SELONDA AQUACULTURES A.E.G.E.

Annual Financial Statements

For the period from

1 January till 31 December 2007

In accordance with International Financial Reporting Standards (IFRS)

It is certified that the attached Financial Statements for the period 01.01.2007 – 31.12.2007 are those approved by the Board of Directors of «SELONTA AQUACULTURES AEGE» on March, 28 2008 and are posted in the internet at the web address www.selonda.com . It is noted that the published in press financial statements aim to offer some basic information to the reader and do not provide a complete picture about the financial position and results of the Company and the Group in accordance with the International Accounting Standards. Also, for simplicity, in the published in press summary financial statements some abridgments and reclassifications are made.

Vasileios Stefanis
President of the Board of Directors
SELONDA AQUACULTURES AEGE

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MANAGEMENT REPORT

OF THE BOARD OF DIRECTORS OF "SELONDA SA"
ON THE FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP
ACCORDING TO THE IFRS FOR THE YEAR 2007
(01.01.2007 – 31.12.2007)

Dear Shareholders,

During the deposition for your approval of the Financial Statements of the Company, parent and consolidated, for the fiscal year ended on December, 31st 2007, we present the present management report for the same fiscal year.

GENERAL INFORMATION

The financial statements include the Balance Sheet, the Income Statement, the Cash flow statements and the Statement for changes in equity. The financial results of the Company, that are in accordance with the Law and the statutes of the company, are presented with clarity in the submitted financials statements.

The consolidated financial statements include the following subsidiaries that are consolidated under the full consolidation and the equity methods:

COMPANY	HEADQUARTERS	TAX-UNAUDITED FISCAL YEARS	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
SELONDA AQUACULTURE S.A.	30, Navarchou Nikodimou str, Athens	2007	Parent	Full Consolidation
INTERFISH AQUACULTURES SA	30 Apollonos, Athens	2007	46.07%	Full Consolidation
AQUAVEST S.A.	30, Navarchou Nikodimou str, Athens	2003-2007	100.00%	Full Consolidation
AQUANET S.A.	30, Navarchou Nikodimou str, Athens	2003-2007	90.42%	Full Consolidation
POLEMARCHA EPIDAVROS S.A.	3, Vrasida str, Athens	2003-2007	69.30%	Full Consolidation
FISH FILLET S.A.	Kritika – Corinth	2003-2007	95.35%	Full Consolidation
DIVING PARK SA	30, Navarchou Nikodimou str, Athens	2003-2007	86.22%	Full Consolidation
SELONDA INTERNATIONAL LTD	Channel Islands, UK	-	100.00%	Full Consolidation
SELONDA UK LTD	East Riding of Yorkshire, WALES	-	50.00%	Full Consolidation
BLUEWATER FLATFISH LTD	North Linconshire, WALES	-	76.65%	Full Consolidation
FJORD MARIN DENIZ	Bodrum-Turkey	-	46.00%	Full Consolidation
JOINT VENTURE OF SOUTH EVIA I	30, Navarchou Nikodimou str, Athens	2006-2007	95.00%	Equity
JOINT VENTURE OF KALYMNOS	30, Navarchou Nikodimou str, Athens	2005-2007	99.9%	Equity

INTERNATIONAL AQUA TECH LTD	North Linconshire, WALES	-	34.00%	Equity
EUROFISH GB Ltd	Hull-Wales		30.00%	
BLUEFIN TUNA HELLAS S.A.	409, Vouliagmenis av. , Ilioupoli	2004-2007	25.00%	Equity
ASTRAIA AEBE	11, Pylarinou Str.-Korinthos	2006-2007	35.00%	Equity
PERSEYS ABEE	39, Panepistimiou Str, Athens	2005-2007	41.34%	Equity

The activity of the Group, as depicted in the consolidated balance sheet, comprises three main sectors:

Hatchery Sector: This sector refers to the production of fry by the hatchery facilities of **Selonda Aquacultures AEGE** in Managouli – Fokida, in the Selonda Bay – Corinth, in Sayada – Thesprotia and Psachna – Evia, in Larimna-Lokridos, Loutra-Mitilinis, Bodrum-Turkey. Fry produced is intended to reach two destinations, either for the Selonda Group breeding facilities or third-party producers. The figure for sales during the period that is presented in the summary refers only to sales to third-party producers. The placement of fry in production facilities adds to the cost of production of the finished product.

Fish farming sector: This sector includes the production in sea with the method of floating cage in Greece and the production in infrastructure on land with the method of closed-circuit of water management and sale of fresh fish.

The production units in sea in Greece per geographical area are:

MUNICIPALITY	**Number of production units**
AITOLOAKARNANIA	2
ARGOLIDA	6
ARKADIA	3
DODEKANISOU	1
EVIAS	4
THESPROTIAS	5
KORINTHIAS	8
LESVOU	4
FTHIOTIDAS	5
WALES	2
TURKEY	5
Total	**45**

For the standardisation or processing (filet, cleaning etc.) the Group has 9 packaging facilities and 2 processing centres and the distribution is made through its 9 distribution centres (6 in Greece and 3 abroad). The fish sold from the Group's network come from three sources, namely own-produced aquaculture fish, third-party aquaculture fish and imported fish. Hence, sales of fish produce are reflected in the "Sales of biological assets during the period" account, while sales of fish merchandise and other inventory items are reflected in the "Sales of merchandise and other materials" account.

The aforementioned activities also constitute branches for the companies that produce and process and the analysis per activity is as follows:

Geographical area	**Hatchery stations**	**Fish-farming units**	**Packaging**	**Processing centres**	**Distribution centres**
Central Greece-Evia	2	9	2	1	2
Peloponnese	1	17	3		3
Western Greece	1	7	2		2
Aegean islands	1	5	1	1	
Wales	1	5			1
Turkey	1	2	1		1
Total	**7**	**45**	**9**	**2**	**9**

IMPORTANT EVENTS IN 2007

In the aquaculture sector the developments continue and Selonda Group is leading in the sector in Greece and abroad. The important event in 2007 are as follows:

- During the first quarter of 2007, the company INTERFISH SA as well as the companies LESVOS AQUACULTURES SA, KORONIS AQUACULTURES SA, STEFANOU AQUACULTURE SA, with the decisions made by their Board of Directors on 28/03/2007 initiated the merger procedure through absorption of the second, third and fourth by INTERFISH SA. The merger will take place with a transformation balance sheet of 31/03/2007, based on the provisions of L.2166/93 and L. 2190/20 as well as the relevant provisions of Athens Exchange regulation. As a result of the merger, the share capital of listed in Athens Exchange INTERFISH SA increased by 6,723,197.48 euros. Of the aforementioned companies only Lesvos Aquacultures is new to the Group in the consolidated financial statements. Lesvos SA maintains 4 units for the productions of sea breed, one sea farming unit and a modern packaging unit (fillet, frozen etc). The new shares will be distributed to beneficiaries after the approval of informational bulletin by regulatory authorities.
- On 28/06/2007 the participation of SELONDA SA in the share capital of «ASTRAIA AEBE» as a strategic and major shareholder with a percentage of 35% on the new share capital of the company was completed. The company «ASTRAIA A.E.B.E.» is active in the sector of aquaculture and the trade of fish products and was established by 25 shareholders-entrepreneurs in the sector of Greek aquaculture which have a production ability that exceeds 14,000 tons of fish annually. With the stable focus of the management and executives in the application of total quality control for its products and services. The

direct positive effect of the aforementioned deal are linked to the strategic and dynamic activity of Selonda in fish breeding, the materialisation of ASTRAIA investment plan of 8.2 mil. euro for the construction of infrastructure of high quality production, certified products for fish breeding and the common development of pioneered methods for the production of highly qualitative certified sea-food that meets the expectations of the consumers, as well as the potential synergies that will emerge by the co-operation of all the shareholders-fish farmers in the productive and trade level.

- On 21/09/2008 the acquisition through Athens Exchange of 41.38% of PERSEYS ABEE was completed for the amount of 4.993 mil. euros. On December the 5th the mandatory joint tender offer of Selonda SA and WISE MANAGEMENT SA to the shareholders of PERSEYS SA was completed in accordance with the provision of L. 3461/2006. At the end of this, the company holds the 41.34% having a value of 5,390 thous. euros. The company PERSEYS is the largest production of fish breeding products in Greece operating a factory of 9,000 sq.m. in Zevgolatio of Korinth in a private land of 22,000 sq.m. The productive capacity of the factory is 70,000 tons. At the same time the company maintains three production facilities for fishes having a capacity of 1,500 tons and a fish breeding station having a capacity of 8,000,000 fishes, which administration is undertaken by SELONTA AEGE. The development of SELONDA Group and its positioning, through the recent acquisitions in Greece and Turkey, in the first position regarding the production capacity of Mediterranean species (sea-bream and sea-bass), forces its direct involvement in companies producing fish breeding material as part of the vertical structure of the group. These products form the 50% of total cost production and the Group following this strategic move would manage to achieve a cost reduction and an improvement and direct control of the quality and productive results and therefore of the final profitability of the Group. The breeding is the main parameter behind the quality of the products as well as their production cost.
- Selonda group, as a pioneer in the aquaculture sector, started and successfully continues the advert and sale of eponymous fish products. For the first time, the produced fishes from the production units of the Group have a tag and specific name and are sold to consumers with great acceptance by them so far. Also, in the products of Mediterranean aquaculture there is now a specific tag with the name **«SELONDA – Signed by the Sea».**
- At December 2007 the Group completed long-term syndicated loans of 65 mil. euros, capital that will be used to refinance current debt in order to cover investment needs and acquisition of companies with better terms, and also will cover working capital needs due to the increased production by the Group.
- On 18/09/2007 completed with share capital increase and acquisition of a percentage, its entrance it the share capital of Fjord Marin Deniz Ürünleri Sanayi Ticaret A.S (Fjord Marin Turkey) by acquiring a percentage of 46%, with the 54% owned by the Norwegian company Fjord Marin A.S. The entrance of Selonda was accompanied by a share capital increase of € 8.5 mil. following the capitalisation of loans and cash deposits. The total expense of Selonda that includes its participation in the share capital increase as well as the acquisition of the Norwegian state controlled Norfund amount to € 7.8 mil.

  Fjord Marin Turkey holds licences for the production of 14,000 tons covering the 30% of total production ability of Turkey. Today, it produces 6,000 tons and 15 mil. fry. Selonda group and Norwegian Fjord Marin A.S. will utilise from this year the total available storage space of Fjord Marin

Turkey. This move materialises the methodical and effective strategy of Selonda to enter the Turkish market, the second ranking producer after Greece, through a company that is recognised as leader in Turkey.

FINANCIAL DATA FOR 2007

The financial data of the Group for the fiscal year 2007 are not comparable with those of 2006 since in the current year were consolidated for the first time under the full consolidation method the companies Fjord Marin Turkey and Lesvos Aquacultures SA. The income statement results include the figures of Fjord Marin Turkey proportionally fro the period 03/10/2007-31/12/2007 while for Lesvos SA for the period 22/11/2007-31/12/2007. The balance sheet data of aforementioned companies are fully consolidated in the balance sheet of the Group for the year 2007. Under the equity method, affecting only the results and the equity, was consolidated for the first time the companies Astraia SA and Perseys SA.

The **Turnover** of the Group amounted to 84.6 thousand euros increased by 25% in comparison to previous year. The increase is due to a 18% real increase in sales following the expansion in new markets especially abroad and due to a 7% from the consolidation of Fjord Marine Turkey and Lesvos SA for the first time in 2007. Out of total sales, 67.8 mil. euros refer to sales of biological products (fish and fry) that are produced by the Group's units and 15.2 mil. euros to sales of fish and fry to third party producers as well as other inventories.

The Group's **earnings before tax, financial and investment results and depreciation (EBITDA)** for 2006 amounted to 18.9 mil. euros, 22.34% of total sales, compared to earnings of 13.7 mil. euros, a percentage of 20.27% in 2006.

For year 2007 we must mention as comparative item that **earnings before tax and investment results of the Group which amounted to** 11.1 mil. euros. 13.15% of turnover compared to earnings of 7.1 mil. euros, 10.53% in 2006. After these earnings, we have earnings/loss from investment activities that amounted to -3.9 mil. euros compared to +1.4 mil. euros in 2006. The loss is mainly due to the consolidation under the equity method of Perseys AEBE for the amount of -2.97 mil. euros and the inclusion of new companies in the Interfish Group, as well as to the small decrease in earnings of other companies that consolidated with the equity method in 2007 compared to 2006.

The Group's **Earnings before tax (EBT)** for 2006 amounted to 8.1 million euro, 9.63% of turnover compared to earnings 8.5 million euro in 2005, percentage of 12.56%. The reduction is due to the aforementioned consolidation of new companies. On the contrary, the earnings before tax for the company amounted to 7.4 mil euros, 12.36% of turnover, compared to 6.1 mil. Euros, 11.82% of turnover in 2006.

The Group's After tax and minorities for 2007 amounted to 3.7 mil. euri, 4.37% on total sales, compared to earnings of 6.7 mil. euro in 2006, percentage of 9.95%. The loss is due to consolidation under the equity method of Perseys AEBE for -2.97 mil. euros and the consolidation of new companies in the Interfish Group, as well as to the small reduction of earnings of other companies that consolidated under the equity method in 2007 compared to 2006. Also, in 2007 we had a tax increase from 1.4 mil. euros to 2.9 mil. euros, an increase due to deferred tax for the amount of 467 thous euros as resulted by the tax audit and recorded in current year.

Earnings after tax per share for the Group amounted in 2006 0.13 euro per share compared to 0.23 euro per share in 2006.

In the income statement of the Group consolidated for the first time the companies LESVOS AQUACULTURES SA and Fjord Marin Turkey under the full consolidation method and affected a) the sales with the amount of +3.6 mil. euros, a percentage of 4%, b) earnings before tax interest and depreciation (EBITDA) with the amount of +1,1 mil. euros, a percentage of 5.8% and c) earnings after tax and minority interest with the amount of +0.138 mil. euros, a percentage of 3.4%.

Fixed assets, net of depreciation, increased by approximately 38.5% compared to 2006, reaching 76 million euro.
The book cost of assets included in the tangible assets account of the Group and the company in historical book cost, is less than the aforementioned fair value acquisition cost by 13,020,651.90 euros andı 842,012.28 euros respectively.

Biological assets (fish and fry inventories) increased by 72% compared to 2006 and reached 136 million euro with 34 million euro, percentage of 62% referring to the new companies that were not included in the consolidated statements in 2007.

Trade and other receivables increased by 10$ compared to 2006 and amounted at 45 million euros.

In total, the **Current Assets** of the Group amounted at 187.8 million euros compared to 106.3 million euros in 2006, increased by 76.6%.

The **equity** of the Group in 2007 reached 91.1 million euro increased by 18.3% compared to 2006.

The **liabilities** amounted at 222.6 million euros with the long-term ones reaching 102.1 million euro and the short-term ones 120.5 million euro, increased by 91.2% compared to 2006. This increase is attributed to the loan increase of the Group by 61 mil. euros, with 17 mil. euros referring to working capital needs and other liabilities of the new companies.

We note that in the balance sheet of the Group are consolidated for the first time the companies LESVOS AQUACULTURES SA and Fjord Marin Turkey, under the full consolidation method and their main financial figures being: a) tangible and intangible assets 13.3 mil. euros, b) inventories 34 mil. euros, c) receivables 10.6 mil. euros, d) loans 17 mil. euros and e) other liabilities 25 mil. euros.

We attach the Group's financial Ratios

FINANCIAL RATIOS	**GROUP**	
ACTIVITY (%)	**2007**	**2006**
Turnover	25.39%	
Earnings before Interest, Tax and Depreciation EBITDA	38.23%	
Earnings before Interest and Tax EBIT	52.30%	
Earnings before investments and taxes	56.56%	
Earnings before Tax EBT	-3.85%	
Earnings after Tax and Minority Interest (EATM)	-44.94%	
Net fixed assets	38.17%	
Total employed capital	62.23%	
PROFIT MARGIN (%)		
EBITDA Margin	22.34%	20.27%
EBIT Margin	18.06%	14.87%
Earnings before investments and taxes	13.15%	10.53%
EBT Margin	9.63%	12.56%
Net profit margin (after tax & minority interest)	4.37%	9.95%
PROFITABILITY BEFORE TAX (%)		
Return on Equity (ROE)	6.29%	22.02%
Return on total employed Capital (ROA)	7.80%	27.25%
LIQUIDITY (:1)		
Current ratio	1.81	1.75
Quick ratio	0.69	0.68
CAPITAL STRUCTURE AND LEVERAGE (:1)		
Debt ratio (Debt/Total capital)	0.71	0.60
Debt / Equity (Total Debt / Equity)	2.44	1.51
Capital Structure (Equity/Debt)	0.41	0.66
Total Equity/Total Assets	0.29	0.40
Total Debt/Total Assets	0.38	0.30
Total Debt/Total Equity	1.30	0.75
Interest Coverage Ratio	3.21	2.92
EBITDA / Debit interest-Credit interest	4.49	4.45
NET DEBT/ EBITDA	5.55	3.24

RISK MANAGEMENT

The Group is exposed to financial risks such as market risk, credit risk and liquidity risk. The management of the aforementioned situations by the management and the departments of the Group aims to minimize their possible negative impact on the financial performance of the Group.

