



NIREUS AQUACULTURE SA

Interim Financial Statements

For the six-month period

from 1 January to 30 June 2006

in accordance with the International Financial Reporting Standards (IFRS)

This is to certify that the attached Interim Financial Statements are those which have been approved by the Board of Directors of NIREUS AQUACULTURE SA on 21 August 2006 and have been published by filing them with the Public Companies (S.A.) Register and by posting them on the company's web site, at the address, www.nireus.gr. It is noted that, the published in the press summary financial information aim to provide to any reader certain elements of financial information but they do not present a comprehensive view of the financial position and the results of the operations of the Company and the Group, in accordance with International Financial Reporting Standards. Attention is also drawn to the fact that, for simplification purposes, certain financial information published in the press may have been reclassified or amalgamated.

Aristides Belles

Chairman of the Board of Directors

NIREUS Aquaculture SA



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NOTE : The extension ‘AE’ is the Greek Equal for ‘SA’ (i.e. Societe Anonyme)



REVIEW REPORT

To the Shareholders of NIREUS AQUACULTURE AE

We have reviewed the accompanying interim financial statements as well as the consolidated interim financial statements of NIREUS AQUACULTURE AE, as of and for the six-month period ended 30 June 2006. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the International Standard on Review Engagements, as provided for by the Greek Auditing Standards. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented fairly, in all material respects in accordance with the International Financial Reporting Standards that have been adopted by the European Union.

Without expressing qualification as to the conclusions of the review, we draw attention to the following matters:

1. In regards to the unaudited tax years we note the following:

(1). The parent company "NIREUS AQUACULTURE AE", is audited by the tax authorities for the years 2001-2004 and its following subsidiaries: (a) "EUROCATERERS AE" for the years 2002-2005, (b) "MYLOKOPI FISH FARMING AE" for the years 2003-2005 and (c) "OCTAPUS AE" (Group S.F.I.) for the years 2002-2004, but up until the date of preparation of the present report, the aforesaid tax audits have not yet been completed.

2. The tax returns for the years 2001 to 2005 of the parent company and for years one to five for its subsidiaries, have not been examined by the tax authorities as yet and, as a consequence, the possibility exists of additional taxes and penalties being assessed at the time when the returns will be examined and will be accepted as final. The outcome of these tax inspections cannot be predicted at present and, therefore, no provision has been made in these financial statements in this respect.

(2). Because, for twelve consolidated by full consolidation subsidiaries of total percentage (prior to intercompany write-offs) 22,24% of consolidated total assets, the total value of their Equity results becomes negative, (for seven companies of the Group "SEAFARM IONIAN AE", and for four of the Group "NIREUS AQUACULTURE AE"), or lower than half (1/2) of the Share Capital (for the company "SEAFARM IONIAN AE), concur the conditions for the application of the provisions of articles 47 and 48 of c.L. 2190/1920 and it is necessary for these companies to take the appropriate reconstruction measures in order to be removed the concurring application of these articles.

Athens, 22 August 2006



STYLIANOS M. XENAKIS
Certified Public Accountant Auditor
SOEL Reg. No. 11541
SOL S.A. – Certified Public Accountants Auditors

**Income statement**

	GROUP			
	1/1 - 30/06/2006	1/4 - 30/06/2006	1/1 - 30/06/2005	1/4 - 30/06/2005
Fair value Biological assets at 31/12/2005	114.600.471	128.655.401	98.221.241	103.368.088
Opening inventories at acquisition of subsidiary with biological assets	13.153.647		-	-
Purchases during the period	144.841	73.255	12.982.436	6.243.142
Sales during the period	42.763.816	25.571.516	34.704.789	19.760.218
Fair value biological assets at 30/06/2006	129.683.156	129.683.156	108.336.784	108.336.784
Gain or Loss due to changes in fair value of biological assets at 30 June 2006	44.548.013	26.526.016	31.837.897	18.485.772
Sales	6.23 35.461.950	19.184.500	30.985.247	15.057.143
Disposals	33.751.580	19.894.675	31.118.199	16.404.459
Personnel fees & expenses	15.637.796	7.524.824	10.903.977	5.390.049
Third parties fees and utilities	6.24 7.719.099	4.550.057	6.414.660	3.726.580
Other expenses	6.26 8.585.414	4.888.604	6.122.703	3.415.176
Finance (costs)/Income	6.25 (2.484.003)	(1.483.352)	(1.782.127)	(945.875)
Earnings or loss of measurement at fair value of financial assets	-	-	-	-
Depreciation	3.509.523	1.768.171	2.717.674	1.288.416
Other income/(expenses)	6.27 82.441	(265.509)	1.040.205	119.111
Results for the period before taxes	8.404.989	5.335.324	4.804.009	2.491.470
Income tax	6.28 (403.262)	(338.268)	(2.313.065)	(1.216.201)
Deferred income tax	6.28 (2.122.811)	(1.256.398)	(209.553)	(34.598)
Prior years' tax audit differences	6.28 (673.130)	(673.130)	-	-
Other not charged to the operating cost taxes	6.28 (1.463)	-	-	-
Net profit for the period	5.204.323	3.067.528	2.281.391	1.240.672
Attributable to:				
Equity holders of the company	4.915.500	2.737.563	1.674.306	807.685
Minority interest	288.823	329.965	607.085	432.987
Total	5.204.323	3.067.528	2.281.391	1.240.672
Net Earnings per share – basic in €	6.29 0,122	0,068	0,058	0,028

	COMPANY			
	1/1 - 30/06/2006	1/4 - 30/06/2006	1/1 - 30/06/2005	1/4 - 30/06/2005
Fair value Biological assets at 31/12/2005	100.369.326	100.331.455	87.365.929	93.714.756
Opening inventories at acquisition of subsidiary with biological assets			-	-
Purchases during the period	144.840	73.256	12.055.696	5.672.696
Sales during the period	43.250.928	25.921.690	35.628.270	20.538.115
Fair value biological assets at 30/06/2006	99.804.270	99.804.270	98.243.687	98.243.687
Gain or Loss due to changes in fair value of biological assets at 30 June 2006	42.541.032	25.321.249	34.450.333	19.394.350
Sales	6.23 31.514.727	18.820.679	17.806.235	9.000.031
Disposals	37.533.953	24.350.511	28.489.263	15.890.461
Personnel fees & expenses	10.982.094	5.156.221	8.117.101	4.270.443
Third parties fees and utilities	6.24 7.574.141	4.414.833	5.092.336	3.039.055
Other expenses	6.26 7.109.772	3.997.563	4.277.206	2.236.652
Finance (costs)/Income	6.25 (1.907.008)	(941.342)	(890.394)	(505.647)
Earnings or loss of measurement at fair value of financial assets	-	-	-	-
Depreciation	2.114.895	1.052.995	1.493.912	758.803
Other income/(expenses)	6.27 202.336	27.210	829.133	517.642
Results for the period before taxes	7.036.232	4.255.673	4.725.490	2.210.963
Income tax	6.28 (235.066)	(235.066)	(1.627.457)	(758.809)
Deferred income tax	6.28 (1.449.961)	(915.666)	(44.699)	109.975
Other not charged to the operating cost taxes	6.28 (1.463)	-	-	-
Net profit for the period	5.349.742	3.104.941	3.053.333	1.562.130
Attributable to:				
Equity holders of the company	5.349.742	3.104.941	3.053.333	1.562.130
Minority interest	-	-	-	-
Total	5.349.742	3.104.941	3.053.333	1.562.130
Net Earnings per share – basic in €	6.29 0,133	0,077	0,105	0,054

**Balance Sheet**

	GROUP		COMPANY		
	30/6/2006	31/12/2005	30/6/2006	31/12/2005	
ASSETS					
Non-current assets					
Property, plant and equipment	6.1	51.938.777	49.991.367	37.733.775	37.304.506
Investment property	6.2	5.584.871	2.458.630	2.138.330	2.138.330
Goodwill	6.3	11.094.344	6.882.944	5.718.910	5.718.910
Intangible assets	6.3	9.029.633	645.337	409.373	511.475
Investments in subsidiaries	6.4	401.920	39.414	16.091.627	11.091.627
Investments in associates	6.5	1.183.685	852.084	518.959	518.959
Available-for-sale financial assets	6.7	4.588.043	2.384.016	123.229	2.384.016
Other long-term receivables	6.8	592.610	178.226	116.650	123.491
Biological assets	6.9	75.819.616	47.342.576	60.969.784	40.877.803
		160.233.499	110.774.594	123.820.638	100.669.116
Current assets					
Biological assets	6.9	53.863.540	67.257.895	38.834.486	59.491.523
Inventories	6.10	16.576.977	12.585.913	13.358.756	7.118.793
Trade and other receivables	6.11	53.929.318	52.657.176	56.286.696	56.723.250
Other receivables	6.12	18.354.498	13.845.082	17.482.823	20.388.432
Other current assets	6.13	1.553.097	1.543.114	1.176.013	1.312.246
Financial assets at fair value through profit or loss	6.14	1.085	595	1.085	595
Cash and cash equivalents	6.15	3.015.209	2.589.807	2.355.180	1.938.495
		147.293.724	150.479.582	129.493.039	146.973.333
Total assets		307.527.223	261.254.176	253.315.677	247.642.449
EQUITY & LIABILITIES					
Equity					
Share capital	6.16	50.460.643	50.460.643	50.460.643	50.460.643
Share premium account	6.16	37.152.013	37.152.013	37.152.013	37.152.013
Fair value reserves	6.16	10.427.955	11.424.075	8.691.297	8.691.297
Other reserves	6.16	11.392.199	11.391.293	8.069.038	8.069.038
Retained earnings		(2.140.577)	(2.088.957)	12.069.566	10.337.463
		107.292.233	108.339.066	116.442.557	114.710.453
Capital and reserves attributable to Equity holders of the Company		107.292.233	108.339.066	116.442.557	114.710.453
Minority interest		6.139.382	1.895.374	-	-
Total equity		113.431.615	110.234.440	116.442.557	114.710.453
Non-current liabilities					
Borrowings	6.17	88.902.768	61.071.987	53.001.139	55.411.896
Deferred income tax liabilities	6.6	5.502.099	3.601.570	5.966.571	4.516.611
Retirement benefit obligations	6.18	1.866.860	1.538.117	1.452.521	1.318.626
Government grants	6.19	5.856.961	5.806.629	4.207.252	4.654.290
Other non-current liabilities	6.20	5.561.990	460.721	-	-
Total non-current liabilities		107.690.678	72.479.024	64.627.483	65.901.422
Current liabilities					
Trade & other payables	6.21	47.984.320	45.409.458	43.326.369	43.589.359
Borrowings	6.17	17.860.280	19.037.394	14.893.487	15.888.935
Deferred payables	6.17	3.252.095	499.410	2.499.836	38.576
Other current liabilities	6.22	17.308.235	13.594.450	11.525.945	7.513.704
Total current liabilities		86.404.930	78.540.712	72.245.637	67.030.574
Total Liabilities		194.095.608	151.019.736	136.873.120	132.931.996
Total Equity and Liabilities		307.527.223	261.254.176	253.315.677	247.642.449



