Annual Financial Statements

from January 1 till December 31 2007

according to International Financial Reporting Standards (IFRS)

HELLENIC
FISHFARMING S.A.

It is verified that the attached Annual Financial Statements are those approved by the Board of Directors of HELLENIC FISHFARMING S.A. as of March 22, 2008 and have been posted on the website at the web address www.helfish.gr .

Katsivelis Ioannis
President of the Board of Directors
HELLENIC FISHFARMING S.A.

TABLE OF CONTENTS

1. BALANCE SHEET (PARENT & GROUP)

	GROUP		PARENT	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
ASSET				
Long term Asset:				
Property,Plant & equipment	20,613,947.37	18,959,332.94	15,880,108.81	14,392,869.87
Intagible asset & Syrplus value	1,399,664.76	1,097,076.47	25,598.15	23,546.40
Participaring interest	0.00	0.00	5,429,873.62	2,756,686.98
Deferred Taxes	783.47	0.00	0.00	0.00
Others assets	81,655.19	86,106.30	47,419.02	49,328.32
Total Long Term Asset	**22,096,050.79**	**20,142,515.71**	**21,382,999.60**	**17,222,431.57**
Current Asset				
Inventories	53,003,231.03	34,728,765.33	43,238,238.53	30,010,493.03
Customers & other trade receivables	36,459,647.53	24,077,249.49	42,607,285.16	24,768,310.63
Other receivables	5,931,595.92	3,971,047.31	5,224,970.29	3,637,135.37
Securities	323,459.37	5,272.17	323,459.37	5,272.17
Non current assets held for sales	0.00	0.00	0.00	0.00
Other current asset	93,376.40	105,658.62	78,424.19	96,573.37
Cash & Banks accounts	1,606,875.38	1,623,699.86	1,484,417.07	1,108,087.24
Total Current Asset	**97,418,185.63**	**64,511,692.78**	**92,956,794.61**	**59,625,871.81**
TOTAL ASSET	**119,514,236.42**	**84,654,208.49**	**114,339,794.21**	**76,848,303.38**
SHAREHOLDERS EQUITY & LIABILITIES				
Share Capital	9,420,900.00	9,420,900.00	9,420,900.00	9,420,900.00
Share Premium	15,902,734.96	15,902,734.96	15,902,734.96	15,902,734.96
Reserves	4,560,817.84	4,445,817.84	4,560,817.84	4,445,817.84
Retained earnings	3,880,733.57	739,749.57	4,622,404.33	1,556,344.95
Exchange difference Balancesheet's translation	34.25	0.00	0.00	0.00
Minority Interests	238,077.78	80,465.06	0.00	0.00
Total Shareholders Equity	**34,003,298.40**	**30,589,667.43**	**34,506,857.13**	**31,325,797.75**
LONG TERM LIABILITIES				
Long terms Loans	11,200,000.00	4,026,258.53	11,200,000.00	4,003,272.40
Retirement Benefit Obligations	154,640.59	146,240.59	122,223.00	122,223.00
Deferred Taxes	2,709,420.38	953,278.10	1,839,038.04	176,148.66
Other Long term liabilities	738,359.54	320,256.64	738,359.54	320,256.64
Total Long term Liabilities	**14,802,420.51**	**5,446,033.86**	**13,899,620.58**	**4,621,900.70**
CURRENT LIABILITIES				
Accounts Payable & Notes Payable	39,640,734.58	24,896,184.26	37,451,224.00	19,913,410.61
Current Loans	28,032,818.36	20,362,003.49	26,252,147.47	18,431,072.87
Taxes Payable	643,696.00	890,034.39	581,297.10	773,108.14
Non accrual income (Public alloance)	2,138,548.39	2,219,377.62	1,399,506.07	1,560,263.93
Other current liabilities	252,720.18	250,907.44	249,141.86	222,749.38
Total Current Liabilities	**70,708,517.51**	**48,618,507.20**	**65,933,316.50**	**40,900,604.93**
Total Liabilities	**85,510,938.02**	**54,064,541.06**	**79,832,937.08**	**45,522,505.63**
TOTAL SHAREHOLDERS EQUITY & LIABILITIES	**119,514,236.42**	**84,654,208.49**	**114,339,794.21**	**76,848,303.38**

2.1. INCOME STATEMENT (Sorting according expenses nature - IFRS 41)

	NOTES	GROUP 1/1 - 31/12/07	GROUP 1/1 - 31/12/06
Fair Value of Biological Assets at the biggining of period		**34,122,493.47**	**26,575,522.97**
Plus :Fair Value Assets of new consolidated company "KALLONH LTD" based			0.00
on 30.6.2007 balancesheet as first participation to Group's Balancesheet		1,760,519.05	5,878,581.71
Fair Value of Biological Assets on the first day of period		**35,883,012.52**	**32,454,104.68**
Purchases during the period		1,795,611.81	3,027,737.52
Sales during the period		23,909,363.94	25,381,436.14
Fair Value of Biological Assets on the end of period		**52,573,752.95**	**34,122,493.47**
Profit and losses from the change in fair value of biological assets at the end of period		**38,804,492.56**	**24,022,087.41**
Sales of Merchandise and other Materials and services		30,635,014.52	24,762,434.92
Consumption of goods and services sold		44,872,875.82	31,503,925.77
Stuff salaries and expenses		7,666,552.08	5,660,464.46
Payments and benefits to third parties		2,825,188.31	2,570,220.42
Other expenses		3,527,227.06	2,566,563.85
Financial expenses		2,554,518.54	1,884,420.64
Depreciations		2,048,921.28	1,768,136.02
Other income		474,320.61	435,695.81
Other expenses		434,930.18	262,115.20
Earnings before taxes		**5,983,614.42**	**3,004,371.78**
Income taxes		2,050,417.72	674,795.60
Net earnings		**3,933,196.70**	**2,329,576.18**
Distributed to:			
Shareholders of parent company		**3,863,783.98**	**2,356,048.10**
Minority Interest		69,412.72	-26,471.92
Earnings after tax per share-basic in €		**0.13**	**0.08**

	COMPANY 1/1 - 31/12/07	COMPANY 1/1 - 31/12/06
Fair Value of Biological Assets at the biggining of period	**29,478,780.44**	**26,575,522.97**
Purchases during the period	1,658,101.28	3,027,737.52
Sales during the period	21,109,865.16	24,137,046.83
Fair Value of Biological Assets on the end of period	**42,871,630.93**	**29,478,780.44**
Profit and losses from the change in fair value of biological assets at the end of period	**32,844,614.37**	**24,012,566.78**
Sales of Merchandise and other Materials and services	37,492,650.23	25,505,964.98
Consumption of goods and services sold	48,071,777.26	32,862,961.43
Stuff salaries and expenses	6,300,108.10	5,035,948.37
Payments and benefits to third parties	2,848,612.00	2,767,240.27
Other expenses	3,382,477.49	2,498,773.22
Financial expenses	2,404,443.12	1,788,087.63
Depreciations	1,562,018.34	1,508,122.19
Other income	444,573.44	401,103.69
Other expenses	405,253.43	247,722.26
Earnings before taxes	**5,807,148.30**	**3,210,780.08**
Net earnings	2,018,288.94	676,793.15
Net earnings	**3,788,859.36**	**2,533,986.93**
Distributed to:		
Shareholders of parent company	**3,788,859.36**	**2,533,986.93**
Minority Interest	0.00	0.00
Earnings after tax per share-basic in €	**0.12**	**0.08**

2.2 BIOLOGICAL ASSETS (BA)

Beginning and End Agreement	GROUP			COMPANY		
	FRY	FISH	TOTAL	FRY	FISH	TOTAL
Fair Value of Biological Assets at the begginig of the period	5,097,400.00	29,025,093.47	34,122,493.47	5,097,400.00	24,381,380.44	29,478,780.44
Plus : Value of biological Assets subsidiary's						
KALLONH LTD (1st consolidation 30.6.2007)	0.00	1,760,519.04	1,760,519.04	0.00	0.00	0.00
Fair Value of BA at the begginig of the period	**5,097,400.00**	**30,785,612.51**	**35,883,012.51**	**5,097,400.00**	**24,381,380.44**	**29,478,780.44**
Plus : Purchases of the period	388,274.17	1,407,337.64	1,795,611.81	388,274.17	1,269,827.11	1,658,101.28
Total : Purchases plus starting Inventories	5,485,674.17	32,192,950.15	37,678,624.32	5,485,674.17	25,651,207.55	31,136,881.72
Minus : Sales of the period	-4,486,353.59	-19,423,010.35	-23,909,363.94	-5,429,045.93	-15,680,819.23	-21,109,865.16
Plus : Profit from changes in the fair value of BA						
-- Biological change	6,565,382.44	33,098,553.16	39,663,935.60	6,565,382.44	25,085,980.95	31,651,363.40
-- prices change	682,629.33	-1,542,072.36	-859,443.03	682,629.33	510,621.65	1,193,250.97
Balance at the end of the period 31.12.2007	**8,247,332.35**	**44,326,420.60**	**52,573,752.95**	**7,304,640.01**	**35,566,990.92**	**42,871,630.93**

Matured and non matured classification	GROUP			COMPANY		
	FRY	FISH	TOTAL	FRY	FISH	TOTAL
Non matured Biological Assets	2,648,070.00	11,946,879.90	14,594,949.90	2,648,070.00	9,003,946.10	11,652,016.10
Matured Biological Assets	5,599,262.35	32,379,540.69	37,978,803.04	4,656,570.01	26,563,044.82	31,219,614.83
Balance at the end of the period	**8,247,332.35**	**44,326,420.59**	**52,573,752.94**	**7,304,640.01**	**35,566,990.92**	**42,871,630.93**

3. STATEMENT OF CHANGES IN EQUITY

	GROUP						COMPANY				
	Share Capital	Share Premium Account	Other Reserves	Profits Carried Forward	Minority's Interest	Total	Share Capital	Share Premium Account	Other Reserves	Profits Carried Forward	Total
Balance 1/1/2006	**1,570,150.00**	**23,753,484.96**	**4,352,302.70**	**-1,234,527.00**	**0.00**	**28,441,410.66**	**1,570,150.00**	**23,753,484.96**	**4,352,302.70**	**-619,265.00**	**29,056,672.66**
Capital increase	7,850,750.00	-7,850,750.00	0.00	0.00	0.00	**0.00**	7,850,750.00	-7,850,750.00	0.00	0.00	**0.00**
Earnings of the period	0.00	0.00	0.00	2,356,048.10	0.00	**2,356,048.10**	0.00	0.00	0.00	2,533,986.93	**2,533,986.93**
Subsidiaries absorbment 100%	0.00	0.00	0.00	0.00	-26,471.92	**-26,471.92**	0.00	0.00	0.00	0.00	**0.00**
-- Dividends	0.00	0.00	0.00	-303,900.00	0.00	**-303,900.00**	0.00	0.00	0.00	-303,900.00	**-303,900.00**
-- Reserves	0.00	0.00	93,515.14	-93,515.14	0.00	**0.00**	0.00	0.00	93,515.14	-93,515.14	**0.00**
Deffered taxes adjustements	0.00	0.00	0.00	52,680.11	0.00	**52,680.11**	0.00	0.00	0.00	0.00	**0.00**
Adjustement because of new acquisition	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	39,038.16	**39,038.16**
that before had consolidated with equity method	0.00	0.00	0.00	-37,036.66	106,936.98	**69,900.32**	0.00	0.00	0.00	0.00	**0.00**
Other adjustements	0.00	0.00	0.00	0.17	0.00	**0.17**	0.00	0.00	0.00	0.00	**0.00**
	7,850,750.00	-7,850,750.00	93,515.14	1,974,276.58	80,465.06	**2,148,256.78**	7,850,750.00	-7,850,750.00	93,515.14	2,175,609.95	**2,269,125.09**
Balance 31/12/2006	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**739,749.58**	**80,465.06**	**30,589,667.44**	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**1,556,344.95**	**31,325,797.75**
Balance 31/12/2006	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**739,749.58**	**80,465.06**	**30,589,667.44**	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**1,556,344.95**	**31,325,797.75**
Υπόλοιπο 31/12/2006	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**739,749.58**	**80,465.06**	**30,589,667.44**	**9,420,900.00**	**15,902,734.96**	**4,445,817.84**	**1,556,344.95**	**31,325,797.75**
Foreign exchanges differences	0.00	0.00	0.00	34.25	0.00	**34.25**	0.00	0.00	0.00	0.00	**0.00**
Earnings of the period	0.00	0.00	0.00	3,863,784.00	69,412.72	**3,933,196.72**	0.00	0.00	0.00	3,788,859.38	**3,788,859.38**
-- Dividends	0.00	0.00	0.00	-607,800.00	0.00	**-607,800.00**	0.00	0.00	0.00	-607,800.00	**-607,800.00**
-- Reserves	0.00	0.00	115,000.00	-115,000.00	0.00	**0.00**	0.00	0.00	115,000.00	-115,000.00	**0.00**
Deffered taxes adjustements	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	0.00	**0.00**
Minority's Interest adjustments	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	0.00	**0.00**
because share's capital increase	0.00	0.00	0.00	0.00	88,200.00	**88,200.00**	0.00	0.00	0.00	0.00	**0.00**
Other adjustements	0.00	0.00	0.00	-0.01	0.00	**-0.01**	0.00	0.00	0.00	0.00	**0.00**
	0.00	**0.00**	**115,000.00**	**3,141,018.24**	**157,612.72**	**3,413,630.96**	0.00	0.00	115,000.00	3,066,059.38	**3,181,059.38**
Balance 31/12/2007	**9,420,900.00**	**15,902,734.96**	**4,560,817.84**	**3,880,767.82**	**238,077.78**	**34,003,298.40**	**9,420,900.00**	**15,902,734.96**	**4,560,817.84**	**4,622,404.33**	**34,506,857.13**

4. CASHFLOW STATEMENT

	GROUP		COMPANY	
	1.01-31.12.2007	1.01-31.12.2006	1.01-31.12.2007	1.01-31.12.2006
Cashflow from Operating activities				
Earnings for period before tax	5,983,614.44	3,004,371.78	5,807,148.32	3,210,780.08
Increase / Decrease of :	0.00	0.00	0.00	0.00
Depreciations	2,048,921.26	1,768,136.01	1,562,018.33	1,508,122.19
Provisions and Exhange rate's differences	293,537.12	265,015.77	293,502.87	262,360.05
Depreciations of Grants	-202,635.91	-192,520.86	-160,757.86	-168,824.50
Investing Results	0.00	0.00	0.00	0.00
(income,expenses,profit and loss)of investing activities	-22,663.67	-73,060.21	-12,315.00	-73,060.21
Interest Expenses	2,554,518.54	1,881,968.64	2,404,443.12	1,785,635.63
Increase / Decrease Working capital related to	0.00	0.00	0.00	0.00
operating activities	0.00	0.00	0.00	0.00
Increase / Decrease of Inventories	-16,444,047.66	-7,310,533.27	-13,227,745.50	-2,592,260.97
Increase / Decrease of Receivables	-11,626,716.40	4,253,721.56	-19,637,752.73	4,890,028.77
Increase / Decrease of Liabilities(Except Bank loans)	10,349,340.35	3,087,457.59	17,500,214.01	-1,434,278.92
Minus:	0.00	0.00	0.00	0.00
Interest and related Expenses paid	-2,554,518.54	-1,879,516.64	-2,404,443.12	-1,783,183.63
Income tax paid	-682,049.78	-430,290.30	-598,966.51	-422,779.83
Total cash flow from operating activities (A)	-10,302,700.25	4,374,750.07	-8,474,654.07	5,182,538.66
Investing activities				
Acquisition of subsidiaries & associates companies	-1,609,577.57	-1,800,870.07	-3,333,311.34	-2,313,937.52
Securities sale collection	361,035.65	0.00	361,035.65	0.00
Purchases of tangible & other assets	-3,300,527.60	-3,292,995.21	-3,113,415.86	-3,031,388.30
Government grants collections & Sales fix assets collections	107,900.47	456,998.08	55,059.67	456,998.08
Interest received - Dividend received	22,822.56	0.00	22,822.56	0.00
Total Cashflow from Investing activities (B)	-4,418,346.49	-4,636,867.20	-6,007,809.32	-4,888,327.74
Financial activities				
	88,200.00	0.00	0.00	0.00
Loans collection	15,496,361.74	2,093,370.75	15,496,361.74	787,199.79
Loans repayment	-236,316.62	-151,917.39	0.00	0.00
Leases repayment	-28,886.36	-83,747.74	-28,886.36	0.00
Dividends paid to shareholders of the parent company	-615,136.51	-335,638.04	-608,682.17	-335,513.04
Total Cashflow from Fianacial activities (C)	14,704,222.25	1,522,067.58	14,858,793.21	451,686.75
Net Increase/Decrease in cash and cash equivalents Total (A+B+C)	**-16,824.49**	**1,259,950.45**	**376,329.82**	**745,897.67**
Cash and cash equivalents at the beggining of the period	**1,623,699.86**	**363,749.41**	**1,108,087.24**	**362,189.57**
Cash and cash equivalents at the end of the period	**1,606,875.37**	**1,623,699.86**	**1,484,417.06**	**1,108,087.24**

5.1. GOODWILL AND INTANGIBLE ASSETS ANALYSIS 31/12/2007

		THE GROUP			THE COMPANY		
		Goodwill	Intangible Assets (Software)	Total	Goodwill	Intangible Assets (Software)	Total
Acquisition Value on 31.12.2006		**1,073,427.51**	**110,693.13**	**1,184,120.64**	**0.00**	**104,658.14**	**104,658.14**
Fiscal Year Additions							
1st Quarter	2007	0.00	6,800.00	6,800.00	0.00	6,800.00	6,800.00
2nd Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
Consolidation of KALLONI LTD		300,638.94	8,848.13	309,487.07	0.00	0.00	0.00
3rd Quarter	2007	0.00	2,480.00	2,480.00	0.00	2,480.00	2,480.00
4th Quarter	2007	0.00	14,692.00	14,692.00	0.00	13,846.00	13,846.00
Fiscal Year Write-Offs							
1st Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
2nd Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
3rd Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
4th Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
Acquisition Value	**31/12/2007**	**1,374,066.45**	**143,513.26**	**1,517,579.71**	**0.00**	**127,784.14**	**127,784.14**
Minus :							
Amortisations on 31.12.2006		**0.00**	**87,044.16**	**87,044.16**	**0.00**	**81,111.74**	**81,111.74**
Amortisations - Fiscal Year Impairment							
1st Quarter	2007	0.00	4,698.45	4,698.45	0.00	4,636.95	4,636.95
2nd Quarter	2007	0.00	4,677.77	4,677.77	0.00	4,636.80	4,636.80
Consolidation of KALLONI LTD		0.00	8,848.12	8,848.12	0.00	0.00	0.00
3rd Quarter	2007	0.00	4,472.59	4,472.59	0.00	4,472.59	4,472.59
4th Quarter	2007	0.00	8,173.86	8,173.86	0.00	7,327.92	7,327.92
Fiscal Year Write-Offs							
1st Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
2nd Quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
3rd quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
4th quarter	2007	0.00	0.00	0.00	0.00	0.00	0.00
Total Amortisations	**31/12/2007**	**0.00**	**117,914.95**	**117,914.95**	**0.00**	**102,186.00**	**102,186.00**
Non-Amortised Balance	**31/12/2007**	**1,374,066.45**	**25,598.31**	**1,399,664.76**	**0.00**	**25,598.14**	**25,598.14**