Market risk

- **Exchange rate risk**

The Group operates mainly in the European Union with transactions in euros and as a result is not subject to exchange rate risk. The transactions of subsidiaries in Turkey are also taken place in euro.

- **Market price risk**

The sale price of products have cyclicality which is stable regarding its variance in the past 15 years. The Management of the Company may easily estimate the prices of the final product as these are emerged by 7 year historical prices and according to the cyclicality in prices (increase in the first half of the year, recession in the second half) and in the past it has offered safe and conservative estimation within a specific confidence interval.
The prices of raw materials do not present significant variation.

- **Interest rate risk**

This risk arises from the long-term and short-term bank loans of the Group and specifically from the fact that these agreements are expressed in floating interest rates related to EURIBOR. The management of the Group uses various insurance contracts against the interest rate increase and believes that there will no by any deviations in the financial cost, in euro based on EURIBOR, that has already undertaken by banks.

- **Credit risk**

The credit risk from wholesales of the products is minimum since our clients are filtered through the Credit Control section of the Group, and generally the balances of our clients are insured by an international credit insurance agency. Also, we note that our sales are made to a large extend directly or indirectly in large European Super Markets and generally they have small credit cycle.

- **Liquidity risk**

For Selonda Group, liquidity risk is an important criterion and that is why all these years it maintains increased liquidity through the careful management of cash flows and approved bank financing by the management. The Group believes that liquidity is an important factor behind the development and that it will help the materialisation of the Group's business plan and other business actions.

IMPORTANT EVENTS AFTER THE END OF THE YEAR

In January 2008 Selonda acquired two new aquaculture companies, Echinadon Aquacultures SA and Koumaros Aquacultures SA. Both companies are active in Astakos area in western Greece and will be part of the production force of the Group in 2008.
At 29/2/2008 completed the share capital increase of the subsidiary Fjord Marin Turkey. The share capital increase was covered by shareholders in cash with the deposition of the subsidiary Elektrosan Deniz.

DIVIDEND POLICY – EARNINGS DISTRIBUTION

Regarding dividend distribution, the Management of the Company, taking into account among other things the profitability of the company, the outlook and the business plan suggests, based on net earnings of SELONDA SA, the distribution of dividend amounting to 0.03 € / share, at the same levels of 2006.

TARGETS – GROUP'S OUTLOOK

The market share that Selonda Group currently holds amounts to 19% of the Greek Production, while the target of the Group's Management is to reach 30% within the next two years, reaching the 50% of the total European production within the next three years.

This development would be achieved through acquisitions, co-operations and mergers the Group examines in Greece, Turkey and the rest of Europe where aquaculture companies are active.

In 2008 the production of 1000 tons of sea-bass has already started following the completion of the large investment in Wales of 16 million euro regarding the construction of a farming infrastructure in land using the method of closed circuit. At the end of 2008 the first sales are expected to begin.

It is completed and already operates the new packaging and processing centre of the Group through its subsidiary Fish Fillet SA in the area of Nea Epidavros. The processing centre already makes fillets, a generally new product of the Group.

The Group in 2008 believes that through the increase in productivity and the better and more efficient management and the synergies from mergers will manage to improve its financial figures.

The main aim of the management of Selonda Group in the coming years is the materialisation of investment actions and of the business plan in order to achieve the further expansion in markets, the development of international actions, the share market increase and the profitability and value creation for its shareholders.

Athens 28 March 2008
The Chairman of the Board of Directors
Of the Parent Company
Of the Group SELONDA SA

Vasilios K. Stefanis

I certify that the above management report of the BoD that comprises 4 pages is the one referred to in my audit certificate dated 29/03/2008 and refers to the Consolidated Financial Statements of the SELONDA S.A. Group.

Athens, the 29th of March 2008

The Certified Auditor - Accountant
Anastasios Ep. Keratsis
CAC RN 10871
SOL S.A.

EXPLANATORY ANNUAL REPORT OF THE BOARD OF DIRECTORS

TO THE GENERAL SHAREHOLDERS MEETING OF SELONDA AQUACULTURES SA, ACCORDING TO ARTICLE 11A, OF L. 3371/2005

The current explanatory report of the Board of Directors to the General Shareholders meeting of the company provides information in accordance with the provision of paragraph 1, of article 11a, of L. 3371/2005.

1. Structure of share capital

The share capital of the company amounts to twentynine million two hundred and eightyone thousand five hundred ninetyfour euros (€ 29,281,594.00), divided in twentynine million two hundred and eightyone thousand five hundred ninetyfour (29,281,594) common registered shares having voting right and nominal value of 1.00 € each.
All shares are listed in Athens Exchange in the Large Capitalisation segment.
The shareholder's rights are proportionate to the percentage of capital represented by the value of shares they hold. Each share provides all the rights and obligations defined by the Law and the articles of association of the company and specifically:

- Right to participate in the General Shareholders' meeting.
- Right to dividend from the Company's annual earnings as well as to the wealth of the company in case of clearance.
- Pre-emptive right to any share capital increase with cash and purchase of new shares.
- The general shareholders meeting maintains all responsibilities during clearance (according to article 48 of its letter of association). The responsibility of company's shareholders is limited to the nominal value of shares they own.
- Right to receive copy of the financial statements and management and auditors reports.

2. Limitations to the transfers of Company shares

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers from its Articles of Association.

3. **Significant direct or indirect participations according to the definition of L. 3556/2007.**

The significant (over 5%) direct and indirect participations on 31/12/2007 are as follows:

Surname	Name	Percentage
CORINTHOS HOLDINGS LTD		19.81%
JAZAN DEVELOPMENT COMPANY		9.56%
STEFANIS	VASILEIOS	6.11%

4. Shares incorporating special control rights

There are no Company shares that provide special control rights to owners.

5. Limitations on voting rights

According to the Company's Articles of Association, there are no limitations on voting rights.

6. Agreements of Company shareholders, which imply limitations to the transfer of shares or limitations to the exercise of voting rights.

To the knowledge of the Company there are no shareholder agreements, which result in limitations on the transfer of shares or limitations on the exercise of voting rights, that emanate from its shares.

7. Rules for appointment and replacement of BoD members and amendment of the Articles of Association

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association, do not differ from those stipulated by C.L. 2190/1920.

8. Responsibility of the BoD or specific BoD members for the issuance of new shares or the purchase of own shares.

In accordance with article 5 of the Company's articles of association, the General Shareholders Meeting, the publication of its decisions are in accordance with article 7b, of the C.L. 2190/1920, has the right, with quorum of 2/3 of the paid up share capital, to give the authority to the BoD to increase the share capital partially all in whole up to amount paid at the time the BoD undertook this authority. This authority may be renewed by the General Shareholders Meeting for period that does not exceed the five years for each renewal. No such decision is made by the General Shareholders Meeting. Based on the same article of the Company's articles of association, when reserves exceed the 1/4 of the paid up share capital, its increase requires a decision by the General Shareholders Meeting with quorum of 2/3 of its paid up share capital.
Based on the provisions of article 16 of the C.L. 2190/1920, the listed in Athens Exchange companies may, following a General Shareholders Meeting that states the aim and the requirements, to buy back up to 10% of their shares. There is no contrary provision in the Company's articles of association. No such decision is made by the General Shareholders Meeting.

9. Significant agreements made by the Company and put into effect, amended or terminated in case of a change in the Company's control following a tender offer and the results from such an agreement.

In case of a change in the Company's control following a tender offer, there are no agreements, which are put into effect, amended or terminated.

10. Any agreement made by the Company with BoD members or the Company's staff, which include indemnities in case of resignation or termination of employment without reasonable cause or termination of term or employment due to a tender offer.

There are no agreements of the Company with the members of its Board of Directors or with its staff, which stipulate the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment, due to a tender offer.

Athens, 27.3.2008
THE BOARD OF DIRECTORS

INDEPENDENT CHARTERED AUDITOR ACCOUNTANT'S AUDIT REPORT

To the Shareholders of Societe Anonyme

SELONDA AQUACULTURE A.E.G.E.

Audit report on the Financial Statements.

We have audited the attached Financial Statements as well as the Consolidated Financial Statements of the Public Limited Company "SELONDA AQUACULTURES AEGE" for the financial year that ended on the 31st of December 2007, as well as the Income Statement, the Statement of changes in Shareholder's equity and the cash flow statements for the Company and the Group for the year, as well as the summary of the most important accounting policies and notes on the financial statements.

Management's responsibility for the Financial Statements

The responsibility for the compilation of the financial statements lies with the management of the company in accordance with the International Financial Reporting Standards as these are adopted by the European Union. This responsibility includes planning, application and maintenance of an internal audit control system regarding the compilation and fair presentation of the financial statements that are free from inaccuracies that may result from error or fraud. The responsibility also includes the choice and application of appropriate accounting policies and accounting estimations that are logical for the situation.

Auditor's responsibility

Our responsibility is limited to forming and expressing an opinion on the financial statements, based on the audit conducted. Our audited was performed according to the Greek Auditing Standards, which are in line with the International Auditing Standards. These Standards require that the audit work is planned and carried out in such a way as to ensure with reasonable assurance that the financial statements are free from material errors or omissions. To estimate this risk, the auditor takes into account the internal auditor's system regarding the compilation and fair presentation of the financial statements that aim to the design of audit procedures for the situation and not an opinion on the effectiveness of the internal control system, as well as an evaluation of the overall presentation of the financial statements.

We believe that the audit conducted provides sufficient basis for the forming of our opinion.

Opinion

In our opinion, the attached financial statements present in a true and fair manner the financial position of the company and the consolidated financial position of the company and the Group as of the 31st of December 2007, its financial performance and the cash flows of the Company and the Group for this year in accordance with the International Financial Reporting Standards as these are adopted by the European Union.

Report on other legal and regulatory issues

The content of the Management Report includes the information required by articles 107, paragraph 3 of C.L. 2190/20 as well as article 11a of L. 3371/2005 and its content is consistent with the attached financial statements.

Athens, March 29th, 2008

THE CHARTERED AUDITOR ACCOUNTANT

ANASTASIOS EP. KERATSIS

CAC RN 10871

SOL S.A.
CERTIFIED AUDITORS ACCOUNTANTS
3, Fokionos Negri, Athens

Income statement

		GROUP		COMPANY	
		CURRENT PERIOD	COMPARATIVE PERIOD	CURRENT PERIOD	COMPARATIVE PERIOD
		01/01-31/12/2007	01/01-31/12/2006	01/01-31/12/2007	01/01-31/12/2006
Fair Value of Biological Assets 31.12.2006		-80,069,940.59	-56,070,604.46	-52,128,999.29	-48,201,830.83
Stock acquired from subsidiary companies		-28,111,208.28	-13,525,236.04	-1,331,662.36	0.00
Purchases during the year		-9,463,982.33	-2,748,706.63	-2,224,277.32	-612,813.73
Sales during the year	5.2	67,778,058.66	53,063,016.11	41,211,627.00	37,720,864.63
Fair Value of Biological Assets 31.12.2007		135,786,297.24	78,559,298.60	63,169,677.70	52,128,999.29
Profit/losses from the change in fair value of biological assets at 31/12/2007	**5.1**	**85,919,224.70**	**59,277,767.58**	**48,696,365.73**	**41,035,219.36**
Sales of Merchandise and other Material	5.2	15,177,762.68	13,063,328.32	18,841,251.31	13,149,382.31
Sales of services	5.2	1,628,468.83	1,328,005.81	126,950.00	361,326.20
Cost of goods and services sold		-13,187,645.69	-11,390,911.26	-16,994,439.86	-12,132,036.49
Consumption		-38,817,124.04	-23,099,282.25	-18,062,818.77	-14,890,483.39
Staff salaries and expenses		-15,903,441.42	-12,562,945.83	-9,898,486.72	-8,695,414.25
Payments and benefits to third parties		-10,077,194.23	-7,484,083.43	-7,014,011.29	-5,382,459.15
Other Expenses		-7,401,035.49	-6,224,572.75	-5,353,366.49	-4,122,529.80
Financial Expenses		-4,754,196.89	-3,440,750.25	-2,498,204.44	-1,970,358.57
Profit/(Loss) from associated companies		-1,081,539.72	-975.99	55,295.77	42,107.05
Profit/(Loss) from fair valuation of Financial Assets		55,295.77	141,105.85	332,570.03	0.00
Depreciations		-3,622,617.45	-3,641,578.07	-1,841,009.54	-2,005,771.84
Other income		1,560,998.90	765,097.26	606,080.92	566,475.10
Financian Income		541,114.08	371,206.58	124,567.68	102,303.63
Investment Activity result		-1,891,159.01	1,371,345.42	316,110.90	0.00
Earnings before tax		**8,146,911.02**	**8,472,756.99**	**7,436,855.23**	**6,057,760.16**
Income tax	6.24	-551,320.05	-928,103.63	-527,833.34	-890,698.76
Deferred Income Tax	6.24	-2,324,354.20	-497,903.19	-1,170,107.58	-250,920.20
Tax audit differences	6.24	-467,431.52		-467,431.52	0.00
Net Earnings	**5.1**	**4,803,805.25**	**7,046,750.17**	**5,271,482.79**	**4,916,141.20**
Distributed to:					
Shareholders of the Parent		**3,695,251.15**	**6,710,912.50**	**5,271,482.79**	**4,916,141.20**
Minority Interest		1,108,554.10	335,837.67	0.00	0.00
Earnings after tax per share- basic (in €)	6.25	0.13	0.23	0.18	0.17

Balance sheet

ASSETS		GROUP 31/12/2007	GROUP 31/12/2006	COMPANY 31/12/2007	COMPANY 31/12/2006
ASSETS					
Tangible Assets	6.1	76,073,248.46	55,059,498.54	17,247,989.65	15,903,364.32
Intangible Assets	6.2	3,606,563.03	588,164.38	19,282.67	25,400.00
Goodwill		1,958,440.36	180,000.00	1,958,440.36	180,000.00
Investments in Subsidiaries	6.3	0.00	0.00	32,536,871.88	23,616,776.22
Investments in Associates	6.4	11,674,624.72	4,984,661.99	9,353,096.55	2,663,133.82
Investments available for sale	6.5	615,474.83	515,850.36	36,096.85	39,471.23
Other Receivables	6.6	148,190.59	196,913.93	124,165.59	120,986.29
Deferred Tax Assets	6.7	1,119,219.98	409,125.49	210,296.77	216,925.48
Biological Assets	6.8	30,728,040.02	25,113,345.68	14,559,184.00	17,268,017.64
		125,923,801.99	**87,047,560.37**	**76,045,424.32**	**60,034,075.00**
Current Assets					
Biological Assets	6.8	105,034,493.01	54,956,594.91	48,610,493.70	34,860,981.65
Inventory	6.9	3,624,876.17	1,451,084.07	1,570,429.41	871,043.55
Trade Receivables	6.10	45,160,155.21	22,178,398.71	26,688,773.48	18,477,401.60
Other Receivables	6.11	16,087,891.75	10,692,319.78	7,906,828.34	7,886,566.08
Prepayments	6.12	3,455,743.03	2,531,192.78	2,880,951.97	966,335.92
Investments held for Trading Purposes	6.13	663,820.95	821,661.85	517,320.10	490,796.00
Cash and Cash Equivalents	6.14	13,751,668.33	13,693,327.42	8,199,182.51	5,216,257.71
		187,778,648.45	**106,324,579.52**	**96,373,979.51**	**68,769,382.51**
TOTAL ASSETS		**313,702,450.44**	**193,372,139.89**	**172,419,403.83**	**128,803,457.51**
EQUITY AND LIABILITIES					
Equity					
Share Capital	6.15	29,281,594.00	29,281,594.00	29,281,594.00	29,281,594.00
Share premium Account	6.16	17,674,827.79	17,173,614.00	17,674,827.79	17,674,827.79
Restatment Differences		0.00	0.00	0.00	0.00
Reserves	6.16	11,497,568.24	11,412,472.36	11,497,568.24	11,412,472.36
Foreign Exchange Differences		0.00	0.00	0.00	0.00
Profits carried forward	6.16	10,459,011.51	7,729,712.62	10,882,729.42	7,374,790.33
Equity attributable to the shareholders of the Parent		**68,913,001.54**	**65,597,392.98**	**69,336,719.45**	**65,743,684.48**
Minority Interest	6.16	22,191,056.67	11,361,852.31	0.00	0.00
Total Equity		**91,104,058.21**	**76,959,245.29**	**69,336,719.45**	**65,743,684.48**
Non Current Liabilities					
Bank Loans	6.17	76,098,745.84	22,991,784.18	44,600,000.00	15,685,538.70
Other long-term liabilities		2,762,668.18	1,329,534.01	44,993.52	78,766.32
Deferred tax Liabiliity		12,386,732.22	8,988,124.08	6,237,064.07	5,239,259.65
Employee Indemnities	6.18	860,311.01	460,676.64	316,827.93	319,090.58
Deferred income	6.19	10,013,291.87	7,602,350.42	595,726.49	714,147.73
Provisions			0.00	0.00	0.00
		102,121,749.12	**41,372,469.33**	**51,794,612.01**	**22,036,802.98**
Current Liabilities					
Trade and other Creditors	6.20	71,134,336.91	34,417,862.25	27,886,074.42	20,677,236.27
Loans	6.17	42,502,818.92	34,938,933.43	17,489,767.39	16,638,913.67
Current Tax Liabilities	6.21	1,930,390.00	1,201,826.35	987,937.93	633,034.77
Other Current Liabilities	6.22	4,296,893.85	2,638,053.24	4,312,089.20	1,230,035.34
Long-term Liabilities payable in the next financial year	6.17	612,203.43	1,843,750.00	612,203.43	1,843,750.00
		120,476,643.11	**75,040,425.27**	**51,288,072.37**	**41,022,970.05**
TOTAL EQUITY AND LIABILITIES		**313,702,450.44**	**193,372,139.89**	**172,419,403.83**	**128,803,457.51**

