MOTODYNAMICS S.A.

ANNUAL FINANCIAL REPORT
OF THE COMPANY & THE GROUP
FOR THE YEAR FROM JANUARY 1st TO DECEMBER 31st 2009

Société Anonyme
EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under distinctive title «MOTODYNAMICS S.A.»
S.A. Register No. 28211/06/B/93/8
Kyrillos Site – Aspropyrgos

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DIRECTORS' STATEMENTS
(pursuant to article 4, par. 2c, Law 3556/2007)

The undersigned below, Messrs:

1. Odysseas Kyriakopoulos, Chairman of the Board of Directors
2. Sotirios Hatzikos, Managing Director, and
3. Ioannis Karkalemis, Board of Directors' member, especially nominated for this purpose by the Board of Directors' meeting held today (16.03.2010)

STATE THAT

To the best of our knowledge:

1. The annual financial statements of the Company and the Group MOTODYNAMICS S.A. for the period from 1/1/09 through to 31/12/09, drawn up according to the applicable International Accounting Standards, provide the true picture of the assets and liabilities, the net equity and the results of the Company, as well as of the companies included in the consolidation, considered as a total, pursuant to the provisions of article 4 of Law 3556/2007.
2. The Board of Directors' annual report provides the true picture of the development, performance and position of the Company and of the companies included in the consolidation in total, including the description of the main risks and uncertainties they are confronted with.

Aspropyrgos, March 16th 2010

Kyriakopoulos Odysseas	Hatzikos Sotirios	Karkalemis Ioannis
BoD Chairman	Managing Director	BoD Member

ANNUAL REPORT
OF THE BOARD OF DIRECTORS FOR THE YEAR 1/1—31/12/2009

Dear Shareholders,

The Board of Directors' annual report regards the financial year 2009 (January 1st to December 31st 2009) 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 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 provide substantial and well-documented information about the activity during 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 a participating interest of 100%
2. MOTODIKTYO VOREIOU ELLADOS S.A. having its registered office in Greece and participating interest of 51%
3. MOTODYNAMICS INSURANCE BROKERAGE S.A. having its registered office in Greece and a participating interest of 100%
4. MOTODYNAMICS SRL having its registered office in Romania and a participating interest of 100%
5. MOTODYNAMICS LTD having its registered office in Bulgaria and a 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 as of the year 2009.

The Report's sections and their contents are as follows:

1) Total course of the Group and the Company during the year under review

In 2009, as a result of the financial slowdown, the consumer durables market, both in Greece as well as in foreign countries where the Group operates (Romania and Bulgaria), recorded a significant drop. The decrease in the Group's turnover was within overall market trends. Targeted commercial actions were implemented during the year, which led to an improvement of the gross profit percentage. Moreover, actions for curtailing general expenses were also implemented. In 2009, the Company completed its relocation to new premises located in Aspropyrgos, Attica, thus covering its needs both in terms of offices, as well as in terms of storage facilities, on a long-term basis. The outlook for 2010 and for as long as the financial downturn continues to adversely impact on consumer psychology, is that markets will have limited chances of an upturn. The optimization of the supply chain, on the basis of the new facilities, as well as the further reduction in general expenses, will continue.

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

Turnover:

The consolidated turnover of the Group stood at € 62.0 m. in 2009 compared to € 80.7 m. in 2008, recording a 23.17% drop. The parent company's turnover for the same period recorded a 24.24% decrease and amounted to € 59.6 m. from € 78.7 m. in 2008.

EBITDA:

Earnings before interest, taxes, depreciation and amortization, as a percentage of the sales, on a consolidated basis, amounted to 1.6% compared to 4.5% in 2008. The respective percentages for the parent company amounted to 2.7% compared to 4.6% during the respective period of the previous year.

Selling and Administrative Expenses:

In 2009, Group expenses amounted to € 14.0 m. compared to € 14.4 m. in 2008, presenting a 2.1 % decrease. Respectively, parent company expenses in 2009 amounted to € 12.3 m. compared to € 12.5 m. in the respective 2008 period, recording a drop by 1.6 %.

Profits before taxes:

In 2009, the Group recorded € 356,000 in losses, compared to € 2.0 m. in profits in 2008. Respectively, the parent company recorded € 541,000 in losses, compared to € 2.4 m. in profits in 2008. The Company's earnings before taxes were impacted by € 1 m. as a result of the impairment of its participating interest in its foreign subsidiaries (by € 30,000 for Romania and by € 990,000 for Bulgaria). Without the aforementioned impairment, the Company would have recorded profits of € 555,000.

Profits after taxes:

The Group posted net losses after taxes of € 549,000 compared to € 1.1 m. in profits recorded in 2008. Net results after taxes of the parent company amounted to € 823,000 in losses, compared to € 1.5 m. in profits during the corresponding period of 2008. The aforementioned impairment of the value of its participating interests correspondingly impacted on the Company's results after taxes by € 1 m. Otherwise, the Company would have posted profits amounting to € 185,000.

Discontinued Operations:

In view of the better and more efficient operation of the business segments of the Company and the Group, the Board of Directors of "MOTODYNAMICS S.A.", during its session held on December 29th 2009, decided the spin-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100%) trading under the name "MOTODIKTYO EMPORIA KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A." and the distinctive title "MOTODIKTYO S.A.", in accordance with the provisions of articles 1-5 of Law 2166/93. December 31st 2009 was designated the Transformation Balance Sheet date (of the accounting statements).

Current assets:

Total current assets of the Group for 2009 amounted to € 20.9 m., compared to € 32.3 m. during the respective period of 2008. The 35.4% decrease noted is mainly due to the decrease in receivables and reserves. Respectively, for the same reasons, the Company's current assets decreased by 35.6 % and amounted to € 19.9 m., compared to € 30.9 m. in 2008.

Current liabilities:

Total current liabilities of the Group for 2009 amounted to € 10.1 m. compared to € 16.3 m. in the respective 2008 period, recording a 38.0% decrease. This decrease is mainly attributed to the decrease in trade liabilities, as well as to the zeroisation of the income tax liability. At parent company level, in 2009, current liabilities amounted to € 9.6 m. compared to € 16.0 m. presenting a 39.9% 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 2009, as well as after expiration thereof and until the date of drawing hereof, the following significant events have taken place:

1. In implementation of the decision of the Company's Ordinary General Shareholders' Meeting held on 30/5/08 and of the decision of the Board of Directors adopted on 6/10/08, the Company performed an acquisition of Own Shares. On December 31st 2009, the Company owned 111,603 shares, of a total value of € 220,568.42. The stock's closing price on 31/12/2009 was € 1.76.
2. 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's members, in accordance with those laid down in art. 37 of Law no. 3693/2008.
3. On May 29th 2009, 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 1.1.2008-31.12.2008, 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 Auditor for the year 1.1.2009-31.12.2009, the proposed allocation of dividend (€0.16 per share), the remunerations of BoD members, the ratification of BoD members and the change of use of the raised funds.
4. On February 12th 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.
5. On March 23rd 2009, the Board of Directors of "MOTODYNAMICS S.A." decided to suspend the operation of the Corfu branch.
6. On June 3rd 2009, the Board of Directors of "MOTODYNAMICS S.A." decided to revoke its decision dated 12-02-2009 regarding the merger of the subsidiary company trading under the name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" and to re-examine another corporate transformation procedure.

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. Moreover, Motodynamics possesses sufficient creditworthiness, as shown by the overall credit limits available to the company, which, as at December 31st 2009, amounted to € 25.5 m. at Company level and €26.9 m. on a consolidated basis. 32.3% of such amounts has been used.

Capital Risk :

The Group preserves an optimum capital structure in order to reassure the ability of retain 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

Transactions with subsidiaries (sales of merchandises and provision of services) are carried out within normal business operations of the Company. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31st, 2009 there are no pending guarantees or any other commitments of Motodynamics towards and from its subsidiaries. The Company's Management does not deem that provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

Below follows a transactions analysis (sales of merchandises and provision of services) and Motodynamics' balances with its above subsidiaries, as well as the analysis of the subsidiaries' transactions among them:

	PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**
Sales of goods and services		
Motodiktyo S.A.	1.349.379,37	2.063.831,48
Motodiktyo N.G. S.A.	850.457,02	1.415.608,63
Motodynamics Ltd.	469.167,51	1.157.546,73
Motodynamics Srl.	817.339,61	2.621.217,44
Motodynamics Insurance Brokerage S.A.	777,12	-
	3.487.120,63	**7.258.204,28**
Purchases of good and services		
Motodiktyo S.A.	1.722,40	23.944,10
Motodiktyo N.G. S.A.	1.192,30	2.558,20
Motodynamics Ltd.	14.742,05	8.446,00
Motodynamics Srl.	183.093,64	278.902,19
	200.750,39	**313.850,49**
Receivables		
Motodiktyo S.A.	759.886,53	1.280.196,06
Motodiktyo N.G. S.A.	217.484,37	537.071,17
Motodynamics Ltd.	1.888,37	231.901,31
Motodynamics Srl.	411.477,72	875.938,11
Motodynamics Insurance Brokerage S.A.	982,80	349,20
	1.391.719,79	**2.925.455,85**

Liabilities		
Motodiktyo S.A.	791,59	25.693,29
Motodiktyo N.G. S.A.	226,46	2.351,67
Motodynamics Srl.	2.397,79	1.116,00
	3.415,84	**29.160,96**

	Motodynamics Ltd.		**Motodynamics Srl.**	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Sales of good and services				
Motodynamics Srl	19.811,00	-	-	-
Purchases of good and services				
Motodynamics Ltd.	-	-	19.811,00	-
Receivables				
Motodynamics Srl	7.546,00	-	-	-
Liabilities				
Motodynamics Ltd.	-	-	7.546,00	-

Transactions-balance with subsidiaries

A 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.

	GROUP		**PARENT COMPANY**	
	31 December 2009	**31 December 2008**	**31 December 2009**	**31 December 2008**
Sales of good and services				
S&B Industrial Minerals S.A.	-	1.128,07	-	1.128,07
Purchases of good and services				
S&B Industrial Minerals S.A.	319.092,80	1.106.066,95	316.072,69	1.096.719,09
Receivables				
S&B Industrial Minerals S.A.	-	32.394,95	-	32.394,95
Liabilities				
S&B Industrial Minerals S.A.	31.159,23	134.830,65	-	104.351,93

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

Compensation of key management personnel of the Company and the Group for the year ended December 31st 2009 and 2008, were as follows:

	GROUP		**PARENT COMPANY**	
	31 December 2009	**31 December 2008**	**31 December 2009**	**31 December 2008**
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.810.755,98	1.968.975,19	1.703.997,71	1.863.608,43
Key management personnel receivables	0,00	80.000,00	0,00	80.000,00
Liabilities to key management personnel	963.234,15	1.101.554,47	956.674,15	1.094.994,47

Benefits to key management personnel of the Company for financial year 2009 recorded a drop in relation to the corresponding period of 2008, due to the decrease in its management personnel. The key management personnel receivables represent an interest-free loan of 80,000.00 euro provided by the company to an executive in 2008, which was fully repaid within 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 – rights and obligations attached to shares

1.1. Company's share capital structure: The company's share capital amounts to 3,026,700 Euro, divided into 5,130,000 shares, of a nominal value of 0.59 Euro each. All Company shares are ordinary shares with voting rights and are traded 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 (or upon liquidation) 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 share capital increase.

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

1.2.5. The General Shareholders' Meeting reserves all its rights during liquidation (article 35, 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 31.12.2009 the following shareholders held more than 5% of the total shares of the Company:

3.1. Mrs. Aikaterini Kyriakopoulou held 15.98% (13.43% directly and 2.55% indirectly);

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 Articles 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 the own shares of the Company, pursuant to article 16 of Codified Law 2190/1920

By virtue of the decision adopted by the Ordinary General Shareholders' Meeting on 30/5/08, the Company may acquire its own shares, under the following terms:

a. The maximum number of own shares that may be acquired is subject to an upper limit of 400,000, an amount corresponding to less than 1/10 of paid-up share capital.

b. The maximum acquisition price of the shares was set at twelve (12) euro, with the minimum price set at one (1) euro.

c. The timeframe within which the share acquisitions will be performed was designated as twenty four (24) months, namely from 30/5/2008 to 30/5/2010.

d. It conferred the authorisation to the Board of Directors, on condition that it adopts a relevant decision thereto, to implement the own shares acquisitions in accordance with the terms stipulated above and the conditions imposed by applicable legislation, designating the time periods and quantities of acquired shares.

Moreover, by virtue of its decision dated 6/10/08, the Board of Directors of the Company appointed the Managing Director as its special attorney-in-fact and process server and, in the event of his impediment, the Chief Financial Officer and the Manager of Financial Services and Credit Control, acting either jointly or individually, conferring them the authorisation to undertake all requisite actions in view of the acquisition of own shares, in the name and on behalf of the Company, in accordance with the aforementioned terms that were approved by the Ordinary General Shareholders' Meeting held on 30-5-2008.

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 (as of 01.01.2008) with its Managing Director, Mr. Sotirios Hatzikos, which was approved by the Ordinary General Meeting held on 29.5.2009.

Aspropyrgos, 16.03.2010

On behalf of the Board of Directors
The Managing Director

Sotirios Hatzikos

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Audit Report of Independent Chartered Auditor Accountant

To the Shareholders of
EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS A.E.E. "MOTODYNAMICS S.A."
ANONIMI EMPORIKI ETAIRIA
distinctive title «MOTODYNAMICS S.A.»

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of the Company EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS ANONIMI EMPORIKI ETAIRIA (COMMERCIAL S.A. COMPANY) with the distinctive title "MOTODYNAMICS S.A." and of its subsidiaries, which consist of the company and consolidated financial position statement as of December 31st 2009, the company and consolidated income statements, statements of changes in equity and cash flow statements for the year then ended, as well as the summary of significant accounting policies and methods and other explanatory notes.

Management's Responsibility in regard to the Company and Consolidated Financial Statements

The Management of the Company is responsible for the preparation and fair presentation of these company and consolidated Financial Statements in accordance with International Financial Reporting Standards, as the latter have been adopted by the European Union. This responsibility extends to maintaining an internal control system deemed necessary by Management, in order to ensure the preparation of company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these company and consolidated Financial Statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance that the company and consolidated financial statements are free from material misstatement.
An audit involves performing procedures in order to obtain sufficient information and documentation concerning the amounts and disclosures included in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In assessing that risk, the auditor considers the internal control system relevant to the company's preparation and fair presentation of the company and consolidated financial statements, in order to design audit procedures that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system.