Additional Information : 1). Regarding the goodwill that arose during fiscal year 2007, kindly refer to the paragraph analysing participations. 2). Regarding the goodwill arising, an impairment audit was performed on 31.12.2007 and no impairment indications were ascertained. 3). Comparative data on the goodwill are provided below:

Goodwill Changes during Fiscal Year	Fiscal Year 1.1.07 - 31.12.07	Fiscal Year 1.1.06 - 31.12.06
Gross Book Value at Beginning of Fiscal Year	1,073,427.51	0.00
Accumulated Impairment Damages at Beginning of Fiscal Year	0.00	0.00
Balance at Beginning of Fiscal Year	1,073,427.51	0.00
Additions during Fiscal Year	300,638.94	1,073,427.51
Impairment Damages during Fiscal Year	0.00	0.00
Distributions during Fiscal Year	0.00	0.00
Other Changes during Fiscal Year	0.00	0.00
	1,374,066.45	1,073,427.51
Groos Book Value at Closing of Fiscal Year	1,374,066.45	1,073,427.51
Accumulated Impairment Damages at Closing of Fiscal Year	0.00	0.00

5.2. ANALYSIS OF TANGIBLE ASSETS

THE GROUP

	Fields-Land Plots	Buildings & Technical Projects	Machinery-Installations Other Mechanical Equipment	Means of Transport	Furniture & Other Equipment	Assets under Construction	Total
31/12/2006							
Acquisition Value	306,596.96	7,990,113.15	17,998,628.18	2,537,684.56	1,154,380.37	188,456.99	30,175,860.21
Accumulated Amortisations	0.00	-792,110.37	-8,280,661.52	-1,212,010.40	-931,744.99	0.00	-11,216,527.27
Non-Amortised Value on 31.12.2006	**306,596.96**	**7,198,002.78**	**9,717,966.66**	**1,325,674.16**	**222,635.38**	**188,456.99**	**18,959,332.94**
31/3/2007							
Non-Amortised Value on 01.01.2007	306,596.96	7,198,002.78	9,717,966.66	1,325,674.16	222,635.38	188,456.99	18,959,332.94
Additions	0.00	46,302.06	187,710.29	110,500.00	6,410.60	223,428.78	574,351.73
Sold Items Acquisition Value Write-Offs	0.00	-5,530.80	-2,347.76	0.00	0.00	0.00	-7,878.56
Acquisiton Value of Items Written-Off	0.00	-3,357.00	-469.55	0.00	0.00	0.00	-3,826.55
Transfers	0.00	0.00	0.00	0.00	0.00	-37,475.14	-37,475.14
Sold Items Amortisations Write-Offs	0.00	50.64	2,376.85	0.00	0.00	0.00	2,427.49
Written-Off Items Amortisations	0.00	12.26	0.00	0.00	0.00	0.00	12.26
Fiscal Year Amortisations	0.00	-75,512.04	-330,128.90	-51,826.87	-14,875.67	0.00	-472,343.48
Non-Amortised Value on 31.03.2007	**306,596.96**	**7,159,967.90**	**9,575,107.59**	**1,384,347.29**	**214,170.31**	**374,410.63**	**19,014,600.69**
30/6/2007							
Non-Amortised Value on 31.03.2007	306,596.96	7,159,967.90	9,575,107.59	1,384,347.29	214,170.31	374,410.63	19,014,600.69
Additions	0.00	51,715.11	440,845.57	18,778.15	21,121.98	264,932.04	797,392.85
Sold Items Acquisition Value Write-Offs	0.00	0.00	-36,838.83	-2,934.70	0.00	0.00	-39,773.53
Acquisiton Value of Items Written-Off	0.00	0.00	0.00	0.00	0.00	-2,879.65	-2,879.65
Subsidiary Incorporation							
Acquisition Value	0.00	141,405.65	948,828.54	288,565.48	192,426.68	0.00	1,571,226.35
Accumulated Amortisations	0.00	-52,079.05	-653,959.65	-168,111.41	-187,519.85	0.00	-1,061,669.96
Transfers	0.00	0.00	0.00	0.00	0.00	-385,062.25	-385,062.25
Sold Items Amortisations Write-Offs	0.00	0.00	23,928.42	2,934.69	0.00	0.00	26,863.11
Written-Off Items Amortisations Write-Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiscal Year Amortisations	0.00	-76,004.96	-335,209.41	-50,692.61	-30,466.16	0.00	-492,373.14
Non-Amortised Value on 30.06.2007	**306,596.96**	**7,225,004.65**	**9,962,702.23**	**1,472,886.89**	**209,732.96**	**251,400.77**	**19,428,324.47**
30/9/2007							
Non-Amortised Value on 30.06.2007	306,596.96	7,225,004.65	9,962,702.23	1,472,886.89	209,732.96	251,400.77	19,428,324.47
Additions	0.00	121,858.76	366,758.18	101,253.32	16,362.69	303,490.88	909,723.83
Sold Items Acquisition Value Write-Offs	0.00	0.00	-13,881.15	0.00	0.00	-155.25	-14,036.40
Acquisition Value of Items Written-Off	0.00	0.00	0.00	0.00	-400.00	0.00	-400.00
Exchange Rate Differences from Incorporations	0.00	0.00	0.00	0.00	121.40	0.00	121.40
Transfers	0.00	0.00	0.00	0.00	0.00	-165,288.93	-165,288.93
Sold Items Amortisations Write-Offs	0.00	0.00	8,754.18	0.00	0.00	0.00	8,754.18
Written-Off Items Amortisations	0.00	0.00	0.00	0.00	199.50	0.00	199.50
Fiscal Year Amortisations	0.00	-78,449.61	-351,795.32	-54,170.44	-27,104.09	0.00	-511,519.46
Amortisations Exchange Rate Differences	0.00	0.00	0.00	0.00	-121.40	0.00	-121.40
Non-Amortised Value on 30.09.2007	**306,596.96**	**7,268,413.81**	**9,972,538.12**	**1,519,969.76**	**198,791.06**	**389,447.47**	**19,655,756.18**
31/12/2007							
Non-Amortised Value on 30.09.2007	306,596.96	7,268,413.81	9,972,538.12	1,519,969.76	198,791.06	389,447.47	19,655,756.18
Additions	0.00	131,268.64	1,256,564.43	200,599.65	29,390.50	564,413.06	2,182,236.28
Sold Items Acquisition Value Write-Offs	0.00	0.00	-172,804.27	-91,357.64	0.00	0.00	-264,161.91
Acquisition Value of Items Written-Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Rate Differences from Incorporations	0.00	0.00	0.00	0.00	89.19	0.00	89.19
Transfers	0.00	0.00	0.00	0.00	0.00	-576,336.17	-576,336.17
Sold Items Amortisations Write-Offs	0.00	0.00	99,197.94	67,976.64	0.00	0.00	167,174.58
Written-Off Items Amortisations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiscal Year Amortisations	0.00	-79,726.34	-374,803.42	-57,519.46	-38,673.39	0.00	-550,722.61
Amortisations Exchange Rate Differences	0.00	0.00	0.00	0.00	-89.19	0.00	-89.19
Non-Amortised Value on 31.12.2007	**306,596.96**	**7,319,956.11**	**10,780,692.80**	**1,639,668.96**	**189,508.17**	**377,524.36**	**20,613,946.36**
31/12/2007							
Acquisition Value	306,596.96	8,473,775.57	20,972,993.63	3,163,088.82	1,419,903.41	377,524.36	34,713,882.75
Accumulated Amortisations	0.00	-1,153,819.46	-10,192,300.83	-1,523,419.86	-1,230,395.24	0.00	-14,099,935.39
	306,596.96	**7,319,956.11**	**10,780,692.80**	**1,639,668.96**	**189,508.17**	**377,524.36**	**20,613,947.36**

Analysis of Tangible Assets

THE COMPANY

	Fields-Land Plots	Buildings & Technical Projects	Machinery-Installations Other Mechanical Equipment	Means of Transport	Furniture & Other Equipment	Assets under Construction	Total
31/12/2006							
Acquisition Value	242,122.30	5,363,999.44	14,250,257.43	2,210,183.32	1,059,071.80	188,456.99	23,314,091.28
Accumulated Amortisations	0.00	-596,189.66	-6,494,455.25	-988,696.57	-841,879.93	0.00	-8,921,221.41
Non-Amortised Value on 31.12.2006	**242,122.30**	**4,767,809.78**	**7,755,802.18**	**1,221,486.75**	**217,191.87**	**188,456.99**	**14,392,869.87**
31/3/2007							
Non-Amortised Value on 01.01.2007	242,122.30	4,767,809.78	7,755,802.18	1,221,486.75	217,191.87	188,456.99	14,392,869.87
Additions	0.00	45,345.36	158,670.29	110,500.00	5,997.00	209,996.43	530,509.08
Sold Items Acquisition Value Write-Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Acquisiton Value of Items Written-Off	0.00	-3,357.00	-469.55	0.00	0.00	0.00	-3,826.55
Transfers	0.00	0.00	0.00	0.00	0.00	-37,475.14	-37,475.14
Sold Items Amortisations Write-Offs	0.00	0.00	469.54	0.00	0.00	0.00	469.54
Written-Off Items Amortisations Write-Offs	0.00	12.26	0.00	0.00	0.00	0.00	12.26
Fiscal Year Amortisations	0.00	-53,403.64	-255,067.37	-44,003.74	-14,080.52	0.00	-366,555.27
Non-Amortised Value on 31.03.2007	**242,122.30**	**4,756,406.76**	**7,659,405.09**	**1,287,983.01**	**209,108.35**	**360,978.28**	**14,516,003.79**
30/6/2007							
Non-Amortised Value on 31.03.2007	242,122.30	4,756,406.76	7,659,405.09	1,287,983.01	209,108.35	360,978.28	14,516,003.79
Additions	0.00	51,715.11	407,929.57	16,778.15	17,750.14	263,237.14	757,410.11
Sold Items Acquisition Value Write-Offs	0.00	0.00	0.00	-2,934.70	0.00	0.00	-2,934.70
Acquisiton Value of Items Written-Off	0.00	0.00	0.00	0.00	0.00	-2,879.65	-2,879.65
Transfers	0.00	0.00	0.00	0.00	0.00	-385,062.25	-385,062.25
Sold Items Amortisations Write-Offs	0.00	0.00	0.00	2,934.69	0.00	0.00	2,934.69
Written-Off Items Amortisations Write-Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiscal Year Amortisations	0.00	-53,949.33	-258,947.50	-42,892.99	-26,518.86	0.00	-382,308.68
Non-Amortised Value on 30.06.2007	**242,122.30**	**4,754,172.54**	**7,808,387.16**	**1,261,868.16**	**200,339.63**	**236,273.52**	**14,503,163.31**
30/9/2007							
Non-Amortised Value on 30.06.2007	242,122.30	4,754,172.54	7,808,387.16	0.00	200,339.63	236,273.52	14,503,163.31
Additions	0.00	110,374.09	350,283.18	100,353.32	13,531.25	302,068.25	876,610.09
Sold Items Acquisition Value Write-Offs	0.00	0.00	-12,721.94	0.00	0.00	-155.25	-12,877.19
Acquisition Value of Items Written-Off	0.00	0.00	0.00	0.00	-400.00	0.00	-400.00
Transfers	0.00	0.00	0.00	0.00	0.00	-153,804.26	-153,804.26
Sold Items Amortisations Write-Offs	0.00	0.00	7,876.57	0.00	0.00	0.00	7,876.57
Written-Off Items Amortisations Write-Offs	0.00	0.00	0.00	0.00	199.50	0.00	199.50
Fiscal Year Amortisations	0.00	-54,457.59	-259,460.63	-40,999.47	-23,977.66	0.00	-378,895.35
Non-Amortised Value on 30.09.2007	**242,122.30**	**4,810,089.04**	**7,894,364.34**	**1,321,222.01**	**189,692.72**	**384,382.26**	**14,841,872.67**
31/12/2007							
Non-Amortised Value on 30.09.2007	242,122.30	4,810,089.04	7,894,364.34	1,321,222.01	189,692.72	384,382.26	14,841,872.67
Additions	0.00	124,975.43	1,193,500.20	187,545.01	26,065.49	563,185.06	2,095,271.19
Sold Items Acquisition Value Write-Offs	0.00	0.00	-172,804.27	-50,697.63	0.00	0.00	-223,501.90
Acquisition Value of Items Written-Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transfers	0.00	0.00	0.00	0.00	0.00	-570,042.96	-570,042.96
Sold Items Amortisations Write-Offs	0.00	0.00	99,197.94	50,696.14	0.00	0.00	149,894.08
Written-Off Items Amortisations Write-Offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fiscal Year Amortisations	0.00	-55,686.88	-279,075.46	-44,896.32	-33,725.61	0.00	-413,384.27
Non-Amortised Value on 31.12.2007	**242,122.30**	**4,879,377.59**	**8,735,182.75**	**1,463,869.21**	**182,032.60**	**377,524.36**	**15,880,108.81**
31/12/2007							
Acquisition Value	242,122.30	5,693,052.43	16,174,644.91	2,571,727.47	1,122,015.68	377,524.36	26,181,087.15
Accumulated Amortisations	0.00	-813,674.84	-7,439,462.16	-1,107,858.26	-939,983.08	0.00	-10,300,978.34
	242,122.30	**4,879,377.59**	**8,735,182.75**	**1,463,869.21**	**182,032.60**	**377,524.36**	**15,880,108.81**

6. General information on the Company and the Group

6.1. Historical Information

"HELLENIC FISHFARMING S.A." is a Greek Societe Anonyme, governed by the Law regarding SA companies. The company was founded in 1987 and operates under the trade name "HELLENIC FISHFARMING S.A." (Government Gazette 256/18.03.1987), and the trade name "HELLENIC FISHFARMING S.A." for its international transactions.

The company's registered offices are located in the Municipality of Vrilissia, Attica, at 48 Pentelis Avenue, 15235 Vrilissia, Attica, tel.: (210) 61 31 666 and (210) 61 30 633. The Company is registered in the S.A. Companies Registry of the Ministry of Development under S.A. registration number 14904/06/B/87/100. Company's website is www.helfish.gr.
In accordance with the article 2 of the Company's Articles of Association, its objectives are the following:

1) the production/fattening of fish fry and sea products in general, the establishment of related fish-farming units, the marketing of fish and sea products in general, the industrial processing of the above, the production and marketing of fish feed, the conduction of research and studies regarding the above, and the training of scientific personnel and workers,

2) the representation of domestic and foreign companies that pursue one or more of the above objectives,

3) the participation in existing companies, or the establishment of new companies that pursue those, or similar, objectives.

The primary sector that HELLENIC FISHFARMING S.A. is currently involved is the sector of fish farming, production units, and hatchery stations. According to the Statistical Classification of Branches of Economic Activity (STAKOD, 2003) of the National Statistical Service of Greece (E.S.Y.E), the object of activity of HELLENIC FISHFARMING S.A. falls under branch K050.2 "Fish farming, production of fish fry," branch K513.8 "Wholesale of other foods, including fish and sea-food (shellfish, molluscs)," and branch K514.1 "Wholesale of nets".

The Company's shares began trading in the Parallel Stock Market of the Athens Stock Exchange in August 2000.

In March 2005 the Company, in compliance with the provisions of Law 2166/93, merged with the following companies, which were at the time its subsidiaries, by 100%: Saint Thomas Fish Farming of Preveza, Kavo D'oro Fishfarming Ltd, Angelos Vakrinos Fishfarming S.A., Nikolaou Fishfarming S.A., Vourlia Viotias Fishfarms S.A., Larimnas Fish Farming & Commercial Company S.A., with the transformation Balance Sheet dated 31 December 2004.

The above companies were included as autonomous companies until the consolidation of 31 December 2004.

In May 2005 the company proceeded to the purchase of the companies "I. Anagnostou – Attica Fishfarms S.A." and "Thalassio Parko S.A.".

In August 2005 the company purchased the remaining 50% of Okeanis S.A., and therefore, it now owns 100% of that company.

In September 2005 the company also merged with "I. Anagnostou – Attica Fishfarms S.A."

In June 2006 HELLENIC FISHFARMING S.A. purchased the remaining 50% of "Asterias S.A.", and therefore now owns 100% of that company, and it was consolidated since then with the total consolidation method, whereas before, the method used was that of equity method.

In July 2006 the Company participated by 33% in the "Thesprotia-Dolphin Joint Venture" of the same sector, which they sold in December 2006, and consequently it is no longer included in the Group consolidation.

As of December 2006, the Company acquired 51% of "Argolida Fish Farms S.A." and "Plateia S.A.", which are in the same sector. Due to the absorption of Plateia S.A. by Argolida Fish Farms S.A. on 28 December 2006, only the latter company remained and was consolidated for the first time.

On March 2007 the company established «HELLENIC FISHFARMING CZ SRO» with headquarters in Prague Czech with participation percentage 100%.

On 18/6/2007 the company signed pre agreement contract for the acquisition of 100% of «Kalloni Ltd». Based on the preliminary contract not changeable notary proxy statement

The right to attend the General Meeting, as well as the poll deed right for the formal conclusion of the acquisition, are substantiated pursuant to the preliminary agreement and irrevocable power-of-attorney granted by the sales representatives to the Company. The formal conclusion of the acquisition took place within 2008, following the conversion of Kalloni LTD into a Société Anonyme, pursuant to the provisions of Law 2166/93. Based on the above, the Company is recorded in the consolidated Financial Statement, with the Balance Sheet of 30 June 2007 as the date of 1st consolidation.