Statement of changes in equity

GROUP

(Amounts in euro)	ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT						MINORITY	
	Share Capital	Share Premium Account	Other Reserves	Foreign Exchange Differences	Profits Carried Forward	Total	Minority interest	Total Equity
Balance 01.01.2006 Group	**29,281,594.00**	**17,173,614.00**	**11,240,680.00**	**76,486.99**	**3,231,769.00**	**61,004,143.99**	**7,479,654.00**	**68,483,797.99**
Change in equity 01.01 - 31.12.2006								
Loss recognised in equity	0.00	0.00	0.00	-76,486.99	-91,063.49	**-167,550.48**	346,833.36	**179,282.88**
Dividends and BoD remuneration	0.00	0.00	0.00	0.00	-685,631.88	**-685,631.88**	0.00	**-685,631.88**
Reserves	0.00	0.00	128,830.74	0.00	-128,830.74	**0.00**	0.00	**0.00**
Profits distributed to employees	0.00	0.00	0.00	0.00	-250,000.00	**-250,000.00**	0.00	**-250,000.00**
Loss and reserves from absorbed companies	0.00	0.00	42,961.62	0.00	-1,057,442.77	**-1,014,481.15**	0.00	**-1,014,481.15**
Results for the period	0.00	0.00	0.00	0.00	6,710,912.50	**6,710,912.50**	335,837.67	**7,046,750.17**
Total profit (loss) for the period	**0.00**	**0.00**	**171,792.36**	**-76,486.99**	**4,497,943.62**	**4,593,248.99**	**682,671.03**	**5,275,920.02**
Acquisition of subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00	3,199,527.28	3,199,527.28
Equity balance 31.12.2006	**29,281,594.00**	**17,173,614.00**	**11,412,472.36**	**0.00**	**7,729,712.62**	**65,597,392.98**	**11,361,852.31**	**76,959,245.29**
Balance 01.01.2007 Group	**29,281,594.00**	**17,173,614.00**	**11,412,472.36**	**0.00**	**7,729,712.62**	**65,597,392.98**	**11,361,852.31**	**76,959,245.29**
Change in equity 01.01 - 31.12.2007								
Correction of an account	0.00	501,213.79	-26,068.79	0.00	-475,145.00	**0.00**	0.00	**0.00**
Dividends and BoD remuneration	0.00	0.00	0.00	0.00	-1,678,447.82	**-1,678,447.82**	0.00	**-1,678,447.82**
Reserves	0.00	0.00	111,164.67	0.00	-111,164.67	**0.00**	0.00	**0.00**
Acquisition of subsidiaries -mergers of companies-participation percentage changes	0.00	0.00	0.00	0.00	1,298,805.23	**1,298,805.23**	9,720,650.26	**11,019,455.49**
Results for the period	0.00	0.00	0.00	0.00	3,695,251.15	**3,695,251.15**	1,108,554.10	**4,803,805.25**
Total profit (loss) for the period	**0.00**	**501,213.79**	**85,095.88**	**0.00**	**2,729,298.89**	**3,315,608.56**	**10,829,204.36**	**14,144,812.92**
Equity balance 31.12.2007	**29,281,594.00**	**17,674,827.79**	**11,497,568.24**	**0.00**	**10,459,011.51**	**68,913,001.54**	**22,191,056.67**	**91,104,058.21**

COMPANY

	COMPANY				
	Share capital	Share premium account	Other reserves	Profits carried forward	Total equity
Balance 01.01.2006 Company	**29,281,594.00**	**17,674,827.79**	**11,238,529.24**	**4,169,032.98**	**62,363,984.01**
Change in equity 01.01 - 31.12.2006					
Net profit (loss) recognised in equity	0.00	0.00	0.00	-125,604.67	**-125,604.67**
Results for the period	0.00	0.00	0.00	4,916,141.20	**4,916,141.20**
Dividends and BoD remuneration	0.00	0.00	0.00	-935,631.88	**-935,631.88**
Reserves	0.00	0.00	128,830.74	-128,830.74	**0.00**
Loss and reserves from absorbed companies	0.00	0.00	45,112.38	-520,316.56	**-475,204.18**
Total profit (loss) for the period	**0.00**	**0.00**	**173,943.12**	**3,205,757.35**	**3,379,700.47**
Equity balance 31.12.2006	**29,281,594.00**	**17,674,827.79**	**11,412,472.36**	**7,374,790.33**	**65,743,684.48**
Change in equity 01.01 - 31.12.2007					
Net profit (loss) recognised in equity	0.00	0.00	-26,068.79	26,068.79	**0.00**
Results for the period	0.00	0.00	0.00	5,271,482.79	**5,271,482.79**
Dividends and BoD remuneration	0.00	0.00	0.00	-1,678,447.82	**-1,678,447.82**
Reserves	0.00	0.00	111,164.67	-111,164.67	**0.00**
Total profit (loss) for the period	**0.00**	**0.00**	**85,095.88**	**3,507,939.09**	**3,593,034.97**
Equity balance 31.12.2007	**29,281,594.00**	**17,674,827.79**	**11,497,568.24**	**10,882,729.42**	**69,336,719.45**

Cash flow statement

Cash flow from Operating activities	GROUP 1/1 - 31/12/2007	GROUP 1/1-31/12/2006	COMPANY 1/1 - 31/12/2007	COMPANY 1/1-31/12/2006
Earnings before tax	8,146,911.02	8,472,756.99	7,436,855.23	6,057,760.16
Plus/Less adjustments for:				
Depreciation	3,622,617.45	3,641,578.07	1,807,399.84	2,005,771.84
Impairment of tangible and intangible assets	0.00	724,551.73	0.00	211,568.93
Results (income, expenses, profit and loss) of investing activity	6,048,063.74	6,430,355.97	-259,743.03	-156,609.01
Interest Expenses	4,754,196.89	3,440,750.25	2,498,204.44	1,917,414.11
Plus/Less Adjustments for Working Capital changes related to operating activities	-924,550.25	243,080.03	-1,914,616.05	1,749,652.35
Changes in biological assets	-55,692,592.44	-23,999,336.13	-11,040,678.41	-3,927,168.46
Increase/(decrease) of inventory	-2,173,792.10	-152,041.08	-699,385.86	17,671.89
Increase/(Decrease) of receivables	-27,739,894.39	-5,448,478.60	-8,228,184.74	-2,238,058.20
Increase/(decrease) of Liabilities (excl. banks)	44,335,255.60	17,560,425.92	11,609,826.79	4,896,867.48
Less:				
Interest Paid	-4,754,196.89	-3,440,750.25	-2,498,204.44	-1,917,414.11
Income Tax Paid	-3,343,105.77	-1,426,006.82	-2,165,372.44	-1,141,618.96
Operating flows from discontinued operations	0.00	0.00	0.00	0.00
Total inflows/(outflows) from operating activities (a)	**-27,721,087.14**	**6,046,886.08**	**-3,453,898.67**	**7,475,838.02**
Investing activities				
Acquisition of subsidiaries&associates	-8,468,403.09	-4,983,356.61	-17,188,498.75	-7,403,612.46
Purchases of tangible and other assets	-14,534,630.47	-20,664,246.58	-3,386,758.90	-3,228,092.22
Receipts from sales of tangible and intangible assets	40,851.06	242,670.50	40,851.06	141,773.68
Interest received	541,114.08	371,206.58	112,380.23	147,945.06
Dividedns received	3,529.20	3,533.20	3,529.20	3,533.20
Investing flows from discontinued operations	0.00	0.00	0.00	0.00
Total inflows/(outflows) from investing activities (b)	**-22,417,539.22**	**-25,030,192.91**	**-20,418,497.16**	**-10,338,452.74**
Financing activities				
Receipts from issued loans	76,710,949.27	36,548,848.69	46,063,057.15	7,756,457.41
Payments of loans	-24,835,534.18	-15,238,481.84	-17,529,288.70	-2,367,519.98
Dividends paid	-1,678,447.82	-935,631.88	-1,678,447.82	-935,631.88
Financing flows from discontinued operations	0.00	0.00	0.00	0.00
Total inflows/(outflows) from financing activities (c)	**50,196,967.27**	**20,374,734.97**	**26,855,320.63**	**4,453,305.55**
Net (decrease)/increase in cash and cash equivalents (a)+(b)+ (c)	58,340.91	1,391,428.14	**2,982,924.80**	**1,590,690.83**
Cash and cash equivalents at the beginning of the period	13,693,327.42	12,301,899.28	5,216,257.71	3,625,566.88
Cash and cash equivalents at the end of the period	**13,751,668.33**	**13,693,327.42**	**8,199,182.51**	**5,216,257.71**

1. Information on the Group

1.1 General Information

The company was founded in 1990 with the legal form of a public limited company (societe anonyme), under the name "SELONDA AQUACULTURES SOCIETE ANONYME OF AGRICULTURAL OPERATIONS (Gov. Gazette 4511/31.12.90). It resulted from the merger of SELONDA Aquacultures Ltd" and "SELONDA Aquacultural Ltd" and the simultaneous conversion of both to public limited companies.

The Company is based in the Municipality of Athens, at 30 Navarchou Nikodimou Street, and its duration has initially been set to 50 years.

The hatching facilities of the Company are located at Selonda bay in Sofiko, Corinth, which is 118klm. away from Athens and 35 klm. from Corinth, at the Managouli area in the prefecture of Fokida (formerly RIOPESCA AEBE), 520 klm. away from Athens, at the Lorida Sagiadas area in the prefecture of Thesprotia (formerly TRITON A.E.I.) and at Psachna in the prefecture of Evia.

The sea fish-farming facilities are located at Selonda bay, Petros island, Ovrios Island (prefecture of Corinth), Vourlias bay (prefecture of Argolis), Ortholithi, Fouski and Kalamaki sites (prefecture of Arcadia), Kouramos and Pagania bays (prefecture of Thesprotia) and at Astakos in Aitoloakarnania. Because of common farming with other producers it has set-up farming facilities at Astakos in Etoloakarnania, at the island of Platia in the prefecture of Argolis, in Kalimnos and in Evia.

The infrastructure includes packaging and standardisation unit at Selonda-Korinth bay, Kranidi Argolidis, Sagiada Thesprotias. Also, the distribution in Greece and Abroad is made through the logistics centre in Aspropyrgos.

The financial statements for the period ended on the 31st of December 2007 (including comparatives as of 31st of December 2006) were approved by the BoD on 28/12/2007.

Mr. Vasilios Stefanis is the Chairman of the BoD and Mr. Ioannis Stefanis is the Managing Director.

1.2 Nature of Activities

"SELONDA AQUACULTURES AEGE" (the company) is active in the production of fry in its breeding facilities and in the farming of open-sea Mediterranean fish, particularly sea-bream, sea-bass, sharp-snout sea and new species such as sargo, pagrus, striped grey mullet, pandora, in standardisation and distribution of fish and in provision of management for the development of fish-farming units in Greece and abroad.

It is noted that industrial activity relates to own production goods (fry, finished product) while trading activity relates to third-party products.

"SELONDA AQUACULTURES AEGE" has a participating interest in the following companies:

- **AQUAVEST INVESTMENTS AQUACULTURES AND PROPERTY MANAGEMENT PUBLIC LIMITED COMPANY.**

AQUAVEST was founded in 1989 as a holding company. It is based in the Municipality of Athens. Its duration is 50 years. The purpose of the company, according to article 3 of its statute is:

a. To breed fish in own or third-party owned facilities and to trade these fish in Greece and abroad, to participate in companies of the same or similar sort, to produce and sell fish fry and to engage in any other activity related to aquacultures.
b. To purchase, manage and develop real estate property.
c. To participate in activities related to the management of development, tourism and recreation projects.
d. To provide consulting services to any physical or legal person regarding the organisation and management of businesses in the areas of activity of the company.

Its main activity is the provision of financial services and the undertaking of investments in aquaculture companies.

- **SELONDA INTERNATIONAL LTD**

SELONDA INTERNATIONAL LTD was founded in 1996 as a limited company according to the Companies Act and is based in the island of Jersey in the Channel Islands of the United Kingdom. "SELONDA AQUACULTURES AEGE" is the sole shareholder of the company and owns 100% of its shares.
The objective of the company is to undertake any business activity anywhere in the world.

- **AQUANET S.A.**

The company was founded on the 16th of February, 1999 and was originally based in the Municipality of Nea Smyrni, 231 Syggrou Ave. while currently it is based in the Municipality of Athens. Its duration is 50 years. Its purpose is:
a) To produce, process and trade industrial, agricultural and animal-breeding products as well as aquaculture products.
b) To purchase, sell, import and export industrial, agricultural and animal-breeding products as well as aquaculture products.
c) To conduct research and develop new technologies and means in the industrial applications, agricultural, animal breeding and aquaculture sectors.
d) To provide consulting services and management services to companies with the same or similar purpose with that of the company.
e) To undertake any work related to the aforementioned purposes that facilitates the progress and broadening of the operations of the company.
f) To participate and collaborate with any person or other business or company of any legal form that already exists or will be created in Greece or abroad and that has the same or similar purpose to that of the company.

The activity of the company today is its participation in other companies of the sector or the establishment of joint-ventures and the studies for the development of research in aquaculture. Aquanet SA pasrticipates with 99.9% as a joint-venture company with Kaiki Ltd in KALYMNOS JOINT VENTURE.

- **SELONDA UK LTD**

The company was founded on 7/2/2001 and it is based in East Riding of Yorkshire, Wales. Selonda UK is a general trading company and its existing activity is the activation of fish production and trading licenses and the participation in other companies. Its current activities include the activation of production licenses for fishes in Wales, in infrastructure in land for the breed of 1,000 tons of sea bass. This infrastructure, of 10,000,000 British pounds, is subsidized by EU and the government of Wales is under development and is expected to be completed in 2007 so that that the production activity to begin. In share capital of the company, from the end of 2005 the company Jazan Development Company participates (Gazadco).

- **BLUE WATER FLAT FISH LTD (B.F.F.)**

The company was founded in 1999 North Lincolnshire, Wales. BFF is a production oriented company, breeding fish of the «turbot- Kalkani» species. This species is amongst the most traded fish in Northern Europe. It is bred in overland facilities using the best water recirculation technology. The existing activity of the company includes the production and trading of fish.

- **POLEMARCHA EPIDAVROS S.A.**

The company was founded and in based in the Municipality of Athens. Its objective is to manage real estate and tourist real estate. It owns a property of 511,859 sq. metres in the Polemarcha area of the Prefecture of Argolis. A plan is in progress to build a hotel complex on this land, in partnership with an international company (Aman Resorts). In this company the Group participates through Education Inc an offshore company having as sole aim the 99% participation in the share capital of POLEMARCHA SA.

- **FISH FILLET S.A.**

The company was founded in November 2001. Its objective is to pack, process and trade. The Municipality of Athens has been designated as its base. The company owns a land in Nea Epidavros-Municipality of Argolis in which it plans to start and complete a modern packaging and fish-processing infrastructure. This unit will cover the needs for packaging, stripping and other issues that will add value to the Group and to other producers in the area.

- **INTERFISH AQUACULTURE S.A.**

The Company «INTERFISH AQUACULTURES SOCIETE ANONYME» (the «Company»), with Reg.No. 31836/06/B/94/27 and discrete name «INTERFISH» was founded on 1994 (Gov.Gaz. 5596/03.10.1994) aiming to operate an aquaculture unit for the breed and distribution of Mediterranean types of fishes (mainly sea-bream and sea bass) as well as the production of fry.
The base of the Company is at the municipality of Athens. The duration of the life of the company is set at nineteen years (19). The aim of the Company according the second article of its letter of association is:

The production, breed of fry and generally seafood products, the establishment of relevant aquaculture units, the trade of fish and generally seafood products, the industrial processing of the aforementioned, the production of food for the fishes, the working out of research and the training of scientific and working personnel.

The representation of foreign companies that deal with any of the aforementioned aims.

The participation in existing companies or the establishment of new ones having similar aims or anything that the Board of Directors decide and is relevant to the aim of the company.

The company is listed in ASE since 2003 and its share is traded in the sector of Agriculture&Fishing

Interfish SA in 2007 absorbed through merger the companies Koronis Aquacultures, Stefanou Aquacultures SA and Lesvos Aquacultures SA.

- **DIVING PARK S.A.**

The company DIVING PARC SA was founded on 2005, with Reg. No. 58120/01/B/05/68 and scope the tourist exploitation of diving parks in Greece. The base of the company is at 30 Navarchou Nikodimou, Athens.