An audit also includes evaluating the appropriateness of accounting policies and methods used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the company and consolidated financial statements.
We have obtained reasonable assurance that all important evidence has been brought to our attention and is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31st, 2009, and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as the latter have been adopted by the European Union.

Reference to other legal and regulatory matters

We have verified the compliance and consistency of the content of the Report of the Board of Directors with the accompanying company and consolidated financial statements, as foreseen under the provisions of articles 43(a), 107 and 37 of Codified Law 2190/1920.

Athens, March 16th 2010

THE CHARTERED AUDITOR ACCOUNTANT

VASSILIOS KAMINARIS
SOEL No. 20411

ERNST & YOUNG (GREECE)
CHARTERED AUDITOR ACCOUNTANTS S,A,
11TH KM. ATHENS-LAMIA NATIONAL ROAD, 144 51 METAMORFOSIS
SOEL NO. 107



MOTODYNAMICS S.A.

as the latter have been adopted by the European Union

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

under distinctive title «MOTODYNAMICS S.A.»

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EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A. "MOTODYNAMICS S.A."

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31ST, 2009

(amount in Euro)

		GROUP	
	Notes	1.1 – 31.12.2009	1.1 - 31.12.2008
Sales	6	61.999.912,63	80.695.801,92
Cost of Sales		(48.774.241,07)	(65.200.586,56)
Gross Profit		**13.225.671,56**	**15.495.215,36**
Other income	9	1.210.117,80	1.919.481,40
Administration expenses	7	(6.927.845,70)	(5.949.981,31)
Sales and distribution expenses	8	(7.144.442,87)	(8.417.440,44)
Other expenses	10	(224.953,04)	(99.880,79)
Operating profits		**138.547,75**	**2.947.394,22**
Financial income	11	77.530,77	126.430,59
Financial expenses	12	(572.273,23)	(1.034.050,15)
Profit / (Loss) before taxes		**(356.194,71)**	**2.039.774,66**
Income tax	13	(193.045,15)	(948.035,76)
Profit (Loss) after taxes		**(549.239,86)**	**1.091.738,90**
Attributable to:			
Equity holders of the parent		(540.286,45)	1.140.433,19
Minority interest/holders		(8.953,41)	(48.694,29)
		(549.239,86)	**1.091.738,90**
Cumulative consolidated exchange dif.		**(42.130,74)**	**(99.203,99)**
Total income after taxes		**(591.370,60)**	**992.534,91**
Attributable to:			
Parent company owners		(582.417,19)	1.041.229,20
Minority interest		(8.953,41)	(48.694,29)
		(591.370,60)	**992.534,91**
Earnings per share - basic after taxes (in €)	16	**(0,1153)**	**0,2034**
Diluted earnings per share (in Euro):	16	**(0,1145)**	**0,2028**

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
"MOTODYNAMICS S.A."

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31ST, 2009

		PARENT COMPANY					
		1.1-31.12.2009			1.1-31.12.2008		
(amount in Euro)	Notes	Ongoing Operations	Discontinued Operations	Total	Ongoing Operations	Discontinued Operations	Total
Sales	6	54.532.693,09	5.057.381,26	59.590.074,35	73.281.860,07	5.375.654,19	78.657.514,26
Cost of Sales		(44.131.327,59)	(3.380.107,39)	(47.511.434,98)	(61.245.726,50)	(3.689.429,40)	(64.935.155,90)
Gross Profit		**10.401.365,50**	**1.677.273,87**	**12.078.639,37**	**12.036.133,57**	**1.686.224,79**	**13.722.358,36**
Other income	9	1.231.322,42	98.335,07	1.329.657,49	1.925.921,29	86.352,69	2.012.273,98
Administration expenses	7	(6.603.128,96)	-	(6.603.128,96)	(5.604.587,37)	-	(5.604.587,37)
Sales and distribution	8	(4,650.464,33)	(1.048.908,76)	(5.699.373,09)	(5.880.285,04)	(1.017.557,63)	(6.897.842,67)
Other expenses	10	(200.148,41)	-	(200.148,41)	(61.151,59)	(539,53)	(61.691,12)
Operating profit / (loss)		**178.946,22**	**726.700,18**	**905.646,40**	**2.416.030,86**	**754.480,32**	**3.170.511,18**
Financial income	11	49.064,23	351,85	49.416,08	38.591,40	-	38.591,40
Financial expenses	12	(469.959,09)	(6.203,55)	(476.162,64)	(849.150,49)	(2.564,35)	(851.714,84)
Provision for devaluation of participating interests	4	(1.020.000,00)		(1.020.000,00)			
Profit / (loss) before taxes		**(1.261.948,64)**	**720.848,48**	**(541.100,16)**	**1.605.471,77**	**751.915,97**	**2.357.387,74**
Income tax	13	(102.061,70)	(180.212,12)	(282.273,82)	(650.522,24)	(187.978,99)	(838.501,23)
Profit (loss) after taxes		**(1.364.010,34)**	**540.636,36**	**(823.373,98)**	**954.949,53**	**563.936,98**	**1.518.886,51**
Total income after taxes		**(1.364.010,34)**	**540.636,36**	**(823.373,98)**	**954.949,53**	**563.936,98**	**1.518.886,51**

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A. "MOTODYNAMICS S.A."

STATEMENT OF FINANCIAL POSITION

as of December 31st, 2009
(amount in Euro)

	Notes	GROUP		PARENT COMPANY	
		31 December 2009	31 December 2008	31 December 2009	31 December 2008
ASSETS					
Non – current assets					
Tangible assets	17	5.818.413,98	3.068.907,20	5.298.096,12	2.616.866,85
Software	18	188.153,38	128.248,41	157.606,31	99.452,02
Deferred tax receivables	13	596.738,12	461.904,27	325.743,89	280.138,71
Investments in subsidiaries	4	-	-	3.215.433,64	4.225.433,64
Other non-current assets	32	1.565.984,23	1.673.398,20	1.554.643,67	1.622.511,58
Total non-current assets		**8.169.289,71**	**5.332.458,08**	**10.551.523,63**	**8.844.402,80**
Current assets					
Inventories	19	14.933.075,27	22.204.096,14	12.337.430,03	19.549.495,06
Trade accounts receivable	20	4.749.238,39	8.565.450,89	4.383.047,56	7.556.969,05
Amounts due from subsidiaries	5	-	-	1.391.719,79	2.925.455,85
Other receivables	21	616.767,06	468.227,96	567.079,25	426.933,76
Cash and cash equivalents	22	569.446,03	1.048.602,69	161.369,40	453.926,94
Total current assets		**20.868.526,75**	**32.286.377,68**	**18.840.646,03**	**30.912.780,66**
Discontinued activity assets	4	-	-	1.311.065.96	-
Total Assets		**29.037.816,46**	**37.618.835,76**	**30.703.235,62**	**39.757.18,46**
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	1.034.760,10	1.019.191,30	1.030.302,01	1.014.733,21
Treasury Shares	24	(220.568,42)	(98.466,59)	(220.568,42)	(98.466,59)
Reserves for allocation of free shares to directors	23	107.151,62	53.575,81	107.151,62	53.575,81
Cumulative consolidation exchange differences		(233.470,98)	(191.340,24)	-	-
Results carried forward		3.949.403,87	5.366.448,50	6.037.891,39	7.682.065,37
Total		**13.702.220,19**	**15.214.352,78**	**16.019.720,60**	**17.716.851,80**
Minority interest		60.491,34	23.486,57	-	-
Total Equity		**13.762.711,53**	**15.237.839,35**	**16.019.720,60**	**17.716.851,80**
Non-current Liabilities					
Provision for staff retirement indemnity	27	1.073.380,85	1.046.203,33	916.052,12	1.029.150,00
Non-current loan obligations	29	4.000.000,00	5.000.000,00	4.000.000,00	5.000.000,00
Other non-current liabilities		17.328,34	28.269,81	-	-
Total non-current liabilities		**5.090.709,19**	**6.074.473,14**	**4.916.052,12**	**6.029.150,00**
Current Liabilities					
Trade payables	28	4.152.127,60	10.579.757,12	4.020.332,94	10.426.190,08
Short term loans	29	4.700.808,85	3.877.623,48	4.394.263,80	3.877.623,48
Income tax payable		0.00	304.043,86	-	261.537,18
Dividends paid	26	6.147,14	6.499,92	6.147,14	6.499,92
Other accrued and current liabilities	30	1.325.312,15	1.538.598,89	1.167.601,39	1.439.331,00
Total current liabilities		**10.184.395,74**	**16.306.523,27**	**9.588.345,27**	**16.011.181,66**
Total Liabilities		**15.275.104,93**	**22.380.996,41**	**14.504.397,39**	**22.040.331,66**
Discontinued activity liabilities	4	-	-	179.117,63	-
Total Equity and Liabilities		**29.037.816,46**	**37.618.835,76**	**30.703.235,62**	**39.757.183,46**

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
"MOTODYNAMICS S.A."

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31ST, 2009
(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
Total Equity at the beginning of the year January 1st, 2008	**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 financial year (1/1-31/12/2008)	-	-	-	-	-	-	1.140.433,19	1.140.433,19	(48.694,29)	**1.091.738,90**
Other total income/ (expenses)	-	-	-	(99.203,99)	-	-	-	(99.203,99)	-	(99.203,99)
Total income	-	-	-	(99.203,99)	-	-	1.140.433,19	1.041.229,20	(48.694,29)	992.534,91
Dividends (note 26)	-	-	-	-	-	-	(2.154.600,00)	(2.154.600,00)	-	(2.154.600,00)
Reserves for allocation of free shares to directors (note 25)	-	-	-	-	53.575,81	-	-	53.575,81	-	53.575,81
Treasury Share Purchase (note 24)	-	-	-	-	-	(98.466,59)		**(98.466,59)**		**(98.466,59)**
Total Equity at the end of the year December 31st, 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**
Total Equity at the beginning of the year January 1st, 2009	**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**
Results of financial year (1/1 – 31/12/2009)	-	-	-	-	-	-	(540.286,45)	(540.286,45)	(8.953,41)	(549.239,86)
Other total income/ (expenses)	-	-	-	(42.130,74)	-	-	-	(42.130,74)	-	(42.130,74)
Total income	-	-	-	(42.130,74)	-	-	(540.286,45)	(582.417,19)	(8.953,41)	(591.370,60)
Dividends (note 26)	-	-	-	-	-	-	(820.800,00)	(820.800,00)	-	(820.800,00)
Acquisition of Minority Interests in Subsidiaries							(55.958,18)	(55.958,18)	45.958,18	(10.000)
Transfer from/ to reserves	-	-	15.568,80	-	-	-	-	15.568,80	-	15.568,80
Reserves for allocation of free shares to directors (note 23)	-	-	-	-	53.575,81	-	-	53.575,81	-	53.575,81
Treasury Share Purchase (note 24)	-	-	-	-	-	(122.101,83)	-	(122.101,83)	-	(122.101,83)
Total Equity at the end of the year December 31st, 2009	**3.026.700,00**	**6.038.244,00**	**1.034.760,10**	**(233.470,98)**	**107.151,62**	**(220.568,42)**	**3.949.403,87**	**13.702.220,19**	**60.491,34**	**13.762.711,53**

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
"MOTODYNAMICS S.A."

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31ST, 2009
(amount in Euro)

	Share capital	Share premium	Reserves	Reserves for allocation of free shares to directors	Treasury Share Purchase	Retained Earnings	Total Equity
Total Equity at the beginning of the period January 1st, 2008	**3.026.700,00**	**6.038.244,00**	**1.014.733,21**	**-**	**-**	**8.317.778,86**	**18.397.456,07**
Results of financial year (1/1-31/12/2008)	-	-	-	-	-	1.518.886,51	**1.518.886,51**
Other total income/ (expenses)	-	-	-	-	-	-	-
Total income	-	-	-	-	-		-
Dividends (note 26)	-	-	-	-	-	(2.154.600,00)	(2.154.600,00)
Reserves for allocation of free shares to directors (note 25)	-	-	-	53.575.81	-	-	53.575,81
Treasury Share Purchase (note 24)	-	-	-	-	(98.466.59)	-	(98.466,59)
Total Equity at the end of the period December 31st, 2008	**3.026.700,00**	**6.038.244,00**	**1.014.733,21**	**53.575,81**	**(98.466,59)**	**7.682.065,37**	**17.716.851,80**
Total Equity at the beginning of the period January 1st, 2009	**3.026.700,00**	**6.038.244,00**	**1.014.733,21**	**53.575,81**	**(98.466,59)**	**7.682.065,37**	**17.716.851,80**
Results of financial year (1/1 – 31/12/2009)	-	-	-	-	-	(823.373,98)	(823.373,98)
Other total income/ (expenses)	-	-	-	-	-	-	-
Total income	-	-	-	-	-	(823.373,98)	(823.373,98)
Dividends (note 26)	-	-	-	-	-	(820.800,00)	(820.800,00)
Transfer from/ to reserves	-	-	15.568,80	-	-	-	15.568,80
Reserves for allocation of free shares to directors (note 23)	-	-	-	53.575,81	-	-	53.575,81
Treasury Share Purchase (note 24)	-	-	-	-	(122.101,83)	-	(122.101,83)
Total Equity at the end of the period December 31st, 2009	**3.026.700,00**	**6.038.244,00**	**1.030.302,01**	**107.151,62**	**(220.568,42)**	**6.037.891,39**	**16.019.720,60**

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A. "MOTODYNAMICS S.A."

