MOTODYNAMICS S.A.

ANNUAL FINANCIAL REPORT
OF THE COMPANY & THE GROUP
FOR THE YEAR FROM JANUARY 1st TO DECEMBER 31st 2008

Societe Anonyme
EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS
under distinctive title «MOTODYNAMICS S.A.»
S.A. Register No. 28211/06/B/93/8
14th km of Athens – Lamia National Road – 145 64 Kifissia

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DIRECTORS' STATEMENTS
(pursuant to article 5, par. 2c, of Law no. 3556/2007)

The undersigned below, Messrs:
1. Odysseas Kyriakopoulos, Board of Directors' Chairman,
2. Sotirios Hatzikos, Managing Director, and
3. Ioannis Karkalemis, Board of Directors' member, specifically nominated for this purpose by the Board of Directors' meeting today (05.03.2009)

STATE THAT

To our knowledge

1. The annual financial statements of the Company and the Group MOTODYNAMICS S.A. for the period from 1/1/2008 to 31/12/2008, drawn up according to the applicable International Accounting Standards, provide the true picture of the assets and liabilities, the net worth and the results of the Company and the Group, as well as of the companies included in the consolidation regarded as a total, pursuant to those laid down in article 4 of Law no. 3556/2007.

2. The Board of Directors' annual report provides the true picture of the development, performance and position of the Company and the Group, as well as of the companies included in the consolidation regarded as a total, including the description of the main risks and uncertainties they are confronted with.

Kifissia, March 5th 2009

Kyriacopoulos Ulysses	Hatzikos Sotirios	Karkalemis Ioannis
BoD Chairman	Managing Director	BoD Member

MOTODYNAMICS S.A.
EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS SOCIETE ANONYME

ANNUAL REPORT
OF THE BOARD OF DIRECTORS FOR THE YEAR 1/1—31/12/2008

Dear Shareholders,

The Board of Directors' annual report regards the financial year 2008 (January 1st to December 31st) and has been drawn up in accordance with the applicable provisions both of C.L. no. 2190/1920 (article 107, par. 3, since the company draws up consolidated financial statements), and of Law no. 3556/2007 (par. 6, article 4) and the implementing of decisions no. 1/434/3-7-2007 and 7/448/11-10-2007 of the Capital Market Committee's Board of Directors.

This report includes all significant individual thematic sections that are necessary, pursuant to the aforementioned legislative framework, and provides a true picture of all information required by Law, in order to deduce substantial and well-documented information about the activity during the said period and the total course of "MOTODYNAMICS S.A." (hereinafter referred to as the Company) and the Group, in which the following companies are consolidated:

1. MOTODIKTYO S.A. having its registered office in Greece and participating interest of 51%
2. MOTODIKTYO NORTHERN GREECE S.A. having its registered office in Greece and participating interest of 51%
3. MOTODYNAMIKI INSURANCE BROKERAGE S.A. having its registered office in Greece and participating interest of 100%
4. MOTODYNAMICS SRL having its registered office in Romania and participating interest of 100%
5. MOTODYNAMICS LTD having its registered office in Bulgaria and participating interest of 100%

The Report is included as is, along with the Company and the Group's financial statements and the other data and statements required by law in the Annual Financial Report for the year 2008.

The Report's thematic sections and their content are as follows:

1) Total course of the Company and the Group during the year examined

The course of the Group and the Company has been presented in the results of the year and, more specifically:

Turnover:

In 2008, the Group's turnover amounted to € 80.7 m. compared to € 86.8 m. in 2007, presenting a 7% decrease. The parent company's turnover for the same time period presented a 6.9% decrease and amounted to € 78.7 m. from € 84.5 m. in 2007.

EBITDA:

Earnings before interest, taxes, depreciations and amortizations, as a percentage of the sales, on a consolidated basis, amounted to 4.5% compared to 6.1% in 2007. The respective percentages for the parent company amounted to 4.6% compared to 6% in the respective previous year's period.

Sales and Administrative Expenses:

In 2008, Group expenses amounted to € 14.4 m. compared to € 13.1 m. in 2007, presenting a 9.8% increase. Respectively, the parent company's expenses in 2008 amounted to € 12.5 m. compared to € 11.4 m. in the respective 2007 period, increased by 9.4%.

Profits before taxes:

At Group level, they amounted at € 2.0 m., compared to € 4.1 m. in 2007, namely presenting a 50% decrease. Profits before taxes of the parent decreased to € 2.4 m, compared to € 4.0 m. in 2007, presenting a 41.5% decrease.

Profits after taxes:

Profits after taxes of the Group amounted to € 1.1 m., compared to € 2.6 m. in 2007, presenting 58.3% decrease. Profits after taxes of the parent company amounted to € 1.5 m. compared to € 2.7 m. in the respective 2007 period, presenting 44.0% decrease. Basic profits per share for the Group amounted to € 0.2223, while the respective basic profits per share for the Company amounted to € 0.2961

Current assets:

Total current assets of the Group for 2008 amounted to € 32.3 m., compared to € 41.3 m. in 2007. The 21.8% decrease noted is mainly due to the respective decrease in receivables and inventories. Respectively, for the same reasons, the Company's current assets decreased by 21.8% and amounted to € 30.9 m. compared to € 39.5 m. in 2007.

Current liabilities:
Total current liabilities of the Group for 2008 amounted to € 16.3 m. compared to € 29.1 m. in the respective 2007 period, presenting a 44.1% decrease. The decrease is mainly due to the relevant decrease in trade payables, the decrease in short-term borrowing and the conversion of a part of the short-term borrowing into long-term bonded loan. At parent company level, in 2008, current liabilities amounted to € 16.0 m. compared to € 28.8 m., presenting a 44.5% decrease, due to the same reasons as the Group.

2) Report of significant events that took place during the year as well as after expiration thereof, until the date of drawing hereof.

During the financial year 2008, as well as after expiration thereof and until the date of drawing hereof, the following significant events have taken place:

1. On January 11th 2008, the General Shareholders' Meeting of S&B Industrial Minerals S.A. approved the concession (carve-out) directly to the S&B shareholders of the majority of the shares it held in MOTODYNAMICS S.A. (57.24% participating interest as of 31/12/07) and the said procedure was completed on March 3rd 2008.
2. During April, the tax audit for the years 2004, 2005 and 2006 was completed. Taxes payable amounting in total to € 192,225 occurred from the audit, compared to a relevant provision amounting to € 200,000; therefore no additional burden on the Company's result occurred. Moreover, during March, the tax audit in the subsidiary Motodynamics Srl (Romania) for the years from 2001 to 2007 was also completed. Payable taxes amounting in total to € 28,953 (RON 107,902) occurred from the audit and burdened the year's results.
3. On May 30th 2008, the Ordinary General Shareholders' Meeting of the Company convened and approved the annual Financial Statements of the Company and the Group for the financial year 1.1.2007-31.12.2007, the Directors' Management Report, the Chartered Auditor's Audit Report, the release of the BoD members and the auditors, the election of a Statutory Auditor and a Substitute for the year 1.1.2008-31.12.2008, the proposed allocation of dividend (€0.42 per share), the remunerations to the BoD members, the amendment to certain articles of the Company's Articles of Association, the validation of BoD members, the issue of an ordinary bonded loan of € 5 m. total nominal value, the treasury shares' purchase option and the company's contract with the Managing Director and the General Manager.
4. On June 26th 2008, the Extraordinary General Shareholders' Meeting of the Company convened and approved the election of the Company's new BoD, the authorization, in accordance with article 23(1) of C.L. no. 2190/1920, of specific BoD members to participate in other companies' Board of Directors and, finally, approved all BoD acts from 30/5/08 until 25/6/08
5. In execution of the decision dated 30/5/08 of the Ordinary General Shareholders' Meeting of the Company and the decision dated 6/10/08 of the Board of Directors, the Company proceeded to the purchase of treasury shares that, at the year end, amounted to 46,547 shares, of € 98,466.59 total value. The stock's closing price as at 31/12/2008 was € 1.87.
6. During October, MOTODIKTYO S.A. (a subsidiary of MOTODYNAMICS S.A.), taking advantage of the provisions of Law no. 3697/2008 proceeded to the conclusion of the tax unaudited years 2003 to 2006. The taxes assessed amounted to € 38,097.08 and burdened the results of 2008. Moreover, for the same reason, an offsetting entry of deferred tax on assets was created amounting to € 20,501.64.
7. In February 2009, by decision of the Board of Directors of «MOTODYNAMICS S.A." and the respective decision of the Board of Directors of "MOTODYNAMICS INSURANCE BROKERAGE S.A" and pursuant to the provisions of articles 78 of C.L. no. 2190/1920 and articles 1-5 of Law no. 2166/1993, the merger by takeover of its 100% subsidiary, the societe anonyme under the trade name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" was decided. The Draft Merger Contract, the Transformation Balance Sheet dated 31/3/2009, as well as any other documents provided for by law will be published one month before the opening of the merger act results.
8. On February 25th, 2009, an Extraordinary General Shareholders' Meeting of the Company convened and approved the change of the Company's registered office, which was transferred from the Municipality of Kifissia to the Municipality of Aspropyrgos, Attica, and the respective amendment to article 3 of the Articles, as well as the election of the BoD Audit Committee members, in accordance with those laid down in art. 37 of Law no. 3693/2008.

3) Main risks and uncertainties

Financial Risk Management:

Interest Rate Risk:

Working capital needs are financed, among other sources, by bank debt. The parent and its subsidiaries are able to borrow at satisfactory terms and to apply hedging techniques to protect against interest rate increases, through Forward Rate Agreements (FRAs).

Foreign Exchange Risks:

The parent and its subsidiaries transact mostly in euro, and are therefore relatively free of foreign exchange risks.

The Bulgarian subsidiary maintains most of its liabilities in euro, while the local currency maintains a fixed parity vis-à-vis the euro.

The Romanian subsidiary has most of its liabilities denominated in euro. The local currency (RON) shows some fluctuation against the euro; and if it is necessary these fluctuations are centrally confronted because the parent company has the ability and know-how to hedge these risks using forward contracts or other hedging instruments.

Liquidity Risk:

The parent and its subsidiaries meet their obligation to suppliers and banks in a prompt and timely manner, and no past due obligations exist. Motodynamics possesses sufficient creditworthiness, as shown by the overall credit limits available to the company. These amounted to €24.5 million on a separate level and €25.9 million on a consolidated basis. 34.3% of such amounts have been used.

Capital Risk:

The Group preserves an optimum capital structure in order to reassure the ability of retaining its business, secure its growth and its returns for shareholders. Capital structure management is based on Group needs and occasional economical developments. Group of companies' capital adequacy is monitored based on relevant financial indexes.

Credit Risk:

The Group is exposed to credit risk coming mainly from the potential failure to collect customer balances. In order to control credit risk, Motodynamics applies consistently an explicit credit policy that is monitored and evaluated on a constant basis, so that the credits granted do not exceed the credit limit set per customer.

4) Significant transactions between the issuer and its associates

Transactions with subsidiaries

The transactions with subsidiaries (sales of merchandise and provision of services) are carried out in the context of the Company's regular. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31, 2008 there are no guarantees or any other company's commitments to its subsidiaries. The Company's Administration does not regard that provision is required for potential failure to collect its receivables from its subsidiaries and, for that reason, no provision has been formed.

The transactions are as follows:

	PARENT COMPANY	
	31 December 2008	**31 December 2007**
Sales of good and services		
Motodiktyo S.A.	2,063,831.48	2,009,433.50
Motodiktyo N.G. S.A.	1,415,608.63	1,285,956.41
Motodynamics Ltd.	1,157,546.73	989,106.93
Motodynamics Srl.	2,621,217.44	3,514,892.42
Motodynamics Insurance Brokerage S.A.	-	1,634.73
	7,258,204.28	**7,801,023.99**
Purchases of goods and services		
Motodiktyo S.A.	23,944.10	7,020.40
Motodiktyo N.G. S.A.	2,558.20	2,617.50
Motodynamics Ltd.	8,446.00	-
Motodynamics Srl.	278,902.19	-
	313,850.49	**9,637.90**
Receivables		
Motodiktyo S.A.	1,280,196.06	1,044,068.84
Motodiktyo N.G. S.A.	537,071.17	590,055.14
Motodynamics Ltd.	231,901.31	36,369.72
Motodynamics Srl.	875,938.11	1,061,105.28
Motodynamics Insurance Brokerage S.A.	349.20	1,634.73
	2,925,455.85	**2,733,233.71**
Liabilities		
Motodiktyo S.A.	25,693.29	2,686.90
Motodiktyo N.G. S.A.	2,351.67	2,496.03
Motodynamics Srl.	1,116.00	-
	29,160.96	**5,182.93**

	Motodynamics Ltd.		Motodynamics Srl.	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Sales of goods and services				
Motodynamics Srl	-	606,484.00	-	-
	-	**606,484.00**	-	-
Purchases of goods and services				
Motodynamics Ltd.	-	-	-	606,484.00
	-	-	-	**606,484.00**

Transactions-balance with subsidiaries

Breakdown of the transactions and balances of the Group with the S&B Industrial Mineral S.A. Group companies follows for the reported periods. The said Groups have a common basic shareholder.

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Sales of goods and services				
Ergotrak S.A.	5,065.29	22,059.58	5,065.29	22,059.58
S&B Industrial Minerals S.A.	1,128.07	204.30	1,128.07	204.30
	6,193.36	**22,263.88**	**6,193.36**	**22,263.88**
Purchases of goods and services				
Ergotrak S.A.	58,492.19	51,003.20	58,492.19	51,003.20
S&B Industrial Minerals S.A.	1,106,066.95	1,069,949.81	1,096,719.09	1,061,576.21
	1,164,559.14	**1,120,953.01**	**1,155,211.28**	**1,112,579.41**
Receivables				
Ergotrak S.A.	-	7,861.34	-	7,861.34
S&B Industrial Minerals S.A.	32,394.95	32,549.95	32,394.95	32,549.95
	32,394.95	**40.411,29**	**32,394.95**	**40,411.29**
Liabilities				
Ergotrak S.A.	2,675.53	56,633.46	2,675.53	56,633.46
S&B Industrial Minerals S.A.	134,830.65	24,982.08	104,351.93	2,476.07
	137,506.18	**81,615.54**	**107,027.46**	**59,109.53**

Compensation of key management personnel of the Company and the Group:

Compensation of key management personnel for the year ended December 2008 and 2007, were as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1,968,975.19	1,373,544.14	1,863,608.43	1,297,014.89
Receivables from key management personnel	80,000.00	-	80,000.00	-
Liabilities to key management personnel	1,101,554.47	867,731.62	1,094,994.47	867,731.62

The benefits to the key management personnel of the Company for 2008 are increased compared to the respective 2007 year due to an increase in its staff as a result of the change in its organizational structure, which has already been announced to the investors from 19/11/2007. Receivables from key management personnel regard an interest-free loan amounting to € 80,000.00 granted by the Company to a manager, which is to be reimbursed within the first half of 2009.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
(in accordance with art. 4, par. 7 and 8 of Law no. 3556/2007)

5) Structure of the Company's share capital

1.1. Company's share capital structure: The company's share capital amounts to 3,026,700 Euro, divided into 5,130,000 shares with a nominal value of 0.59 Euro each. All the shares are ordinary shares with voting rights and are negotiated in the Medium and Small Capitalization category of the Athens Stock Exchange.

1.2. Rights and obligations: Each shareholder has rights and obligations that are proportional to the value of the Company shares that the shareholder owns. More specifically:

1.2.1. Each share provides to the owner the right of participation in the Company's annual distributed profits in accordance with the law, the Articles of Association and the General Shareholders Meeting decisions.

1.2.2. Each ordinary share entitles the owner to participate and to vote in the General Shareholders Meeting of the company.

1.2.3. Each Shareholder has preemption rights in every Company's share capital increase.

1.2.4. Each Shareholder has the right to receive Company's financial statements, auditors' certificate and the financial review of the Board of Directors.

1.2.5. General Shareholders Meeting preserves all its rights during liquidation (article 36, paragraph 5 of the Articles of Association).

1.2.6. The liability of the shareholders is limited to the nominal value of the shares they hold.

6) Limits on transfer of Company shares

The Company shares are transferred as provided for by law. No limits on the transfer of Company shares are provided for by its Articles.

7) Significant direct or indirect holdings in the sense of articles 9 to 11, Greek Law 3556/2007

On 31.12.2008 the following shareholders held more than 5% of the total voting rights of the Company

3.1. Mrs. Aikaterini Kyriakopoulou held 15.95% (indirect 13.40% and direct 2.55%)

3.2. Mr. Odysseas Kyriakopoulos held 14.00%.

3.3. Mrs. Flora-Maria Kyriakopoulou held 13.31%.

3.4. YAMAHA MOTOR EUROPE N.V. held 11.13%.

8) Shares conferring special control rights

None of the Company shares carry any special rights of control.

9) Limitations on voting rights

The Articles of Association make no provision for any limitations on voting rights.

10) Agreements among Company shareholders

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights.

11) Rules governing the appointment and replacement of members of the Board of Directors and the amendment of the Article of Association deviating from those provided for in Codified Law 2190/1920

The rules set out in the Articles of Association of the Company on the appointment and replacement of members of the Board of Directors and the amendment of the provisions of the Articles of Association do not differ from those envisaged in Codified Law 2190/1920.

12) Authority of the Board of Directors or certain of its members to issue new shares or to purchase their own shares of the Company, pursuant to article 16 of Codified Law 2190/1920

Authority of the Board of Directors or certain of its members to issue new shares or to purchase their own shares of the Company, does not exist in accordance with article 16 of Codified Law no. 2190/1920.

13) Significant agreements put in force, amended or terminated in the event of a change in the control of the Company, following a public offer.

The Company has no agreements which are put in force, amended or terminated in the event of a change in the control of the Company following a public offer.

14) Significant agreements with members of the Board of Directors or employees of the Company

The Company has entered into an employment contract (since 01.01.2008) with its Managing Director, Mr. Sotirios Hatzikos, which was approved by the Ordinary General Meeting dated 30.5.2008.