- **VILLA PRESIE SA**

The company VILLA PRESIE SA is established with the decision 2782/14-03-1990 under the name «VILLA PRESIE SOCIETE ANONYME TOURISM HOTEL SA», with reg. No. 21425/01/B/90/533/00 published in Gov.Goz. 679/22-03-1990. The duration of the life of the company was set to ninety (90) years and its aim is the establishment and exploitation in Greece and abroad of Hotels, Motels, Bungalows, Camping, Rooms to let and Villas on self-owned or not buildings as described in its letter of association.
The base of the company is 30 Navarchou Nikodimou, Athens. The Company owns a field of 461 sq.m. and a building of 1,258.50 sq.m. that is preservable, at 11 Thoukididou and Navarchou Nikodimou, Placa.

- **FJORD MARIN TURKEY**

Fjord Marin AS founded in 1995 and is based in Bodrum in Turkey. Till 2003 there were the following companies: Akba 1 Ltd , Aegean Ltd, OMP Ltd, AMMA Ltd, Fjord Marin SU AS. The companies Akba 1 Ltd, OMP Ltd και AMMA Ltd merged under Akba 1 Ltd. which changed to Akba AS. The next step was the merger of Akba AS and Fjord Marin SU AS under the name Akba AS and finally Akba AS changed its name to Fjord Marin Deniz AS, that is to say the company took its present form. H Fjord Marin Turkey holds licences for the production of 14 thousand tones of sea bream and sea bass (sea bream and sea bass) covering the 30% of production in Turkey. Current production is 6 thousand tones and 15 mil. fry. The Company has two subsidiaries, Bora and Aegean participating in them by 100%.

- **INTERNATIONAL AQUA TECH LTD**

International Aqua Tech LTD is a company that undertakes the design, construction – operation and management of water systems, which was founded on April 10th, 1992 and is based in North Lincolnshire, of Great Britain. International Aqua Tech LTD is active, with great success, in the production of water recirculation systems and the design of aquariums.

- **BLUE FIN TUNA HELLAS SA**

The Company was founded in 2003 further to and in place of the Mediterranean Tuna Joint Venture that Selonda SA had formed jointly with Nirefs SA, with a 50% participating interest. The company is based in the Municipality of Ilioupoli, 409 Vouliagmenis Ave. and its duration is 30 years. The purpose of the company, according to article 3 of its statute is:

a) To procure, import and catch live tuna fish in Greece.

b) To operate tuna breeding facilities in Greece.

c) To trade in live tuna fish and to process, pack, standardise and trade fresh, frozen or processed tuna meat and its products in Greece and abroad.

d) The company may participate under any relationship in any company with which it does business.

e) The company may provide access to third parties or companies with a participating interest in the company, or have access provided to it, for a direct or indirect remuneration in the context of business collaboration to the use of its fixed assets and operation licenses and to the use of its personnel.

- **JOINT VENTURE OF NORTH EVIA I**

The Joint venture was established in 2005 in Athens, 30 Navarchou Nikodimou, aiming at the exploitation an management of fish breeding in Porto Mpoufalo area of Evia. The joint-ventures are Selonda SA with 95% and Zoonomi SA with 5%.

- **KALYMNOS JOINT VENTURE**

The joint venture founded in 2004 based in Athens, at 30 Navarchou Nikodimou Str., and its aim is the exploitation and management of fish breeding at the area of Porto Buffalo in Evia. The joint holders of he company are Aquanet SA, with 99,9% share and KAIKI Ltd with a 5% share.

- **ASTRAIA AEBE**

The company ASTRAIA SOCIETE ANONYME TRADE AND INDUSTRIAL COMPANY OF AQUACULTURE AND SEA BREADING PRODUCTS «ASTRAIA A.E.B.E.», founded with the No. 05/30-3-2005, of societe anonyme establishment act under the name ASTRAIA SOCIETE ANONYME TRADE AND INDUSTRIAL COMPANY OF AQUACULTURE AND SEA BREADING PRODUCTS with a Reg. No. 58371/24/B/05/04 published in Gov. Gaz. 2123/2005. The duration of the company set to fifty (50) years and its aim is the production-distribution and trade (imports-exports) of sea breeding products and other animal breeding products. The provision of scientific services, standardisation of aquaculture products and development of research products. The company is based in 11 Pylarinou Str. – Korinthos. It owns a land at Kaminia area in Koutala of Municipality of Tegea in Korinth, deeds: 11,000 sq.m., punctluak measurement: 9,397.85 sq.m., planted with sultana raisin and an agricultural building in position «Xourafi - Kaminia» in Koutala of Municipality of Tegea in Korinth, 16,909.74 sq.m. On the aforementioned land the company will build a factory producing sea breeding products.

- **PERSEYS PRODUCTS OF SPECIAL BREEDING A.B.E.E**

The company «PERSEYS PRODUCTS OF SPECIAL BREEDING SOCIETE ANONYME COMMERCIAL COMPANY» under the discrete title «PERSEYS PRODUCTS OF SPECIAL BREEDING ABEE», founded in 1968 (Gov. Gaz. 1211/31.12.1968), based at Municipality of Athens, at 39 Panepistimiou str, 105 64 ATHENS, tel. 210 3701450, having as branch the factory in Zevgolatio of Korinth, and is registered in the Societe Anonyme registry of Ministry of Development under the registration number (A.M. 1186/06/B/86/28).

The companies PERSEYS ABEE are listed in Athens Exchange.

The aim of the company is:
1. a) The production and distribution of any kind of cattle-breeding, bird-breeding and pet-breeding products, b) The trade (purchases-sales) of any type of animal breeding and infrastructure for the relevant breeding units, c) The import and export of aforementioned products, d) The exploitation of aquacultures and their infrastructure as well as the design of studies for the creation of fish-farming and general aquacultures stations, e) any other relevant o the above service.
2.The participation in new or existing companies having any purpose aiming to create long-term economic bonding and particularly their control by the Company.
The activity of the Company is focused exclusively to the production and distribution of see breeding products.
Specifically, regarding sea breeding products, from 1994 till today the Company plans and produces specialised sea breeding products under the name ICHTHIS. With the gradual expansion of these products in all geographic region and to a wide clients base, the Company is the main supplier of the fish-breeding sector in fish-food products.

Finally, Selonda SA participates by 100% in the company SEABORN LTD, an offshore company based in Hong-Kong, with participating cost the establishment cost of 1 bil. Dollars and aim the participation in new projects mainly abroad.

2. Framework for the compilation of the financial statements

The consolidated financial statements of SELONDA AEGE as of the 31st of December 2007 (The 1st of January 2004 is the transition date) that cover the period up to the 31st of December 2007, have been compiled according to the historic cost principle, as this is amended by the adjustment of certain assets and liabilities to current values, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) as these have been issued by the International Accounting Standards Board (IASB) as well as their interpretations, as these have been issued by the Standards Interpretation Committee (IFRSIC) of the IASB.

The IASB has issued a series of standards which are referred to as the "IFRS Stable Platform 2005". The Group from the 1st of January 2005 applies the IFRS Stable Platform 2005, which includes the following standards:

IAS 1	Presentation of Financial Statements,
IAS 2	Inventories,
IAS 7	Cash Flow Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates, and Errors,
IAS 10	Events After the Balance Sheet Date,
IAS 11	Construction contracts
IAS 12	Income Taxes
IAS 14	Segment Reporting
IAS 16	Property, Plant and Equipment,
IAS 17	Leases,
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates,
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Consolidated and Separate Financial Statements,
IAS 28	Investments in Associates,
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 30	Disclosures in Financial Statements of Banks and Similar Financial Institutions
IAS 31	Interests in Joint Ventures
IAS 32	Financial Instruments: Disclosure and Presentation,
IAS 33	Earnings Per Share,
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets

IAS 38 Intangible Assets

IAS 39 Financial Instruments: Recognition and Measurement,

IAS 40 Investment Property

IAS 41 Agriculture

IFRS 1 First-Time adoption of International Financial Reporting Standards

IFRS 2 Share-Based Payment

IFRS 3 Business Combinations

IFRS 4 Insurance Contracts

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The financial statements fall under the provisions of IFRS 1 "First time adoption of IFRS" since they are the first financial statements to be compiled and published on this basis.

The policies referred to below have been applied consistently, throughout the periods presented.

The compilation of financial statements according to the IFRS requires the use of estimates or judgment during the application of the accounting principles of the Company. Important assumptions made by the Management for the application of the accounting methods of the Company have been pointed put whenever deemed necessary.

2.1 New accounting standards and interpretations of the IFRSIC

The Group adopted for the first time the IFRS 7 "Financial Instruments Disclosures", which adoption is mandatory form th current year onwards, as well as the amendments tin IAS 1 "Presentation of Financial Statements".

The effect form the adoption of IFRS 7 and the amendment of IAS 1 is to increase the notification regarding the financial instruments of the Group.

IFRIC 7: Application of the amendment of IAS 29 – Financial statements in hyperinflationary economies.

IFRIC 7 demands that in the period in which a company ascertains the existence of hyperinflation in the economy of its operating currency, without this hyperinflation being present in the previous period, must apply the requirement of IAS 29, like the economy being always in a hyperinflationary situation.

IFRIC 7 has no effect in the Group.

IFRS 8, Operating Sectors: (applied for annual accounting periods beginning on or after January 1st 2009).

IFRS 8 replaces IAS 14 Financial Information by segment and adopts an administrative approach as regards to financial information provided by segment. The information provided will be that used by management internally for the evaluation of the return by operating sectors and the allocation of resources to such sectors. This information may differ from that presented in the balance sheet and income statements and companies must provide explanations and reconciliations regarding such differences. IFRS 8 is expected to be adopted by the European Union in the near future. The adoption of this standard will not significantly affect the financial statements, with the exception of the additional notifications when needed.

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IFRIC 9: Revaluation of embedded derivatives.

IFRIC 9 requires that a company must value a contract that embeds a derivative at the time of the contract and should not make a valuation at a later stage unless there is a change in the terms of the contracts that materially affects the cash flows.

IFRIC 9 has no application in the Group.

IFRIC 10: Interim Management Report and impairment.

IFRIC 10 may have an effect on the financial statements in the case that an impairment loss is recognised in an interim period regarding the surplus or investments in participating deeds available for sale or non listed deeds kept at book cost as this impairment can not be reversed in subsequent interim or annual financial statements.

IFRIC 10 has no application in the Group.

Until the date of approval of the financial statements they are issued new IFRS, amendments and interpretations of existing standards which adoption is not mandatory for the current accounting period and which the Group adopted earlier as follows:

IFRIC 14, "IAS 19 The limit on a Defined Benefit Asset, minimum funding requirements and their interaction" (applied for annual accounting periods beginning on or after January 1st 2008).

IFRIC 14 offers guidelines regarding the valuation of the surplus limit that may be recorded as asset in a defined benefit plan according to IAS 19 "Employee Benefits". Also, it explains when this limit may be affected when there is a legal or contractual liability of minimum funding and standardises the adopted practice. The Group estimates that the application of IFRIC 14 is not expected to affect its financial statements.

Amendments to IAS 1," Presentation of Financial Statements-Equity disclosure" (applied for annual accounting periods beginning on or after January 1st 2009).

IAS 1 is amended in order to improve the usefulness of information presented in financial statements. The most important amendments is the demand that the statements of changes in equity includes only transactions with shareholders, the introduction of a new statement of total income that combines all information for income and expenses recognised in income statement with other income and the liability such as restatements of financial statements or retrospective application of new accounting policies presenting from the beginning of the earliest comparative period, thus in a third column in the balance sheet.

The Group will make the necessary changes in the presentation of financial statements for 2009.

Amended IFRS 3: "Business combinations" and amended IAS 27 "Consolidated and separate financial statements"(applied for annual accounting periods beginning on or after January 1st 2009).

The IAS committee published at 10.1.2008 the amended IFRS 3 "Business combinations" and the amended IAS 27 "Consolidated and separate financial statements" The amended IFRS 3 imports a number of changes in the accounting treatment of business combinations which will affect the amount of recognised surplus in the period when the combination takes place as well as future results. These changes include the treatment as cost of the expenses related to the acquisition and recognition of future payments at the fair value of the contingent part in the results (instead of surplus adjustment). The amended IAS 27 requires that transactions leading to participation changes in a subsidiary must be recorded in equity. Therefore, they do not affect the surplus neither creating result (profit or loss). Also, the amended standard changes the way the losses of subsidiaries are accounted as well as the loss of control of a subsidiary.

All changes of aforementioned standards will became effective from the date of their adoption and will affect future acquisitions and transactions with minority shareholders from this date onwards.

Amendments in IAS 32 and IAS 1: Puttable instruments (applied for annual accounting periods beginning on or after January 1st 2009).

The amendment in IAS 32 requires that puttable instruments and obligations arising on liquidation classified in equity when certain criteria are met. The amendment in IAS 1 requires the disclosure of information related to puttable instruments that are recorded in equity.
The Group expects that these amendments will not affect its financial statements.

3. Main accounting principles

The accounting principles on the basis of which the attached financial statements are compiled and which are consistently applied by the Group are as follows.

3.1 Segment reporting

A business segment is defined as a group of assets and activities that provide products and services, which is subject to different risks and returns to other business segments.

A geographical segment is defined as a geographical area in which products and services are provided, which is subject to different risks and returns to other geographical segments.

The primary segment of activity of the Group is the production of Fry and the development and sale of finished fish merchandise.

3.2 Consolidation

Subsidiaries: These are all the companies that are managed and controlled, directly or indirectly, by another company (parent), either through the holding of the majority of the shares of the company in which an investment has been made, either through its dependence on the technical know-how provided by the Group. Subsidiaries are, hence, the companies over which the parent exercises control. Selonda AEGE acquires and exercises control through voting rights. The existence of any potential voting rights that are exercisable at the time of compilation of the financial statements, is taken into consideration in order to determine whether the parent exercises control over the subsidiaries. Subsidiaries are consolidated entirely (full consolidation) using the purchase method from the date that control over them is acquired and cease to be consolidated from the date that control no longer exists.

The acquisition of a subsidiary by the Group is accounted for using the purchase method. The cost of acquisition of a subsidiary is the fair value of the assets given as consideration, the shares issued and the liabilities undertaken on the date of the acquisition plus any costs directly associated with the transaction. The individual assets, liabilities and contingent liabilities that are acquired during a business combination are valued during the acquisition at their fair values regardless of the participation percentage. The acquisition cost over and above the fair value of the individual assets acquired is booked as goodwill. If the total cost of the acquisition is lower than the fair value of the individual assets acquired, the difference is immediately booked to the profit or loss account.

Specifically as regards business combinations that took place prior to the Group's transition date to the IFRS (January 1st 2004) the IFRS 1 exception was used and the purchase method was not applied retroactively. In the context of this exception the Company did not recalculate the acquisition cost of the subsidiaries acquired prior to the IFRS transition date, nor the fair value of acquired assets and liabilities at the date of acquisition, nor has it recognised any goodwill on its financial statements according to the IFRS.
Inter-company transactions, balances and unrealized profits from transactions between Group companies are eliminated. Unrealised losses are also eliminated except if the transaction provides indication of impairment of the transferred asset. The accounting principles of the subsidiaries have been amended so as to conform to the ones adopted by the Group.

Associates: These are the companies over which the Group can exercise significant influence, but which do not meet the conditions to be classified as subsidiaries or participations in joint ventures. The assumptions used by the group imply that a participating interest ranging between 20% and 50%of the voting rights of a company suggests significant influence over it. Investments in associates are initially recognized at cost and subsequently are considered to use the equity method. At the end of each financial year, the cost is increased by the share of the investing company in the changes in equity of the investment and is reduced by the dividends received from the associate.

As regards goodwill, this reduces the value of the participating interest through a reduction in the profit for the period, when its value is reduced. The Group, in accordance with IFRS 3, does not calculate depreciation, hence goodwill appears at unamortized cost as at 31/12/2003, less any impairment.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement, while the share of changes in reserves after the acquisition in recognized in the reserves. The cumulated changes affect the book value of the investments in associated companies. When the Group's share in the losses of an associate is equal or exceeds the value of the investment in the associate, including any other doubtful receivables, the Group does not recognise any further losses, except if payments have been made or further commitments have been assumed on behalf of the associate and in general those that stem from the role of the shareholder.

Unrealized profits from transactions between the Group and its associates are eliminated according to the percentage of the Group's holding in the associates. Unrealized losses are eliminated, except if the transaction provides indications of impairment of the transferred asset. The accounting principles of the associates have been amended so as to be uniform to the ones adopted by the Group.