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31ST, 2009
(amount in Euro)

Indirect Method	Notes	GROUP		PARENT COMPANY	
		December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Operating Activities					
Profit / (loss) before taxes from Ongoing Operations		**(356.194,71)**	**2.039.774,66**	**(1.261.948,64)**	**1.605.471,77**
Profits before taxes from Discontinued Operations		-		720.848,48	751.915,97
Profit / (loss) before taxes		**(356.194,71)**	**2.039.774,66**	**(541.100,16)**	**2.357.387,74**
- Depreciation	15	870.716,11	677.373,73	681.734,97	471.176,12
- Provision for staff retirement indemnities	27	336.338,83	130.341,69	327.752,34	128.381,69
- Provision for doubtful receivables	20	442.637,69	101.165,87	178.005,94	71.915,87
- Provision for slow moving inventory	19	170.041,99	64.632,68	170.041,99	59.632,68
Reserves for allocation of free shares to directors	23	53.575,81	53.575,81	53.575,81	53.575,81
- Foreign exchange differences	11,12	62.172,29	66.775,34	1.327,21	(16.968,02)
-- Operating activities result		(15.219,08)	(37.873,98)	(25.427,12)	(37.873,98)
- Credit interests	11	(59.914,88)	(35.359,69)	(44.108,84)	(20.616,18)
- Payable interests and relevant expenses	12	492.485,05	876.203,91	469.528,19	850.707,64
Plus/ less adjustments for changes in capital, working capital or relevant to operating activities					
Decrease / (Increase) in:					
- Inventories		7.197.908,87	6.933.306,25	6.220.173,24	6.950.935,09
- Non-current assets		107.413,97	(14.023,82)	67.567,91	(19.100,73)
- Trade receivables		4.355.676,16	1.830.882,52	5.376.757,36	1.709.764,26
- Other current receivables		(195.554,48)	(56.657,12)	(149.735,06)	(68.281,91)
(Decrease) / Increase in:					
- Non-current liabilities		(10.941,47)	(11.892,08)	-	-
- Trade and other payables		(6.427.629,52)	(2.952.073,70)	(6.405.857,14)	(2.956.164,92)
- Other short term liabilities		(136.609,84)	(253.883,98)	(112.353,09)	(82.084,73)
Minus:					
- Debit interest and relevant expenses paid	12	(492.485,05)	(876.203,91)	(469.528,19)	(850.707,64)
- Taxes paid		(767.175,35)	(1.119.932,93)	(725.060,86)	(1.099.370,29)
- Realized foreign exchange differences	11,12	(62.172,29)	(66.775,34)	(1.327,21)	16.968,02
- Utilized provision for doubtful clients	20	(935.085,97)	(28.634,98)	(904.734,72)	(1.915,87)
- Realized depreciation of goods	19	(96.929,99)	(59.632,68)	(96.929,99)	(59.632,68)
- Staff indemnity payment		(308.507,98)	(11.191,69)	(299.921,49)	(9.231,69)
Total cash inflow from operating activities (a)		**4.224.236,76**	**7.249.896,56**	**3.770.099,09**	**7.448.496,28**
Investing Activities					
- Acquisition of subsidiaries, affiliates, joint ventures and other investments		-	-	(10.000,00)	-
Provision for devaluation of participating interests	4	-	-	1.020.000,00	-
- Purchases of tangible and intangible fixed assets	15,17	(3.864.044,95)	(1.390.944,94)	(3.812.407,96)	(1.336.013,46)
-- Sale of tangible and intangible fixed assets		124.713,97	681.296,89	120.946,63	681.296,89
- Interest received	11	59.914,88	35.359,69	44.108,84	20.616,18
- Minorities proportion in subsidiaries capital increase					
Total cash outflow from investing activities (b)		**(3.679.416,10)**	**(674.288,36)**	**(2.637.352,49)**	**(634.100,39)**
Financing Activities					
- Receipts from issued / utilized loans		17.285.165,33	30.432.903,53	16.942.128,84	30.332.903,53
- Loan repayments		(17.461.979,96)	(34.947.398,79)	(17.425.488,52)	(34.847.398,79)
- Dividends paid	26	(725.062,86)	(2.149.813,68)	(723.481,84)	(2.149.813,68)
Treasury Share Purchase		(122.101,83)	(98.466,59)	(122.101,83)	(98.466,59)
Total cash outflow from financing activities (c)		**(1.023.977,32)**	**(6.762.775,53)**	**(1.328.943,35)**	**(6.762.775,53)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		**(479.156,66)**	**(187.167,33)**	**(196.196,75)**	**51.620,36**
Cash and cash equivalents at the beginning of the year		**1.048.602,69**	**1.235.770,02**	**453.926,94**	**402.306,58**
Cash and cash equivalents at the end of the year	22	**569.446,03**	**1.048.602,69**	**257.730,19**	**453.926,94**

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

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFRORMATION

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-wheelers and marine products (outboards, inflatable craft and WaveRunners), spare parts and lubricants. Parent company "Motodynamics S.A" , was established in Greece in 1992 for a duration of 25 years, up to 2018.

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 in December 31st 2011 in the case of Greece and on June 30th, 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 maintains its registered offices in Aspropyrgos, at the Kyrillos site.

The accompanying consolidated annual financial statements include the annual financial statements of Motodynamics and its subsidiaries, the activities of which are described in note 4.

The number of employees for the year ended December 31st, 2009, was 122 for the parent company and 144 for the Group and for the corresponding previous year they numbered 139 for the parent company and 174 for the Group, respectively.

The annual Financial Statements for the year ended December 31st, 2009 were approved by the Company's Board of Directors during its session held on March 16th, 2010.

2. BASIS FOR CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS PRESENTATION

(a) Basis of Preparation of the Financial Statements: The accompanying consolidated and separate Financial Statements, (hereinafter «the financial statements») have been prepared on the basis of historical cost and according to International Financial Reporting Standards («IFRS») adopted by the European Union. The financial statements are drawn up in accordance with Greek Codified Law 2190/1920, as in force. No Standards were applied before their effective date.

(b) Approval of Financial Statements: The Financial Statements for the year ended December 31st, 2009 were approved by the Company's Board of Directors at its meeting of March 15th, 2010. 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 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 that they may 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.

- **Recovery of deferred tax receivables linked to assets:** The recognition of deferred tax receivables entails estimates regarding their recoverability and, specifically, the recognition of deferred tax receivables on tax losses brought forward demands from Management the formulation of forecasts regarding the achievement of sufficient tax profits, which will allow their recovery, for every taxation system under which the Company and the subsidiaries of the Group operate.

- **Provision for Staff Leaving Indemnities:** The liabilities for staff leaving indemnities are calculated on the basis of actuarial methods, the implementation of which requires Management to evaluate specific parameters, such as the future rise in employee remuneration, the discount rate applied to said liabilities, the employee turnover rate etc. Management attempts, at each reference date on which the above provision is revised, to evaluate these parameters in the best possible manner.

- **Contingent liabilities:** The existence of contingent liabilities requires from Management the continuous formulation of assumptions and judgments pertaining to the likelihood of contingencies occurring or not occurring, as well as the impact that said contingent events may exert on the Group's activity.

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES

The accounting policies adopted are consistent with those that had been adopted during the preceding financial year. with the following exceptions. The Group has adopted the following new or revised standards and interpretations as at January 1st, 2009:

- IFRIC 13, "Customer Loyalty Programmes" (effective date July 1st 2008)
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective date January 1st 2009)
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (effective date October 1st 2008)
- IFRIC 18 "Transfers of Assets from Customers" (effective date July 1st 2009)
- IFRIC 9 "Reassessment of Embedded Derivatives" (Amendment) and IAS 39 "Financial Instruments: Recognition and Measurement" (Amendment) (effective date June 30th 2009)
- IFRS 1 "First-time Adoption of International Financial Reporting Standards" (Amendment) and IAS 27 "Consolidated and Separate Financial Statements" (Amendment) (effective date January 1st 2009)
- IFRS 2 "Share-based Payment" (Amendment) (effective date January 1st 2009)
- IFRS 7: "Financial Instruments: Disclosures" (Amendment) (effective date January 1st 2009)
- IFRS 8 "Operating Segments" (effective date January 1st 2009)
- IAS 1 "Presentation of Financial Statements" (Amendment) (effective date January 1st 2009)
- IAS 32, "Financial Instruments: Presentation" (Amendment) and IAS 1 (Amendment) regarding "Puttable Financial Instruments" (effective date January 1st 2009)
- IAS 23 "Borrowing Costs" (Amendment) (effective date January 1st 2009)
- Annual Revisions of IFRS (May 2008)
- In the event the adoption of a standard or interpretation exerted an impact on the financial statements or operation of the Group, that impact is described below:

- ***IFRIC 13, "Customer Loyalty Programmes":*** IFRIC 13 requires companies to account for loyalty award credits, recording them as a separate item in the sale transaction based on which they are granted, and thus recognizing that part of the fair value of the sale price is allocated to them and recorded during the period that those points are redeemed. This Interpretation does not exert an impact on the financial statements of the Group, since it does not implement such programmes.

- ***IFRIC 15 "Agreements for the Construction of Real Estate":*** IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue" and when revenue from the construction should be recognised. The interpretation shall be applied retroactively. Interpretation 15 shall not affect the Financial Statements, since the Group does not operate in this sector.

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- ***IFRIC 16, "Hedges of a Net Investment in a Foreign Operation":*** This interpretation clarifies the accounting treatment applied to hedges of a net investment in a foreign operation. Specifically, it provides guidance on the recognition of the exchange risk that may be designated as a hedged risk, in the framework of hedging a net investment in a foreign operation, in terms of which entity within a Group can hold a hedging instrument in a hedge of a net investment and on how an entity should determine the amounts to be reclassified from equity to profit or loss from foreign exchange differences, for both the net

investment and the hedging instrument that is to be reused upon the disposal of the net investment. This interpretation does not exert an impact on the financial statements of the Group.

- ***IFRIC 18 "Transfers of Assets from Customers":*** This interpretation is particularly relevant for entities in the utility sector, as it clarifies the accounting treatment of agreements in which an entity receives from a customer an item of property, plant and equipment (or cash in view of the construction of such tangible fixed assets) that the entity then uses in exchange for connecting the customer to a network or to provide the customer with ongoing access to a supply of goods or services. This interpretation does not exert an impact on the financial statements of the Group and the Company.

- ***Amendments to IAS 39, "Financial Instruments: Recognition and Measurement" and IFRIC 9 "Reassessment of Embedded Derivatives":*** The amendment to IFRIC 9 requires companies to assess whether an embedded derivative is required to be separated from a host contract in cases of reclassification of a hybrid (combined) financial asset out of the "fair value through profit or loss category". This assessment should be made on the basis of the circumstances at the later date between the date the entity first became party to the contract and the date that any changes were brought to the terms of the contract that significantly modified the cash flows that otherwise would be required under the contract. IAS 39, as currently drafted, states that if the value of an embedded derivative cannot be reliably determined, then the hybrid instrument may be entirely measured under the category "of fair value through profit or loss". This interpretation does not exert an impact on the financial statements of the Group.

- ***Amendments to IFRS 1, "First-time Adoption of International Financial Reporting Standards" and of IAS 27 "Consolidated and Separate Financial Statements":*** The amendment to IFRS 1 allows a company to calculate the "cost" of investments in subsidiaries, jointly-controlled entities, associates and joint ventures in the opening financial statements, in accordance with IAS 27 or using the deemed cost. The amendment to IAS 27 requires that all dividends from subsidiaries, jointly-controlled entities, associates and joint ventures are classified under income in the financial statements of the company. The amendment to IAS 27 must be applied prospectively and not retrospectively. These new amendments do not exert an impact on the separate financial statements, as the Company is not a first-time adopter of IFRS, and they have no effect on the financial statements of the Group.

- ***Amendments to IFRS 2, "Share-based Payment":*** The amendment clarifies two issues. The definition of "vesting condition", introducing the term "non-vesting condition" for conditions other than service conditions and "performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This interpretation does not exert an impact on the financial statements of the Group.

- ***Amendment to IFRS 7, "Financial Instruments: Disclosures":*** This amendment adds new disclosures regarding the measurement of fair value and liquidity risk. In accordance with this amendment, the disclosure of fair value measurements is required to document the data based on which fair value was determined, using three hierarchical levels of inputs for all assets measured at fair value. Moreover, it requires the reconciliation of the initial and final balance for measuring the fair value of level 3 inputs, as well as substantive reclassifications between the fair value measurement hierarchy levels. This amendment also clarifies the requirements applied to liquidity risk disclosures regarding derivative transactions and to assets used for liquidity management. The additional disclosures regarding liquidity risk are mentioned in the notes to the financial statements of the Group and have not been significantly affected by the amendments.

- ***IFRS 8, "Operating Segments":*** IFRS 8 replaces IAS 14 "Segment Reporting" and adopts the management's approach as to the financial information per segment. The information disclosed is the one used by the management internally for the assessment of the performance of operating segments and the resource allocation to these segments. The Group concluded that the operating segments as defined under IFRS 8 are the same as the business segments that had been defined under IAS 14. As a consequence of the implementation of IFRS 8, the Group identified its operating segments as described in greater detail in the notes to the financial statements. The related disclosures are presented in note 33.

2.1. **MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)**

- ***Amendments to IAS 1, "Presentation of Financial Statements":*** The revised standard requires that the statement of changes in equity only includes transactions with shareholders. It introduces a new statement of comprehensive income, which combines all profit or loss recognised in the income statement with "other comprehensive income". An entity has a choice of presenting a single comprehensive statement or two related statements. When an entity makes a retrospective restatement of items in its financial statements or applies a new accounting policy retrospectively, it must also present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period. The Group has implemented the mandatory revisions to the presentation of its current financial statements, and has opted for presenting a single comprehensive statement.

- ***Amendments to IAS 32, "Financial Instruments: Presentation" and IAS 1, "Presentation of Financial Statements", in relation to "Puttable Financial Instruments":*** The amendment to IAS 32 was adopted in order to lift the restriction on certain

puttable financial instruments and obligations arising on liquidation to be classified as Equity if certain criteria are met. This interpretation does not exert an impact on the financial statements of the Group.

- ***Amendments to IAS 23, "Borrowing Costs":*** On the basis of the amendments to IAS 23, the option (offered by the previous standard) for recognition of the borrowing cost that may be indirectly allocated to an asset fulfilling the requirements on period's expenses, is cancelled. All borrowing costs directly attributable to the acquisition, construction or production of an asset fulfilling the requirements, shall be capitalised. An asset fulfilling the requirements is an asset necessarily requiring a significant period of preparation for the use it is intended for or for its sale. The Group followed the policy of expensing total borrowing costs. According to the Standard's transitional provisions, the Group adopted the change as of its effective date and thereafter. Notwithstanding the above, during the period there were no assets fulfilling the above conditions and, as a result, no capitalization took place.