Kifissia, 05.03.2009
On behalf of the Board of Directors
Managing Director

Sotirios Hatzikos

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
EMPORIKI EISAGOGIKI DIKYKLON KAI MICHANON THALASSIS
ANONIMOS EMPORIKI ETAIREIA
«MOTODYNAMICS SA»

We have audited the accompanying financial statements of «MOTODYNAMICS SA» ("the Company"), and the consolidated financial statements of the Company and its subsidiaries ("the Group") which comprise the balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and information in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the aforementioned financial statements present fairly, in all material respects the financial position of the Company and the Group as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Report on Other Legal and Regulatory Requirements
We have verified the consistency of the Board of Directors' Report with the aforementioned financial statements with respect to the information that is required by articles 43, 107 and 37 of C.L. 2190/1920.

Athens, March 5, 2009
The Certified Auditor Accountant

Vassilios Kaminaris
SOEL No 20411

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
11th Km Nt Rd Athens Lamia,
Metamorfosi
SOE.L No 107

ERNST & YOUNG
Quality In Everything We Do

MOTODYNAMICS S.A.

ANNUAL CORPORATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008 ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

of the Societe Anonyme
EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.

under distinctive title «MOTODYNAMICS S.A.»

MOTODYNAMICS S.A.

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS A.E.E.
"MOTODYNAMICS S.A."
TRADING SOCIETE ANONYME

under the distinctive title «MOTODYNAMICS S.A.»

ANNUAL CORPORATE AND CONSOLIDATED FINANCIAL STATEMENTS as of December 31, 2008

Kifissia, 05.03.2009

We confirm that the accompanying financial statements have been approved by the Board of Directors of Motodynamics on 05.03.09 and have been published on the Companys website, www.yamaha-motor.gr. Attention should also be drawn to the fact that the Company's condensed financial information published in the press is intended to provide the reader with certain general financial data, but not to provide a complete picture of the Company's financial position and its annual results.

For MOTODYNAMICS S.A.,

BoD Chairman	Managing Director	Chief Financial Officer
Ulysses P. Kyriacopoulos ID Card no. [Ξ]164488	Sotirios D. Hatzikos ID Card no. R 528354	Anna G. Lizou - Spyratou A Class License no. 0003870

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EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title "MOTODYNAMICS S.A."

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 1, 2008
(amount in Euro)

		GROUP		PARENT COMPANY	
	Notes	**1.1 – 31.12.2008**	**1.1 - 31.12.2007**	**1.1 - 31.12.2008**	**1.1 - 31.12.2007**
Sales	6	80,695,801.92	86,765,000.00	78,657,514.26	84,460,214.38
Cost of Sales		(65,200,586.56)	(70,922,568.34)	(64,935,155.90)	(70,516,774.95)
Gross Profit		**15,495,215.36**	**15,842,431.66**	**13,722,358.36**	**13,943,439.43**
Other income	9	1,919,481.40	1,960,003.05	2,012,273.98	2,091,296.33
Administration expenses	7	(5,949,981.31)	(4,907,336.97)	(5,604,587.37)	(4,600,845.53)
Sales and distribution expenses	8	(8,417,440.44)	(8,176,103.59)	(6,897,842.67)	(6,829,658.00)
Other expenses	10	(99,880.79)	(110,732.70)	(61,691.12)	(75,118.34)
Operating profits		**2,947,394.22**	**4,608,261.45**	**3,170,511.18**	**4,529,113.64**
Financial income	11	126,430.59	278,789.21	38,591.40	31,083.13
Financial expenses	12	(1,034,050.15)	(807,893.69)	(851,714.84)	(524,853.78)
Profit before taxes		**2,039,774.66**	**4,079,156.97**	**2,357,387.74**	**4,035,342.99**
Income tax	13	**(948,035.76)**	**(1,438,623.09)**	**(838,501.23)**	**(1,323,479.35)**
Profit after tax		1,091,738.90	2,640,533.88	1,518,886.51	2,711,863.64
Attributable to:					
Equity holders of the		1,140,433.19	2,622,712.49		
Minority interest/holders		(48,694.29)	17,821.39		
		1,091,738.90	**2,640,533.88**		
Earning used in per share calculation:		**1,140,433.19**	**2,622,712.49**		
Basic earnings per share (in Euro):	16	**0.2228**	**0.5112**		
Diluted earnings per share (in Euro):	16	**0.2221**	**0.5112**		

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A. under the distinctive title "MOTODYNAMICS S.A."

BALANCE SHEET

AS OF DECEMBER 31, 2008
(amount in Euro)

	Notes	GROUP		PARENT COMPANY	
		31 December 2008	31 December 2007	31 December 2008	31 December 2007
ASSETS					
Non – current assets					
Tangible assets	17	3,068,907.20	3,012,340.68	2,616,866.85	2,430,662.78
Software	18	128,248.41	111,667.30	99,452.02	57,586.10
Deferred income taxes	13	461,904.27	510,660.08	280,138.71	306,303.39
Investments in subsidiaries	4	-	-	4,225,433.64	4,225,433.64
Other non-current assets		1,673,398.20	1,659,374.38	1,622,511.58	1,603,410.85
Total non-current assets		**5,332,458.08**	**5,294,042.44**	**8,844,402.80**	**8,623,396.76**
Current assets					
Inventories	19	22,204,096,14	29,142,402,39	19,549,495,06	26,500,430.15
Trade accounts receivable	20	8,565,450.89	10,468,864.30	7,556,969.05	9,528,955.45
Amounts due from subsidiaries	5	-	-	2,925,455.85	2,733,233.71
Other receivables	21	468,227.96	411,570.84	426,933.76	358,,651.85
Cash and cash equivalents	22	1,048,602.69	1,235,770.02	453,926.94	402,306.58
Total current assets		**32,286,377,68**	**41,258,607.55**	**30,912,780.66**	**39,523,577.74**
Total Assets		**37,618,835.76**	**46,552,649.99**	**39,757,183.46**	**48,146,974.50**
EQUITY AND LIABILITIES					
Equity					
Share capital	24	3,026,700.00	3,026,700.00	3,026,700.00	3,026,700.00
Share premium		6,038,244.00	6,038,244.00	6,038,244.00	6,038,244.00
Reserves	25	1,019,191.30	1,019,191.30	1,014,733.21	1,014,733.21
Treasury Shares	24	(98,466.59)	-	(98,466.59)	-
Reserves for allocation of free shares to directors	23	53,575.81	-	53,575.81	-
Cumulative consolidation exchange		(191,340.24)	(92,136.25)	-	-
Retained Earnings		5,366,448.50	6,380,615.31	7,682,065.37	8,317,778.86
Total		**15,214,352.78**	**16,372,614.36**	**17,716,851.80**	**18,397,456.07**
Minority interest		23,486.57	72,180.86	-	-
Total Equity		**15,237,839.35**	**16,444,795.22**	**17,716,851.80**	**18,397,456.07**
Non-current Liabilities					
Provision for staff retirement indemnity	27	1,046,203.33	927,053.33	1,029,150.00	910,000.00
Non-current loan obligations	29	5,000,000.00	-	5,000,000.00	-
Other non-current liabilities		28,269.81	40,161.89	-	-
Total non-current liabilities		**6,074,473.14**	**967,215.22**	**6,029,150.00**	**910,000.00**
Current Liabilities					
Trade payables	28	10,579,757.12	13,531,830.82	10,426,190.08	13,382,355.00
Short term loans	29	3,877,623.48	13,392,118.74	3,877,623.48	13,392,118.74
Income tax payable		304,043.86	547,498.62	261,537.18	541,987.70
Dividends paid	26	6,499.92	1,713.60	6,499.92	1,713.60
Other current liabilities	30	1,538,598.89	1,667,477.77	1,439,331.00	1,521,343.39
Total current liabilities		**16,306,523.27**	**29,140,639.55**	**16,011,181.66**	**28,839,518.43**
Total liabilities		**22,380,996.41**	**30,107,854.77**	**22,040,331.66**	**29,749,518.43**
Total Equity and Liabilities		**37,618,835.76**	**46,552,649.99**	**39,757,183.46**	**48,146,974.50**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title "MOTODYNAMICS S.A."

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008
(amount in Euro)

	Share capital	Share premium	Reserves	Cumulative consolidated exchange dif.	Reserves for allocation of free shares to directors	Treasury Share Purchase	Retained Earnings	Total	Minority interest	Total Equity
Balance 31 December 2006	**3,026,700,**	**6,038,244.00**	**1,414,733.21**	**49,714.61**	**-**	**-**	**5,538,783.29**	**16,068,175.11**	**62,901.19**	**16,131,076.30**
Results of the period (1/1 - 31/12/2007)	-	-	-	-	-	-	2,622,712.49	2,622,712.49	17,821.39	2,640,533.88
Minorities rights acquisition (note 4)	-	-	-	-	-	-	(21,458.28)	(21,458.28)	(8,541.72)	(30,000.00)
Cumulative consolidation exchange differences	-	-	-	(142,214.96)	-	-	-	(142,214.96)	-	(142,214.96)
Dividends (note 26)	-	-	-	-	-	-	(2,154,600.00)	(2,154,600.00)	-	(2,154,600.00)
Transfer to reserves (note 25)	-	-	4,458.09	364.10	-	-	(4,822.19)	-	-	-
Reserve transferred to retained earnings (Law N3220/2003) (note 25)	-	-	(400,000.00)	-	-	-	400,000.00	-	-	-
Balance 31 December 2007	**3,026,700.00**	**6,038,244.00**	**1,019,191.30**	**(92,136.25)**	**-**	**-**	**6,380,615.31**	**16,372,614.36**	**72,180.86**	**16,444,795.22**
Balance 31 December 2007	**3,026,700.00**	**6,038,244.00**	**1,019,191.30**	**(92,136.25)**	**-**	**-**	**6,380,615.31**	**16,372,614.36**	**72,180.86**	**16,444,795.22**
Results of the period (1/1 – 31/12/2008)							1,140,433.19	1,140,433.19	(48,694.29)	1,091,738.90
Dividends (note 26)	-	-	-	-	-	-	(2,154,600.00)	(2,154,600.00)	-	(2,154,600.00)
Cumulative consolidation exchange differences	-	-	-	(99,203.99)	-	-	-	(99,203.99)	-	(99,203.99)
Reserves for allocation of free shares to directors 23)	-	-	-	-	53,575.81	-	-	53,575.81	-	53,575.81
Treasury Share Purchase (note 24)	-	-	-	-		(98,466.59)	-	(98,466.59)	-	(98,466.59)
Balance 31 December 2008	**3,026,700.00**	**6,038,244.00**	**1,019,191.30**	**(191,340.24)**	**53,575.81**	**(98,466.59)**	**5,366,448.50**	**15,214,352.78**	**23,486.57**	**15,237,839.35**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title "MOTODYNAMICS S.A."

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2008
(amount in Euro)

	Share capital	Share premium	Reserves	Treasury Share Purchase	Reserves for allocation of free shares to directors	Retained Earnings	Total Equity
Balance 31 December 2006	**3,026,700.00**	**6,038,244.00**	**1,414,733.21**	**-**	**-**	**7,360,515.22**	**17,840,192.43**
Results of the period (1/1 – 31/12/2007)	-	-	-	-		2,711,863.64	2,711,863.64
Dividends (note 26)	-	-	-	-	-	(2,154,600.00)	(2,154,600.00)
Reserve transferred to retained earnings (Law N3220/2003) (note 23) 25)	-	-	(400,000.00)	-	-	400,000.00	-
Balance 31 December 2007	**3,026,700.00**	**6,038,244.00**	**1,014,733.21**	**-**	**-**	**8,317,778.86**	**18,397,456.07**
Balance 31 December 2007	**3,026,700.00**	**6,038,244.00**	**1,014,733.21**	**-**	**-**	**8,317,778.86**	**18,397,456.07**
Results of the period (1/1 – 31/12/2008)	-	-	-	-	-	1,518,886.51	1,518,886.51
Dividends (note 26)	-	-	-	-	-	(2,154,600.00)	(2,154,600.00)
Reserves for allocation of free shares to (note 23)	-	-	-	-	53,575.81	-	53,575.81
Treasury Share Purchase (note 24)	-	-	-	(98,466.59)	-	-	(98,466.59)
Balance 31 December 2008	**3,026,700.00**	**6,038,244.00**	**1,014,733.21**	**(98,466.59)**	**53,575.81**	**7,682,065.37**	**17,716,851.80**

The accompanying notes are an integral part of these financial statements.

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title "MOTODYNAMICS S.A."

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2008
(amount in Euro)

Indirect Method	Notes	GROUP		PARENT COMPANY	
		31 December 2008	31 December 2007	31 December 2008	31 December 2007
Operating Activities					
Profit before taxes		**2,039,774.66**	**4,079,156.97**	**2,357,387.74**	**4,035,342.99**
- Depreciation	15	677,373.73	702,149.59	471,176.12	524,733.33
- Provision for staff retirement indemnities	27	130,341.69	121,639.33	128,381.69	119,639.33
- Provision for doubtful receivables	20	101,165.87	94,552.90	71,915.87	90,000.00
- Provision for slow moving inventory	19	64,632.68	125,170.60	59,632.68	64,877.46
- Provinions for allocation of free shares to directors	23	53,575.81	-	53,575.81	-
- Foreign exchange differences	11.12	66,775.34	(13,965.14)	(16,968.02)	(3,078.44)
- Operating activities result		(37,873.98)	(100,363.13)	(37,873.98)	(111,687.50)
- Credit interests	11	(35,359.69)	(28,354.77)	(20,616.18)	(24,293.92)
- Payable interests and other relevant expenses	12	876,203.91	571,424.39	850,707.64	521,143.01
Add/ less radjustments for changes in working capital or related to operating activities					
Decrease / (Increase) in:					
- Inventories		6,933,306.25	(5,244,642.53)	6,950,935.09	(5,115,416.58)
- Non-current assets		(14,023.82)	(1,505,549.08)	(19,100.73)	(1,508,811.40)
- Trade receivables		1,830,882.52	(181,778.42)	1,709,764.26	(325,713.01)
- Other current receivables		(56,657.12)	(50,341.13)	(68,281.91)	(207,223.34)
(Decrease) / Increase in:					
- Non-current liabilities		(11,892.08)	(32,837.47)	-	-
- Trade and other payable		(2,952,073.70)	(4,948,336.62)	(2,956,164.92)	(4,904,390.37)
- Other short term liabilities		(253,883.98)	315,214.81	(82,084.73)	337,933.88
Minus:					
- Debit interest and relevant expenses paid	12	(876,203.91)	(571,424.39)	(850,707.64)	(521,143.01)
- Income tax paid		(1,119,932.93)	(1,695,729.59)	(1,099,370.29)	(1,662,820.34)
- Realized foreign exchange differences	11.12	(66,775.34)	13,965.14	16,968.02	3,078.44
- Utilized provision for doubtful clients	20	(28,634.98)	(103,019.78)	(1,915.87)	(103,019.78)
- Realized depreciation of goods	19	(59,632.68)	(135,170.61)	(59,632.68)	(64,877.46)
- Staff indemnity payment		(11,191.69)	(36,639.33)	(9,231.69)	(36,639.33)
Total cash inflow / (outflow) from operating activities (a)		**7,249,896.56**	**(8,624,878.25)**	**7,448,496.28**	**(8,892,366.04)**
Investing Activities					
- Acquisition of subsidiary		-	-	-	(30,000.00)
- Purchases of tangible and intangible fixed assets	15.17	(1,390,944.94)	(1,130,719.72)	(1,336,013.46)	(1,001,422.97)
- Sale of tangible and intangible fixed assets		681,296.89	627,522.03	681,296.89	598,548.60
- Interest received	11	35,359.69	28,354.77	20,616.18	24,293.92
- Minorities proportion in subsidiaries capital increase		-	-	-	(861,930.72)
Total cash outflow from investing activities (b)		**(674,288.36)**	**(474,842.92)**	**(634,100.39)**	**(1,270,511.17)**
Financing Activities					
- Receipts from issued / utilized loans		30,432,903.53	26,311,825.65	30,332,903.53	26,007,674.23
- Loan repayments		(34,947,398.79)	(15,703,124.42)	(34,847,398.79)	(14,855,539.21)
- Dividends paid	26	(2,149,813.68)	(2,153,810.40)	(2,149,813.68)	(2,153,810.40)
- Treasury Share Purchase		(98,466.59)	-	(98,466.59)	-
Total cash inflow from financing activities (c)		**(6,762,775.53)**	**8,454,890.83**	**(6,762,775.53)**	**8,998,324.62**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		(187,167.33)	(644,830.34)	51,620.36	(1,164,552.59)
Cash and cash equivalents at opening of year		1,235,770.02	1,880,600.36	402,306.58	1,566,859.17
Cash and cash equivalents at end of year	22	**1,048,602.69**	**1,235,770.02**	**453,926.94**	**402,306.58**

The accompanying notes are an integral part of these financial statements.

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emporiki Eisagogiki Ditrohon kai Mihanon Thalassis ("Motodynamics" S.A.) is a Greek group ("Group") whose activities mainly involve the import, representation, distribution and trading of motorized two-wheeler vehicles and marine products (outboards, inflatable craft and WaveRunners), spare parts, lubricants and tyres. The parent company "Motodynamics S.A" was established in Greece in 1992 for a duration of 25 years, until 2018.

Until December 31, 2007 MOTODYNAMICS S.A. was a subsidiary company of S&B Industrial Minerals S.A.. S&B's equity holdings in MOTODYNAMICS S.A., on 31/12/07 was up to 57.24%. On January 11th 2008, the General Shareholders' Meeting of S&B Industrial Minerals S.A. approved the concession (carve-out) directly to the S&B shareholders of the majority of shares it held in MOTODYNAMICS S.A. and the said procedure was completed on March 3rd 2008.

The Group has the exclusive right to distribute the products of Yamaha Motor Co. and associated companies in Greece, Romania and Bulgaria. The contracts granting this exclusive right expire on December 31, 2011 in the case of Greece and on June 30, 2010 in the case of Romania and Bulgaria.

From June 2005 the Company's shares have been traded in the Parallel Market of Athens Stock Exchange. The Company's headquarters are located in Kifissia, on the 14th klm. of the Athens-Lamia National Road.

The accompanying annual financial statements include the annual financial statements of Motodynamics and subsidiaries whose activities are described in note 4.

The employees for the year ended December 31, 2008 were 139 for the parent company and 174 for the Group, and for the previous year were 122 and 156 respectively.

The annual Financial Statements for the year ended December 31, 2008 were approved by the Company's Board of Directors in its meeting of March 5, 2009.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION

(a) Basis of Preparation of the Financial Statements: The accompanying consolidated and separate Financial Statements, («the financial statements») have been prepared on the basis of historical cost and according to the International Financial Reporting Standards («IFRS») adopted by the European Union.

