basis over the useful life of the asset.

Property, plant and equipment is analysed as follows:



<b>GROUP</b>	<b>Land</b>	<b>Buildings</b>	<b>Machinery &amp; Equipment</b>	<b>Vehicles</b>	<b>Furniture and other equipment</b>	<b>Work in progress</b>	<b>Total</b>
<i>Amounts in Euro</i>							
<b>Cost</b>							
<b>Balance at 1 January 2007</b>	7.812.129	25.903.422	61.490.098	8.120.788	5.951.005	3.436.359	<b>112.713.801</b>
<b>Balance at 1 January 2007 of new companies</b>	966.620	7.093.739	7.270.792	1.078.106	2.984.074	118.390	<b>19.511.720</b>
Additions	25.626	346.313	6.015.986	643.367	699.474	7.670.734	<b>15.401.499</b>
Disposals/write-offs/transfers	(293.470)	(2.770.991)	(1.146.790)	(224.476)	(27.100)	(905.349)	<b>(5.368.177)</b>
Spin-off assets	(341.491)	(2.567.730)	(3.362.708)	(171.973)	(389.667)	-	<b>(6.833.569)</b>
Reclassifications	-	3.388.325	2.367.129	150.750	10.750	(6.204.988)	<b>(288.033)</b>
Re-estimation	122.033	-	-	-	-	-	<b>122.033</b>
Changes - Exchange differences	57.137	126.551	219.698	17.970	11.533	48.974	<b>481.862</b>
<b>Balance at 31 December 2007</b>	<b>8.348.583</b>	<b>31.519.630</b>	<b>72.854.204</b>	<b>9.614.532</b>	<b>9.240.069</b>	<b>4.164.119</b>	<b>135.741.137</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2007</b>	-	(6.849.201)	(41.553.164)	(5.830.741)	(4.823.998)	-	<b>(59.057.104)</b>
<b>Balance at 1 January 2007 of new companies</b>	-	(1.527.333)	(2.717.027)	(476.617)	(2.560.166)	-	<b>(7.281.143)</b>
Depreciation charge	-	(1.224.346)	(5.058.020)	(659.177)	(590.187)	-	<b>(7.531.730)</b>
Disposals/write-offs/transfers	-	1.843.087	1.075.869	158.001	20.261	-	<b>3.097.218</b>
Spin-off assets	-	170.775	1.453.212	149.301	359.196	-	<b>2.132.484</b>
Re-estimation	-	600	-	-	-	-	<b>600</b>
Changes - Exchange differences	-	(89.140)	(171.679)	(16.513)	(10.343)	-	<b>(287.675)</b>
<b>Balance at 31 December 2007</b>	-	<b>(7.675.558)</b>	<b>(46.970.808)</b>	<b>(6.675.747)</b>	<b>(7.605.237)</b>	-	<b>(68.927.350)</b>
<b>Net book amount at 31 December 2007</b>	<b>8.348.583</b>	<b>23.844.072</b>	<b>25.883.396</b>	<b>2.938.785</b>	<b>1.634.832</b>	<b>4.164.119</b>	<b>66.813.786</b>
<b>Cost</b>							
<b>Balance at 1 January 2008</b>	8.348.583	31.519.630	72.854.204	9.614.532	9.240.069	4.164.119	<b>135.741.137</b>
<b>Balance at 1 January 2008 of new companies merged in the year</b>	-	-	-	-	-	-	-
Additions	-	425.369	5.097.683	795.863	728.017	7.112.212	<b>14.159.143</b>
Disposals/write-offs/transfers	(351.452)	(101.141)	(864.370)	(159.920)	(13.049)	(353.573)	<b>(1.843.505)</b>
Spin-off assets	-	-	-	-	-	-	-
Reclassifications	1.100.000	3.495.666	3.870.584	401.258	59.715	(9.058.555)	<b>(131.332)</b>
Changes - Exchange differences	(67.937)	(80.867)	(603.118)	(24.470)	(18.045)	(47.772)	<b>(842.209)</b>
<b>Balance at 31 December 2008</b>	<b>9.029.195</b>	<b>35.258.658</b>	<b>80.354.983</b>	<b>10.627.262</b>	<b>9.996.706</b>	<b>1.816.430</b>	<b>147.083.234</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2008</b>	-	(7.675.558)	(46.970.808)	(6.675.747)	(7.605.237)	-	<b>(68.927.350)</b>
<b>Balance at 1 January 2008 of new companies merged in the year</b>	-	-	-	-	-	-	-
Depreciation charge	-	(1.464.348)	(5.099.553)	(707.194)	(594.418)	-	<b>(7.865.513)</b>
Disposals/write-offs/transfers	-	14.034	613.868	142.761	5.656	-	<b>776.319</b>
Spin-off assets	-	-	-	-	-	-	-
Changes - Exchange differences	-	14.260	275.619	22.586	14.260	-	<b>326.726</b>
<b>Balance at 31 December 2008</b>	-	<b>(9.111.611)</b>	<b>(51.180.874)</b>	<b>(7.217.594)</b>	<b>(8.179.739)</b>	-	<b>(75.689.819)</b>
<b>Net book amount at 31 December 2008</b>	<b>9.029.195</b>	<b>26.147.046</b>	<b>29.174.108</b>	<b>3.409.668</b>	<b>1.816.967</b>	<b>1.816.430</b>	<b>71.393.415</b>



<b>COMPANY</b>							
	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Work in progress	Total
<i>Amounts in Euro</i>							
<b>Cost</b>							
<b>Balance at 1 January 2007</b>	7.421.572	18.521.944	40.824.894	5.336.607	4.202.069	2.815.343	<b>79.122.429</b>
<b>Opening Balance of merged companies</b>	966.620	4.991.250	12.883.794	1.090.798	3.413.733	164.747	<b>23.510.942</b>
Additions	-	193.436	3.861.907	469.736	648.284	6.262.036	<b>11.435.400</b>
Disposals/write-offs/transfers	(293.470)	(1.264.961)	(1.773.538)	(168.306)	(20.755)	(6.529)	<b>(3.527.560)</b>
Spin-off assets	(341.491)	(2.567.730)	(3.362.708)	(171.973)	(389.667)	-	<b>(6.833.569)</b>
Reclassifications	-	3.388.325	2.367.129	150.750	10.750	(6.204.988)	<b>(288.033)</b>
Re-estimation	-	-	-	-	-	-	-
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2007</b>	<b>7.753.231</b>	<b>23.262.264</b>	<b>54.801.479</b>	<b>6.707.613</b>	<b>7.864.414</b>	<b>3.030.609</b>	<b>103.419.609</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2007</b>	-	(1.759.330)	(27.122.282)	(3.724.635)	(3.346.589)	-	<b>(35.952.835)</b>
<b>Opening Balance of merged companies</b>	-	(144.296)	(6.133.835)	(584.631)	(2.888.455)	-	<b>(9.751.217)</b>
Depreciation charge	-	(711.922)	(3.784.031)	(482.303)	(507.969)	-	<b>(5.486.225)</b>
Disposals/write-offs/transfers	-	65.515	1.075.869	121.831	13.916	-	<b>1.277.131</b>
Spin-off assets	-	170.775	1.453.212	149.301	359.196	-	<b>2.132.484</b>
Revaluation	-	600	-	-	-	-	<b>600</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2007</b>	-	<b>(2.378.658)</b>	<b>(34.511.067)</b>	<b>(4.520.437)</b>	<b>(6.369.900)</b>	-	<b>(47.780.062)</b>
<b>Net book amount at 31 December 2007</b>	<b>7.753.231</b>	<b>20.883.606</b>	<b>20.290.412</b>	<b>2.187.175</b>	<b>1.494.513</b>	<b>3.030.609</b>	<b>55.639.547</b>
<b>Cost</b>							
<b>Balance at 1 January 2008</b>	7.021.611	18.592.084	48.439.194	5.925.610	6.168.249	2.941.209	<b>89.087.956</b>
<b>Balance at 1 January 2008 of new companies merged in the year</b>	731.620	4.670.180	6.362.285	782.003	1.696.165	89.401	<b>14.331.654</b>
Additions	-	213.940	3.857.462	457.645	678.342	6.424.100	<b>11.631.489</b>
Disposals/write-offs/transfers	-	(96.729)	(329.960)	(132.868)	(11.922)	(700)	<b>(572.180)</b>
Spin-off assets	(294.140)	(1.438.534)	(100.815)	(221.991)	(59.061)	(8.101)	<b>(2.122.641)</b>
Reclassifications	1.100.000	3.635.279	3.564.379	401.258	59.715	(8.891.962)	<b>(131.332)</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2008</b>	<b>8.559.091</b>	<b>25.576.220</b>	<b>61.792.545</b>	<b>7.211.656</b>	<b>8.531.487</b>	<b>553.947</b>	<b>112.224.946</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 January 2008</b>	-	(2.214.529)	(31.975.663)	(4.157.222)	(5.139.902)	-	<b>(43.487.317)</b>
<b>Balance at 1 January 2008 of new companies merged in the year</b>	-	(164.129)	(2.535.403)	(363.215)	(1.229.998)	-	<b>(4.292.745)</b>
Depreciation charge	-	(852.561)	(3.732.341)	(518.884)	(522.360)	-	<b>(5.626.146)</b>
Disposals/write-offs/transfers	-	8.858	79.805	118.392	4.529	-	<b>211.584</b>
Spin-off assets	-	153.585	22.378	68.941	51.185	-	<b>296.090</b>
Changes - Exchange differences	-	-	-	-	-	-	-
<b>Balance at 31 December 2008</b>	-	<b>(3.068.776)</b>	<b>(38.141.224)</b>	<b>(4.851.988)</b>	<b>(6.836.546)</b>	-	<b>(52.898.534)</b>
<b>Net book amount at 31 December 2008</b>	<b>8.559.091</b>	<b>22.507.444</b>	<b>23.651.321</b>	<b>2.359.668</b>	<b>1.694.942</b>	<b>553.947</b>	<b>59.326.412</b>

During the current year land of the Company of an amount of € 1.100.000 has been transferred from Investment Property previously in accordance with IAS 40, to fixed assets in accordance with IAS 16.

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

## **7.2 Investment property**

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



Amounts in Euro

	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
<b>Carrying value at 1 January 2007 (merged company revised shareholding)</b>	<b>2.601.801</b>	<b>2.777.639</b>	<b>5.379.441</b>	<b>1.981.600</b>	<b>171.300</b>	<b>2.152.900</b>
Balance of merged companies during the year			-	599.701	2.606.339	3.206.041
Additions	5.002	-	5.002	5.002		5.002
Disposals	-	(11.300)	(11.300)		(11.300)	(11.300)
<b>Carrying value at 31 December 2007</b>	<b>2.606.803</b>	<b>2.766.339</b>	<b>5.373.142</b>	<b>2.586.303</b>	<b>2.766.339</b>	<b>5.352.642</b>
<b>Carrying value at 1 January 2008 (merged company revised shareholding)</b>	<b>2.606.803</b>	<b>2.766.339</b>	<b>5.373.142</b>	<b>2.586.303</b>	<b>2.766.339</b>	<b>5.352.642</b>
Transfers from PPE	(1.100.000)	-	(1.100.000)	(1.100.000)	-	(1.100.000)
Gains/(losses) from fair value	68.497	(60.339)	8.158	43.997	(60.339)	(16.342)
<b>Carrying value at 31 December 2008</b>	<b>1.575.300</b>	<b>2.706.000</b>	<b>4.281.300</b>	<b>1.530.300</b>	<b>2.706.000</b>	<b>4.236.300</b>

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

The following amounts have been recognised in the income statement:

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Amounts in Euro				
Direct operating expenses non-generating income from rentals	(325.487)	(257.719)	(325.487)	(257.719)

### 7.3 Goodwill

Goodwill is analysed as follows:

GROUP		COMPANY	
Amounts in Euro		Amounts in Euro	
<b>Carrying value at 1 January 2007</b>	<b>15.137.782</b>	<b>Carrying value at 1 January 2007</b>	<b>9.719.551</b>
Additions	11.404.981	Additions	8.443.279
Revaluation of goodwill	112.900	Revaluation of goodwill	-
<b>Carrying value at 31 December 2007</b>	<b>26.655.662</b>	<b>Carrying value at 31 December 2007</b>	<b>18.162.830</b>
<b>Carrying value at 1 January 2008</b>	<b>26.655.662</b>	<b>Carrying value at 1 January 2008</b>	<b>18.162.830</b>
Additions	2.979.515	Additions	887.002
Impairment losses	(50.199)	Impairment losses	-
<b>Carrying value at 31 December 2008</b>	<b>29.584.979</b>	<b>Carrying value at 31 December 2008</b>	<b>19.049.833</b>

#### Analysis of Additions

The measurement of “Goodwill” following the above additions has been determined based on the net fair value of the investment and has been calculated for the year ending 31/12/2008, per company as follows:

**For The Group SEAFARM IONIAN S.A**

Acquisition date	29/1/2008
Acquired percentage	0,3047%
<b>Total Consideration of Acquisition</b>	<b>206.938</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>19.694</b>
<b>Goodwill on purchase</b>	<b>187.244</b>
The assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	85.817.300
Liabilities	79.353.862
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>6.463.438</b>
Participation Percentage	0,3047%
<b>Fair Value</b>	<b>19.694</b>

Acquisition date	15/5/2008
Acquired percentage	0,3047%
<b>Total Consideration of Acquisition</b>	<b>206.938</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>18.405</b>
<b>Goodwill on purchase</b>	<b>188.533</b>
The assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	87.994.520
Liabilities	81.954.133
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>6.040.387</b>
Participation Percentage	0,3047%
<b>Fair Value</b>	<b>18.405</b>



Acquisition date	<i>Period 8/7/2008 - 8/8/2008</i>
Acquired percentage	<i>1,5889%</i>
<b>Total Consideration of Acquisition</b>	<b>1.418.638</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>111.721</b>
<b>Goodwill on purchase</b>	<b>1.306.916</b>
The assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	68.922.232
Liabilities	61.890.883
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>7.031.349</b>
Participation Percentage	<i>1,5889%</i>
<b>Fair Value</b>	<b>111.721</b>

Acquisition date	<i>30/10/2008</i>
Acquired percentage	<i>0,3199%</i>
<b>Total Consideration of Acquisition</b>	<b>432.201</b>
<i>Less: Fair value of company assets and liabilities</i>	<b>22.382</b>
<b>Goodwill on purchase</b>	<b>409.819</b>
The assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	75.496.855
Liabilities	68.499.119
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>6.997.736</b>
Participation Percentage	<i>0,3199%</i>
<b>Fair Value</b>	<b>22.382</b>



**GROUP KEGO S.A**

Acquisition date	30/9/2008
Acquired percentage	71,9078%
<b>Total Consideration of Acquisition</b>	<b>16.465.064</b>
<i>Less: Fair value of company assets and liabilities</i>	
	<b>15.578.061</b>
<b>Goodwill of purchase</b>	<b>887.003</b>
The assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	82.920.995
Liabilities	61.257.053
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>21.663.942</b>
Participation Percentage	71,9078%
<b>Fair Value</b>	<b>15.578.061</b>

**FOR THE COMPANY**

Acquisition date	30/9/2008
Acquired percentage	71,9078%
<b>Total Consideration of Acquisition</b>	<b>16.499.019</b>
<i>Less: Fair value of company assets and liabilities</i>	
	<b>15.612.016</b>
<b>Goodwill of purchase</b>	<b>887.003</b>
The property assets acquired and the liabilities undertaken by the Group at the acquisition of the new participation percentage in the Company were as follows:	
	<b>Fair Value</b>
Assets	82.872.111
Liabilities	61.160.950
Contingent liabilities	0
<b>Total Equity of Company</b>	<b>21.711.162</b>
Participation Percentage	71,9078%
<b>Fair Value</b>	<b>15.612.016</b>

During the year of 2008, the company “ILKNAK SU URUNLERI SAN Ve TIC A.S” increased its share capital by an amount of 2.449.860,47 YTL (1.285.000 €). The old shareholders of the company did not participate in the increase, but instead did the company “MIRAMAR PROJECTS CO LTD-UK”. As a result, the direct percentage of “NIREUS AQUACULTURE S.A” decreased from 3,096% to 1,8824%, and the indirect percentage from 45,3456% to 28,3242%. The



goodwill decreased by an amount of € 50.199 in proportion to the decrease in the percentage on which the goodwill had been calculated.