  In May 2008, the IASB issued a series of amendments to IFRSs, in order to remove inconsistencies, as well as to provide clarifications. These amendments are applied to accounting periods beginning on or after January 1st 2009:

- ***IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations":*** This amendment specifies that all assets and liabilities of a subsidiary are classified as held for sale in accordance with IFRS 5, even in the event that a company retains a non-controlling interest in a subsidiary following a sale.

- ***IFRS 7, "Financial Instruments: Disclosures":*** This amendment abrogates the reference to "total interest income" as an integral element of financial expenses.

- ***IAS 1, "Presentation of Financial Statements":*** This amendment clarifies that the assets and liabilities classified as held for trading, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", are not automatically recognised as current items in the balance sheet.

- ***IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors":*** This amendment clarifies that only the implementation guidelines, which are deemed an integral part of an IFRS, are to be mandatorily applied upon the selection of accounting policies.

- ***IAS 10, "Events after the Balance Sheet Date":*** This amendment clarifies that dividends approved following the balance sheet date are not considered liabilities.

- ***IAS 16, "Property, Plant and Equipment":*** Tangible fixed assets that are held for lease and, in the normal course of business, are intended for sale upon expiration of the lease term, are transferred to the inventories account at the expiration of the lease term, whereupon they are classified under assets held for sale. Proceeds from the subsequent sale are presented as income. IAS 7, "Statement of Cash Flows", requiring that cash outflows for the construction or acquisition of relevant assets must be classified under the operating activities accounting item, is concurrently amended. Moreover, cash inflows from rents and subsequent sales of relevant assets are presented under the operating activities accounting item.

- ***IAS 18, "Revenue":*** This amendment replaces the term "Direct costs" by the term "Transaction costs", as prescribed by IAS 39.

2.1. **MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)**

- ***IAS 19, "Employee Benefits":*** It revises the definition of "past service cost", "payment of plan assets" and "short-term" and "other long-term" employee benefits, in order to focus on the moment that the liability is about to be settled.

- ***IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance":*** Loans which are subsidized by zero-interest or significantly below-market rates of interest shall not be exempt from the requirement to be accounted at an imputed interest rate. Thus, interest is also imputed to subsidized loans, thus requirements are harmonized with IAS 39. The difference between the amount collected and the amount paid in advance is recognised as the government grant. The amendment shall apply prospectively – to government loans collected on or after January 1st, 2009.

- ***IAS 23, "Borrowing Costs":*** The amendment revises the definition of "borrowing cost", in order to integrate all constituent elements of "borrowing cost" in one – the interest expenses calculated in accordance with the effective interest rate method, as described in IAS 39.

- ***IAS 27, "Consolidated and Separate Financial Statements":*** In the event a parent company appraises one of its subsidiaries at fair value in accordance with IAS 39 in its separate financial statements, that accounting treatment will be continued in the event the subsidiary is subsequently classified as held for sale.

- ***IAS 28, "Investments in Associates":*** This amendment clarifies that: (a) In the event an associated company is appraised at fair value in accordance with IAS 39, only the receivables of IAS 28 concerning the disclosure of the nature and extent of significant limitations to the capacity of the associate company to transfer capital to the company in the form of cash or loan repayments shall be applied and (b) For the purposes of conducting an impairment audit (including any reversal of impairment losses), the investment in an associate company is treated as a single asset. Therefore, in case of impairment, no separate allocation of the impairment in the goodwill included in the remaining investment is required. Impairment losses are reversed in the event the recoverable value of the investment in the associate company increases.

- ***IAS 29, "Financial Reporting in Hyperinflationary Economies":*** This amendment revises the prescriptive list of exceptions pertaining to the assets and liabilities measured at historical cost, such as tangible fixed assets.

- ***IAS 31, "Interests in Joint Ventures":*** This amendment specifies that if a joint venture is appraised at fair value, in accordance with IAS 39, only the receivables of IAS 31 regarding the disclosure of commitments of the member of the joint venture and of the joint venture, as well as regarding the summary of financial data of balance sheet figures and results, shall be applied.

- ***IAS 34, "Interim Financial Reporting":*** This amendment clarifies that the earnings per share are disclosed in the interim financial statements, in the event the company falls within the scope of application of IAS 33.
- ***IAS 36, "Impairment of Assets":*** This amendment clarifies that when the discounted cash flow method is used in order to calculate "the fair value minus the sales cost", the same disclosures are required as in the case of using the discounted cash flow method in order to calculate "value in present use".
- ***IAS 38, "Intangible Assets":***
  Advertisement and promotion expenses are recognized as costs when then company acquires access rights to the goods or receives the services. 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. 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.
- ***IAS 39, "Financial Instruments: Recognition and Measurement":*** 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", that constitutes a change in circumstances and not a reclassification.

It requires the use of the revised effective rate (contrary to the initial effective rate) in the measurement of a debit instrument upon cessation of fair value accounting hedging.

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- ***IAS 40, "Investment Property":*** 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 real estate category. If a company is not able to determine the fair value of the investment property under construction, but expects to be in a position 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. It specifies that the book value of an investment property under lease is equal to its last valuation increased by any liability recognized.

- ***IAS 41, "Agriculture":*** It replaces the term "point of sales cost" with the term "cost of sales". 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 modifications in the fair value assessment. On the contrary, cash flows expected to be generated from the "most relevant purchase" are taken into account.

2.2. NEW STANDARDS AND INTERPRETATIONS

The following new Standards, amendments/revisions to Standards or Interpretations have been issued, but they do not apply to the accounting period beginning on January 1st, 2009.

- ***IFRIC 17, "Distributions of Non-cash Assets to Owners":*** It is applied to annual accounting periods beginning on or after July 1st, 2009. The interpretation clarifies the accounting treatment of distributions of non-cash assets to owners. Specifically, it clarifies when a liability should be recognised, the method of measuring the liability and related assets, as well as when the liability and asset should be written off. The interpretation shall be applied in the future. The Group does not anticipate that the interpretation will exert an impact on the financial statements, given that it has not performed such distributions to owners in the past.

- ***IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments":*** It is applied to annual accounting periods beginning on or after July 1st, 2010. This interpretation clarifies the accounting treatment applied to cases of renegotiation of the terms of a liability between a company and a creditor, whereby the creditor accepts company shares or other equity instruments of the company for the partial or total settlement of the liability. This interpretation specifies that these equity instruments constitute the price paid pursuant to IAS 39, paragraph 41 and, by extension, the financial liability is written off and the equity instruments issued are treated as the paid price in view of extinguishing the financial liability. The European Union has not adopted this amendment yet. The Group does not expect that this Interpretation will exert an impact on its financial statements.

- ***IFRIC 14, "Cases of prepayments for minimum funding contributions (amendment)":*** It is applicable to annual accounting periods beginning on or after January 1st, 2011. The purpose of this amendment is to allow companies to recognise certain voluntary prepayments for minimum funding contributions,. as assets. This amendment has retroactive effect and its early implementation is allowed. The European Union has not adopted this amendment yet. The Group does not expect that this amendment will exert an impact on its financial statements.

- ***Revised IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements":*** They are applicable to annual accounting periods beginning on or after July 1st, 2009. The revised IFRS 3 introduces a series of changes to 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 treatment of losses incurred by subsidiaries, as well as the accounting treatment of loss of control of a subsidiary. The changes introduced by Revised IFRS 3 and Revised IAS 27 must be applied prospectively and will affect future acquisitions and transactions with minority interests (effective for financial years beginning on or after January 1st, 2009).

2.2 NEW STANDARDS AND INTERPRETATIONS (continued)

- ***IAS 39, "Financial instruments: Recognition and measurement - Eligible hedged items":*** They are applicable to annual accounting periods beginning on or after July 1st, 2009. The amendment concerns the classification of a unilateral risk as hedged and the classification of inflation as a hedged risk, or at least a partially hedged risk, in specific cases. It specifies that a company is allowed to classify part of the changes to fair value or fluctuations in cash flows of a financial instrument as a hedged item. The Group has presumed that this amendment shall not affect its financial statements, since it has not concluded such hedges.

- ***IFRS 9, "Financial Instruments – Phase 1: Classification and Measurement of Financial Assets":*** It is applied to annual accounting periods beginning on or after January 1st 2013. Phase 1 of this new standard introduces new requirements regarding the classification and measurement of financial assets. Early implementation of the standard is allowed. The European Union has not adopted this amendment yet. The Group is currently in the process of examining the impact of this standard on its financial statements.

- ***Amendment to IFRS 2, "Share-based Payment":*** It is applied to annual accounting periods beginning on or after January 1st 2010. This amendment clarifies the accounting treatment of share-based transactions between companies of the same group, and specifies their accounting treatment in the separate financial statements of subsidiaries. The European Union has not adopted this amendment yet. The Group does not anticipate that this amendment will exert an impact on its financial statements, since it has not concluded such transactions.

- ***Amendment to IAS 32, "Classification of rights issues":*** It is applied to annual accounting periods beginning on or after February 1st, 2010. This amendment refers to preemptive rights issues offered for a fixed amount of foreign currency, regarding which the current standard required their accounting as derivative liabilities. The amendment states that if such rights are issued pro rata to an entity's existing shareholders, who are all in the same class, for a fixed amount of foreign currency, they should be classified as equity, regardless of the currency in which the exercise price is denominated. The Group does not anticipate that this amendment will exert an impact on its financial statements, since it has not concluded such transactions.

- ***Amendment to IAS 24, "Related Party Disclosures":*** It is applied to annual accounting periods beginning on or after January 1st, 2011. This amendment refers to the assessment required in order to determine whether the State and known State-controlled companies can be treated as a single customer. In judging this, the company should take into account the degree of financial interaction existing between those companies. This amendment has retroactive effect and its early implementation is allowed. The European Union has not adopted this amendment yet. The Group does not expect that this amendment will exert an impact on its financial statements.

- ***Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters of IFRS":*** It is applied to annual accounting periods beginning on or after July 1st, 2010. The European Union has not as yet adopted this amendment, which will not exert an impact on the financial statements, since the Group is not a first-time adopter of IFRS.

- ***Amendment to IFRS 1 "Additional Exemptions for First-time Adopters of IFRS":*** The European Union has not adopted this amendment yet. The Group expects that this amendment will have no impact on its financial statements.

In April 2009, the International Accounting Standards Board (IASB) issued a second series of amendments to IFRS, in order to eliminate inconsistencies and provide clarifications. The effective dates are different for each amendment, the earliest of which shall concern the accounting periods beginning on or after July 1st, 2009. The European Union has not adopted these improvements yet.

- ***IFRS 2, "Share-based Payment":*** It is applicable to annual accounting periods beginning on or after July 1st, 2009. It is clarified that a contribution of a company during the formation of a joint venture, as well as combinations of entities under joint control, do not fall within the scope of application of IFRS 2, although they are exempt from the scope of application of IFRS 3 (revised). In the event a company is an early adopter of IFRS 3 (revised), the amendment to IFRS 2 must also be implemented early.

- ***IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations":*** It is applied to annual accounting periods beginning on or after January 1st, 2010. It clarifies that the disclosures required regarding non-current assets and groupings of assets classified as held for sale or discontinued operations are only those defined under IFRS 5. The disclosure requirements stipulated by other standards shall only be applied if there is a specific requirement regarding comparative non-current assets or discontinued operations.

2.2 NEW STANDARDS AND INTERPRETATIONS (continued)

IFRS 8, "Operating Segments": It is applied to annual accounting periods beginning on or after January 1st, 2010. It specifies that the assets and liabilities per operating segment are to be mandatorily disclosed only in the case that these assets and liabilities are taken into account in measurements used by the person in charge of adopting business decisions.

- ***IAS 1, "Presentation of Financial Statements":*** It is applied to annual accounting periods beginning on or after January 1st, 2010. The terms of a liability which can culminate, at any time, to a settlement through the issue of equity instruments, subject to the preemption of the counterparty, shall not affect its classification.

- ***IAS 7 "Statement of Cash Flow":*** It is applied to annual accounting periods beginning on or after January 1st, 2010. It explicitly states that only expenses culminating in the recognition of an asset can be classified as cash flows from investment activities. This amendment will affect the presentation of the contingent price of a cash-settled merger of companies completed within 2009 in the cash flow statement.

- ***IAS 17 "Leases":*** It is applied to annual accounting periods beginning on or after January 1st 2009. The amendment abrogates the special implementation guidelines regarding the classification of land as a leasehold, retaining only the general implementation guidelines.

- ***IAS 18 "Revenue":*** The IASB issued guidelines (which accompany the standard) for the determination of whether a company effectively acts as a contracting party or representative. The attributes taken into account are whether the company:

  - Has primary responsibility for providing goods or services;

  - Undertakes the risk attaching to inventories;

  - Has discretion over the designation of prices;

  - Undertakes the credit risk.

- ***IAS 36, "Impairment of Assets":*** It is applied to annual accounting periods beginning on or after January 1st, 2010. The amendment clarifies that the largest unit to which goodwill may be allocated, which was acquired in a merger of companies, is the operating segment stipulated in IFRS 8, prior to the application of concentration regulations for the purposes of publication.

- ***IAS 38, "Intangible Assets":*** It is applicable to annual accounting periods beginning on or after July 1st, 2009. It is clarified that the valuation methods presented in the determination of the fair value of an intangible asset acquired in a company merger and which is not traded in a stock market, are only illustrative and are not limiting in regard to the method that may be used. In the event a company is an early adopter of IFRS 3 (revised), the amendment to IAS 38 must also be implemented early.

- ***IAS 39, "Financial Instruments: Recognition and Measurement":*** It is applied to annual accounting periods beginning on or after January 1st, 2010. This amendment clarifies that:

  - The right of prepayment is considered closely related to the primary contract when the vesting price of a prepayment right compensates the borrower up to the approximate current value of lost interest for the remainder of the primary contract.

  - The exception applying to contracts between a purchaser and a seller in a business combination, for the purchase or sale of the acquired item at a future date, shall only be applied to binding future contracts and not to derivative contracts necessitating further actions from either party. (Applicable to all non-expired contracts for accounting periods beginning on or after January 1st 2010).

  - Profits and losses from offsets of cash flows of a future transaction which culminates in the recognition of a financial instrument or to an offset of cash flows of already recognised financial instruments must be reclassified in the period during which the offset future cash flows impact on the profit or loss. (Applicable to all non-expired contracts for accounting periods beginning on or after January 1st 2010).