The companies that are part of the consolidated financial statements are presented in the following table:

COMPANY	HEADQUARTERS	TAX-UNAUDITED FISCAL YEARS	PARTICIPATION PERCENTAGE	CONSOLIDATION METHOD
SELONDA AQUACULTURE S.A.	30, Navarchou Nikodimou str, Athens	2007	Parent	Full Consolidation
INTERFISH AQUACULTURES SA	30 Apollonos, Athens	2007	46.07%	Full Consolidation
AQUAVEST S.A.	30, Navarchou Nikodimou str, Athens	2003-2007	100.00%	Full Consolidation
AQUANET S.A.	30, Navarchou Nikodimou str, Athens	2003-2007	90.42%	Full Consolidation
POLEMARCHA EPIDAVROS S.A.	3, Vrasida str, Athens	2003-2007	69.30%	Full Consolidation
FISH FILLET S.A.	Kritika – Corinth	2003-2007	95.35%	Full Consolidation
DIVING PARK SA	30, Navarchou Nikodimou str, Athens	2003-2007	86.22%	Full Consolidation
SELONDA INTERNATIONAL LTD	Channel Islands, UK	-	100.00%	Full Consolidation
SELONDA UK LTD	East Riding of Yorkshire, WALES	-	50.00%	Full Consolidation
BLUEWATER FLATFISH LTD	North Linconshire, WALES	-	76.65%	Full Consolidation
FJORD MARIN DENIZ	Bodrum-Turkey	-	46.00%	Full Consolidation
JOINT VENTURE OF SOUTH EVIA I	30, Navarchou Nikodimou str, Athens	2006-2007	95.00%	Equity
JOINT VENTURE OF KALYMNOS	30, Navarchou Nikodimou str, Athens	2005-2007	99.9%	Equity
INTERNATIONAL AQUA TECH LTD	North Linconshire, WALES	-	34.00%	Equity
EUROFISH GB Ltd	Hull-Wales		30.00%	
BLUEFIN TUNA HELLAS S.A.	409, Vouliagmenis av. , Ilioupoli	2004-2007	25.00%	Equity
ASTRAIA AEBE	11, Pylarinou Str.-Korinthos	2006-2007	35.00%	Equity
PERSEYS ABEE	39, Panepistimiou Str, Athens	2005-2007	41.34%	Equity

3.4 Biological assets and agricultural activity

Agricultural activity is defined as the management and administration by an enterprise of the biological transformation of biological assets for sale, into agricultural produce or additional biological assets. Biological assets are defined as animals and plants under the management of an enterprise, while agricultural produce is the harvested product from biological assets of the firm, which is intended for sale, processing or consumption. The right to manage biological assets may stem from ownership of these assets or from another type of legal act.

Under the term "**Agricultural Activity**", we define a relatively wide range of activities, which share some common features, such as:
a) the ability to transform i.e. living organisms (living animals and plants), which have the ability to transform biologically
b) the administration and management of the transformation, by creating, enhancing or at least stabilizing the necessary conditions so that the living organisms may develop.
c) the ability to value the transformation i.e. the difference that the biological transformation has brought upon the quality (maturity, fat content) as well as the quantity (weight, fruit) of the biological assets of the enterprise.

An enterprise should recognise a biological asset or agriculture produce only when:
(a) The enterprise controls the asset as a result of part events.
(b) It is probable that future economic benefits that are related to the asset will flow to the enterprise.
(c) The cost of the asset can be measured reliably.

Biological assets should be valued on initial recognition and at subsequent reporting dates at fair value less estimated point-of-sale costs, unless fair value cannot be reliably measured.

If an active market for a biological asset or agricultural produce exists, the prevailing prices in this market are the appropriate basis for determining the fair value of that asset. If an enterprise has access to multiple active markets, it should use the most relevant one. If an enterprise has access to two active markets, it should use the price in the market that is expected to be used.

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

The company after the initial recognition of its biological assets, values them at each subsequent balance sheet date at fair value less estimated costs until sale.

The gain or loss that may result from the initial recognition of a biological asset and its subsequent valuation (lees the expected sales costs in both cases), are included in net profit or loss for the period in which it arises. A gain may also arise during the initial recognition of a biological asset, for example through the birth of a living organism.

Biological assets are classified into sub-categories depending on the maturity stage they are in so as to enable financial statement users to inform themselves regarding the timing of future cash flows that the company expects to have from the exploitation of the biological resources.

3.5 Foreign Currency Conversion

The consolidated financial statements are presented in euros, which is the operating currency and the reporting currency of the parent Company and all its subsidiaries. "Operating" currency is the currency of the primary economic environment in which the Group operates and on the basis of which the items in the financial statements of the companies of the Group are measured

Transactions in foreign currencies are converted into the operating currency using the rates in effect at the date of the transactions.

Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect at the balance sheet date are posted to the profit or loss account. Exchange differences from non-monetary items that are valued at fair value are considered as part of the fair value and are thus treated similarly to fair value differences.

3.6 Tangible Fixed Assets

Fixed assets are reported in the financial statements at acquisition cost or imputed cost as determined by the fair values at the transition dates, less cumulated depreciation and any impairment suffered by the assets. Cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is recorded as an addition to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only to the extent that this expenditure increases the future economic benefits that are expected to flow from the4 use of the fixed assets and that their cost can be accurately measured. Maintenance and repairs costs are recorded in the profit or loss as it they are incurred.

Depreciation of fixed assets (other than land which is not depreciated) is calculated using the straight line method over their useful lives, which is as follows:

Buildings	20 - 40 years
Plant and machinery	5- 12 years
Vehicles	3 – 5 years
Other equipment	3 - 5 years

The residual values and useful economic lives of fixed assets are subject to reassessment at each balance sheet date. When the carrying value of fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the profit or loss account.

Upon sale of the fixed assets, any difference between the proceeds and the carrying value is booked as profit or loss to the profit or loss account. Expenditure on repairs and maintenance is booked as an expense in the period it relates to.

Self-constructed fixed assets constitute an addition to the cost of fixed assets at a value that includes the direct cost of salaries for the employees participating in the construction (including the relevant employer's contributions), the cost of materials used and other general costs.

3.7 Investment Property

Investment property is investment that relates to property (including land, buildings or parts of buildings or both) that is held by its owner (or by the lesee in the case of a finance lease) either in order to collect rent by renting it out or in order to augment its value (capital augmentation) or both.
Investment property is initially recognised at acquisition cost, which is augmented by all the expenses that are related to the transaction to acquire them (e.g. notary expenses, realtor expenses, transfer tax).
After initial recognition, investments in property are valued at their fair value, i.e. the value at which the property may be traded between knowing and willing parties during a normal business transaction. The fair value of investment property is determined annually by an independent, recognized surveyor.
Any change in the fair value of investment property is reflected in the income statement of the year during which it occurs.

3.8 Intangible fixed assets

Intangible fixed assets comprise fish-farm use and exploitation rights and Software. The Group initially recognizes these assets at their acquisition cost or nominal value. After initial recognition the Group follows the Accounting representation principle of the cost model and carries its intangible assets at cost less any cumulated depreciation and any cumulated impairment loss.

In some cases, an intangible asset may be acquired for free or for an imputed consideration, through a government grant. This can occur when the government transfers or provides to an entity intangible assets such as airport landing rights, radio or television station operation licenses, import licenses or quotas or rights to access other limited resources.
The Group is in possession of aquaculture licenses, which it has chosen to record according to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance and to not initially recognise these assets at fair value. The Group initially recognises the asset at an imputed value plus any expense that is directly attributable to the preparation of the asset for the use it is intended for. If the Group valued its Aquaculture licenses at fair value, a surplus of

approximately € 3,500,000 would result, which would be recorded according to IAS 20 to a liability account (deferred income).

3.9 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the carrying value may not be recoverable. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater of the net sales value and the value in use. An impairment loss is recognized by the company when the carrying value of these assets (or cash flow generating unit) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

3.10 Financial instruments

Financial instrument is any contract that creates a financial asset to one enterprise and a financial liability or equity instrument to another.

The financial instruments of the Group are classified in the following categories according to the substance of the contract and the purpose for which they were purchased.

i) Financial instruments valued at fair value through the income statement

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or created for the purpose of sale or repurchase and, finally, those that are part of a portfolio of designated financial instruments).
- Upon initial recognition it is designated by the company as an instrument valued at fair value, with any changes recognized through the Income Statement.

ii) Loans and Receivables

They include non-derivative financial assets with fixed or predefined payments that are not traded in active markets. The following are not included in this category (loans and receivables):

(a) receivables relating to tax transactions, which have been legislatively imposed by the state,

(b) any receivable not covered by a contract which gives the company the right to receive cash or other financial fixed assets.

Loans and receivables are included in current assets, except those with a maturity date that is further than 12 months away from the balance sheet date. The latter are included in the non-current assets.

iii) Investments held to maturity

These include non-derivative financial assets with fixed or defined payments and specific maturity and which the Group is willing and able to hold until their maturity.

The Group did not hold investments of this category.

iv) Financial assets available for sale

These include non-derivative financial assets that are either designated as such or cannot be included in any of the previous categories.

Subsequently available for sale financial assets are valued at their fair value and the relevant gains or losses are recorded in an equity reserve until these assets are sold or become impaired.

Upon sale or recognition of impairment, profits or losses are transferred to the profit or loss. Impairment losses that have recognized in the profit or loss are not reversed through the profit or loss.

Purchases or sales of investments are recognized at the transaction date which is the date when the Group commits itself to buying or selling the asset. Investments are initially recognized at their fair value plus the directly attributable transaction costs, with the exception of the directly attributable transaction costs for those assets that are valued at fair value through the profit or loss. Investments are written-off when the right to the cash flows from the investments expires or is transferred and the Group has transferred essentially all risks and rewards resulting from ownership.

Loans and receivables are recognized at the unamortized value based on the effective rate method.

Realised and unrealised gains or losses that result from the changes in the fair value of financial assets at fair value through the profit or loss are recognized in the profit or loss during the period in which they arise.

The fair values of financial assets that are traded in active markets are determined by current asking prices. For non-traded assets, fair values are determined with the use of valuation techniques such as the analysis of recent transactions, comparable assets that are traded and discounted cash flows. Participation securities not traded in active markets that have been classified as financial assets available for sale and whose fair value cannot accurately be determined are valued at their acquisition cost.

At each balance sheet date the Group assesses whether there is objective evidence to suggest that the financial assets have suffered impairment. For equity securities that have been classified as financial assets available for sale, the significant or prolonged reduction of the fair value compared to the acquisition cost constitutes such evidence. If impairment is proven, the loss resulting from the difference between the acquisition cost and the fair value that has been accumulated in equity, is transferred to the profit or loss.

3.11 Inventories

At the balance sheet date, inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated sales price during the normal course of business of the company less any relevant sales expenses. The cost of inventories does not include financial expenses.

The cost of inventories must include all costs for the purchase and conversion of the stock as well as all expenditure incurred in order to bring the goods to their present location and condition.

Purchase cost includes the purchase price, the import duties and other taxes (other than those that the entity may reclaim from the tax authorities) as well as transport and delivery costs and directly attributable costs. Trade discounts, price reductions and other similar items are deducted during the determination of the purchase cost.

The conversion cost of inventories includes expenses directly related to production facilities, such as labour costs. It also includes a systematic apportionment of fixed and variable general production costs that are incurred during the conversion of materials to finished products. Fixed general production costs are the indirect production expenses that remain relatively constant, irrespective of the volume of production, such as the depreciation and maintenance of industrial buildings and machinery as well as the cost of management and administration of the site. Variable general production expenses are the indirect production expenses that vary directly or almost directly with the volume of production, such as indirect materials or indirect labour. The apportionment of the fixed general production expenses is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average during a number of periods or seasons under normal conditions, taking into consideration the capacity lost due to scheduled maintenance. Actual production levels may be used if they approach normal capacity.

Other expenses are included in the cost of inventories only to the extent that they are incurred in order to bring the goods to their present location and condition. For example, inventory costs may include non-production general expenses or costs related to the design of products for specific customers.

3.12 Trade receivables

Trade receivables are initially booked at their fair value and are subsequently valued at their unamortized cost using the method of the effective interest rate, less the provision for impairment. In the event that the unamortized value or the cost of a financial asset exceeds the present value, then this asset is valued at its recoverable amount, i.e. at the present value of the future cash flows of the asset, which is calculated using the initial effective interest rate. The relevant loss is immediately transferred to the profit or loss account. The impairment losses, i.e. when there is objective evidence that the Group is unable to collect all the amounts owed based on the contractual terms, are recognized in the income statement.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as money market products and bank deposits. Money market products are financial assets which are valued at fair value through the income statement.

3.14 Non-current assets classified as held for sale

Assets that are held in order to be sold include other assets (including goodwill) and tangible fixed assets that the Group intends to sell within one year after the assets have been classified as “held for sale”.

Assets classified as “held for sale” are valued at the lower of their book value immediately prior to their classification as held for sale and their fair value less the selling cost. Assets classified as “held for sale” are not subject to depreciation. Profits or losses resulting from the sale and revaluation of “held for sale” assets are included in “other income” and “other expenses”, respectively, in the income statement.

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

3.15 Share capital

Expenses incurred for the issuance of stock reduce, after deducting the relevant income tax, the proceeds from the issue. Expenses related to the issuance of stock for the purchase of companies are included in the acquisition cost of the company acquired.
During the acquisition of own shares, the consideration paid, including relevant expenses, is deducted from equity (share premium reserve).

3.16 Income tax and deferred tax

The period charge for income tax comprises current tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but that have been assessed by the tax authorities in different

periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to equity, in which case it is, accordingly, booked directly to equity.
Current income taxes include the short-term liabilities or receivables from the fiscal authorities that relate to taxes payable on the tax income of the period and any additional income taxes from previous periods.
Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the year. All changes to the short-term tax assets or liabilities are recognized as part of the tax expense in the income statement.
Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred tax is not booked if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect neither the accounting nor the tax profit or loss.
Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the period in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the balance sheet date. In the event where it is impossible to identify the timing of the reversal of the temporary differences, the tax rate in effect on the day after the balance sheet date is used.
Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset.
Deferred income tax is recognized for the temporary differences that result from investments in subsidiaries and associates, except for the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.
Most changes in the deferred tax assets or liabilities are recognized as part of the tax expense in the income statement. Only changes in assets or liabilities that affect the temporary differences that are recognized directly in the equity of the Group, such as the revaluation of real estate property, have as a result the relevant change in the deferred tax assets or liabilities to be charged to the relevant account in equity.

3.17 Employee benefits

Short-term benefits: Short-term employee benefits (except post-employment benefits) monetary and in kind are recognized as an expense when they accrue. Any unpaid amount is booked as a liability, while in the case where the amount paid exceeds the amount of services rendered, the company recognizes the excess amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a reduction of future payments or to reimbursement.

Post-employment benefits: Post-employment benefits comprise pensions or other benefits (life insurance schemes and medical coverage) provided by the enterprise after the end of employment, in return for employee services. Hence they comprise both defined contribution schemes as well as defined benefits schemes. The accrued cost of defined contribution schemes is booked as an expense during the period it relates to.

- **Defined contributions scheme**

According to the defined contributions scheme, the (legal or construed) obligation of the company is limited to the amount that it has been agreed that it will contribute to the entity (e.g pension fund) that manages the contributions and provides the benefits. As a result the amount of the benefits that the employee will receive is determined by the amount paid by the enterprise (and/or the employee) and the yield of the investments made with these contributions.

The contribution payable by the enterprise to a defined contribution scheme is recognised either as a liability after deducting the contribution paid or as an expense.

- **Defined benefits scheme**

The liability that is reported in the balance sheet with respect to defined benefits schemes is the present value of the commitment for the defined benefit less the fair value of the assets of the scheme (if any) and the changes resulting from any actuarial gain or loss and the service cost. The commitment for the defined benefit is calculated annually by an independent actuary using the projected unit credit method. The interest rate on the long-term bonds issued by the Greek State is used for discounting.

Actuarial gains and losses are elements of the benefit liability of the company as well as the expense that will be recognised in the profit or loss. The gains or losses that result from the adjustments according to historical data and are more or less than the margin of 10% of the cumulated liability, are recorded in the profit or loss during the expected average insurance time of the participants in the scheme. The service cost is booked directly to the income statement except in the case where the changes in the plan depend on the remaining service time of the employees. In this case the service cost is recognized in the income statement on a straight-line basis over the maturity period.

Employment termination benefits: Benefits due to the termination of employment are paid when employees depart prior to the date of retirement. The Group records these benefits when it commits itself either by terminating the employment of existing employees according to a detailed plan for which there is no probability of withdrawal, or by offering these benefits as motivation of voluntary departure. When these benefits become payable in periods more than 12 months after the balance sheet date, they must be discounted using the yields on high quality corporate bonds or government bonds.

In the case of an offer made so as to encourage voluntary departure, the valuation of the employment termination benefits must be based on the number of employees expected to accept the offer.

In the case of termination of employment where it is not possible to determine the employees that will take advantage of this benefit, no liability is recognized but it is disclosed as a contingent liability.

3.18 Grants

The Group recognizes government grants that cumulatively satisfy the following criteria: (a) There is reasonable certainty that the company has complied or will comply to the conditions of the grant and (b) it is probable that the amount of the grant will be received. They are booked at fair value and are systematically recognized as revenue according to the principle of matching the grants with the corresponding costs that they are subsidizing.

Grants that relate to assets are included in long-term liabilities as deferred income and are recognized systematically and rationally as revenue over the useful life of the fixed asset.