In the current year the consideration of acquisition of Predomar was finalized, with an effect of an increase in the value of the investment by an amount of € 112.900 from € 2.038.438,39 to an amount of € 2.151.337, with an equivalent increase in liabilities and in the established goodwill (restatement of year 2007).

## 7.4 Intangible assets

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

<b>GROUP</b>			
<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2007</b>	<b>1.738.733</b>	<b>8.500.000</b>	<b>10.238.733</b>
<b>Balance 1 January 2007 of new companies</b>	<b>131.994</b>	<b>5.348.000</b>	<b>5.479.994</b>
Additions	<b>170.694</b>	-	170.694
Disposals/Write-offs/Transfers to investments	(2.800)	-	(2.800)
Spin-off assets	(77.815)	-	(77.815)
Transfers from investments/work in progress	2.288	-	2.288
Re-estimation	-	209.000	209.000
Changes/Exchange differences	2.825	-	2.825
<b>Balance 31 December 2007</b>	<b>1.965.918</b>	<b>14.057.000</b>	<b>16.022.918</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2007</b>	<b>(1.117.720)</b>		<b>(1.117.720)</b>
<b>Balance 1 January 2007 of new companies</b>	<b>(120.222)</b>		<b>(120.222)</b>
Amortisation charge	(266.477)		(266.477)
Disposals/Write-offs/Transfers to investments	653		653
Spin-off assets	61.618		61.618
Changes/Exchange differences	(2.669)		(2.669)
<b>Balance at 31 December 2007</b>	<b>(1.444.817)</b>	<b>-</b>	<b>(1.444.817)</b>
<b>Net book value at 31 December 2007</b>	<b>521.101</b>	<b>14.057.000</b>	<b>14.578.101</b>
<b>Cost</b>			
<b>Balance 1 January 2008</b>	<b>1.965.918</b>	<b>14.057.000</b>	<b>16.022.918</b>
<b>Balance new companies merged in the year</b>			
Additions	654.924	-	654.924
Disposals/Write-offs/Transfers to investments	(4.000)	-	(4.000)
Spin-off assets	-	-	-
Transfers from investments/work in progress	1.231.332	-	1.231.332
Changes/Exchange differences	(7.644)	-	(7.644)
<b>Balance 31 December 2007</b>	<b>3.840.531</b>	<b>14.057.000</b>	<b>17.897.531</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2008</b>	<b>(1.444.817)</b>	<b>-</b>	<b>(1.444.817)</b>
<b>Balance of new companies merged in the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation charge	(527.139)	-	(527.139)
Spin-off assets	-	-	-
<b>Balance at 31 December 2008</b>	<b>(1.965.094)</b>	<b>-</b>	<b>(1.965.094)</b>
<b>Net book value at 31 December 2008</b>	<b>1.875.437</b>	<b>14.057.000</b>	<b>15.932.437</b>



<b>COMPANY</b>			
<i>Amounts in Euro</i>	<b>Computer and other software</b>	<b>Aquaculture Licences</b>	<b>Total</b>
<b>Cost</b>			
<b>Balance 1 January 2007</b>	<b>1.505.787</b>	-	<b>1.505.787</b>
<b>Balance of companies merged in the year</b>	<b>131.080</b>	<b>2.766.000</b>	<b>2.897.080</b>
Additions	167.212	-	167.212
Disposals/Write-offs/Transfers to investments	(2.800)	-	<b>(2.800)</b>
Spin-off assets	(77.815)	-	<b>(77.815)</b>
Transfers from investments/work in progress	2.289	-	<b>2.289</b>
Re-estimation	-	-	-
Changes/Exchange differences	-	-	-
<b>Balance 31 December 2007</b>	<b>1.725.753</b>	<b>2.766.000</b>	<b>4.491.753</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2007</b>	<b>(890.062)</b>	-	<b>(890.062)</b>
<b>Balance of companies merged in the year</b>	<b>(119.495)</b>	-	<b>(119.495)</b>
Amortisation charge	(260.569)	-	<b>(260.569)</b>
Disposals/Write-offs/Transfers to investments	653	-	<b>653</b>
Spin-off assets	61.618	-	<b>61.618</b>
Changes/Exchange differences	-	-	-
<b>Balance at 31 December 2007</b>	<b>(1.207.855)</b>	-	<b>(1.207.855)</b>
<b>Net book value at 31 December 2007</b>	<b>517.897</b>	<b>2.766.000</b>	<b>3.283.897</b>
<b>Cost</b>			
<b>Balance 1 January 2008</b>	<b>1.725.753</b>	<b>2.766.000</b>	<b>4.491.753</b>
<b>Balance of companies merged in the year</b>			
Additions	624.075	-	624.075
Disposals/Write-offs/Transfers to investments	(4.000)	-	<b>(4.000)</b>
Spin-off assets	(3.405)	-	<b>(3.405)</b>
Transfers from investments/work in progress	1.231.332	-	<b>1.231.332</b>
Changes/Exchange differences	-	-	-
<b>Balance 31 December 2007</b>	<b>3.573.755</b>	<b>2.766.000</b>	<b>6.339.755</b>
<b>Accumulated amortisation</b>			
<b>Balance 1 January 2008</b>	<b>(1.080.952)</b>	-	<b>(1.080.952)</b>
<b>Balance of companies merged in the year</b>	<b>(126.903)</b>	-	<b>(126.903)</b>
Amortisation charge	(495.080)	-	<b>(495.080)</b>
Spin-off assets	2.405	-	<b>2.405</b>
<b>Balance at 31 December 2008</b>	<b>(1.700.531)</b>	-	<b>(1.700.531)</b>
<b>Net book value at 31 December 2008</b>	<b>1.873.224</b>	<b>2.766.000</b>	<b>4.639.224</b>



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

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

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

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

### **7.5 Investments in subsidiaries**

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

<i>Amounts in Euro</i>	<b>GROUP 31/12/2008</b>	<b>COMPANY 31/12/2008</b>
Beginning of 2007	<b>401.920</b>	<b>33.302.064</b>
Reduction due to merger	-	(19.199.491)
Additions		576.877
Beginning of the year 2007 of after the merger	<b>401.920</b>	<b>14.679.450</b>
Liquidations	<b>(39.414)</b>	<b>(39.414)</b>
Additions	-	12.985.671
<b>Total</b>	<b>362.506</b>	<b>27.625.707</b>

The amount of € 362.506 which appears in the annual financial statements as at 31/12/2008 relates to the cost of the subsidiary company of the Group SEAFARM IONIAN S.A “Diatrofiki S.A”, which was not consolidated due to that it has been under liquidation. We consider that it be mentioned that the subsidiary company “Thetis SA” is in the final stage of being liquidated and its cost of an amount of € 39.414 has been charged to the current year’s 2008 results.

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



<b>Company</b>	<b>Cost</b>	<b>Amount as per Balance sheet</b>	<b>Country of incorporation</b>	<b>Percentage Shareholding</b>
PROTEUS EQUIPMENT S.A	29.347	29.347	GREECE	50,00%
AQUACOM LTD	1.141.394	1.141.394	VIRGIN ISLANDS	100,00%
ILKNAK SU URUNLERI SAN Ve TIC A.S.	56.000	56.000	TOYPKIA	1,88%
NIREUS INTERNATIONAL LTD	6.321.440	6.321.440	CYPRUS	100,00%
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	232	232	TURKEY	0,02%
SEA FARM IONIAN S.A	11.124.460	11.124.460	GREECE	23,811%
KEGO AGRI S.A	8.952.835	8.952.835	GREECE	100,00%
	<b>27.625.707</b>	<b>27.625.707</b>		

## 7.6 Investments in associates

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Beginning of the year</b>	<b>37.601.397</b>	<b>1.333.861</b>	<b>35.948.198</b>	<b>462.959</b>
Balance at date of acquisition of new companies	-	529.875	-	366.542
Additions	-	35.118.697	-	35.118.697
Disposals	(688.526)	-	(366.542)	-
Write-offs/ liquidation	(12.959)	-	(12.959)	-
Consolidation by the net equity method	(2.767.310)	618.964	-	-
<b>Total</b>	<b>34.132.602</b>	<b>37.601.397</b>	<b>35.568.697</b>	<b>35.948.198</b>

The amount of € (2.767.310) that appears in the consolidation of investments in associates using the equity method as at 31/12/2008, relates to € 85.284 (Profit for the year € 235.022,46/Reduction of share capital € 149.738,38) for the company BLUE FIN TUNA S.A., to € 15.762 (Profit for the year € 15.762) for the company VITATRACE NUTRITION LTD until the date of disposal, and to € (2.868.356) (Loss for the year € 869.993,86)/Reduction in share capital € 1.998.362,14) for the company MARINE FARMS A.S.A.

The amount of € (688.526) pertains to the disposal of VITATRACE NUTRITION SA from KEGO Group, which occurred as at March 12, 2008.

During the year 2008, the liquidation procedures as regards the company “PER MARE RESEARCH S.A” were finalised whereby no liquidation effect resulted and therefore the net book value of the investment of an amount of € 12.959 was charged to the current year 2008 results (financial income/costs).

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

**31/12/2008**

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

**31/12/2007**

<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Value of Balance sheet</u>	<u>Country of incorporation</u>	<u>Participation percentage</u>
PER MARE RESEARCH AE	22.891	(9.932)	12.959	GREECE	39%
VITA TRACE NUTRITION LTD	366.542	-	366.542	CYPRUS	7,332%
BLUEFIN TUNA AE	650.000	-	650.000	GREECE	25%
MARINE FARMS ASA	34.918.697	-	34.918.697	NORWAY	30,1954%
	<b>35.958.129</b>	<b>(9.932)</b>	<b>35.948.198</b>		

There are no major restrictions in the ability of the subsidiaries to transfer capital to the parent company in the form of cash dividends, repayment of loans or advance payments. Investment in the associate company “MARINE FARMS ASA” includes goodwill of an amount of € 17.937.740.

**7.7 Non Current Assets classified as held for sale**

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Beginning of the year</b>	<b>1.929.831</b>	<b>2.054.485</b>	<b>48.955</b>	<b>123.229</b>
Write-offs	(32.282)	(124.654)	(32.282)	(74.274)
<b>Balance at end of the year</b>	<b>1.897.549</b>	<b>1.929.831</b>	<b>16.674</b>	<b>48.955</b>

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

During the year of 2008, the liquidation procedures of the company “NIREUS FISHERIES & AQUACULTURE CONSULTANTS S.A” were finalised whereby the liquidation effect amounts to € 338.782,58 and the amount of the investment written-off totals € 32.281,73. The total effect in favour of the year’s results 2008 amounts to € 306.500,85 (Financial income/costs).



### 7.8 Other non-current receivables

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Other non-current receivables	2.935	12.260	4.049	12.260
Guarantees provided	237.755	232.121	163.092	174.903
<b>Total</b>	<b>240.690</b>	<b>244.382</b>	<b>167.141</b>	<b>187.163</b>

### 7.9 Biological assets

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

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

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Balance of biological assets at 1 January</b>	<b>191.040.211</b>	<b>153.068.570</b>	<b>157.075.497</b>	<b>128.315.642</b>
<b>Opening inventories at date of acquisition of subsidiary with biological assets</b>	-	<b>7.215.420</b>		<b>7.215.420</b>
Increases due to purchases of biological assets	1.285.712	5.415.457	1.900.945	6.308.213
Gain/Loss arising from changes in fair value attributable to price of biological assets	-	-	126.663.520	124.986.891
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	160.800.692	159.584.319	(91.900.205)	(109.750.669)
Decreases due to sales of biological assets	(111.977.688)	(134.243.555)	(416.833)	-
Biological inventory as at 30/09/2008 transferred to the spin-off segment	-	-	(416.833)	-
<b>End balance of biological assets at 31 December 2007</b>	<b>241.148.926</b>	<b>191.040.211</b>	<b>193.322.924</b>	<b>157.075.497</b>
<b>ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET</b>				
<b>A) Biological assets of fish (Assets – Non-current assets)</b>	135.172.344	67.458.708	116.842.903	57.368.302
<b>B) Biological Poultry-Livestock (Assets - Non-current assets)</b>	244.000	-	-	-
<i>TOTAL BIOLOGICAL ASSETS - Assets - Non-current</i>	<b>135.416.344</b>	<b>67.458.708</b>	<b>116.842.903</b>	<b>57.368.302</b>
<b>C) Biological assets fish (Inventories - Current assets)</b>	105.539.887	123.399.724	76.480.021	99.525.417
<b>D) Biological Poultry-Livestock (Inventories - Current assets)</b>	192.695	181.779	-	181.779
<i>TOTAL BIOLOGICAL ASSETS - Assets - Current</i>	<b>105.732.583</b>	<b>123.581.503</b>	<b>76.480.021</b>	<b>99.707.196</b>
<b>TOTAL BIOLOGICAL ASSETS</b>	<b>241.148.926</b>	<b>191.040.211</b>	<b>193.322.924</b>	<b>157.075.497</b>

**7.10 Inventories**

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Merchandise	2.575.069	3.255.739	1.324.499	3.012.791
Finished and semi-finished goods	6.957.670	5.315.722	6.259.896	5.212.303
Work in progress	155.028	8.449	155.028	8.449
Raw and auxiliary materials-Package materials	6.075.361	5.123.406	3.612.675	3.460.810
Consumables	141.128	128.750	134.354	117.141
Packing items	12.147	8.263	9.562	7.293
<b>Total</b>	<b>15.916.403</b>	<b>13.840.329</b>	<b>11.496.014</b>	<b>11.818.785</b>

The amount of inventories recognised as an expense during the year and included in consumables, amounts to € 104.672.779 for the Group and € 115.804.428 for the Company (2007: € 133.258.974 Group and € 124.588.303 for the Company).

The Group has no pledged inventories.

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

**7.11 Trade and other receivables**

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Trade receivables from third parties (Trade debtors)	36.453.660	51.714.891	49.280.109	61.238.765
Trade receivables from third parties (Notes)	1.585.126	1.401.962	1.200.464	1.230.546
Trade receivables from third parties (Cheques receivable)	31.606.292	56.164.992	26.026.575	53.740.763
Less: Provision for uncollectible receivables	(12.574.598)	(15.575.017)	(6.753.974)	(8.937.483)
<b>Total trade &amp; other receivables-net</b>	<b>57.070.480</b>	<b>93.706.828</b>	<b>69.753.174</b>	<b>107.272.591</b>

All the above receivables are current and of a short-term maturity. The fair value of these current financial assets is not independently assessed given that their carrying value approximates their fair value.

The carrying value of a receivable (measured at amortised cost) is considered to approximate its fair value given that its collectibles is expected to occur within a time period where the effect of the time value of money is considered insignificant.

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

**7.12 Other receivables**

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





<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Sundry debtors	8.807.502	7.823.461	9.519.096	5.211.120
Claims from Greek State	10.830.221	15.517.686	7.803.167	12.535.834
Other receivables	534.450	109.760	-	107.793
Disputed debtors	111.269	30.000	30.000	30.000
Cash advances to personnel	259.385	169.194	196.963	108.176
<b>Total</b>	<b>20.542.828</b>	<b>23.650.100</b>	<b>17.549.226</b>	<b>17.992.923</b>

All the above receivables are current (short-term maturity). The fair value of these current financial assets is not determined independently as the carrying value is considered that approximates their fair value.

The carrying value of a receivable (measured at amortised cost) is considered to approximate its fair value given that its collectibility is expected to occur within a time period where the effect of the time value of money is considered insignificant.

All of the Group's receivables have been valued with respect to the impairment indicators. Certain of the receivables have been impaired and have been provided for. The established provision for impairment amounts to € 9.359.869 (2007: € 9.359.869 ) for the Group and € 626.348 (2007: € 597.509) for the Company.