2.2 NEW STANDARDS AND INTERPRETATIONS (continued)

IFRIC 9 "Reassessment of Embedded Derivatives": It is applicable to annual accounting periods beginning on or after July 1st, 2009. The IASB amended the scope of implementation of IFRIC 9, in order to clarify that it is not applied to contingent revaluations, on the acquisition date, of embedded derivatives in contracts, that are acquired upon the merger of companies into business combinations or under joint control or the formation of a joint venture. In the event a company is an early adopter of IFRS 3 (revised), the amendment to IAS 38 must also be implemented early.

- ***IFRIC 16 "Hedges of a Net Investment in a Foreign Operation":*** It is applicable to annual accounting periods beginning on or after July 1st, 2009. The amendment specifies that in a hedge of a net investment in a foreign operation, the hedging instruments may be retained by any company or companies within the group, including the foreign operation, given that the requirements of IAS 39 are fulfilled regarding the designation, documentation and effectiveness in regard to the hedge of a net investment.

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 of Motodynamics in each, 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.

3. BASIC ACCOUNTING PRINCIPLES (CONTINUED)

(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. 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 policy not to write off any receivable 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 policies applied to the recognition and valuation of these assets are mentioned in the respective accounting policies 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 use derivative financial products, either for risk hedging or for profit-making purposes. Usual risks in which theoretically the company is subject to, there 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 considers to be cash equivalent.

(l) ***Bank Loans:*** 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.

3. BASIC ACCOUNTING PRINCIPLES (continued)

(m) Borrowing Costs: All borrowing costs directly attributable to the acquisition, construction or production of an asset fulfilling the requirements, shall be capitalised. An asset fulfilling the requirements is an asset necessarily requiring a significant period of preparation for the use it is intended for or for its sale. The Group adopted this change from its effective date onwards.

(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. 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 maturation 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 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 if the inflow of economic benefits is probable.

(q) Earnings Per Share: Basic 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.

3. BASIC ACCOUNTING PRINCIPLES (continued)

(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 from 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 Reporting: The Group of companies operates mainly in the markets for motorized two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as operating segments and for which it discloses the required information. Uniform accounting principles are followed for each of these operating 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.**

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

3. BASIC ACCOUNTING PRINCIPLES (continued)

(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 comprise the parent company's and the subsidiaries' financial statements, which are consolidated using the total consolidation method and are the following:

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	100%	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 June 3rd, 2009, the merger by absorption of its wholly-owned S.A. subsidiary trading under the name "MOTODYNAMICS INSURANCE BROKERAGE SOCIETE ANONYME" was cancelled by decision of the Board of Directors of "MOTODYNAMICS S.A.", as it had decided at its preceding meeting held on February 12th, 2009.
On December 21st, 2009, the Group acquired 49% in Motodiktyo S.A., thus acquiring 100% ownership. As a result of this increase the difference of € 55,958.18 between the purchased price and the minority interests which have been obtained, was included on equity because it consider as a transaction among shareholders (entity concept method).

Participation in subsidiaries of the Parent Company included in the Company's financial statements are as follows:

	December 31st, 2009	**December 31st, 2008**
Motodiktyo S.A.	118.146,52	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
Provision for devaluation of participating interests	(1.020.000,00)	-
	3.215.433,64	**4.225.433,64**

4. INVESTMENTS IN SUBSIDIARIES (continued)

Within December 2009, the Company, jointly appraising international and local developments in conjunction with the accumulated losses of its subsidiaries Motodynamics Srl and Motodynamics Ltd, formed a provision amounting to 1,020,000 euro in total, by which it partially impaired its participating interest in the above subsidiaries, considering that the recovery of the corresponding amount is not forecasted to take place during ensuing years. This provision is broken down per company as shown below: Motodynamics Srl. 30,000 euro and Motodynamics Ltd 990,000 euro.

Discontinued Operations:

In view of the better and more efficient operation of the business segments of the Company and the Group, the Board of Directors of "MOTODYNAMICS S.A.", during its session held on December 29th, 2009, decided the spin-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100%) trading under the name "MOTODIKTYO EMPORIA KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A." and the distinctive title "MOTODIKTYO S.A.", in accordance with the provisions of articles 1-5 of Law 2166/93. December 31st, 2009 was designated the Transformation Balance Sheet date (of the accounting statements).

The approval of the spin-off of the division is expected to be issued by competent authorities within 2010.

The results of the retail division for the periods ending on 31.12.2009 and 31.12.2008 were reclassified and are presented in separate columns of the company income statement, under the title "Discontinued Operations", in accordance with the provisions of IFRS 5. The aforementioned results are broken down as set forth below:

	1/1-31/12 2009	**1/1-31/12/2008**
Sales	5.057.381,26	5.375.654,19
Cost of Sales	(3.380.107,39)	(3.689.429,40)
Sales and distribution expenses	(1.048.908,76)	(1.017.557,63)
Other income	98.335,07	86.352,69
Other expenses	-	(539,53)
Financial income	351,85	-
Financial expenses	(6.203,55)	(2.564,35)
Profit before taxes	**720.848,48**	**751.915,97**
Income tax	(180.212,12)	(187.978,99)
Profit after tax	**540.636,36**	**563.936,98**
Basic earnings per share net of tax (in €)	**0,1070**	**0,1102**

Diluted earnings per share (in Euro):	**0,1063**	**0,1098**

The assets and liabilities of the retail division as at December 31st, 2009, are separately presented in the parent company's balance sheet as discontinued operations items. The main categories of assets and liabilities of the retail division as at December 31st, 2009 were as follows:

	December 31st, 2009
ASSETS	
Non-current assets	
Tangible assets	210.628,82
Software	17.778,02
Other non-current assets	300,00
	228.706,84
Current assets	
Inventories	918.779,79
Trade accounts receivable	57.628,97
Other receivables	9.589,57
Cash and Cash Equivalents	96.360,79
	1.082.359,12
Total Assets	**1.311.065,96**

4. INVESTMENTS IN SUBSIDIARIES (continued)

LIABILITIES	**December 31st, 2009**
Provision for staff retirement indemnity	140.928,73
Other short term liabilities	38.188,90
Total Liabilities	**179.117,63**
Total Retail Division Equity	**1.131.948,33**

Net cash flows performed by the retail division for the period ending on December 31st, 2009 are shown below:

	1/1-31/12 2009
Net outflows from operating activities	219.110,51
Net decrease in cash equivalents	**219.110,51**

5. RELATED PARTIES TRANSACTIONS

Transactions with subsidiaries

Transactions with subsidiaries (sales of merchandises and provision of services) are carried out within normal business operations of the Company. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31st, 2009 there are no pending guarantees or any other commitments of Motodynamics towards and from its subsidiaries. The Company's Management does not deem that provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

Below follows a transactions analysis (sales of merchandises and provision of services) and Motodynamics' balances with its above subsidiaries, as well as the analysis of the subsidiaries' transactions among them:

	PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**
Sales of goods and services		
Motodiktyo S.A.	1.349.379,37	2.063.831,48
Motodiktyo N.G. S.A.	850.457,02	1.415.608,63
Motodynamics Ltd.	469.167,51	1.157.546,73
Motodynamics Srl.	817.339,61	2.621.217,44
Motodynamics Insurance Brokerage S.A.	777,12	-
	3.487.120,63	**7.258.204,28**
Purchases of goods and services		
Motodiktyo S.A.	1.722,40	23.944,10
Motodiktyo N.G. S.A.	1.192,30	2.558,20
Motodynamics Ltd.	14.742,05	8.446,00
Motodynamics Srl.	183.093,64	278.902,19
	200.750,39	**313.850,49**
Receivables		
Motodiktyo S.A.	759.886,53	1.280.196,06
Motodiktyo N.G. S.A.	217.484,37	537.071,17
Motodynamics Ltd.	1.888,37	231.901,31
Motodynamics Srl.	411.477,72	875.938,11
Motodynamics Insurance Brokerage S.A.	982,80	349,20
	1.391.719,79	**2.925.455,85**
Liabilities		
Motodiktyo S.A.	791,59	25.693,29
Motodiktyo N.G. S.A.	226,46	2.351,67
Motodynamics Srl.	2.397,79	1.116,00
	3.415,84	**29.160,96**

5. RELATED PARTIES TRANSACTIONS (continued)

	Motodynamics Ltd.		Motodynamics Srl.	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Sales of goods and services				
Motodynamics Srl	19.811,00	-	-	-
Purchases of goods and services				
Motodynamics Ltd.	-	-	19.811,00	-
Receivables				
Motodynamics Srl	7.546,00	-	-	-
Liabilities				
Motodynamics Ltd.	-	-	7.546,00	-

Transactions-balance with subsidiaries

A 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 2009	31 December 2008	31 December 2009	31 December 2008
Sales of goods and services				
S&B Industrial Minerals S.A.	-	1.128,07	-	1.128,07
Purchases of goods and services				
S&B Industrial Minerals S.A.	319.092,80	1.106.066,95	316.072.69	1.096.719,09
Receivables				
S&B Industrial Minerals S.A.	-	32.394,95	-	32.394,95
Liabilities				
S&B Industrial Minerals S.A.	31.159,23	134.830,65	-	104.351,93

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

Compensation of key management personnel of the Company and the Group for the year ended December 31st, 2009 and 2008, were as follows:

	GROUP		PARENT COMPANY	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.810.755,98	1.968.975,19	1.703.997,71	1.863.608,43
Key management personnel receivables	0,00	80.000,00	0,00	80.000,00
Liabilities to key management personnel	963.234,15	1.101.554,47	956.674,15	1.094.994,47

Benefits to key management personnel of the Company for financial year 2009 recorded a drop in relation to the corresponding period of 2008, due to the decrease in its management personnel. The key management personnel receivables represent an interest-free loan of 80,000.00 euro provided by the company to an executive in 2008, which was fully repaid within 2009.

6. SALES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Motorized Two-Wheelers	34.403.224,85	46.663.190,87	30.690.815,50	42.936.598,98
Marine products	13.834.348,21	18.635.373,49	13.452.763,96	18.135.629,42
Spare parts	9.795.957,64	10.843.014,72	7.440.735,51	8.549.148,14
Accessories	2.529.611,90	2.919.232,25	1.984.302,14	2.484.234,91
Lubricants	1.121.216,36	1.199.197,54	925.913,55	1.024.898,49
Other	97.696,30	141.025,92	30.604,12	134.063,05
Services	217.857,37	294.767,13	7.558,31	17.287,08
	61.999.912,63	**80.695.801,92**	**54.532.693,09**	**73.281.860,07**
Sales of discontinued operations			5.057.381,26	5.375.654,19
Total Sales	**61.999.912,63**	**80.695.801,92**	**59.590.074,35**	**78.657.514,26**

7. ADMINISTRATIVE EXPENSES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Payroll (note 14)	3.487.726,55	3.249.507,72	3.274.810,99	2.987.275,40
Rents	1.307.654,16	945.207,03	1.279.904,22	916.969,67
Depreciation of fixed assets (note 15)	659.972,04	458.490,10	638.171,16	431.019,85
Remuneration to third parties	243.471,83	287.720,11	240.861,13	284.684,02
Utilities	135.012,93	420.980,28	133.871,32	418.453,71
Third parties fees	516.616,01	283.339,19	509.177,93	274.937,55
Provision for doubtful receivables	121.650,00	119.150,00	91.650,00	119.150,00
Transportation expenses	205.783,78	-	205.780,83	-
Other	249.958,41	185.586,88	228.901,38	172.097,17
	6.927.845,70	**5.949.981,31**	**6.603.128,96**	**5.604.587,37**

8. SALES AND DISTRIBUTION EXPENSES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Payroll (note 14)	3.431.071,15	3.790.398,35	2.276.460,42	2.566.309,11
Advertising and Promotion Exp.	1.114.222,42	1.497.705,73	1.094.979,71	1.415.274,64
Third parties fees	950.485,03	1.027.118,21	366.658,19	452.623,82
Provision for doubtful receivables	520.987,69	101.165,87	286.355,94	71.915,87
Transportation expenses	290.518,78	306.170,99	227.076,79	234.278,42
Travel expenses	107.066,17	265.663,15	101.846,30	252.792,26
Depreciation of fixed assets (note 15)	210.744,07	218.883,63	0,00	1.978,70
Remuneration to third parties	169.181,64	324.419,67	65.748,12	138.895,99
Exhibition and Demonstration Expenses	46.796,68	395.878,32	35.995,31	392.465,87
Other	303.369,24	490.036,52	195.343,55	353.750,36
	7.144.442,87	**8.417.440,44**	**4.650.464,33**	**5.880.285,04**
Distribution expenses of discontinued operations	-	-	1.048.908,76	1.017.557,63
Total distribution expenses	**7.144.442,87**	**8.417.440,44**	**5.699.373,09**	**6.897.842,67**

9. OTHER INCOME

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Supplier participation in promotions	46.646,23	800.516,66	41.522,91	779.831,66
Income from guarantees	553.295,23	491.122,81	537.574,08	480.296,65
Reimbursed shipping expenses	280.484,01	266.483,17	259.389,56	283.503,26
Income from commissions	18.101,66	149.989,54	8.163,46	121.957,76
Income from sales of assets	37.930,41	73.888,78	37.930,41	73.888,78
Other	273.660,26	137.480,44	346.742,00	186.443,18
	1.210.117,80	**1.919.481,40**	**1.231.322,42**	**1.925.921,29**
Other income from discontinued operations	-	-	98.335,07	86.352,69
Total other income	**1.210.117,80**	**1.919.481,40**	**1.329.657,49**	**2.012.273,98**

10. OTHER EXPENSES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Fines and increments	6.204,00	741,60	6.204,00	2,07
Exceptional and extraordinary expenses	-	6.009,99	-	-
Losses from sales of assets	12.503,29	36.014,80	12.503,29	36.014,80
Losses from stolen merchandises	-	1.241,06	-	-
Past years expenses	179.209,68	25.123,63	179.209,68	25.123,63
Other	27.036,07	30.749,71	2.231,44	11,09
	224.953,04	**99.880,79**	**200.148,41**	**61.151,59**
Other expenses from discontinued operations	-	-	-	539,53
Total other income	**224.953,04**	**99.880,79**	**200.148,41**	**61.691,12**

11. FINANCIAL INCOME

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Credit interest	59.914,88	35.359,69	43.756,99	20.616,18
Foreign exchange gain	17.615,89	91.070,90	5.307,24	17.975,22
	77.530,77	**126.430,59**	**49.064,23**	**38.591,40**
Financial income from discontinued operations	-	-	351,85	-
	77.530,77	**126.430,59**	**49.416,08**	**38.591,40**

12. FINANCIAL EXPENSES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Debit interest	442.765,12	795.692,84	434.150,72	787.071,42
Commissions and Bank expenses	49.719,93	80.511,07	29.173,92	61.071,87
Foreign exchange loses	79.788,18	157.846,24	6.634,45	1.007,20
	572.273,23	**1.034.050,15**	**469.959,09**	**849.150,49**
Financial expenses from discontinued operations	-	-	6.203,55	2.564,35
	572.273,23	**1.034.050,15**	**476.162,64**	**851.714,84**

13. INCOME TAX (CURRENT AND DEFERRED)

Income tax in the income statement is analyzed as follows:

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Current income tax	277.879,00	762.588,38	277.879,00	750.111,55
Income tax from tax audits	0,00	67.529,43		-
Deferred income tax	(134.833,85)	48.755,88	(45.605,18)	26.164,68
Provision for unaudited fiscal years	50.000,00	69.162,07	50.000,00	62.225,00
	193.045,15	**948.035,76**	**282.273,82**	**838.501,23**
Minus Tax on Discontinued Operations	-	-	(180.212,12)	(187.978,99)
Income tax on ongoing operations	**193.045,15**	**948.035,76**	**102.061,70**	**650.522,24**

The income tax rate of the parent company is 25% for 2009 and 2008. Income tax statements are filed annually, but tax profits or losses remain provisional until the company undergoes a tax audit of its statements, book and records and the final audit report is issued. Tax losses, to the extent they are accepted by the tax authorities, can be offset against future profits for a five-year period as of the year in which they arose.