(b) Approval of Financial Statements: The Financial Statements for the year ended December 31, 2008 were approved by the Company's Board of Directors in its meeting of March 5, 2009. It should be noted that the accompanying financial statements are subject to the approval of the Annual General Shareholders Meeting.

(c) Use of estimates: The preparation of Financial Statements in accordance with the IFRS requires that the management makes estimates, assumptions and adjustments which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as well as the revenues and expenditures presented for the reporting period. These estimates, assumptions and judgments are periodically reviewed so as to reflect actual facts and will reflect the risks prevailing at the time; they are based on the previous experience of the management in relation to the size of related transactions or events. The actual results may differ from these estimates. The most significant estimates and judgments related to facts the evolution of which could affect the financial statements' items during the following 12 months are cited below:

- Provision for income tax: The income tax provision according to IFRS 12 is calculated by estimate of the taxes to be paid to tax authorities and includes the current income tax for every use and provision for additional taxes that may occur during tax audits. The final settlement of income taxes may diverge from the relevant amounts recorded in the financial statements.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- ***Provision for doubtful receivables:*** The Group calculates a special provision for doubtful receivables based on estimates of the administration regarding the possibility of collecting its receivables, which is reassessed at the year end.

(d) Adaptation of new Standards and Interpretations: Up to the date of the approval of the financial statements Certain new IFRS, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after January 1, 2008 or later periods. The Company's management estimate in relation to the effects of the adoption of the new standards and interpretations is as follows:

- ***Interpretation 11, IFRS 2 "Transactions with Treasury Shares and Between Group Companies"***. Interpretation 11 requires that transactions in which a right on participating securities is provided to employees of the company are regarded, for accounting treatment purposes, as remunerations determined by the value of shares settled by participating securities, even in case that the company chooses or is obliged to purchase these securities from third parties or that the Company's shareholders concede such securities. The Interpretation also extends to the way that subsidiaries treat, in their separate financial statements, schemes according to which their employees receive rights on participating securities of the parent company. Interpretation 11 is not applicable to the Group.

- ***Interpretation 12, "Service Concession Arrangements".*** Interpretation 12 addresses the way in which assignees must apply the applicable IFRSs to recognize the obligations they assume and the rights conceded to them in the relevant concession arrangements. Based on the Interpretation, the assignees must not recognize the relevant infrastructure as a tangible asset but they must recognize a financial asset and/or an intangible asset. The European Union has not adopted yet this interpretation. Interpretation 12 is not applicable to the Group.

- ***Interpretation 14, "IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction".*** Interpretation 14 provides directions regarding the method to assess the limit on the surplus amount that can be recorded as assets in a defined benefit scheme pursuant to IAS 19 *'Benefits to Employees'*. Moreover, it explains how this limit may be affected in case of a minimum funding legal or contractual requirement and standardizes the existing practice. The Group has no defined benefit funded schemes.

The following new standards, amendments/ revisions to the standards or interpretations have been issued but they do not apply to the financial year beginning on January 1st 2008 and they will not be applied earlier by the group/ company:

- ***Interpretation 13, "Customer Loyalty Programmes",*** applies to annual periods beginning on or after July 1st 2008. Interpretation 13 requires that the loyalty award credits are presented as a separate part of the sales transaction by which they are assigned and, therefore, a part of the sales price's fair value is allocated to them and recorded during the year in which such awards are exercised. The Group expects that this Interpretation will have no impact on its financial statements, since it does not implement such programmes.

- ***Interpretation 15, "Agreements for the Construction of Real Estate"*** applies to annual periods beginning on or after January 1st 2009. Interpretation 15 provides directions for the determination of whether an agreement for the construction of real estate falls under the implementation framework of IAS 11 "Construction Agreements" or IAS 18 "Revenues" and, as to such standard, when the revenues from the construction must be recognized. The interpretation has retroactive effect. The European Union has not adopted yet this interpretation. Interpretation 15 shall not affect the Financial Statements, since the Group has no business in this sector.

- ***Interpretation 16, "Hedges of a net investment in a foreign operation***", applies to annual periods beginning on or after October 1st 2008. This interpretation specifies that:

  - The Financial Statements' presentation currency does not create exposure to risk for which the Company may apply hedging accounting. Therefore, the parent company may determine as a risk to be hedged only the foreign exchange differences occurring between its functional currency and the currency of the foreign operation.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- Any Group company may hold hedging instruments.
- Even though IAS 39 "Financial Instruments: Recognition and Measurement" applies to the determination of the amount to be transferred to the Results from the foreign exchange difference reserves regarding the hedging instrument, IAS 21 "The Effects of Changes in Foreign Exchange Rates" applies as to the hedged item.

The interpretation shall be applied in the future. The European Union has not adopted yet this interpretation. This interpretation has no effect on the Group Financial Statements.

- ***Interpretation 17, "Distribution of Non-Cash Assets to Owners***", applies to annual periods beginning on or after July 1st 2009. This interpretation specifies the following issues:

  - the payable dividend must be recognized when the dividend is approved and is no longer at the company's disposal,
  - the company must measure the payable dividend at the fair value of the net assets to be distributed,
  - the company must recognize the difference between the dividend paid and the book value of the net assets distributed in the results, and
  - the company must provide additional disclosures, as long as the net assets held for distribution to the owners comply with the definition of discontinued operation.

  Interpretation 17 applies in case of distribution of non-cash assets on a proportional basis, except in case of jointly controlled transactions. This interpretation shall be applied in the future, while earlier implementation thereof is encouraged. The European Union has not adopted yet this interpretation. The Group is under examination of the impact of the interpretation.

- ***Interpretation 18, "Transfers of Assets from Customers",*** applies to annual periods beginning on or after July 1st 2009. This Interpretation regards specifically the utility sector, specifying the accounting treatment of agreements in which the company acquires a tangible asset (or cash in order to construct relevant assets) from a customer and this asset is used as a consideration for the customer's connection to the grid or the provision of future access so that the customer can supply its products or services. This interpretation shall be applied in the future; however, limited retroactive implementation thereof is allowed. The European Union has not adopted yet this interpretation. The Group is under examination of the impact of the interpretation.

- ***Amendments to IFRS 2, "Share Based Payments"-Vesting Conditions and Cancellations*** apply to annual periods beginning on or after 1 January 2009. The amendment specifies two issues: The definition of "vesting condition", introducing the term "non-vesting condition" for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. The Group expects that this Interpretation will have no impact on its financial statements.

- ***Revised IFRS 3, "Business Combinations", and Amended IAS 27, "Consolidated and Separate Financial Statements"***, apply to financial years beginning on or after July 1st 2009. The International Accounting Standards Board (IASB) published on January 10th 2008 the Revised IFRS 3 "Business Combinations" and the Amended 27 "Consolidated and Separate Financial Statements". The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect the amount of the goodwill recognized, the results of the period in which the business combination takes place and the future results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). Revised IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The European Union has not adopted yet the revision to IFRS 3 and the amendment to IAS 27. All changes in the above standards will be implemented from their implementation date and will affect future acquisitions and transactions with minority shareholders after such date.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- ***IFRS 8, "Operating Segments",*** applies to annual periods beginning on or after January 1st 2009. IFRS 8 replaces IAS 14 "Segment Reporting" and adopts the management approach regarding the financial information reported per segment. The information reported will be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is under assessment of the impact of such standard on its financial statements.

- ***Amendments to IAS 1, "Presentation of Financial Statements"***, apply to annual periods beginning on or after January 1st 2009. IAS 1 has been amended to enhance the usefulness of the information reported in the financial statements. Among the main amendments are: the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with "other comprehensive income"; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.

- ***Amendments to IAS 32, "Financial Instruments: Presentation", and IAS 1, "Presentation of Financial Statements" as regards "Financial Instruments available by the holder (or "puttable" instruments),*** apply to annual periods beginning on or after January 1st 2009. The amendment to IAS 32 requires that certain financial instruments available by the holder ("puttable" instruments) and obligations occurring at the liquidation of an entity are classified as equity, if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relative to puttable instruments classified as equity. The Group does not expect these amendments to have an impact on its financial statements.

- ***Amendments to IAS 23, "Borrowing Costs",*** apply to annual periods beginning on or after January 1st 2009. Based on the amendments to IAS 23, the option (existing in the current standard) to recognize borrowing costs that can be directly allocated to an asset meeting the requirements in the expenses of the period is abrogated. All borrowing costs that may be directly allocated to the acquisition, construction or production of an asset meeting the requirements must be capitalized. An asset meeting the requirements is an asset that by definition requires a considerable time period of preparation for its intended use or for its sale. According to the Standard's transitional provisions, the Group will adopt the change from its implementation date and thereafter. Therefore, the borrowing costs regarding assets meeting the requirements shall be capitalized and capitalization shall begin on January 1st 2009 and thereafter. No readjustment shall be made for borrowing costs recorded in the results before such date.

- **IAS 39, "*Financial Instruments: Recognition and Measuring" and IFRS 7 "Financial Instruments: Disclosures"*** apply to annual periods beginning on or after January 1st 2009. This amendment to IAS 39 allows a company to reclassify non-derivative financial assets (other than those classified by the company in *fair value through profit or loss* at the initial recognition) outside the *fair value through profit or loss* category in certain cases. Moreover, this amendment allows a company to transfer financial assets from the *available for sale* category to the *loans and receivables* category, if the financial asset would meet the *loan and receivables* category definition (if it has not been characterized as *available for sale),* as long as the company intends and is able to maintain this financial asset in the near future. This amendment does not allow the re-classification in the fair value through profit or loss category. The amendment regards disclosures of financial assets that have been under re-classification.

In May 2008, the IASB issued a series of amendments to the IFRSs in order to remove inconsistencies, as well as to provide clarifications. These amendments apply to financial years beginning on or after January 1st 2009 and have not been adopted yet by the European Union.

- ***Amendments to IFRS 5, "Non-Current Assets Held for Sale and Discontinued Operations"*** apply to annual periods beginning on or after July 1st 2009. This amendment specifies that all assets and liabilities of a subsidiary are still classified as held for sale, pursuant to IFRS 5, even if the company, after a sale, maintains non controlling participation in the subsidiary.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

This amendment will be applied in the future from the first implementation date of the IFRS 5. Therefore, participations in subsidiaries classified as held for sale from the implementation of IFRS must be reassessed. Any early implementation of the amendment is acceptable. In case of early implementation, the amendments to IAS 27 (as amended in January 2008) must also be applied on the date of implementation of the amendments to IFRS 5. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IFRS 7, "Financial Instruments: Disclosures"***, apply to annual periods beginning on or after January 1st 2009. This amendment abrogates the reporting in the "total income from interest" as a part of financial expenses. The impact of the above changes is limited to disclosure issues.

- ***Amendments to IAS 1, "Presentation of Financial Statements",*** apply to annual periods beginning on or after January 1st 2009. This amendment specifies that assets and liabilities classified as held for commercial operation, pursuant to IAS 39, "Financial Instruments: Recognition and Measuring", are not automatically classified as current assets and liabilities in the balance sheet. This amendment has retroactive effect and its early implementation is encouraged. This amendment is not expected to affect the Group financial statements.

  Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", apply to annual periods beginning on or after January 1st 2009. The amendment specifies that only the implementing directive that is regarded as an integral part of an IFRS is mandatory in the selection of accounting policies.

- ***Amendments to IAS 10, "Events after the Reporting Period"***, apply to annual periods beginning on or after January 1st 2009. The amendment specifies that dividends approved after the balance sheet date shall not be regarded as liabilities.

- ***Amendments to IAS 16, "Tangible Assets",*** apply to annual periods beginning on or after January 1st 2009.

  - It replaces the term "net selling price" with the term "fair value less cost of sales" regarding the recoverable amount, for purposes of consistency with IFRS 5 and IAS 36.

  - Tangible assets that are held for lease and, in the normal course of business, are intended for sale upon expiration of the leasing period are transferred to the Inventories account at the expiration of such period and are classified in the assets held for sale. Proceeds from the subsequent sale are presented as income. At the same time,

- IAS 7, "Statement of Cash Flows", requiring that cash payments for the construction or acquisition of relevant assets must be classified in the Operating Activities' item is amended. Moreover, proceeds from rents and subsequent sale of relevant assets are presented in the Operating Activities' item. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 18, "Income",*** apply to annual periods beginning on or after January 1st 2009. This amendment replaces the term "direct costs" with the term "Cost of transactions", as determined by IAS 39.

- ***Amendments to IAS 19, "Employee Benefits",*** apply to annual periods beginning on or after January 1st 2009.

  - It revises the definition of "Prior Service Cost" in order to include benefit decreases regarding the employee's service in previous periods ("negative prior service costs") and to exclude benefit decreases regarding the employee's service in future periods as a result of modifications in the benefit program. Modifications in the benefit programs resulting in a decrease in the benefits regarding the employee's service in future periods are regarded as cuts. The amendment will be implemented in the future – for changes in benefits taking place on or after January 1st 2009. Any earlier implementation is encouraged.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- It revises the definition of "Return on assets of the program' excluding management expenses of the program if they have already been included in the actuarial assumptions based on which the defined benefits commitments have been measured. The amendment has retroactive effect and its earlier implementation is encouraged.

- It revises the definition of "short-term" and "other long-term" benefits to employees to focus on the point that the obligation is to be settled. The amendment has retroactive effect and its earlier implementation is encouraged.

- It abrogates the reference to contingent liabilities for purposes of harmonization with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 does not allow recognition of contingent liabilities. The amendment has retroactive effect and its earlier implementation is encouraged.

- ***Amendments to IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance",*** apply to annual periods beginning on or after January 1st 2009. Loans granted at zero or very low rate compared to that of the market shall not be excluded from the requirement to present a presumptive rate. The presumptive rate of the loans granted will be lower than the market rate and, therefore, it will be harmonized with IAS 39. The difference between the amount collected and the amount discounted is regarded as government grant. The amendment will be applied in the future – in case of government grants collected on or after January 1st 2009. Its earlier implementation is encouraged. However, IFRS 1, "First-time adoption of international financial reporting standards", has not been revised for the new users of the standards and, therefore, the presentation of a presumptive rate on all relevant loans pending on the transfer date is required. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 23, "Borrowing Costs",*** apply to annual periods beginning on or after January 1st 2009. The amendment revises the definition of "borrowing costs" in order to unify all parts of the "borrowing costs" in one – the interest cost shall be calculated according to the effective rate method as described in IAS 39. The amendment has retroactive effect and its earlier implementation is encouraged. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 27, "Consolidated and Separate Financial Statements",*** apply to annual periods beginning on or after January 1st 2009. If the parent company assesses a subsidiary at its fair value pursuant to IAS 39 in its separate financial statements, this treatment continues even in the case that, subsequently, the subsidiary is classified as held for sale. The amendment will be implemented in the future, from the first implementation date of IFRS 5. Therefore, subsidiaries classified as held for sale from the implementation date of IFRS 5 will have to be reassessed. The earlier implementation is encouraged. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 28, "Investments in Associates",*** apply to annual periods beginning on or after 1 January 2009.

  - If an associate is assessed at its fair value, pursuant to IAS 39 (as long as it has been excluded from the requirements of IAS 28), only the requirements of IAS 28 regarding the disclosure of its nature and the extent of significant restrictions in the associate's capacity to transfer capitals to the company in the form of cash in hand or loan reimbursement shall apply. The amendment has retroactive effect, even though future implementation thereof is also allowed. The earlier implementation is encouraged. In case of earlier implementation, the company must at the same time adopt the following amendment, as well as the amendment of paragraph 3 of IFRS 7, "Financial Instruments: Disclosures", paragraph 1 of IAS 31, "Interests in Joint Ventures", and paragraph 4 of IAS 32, "Financial Instruments: Presentation".

  - For purposes of conducting impairment control, the investment in an associate is regarded as a single asset – including any reversal of impairment loss. Therefore, in case of impairment, no separate allocation of the impairment in the goodwill included in the remaining investment is required. The impairment loss shall be reversed in case that the recoverable value of the investment in the associate increases. In case of earlier implementation, the company must, at the same time, adopt the amendment above and the amendment of par. 3 of IFRS 7, "Financial Instruments: Disclosures", paragraph 1 of IAS 31, "Interests in Joint Ventures", and paragraph 4 of IAS 32,

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

"Financial Instruments: Presentation". This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 29, "Financial Reporting in Hyperinflationary Economies",*** apply to annual periods beginning on or after January 1st 2009. This amendment revises the restrictive list of exclusions regarding assets and liabilities measured at their historical cost, e.g. tangible assets. No special transfer requirements are provided due to the fact that the amendment is more clarification rather than change. This amendment is not expected to affect the Group financial statements.

- ***Amendments in IAS 31, "Interests in Joint Ventures",*** apply to annual periods beginning on or after January 1st 2009. This amendment specifies that if a joint venture is assessed at fair value, pursuant to IAS 39 (as long as it has been excluded from the requirements of IAS 31), only the requirements of IAS 31 regarding disclosure of the commitments of the joint venture member and the joint venture, as well as regarding the summary of the financial information on the balance sheet data and results, shall apply. Its earlier implementation is encouraged. In case of earlier implementation, the company must at the same time adopt the amendment of paragraph 3 of IFRS 7, "Financial Instruments: Disclosures", of IAS 28 "Investments in Associates", and paragraph 4 of IAS 32, "Financial Instruments: Presentation". This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 34, "Interim Financial Reporting",*** apply to annual periods beginning on or after January 1st 2009. This amendment clarifies that earnings per share are disclosed in the interim financial reports in case that the company falls under the implementation scope of IAS 33.

- ***Amendments to IAS 36, "Impairment of Assets",*** apply to annual periods beginning on or after January 1st 2009. This amendment specifies that, when the method of discounted cash flows is used to calculate the "fair value less the costs to sell", the same disclosures as in the case of using the method of discounted cash flows for calculating the "value in use" are required. This amendment has retroactive effect and its early implementation is encouraged.

- ***Amendments to IAS 38, "Intangible Assets",*** apply to annual periods beginning on or after January 1st 2009.

  - Advertisement and promotion expenses are recognized as costs when the company acquires access rights to the products or receives the services. This amendment has retroactive effect and its early implementation is encouraged.