### **7.13 Other current assets**

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Deferred expenses	373.931	423.643	323.797	399.100
Accrued income-year	1.792.733	643.039	1.427.344	194.869
Inventory-in-transit	34.161	488.736	-	488.736
Other prepayments and accrued income	57.750	53.661	53.555	53.661
<b>Total</b>	<b>2.258.574</b>	<b>1.609.079</b>	<b>1.804.695</b>	<b>1.136.366</b>

### **7.14 Derivative Financial Instruments**

The derivative financial instruments refer to the following:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Derivative financial instruments</b>				
CAP contracts with or without knock out barrier-Cash flow hedging	(152.933)	265.859	(107.736)	237.076
Interest rate swap	(637.795)	-	(637.795)	-
<b>Derivative financial instruments (assets)</b>	<b>(790.728)</b>	<b>265.859</b>	<b>(745.531)</b>	<b>237.076</b>

The fair value of the contracts has been measured by the use of the relative interest rates and exchange rates prevailing in the market.

The total of fair value of derivative financial instrument is classified either as an asset or as a liability. The movement in the derivative financial instruments is analysed as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Opening balance</b>	<b>265.859</b>	<b>-</b>	<b>237.076</b>	<b>-</b>
Balance at date of merged companies	-	-	-	-
Additions	(637.795)	265.859	(637.795)	237.076
Changes in fair value	(418.792)	-	(344.812)	-
<b>Total</b>	<b>(790.728)</b>	<b>265.859</b>	<b>(745.531)</b>	<b>237.076</b>

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

As at 1-10-2008 the company entered into an interest rate swap agreement with a three year contract period commencing from 6-10-2008 to 6-10-2011 for an amount of capital € 25.000.000 with the Commercial Bank of Greece, for the purpose of mitigating its interest rate risk and thus part of its loan borrowing liabilities.

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

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

<b>Financial assets at fair value through profit or loss</b>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Securities	73	1.166	73	1.166
<b>Total</b>	<b>73</b>	<b>1.166</b>	<b>73</b>	<b>1.166</b>

The movement of derivative financial instruments is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Opening balance</b>	<b>1.166</b>	<b>1.304</b>	<b>1.166</b>	<b>1.304</b>
Changes in fair value	(1.094)	(138)	(1.094)	(138)
<b>Total</b>	<b>73</b>	<b>1.166</b>	<b>73</b>	<b>1.166</b>

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



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

## 7.16 Cash and cash equivalents

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

Amounts in Euro	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Cash in hand	108.192	641.033	61.273	593.508
Sight bank deposits	2.431.778	4.843.847	1.809.040	3.746.655
Time bank deposits	27.100.000	46.419.647	26.830.000	46.259.670
<b>Total</b>	<b>29.639.970</b>	<b>51.904.527</b>	<b>28.700.314</b>	<b>50.599.832</b>

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

## 7.17 Equity

### i) Issued Capital

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

Amounts in Euro	GROUP					COMPANY				
	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total	Number of shares	Share capital (ordinary shares)	Treasury shares	Share premium	Total
<b>Balance at 1 January 2007</b>	40.932.619	<b>51.165.774</b>	-	<b>37.664.159</b>	<b>88.829.933</b>	40.932.619	<b>51.165.774</b>	-	<b>37.664.159</b>	<b>88.829.933</b>
Issue of shares with capitalization of reserves and retained earnings	-	11.263.760	-	(7.988.517)	<b>3.275.243</b>	-	11.263.760	-	(7.988.517)	<b>3.275.243</b>
Issue of shares with cash	10.233.154	15.349.731	-	18.419.678	<b>33.769.409</b>	10.233.154	15.349.731	-	18.419.678	<b>33.769.409</b>
Share options granted under IFRS 2	364.500	546.750	-	328.050	<b>874.800</b>	364.500	546.750	-	328.050	<b>874.800</b>
Expenses related to the issue of shares	-	-	-	(625.733)	<b>(625.733)</b>	-	-	-	(625.733)	<b>(625.733)</b>
<b>Balance at 31 December 2007</b>	<b>51.530.273</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>126.123.652</b>	<b>51.530.273</b>	<b>78.326.015</b>	-	<b>47.797.637</b>	<b>126.123.652</b>
Purchase of treasury shares	-	-	(47.271)	-	<b>(47.271)</b>	-	-	(47.271)	-	<b>(47.271)</b>
Change from the merger of subsidiary companies	11.845.370	6.234.405	-	10.230.659	<b>16.465.064</b>	11.845.370	6.234.405	-	10.230.659	<b>16.465.064</b>
Issue of shares with capitalization of reserves	-	18.992.455	-	(19.169.720)	<b>(177.265)</b>	-	18.992.455	-	(19.169.720)	<b>(177.265)</b>
Reduction of share capital for coverage of losses	-	(18.629.513)	-	-	<b>(18.629.513)</b>	-	(18.629.513)	-	-	<b>(18.629.513)</b>
Transfer of reserves for coverage of own investments N.3229/04	-	-	-	(2.627.430)	<b>(2.627.430)</b>	-	-	-	(2,627.430)	<b>(2,627.430)</b>
Share capital increase from the conversion of debentures	83.569	111.982	-	268.350	<b>380.332</b>	<b>83.569</b>	111.982	-	268.350	<b>380.332</b>
Change in tax rate from 25%-20%	-	-	-	(10.634)	<b>(10.634)</b>	-	-	-	(10.634)	<b>(10.634)</b>
<b>Balance at 31 December 2008</b>	<b>63.459.212</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>121.476.935</b>	<b>63.459.212</b>	<b>85.035.344</b>	<b>(47.271)</b>	<b>36.488.862</b>	<b>121.476.935</b>

During the current year 2008, and based on the B’ Reiteration Shareholders General Assembly held on June 16 2008, approval was obtained with respect to the increase of the company’s share capital through the capitalization of the share premium reserve account by an amount of € 18.629.513 with an increase in the nominal value of company’s share by an amount of € 0,3615256, viz from € 1,52 to € 1,8815256 with the simultaneous and equivalent reduction in the company’s share capital, by an amount of € 18.629.513, netting-off losses, along with a simultaneous decrease of the share’s nominal



value by € 0,3615256, viz from € 1,8815256 to € 1,52. (Art. Protocol. K2-8396 / 1-7-2008 Approval by the Ministry of Development).

Following the Extraordinary Shareholders meeting of “NIREUS AQUACULTURE S.A” held on 19/09/2008, and the approval of the merger of the company “KEGO S.A” (Decision of the Ministry of Development K2-12329/31.10.2008), the capital of “NIREUS AQUACULTURE S.A” after the merger has been established as follows:

- a) has been increased by the amount of the contributed share capital of KEGO S.A of an amount of € 8.670.000 following the decrease of the write-off of shares which NIREUS AQUACULTURE holds of an amount of € 2.435.595, namely is increased by an amount of € 6.234.405.
- b) has been increased with the capitalization of reserves of “NIREUS AQUACULTURE” for the purpose of rounding differences from the account “Share Premium” by an amount of € 362.941,66.
- c) The “Share premium” reserve has increased by an amount of € 10.230.659 which is composed of 11.845.730 shares at € 1,39 (market exchange price of “NIREUS AQUACULTURE S.A” as at 19/09/2008) less the absorbed share capital of KEGO SA of an amount of € 6.234.405.

During the current year and based on the decision taken by the Board of Directors of NIREUS AQUACULTURE S.A held on November 13, 2008, the company’s share capital increased by € 111.982,46 and 83.569 new shares were issued which resulted from the conversion of the debentures to shares, of a nominal value of € 1,34 each. Subsequent to this, the share capital of NIREUS AQUACULTURE S.A currently amounts to € 85.035.344,08 composed of 63.459.212 registered shares, of a nominal value of € 1,34 each.

In addition, during the current year and based on the decision taken by the Extraordinary Shareholders meeting held on 18/02/2008 and the Board of Directors meeting held on 18/03/2008, the company acquired 22.390 treasury shares of a total value of € 47.270,70.

## ii) Fair value Revaluation Reserve

The analysis of fair value reserves is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2007</b>	<b>10.491.934</b>	<b>9.436.057</b>
Transfers	-	-
Increase due to merger		1.023.522
Revaluation 2007	115.239	-
Sale	(666.482)	(666.482)
Spin-off	(268.642)	(268.642)
<b>Balance at 31 December 2007</b>	<b>9.672.049</b>	<b>9.524.455</b>
Sale	(97.577)	-
Write-off of fair value reserve and transfer to retained earnings	(9.943)	(42.704)
Spin-off	-	32.761
Change in tax rate 25%-20%	19.248	19.248
<b>Balance at 31 December 2008</b>	<b>9.583.777</b>	<b>9.533.760</b>

## iii) Other reserves

Other reserves of the Company are as follows:



Amounts in Euro	UNDER SPECIAL		RESERVE	RESERVE OF	RESERVES INTENDED	MINORITY INTERESTS	OTHER RESERVES	TOTAL
	LEGAL RESERVE	LAW PROVISIONS						
<b>Balance at 1 January 2007</b>	<b>2.994.724</b>	<b>8.924.479</b>	<b>764.625</b>	-	<b>387.775</b>	-	<b>52.054</b>	<b>13.123.657</b>
Changes due to merger of subsidiaries	74.121	(385.990)	-	-	-	16.283.838	-	<b>15.971.969</b>
Share options under IFRS 2	-	-	444.027	-	-	-	-	<b>444.027</b>
Changes during the year for issue of shares	-	(2.810.756)	-	-	(387.775)	-	(52.054)	<b>(3.250.586)</b>
Changes during the year arising from convertible Bond Loan	-	-	-	(310.043)	-	-	-	<b>(310.043)</b>
Spin-off of segment	-	(4.094.717)	-	-	-	-	-	<b>(4.094.717)</b>
Changes during the year	60.910	-	-	-	-	-	-	<b>60.910</b>
<b>Balance at 31 December 2007</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(310.043)</b>	-	<b>16.283.838</b>	-	<b>21.945.217</b>
Transfers from merged companies	-	-	-	-	-	(671.823)	-	<b>(671.823)</b>
Write-off of absorbed companies	-	-	-	-	-	(15.612.016)	-	<b>(15.612.016)</b>
Transfer of reserve for the coverage of equivalent losses	-	-	-	-	-	-	(390.198)	<b>(390.198)</b>
Transfer of reserve for coverage of own investment of L. 3299/04	-	-	-	-	-	-	2.627.430	<b>2.627.430</b>
Change in the tax rate 25%-20%	-	-	-	(7.441)	-	-	-	<b>(7.441)</b>
<b>Balance at 31 December 2008</b>	<b>3.129.755</b>	<b>1.633.016</b>	<b>1.208.652</b>	<b>(317.484)</b>	-	<b>(0)</b>	<b>2.237.232</b>	<b>7.891.169</b>

## 7.18 Borrowings

The non-current and current borrowings are as follows:

Amounts in Euro	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>Non-current borrowings</b>				
Bank borrowings	193.022.655	143.243.856	167.570.992	116.229.662
Less: Borrowings payable in following year (Loans)	(3.301.183)	(13.886.535)	(1.002.330)	(12.058.140)
<b>Total non-current borrowings</b>	<b>189.721.472</b>	<b>129.357.321</b>	<b>166.568.663</b>	<b>104.171.521</b>
<b>Liabilities payable in following year</b>				
Liabilities payable in following year (Loans)	3.301.183	13.886.535	1.002.330	12.058.140
<b>Total liabilities payable in following year</b>	<b>3.301.183</b>	<b>13.886.535</b>	<b>1.002.330</b>	<b>12.058.140</b>
<b>Short-term loans</b>				
Bank borrowings	59.849.833	85.875.256	54.743.306	85.723.646
<b>Total short-term loans</b>	<b>59.849.833</b>	<b>85.875.256</b>	<b>54.743.306</b>	<b>85.723.646</b>
<b>Total loans</b>	<b>252.872.488</b>	<b>229.119.112</b>	<b>222.314.298</b>	<b>201.953.308</b>

Maturities of non-current borrowings are analysed below:

Amounts in Euro	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Between 1 and 2 years	13.824.389	18.925.873	11.521.127	17.107.584
Between 2 and 5 years	77.112.375	75.016.900	70.303.090	69.558.294
Over 5 years	98.784.707	35.414.548	84.744.445	17.505.644
	<b>189.721.472</b>	<b>129.357.321</b>	<b>166.568.663</b>	<b>104.171.521</b>

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

	31/12/2008	31/12/2007
	€	€
Bank borrowings (current)	5,20%	5,96%
Bank borrowings (non-current)	4,75%	5,90%

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

**7.19 Deferred Income Taxes**

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

<i>Amounts in Euro</i>	<b>GROUP</b>			
	<b>31/12/2008</b>		<b>31/12/2007</b>	
	<b>TAX ASSETS</b>	<b>TAX LIABILITIES</b>	<b>TAX ASSETS</b>	<b>TAX LIABILITIES</b>
<b>Non-current Assets</b>				
Intangible assets	763.382	295.073	910.607	515.414
Property, Plant & Equipment	275.658	2.069.365	496.445	1.998.550
Other long-term receivables	249.775	32.596	5.569	40.902
<b>Current Assets</b>	-	-		
Inventories	1.113.486	17.154.038	1.029.215	11.330.862
Receivables	2.213.239	235.627	2.288.786	203.712
<b>Non-current liabilities</b>	-	-		
Retirement benefit obligations	635.900	44.556	709.125	25.047
Other non-current liabilities	843.932	43.700	254.234	142.342
Provisions	-	7.129	673.340	300.000
<b>Current liabilities</b>	-	-		
Other current liabilities	16.217	73.110	166.492	91.478
Adjustment of tax rate			-	-
	<b><u>6.111.589</u></b>	<b><u>19.955.193</u></b>	<b><u>6.533.812</u></b>	<b><u>14.648.307</u></b>
<b>Offsetting</b>	<b><u>-6.085.408</u></b>	<b><u>-6.085.408</u></b>	<b><u>-6.458.253</u></b>	<b><u>-6.458.253</u></b>
<b>Balance at end of year</b>	<b><u>26.182</u></b>	<b><u>13.869.786</u></b>	<b><u>75.559</u></b>	<b><u>8.190.054</u></b>

<i>Amounts in Euro</i>	<b>COMPANY</b>			
	<b>31/12/2008</b>		<b>31/12/2007</b>	
	<b>TAX ASSETS</b>	<b>TAX LIABILITIES</b>	<b>TAX ASSETS</b>	<b>TAX LIABILITIES</b>
<b>Non-current Assets</b>				
Intangible assets	365.236	-	531.218	263.811
Property, Plant & Equipment	59.269	1.627.329	264.749	1.641.950
Other long-term receivables	249.775	20.516	5.569	57.556
<b>Current Assets</b>	-	-		
Inventories	10.833	13.780.094	10.833	8.913.915
Receivables	1.571.850	-	1.654.418	129.106
<b>Non-current liabilities</b>	-	-		
Retirement benefit obligations	474.413	-	635.295	-
Other non-current liabilities	843.932	43.700	256.845	142.342
Provisions	-	835	673.340	300.881
<b>Current liabilities</b>	-	-		
Other current liabilities	-	48.310	166.492	58.435
Adjustment of tax rate	-	-		
	<b><u>3.575.308</u></b>	<b><u>15.520.784</u></b>	<b><u>4.198.759</u></b>	<b><u>11.507.996</u></b>
<b>Offsetting</b>	<b><u>-3.575.308</u></b>	<b><u>-3.575.308</u></b>	<b><u>-4.198.759</u></b>	<b><u>-4.198.759</u></b>
<b>Balance at end of year</b>	<b><u>0</u></b>	<b><u>11.945.476</u></b>	<b><u>0</u></b>	<b><u>7.309.236</u></b>

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

The deferred tax liabilities of the Group as at 31/12/2008 relate to the subsidiaries located in Turkey by an amount of € 266.811 (tax rate 20%), to subsidiaries located in Spain by an amount of € 163.037 (tax rate 30%) and by an amount of €



13.439.939 for companies that are located in Greece (tax rate 20%-25%). The respective amounts as at 31/12/2007 were for the companies which are located in Turkey € 159.879 and for the companies which are located in Greece € 8.030.175.