Statement of Changes in Equity

GROUP

Amounts reported in Euro

	Share Capital	Treasury Shares	Shared Premium Account	Fair Value Reserves	Other Reserves	Retained Earnings	Minority Interest	Total Equity
Balance at 1 January 2005, in accordance with IFRS	47.723.123	-479.554	36.223.490	10.937.319	5.581.164	-4.980.877	7.789.153	102.793.818
<i>Changes in equity for the period 01/01-30/06/2005</i>								
Minority interest transfer to retained earnings due to negative equity	-	-	-	-	-	(17.837)	17.837	-
Approved dividends and Directors' fees	-	-	-	-	-	(3.655.258)	(1.027.200)	(4.682.458)
Other changes	-	479.554	-	-	(479.554)	291.896	-	291.896
Net results for period 01/01-30/06/2005	-	-	-	-	-	1.674.306	607.085	2.281.391
Total recognised Income/Loss for the period	-	479.554	-	-	(479.554)	(1.706.892)	(402.278)	(2.109.170)
Balance of equity at 30 June 2005	47.723.123	-	36.223.490	10.937.319	5.101.610	(6.687.770)	7.386.876	100.684.648
Balance at 1 January 2006, in accordance with IFRS	50.460.643	-	37.152.013	11.424.075	11.391.293	-2.088.957	1.895.374	110.234.440
<i>Changes in equity for the period 01/01-30/06/2006</i>								
Change of percentage or acquisition of new subsidiary companies	-	-	-	(25.982)	118.774	(1.614.143)	4.324.450	2.803.099
Minority interest transfer to retained earnings due to negative equity	-	-	-	-	-	(19.139)	19.139	-
Approved dividends and Directors' fees	-	-	-	-	-	(3.729.638)	(163.196)	(3.892.834)
Other changes (disposal of assets, exchange differences)	-	-	-	(970.138)	(117.867)	395.801	(225.209)	(917.413)
Net results for the period 01/01-30/06/2006	-	-	-	-	-	4.915.500	288.823	5.204.323
Total recognised Income/Loss for the period	-	-	-	(996.120)	906	(51.620)	4.244.008	3.197.174
Balance of equity at 30 June 2006	50.460.643	-	37.152.013	10.427.955	11.392.199	(2.140.577)	6.139.382	113.431.615

**COMPANY***Amounts reported in Euro*

	Share Capital	Treasury Shares	Shared Premium Account	Fair Value Reserves	Other Reserves	Retained Earnings	Total Equity
Balance at 1 January 2005, in accordance with IFRS	46.989.187	-479.554	36.223.490	7.667.186	2.630.089	3.657.425	96.687.824
<i>Changes in equity for the period 01/01-30/06/2005</i>							
Approved dividends and Directors' fees	-	-	-	-	-	-2.207.363	-2.207.363
Other changes	-	479.554	-	-	-479.554	291.896	291.896
Net results for period 01/01-30/06/2005	-	-	-	-	-	3.053.333	3.053.333
Total recognised Income/Loss for the period	-	479.554	-	-	(479.554)	1.137.866	1.137.866
Balance of equity at 30 June 2005	46.989.187	-	36.223.490	7.667.186	2.150.535	4.795.292	97.825.690
Balance at 1 January 2006, in accordance with IFRS	50.460.643		37.152.013	8.691.297	8.069.038	10.337.463	114.710.454
<i>Changes in equity for the period 01/01-30/06/2006</i>							
Approved dividends and Directors' fees	-	-	-	-	-	(3.617.639)	(3.617.639)
Other changes (disposal of assets, exchnage differences)	-	-	-	-	-	-	-
Net results for the period 01/01-30/06/2006	-	-	-	-	-	5.349.742	5.349.742
Total recognised Income/Loss for the period	-	-	-	-	-	1.732.103	1.732.103
Balance of equity at 30 June 2006	50.460.643	-	37.152.013	8.691.297	8.069.038	12.069.566	116.442.557



Cash Flow Statement

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Cash flows from operating activities				
Profit before taxes	8.404.989	4.804.009	7.036.232	4.725.490
Plus/less adjustments for:	-	-	-	-
Depreciation for the year	3.509.523	2.717.674	2.114.895	1.493.912
Government Grants	(618.362)	(623.572)	(447.037)	(321.323)
Retirement benefit obligations	163.678	49.919	133.895	49.919
Portfolio measurement	(490)	(79.957)	(490)	-
Dividends	(33)	-	(33)	-
Interest income	(64.018)	(109.651)	(61.232)	(105.363)
Other non-cash items	(595.806)	-	65.498	-
Proceeds from sale of property, plant and equipment	346.152	(53.074)	(34.316)	(10.026)
Debit interest and similar expenses	2.888.308	2.015.461	1.968.764	890.394
Plus/less adjustments of working capital to net cashor related to operating activities:				
Decrease/(increase) in inventories	(5.427.209)	(8.771.111)	(5.674.907)	(11.936.690)
Decrease/(increase) in receivables	3.237.717	(13.205.004)	3.485.234	(7.401.533)
(Decrease)/increase in payable accounts (except Banks)	(6.894.336)	14.228.677	949.838	10.190.765
(Decrease)/increase of employee benefits	-	14.238	-	-
Less:				
Interest paid and similar expenses	(2.888.308)	(2.015.461)	(1.968.764)	(890.394)
Taxes paid	(1.417.532)	(1.140.050)	(1.054.753)	(473.948)
Net cash generated from operating activities (a)	644.273	(2.167.902)	6.512.824	(3.788.797)
Cash flows from investing activities				
Acquisition of subsidiaries, associates, joint-ventures and other investments	(2.001)	(206.000)	(5.002.001)	(206.000)
Proceeds on disposal of subsidiaries, associates, joint-venturesand other investments	2.605.956	-	2.197.289	-
Purchase of property, plant and equipment (PPE) and of intangible assets	(3.430.678)	(2.862.454)	(2.461.045)	(1.658.486)
Proceeds on disposal of PPE and intangible assets	622.362	73.668	53.298	50.394
Interest received	64.018	(101.073)	61.232	(105.362)
Dividends received	33	-	33	-
Net cash generated from investing activities (b)	(140.310)	(3.095.859)	(5.151.194)	(1.919.454)
Cash flows from financing activities				
Cash received from issue of share capital	-	100.001	-	-
Proceeds on issued/raised bank loans	-	9.645.474	-	8.765.562
Repayments of loans	(184.347)	(2.722.081)	(944.945)	(2.000.607)
Sale of treasury shares	-	291.896	-	291.896
Dividends paid	-	(239.405)	-	-
Net cash (generated) from financing activities (c)	(184.347)	7.075.885	(944.945)	7.056.851
Net increase/(decrease) in cash and cash equivalentsfor period (a) + (b) + (c)	319.616	1.812.125	416.685	1.348.600
Cash and cash equivalents at beginning of the period	2.695.593	1.040.184	1.938.495	227.878
Cash and cash equivalents at end of the period	3.015.209	2.852.309	2.355.180	1.576.478



1. Information on the Company

1.1 General Information

The company was established in 1988 in Chios with its object being the creation of production units – culture of fish, process of products, preparation of fishmeal and the trading of the products.

In 1995 the company was listed on the Athens Stock Exchange and since then began its spectacular development in the sector of aquaculture having as a result, today, to be in the Main Market of the ATHEX and having the highest position in the sector.

The main activities of the Group is the production of spawn, production of fish as well as the distribution and trading 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 in fruit preserves, related sweets and confectionary, the production and trade of fish feed and animal food, the production and trade of processed fish as well as standardized delicacies for catering purposes and the industrial production of dairy products and the processing, production and trade of related food stuffs.

The group operates in Greece and the Company's shares are traded on the Athens Stock Exchange.

The company has its registered office in Greece in the Municipality of Kardamila – Chios and has offices and production facilities in Koropi – Attica, Dimokritou Street, Portsi.

The company's web site is www.nireus.gr.

These Financial Statements have been approved for issue by the company's Board of Directors on 21.8.2006.

The company NIREUS AE from 24.1.2006 participated in the increase of the share capital of the company SEAFARM IONIAN AE, which was decided by virtue of the Extraordinary General Meeting of Shareholders of the company held on 25.8.2005 of the realisation of the 27.4.2005 agreement of article 44 of L. 1892/1990. NIREUS AE participated in the above increase in its capacity as strategic investor by paying in cash the amount of € 5.000.000 entitled 5.000.000 shares of par value one (1) Euro each one, holding percentage of voting rights 15,483% on the total voting rights of the company and equal percentage on its share capital (15,483%).

Finally, we remind you that the share capital of the company SEAFARM IONIAN AE amounts today to € 32.292.011 divided into 32.292.011 registered shares of par value one (1) Euro each, and that the trading of the shares of the company are suspended.

The Group SEAFARM IONIAN (Seafarm Ionian AE & its subsidiaries) is involved in the wider field of aquaculture and is considered as one of the largest producers of sea bass and sea bream in the world.

NIREUS AE with the undertaking of the Management of the company SEAFARM IONIAN AE & its subsidiaries as strategic investor will proceed in replanning of the Group of SEAFARM IONIAN with the aim of its reorganisation and the reinforcement of its leading position in the sector of aquaculture worldwide.

The interim financial statements include the company's interim financial statements in accordance with the IFRS for the period ended on 30 June 2006, of "NIREUS AQUACULTURE AE" (the Company) and the interim consolidated financial statements of the Company according to the IFRS for the period ended 30 June 2006 (the Group). The Group's structure and the subsidiaries are presented in Note 6.4 of the financial statements.



1.2 Nature of Activities

"NIREUS AQUACULTURE AE" (the Company) and the Group is involved in a range of activities in the aquaculture sector. More specifically:

- Production of spawn
- Production of fish
- Production of fish feed
- Processing/Manufacturing of fished fish
- Processing/Manufacturing of pre-cooked meals
- Distribution and Trading of various products both in domestic and international markets

The company produces spawn, produced from the hatching of eggs obtained from spawn – generating adult fish. The Company itself to supply its fish production – fattening units, uses most of this spawn.

Then the fish production is distributed in the domestic and international markets.

Therefore, the company is to a significant degree well established and the object of its activities is of a wide range.

The production of various kinds of fish was, and remains the Company's most primary activity. The fattening process requires the most time, from the minute spawn is produced, until the product reaches the market.

Processing is one of the most important areas of development for the Company. This sector mostly involves the processing of fresh, frozen, smoked fish and oiled fish.

The company has been awarded for its export activities.

Moreover, the company, following the absorption of its subsidiary company FEEDUS AE in the year 2005 is involved in the production and trade of fish feed as well as the production and trade of sweets and other similar confectionary products.