  - It abrogates the reference to rare cases of evidence supporting the depreciation method of intangible assets with limited useful life, which results in the calculation of less accumulated depreciations than those that would occur if the fixed cost method was applied, thus allowing the use of the production unit depreciation method. This amendment has retroactive effect and its early implementation is encouraged.

  - An advance payment may be recognized only in case that the payment has been made before obtaining the access right to the products or before receiving the services.
  - This amendment is not expected to affect the Group financial statements.

- **Amendments to IAS 39, "Financial Instruments: *Recognition and Measuring",*** apply to annual periods beginning on or after January 1st 2009.

  - It specifies that changes in conditions regarding derivatives – more specifically, derivatives that have been characterized or de-characterized as accounting hedging instruments after their initial recognition – are not regarded as reclassifications. Therefore, a derivative may be transferred from, or included in, 'fair value through profit or loss" category after its initial recognition. Similarly, when financial assets have been under reclassification as a result of change in the accounting policy of an insurance firm pursuant to paragraph 45 of IFRS 4, "Insurance Contracts", this constitutes change in the circumstances and not reclassification. This amendment has retroactive effect and its early implementation is encouraged.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION (continued)

- It abrogates the reference of IAS 39 to the term 'segment' at the definition of a tool as an accounting hedging instrument. This amendment has retroactive effect and its early implementation is encouraged.

- It requires the use of the revised effective rate (contrary to the initial effective rate) at the re-definition of a debit instrument upon cessation of fair value accounting hedging. This amendment has retroactive effect and its early implementation is encouraged.

- ***Amendments to IAS 40, "Investments in Real Estate",*** apply to annual periods beginning on or after January 1st 2009.

  - It revises its implementation scope (as well as the implementation scope of IAS 16) as regards real estate that is under construction or exploited for future use as investment property, which must be classified in the investments in the real estate category. If a company is not able to determine the fair value of the investment property under construction but expects to determine its fair value at its completion, the investment property under construction will be measured at cost until its fair value can be determined or its construction is completed. The amendment has future effect, while its earlier implementation is encouraged. A company is allowed to apply the relevant amendment at any time before January 1st 2009, as long as the fair values of the investment properties under construction can be determined on the specific implementation date.

  - It revises the conditions of voluntary change in the accounting policy for purposes of consistency with IAS 8.

  - It specifies that the book value of an investment property under lease is equal to its last valuation increased by any liability recognized. This amendment is not expected to affect the Group financial statements.

- ***Amendments to IAS 41, "Agriculture",*** apply to annual periods beginning on or after January 1st 2009.

  - It replaces the term "point of sales cost" with the term "cost of sales". It replaces in the example "*Trees in a plantation"* the term "Tree trunks" with the term "trees logged".

  - It abrogates the reference to the use of pre-tax discount rate for the determination of fair value, thus allowing the use of either pre-tax or post-tax discount rate depending on the valuation method applied.

  - It abrogates the prohibition to take into account cash flows emanating from additional variations at the fair value assessment. On the contrary, cash flows expected to be produced from the "most relevant purchase" are taken into account. This amendment has retroactive effect and its early implementation is encouraged.
  - This amendment is not expected to affect the Group financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies on the basis of which the financial statements are prepared are the following:

(a) ***Basis of consolidation:*** The accompanying consolidated financial statements of the Company include those of the parent ("MOTODYNAMICS») and its subsidiaries. All subsidiaries (entities in which Motodynamics has direct or indirect ownership of the majority of voting interest and/or has the power to control the Board) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and cease to be consolidated on the date at which control is transferred out of the Group. All intercompany balances and transactions have been eliminated. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with those of the parent. A full list of consolidated subsidiaries along with the related effective ownership interests is provided in Note 4. It is noted that all Group subsidiaries have the same Financial Statement closing date.

(b) ***Functional and Presentation Currency and Foreign Currency Translation:*** The functional and presentation currency of Motodynamics and its Greek subsidiaries is the Euro. Transactions involving other currencies are converted to Euro using the exchange rates which are in effect at the time of the transactions. Assets and liabilities in foreign currency are adjusted to reflect the exchange rates as at the balance sheet date. Profits and losses resulting from transactions in foreign currency as well as year-end valuation of monetary assets and liabilities in foreign currency are reported in the income statement, with the exception of transactions that comply with cash flow hedging requirements that are reported in equity. The functional currency of the Company's foreign subsidiaries is the official currency of the country in which each subsidiary operates. Accordingly, at each reporting date all balance sheet accounts of the subsidiaries are translated into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the weighted average rate of exchange prevailing during the reporting year/period. The accumulated difference resulting from such translation is recognized directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.

(c) ***Intangible Assets:*** intangible assets consist mainly of software, the value of which represents acquisition cost increased by any type of outlay incurred during system implementation and reduced by accumulated depreciation and possible impairment. Significant subsequent expenditures are capitalized when they enhance software performance beyond initial specifications. The acquisition value and the accumulated depreciation of an asset are de-recognized after its disposal or when no further economic benefits are expected from its use. Any profit or loss resulting from the de-recognition of an asset is included in the income statement of the year in which the asset was de-recognized.

(d) ***Tangible Assets:*** Tangible Assets are stated at historical cost less accumulated depreciation, if applicable, and any accumulated impairment losses. Repairs and maintenance are charged to expenses as incurred. Significant subsequent expenses are capitalized when increasing the fixed asset's useful life or its production capacity or when decreasing its operating cost. The acquisition value and the accumulated depreciation of an asset are de-recognized after its disposal or when no further economic benefits are expected from its use. An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(e) ***Depreciation:*** Depreciation is calculated on a straight-line basis over the average estimated useful economic life of the assets and is included in the income statement. It is noted that plots are not amortized. The useful lives used are as follows:

Class	Years
Buildings	40
Building improvements	20
Machinery and equipment	5 – 8
Means of transportation	5 – 10
Furniture and fixtures	3 – 8
Software	3

(f) ***Impairment of Assets:*** The carrying values of non-current assets are subject to impairment if events or changes in circumstance indicate that their carrying values are no longer recoverable.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

The loss from asset impairment is accounted for in the income statement for the year in which the net carrying value of the asset after depreciation exceeds its recoverable amount. Recoverable amount is determined as the greater of the net selling price and the value in use of the asset in question. Net selling price is the amount which can be obtained from the sale of an asset in an arms length transaction in which both parties are willing and knowledgeable after the deduction of any incremental disposal costs, while value in use is the present value of expected future cash flows which will result from the continuing use of the asset and from its disposal at the end of its estimated useful life. For the purposes of assessing impairment, assets are grouped at the lowest level for which there exist separately identifiable cash flows.

(g) Investments in subsidiaries: Investments in subsidiaries are measured at cost less any accumulated impairment losses. In the company's financial statements the participation of its subsidiaries evaluated at cost value reduced by their value depreciation, when necessary.

(h) Inventories: Inventories are valued at the lower of acquisition cost and of net realizable value. The acquisition cost includes their purchase price plus any other costs necessary to bring them to the company's warehouses, and is determined for the main products (two-wheelers, marine products etc.) by the specific identification method, while for spare parts, accessories and other complementary products by the weighted average cost method. A provision for impairment of inventory value is formed using management estimates based on each situation and the possibility of using the products if this becomes necessary, keeping in mind that the company is obligated to maintain a safety stock of spare parts for the totality of models in circulation.

(i) Trade Accounts Receivable: Accounts receivable are presented at nominal value after provisions for doubtful balances. The level of the provision for doubtful receivables formed by Motodynamics and its subsidiaries at the end of each reporting period is determined on the basis of an estimate of the potential risk of non-collection of past due balances or receivables currently in litigation. The accumulated amount of the provision for doubtful receivables is reduced by the amount of receivables declared to be non-collectible. It is the Group of companies and Company's policy not to write off any receivables until all possible forms of legal recourse for collection have been exhausted.

(j) Financial Assets and Liabilities: Financial assets and liabilities on the balance sheet include cash and equivalents, other receivables and short and long term liabilities. The accounting principles for recognizing and valuating such items are stated in the respective accounting principles presented in this note. Interest, dividends, profits and losses resulting from financial assets and liabilities are accounted for as revenues of expenditures respectively. The distribution of dividends is accounted for directly in the net equity position. Motodynamics and subsidiaries do not derivative financial products, either for risk hedging or for profit-making purposes. Usual risks which theoretically the company is subject to are market risks (market prices, interest rates, changes in foreign exchange rates), credit risk, liquidity risk.

(k) Cash and Cash Equivalents: Fixed-term deposits and other highly liquid investments with a maturity less than three months are considered to be cash equivalent.

(l) Bank Loan: Bank loans and credits are initially recognized at cost, which reflects their fair value reduced by the loan arrangement expenses. After initial recognition, loans are valued at their unamortized cost based on the effective interest rate method. Unamortized costs include any type of loan or other credit issuance expenses.

(m) Borrowing Costs: Borrowing costs are recognized as an expense in the period in which they are incurred.

(n) Provision for Staff Leaving Indemnities: Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees' earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying income statement and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial profits or losses recognized in the fiscal year and any additional pension changes. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Unrecognized actuarial profits or losses are recognized in equal installments during the average remaining employment period of active staff, and are included in net departure costs due to retirement for the reporting year in cases where at the beginning of the reporting year the accumulated balance exceeds 10% of the expected future obligations for benefits. The retirement benefit obligations are not funded. No provision for employees in foreign subsidiaries shall be calculated, since no vesting of such right exists by law.
The Group applies a scheme for granting participation securities (shares) of the parent Company to key management personnel. The fair value of the services provided by employees to whom free shares are granted is recorded as expense. The total expense is recorded during the vesting period of such rights and is determined based on the reasonable value of the rights granted. On each balance sheet date, the Group re-examines its estimates on the number of options expected to be exercised and records the readjustment, if any, in the results with respective impact on equity.

***(o) Income Tax (Current and Deferred*):** Current income tax in the consolidated financial statements is estimated on the basis of financial statements of every company that is included in the consolidation, according to the Greek tax laws currently in force or laws in force in countries where subsidiaries operate. In the separate financial statements current income tax is estimated on the basis of the parent financial statements according to the Greek tax laws currently in force. The expenditure for income tax consists of income tax calculated on the basis of annual results as these are modified in the Company's tax statements, additional income taxes determined by tax audits conducted by the tax authorities and deferred income taxes on the basis of tax rates currently in use. Deferred income taxes are computed on the basis of the liability method for any temporary difference which results from the difference between the tax base of asset or liability, and their accounting value as this is presented in the financial statements. No deferred tax claim is accounted for where the expected tax benefit will probably not be realized in the near future. For transactions recognized directly in the Company's net equity position, any tax consequence is recognized in the net equity position. The calculation for deferred taxes is carried out using either enacted or substantively enacted tax rates on the basis of which it is expected that tax claims or obligations will be settled.

(p) Provisions and Contingent Assets and Liabilities: Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, whose settlement involves an outflow of funds and where the exact amount of any eventual liability can be credibly estimated. Provisions are re-examined at the date of preparation of every balance sheet and are modified so as to reflect the present value of the expense expected to be incurred to settle the obligation. In cases where there is a substantial time delay from the recognition of a provision to the expected time of settlement, provisions are discounted using a pretax discount rate. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the inflow of economic benefits is probable.

(q) Earnings Per Share: Earnings per share are computed by dividing net profits attributable to shareholders of the parent by the weighted average number of shares in circulation each year, subtracting the average number of shares repurchased as treasury stock. Diluted earnings per share are computed by dividing net profits attributable to shareholders of the parent restated by the impact of potential conversion on instruments convertible to shares, by the average number of shares mentioned above, restated by the impact of potential conversion of instruments convertible to shares.

(r) Recognition of Revenues: Revenues are recognized to the degree that it is probable that economic benefits will flow and where revenue can be reliably measured. Revenues from the sale of goods after the deduction of any discounts and commissions are recognized when the buyer assumes the significant risks and benefits deriving form ownership of the goods in question. Intercompany sales between Group companies are written off. Revenues from the provision of services are recognized on the basis of the stage of completion of the services provided at the date of financial statement preparation, compared to the total services to be provided. Revenues from interest are recognized as revenues in the period to which they refer and revenues from dividends are recognized when the right to receive them has been approved by the respective bodies of the companies declaring the dividends.

(s) Segment Information: The Group of companies operates mainly in the markets for motorized two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as business segments and for which it discloses the required information. Uniform accounting principles are followed for each of these segments. Due to the fact that sales, results and assets outside Greece represent less than 10% of the respective Group total, the respective analyses per geographical region are not disclosed.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Treasury Shares: Treasury Shares represent Company shares acquired and held by the Company. Treasury shares are presented at acquisition cost, as a separate item, deducted from the equity. Any result occurring from the purchase, sale or cancellation of treasury shares is directly recognized in equity.

(u) Reclassification of items: Certain items of the balance sheet and the income statement of the previous year have been reclassified in order to become comparable to those of the closing year.

(v) Operating Leases: Leases in which the lessor maintains substantially all benefits and risks emanating from the ownership of the asset are classified as operating leases. Rent payments for operating leases are recorded as expenses in the results systematically during the lease.

(w) De-recognition of Financial Assets and Liabilities:

(i) Financial assets: Financial assets (or, as the case may be, the part of a financial asset or the part of a financial asset group) are de-recognized when:

- The rights on the case resources' inflow have expired.

- The Company maintains the right on the inflow of cash resources from the specific asset but has also assumed a liability against third parties to fully reimburse them without unreasonable delay in the form of a transfer contract.

- The Company has transferred the right on the inflow of case resources from the specific asset, while, at the same time, it has either (a) transferred substantially all risks and benefits or (b) not transferred substantially all risks and benefits, but has transferred the control over the specific asset.

- In cases that the Company has transferred the rights on inflow of case resources from the specific asset but has not transferred substantially all risks and benefits from, or the control over, the specific asset, then such asset is recognized at the extent of the Company's continued participation in such asset. The continued participation that has the form of a guarantee on the asset transferred is assessed at the lower of the asset's initial balance and the maximum amount that the Company is called to pay. When the continued participation has the form of call and/or put option on the asset (including options settled by cash), the extent of the Company's continued involvement is the value of the asset transferred that the Company may repurchase, excluding the case of a put option on the asset that is assessed at fair value, where the continued participation of the Company is limited to the lower of the fair value of the asset transferred and the option exercise price.

(ii) Financial liabilities: Financial liabilities are de-recognized when the liability is cancelled or expires or no longer exists. If an existing liability is replaced by another of the same lender but under substantially different terms or if there are material changes in the terms of an existing liability, then the initial liability is de-recognized,
and a new liability is recognized and the difference that occurs in the balances is recognized in the results.

(x) Dividends: Dividends are accounted for as income, when the right to collect them is vested. The distribution of dividend is recognized as a liability when approved by the General Shareholders' Meeting.

4. PARTICIPATION IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Motodynamics and its subsidiaries that are consolidated according to the full consolidation method as follows:

Subsidiary / Business	Establishment year	%	Country
Motodiktyo S.A. Representation, import, sales, distribution, maintenance, repair and assembly of motorcycles, motorbikes, machinery and motors of all types	2002	51%	Greece
Motodiktyo Northern Greece S.A. Representation, import, sales, distribution, maintenance, repair and assembly of motorcycles, motorbikes, machinery and motors of all types	2004	51%	Greece
Motodynamics Insurance Brokerage S.A. Insurance	2003	100%	Greece
Motodynamics Srl. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Romania	1994	100%	Romania
Motodynamics Ltd. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Bulgaria	1992	100%	Bulgaria

On 31/12/07 the Group acquired the remaining 25% of Motodynamics Insurance Brokerage S.A., reaching 100%. As a result of this increase the difference of € 21,458.28 between the purchased price and the minority interests which have been obtained, was included on equity because it was considered as a transaction among shareholders (entity concept method).

On February 2009, by decision of the Board of Directors of "MOTODYNAMICS S.A." and the respective decision of the Board of Directors of "MOTODYNAMICS INSURANCE BROKERAGE S.A" and pursuant to the provisions of articles 78 of C.L. no. 2190/1920 and articles 1-5 of Law no. 2166/1993, the merger by takeover of its 100% subsidiary, the societe anonyme under the trade name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" was decided. The Draft Merger Contract, the Transformation Balance Sheet dated 31/3/2009, as well as any other documents provided for by law, will be published one month before the opening of the merger act results.

Participation in subsidiaries included in the financial statements is as follows:

	31 December 2008	31 December 2007
Motodiktyo S.A.	108,146.52	108,146.52
Motodiktyo Northern Greece S.A.	76,500.00	76,500.00
Motodynamics Insurance Brokerage S.A.	120,000.00	120,000.00
Motodynamics Srl.	1,883,927.84	1,883,927.84
Motodynamics Ltd.	2,036,859.28	2,036,859.28
	4,225,433.64	**4,225,433.64**

5. RELATED PARTIES TRANSACTIONS

Transactions with subsidiaries

The transactions with subsidiaries (sales of merchandises and provision of services) are carried out in the normal business operation of the Company. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31, 2008 there are no guarantees or any other company commitments to its subsidiaries. The Company's Administration does not regard that provision is required for potential failure to collect its receivables from its subsidiaries and, for that reason, no provision has been formed.

The transactions are as follows:

	PARENT COMPANY	
	31 December 2008	**31 December 2007**
Sales of goods and services		
Motodiktyo S.A.	2,063,831.48	2,009,433.50
Motodiktyo N.G. S.A.	1,415,608.63	1,285,956.41
Motodynamics Ltd.	1,157,546.73	989,106.93
Motodynamics Srl.	2,621,217.44	3,514,892.42
Motodynamics Insurance Brokerage S.A.	-	1,634.73
	7,258,204.28	**7,801,023.99**
Purchases of goods and services		
Motodiktyo S.A.	23,944.10	7,020.40
Motodiktyo N.G. S.A.	2,558.20	2,617.50
Motodynamics Ltd.	8,446.00	-
Motodynamics Srl.	278,902.19	-
	313,850.49	**9,637.90**
Receivables		
Motodiktyo S.A.	1,280,196.06	1,044,068.84
Motodiktyo N.G. S.A.	537,071.17	590,055.14
Motodynamics Ltd.	231,901.31	36,369.72
Motodynamics Srl.	875,938.11	1,061,105.28
Motodynamics Insurance Brokerage S.A.	349.20	1,634.73
	2,925,455.85	**2,733,233.71**
Liabilities		
Motodiktyo S.A.	25,693.29	2,686.90
Motodiktyo N.G. S.A.	2,351.67	2,496.03
Motodynamics Srl.	1,116.00	-
	29,160.96	**5,182.93**

5. RELATED PARTIES TRANSACTIONS (continued)

	Motodynamics Ltd.		Motodynamics Srl.	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Sales of goods and services				
Motodynamics Srl	**-**	**606,484.00**	**-**	**-**
	-	606,484.00	-	-
Purchases of goods and services				
Motodynamics Ltd.	**-**	**-**	**-**	**606,484.00**
	-	-	-	606,484.00

Transactions-balance with other related parties

Breakdown of the transactions and balances of the Group with the S&B Industrial Minerals S.A. Group companies follows for the reported periods. The said Groups have a common basic shareholder. The basis on which the company transacts with such associates is the same as the one on which it transacts with other subsidiaries.