The companies included in the consolidation of 31 December 2007 are:

Company Name	Participation Percentage	Country
• Thalassio Parko S.A.	100%	Greece
• Asterias S.A.	100%	Greece
• Okeanis S.A.	100%	Greece
• HELLENIC FISHFARMING CZ SRO	100%	Czech
• Argolida Fish Farms S.A.	51%	Greece
• Kalloni Fish Farms S.A.	100%	Greece

6.2. Basis of Presentation of Financial Statements

The financial statements have been drafted according to the International Financial Reporting Standards (IFRS).

6.3. Basic Accounting Principles

The attached company and consolidated Financial Statements (hereafter "Financial Statements") have been prepared according to the historical cost principle, except for the land plots, the buildings, and the unfinished-ready inventories that were valuated on fair value; the first two from the date of transfer to the IFRS (1 January 2004), while the inventories from the fair value they had on the closing date of the Financial statements.
Furthermore, they have been prepared based on the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS), as published by the

International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union.
Finally, the accounting principles adopted are in accordance with those followed for the preparation of the Financial Statements for the financial year ending on 31 December 2006.

Furthermore, the attached Financial Statements have been prepared for the first time, according to IFRS, with the application of IFRS 1 "First-time Adoption of the International Financial Reporting Standards," with the transition date of 1 January 2004.

The parent company, as well as its subsidiaries, keeps their books based on the current tax and statutory legislation, and they prepare their financial statements according to Commercial Law 2190/20. For the preparation of the company's consolidated balance sheet the companies' financial statements are adapted to non-accounting adjustments in order to conform with and agree with the IFRS.

The preparation of the financial statements according to IFRS requires the formation and use of evaluations, provisions and acknowledgements by the company's and the Group's management that positively or negatively affect the Assets and Liabilities account balances, the required notifications of expected claims and on the statements' draft date, as well as the amounts of income and expenses that were recorded during the accounting period.
The estimates were based on information and best knowledge to date, while at the same time applying objective judgment, as well as basing all of them on the Group's going concern principle.

6.4 Consolidation Basis of the Financial Statements

The said statements consist of the financial statements of the parent company and its following subsidiaries and affiliates.

At this point, we note that the subsidiaries "Okeanis SA", "Thalassio Parko SA", "Asterias SA", "Kalloni SA" and "Fishfarming Argolidas SA" are obligated to apply the IFRS for drafting their financial statements, as they jointly exceed the designated consolidated assets of 5% under the law.

These companies prepared their financial statements according to IFRS.

Name	Percentage participation	Central Offices	Consolidation Method
Thalassio Parko SA	100%	Athens	Full
Asterias SA	100%	Astakos, Etoloakarnania	Full
Okeanis SA	100%	Athens	Full
Fishfarming Argolidas SA	51%	Nafplio	Full
Kalloni SA	100%	Methana	Full

The consolidated Financial Statements include the accounts of the parent company and all subsidiary companies it controls. Control exists when the parent company has the power to make decisions that concern the financial and operational management principles of the subsidiaries, with the purpose of benefiting from them. The subsidiaries' Financial statements are drafted on the same date and using the same accounting principles as the parent company's financial statements.

Where needed, the necessary revision entries are made in order to ensure the consistency of the applied accounting principles.

All the intra-company balances and transactions, as well as intra-company profits or losses are removed from the consolidated financial statements. The subsidiaries are consolidated from the date control is acquired and cease to be consolidated from the date that control is transferred outside the group.
The acquisition of subsidiaries is accounted using the purchase method. The individual assets, liabilities and contingent liabilities acquired in a business purchase are accounted for during the buy-out at their fair values irrespective of the percentage of participation. The acquisition cost above the fair market value of the individual assets of each acquired company is entered as goodwill while if it below that it is entered immediately in the results.

Participations in non-consolidated companies in which substantial influence is demonstrated are accounted for with the net equity method. According to this method, participation is shown at its acquisition cost, increased or decreased by the investor's participation percentage in the profits and the losses of the participation, after the acquisition date, as well as all the corresponding increases and decreases in the net equity of the participation. Furthermore, the participation value is readjusted by the cumulative impairment of its value.

Dividends received from these participations decrease the participation value in the investor's books.

In the company financial statements of the parent company, the participations in subsidiary and affiliate companies are measured at their acquisition cost, minus any given impairment of the participation's value.

6.5. Financial Statements Conversion into a Foreign Currency

6.5.1. Functional and Presentation Currency

The Financial Statements of HELLENIC FISHFARMING CZ SRO subsidiary company has been drafted in Czech Koruna (CZK), which is its functional currency. These Financial Statements are converted into EUR (presentation currency) in the Group's Financial Statements, for presentation purposes.

6.5.2. Transactions and Balances

Transactions in foreign currency are converted into the functional currency at the exchange rate valid on the transaction date. Receivables and liabilities in Foreign Currency on the Financial Statements drafting date are converted using the exchange rate applicable on the same date. The profits or losses incurred as a result of these valuations are recorded in the financial year's profits or losses from exchange rate differences.

6.5.3 Conversion into the Presentation Currency

The conversion of the Financial Statements from the functional into the presentation currency takes place as follows:

-Assets and liabilities are converted using the exchange rates applicable on the Financial Statements date.
-Equity is converted using the exchange rates valid at the time it was accrued.

-Cash inflows and outflows are converted using the exchange rates applicable on the Financial Statements date and not the average rate, due to the negligible fluctuation effected during the said period.
Exchange rate differences are recorded as reserves in equity and are transferred to the results in the event of buy-out.

6.6. Principles of Presenting the Financial Statements' Interim Amounts

6.6.1. Tangible Assets (Fixed Assets)

Fixed assets are shown at their historical acquisition cost minus the accumulated depreciations. For the land plots and the buildings the company assigned an independent appraisal company to conduct appraisals for the current value of the land plots and buildings as of 1 January 2004. The appraisals are based on appropriate-accepted methods and appraisals according to the nature and use of the evaluated assets. Specifically, the company, by using technical experts, evaluated the land plots and buildings at their fair market value on the transition date and used these as the presumed cost according to IFRS 16 until 31 December 2007, considering that the value change during this period is not significant. For any new acquisition the valuation is carried on the acquisition date.

The evaluation method used above was that of market value.
The machinery and technical facilities are shown at historical cost minus the depreciations that occur from the application of coefficients based on their average useful life span that was determined by the company's appraisal committee. According to current Greek legislation, any asset readjustments that have been made are written-off.

New assets are added to the existing ones at their cost price. Repairs and maintenance are expensed at the time they are performed.

Acquisition cost and accumulated depreciations of assets that are sold or withdrawn are transferred to corresponding accounts at the time of sale or withdrawal, and whatever profit or loss occurs is included in the profit and loss statements.

The accounting values of tangible assets are examined for impairment when there are indications that these values are not recoverable and for the time being management estimates that there is no issue with impairment of the Group's assets.

6.6.2. Depreciations

The depreciation of fixed assets is accounted for using the straight-line depreciation, based on factors that are close to the average useful life of assets, which is re-evaluated every year. The depreciation rates used are the following:

Depreciation Rates

Buildings	3-10%
Machinery and Mechanical Equipment	5-20%
Furniture and other Equipment	20-100%
Vehicles	15-20%
Software	30%

6.6.3. Intangible Assets

Intangible assets include goodwill from buy-outs, concessions and rights of industrial ownership, such as license to operate fish farms and software programs.

6.6.4. Inventories

The merchandise inventory is accounted for using the weighted average method.
The inventories of ready or incomplete (under production) are accounted at their fair value according to International Accounting Standards (IAS) 41. Fair value consists of the average selling price the first week after the closing date of the period's Balance Sheet. Profits and losses that occur from the said accounting are recorded in the results that ensue.

The inventories of raw and secondary Materials and packaging materials are accounted for using the weighted average method that includes acquisition costs and shipping costs to the location at which they are located.

Consumable material is accounted for using the FIFO method.

6.6.5. Clients and Other Trade Receivables

Customers and other receivables are shown as decreased by the losses occurring from the possible bad debt when there is objective proof that the said amounts will not be collected.

On the transition date to IFRS, cumulative amortizations for bad debts were conducted against the consolidated equity for 2003 and the financial year results for 2004 and 2005. For 2006 and 2007 fiscal years provisions were accounted on each year results. The provisions were based on current management estimations for the sum of its receivables

6.6.6. Cash and Cash Equivalents

Cash and cash equivalents include cash and available cash equivalents, such as demand deposits and time deposits.

6.6.7. Equity

This includes share capital, premium amounts, the ordinary reserve and the tax-free reserves of various development laws that have been created in the past by the company and those consolidated with it, as well as results carried forward.

Especially the tax-free reserves that have been created as mentioned based on various development laws are excluded from income tax under the prerequisite that it will not be distributed to the shareholders. The company is not willing to distribute the said reserves and for this reason it has not calculated the deferred income tax that is necessary in the event of a distribution.

6.6.8. Long Term Loans

They are entered at their fair value and later are accounted for at the non-amortised cost based on the actual interest rate. These are with regard to bank liabilities that are payable after one year from the expiration of the financial statements.

Management estimates that interest rates that are paid are comparable to the current actual market rates and are almost equal and for this reason it did not proceed to adjusting their value.

6.6.9. Provisions for Employee Benefits

The Group is obligated to pay for future benefits for its current employees, according to each employee's time of service. This liability is measured and shown based on the anticipated payable right of each person during the date of the Balance sheet; it is taken at its current value in relation to the time it is estimated that it will be paid. The benefit is calculated annually by an independent actuary using the projected credit unit method. The prepayment rate that is used is 5% for 2003 and 4.5% for 2004 (closest to the one year State Bonds). An independent actuary calculated the benefit for 2004 and a relative appraisal was carried out for 2005-2006.

The independent actuary made another calculation in the financial year 2007.

6.6.10. Income Tax

The encumbrance of the financial year with income tax consists of current taxes and deferred taxes, in other words the taxes (or tax benefits) that are related to the profits (or losses) shown in the current financial year, but will be accounted for in future financial years. Income tax is entered in Results, except for the tax from transactions that were entered directly into equity. In this case it is directly entered into equity accordingly.

Current income taxes are payable taxes placed on the financial year's taxable income, based on established tax coefficients on the date of the balance sheet.

Deferred income taxes concern situations of temporary differences between tax recognition of assets and liabilities, and recognising them for purposes of drafting the financial statements; these are calculated using the tax applicable coefficients during the end of the financial year. At the start of each following financial year, the deferred taxes (claims-liabilities) are adjusted according to the applicable tax coefficients. Deferred tax claims are recognised for all deductible temporary differences and the unused tax losses during the period that there will possibly be adequate taxable income to cover the temporary differences. The value of the deferred tax liabilities is monitored at every balance sheet date and decreased during the period that adequate taxable income is anticipated, which would have covered the deferred tax claim.

Management, by using an investment programme that it draws up and implements every year, is decreasing the tax base via the creation of tax-free reserves in the parent company as well as its subsidiaries. Offsetting of deferred tax claims and liabilities takes place per company and as long as the relative right exists (same taxation authority).

6.6.11. Short-term Borrowing

This concerns liabilities to Greek Banks, open or with certain guarantees (mostly customer cheques), which are less than a year old and are used for working capital. The loans are renewed as soon as they expire.
Management estimates that interest rates that are paid are comparable to the current actual market rates and are almost equal, and for this reason it did not proceed to adjusting their value.

6.6.12. Grants

The Group records the state grants, which satisfy the following criteria cumulatively: a) there is a presumed certainty that the company has complied or will comply with the terms of the subsidy and b) it is likely that the amount of the grant will be collected. Those are recorded at fair value and accounted in a systematic way in the income, based on the principle of correlation of the subsidies with the respective costs (depreciation of fixed assets they concern) that they subsidize.

Subsidies that involve assets are included in the long-term liabilities as income of future financial years and are recorded systematically and reasonably in the income throughout the useful life of the fixed asset.

6.6.13. Provisions for Future Risks

Provisions are recorded when the Group has current lawful or presumed liabilities as a result of past events, and their settlement is likely to take place through the outflow of resources; also the estimation of the exact amount of the liability may be effected in a reliable way. The provisions are reviewed on the date of drafting of each balance sheet and adjusted in order to reflect the current value of the expenditure expected to be required for the settlement of the liability. Contingent liabilities are not recorded in the financial statements but they are notified, unless the likelihood of a resource outflow, which incorporates economic benefits, is minimal. Contingent receivables are not recorded in the financial statements but they are notified when the inflow of economic benefits is likely.

6.6.14. Income

This includes the value of goods sold and services rendered without recurring taxes, discounts, or returns. The intra-company income, as mentioned, is entirely written-off. Their recording occurs as follows

- **Sale of goods:** They are recorded when delivered to the customers, the latter receive them, and the collection of the claim is reasonably ensured.
- **Services rendered:** Accounted for based on the completion stage of the service in relation to its estimated total cost.
- **Income from Interest:** Income from interest is recorded when the interest is considered payable (based on the actual interest rate method).
- **Income from Dividends:** Income from dividends is recorded when on the date of the approval of their distribution.

6.6.15. Expenses

They are recorded in results when they become payable. Expenses from interest are recorded when they become payable.

6.6.16. Earnings per Share

Basic and diluted profits are estimated per share by dividing the net profits with the weighted average number of share in each financial year, excluding the average ordinary shares acquired by the group as own shares.

6.6.17. Risk Management

The Group is exposed to several financial risks such as market risk (changes in currency exchange rates, market prices), credit risk, liquidity risk, cash flow risk, and fair value risk from interest rate fluctuations.

Management determines, evaluates, and counteracts the financial risks and thus before certain transactions take place approval is granted from the authorised executives who have the right to bind the company after gathering the necessary information from the world market, and primarily from the Banks.

Also, due to the activity on a global level, there is exposure to currency exchange risk currently derived from the British Pound. This risk mainly arises from future commercial transactions, claims, and liabilities.

The Group is also exposed to changes in the value of shares that are owned either for trade or as financial assets available for sale. It is also exposed to the changes in value of raw material (feed, packaging material, consumables, and other expenses) mainly due to the oil price fluctuations.

The Group does not have significant concentrations of credit risk. Sales are directed primarily to domestic and foreign customers with an approved credit history, most of which are insured by a credit insurance company.

Risk of liquidity is maintained at low levels through the maintenance of adequate cash-in-hand, highly liquid securities, and bank limits.

The Group's operating income and cash flows are essentially independent from interest rate fluctuations. The Group does not have any significant interest bearing items, and the Group's policy is to maintain its borrowing at approximately the EURIBOR interest rate, which is the case at the expiration of the management period.

7. FINANCIAL ANALYSIS OF PER ITEM OF THE FINANCIAL STATEMENTS

7.1. Property, plant and equipment

The property, plant and equipment are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Tangible assets				
Land	306,596.96	306,596.96	242,122.30	242,122.30
Buildings-Building Fixed Installations	7,319,956.11	7,198,002.79	4,879,377.59	4,767,809.78
Machinery-Machine Fixed Installations	10,780,692.80	9,717,966.66	8,735,182.75	7,755,802.18
Transportation Equipment	1,639,668.98	1,325,674.16	1,463,869.21	1,221,486.75
Furniture & other equipment	189,508.16	222,635.38	182,032.60	217,191.87
Capital Investments in progress & prep	377,524.36	188,456.99	377,524.36	188,456.99
	20,613,947.37	**18,959,332.94**	**15,880,108.81**	**14,392,869.87**

7.2. Intangible assets

The intangible assets are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Intagible assets				
Goodwill	1,374,066.45	1,073,427.51	0.00	0.00
Softwares	25,598.31	23,648.96	25,598.15	23,546.40
	1,399,664.76	**1,097,076.47**	**25,598.15**	**23,546.40**

7.3. Inventories

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Inventories				
Biological Inventories	52,573,752.95	34,122,493.48	42,871,630.93	29,478,780.44
Merchandise	55,418.68	28,771.46	38,134.32	28,771.46
Raw direct & indirect materials	374,059.40	577,500.39	328,473.28	502,941.13
	53,003,231.03	**34,728,765.33**	**43,238,238.53**	**30,010,493.03**

7.4. Clients and other receivables

Clients and other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Customers & comm. receivables				
Customers	17,335,861.29	11,677,552.74	23,289,734.40	11,620,797.96
Minus : Provisions	-4,529,634.64	-4,197,064.43	-3,992,870.12	-3,699,367.25
Checks receivables	0.00	0.00	0.00	0.00
-- In portfolio(Long-Shrt term assets)	5,456,564.44	283,212.34	5,113,564.44	689,331.08
-- At Banks for guarantee	18,196,856.44	16,313,548.84	18,196,856.44	16,157,548.84
	36,459,647.53	**24,077,249.49**	**42,607,285.16**	**24,768,310.63**

7.5. Cash and Cash Equivalents

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Cash Items				
Cash on hand	54,493.40	21,343.16	40,352.75	19,005.99
Reros - Time deposits	0.00	0.00	0.00	0.00
Current deposits	1,552,381.98	1,602,356.70	1,444,064.32	1,089,081.25
	1,606,875.38	**1,623,699.86**	**1,484,417.07**	**1,108,087.24**

7.6. Other receivables

Other receivables are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other receivables				
Advance payments for inventories	-545,627.97	518,979.33	0.00	1,192,770.32
Notes receivable	62,881.26	0.00	12,000.00	0.00
Notes receivable overdue	205,420.37	205,420.37	205,420.37	205,420.37
Other deptors	6,077,183.50	3,165,849.23	4,946,794.30	2,199,070.39
Advances & credits control account	131,738.76	80,798.38	60,755.62	39,874.29
	5,931,595.92	**3,971,047.31**	**5,224,970.29**	**3,637,135.37**

7.7. Other balances

Other balances are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Other current assets				
Prepaid expenses	93,376.40	105,658.62	78,424.19	95,573.37
	132,823.40	**144,740.62**	**117,871.19**	**134,655.37**

7.8.Equity

Equity is analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Owners equity				
Paid up common stock	9,420,900.00	9,420,900.00	9,420,900.00	9,420,900.00
Reserves	20,463,552.80	20,348,552.80	20,463,552.80	20,348,552.80
Retained ernings	3,880,733.57	739,749.57	4,622,404.33	1,556,344.95
Differenses from foreign balancesheet translation	34.25	0.00	0.00	0.00
Minorities Interest	238,077.78	80,465.06	0.00	0.00
	34,003,298.40	**30,589,667.43**	**34,506,857.13**	**31,325,797.75**

7.9. Long term liabilities

Long term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Longterm Liabilities				
Long-term bank loans	11,678,559.54	4,026,258.53	11,200,000.00	4,003,272.40
Provisions	154,640.59	146,240.59	122,223.00	122,223.00
Long-term checks payable	259,800.00	320,256.64	259,800.00	320,256.64
Deffered taxes	2,709,420.38	953,278.10	1,839,038.04	176,148.66
	14,802,420.51	**5,446,033.86**	**13,421,061.04**	**4,621,900.70**

The long-term bank loan is an Debenture Loan 12.000.000 Eur from ATEBANK paid off on 12 six month installments, first payable on 10/2008

7.10. Short term liabilities

Short term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Short Liabilities				
Suppliers	10.813.998,23	4.241.558,65	9.501.697,33	3.486.379,06
Checks payable	24.378.717,98	13.650.320,59	24.196.835,76	9.505.533,45
Short-term bank loans	26.921.796,53	18.767.419,02	25.164.147,47	16.857.748,23
Customers advance payments	1.241.400,10	3.293.431,42	1.019.212,13	3.379.058,61
Raxes & duties payable	643.696,00	890.034,39	581.297,10	773.108,14
Insuranse & pension fund withholding	562.234,83	367.503,87	444.554,93	314.122,85
Long-term Bank loans paid in next perio	1.111.021,83	1.594.584,47	1.088.000,00	1.573.324,64
Dividends	48.241,24	53.808,77	48.241,24	47.354,43
Accrued expenses	252.720,18	250.907,44	249.141,86	222.749,38
State grants	2.138.548,39	2.219.377,62	1.399.506,07	1.560.263,93
Other creditors	2.596.142,20	3.289.560,96	2.240.682,61	3.180.962,21
	70.708.517,51	**48.618.507,20**	**65.933.316,50**	**40.900.604,93**

Fixed assets grants regard government grants that have been offered to the company and the group for investments in the sector.
Grants are recognised as income together with the depreciation of the assets that acquired with these grants.