3.19 Provisions

Provisions are recognized when the Group has present legal or construed obligations as a result of past events, their settlement through an outflow of resources is probable and the exact amount of the obligation can be reliably estimated. Provisions are reviewed at the date when each balance sheet is compiled so that they may reflect the present value of the outflow that is expected to be required for the settlement of the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

3.20 Recognition of revenue and expenses

Revenue: Revenue comprises the fair value of fish and other biological assets sold, the sale of goods and provision of services, net of Value Added Tax, discounts and returns. Intercompany revenue within the Group is eliminated completely. The recognition of revenue is done as follows:

- **Fair Value of Fish Produced:** It is recognized upon sale (of the fish) after harvest. The products are delivered to the customers, they are accepted by them and the collection of the receivable is reasonable assured.
- **Sale of goods:** Sales of goods are recognized when the Group transfers goods to customers, the goods are accepted by them and the collection of the resulting claim is reasonably assured.
- **Gains/Losses from changes in the Fair Value of Biological Assets:** They are recognized during the course of the year/period and result from changes in the price as well as the quantity of the Biological assets.
- **Provision of services:** Revenue from the provision of services is accounted for in the period during which the services are rendered, based on the stage of completion of the service rendered in relation to the total services to be rendered.
- **Revenue from interest:** Interest revenue is recognized on a time proportion basis using the effective interest rate. When there is impairment of assets, their book value is reduced to their recoverable amount which is the present value of the expected future cash flows discounted using the initial effective interest rate. Interest is then booked using the same interest rate calculated on the impaired (new book) value.

- **Dividends:** Dividends are accounted for as revenue when the right to receive payment is established.

Expenses: Expenses are recognized in the profit or loss account on an accruals basis. Payments made with respect to operating leases are taken to the profit or loss as expenses during the time of use of the leased item. Interest expenses are recognized on an accruals basis.

3.21 Leases

Leases of fixed assets with which all the risks and benefits related with ownership of an asset are transferred to the Group, regardless of whether the title of ownership of the asset is eventually transferred or not, are finance leases. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments. Each lease payment is apportioned between the reduction of the liability and the finance charge so that a fixed interest rate on the remaining financial liability is achieved. The relevant liabilities from leases, net of finance charges, are reported as liabilities. The part of the finance charge that relates to finance leases is recognized in the income statement during the term of the lease. Fixed assets acquired through finance leases are depreciated over the shorter of their useful lives and the lease term.
Lease agreements where the lessor transfers the right of use of an asset for an agreed period of time, without transferring, however, the risks and rewards of ownership of the fixed asset are classified as operating leases. Payments made with respect to operating leases (net of any incentives offered by the lessor) are recognised in the income statement proportionately throughout the term of the lease.
Sale and leaseback agreements for tangible fixed assets are recorded according to IAS 17 "Leases". As a result, any positive difference of the proceeds from the sale of the asset over its book value, is not recognized immediately as revenue by the seller – lessee. On the contrary, it appears on the financial statements of the seller – lessee as deferred income and is amortised throughout the lease.

3.22 Distribution of dividends

The distribution of dividends to the shareholders of the parent company is recognized as a liability in the financial statements at the date on which the distribution is authorized by the General Meeting of the shareholders.

3.23 Discontinued Operations

A discontinued operation is an integral part of an entity that has either been sold or classified as held for sale and represents a separate large part of business activities or a geographical area of operations, is part of a unified, coordinated programme for the sale of a large part of activities or of a geographical area of operation or is a subsidiary that was acquired for the sole purpose of being resold. The group discloses in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" all the necessary information required by the standard.

3.24 Related Parties

The transactions and intercompany balances between parties related to the Group are disclosed in accordance with IAS 24 "Related Party Disclosures". These transactions relate to transactions between the management, the main shareholders and the subsidiaries of a group with the parent company and the other subsidiaries in the Group.

4. Risk management

Financial risk factors

The Group is exposed to financial risks such as market risk (changes in exchange rates, interest rates, market prices), credit risk, liquidity risk, cash flow risk and fair value risk due to the change of interest rates. The management of the aforementioned situations by the management and the departments of the Group aims to minimize their possible negative impact on the financial performance of the Group.
Risk management is carried out by the finance division in cooperation with the other directly involved departments of the Group.

Market risk

Exchange rate risk
The Group operates mainly in the European Union with transactions in euros and as a result is not subject to exchange rate risk. The transactions of subsidiaries in Turkey are also taken place in euro.

Market price risk
The Group is exposed to changes in the value of shares that are held either for trading or as financial assets available for sale. There is no risk from changes in the sales prices of biological assets, the sale price of products have cyclicality which is stable regarding its variance in the past 15 years. The Management of the Company may easily estimate the prices of the final product as these are emerged by 7 year historical prices and according to the cyclicality in prices (increase in the first half of the year, recession in the second half) and in the past it has offered safe and conservative estimation within a specific confidence interval. The Group assesses on a regular basis the risk that the price of biological assets will change and examines the need to take active measures to mitigate financial risk.

Credit risk

The Group does not face considerable credit risk. Wholesale sales are mainly made to customers with an assessed credit history.
The credit risk from wholesales of the products is minimum since our clients are filtered through the Credit Control section of the Group, and generally the balances of our clients are insured by an international credit insurance agency. Also, we

note that our sales are made to a large extend directly or indirectly in large European Super Markets and generally they have small credit cycle. The analysis of the accounts related to the aforementioned risk is

	GROUP		COMPANY	
	2007	2006	2007	2006
Cash and equivalents	13,751,668	13,693,327	8,199,183	5,216,258
Customers and other trade receivabels	45,160,155	22,178,399	26,688,773	18,477,402
Other receivables	16,087,892	10,692,320	7,906,828	7,886,566
	74,999,715	46,564,046	42,794,784	31,580,225

Liquidity risk

For Selonda Group, liquidity risk is an important criterion and that is why all these years it maintains increased liquidity through the careful management of cash flows and approved bank financing by the management. The liquidity needs of the Group and the Company sorted based on time horizon are analysed in the following tables

2007	GROUP			
	Up to 1 year	from 2-5 years	Over 5 years	Total
Long-term loans		31,998,746.00	44,099,999.84	76,098,745.84
Short-term loans	43,115,022.35			43,115,022.35
	43,115,022.35	31,998,746.00	44,099,999.84	119,213,768.19
All loans under floating Euribor rate				

2006	GROUP			
	Up to 1 year	from 2-5 years	Over 5 years	Total
Long-term loans		22,991,784.18	0.00	22,991,784.18
Short-term loans	36,782,683.43			36,782,683.43
	36,782,683.43	22,991,784.18	0.00	59,774,467.61
All loans under floating Euribor rate				

2007	COMPANY			
	Up to 1 year	from 2-5 years	Over 5 years	Total
Long-term loans		8,920,000.00	35,680,000.00	44,600,000.00
Short-term loans	18,101,970.82			18,101,970.82
	18,101,970.82	8,920,000.00	35,680,000.00	62,701,970.82
All loans under floating Euribor rate				

2006	COMPANY			
	Up to 1 year	from 2-5 years	Over 5 years	Total
Long-term loans	1,750,000.00	13,935,538.70	0.00	15,685,538.70
Short-term loans	18,482,663.67			18,482,663.67
	20,232,663.67	13,935,538.70	0.00	34,168,202.37

The liquidity risk arises from the long-term and short-term bank loans of the Group and specifically from the fact that these agreements are expressed in floating interest rates related to EURIBOR. The management of the Group uses various insurance contracts against the interest rate increase and believes that there will no by any deviations in the financial cost, in euro based on EURIBOR, that has already undertaken by banks.

Cash flow risk and risk of changes in fair value due to changes in interest rates.

The operating revenue and cash flows of the Group are materially independent from the changes in interest rates. The Group does not hold in its assets considerable interest bearing items and the policy of the Group is to maintain almost the entire amount of its borrowings in flexible interest rate products with guaranteed return.

At the end of the period the entire amount of the borrowings related to flexible interest rate loans. The interest rate change risk mainly stems from long-term loans. The Policy of the Group is to keep almost all its loans at variable interest rates.

5. Segment reporting

5.1 Primary reporting sector – business sectors

The Group is mainly active in the production and trading of fish and fry.

The results of the Group by sector are analysed as follows:

	GROUP				
	Production of biological assets	**Fish trade**	**Provision of services**	**Non-allocated items**	**Total**
Turnover per sector	67,778,059	39,444,995	1,917,479		109,140,533
Less intra-company sales		24,267,233	289,010		24,556,243
Sales to third parties	67,778,059	15,177,763	1,628,469		84,584,290
Profit from the allocation to fair value of biological assets	**27,605,148**				**27,605,148**
Gross profit		**2,492,767**	**1,125,819**		**3,618,586**
Operating expenses	-80,464,673	-864,288	-333,817		-81,662,778
Operating income	1,616,295				1,616,295
Depreciation	-3,509,954	-76,437	-36,226		-3,622,617
Operating profit	**13,024,875**	**1,552,042**	**755,776**		**15,332,693**
Financial expenses	-4,754,197				-4,754,197
Financial income	541,114				541,114
Profit (Loss) from associates				-1,891,159	-1,891,159
Results from investment activities				-1,081,540	-1,081,540
Earnings before tax	**8,811,792**	**1,552,042**	**755,776**		**8,146,911**
Income tax				-551,320	-551,320
Deferred income tax				-2,324,354	-2,324,354
Tax-audit differences				-467,432	-467,432
Net Earnings	**8,811,792**	**1,552,042**	**755,776**	**-3,343,106**	**4,803,805**

COMPANY	Production of biological assets	Fish trade	Provision of services	Non-allocated items	Total
Turnover per sector	41,211,627	18,841,251	126,950		60,179,828
Less intra-company sales					0
Sales to third parties	41,211,627	18,841,251	126,950		60,179,828
Profit from the allocation to fair value of biological assets	**9,709,016**				**9,709,016**
Gross profit		**1,804,169**	**84,308**		**1,888,477**
Operating expenses	-41,726,620	-741,056			-42,467,676
Operating income	606,081				606,081
Depreciation	-1,788,703	-52,306			-1,841,010
Operating profit	**8,011,401**	**1,010,807**	**84,308**		**9,106,515**
Financial expenses	-2,498,204				-2,498,204
Financial income	179,863				179,863
Profit (Loss) from associates				332,570	332,570
Results from investment activities				316,111	316,111
Earnings before tax	**5,693,060**	**1,010,807**	**84,308**		**7,436,855**
Income tax				-527,833	-527,833
Deferred income tax				-1,170,108	-1,170,108
Tax-audit differences				-467,432	-467,432
Net Earnings	**5,693,060**	**1,010,807**	**84,308**	**-2,165,372**	**5,271,483**

In the income statement participate for the first time the companies Fjord Marine Turkey and Lesvou SA. Their participation is proportionate from the date the Group acquired the consolidation right, for Fjord Marine Turkey from 3/10/2007 till 31/12/2007 and fro Lesvou SA 20/122/2006.

In the income statement for the period, turnover for the company is increased by 17%, while for the group by 25% compared to the same period of last year, while earnings after tax increased by 7% for the Company while decreased by 32% for the Group. The increase is due to a 18% real increase in sales following the expansion in new markets especially abroad and due to a 7% from the consolidation of Fjord Marine Turkey and Lesvos SA for the first time in 2007.
Out of total sales, 67.8 mil. euros refer to sales of biological products (fish and fry) that are produced by the Group's units and 15.2 mil. euros to sales of fish and fry to third party producers as well as other inventories.

Earnings before tax financial and investment results and depreciation (EBITDA) of the Group for 2007 amounted to 18.9 mil. euros, 22.34% of total sales, compared to earnings of 13.7 mil. euros, a percentage of 20.27% in 2006. The increase is due to the very good management of the production and the sales of the Group. In this account participate for the first time the subsidiaries Fjord Marin Turkey and Lesvos SA.

Earnings after tax and minority interest of the Group for 2007 amounted to 3.7 mil. euri, 4.37% on total sales, compared to earnings of 6.7 mil. euro in 2006, percentage of 9.95%.
The reduction in the earnings after tax and minority interest is due to:

- The loss from investment activities amounting to 2,974 thous. euros from consolidation with equity. Perseys in the present year recorded losses mainly from the recognition of provision from doubtful debt from previous years and from the loss arising from the management of aquaculture units. Both events will not affect the current year results as the aquaculture units are now managed by Selonda.
- The reduction of earnings of Bluefin Tuna Hellas SA, to the proportion the Group participates in its, by 788 thous. euros because the earnings of the associate mainly came from Croatia where there were increase minority rights and therefore less earnings for the Selonda Group.

- The expenses of syndicated loans of the Group signed on 22/12/2007 amounting to 580 thous. Euros, a non-recurring amount.
- The loss of 1,550 thous euros that was transferred from the consolidation of Lesvos SA in Interfish SA for the period 1/4/07-20/11/07 while respectively there were earnings in the first quarter recorded in equity, a non-recurring amount.
- The loss by 218 thous. euros from the operation of Selonda UK Ltd that in 2007 completed its construction period and started its production one.
- The increase of taxes by 369 thous. euros that were estimated in Interfish SA from the consolidation of absorbed companies while their results included in equity, a non-recurring amount.
- The charge of taxes amounting to 467 thous. euros resulting from the tax-audit of the Company, a non-recurring amount.

In the income statement of the Group consolidated for the first time the companies LESVOS AQUACULTURES SA and Fjord Marin Turkey under the full consolidation method and affected a) the sales with the amount of +3.6 mil. euros, a percentage of 4%, b) earnings before tax interest and depreciation (EBITDA) with the amount of +1,1 mil. euros, a percentage of 5.8% and c) earnings after tax and minority interest with the amount of +0.138 mil. euros, a percentage of 3.4%.

5.2 Secondary reporting sector – geographical sectors

The Group is based in Greece, which is also the country where most of its activities take place. It is also active abroad.

The sales of the Group by geographical sector are analysed as follows:

	GROUP			
	FRY	FISH	OTHER	TOTAL
EURO AREA	93,300	54,774,216	82,824	**54,950,340**
GREECE	8,326,827	10,930,534	5,410,823	**24,668,184**
OTHER COUNTRIES	1,020,453	3,925,913	19,400	**4,965,767**
TOTAL	**9,440,581**	**69,630,662**	**5,513,047**	**84,584,290**

	COMPANY			
	FRY	FISH	OTHER	TOTAL
EURO AREA	93,300	27,696,325	7,920	**27,797,545**
GREECE	10,844,586	12,789,408	3,741,973	**27,375,966**
OTHER COUNTRIES	1,020,453	3,925,913	59,950	**5,006,317**
TOTAL	**11,958,339**	**44,411,646**	**3,809,843**	**60,179,828**

6. Notes to the Financial Statements

6.1 Tangible fixed assets

Land and buildings were valued at the date of transition to the IFRS (01/01/2004) at deemed cost, according to the provisions of IFRS 1. The fair value of the tangible fixed assets at the date of transition to the IFRS, which was determined by independent surveyors, was used as deemed cost. The difference that results was transferred to profits carried forward.

	GROUP				
	Land & Buildings	Vehicles & machinery	Fixtures and fittings	Fixed Assets under construction	Total
Book value January, 1st 2007	**32,011,866**	**20,483,411**	**1,195,721**	**1,495,467**	**55,186,465**
Consolidation of new companies on January, 1st 2007	**4,047,173**	**6,610,208**	**257,943**	**21,244**	**10,936,568**
Additions	233,262	4,379,601	310,744	9,872,132	**14,795,739**
Sales reductions	0	-40,411	-440	0	**-40,851**
Deletion of assets	0	0	0	0	**0**
Depreciation	-693,076	-3,715,229	-429,977	0	**-4,838,283**
Depreciation of disposals-write-offs	0	33,170	440	0	**33,610**
Tangibles under development that completed during the year	1,091,796	285,465	2,522	-1,379,784	**0**
Book value 31/12/2007	**36,691,021**	**28,036,215**	**1,336,953**	**10,009,059**	**76,073,248**

There is an increase in tangible assets by 38% for the Group and by 9% for the Company. The increase for the Group is due to investments undertaken by new companies in the Group in order to cover the increase in the productivity of their units and to the consolidation for the first time of Fjord Marin Turkey and Lesvos SA having tangible assets of 13.3 mil. euros.

	COMPANY				
	Land & Buildings	Vehicles & machinery	Fixtures and fittings	Fixed Assets under construction	Total
Book value January, 1st 2007	**7,478,212**	**6,379,041**	**820,586**	**1,225,525**	**15,903,364**
Consolidation of new companies on January, 1st 2007	87,947	0	0	0	**87,947**
Additions	54,251	1,310,160	107,158	1,613,507	**3,085,076**
Sales reductions		-40,411	-440		**-40,851**
Deletion of assets					**0**
Depreciation	-320,775	-1,250,569	-249,812		**-1,821,156**
Depreciation of disposals-write-offs		33,170	440		**33,610**
Tangibles under development that completed during the year	1,091,796	89,938	2,522	-1,184,257	**0**
Book value 31/12/2007	**8,391,432**	**6,521,328**	**680,455**	**1,654,775**	**17,247,990**

6.2 Intangible assets

	GROUP		
	Know-how methods	Royalties-licences	Total
Book value January, 1st 2007	**180,000**	**588,154**	**768,154**
Book value January, 1st 2007 from merging of companies		3,011,041	**3,011,041**
Additions	200,000	0	**200,000**
Acquisition of new companies	1,578,440	27,222	**1,605,662**
Depreciations	0	-19,854	**-19,854**
Book value 31/12/2007	**1,958,440**	**3,606,563**	**5,565,003**

	COMPANY		
	Know-how methods	Royalties-licences	Total
Book value January, 1st 2007	**180,000**	**25,400**	**205,400**
Book value January, 1st 2007 from merging of companies	200,000	0	**200,000**
Additions		13,736	**13,736**
Acquisition of new companies	1,578,440	0	
Depreciations	0	-19,854	**-19,854**
Book value 31/12/2007	**1,958,440**	**19,283**	**1,977,723**

The intangible assets account includes the surplus of subsidiaries and specifically the amount of 200,000 arising from the merger through absorption of Perdika Park SA and the amount of 1,578,440 from the surplus resulting by the acquisition of the 46% of subsidiary in Turkey Fjord Marin Turkey.