The deferred tax receivables for the Group as at 31/12/2008 relate to, an amount of € 20.683 for the companies which are located in Turkey (tax rate of 20%), and an amount of € 5.499 to the companies which are located in Greece (tax rate 20%-25%). The respective amounts as at 31/12/2007 were for the companies located in Spain € 10.873 (tax rate 30%) and for the companies which are located in Greece € 64.686 (tax rate 20%-25%).

The effect of the change in the tax rate from 25% to 20% on the income statement amounts to € (215.555) for the Group and € (222.971) for the Company and on net equity the effect amounts to € 1.173 for both the Group and for the company.

## 7.20 Employee Benefits

### Retirement benefit obligations

The Group and the company assesses the retirement benefit obligation as the present value of the legal commitment assumed for assumed for the lump sum compensation to retired personnel. The relative obligation was determined based on actuarial calculations.

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
<b>Balance liability at beginning of the year</b>	2.655.038	2.155.854	2.283.580	1.876.440
<b>Balance of merged companies during the year</b>	-	-	-	271.121
<b>Transfer of pension obligation to the spined-off segment</b>	-	-	(140.560)	-
Liabilities acquired in a business combination	-	271.121	-	-
Current service cost	271.177	259.761	202.506	210.128
Finance cost	120.097	107.641	96.436	91.413
Compensation paid	(184.356)	(153.360)	(156.693)	(140.855)
Exchange differences arising from foreign plans	(11.576)	1.971	-	-
Net actuarial (profit)/losses recognised in the income statement	(10.361)	12.050	1.643	(24.667)
<b>Total liability at end of the year</b>	<b>2.840.019</b>	<b>2.655.038</b>	<b>2.286.913</b>	<b>2.283.580</b>

The main actuarial assumptions used were as follows:

	<b>31/12/2008</b>	<b>31/12/2007</b>
Discount rate	4,5%	4,5%
Future salary increases	3,5%	3,5%
Inflation rate	2,5%	2,5%
Percentage of retirements	0,5%	0,5%

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

### Employee benefit expense

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



## Number of employed personnel

The number of employed personnel on December 31, 2008 amounted to 962 (absorbed company 92) for the Company, and 1.918 for the Group (for the Company: 962, for the Subsidiaries: 345, for the Associates 611) while on December 31, 2007 this amounted to 1.109 (from absorbed companies 24) for the Company, and 1.976 for the Group (for the Company: 1.109 Subsidiaries: 343 and Associates: 524 respectively).

## Personnel compensation based on equity instruments

On 05/06/2006 the Company approved an equity - settled, share-based compensation plan granting share options up to 1.400.000 ordinary shares with voting right, over the years 2006, 2007 and 2008 to Members of the B. of D., General Directors, Managers and Head of Departments of the Company and of its related companies, conditional on the employee completing at least three year's service in the company or in a related company. In case of termination of the employment relationship with the company, either due to retirement or due to notice of termination, the right ceases to be in force. The exercise price of each granted option will be preferential and it will be the prevailing average price of the parent Company's share over the period 1/10 – 1/11 of each year reduced by 40%. The options will be exercised within the first fifteen days of the month of November of each year of the plan in force. Options may be exercised proportionally commencing three years from the grant date, namely at a rate 40% in November 2006, at a rate 30% in November 2007 and at a rate 30% in November 2008, always though within the first fifteen days of November of each year of effect of the plan. Should this time limit elapse with no action taken the option is amortised. The options granted by the plan were accounted for according to IFRS 2 - "Group and Treasury Share Transactions". In 2006 were exercised 494.350 options and in 2007 were exercised 364.500 options. The fair value of the options exercised in 2007 amounts to Euro 1.218 per option and arises as the difference between the fair value of the share at the exercise date (average price of period 1/1 to 15/11/07 = Euro 3,6182) and the exercise price of the option (Euro 2,40). Due to uncertainty prevailing as regards both the number and the fair value of the options that will be exercised, in addition as to whether the options will be exercised in 2008, no provision has been established in prior and current years for the options relating to 2007 and 2008.

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

The implementation of the third annual series of the company's stock option plan is suspended for a maximum period of up to one year due to the current market price of the stock. The plan has been approved by the General Assembly held on 5/6/2006 and its terms have been decided upon by the Board of Directors on 31/10/2006. The Company's Board of directors reserves the right to re-activate the plan under the condition that circumstances permit so.

## 7.21 Government Grants

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



*Amounts in Euro*

	<b>GROUP</b>	<b>COMPANY</b>
<b>Balance at 1 January 2007</b>	<b>6.057.942</b>	<b>5.039.770</b>
Balance at date of acquisition of new companies	1.035.418	-
Balance of merged companies during the year		1.442.427
Balance of spin-off sector	(499.960)	(499.960)
Proceeds received over the year	1.607.630	1.607.630
Recognised in the income statement	(1.534.449)	(1.377.460)
<b>Balance at 31 December 2007</b>	<b>6.666.581</b>	<b>6.212.407</b>
<b>Balance at date of merger of new companies</b>	-	-
Balance of spin-off sector	-	-
Proceeds received over the year	1.319.086	1.256.053
Recognised in the income statement	(1.425.427)	(1.217.987)
<b>Balance at 31 December 2008</b>	<b>6.560.240</b>	<b>6.250.473</b>

## 7.22 Other non-current liabilities

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

*Amounts in Euro*

	<b>GROUP</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
Non-current liabilities based on article 44 L.1892/90	4.308.017	4.676.605
Liability for purchase of PPE assets		-
<b>Total</b>	<b>4.308.017</b>	<b>4.676.605</b>

Other non-current liabilities at 31/12/2008 relating to the Group result from liabilities of the Group "SEAFARM IONIAN AE" owing to its subject to article 44 of L. 1892/90.

## 7.23 Provisions

During the current year a provision for unaudited tax years was established of an amount of € 170.000 for the Group and €150.000 for the Company

## 7.24 Trade and other payables

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Trade payables	27.936.387	30.904.104	22.282.919	28.260.460
Cheques payable	33.925.832	53.772.144	30.469.052	50.281.969
Promissory notes	1.027.517	1.004.936	537.910	1.004.936
Notes payable	978.809	10.094	-	-
<b>Total</b>	<b>63.868.544</b>	<b>85.691.278</b>	<b>53.289.881</b>	<b>79.547.365</b>

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

**7.25 Other current liabilities**

The analysis of other current liabilities is as follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Wages and salaries payable	1.685.898	1.636.538	1.339.262	1.280.591
Dividends	167.488	136.973	128464,13	97.949
Social security	1.958.732	2.015.522	1.455.143	1.438.602
Taxes - duties	887.339	3.888.478	248.631	3.152.863
Accrued expenses	2.048.282	1.838.239	1.690.833	880.249
Sundry creditors - Prepayments	4.133.844	7.053.724	5.637.819	7.093.543
<b>Total</b>	<b>10.881.583</b>	<b>16.569.474</b>	<b>10.500.152</b>	<b>13.943.798</b>

**7.26 Sale of non-biological assets-goods and other material**

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Sales of merchandise & goods	53.868.453	67.976.244	79.695.032	97.129.700
Sales of other inventories and junk	2.832.827	11.080.300	2.399.837	10.904.448
Sale of services	1.073.594	960.992	1.431.731	468.469
<b>Total sales of merchandise and other inventories</b>	<b>57.774.874</b>	<b>80.017.535</b>	<b>83.526.599</b>	<b>108.502.617</b>

**7.27 Third party fees and benefits**

The analysis of third party fees and benefits follows:

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Third party fees and expenses	13.252.170	14.126.919	12.457.317	14.972.971
Third party benefits	10.040.216	9.057.501	7.791.089	7.161.304
<b>Total third party fees and benefits</b>	<b>23.292.386</b>	<b>23.184.420</b>	<b>20.248.405</b>	<b>22.134.275</b>

**7.28 Other expenses**

Analysis of other operating expenses is as follows:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Taxes-duties (other than the non-incorporated in the operating cost taxes)	526.367	607.287	475.375	551.799
Transportation expenses	13.064.903	12.211.778	11.920.811	11.358.116
Travelling expenses	852.261	873.516	709.405	760.396
Sales promotion and advertising expenses	537.759	1.987.875	481.803	1.956.454
Exhibition and demonstration expenses	208.863	278.785	200.369	263.846
Special export expenses	178.534	143.092	175.988	134.737
Subscriptions – Memberships	148.260	136.593	128.356	125.065
Donations and subsidies	217.933	280.103	203.513	254.786
Printed matter and stationery	157.899	160.393	139.462	142.323
Consumable materials	2.871.992	3.045.853	2.444.367	2.495.661
Publication expenses	106.799	134.394	89.205	111.506
Expenses for participating interests and securities	8.825	-	225	-
Sundry expenses	740.936	1.146.380	625.990	554.260
Operating provisions	286.868	435.538	272.942	435.538
<b>Total other operating expenses</b>	<b>19.908.198</b>	<b>21.441.587</b>	<b>17.867.809</b>	<b>19.144.487</b>

## 7.29 Financial results

Analysis of finance income and expenses is as follows:

### Finance Income

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Dividends	440	33	700.232	50.033
Interest income on financial assets at amortised cost	1.447.645	843.166	1.401.688	809.199
Gain on securing interest rate risk	133.734	-	133.734	-
Gain on measurement of other financial assets	24.352	289.291	-	16.823
Gain on measurement of derivative financial instruments	-	-	-	221.546
Gain on sale / disposal of participating interests	254.119	3.207.149	333.480	3.207.149
<b>Total finance income</b>	<b>1.860.289</b>	<b>4.339.638</b>	<b>2.569.134</b>	<b>4.304.750</b>

### Finance Costs

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Interest expense from bank borrowings at amortised cost	12.922.670	11.467.245	11.223.294	9.604.404
Interest expense from defined benefit plans	120.097	103.955	96.436	91.381
Loss on measurement of other financial assets	1.094	473	1.094	138
Loss from measurement of Dividends	1.056.587	-	-	-
Loss from measurement of derivative financial instruments	304.576	-	982.607	-
<b>Total finance costs</b>	<b>14.405.023</b>	<b>11.571.673</b>	<b>12.303.430</b>	<b>9.695.923</b>

The loss incurred has resulted from the sale of the participating interests resulted from the company “VITA TRACE NUTRITION LTD” by an amount of € 242.632 and from the decrease in the percentage participation in the company “ILKNAK SU URUNLERI SAN Ve TIC A.S” by an amount of € 61.954. The gain on measurement of other financial assets results from the purchase of an additional percentage participation in “ILKNAK SU URUNLERI SAN Ve TIC A.S”.

## 7.30 Other income/(expenses)

The analysis of other income and expenses is the following:



<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Sales subsidies and other sales revenue	600.894	718.040	336.467	180.110
Income from other operations	210.728	258.620	173.026	272.195
Other income	740.744	2.513.482	971.080	1.452.207
Tax fines and surcharges	(186.663)	(167.642)	(1.982)	(8.593)
Exchange differences	(1.466.405)	53.909	(79.249)	(124.635)
Other extraordinary & non-operating expenses	(483.027)	(1.428.321)	(409.664)	(675.498)
Losses from destruction of scrap inventories	(1.503.918)	(1.138.456)	(1.470.431)	(1.138.456)
Losses from disposal of assets	(366.130)	(425.267)	(162.127)	(425.267)
Gain on disposal of assets	77.105	62.707	25.864	49.907
Gain on revaluation of investment property at fair value	8.158	-	(16.342)	-
Other expenses/Income brought forward	(664.470)	642.016	(534.399)	1.412.593
<b>TOTAL OTHER INCOME/(EXPENSES)</b>	<b>(3.032.986)</b>	<b>1.089.087</b>	<b>- (1.167.758)</b>	<b>994.563</b>

Other operating income mainly relates to income incurred from services rendered to third parties as well as from rental income.

Other income mainly comprises of deferred income from grants.

### 7.31 Income tax expense

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

<i>Amounts in Euro</i>	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Current tax	(468.959)	(1.564.213)	(286.533)	(2.270.214)
Prior years' tax audit differences	(2.321.267)	(546.055)	(2.228.889)	(546.055)
Other non-incorporated in the operating cost taxes	-	-	-	-
Deferred tax	(5.861.876)	(3.311.765)	(4.774.676)	(3.146.073)
<b>Total</b>	<b>(8.652.102)</b>	<b>(5.422.033)</b>	<b>(7.290.098)</b>	<b>(5.962.342)</b>
<b>Profit before tax</b>	<b>9.782.341</b>	<b>20.351.818</b>	<b>10.494.448</b>	<b>19.344.626</b>
Tax rate	25%	25%	25%	25%
<b>Estimated tax charge</b>	<b>(2.445.585)</b>	<b>(5.087.955)</b>	<b>(2.623.612)</b>	<b>(4.836.157)</b>
Deferred income tax asset	(5.861.876)	(3.311.765)	(4.774.676)	(3.146.073)
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	1.976.626	3.523.742	2.337.079	2.565.943
- Prior years' tax audit differences	(2.321.267)	(546.055)	(2.228.889)	(546.055)
<b>Actual Tax Charge</b>	<b>(8.652.102)</b>	<b>(5.422.033)</b>	<b>(7.290.098)</b>	<b>(5.962.342)</b>

For the year 2008 the tax charge has been calculated applying a tax rate of 25% on taxable profit.

### 7.32 Earnings per share

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

**Basic earnings per share**

<i>Amounts in Euro</i>	<b>GROUP</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>
Profit attributable to equity holders of the Company	316.161	10.355.646
Weighted average number of ordinary shares	54.492.340	46.103.238
<b>Basic earnings per share (€ per share)</b>	<b>0,0058</b>	<b>0,2246</b>

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

**Diluted earnings per share**

<i>Amounts in Euro</i>	<b>GROUP 31/12/2007</b>
Profit attributable to equity holders of the Company	10.808.305
Weighted average number of ordinary shares	48.794.364
<b>Diluted earnings per share (€ per share)</b>	<b>0,2215</b>

The diluted earnings per share during the prior year related to the convertible bond loan which was issued on 12-7-2007, for which no similar event has occurred during the current year.

**8. Contingent Assets, Contingent Liabilities and un-audited fiscal years by the tax authorities-Commitments**

Any claims or litigations to the national or arbitration courts are not expected to have a material effect on the financial position or operation of the Group.

**Information in respect of contingent assets and liabilities**

The Company and the Group have contingent liabilities and assets in respect to Banks, other guarantees and other matters arising in the ordinary course of business, as following:

Contingent liabilities of the Group for the year 2008 amounted to € 4.568.850 and for the Company to € 3.207.754. The contingent assets for the year 2008 amount to € 4.168.309 for the Group and to the amount of € 3.717.003 for the Company. No significant charges are expected to occur as a result of the contingent liabilities. No additional payments are expected to be made, following the compilation of these financial statements.