1.3 The Company's position in the sector of Aquaculture

The company holds the leading position in the sector of Aquaculture:

- * Largest producer of sea bass and sea bream in the world
- * Pioneer in the development of new kinds of fish (tuna, lingua, brills)
- * Pioneer in research (food, spawn, fish equipment)
- * Scattered production units for dissemination of risk
- * Worldwide distribution network



NIREUS AE and the other companies contribute to the up till now development of the group. The new conditions requisition the re-planning of the group, in order to strengthen the clarity of its object and its further rationalization. Subsidiary companies have already been merged with NIREUS AE, other mergers will be made within the year 2006, while companies and units will be removed from the group that do not have a connection to aquaculture and fish. Leading part of the re-planning was the merger of "FEEDUS AE" with NIREUS AE. After the re-planning there will be a small number of companies, the size of NIREUS AE will be significantly increased, the cost will further be rationalised and significant synergies will arise, strengthening the efficiency and value of the group.

Finally, the activities and products of the group will be the aquaculture, the fish products and the fish feed, with emphasis on well establishment of production and achievement of added value.

1.4 "NIREUS AE" Group

The activities of the companies of the **NIREUS AE GROUP** are as follows:

- The company "**THETIS AE**" (UNDER LIQUIDATION since 1/7/2005) was involved in the preparation, processing and trade of fresh and frozen products.
- The company "**PROTEUS CONSTRUCTION AE**" is involved in the production of equipment such as nets, cages etc. for fish farming units.
- The company "**NIREUS FISHERIES & AQUACULTURE CONSULTANTS AE**" (UNDER LIQUIDATION) was involved in the implementation of research projects financed by the European Union and the sale of know-how to NIREUS AE.
- The company "**FOKIDA FISH FARMING AE**" is involved in the production and trade of fish and mainly sea bream and sea bass.
- The company "**EUROCATERERS AE**" is involved in the trade of processed fish products and other delicacies.
- The company "**ALPINO AE**" is involved in the industrial production of dairy products and the processing, production and trade of foodstuffs.
- The company "**AQUACOM LTD**" is involved in general trade and holdings.
- The company "**FISH OF AFRICA LTD**" is principally involved in the provision of sea-food raw materials.
- The foreign company "**ILKNAK**", which was acquired in 2005, is involved in the aquaculture sector.
- The company "**MYLOKOPI FISH FARMING AE**", which was acquired in 2005, is involved in the aquaculture sector.
- The company "**SOS AEGEAN**" is a non-profit civil partnership whose objective is to contribute to the cultural and socio-economic development of Chios Island and the Northern Aegean area in general.



- The company "**INTERPESCA AE**" is active in the trade, import, export, representation and storage of fresh and frozen fish and other foodstuffs as well as their distribution.
- The company "**BLUEFIN TUNA AE**", which was established in June 2003, has as its main activity the production, process and trade of tuna.
- The company "**A-SEA AE**" has as main object the exploitation of sea-food restaurant chains through franchising.
- The company "**QUALITY HELLENIC FISHING**" is a quality management and certification company. As such this non-profit civil partnership has an advisory role in the fish-farming sector.
- The company "**PER MARE RESEARCH AE**" (UNDER LIQUIDATION) was involved in research and development of technologies that relate to cultivation of aquatic organisms, with a view to industrial exploitation of its research.
- The company "**HELLENIC AGRICULTURAL EXPORTS AE**" (UNDER LIQUIDATION) is involved in the advertising and promotion of Greek agricultural products, fish farming products, foodstuffs and drinks.
- The company "**AQUACULTURE INFORMATION NETWORK**" is involved in informing the aquaculture sector and is a non-profit civil partnership company.

NIRUS AQUACULTURE AE through its participation by 15,483% in SEAFARM IONIAN AE and the undertaking of the **management of the Group SEAFARM IONIAN** (participation from 24.1.2006) as **Strategic Investor** controls fully the activities of the following companies, where they are **fully consolidated** in its financial statements:

- The company "**SEAFARM IONIAN AE**" is involved in the stockfarming and trade of fish and especially sea bass and sea bream.
- The company "**SEAFARM KALAMOS AE**" is involved in the stockfarming of sea bass and sea bream.
- The company "**SEAFARM IONIAN (CENTRAL EUROPE) GMBH**" is involved in the sector of the trade of food and especially fresh fish and other fish.
- The company "**OCTAPUS AE**" is involved in the sector of stockfarming of fish, small fish and similar products as well as the processing, preparation of the above products.
- The company "**SETA AE**" is involved in the stockfarming of sea bass and sea bream.
- The company "**NIKTON AE**" is involved in the stockfarming of fish.
- The company "**NIRIS AE**" is involved in the stockfarming of fish.
- The company "**AQUA TERRAIR AE**" (consolidation with equity method) is involved in the management of ships and provision of services for the recreation of third parties.



1.5 Group Structure "NIREUS AE"

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

<u>COMPANY</u>	<u>PARTICIPATION PERCENTAGE</u>
THETIS AE (Under Liquidation)	100,00%
AQUACOM LTD	100,00%
FISH OF AFRICA LTD	100,00%
MYLOKOPI FISH FARMING AE	100,00%
ALPINO AE	98,77%
FOKIDA FISH FARMING AE	98,53%
EUROCATERERS AE	100,00%
SOS AEGEAN	59,35%
NIREUS CONSULTANTS AE (Under Liquidation)	55,00%
PROTEUS CONSTRUCTION AE	50,00%
INTERPESCA AE	96,64%
A-SEA AE	61,22%
PER MARE RESEARCH AE (Under Liquidation)	39,00%
BLUFIN TUNA AE	25,00%
QUALITY HELLENIC FISHING	2,63%
HELLENIC AGRICULTURAL EXPORTS AE	5,71%
ILKNAK	44,45%
AQUACULTURE INFORMATION NETWORK AE	14,00%
SEAFARM IONIAN AE	15,48%
SEAFARM KALAMOS AE	15,36%
ALFA ANIMAL FOOD LOKRIDAS AE	13,39%
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	15,48%
OCTAPUS AE	15,48%
SETA AE	11,33%
NIKTON AE	15,48%
NIRIS AE	15,48%
AQUA TERRAIR AE	7,59%

1.6 Operations and main activities

The Group is active in the development and production of fish (biological assets), which then sells to various customers. At 30/06/2006 the Fair value of Spawn amounted to € 17.172.600 the fish to € 112.510.555,97.



2. Basis of preparation of the financial statements

The interim financial statements of "NIREUS AQUACULTURE" AE at 30 June 2006 covering the period from 1 January to 30 June 2006, have been prepared under the historical cost convention as amended with the adjustment of certain assets and liabilities items at current value, the going concern basis and are in accordance with the International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board (IASB), as well as their interpretations, as published by the International Financial Reporting Interpretations Committee (I.F.R.I.C.) of the IASB and which have been adopted by the European Union.

The International Accounting Standards Board (IASB) has issued a series of standards that are referred to as "IFRS Stable Platform 2005". The Group adopts the IFRS Stable Platform 2005 from 1 January 2005, which includes the following standards:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Balance Sheet Date
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Consolidated and Separate Financial Statements
IAS 28	Investments in Associates
IAS 29	Financial Reporting in Hyper-inflationary Economies
IAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
IAS 31	Interests in Joint Ventures
IAS 32	Financial instruments: Disclosure and Presentation



IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture
IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The financial statements are prepared under IFRS 1 "First-time Adoption of International Financial Reporting Standards", because they are the first financial statements prepared and published on that basis.

The accounting policies mentioned below have been implemented with consistency for all the periods presented.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions in the process of applying the Company's policies. Significant management assumptions in the process of applying the company's accounting policies are mentioned where necessary.

3. Basic Accounting Policies

The accounting policies based on which are prepared the accompanying financial statements and which the Group systematically applies are the following:

3.1 New accounting standards and IFRIC interpretations

The International Accounting Standards Board (IASB) as well as the International Financial Reporting Interpretations Committee (IFRIC) has already published a series of new accounting standards and interpretations, which are not included in the "IFRS Stable Platform 2005". The IFRS and the IFRIC are mandatory for accounting periods beginning on 1 January 2006. The Group's assessment of the impact of these new standards and interpretations is set out below:



- IFRS 6, Exploration for and Evaluation of Mineral Resources

The Group does not have any exploration and evaluation assets. This standard will not affect the Group's financial statements.

- IFRIC 3, Emission Rights

Not applicable to the Group and will not affect the Group's financial statements.

- IFRIC 4, Determining whether an Asset contains a Lease/IFRS for Oil and Gas Emission rights

Not applicable to the Group and will not affect the Groups' financial statements.

- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

Not applicable to the Group and will not affect the Group's financial statements.

3.2 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 sector 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 fish meal, the production of foodstuffs & confectionery products as well as their resale and other related services. As for the geographical area, the Group is active in the Greek Territory, the Euro zone and in Other countries.

3.3 Consolidation

Subsidiaries: are all entities that are managed or controlled, directly or indirectly, by another entity (parent company), either through the holding of the majority of the shares of the investee company or through its dependence on the know-how provided by the group. That is to say that subsidiaries are entities on which the parent company exercises control. Nireus AE gains and exercises control through voting rights. The existence of potential voting rights that are exercisable during the preparation of the financial statements is considered in order to assess whether the parent company controls the subsidiaries. The subsidiaries are fully consolidated (full consolidation) with the acquisition method from the date on which control is transferred to the group and are de-consolidated from the date on which control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured, as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially



at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable assets acquired, the difference is recognised directly in the income statement.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment in associates. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

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



COMPANY	COUNTRY	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
AQUACOM LTD	BRITISH VIRGIN ISLANDS	100,00%	Full Consolidation
MYLOKOPI FISH FARMING AE	GREECE	100,00%	Full Consolidation
ALPINO AE	GREECE	98,77%	Full Consolidation
FOKIDA FISH FARMING AE	GREECE	98,53%	Full Consolidation
EUROCATERERS AE	GREECE	100,00%	Full Consolidation
PROTEUS CONSTRUCTION AE	GREECE	50,00%	Full Consolidation
INTERPESCA AE	GREECE	96,64%	Full Consolidation
A-SEA AE	GREECE	61,22%	Full Consolidation
ILKNAK	TURKEY	3,096% direct + 41,358% indirect = 44,454%	Full Consolidation
BLUFIN TUNA AE	GREECE	25,00%	Equity Method
SEAFARM IONIAN AE	GREECE	15,48% direct	Full Consolidation
SEAFARM KALAMOS AE	GREECE	15,361% indirect	Full Consolidation
ALFA ANIMAL FOOD LOKRIDAS AE	GREECE	13,385% indirect	Full Consolidation
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	GERMANY	15,483% indirect	Full Consolidation
OCTAPUS AE	GREECE	15,475% indirect	Full Consolidation
SETA AE	GREECE	11,332% indirect	Full Consolidation
NIKTON AE	GREECE	15,475% indirect	Full Consolidation
NIRIS AE	GREECE	15,475% indirect	Full Consolidation
AQUA TERRAIR AE	GREECE	7,587% indirect	Equity Method

3.4 Biological Assets and Agricultural Activity

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

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

- ✓ Capability of change, for example, living animals and plants, which are 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) of the enterprise's biological assets.