7.11. Share capital

The company's share capital amounts to €9,420,900 divided into 30,390,000 common registered shares, par value of 0.31 each.

7.12. Earnings per share

Analysis of earnings per share as follows:

	GROUP		COMPANY	
	1/1 -- 31/12//2007	1/1 -- 31/12/2006	1/1 -- 31/12//2007	1/1 -- 31/12/2006
After Tax and Minority's Interest Earnings	3,863,784.00	2,356,048.10	3,788,859.38	2,533,986.93
Shares number	30,390,000	30,390,000	30,390,000	30,390,000
Earnings per share	0.13	0.08	0.12	0.08

7.13. Income tax

Income tax is analyzed as follows:

Group and company's Income Taxes (current & deffered) as follows :

			GROUP	COMPANY
Current Dividend taxes			344,420.00	344,420.00
Current taxes			7,951.26	0.00
Additional Property taxes			288.36	234.36
Prior periods tax audit assessments			10,745.20	10,745.20
Deffered taxes			1,388,246.99	1,328,455.48
Tax rate adjustments from 29% to 25%			-88,104.60	13,236.50
Benefit from non entries of deffered taxes				0.00
in the previous years			0.00	0.00
Tax assets claim adjustments because tax audit of previous years			145,389.85	145,389.85
Income tax liability provision for non audited years			241,480.66	175,807.55
Total			**2,050,417.72**	**2,018,288.94**
Income tax analysis				
Profit before taxes	6,200,897.99	-217,283.55	5,983,614.44	5,807,148.32
Income tax rate (Average rate for domestic & foreinger c	25%	24%	25.04%	25%
Taxes			1,498,076.45	1,451,787.08
Plus / minus :			0.00	0.00
Income tax liability provision for non audited years			241,480.66	175,807.55
Non taxable reserves			-2,233.30	0.00
Dividend year taxes			344,420.00	344,420.00
Additional property taxes			288.36	234.36
Non deductible expenses taxes			-68,068.77	-68,068.77
Taxable loss of the year			52,469.72	0.00
Prior periods tax audit assessments			10,745.20	10,745.20
Non offsetting taxable loss			8,016.12	0.00
Offsetting taxable earnings benefit			0.00	0.00
with taxable loss of porevious years			-92,067.57	-55,262.69
Tax rate adjustments from 29% to 25%			-88,104.60	13,236.50
Tax adjustments because tax audit of previous years			145,389.85	145,389.85
Other differences-Adjustments			5.60	-0.14
			2,050,417.72	**2,018,288.94**

--All deffered taxable revenues and expenses have been included in the account "Income taxes" at Profit and loss statement".

-- All deffered taxable claims and liabilities heve been included in the balancesheet account "Deffered Taxes".

-- Company : It has been audited till 2006. For the year 2007 has been recognised audit tax that has suffer 2007 Profit, amount 175.807,55 € (Turnover 58.602.515,39 * 0,3%). The provision has been based on 2005 and 2006 tax audit results.

-- Subsidiaries--Consolodation : Subsidiaries "OKEANIS SA" & "THALASSIO PARKO SA" had no recognised provision for tax audit penalties for non audited years 2003 --2005 because of the amount of taxable losses that will cover up the non deductible expenses . For these taxable losses has no recognised deffered tax claim. About sudsidiary "ARGOLIDA SA" for the unaudited years 2003, 2004 & 2006 (for 2005 has audit by Law. 3296/04), has recognised provision for tax income only for 2006 amount 2.600,00 € because years 2003 & 2004 had no activity.About subsidiary"ASTERIAS SA" for unaudited years 2005 & 2006 has recognised provision amount 30.499,38 € (turnover 10.166.460,81 € *0,3%).

7.14. Deferred tax

Deffered taxation is analyzed as follows:

DEFFERED TAXES BALANCE	GROUP						
	Balance 1.1.2007		Period 1.1.2007 -- 31.12.2007		Total		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Balance
1η GROUP FIXED ASSETS							
Buildings-Building installations	0.00	915,422.53	56,261.52	-20,559.42	56,261.52	894,863.11	-838,601.59
Machineries-Machine installations	0.00	1,688,224.04	38,465.18	-66,320.28	38,465.18	1,621,903.76	-1,583,438.58
Transport equipment	0.00	93,927.63	1,986.26	-7,401.65	1,986.26	86,525.98	-84,539.72
Leasing Transport equipment	0.00	0.00	0.00	24,862.50	0.00	24,862.50	-24,862.50
Furniture & other equipment	0.00	44,920.92	852.70	-10,610.31	852.70	34,310.61	-33,457.91
Intangible assets	142,956.18	0.00	49,690.19	70,260.43	192,646.37	70,260.43	122,385.94
Leasing Capital taxes	0.00	0.00	27,625.00	7,246.10	27,625.00	7,246.10	20,378.90
Leasing Machineries Depreciations	0.00	73,326.30	10,114.63	-7,600.00	10,114.63	65,726.30	-55,611.67
Total	**142,956.18**	**2,815,821.42**	**184,995.48**	**-10,122.63**	**327,951.66**	**2,805,698.79**	**-2,477,747.13**
Participation at subsidiary"OKEANIS SA"	156,658.56	0.00	0.00	21,608.08	156,658.56	21,608.08	135,050.48
Participation at subsidiary"THALASSIO PA	77,005.29	0.00	0.00	10,492.45	77,005.29	10,492.45	66,512.84
Total	**233,663.85**	**0.00**	**0.00**	**32,100.53**	**233,663.85**	**32,100.53**	**201,563.32**
2η GROUP INVENTORIES							
Biological assets	12,341.95	946,608.23	1,419,785.04	2,507,450.70	1,432,126.99	3,454,058.93	-2,021,931.94
Total	**12,341.95**	**946,608.23**	**1,419,785.04**	**2,507,450.70**	**1,432,126.99**	**3,454,058.93**	**-2,021,931.94**
3η GROUP RECEIVABLES & CASH							
Securities	19,148.94	0.00	0.00	3,597.72	19,148.94	3,597.72	15,551.22
Total	**19,148.94**	**0.00**	**0.00**	**3,597.72**	**19,148.94**	**3,597.72**	**15,551.22**
4η GROUP OWNERS EQUITY PROVISIONS-LONG TERM LIABILITIES							
Securities sales loss	232,359.37	0.00	0.00	32,069.45	232,359.37	32,069.45	200,289.92
State fixed assets grants	363,028.80	100,457.40	24,485.10	58,179.58	387,513.90	158,636.98	228,876.92
Provisions for stuff redundancy & retiremer	44,509.68	0.00	0.00	5,849.52	44,509.68	5,849.52	38,660.16
Foreign Exchange revenues	0.00	0.00	0.00	763.57	0.00	763.57	-763.57
Bad depts provisions	926,851.52	0.00	0.00	126,507.89	926,851.52	126,507.89	800,343.63
Total	**1,566,749.37**	**100,457.40**	**24,485.10**	**223,370.01**	**1,591,234.47**	**323,827.41**	**1,267,407.06**
5η GROUP SHORT TERM LIABILITIES							
Non taxable reserves in the future	437,500.00	0.00	0.00	77,053.71	437,500.00	77,053.71	360,446.29
IFRS income tax	0.00	45,695.49	0.00	0.00	0.00	45,695.49	-45,695.49
Unaudited years penelties	0.00	218,346.28	148,929.03	240,005.28	148,929.03	458,351.56	-309,422.53
Taxable loss for future deduction	692,944.52	0.00	5,775.37	397,527.30	698,719.89	397,527.30	301,192.59
Total	**1,130,444.52**	**264,041.77**	**154,704.40**	**714,586.29**	**1,285,148.92**	**978,628.06**	**306,520.86**
TOTAL	**3,105,304.81**	**4,126,928.82**	**1,783,970.02**	**3,470,982.62**	**4,889,274.83**	**7,597,911.44**	**-2,708,636.61**
BALANCE	**0.00**	**1,021,624.01**	**0.00**	**1,687,012.60**	**0.00**	**0.00**	**-2,708,636.61**

Please note that the balance on 31.12.2006 include 68,345.91 € regarding deferred tax liabilities of "KALLONI SA" due to first consolidation.

DEFFERED TAXES BALANCE	COMPANY						
	Balance 1.1.2007		Period 1.1.2007 -- 31.12.2007		Total		
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Balance
1η GROUP FIXED ASSETS							
Buildings-Building installations	0.00	497,416.47	0.00	-31,992.96	0.00	465,423.51	-465,423.51
Machineries-Machine installations	0.00	1,351,336.90	0.00	-76,619.48	0.00	1,274,717.42	-1,274,717.42
Transport equipment	0.00	49,900.45	0.00	-823.30	0.00	49,077.15	-49,077.15
Leasing Transport equipment	0.00	0.00	0.00	24,862.50	0.00	24,862.50	-24,862.50
Furniture & other equipment	0.00	43,793.26	0.00	-10,584.00	0.00	33,209.26	-33,209.26
Intangible assets	134,884.86	0.00	49,690.19	71,320.39	184,575.05	71,320.39	113,254.66
Leasing Capital taxes	0.00	0.00	27,625.00	7,246.10	27,625.00	7,246.10	20,378.90
Leasing Machineries Depreciations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**134,884.86**	**1,942,447.08**	**77,315.19**	**-16,590.75**	**212,200.05**	**1,925,856.33**	**-1,713,656.28**
Participation at subsidiary"OKEANIS SA"	156,658.56	0.00	0.00	21,608.08	156,658.56	21,608.08	135,050.48
Participation at subsidiary"THALASSIO PARKO SA"	77,005.29	0.00	0.00	10,492.45	77,005.29	10,492.45	66,512.84
Total	**233,663.85**	**0.00**	**0.00**	**32,100.53**	**233,663.85**	**32,100.53**	**201,563.32**
2η GROUP INVENTORIES							
Biological assets	0.00	910,881.51	1,197,430.93	2,233,749.54	1,197,430.93	3,144,631.05	-1,947,200.12
Total	**0.00**	**910,881.51**	**1,197,430.93**	**2,233,749.54**	**1,197,430.93**	**3,144,631.05**	**-1,947,200.12**
3η GROUP RECEIVABLES & CASH							
Securities	19,148.94	0.00	0.00	3,597.72	19,148.94	3,597.72	15,551.22
Total	**19,148.94**	**0.00**	**0.00**	**3,597.72**	**19,148.94**	**3,597.72**	**15,551.22**
4η GROUP OWNERS EQUITY							
PROVISIONS-LONG TERM LIABILITIES							
Securities sales loss	232,359.37	0.00	0.00	32,069.45	232,359.37	32,069.45	200,289.92
State fixed assets grants	293,510.35	0.00	0.00	49,847.84	293,510.35	49,847.84	243,662.51
Provisions for stuff redundancy & retirement compensation	35,444.57	0.00	0.00	4,888.82	35,444.57	4,888.82	30,555.75
Foreign Exchange revenues	0.00	0.00	0.00	763.57	0.00	763.57	-763.57
Bad depts provisions	772,752.50	0.00	0.00	106,600.00	772,752.50	106,600.00	666,152.50
Total	**1,334,066.79**	**0.00**	**0.00**	**194,169.68**	**1,334,066.79**	**194,169.68**	**1,139,897.11**
5η GROUP SHORT TERM LIABILITIES							
Non taxable reserves in the future	437,500.00	0.00	0.00	77,053.71	437,500.00	77,053.71	360,446.29
IFRS income tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unaudited years penelties	0.00	148,929.03	148,929.03	175,807.55	148,929.03	324,736.58	-175,807.55
Taxable loss for future deduction	666,844.52	0.00	0.00	386,676.55	666,844.52	386,676.55	280,167.97
Total	**1,104,344.52**	**148,929.03**	**148,929.03**	**639,537.81**	**1,253,273.55**	**788,466.84**	**464,806.71**
TOTAL	**2,826,108.96**	**3,002,257.62**	**1,423,675.15**	**3,086,564.53**	**4,249,784.11**	**6,088,822.15**	**-1,839,038.04**
BALANCE	**0.00**	**176,148.66**	**0.00**	**1,662,889.38**	**0.00**	**0.00**	**-1,839,038.04**

7.15. Participations

Company's participations are analyzed as follows:

	GROUP		COMPANY	
Subsidiaries Investments	**1.1.-31.12.07**	**1.1.-31.12.06**	**1.1.-31.12.07**	**1.1.-31.12.06**
Cost at the beginning	0.00	0.00	3,562,940.27	1,252,940.27
Minus : Impairments	0.00	0.00	-806,253.29	-806,253.29
Balance at the beginning	**0.00**	**0.00**	**2,756,686.98**	**446,686.98**
Plus :				
-- Acquisitions	0.00	0.00	1,107,476.64	2,310,000.00
-- Capital increase participation	0.00	0.00	1,565,710.00	0.00
	0.00	0.00	5,429,873.62	2,756,686.98
Minus :				
-- Sales	0.00	0.00	0.00	0.00
-- Impairments provisions	0.00	0.00	0.00	0.00
Balance at the end	**0.00**	**0.00**	**5,429,873.62**	**2,756,686.98**
Analizes in				
Purchase cost	0.00	0.00	6,236,126.91	3,562,940.27
Total impairments	0.00	0.00	-806,253.29	-806,253.29

Other Information on the Companies Acquired and Consolidated for the first time during Fiscal Year 2007

a). On 18/6/2007, the Company acquired 100% of KALLONI LTD, at the acquisition cost of € 1,100,000.00. KALLONI LTD was incorporated with a Balance Sheet date of 30.6.2007, as there were no significant activities and alteration to the accounts of the Balance Sheet during the period 19.6.2007 -- 30.6.2007. No result arose from said acquisition, as the difference between total cost and net position, to the value of € 300,638.94 was recorded as goodwill, which will be checked in future for any impairment. The factors contributing to the recording of the above goodwill amount are the fact that said company is located in Methana, on the island of Poros, that it holds a fishfarm license (sea bream and sea bass) for a marine area of 10 square kilometres (1 hectare), while a renewed license is expected to be issued for expanding the fish farm by a further 15 square kilometres (1.5 hectares).

b). In March 2007, the Company established a 100% subsidiary in the Czech Republic, under the trade name, HELLENIC FISHFARMING CZ SRO, the participation cost of which amounted to € 7,476.64. Said company commenced its activities (fish filleting and fish trade) in April 2007, and its sales amounted to € 216,014.45 until 30.6.2007, while it posted damages amounting to € 81,052.37. The Balance Sheet of 30.6.2007 of HELLENIC FISHFARMING CZ SRO was incorporated in to the consolidated financial statements of 30.6.2007, at the conversion rate valid on 30.6.2007, of 1 : 28.633 CZK. From this conversion, there arose a debit exchange rate difference for the total amount of € 491.69.

c). Participation in share capital increases involved participation in completed share capital increases, in the following companies:

Company	Participation Percentage	Participation Payment
-- OKEANIS S.A.	100%	€ 1.388.790,00
-- THALASSIO PARKO S.A.	100%	€ 85.120,00
-- ARGOLIDAS S.A.	51%	€ 91.800,00

d).On 30.6.2007, the assets and liabilities of acquired company 'KALLONI LTD' are as follows:

Tangible Assets	509,556.39	Suppliers and Other Commercial Liabilities	1,234,721.08
Inventory	1,830,418.04	Bank Loans	63,070.76
Customers and Other Commercial Receivables	92,931.24	Taxes and Insurance Funds	78,656.69
Other Receivables	62,820.39	Deferred Taxes	68,345.91
Cash-in-Hand	150,537.28	Grants	121,806.68
		Provisions & Other Liabilities	280,301.16
Net Assets Acquired	799,361.06	Acquisition Cost	1,100,000.00
		Reserves of Subsidiary	-150,537.28
		Acquisition Cash Outflow	949,462.72

e). Sales and Results of Companies Acquired and Incorporated for the first time during Fiscal Year 2007

	Sales		Results	
Companies	1.1.2007 -- 31.12.2007	Date of First Consolidation -- 31.12.2007	1.1.2007 -- 31.12.2007	Date of First Consolidation -- 31.12.2007
KALLONI LTD	568,487.42	466,808.02	24,957.07	-29,757.66
HELLENIC FISHFARMING CZ SRO	1,156,788.38	1,156,788.38	-216,500.08	-216,500.08

7.16. Securities

Securities are analyzed as follows:

		Shares in Mutual Funds	Shares of companies listed on ATHEX	Shares of companies not listed on ATHEX	Other Securities	Total
Acquisition Value at Beginning of Fiscal Year			4,116.52	60,694.06	7,336.76	72,147.34
Minus: Accumulated Provisions -- Impairments at Beginning of Fiscal Year			-844.35	-58,694.06	-7,336.76	-66,875.17
Balance at Beginning of Fiscal Year		0.00	3,272.17	2,000.00	0.00	5,272.17
Plus:	Purchases for Fiscal Year 1.1.2007 --	316,298.75				316,298.75
Minus:	Sales for Fiscal Year 1.1.2007 --		-1,937.50			-1,937.50
						0.00
Plus/Minus: Changes from Valuation at Fair Value						0.00
	and Recording Changes in Results	3,825.95	0.00	0.00	0.00	3,825.95
						0.00
						0.00
						0.00
						0.00
						0.00
Value at Closing of Fiscal Year		**320,124.70**	**1,334.67**	**2,000.00**	**0.00**	**323,459.37**

Notes: 1). From the sale of ATHEX listed shares, of an acquisition value of € 1,937.50, there arose a profit amounting to € 1,098.15, which is recorded under the 'Other Income' account of the Results Statement.
2). The Mutual Funds shares were acquired on 31.8.2007 and from their valuation at fair value on 31.12.2007, a profit was posted to the amount of € 3,825.95, which is recorded under the 'Other Income' account of the Results Statement.