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

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

<b><u>GROUP COMPANIES OF "NIREUS AQUACULTURE AE"</u></b>	<b>UNAUDITED TAX YEARS</b>
NIREUS AQUACULTURE S.A	2008
AQUACOM LTD	---
ALPINO S.A	2007 -2008
PROTEUS EQUIPMENT S.A	2007 -2008
A-SEA	2003-2007
ILKNAK SU URUNLERI SAN Ve TIC A.S.	2008
CARBON DIS TICARET YATIRIM INSAAT VE SANAYI S.A.	2008
PREENGORDE DE DORADAS PARA MARICULTURA S.L.	1999-2008
RED ANCHOR S.A	2007 -2008
KEGO AGRI S.A	2007 -2008
NIREUS INTERNATIONAL LTD	2006-2008
MIRAMAR PROJECTS CO LTD - UK	2005-2008
MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET A.S.	2008
BLUEFIN TUNA S.A	2004- 2008
MARINE FARMS ASA	---
SEAFARM IONIAN S.A	2005 -2008
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	1999-2008
AQUA TERRAIR S.A	1999-2008

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

At 31 December 2008, the certain companies of the Group have lease sea-spaces under operating lease agreement. The future minimum lease payments payable under the lease terms are as follows:

**Sea Area**

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
No later than 1 year	43.067	40.987	15.535	4.622
Later than 1 year and no later than 5 years	336.315	407.787	174.488	270.967
Later than 5 years	498.739	189.490	133.962	125.487
	<b>878.120</b>	<b>638.264</b>	<b>323.984</b>	<b>401.076</b>

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

*Amounts in Euro*

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
	317.931	269.513	192.273	189.770



The acquisition by “NIREUS AQUACULTURE AE” of 3.144.907 registered shares of “SEAFARM IONIAN AE” for a total purchase consideration Euro 7.731.000,00 was agreed upon, in accordance with No. 18402/28.06.2006 and No. 18433/07.07.2006 preliminary agreements and the Private Agreement dated 04/07/2006. The payment of the consideration and the respective delivery of shares have been arranged to be made by instalments starting from 06/07/2006 until 30/06/2010 (expiry date). Hereon we state that until 31/12/2008 in performance of the above, 2.203.929 registered shares of “S.F.I.” have been purchased by the company against a total purchase consideration Euro 5.565.834 with a participation percentage amounting to 23,11% on the total voting rights of the company and to an equal in amount percentage on its share capital.

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

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

## **9. Assets pledged as Security**

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

(a) First class mortgages, have been registered of an amount of € 10.000.000 in favour of the Greek State, to secure the issuance of a loan an amount of € 25.000.000 from the Bank of Piraeus, under the framework of the favourable regulations for the fire victims, the balance of which amounted as at 31/12/2008 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, to secure the bond loan of an amount of € 90.000.000, the balance of which amounted as at 31/12/2008 to € 89.054.898.

(c) A mortgage of an amount of € 4.225.000 has been registered in favour of ALPHA BANK S.A which is subject to elimination given that the bond loan of an equivalent amount for which the mortgage had been registered, has been repaid as at 19/12/2008.

(d) A second class mortgage has been registered of an amount of € 6.240.000 in favour of the Commercial Bank to secure the bond loan of an amount of € 90.000.000, the balance of which as at 31/12/2008 amounted to € 89.054.898, which will be converted to a first class mortgage given that the abovementioned bond loan referred to in paragraph (c) has been paid and Alpha Bank S.A will proceed in the remission of the mortgage referred to paragraph (c).

(e) An underwriting of a mortgage of an amount of € 264.123,25 in favour of EUROBANK has been registered.

2. An underwriting of a mortgage from the National Bank of Greece of an amount of € 1.100.000 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”, the balance of which as at 31/12/2008 amounted to € 300.855,07 and has been repaid as at 22/01/2009.

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 31/12/2008 amounted to € 144.637,34.
- (b) Mortgages have been registered of an amount of € 250.000 in favour of “AGROINVEST S.A”.
- (c) An underwriting of a mortgage of an amount of € 381.511,37 to secure a loan from the Bank of Cyprus, the balance of which amounted as at 31/12/2008 to € 691.795,62.
- (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 31/12/2008 amounted to € 1.636.720,70
- (e) Mortgages have been registered of an amount of € 3.283.364,38 to secure the loan from the Agrotiki Bank of Greece, the balance of which as at 31/12/2008 amounted to € 394.793,77. It should be mentioned that the referred to balance will be paid in 15 years (since 2005) in 25 equivalent semi-annual interest and capital instalments of an amount of € 16.449,74 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the abovementioned amount.

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

- On the loan referred to in (1a) Contracts related to fish population of an amount of € 6.450.000, in addition to customer cheques of an amount of € 4.000.000 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 € 68.500.000 have been secured.
- On the loan referred to in (1e) Insurance contracts which cover products, raw materials and loss of income of a total amount of € 3.000.000 in addition to customer cheques of an amount of € 10.000.000 have been secured.

## **10. Related parties**

### **Related party transactions**

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



**Sales of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Subsidiaries	-	-	22.730.192	23.303.704
Associates	133.159	114.516	133.159	90.262
<b>Total</b>	<b>133.159</b>	<b>114.516</b>	<b>22.863.351</b>	<b>23.393.966</b>

**Other income**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Subsidiaries	-	-	23.338	55.353
Associates	-	77.610	-	44.700
<b>Total</b>	<b>0</b>	<b>77.610</b>	<b>23.338</b>	<b>100.053</b>

**Purchases of goods and services**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Subsidiaries	-	-	22.135.487	18.727.134
Associates	133.159	553	-	553
Directors and key management	180.000	208.475	180.000	208.475
<b>Total</b>	<b>313.159</b>	<b>209.028</b>	<b>22.315.487</b>	<b>18.936.162</b>

**Fees to Directors and compensation**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Directors and key management	3.213.746	4.842.679	2.195.187	4.055.011
<b>Total</b>	<b>3.213.746</b>	<b>4.842.679</b>	<b>2.195.187</b>	<b>4.055.011</b>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Directors and key management	143.626	214.351	104.927	182.403
<b>Total</b>	<b>143.626</b>	<b>214.351</b>	<b>104.927</b>	<b>182.403</b>

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

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Directors and key management	18.563	37.125	18.563	37.125
<b>Total</b>	<b>18.563</b>	<b>37.125</b>	<b>18.563</b>	<b>37.125</b>

**Receivables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Subsidiaries	-	-	31.804.860	18.605.116
Associates	67.953	-	52.341	-
<b>Total</b>	<b>67.953</b>	<b>0</b>	<b>31.857.200</b>	<b>18.605.116</b>

**Payables**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31/12/2008</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Subsidiaries	-	-	3.637.026	314.878
Associates	67.953	-	-	651
<b>Total</b>	<b>67.953</b>	<b>0</b>	<b>3.637.026</b>	<b>315.529</b>

**Transactions with major Directors****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.  
 Directors' withdrawals from year's profits approved by A.G.M.

GROUP		COMPANY	
31/12/2008	31/12/2007	31/12/2008	31/12/2007
985.828	1.054.529	985.828	1.054.529
1.761.743	1.923.771	1.116.355	1.751.827
646.175	891.187	273.004	917.131
0	1.181.667		540.000
<b>3.393.746</b>	<b>5.051.154</b>	<b>2.375.187</b>	<b>4.263.487</b>

**Receivables from Directors and key management***Amounts in Euro*

Receivables from loans advanced  
 Other receivables

GROUP		COMPANY	
31/12/2008	31/12/2007	31/12/2008	31/12/2007
-	-	-	-
-	-	-	-
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Payables to Directors and key management***Amounts in Euro*

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

GROUP		COMPANY	
31/12/2008	31/12/2007	31/12/2008	31/12/2007
	0		0
0	106.029	76.304	96.080
91.103	68.778	47.186	46.778
71.086	76.670	0	76.670
<b>162.189</b>	<b>251.476</b>	<b>123.489</b>	<b>219.528</b>

**11. Merged (by absorption) companies - Spinned-off segment**

During the current year and based on the decision taken by the Extraordinary Shareholders meeting of the Company "NIREUS AQUACULTURE SA", approval was obtained with respect to the merger of the of the company "KEGO S.A" (Decision of the Ministry of Development K2-12329/31.10.2008) which has been incorporated in the standalone financial statements with the purchase method. In addition during the current year and based on the Extraordinary Shareholder's General Meeting held on 28/08/2008, the spin-off of the agricultural, aviculture and stockbreeding segment and contribution in the 100% subsidiary company "KEGO AGRI S.A" which is located in Nea-Artaki-Evia (Approval by the Prefecture of Evia No. 3771/1.10.2008) was approved. The spin-off of the segment of agricultural, aviculture and stockbreeding includes the sale of agricultural, aviculture and stockbreeding products and the segment of hogbreeding. The operations of agricultural, aviculture and stockbreeding includes the production of equilibrists, premixture, highterm vegeterial raw material, the sale of animal food production substitutes, the sale of high quality products in the hellenic stockbreeding and the production of animal feed, in addition to the rendering of services, via special intellectual and consulting services on matters of nutrition, reproduction, veterinary and on the general management of the aviculture and hogbreeding unit.

As a result of the above merger and spin-off, the standalone financial statements of NIREUS AQUACULTURE for the year 2008 includes the Balance Sheet figures for the year 2008 of the above merged company in addition to the results for the year 2008 of the company "NIREUS AQUACULTURE SA" which includes the results of the above mentioned merged company and the results of the spinned-off segment for the period 1/1-30/09/2008.

The Balance Sheet data which was spinned-off as at 30/09/2008 amount to a total of Assets € 14.457 thds, a total of Liabilities € 5.819 thds, a total of Equity € 8.637 thds and the Profit and Loss data for the period 1/1-30/09/2008 amount to Sales € 12.219 thds, Profit before taxes €1.238 thds, and Profit after taxes € 928 thds which is analysed as follows: a) profit before taxes attributable to the shareholders of the parent company of an amount of € 261 thds b) profit after taxes attributable to the minority interests of an amount of € 667 thds which is presented in the results after taxes attributable to the shareholders of the parent company. It is worthy of being mentioned that the results after taxes attributable to minority



interests of the merged company which exclude the results of the spun-off segment from 1/1-30/09/2008 of an amount of € (92 thds) are presented in the profit after tax attributable to the shareholders of the parent company. Subsequently the abovementioned amounts have been transferred to the special reserves which was established in the year 2007 and which included the total minority interests until that date and the total amount has been eliminated with the amount of the investment which resulted from the exchange relation and the difference of an amount of € 887 thds has been transferred as goodwill in the account "Goodwill". The residual amount of € 34 thds affected the investment of the subsidiary company "KEGO AGRI S.A". The comparative figures of the standalone Financial Statements of "NIREUS AQUACULTURE S.A" for the year 2007 and for the results of the year 2007 are those of "KEGO S.A". It is worthy of being mentioned that: The Minority interests of the Profit and Loss for the year 2007 of the merged subsidiary company "KEGO S.A" (from the date of the first purchase 28/02/2007 to 31/12/2007) of an amount of € 3.832 thds is included in the net results of the year which are apportioned to the shareholders of the parent company, which in turn have been transferred to the special reserve of net equity, along with the existing minority interests that have resulted from the initial purchase. ii) The capital of NIREUS AQUACULTURE S.A after the merger has been established as follows: a) has been increased by the amount of the contributed share capital of "KEGO S.A" of an amount of € 8.670.000 following the decrease of the write-off of shares which NIREUS AQUACULTURE holds of an amount of € 2.435.595, namely is increased by an amount of € 6.234.405. b) has been increased with the capitalization of reserves of "NIREUS AQUACULTURE" for the purpose of rounding differences from the account "Share Premium" by an amount of € 362.941,66. Following the above: 1) The share capital of "NIREUS AQUACULTURE S.A" amounts to the total of € 84.923.361,62 which is divided into 63.375.643 common voting rights shares, with a new nominal value of € 1,34 each. 2) The "Share premium" account is increased by an amount of € 10.230.659 which is analysed as 11.845.370 number of shares \* 1,39 (stock exchange market price of "NIREUS AQUACULTURE" at 19/09/2008) less the contributed share capital of KEGO A.E of an amount of €6.234.405.

During the current year 2008, and based on the decision taken during the Board of Directors Meeting of "NIREUS AQUACULTURE S.A" held on 28/11/2008, the merger, via 100%, of the subsidiaries "ALPINO S.A", "A-SEA S.A" and "RED ANCHOR S.A" was approved, based on the stipulations of L. 2166/93, by the Parent Company "NIREUS AQUACULTURE S.A" with transformation financial statements dated 30/11/2008. The merger was approved based on Protocol Number K2-2218 3/3/2009 of the Ministry of Development.

The comparative figures of the individual balance sheet for the year 2007 and the results for the year 01/01 to 31/12/2007 are those of the consolidated Group. We consider that the following hereby be noted: (a) The Minority Interest of the Income Statement for the year 2007 of the merged subsidiaries "ALPINO S.A", "A-SEA S.A" (up until the date of acquisition of the minority interest's percentage) of an amount of € (37.251) have been included in the net results for the year which are distributed to the companies' shareholders and (b) the results of the year of "RED ANCHOR S.A" have been incorporated in the Parent company from the date of acquisition on 26/11/2007 to 31/12/2007 and (c) from the mentioned merger no increase in the parent company share capital has resulted.



## 12. Presentation of financial assets and liabilities per category

The financial assets as well as the financial liabilities at the date of the financial statements can also be classified as follows:

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

  

Amounts in Euro	2007								
	Loans and receivables	Investments held-to-maturity	Financial assets held for trading (recognised in the income statement)	Available-for-sale financial assets	Derivative financial instruments	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Non-financial assets	Total
Property, plant and equipment	-	-	-	-	-	-	-	66.813.786	66.813.786
Investment property	-	-	-	-	-	-	-	5.373.142	5.373.142
Goodwill	-	-	-	-	-	-	-	26.542.763	26.542.763
Intangible assets	-	-	-	-	-	-	-	14.578.101	14.578.101
Investments in Subsidiaries	-	-	-	-	-	-	-	401.920	401.920
Investments in Associates	-	-	-	-	-	-	-	37.601.397	37.601.397
Deferred income tax assets	-	-	-	-	-	-	-	75.559	75.559
Available-for-sale financial assets	-	-	-	1.929.831	-	-	-	-	1,929,831
Other non-current receivables	244.381	-	-	-	-	-	-	-	244.381
Biological assets	-	-	-	-	-	-	-	191.040.211	191,040,211
Inventories	-	-	-	-	-	-	-	13,840,329	13,840,329
Trade and other receivables	93,706,828	-	-	-	-	-	-	-	93,706,828
Other receivables	23,650,100	-	-	-	-	-	-	-	23,650,100
Other non-current assets	-	-	-	-	-	-	-	1,609,079	1,609,079
Derivative financial instruments	-	-	-	-	265,859	-	-	-	265,859
Financial assets at fair value through profit or loss	-	-	1,166	-	-	-	-	-	1,166
Current income tax assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	51,904,527	-	-	-	-	-	-	-	51,904,527
<b>Total Assets</b>	<b>169,505,836</b>	<b>-</b>	<b>1,166</b>	<b>1,929,831</b>	<b>265,859</b>	<b>-</b>	<b>-</b>	<b>357,876,287</b>	<b>529,691,878</b>
Long-term borrowing liabilities	-	-	-	-	-	-	129,357,321	-	129,357,321
Deferred income tax liabilities	-	-	-	-	-	-	-	8,190,054	8,190,054
Retirement benefit obligations	-	-	-	-	-	-	-	2,655,038	2,655,038
Grants	-	-	-	-	-	-	-	6,666,581	6,666,581
Other non-current liabilities	-	-	-	-	-	-	-	4,676,605	4,676,605
Provisions	-	-	-	-	-	-	-	-	0
Trade and other payables	-	-	-	-	-	-	-	85,691,278	85,691,278
Current income tax liabilities	-	-	-	-	-	-	-	-	0
Short-term borrowings	-	-	-	-	-	-	-	85,875,256	85,875,256
Deferred non-current liabilities	-	-	-	-	-	-	-	13,886,535	13,886,535
Other current liabilities	-	-	-	-	-	-	-	16,569,474	16,569,474
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336,056,469</b>	<b>17,511,673</b>	<b>353,568,142</b>



### **13. Subsequent Events**

A) The company “NIREUS AQUACULTURE S.A” purchased 52.662 ordinary shares of the company SEAFARM IONIAN.

B) On February 2009, the trading of the new 133.327 shares commenced resulting from the conversion 61.490 convertible bonds, issued on 12/7/2007, with conversion price 4,50574 € and conversion ratio 2,16834 shares / bond.