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

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

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

If an active market exists for a biological asset or agricultural produce, the quoted price in that market is the appropriate basis for determining the fair value of that asset. If an enterprise has access to different active markets, the enterprise uses the most relevant one.

If an enterprise has access to two active markets, it would use the price existing in the market expected to be used.

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

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

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

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



3.5 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The interim financial statements are presented in Euros, which is the parent Company's and all of its subsidiaries functional and presentation currency.

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

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

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

The individual financial statements of the companies participating in the consolidation, and which are initially presented in a different currency from that of the presentation currency of the Group are translated into Euro. The assets and liabilities have been translated into Euro at the exchange rate prevailing at the closing date of the balance sheet. The income and expenses have been translated into the Group's presentation currency at the average exchange rates of the referred period. Any exchange differences arising from that procedure have been debited/(credited) to the reserve for translation of subsidiaries balance sheets in foreign currency of the equity.

3.6 Property, plant and equipment

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

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

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



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

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

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

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

3.7 Investment Property

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

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

After the initial recognition the investment property is measured at fair value, that is, at the cost at which the property can be exchanged between informed and willing parties in a usual trade transaction. A professional qualified valuer determines the fair value of the investment property annually.

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

At 30/06/2006, the Group has classified in investment property, land and buildings totalling € 5.584.870,57.

3.8 Intangible assets

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

Goodwill: Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. The company at the date of acquisition recognizes goodwill arising from the acquisition, as an asset item, and disclosed it at cost.



This cost is equal to the amount by which the consolidation cost exceeds the enterprises share assets, liabilities and in the contingent liabilities of the acquired company.

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

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

Concessions and industrial property rights: The concessions and the industrial property rights concern the licences for aquacultures and are measured at fair value according to the appraisal of qualified appraisers, less amortisation. Amortisation is calculated using the straight-line method over the useful life of these assets, which has duration of the duration of the exploitation licence of the ocean. The measurement appraisal is found in progress and will be stated in the financial statements when completed by applying standard 38 in connection with standard 20. This standard in paragraph 44 states, "in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. This may occur when a government transfers or allocates to an enterprise intangible assets such as airport landing rights, licences to operate radio or television stations, import licences or quotas or rights to access other restricted resources". Under IAS 20, Accounting for Government Grants and Disclosure of government Assistance, an enterprise may choose to recognise both the intangible asset and the grant at fair value initially.

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

3.9 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The loss due to decrease of the assets value is recognised by the enterprise, when the carrying amount of these assets (or cash-generating units) is higher to their recoverable amount.



The net costs to sell are considered the amount from the disposal of an asset within the frame of a reciprocal transaction, in which the parties have full knowledge and enter willingly, after the deduction of any additional direct disposal costs of the asset, while the value in use is the present value of the estimated future cash flows, expected to flow to the enterprise from the use of an asset and from its distribution at the end of its estimated useful life.

3.10 Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The financial instruments of the Group are classified in the following categories based on the essence of the contract and the purpose for which they were acquired.

i) Financial assets at fair value through profit or loss

They refer to financial assets that satisfy any of the following presumptions:

- ✓ Financial assets held for trade purposes (including derivatives, except those that are defined and effectively hedged, those acquired or created for the purpose of disposal or reacquisition and those that comprise part of the portfolio from recognised financial instruments).
- ✓ During the initial recognition is defined by the enterprise as an item that is measured at fair value, with recognition of changes in the income statement.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In this category (Loans and receivables) are not included:

- ✓ receivables from advances for purchase of goods or services,
- ✓ receivables that have to do with tax transactions, that have been imposed legislatively by the State,
- ✓ whatever is not covered by a contract so that it gives the right to the enterprise for receiving cash or other financial assets.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. The latter are included in the non-current assets.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group did not hold any investment in this category.



iv) 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.

Then, the available-for-sale financial assets are measured at fair value and gains or losses are recognised in a reserve under equity until the assets are sold or characterized as impaired.

On sale or when characterized as impaired, gains or losses are transferred to the income statement. Impairment losses that have been recognised in the income statement are not reversed through the income statement.

Purchases and sales of investments are recognised on trade-date the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest rate method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, and discounted cash flow analysis refined to reflect the issuer's specific circumstances.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If such evidence exists, the cumulative loss -measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss- is removed from equity and recognised in the income statement.

3.11 Inventories

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 of inventories does not include finance expenses.

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



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

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected 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.

3.12 Trade receivables

Trade receivables are recognised initially at fair value and subsequently, measured at amortised cost using the effective interest method, less provision for impairment. In case the amortised value or cost of a financial asset exceeds the current value, then this asset is valued at its recoverable amount, e.g. at the current value of its future cash flows, which is calculated based on the real initial interest rate. The loss is directly transferred to the income statement. The amount of the impairment loss, e.g. when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables, is recognised in the income statement.

3.13 Cash and cash equivalents

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



3.14 Non-current assets classified as held-for sale

The assets held for sale comprise the other assets (including goodwill) and the property, plant and equipment that the Group intends to sell within the year starting from the date on which they were classified as "held for sale".

The assets, which are classified as «held for sale», are valued at the lowest price between their carrying amounts right before their classification as held for sale and their fair value less the cost of sale. The assets classified as "held for sale" are not subject to depreciation. The gains or losses occurring from the sale and revaluation of the "held for sale" assets is included in the "Other income" and "Other expenses" items respectively, in the income statement.

The Group has not classified non-current assets as held for sale.

3.15 Share capital

Expenses realised for the issue of shares are shown in equity as a deduction, net of tax, from the proceeds. Expenses related to the issue of shares for acquisition of enterprises are included in cost of the enterprise that is acquired. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Every gain or loss from sale of treasury shares net from direct for the transaction of other expenses & taxes is shown as a reserve in equity.

3.16 Borrowings

Borrowings are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.17 Income tax & deferred tax

The taxes charged to the period consist of current and deferred taxes, i.e. taxes and tax relieves related to the financial benefits incurring within the period but have been charged or are going to be charged from the tax authorities to different periods. The income tax is recognised in the income statement of the period, except when the tax concerns transactions directly classified in equity, in which case it is directly charged in equity.



Current income taxes include short-term liabilities or receivables attributable to the tax authorities related to payable taxes on the period's taxable income and any additional prior period's taxes.

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

Deferred taxes are calculated with the liability method in all temporary tax differences as of preparation date of the balance sheet occurring between the tax base and the book value of the assets and liabilities. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than business combination, that at the same time of the transaction affects neither accounting nor taxable profit or loss.

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

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

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

Most of the changes in the deferred assets or liabilities are recognised as part of the tax expenses in the period's income statement. Only these changes in the assets or liabilities affecting temporary tax differences are directly recorded in equity, such as the revaluation of the value of property, and cause the slight change in the deferred tax receivables or liabilities to be debited against the equity account.

3.18 Employee benefits

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

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



✓ **Defined contribution plan**

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

The contribution paid by the company in a defined contribution plan is recognized either as a liability after deducting the contribution paid or as an expense.

✓ **Defined benefit plan**

The liability recorded in the balance sheet for the defined benefit plan is the current value of the liability for the defined benefit less the fair value of the assets of the plan (if any) and the changes occurring from any other actuarial profit or loss and the cost of work experience. The commitment of the defined benefit is calculated on a yearly basis from an independent actuary with the projected unit credit method. For prepayment thereof, the exchange rate of the long-term Greek Government bonds is used.

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

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

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

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



3.19 Government grants

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

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

3.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are re-examined on the date of preparation of each balance sheet and are adjusted so as to disclose the present value of the expense expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements, but are disclosed, unless the possibility of outflow of resources incorporating financial benefits is low. Contingencies are not recognised in the financial statements but disclosed as long as the inflow of economic benefits is probable.

3.21 Revenue and Expense Recognition

Revenue: Revenue comprises the fair value of the produced Fish and Other Biological assets, sale of goods and services net of value added tax, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

- **Fair value of produced Fish:** It is recognised at sale (of the fish) 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 recognised 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 due to changes in Fair Value of Biological Assets:** A gain or loss is recognised during the year/period and arise from changes so much as in price as also in the quantity of the Biological assets.
- **Sales of services:** Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the basis of the actual service provided as a proportion of the total services to be provided.



- **Royalty income:** The fair value of the rendered rights is recognised as deferred income and is depreciated in the income statement depending on the time of execution of the agreements for which have been pledged as an exchange.
- **Interest income:** Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.
- **Dividend income:** Dividend income is recognised when the right to receive payment is established.

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

3.22 Leases

The Group is the lessee: Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

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

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

3.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.



3.24 Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. The Group discloses according to the IFRS 5 "Non-current assets held for Sale and Discontinued Operations" all the necessary information defined by the standard.

3.25 Related-party transactions

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

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The finance department in cooperation with the other directly involved departments of the Group carries out the risk management.

4.2 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 realised in Euro.

To manage their foreign exchange risk, the finance department makes respective provisions wherever deemed necessary.



Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale or at fair value through profit or loss. The values of these assets are not considerable so that any large changes to create risks for the Company. There is no significant risk from changes in issue prices of the biological assets, which have a fixed and anticipated within the year small variation. The Group estimates the price risk changes of the biological assets regularly and examines the need to take actions to face the financial risk.

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

4.3 Credit risk

The Group has no significant concentrations of credit risk. The wholesale of fresh fish are made to customers with an appropriate credit history. Moreover, the sale of spawn is realised in total with the term of retention of ownership of the product up until its payment. Therefore, because the time needed up until the cycle of production of fresh fish is completed is greater than the credit time of sale, the receivable is fully secured.

4.4 Liquidity risk

The liquidity risk is maintained at low levels. The Company has planned investments in fixed equipment (property), which do not offer to the production operation of the enterprise and operate as placement of low yield. Moreover, it has placed as an object the liquidation of its portfolio from participations, which did not return any yield.

4.5 Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group does not have assets with interest. Group policy, estimating the present economic junctures and in general the fluctuation of the interest rates of the Euro, is to maintain its total borrowings at products with floating interest rates EURIBOR and SPREAD.

At the end of the accounting period, the total borrowings were loans with floating interest rates.

The risk of change of the interest rates mainly arises from the long-term borrowings, which have duration until the year 2007. The Company's estimation is that there can be no problem from fluctuation of interest rates for this period and therefore has not proceeded in production agreements to be secured from this risk.



5. Segment information

Primary reporting format - Business segments

The Group is active in five business sectors:

Aquaculture, fish meal, foodstuffs & Confectioneries, Pet and Services - Other.