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

Company	Unaudited Periods
Motodynamics S.A.	2007 up to 2009 inclusive
Motodiktyo S.A.	2007 up to 2009 inclusive
Motodiktyo Northern Greece S.A.	2005 up to 2009 inclusive
Motodynamics Insurance Brokerage S.A.	2004 up to 2009 inclusive
Motodynamics Ltd. (Bulgaria)	2005 up to 2009 inclusive
Motodynamics Srl. (Romania)	2008 up to 2009 inclusive

For the unaudited tax periods it is not possible to made a reliable assessment of the additional taxes and penalties that maybe charged and that is because taxes and fines are depend on the significance of findings by the tax authorities. For that reason,

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

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 tax amount derived from the application of the nominal rate to earnings before taxes with the actual tax that arose is shown below:

	GROUP	
	December 31st, 2009	**December 31st, 2008**
Profit / (loss) before taxes	(356.194,71)	2.039.774,66
Income tax (based on the applicable tax rate)	(89.048,68)	509.943,67
Income tax from tax audits	-	67.529,43
Losses suffered by subsidiaries in which no deferred income tax has been recognized	55.725,54	42.285,90
Differences attributed to deferred tax rate	45.903,83	22.853,00
Differences attributed to different nominal tax rates of the parent and the subsidiaries	61.071,10	26.164,23
Non-tax deductible Expenses		
- Provision for doubtful receivables	44.501,49	478,97
- Accounting differences	37.500,00	50.000,00
- Board of Directors' Fees	0,00	89.500,00
- Profits distributed to employees	0,00	23.750,00
- Others	(12.608,12)	46.368,50
	143.045,15	878.873,69
- Provision for unaudited tax years	50.000,00	69.162,07
Income Tax Provision	**193.045,15**	**948.035,76**

	PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**
Profit / (loss) before taxes	(541.100,16)	2.357.387,74
Income tax (based on prevailing tax rate)	(135.275,04)	589.346,94
Differences attributed to deferred tax rate	45.903,83	22.853,00
Non-tax deductible Expenses		
- Provision for doubtful receivables	44.501,49	478,97
- Provision for devaluation of participating interests	255.000,00	
- Accounting differences	37.500,00	50.000,00
- Board of Directors' Fees	0,00	89.500,00
- Profits distributed to employees	0,00	23.750,00
- Others	(15.356,46)	347,32
	232.273,82	776.276,23
- Provision for unaudited tax years	50.000,00	62.225,00
Income Tax Provision	**282.273,82**	**838.501,23**

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.

Movement in the deferred income tax account is as follows:

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Beginning Balance	461.904,27	510.660,08	280.138,71	306.303,39
Credit to income	-	-	-	-
Debit to income	134.833,85	(48.755,88)	45.605,18	(26.164,68)
Ending Balance	**596.738,12**	**461.904,20**	**325.743,89**	**280.138,71**

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

Deferred income tax assets and liabilities are as follows:

	GROUP			
	Balance sheet		Income statement	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Deferred Income Tax Assets				
- Write-off of intangibles	57.952,17	57.505,34	446,83	(5.776,59)
- Inventories	90.189,08	80.993,97	9.195,11	(3.588,69)
- Subsidiaries' tax losses	126.664,33	56.754,09	69.910,24	(19.678,85)
- Provision for staff retirement indemnities	215.176,17	209.610,00	5.566,17	(22.153,33)
- Other provisions	88.175,44	108.833,85	(20.658,41)	2.133,85
- Board of Directors' Fees	87.789,60	-	87.789,60	-
Gross Deferred Income Tax Assets	665.946,79	513.697,25	152.249,54	(49.063,61)
Deferred Income Tax Liabilities				
- Depreciation for tangible fixed assets	(43.136,71)	(35.482,01)	(7.903,58)	1.769,85
- Depreciation for intangible fixed assets	(15.097,80)	(14.848,92)	-	-
- Other	(10.974,16)	(1.462,12)	(9.512,11)	(1.462,12)
Gross Deferred Income Tax Liabilities	(69.208,67)	(51.793,05)	(17.415,69)	307,73
Net Deferred Income Tax Assets	**596.738,12**	**461.904,20**		
Credit to Income			**134.833,85**	**(48.755,88)**

	PARENT COMPANY			
	Balance sheet		Income statement	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Deferred Income Tax Assets				
- Write-off of intangibles	17.603,67	17.667,84	(64,17)	(1.536,33)
- Provision for:				
- slow moving inventories	20.484,64	4.600,00	15.884,64	(400,00)
- staff retirement indemnities	211.396,17	205.830,00	5.566,17	(21.670,00)
- Other provisions	57.678,48	103.833,92	(46.155,44)	(2.866,08)
- Board of Directors' Fees	87.789,60	-	87.789,60	-
Gross Deferred Income Tax Assets	394.952,56	331.931,76	63.020,80	(26.472,41)
Deferred Income Tax Liabilities				
- Depreciation for tangible fixed assets	(43.136,71)	(35.482,01)	(7.654,70)	3.386,85
- Depreciation for intangible fixed	(15.097,80)	(14.848,92)	(248,88)	(1.617,00)
- Other	(10.974,16)	(1.462,12)	(9.512,04)	(1.462,12)
Gross Deferred Income Tax Liabilities	(69.208,67)	(51.793,05)	(17.415,62)	307,73
Net Deferred Income Tax Assets	**325.743,89**	**280.138,71**		
Credit to Income			**45.605,18**	**(26.164,68)**

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 on assets has been calculated for foreign subsidiaries' losses of the year 2009 amounting to € 251,512.00, since the Group estimates 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	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Payroll cost included in:				
- Administration expenses (note 7)	3.487.726,55	3.249.507,72	3.274.810,99	2.987.275,40
- Sales & Distribution Expenses (note 8)	3.431.071,15	3.790.398,35	2.276.460,42	2.566.309,11
- Discontinued Operations	-	-	749.961,02	705.916,25
	6.918.797,70	**7.039.906,07**	**6.301.232,43**	**6.259.500,76**

All payroll costs incurred in 2009 and 2008 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	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Depreciation included in:				
- Administration expenses (note 7)	659.972,04	458.490,10	638.171,16	431.019,85
- Sales & Distribution Expenses (note 8)	210.744,07	218.883,63	-	1.978,70
- Discontinued Operations	-	-	43.563,81	38.177,57
	870.716,11	**677.373,73**	**681.734,97**	**471.176,12**

The above depreciation charges refer to the following asset categories:

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Depreciation				
- of tangible assets (note 17)	791.088,86	605.514,93	617.139,53	419.945,04
- of intangible assets (note 18)	79.627,25	71.858,80	64.595,44	51.231,08
	870.716,11	677.373,73	**681.734,97**	**471.176,12**

All depreciation charged in 2009 and 2008 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 were calculated by dividing the net earnings attributable to the parent company's shareholders by the weighted average number of trading shares as above, adapted to the effect of the possible allocation of free shares, except from the average of ordinary shares acquired as treasury shares.

16. EARNINGS PER SHARE (continued)

	GROUP		PARENT COMPANY	
	1.1 – 31.12.2009	**1.1 - 31.12.2008**	**1.1 – 31.12.2009**	**1.1 - 31.12.2008**
Earnings used for the calculation of basic / diluted earnings per share	**(582.417,19)**	**1.041.229,20**	**(823.373,98)**	**1.518.886,51**
Shares' weighted average				
Total Shares	5.118.363	5.130.000	5.118.363	5.130.000
Minus: Weighted average of treasury shares' purchase	65.056	11.637	65.056	11.637
Shares' basic weighted average	**5.053.307**	**5.118.363**	**5.053.307**	**5.118.363**
Total Shares	5.135.030	5.130.000	5.135.030	5.130.000
Minus: Weighted average of treasury shares' purchase	65.056	11.637	65.056	11.637
Plus: Weighted average of reserves for allocation of free shares to directors	16.667	16.667	16.667	16.667
Diluted	**5.086.641**	**5.135.030**	**5.086.641**	**5.135.030**
Earnings per share (in Euro):				
Basic	(0,1153)	0.2034	(0,1629)	0,2968
Diluted	(0,1145)	0.2028	(0,1619)	0,2958

17. TANGIBLE FIXED ASSETS

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

	Land	Buildings	Machinery	Transport Means	Furniture & Fixtures	Total
Value at Acquisition						
January 1st, 2008	**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)	-	-	-	-
December 31st, 2008	**401.047,37**	**1.618.691,94**	**302.052,31**	**1.373.312,97**	**3.641.403,04**	**7.336.507,63**
Additions	-	1.736.939,45	41.554,72	503.400,47	1.441.622,63	**3.723.517,27**
Foreign exchange differences	-	-	(2.232,95)	(5.560,54)	(9.154,63)	**(16.948,13)**
Sales	-	(5.745,35)	(42.087,69)	(238.389,23)	(79.012,60)	**(365.234,87)**
Disposals-Items Written off	-	(204.315,31)	(28.397,63)	-	(1.268.994,17)	**(1.501.707,11)**
December 31st, 2009	**401.047,37**	**3.145.570,73**	**270.888,76**	**1.632.763,67**	**3.725.864,27**	**9.176.134,80**
Accumulated Depreciation						
January 1st, 2008	-	**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)**
December 31st, 2008	-	**641.879,38**	**231.930,68**	**496.839,37**	**2.896.951,00**	**4.267.600,43**
Depreciations (note 15)	-	87.836,06	29.983,23	189.560,30	483.709,26	**791.088,86**
Write-off	-	(204.314,76)	(28.569,40)	-	(1.260.955,60)	**(1.493.839,76)**
Foreign exchange differences	-	-	2.166,05	(1.735,94)	(4.392,07)	**(3.961,97)**
Sales	-	(3.182,09)	(40.382,71)	(97.686,26)	(61.915,68)	**(203.166,74)**
	-	**522.218,59**	**195.127,85**	**586.977,47**	**2.053.396,91**	**3.357.720,82**
Net Book Value						
December 31st, 2007	**128.138,06**	**1.071.043,02**	**88.410,55**	**963.350,33**	**761.398,72**	**3.012.340,68**
December 31st, 2008	**401.047,37**	**976.812,56**	**70.121,63**	**876.473,60**	**744.452,04**	**3.068.907,20**
December 31st, 2009	**401.047,37**	**2.623.352,14**	**75.760,91**	**1.045.786,20**	**1.672.467,36**	**5.818.413,98**

17. TANGIBLE FIXED ASSETS (continued)

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

	Land	Buildings	Machinery	Transport Means	Furniture & Fixtures	Total
Value at Acquisition						
January 1st, 2008	**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)	-	-	-	-
December 31st, 2008	**401.047,37**	**1.320.933,78**	**222.472,37**	**1.223.645,57**	**3.031.362,39**	**6.199.461,48**
Additions	-	1.736.939,45	41.554,72	488.711,16	1.404.674,95	**3.671.880,28**
Sales	-	(5.745,35)	(42.087,69)	(222.280,96)	(79.012,60)	**(349.126,60)**
Disposals-Items Written off	-	(204.315,31)	(6.073,18)	-	(1.251.811,70)	**(1.462.200,19)**
Tangible Assets of Discontinued Operations	-	(288.338,93)	(59.285,87)	(1.600,00)	(397.093,50)	**(746.318,30)**
December 31st, 2009	**401.047,37**	**2.559.473,64**	**156.580,35**	**1.488.475,77**	**2.708.119,54**	**7.313.696,67**
Accumulated Depreciation						
January 1st, 2008	**-**	**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)**
December 31st, 2008	**-**	**477.219,75**	**179.866,37**	**424.817,00**	**2.500.691,51**	**3.582.594,63**
Depreciations (note 15)	-	56.746,17	19.873,33	164.614,35	375.905,68	**617.139,53**
Disposals	-	(204.314,76)	(6.072,91)	-	(1.251.800,05)	**(1.462.187,72)**
Sales	-	(3.182,09)	(40.382,71)	(80.775,93)	(61.915,68)	**(186.256,41)**
Depreciation of Tangible Assets of Discontinued Operations	-	(166.792,12)	(41.042,78)	(1.200,00)	(326.654,58)	**(535.689,48)**
December 31st, 2009	**-**	**159.676,95**	**112.241,30**	**507.455,42**	**1.236.226,88**	**2.015.600,55**
Net Book Value						
December 31st, 2007	**128.138,06**	**907.894,60**	**49.712,63**	**866.300,39**	**478.617,10**	**2.430.662,78**
December 31st, 2008	**401.047,37**	**843.714,03**	**42.606,00**	**798.828,57**	**530.670,88**	**2.616.866,85**
December 31st, 2009	**401.047,37**	**2.399.796,69**	**44.339,05**	**981.020,35**	**1.471.892,66**	**5.298.096,12**

17. TANGIBLE FIXED ASSETS (continued)

The tangible assets purchases are significantly increased compared to the corresponding fiscal year 2008, due to the Company's relocation to the new rented registered offices at Aspropyrgos and its needs for improvements to the building and for new equipment.