7.17. Reserves

Reserves are analyzed as follows:

CATEGORIES	Balance **31.12.2006**	Period changes: Profit allocation Year 2006	Period changes: Balance **31.12.2007**
Statury reserves	639,961.81	115,000.00	754,961.81
Special law untaxed reserves Law.1892/90	449,942.83		449,942.83
Special law untaxed reserves Law.1828/89	2,173,439.22		2,173,439.22
Special law untaxed reserves Law.2601/98	584,567.38		584,567.38
Special law untaxed reserves Law.3220/04	404,151.05		404,151.05
Reserves from tax free incomes	148,793.41		148,793.41
Reserves from specially taxed income	18,793.32		18,793.32
Special law untaxed reserves from securities sale	26,168.82		26,168.82
			0.00
	4,445,817.84	**115,000.00**	**4,560,817.84**

8. SEGMENT REPORTING
8.1. Business sectors

First Segment Reporting - Business sectors

The Group is separated to the following business sections:

1). Fry production
2). Market size Fish production
3). Commerce of foodstuffs, market size fish and other related kinds
4). Fish fatting services
5). Packaging services

Group per segment results for the period are presented in the following tables

THE GROUP

	JUVENILES PRODUCTION	SOLE PRODUCTION	MARKET FISH PRODUCTION	TRADING	FATTENING SERVICES	PACKAGING SERVICES	NOT CLASSIFIED UNDER PRODUCTION	OVERALL TOTAL	INTRA-COMPANY WRITE-OFFS	CONSOLIDATION TOTAL
					0					
					0					
Fair Value of Biological Assets on 1/1/2007	**5,097,400.00**	**7853.03**	**29,017,240.44**		**0**			**34,122,493.47**		**34,122,493.47**
Plus: Fair Value of KALLONI LTD assets with a Balance Sheet date					**0**			**0.00**		**0.00**
of 1st consolidation of 30.6.2007	**0.00**	**0.00**	**1,760,519.05**		**0**			**1,760,519.05**		**1,760,519.05**
Fair Value of Group Biological Assets on 1.1.2007	**5,097,400.00**	**7,853.03**	30,777,759.49		**0**			**35,883,012.52**		**35,883,012.52**
Fiscal Year Purchases	388,274.17		2,350,029.98		**0**			**2,738,304.15**	**-942,692.34**	**1,795,611.81**
Fiscal Year Sales	5,429,045.93	15,473.35	19,407,537.00		**0**			**24,852,056.28**	**-942,692.34**	**23,909,363.94**
Fair Value of Biological Assets	**7,304,640.01**	**15,694.14**	**45,253,418.80**		**0**			**52,573,752.95**		**52,573,752.95**
Profits or Losses from Changes in the Fair Value of Biological Assets	**7,248,011.77**	**23,314.46**	**31,533,166.33**					**38,804,492.56**	**0.00**	**38,804,492.56**
Sales of Services-Merchandise and Other Inventories	0.00	0.00		38,686,054.59	650,846.38	1,150,683.43		**40,487,584.40**	**-9,852,569.88**	**30,635,014.52**
Use of Inventories for Production-Trading-Other Services	2,029,858.85	17,936.82	16,653,276.93	34,963,953.03	307,755.00	209,265.97	41,914.35	**54,223,960.95**	**-9,351,085.13**	**44,872,875.82**
Personnel Remuneration and Costs	1,226,709.80	14,626.42	3,417,410.88	0.00	140,414.33	527,019.95	2,340,370.70	**7,666,552.08**		**7,666,552.08**
Third-Party Remuneration and Benefits	281,649.38	495.56	1,127,600.83	0.00	-288.72	79,078.21	1,860,581.40	**3,349,116.66**	**-523,928.35**	**2,825,188.31**
Other Overhead Expenses	63,725.86	50.62	355,481.46	0.00	47.47	45,555.62	3,062,366.03	**3,527,227.06**		**3,527,227.06**
Financial Expenses	0.00	0.00	0.00	0.00	0.00	0.00	2,554,518.54	**2,554,518.54**		**2,554,518.54**
Amortisations	424,399.24	4,476.43	1,346,782.48	0.00	40,104.00	155,235.14	77,923.99	**2,048,921.28**		**2,048,921.28**
Other Overhead - Non-Overhead Income	0.00	0.00	0.00	0.00	0.00	0.00	496,764.21	**496,764.21**	**-22,443.60**	**474,320.61**
Other Overhead - Non-Overhead Expenses	0.00	0.00	0.00	0.00	0.00	0.00	434,930.18	**434,930.18**		**434,930.18**
<Minus-Plus In-House Production Cost	-2,028,050.88	0.00	2,028,050.88	0.00	0	0.00	0.00	**0.00**		**0.00**
Fiscal Year Pre-Tax Profits or Losses	**5,249,719.52**	**-14,271.39**	**6,604,562.87**	**3,722,101.56**	**162,814.30**	**134,528.54**	**-9,875,840.98**	**5,983,614.42**	**0.00**	**5,983,614.42**
Minus: Income Tax								**2,039,672.52**		**2,039,672.52**
Minus: Tax Audit Differences								**10,745.20**		**10,745.20**
Net Fiscal Year Results (Profit), After Taxes								**3,933,196.70**		**3,933,196.70**
Minus: Minority Interest										**-69,412.72**
Net Results after Minority Interest										**3,863,783.98**

THE COMPANY

	JUVENILES PRODUCTION	SOLE PRODUCTION	MARKET FISH PRODUCTION	PACKAGING SERVICES RENDERED	TRADING	NOT CLASSIFIED UNDER PRODUCTION	TOTAL
Fair Value of Biological Assets on 1/1/2007	**5,097,400.00**	**7,853.03**	**24,373,527.41**				**29,478,780.44**
Fiscal Year Purchases	388,274.17	0.00	1,269,827.11				**1,658,101.28**
Fiscal Year Sales	5,429,045.93	15,473.35	15,665,345.88				**21,109,865.16**
Fair Value of Biological Assets	**7,304,640.01**	**15,694.14**	**35,551,296.78**				**42,871,630.93**
Profits or Losses from Changes in the Fair Value of Biological Assets	**7,248,011.77**	**23,314.46**	**25,573,288.14**		**0.00**	**0.00**	**32,844,614.37**
Sales of Services-Merchandise and Other Inventories				65,149.48	37,427,500.75		**37,492,650.23**
Use of Inventories for Production-Trading-Other Services	2,029,858.85	17,936.82	12,227,464.20	1,660.00	33,753,372.62	41,484.77	**48,071,777.26**
Personnel Remuneration and Costs	1,226,709.80	14,626.42	2,762,365.08	10,838.45		2,285,568.35	**6,300,108.10**
Third-Party Remuneration and Benefits	281,649.38	495.56	967,625.09	9,573.65		1,589,268.32	**2,848,612.00**
Other Organic Expenses	63,725.86	50.62	317,064.92	876.97		3,000,759.12	**3,382,477.49**
Financial Expenses						2,404,443.12	**2,404,443.12**
Amortisations	424,399.24	4,476.43	1,090,078.98	802.81		42,260.88	**1,562,018.34**
Other Organic - Non-Organic Income						444,573.44	**444,573.44**
Other Organic - Non-Organic Expenses						405,253.43	**405,253.43**
<Minus-Plus In-House Production Cost	-2,028,050.88		2,028,050.88				**0.00**
Fiscal Year Pre-Tax Profits or Losses	**5,249,719.52**	**-14,271.39**	**6,180,638.99**	**41,397.60**	**3,674,128.13**	**-9,324,464.55**	**5,807,148.30**
Minus: Income Tax							2,007,543.74
Minus: Tax Audit Differences							10,745.20
Net Fiscal Year Results (Profit), After Taxes							**3,788,859.36**

8.2. Geographical sectors

Secondary Segment Reporting – geographical sectors

The Group and the Company are separated to the following geographical sectors:

31/12/2007	GROUP				COMPANY			
	GREECE	EURO AREA	OTHER COUNTRIES	TOTAL	GREECE	EURO AREA	OTHER COUNTRIES	TOTAL
FISH SALES	12,725,778.76	27,013,722.02	68,726.24	39,808,227.02	12,630,369.71	27,013,722.02	68,726.24	39,712,817.97
FRY SALES	4,120,837.59	0.00	832,216.00	4,953,053.59	5,063,529.93	0.00	832,216.00	5,895,745.93
SERVICES	1,300,045.06	0.00	0.00	1,300,045.06	65,149.48	0.00	0.00	65,149.48
OTHER SALES	8,483,052.79	0.00	0.00	8,483,052.79	12,928,802.01	0.00	0.00	12,928,802.01
	26,629,714.20	**27,013,722.02**	**900,942.24**	**54,544,378.46**	**30,687,851.13**	**27,013,722.02**	**900,942.24**	**58,602,515.39**

31/12/2006	GROUP				COMPANY			
	GREECE	EURO AREA	OTHER COUNTRIES	TOTAL	GREECE	EURO AREA	OTHER COUNTRIES	TOTAL
FISH SALES	15,162,087.08	21,899,390.25	211,880.25	37,273,357.58	13,882,101.90	21,899,390.25	211,880.25	35,993,372.40
FRY SALES	5,573,045.23	0.00	138,305.82	5,711,351.05	5,609,618.25	0.00	138,305.82	5,747,924.07
SERVICES	661,583.48	0.00	0.00	661,583.48	0.00	0.00	0.00	0.00
OTHER SALES	6,497,578.95	0.00	0.00	6,497,578.95	7,901,715.34	0.00	0.00	7,901,715.34
	27,894,294.74	**21,899,390.25**	**350,186.07**	**50,143,871.06**	**27,393,435.49**	**21,899,390.25**	**350,186.07**	**49,643,011.81**

8.3. Commerce analysis

Sales from services, trades and others are presented as follows:

31/12/2007	THE GROUP	THE COMPANY
Market Fish Sales	20,385,216.67	24,031,998.74
Juveniles Sales	466,700.00	466,700.00
Feedstuffs Sales	7,964,697.20	12,104,552.25
Packaging Materials Sales	69,213.66	285,196.04
Rearing-Packaging Services Rendered	1,300,045.06	65,149.48
Fishfarming Equipment-Other Sales	449,615.93	539,053.72
	30,635,488.52	**37,492,650.23**

31/12/2006	THE GROUP	THE COMPANY
Market Fish Sales	17,615,660.41	17,604,255.01
Juveniles Sales	0.00	0.00
Feedstuffs Sales	6,113,282.76	7,576,052.52
Packaging Materials Sales	0.00	0.00
Rearing-Packaging Services Rendered	661,588.34	0.00
Fishfarming Equipment-Other Sales	371,903.41	325,657.45
	24,762,434.92	**25,505,964.98**

8.4. Other operating-non operating income expenses

Other income expenses are analyzed as follows:

		GROUP		COMPANY	
		1.01-31.12.2007	1.01-31.12.2006	1.01-31.12.2007	1.01-31.12.2006
Caregories					
Other operating income	**plus**	95,224.47	90,373.86	115,800.26	108,202.86
Administrative Expenses	**less**	1,731,159.42	1,597,978.42	1,579,552.56	1,522,681.43
Selling Expenses	**less**	5,128,068.69	4,658,603.37	5,379,788.87	4,639,962.51
Capital Income	**plus**	164,764.40	28,307.72	164,746.66	28,303.79
Financial Expenses	**less**	2,554,518.54	1,884,420.64	2,404,443.12	1,788,087.63
Non operating income & previous years income	**plus**	243,928.86	304,111.26	193,632.23	264,597.04
Non operating expenses & previous years expenses	**less**	464,527.30	249,212.23	434,859.14	247,722.26
Total		**-9,374,356.22**	**-7,967,421.82**	**-9,324,464.54**	**-7,797,350.14**

9. OTHER INFORMATION

9.1. Transactions with Company-related Parties

The company's transactions with the related companies are in goods, market fish, fry, fish feed, packing materials, packing services provision and provision of fish fattening services. The transactions and balances created from the company's transactions with associated parties, pursuant to the definition of IAS 24, for the period from 1 January 2007 to 31 December 2007, are as follows:

	The Company	The Group
Purchases of goods and services	6.520.583,69	366.793,52
Sales of goods and services	4.297.122,13	114.076,00
Receivables	8.047.621,46	456.039,99
Liabilities	5.768,97	20.540,79
Transactions and remuneration of management executives and members of the administration	371.346,66	371.346,66
Receivables from management executives and members of the administration	22.146,34	22.146,34
Liabilities to management executives and members of the administration	297.607,24	297.607,24

Other than the above there are no other transactions between the above.

9.2. Tax Un-audited Financial Years

The Company has not been audited by the Tax Authorities for this financial year, and the merged subsidiary "LARIMNAS FISH FARMING & COMMERCIAL COMPANY S.A."for financial years: (2003 - 2004).

The un-audited financial years of the companies, which are included in the consolidated financial statements dated 31 December 2007, are as follows:

- "THALASSIO PARKO S.A.": 2007. Note that for financial year 2005-2006 the company carried out a self audit pursuant to Law 3296/04
- "OKEANIS S.A.": 2003, 2004, 2005, 2006 and 2007
- "ASTERIAS S.A.": 2005, 2006 and 2007
- "Fishfarming Argolidas S.A." Nafplio: 2003, 2004, 2006 and 2007. Note that for the financial year 2005 the company carried out a self audit pursuant to Law 3296/04
- "Kalloni SA" 2006 and 2007
- "Hellenic Fishfarming CZ SRO" 2007

9.3. Existing Encumbrances

Mortgages amounting to EUR 7,900,000.00 have been taken out on the parent company's real estate in order to guarantee Bank loans.
Mortgages amounting to EUR 1,150,400.00 have been taken out on "OKEANIS SA" 's real estate in order to guarantee Bank loans.

9.4. Disputes in Court or in Arbitration

There are no disputes in court or in arbitration, nor are there any decisions by judicial or arbitration bodies that may have a significant impact on the company or Group's companies financial situation or operation.

9.5. Number of Staff Employed

The number of staff employed on 31 December 2007 by the Company was 324 and by the Group was 400, whereas on 31 December 2006 the figures were 247 and 306 respectively.

9.6. Post Balance Sheet Events

Apart from the events already mentioned, there are no events concerning either the Group or the Company that took place after the financial statements date, which require mentioning according to the International Financial Accounting Standards.

Vrilissia March 22, 2008

Chairman of the BoD & Managing Director	**Vice-Chairman of the BoD & Co-managing Director**	**Chief Financial Officer**
Ioannis Katsivelis	**Lewis Nigel**	**Athanasios Prachalis**
Id No. Φ.355271	**Passport No. 7027486671**	**Id. No.. AB 052731**

10. INDEPENDENT CERTIFIED AUDITOR/ACCOUNTANT AUDIT REPORT
To the Société Anonyme Shareholders
HELLENIC FISHFARMING,
INDUSTRIAL AND COMMERCIAL SA COMPANY

Report on the Financial Statements

We have audited the attached Company and Consolidated Financial Statements of HELLENIC FISHFARMING, INDUSTRIAL AND COMMERCIAL SA COMPANY, which consist of the Company and Consolidated balance sheet, dated 31 December 2007 and statements of results, changes in equity, as well as cash flows during the financial year that ended on that date, along with a summary of important auditing policies and other clarification notes.

Management Duties with Regard to the Financial Statements

Auditor's Duties

Our duty is to express an opinion on the said Financial Statements, on the basis of our audit. We carried out the audit in accordance with Greek Auditing Standards, which follow International Auditing Standards. These Standards require our compliance with rules of ethics, as well as the planning and implementation of our audit with the aim of reasonably ensuring the financial statements are free of substantial inaccuracies.

The audit requires the application of procedures for the specification of auditing assumptions with regard to amounts and information included in the financial statements. The procedures are chosen at the auditor's judgment, taking into consideration a risk estimate of significant inaccuracy in the financial statements, due to fraud or error. To assess that risk, the auditor takes into consideration the internal audit system with regard to the drafting and reasonable presentation of the financial statements, with the purpose of planning auditing procedures in view of the circumstances and not expressing an opinion on the effectiveness of the internal audit system adopted by the Company. The audit also assesses the suitability of the auditing policies applied and the validity of the estimates made by Management; it also assesses the overall content of the financial statements.

We believe that the audit assumptions that we have gathered are sufficient and appropriate to document our opinion.

Opinion

In our opinion, the attached Company and Consolidated Financial Statements reasonably present, from every significant aspect, the financial status of the Company and the Group on 31 December 2007, their financial performance and Cash Flows for the financial year that ended on that date, in accordance with International Financial Reporting Standards, as same were adopted by the European Union.

Reference to Other Legal and Regulatory Issues

The Board of Directors Report includes information pursuant to Article 43(a), paragraph 3 and Article 107, paragraph 3 of Codified Law 2190/1920, as well as Article 11(a) of Law 3371/2005, and its content is consistent with the attached Financial Statements.

Athens, 22 March 2008
The Chartered Auditor-Accountant

Konstantinos Sakkis
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Board of Directors & Explanatory Report
from January 1 till December 31 2007

HELLENIC
FISHFARMING S.A.

It is verified that the Report is approved by the Board of Directors of HELLENIC FISHFARMING S.A. as of March 22, 2008 and have been posted on the website at the web address www.helfish.gr .

Katsivelis Ioannis
President of the Board of Directors
HELLENIC FISHFARMING S.A.

Vrillisia 22/3/2008

Dear shareholders,

In 2007, our company completed 21 years in the fish farming sector.
Placing its own personal touch in the course of the whole sector's development, our company, truly one of the most significant representatives of its sector, constitutes a paradigm of economic, social and developmental management covering the demands of today's modern, international economic societies.