The estimation for the surplus was made based on the fair value of the company at the date of acquisition of the company by Selonda SA and is:

Acquisition of FJORD MARIN TURKEY			
Amounts in euros		**At acquisition**	
Acquisition date	8/10/2007		
Participation percentage	46%		
Acquisition cost	7,750,000.00		
Less: Fair value of acquired assets and liabilities at the acquisition date	-6,171,559.64		

Assets and Liabilities of acquired company Fjord Marin Deniz SA			
Tangible assets	5,465,296.00	Suppliers and other trac	19,001,856.00
Intangible assets	3,844,395.00	Bank loans	4,909,523.00
Inventories	20,024,759.00	Other liabilities	1,176,890.00
Trade and other receivabels	7,613,263.00		
Cash	1,556,990.00		
Total Assets	**38,504,703.00**	**Total liabilities**	**25,088,269.00**
Less: Liabilities	-25,088,269.00		
Net position 1.10.2007	13,416,434.00		25,088,269.00
Participation percentage	46%		
Percentage in equity	6,171,559.64		

6.3 Investments in subsidiaries

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Beginning of period	0	0	23,616,776	18,181,038
Sales/ deletions	0	0	-249,852	0
Additions	0	0	9,171,948	5,367,259
Adjustment to fair value	0	0	-2,000	0
Transfers from available for sale	0	0	0	68,480
Transfer to associates	0	0	0	0
Balance at the end of the period	**0**	**0**	**32,536,872**	**23,616,776**

6.4 Investments in associates

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Beginning of period	4,984,662	2,346,430	2,663,134	1,310,547
Share of profit/loss (after tax and minority interest)	0	1,319,668	0	0
Additions	6,689,963	1,352,588	6,689,963	3,261
Transfers from subsidiaries	0	0	0	1,349,326
Sales/deletions	0	-34,024	0	0
Balance at the end of the period	**11,674,625**	**4,984,662**	**9,353,097**	**2,663,134**

Investments in associates refer to the parent Selonda and mainly the investments: a) purchase of 35% of ASTRAIA AEBE amounting to 1.1 mil. euros, b) purchase of 41% of PERSEYS ABEE amounting to 5 mil. euros, specifically the amounts are

Company	Date	Acquisition cost	Participation percentage	Consolidation method
ASTRAIA AEBE	39,261.00	1100000	35%	Equity
PERSEYS ABEE	39,346.00	5389962.73	40.34%	Equity

The main financial figures in the balance sheet of associates are:

	ASTRAIA	PERSEYS
Tangible & intangible assets	1,388	14,698
Inventories	390	2,774
Receivables	43,862	51,570
Equity	2,890	6,993
Liabilities	49,954	68,652

6.5 Investments available for sale

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Beginning of period	515,850	587,593	39,471	107,953
Sales/ deletions	0	-71,743	-3,374	0
Additions	99,624	0	0	0
Transfer to subsidiaries	0	0	0	-68,481
Adjustment to fair value	0	0	0	0
Balance at the end of the period	**615,475**	**515,850**	**36,097**	**39,471**

6.6 Other receivables

Other long-term receivables of the Group and the Company relate to guarantees given.

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Given guarantees	148,191	196,914	124,166	120,986
Total other long-term receivables	**148,191**	**196,914**	**124,166**	**120,986**

6.7 Deferred tax

The deferred tax assets / liabilities resulting from the temporary tax differences are as follows:

	GROUP				COMPANY			
	31/12/2007		31/12/2006		31/12/2007		31/12/2006	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Non-current assets								
Expenses of multi-year depreciation that is not recognised as Intangible Asset	600,549	0	163,430	165,921	99,381	0	67,347	45,000
Syndicated loan	7,708	0	69,822	0	7,708	0	69,822	0
Tangible assets	148,744	5,102,729	323,745	5,889,931	0	1,563,681	0	1,559,676
Current assets			0	0	0	0	0	0
Inventories		7,143,532	1,466	3,674,471	0	4,532,911	0	3,327,645
Receivables		73,856	625,475	243,351	0	73,856	0	73,856
Cash		16,616	0	0	0	16,616	0	0
Long-term liabilities			0	0	0	0	0	0
Provisions for staff indemnities	118,521	0	92,577	2,912	103,208	0	79,756	0
Provisions for doubtful debts	243,699	50,000	542,069	420,995	0	50,000	0	233,083
Other long-term liabilities	**1,119,220**	**12,386,732**	**1,818,583**	**10,397,582**	**210,297**	**6,237,064**	**216,925**	**5,239,260**

At a group level, in the amounts of 2006 there is difference between deferred tax assets and liabilities of 1,409,457.91 euro that equals the amount that refer to tax receivable from INTERFISH SA.

The income tax rate applicable to the Group for 2007 is 25%, the same as the deferred tax rate.

Netting of deferred tax assets and liabilities may take place when, from the perspective of the company, there is an applicable legal right and the deferred tax relates to the same tax authority.

6.8 Biological assets

The biological assets of the Group are valued at fair value in accordance with IAS 41. The fair value is based on the sale price of the inventories.

The biological assets are the inventories of fry, fish, progenitors, that exist in the infrastructure at the end of the period.

The table following table presents the fair value of the biological assets: A reconciliation table of the fair value of biological assets on 31/12/2007 and a comparative on 31/12/2006 follows:

	GROUP		COMPANY	
	01/01-31/12/2007	01/01-31/12/2006	01/01-31/12/2007	01/01-31/12/2006
Fair value of biological assets 31.12.2006	**-80,069,941**	**-56,070,604**	**-52,128,999**	**-48,201,831**
Inventories acquired from subsidiaries	-28,111,208	-13,525,236	-1,331,662	0
Purchases during the year	-9,463,982	-2,748,707	-2,224,277	-612,814
Sales during the year	67,778,059	53,063,016	41,211,627	37,720,865
Fair value of biological assets 31.12.2007	**135,786,297**	**78,559,299**	**63,169,678**	**52,128,999**

The Group in 2007, based on the valuation of biological assets, reported an increase of 72% compared to the previous period while for the company the increase was 21%. The increase is attributed to a 34 mil. euros percentage of 62% to the new companies that consolidated for the first time in 2007, Fjord Marin and Lesvos SA and to the increase of fish inventories due to withheld of inventories that were available for sale in the coming year aiming to achieve better sale prices.

The distinction of the biological assets at the Balance Sheet is done based on the average weight of the fish inventory and are classified the below 200 gr biological assets and the above of 200 gr and the fry in biological current assets.

	GROUP		H COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Biological fixed assets	30,728,040	25,113,346	14,559,184	17,268,018
Biological current assets	105,034,493	54,956,595	48,610,494	34,860,982
Total biological assets	**135,762,533**	**80,069,941**	**63,169,678**	**52,128,999**

6.9 Inventories

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

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Raw material	3,325,561	1,404,593	1,332,689	834,828
Merchandise	51,378	10,719	18,853	8,502
Consumables and other inventories	247,937	35,772	218,887	27,713
Total	**3,624,876**	**1,451,084**	**1,570,429**	**871,044**

The inventories of the Group and the Company refer to food and other consumables related to production. Due to increased consumption during the Summer period we reported increased inventories and raw and auxiliary materials.

6.10 Trade receivables

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

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Trade receivabels	17,807,794	7,177,587	8,083,768	5,594,432
Trade receivabels in litigation	1,121,735	1,917,101	1,121,735	721,358
Doubtful trade receivabels	480,315	0	480,315	0
Notes receivable	113,713	13,236	13,236	13,236
Overdue cheques/notes	1,539,694	1,423,739	512,400	500,328
Cheques receivable	27,659,306	14,426,966	16,692,849	11,352,625
Less: Provision for impairment	-3,562,401	-2,833,121	-215,528	295,423
Net trade receivables	**45,160,155**	**22,125,507**	**26,688,773**	**18,477,402**
Other receivables		52,892	0	
Total	**45,160,155**	**22,178,399**	**26,688,773**	**18,477,402**

There is an increase in receivables by 104% in the present year compared to 2006 . The increase in the Group and the company is due to increase in sales, to the change in the monitoring of collecting receivables and to a small increase in the creditors days, mainly regarding fish, from 60-70 to 80-90 days respectively.

Also, the increase is due to the consolidation for the first time of the companies Fjord Marin Turkey and Lesvos SA with the amount of 10.6 mil. euros percentage of 45% of the aforementioned increase.

6.11 Other receivables

Other receivables of the Group and the Company are analysed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Receivables from the Greek state	9,187,247	4,905,656	3,381,944	3,793,299
Withholding tax	1,483,630	441,214	342,906	441,214
Sundry debtors	1,986,331	2,034,369	2,276,725	888,069
Prepayments and employee loans	60,228	1,669	33,612	0
Other prepayments	1,537,928	970	1,537,928	0
Prepaid expenses and accrued income	1,042,714	254,626	237,346	44,705
Other receivables	789,813	3,053,816	96,367	2,719,279
Total	**16,087,892**	**10,692,320**	**7,906,828**	**7,886,566**

The deviation of other receivables is only in the Group and is due to the consolidation for the first time of the companies Fjord Marin Turkey and Lesvos SA.

6.12 Prepayments

The prepayments of the Group and the Company are analysed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Deferred expenses	169,031	118,037	168,101	118,037
Prepayments for the purchase of inventories	3,231,102	2,339,533	2,657,242	834,323
Prepayments and credit accounts	55,610	73,623	55,610	13,976
TOTAL	**3,455,743**	**2,531,193**	**2,880,952**	**966,336**

The prepayments of the Group and the Company include amounts given for the execution of contracts related to purchase of fishes from small producers where a large part refers to companies Koumaros SA and Echinades SA that Selonda acquired in 2008 as investment projects.

6.13 Investments held for commercial purposes

	GROUP		ETAIPIA	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Shares of listed companies	653,549	811,361	517,320	490,796
Shares of non-listed ocmpanies and other shares	10,272	10,301	0	0
Total	**663,821**	**821,662**	**517,320**	**490,796**

6.14 Cash and cash equivalents

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
Cash in hand	84,743	71,822	47,743	38,935
Short-term bank deposits	3,886,925	7,565,196	856,439	3,162,322
Time-deposits	9,780,000	6,056,309	7,295,000	2,015,000
Total	**13,751,668**	**13,693,327**	**8,199,183**	**5,216,258**

The weighted average interest rate on the bank deposits of the Group stood at 4.0%. The cash stands at the same levels as in 2006 The management of the Group believes that the good and continuous liquidity will help the development and the management of investment opportunities that may emerge in the coming years.

6.15 Share capital-Share premium account

	Number of Shares	Share Capital	Share premium account	Total
Balance 31/12/2006	**29,281,594**	**29,281,594**	**17,674,828**	**46,956,422**
New shares issued	0	0	0	0
Acquisition of parent company shares (own shares)	0	0	0	0
Disposal of parent company shares (own shares)	0	0	0	0
Balance 31/12/2007	**29,281,594**	**29,281,594**	**17,674,828**	**46,956,422**

Shares are registered having a nominal value of 1 euro each.

The shares of the Company were floated on the Athens Exchange in June 1994. The stock of SELONDA AEGE has been classified in the "Aquacultures" sector of the Daily Price Bulletin of the A.S.E.

The share premium account of the Group resulted from the issuance of shares for cash at a price higher than the nominal value of the shares.

6.16-17 Equity

Equity of the Company and the Group at 31.12.2007 is analysed in the following table:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Share capital	29,281,594	29,281,594	29,281,594	29,281,594
Share premium	17,674,828	17,173,614	17,674,828	17,674,828
Other reserves	11,497,568	11,412,472	11,497,568	11,412,472
Foreign exchange differences	0	0	0	0
Profits carried forward	10,459,012	7,729,713	10,882,729	7,374,790
Equity attributable to the shareholders of the parent	**68,913,002**	**65,597,393**	**69,336,719**	**65,743,684**
Minority interest	22,191,057	11,361,852	0	0
Total equity	**91,104,058**	**76,959,245**	**69,336,719**	**65,743,684**

6.18 Loan liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Long-term loans				
Bank loans	76,098,746	22,991,784	44,600,000	15,685,539
Total long-term loans	**76,098,746**	**22,991,784**	**44,600,000**	**15,685,539**
Short-term loans				
Bank overdrafts	42,502,819	34,938,933	17,489,767	16,638,914
Part of long-term loans paybale in the next period	612,203	1,843,750	612,203	1,843,750
Total short-term loans	**43,115,022**	**36,782,683**	**18,101,971**	**18,482,664**
Total loans	**119,213,768**	**59,774,468**	**62,701,971**	**34,168,202**

The maturity dates for long-term loans is:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Between 1 and 2 years	12,498,746	1,750,000	2,230,000	1,750,000
Between 2 and 5 years	19,500,000	21,241,784	6,690,000	13,935,539
Over 5 years	44,100,000	0	35,680,000	0
	76,098,746	22,991,784	44,600,000	15,685,539

The deviation of loan obligations is due to 17 mil. euros from the companies consolidated for the first time, Fjord Marin Turkey and Lesvos SA, while the largest part refers to debt increase of Selonda and Interfish since at December 2007 was issued a new syndicated loan having a 10 year maturity, good terms and amounting to 40 mil. euros for Selonda SA and 25 mil. euros for the subsidiary Interfish SA in order to cover capital needs that were the results of the acquisition taken place or paid in full in 2008. The new loans were refinanced by current short-term credit lines that will serve the need of the Group for working capital needs.

6.20 Employee benefits

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Balance sheet liabilities for				
Pension liabilities	860,311	460,677	316,828	319,091
Total	**860,311**	**460,677**	**316,828**	**319,091**

The main actuarial assumptions used are as follows:

Assumption used in the actuarial study			
Inflation	2%		
Discount rate	4.43%		
GDP annual growth	3%		
Payroll annual growth	Inflation + 1/3*GDP=3%		
Return of investments	4.43%		
Percentage of retirement	**Up to 30 years old**	**31-40 years old**	**over 41 years old**
Willingly retirement	20%	10%	1%
Dismissal	8%	4%	1%

Number of employees

The number of employees for the Company at 31/12/2007 was 430, divided to 168 with regular salaries (scientific and administrative employees) and 262 on daily wages (workers, technical employees) while for the Group the number of employees was 825 divided to 345 with regular salaries (scientific and administrative employees) and 480 on daily wages (workers, technical employees). For 2006 the number of employees were 390 for the Company and 614 for the Group.
At the Group, 104 people are working abroad and 721 people in Greece.

6.21 Deferred income

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Balance at the beginning of the year	**714,148**	**3,371,870**	**714,148**	**360,848**
Additions from mergers/consolidations	0	4,712,904	0	414,920
Government grants	9,579,474	0	161,909	0
Amortisation of grants	-202,125	0	-202,125	144,464
Transfers to income statement	-78,205	-482,424	-78,205	-206,084
Balance at the end of the year	**10,013,292**	**7,602,350**	**595,726**	**714,148**

Deferred income relates to investment grants received by the companies of the Group from national and community support packs. The increase refers mainly to the subsidy of the foreign company Selonda UK Ltd that completes its investment plan for the creation of a terrestrial aquaculture unit in Wales, as well as to the consolidation for the first time of Lesvos SA.

6.23 Suppliers and other liabilities

The balances of suppliers and other liabilities is as follows:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Suppliers	17,280,873	5,458,124	9,802,457	4,758,282
Customer prepayments	265,529	120,740	265,529	96,786
Cheques payable	46,459,674	28,838,998	17,818,088	15,822,169
Other liabilities	7,128,261	0	0	0
Total	**71,134,337**	**34,417,862**	**27,886,074**	**20,677,236**

The deviation in suppliers and other liabilities in the Group by 107% is mainly due to the consolidation for the first time of Fjord Marin Turkey and Lesvos SA with the amount of 25 mil. euros and the increase in the transaction activity of the

Group as well as the evolution of new investments in Greece (Fish Fillet, Interfish) and abroad (Selonda UK Ltd). The 35% increase for the company is due to the increase of purchases of raw materials due to increased production since it is related to receivables and for monitoring cash.