The abovementioned increase of the share capital was certified by the NIREUS’ Board of Directors, according to the resolutions of the General Meeting of 11/4/2007 and it was registered at the Companies’ Registry with the relevant announcement No K2 549/23.01.2009. Additionally, NIREUS’ Board of Directors approved an amendment to the Company’s Articles of the Association (article 5) to incorporate the capital increase on 13/01/2009.

Koropi, March 30, 2009

**PRESIDENT AND  
MANAGING DIRECTOR**

**VICE PRESIDENT AND  
MANAGING DIRECTOR**

**GROUP CHIEF FINANCIAL  
OFFICER**

**ACCOUNTING  
MANAGER**

**ARISTIDIS ST. BELLES**  
I.D. No: AB 347823

**HAVIARAS EMM. NIKOLAOS**  
I.D. No: AA 499020

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

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



***DATA AND INFORMATION FOR THE YEAR 2008 (1 JANUARY TO DECEMBER 31 2008)***



**NIREUS AQUACULTURE S.A.**

Commencement Registration No. 153919/01/08/18  
 Address of Registered Office: Municipality of Kiparis, ATHA, Dimotision, 1<sup>st</sup> Km Neopoli-Vrta Ave, 19400 Kiparis  
 Financial data and information from 1 January 2008 to 31 December 2008  
 In accordance with the decision 6/448/11.10.2007 from the Board of Directors of the Capital Market Committee

FINANCIAL DATA AND INFORMATION FOR THE YEAR

1 January 2008 to 31 December 2008

Published in accordance with 1.2490/20, article 135 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 operations of "NIREUS AQUACULTURE S.A." and its Group. We, therefore, recommend that the reader visit the Company's web site, where the Financial Statements are presented, as well as the Auditor's Report, prior to proceeding with any investing decision, or with any other transaction with the issuer.

Authorized Personnel: Company's web site: Date of Approval of the Annual Financial Statements by the Board of Directors:	Ministry of Development/General Secretariat of Commerce www.nireus.gr March 20, 2009	Certified Public Accountant/Auditor Firm: Type of Auditor's Report:	Hristian M. Nevelski (Diplôme de CPA Reg. No. 11641) Chartered Accountants A.E.C.I.A. (P.M. 905, 124) Unqualified Opinion - European of Matter	Board of Directors: Audited Names: Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias Nicosias Chalkias	President & CEO Vice President & CEO Deputy CEO Deputy CEO Audit/Finance Director Member Member Member Member Member
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**BALANCE SHEET (consolidated and non-consolidated) Amounts reported in Euro**

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	71.393.415	66.813.786	59.326.412	55.639.547
Investment property	4.281.300	5.373.142	4.236.300	5.352.642
Goodwill	29.584.979	26.655.662	19.049.833	18.162.830
Intangible assets	15.932.437	14.578.101	4.639.223	3.283.897
Investments in subsidiaries	362.506	401.920	27.625.707	14.679.450
Investments in associates	34.132.602	37.601.397	35.568.697	35.948.198
Deferred income tax assets	26.182	75.559	-	-
Available-for-sale financial assets	1.897.549	1.929.831	16.674	48.955
Other long-term receivables	240.690	244.382	167.141	187.163
Biological assets	135.416.344	67.458.708	116.842.903	57.368.302
	<b>293.268.004</b>	<b>221.132.488</b>	<b>267.472.890</b>	<b>190.670.984</b>
<b>Current assets</b>				
Biological assets	105.732.583	123.581.503	76.480.021	99.707.196
Inventories	15.916.403	13.840.329	11.496.014	11.818.785
Trade and other receivables	57.070.480	93.706.828	69.753.174	107.272.591
Other receivables	20.542.828	23.650.100	17.549.226	17.992.323
Other current assets	2.258.574	1.609.079	1.804.695	1.136.366
Derivative financial instruments	73	265.859	-	237.076
Financial assets at fair value through profit or loss	-	1.166	73	1.166
Cash and cash equivalents	29.639.970	51.904.527	28.700.314	50.599.832
	<b>231.160.911</b>	<b>308.559.391</b>	<b>205.783.517</b>	<b>288.765.935</b>
<b>Total Assets</b>	<b>524.428.915</b>	<b>529.691.879</b>	<b>473.256.407</b>	<b>479.436.919</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Share capital	85.035.344	78.326.015	85.035.344	78.326.015
Treasury Shares	(47.271)	-	(47.271)	0
Share premium account	36.488.862	47.797.637	36.488.862	47.797.637
Fair value reserves	9.583.777	9.672.049	9.533.760	9.524.455
Currency translation differences	(280.553)	61.751	-	-
Other reserves	8.358.029	6.078.088	7.891.169	21.945.217
Retained earnings	23.352.724	11.240.920	26.871.818	10.593.902
<b>Capital and reserves attributable to Company's equity holders (a)</b>	<b>162.490.912</b>	<b>153.176.460</b>	<b>165.773.682</b>	<b>168.187.226</b>
<b>Minority interest (b)</b>	<b>5.776.598</b>	<b>22.947.277</b>	<b>-</b>	<b>-</b>
<b>Total equity (c) = (a) + (b)</b>	<b>168.267.510</b>	<b>176.123.737</b>	<b>165.773.682</b>	<b>168.187.226</b>
<b>Non-current liabilities</b>				
Long-term borrowings	189.721.472	129.357.321	166.568.663	104.171.521
Deferred income tax liabilities	13.869.786	8.190.054	11.945.476	7.309.236
Retirement benefit obligations	2.840.019	2.655.038	2.286.913	2.283.580
Government grants	6.560.240	6.666.581	6.250.473	6.212.407
Other non-current liabilities	4.308.017	4.676.605	-	-
Provisions	170.000	-	150.000	-
<b>Total non-current liabilities</b>	<b>217.469.534</b>	<b>151.545.599</b>	<b>187.051.525</b>	<b>119.976.744</b>
<b>Current liabilities</b>				
Trade & other payables	63.868.544	85.691.278	53.289.881	79.547.365
Short-term borrowings	59.849.833	85.875.256	54.743.306	85.723.646
Derivative financial instruments	790.728	-	745.531	-
Deferred payables	3.301.183	13.886.535	1.002.330	12.058.140
Other current liabilities	10.881.583	16.569.474	10,500.152	13,943.798
<b>Total current liabilities</b>	<b>138.691.871</b>	<b>202.022.543</b>	<b>120.281.200</b>	<b>191.272.949</b>
<b>Total Liabilities (d)</b>	<b>356.161.405</b>	<b>353.568.142</b>	<b>307.332.725</b>	<b>311.249.693</b>
<b>Total Equity and Liabilities (c) + (d)</b>	<b>524.428.915</b>	<b>529.691.879</b>	<b>473.106.407</b>	<b>479.436.919</b>

**DATA FROM INCOME STATEMENT FOR THE YEAR (consolidated and non-consolidated) Amounts reported in Euro**

	GROUP		COMPANY	
	01/01-31/12/2008	01/01-31/12/2007	01/01-31/12/2008	01/01-31/12/2007
Sales (non biological assets)	57.774.874	80.017.535	83.526.599	108.500.617
Sales (biological assets) (a)	111.977.688	134.243.555	91.900.205	109.750.669
<b>Total Sales</b>	<b>169.752.562</b>	<b>214.261.090</b>	<b>175.426.804</b>	<b>218.251.286</b>
Gross profit (non biological assets) (a)	36.485.952	24.943.918	30.487.657	21.402.712
Effect on measurement of biological assets at fair value (a)	48.223.004	25.340.764	34.763.315	15.236.222
Development costs of biological assets (a)	(126.037.292)	(119.894.426)	(89.322.437)	(86.045.161)
Gross results from operations (a)	71.249.222	64.389.811	67.628.540	60.344.442
Earnings/(Loss) before taxes, financing and investing results (EBIT)	22.946.285	30.037.340	20.228.744	27.942.948
Earnings/(Loss) before taxes (EBT)	9.782.241	20.351.818	10.094.948	25.344.446
Profit/(Loss) after taxes	1.130.239	14.929.785	3.204.350	13.382.284
<b>Attributable to:</b>				
Equity holders of the Company	316.161	10.355.646	3.204.350	13.382.284
Minority interest	814.078	4.574.139	-	-
<b>Total</b>	<b>1.130.239</b>	<b>14.929.785</b>	<b>3.204.350</b>	<b>13.382.284</b>
Earnings/(Loss) after taxes per share - basic (in €)	<b>0.0058</b>	<b>0.7246</b>	<b>0.0506</b>	<b>0.2302</b>
Earnings after taxes per share - diluted in €		<b>0.2215</b>		<b>0.2281</b>
Earnings/(Loss) before taxes, financing and investing results and depreciation (EBITDA)	29.913.509	36.301.098	25.131.983	32.312.283



# NIREUS AQUACULTURE S.A.

## DATA FROM CASH FLOW STATEMENT FOR THE PERIOD (consolidated and non-consolidated) Amounts reported in Euro

Indirect Method	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>Cash flows from operating activities</b>				
Profit before taxes	9.782.341	20.351.818	10.494.448	19.344.626
Plus/less adjustments for:				
Depreciation	8.392.651	7.798.207	6.121.226	5.746.795
Provisions	170.000	-	150.000	-
Government Grants	(1.425.427)	(1.534.449)	(1.217.987)	(1.377.460)
Retirement benefit obligations	184.981	391.089	143.892	309.601
Portfolio valuation	803.553	109.262	729.573	58.882
Dividends	(440)	(33)	(700.232)	(50.033)
Interest income	(1.447.588)	(829.973)	(1.401.688)	(773.868)
Other non-cash items	980.955	(121.152)	(1.220.470)	576.758
Gain from sale of property, plant and equipment/Participations	128.451	(2.841.976)	(24.311)	(2.829.176)
Interest expense and similar charges	13.087.964	11.183.036	11.296.301	9.336.006
<b>Plus/less adjustments of working capital to net cash or related to operating activities:</b>				
Decrease/(increase) of inventories	(52.184.791)	(31.748.918)	(37.906.469)	(22.255.139)
Decrease/(increase) of receivables	39.097.817	(9.337.576)	28.414.205	(19.449.630)
Decrease/(increase) of liabilities (except Banks)	(25.350.508)	8.235.820	(22.737.839)	6.998.048
(Less):				
Interest expense and similar charges paid	(13.087.964)	(11.183.036)	(11.296.301)	(9.336.006)
Income tax paid	(5.315.869)	(4.071.516)	(4.758.306)	(3.541.409)
<b>Net cash generated from operating activities (a)</b>	<b>(26.183.874)</b>	<b>(13.599.397)</b>	<b>(23.913.958)</b>	<b>(17.242.005)</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(2.264.714)	(58.052.287)	(4.610.273)	(58.930.425)
Proceeds from sale of subsidiaries, associates, joint-ventures and other investments	784.677	8.076.123	784.677	7.600.000
Purchase of property, plant and equipment (PPE) and intangible assets	(14.814.067)	(15.577.195)	(12.189.707)	(11.607.614)
Proceeds from sale of PPE and intangible assets	708.616	1.920.467	152.282	1.887.667
Proceeds from grants	1.319.086	1.607.630	1.256.053	1.607.630
Interest received	1.447.588	829.973	1.401.688	773.868
Dividends received	440	33	700.232	50.033
Time Deposits	-	-	-	-
<b>Net cash generated from investing activities (b)</b>	<b>(12.818.374)</b>	<b>(61.195.256)</b>	<b>(12.505.048)</b>	<b>(58.618.841)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of ordinary shares/convertible bond	376.643	34.644.523	376.643	34.644.208
Expenses related to the issue of shares	(266.018)	(625.733)	(241.085)	(625.733)
Proceeds from issued/raised bank loans	23.753.376	84.468.249	20.810.240	84.810.587
Sale / purchase of treasury shares	(47.271)	-	(47.271)	-
Dividends paid	(7.079.039)	(4.310.398)	(6.379.039)	(4.209.201)
<b>Net cash generated from financing activities (c)</b>	<b>16.737.691</b>	<b>114.176.641</b>	<b>14.519.488</b>	<b>114.619.861</b>
<b>Net increase/(decrease) in cash and cash equivalents for the year (a)+(b)+(c)</b>	<b>(22.264.557)</b>	<b>39.381.988</b>	<b>(21.899.518)</b>	<b>38.759.015</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>51.904.527</b>	<b>12.522.539</b>	<b>50.599.832</b>	<b>11.840.817</b>
<b>Cash and cash equivalents at end of the year</b>	<b>29.639.970</b>	<b>51.904.527</b>	<b>28.700.314</b>	<b>50.599.832</b>

## DATA FROM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD (consolidated and non-consolidated) Amounts reported in Euro

Net equity of period	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b>Opening Balance (01/01/2008 and 01/01/2007 respectively)</b>	176.123.737	122.191.153	168.187.226	122.582.353
<b>Profit/(Loss) for the period after taxes (continued and discontinued operations)</b>	1.130.239	14.929.785	3.204.350	13.382.284
Increase / (decrease) of share capital	(4.599.446)	37.293.719	(4.599.446)	37.293.719
Dividends paid & B.D. Fees	(7.099.908)	(4.129.610)	(5.153.027)	(3.814.610)
Net income recognised directly in equity (Additional Data and Information Note: 3)	2.760.159	5.838.690	4.181.850	(1.256.520)
Purchase/ (Sale) of treasury shares	(47.271)	-	(47.271)	-
<b>Net equity for the period Closing Balance (31/12/2008 and 31/12/2007 respectively)</b>	<b>168.267.510</b>	<b>176.123.737</b>	<b>165.773.682</b>	<b>168.187.226</b>