The management, with diligence, direction and commitment, seeks through the continuous quality development of its co-operations, its infrastructure and its corporate contribution, the international recognition which will constitute the next step of a new entrepreneurship.

The continuous application of combinative strategies in local-international challenges and conditions accordingly, the proper management of both financial and non-financial means with respect towards human values and the environment, our presence in 18 countries and our policy concerning consistent relations with our customers and suppliers, have led the company to high levels of efficiency and profits for the benefit of our shareholders and all other third-parties involved.

Despite the difficult conditions of the inconsistent international economic society, we proceed with stability and faith in our values, leadership skills and entrepreneurial plans to achieve our vision of our Group becoming itself a classic value for all interested.

We provide you hereafter with the FY 2007 management report.

The Board of Directors

FY 2007 MANAGEMENT REPORT OF BOARD OF DIRECTORS

The Sector we Operate

The company's organized activity with fish-farms essentially began in the 1980's. Until that time, the demand for fresh fish was covered mainly by inshore and Mediterranean fishery as well as farming of certain fish in lagoons and fish-farms. Despite the relatively recent activities of intense fish farming in Greece, this sector is dynamically increasing over the past few years.

The continuously increasing demand for fresh fish could not be covered effectively in the long run and this led to the development of fish-farming as an organized business activity based on the latest know-how. The developments happened with greater intensity in Greece and this resulted in Greece being the main producing country in the European Union and the Mediterranean. This constitutes a significant factor since sectors of economic activity in local industries, which are market leaders at a European Union level, are very few.

Furthermore, the ideal climatic conditions and the morphology of the Greek coastlines, as well as the offered incentives for the development of the specific activity (e.g. grants, subsidies and sponsorships) helped in this achievement. The types of fish which are farmed on a commercial scale in Greece and in other Mediterranean countries are mainly gilthead sea bream (*sparus aurata*) and sea bass (*disentrachus labrax*), which are euryhaline species of fish, meaning they can tolerate a wide range of water salinities. Apart from the aforementioned species, in recent years other types of fish such as common dentex (*dentex dentex*), white sea bream (diplodus sargus), grey mullet (*mugil cephalus*), common sea bream (*pagrus pagrus*) and sea bream (*sargus*) are being farmed.

Today the fish-farming sector constitutes the most rapid advancing food industry in the world with an annual increase rate of approximately 8%. According to recent evaluations, the sector in the future (up to 2030) will provide 50% of the total fish products supply due to a continuous decrease of both quantitative and qualitative fish reserves in the sea. Especially in the Mediterranean, Greece constitutes the leading producer in the specific sector in the last decade, with a continuous upturn rate. Up and until 2010, the production of fry and market size fish will continue to increase at an annual rate of 10% to 15%.

The traditional markets which, until today, have supported the development of the sector are those of the Mediterranean European countries (Spain, France, Italy etc).

The increasing export progress of the sector will continue at an even more intense rate in the next five years, due to an infiltration into the new markets of the European Union's newly acquired member-states in which there will be an increase in demand of Mediterranean products.

We estimate that the stability in product prices Europe-wide, which existed in 2007, will continue throughout 2008.

Our Company

This year the company Hellenic Fishfarming S.A. completed 21 years of entrepreneurial activity in the fish-farming sector (production of fry and large fish).

The company, as has been mentioned, is active in the production of two categories of fish:

a) Fry, this is small fish weighing between 1.5 gr. to 2 gr., which is necessary as a primary material for the fish-farmers who do not own a fish-producing station. The fry has a 120-day production-cycle and has immediate availability.

b) Market size fish, this is large fish weighing between 300 gr. to 500 gr. The large fish has a 14-18 month production-cycle, but until its sale it has a larger stay-cycle at the fish-farm, due to the fact that the quantities being produced are being gradually deployed within six months after the fattening-process. The company has a farming unit with floating cages and nets where small fry 1.5 gr. to 2 gr. are placed and farmed for a period of 14 to 18 months and thereafter offered on the market.

The Group is defined by a powerful, modern and vertical integration system with large fish production-centers in Preveza, Igoumenitsa, Andros, Astakos Aitoloakarnanias, Vourlia Viotias, Ag. Andreas Kinourias, Nafplio, Methana and Marathonas Attiki, two fry-producing units in Larymna Lochridas and Atalanti Pthiotidas, as well as three fish-packing units in Atalanti Pthiotidas, Astakos Aitoloakarnanias and Yaltra Evias and one under construction plans in Nafplio Argolidas.

Furthermore the Group is distinguished for the excellent quality of fry which it distributes exclusively on the Greek market and the exceptional pre-sales and after-sales service it offers its customers. It has an excellently equipped fry transport and distribution unit so that the fry can be transported healthy and without casualties or injuries even to the most distant places, where fish-farming units exist, with great accuracy as far as the delivery time is concerned.
As a result, the Group has made a powerful name for itself and a significant marketing relations development, which results in the maintenance of a steady clientele for the company. It is noted that the company's fry is demanded for and distributed throughout all of Greece. Sales start every year with a significant amount already pre-covered but at the same time with such a large and dynamic distribution and dispersion network, that even the loss of one client has no repercussions on the company's sales policy.
The company exports 50% to 65% of the market size product (large fish) mainly to Italy, Spain and France and in Central Europe to a total of 18 countries, while the remaining percentage is distributed on the internal market.
The buyers are large distributors and Super Markets chains in the abovementioned European countries. The final consumers purchase the product from fish retail stores and super markets, which are the third level of the distribution network.
Today, our Group is one of the four largest business ventures in Greece, holding an approximately 10% share in Greek fry production and approximately 6% share in Mediterranean fry production of euryhaline fish, respectively. In large fish it holds an approximately 10% share of Greek production and an approximately 5% share of Mediterranean production. We anticipate that our production base, as far as tonnage is concerned, will strengthen by 10% in 2008 for the large fish (including the companies with which there is a long-term co-operation deal) and by 5% for the fry.

The main aim for the next five years consists in maintaining our place within the four largest business ventures in Greece, which of necessity lead the developments and determine the sector's course Europe-wide

Company macro-economic environment

The demand for fish-farm products is influenced by various characteristics and issues such as:

- **Socioeconomic**

Sales prices, consumer wages, nutritional and consuming habits, geographical particularities etc. The most important factor is undoubtedly the sale price which influences and contributes towards an increase in demand when it fluctuates on low levels and vice-versa. The drop in prices which has been observed in the last few years has favored the demand for fish from fish-farms, giving them a significant advantage over other substitute products.

This anti-inflationist price tendency of the products Europe-wide, created and still creates, an immediate need for a way to reduce the cost through better management, reduction of work force, reduction of feedstock prices and an investment in high-technology production methods.

The modern way of life has decreased in industrially developed countries the time it takes to prepare food at home from 2.5 hours in 1930 to 15 minutes in 2000. As a result this has increased the demand for frozen fish products, while it has negatively influenced the demand for fresh fish. However, despite these facts, the tendency which exists for a healthier way of living, favors the consummation of fish from fish-farms.

Furthermore, due to the geographic origin of the products (Mediterranean) the largest markets (Spain, France, Italy) will continue to consume since they are knowledgeable in the Mediterranean way of healthy diet due to their traditional consummation of fresh fish for a long time.

- **Political and Legal**

Through public subsidies and the Corporate Program for Fishing 2000-2006 (CPF), as well as previous programs before that, our company achieved, as did Greece, within a decade to develop its production to a high degree and to be at the present moment at the top ranking position over all other Mediterranean countries. Of course many organizational and institutional problems were faced in the process; however the positive index marks prevail.

The aim of the current Corporate Program for Fishing (CPF) is the advantageous institutional support and protection of the country's significant role in this sector in Europe. The proper observance of the principles, roles and actions – from the country and the European Union (through the Common Agricultural Policy), as well as the Association of Hellenic Fish-farmers (A.H.F) – to achieve the aims which the new CPF has set, it is an important, objective and sufficient step towards further strengthening and stabilizing the sector. We, the producers, have to support CPF vigorously.

- **International economic relations**

The absence of foreign exchange differences which stem from the European unification process, certainly comprise the most important factor in the attempt to maintain the existing EU countries market share, as well as the attempt to enter into new countries, mainly northern, and both newly-accepted Balkan and non-EU countries.

- **Technological**

The production of products has acquired a highly-intensive industrial production character, with a significant development both in technology and know-how of food-production generally.

Production methods are constantly being improved while at the same time reducing cost. The workforce is being gradually replaced at a larger level by machines. Food quality is improved which in effect reduces dieting time and food developing time. Control systems are being updated and the installation techniques (fish cages, anchor places, anchor buoys, buoys etc) contribute to a better and more efficient management and storage of the products. The use of computers throughout the whole company process contributes to proper and quick information which results in the control and action of immediate corrective movements.

Furthermore the development of communication methods (Internet, newspapers, magazines etc), contribute to the promotion of the product on the market, its development and the improvement of its 'image' towards the consumer.

- **Environmental factors**

The role of maintaining clean, Greek seas and a decrease in free fishing due to a case of hyper-fishing, which leads to a continuous and fast decrease of fish population, is very important.

Company micro-economic environment

Production Factors Supply

- **Supply and cost of feedstock and energy**

The great competition from internal and external food suppliers maintained a relevant stability in the prices of feedstock due to the concentration of the fish-farming sector and the characteristics of the food suppliers market which is free. There exists a great adequacy in their distribution due to the number of suppliers.
The production of ARTEMIA food (basic nourishment for fry) which could create a problem in its production from its natural/biological decrease is adequate for the next five years according to estimations of its suppliers, with its prices slightly increased.
The company has a very great negotiating power due to the large volume of food it needs
The production of fry during the year was at very good levels both in volume as well as in quality. Estimations for new year amount to equivalent figures.
Concerning energy, price levels remained normal during Q3 and Q4 with a reduction of prices to counter the hyper-increase of the previous year. For the next two years the estimate is of a stable level equal to December 2007 levels.

- **Supply and cost of capital**

There are adequate bank loan limits due to the company's high economic profile.
Capability for negotiating relatively small percentage rates on loans, due to the company's cash supply, despite multiple percentage rate increases, issued by the European Central Bank, which the member-states adopted.
A bond loan of € 12.000.000 was approved in December 2006 by the Agricultural Bank of Greece, aiding the transfer to cheaper and more controlled loans.
The Company has increased significantly its credit worthness.

- **Supply and Employment Cost**

The offer of specialized work is at a very satisfying level due to the number of ichthyologists.
Furthermore the offer of non-specialized work is also at a very satisfying level due to the entrepreneurship mainly in rural non-urban areas with an increased unemployment problem, as well as due to a number of foreigners which work in this sector for many years.
The cost for the company was stable but high due to the work specialization of ichthyologists and taxation. The institutionalization which was achieved in 2004 by the law 3232/2004 for the insurance and pension-benefits of fishery workers helped lower the production costs.

- **Suppliers Negotiating Power**

The main category is the food suppliers. Due to the nature of the free market they don't have the possibility to control the market, but due also to the concentration of the fish-farming sector especially in the large ventures which are listed on the Athens Stock Exchange and have great trading capacity.
The money-lending power and trustworthiness in the fish-farming sector continues to decrease for many companies, thus the large Groups in the sector, like us, have an extra powerful negotiating argument.

Furthermore many of the fish-farming companies' inabilities forward integration are due to a downturn in the fish-farming sector, a permanent filling of fish-farming licenses and investment specialization. All these account for a further handicap.

- **Buyers Negotiating Power**

Fry Production Section
The sector's shrinkage gives an advantage to the ones remaining for the configuration of price levels. The company, due to the procedures which it has made for the production of fry, through the multiple selections in the first stages, the pre-fattening and its after-sales, has created a strong Marketing bond with many worthy customers with which it has been co-operating for a long time.

There is a large offer of products from the two large antagonist companies (SELONDA and NIREAS) and the increase in the large fish production creates a continuous placement need.

A new market is being created in Turkey, which lacks itself opportunity due to a lack of know-how in fry production, after the recent investments of the companies in this sector.

Market size Fish Production Section
There is a large supply from all Mediterranean countries which results in the non-capable setting of prices from the buyer-merchants which present at times a large fluctuation. However this has become normal for the sector and the company and they implement a relevant policy to counter this phenomenon. The short holding time of the fished product is also a further disadvantage during negotiations. The inability of the buyers' backward integration due to the demanded investment capital and all other things mentioned above, are included in the advantages.

- **Supply of Substitute Products**

A decrease in prices in the last few years constitutes the same products as substitutes for others, especially free fishing. Although the consuming of free fishing products is constantly declining, despite being preferred as a healthy dietary choice, the share of the fish-farming sector is constantly increasing. Furthermore the development of mass produced fish-farming of other types of fish which aim to 'steal' a share of the market from the well known euryhaline fish has not flourished despite all attempts made.

- **Competition in the Sector**

Entry of Major New Competitors
The impossibility of fish-farming the two major types Gilthead Sea Bream and Bass due to a cancellation in the issuing of new fish-farming licenses. The impossibility up to now of mass producing new types acts as a deterrent for these types due to their insecure financial result.
In the last five years the dominant companies in the sector remain the same of which our company is steadily among them.

Exit of Major Competitors
The large and different specialization of the investments according to the produced type of fish renders it difficult, almost impossible without a large financial damage. The public and E.U. subsidies, commit due to time limits obligation of property and corporate confinement. Finally the feeling of pioneer - innovative in the sector constitutes a powerful factor in the sector.

Competition amongst the Existing Companies in the Sector

The sector is under "purification", following the excessive, anarchist, economically damaging and deficiently coordinating period of 2000-2002. It is also a two-speed sector which consists of three large vertically integrated companies and all the remaining having significant infrastructural deficiencies (technology, distribution networks etc). The state of the market is competitive oligopoly, despite the occasional large product supply phenomenon. The trend for further concentration of supply will continue, in majority by the four large companies, aiming at a better control of production, an increase in supply prices and the minimization of the illegal competition phenomenon.

Furthermore the local commercial companies also act competitively by trying many times through non-economic gains to support their share in markets both in Greece and abroad.

Finally the purchase of market shares in new markets apart from the ones of the traditional Mediterranean products consists of a comparative advantage for all who invest both in the present but primarily in the near future.

Analysis of the Company's Internal Environment

- **Organizational Structure**

Characteristic are the very good interpersonal relations between middle and upper management employees as well as the whole workforce.
The assumption of responsibility of the utilization of the corporate strategy is conducted by a four-man team that consists of the General Manager, the Financial Manager, the Production Manager and the Commercial Manager. All of them have a long-standing cooperative relation within the company which results in the immediate application of the normative framework of achieving company goals. Furthermore there is a sound separation of responsibilities and initiatives and an application of work allocation to the different departments, resulting in good relations and a satisfying mutual covering and helping between the various departments.
A further application of a supervision-control role is promoted between the Supplies department and the financial department and the Internal Auditor.

- **Executive-Managerial Staff**

It is characterized by the active role of the Board of Directors in the management of the company and the occupation of the managers with the position from the beginning of the development of the sector. Furthermore the application of a Democratic model of command by all the executives and the relatively small average age of them constitute an important immaterial resource.
The harmonization of the culture and application of the means of communication is being promoted through the operation of operating centers, due to the distance and spread-out of them, owed in relevance to these as such.

- **Operating Staff**

The vast majority of the officers in charge of the departments have been with the company for years having, as do all the other workers, a good level of knowledge concerning their role and position. They are receptive during training and adaptation to every changing circumstance and satisfied with the remunerations system. The dedication and trust in the supervisor, the participation in the decision-making process of the department and the opportunity of career advancement (of which there are many examples) create ideal conditions-motivations.
As a drawback we report the cultural differences due to a large number of foreign workers in the production process, which however have many years with the company, as well as the large geographical distance of the production centers one from another.

- **Financial Operations**

The most important factor, on which our development was based, is undoubtedly the extraction of capital from the Stock Exchange which truly gave powerful dynamism to the company's strategic plans and the possibility of materializing and utilizing business initiative.
Furthermore, through public subsidies and the Corporate Program for Fishing (EPAL), as well as previous programs before that, our company achieved, as did Greece, within a decade to develop its production to a high degree and to be at the present moment at the top ranking position over all other Mediterranean countries. Of course many organizational and institutional problems were faced in the process; however the positive index marks prevail.

During the last four years the relation that has been formed with the financial system for the cover of liquidity needs and extraordinary losses that emerged from the daily operation of the Group is also significant. Undoubtedly the position and the result of the co-operation with these institutions prove the corporate efficiency and importance that characterise our company. A sound example is the decision to receive a bond loan from the Agricultural Bank of Greece.
Furthermore there is a large collateral ability towards its creditors, suppliers and banks and a satisfactory financial rates performance in comparison with the sector and its major competitors. Finally we announce the satisfactory analytical and control system of the financial trends with an immediate reception of corrective actions.
As a setback we announce, as do all companies, the lack of reliable long-term programming due to the dependence of turnovers of the world economic trend.
Finally, further setbacks are the inherent permanent sector problems (leaderless hyper-supply, low prices etc) which result in a burden on the production, management and distribution cost.

- **Competitive Product place – range**

The Product is homogeneous with the competitions', however an attempt is being made to differentiate it with better quality due to a choice in better organisms for fattening during the fry stage (selections).
In the production of Gilthead Sea Bream fry, Bass fry and large fish fry, the company holds the first place in Greece and is in the top ranks in the E.U. and in the Mediterranean respectively. The company's quality knowledge and production and competition know-how, the horizontal and vertical product integration, as well as the acquisition of the ISO and HACCP quality assurance certifications, all account for its qualitative differentiation. The differentiation that we want to achieve is focused on the possibility of the production of a larger average weight fish of 400gr-550gr, as well as the supply of processed fish (fillet, degutted).
As a drawback we announce the sector's chronic problems due to the non-absorption of the offered quantity and a decrease in price of large fish during long periods of time, especially in the second 6M of every year.

- **Production Facilities – Mechanical Equipment**

The continuous investments in high technology, due to capital income from the company's list on the ATHEX and bank loans, the production facilities in seaside areas with good temperatures and clear waters for the development of a qualitative product and the mechanical, transport and buildings equipment which are in good order and are continuously upgraded and renewed, form a modern framework for business.