FIRST SIX-MONTH PERIOD OF 2006

SEGMENT ACTIVITY

	<i>AQUACULTURE</i>	<i>FISHMEAL</i>	<i>FOODSTUFFS & CONFECTIONARIES</i>	<i>OTHER</i>	<i>PET</i>	<i>TOTAL</i>
Total gross segment sales	70.349.783	13.634.526	12.040.863	2.656.689	140.606	98.822.467
Inter-segment sales	12.431.314	4.558.812	3.606.575			20.596.702
Net Sales	57.918.469	9.075.714	8.434.287	2.656.689	140.606	78.225.766
Operating profit	9.487.435	1.411.533	(730.192)	884.852	(164.637)	10.888.991
Finance costs/income	(1.861.435)	(309.179)	(312.713)	(675)		(2.484.003)
Profit before income tax	7.626.000	1.102.354	(1.042.905)	884.177	(164.637)	8.404.989
Income tax expense						(403.262)
Deferred tax						(2.122.811)
Prior years' tax audit differences						(673.130)
Other not charged to the operating cost charges						(1.463)
Net Profit						5.204.323

FIRST SIX-MONTH PERIOD OF 2005

SEGMENT ACTIVITY

	<i>AQUACULTURE</i>	<i>FISHMEAL</i>	<i>FOODSTUFFS & CONFECTIONARIES</i>	<i>OTHER</i>	<i>PET</i>	<i>TOTAL</i>
Total gross segment sales	53.944.119	19.725.402	8.390.600	1.139.597	105.864	83.305.581
Inter-segment sales	4.554.189	11.099.976	1.400.180	561.200		17.615.545
Net Sales	49.389.930	8.625.426	6.990.420	578.396	105.864	65.690.036
Operating profit	5.803.589	2.692.723	(1.988.053)	217.988	(45.349)	6.680.899
Finance costs/income	(914.028)	(615.201)	(361.700)	17.758	(3.719)	(1.876.890)
Profit before income tax	4.889.561	2.077.522	(2.349.752)	235.747	(49.068)	4.804.009
Income tax expense						(2.313.065)
Deferred tax						(209.553)
Prior years' tax audit differences						
Other not charged to the operating cost taxes						
Net Profit						2.281.391



Secondary reporting format - Geographical segments

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

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Greece	30.648.781	27.106.347	30.971.407	15.227.765
Euro zone	40.659.898	34.976.881	38.568.288	34.856.500
Other countries	6.917.086	3.606.808	5.225.959	3.350.241
	78.225.766	65.690.036	74.765.655	53.434.506

6. Notes to the Financial Statements

6.1 Property, plant and equipment

The land and buildings were measured at the date of transition to the IFRS (01/01/2004) at deemed cost, according to the provisions of the IFRS 1. As deemed cost, is considered the fair value of the fixed equipment at the date of the transition to the IFRS, which was determined after appraisal by independent qualified valuers. The company will re-estimate at regular time periods its above category of property, plant and equipment. In concern of the other property, plant and equipment the measurement at the date of transition was made at cost less the accumulated depreciation. A determination of their useful lives and their residual values was made and according to this will be performed depreciation.

The property, plant and equipment is analysed as follows:



GROUP

	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Work in progress	Total
Cost							
Balance at 1 January 2005	6.672.867	17.297.625	34.415.687	4.504.008	4.686.515	887.389	68.464.091
Additions	380.085	691.487	3.453.355	606.888	353.834	4.933.838	10.419.487
Disposals/write-offs	-	34.117	(904.591)	(414.376)	(694.714)	(2.849.887)	(4.829.452)
Transfers	765.511	4.150.738	7.510.653	236.050	529.788	776.095	13.968.835
Balance at 31 December 2005	7.818.463	22.173.967	44.475.104	4.932.569	4.875.423	3.747.435	88.022.961
Accumulated depreciation							
Balance at 1 January 2005	-	(1.411.111)	(21.982.541)	(3.363.829)	(3.400.700)	-	(30.158.181)
Depreciation charge	-	(1.151.077)	(3.332.511)	(348.475)	(438.853)	-	(5.270.917)
Disposals/write-offs/transfers	-	437.115	530.395	284.179	549.807	-	1.801.496
Transfers	-	-	(3.650.601)	(172.397)	(422.797)	-	(4.245.796)
Impairment	-	-	(136.408)	(13.062)	(8.726)	-	(158.196)
Balance at 31 December 2005	-	(2.125.073)	(28.571.667)	(3.613.585)	(3.721.269)	-	(38.031.594)
Net book amount at 31 December 2005	7.818.463	20.048.894	15.903.437	1.318.985	1.154.153	3.747.435	49.991.367
Cost							
Balance at 1 January 2006	7.818.463	22.173.967	44.475.104	4.932.569	4.875.423	3.747.435	88.022.961
Additions	43.751	139.038	1.639.374	289.259	122.448	1.149.543	3.383.412
Disposals/write-offs/transfers	(579.401)	(3.826.265)	(406.641)	(141.866)	(21.982)	-	(4.976.154)
Transfers	66.030	6.480.181	12.355.563	2.487.817	1.170.643	34.294	22.594.528
Re-estimation	182.511	(1.065.466)	-	-	-	-	(882.956)
Balance at 30 June 2006	7.531.353	23.901.455	58.063.399	7.567.780	6.146.532	4.931.272	108.141.790
Accumulated depreciation							
Balance at 1 January 2006	-	(2.125.073)	(28.571.667)	(3.613.585)	(3.721.269)	-	(38.031.594)
Depreciation charge	-	(513.870)	(2.276.495)	(275.085)	(252.707)	-	(3.318.157)
Disposals/write-offs/transfers	-	441.085	299.258	107.221	25.889	-	873.453
Transfers	-	(4.247.701)	(8.800.964)	(1.874.693)	(960.830)	-	(15.884.188)
Re-estimations	-	137.968	-	-	-	-	137.968
Balance at 30 June 2006	-	(6.307.591)	(39.349.868)	(5.636.636)	(4.908.918)	-	(56.203.012)
Net book amount at 30 June 2006	7.531.353	17.593.864	18.713.531	1.931.144	1.237.615	4.931.272	51.938.777

COMPANY

	Land	Buildings	Machinery & Equipment	Vehicles	Furniture and other equipment	Work in progress	Total
Cost							
Balance at 1 January 2005	5.865.179	10.260.373	21.819.701	3.392.714	3.412.694	343.115	45.093.776
Additions	380.085	671.710	3.154.563	512.912	329.942	4.669.196	9.718.407
Disposals/write-offs	-	34.117	(226.477)	(161.732)	(444.592)	(2.838.048)	(3.636.732)
Transfers	765.511	4.150.738	7.510.653	236.050	529.788	776.095	13.968.835
Balance at 31 December 2005	7.010.775	15.116.938	32.258.440	3.979.944	3.827.832	2.950.358	65.144.286
Accumulated depreciation							
Balance at 1 January 2005	-	(299.092)	(14.986.621)	(2.642.290)	(2.460.004)	-	(20.388.007)
Depreciation charge	-	(993.926)	(2.624.203)	(309.826)	(387.871)	-	(4.315.827)
Disposals/write-offs	-	437.115	217.520	111.042	344.172	-	1.109.849
Transfers	-	-	(3.650.601)	(172.397)	(422.797)	-	(4.245.796)
Balance at 31 December 2005	-	(855.903)	(21.043.905)	(3.013.471)	(2.926.501)	-	(27.839.780)
Net book amount at 31 December 2005	7.010.775	14.261.035	11.214.535	966.473	901.331	2.950.358	37.304.506
Cost							
Balance at 1 January 2006	7.010.775	15.116.938	32.258.440	3.979.944	3.827.832	2.950.358	65.144.286
Additions	-	13.360	1.112.193	161.993	102.332	1.056.214	2.446.092
Disposals/write-offs/transfers	-	-	(45.643)	(34.014)	(1.161)	-	(80.818)
Balance at 30 June 2006	7.010.775	15.130.297	33.324.990	4.107.923	3.929.003	4.006.572	67.509.561
Accumulated depreciation							
Balance at 1 January 2006	-	(855.903)	(21.043.905)	(3.013.471)	(2.926.501)	-	(27.839.780)
Depreciation charge	-	(251.264)	(1.399.495)	(158.285)	(188.796)	-	(1.997.840)
Disposals/write-offs/transfers	-	-	42.779	19.035	21	-	61.835
Balance at 30 June 2006	-	(1.107.167)	(22.400.620)	(3.152.722)	(3.115.276)	-	(29.775.785)
Net book amount at 30 June 2006	7.010.775	14.023.131	10.924.370	955.201	813.727	4.006.572	37.733.775



On the non-current assets of the parent company "NIREUS AE" have been registered real mortgages for an amount of € 15.000.00,00 for securing a debenture loan in favour of Eurobank the outstanding balance of which at 30 June 2006 amounted to € 50.000.000,00 and a pre-notice of real mortgage of € 1.220.000,00 for securing a long-term loan by the National Bank of Greece, the outstanding balance of which at 30 June 2006 amounted to 1.020.000,00. On PPE of a consolidated subsidiary unlisted on the ATHEX has been registered a pre-notice of real mortgage of € 4.225.000,00 for securing a debenture loan in favour of ALPHA Bank, the outstanding balance of which at 30 June 2006 amounted to € 4.225.000,00.

On the land of the consolidated subsidiary company "SEAFARM IONIAN AE" is registered a mortgage of € 200.000,00 in favour of the Attica Bank as well as a mortgage of € 100.000,00 and pre-notice of mortgage of € 80.000,00 in favour of a third party. Moreover, on the non-current assets of the consolidated subsidiaries: (a) "OCTAPUS AE" there are registered pre-notices of mortgage of € 296.404,99 to secure loans of the National Bank of Greece and amount of € 381.511,37 to secure a loan of the Bank of Cyprus and (b) "ALFA ANIMAL FOOD LOKRIDAS AE" there are registered pre-notices of mortgage of € 352.164,35.

6.2 Investment property

The land and buildings that concern investments under IAS 40 were measured at the date of transition to the IFRS (01/01/2004) at deemed cost, according to the provisions of the IFRS 1. As deemed cost, is considered the fair value of the fixed equipment at the date of transition to the IFRS, which was determined after an appraisal by independent qualified valuers. The company at regular time periods will re-estimate its above category of property, plant and equipment.