## ADDITIONAL DATA AND INFORMATION:

- The Group companies (Anonyms Eriá (AE)) which are included in the consolidated financial statements, with the respective addresses, participation percentages, method of consolidation and reference to unaudited tax years are analysed in Note 5: Structure of NIREUS AQUACULTURE S.A group of companies and Note 8: Contingent Assets, Contingent Liabilities and unaudited fiscal years by the tax authorities' commitments of the Annual Financial Statements.
- During the current year 2008, and based on the Extraordinary Shareholders' General Meeting held on June 16 2008, approval was obtained with respect to the increase of the company's share capital through the capitalization of the share premium reserve by an amount of € 18.629.513 with an increase in the nominal value of company's share by an amount of € 0.3615256, viz from € 1,52 to € 1,8815256 with the simultaneous and equivalent reduction in the company's share capital, by an amount of € 18.629.513, netting-off losses, along with a simultaneous decrease of the share's nominal value by € 0,3615256, viz from € 1,8815256 to € 1,52. (Art. Protocol: K2-8396 /1-7-2008 Approval by the Ministry of Development).
- During the current year and based on the decision taken by the Extraordinary Shareholders meeting of the Company "NIREUS AQUACULTURE SA", approval was obtained with respect to the merger of the of the company "KEGO S.A" (Decision of the Ministry of Development K2-12239/31.10.2008) which has been incorporated in the standalone financial statements with the purchase method. In addition during the current year and based on the Extraordinary Shareholder's General Meeting held on 28/08/2008, the spin-off of the agricultural, aviculture and stockbreeding segment and contribution in the 100% subsidiary company "KEGO AGRI SOCIETE ANONIME PRODUCTION AND SALE OF AGRICULTURAL AND STOCKBREEDING PRODUCTS S.A" which is located in Nea-Artaki-Evia (Approval by the Prefecture of Evia No. 3771/1.10.2008) was approved. The spin-off of the segment of agricultural, aviculture and stockbreeding includes the sale of agricultural, aviculture and stockbreeding products and the segment of hogbreeding. The operators of agricultural, nutrition, reproduction, veterinary medicine, the sale of high quality products in the hibernic stockbreeding and the production of animal feed, in addition to the rendering of services, via special intellectual and consulting services on matters of animal husbandry.
- As a result of the above merger and spin-off, the standalone financial statements of NIREUS AQUACULTURE for the year 2008 includes the Balance Sheet figures for the year 2008 of the above merged company in addition to the results for the year 2008 of the company "NIREUS AQUACULTURE SA" which includes the results of the above mentioned merged company and the results of the spinned-off segment for the period 1/1-30/09/2008.
- The Balance Sheet data which was spinned-off as at 30/09/2008 amount to a total of Assets € 14.457 thds, a total of Liabilities € 5.819 thds, a total of Equity € 6.637 thds, and the Profit and Loss data for the period 1/1-30/09/2008 amount to Sales € 12.219 thds, Profit before taxes €1.238 thds, and Profit after taxes € 928 thds which is analysed as follows: a) profit before taxes attributable to the shareholders of the parent company of an amount of € 261 thds b) profit after taxes attributable to the minority interests of an amount of € 667 thds which is presented in the results after taxes attributable to the shareholders of the parent company. It is worthy of being mentioned that the results after taxes attributable to minority interests of the merged company which exclude the results of the spinned-off segment from 1/1-30/09/2008 of an amount of € (92 thds) are presented in the profit after tax attributable to the shareholders of the parent company. Subsequently the above mentioned amounts have been transferred to the special reserves which was established in the year 2007 and which included the total minority interests until that date and the total amount has been eliminated with the amount of the investment which resulted from the exchange relation and the difference of an amount of € 887 thds has been transferred as goodwill to the account "Goodwill". The residual amount of € 34 thds affected the investment of the subsidiary company "KEGO AGRI SOCIETE ANONIME PRODUCTION AND SALE OF AGRICULTURAL AND STOCKBREEDING PRODUCTS S.A.". The comparative figures of the standalone Financial Statements of "NIREUS AQUACULTURE S.A" for the year 2007 and for the results of the year 2007 are those of "KEGO" -agriculture and stockbreeding products- Services S.A". It is worthy of being mentioned that: The Minority interests of the Profit and Loss for the year 2007 of the merged subsidiary company "KEGO- aviculture and stockbreeding products- Services S.A" (from the date of the first purchase 28/02/2007 to 31/12/2007) of an amount of € 3.833 thds is included in the net result of the year which are apportioned to the shareholders of the parent company, which in turn have been transferred to the special reserve of net equity, along with the existing minority interests that have resulted from the initial purchase. i) The capital of NIREUS AQUACULTURE S.A after the merger has been established as follows:a) has been increased by the amount of the contributed share capital of KEGO S.A of an amount of € 8.670.000 following the decrease of the write-off of shares which NIREUS AQUACULTURE holds of an amount of € 2.435.595, namely is increased by an amount of € 6.234.405. b) has been increased with the capitalization of reserves of "NIREUS AQUACULTURE" for the purpose of rounding differences from the account "Share Premium" by an amount of € 362.941,66. Following the above: 1) The share capital of "NIREUS AQUACULTURE S.A" amount to the total of € 84.923.361,62 which is divided into 63.375.643 common voting rights shares, with a nominal value of € 1,34 each. 2) The "Share premium" account is increased by an amount of € 10.230.659 which is analysed as 11.845.370 number of shares "1,39 (stock exchange market price of "NIREUS AQUACULTURE" at 19/09/2008) less the contributed share capital of KEGO S.A of an amount of € 6.234.405.
- During the current year and based on the decision taken by the Board of Directors of NIREUS AQUACULTURE S.A held on November 13, 2008, the company's share capital increased by € 111.982,46 and 83.569 new shares were issued which resulted from the conversion of the debentures to shares, of a nominal value of € 1,34 each. Subsequent to this, the share capital of NIREUS AQUACULTURE S.A amounts as at 31/12/2008 to € 85.055.344,08 analysed in € 65.459.212 registered shares, of a nominal value of € 1,34 each.
- During the current year 2008, and based on the decision taken by the Board of Directors Meeting of "NIREUS AQUACULTURE S.A" held on 28/11/2008, the merger, via 100%, of the subsidiaries "ALPINO S.A", "A-SEA S.A" and "RED ANCHOR S.A" was approved, based on the stipulations of L 2166/93, by the Parent Company "NIREUS AQUACULTURE S.A" with transformation financial statements dated 30/11/2008. The merger was approved based on Protocol Number K2-2218 3/3/2009of the Ministry of Development.
- The comparative figures of the individual balance sheet for the year 2007 and the results for the year 01/01 to 31/12/2007 are those of the consolidated Group.
- We consider that the following hereby are noted:
  - The Minority Interest of the Income Statement for the year 2007 of the merged subsidiaries "ALPINO S.A", "A-SEA S.A" (up until the date of acquisition of the minority interest's percentage) of an amount of € (37.251) have been included in the net results for the year which are distributed to the companies' shareholders and (b) the results of the year of "RED ANCHOR S.A" have been incorporated in the Parent company from the date of acquisition on 26/11/2007 to 31/12/2007 and (c) from the mentioned merger no increase in the parent company share capital has resulted.
  - During the year 2008, the company "NIREUS INTERNATIONAL LTD" proceeded in the increase of its share capital by an amount of € 2.345.000 (Share capital € 254.023 and Share premium € 2.090.977) which was fully covered by "NIREUS AQUACULTURE S.A".
  - In addition, during the current year and based on the decision taken by the Extraordinary Shareholders meeting held on 18/02/2008 and the Board of Directors meeting held on 18/02/2008, the company acquired 22.390 treasury shares of a total value of € 47.270,70.
  - During the year 2008, the company "LIVANAKI SURULNERI SAN VE TIC A.S" increased its share capital by an amount of 2.449.860,47 YTL (1.285.000 €). The old shareholders of the company did not participate in the increase, but instead did the company "MRAMAR PROJECTS CO LTD-UK". As a result, the direct percentage of NIREUS AQUACULTURE S.A decreased from 3,096% to 1,8824%, and the indirect percentage from 45,3456% to 28,3242%. Due to, however, the fact that only "MRAMAR PROJECTS CO LTD-UK" contributed to the share increase, the indirect participation of the Group in "LIVANAKI SURULNERI SAN VE TIC A.S." increased by 39,1968%, hence the final percentage has been formed as follows: Direct 1,8824% and Indirect: 67,521% (total 69,4033%).
  - On March 12, 2008 KEGO S.A proceeded in the sale of its percentage participation (26,1%) which it held in the company Cyprus Vita Trace Nutrition Ltd, to the shareholders of VTN, for an amount of € 445.950. It should be noted, that the sale was considered necessary, due to the fact that the investment in the mentioned company did not further meet the strategic goals of KEGO S.A, in addition to that their level of corporation was recently reduced negatively.
  - During the year 2008 "NIREUS AQUACULTURE S.A" acquired an additional 815.393 registered shares of SEAFARM IONIAN S.A for the purchase price (consideration of acquisition) of € 2.264.714. The percentage participation of "NIREUS AQUACULTURE S.A" currently amounts to 23,8105% of the total voting rights of the company "SEAFARM IONIAN S.A", and an equivalent percentage of its share capital.
  - During the prior year 2007, "NIREUS AQUACULTURE S.A", following the decision taken by the Board of Directors taken on September 28, 2007, proceeded in the spin-off of the confectionery business segment and its contribution to the company "MARANT FINANCE S.A" which was entirely 100% purchased and which was subsequently sold as at 31.12.2007. As a result of the above, and for comparative purposes of the Group's financial data, we note that during the prior year 2007, "Sales Revenue" and "Earnings (Loss) before taxes" of the spinned-off segment amounted to € 8.299.810 and € 365.071 correspondingly, while for the company "MARANT FINANCE S.A" the effect was immaterial.
  - For those companies that have been consolidated in the current year 2008 no change in the method of incorporation has been made.
  - During the year 2008, procedures with respect to the liquidation of the companies "PER MARE RESEARCH S.A", "NIREUS FISHERIES & AQUACULTURE CONSULTANTS SA" and "PAYLAW O.A Brothers" were completed, whereby the effect of liquidation in favour of the current year's results amount to € 293.541,81. In addition, the liquidation of the company "Theas SA" is in its final stage of liquidation and as such the results of 2008 have been charged with the amount of € 39.414,09.
  - Net income recognised directly in equity for the Group for the current year relates to currency translation differences of an amount of € (602.206), an amount of € 24.394 from the sale of fixed assets, an amount of € (2.148.100) which relates to the direct movement of companies consolidated with the net equity method, an amount of € 11.808 from the change in the corporate tax rate, an amount of € 2.627.430 which relates to a reserve for the coverage of annuities, an amount of € 18.629.513 reduction of capital with the net-off of losses, and an amount of € (15.612.016) effect of the absorbed subsidiary company, € (184.759) additional acquired interest in subsidiaries.
  - Net income recognised directly in equity for the Company for the current year relates to the amount of € (1.246.882) dividends of the year 2007 of minority interests of the absorbed company, an amount of € (228.005) of equity transferred to the spinned-off company, an amount of € 11.808 from the change in the tax rate, an amount of € 2.627.430 reserve for the coverage of annuities, an amount of € 18.629.513 reduction of capital with the net-off of losses, and an amount of € (15.612.016) effect of the absorbed subsidiary company.
  - There are no claims or obligations to national or arbitral courts that may have a material effect on the financial position or operations of the Group.
  - The provisions are analysed as follows:





# NIREUS AQUACULTURE S.A.

	<b>GROUP</b> <b>31/12/2008</b>	<b>COMPANY</b> <b>31/12/2008</b>
Provisions related to litigation and court disputes	-	-
Provisions related to unaudited tax years	170.000	150.000
Other provisions	-	-

6. Furthermore, the regular tax audit of the subsidiary company ENALIOS S.A (which company was merged by KEGO on November 2007) of KEGO S.A, resulted in additional taxes and surcharges of a total amount of € 203.305,51, an amount which has been charged to the current year's results (which amount is presented in other expenses). The regular tax audits for the years 2005, 2006 and 2007 for the parent company and for the years 2001 and 2002 with respect to the merged company, since 2002, DITHYOFARMA, have been finalized. The books and records of the company were considered sufficient and accurate and no irregularities or omissions occurred that would affect their validity. From the above audit, additional tax expense resulted of an amount of € 1.937.618 (amount of € 1.846.065 has been presented in prior period tax audit differences taxes and an amount of € 91.553 in other expenses) which amount has been charged to the results of the current year. This additional tax has, however, already been fully settled with the Greek State through the net-off with the VAT tax receivable. The regular tax audit of the merged in 2008 subsidiary company ALPINO S.A for the years 2001 to 2006 inclusive have been finalized where additional taxes and surcharges have resulted of an amount of € 151.237,29 which amount has been charged to the results of the current year's results and which amount is presented in "Other expenses".

In addition, until the date of completion of preparation of the financial statements the tax audit for the following companies was completed:

i) KEGO AGRU for the years 2003-2006 where additional taxes of € 2.280 resulted (the amount is reflected in prior year tax audit differences).

ii) The absorbed subsidiary company for the year 2008 ALPINO S.A for the year 2001 until 2006 where additional taxes and penalties were imposed of a total amount of € 151.237,29 which amount was charged to the current year's results (the amount is presented in other expenses).

iii) PROFTEUS EQUIPMENT S.A FOR THE YEARS 2005-2006 where additional taxes and penalties were imposed of an amount of €18.368,43 which were charged to the results of the current year. In addition, for the unaudited tax years 2007-2008 of the above mentioned company an amount of € 20.000 resulted (the total amount of € 38.368,43 are reflected in prior year tax audit differences).

iv) RED ANCHOR for the year 2006 where additional taxes of an amount of € 38.368,43 resulted which are reflected in prior year tax audit differences).

v) KEGO AGRU for the years 2003-2006 where additional taxes of € 2.280 resulted (the amount is reflected in prior year tax audit differences).

vi) The absorbed subsidiary companies of the Group SEA FARM IONIAN S.A: a) NIKTO AQUACULTURE ENTERPRISES SA for the years 2003-2006 b) ALPHA ZOOTRAFES LOKRID S.A for the years 2003-2006 c) DITHO AQUACULTURE S.A for the years 2003-2005. The total amount which was charged to the results of the current year amount to € 58.608,02 (an amount of € 51.730,01 is reflected in prior year tax audit differences and an amount of € 6.878,01 in other expenses).

vii) The absorbed, by the parent, company FEEDUS S.A for the year 2004 where additional taxes were imposed of an amount of €197.561. For the unaudited year of the parent company 2008 a provision was established of an amount of € 150.000 which was charged to the results of the current year (the above differences of € 197.561 and € 150.000 are reflected in prior year tax audit differences).

7. (1) The following mortgages have been registered for the fixed assets of the parent company "NIREUS AQUACULTURE S.A":(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 amount of € 25.000.000 from the Bank of Piraeus, under the framework of the favourable regulations for the fire victims, the balance of which amounted as at 31/12/2008 to € 25.000.000,00 (b) 1st class mortgages, of an amount of € 15.000.000, have been registered in favour of the Commercial Bank, to secure the bond loan of an amount of € 90.000.000, the balance of which amounted as at 31/12/2008 to € 89.054.898 c) A mortgage of an amount of € 4.225.000 has been registered in favour of ALPHA BANK S.A which is subject to elimination given that the bond loan of an equivalent amount for which the mortgage had been registered, has been repaid as at 19/12/2008.

(2) A second class mortgage has been registered of an amount of € 6.240.000 in favour of the Commercial Bank to secure the bond loan of an amount of € 90.000.000, the balance of which as at 31/12/2008 amounted to € 89.054.898, which will be converted to a first class mortgage given that the above-mentioned bond loan referred to in paragraph (c) has been paid and Alpha Bank S.A will proceed in the remission of the mortgage referred to paragraph (c) above (e) An underwriting of a mortgage of an amount of € 264.123,25 in favour of EUROBANK has been registered (2) An underwriting of a mortgage from the National Bank of Greece of an amount of € 1.100.000 has been registered on the land of the consolidated subsidiary company "KEGO AGRU S.A" to secure the long-term loan of the parent company "NIREUS AQUACULTURE S.A", the balance of which as at 31/12/2008 amounted to € 300.855,07 and has been repaid as at 22/01/2009.

(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 31/12/2008 amounted to € 144.637,34.(b) Mortgages have been registered of an amount of € 250.000 in favour of "AGROINVEST S.A" (c) An underwriting of a mortgage of an amount of € 381.511,37 to secure a loan from the Bank of Cyprus, the balance of which amounted as at 31/12/2008 to € 691.795,62.(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 31/12/2008 amounted to € 1.636.720,70 (e) Mortgages have been registered of an amount of € 3.283.364,38 to secure the loan from the Agrotiki Bank of Greece, the balance of which as at 31/12/2008 amounted to € 394.793,77. It should be mentioned that the referred to balance will be paid in 15 years (since 2005) in 25 equivalent semi-annual interest and capital instalments of an amount of € 16.449,74 each, in accordance with the regulation of article 44 by which the company has guaranteed the payment of the above-mentioned amount.

(4) In addition the following pledges have been underwritten for certain bans:

- On the loan referred to in (1a) Contracts related to fish population of an amount of € 6.450.000, in addition to customer cheques of an amount of € 4.000.000 have been pledged in favour of the Piraeus Bank
- On the loan referred to in (1b) Contracts related to fish population and floating installations owned by "NIREUS AQUACULTURE S.A" of an amount of € 68.500.000 have been secured.
- On the loan referred to in (1c) Insurance contracts which cover products, raw materials and loss of income of a total amount of € 3.000.000 in addition to customer cheques of an amount of € 10.000.000 have been secured.

8. The number of employed personnel on December 31, 2008 amounted to 962 (absorbed company) 924 for the Company, and 1.918 for the Group (for the Company: 962, for the Subsidiaries: 345, for the Associates 582) while on December 31, 2007 this amounted to 1.109 (from absorbed companies 24) for the Company and 1.976 for the Group (for the Company: 1.109 Subsidiaries: 343 and Associates: 524 respectively).