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Sales of goods and services				
Ergotrak S.A.	5065.29	22,059.58	5,065.29	22,059.58
S&B Industrial Minerals S.A.	1,128.07	204.30	1,128.07	204.30
	6,193.36	**22,263.88**	**6,193.36**	**22,263.88**
Purchases of goods and services				
Ergotrak S.A.	58,492.19	51,003.20	58,492.19	51,003.20
S&B Industrial Minerals S.A.	1,106,066.95	1,069,949.81	1,096,719.09	1,061,576.21
	1,164,559.14	**1,120,953.01**	**1,155,211.28**	**1,112,579.41**
Receivables				
Ergotrak S.A.	-	7,861.34	-	7,861.34
S&B Industrial Minerals S.A.	32,394.95	32,549.95	32,394.95	32,549.95
	32,394.95	**40,411.29**	**32,394.95**	**40,411.29**
Liabilities				
Ergotrak S.A.	2,675.53	56,633.46	2,675.53	56,633.46
S&B Industrial Minerals S.A.	134,830.65	24,982.08	104,351.93	2,476.07
	137,506.18	**81,615.54**	**107,027.46**	**59,109.53**

5. RELATED PARTIES TRANSACTIONS (continued)

Compensation of key management personnel of the Company and the Group:

Compensation of key management personnel for the year ended December 2008 and 2007, were as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1,968,975.19	1,373,544.14	1,863,608.43	1,297,014.89
Key management personnel receivables	80,000.00	-	80,000.00	-
Liabilities to key management personnel	1,101,554.47	867,731.62	1,094,994.47	867,731.62

The benefits to the key management personnel of the Company for 2008 are presented increased compared to the respective 2007 year due to an increase in its staff as a result of the change in its organizational structure, which had already been announced to the investors on 19/11/2007. Receivables from key management personnel regard an interest-free loan amounting to € 80,000.00 granted by the Company to a manager, which is to be reimbursed within the first half of 2009.

6. SALES

Sales presented in the accompanying financial statements are broken down as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Motorized Two-Wheelers	46,663,190.87	54,043,008.19	45,933,706.90	52,832,275.17
Marine products	18,635,373.49	18,236,351.28	18,252,628.94	17,624,588.25
Spare parts	10,843,014.72	10,120,375.78	10,299,799.99	10,075,078.21
Accessories	2,919,232.25	2,562,505.06	2,761,748.59	2,428,241.87
Lubricants	1,199,197.54	1,191,156.65	1,145,796.74	1,144,304.29
Other	141,025.92	322,459.97	134,063.05	215,014.72
Services	294,767.13	289,143.07	129,770.05	140,711.87
	80,695,801.92	**86,765,000.00**	**78,657,514.26**	**84,460,214.38**

7. ADMINISTRATIVE EXPENSES

Administrative expenses presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Payroll (note 14)	3,249,507.72	2,510,441.39	2,987,275.40	2,295,941.88
Rents	945,207.03	747,079.88	916,969.67	720,350.68
Depreciation of fixed assets (note 15)	458,490.10	518,452.41	431,019.85	493,895.92
Remuneration to third parties	287,720.11	367,213.82	284,684.02	358,766.64
Utilities	420,980.28	371,473.39	418,453.71	371,244.16
Provision for doubtful receivables	119,150.00	30,220.00	119,150.00	28,220.00
Third party fees	283,339.19	199,633.54	274,937.55	190,971.27
Other	185,586.88	162,822.54	172,097.17	141,454.98
	5,949,981.31	**4,907,336.97**	**5,604,587.37**	**4,600,845.53**

8. SALES AND DISTRIBUTION EXPENSES

Sales and distribution expenses in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Payroll (note 14)	3,790,398.35	3,531,668.02	3,272,225.36	3,110,361.09
Advertising and Promotion Exp.	1,497,705.73	1,784,392.91	1,419,545.76	1,730,163.19
Third party fees	1,027,118.21	958,707.29	647,886.51	585,789.67
Provision for doubtful receivables	101,165.87	153,780.00	71,915.87	144,780.00
Transportation expenses	306,170.99	271,222.53	259,211.34	229,789.77
Travel expenses	265,663.15	248,586.19	252,792.26	234,956.16
Depreciation of fixed assets (note 15)	218,883.63	183,697.18	40,156.27	30,837.41
Remuneration to third parties	324,419.67	232,970.98	159,601.86	82,169.08
Exhibition and Demonstration		355,753.08		334,345.30
Expenses	395,878.32		392,465.87	
Other	490,036.52	455,325.41	382,041.57	346,466.33
	8,417,440.44	**8,176,103.59**	**6,897,842.67**	**6,829,658.00**

9. OTHER INCOME

Other revenues presented in the attached financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Supplier participation in promotions	800,516.66	544,867.69	779,831.66	544,832.69
Income from guarantees	491,122.81	710,553.98	491,122.81	710,553.98
Reimbursed shipping expenses	266,483.17	290,043.08	359,029.79	374,435.14
Income from commissions	149,989.54	198,042.86	121,957.76	171,582.28
Income from sales of assets	73,888.78	130,824.11	73,888.78	122,774.39
Other	137,480.44	85,671.33	186,443.18	167,117.85
	1,919,481.40	**1,960,003.05**	**2,012,273.98**	**2,091,296.33**

10. OTHER EXPENSES

Other expenses presented in the financial statements are broken down as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Fines and increments	741.60	13,303.31	541.60	126.27
Misappropriations	6,009.99	-		-
Losses from sales of assets	36,014.80	30,460.98	36,014.80	11,086.89
Losses from stolen merchandise	1,241.06	-		-
Past years expenses	25,123.63	63,804.72	25,123.63	63,804.72
Other	30,749.71	3,163.69	11.09	100.46
	99,880.79	**110,732.70**	**61,691.12**	**75,118.34**

11. FINANCIAL INCOME

Financial income presented in the accompanying financial statements is analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Credit interest	35,359.69	28,354.77	20,616.18	24,293.92
Foreign exchange gain	91,070.90	250,434.44	17,975.22	6,789.21
	126,430.59	**278,789.21**	**38,591.40**	**31,083.13**

12. FINANCIAL EXPENSE

Financial expense presented in the accompanying financial statements is analyzed as follows

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Debit interest	795,692.84	517,235.00	789,635.77	495,040.67
Commissions and Bank expenses	80,511.07	54,189.39	61,071.87	26,102.34
Foreign exchange losses	157,846.24	236,469.30	1,007.20	3,710.77
	1,034,050.15	**807,893.69**	**851,714.84**	**524,853.78**

13. INCOME TAX (CURRENT AND DEFERRED)

Income tax in the income statement is analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Current income tax	762,588.38	1,146,199.39	750,111.55	1,109,518.94
Income tax from tax audits	67,529.43	-	-	-
Deferred income tax	48,755.88	67,187.52	26,164.68	(11,275.77)
Reserve tax Law 3220/2003	-	140,000.00	-	140,000.00
Tax reserve increase – Law 3220/2003	-	15,236.18	-	15,236.18
Provision for unaudited fiscal years	69,162.07	70,000.00	62,225.00	70,000.00
	948,035.76	**1,438,623.09**	**838,501.23**	**1,323,479.35**

Income tax rate of the parent company is 25% for 2008 and 2007. Tax returns are filed annually but tax profits or losses remain provisional until the company undergoes a tax audit and a fiscal tax assessment is issued. Tax losses, when accepted by the tax authorities, can be offset against future profits for a five year period.

During April, in application of paragraph xii of article 276 of Athens Stock Exchange By-Laws, MOTODYNAMICS S.A. announced the completion of its tax audit for the years 2004, 2005 and 2006. Payable taxes amounting to € 192,225.00 have occurred from the audit compared to a relevant provision of € 200,000 and, therefore, no burden on the Company results has occurred.

Moreover, during March, the tax audit in the subsidiary Motodynamics Srl (Romania) for the years from 2001 to 2007 was completed as well. Payable taxes amounting in total to € 28,953.00 (RON 107,902) occurred from the audit and burdened the year's results.

During October, MOTODIKTYO S.A. (a subsidiary of MOTODYNAMICS S.A.), taking advantage of the provisions of Law no. 3697/2008 proceeded to the conclusion of the tax unaudited years 2003 to 2006. The taxes assessed amounted to € 38,097.08 and burdened the results of 2008. Moreover, for the same reason, an offsetting entry of deferred tax on assets was created amounting to € 20,501.64.

The following table shows the unaudited fiscal years for all the companies in the Group.

Company	**Unaudited Periods**
Motodynamics S.A.	2007 to 2008
Motodiktyo S.A.	2007 to 2008
Motodiktyo Northern Greece S.A.	2005 to 2008
Motodynamics Insurance Brokerage S.A.	2004 to 2008
Motodynamics Ltd. (Bulgaria)	2005 to 2008
Motodynamics Srl. (Romania)	2008

13. INCOME TAX (CURRENT AND DEFERRED) (CONTINUED)

For the unaudited tax periods it is not possible to make a reliable assessment of the additional taxes and penalties that may be charged and that is because taxes and fines depend on the significance of findings by the tax authorities. For that reason, the company has made a provision for additional taxes and penalties to account for unaudited tax years, on the basis of tax assessments of previous years. An analysis and reconciliation of the nominal and the effective tax rate follows:

	GROUP	
	31 December 2008	**31 December 2007**
Pre Tax Profits	2,039,774.66	4,079,156.97
Income tax (based on the applicable tax rate)	509,943.67	1,019,789.24
Income tax from tax audits	67,529.43	-
Losses suffered by subsidiaries in which no deferred income tax has been recognized	42,285.90	46,235.00
Tax regarding reserves (Law no. 3220/2003)	-	155,236.00
Differences attributed to deferred tax rate	22,853.00	-
Differences attributed to different nominal tax rates of the parent and the subsidiaries	26,164.23	47,108.51
Non-tax deductible Expenses		
- Provision for doubtful receivables	478.97	(65,000.00)
- Accounting differences	50,000.00	50,000.00
- Board of Directors' Fees	89,500.00	70,000.00
- Profits distributed to employees	23,750.00	41,250.00
- Others	46,368.50	4,004.34
	878,873.69	1,368,623.09
- Provision for unaudited tax years	69,162.07	70,000.00
Income Tax Provision	**948,035.76**	**1,438,623.09**
	46.48**%**	35.27%

	PARENT COMPANY	
	31 December 2008	**31 December 2007**
Pre Tax Profits	2,357,387.74	4,035,342.99
Income tax (based on prevailing tax rate)	589,346.94	1,008,835.75
Tax regarding reserves (Law .3220/2003)	-	155,236.18
Differences attributed to deferred tax rate	22,853.00	-
Non-tax deductible Expenses		
- Provision for doubtful receivables	478.97	(65,000.00)
- Accounting differences	50,000.00	50,000.00
- Board of Directors' Fees	89,500.00	70,000.00
- Profits distributed to employees	23,750.00	41,250.00
- Others	347.32	(6,842.58)
	776,276.23	1,253,479.35
- Provision for unaudited tax years	62,225.00	70,000.00
Income Tax Provision	**838,501.23**	**1,323,479.35**
	35.57%	32.80%

Deferred income taxes are calculated on the basis of all temporary tax differences based on the tax rates expected to be in force during the years in which an asset will be recovered or a liability will be settled and based on tax rates (and tax laws) that are applicable at the balance sheet date. Pursuant to Law no. 3697/2008, income tax rates shall change from 2010 to 2014, decreasing by one per cent each year from 25% to 20% The Company has considered such changes and has used the applicable rates as the case may be depending on when temporary differences are to be settled.

13. INCOME TAX (CURRENT AND DEFERRED) (CONTINUED)

Movement in the deferred income tax account is as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Beginning Balance	510,660.08	577,847.59	306,303.39	295,027.63
Credit to income	-	-	-	11,275.76
Debit to income	(48,755.88)	(67,187.51)	(26,164.68)	-
Ending Balance	**461,904.20**	**510,660.08**	**280,138.71**	**306,303.39**

Deferred income tax assets and liabilities are as follows:

	GROUP			
	Balance sheet		Income statement	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Deferred Income Tax Assets				
- Write-off of intangibles	57,505.34	63,281.93	(5,776.59)	8,600.05
- Inventories	80,993.97	84,582.66	(3,588.69)	(12,825.99)
- Subsidiaries' tax losses	56,754.09	76,432.94	(19,678.85)	(74,198.61)
- Provision for staff retirement indemnities	209,610.00	231,763.33	(22,153.33)	21,250.00
- Other provisions	108,833.85	106,700.00	2,133.85	(600.00)
Gross Deferred Income Tax Assets	513,697.25	562,760.86	(49,063.61)	(57,774.55)
Deferred Income Tax Liabilities				
- Depreciation for tangible fixed assets	(35,482.01)	(52,100.78)	1,769.85	(9,412.96)
- Depreciation for intangible fixed assets	(14,848.92)	-	-	-
- Other	(1,462.12)	-	(1,462.12)	-
Gross Deferred Income Tax Liabilities	(51,793.05)	(52,100.78)	307,73	(9.412.96)
Net Deferred Taxes	**461,904.20**	**510,660.08**		
Credit to Income			**(48,755.88)**	**(67,187.51)**

	PARENT COMPANY			
	Balance sheet		Income statement	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Deferred Income Tax Assets				
- Write-off of intangibles	17,667.84	19,204.17	(1,536.33)	538.73
- Provision for:				
- slow moving inventories	4,600.00	5,000.00	(400.00)	-
- staff retirement indemnities	205,830.00	227,500.00	(21,670.00)	20,750.00
- Other provisions	103,833.92	106,700.00	(2,866.08)	(600.00)
Gross Deferred Income Tax Assets	331,931.76	358,404.17		
Deferred Income Tax Liabilities				
- Depreciation for tangible fixed assets	(35,482.01)	(38,868.86)	3,386.85	(6,428.89)
- Depreciation for intangible fixed	(14,848.92)	(13,231.92)	(1,617.00)	(2,984.07)
- Other	(1,462.12)	-	(1,462.12)	-
Gross Deferred Income Tax Liabilities	(51,793.05)	(52,100.78)		
Net Deferred Tax Assets	**280,138.71**	**306,303.39**		
Credit to Income			**(26,164.68)**	**11,275.77**

The Group expects that, in the following years, it will offset deferred income tax recovering the tax losses of its subsidiaries and, for that reason, proceeds to the relevant calculation. No deferred income tax has been calculated for foreign subsidiaries' losses of the year 2008 amounting to €116,015.00, since the Group regards that they will not be recognized by any future tax audit.

14. PAYROLL COST

Payroll cost presented in the accompanying finances statements is analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Payroll cost included in:				
- Administration Expenses (note 7)	3,249,507.72	2,510,441.34	2,987,275.40	2,295,941.88
- Sales & Distribution Expenses (note 8)	3,790,398.35	3,531,668.02	3,272,225.36	3,110,361.09
	7,039,906.07	**6,042,109.36**	**6,259,500.76**	**5,406,302.97**

All payroll costs incurred in 2008 and 2007 have been charged to income in these respective years.

15. DEPRECIATION

Depreciation presented in the accompanying financial statements is analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Depreciation included in:				
- Administration expenses (note 7)	458,490.10	518,452.41	431,019.85	493,895.92
- Sales & Distribution Expenses (note 8)	218,883.63	183,697.18	40,156.27	30,837.41
	677,373.73	**702,149.59**	**471,176.12**	**524,733.33**

The above depreciation charges refer to the following asset categories:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Depreciation				
- of tangible assets (note 17)	605,514.93	645,856.14	419,945.04	477,422.60
- of intangible assets (note 18)	71,858.80	56,293.45	51,231.08	47,310.73
	677,373.73	**702,149.59**	**471,176.12**	**524,733.33**

All depreciation charged in 2008 and 2007 has been included in the financial statements for the respective years.

16. EARNINGS PER SHARE

Earnings per share are computed by dividing net profits attributable to shareholders of the parent by the weighted average number of shares in circulation each year, subtracting the average number of shares repurchased as treasury stock. Diluted earnings per share are computed by dividing net profit attributable to shareholders of the parent by the weighted average number of shares as above, readjusted by the impact of the potential free allocation of shares, subtracting the average number of shares repurchased as treasury stock.