- **Marketing**

Marketing relations with customers were brought about by the very good reputation of the quality of our fry, the excellent after-sales service, the product packing which was made according to modern techniques in fully organized fish packing facilities with quality assurance certifications, the continuous connections with the distribution networks in Italy, Spain and France as well as the exact timekeeping of product delivery.
Furthermore, the company participates at international expositions for the promotion of its name and its products and its presence in new markets outside of the traditional Mediterranean ones. The existence of a framework of combined entities and the State will aid significantly this attempt to penetrate new markets that will give the company a boost. During the year the company established a subsidiary in the Czech Republic which is strategically located country with great significance when expanding in the Central Europe.

- **Product Distribution System**

There are modern transportation means, continuously upgraded, and able and experienced personnel that manage and operate the network throughout Greece.
Transportation abroad is processed with great safety and precise delivery times by an international transport company with which the company has a long history of co-operation.
As a setback we announce the undeveloped network in new markets, especially during the decade 1991-2000, which today could have given new business opportunities, as mentioned earlier.
Furthermore, of great importance is the immediate dependence of expenses in relation to oil, which consequently has a high supply cost and limited withdrawal opportunity.

- **Research and Development**

There is a continuous attempt to develop new species, especially Dover Sole. Furthermore, the management continuously makes investments and funding in laboratories and equipment for the research of new production methods and species.
To conclude, knowledge in combination with continuous information of the workforce of scientific researches, upgrades their perception and observation skills of their field of work, thus minimizing and avoiding mistakes.

As a setback we report the high research cost (until today) in comparison with the realized low-result rates.

Company Aims and Objectives

The company has defined its aims and objectives, in the framework of its operation, which consist of qualitative and classic values and make the company a constant value in the long-term. The company's organization consists of its infrastructure, policy and philosophy which together work harmoniously towards the succession of its aims.

It is worth noting that for every strategic activity sector its mission has been set in the wider framework of the company's mission, a factor which we consider to be an integral part of the excellent and productive corporate coordination that was mentioned earlier.

Specifically the corporate aims are as follows:

- **Financial efficiency (profit)**
- **Customer Recognition and Satisfaction**
- **Stake Holders Recognition and Satisfaction**
- **Corporate Responsibility**

Being objective, specific, hierarchically ordered and consistent they comprise the bedrock of managerial exertion in accordance with the aforementioned aims.

- **Financial Efficiency (profit)**

Its achievement demands:

<u>Strategic management of cost – low cost – improvement of profit margins</u>

The anti-inflationist trend, during the last six years, of the price of products Europe-wide has created and continues to create an immediate need for ways of lowering cost through a better management of mainly food products, a decrease in workforce, a decrease or stabilization of feedstock prices and the investment in high technology production methods.

For the foods, the great dependency on fish-flours from the fish-farmers plays a definitive role on the configuration of the company's results since it consists of the main cost factor of the product. The increase in energy prices in 2005 created the need for the food producers and distributors to increase the food prices respectively. Taking into consideration the long-term harmonious cooperation, the large volumes of required food as well as the possibility of non-binding contracts, the company was marginally affected by the cost of the increased energy prices. Taking into account the stability of energy prices we believe that prices in feedstock will remain at the same levels. The production volume is a very large negotiating competitive advantange, especially in feedstock.

The own production of fry for 2006 and 2007 amounted to very high levels and thus this will cover by far all fry needs, in contrast with 2002-2004 where the markets were burdened with the cost. For 2008 it is expected cover all market needs in fry.
Every productive activity sector constituted an area of focus, study and final restructuring on a manager-employee level on the basis of productivity accomplishment. The investments of previous years as well as the current one in modern equipment (cages, nets, boats, cars and trucks, building expansions etc) will continue in 2008.

At the already existing fattening centers, a radical restructuring of the production method is conducted, through the method of selection and numbering of all fish categories every six months, by focusing on the sections of large fish under development and their production time. The detection of development problems and the continuous parallel development of organisms achieve uniformity at a high level which aids the whole cycle and especially the important process of selection-packaging. We believe that all abovementioned strategies and tactical operations will bring significant financial gains in the immediate future.

The next alteration stage consists of the placement of fry for fattening to 10gr instead of 2gr and the further application of processes to improve the quality of the genitors through gene selection.

The Group's policy of promoting managers from the ranks of its workforce for higher executive and operation positions has decreased remuneration costs. Generally, the managerial operating expenses for the Group have remained at the same levels after the development of the supplies department, while selling expenses increased slightly despite the increase in fuel prices which consists of the main burden lever due mainly to transports nationwide and abroad. Furthermore the expenses are fully controlled by the supplies department for the whole of the Group, based on a preprogrammed expenses plan per activity sector and the immediate location of deviations. Food consuming is controlled on a daily basis by the production management and if an increased amount is consumed it is immediately detectable.

To conclude, the satisfying acquisition of the mean fish-mass changeability rate (FCR) close to 2 – best benchmark the smallest one of which is equal to 2 – for 2007 and aiming the same for 2008 after the standard meeting, evaluation and restructuring (between the production manager and the unit managers) procedure, as well as the application of the fattening selection process every six months.

The decision of merger through absorption by the parent company of seven companies in 2005 and the take-over in 2005-2007 of 100% of the companies "ASTERIAS S.A." and "OCEANIS S.A." is also integrated in the framework of reducing cost and achieving economies of scale

Geographic Restructuring

In the framework of its strategic de-investment in 2004, through the transfer of the fish-genitor and fattening units facilities in Evia, due to a turnover in financial pores, inefficacy in the achievement of able, production aims and the high fish mortality rates, the company applied a strategic geographical restructuring and business plan in areas with a high average water temperature rate.

More specifically, during the last three years 2002-2005, in the large fish fattening sector, the company is characterized by its qualitative and stable development through its selective geographical business plan and its improvement of production methods in all its levels, aiming at reducing the operating cost, through economies of scale, and increasing its qualitative development.

In order to achieve the abovementioned aims, the company relies on its special characteristics, such as its good reputation, the dynamic development of its subsidiaries and its developing strategy as far as it concern the strengthening of the existing and new activities, through special synergies, at new large fish production centers in northern Greece which have performed better in the fattening process with excellent results.

Business activity in northern Greece foresees the reduction of the production cycle, through the already increasing annual temperature level in contrast with the remaining areas of Greece, and thus smaller operating expenses. This strategy incorporates the take-over of 51% of the company

"ARGOLIDOS FISH-FARMS S.A." and 100% of "Kalloni SA" and furthermore the company is looking for 3-4 additional production units in the region for take-over or merges.

We estimate that in the future this contribution to the production and financial results of this regional strategic development of large fish, will offer a unique comparative advantage over the competitors in the development of this sector.

Concerning the fry, with the new fish-genitor unit in Atalanti and after the continuous development of the years 1997-2001 and the unforeseen decreased production for the years 2002-2004, the years 2005-2007 are characterized by the qualitative and stable development of the initial years thus adding new expectations for the very good result, also for 2008.

Within 2005, after the modernization of its fish-genitor units, the Group aimed at and maintained the tradition of the qualitatively upgraded fry, which for years was offered to the Group's customers and was the basic developmental axis for the Group's path to the ATHEX in 2000.
We consider definite, after recent signs, that 2005 was the start of a new, productive and qualitative business efficacy in the aforementioned sector.

Market Development Strategy

The prediction for an increased exports path of the sector, with more intense rates in the next five years, due also to a penetration in the markets of newly-entered E.U. countries which will increase the demand in Mediterranean products, is confirmed every year through the sales in non-traditional Mediterranean markets.

As has been already mentioned, the production of fry and ready large fish until 2010, is estimated to increase at an annual rate of 10% to 15%.

The company's choice and attempt to penetrate and expand the market in northern countries (Germany, Great Britain, Holland etc) as well as in the newly-entered E.U. countries (Bulgaria, Slovenia etc) in these specific type of fish is constantly being confirmed.

The main target for 2008 is to further develop the company's operations in the Czech Republique by enhancing sales within the country as well as the neighboring countries.

To conclude, the company aims intensively at the production of organic products in the area of Andros Island; a project of high added value, for which it submits in 2008 its project report, expecting a certification from the European Un

Cooperation Strategy with Feedstock Producing Companies

Following the successful cooperation results from the fish fattening sectors, the company aims to cooperate strategically in the immediate future with feedstock producing companies so as to co-produce feedstock. We are at the beginning of new, world financial events which will have an immediate effect on the sector, which it seems is reacting in a positive and productive way recently. We assume that our synergies with food companies constitute the next development step for the company since they will bring about a 6%-7% reduction in product cost thus improving the cash outflow. Furthermore, the existence of an improved quality control of the food that is fed to the fish will lead to better productive results (decrease in production time, fish quality etc).

The company also has in its immediate plans the construction of a feedstock production factory which will belong wholly to the Group.

New Products Development Strategy

At the same time, through the production of two well-known species, the company has completed the 2nd successful Common Sole (solea solea) production cycle; this product was offered in 2006-2007 on the market and will continue to be offered for 2008. We believe that this product will be developed quickly within the next years and our attempt in the last four years to cover a market demand will have excellent results. Furthermore we firmly believe that we must continue with the same intensive pace in the development of this fish, since its supply on the markets is still at low levels while its price is very high

Product Differentiation Strategy

After so many years in this sector, the company, through its experience and know-how, aims at product differentiation through an increase in product weight of the per unit producing product, from 400gr to 550gr, which is mostly demanded on the European market. This possibility is offered to the company from its units in northern Greece, which have a reduced development time; thus the company aims to expand its product differentiation throughout the whole Group. The difference in price and subsequently in sales will be very large since the price difference from 400 to 550 grams of fish can vary from € 0.30 to € 2 depending on the sales period.

- **Customer Recognition and Satisfaction**

The business is not just a goods-producing process but a customer satisfaction process as well.

This phrase characterizes the philosophy that is pervasive throughout the company and its employees during all these years of its grand development.

The buyers-customers purchase from businesses which according to their point of view offer the greatest offered value to their customers.

Considering as standard the homogeneity of the product, the company gave emphasis and weight to two basic keynotes for the achievement of its aims.

These are **firstly** the **coordination of the units** which are included in the "value chain" of the company and **secondly** the **application of marketing relations** with the customers.

Concerning the **first**, we refer to the internal environment of the company, the excellent relation and covering which is observed between the departments, due to an increased number of executives and employees with experience in the sector and long-term cooperation in relation with the company. All of the executive management – the CEO, the Financial Services Manager, the Production Manager and the Commercial Manager – have moved up through the company ranks, just as have many employees from the basic sectors of management of the respective departments. This contributes to the proper, prompt and effective cooperation between the executives and managers and the various departments, for the total satisfaction of a customer's needs throughout the whole business phase. Mainly due to the quality control and quality assurance application procedures which the company has acquired for the truly integral procedure of product quality assurance.

At its packaging units, the company has applied and received accredited quality certifications in accordance with the high quality standards (HACCP), which the company recertifies at various periods. Furthermore, from 2006 the company implements a Barcode scanning system on all

packaging for a total recording of the whole distribution process from the company to the consumer.

Further, the company has placed great weight on the after-sale service procedure which we consider to be equally important in our "value chain". At any problem detected at our customers, the quality manager and relevant fry or large fish department manager, in cooperation with the company's management, conduct an on-the-spot visit for the ascertainment of the problem and the conduction of relevant correction policies to restore the damage caused to the customer.

Concerning the **second**, the application of operational policies of special exchange relations which transform customers into associates is very significant. The company and the customers cooperate closely and actively together on a level of fry and food purchase from the latter ones, and following the sale to the company of their ready product – only large fish – for further distribution of her own distribution network. In this way the company gains from the sale of its products and foods, however the customer gains as well by not having to invest or having his funds held for the expansion of distribution networks for the allocation of the company's products.

This cooperation has been successfully developed by the company during the last four years and it is continuing to be harmonious and profitable for both parties. Furthermore, it is worth noting the differentiation of the weight per unit of produced product from 400gr to 550gr, which is demanded for mainly by the European market and has been pursued by the company through its immediate contact with its customers around the world.

- **Stake Holders Recognition and Satisfaction**

The basic groups are the employees and the shareholders, followed by the rest (suppliers, customers, funding and financial institutions, the State etc).

Respecting the capital investment of its **shareholders**, the company has established a satisfying dividend and interim-dividend policy, where there is a case of high profitability, maintaining this group as the top priority in the preference and satisfaction of the interested parties. For FY 2007 the Board of Directors will propose to the Ordinary General Shareholders Meeting a dividend of € 0.034 per share. The shareholders and financial departments are structured and operate towards the accurate, trustworthy and complete update of our shareholders as well as other investors who need access to further in-depth information, apart from the ones readily available to them such as internet, press releases, media publications etc

As far as our **employees**, the propelling force of our company, are concerned, we have developed an incentive policy that works as a vaulting board for the achievement of the maximum performance possible. The policy of employee promotion from within the company has been implanted into their conscience and the possibility and aspiration to advance within a modern business, works as a powerful incentive of personal development and group involvement towards each common goal. A concrete example of this system is the team of Managerial Team, which exists for three years now and consists of persons who have ascended from within the company over a period of time and after a high level of productivity and effectiveness. The continuous update in products, additional bonuses in combination with productivity, life insurance benefits and workplace hygiene and safety standards are the basic incentives for their development.

For the **remainder interest groups**, the company exercises a policy of close cooperation and relation, without excesses, in respect of its level, the maintenance of agreements, the accurate and immediate information at every level and type of cooperation, the announcements and

publications of timelines for the realization of the works, the common application of logistics policies etc.

The company has a sense of responsibility and consistency, which we believe constitutes a distinctive unit and classic entity of satisfying the needs of all groups in combination with its operation and development in the framework of today's modern, competitive, global environment.

- **Corporate Responsibility**

Corporate Responsibility consists of an upgrade and distribution of the processes which aim at environmental protection for the production and distribution of products, of guaranteed quality and hygiene with high nutritional value, to the customer.
Foods utilized by our company for the feeding of the farmed fish, during their whole development process until their fishing, consist of fish flours, fish oils, vegetable seed products (Soya, sunflower), pulses (bean, peas), glutens (wheat, corn), cereals, vitamins and minerals. They do not contain genetically modified products and the dioxin levels of the feedstock and foods are below the set levels.

The food supplying companies are fully in accordance with the Hellenic and European legislation and their factories, whether in Greece or abroad, have all necessary certifications which prove the contents of the feedstock and the ratios of the feedstock they use.

Our production units are the perfect example of the viewpoint that a fish-farming activity can contribute to the upgrade and improvement of the area in which it is active. Placed in non-tourist developed areas and free of any emission–producing activities that are harmful to the environment, they combine the benefits of business activities in the clean waters of the Greek sea.

Almost all areas where fish-farming takes place are characterized by the cleanliness of the waters due to their continuous movement and renewal by the presiding winds and currents, as well as due to the large depth in the areas where the final fattening cages of large fish are installed. This factor, combined with the warm temperatures and the high levels of oxygen that exist throughout the whole year, constitute ideal farming conditions for the production of excellent grade-A final products. These are units where all necessary environmental conditions are met so as to attempt and produce certified quality fish for the consumer.

We contribute, as does the whole sector, to the upgrade of local areas and communities that depend from aquaculture, by implementing a policy of principles of responsible aquaculture for the proper exploitation of the natural and financial means in the framework of profitability.

With respect to the environment through controlled expansion and methods of employee responsibility development in every area, in total accord with the rules and standards that have been set from local authorities, the State and the E.U., we continue to expand in dependence and total harmony with the upgraded frameworks of corporate responsibility and consistency of the modern corporate model.

Results and Prospects

As far as the financial and non-financial performance count is concerned, the management utilizes scientifically documented ratios and numerical ratios in connection with internal analysis which render these an efficient tool for measuring performance (Table 3).

- **Sales**

The increase in sales (Group and company) is due mainly to an increase in the sales of large fish and partly to an increase in the sales of feedstock and nets (secondary activity).
The sales in the Euro zone increased due to the distribution of the product in new markets and more specifically in the European Markets. Fry sales were also satisfying for 2007, while for 2008 we expect a smaller increase due to our need for own-production of fry.
Moreover, the services provision had a positive impact stemming from the significant increase marked in 2006.

- **Profits from the Assessment of Assets at their Fair Value**

The satisfactory production and development of the Group's products resulted in high profitability, especially due to the adoption of organic production of both fry as well as large fish. The fluctuation in large fish prices was negative, due to the low prices during the last quarter of the year.
The percentile market share fluctuation stood at 61.54% compared to 2006.

- **Merchandise-Services-Other Pre-Tax Profits**

It partially increased as a percentage of sales and stood at 11.5% for the Group and 9.9% for the Company. This level is deemed satisfactory taking into consideration the variables for 2007.
The outlook on 2008 consists of stability at a percentile rate of increase.

- **Managerial Expenses**

As a percentage over sales it has partly decreased to 5.7% for the Group and to 4.2% for the company; however it remains among the lowest percentages in the sector.
For 2008 we predict a small percentage decrease and stability in total volume

- **Selling Expenses**

As a percentage over sales it partially decreased and amounted to 16.7% for the Group and 14.3% for the Company.
The rational management and continuous development of the logistics department seemed to have rendered satisfying low volumes and we expect equally satisfying growth levels for 2008 both in percent change and in absolute values.

- **Financial Expenses**

It partially increased as a percentage of sales and stood at 7.9% for the Group and 6.1% for the Company.

The Company expects borrowing stability and corresponding percentile as well as total volume stability. The index also significantly depends on interest rate fluctuations.

- **Profits before Taxes, Interest and Amortizations (EBITDA)**

It increased as a percentage of sales and stood at 18.7% from 13.2% for the Group and at 16.1% from 13.1% for the Company, which corresponds to 10.2 million from 6.6 million for the Group in 2006 and 9.5 million from 6.5 million for the Company in 2006 in total volume.

- **Profits before Taxes & Interest (EBIT)**

It increased as a percentage of sales and stood at 15.4% from 9.7% for the Group and at 13.7% from 10.0% for the Company, which corresponds to 8.4 million from 4.9 million for the Group in 2006 and 8.0 million from 5.0 million for the Company in 2006 in total volume.

- **Profits after Taxes & Minority Interest**

It increased as a percentage of sales and stood at 12.6% from 9.5% for the Group and at 10.1% from 9.9% for the Company, which corresponds to 3.9 million from 2.4 million for the Group in 2006 and 3.8 million from 2.5 million for the Company in 2006 in total volume.

- **Return On Equity (ROE)**

For the Group they amounted to 11.36% from 7.7% and for the company they amounted to 10.98% from 8.09%. This constitutes a significant result in relation with the sector and which is expected to continue in 2008.