18. SOFTWARE

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

	GROUP		
	Acquisition Value	**Accumulated Depreciation**	**Net Book Value**
January 1st, 2008	**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)
December 31st, 2008	**628.924,22**	**(500.675,81)**	**128.248,41**
Additions / Depreciation	140.527,68	(79.627,25)	60.900,43
Foreign exchange differences	(1.670,14)	674,68	(995,46)
December 31st, 2009	**767.781,76**	**(579.628,38)**	**188.153,38**

	PARENT COMPANY		
	Acquisition Value	**Accumulated Depreciation**	**Net Book Value**
January 1st, 2008	**473.249,93**	**(415.663,83)**	**57.586,10**
Additions / Depreciation	93.097,00	(51.231,08)	41.865,92
December 31st, 2008	**566.346,93**	**(466.894,91)**	**99.452,02**
Additions / Depreciation	140.527,68	(64.595,44)	75.932,24
Software of Discontinued Operations	(21.773,51)	3.995,49	(17.778,02)
December 31st, 2009	**685.101,10**	**(527.494,79)**	**157.606,31**

19. INVENTORIES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Two – Wheelers	4.479.567,75	5.812.165,45	3.796.682,47	4.460.751,91
Marine products	3.976.566,92	3.877.233,83	3.828.419,66	3.549.970,12
Spare parts	1.770.136,27	1.918.486,83	1.355.220,24	1.480.230,90
Accessories	1.317.196,96	1.670.360,89	1.150.148,52	1.392.833,38
Lubricants	187.781,19	152.678,54	165.927,63	127.431,06
Other	331.067,77	311.669,05	74.052,90	61.776,14
	12.062.316,87	**13.742.594,59**	**10.370.451,42**	**11.072.993,51**
Provision for slow moving inventory	(108.112,00)	(35.000,00)	(93.112,00)	(20.000,00)
	11.954.204,87	13.707.594,59	10.277.339,42	11.052.993,51
Non custom clearance inventories	2.627.124,68	4.776.954,60	2.627.124,68	4.776.954,60
Goods in transit	351.745,72	3.719.546,95	351.745,72	3.719.546,95
	14.933.075,27	**22.204.096,14**	**13.256.209,82**	**19.549.495,06**
Minus inventory of discontinued operations	**-**	**-**	(918.779,79)	**-**
Total inventory of ongoing operations	**14.933.075,27**	**22.204.096,14**	**12.337.430,03**	**19.549.495,06**

No liens exist on the Group and Company inventories.

19. INVENTORIES (continued)

The provision for impairment of inventories' value refers mostly to the spare parts and is formed whenever the management of the Group 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:

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Beginning Balance	**(35.000,00)**	**(30.000,00)**	**(20.000,00)**	**(20.000,00)**
Additional provision	(170.041,99)	(64.632,68)	(170.041,99)	(59.632,68)
Inventories write – offs	96.929,99	59.632,68	96.929,99	59.632,68
Ending Balance	**(108.112,00)**	**(35.000,00)**	**(93.112,00)**	**(20.000,00)**

20. TRADE RECEIVABLES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Open accounts	2.597.783,66	4.132.920,52	2.316.579,91	3.303.989,38
Cheques receivable:				
- in portfolio	1.951.762,71	4.004.238,81	1.844.773,94	3.929.596,65
- past due	219.940,16	495.443,87	92.214,24	370.443,87
Notes receivable:				
- to banks for collection	11.443,74	17.735,51	11.443,74	17.735,51
- past due	251.516,14	737.783,86	237.804,70	724.072,42
Doubtful and defaulting clients	60.423,94	-	-	-
Provisions for doubtful clients	(13.408,56)	-	-	-
	5.079.461,79	**9.388.122,57**	**4.502.816,53**	**8.345.837,83**
Minus provision for doubtful receivables	(330.223,40)	(822.671,68)	(62.140,00)	(788.868,78)
Client balance	**4.749.238,39**	**8.565.450,89**	**4.440.676,53**	**7.556.969,05**
Minus client balance from discontinued operations	-	-	(57.628,97)	-
Client balance from ongoing operations	**4.749.238,39**	**8.565.450,89**	**4.383.047,56**	**7.556.969,05**

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 based on that the following balance maturation table has been drawn. It is noted that no liens exist on the receivables. This provision presented the following movement during the year:

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Beginning Balance	**(822.671,68)**	**(750.140,79)**	**(788.868,78)**	**(718.868,78)**
Additional provision	(442.637,69)	(101.165,87)	(178.005,94)	(71.915,87)
Receivable write – offs	935.085,97	28.634,98	904.734,72	1.915,87
Ending Balance	**(330.223,40)**	**(822.671,68)**	**(62.140,00)**	**(788.868,78)**

20. TRADE RECEIVABLES (continued)

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Current receivables	4.088.207,76	7.445.684,86	3.895.014,46	6.905.679,32
Overdue :				
Minus overdue items from discontinued operations	-	-	(57.628,97)	-
up to 30 days	96.788,01	171.552,75	65.005,74	80.277,60
31 – 90 days	191.915,28	65.533,29	99.107,50	46.264,16
91 – 180 days	121.591,07	225.268,25	119.565,73	102.578,56
more than 180 days	580.959,67	1.480.083,42	324.123,10	1.211.038,19
Total	**5.079.461,79**	**9.388.122,57**	**4.445.187,56**	**8.345.837,83**
Provision for doubtful clients	(330.223,40)	(822.671,68)	(62.140,00)	(788.868,78)
Total trade receivables	**4.749.238,39**	**8.565.450,89**	**4.383.047,56**	**7.556.969,05**

For receivables more than 180 days, except the relevant provision formed there are also securities (mortgages etc.) amounting to € 267,057.66.

21. OTHER RECEIVABLES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Advances and credits	41.433,04	82.135,31	16.133,48	59.638,69
Advances to suppliers	94.726,78	67.092,51	94.726,78	67.092,51
Greek State	403.305,76	160.563,20	403.305,76	160.563,20
VAT	0,00	3.967,78	0,00	-
Employee loans	4.414,03	89.150,00	4.414,03	89.150,00
Future years' expenses	72.887,45	61.663,41	58.088,77	50.489,36
Other	-	3.655,75	-	-
Total of other receivables	**616.767,06**	**468.227,96**	**576.668,82**	**426.933,76**
Minus other receivables of discontinued operations	-	-	(9.589,57)	-
Other receivables of ongoing operations	**616.767,06**	**468.227,96**	**567.079,25**	**426.933,76**

22. CASH AND CASH EQUIVALENTS

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Cash	42.683,03	168.691,84	27.729,08	53.095,23
Sight Deposits	526.763,00	879.910,85	230.001,11	400.831,71
Total	**569.446,03**	**1.048.602,69**	**257.730,19**	**453.926,94**
Minus cash from discontinued operations	-	-	(96.360,79)	-
Cash from ongoing operations	**569.446,03**	**1.048.602,69**	**161.369,40**	**453.926,94**

Interest rates on the above deposits for the parent and its Greek subsidiaries amounted from 0.5% to 0.8% (floating rate). Respectively, for the Company subsidiaries in Bulgaria and Romania, deposit rates amounted from 4% to 10% (floating rates). The following table analyzes cash and cash equivalents by currency (denominated in Euro):

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Cash & cash equivalents in:				
- EURO	460.027,98	727.293,47	257.730,19	453.926,94
- USD	-	941,14	-	-
- Bulgarian Leva (BNG)	42.717,36	129.414,46	-	-
- Romanian Leu (RON)	66.700,69	190.953,62	-	-
Total	**569.446,03**	**1.048.602,69**	**257.730,19**	**453.926,94**
Minus cash from discontinued operations	-	-	(96.360,79)	-
Cash from ongoing operations	**569.446,03**	**1.048.602,69**	**161.369,40**	**453.926,94**

23. ALLOCATION OF BONUS SHARES TO DIRECTORS

In the context of approving the contracts provided for in article 23a, para. 2 of Codified Law 2190/20, the ordinary General Meeting of Shareholders as of May 30th, 2008 approved the contract made as of 01.01.2008 between the company and the Managing Director and CEO. Among others, this contract determines the provision of 50,000 bonus shares after the completion of three years since the effective date of this contract and the provision of continuous services at the aforementioned position.

The fair value of shares was calculated on the basis of the share's market price on the date the contract was approved by the Ordinary General Meeting, and amounted to Euro 107,151.62 in total on 31.12.2009, compared to 53,575.81 in 2008. Said amount reflects the services received by the company during any given 1/3 of the shares' vesting period, which stands at three years in total.

24. SHARE CAPITAL

On December 31st, 2009, 2008, 2007, 2006 and 2005, the share capital of the parent company amounted to 3,026,700.00 Euro, comprising 5,130,000 ordinary nominal shares of € 0.59 nominal value 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 close of 2009, amounted to 111,603 shares, of a total value of € 220,568.42 and representing 2.2 %. The corresponding amounts for 2008 were 46,547 shares of a total value of € 98,466.59 and representing 0.9%. The stock's closing price on 31/12/2009 was € 1.74.

25. RESERVES

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Ordinary Reserve	1.015.751,62	1.015.751,62	1.011.293,53	1.011.293,53
Special Reserve	15.568,80	-	15.568,80	-
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 directors (note 23)	107.151,62	53.575,81	107.151,62	53.575,81
Treasury Share Purchase (note 24)	(220.568,42)	(98.466,59)	(220.568,42)	(98.466,59)
	921.343,30	**974.300,52**	**916.885,21**	**969.842,43**

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 31st, 2009, the parent company did not add to its statutory reserve, because this reserve has already reached one third of its paid-in capital.

Tax-free reserves under special laws refer to profits which are exempted from taxation on the basis of special laws (on the assumption that sufficient profits for their formation exist). 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.

The special reserve amounting to € 15,568.80 that was formed within fiscal year 2009 concerns a dividend of the treasury shares owned by the company on the date of the ordinary General Shareholders' Meeting, which was not distributed due to technical difficulties.

26. DIVIDENDS

Pursuant to Greek commercial law provisions, companies are obliged to allocate dividends on an annual basis, corresponding at least to 35% of profits after taxes, following the formation of the statutory reserve required by 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 the parent company held on May 29th, 2009 approved a dividend distribution of € 820,000 to shareholders (Euro 0.16 gross per share) regarding financial year 2008. On December 31st, 2009, an amount of Euro 6,147.14 regarded dividends of previous years that had not been taken by the shareholders yet. More specifically for fiscal year 2008: Euro 1,212.56, for the year 2007: Euro 3,220.98, for the year 2006: Euro 789.60, for the year 2005: Euro 924.00.

The Board of Directors of the parent company, upon the approval of the accompanying financial statements of March 16th, 2010, decided not to distribute dividend for loss-making fiscal year 2009.

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES

On December 31st, 2009 and 2008, the recognised provision for staff retirement indemnities refers to the parent company and its Greek subsidiaries. In accordance with Greek 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 retirements amounts to 40% of the indemnity payable
in case of dismissal without proper justification. Usually in Greece, according to the effective local practice, the staff compensation programs are not financed. These programs constitute defined-benefit plans in accordance with IAS 19. The Group and the Company charge 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. We note that on 31/12/2009 there was no respective liability for the subsidiaries abroad. The provision for staff retirement liabilities on December 31st, 2009 and 2008 has as follows:

	December 31st, 2009	**December 31st, 2008**
Provision for indemnity		
- On the basis of actuarial study (parent)	916.052,12	1.029.150,00
- From discontinued operations	140.928,73	-
- Other provisions for indemnity (Greek subsidiaries)	16.400,00	17.053,33
Net Liability at the end of the year	**1.073.380,85**	**1.046.203,33**

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

	December 31st, 2009	**December 31st, 2008**
Net Liability at the beginning of the year	**1.029.150,00**	**910.000,00**
- Benefits paid	(299.921,49)	(9.231,69)
- Expense recognized in the income statement	327.752,34	128.381,69
Net Liability at the end of the year	**1.056.980,85**	**1.029.150,00**
Minus liability from discontinued operations	(140.928,73)	**-**
Net liability of ongoing operations	**916.052,12**	**1.029.150,00**

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES (continued)

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 firm of internationally acknowledged actuaries. No actuarial study has been performed for subsidiaries.

The details and principal assumptions of the actuarial study as at December 31st, 2009 and 2008 are provided below:

	PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**
Present value of non-funded liabilities	1.140.246,00	1.084.396,00
Unrecognized actuarial losses	(83.265,15)	(55.246,00)
Net Balance Sheet Liability	**1.056.980,85**	**1.029.150,00**
Components of periodic retirement cost:		
Service cost	67.538,00	66.798,00
Interest cost	60.214,34	50.997,00
Amortization of actuarial losses	-	1.910,00
Regular charge to statement of income	**127.752,34**	**119.705,00**
Assumption of obligation	200.000,00	0,00
Cost of extra benefits paid	-	8.676,69
Total charge to income	**327.752,34**	**128.381,69**
Reconciliation of benefit obligation:		
Net obligation at the beginning of year	1.084.396,00	1.102.816,00
Service cost	67.538,00	66.798,00
Interest cost	60.214,34	50.997,00
Benefits paid	(299.921,49)	(9.231,00)
Cost of extra benefits paid	217.325,15	(36.630,00)
Actuarial losses (profits)	10.694,00	(90.354,00)
Present value of actuarial liability at year end	**1.140.246,00**	**1.084.396,00**
Basic Assumptions:		
Discount rate	5,50%	5.67%
Rate of compensation increase	5,00%	5.00%
Average expected working life	17,62	18.71

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 Programmes

The Group of Companies contributions to State social security funds for the period ending on December 31st, 2009 and 2008 amounted to € 1,146,901.28 and € 1,153,045.50, 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 31st, 2009 and 2008 amounted to € 1,028,314.65 and € 1,001,747.96, 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	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Suppliers	3.060.026,22	6.650.582,79	2.944.503,91	6.520.019,11
Notes payable and promissory letters	768.561,00	3.624.720,73	768.561,00	3.624.720,73
Client advances	323.540,38	304.453,60	307.268,03	281.450,24
	4.152.127,60	**10.579.757,12**	**4.020.332,94**	**10.426.190,08**

29. LOANS

The loans presented in the attached financial statements are analysed as follows:

	GROUP		PARENT COMPANY	
	December 31st, 2009	December 31st, 2008	December 31st, 2009	December 31st, 2008
Long-term bank loans				
Long-term bond loan	4.000.000,00	5.000.000,00	4.000.000,00	5.000.000,00
Short term bank loans				
Short term bank loans	3.700.000,00	2.800.000,00	3.700.000,00	2.800.000,00
Lines on credit	1.000.808,85	1.077.623,48	694.263,80	1.077.623,48
Total Short-term bank loans	**4.700.808,85**	**3.877.623,48**	**4.394.263,80**	**3.877.623,48**
Total loans	**8.700.808,85**	**8.877.623,48**	**8.394.263,80**	**8.877.623,48**

On August 26th, 2008 the Company took out a bond loan of € 5 million in nominal value with a credit institution, following the decision of the Ordinary General Meeting of Shareholders as of 30/5/08 and the decision of the company's BoD as of 10/6/08. 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 repayment, satisfactory capital adequacy, profitability and liquidity, as determined by the following financial ratios:

a) the Total Net Bank Borrowing ratio (Total Bank Borrowing less Cash) to Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) must be lower than or equal to 3.00 throughout the Bond loan term.

b) the Debt to Equity ratio must be lower than or equal to 3.00 throughout the Bond loan term.