6.24 Current tax liabilities

An analysis of current tax liabilities follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Tax expense attributed to the current period	1,018,752	928,104	995,265	890,699
Deferred income tax	2,324,354	497,903	1,120,108	250,920
Tax liability	-1,412,716	-224,180	-1,127,435	-508,584
Balance at the end of the period	**1,930,390**	**1,201,826**	**987,938**	**633,035**

The deviation for the company and the Group is due to the inclusion of tax for the year that was increased. The reduction from the losses due to investment activities (mainly Perseys) is not recognised and therefore they do not reduce the tax and deferred tax. Also, deferred tax increased due to the adjustments in fair values mainly of biological inventories already mentioned.

6.25 Other short-term liabilities

An analysis of other short-term liabilities follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Sundry creditors	1,853,550	1,463,174	2,464,204	380,433
Dividends	128,761	142,201	128,761	142,201
Accrued expenses	1,442,804	380,822	1,250,364	315,593
Liabilities to pension funds	871,779	651,857	468,760	391,809
Total	**4,296,894**	**2,638,053**	**4,312,089**	**1,230,035**

The deviation is due to the consolidation for the first time of Fjord Marin Turkey and Lesvos SA as well as from the liability of 2 mil. euros from Selonda to the shareholder of Fjord Marin following the acquisition of shares.

6.26 Leasing

The leasing liabilities are analysed as follows:

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Up to 1 year	30,995	30,995	30,995	30,995
From 1 to 5 years	44,994	78,766	44,994	78,766
Total	**75,989**	**109,762**	**75,989**	**109,762**

6.27 Tax for the year

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Income tax for the year	1,018,752	928,104	664,826	890,699
Deferred tax	2,324,354	497,903	476,218	1,170,108
Total	**3,343,106**	**1,426,007**	**1,141,044**	**2,060,806**

The tax includes 467 thous. euros referring to taxes audit differences.

6.28 Earnings per share

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Attributed to the shareholders of the company	3,695,251	6,710,913	5,271,483	4,916,141
Weighted average number of shares	29,281,594	29,281,594	29,281,594	29,281,594
Basic earnings per share	**0.13**	**0.23**	**0.18**	**0.17**

6.29 Cash flow from operating activities

	GROUP		COMPANY	
Cash flow from Operating activities	1/1 - 31/12/2007	1/1-31/12/2006	1/1 - 31/12/2007	1/1-31/12/2006
Earnings before tax	8,146,911.02	8,472,756.99	7,436,855.23	6,057,760.16
Plus/Less adjustments for:				
Depreciation	3,622,617.45	3,641,578.07	1,807,399.84	2,005,771.84
Impairment of tangible and intangible assets	0.00	724,551.73	0.00	211,568.93
Results (income, expenses, profit and loss) of investing activity	6,048,063.74	6,430,355.97	-259,743.03	-156,609.01
Interest Expenses	4,754,196.89	3,440,750.25	2,498,204.44	1,917,414.11
Plus/Less Adjustments for Working Capital changes related to operating activities	-924,550.25	243,080.03	-1,914,616.05	1,749,652.35
Changes in biological assets	-55,692,592.44	-23,999,336.13	-11,040,678.41	-3,927,168.46
Increase/(decrease) of inventory	-2,173,792.10	-152,041.08	-699,385.86	17,671.89
Increase/(Decrease) of receivables	-27,739,894.39	-5,448,478.60	-8,228,184.74	-2,238,058.20
Increase/(decrease) of Liabilities (excl. banks)	44,335,255.60	17,560,425.92	11,609,826.79	4,896,867.48
Less:				
Interest Paid	-4,754,196.89	-3,440,750.25	-2,498,204.44	-1,917,414.11
Income Tax Paid	-3,343,105.77	-1,426,006.82	-2,165,372.44	-1,141,618.96
Operating flows from discontinued operations	0.00	0.00	0.00	0.00
Total inflows/(outflows) from operating activities (a)	**-27,721,087.14**	**6,046,886.08**	**-3,453,898.67**	**7,475,838.02**

The negative cash flows from operating activities are due to increase in productive ability and therefore to working capital needs for the period that is from 18 to 24 months for the company. The relevant increase affects the Group as well with the difference that the cash flows in the group are compared to balance sheet figures for 2006 that do not include the new companies Fjord Marin Turkey and Lesvos SA with those of balance sheet for the year 2007.

– Recognition of accrued employee retirement benefits

According to the new accounting principles the Group recognizes as a liability the present value of the legal obligation it has assumed to pay a lump-sum indemnity to employees leaving employment due to retirement. According to the previous accounting principles, the indemnity due to retirement expense was recognised on a cash basis. The relevant liability as at the date of transition amounted to € 341,516 for the Group and € 319,091 for the Company, amounts calculated based on an actuarial study. More specifically, the relevant study related to the examination and calculation of the actuarial methods required by the standards set International Accounting Standards (IAS 19) and is required to be recorded in the Balance Sheet and the income statement of every enterprise. The main date used as actuarial valuation date of the various figures was 31/12/2003 (or equivalently 01/01/2004). For the calculation for the respective liability as of 01/01/2007 the corresponding actuarial assumptions were used.

– Deferral of the recognition of dividends payable to the time of their approval by the G.M.

Contrary to the accounting principles previously in effect, dividends payable are recognized as a liability at the date that the distribution proposed by the BoD is approved by the General Meeting of the shareholders. The dividend for the year 2006 amounting to 0.03 euros per share is approved by the General Shareholders Meeting on the 27.06.2007 and the relevant amount reduced the retained earnings of 2006.

– Provisions for doubtful debts

At the transition date provisions were cumulatively booked for doubtful debts and obsolete stock, which reduced the consolidated equity. The provisions were based on the audit certificates of the Auditors for the financial statements (as they were published under the previous accounting principles).

7. Contingent assets-liabilities

7.1 Information regarding contingent liabilities

There are no pending cases in litigation or arbitration with judicial or arbitration authorities that may have a significant impact on the financial position or operation of the Group. The tax unaudited fiscal years of the companies in the Group are as follows:

COMPANY	Tax un0audited years	PERCENTAGE OF DIRECT & INDIRECT PARTICIPATION
SELONDA AQUACULTURES AEGE	2007	Parent
INTERFISH AQUACULTURES SA	2007	46.07%
AQUAVEST A.E.	2003-2007	100.00%
AQUANET A.E.	2003-2007	90.42%
POLEMARCHA EPIDAVROS SA	2003-2007	69.30%
FISH FILLET AE	2003-2007	95.35%
VILLA PRESIE SA	2003-2007	100.00%
DIVING PARKS SA	2006-2007	86.22%
SELONDA INTERNATIONAL LTD		100.00%
SELONDA UK LTD		50.00%
BLUEWATER FLATFISH LTD		76.65%
FJORD MARIN DENIZ		46.00%

The tactical tax audit for any tax obligation of SELONDA SA for the years 2003 - 2006 completed. For the audit emerged tax liabilities and surcharges of 706,376.86 euros. The 2007 results will be charged by the amount of 308,376.86 euros while for the remaining 398,000 euros there was made a provision and the results of the years from 2003 to 2006 were charged. Out of the aforementioned amount of 308 thous. Euros the 300 thous. Euros is estimated at the provision of the Group's results for 2007 for για 11.1 mil. euros (earnings after tax and minority interest) as we recently informed the investment community.

From the companies that have made provisions against income for potential tax charges as a result of the tax audit. The tax audit for the Company till year 2006 was completed in October 2007, as well as for Interfish SA.

7.2 Current charges on assets.

There are no charges on assets of the parent Company.

8. Transactions with related parties

The amounts relating to purchases and sales of the company to and from its related parties as defined in IAS 24, cumulatively from the start of the current period 1/1-31/12/2007 as well as the balances of the assets and liabilities of these companies as of 30/12/2007 are as follows:

Analysis per category is as follows:

Transactions of 31/12/2007	**GROUP**	**COMPANY**
a) Sales of goods and services	6,233,046.49	18,520,865.78
b) Purchases of goods and services	8,476,893.68	21,904,961.84
c) Receivabels	4,717,438.14	4,995,743.80
d) Liabilities	1,923,840.24	2,907,400.06
e) Transactions and remuneration of BoD Members and executives	1,514,209.05	1,246,133.00
f) Receivabels by executives and management members	8,669.35	8,669.35
g) Liabilities to executives and management members	0.00	0.00

Analysis:

a) Sales of goods and services

	GROUP		**COMPANY**	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Parent				
Subsidiaries			13,224,842	8,276,759
Associates	4,285,068	125,341	3,950,261	125,341
BoD members and executives				
Joint-Ventures	1,947,979	2,636,693	1,345,762	1,569,188
Other related parties				
Total	**6,233,046**	**2,762,033**	**18,520,866**	**9,971,288**

b) Purchases of goods and services

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent	-	-	-	
Subsidiaries	-	-	9,296,560	8,762,684
Associates	6,819,087		11,514,096	
BoD members and executives	-		-	
Joint-Ventures	1,657,807	3,141,826	1,094,306	1,147,805
Other related parties				
Total	**8,476,894**	**3,141,826**	**21,904,962**	**9,910,488**

c) Receivables

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent	0	0	0	0
Subsidiaries	0	0	3,653,602	2,232,070
Associates	3,207,043	1,064,870	1,265,823	1,064,870
BoD members and executives	0	0	0	0
Joint-Ventures	1,510,395	849,568	76,319	0
Other related parties	0	0	0	0
Total	**4,717,438**	**1,914,438**	**4,995,744**	**3,296,940**

d) Liabilities

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent	0	0	0	0
Subsidiaries	0	0	1,450,196	1,217,574
Associates	1,721,895	0	1,348,740	25,371
BoD members and executives	0	3,561	0	3,561
Joint-Ventures	201,945	0	108,464	0
Other related parties	0	0	0	0
Total	**1,923,840**	**3,561**	**2,907,400**	**1,246,506**

e) Transactions and remuneration of BoD members and executives

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent	0	0	0	0
Subsidiaries	0	0	0	0
Associates	0	0	0	0
BoD members and executives	1,514,209	877,417	1,246,133	693,620
Joint-Ventures	0	0	0	0
Other related parties	0	0	0	0
Total	**1,514,209**	**877,417**	**1,246,133**	**693,620**

f) Receivables form management and executives

	GROUP		COMPANY	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
Parent	0	0	0	0
Subsidiaries	0	0	0	0
Associates	0	0	0	0
BoD members and executives	8,669	8,669	8,669	8,669
Joint-Ventures	0	0	0	0
Other related parties	0	0	0	0
Total	**8,669**	**8,669**	**8,669**	**8,669**

The transactions and balances presented above have been eliminated from the consolidated financial statements of the Group.

9. Important events and developments of the Group for the period 01.01.2007 – 31.12.2007

9.1 New business activities

In the aquaculture sector the developments continue for the Group in Greece and abroad. In 2007:

- During the first quarter of 2007, the company INTERFISH SA as well as the companies LESVOS AQUACULTURES SA, KORONIS AQUACULTURES SA, STEFANOU AQUACULTURE SA, with the decisions made by their Board of Directors on 28/03/2007 initiated the merger procedure through absorption of the second, third and fourth by INTERFISH SA. The merger will take place with a transformation balance sheet of 31/03/2007, based on the provisions of L.2166/93 and L. 2190/20 as well as the relevant provisions of Athens Exchange regulation. As a result of the merger, the share capital of listed in Athens Exchange INTERFISH SA increased by 6,723,197.48 euros. Of the aforementioned companies only Lesvos Aquacultures is new to the Group in the consolidated financial statements. Lesvos SA maintains 4 units for the productions of sea breed, one sea farming unit and a modern packaging unit (fillet, frozen etc). The new shares will be distributed to beneficiaries after the approval of informational bulletin by regulatory authorities.
- On 28/06/2007 the participation of SELONDA SA in the share capital of «ASTRAIA AEBE» as a strategic and major shareholder with a percentage of 35% on the new share capital of the company was completed. The company «ASTRAIA A.E.B.E.» is active in the sector of aquaculture and the trade of fish products and was established by 25 shareholders-entrepreneurs in the sector of Greek aquaculture which have a production ability that exceeds 14,000 tons of fish annually. With the stable focus of the management and executives in the application of total quality control for its products and services. The direct positive effect of the aforementioned deal are linked to the strategic and dynamic activity of Selonda in fish breeding, the materialisation of ASTRAIA investment plan of 8.2 mil. euro for the construction of infrastructure of high quality production, certified products for fish breeding and the common development of pioneered methods for the production of highly qualitative certified sea-food that meets the expectations of the consumers, as well as the potential synergies that will emerge by the co-operation of all the shareholders-fish farmers in the productive and trade level.
- On 21/09/2008 the acquisition through Athens Exchange of the 41.38% of PERSEYS ABEE was completed for the amount of 4.993 mil. euros. On December the 5th completed the mandatory joint tender offer of Selonda SA and WISE MANAGEMENT SA to the shareholders of PERSEYS SA in accordance with the provision of L. 3461/2006. At the end of this, the company holds the 41.34% having a value of 5,390 thous. euros. The company PERSEYS is the largest production of fish breeding products in Greece operating a factory of 9,000 aq.m. in Zevgolatio of Korinth in a private land of 22,000 sq.m. The productive capacity of the factory is 70,000 tons. At the same time the company maintains three production facilities for fishes having a capacity of 1,500 tons and a fish breeding station having a capacity of 8,000,000 fishes, which administration is undertaken by SELONTA AEGE. The

development of SELONDA Group and its positioning, through the recent acquisitions in Greece and Turkey, in the first position regarding the production capacity of Mediterranean species (sea-bream and sea-bass), forces its direct involvement in companies producing fish breeding material as part of the vertical structure of the group. These products form the 50% of total cost production and the Group following this strategic move would manage to achieve a cost reduction and an improvement and direct control of the quality and productive results and therefore of the final profitability of the Group. The breeding is the main parameter behind the quality of the products as well as their production cost.

- Selonda group, as a pioneer in the aquaculture sector, started and successfully continues the advert and sale of eponymous fish products. For the first time, the produced fishes from the production units of the Group have a tag and specific name and are sold to consumers with great acceptance by them so far. Also, in the products of Mediterranean aquaculture there is now a specific tag with the name **«SELONDA – Signed by the Sea».**
- At December 2007 the Group completed long-term syndicated loans of 65 mil. euros, capital that will be used to refinance current debt in order to cover investment needs and acquisition of companies with better terms, and also will cover working capital needs due to the increased production by the Group.
- On 18/09/2007 completed with share capital increase and acquisition of a percentage, its entrance it the share capital of Fjord Marin Deniz Ürünleri Sanayi Ticaret A.S (Fjord Marin Turkey) by acquiring a percentage of 46%, with the 54% owned by the Norwegian company Fjord Marin A.S. The entrance of Selonda was accompanied by a share capital increase of € 8.5 mil. following the capitalisation of loans and cash deposits. The total expense of Selonda that includes its participation in the share capital increase as well as the acquisition of the Norwegian state controlled Norfund amount to € 7.8 mil.

  Fjord Marin Turkey holds licences for the production of 14,000 tons covering the 30% of total production ability of Turkey. Today, it produces 6,000 tons and 15 mil. fry. Selonda group and Norwegian Fjord Marin A.S. will utilise from this year the total available storage space of Fjord Marin Turkey. This move materialises the methodical and effective strategy of Selonda to enter the Turkish market, the second ranking producer after Greece, through a company that is recognised as leader in Turkey.

9.2 Other important events

- Selonda group, as a pioneer in the aquaculture sector, started and successfully continues the advert and sale of eponymous fish products. For the first time, the produced fishes from the production units of the Group have a tag and specific name and are sold to consumers with great acceptance by them so far. Also, in the products of Mediterranean aquaculture there is now a specific tag with the name **«SELONDA – Signed by the Sea».**

10. Post balance sheet events

- It is under full development the materialisation of the investment plan of JAZAN DEVELOPMENT COMPANY in Saudi Arabia in the area of aquaculture amounting to 100 mil. dollars, with the Group having undertaken the management of this project.

- From year 2008 onwards and by meeting the requirements PERSEYS SA will be consolidated under the method of full consolidation 14/01/2008.
- The Group increased the share capital of its subsidiary Fjord Marin Turkey by 14 mil euros. In this increase our collaborators from Saudi Arabia participated with the companies Jazan and Tabuk reducing our participation to 38.5% but in co-operation with Saudi Arabian collaborators with the full undertaking of production and administrative management aimimng to increase the production in Turkey. The cover of our participation in the share capital increase for 4 mil. euros made with cash for 1 mil. Euros and contribution of our subsidiary in Turkey Elektrosan which Selonda acquired by Interfish only to contribute the this share capital increase.

11. Outlook of the Group

The Group in 2008 believes that through the increase in productivity and the better and more efficient management and the synergies from mergers will manage to improve its financial figures.

The main aim of the management of Selonda Group in the coming years is the materialisation of investment actions and of the business plan in order to achieve the further expansion in markets, the development of international actions, the share market increase and the profitability and value creation for its shareholders.

Athens 28 March 2008

The Chairman of the BoD	The Vice Chairman and Managing Director	The General Manager and Member of the BoD	The Finance Director and Member of the Bod
Vassilios K. Stefanis ID No AE 019938	Ioannis K. Stefanis ID No AB 296541	Ioannis P. Andrianopoulos ID No AB 521401	Evagellos N. Pipas ID No AE 138709