	GROUP	
	1.1 – 31.12.2008	**1.1 - 31.12.2007**
Earning used in basic/ diluted earning per share calculation:	**1,140,433.19**	**2,622,712.49**
Weighted average number of shares		
Total shares	5,130,000.00	5,130,000.00
Minus: Weighted average number of treasury share purchased	11,637.00	-
Basic	**5,118,363.00**	**5,130,000.00**
Plus: Weighted average number of free shares allocated to key management	16,667.00	-
Diluted	5,135,030.00	5,130,000.00
Earnings per share (in Euro):		
Basic	0.2228	0.5112
Diluted	0.2221	0.5112

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17. TANGIBLE FIXED ASSETS

The tangible fixed assets presented in the accompanying financial statements are analyzed as follows:

	Land	Buildings	Machinery	Transport Equipment	Furniture & Fixtures	Total
Value at Acquisition						
1 January 2007	**128,138.06**	**1,637,772.77**	**293,697.50**	**1,198,159.08**	**3,130,733.88**	**6,388,501.29**
Additions	-	35,330.00	11,865.85	824,078.73	232,328.09	**1,103,602.67**
Write-off	-	-	(7,291.37)	-	(3,744.50)	**(11,035.87)**
Foreign exchange differences	-	-	(6,598.90)	(5,514.25)	(12,353.64)	**(24,466.79)**
Sales	-	-	-	(616,870.39)	(10,651.64)	**(627,522.03)**
31 December 2007	**128,138.06**	**1,673,102.77**	**291,673.08**	**1,399,853.17**	**3,336,312.19**	**6,829,079.27**
Additions	-	398,498.48	15,449.47	440,113.76	443,840.23	**1,297,901.94**
Foreign exchange differences	-	-	(5,070.24)	(16,726.98)	(8,865.99)	**(30,663.21)**
Sales	-	(180,000.00)	-	(449,926.98)	(129,883.39)	**(759,810.37)**
Transfers	272,909.31	(272,909.31)	-	-	-	-
31 December 2008	**401,047.37**	**1,618,691.94**	**302,052.31**	**1,373,312.97**	**3,641,403.04**	**7,336,507.63**
Accumulated Depreciation						
1 January 2007	-	**536,668.31**	**174,280.85**	**442,057.69**	**2,176,247.06**	**3,329,253.91**
Depreciations (note 15)	-	65,391.44	39,910.94	164,523.43	376,030.33	**645,856.14**
Transfers	-	-	(9,019.96)	(33,782.37)	42,802.33	-
Foreign exchange differences	-	-	(1,909.30)	(3,384.26)	(7,083.11)	**(12,376.67)**
Sales	-		-	(132,911.65)	(13,083.14)	**(145,994.79)**
31 December 2007	-	**602,059.75**	**203,262.53**	**436,502.84**	**2,574,913.47**	**3,816,738.59**
Depreciations (note 15)	-	62,775.64	31,489.46	164,416.60	346,833.23	**605,514.93**
Write-off	-	(15,455.41)	-	-	-	**(15,455.41)**
Foreign exchange differences	-	-	(2,821.31)	(7,035.41)	(24,388.32)	**(34,245.04)**
Sales	-	(7,500.60)	-	(97,044.66)	(407..38)	**(104,952.64)**
31 December 2008	-	**641,879.38**	**231,930.68**	**496,839.37**	**2,896,951.00**	**4,267,600.43**
Net Book Value						
31 December 2006	**128,138.06**	**1,101,104.46**	**119,416.65**	**756,101.39**	**954,486.82**	**3,059,247.39**
31 December 2007	**128,138.06**	**1,071,043.02**	**88,410.55**	**963,350.33**	**761,398.72**	**3,012,340.68**
31 December 2008	**401,047.37**	**976,812.56**	**70,121.63**	**876,473.60**	**744,452.04**	**3,068,907.20**

17. TANGIBLE FIXED ASSETS (continued)

The tangible fixed assets presented in the accompanying financial statements are analyzed as follows:

	Land	Buildings	Machinery	Transport Equipment	Furniture & Fixtures	Total
Value at Acquisition						
1 January 2007	**128,138.06**	**1,341,014.61**	**203,768.43**	**1,096,895.07**	**2,557,399.65**	**5,327,215.82**
Additions	-	35,330.00	7,909.21	738,681.54	205,767.42	**987,688.17**
Sales	-	-	-	(587,896.96)	(10,651.64)	**(598,548.60)**
31 December 2007	**128,138.06**	**1,376,344.61**	**211,677.64**	**1,247,679.65**	**2,752,515.43**	**5,716,355.39**
Additions	-	397,498.48	10,794.73	425,892.90	408,730.35	**1,242,916.46**
Sales	-	(180,000.00)	-	(449,926.98)	(129,883.39)	**(759,810.37)**
Transfers	272,909.31	(272,909.31)	-	-	-	-
31 December 2008	**401,047.37**	**1,320,933.78**	**222,472.37**	**1,223,645.57**	**3,031,362.39**	**6,199,461.48**
Accumulated Depreciation						
1 January 2007	-	**434,029.45**	**143,344.71**	**348,272.14**	**2,015,061.50**	**2,940,707.80**
Depreciations (note 15)	-	34,420.56	18,620.30	162,100.13	262,281.61	**477,422.60**
Sales	-	-	-	(128,993.01)	(3,444.78)	**(132,437.79)**
31 December 2007	-	**468,450.01**	**161,965.01**	**381,379.26**	**2,273,898.33**	**3,285,692.61**
Depreciations (note 15)	-	31,725.75	17,901.36	142,951.18	227,366.75	**419,945.04**
Disposals	-	(15,455.41)	-	-	-	**(15,455.41)**
Sales	-	(7,500.60)	-	(99,513.44)	(573.57)	**(107,587.61)**
31 December 2008	-	**477,219.75**	**179,866.37**	**424,817.00**	**2,500,691.51**	**3,582,594.63**
Net Book Value						
31 December 2006	**128,138.06**	**906,985.16**	**60,423.72**	**748,622.93**	**542,338.15**	**2,386,508.02**
31 December 2007	**128,138.06**	**907,894.60**	**49,712.63**	**866,300.39**	**478,617.10**	**2,430,662.78**
31 December 2008	**401,047.37**	**843,714.03**	**42,606.00**	**798,828.57**	**530,670.88**	**2,616,866.85**

17. TANGIBLE FIXED ASSETS (continued)

The Company, in October 2008, sold a property of € 180,000 acquisition value in exchange for € 225,000. The said property had been acquired following a forced sale by the debtor. Moreover, it proceeded to reclassification of € 272,909.31 of the acquisition value between lands and buildings that occurred from the change in the information regarding their separation. It is noted that no liens burden the Group and Company fixed assets.

18. SOFTWARE

The software presented in the accompanying financial statements is analyzed as follows:

	GROUP		
	Acquisition Value	**Accumulated Depreciation**	**Net Book Value**
1 January 2007	**518,092.09**	**(372,282.65)**	**145,809.44**
Additions / Depreciation	27,117.05	(56,293.45)	(29,176.40)
Foreign exchange differences	(5,577.03)	611.29	(4,965.74)
31 December 2007	**539,632.11**	**(427,964.81)**	**111,667.30**
Additions / Depreciation	93,043.00	(71,858.80)	21,184.20
Foreign exchange differences	(3,750.89)	(852.20)	(4,603.09)
31 December 2008	**628,924.22**	**(500,675.81)**	**128,248.41**

	PARENT COMPANY		
	Acquisition Value	**Accumulated Depreciation**	**Net Book Value**
1 January 2007	**459,515.13**	**(368,353.10)**	**91,162.03**
Additions / Depreciation	13,734.80	(47,310.73)	(33,575.93)
31 December 2007	**473,249.93**	**(415,663.83)**	**57,586.10**
Additions / Depreciation	93,097.00	(51,231.08)	41,865.92
31 December 2008	**566,346.93**	**(466,894.91)**	**99,452.02**

19. INVENTORIES

The reserves presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Two – Wheelers	5,812,165.45	8,236,413.34	4,460,751.91	6,921,195.12
Marine products	3,877,233.83	2,622,546.50	3,549,970.12	2,374,379.40
Spare parts	1,918,486.83	1,959,821.16	1,480,230.90	1,334,063.04
Accessories	1,670,360.89	1,417,485.32	1,392,833.38	1,153,281.24
Lubricants	152,678,54	156,729.05	127,431.06	135,037.36
Other	311,669.05	191,958.75	61,776.14	19,332.89
	13,742,594.59	**14,584,954.12**	**11,072,993.51**	**11,937,289.05**
Provision for slow moving inventory	(35,000.00)	(30,000.00)	(20,000.00)	(20,000.00)
	13,707,594.59	14,554,954.12	11,052,993.51	11,917,289.05
Non custom clearance inventories	4,776,954.60	8,232,318.50	4,776,954.60	8,228,011.33
Goods in transit	3,719,546.95	6,355,129.77	3,719,546.95	6,355,129.77
	22,204,096.14	**29,142,402.39**	**19,549,495.06**	**26,500,430.15**

No liens exist on the Group and Company inventories.
The provision for impairment of inventories' value refers mostly to the spare parts and is formed whenever the management considers it appropriate, considering the safety stock for spare parts which the company is obligated to maintain for the total amount of products in circulation. The provision's movement is as follows:

19. INVENTORIES (continued)

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Beginning Balance	**(30,000.00)**	**(40,000.00)**	**(20,000.00)**	**(20,000.00)**
Additional provision	(64,632.68)	(125,170.60)	(59,632.68)	(64,877.46)
Inventories write – offs	59,632.68	135,170.60	59,632.68	64,877.46
Ending Balance	**(35,000.00)**	**(30,000.00)**	**(20,000.00)**	**(20,000.00)**

20. TRADE RECEIVABLES

Trade receivables presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Open accounts	4,132,920.52	3,847,284.57	3,303,989.38	3,114,388.78
Cheques receivable:				
- in portfolio	4,004,238.81	6,304,541.83	3,929,596.65	6,159,968.20
- past due	495,443.87	329,394.83	370,443.87	249,394.83
Notes receivable:				
- to banks for collection	17,735.51	-	17,735.51	-
- past due	737,783.86	737,783.86	724,072.42	724,072.42
	9,388,122.57	**11,219,005.09**	**8,345,837.83**	**10,247,824.23**
Provision for doubtful accounts	(822,671.68)	(750,140.79)	(788,868.78)	(718,868.78)
	8,565,450.89	**10,468,864.30**	**7,556,969.05**	**9,528,955.45**

Provision for doubtful accounts is made for specific client accounts which the management considers doubtful as to collection. The credit policy for collecting receivables ranges between 90-120 days and the following balance table has been drawn based on that. It is noted that no liens exist on the receivables. This provision presented the following movement during the year:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Beginning Balance	**(750,140.79)**	**(761,667.63)**	**(718,868.78)**	**(731,888.56)**
Additional provision	(101,165.87)	(94,552.90)	(71,915.87)	(90,000.00)
Change of exchange rate	-	1,850.61	-	-
Receivable write – offs	28,634.98	103,019.78	1,915.87	103,019.78
Reversal of non used provision	-	1,209.35	-	-
Ending Balance	**(822,671.68)**	**(750,140.79)**	**(788,868.78)**	**(718,868.78)**

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Current receivables	**7,445,684.86**	**9,627,218.45**	**6,905,679.32**	**8,930,280.06**
Overdue :				
up to 30 days	171,552.75	101,716.09	80,277.60	46,623.56
31 – 90 days	65,533.29	84,629.81	46,264.16	41,041.96
91 – 180 days	225,268.25	125,665.26	102,578.56	82,083.91
more than 180 days	1,480,083.42	1,279,775.48	1,211,038.19	1,147,794.74
Total	**9,388,122.57**	**11,219,005.09**	**8,345,837.83**	**10,247,824.23**
Provision for doubtful clients	(822,671.68)	(750,140.79)	(788,868.78)	(718,868.78)
Total trade receivables	**8,565,450.89**	**10,468,864.30**	**7,556,969.05**	**9,528,955.45**

For receivables up to 180 days except the relevant provision there are also securities (mortgage etc) of amount € 267,057.96.

21. OTHER RECEIVABLES

Other receivables presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Advances and credits	82,135.31	53,081.41	59,638.69	22,743.21
Advances to suppliers	67,092.51	20,704.68	67,092.51	20,704.68
Greek State	160,563.20	236,644.97	160,563.20	236,644.97
VAT	3,967.78	6,470.47	-	-
Employee loans	89,150.00	7,000.00	89,150.00	7,000.00
Future years' expenses	61,663.41	87,669.31	50,489.36	71,558.99
Other	3,655.75	-	-	-
	468,227.96	**411,570.84**	**426,933.76**	**358,651.85**

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash	168,691.84	86,780.53	53,095.23	30,524.87
Sight Deposits	879,910.85	1,148.989,49	400,831.71	371,781.71
	1,048,602.69	**1,235,770.02**	**453,926.94**	**402,306.58**

Interest rates on the above deposits for the parent and its Greek subsidiaries amounted from 2% to 2.5% (floating rate). Respectively, for the Company subsidiaries in Bulgaria and Romania, deposit rates amounted from 4.4% to 13.8% (floating rates). The following table analyzes cash and cash equivalents by currency (denominated in Euro):

	GROUP		PARENT COMPANY	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Cash in:				
- EURO	727,293.47	739,211.69	453,926.94	402,306.58
- USD	941.14	1,775.24	-	-
- Bulgarian Leva (BNG)	129,414.46	233,217.96	-	-
- Romanian Leu (RON)	190,953.62	261,565.13	-	-
	1,048,602.69	**1,235,770.02**	**453,926.94**	**402,306.58**

23. ALLOCATION OF FREE SHARES TO KEY MANAGEMENT PERSONNEL

In the ordinary General Shareholders' Meeting dated May 30th 2008, in the context of the approval of the contracts provided for by article 23a, par. 2, of Law no. 2190/1920, the Company's contract dated 1.01.2008 with its Managing Director and General Manager was approved. This contract provides, among others, for the granting of 50,000 free shares upon completion of three years from the contract's effective date and provision of continuous service in the above job post.

The shares' fair value has been calculated based on the share's trading price on the date of contract's approval by the Ordinary General Meeting and as at 31.12.2008 amounts to Euro 53,575.81. Such amount represents the services received by the Company during 1/3 of the vesting period of the option to grant shares, which period totally extends to three years.

24. SHARE CAPITAL

On December 31 2008, 2007, 2006 and 2005, share capital of parent company amounted to € 3,026,700.00, consisting of 5,130,000 common nominal shares of a nominal value of € 0.59 each.

In execution of the decision dated 30/5/08 of the Ordinary General Shareholders' Meeting of the Company and the decision dated 6/10/08 of the Board of Directors, the Company proceeded to the purchase of treasury shares that, at the year end, amounted to 46,547 shares, of € 98,466.59 total value and 0.9% proportion. The stock's closing price as at 31/12/2008 was € 1.87.

25. RESERVES

The reserves presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Ordinary Reserve	1,015,751.62	1,015,751.62	1,011,293.53	1,011,293.53
Tax free reserves under special law	3,439.68	3,439.68	3,439.68	3,439.68
Reserves for allocation of free shares to key management personnel (note 23)	53,575.81	-	53,575.81	-
Treasury Share Purchase (note 24)	(98,466.59)	-	(98,466.59)	-
	974,300.52	**1,019,191.30**	**969,842.43**	**1,014,733.21**

According to Greek commercial law, companies are obliged to set up a legal reserve for 5% of their annual net profits until this reserve reaches one third of their paid-in capital. Any distribution from the ordinary reserve is prohibited during the Company's life. For the period ending December 31, 2008 the Company did not set up additional legal reserve because this reserve has already reached one third of its paid-in capital.

Tax-free reserves under special laws refer to profits which exempted from taxation on the basis of special laws (on the assumption that sufficient profits for their formation exists). These reserves relate to investments and are not subject to distribution. In case of their distribution, income tax is paid for the distributed amounts based on the tax rates being in force. As provided for in IAS 12 «Income Taxes», no deferred tax liability has been recognized for the above reserves.

26. DIVIDENDS

Pursuant to Greek commercial law provisions, the companies are obliged to allocate on an annual basis dividends corresponding at least to 35% of the profits after taxes, after having formed the legal reserve pursuant to law. Non-payment of dividends has to be approved by all of the Company's shareholders.

In foreign subsidiaries, any profits are distributed according to prevailing laws.

The Ordinary General Shareholders Meeting of May 30, 2008 approved a dividend distribution of € 2,154,600.00 (Euro 0.42 per share) regarding the financial year 2007. On December 31st 2008, an amount of Euro 6,499.92 regarded dividends of previous years that had not been taken by the shareholders yet. More specifically, for the year 2007: Euro 4,786.32, for the year 2006: Euro 789,60, for the year 2005: Euro 924.00.

The Company's Board, when it approved the attached financial statements in March 5, 2009 decided to propose to the Annual General Meeting a dividend distribution of € 0.16 per share.

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES

On December 31, 2008 and 2007 the established provision for staff retirement indemnities refers to the parent company and its Greek subsidiaries. In accordance with Greek labour law, employees are entitled to indemnities for dismissal or for retirement, the amount of which varies according to salary, years of service and the manner of separation.(retirement or dismissal). Employees who resign or are dismissed with proper justification are not entitled to an indemnity. Indemnity payable in case of retirement amounts to 40% of the indemnity payable in case of dismissal without proper justification. In Greece, the indemnity programs are not funded and under IAS 19 they are classified as defined benefit plans. Group and the Company charges to the income statement the accrued indemnities in each period with a corresponding increase of the provision for the future liability due to retirement. Payments of retirement benefits for each period reduce the accumulated provision. It is noted that, on 31/12/2008, no relevant liability for foreign subsidiaries existed. The provision for staff retirement liabilities on December 31, 2008 and 2007 has as follows:

	31 December 2008	31 December 2007
Provision for indemnity		
- On the basis of actuarial study (parent)	1,029,150.00	910,000.00
- Other provisions for indemnity (Greek subsidiaries)	17,053.33	17,053.33
Net Liability at the end of the year	**1,046,203.33**	**927,053.33**

Movement in the net liability for staff indemnities for the parent company is as follows:

	31 December 2008	31 December 2007
Net Liability at the beginning of the year	**910,000.00**	**827,000.00**
- Benefits paid	(9,231.69)	(36,640.33)
- Expense recognized in the income statement	128,381.69	119,640.33
Net Liability at the end of the year	**1,029,150.00**	**910,000.00**

The estimate of the parent company's liabilities emanating from its obligation to pay indemnities due to retirement has been made by actuarial study performed by an independent internationally recognized firm. No actuarial study has been performed for subsidiaries.

The details and principal assumptions of the actuarial study as at December 31, 2008 and 2007 are provided below:

	PARENT COMPANY	
	31 December 2008	31 December 2007
Present value of non-funded liabilities	1,084,396.00	1,102,816.00
Unrecognized actuarial losses	(55,246.00)	(192,816.00)
Net Balance Sheet Liability	**1,029,150.00**	**910,000.00**
Components of periodic retirement cost:		
Service cost	66,798.00	54,159.33
Interest cost	50,997.00	45,435.00
Amortization of actuarial losses	1,910.00	5,539.00
Regular change to statement of income	**119,705.00**	**105,133.33**
Assumption of obligation	0.00	0.00
Cost of extra benefits paid	8,676.69	14,507.00
Total charge to income	**128,381.69**	**119,640.33**
Reconciliation of benefit obligation:		
Net obligation at the beginning of year	1,102,816.00	1,069,058.00
Service cost	66,798.00	54,159.33
Interest cost	50,997.00	45,435.00
Benefits paid	(9,231.00)	(36,640.33)
Cost of extra benefits paid	(36,630.00)	18,416.00
Actuarial losses (profits)	(90,354.00)	(47,612.00)
Present value of actuarial liability at year end	**1,084,396.00**	**1,102,816.00**

Basic Assumptions:		
Discount rate	5.67%	4.25%
Rate of compensation increase	5.00%	5.00%
Average expected working life	18.71	19.36

The added cost of extra benefits refers to benefits paid to employees who were made redundant. Most of these benefits were not expected within the terms of this program and were therefore treated as an added retirement charge in the income statement.