- **Return on Employed Capital (ROCE)**

For the Group they amounted to 3.23% from 2.78% and for the company they amounted to 3.31% from 3.3%. These results are satisfying and we expect them to improve in 2008.

- **Assets Turnover**

For the Group they amounted to 45.64% from 59.23% and for the company they amounted to 51.25% from 64.6%. Although the turnover decreased for the Group, the increase over 60% for the company proves the correct and financially efficient management of the disposable funds

- **Debt to Equity**

For the Group they amounted to 2.51 from 1.77 and for the company they amounted to 2.31 from 1.45. For 2008 we predict the ratios to slightly decrease in favour of the company. In connection with the current ratio this does not influence in the least our future business plans.

- **Current Ratio**

For the Group they amounted to 1.38 from 1.33 and for the company they amounted to 1.41 from 1.46. Steady over 1.3 comprises of an ideal volume which will remain for 2008 as well

To conclude, as far as financial efficiency is concerned, there has been a continuous increase in investments over the past few years for a modern and technologically applied business activity, a high reserves maintenance policy for sale during high-level price periods and a decrease in lending and in short-term liabilities, which constitute significant reference points for 2006 and will have a more positive activity for 2008.

It is important to note that each interested investor that belongs to whichever interested investors group, especially investors that want to invest in our company, are obliged to know that future standards of financial statements and of this report, are based on our provisions and estimations.

More specifically, the composition of financial statements in accordance with IFRS and management report, demand the application and usage of estimations, provisions and recognitions from the company's and Group's management, which influence additively or subtractive the sum totals of the Assets and Liabilities, the necessary disclosures for possible receivables and liabilities during the date of composition of the statements, as well as the incomes and expenses sums that were recognized during the accounting period.

Thus, with a high sense of responsibility, we acknowledge that the estimations were based on the information and knowledge (with a parallel application of objective judgment) acquired until now, as well as the previously mentioned ongoing concern principle of the continued operation and financial performance of the Group.

Sector Problems – Possible Future Risks

We believe that quality assurance is the most significant problem in the sector, since it is necessary for the sector to counter the intense competition it is facing by developing quality assurance and management systems for the products.

Due to the sector's exporting-nature the usage of a national quality seal is imperative. The application of marketing and product forwarding methods on a local as well as national level is necessary, in order to inform the consumer on the quality added value characteristics of our products and have him choose our products from other similar ones.

The continuous product expansion that has taken place in the last few years, especially during the decade of the 90's, has created an oversupply which in turn has caused a drop in prices. This seasonal low-price phenomenon, (especially during the second 6M) from 2000 onwards continues to create a liquidity gap, although we consider this to be fact and able to be countered by our company and the sector. If the companies don't turn to the infiltration of new markets then the elimination of this phenomenon will prove very difficult.

The fish-farmers great dependence on fish-flours plays a determinant role in the configuration of the company's results since it consists of the main product cost. The trend is to stabilize their prices in 2007 thus providing a good potential for high profitability.

To conclude, the increase in fuel prices has a direct influence on the supply cost due to the transportation cost and all the production elements involved. The recent increase of fuel prices in 2005-2007 has marginally influenced the cost, however any further increase will create a problem since due to the product's form, the increase is immediately and easily transferred to the consumer, as can be seen in recent years.

Sector Prospects

As has been already mentioned, the sector prospect is to further strengthen its exports through an infiltration into new, mainly European markets (Russia, Poland, Czech Republic, Hungary etc). For the next two years, a significant increase in the change of the production base is expected, while the per-capita consumption shows continuous increase, a fact which influences positively the demand in the exports sector.

From the production's point of view, the increased concentration of large companies absorbing and controlling smaller producers has created a climate of unified pricing policy and the elimination of the phenomenon of selling below cost levels.

According to the sector's predictions, during the biennium 2007-2008 the sector concentration and control expansion which the large companies have is expected to continue, while at the same time the demand is expected to remain at high levels due to an expected improvement of distribution networks.

Even through an increase in Turkish production, which is already considered the fiercest competitor due to its low product cost, the sector in our country can overcome, focusing on product quality assurance in the already advanced commercial distribution networks, as well as in the production of specific high-demand products which have the largest demand from foreign markets.

Mainly though the increase in demand will come from the uplift and improvement of information concerning the high dietary value of aquaculture products

Explanatory Report of the Board of Directors
(according to the paragraph 1&2 of the article 11a, Law 3371/2005)

The present explanatory report of the Board of Directors to the Ordinary General Shareholder Meeting contains analytical information regarding the issues of paragraph 1 & 2, article 11a, of Law 3371/2005.

1. Share Capital Structure

The Company's share capital amounts to nine million four hundred twenty thousand nine hundred euros (EUR 9,420,900), divided into thirty million three hundred ninety thousand shares (30,390,000), with a nominal value of thirty-one cents each (EUR 0.31). All shares are listed for trading on the Athens Stock Exchange, in the Medium to Small Cap Category.
The Company's shares are ordinary, registered, and with a right to vote.

2. Limitations in Transferring Company Shares.

The transfer of Company shares is carried out according to the Law, and the Articles of Association do not stipulate any restrictions as to their transfer.
The Company has been notified of the following regarding the commitment of major shareholders' shares:
Mr. **Ioannis Katsivelis** has committed (a) 1,500,000 shares to ALPHA BANK. The Bank maintains voting rights and authorizes him as its representative at every General Meeting, (b) 4,450,000 shares to ATEBANK without voting rights and (c) 200,000 shares to FBB BANK without voting rights.
Mr. **Nigel Lewis** has committed (a) 2,458,000 shares to ALPHA BANK. The Bank maintains voting rights and authorizes him as its representative at every General Meeting, (b) 3,150,000 shares to ATEBANK without voting rights and (c) 200,000 shares to FBB BANK without voting rights.

3. Significant Direct or Indirect Participations pursuant to the provisions of Presidential Decree 51/1992.

The company's shareholders who own a percentage greater than 5% of the share capital are the following:

1) Ioannis Katsivelis,
2) Nigel Lewis,

No other actual or legal entity owns a percentage greater than 5% of the share capital.

4. Owners of any type of shares that provide special control rights.

There are no Company shares granting their owners special control rights.

5. Voting Right Limitations

There are no provisions in the Company's Articles of Association limiting voting rights.

6. **Agreements between Company Shareholders.**

The Company is not aware of any agreements whatsoever between its shareholders that imply limitations to the transfer of Company shares or the exercise of voting rights derived from these shares.

7. **Regulations concerning the appointment or substitution of members of the Board of Directors and amendments to the Articles of Association.**

The rules provided by the Company's Articles of Association regarding the appointment and replacement of members of the Board of Directors and the amendment of provisions of its Articles of Association are no different than those stipulated in Codified Law 2190/1920.

8. **Responsibility of the Board of Directors or certain of its members to issue new shares or to purchase same shares.**

According to the provisions of paragraph 5 to 13 of Article 16 of Codified Law 2190/1920, the companies listed on the Athens Stock Exchange may, following a decision by their General Shareholders Meeting, own up to 10% of their total shares via the Athens Stock Exchange for the purpose of supporting their stock market value, and based on the special particular terms and procedures that are provided in the above paragraphs of article 16 of Codified Law 2190/1920. There is no conflicting provision in the Company's Articles of Association.

9. **A significant agreement that the Company has signed and which goes into effect, is amended, or expires, in case the control of the Company changes, after a takeover bid and the results of this agreement.**

Such an agreement does not exist.

10. **Every agreement that the Company has signed with members of the Board of Directors or with its employees, which provides for compensation in case of resignation or termination without cause or expiration of a term or employment due to a takeover bid.**

There are no agreements between the Company and members of the Board of Directors or its employees, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of term or employment due to a takeover bid.

Vrilissia, March 22, 2008

Chairman of the BoD & Managing Director	**Vice-Chairman of the BoD & Co-managing Director**	**Chief Financial Officer**
Ioannis Katsibelis	**Lewis Nigel**	**Athanasios Prachalis**
Id No. Φ.355271	**Passport No. 7027486671**	**Id. No. AB 052731**

Table 1

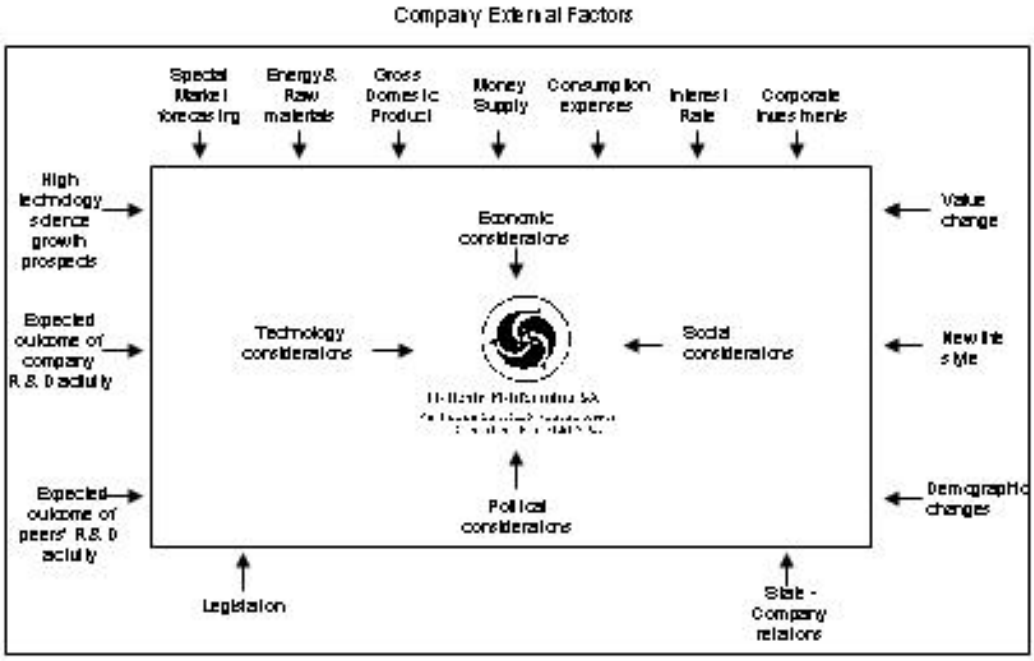

Table 2

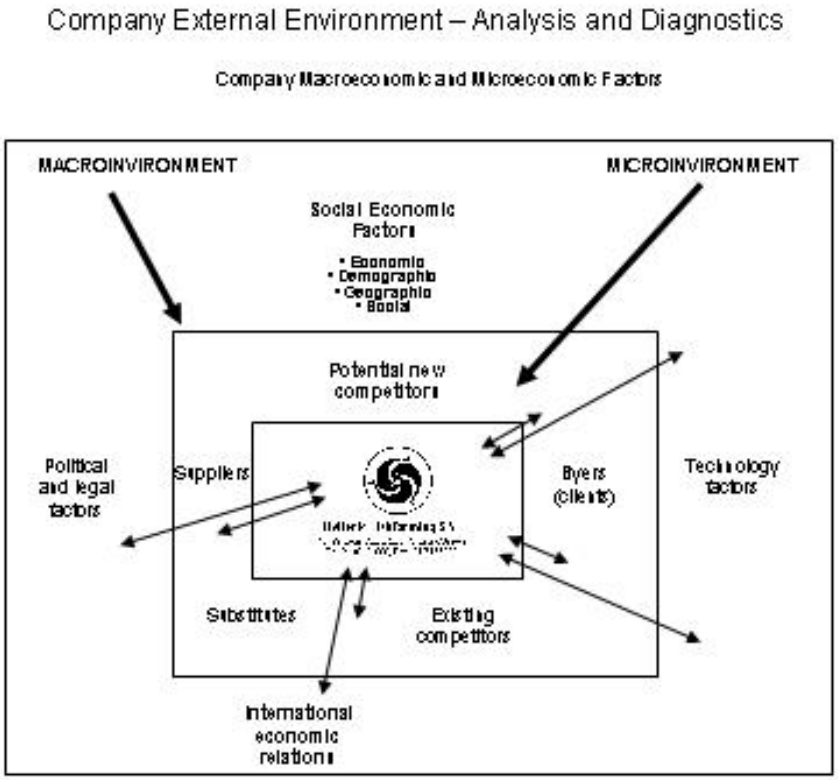

Table 3
Financial Ratios

BALANCE SHEET								
	GROUP				COMPANY			
ASSETS	**31.12.2007**	**%**	**31.12.2006**	**%**	**31.12.2007**	**%**	**31.12.2006**	**%**
Fixed Assets-Goodwill	22.013.612,13	18	20.056.409,41	24	15.905.706,96	14	14.416.416,27	19
Other long term items of Fixed assets	82.438,66	0	86.106,30	0	47.419,02	0	49.328,32	0
Participations	0,00	0	0,00	0	5.429.873,62	5	2.756.686,98	4
Inventories(Production in progress,merchandises,etc)	53.003.231,03	44	34.728.765,33	41	43.238.238,53	38	30.010.493,03	39
Customers and other commercial receivables	36.459.647,53	31	24.077.249,49	28	42.607.285,16	37	24.768.310,63	32
Other Current Assets	6.348.431,69	5	4.081.978,10	5	5.626.853,85	5	3.738.980,91	5
Cash and cash equivalents	1.606.875,38	1	1.623.699,86	2	1.484.417,07	1	1.108.087,24	1
TOTAL ASSETS	**119.514.236,42**	**100**	**84.654.208,49**	**100**	**114.339.794,21**	**100**	**76.848.303,38**	**100**
OWNERS EQUITY-LIABILITIES	**31.12.2007**	**%**	**31.12.2006**	**%**	**31.12.2007**	**%**	**31.12.2006**	**%**
Owners Equity	34.003.298,40	28	30.589.667,43	36	34.506.857,13	30	31.325.797,75	41
Long term Liabilities	14.802.420,51	12	5.446.033,86	6	13.899.620,58	12	4.621.900,70	6
Banks-Short terms Obligations	28.032.818,36	23	20.362.003,49	24	26.252.147,47	23	18.431.072,87	24
Others short-term Liabilities	42.675.699,15	36	28.256.503,71	33	39.681.169,03	35	22.469.532,06	29
TOTAL LIABILITIES & OWNERS EQUITY	**119.514.236,42**	**100**	**84.654.208,49**	**100**	**114.339.794,21**	**100**	**76.848.303,38**	**100**

INCOME STATEMENT								
	GROUP				COMPANY			
	31.12.2007	**%**	**31.12.2006**	**%**	**31.12.2007**	**%**	**31.12.2006**	**%**
Sales of merchandise-Services-Others Goods	30.635.014,52	56,2	24.762.434,92	49,4	37.492.650,23	64,0	25.505.964,98	51,4
Sales of biological assets	23.909.363,94	43,8	25.381.436,14	50,6	21.109.865,16	36,0	24.137.046,83	48,6
Net Turnover	**54.544.378,46**	100,0	**50.143.871,06**	202,5	**58.602.515,39**	156,3	**49.643.011,81**	194,6
Gross profit of merchantise-Services-Others Goods	3.517.959,65	11,5	2.453.578,05	9,9	3.715.525,73	9,9	2.252.642,44	8,8
Profit from changes in the fair value of Biological assets	38.804.492,56		24.022.087,41		32.844.614,37		24.012.566,78	
Administrative expenses	-1.731.159,42	-5,7	-1.597.978,42	-6,5	-1.579.552,56	-4,2	-1.522.681,43	-6,0
Selling expenses	-5.128.068,69	-16,7	-4.658.603,37	-18,8	-5.379.788,87	-14,3	-4.639.962,51	-18,2
Other incoma-expenses	-82.850,99	-0,3	145.272,89	0,6	-82.903,67	-0,2	125.077,64	0,5
Interest charges and relates expenses	-2.432.277,12	-7,9	-1.856.112,92	-7,5	-2.282.219,44	-6,1	-1.759.783,84	-6,9
Earnings before Interest ,Tax,Depr/tion,amort/tion(EBITDA)	10.219.653,92		6.628.620,71		9.448.105,25		6.478.686,11	
Earnings before Interest ,Tax(EBITDA)	8.373.368,58		4.860.484,70		8.046.844,78		4.970.563,92	
Profit before taxes	**5.983.614,44**	19,5	**3.004.371,78**	12,1	**5.807.148,32**	15,5	**3.210.780,08**	12,6
Taxes	2.050.417,72	6,7	674.795,60	2,7	2.018.288,94	5,4	676.793,15	2,7
Profit after taxes	**3.933.196,72**	12,8	**2.329.576,18**	9,4	**7.825.437,26**	20,9	**3.887.573,23**	15,2
Net profit after minorities interest	3.863.784,00	12,6	2.356.048,10	9,5	3.788.859,38	10,1	2.533.986,93	9,9
Earnings per share	**0,13**		**0,08**		**0,12**		**0,08**	

RATIOS				
	GROUP		COMPANY	
	31.12.2007	**31.12.06**	**31.12.2007**	**31.12.06**
ROE (Profit after taxes & minor/ Owners Equity)	*11,36%*	*7,70%*	*10,98%*	*8,09%*
ROCE (Profit after taxes & minor/ Total Assets)	*3,23%*	*2,78%*	*3,31%*	*3,30%*
Assets turnover (Total Turnover/Assets)	*45,64%*	*59,23%*	*51,25%*	*64,60%*
Dept Ratio (Liabilities/Owners Equity)	*2,51*	*1,77*	*2,31*	*1,45*
Current ratio(Current Assets/Short term Liabilities)	*1,38*	*1,33*	*1,41*	*1,46*
Acid of quick ratio (Cash & Cash eq/Short term Liabilities)	*0,02*	*0,03*	*0,02*	*0,03*
Inventories turnover (Receiv/Total Turn over*365)	*355*	*253*	*269*	*221*
Accounts receivable outstanding(Receiv/Total turnov*365)	*244*	*175*	*265*	*182*
Days payable outstanding(Current Liab/Total turnover*365)	*-286*	*-206*	*-247*	*-165*
Turnover increase rate	*8,78%*		*18,05%*	
Biological assets increase rate	*61,54%*		*36,78%*	
Profit before taxes increase rate	*99,16%*		*80,86%*	
Profit after taxes & minority's increase rate	*63,99%*		*49,52%*	
Profit after taxes increase rate	*7,21%*	*4,65%*	*13,35%*	*7,83%*

I hereby confirm that this report of the Board of Directors which consists of 29 pages, is the one I refer to in the audit report which I issued on March 22, 2008

Athens, March 22, 2008

The Certified Auditor-Accountant

Konstantinos Sakkis
SOEL Reg. No. 14601