9. The amounts of Revenue and Expenses of the company, cumulatively from the beginning of the fiscal year as well as the balance of receivables and payables of the company that have arisen from transactions with related parties at the end of the current period as these are specified based on IAS 24 are as follows:

	<b>GROUP</b>	<b>COMPANY</b>
a) Revenue	133.159	22.886.689
b) Expenses	133.159	22.135.487
c) Receivables	67.953	31.861.249
d) Liabilities	67.953	3.637.026
e) Directors fees and key management compensation	3.393.746	2.375.187
f) Receivables from directors and key management	-	-
g) Payables to directors and key management	162.189	123.489

10. The consolidating subsidiary company "SEAFARM IONIAN AE" and the absorbed by it "OCTAPUS AE" according to the ref. No. 4970/16.6.2005 and No. 8275/18.10.2005 decisions of the Athens Court of Appeal have been subject to article 44 of L. 1892/1990 and arranged their liabilities to Banks, Suppliers and Creditors, which are presented in the above financial statements of the Group in accordance with the aforesaid decisions.

11. In the current year the consideration of acquisition of Predator was finalized which resulted in an increase in the value of the investment by an amount of € 112.800 from € 2.038.438,39 to an amount of € 2.151.337, with an equivalent increase in liabilities and the established goodwill (restatement of 2007). In addition, the Cash Flow statement of the year 2007 has also been affected by an equivalent amount which is reflected in the figure (decrease)/increase in liabilities (excluding bank borrowings and the acquisition of subsidiaries, associates, joint ventures and other investments).

12. In accordance with the circular No. 34/4.01.2008, issued in the fiscal year 2008, "Earnings (Loss) before taxes, financing, investing results and depreciation", includes the depreciation of grants, which has been set-off against the corresponding depreciation of fixed assets. As a result of the above, prior year's "Earnings (Loss) before taxes, financing, investing results and depreciation", for the year 2007 has been restated by an amount of € 36.301.098 on a Group basis, and by an amount of € 32.312.283 on a Company basis, in order that the balances be consistent and comparable with those of the corresponding amounts of the current year 2008. The Earnings (Loss) before taxes, and the net profit for the year 2007 have not been affected by the above changes. In addition, based on the above-mentioned decision, "the effect on measurement of biological assets at fair value", results from the deduction of "Sales of biological assets" from the figure "Gain or Loss arising from changes in the fair value of biological assets".

13. The dividends which were approved in 2008 for the year 2007, amounted to € 0,10 per share and of a total amount of € 5.153.027

14. Significant subsequent events following December 31, 2008 are presented in the Notes, which events, however, do not alter the figures of the published financial statements.

15. Emphasis of matter: "In accordance with the Auditor's report "... Without expressing a qualification as to the conclusions of the audit, we draw your attention to the following matter: Due to that one of the Group's domestic subsidiaries, which have been consolidated with the method of full consolidation and which comprise a total percentage (prior to any eliminations) of 9,47% out of the Group's total assets, have a negative Net Equity position, the effects of articles 47 and 48 of C.L. 2150/1920 are applicable. It is therefore, required that the above-mentioned company take appropriate measures in order to revoke the conditions under which these articles come into effect.

Koropi, March 30 2009

CHAIRMAN AND CEO

VICE CHAIRMAN AND MANAGING DIRECTOR

GENERAL FINANCIAL DIRECTOR

ACCOUNTING MANAGER

ARISTIDES ST. BELLES  
ID. No. AB 347823

NIKOLAOS ENH. CHAVIARAS  
ID. No. AA 49920

DIMITRIOS I. PAPANICOLAOU  
ID. No. S 06153

JOHN G. KONSTANTOPOULOS  
ID. No. AB 264939



***REPORT FOR THE USE OF FUNDS FROM SHARE CAPITAL INCREASE***



**NIREUS AQUACULTURE S.A**

**Reg. No 16399/06/B/88/18**

**REPORT FOR USE OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE THROUGH CASH PAYMENT**

It is announced, according to the decision 58/28/12/2000 of the Athens Exchange, that from the increase of share capital that was concluded according to the decision of the First Repeated Extraordinary General Assembly of 11/4/2007 and the decision of the Hellenic Capital Market Commission of 1/430/6.6.2007, the funds raised (Euros 33.769.408,20 less expenses of an amount of Euros 458.000) of a net amount of 33.311.408,20 were used as of 31.12.2008, according to the Prospectus, as follows:

Amounts in Euro												
Used of Funds Raised	Prospectus Plan					Modified General Assembly Plan					Used Funds 9/7/2007- 31/12/2008	Unused Funds 31/12/2008
	until 31/12/2007	1st semester 2008	2nd semester 2008	1st semester 2009	TOTAL	until 31/12/2007	1st semester 2008	2nd semester 2008	1st semester 2009	TOTAL		
	A. Participation in share capital of subsidiaries											
A a) IILKNAK A.S											1.285.000	-25.000
Hatchery Unit	1.260.000	0	0	0	1.260.000	1.260.000	0	0	0	1.260.000		0
A b) MIRAMAR S.A											756.900	1.043.100
Fis-feed factory	3.000.000	3.000.000	0	0	6.000.000	0	0	0	0	0	0	0
Farming and preprowing unit	0	900.000	900.000	0	1.800.000	0	900.000	900.000	0	1.800.000	0	0
Packaging unit	200.000	500.000	500.000	0	1.200.000	0	0	0	0	0	0	0
Transportation center	0	0	780.000	0	780.000	0	0	0	0	0	0	0
	3.200.000	4.400.000	2.180.000	0	9.780.000	0	900.000	900.000	0	1.800.000	756.900	1.043.100
A c) PREDOMAR S.L											535.000	265.000
Modernization of preprowing unit	0	0	0	0	0	200.000	600.000	0	0	800.000	0	0
<b>Total (A)</b>	<b>4.460.000</b>	<b>4.400.000</b>	<b>2.180.000</b>	<b>0</b>	<b>11.040.000</b>	<b>1.460.000</b>	<b>1.500.000</b>	<b>900.000</b>	<b>0</b>	<b>3.860.000</b>	<b>2.576.900</b>	<b>1.283.100</b>
B) Investments in Greece												
B a) IT Systems	910.000	500.000	400.000	300.000	2.110.000	0	500.000	0	1.610.000	2.110.000	749.462	1.360.538
B b) Prewowing installations	4.300.000	800.000	500.000	660.000	6.260.000	1.867.000	3.663.000	0	0	5.530.000	4.793.884	736.116
B c) Packaging units and warehouses	250.000	2.500.000	2.000.000	1.600.000	6.350.000	0	250.000	250.000	3.000.000	3.500.000	787.920	2.712.080
B d) Dry unit for fish feed	1.400.000	0	0	0	1.400.000	1.400.000	0	0	0	1.400.000	1.200.267	199.733
B e) Installation for hatcheries	0	0	0	0	0	0	500.000	600.000	0	1.100.000	1.058.630	41.370
B f) Processing equipments	0	0	0	0	0	183.000	170.000	0	0	353.000	353.000	0
B g) Fish feed equipment	0	0	0	0	0	250.000	1.070.000	0	0	1.320.000	1.309.204	10.796
B h) Equipments for fish-farming units	0	0	0	0	0	0	2.587.000	0	0	2.587.000	2.587.000	0
B i) Acquisition for fish farming unit	0	0	0	0	0	2.200.000	3.200.000	0	0	5.400.000	5.139.522	260.478
<b>Total (B)</b>	<b>6.860.000</b>	<b>3.800.000</b>	<b>2.900.000</b>	<b>2.560.000</b>	<b>16.120.000</b>	<b>5.900.000</b>	<b>11.940.000</b>	<b>850.000</b>	<b>4.610.000</b>	<b>23.300.000</b>	<b>17.978.889</b>	<b>5.321.111</b>
C) Working Capital	5.000.000	1.151.408	0	0	6.151.408	5.000.000	1.151.408	0	0	6.151.408	6.151.408	0
D) Projected issue expenses	458.000	0	0	0	458.000	458.000	0	0	0	458.000	458.000	0
<b>Total amount (A+B+C+D)</b>	<b>16.778.000</b>	<b>9.351.408</b>	<b>5.080.000</b>	<b>2.560.000</b>	<b>33.769.408</b>	<b>12.818.000</b>	<b>14.591.408</b>	<b>1.750.000</b>	<b>4.610.000</b>	<b>33.769.408</b>	<b>27.165.197</b>	<b>6.604.211</b>

Additional data:



**Additional data:**

- a) Period for the exercise of shareholder rights : from 21/6/2007 to 5/7/2007
- b) New issued Shares : 10.233.154 new nominal shares issued of nominal value of 1,50 Euros each
- c) Date for the start of trade in Athens Exchange : 19/7/2007
- d) Date of approval of the cash contribution of the share capital increase : The Board of Directors approved during the meeting held on 9/7/2007 the contribution of the cash amount of the Share Capital increase.

**Notes :**

1) The BOD of Nireus S.A in its meeting held on 26/11/2007, following the decision of the Extraordinary General Assembly of Nireus's shareholders held on 7/1/2008 approved the following:  
The company taking into account the current conditions in Turkey, decided to reschedule part of its investment planning in this country for a later stage and instead to proceed with the implementation of investment plans in Greece and Spain by using funds raised by the recent rights issue of 09/07/2007. Under this context a sum of 7.980.000,00 Euros is secured.  
Furthermore it was decided that the amount allocated for the construction of warehouses and packaging centre in Greece will be 3.500.000,00 Euros instead of 6.350.000,00 Euros since one packaged centre will be acquired through the acquired company Red Anchor (see below) and the amount allocated for pre-growing installations will be 5.530.000,00 Euros instead of 6.260.000,00 Euros while the remaining will be derived from government grants. From these changes a sum of 3.580.000,00 euros is also secured.  
Hence, a total amount of 11.560.000,00 Euros which is available (7.980.000,00 euros plus 3.580.000,00 euros) is to be allocated to the following investments :

- 800.000,00 euros for expansion in the pregrowing unit (PREDOMAR) in Spain
- 5.400.000,00 euros for the acquisition of the Greece fish farming company RED ANCHOR, which possesses a fattening unit of an annual capacity of 750 tones as well as a packaging centre.
- 1.100.000,00 euros for installation in hatchery units, Greece
- 1.320.000,00 euros for equipment in the fish-feed factory in Patra, Greece
- 2.587.000,00 euros for equipment in fish farming units, Greece
- 353.000,00 euros for equipment in the processing unit, Greece

2) The participation in the increase of Share Capital of the aforementioned subsidiaries was carried indirectly through the two subsidiaries a) "NIREUS INTERNATIONAL LTD" based in Leukosia Cyprus in which NIREUS AQUACULTURE S.A.' has full participation (100%) and "MIRAMAR PROJECT Co" based in London UK in which "NIREUS INTERNATIONAL LTD" has full participation (100%). "NIREUS AQUACULTURE S.A." will participate in the Share Capital increase of "NIREUS INTERNATIONAL LTD" with 3.860.000 euros. "NIREUS INTERNATIONAL LTD" will participate in share capital increase of "PREENGORDE DORADAS PARA MARICULTURA S.L." (PREDOMAR) (Spain) with 800.000 euros and in "MIRAMAR PROJECT Co" with 3.060.000 euros. "MIRAMAR PROJECT Co" will participate in share capital increase (a) of "ILKNAK SU URUNLERI SAN VE TIC A.S.(ILKNAK A.S) with 1.260.000 euros (b) of "MIRAMAR SU URUNLERI VE BALIK YEMI URETIMI SANAYI VE TICARET S.A.(MIRAMAR S.A) with 1.800.000 euros.

3) From 9/7/2007-30/06/2008, the following amounts have been paid for the purpose of a share capital increase in the following subsidiaries:

"NIREUS INTERNATIONAL LTD"(Cyprus)	3.264.500,00	Euros
"MIRAMAR PROJECT Co" (England)	2.064.080,00	Euros (is intended for share capital increase € 1.562.180,00)
"MIRAMAR A.S" (Turkey)	756.900,00	Euros (is intended for share capital increase € 340.000,00)
"ILKNAK A.S" (Turkey) based on the decision of capital increase on 25/10/2007	1.285.000,00	Euros
"PREDOMAR S.L." (Spain)	535.000,00	Euros

4) The increased capital from 9/7/2007-30/06/2008 that comes from the aforementioned increases is disposed as follows:

"ILKNAK A.S" for installations for fish farming units	1.285.000,00	Euros
"MIRAMAR A.S" for installations for farming and pregrowing units	756.900,00	Euros
"PREDOMAR S.L" for installations for modernized pregrowing units	535.000,00	Euros

5) According to the above table, the allocation of the aforementioned funds until 31/12/2008 with regards to the modified program of General Assembly is as follows:

**Remains:**

-For fattening and pregrowing unit to MIRAMAR A.S by	1.043.100,00	Euros (should have been completed by 31/12/2008)
-For modernization of pregrowing unit to PREDOMAR S.L by	265.000,00	Euros (should have been completed by 30/06/2008)
-For acquisition of fish farming company by	736.116,00	Euros (should have been completed by 30/06/2008)
-For dry feed unit by	199.733,00	Euros (has been completed as at 31/12/2007)
-For installation for fishgrowing units by	41.370,00	Euros (has been completed as at 31/12/2008)
-Equipment for fish feed by	10.796,00	Euros (has been completed as at 30/06/2008)
-Acquisition of aquaculture company	260.478,00	Euros

**Exceeds:**

-For fish - farming units to ILKNAK A.S by	25.000,00	Euros
-For IT systems by	249.462,00	Euros
-For packaging and storage room by	287.920,00	Euros
-Working Capital ( totally covered until 31/12/2007) by	0,00	Euros

6) The unused amount of 6.604.21,00 Euros has been allocated in certificate of deposit (repos) in EUROBANK SA, NATIONAL BANK, ALPHA BANK, MILLENIUM BANK S.A. and EFG EUROBANK S.A.

Athens, 23 February 2009

**REPORT OF FACTUAL FINDINGS  
ON PERFORMANCE OF AGREED-UPON PROCEDURES  
in Connection with the  
REPORT ON APPROPRIATION OF FUNDS RAISED**

To The Board of Directors of "NIREUS AQUACULTURE AE"

According to our engagement with the Board of Directors of "NIREUS AQUACULTURE AE" (the "Company"), we have performed the following agreed-upon procedures within the regulatory framework and practice of the Athens Stock Exchange and the relevant legal framework of capital market in connection with the Report on Appropriation of Funds Raised of the Company concerning the issuance of shares with cash payments that was made on 9/7/2007. Management is responsible for the preparation and fair presentation of the above-mentioned Report. Our engagement was undertaken in accordance with the International Standard on Related Services "ISRS 4400" applicable to "Agreed-Up Procedures Engagements regarding Financial Information". Our responsibility is to perform the following agreed-upon procedures and report to you the factual findings resulting from our work.

Procedures:

- 1) We compared the amounts stated as cash disbursements in the accompanying "Report on Appropriation of Funds Raised from Issuance of Shares with Cash payments" to the respective amounts recognized in the books and records of the Company at the time period these refer to.
  - 2) We ascertained the completeness of the Report and the consistency of its content with that referred to in the Prospectus concerning project assignments and public procurements, issued by the Company to this purpose, as well as with the relative decisions and announcements of the qualified management of the Company.
  - a) The by category / year invested amounts which are presented as funds raised in the attached "Report for Use Funds Raised from the Share Capital Increase through Cash Payment", result from the company's books and records, in the period to which they refer to.
  - b) The contents of the Report include the minimum information required for this purpose according to the provisions and regulatory framework of the Athens Exchange, in addition to the relative legal framework of the Hellenic Capital Market Commission and is consistent with, the referred to, in the Prospectus and the related decision and announcements of the Company's management, after taking into consideration the Company's Notes 3, 4 and 5.
- Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance further to those referred to above. Had we performed additional procedures or had we performed an audit or review of the financial statements, other matters might have come to our attention further to those referred to in the preceding paragraph.

Our report is solely for the purpose set forth in the first paragraph of this report and for the information of the Board of Directors of the Company with respect to observing its obligations towards the regulatory framework of the Athens Stock Exchange as well as the relevant legal framework of the capital market. Therefore, this Report is not to be used for any other purpose as it relates only to the records referred to above and does not extend to any financial statements prepared by the company for the period 1/1-31/12/2008 in respect of which we have issued a separate Auditor's Report as of 30 March 2009.

Athens, 27 February 2009

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