Employers contribution to Defined Benefits Programs

The Group of Companies' contribution to state social security funds for the period ending on December 31, 2008 and 2007 amounted to € 1,153,045.50 and € 970,388.77 respectively and are included in the payroll cost in the accompanying income statement.

The parent company's contribution to state social security funds for the period ending on December 31, 2008 and 2007 amounted to € 1,001,747.96 and € 844,286.48, respectively and are included in the payroll cost in the accompanying income statement.

28. TRADE PAYABLES

Trade payables in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Suppliers	6,650,582.79	9,416,443.05	6,520,019.11	9,287,234.63
Notes payable and promissory letters	3,624,720.73	3,873,705.45	3,624,720.73	3,873,705.45
Client advances	304,453.60	241,682.32	281,450.24	221,414.92
	10,579,757.12	**13,531,830.82**	**10,426,190.08**	**13,382,355.00**

29. LOANS

The loans presented in the accompanying financial statements are analyzed as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Long-term bank loans				
Bonded loan	5,000,000.00	-	5,000,000.00	-
Short term bank loans				
Short term bank loans	2,800,000.00	11,900,000.00	2,800,000.00	11,900,000.00
Overdraft accounts	1,077,623.48	1,492,118.74	1,077,623.48	1,492,118.74
Total short-term bank loans	**3,877,623.48**	**13,392,118.74**	**3,877,623.48**	**13,392,118.74**
Total borrowing	**8,877,623.48**	**13,392,118.74**	**8,877,623.48**	**13,392,118.74**

On August 26th 2008, the Company concluded a bonded loan of € 5 m. total nominal value with a credit institution, following the decision dated 30/5/08 of the Ordinary General Shareholders' Meeting and the decision dated 10/6/08 of the Company's Board of Directors. This specific loan has a three-year term, with 1-month Euribor and/or 3-month Euribor computation of interest period and it has been used to refinance a part of the Company's current short-term bank borrowing. No guarantees have been provided for such loan, but the Company must maintain, throughout the loan term and until its full reimbursement, satisfactory capital adequacy, profitability and liquidity, as determined by the following financial ratios:

a) the Total Net Bank Loans (Total Bank Loans less Cash and Cash Equivalents) to Earnings before Interest, Taxes, Depreciations and Amortizations (EBITDA) ratio must be preserved throughout the term of the bonded loan less or equal to 3.00.

29. Loans (continued)

b) the Debt to Equity ratio must be preserved, throughout the term of the bonded loan, less or equal to 3.00.

The above financial ratios shall be measured on an annual basis, on the annual audited consolidated financial statements of the Issuer, taking into account the Notes of the Issuer and the notes – certifications of the chartered auditors on the financial statements.

On December 31, 2008 and 2007 Motodynamics S.A. and its subsidiaries contracted bonded loan agreements for short term loans and lines of credit intended to finance working capital. The average cost of borrowing (floating rates) was: a) for the parent company 6.20% for 2008 and 6.04% for 2007 and b) for Group companies 6.29% for 2008 6.21% for 2006. The average outstanding loans for: a) the parent company was € 12,678,039 for 2008 and € 8,203,104 for 2007 and b) for Group companies was € 12,710,583 for 2008 and € 8,483,078 for 2007.

It is noted that no liens on assets of the Company or the Group were created for granting such loans. The loans' fair value is the value presented in the books on 31/12/2008, being understood that the long-term loan has been received almost at the year end and that the short-term loans are working capital constantly renewed. All loans are denominated in Euro.

The credit limits available and the non-utilized amounts were as follows:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Credit limits available	25,900,000.00	21,950,000.00	24,500,000.00	20,550,000.00
Non-utilized amount	(17,022,376.52)	(8,557,881.26)	(15,622,376.52)	(7,157,881.26)
Utilized amount	**8,877,623.48**	**13,392,118.74**	**8,877,623.48**	**13,392,118.74**

30. OTHER SHORT TERM LIABILITIES

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Liabilities from taxes, duties	317,730.37	263,986.12	287,292.56	190,601.62
Social security	276,378.28	219,948.70	245,530.05	194,398.69
Board of Directors' Fees	358,000.00	280,000.00	358,000.00	280,000.00
Profits distributed to employees	95,000.00	165,000.00	95,000.00	165,000.00
Accrued period expenses	-	89,816.04	-	89,816.04
Other	491,490.24	648,726.91	453,508.39	601,527.04
	1,538,598.89	**1,667,477.77**	**1,439,331.00**	**1,521,343.39**

31. FINANCIAL RISK MANAGEMENT

(a) ***Credit Risk:*** There is no significant concentration of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset. Motodynamics and its subsidiaries have settled criteria for customers who wish to trade on credit terms. These criteria are mainly based on client's activity "size" with parallel evaluation of client's relevant economical information. The Group and Parent company cover their credit risk with securities (mortgage e.t.c.) or bank letters of guarantee and up to the amount which is considered as necessary.

(b) ***Fair Value:*** The carrying amounts reflected in the balance sheets for cash and cash equivalents, receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) ***Foreign Exchange Risk:*** The majority of transactions and balances are in Euro. Therefore, and at this current phase, management estimates that there are no risks arising for the variation of exchange rates.

(d) ***Interest Rate Risk:*** On 31/12/08, total loans for Group and Parent company reached the amount of € 8,877,623.48. From this total amount, the amount of 5,000,000 was bonded loan of three-year term, while the amount of € 2,800,000 was interbank loans of one, two and three-month term with a fixed and stable interest rate. The amount of €1,077,623.48 represents lines of credit of banks with floating interest rate. On 31/12/08, the Group possessed an amount of € 1,048,602.69 in demand accounts.

31. FINANCIAL RISK MANAGEMENT (continued)

(e) ***Changes in interest rates***: Working capital needs are financed, by bank debt. The parent and its subsidiaries are able to borrow at satisfactory terms and to apply hedging techniques to protect against interest rate increases, through Forward Rate Agreements (FRAs).

The following table presents the impact on the Pre-tax Earnings of a potential change in floating rates (with the other variables remaining stable) on the loans applicable on 31/12/08. The impact on Net Worth is insignificant.

Interest rate increase/ decrease (in base points)	Impact on Pre-Tax Earnings (in € thousand)
50	-3
75	-5
100	-6
-50	3
-75	5
-100	6

(f) ***Liquidity Risk:*** Sensible management of liquidity risk involves sufficient cash availability through a legitimate credit system and the capability to secure the Group with the right due date gathering of the accounts receivable. Due to the dynamic nature of the business, the Group Management aims at preserving flexibility in funding by maintaining adequate cash and open credit lines.
The Company's liquidity is monitored by the Group Management on a regular basis.
It is noted that the following loans regard the Company, since the other Group companies have no debt.
Breakdown of maturities is presented below:

	31 December 2008	31 December 2007
LONG – TERM LIABILITIES		
Bonded bank loans		
1 - 2 years	1,000,000.00	-
2 - 5 years	4,000,000.00	-
Total	**5,000,000.00**	-
Other non-current liabilities		
2 - 5 years	28,269.81	40,161.89
Total	**5,028,269.81**	**40,161.89**

	31 December 2008	31 December 2007
SHORT – TERM LIABILITIES		
Total short-term liabilities		
0 - 90 days	8,312,910.39	20,667,072.59
91 - 180 days	7,689,569.02	7,926,067.74
Total	**16,002,479.41**	**28,593,140.33**

Total short-term liabilities analyzes as follows:

Commercial liabilities		
0 - 90 days	4,420,811.58	8,042,881.82
91 - 180 days	6,158,945.54	5,488,949.00
Total	**10,579,757.12**	**13,531,830.82**
Short-term loans		
0 - 90 days	2,800,000.00	11,400,000.00
91 - 180 days	1,077,623.48	1,992,118.74
Total	**3,877,623.48**	**13,392,118.74**

Dividends paid		
0 - 90 days	6,499.92	1,713.00
91 - 180 days	-	-
Total	**6,499.92**	**1,713.00**
Other liabilities		
0 - 90 days	1,085,598.89	1,222,477.77
91 - 180 days	453,000.00	445,000.00
Total	**1,538,598.89**	**1,667,477.77**

(g) ***Capital Risk Management*****:** During the capital management the Group aims to maintain the ability of moving on its business in order to reassure the returns for its shareholders and to maintain an optimum capital structure. The Group managing capital structure and proceeds in necessary reactions according to its needs and to occasional economic evolutions. Capital sufficiency is monitoring with financial indexes. The table below analyzes indexes movements for annual periods 2008 and 2007:

	GROUP		PARENT COMPANY	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Net average return on equity	6.90%	16.21%	8.41%	14.97%
Debt / Equity	1.47	1.83	1.24	1.62

32. COMMITMENTS AND CONTINGENCIES

In the past and until December 31, 2008, Group companies and the parent company concluded a number of operating lease agreements mostly involving building rentals, expiring on different dates up to 2016. The rental expenses included in the accompanying income statement for the year ended December 31, 2008, amounted to € 1,473,950.69 for the Group and € 1,159,561.36 for the parent company, while the respective amounts for the previous year were € 1,221,255.09 for the Group and € 926,320.54 for the parent company. The only possible future obligation arising from early voluntarily leaving the premises, consists of paying four leases at the time of departure. This specific possible future obligation is minimized by the fact that most of it, concerns the operating lease with shareholder (S&B Industrial Minerals S.A.) and thus we estimate that S&B will not claim any leases.
The parent company has deposited an amount of € 1.500.000 as guarantee for the future commercial lease of a building.

33. OTHER SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

1. On February 2009, by decision of the Board of Directors of «MOTODYNAMICS S.A.” and the respective decision of the Board of Directors of “MOTODYNAMICS INSURANCE BROKERAGE S.A” and pursuant to the provisions of articles 78 of C.L. no. 2190/1920 and articles 1-5 of Law no. 2166/1993, the merger by takeover of its 100% subsidiary, the societe anonyme under the trade name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" was decided. The Draft Merger Contract, the Transformation Balance Sheet dated 31/3/2009, as well as any other documents provided for by law will be published one month before the opening of the merger act results.

2. On February 25th 2009, the Extraordinary General Shareholders’ Meeting of the Company convened and approved the transfer of the Company’s registered office from the Municipality of Kifissia to the Municipality of Aspropyrgos, as well as a relevant amendment to article 3 of the Articles.

34. INFORMATION BY BUSINESS SEGMENT

Group of companies operates mainly in the markets for motorized two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as business segments and for which it discloses the required information. Uniform accounting principles are followed for each of these segments. Because sales outside Greek territory represent less than 10% of the corresponding Group of companies totals, the relevant analysis by geographical segment is not disclosed.

	Motorized Two-Wheelers		Marine Products		Other		Total	
GROUP	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**	**31 December 2008**	**31 December 2007**
Sales	46,663,190.87	54,043,008.19	18,635,373.49	18,236,351.28	15,397,237.56	14,485,640.53	80,695,801.92	86,765,000.00
Cost of sales	(39,781,222.86)	(46,389,327.20)	(14,405,588.96)	(14,624,575.36)	(11,013,774.74)	(9,908,665.78)	(65,200,586.56)	(70,922,568.34)
	6,881,968.01	**7,653,680.99**	**4,229,784.53**	**3,611,775.92**	**4,383,462.82**	**4,576,974.75**	**15,495,215.36**	**15,842,431.66**
Other income							1,919,481.40	1,960,003.05
Administrative expenses							(5,949,981.31)	(4,907,336.97)
Sales and Distribution exp.							(8,417,440.44)	(8,176,103.59)
Other expenses							(99,880.79)	(110,732.70)
Finance income							126,430.59	278,789.21
Finance expenses							(1,034,050.15)	(807,893.69)
Profit before taxes							**2,039,774.66**	**4,079,156.97**
Income tax							(948,035.76)	(1,438,623.09)
Net Profits							**1,091,738.90**	**2,640,533.88**
Depreciation							677,373.73	702,149.59
Assets	5,812,165.45	8,236,413.34	3,877,233.83	2,622,546.50	4,053,195.31	3,725,994.28	13,742,594.59	14,584,954.12
Other assets							23,876,241.17	31,967,695.87
							37,618,835.76	**46,552,649.99**
Liabilities	3,188,755.08	7,775,769.62	4,286,269.91	2,496,883.40	3,104,732.13	3,259,177.80	10,579,757.12	13,531,830.82
Other liabilities							11,801,239.29	16,576,023.95
Equity							15,237,839.35	16,444,795.22
							37,618,835.76	**46,552,649.99**
Capital expenditure							1,390,944.94	1,130,719.72

EMPORIKI EISAGOGIKI DITROHON & MIHANON THALASSIS ANONIMI EMPORIKI ETAIRIA,
«MOTODYNAMICS S.A.»

REPORT OF RAISED FUNDS DISPOSAL

The decision of the Athens Stock Exchange on 24.06.2005 approved the Company's listing in the Athens Stock Exchange Parallel Market. The decision of company's Extraordinary Shareholder Meeting regarding the share capital increase with IPO and private placement, adopted on 13.05.2005 according to the decision number 5/339/18.05.2005 of the BofD of the CMC. For this purpose issued 1.250.000 new common shares which are disposed in the general public with public offer, and 75.000 common shares are disposed with private placement in company's employees. The public offer realized from 14.06 until 16.06.05 and the raised funds – after the deduction of printing expenses of total amount € 600.000- were € 6.820.000. The above mentioned share capital increase certificated by company's BofD on 23.06.2005 and on 30.06.2005 started the trading of the total company's shares (5.130.000) in the Parallel Market of Athens Stock Exchange. The above mentioned raised funds are disposed until 31/12/2008, as follows:

Amount in thousand €	Capital disposal based on company's Bulletin after the deduction of the expenses					Amendment of time allocation regarding the capital disposal according to the decision of the BofD on 21/12/05					Change of capital usage according to the decision of the Annual General Meeting on 23/5/06					Change of capital usage according to the decision of the Annual General Meeting on 30/5/07		Amendment of time allocation regarding the capital disposal according to the decision of the BofD on 27/3/08		Amendment of time allocation regarding the capital disposal according to the decision of the BofD on 17/12/08				
Investment category	2nd half 2005	1sthalf 2006	2nd half 2006	1s half 2007	Totals	2nd half 2005	1st half 2006	2nd half 2006	1sthalf 2007	Totals	2nd half 2005	1sthalf 2006	2nd half 2006	1st half 2007	Totals	2nd half 2007	1sthalf 2008	1st half 2008	2nd half 2008		Totals	Until 30/6/08	1/7/08 - 31/12/08	Leftover to invest
Subsidiaries corporate capital increase	400	200	1.000	582	2.182	1.782	0	0	400	2.182	1.782	0	0	400	2.182	862	0	0	0	0	862	2.644	0	0
Configuration of new warehouses	182	0	0	0	182	0	0	182	0	182	0	0	182	0	182	0	0	0	0	0	0	66	0	0
Expanding of retail network	0	200	0	346	546	0	200	0	346	546	0	0	0	546	546	0	200	0	200	200	200	0	0	200
Entrance in the boat business	273	0	0	0	273	273	0	0	0	273	123	150	0	0	273	0	0	0	0	0	0	273	0	0
Accession of complimentary products	3.637	0	0	0	3.637	50	1.000	587	2.000	3.637	34	0	0	0	34	0	0	0	0	0	0	34	0	0
Capital payment of short term loans	0	0	0	0	0	0	0	0	0	0	0	3.603	0	0	3.603	0	0	0	0	0	0	3603	0	0
Total	4.492	400	1.000	928	6.820	2.105	1.200	769	2.746	6.820	1.939	3.753	182	946	6.820	862	200	0	200	200	1.062	6.620	0	200

Note:
1) On 31.12.08 the undisposed amount of € 200.000 was in demand account.

Chairman | Managing Director | Financial Director

Ulysses P. Kyriakopoulos
ID Card no. [Ξ]164488

Sotirios D. Hatzikos
ID Card no. R 528354

Anna G. Lizou - Spiratou
A Class License no. 0003870

This report has been translated to the English language from the Greek original

Report of factual findings in connection with the Use of funds raised from the Share Capital Increase

To the Board of Directors of «MOTODYNAMICS SA»

Following the request of the Directors of «MOTODYNAMICS SA», we have performed the agreed upon procedures enumerated below with respect to the Report on the use of funds resulting from the Share capital increase carried out by the company in June 2005. The company's management is responsible for preparing this report. Our engagement was undertaken in accordance with the International Standard on Related Services 4400 (ISRS) "Engagements to perform Agreed Upon Procedures Regarding Financial Information". The procedures that were performed are summarized as follows:

1. We compared the payments presented in the attached table "Report on the use of Funds raised from Share Capital Increase in cash, with the corresponding amounts recorded in the company's accounting books and records for the relevant period.
2. We examined the consistency of the content of the above Report with the offering circular issued by the company as well as with other relevant announcements made by the company's officials.

We report our findings below:

a) With respect to the item 1 we found that the amounts included in the table of the above Report agrees to the company's books and records for the relevant period.
b) With respect to the item 2 we found that the content of the report is consistent with the information included in the offering circular as well as to other relevant announcements made by the company's officials.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing we do not express any assurance on the amounts included in the Report of Use of Funds of Share Capital Increase.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standard on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the Report on the use of funds and does not extend to any financial statements of «MOTODYNAMICS SA», taken as a whole.