The investment property is analysed as follows:

	GROUP			COMPANY		
	Land	Buildings	Total	Land	Buildings	Total
Carrying value at 1 January 2005	3.377.330	261.300	3.638.630	3.277.030	261.300	3.538.330
Gross carrying value	3.377.330	261.300	3.638.630	3.277.030	261.300	3.538.330
Transfers	60.000	160.000	220.000	-	-	-
Revaluation	(1.150.000)	(250.000)	(1.400.000)	(1.150.000)	(250.000)	(1.400.000)
Carrying Value at 31 December 2005	2.287.330	171.300	2.458.630	2.127.030	11.300	2.138.330
Gross carrying value	2.287.330	171.300	2.458.630	2.127.030	11.300	2.138.330
Transfers	599.901	2.606.339	3.206.241	-	-	-
Disposals	(80.000)	-	(80.000)	-	-	-
Carrying Value at 30 June 2006	2.807.231	2.777.639	5.584.871	2.127.030	11.300	2.138.330



6.3 Goodwill & Intangible assets

Goodwill and Intangible assets are analysed as follows:

	GROUP				COMPANY			
	Software	Goodwill	Rights	Total	Software	Goodwill	Rights	Total
Carrying Value at 1 January 2005	977.298	2.541.116	-	3.518.414	749.153	2.009.935	-	2.759.088
Additions from acquisition of subsidiary companies	-	3.708.975	-	3.708.975	-	3.708.975	-	3.708.975
Additions	3.827	632.852	-	636.680	-	-	-	-
Disposals-Impairments	(124.599)	-	-	(124.599)	(69.774)	-	-	(69.774)
Amortisation	(211.189)	-	-	(211.189)	(211.189)	-	-	(211.189)
Transfers	-	-	-	-	43.284	-	-	43.284
Carrying Value at 31 December 2005	645.338	6.882.944	-	7.528.281	511.475	5.718.910	-	6.230.385
Additions from acquisition of subsidiary companies	28.378	-	-	28.378	-	-	-	-
Additions	14.952	4.211.399	8.500.000	12.726.352	14.952	-	-	14.952
Amortisation	(162.845)	-	-	(162.845)	(117.055)	-	-	(117.055)
Net Exchange Differences	3.809	-	-	3.809	-	-	-	-
Carrying Value at 30 June 2006	529.633	11.094.344	8.500.000	20.123.976	409.373	5.718.910	-	6.128.283

The Group's and the Company's Goodwill has arisen as follows:

a) From acquisition in the year 2004 of subsidiary "OINOUSSES FISH FARMING AE"	€	2.009.935
b) From acquisition in the year 2005 of subsidiary company "FEEDUS AE"	€	3.708.975
c) From acquisition in prior years of a subsidiary company of the consolidated company "FOKIDA FISH FARMING AE"	€	531.181
d) From consolidation of the acquired in the year 2005 foreign company "ILKNAK SU URUNLERI SAV VE TIC A.S."	€	413.987
e) From consolidation of the acquired in the year 2005 company "MYLOKOPI FISH FARMING AE"	€	218.866
f) From the consolidation of the acquisitioned in the year 2006 "SEAFARM IONIAN AE"	€	<u>4.211.399</u>
	€	<u>11.094.334</u>

The account "Aquaculture licences" on Group level concerns the fair value of the aquaculture licenses of the companies of the Group "SEAFARM IONIAN AE", which arose following a study by an independent appraisal firm (in the frame of the participation of "NIREUS AQUACULTURE AE" in the increase of the Share Capital of "SEAFARM IONIAN AE") and was determined to the amount of € 8.500.000,00.

The said fair value is not depreciated, but will be examined for impairment of its value, if there are events that provide indications for loss, according to IAS 36.



6.4 Investments in subsidiaries

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

	GROUP		COMPANY	
	<u>30/6/2006</u>	<u>31/12/2005</u>	<u>30/6/2006</u>	<u>31/12/2005</u>
Beginning of the period	39.414	-	11.091.627	17.031.749
Additions/Impairments due to acquisitions	362.506	39.414	5.000.000	(5.940.122)
Total	<u>401.920</u>	<u>39.414</u>	<u>16.091.627</u>	<u>11.091.627</u>

The amount of € 401.920 that is disclosed in the interim financial statements at 30/06/2006 concerns by € 39.414 the impaired cost of subsidiary company "THETIS AE", which was not consolidated in the current period 2006, since it was put under liquidation and by amount € 362.506 the impaired cost of the subsidiary company of the Group SEAFARM IONIAN AE. "DIATROFIKI AE", which was not consolidated in the present period 2006 for the same reason.

We deem expedient to state that:

(a) In the individual financial statements is included participation (acquired in the period 1/1 – 30/6/2006) of € 5.000.000,000 (percentage 15,48%) of "NIREUS AE" in the increase of the Share Capital of the company "SEAFARM IONIAN AE", in capacity as strategic investor fully undertaking the Management of the Company (realisation from 27.4.2005 agreement of article 44 of L. 1892/1990).

The participation percentage of the company in investments, which are unlisted on the ATHEX, (besides "SEAFARM IONIAN AE", which is listed on the ATHEX, but is suspended from trading since 06/08/2003) have as follows:

<u>Company</u>	<u>Cost</u>	<u>Impairment</u>	<u>Balance</u>	<u>Country of</u>	<u>Participation</u>
			<u>Sheet Value</u>	<u>Incorporation</u>	<u>percentage</u>
THETIS AE	1.690.060	(1.650.646)	39.414	GREECE	100,00%
PROTEUS EQUIPMENT AE	29.347	-	29.347	GREECE	50,00%
EUROCATERERS AE	2.587.708	(405.478)	2.182.230	GREECE	100,00%
FOKIDA FISH FARMING AE	7.420.151	(3.193.151)	4.227.000	GREECE	98,53%
ALPINO AE	17.307.472	(15.548.567)	1.758.905	GREECE	98,77%
MYLOKOPI FISH FARMING AE	625.000	-	625.000	GREECE	100,00%
AQUACOM LTD	1.141.394	-	1.141.394	VIRGIN ISLANDS	100,00%
INTERPESCA	1.245.434	(395.384)	850.050	GREECE	96,64%
A-SEA	575.445	(337.159)	238.287	GREECE	61,22%
SEA FARM IONIAN	5.000.000	-	5.000.000	GREECE	15,48%
	<u>37.622.011</u>	<u>(21.530.384)</u>	<u>16.091.627</u>		



6.5 Investments in associates

In the individual financial statements of the Company the investments in associates have been valued at impaired cost.

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Beginning of the period	852.084	151.770	518.959	483.554
Additions due to Equity increase	-	200.000	-	256.000
Additions/impairments due to percentage change	-	-	-	(220.595)
Impairment/Recoverable	331.600	500.314	-	-
Total	<u>1.183.685</u>	<u>852.084</u>	<u>518.959</u>	<u>518.959</u>

The amount of € 331.600 that is disclosed in Impairment/Recoverable of the Group at 30/06/2006 concerns the profit for the year period 01/01 – 30/06/2006 that arose from consolidation by the net equity method of the company BLUEFIN TUNA AE.

The company's interest in its associates, all of which are unlisted on the ATHEX, is as follows:

Name	Cost	Impairment	Balance Sheet Value	Country of Incorporation	% Participation percentage
PER MARE RESEARCH AE	22.891	(9.932)	12.959	GREECE	39%
ILKNAK SU URUNLERI	56.000	-	56.000	TURKEY	3,10%
BLUEFIN TUNA AE	<u>450.000</u>	<u>-</u>	<u>450.000</u>	GREECE	25%
	<u>528.891</u>	<u>(9.932)</u>	<u>518.959</u>		

6.6 Deferred income tax

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

	GROUP				COMPANY			
	30/6/2006		31/12/2005		30/6/2006		31/12/2005	
	TAX ASSETS	TAX LIABILITIES						
Non-current Assets								
Intangible assets	231.034	285.570	522.361	389.242	-	337.135	224.552	389.242
Property, Plant & Equipment	266.009	201.406	306.724	298.278	94.438	267.685	32.497	109.725
Other long-term receivables	-	109.161	-	49.570	-	109.161	-	49.570
Current Assets								
Inventories	541.259	9.109.671	164.200	6.997.420	-	6.918.770	24.545	6.409.866
Receivables	2.848.260	11.076	2.485.456	-	1.334.191	4.138	1.477.555	-
Non-current liabilities								
Retirement benefit obligations	361.427	7.446	316.577	-	241.689	-	-	-
Other non-current liabilities	-	-	-	77.402	-	-	-	77.402
Provisions	-	-	-	4.833	-	-	269.400	4.833
Current liabilities								
Adjustment of tax rate from 35% to 32% and from 32% to 29%	109.579	135.338	558.741	138.884	-	-	530.368,84	34.889,95
	<u>4.357.568</u>	<u>9.859.667</u>	<u>4.354.060</u>	<u>7.955.629</u>	<u>1.670.318</u>	<u>7.636.889</u>	<u>2.558.918</u>	<u>7.075.529</u>
		5.502.099		3.601.570		5.966.571		4.516.611



The income tax rate applicable to the Group for year 2006 is equal to 29%.

The offsetting of deferred income tax assets and liabilities occurs when there is, from the company side, legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

6.7 Available-for-sale financial assets

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Beginning of the period	2.384.016	2.378.016	2.384.016	2.378.016
Transfers	4.682.269	-	-	-
Additions	2.000	6.000	2.000	6.000
Disposals/Write offs	(2.480.242)	-	(2.262.787)	-
Balance end of period	4.588.043	2.384.016	123.229	2.384.016

6.8 Other non-current liabilities

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Other non-current assets	371.875	-	-	-
Given guarantees	220.735	178.226	116.650	123.491
Total	592.610	178.226	116.650	123.491

The other non-current assets concern the subsidiary company "ALFA ANIMAL FOOD LOKRIDAS AE", which were transferred from the current assets owing to the subject of the subsidiary company "SEAFARM IONIAN AE" to article 44 L. 1892/90.

6.9 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 and spawn at that time and are measured at fair value (i.e. selling price) based on IAS 41. This method has as a consequence in periods with intensive harvesting the significant growth of reserves and gains that arise from the difference between cost of produce and measurement at selling prices.