Athens, March 5, 2009
The Certified Auditor Accountant

Vassilios Kaminaris
SOEL No. 20411

ERNST & YOUNG (HELLAS)
Certified Auditors Accountants S.A.
11th Km Nt Rd Athens lamia,
Metamorfosi
Company SOE.L No 107

TABLE OF REFERENCE CORRESPONDENCE WITH THE INFORMATION PROVIDED FOR BY ARTICLE 10 OF LAW 3401/2005

Date	Announcement	Web address	Comments
Annual Financial Results 2007			
05/03/08	Annual Consolidated Financial Statements 31.12.2007	http://www.motodynamics-ir.gr/	
05/03/08	Annual Financial Statements 31.12.2007	http://www.motodynamics-ir.gr/	
06/03/08	Comments on Annual Financial Results 2007	http://www.motodynamics-ir.gr/	
05/03/08	Data and Information for the period January 1st to December 31st 2007	http://www.motodynamics-ir.gr/	
07/03/08	Table of Funding Allocation for the period 01/07/07 to 31/12/07	http://www.motodynamics-ir.gr/	
1Q2008 Financial Results			
14/05/08	1Q2008 Interim Consolidated Financial Statements	http://www.motodynamics-ir.gr/	
14/05/08	1Q2008 Interim Financial Statements	http://www.motodynamics-ir.gr/	
14/05/08	1Q2008 Data and Information	http://www.motodynamics-ir.gr/	
15/05/08	Comments on 1Q2008 Results	http://www.motodynamics-ir.gr/	
21/05/08	Announcement of Additional Data regarding 1Q2008 Data and Information	http://www.motodynamics-ir.gr/	
1st Half 2008 Financial Results			
27/08/08	1st Half 2008 Interim Consolidated Financial Statements	http://www.motodynamics-ir.gr/	
27/08/08	1st Half 2008 Interim Financial Statements	http://www.motodynamics-ir.gr/	
27/08/08	1st Half 2008 Data and Information	http://www.motodynamics-ir.gr/	
28/08/08	Table of Funding Allocation for the period 01/01/08 to 31/06/08	http://www.motodynamics-ir.gr/	
27/08/08	Comments on 1st Half 2008 Results	http://www.motodynamics-ir.gr/	
9-Month 2008 Financial Results			
12/11/08	9-Month 2008 Interim Consolidated Financial Statements	http://www.motodynamics-ir.gr/	
12/11/08	9-Month 2008 Interim Financial Statements	http://www.motodynamics-ir.gr/	
12/11/08	9-Month 2008 Data and Information	http://www.motodynamics-ir.gr/	
Annual Reports			
2008	Annual Report 2007	http://www.motodynamics-ir.gr/	
Notifications of Transactions & Regulated Information Communications			
2008	Notifications of transactions and communications by persons under the obligation stipulated by Greek law.	http://www.motodynamics-ir.gr/	
Treasury Share Purchase Announcements			
2008	Treasury Share Purchase Announcements	http://www.motodynamics-ir.gr/	
Changes in Significant Holdings			
06/03/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
14/03/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
19/03/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
15/05/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
29/05/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
18/08/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
10/09/08	Notification of Significant Holdings pursuant to law no. 3556/2007	http://www.motodynamics-ir.gr/	
Other Communications			
03/01/08	Communication of Change in BoD Composition	http://www.motodynamics-ir.gr/	.
07/03/08	Communication of Table of Funding from 01/01/07 to 30/06/07	http://www.motodynamics-ir.gr/	
02/04/08	Communication of Decision of Change in Use of Funding	http://www.motodynamics-ir.gr/	
24/04/08	Communication of Tax Audit Completion for Years 2004-2006	http://www.motodynamics-ir.gr/	
08/05/08	Preliminary Invitation to Ordinary General Meeting	http://www.motodynamics-ir.gr/	
30/05/08	Communication of Ex-Right/ Dividend Payment	http://www.motodynamics-ir.gr/	
30/05/08	Ordinary General Meeting Decisions	http://www.motodynamics-ir.gr/	
02/06/08	Preliminary Invitation to Extraordinary General Meeting	http://www.motodynamics-ir.gr/	
26/06/08	Extraordinary General Meeting Decisions	http://www.motodynamics-ir.gr/	
26/06/08	BoD Composition Notification	http://www.motodynamics-ir.gr/	
27/08/08	Announcement of Bonded Loan of € 5 m.	http://www.motodynamics-ir.gr/	
18/12/08	Communication of Decision of Change in Use of Funding	http://www.motodynamics-ir.gr/	

Notes: *The communications of the table of references are also posted in Athens Stock Exchange Website: www.ase.gr*

AVAILABILITY OF FINANCIAL STATEMENTS

The annual financial statements, the chartered auditors' certificates and the Directors' Reports of the companies included in the consolidated financial statements of the Company are posted in the Company's website, www.yamaha-motor.gr or www.motodynamics-ir.gr.

MOTORCYCLES AND MARINE TRADE AND IMPORT COMPANY S.A.
"MOTODYNAMICS S.A."

AR.M.A.E. 28211/06/B/93/8

REGISTERED ADDRESS: 14th klm Nat.Road Athens - Lamia

SUMMARY FINANCIAL RESULTS for the year ended December 31, 2008

(in terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

The figures illustrated below, coming from the Financial Statements, are aming to provide a general awareness about the financial position and results of Motodynamics S.A. and its Group of companies. Consequently, we advise the reader, before making any investment decision or other transaction concerning the company, to visit the company's web site where the financial statements according to International Financial Reporting Standards together with the auditor's report, are presented.

COMPANY'S PROFILE

Supervising Authority: Ministry of Development Societe Anonyme and Credit Division
Company's website: www.yamaha-motor.gr
Approval date of the Financial Statements by the Board of Directors: 5 March 2009
Certified Auditor Accountant: Vassilios Kaminaris A.M. ICA(GR) 20411
Audit Company: ERNST&YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A. (S.O.E.L. R.N. 107107)
Type of Auditor's Report: Unqualified audit report

Board of Directors' Composition:
President - Performing member: Ulysses P. Kyriacopoulos
Vice President - Not performing Member: Michail I. Karamihas
Vice President - Performing Member: Constantine A. Capayannides
Chief Executive Officer - Performing Member: Sotiris D. Hatzikos
Consultant - Not performing Member: Ioannis P. Karkalemis
Consultant - Dependant Not performing Member: Ioannis- Stilianos N. Taboularis
Consultant - Independant Not performing Member: Georgios I. Avlonitis
Consultant - Independant Not performing Member: Pavlos A. Laskaris
Consultant - Independant Not performing Member: Leukothea Th.Varagi
Consultant - Independant Not performing Member: Fotini N. Karageorgi
Consultant - Independant member: Evstratios D. Papaevstratiou

CONDENSED BALANCE SHEET (consolidated and the parent company) Amounts in €

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
ASSETS				
Tangible assets	3.068.907,20	3.012.340,68	2.616.866,85	2.430.662,78
Intangible assets	128.248,41	111.667,30	99.452,02	57.586,10
Other non current assets	2.135.302,47	2.170.034,46	6.128.083,93	6.135.147,88
Inventories	22.204.096,14	29.142.402,39	19.549.495,06	26.500.430,15
Trade accounts receivable	8.565.450,89	10.468.864,30	10.482.424,90	12.262.189,16
Other current assets	468.227,96	411.570,84	426.933,76	358.651,85
Cash and cash equivalents	1.048.602,69	1.235.770,02	453.926,94	402.306,58
TOTAL ASSETS	**37.618.835,76**	**46.552.649,99**	**39.757.183,46**	**48.146.974,50**
NET EQUITY AND LIABILITIES				
Share Capital	3.026.700,00	3.026.700,00	3.026.700,00	3.026.700,00
Share Premium	6.038.244,00	6.038.244,00	6.038.244,00	6.038.244,00
Retained earnings and other reserves	6.149.408,78	7.307.670,36	8.651.907,80	9.332.512,07
Share capital and reserves (a)	**15.214.352,78**	**16.372.614,36**	**17.716.851,80**	**18.397.456,07**
Minority interests (b)	**23.486,57**	**72.180,86**	**0,00**	**0,00**
Total Equity (c) = (a) + (b)	**15.237.839,35**	**16.444.795,22**	**17.716.851,80**	**18.397.456,07**
Long term borrowings	5.000.000,00	0,00	5.000.000,00	0,00
Provisions/Other long - term liabilities	1.074.473,14	967.215,22	1.029.150,00	910.000,00
Short term borrowings	3.877.623,48	13.392.118,74	3.877.623,48	13.392.118,74
Other short term liabilities	12.428.899,79	15.748.520,81	12.133.558,18	15.447.399,69
TOTAL LIABILITIES (d)	**22.380.996,41**	**30.107.854,77**	**22.040.331,66**	**29.749.518,43**
TOTAL NET EQUITY AND LIABILITIES (c) + (d)	**37.618.835,76**	**46.552.649,99**	**39.757.183,46**	**48.146.974,50**

CONDENSED INCOME STATEMENT (consolidated and the parent company) Amounts in €

	GROUP		COMPANY	
	1/1-31/12/2008	1/1-31/12/2007	1/1-31/12/2008	1/1-31/12/2007
Sales	80.695.801,92	86.765.000,00	78.657.514,26	84.460.214,38
Gross Profit	**15.495.215,36**	**15.842.431,66**	**13.722.358,36**	**13.943.439,43**
Profit before taxes, financing & investing activities	2.947.394,22	4.608.261,45	3.170.511,18	4.529.113,64
Profit before taxes	**2.039.774,66**	**4.079.156,97**	**2.357.387,74**	**4.035.342,99**
Profit after taxes	**1.091.738,90**	**2.640.533,88**	**1.518.886,51**	**2.711.863,64**
Attributable to:				
Equity holders of the company	1.140.433,19	2.622.712,49	1.518.886,51	2.711.863,64
Minority interests	-48.694,29	17.821,39	0,00	0,00
Earnings/Losses per share after taxes - basic (in €)	0,2228	0,5112	0,2968	0,5286
Proposed dividend per share (in €)	0,16	0,42	0,16	0,42
Profit before taxes, financing & investing activisties, amortization and depreciation	**3.624.767,95**	**5.310.411,04**	**3.641.687,30**	**5.053.846,97**

ADDITIONAL DATA AND INFORMATION

1. The accounting principles adopted in the preparation and the presentation of annual financial statements of the company and the Group of companies are consistent with the ones adopted for the year ended December 31,2007.

2. The companies of the Group with the related countries they operate, the percentange of the participition and the consolidation method are shown in note 4 of the annual corporate and consolidated financial statements.

3. The anaudited years for companies Group and the Company are shown in note 13 of the annual corporate and consolidated financial statements.

4. There are no matters disputed by law or under arbitration, neither decisions of judges or arbitrators, which may have significant effect on the company's financial position or operation. Cummulative provisions for the Group and the Company for the year ended December 31, 2008 are analyzed to anautided provisions of total amount 139.162,07 € for the Group and amount 132.225,00 € for the Company, and to Other provisions of total amount 1.903.875,01 € and 1.838.018,78 €, respectively.

5. The assets of the group and the company have not be pledged

6. The number of occupied employees at the end of the reporting period is specified to 139 persons for the parent and 174 persons for the Group while the corresponding period of the previous financial period were 122 for the parent and 156 for the Group.

7. Earnings / losses per share have been calculated on the total number of shares.

8. The Company's Board, when it approved the attached financial statements in March 5, 2009 decided to propose to the Annual General Meeting a dividend distribution of € 0.16 per share. The Ordinary General Shareholders Meeting of May 30, 2008 approved a dividend distribution of € 2,154,600.00 (Euro 0.42 per share) regarding the financial year 2007.

9. On January 11th 2008, the General Shareholders' Meeting of S&B Industrial Minerals S.A. approved the concession (carve-out) directly to the S&B shareholders of the majority of the shares it held in MOTODYNAMICS S.A. (57.24% participating interest as of 31/12/07) and the said procedure was completed on March 3rd 2008

10. In execution of the decision dated 30/5/08 of the Ordinary General Shareholders' Meeting of the Company and the decision dated 6/10/08 of the Board of Directors, the Company proceeded to the purchase of treasury shares that, at the year end, amounted to 46,547 shares, of € 98,466.59 total value. None of the shares of the Parent company are owned by the Parent company or any subsidiaries and affiliated company.

11. On August 26, 2008 the company has issued a common bond loan of total nominal value € 5 million based on the decisions of its Annual Shareholders' meeting on 30/5/08 and the decision of the BofD meeting on 10/6/08.

12. On February 25th, 2009, an Extraordinary General Shareholders' Meeting of the Company convened and approved the change of the Company's registered office, which was transferred from the Municipality of Kifissia to the Municipality of Aspropyrgos, Attica, and the respective amendment to article 3 of the Articles.

13. On February 2009,12 by decision of the Board of Directors of "MOTODYNAMICS S.A." and the respective decision of the Board of Directors of "MOTODYNAMICS INSURANCE BROKERAGE S.A" and pursuant to the provisions of articles 78 of C.L. no. 2190/1920 and articles 1-5 of Law no. 2166/1993, the merger by takeover of its 100% subsidiary, the societe anonyme under the trade name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" was decided.

CONDENSED STATEMENT OF CHANGES IN EQUITY (consolidated and the parent company) Amounts in €

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Equity balance at the beginning of the period (1/1/2008 and 1/1/2007 respectively)	**16.444.795,22**	**16.131.076,30**	**18.397.456,07**	**17.840.192,43**
Profit for the year after taxes (continuing and discontinued operations)	1.091.738,90	2.640.533,88	1.518.886,51	2.711.863,64
Dividend distribution	-2.154.600,00	-2.154.600,00	-2.154.600,00	-2.154.600,00
Foreign currency translation	-99.203,99	-142.214,96	-	-
Minorities rights acquisition	-	-30.000,00	-	-
Reserves for allocation of free shares to directors	53.575,81	-	53.575,81	-
Treasury Share Purchase	-98.466,59		-98.466,59	
Equity balance at the end of the period (31/12/2008 and 31/12/2007 respectively)	**15.237.839,35**	**16.444.795,22**	**17.716.851,80**	**18.397.456,07**

CASH FLOW STATEMENT (consolidated and the parent company) Amounts in €

	GROUP		COMPANY	
Indirect Method	**1/1-31/12/2008**	**1/1-31/12/2007**	**1/1-31/12/2008**	**1/1-31/12/2007**
Operating activities				
Profit before taxes	**2.039.774,66**	**4.079.156,97**	**2.357.387,74**	**4.035.342,99**
Add / (less) adjustments for:				
Depreciation	677.373,73	702.149,59	471.176,12	524.733,33
Provisions	349.716,05	341.362,84	3 13.506,05	274.516,79
Foreign Exchange differences	66.775,34	-13.965,14	-16.968,02	-3.078,44
Results (revenues, expenses, gains and losses) from investing activities	-37.873,98	-100.363,13	-37.873,98	-111.687,50
Credit interests	-35.359,69	-28.354,77	-20.616,18	-24.293,92
Payable interests and other relevant expenses	876.203,91	571.424,39	850.707,64	521.143,01
Add/(less) adjustments for changes in working capital or related to operating activities:				
Decrease / (increase) in inventories	6.933.306,25	-5.244.642,53	6.950.935,09	-5.115.416,58
Decrease / (increase) in receivables	1.760.201,58	-1.737.668,63	1.622.381,62	-2.041.747,75
(Decrease) / increase in liabilities (other than banks)	-3.217.849,76	-4.665.959,28	-3.038.249,65	-4.566.456,49
Less:				
Debit interest and relevant expenses paid	-876.203,91	-571.424,39	-850.707,64	-521.143,01
Income tax paid	-1.119.932,93	-1.695.729,59	-1.099.370,29	-1.662.820,34
Realized foreign exchange differences	-66.775,34	13.965,14	16.968,02	3.078,44
Staff leaving indemnities paid	-11.191,69	-36.639,33	-9.231,69	-36.639,33
Utilized provision for doubtful clients	-28.634,98	-103.019,78	-1.915,87	-103.019,78
Realized depreciation of goods	-59.632,68	-135.170,61	-59.632,68	-64.877,46
Total cash inflow / (outflow) from operating activities (a)	**7.249.896,56**	**-8.624.878,25**	**7.448.496,28**	**-8.892.366,04**
Investing Activities				
Acquisition of subsidiary	-	-	-	-30.000,00
Purchases of tangible and intangible fixed assets	-1.390.944,94	-1.130.719,72	-1.336.013,46	-1.001.422,97
Proceeds on disposal of tangible and intangible fixed assets	681.296,89	627.522,03	681.296,89	598.548,60
Interest received	35.359,69	28.354,77	20.616,18	24.293,92
Minorities proportion in subsidiaries capital increase	-	-	-	-861.930,72
Total cash inflow / (outflow) from investing activities (b)	**-674.288,36**	**-474.842,92**	**-634.100,39**	**-1.270.511,17**
Financing Activities				
Receipts from issued / utilized loans	30.432.903,53	26.311.825,65	30.332.903,53	26.007.674,23
Loan repayments	-34.947.398,79	-15.703.124,42	-34.847.398,79	-14.855.539,21
Treasury Share Purchase	-98.466,59		-98.466,59	-
Dividends paid	-2.149.813,68	-2.153.810,40	-2.149.813,68	-2.153.810,40
Total cash inflow / (outflow) from financing activities (c)	**-6.762.775,53**	**8.454.890,83**	**-6.762.775,53**	**8.998.324,62**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**-187.167,33**	**-644.830,34**	**51.620,36**	**-1.164.552,59**
Cash and cash equivalents at the beginning of the year	**1.235.770,02**	**1.880.600,36**	**402.306,58**	**1.566.859,17**
Cash and cash equivalent at end of the end of the year	**1.048.602,69**	**1.235.770,02**	**453.926,94**	**402.306,58**

14. Cummulative amounts of income and expences at the begining of the year, and the receivables and payables balances for both the Group and the Company at the end of the year, that they have been ocurred with the related parties according to IAS 24, are as follows:

Amounts in €	**GROUP**	**COMPANY**
Sales	6.193,36	7.264.397,64
Purchases	1.164.559,14	1.469.061,77
Receivables	32.394,95	2.957.850,80
Payables	137.506,18	136.188,42
Compensation of Key management personnel	1.968.975,19	1.863.608,43
Key Management personnel Receivables	80.000,00	80.000,00
Liabilities to Key Management personnel	1.101.554,47	1.094.994,47

From the above transactions of the Group, the transactions and the finacial balance between the subsidiaries have been erased.

Athens, March 5, 2009

PRESIDENT	**CHIEF EXECUTIVE OFFICER**	**CHIEF FINANCIAL OFFICER**
ULYSSES P. KYRIACOPOULOS	**SOTIRIOS D. HATZIKOS**	**ANNA G. LIZOU-SPYRATOU**
IDENTITY CARD Ξ 164488	**IDENTITY CARD P 528354**	**LICENCE NUMBER A΄ CLASS 0003870**