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



	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Balance of biological assets at 1 January	114.600.471	98.221.241	100.369.326	87.365.929
Opening inventories at date of acquisition of subsidiary with biological assets	13.153.647	2.605.567	-	-
Increases due to purchases of biological assets	144.840	13.832.619	144.840	12.781.915
Gain/Loss arising from changes in fair value attributable to price or quantity changes of biological assets	44.548.013	75.055.921	42.541.032	76.176.057
Decreases due to sales of biological assets	(42.763.816)	(75.114.878)	(43.250.928)	(75.954.575)
Balance of biological assets at 30 June 2006	129.683.156	114.600.471	99.804.270	100.369.326
ANALYSIS OF BIOLOGICAL ASSETS IN BALANCE SHEET				
A) Biological assets below 200gr (Assets – Non-current assets)	75.819.616	47.342.576	60.969.784	40.877.803
B) Biological assets above 200gr (Inventories - Current assets)	53.863.540	67.257.895	38.834.486	59.491.523
TOTAL BIOLOGICAL ASSETS	129.683.156	114.600.471	99.804.270	100.369.326

The impact from the measurement of the biological assets at fair value has as follows:

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Value of Biological Assets according to GAAP	100.482.137	92.792.868	75.845.733	80.437.880
Adjustment of fair value of spawn	8.317.497	8.528.542	7.243.592	8.428.542
Adjustment of fair value of fish	20.883.522	13.279.061	16.714.945	11.502.904
Value of Biological Assets according to IFRS	129.683.156	114.600.471	99.804.270	100.369.326

6.10 Inventories

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Merchandise	1.691.805	955.533	1.324.474	374.030
Finished and semi-finished goods	9.153.389	4.623.638	8.831.615	3.690.573
Sub-products and scrap	-	309	-	309
Work in progress	333.123	3.378.347	333.123	171.658
Raw and auxiliary materials-Package materials	5.247.709	3.953.755	2.737.363	2.758.741
Consumables	128.490	103.967	95.446	78.818
Spare parts	-	6.108	-	6.108
Packing items	49.059	45.826	36.734	38.555
Less: Impairment	(26.599)	(481.570)	-	-
Total	16.576.977	12.585.913	13.358.756	7.118.793



6.11 Trade and other receivables

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Trade receivables	41.199.289	29.642.328	35.269.380	32.368.735
Notes receivable	1.205.442	1.277.259	553.839	649.975
Cheques receivable	26.004.183	29.628.544	25.683.016	28.574.010
Prepayments	-	159.447	-	1.122
Less: Provision for impairment of receivables	(14.479.595)	(8.050.401)	(5.219.538)	(4.870.593)
Total	53.929.318	52.657.176	56.286.696	56.723.250

All the receivables are current and there is no need for discount at the balance sheet date. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers, internationally dispersed.

6.12 Other receivables

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Sundry debtors	8.255.716	5.365.015	9.952.634	12.947.906
Claims from Greek State	9.679.443	8.265.832	7.284.651	7.266.703
Other receivables	36.152	92.250	-	81.521
Disputed debtors	58.839	37.017	30.000	30.000
Cash accommodation to personnel	-	21.069	-	21.069
Prepayments to personnel	324.349	63.900	215.538	41.234
Total	18.354.498	13.845.082	17.482.823	20.388.432



6.13 Other current assets

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Deferred expenses	391.193	488.028	329.570	434.164
Accrued income-period	412.922	927.572	97.459	750.567
Purchases under delivery	9.409	120.552	9.409	120.552
Discounts & Rebates on year purchases under settlement	640	640	640	640
Other prepayments and accrued income	738.934	6.323	738.934	6.323
Total	1.553.097	1.543.114	1.176.013	1.312.246

6.14 Financial assets at fair value through profit or loss

Concerns placements of high liquidity in shares with short-term investment horizon. The financial assets at fair value through profit or loss of the Group and the Company are as follows:

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Securities	595	329	595	329
Additions/purchases/valuation	490	595	490	595
Disposals/Sales	-	(329)	-	(329)
Total	1.085	595	1.085	595

6.15 Cash and cash equivalents

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Cash in hand	217.718	106.013	29.119	19.998
Sight bank deposits	2.593.831	2.483.793	2.326.062	1.918.497
Time bank deposits	203.661	-	-	-
Total	3.015.209	2.589.807	2.355.180	1.938.495

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



6.16 Equity

i) Share capital

The share of NIREUS AE is freely traded in the Athens Stock Exchange.

	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
At 1 January 2005	29.005.671	47.723.123	(479.554)	36.223.490	83.467.059	29.005.671	46.989.187	(479.554)	36.223.490	82.733.123
Increase of share capital	11.362.843	3.471.455	-	(62.602)	3.408.853	11.362.843	3.471.455	-	(62.602)	3.408.853
Sale of treasury shares	-	-	479.554	-	479.554	-	-	479.554	-	479.554
Change due to absorption of subsidiary	-	-	-	991.125	991.125	-	-	-	991.125	991.125
Share capital from horizontal merger	-	(733.936)	-	-	(733.936)	-	-	-	-	-
Balance at 31 December 2005	40.368.514	50.460.643	-	37.152.013	87.612.656	40.368.514	50.460.643	-	37.152.013	87.612.656
Other changes	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2006	40.368.514	50.460.643	-	37.152.013	87.612.656	40.368.514	50.460.643	-	37.152.013	87.612.656

The Group's share premium capital from the issue of shares for cash at a value which exceeds their nominal value.

ii) Fair Value Reserves

The analysis of reserves at fair value is as follows:

	GROUP	COMPANY
Balance at 1 January 2005	10.937.319	7.667.186
Transfers	486.756	1.024.111
Balance at 31/12/2005	11.424.075	8.691.297
Transfers	44	-
Revaluation 2006	(996.164)	-
Balance at 30 June 2006	10.427.955	8.691.297

iii) Other reserves

The other reserves of the Company are as follows:

	COMPANY				TOTAL
	LEGAL RESERVE	IMPAIRMENT LOSS OF PARTICIPATIONS	TAX-FREE RESERVES UNDER SPECIAL LAW PROVISIONS	OTHER RESERVES	
Balance at 1 January 2005	1.531.912	-3.598.628	4.171.564	525.241	2.630.089
Transfers	-	-	-	3.508.567	3.508.568
Changes throughout the year	434.963	-	1.974.974	(479.554)	1.930.383
Balance at 31 December 2005	1.966.875	-3.598.628	6.146.538	3.554.254	8.069.039
Other changes	-	-	-	-	-
Balance at 30 June 2006	1.966.875	-3.598.628	6.146.538	3.554.254	8.069.039



In the above financial statements of the company the impairment loss of participations of Euro 3.598.628, that concerns two subsidiaries, remained in the account "Other reserves" and was not recognised, according to IFRS 1 "First - time adoption of IFRS", in the account "Retained earnings" because the company's management trusts that in the near future these subsidiaries will turn to a significant profit and this loss will be recoverable.

6.17 Borrowings

The non-current and current borrowings are as follows:

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Non-current borrowings				
Bank borrowings	92.008.127	61.424.662	55.500.975	55.450.472
Less: Borrowings payable in following year	(3.105.360)	(352.675)	(2.499.836)	(38.576)
Total non-current borrowings	88.902.768	61.071.987	53.001.139	55.411.896
Liabilities payable in following year				
Liabilities payable in following year	3.105.360	352.675	2.499.836	38.576
Liabilities payable in following year (other non-current liabilities)	146.735	146.735	-	-
Total liabilities payable in following year	3.252.095	499.410	2.499.836	38.576
Current borrowings				
Bank borrowings	17.860.280	19.037.394	14.893.487	15.888.935
Total current borrowings	17.860.280	19.037.394	14.893.487	15.888.935
Total borrowings	109.868.407	80.462.056	70.394.462	71.339.407

The maturity of non-current borrowings is as follows:

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Between 1 and 2 years	6.843.414	11.144.173	5.101.119	9.973.142
Between 2 and 5 years	42.275.274	27.149.633	30.364.731	22.660.572
Over 5 years	39.784.080	22.778.181	17.535.288	22.778.182
	88.902.768	61.071.987	53.001.139	55.411.896



6.18 Retirement benefit obligations

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

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Balance liability at beginning of the year	1.538.117	1.109.129	1.318.626	903.513
Transfers	165.065	-	-	-
Current service cost	163.678	117.743	133.895	93.660
Interest cost	-	49.550	-	40.658
Compensation paid	-	(163.315)	-	(66.627)
Net actuarial (profit)/losses recognised in the income statement	-	425.010	-	347.422
Total liability at end of the year	1.866.860	1.538.117	1.452.521	1.318.626

The principal actuarial assumptions used were as follows:

	30/6/2006	31/12/2005
Discount rate	4,5%	4,5%
Future salary increases	3,5%	3,5%
Inflation	2,5%	2,5%
Percentage of retirements	0,5%	0,5%

6.19 Government Grants

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

	GROUP	COMPANY
Balance at 1 January 2005	6.926.759	3.186.915
Transfers	-	1.891.382
Receipts	52.982	16.241
Changes within the year	(1.173.112)	(440.248)
Balance at 31 December 2005	5.806.629	4.654.290
Transfers	668.694	-
Changes within the period	(618.361)	(447.038)
Balance at 30 June 2006	5.856.961	4.207.252



6.20 Other non-current liabilities

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

	GROUP	
	30/6/2006	31/12/2005
Greek State (Taxes due)	-	5.514
Liability for purchase of PPE assets	5.561.990	455.206
Total	5.561.990	460.721

The other non-current liabilities at 30/06/2006 concerning the Group arise from liabilities of the Group "SEAFARM IONIAN AE" owing to its subject to article 44 of L. 1892/90.

6.21 Trade and other payables

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

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Trade payables	20.003.254	12.173.959	16.454.596	13.743.909
Cheques payable	27.546.048	32.173.604	26.496.412	29.405.289
Promissory notes	394.440	440.161	375.362	440.161
Notes payable	40.579	621.735	-	-
Total	47.984.320	45.409.458	43.326.369	43.589.359

6.22 Other current payables

Follows analysis of other current payables:

	GROUP		COMPANY	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
Wages and salaries payable	1.223.235	1.066.144	811.603	896.608
Dividends	818.135	510.608	722.351	132.351
Social security	1.219.204	1.518.995	592.577	943.786
Taxes – duties	4.101.829	4.289.501	2.486.449	3.555.442
Accrued expenses	3.043.349	1.061.807	1.850.787	956.818
Sundry creditors-Prepayments	6.902.483	5.147.395	5.062.177	1.028.698
Total	17.308.235	13.594.450	11.525.945	7.513.704



6.23 Sales of merchandise and other inventories

Follows analysis of sales of merchandise and other inventories:

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Merchandise & goods	30.441.510	26.350.651	27.170.463	14.612.286
Sales of other inventories and junk	4.708.248	4.071.439	4.344.154	3.176.207
Sales of services	312.192	563.157	110	17.742
Total sales of merchandise and other inventories	35.461.950	30.985.247	31.514.727	17.806.235

6.24 Third party fees and benefits

Follows analysis of third party fees and benefits:

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Third party fees and expenses	4.253.089	3.856.676	4.921.014	3.269.152
Third party benefits	3.466.010	2.557.983	2.653.127	1.823.184
Total third party fees and benefits	7.719.099	6.414.660	7.574.141	5.092.336

6.25 Finance results

Follows analysis of finance income and expenses:

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Income on securities	2.804	-	524	-
Other interest expenses	61.739	105.362	61.232	-
Other equity income	339.763	-	-	-
Interest and similar expenses	(2.888.308)	(1.887.489)	(1.968.764)	(890.394)
FINANCE COST	(2.484.003)	(1.782.127)	(1.907.008)	(890.394)



6.26 Other operating expenses

Follows analysis of other operating expenses:

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Taxes-duties (other than the non-incorporated in the operating cost taxes)	233.885	258.004	142.880	215.446
Transportation expenses	4.524.026	3.031.540	4.124.485	2.835.810
Travelling expenses	380.243	288.706	328.647	191.212
Sales promotion and advertising expenses	1.176.950	804.041	870.952	103.137
Exhibition and demonstration expenses	152.607	200.567	146.456	116.538
Special export expenses	50.945	35.671	48.234	34.988
Subscriptions – Memberships	90.334	39.214	79.784	29.300
Donations and subsidies	42.429	34.988	24.279	33.988
Printed matter and stationery	79.783	59.546	69.666	47.195
Consumable materials	663.744	485.128	423.138	418.436
Publication expenses	69.166	48.962	16.420	29.059
Expenses for participating interests and securities	33.796	6.879	11.092	1.223
Losses from sale of participating interests and securities	54.406	-	54.406	-
Sundry expenses	223.360	167.486	137.720	85.489
Estimated – prepaid sundry expenses	127.074	163.471	112.685	85.465
Operating provisions	682.665	498.501	518.928	49.919
Total other operating expenses	8.585.414	6.122.703	7.109.772	4.277.206

6.27 Other income/(expenses)

Follows analysis of other income and expenses:

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Grants and other sales revenue	329.284	18.300	50.974	14.984
Income from side business	152.995	359.375	312.566	338.802
Other income	124.297	940.060	451.377	618.036
Tax fines and surcharges	(1.085)	-	(144)	-
Exchange differences	(177.796)	(41.851)	(36.216)	(32.643)
Other extraordinary & non-operating expenses	476.783	(118.640)	(2.051)	(110.046)
Losses from destruction of unfit inventories	(255.588)	(117.038)	(89.232)	-
Losses from disposal of assets	(421.704)	-	(171)	-
Profit from disposal of assets	67.912	-	34.486	-
Other expenses/Income brought forward	(212.657)	-	(519.255)	-
TOTAL OTHER INCOME/(EXPENSES)	82.441	1.040.205	202.336	829.133



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

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

6.28 Income tax expense

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

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Current tax	(403.262)	(2.313.065)	(235.066)	(1.627.457)
Prior years' tax audit differences	(673.130)	-	-	-
Other non-incorporated in the operating cost taxes	(1.463)	-	(1.463)	-
Deferred tax	(2.122.811)	(209.553)	(1.449.961)	(44.699)
Total	(3.200.665)	(2.522.618)	(1.686.489)	(1.672.157)
Profit before tax	8.404.989	4.804.009	7.036.232	4.725.490
Tax rate	29%	32%	29%	32%
Estimated tax charge	(2.437.447)	(1.537.283)	(2.040.507)	(1.512.157)
Deferred income tax asset	(2.122.811)	(209.553)	(1.449.961)	(44.699)
Other adjustments (tax-free reserves, other tax relieves, expenses that are not deductible)	2.034.185	(775.782)	1.805.442	(115.301)
- Tax audit differences	(673.130)	-	-	-
- Other non-incorporated in the operating cost taxes	(1.463)	-	(1.463)	-
Actual Tax Charge	(3.200.665)	(2.522.618)	(1.686.489)	(1.672.157)

For the six-month period of 2006 the tax charge has been calculated at tax rate 29% on taxable profit.

6.29 Earnings per share

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

	GROUP		COMPANY	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
Profit attributable to equity holders of the Company	4.915.500	1.674.306	5.349.741	3.053.333
Weighted average number of ordinary shares	40.368.514	29.005.671	40.368.514	29.005.671
Basic earnings per share (€ per share)	0,122	0,058	0,133	0,105



Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

6.30 Critical accounting estimates and judgements

The preparation of the financial statements under IFRS necessitates the use of certain critical accounting estimates and the management to exercise its judgement in selecting appropriate assumptions concerning matters, which may cause a material effect on the reported carrying amounts of assets and liabilities, the required disclosures for contingent receivables and payables as of the date the financial statements are prepared as well as the reported amounts of revenue and expenses that were recognised during the accounting period. The use of available information and the application of judgement by management constitute integral part of making estimates. Future results may differ from the above estimates, while the variances may have a material effect on the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

7. Commitments and Contingencies

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

Information in respect of contingent liabilities

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

	30/6/2006	31/12/2005
Liabilities		
Letters of guarantee for securing good performance of suppliers contracts	15.298	15.298
Letters of guarantee for securing liabilities	490.668	284.111
Other collaterals for securing liabilities	448.808	448.808
Ceded real mortgages & pre-notices on land and buildings	3.156.904	3.156.904
Total	4.111.677	3.905.121

**Information in respect of contingent receivables**

	30/6/2006	31/12/2005
Receivables		
Notes receivable for securing execution of contract terms	171.093	171.093
Letters of guarantee for securing receivables	176.596	176.596
Cheques receivable for securing execution of contract terms	-	350.000
Other collaterals for securing receivables	140.274	140.274
Bills of exchange from trade debtors for guarantee	29.347	29.347
Total	517.310	867.310

8. Real liens

On PPE of the parent "NIREUS AE" have been registered real mortgages of Euro 15.000.000,00 for securing debenture loan in favour of EUROBANK the outstanding balance of which at 30 June 2006 amounted to Euro 50.000.000,00 and pre-notice of mortgage of Euro 1.220.000,00 for securing long-term loan made by N.B.G. the outstanding balance of which at 30 June 2006 amounted to Euro 1.020.000,00. Moreover, on PPE of a consolidating subsidiary unlisted on the ATHEX has been granted real mortgage of Euro 4.225.000,00 for securing debenture loan in favour of ALPHA BANK the outstanding balance of which at 30 June 2006 amounted to Euro 4.225.000,00.

On the land of the subsidiary company "SEAFARM IONIAN AE" have been registered a mortgage of € 200.000,00 in favour of the Attica Bank as well as also a mortgage of € 100.000,00 and pre-notice of mortgage of € 80.000,00 in favour of third parties. Moreover on the non-current assets of the consolidated subsidiaries: (a) "OCTAPUS AE" have been registered pre-notices of mortgage of € 296.404,99 to secure loans of the N.B.G. and amount € 381.511,37 to secure a loan of the Bank of Cyprus and (b) "ALFA ANIMAL FOOD LOKRIDAS AE" there are pre-notices of mortgage of € 352.164,35. Participation in a company unlisted on the ATHEX of the subsidiary company "SEAFARM IONIAN AE" valued at acquisition cost totalling € 2.533.558,52 has been pledged to secure Bank loans.

9. Related – party transactions

The amounts of the purchases and the sales of the company, 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:

**a) Purchases of goods and services**

	GROUP	COMPANY
Purchases of goods & merchandise	19.468.214	9.257.672
Purchases of other services	<u>1.661.348</u>	<u>1.382.826</u>
Total	<u>21.129.562</u>	<u>10.640.499</u>

The above transactions were made on the basis of market terms

b) Sales of goods and services

	GROUP	COMPANY
Sales of goods & merchandise	20.596.702	10.184.456
Sales of other services	<u>532.861</u>	<u>196.255</u>
Total	<u>21.129.562</u>	<u>10.380.710</u>

The above transactions were made on the basis of the market terms.

c) Receivables from related parties

	GROUP	COMPANY
Subsidiaries of NIREUS Group	<u>25.225.896</u>	<u>16.286.867</u>
	<u>25.225.896</u>	<u>16.286.867</u>

d) Payables to related parties

	GROUP	COMPANY
Subsidiaries of NIREUS Group	<u>25.225.896</u>	<u>854.944</u>
	<u>25.225.896</u>	<u>854.944</u>

The above transactions and the balances have been written off from the consolidated financial data of the Group.



10. Un-audited by tax authorities financial years

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

UN-AUDITED YEARS

A. GROUP COMPANIES OF

"NIREUS AQUACULTURE AE"

NIREUS AQUACULTURE AE	2001-2005
AQUACOM LTD	-
ALPINO AE	2001-2005
EUROCATERERS AE	2002-2005
FOKIDA FISH FARMING AE	2005
PROTEUS CONSTRUCTION AE	2005
MYLOKOPI FISH FARMING AE	2003-2005
INTERPESCA AE	2003-2005
A-SEA	2003-2005
BLUEFIN TUNA AE	2004-2005
ILKNAK SU URUNLERI SAN Ve TIC A.S.	-

B. GROUP COMPANIES OF "SEAFARM IONIAN AE"

SEAFARM IONIAN AE	2005
SEAFARM KALAMOS AE	2003-2005
ALFA ANIMAL FOOD LOKRIDAS AE	2003-2005
SEAFARM IONIAN (CENTRAL EUROPE) GMBH	-
OCTAPUS AE	2002-2005
SETA AE	2003-2005
NIKTON AE	2003-2005
NIRIS AE	2003-2005
AQUA TERRAIR AE	-

11. Significant events for the period 1/1-30/6/2006

(a) For the subsidiaries of the Group of "NIREUS AQUACULTURE AE", "EUROCATERERS AE", "FOKIDAS FISH FARMING AE", "MYLOKOPI FISH FARMING AE" and "INTERPESCA AE" and for the subsidiary companies of the Group "SEAFARM IONIAN AE", "OCTAPUS AE", "SEAFARM KALAMOS AE", "SETA AE", "NIKTON AE" and "NIRIS AE" have been taken decisions to be absorbed in the year 2006, those of the group "NIREUS AQUACULTURE AE" by the parent company, with transformation balance sheet date 30/06/2006, and those of the group "SEAFARM IONIAN AE" by the parent company with transformation balance sheet date at 31/5/2006.



(b) The parent company "NIREUS AQUACULTURE AE" is audited by the tax authorities for the years 2001-2004 and its following subsidiaries: (a) "EUROCATERERS AE" for the years 2002-2005, (b) "MYLOKOPI FISH FARMING AE" for the years 2003-2005 and (c) "OCTAPUS AE" (group S.F.I.) for the years 2002-2004, but up until the preparation date of the present the aforesaid tax authorities audits have not yet been completed.

12. Number of employed personnel

The number of employed personnel of the Company amounted at 30 June 2006 to 753 and of the Group to 1.208 persons and at 30 June 2005 to 566 and 829 persons, respectively.

13. Events after the Balance Sheet date

- According to the No. 18402/28.6.2006 and 18433/7.7.2006 preliminary agreement and the Private Agreement at 4/7/2006, it was agreed the purchase from "NIREUS AQUACULTURE" of 3.144.907 registered shares of "SEAFARM IONIAN AE" for the total amount of € 7.731.000,00. The payment of the price and the corresponding delivery of the shares will be made with installments that will begin from 6/7/2006 and end on 30/6/2010.

Chios, 21 August 2006

THE PRESIDENT AND MANAGING DIRECTOR	THE MANAGING DIRECTOR & EXECUTIVE MEMBER	THE GENERAL FINANCE DIRECTOR OF THE GROUP	THE DIRECTOR OF FINANCIAL SERVICES	THE ACCOUNTS DEPT. MANAGER
ARISTIDES ST. BELLES ID. No. Α 771851	NIKOLAOS EMM. CHAVIARAS ID. No. AA 499020	DIMITRIOS I. PAPANICOLAOU ID. No. Σ 260153	MICHAEL ANT. GINIS ID. No. T 267637	SOULATANA GIOKA-BAZIA ID. No. AA 083798