The measurement of the above financial ratios shall be performed annually on the audited annual 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. For fiscal year 2009, the Total Net Bank Borrowing ratio (Total Bank Borrowing less Cash) to Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) was greater than 3.00. Despite the above, the Company has obtained the written approval of the Bank, attesting that there are no grounds for termination of the Bond loan contract.

On December 31st, 2009 and 2008, Motodynamics S.A. and its subsidiaries had contracted bond loan agreements, short term loans and lines of credit intended to finance working capital needs, without being required to provide guarantees or other forms or mortgage prenotations or other securities. The average cost of borrowing (floating rates) was : a) for the parent company: 3.60% in 2009 and 6.20% in 2008 and b) for Group companies: 3.71% in 2009 and 6.29% in 2008. The average outstanding loans for: a) the parent € 12,357,482 for 2009 and € 12,678,039 for 2008 and b) for the Group € 12,432,130 for 2009 and € 12,710,583 for 2008.

It is noted that lo liens on assets of the Company or the Group were created for granting such loans. The fair value of the loans is the value at which they are recorded in the books as at 31/12/2009, given that short term loans represent working capital which is constantly renewed. All loans are denominated in Euro.

29. LOANS (continued)

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

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Credit limits available	26.900.000,00	25.900.000,00	25.500.000,00	24.500.000,00
Non-utilized amount	(18.199.191,15)	(17.022.376,52)	(17.105.736,20)	(15.622.376,52)
Utilized amount	**8.700.808,85**	**8.877.623,48**	**8.394.263,80**	**8.877.623,48**

30. OTHER SHORT TERM LIABILITIES

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Liabilities from taxes, duties	351.137,24	317.730,37	304.065,44	287.292,56
Social security	246.475,43	276.378,28	227.998,74	245.530,05
Board of Directors' Fees	365.790,00	358.000,00	365.790,00	358.000,00
Profits distributed to employees	-	95.000,00	-	95.000,00
Long term liabilities payable in subsequent years	14.888,37	-	-	-
Accrued period expenses	26.890,01	-	26.890,01	-
Other	320.131,10	491.490,24	281.046,10	453.508,39
Total	**1.325.312,15**	**1.538.598,89**	**1.205.790,29**	**1.439.331,00**
Total short term liabilities of discontinued operations	-	-	(38.188,90)	-
Total short term liabilities of ongoing operations	**1.325.312,15**	**1.538.598,89**	**1.167.601,39**	**1.439.331,00**

31. FINANCIAL RISK MANAGEMENT

(a) ***Credit Risk:*** There is no significant concentration of credit risk with any single counterparty. 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 clients relevant economical information. The Group and Parent company cover their credit risk with securities (mortgage etc.) 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. So and at this current phase, management estimates that there are no risks arising from the variation of exchange rates.

(d) ***Interest Rate Risk:*** On 31/12/09 total loans for Group and Parent company reached the amount of € 8,700,808.85. From this total amount, the amount of € 5,000,000 was a Bond loan, while the amount of € 2,700,000 was interbank loans of two and three-month terms, with a fixed and stable interest rate for the above terms. The amount of € 1,000,808.85 was in open accounts with a floating interest rate. It is noted that the Group's cash amounted to € 569,446.03 on 31/12/2009.

(e) ***Changes in interest rates:*** 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).
The following table presents the impact on the Pre-tax Earnings of a potential change in floating rates (with the remaining variables remaining stable) on the loans applicable on 31/12/09. The impact on Net Worth is insignificant.

Interest rate increase/ decrease (in base units)	Impact of Pre-Tax Earnings (in € thousand)
50	-6
75	-10
100	-13
-50	6
-75	10
-100	13

(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 borrowing.
The management of the Group monitors the liquidity on an ongoing basis.

	December 31st, 2009	**December 31st, 2008**
LONG – TERM LIABILITIES		
Bond bank loans		
1 - 2 years	4.000.000,00	1.000.000,00
2 - 5 years	-	4.000.000,00
Total	**4.000.000,00**	**5.000.000,00**
Other non-current liabilities		
1 - 2 years	17.328,34	-
2 - 5 years	-	28.269,81
Total	**4.017.328,34**	**5.028.269,81**

	December 31st, 2009	**December 31st, 2008**
SHORT – TERM LIABILITIES		
Total short-term liabilities		
0 - 90 days	5.145.057,34	8.312.910,39
91 - 180 days	4.688.201,16	7.689.569,02
Total	**9.833.258,50**	**16.002.479,41**

Total short-term liabilities analyzes as follows:

Commercial liabilities		
0 - 90 days	1.830.525,29	4.420.811,58
91 - 180 days	2.321.602,31	6.158.945,54
Total	**4.152.127,60**	**10.579.757,12**
Short-term loans		
0 - 90 days	2.700.000,00	2.800.000,00
91 - 180 days	2.000.808,85	1.077.623,48
Total	**4.700.808,85**	**3.877.623,48**
Dividends paid		
0 - 90 days	6.147,14	6.499,92
91 - 180 days	-	-
Total	**6.147,14**	**6.499,92**
Other liabilities		
0 - 90 days	608.384,91	1.085.598,89
91 - 180 days	365.790,00	453.000,00
Total	**974.174,91**	**1.538.598,89**

31. FINANCIAL RISK MANAGEMENT (continued)

***(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 monitored with suitable financial indexes. The table below analyzes indexes movements for annual periods 2009 and 2008:

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Net average return on equity	Average Index	6,90%	Average Index	8,41%
Debt / Equity	1,11	1,47	0,91	1,24

32. COMMITMENTS AND CONTINGENCIES

In the past and until December 31st 2009, Group companies and the parent company had concluded a number of operating lease agreements mostly involving building rentals, expiring on different dates up to 2024. The rental expenses included in the accompanying income statement for the year ended December 31st, 2009, amounted to
€ 1,818,583.42 for the Group and € 1,511,548.45 for the parent company, while the respective amounts for the previous year were € 1,473,950.69 for the Group and € 1,159,561.36 for the parent company. The increase of rents for the company and by extension for the Group is due to the simultaneous payment of rent for the Company's previous registered office at the municipality of Kifissia and the current registered office at the municipality of Aspropyrgos, due to simultaneous exploitation of the two spaces, until the final relocation.
The single contingent future liability derives from the possible early leave and the termination of their rental agreement, which according to the applicable civil law, consists of the payment of four rents at the leave time.
The company has paid the amount of € 1,480,000 as a guarantee according to the private agreements concerning the safeguarding of future leasing of the building. This amount appears in Other non-current assets of the company.
Other non-current assets are analyzed as follows:

	GROUP		PARENT COMPANY	
	December 31st, 2009	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Guarantee in consideration of future building lease payments	1.480.000,00	1.500.000,00	1.480.000,00	1.500.000,00
Other guarantees provided	85.984,23	173.398,20	74.643,67	122.511,58
Other non-current assets	**1.565.984,23**	**1.673.398,20**	**1.554.643,67**	**1.622.511,58**

AS OF DECEMBER 31ST 2009

(All amounts are presented in Euro, unless otherwise stated)

33. OPERATING SEGMENT INFORMATION

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	**December 31st, 2009**	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**	**December 31st, 2009**	**December 31st, 2008**
Sales	34.403.224,85	46.663.190,87	13.834.348,21	18.635.373,49	13.762.339,57	15.397.237,56	61.999.912,63	80.695.801,92
Cost of sales	(28.429.583,06)	(39.781.222,86)	(10.609.992,44)	(14.405.588,96)	(9.734.665,57)	(11.013.774,74)	(48.774.241,07)	(65.200.586,56)
	5.973.641,79	**6.881.968,01**	**3.224.355,77**	**4.229.784,53**	**4.027.674,00**	**4.383.462,82**	**13.225.671,56**	**15.495.215,36**
Other income							1.210.117,80	1.919.481,40
Administrative expenses							(6.927.845,70)	(5.949.981,31)
Sales and Distribution exp.							(7.144.442,87)	(8.417.440,44)
Other expenses							(224.953,04)	(99.880,79)
Finance income							77.530,77	126.430,59
Finance expenses							(572.273,23)	(1.034.050,15)
Profit before taxes							**(356.194,71)**	**2.039.774,66**
Income tax							(193.045,15)	(948.035,76)
Net Profits							**(549.239,86)**	**1.091.738,90**
Depreciation							870.716,11	677.373,73
Assets	4.479.567,75	5.812.165,45	3.976.566,92	3.877.233,83	3.606.182,19	4.053.195,31	12.062.316,87	13.742.594,59
Other assets							16.975.499,59	23.876.241,17
							29.037.816,46	**37.618.835,76**
Liabilities	1.009.353,95	3.188.755,08	434.493,11	4.286.269,91	2.708.280,54	3.104.732,13	4.152.127,60	10.579.757,12
Other liabilities							11.183.468,67	11.794.302,22
Equity							13.702.220,19	15.244.776,42
							29.037.816,46	**37.618.835,76**
Capital expenditure							3.864.044,95	1.390.944,94

34. OTHER SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Not applicable.

The persons entrusted with responsibility for preparing our Company and Group annual financial statements for the period ended December 31st, 2010, which were approved by the Board of Directors on March 16th, 2010, are the following:

Aspropyrgos, March 16th, 2010,

BoD Chairman	Managing Director	Financial Director
Odysseas P. Kyriakopoulos Identity card No. Ξ164488	Sotirios D. Hatzikos Identity card No. P 528354	Anna G. Lizou – Spyratou A' Class License No. 0003870

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the d.t. MOTODYNAMICS S.A.
NOTES ON THE ANNUAL FINANCIAL STATEMENTS

AS OF DECEMBER 31ST 2009

(All amounts are presented in Euro, unless otherwise stated)

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

Date	Announcement	Web address	Observations
Annual Financial Results 2008			
5/03/09	Annual Financial Report of the Company and Group for the financial year from January 1st to December 31st 2008	http://www.motodynamics-ir.gr/annual-financial-statements.html	
5/03/2009	Data and Information on financial year from January 1st 2008 to December 31st 2008	http://www.motodynamics-ir.gr/annual-financial-statements.html	
10/3/2009	Report of Funding Allocation for the period 01/07/08 to 31/12/08	http://www.motodynamics-ir.gr/funds-raised.html	
12/03/2009	Annual Financial Results 2008 Commentary	http://www.motodynamics-ir.gr/el/other-announcements.html	
2009 Quarterly Financial Results			
15/05/2009	Interim Company & Consolidated Financial Statements of Q1 2009	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
15/05/2009	Data and Information on Q1 2009	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
20/05/2009	Commentary on Q1 2009 Results	http://www.motodynamics-ir.gr/el/other-announcements.html	
	2009 Semi-Annual Financial Results		
27/08/2009	Semi-Annual Financial Report of the Company and Group for the period from January 1st to June 30th 2009	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
27/08/2009	Data and Information on Semi-Annual Period of 2009	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
27/08/2009	Commentary on 2009 Semi-Annual Results	http://www.motodynamics-ir.gr/el/other-announcements.html	
28/08/2009	Report of Funding Allocation for the period 01/01/09 to 30/06/09	http://www.motodynamics-ir.gr/funds-raised.html	
9-monthly 2009 Financial Results			
12/11/2009	9-Monthly Interim Company & Consolidated Financial Statements of 2009	http://www.motodynamics-ir.gr/	
12/11/2009	Data and Information on 9-Monthly Period of 2009	http://www.motodynamics-ir.gr/	
16/11/2009	Commentary on 2009 Nine-Monthly Results	http://www.motodynamics-ir.gr/el/other-announcements.html	
	Annual Bulletins		
2009	Annual Bulletin for Financial Year 2008	http://www.motodynamics-ir.gr/el/presentations-publications.html	
Transaction Communications & Regulated Information Announcements			
2009	Notifications of transactions and communications by persons under the obligation stipulated by Greek law.	http://www.motodynamics-ir.gr/el/disclosures-of-transactions.html	
Treasury Share Purchase Announcements			
2009	Treasury Share Purchase Announcements	http://www.motodynamics-ir.gr/el/purchase-of-own-shares.html	
General Shareholders' Meetings			
4/02/2009	Notification of General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
25/02/209	Extraordinary General Meeting Decisions	http://www.motodynamics-ir.gr/el/general-meetings.html	
8/05/2009	Notification of General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
29/05/2009	General Meeting Decisions	http://www.motodynamics-ir.gr/el/general-meetings.html	
23/12/2009	Announcement of Other Significant Events – Organizational Changes	http://www.motodynamics-ir.gr/el/other-announcements.html	
30/12/2009	Spin-off of retail division	http://www.motodynamics-ir.gr/el/other-announcements.html	

Other Communications			
Date	**Announcement**	**Web address**	**Observations**
13/02/2009	Decisions regarding the merger by absorption of "MOTODYNAMICS INSURANCE BROKERAGE S.A." by "MOTODYNAMICS S.A."	http://www.motodynamics-ir.gr/el/other-announcements.html	
16/02/2009	Correction of announcement regarding the merger by absorption of "MOTODYNAMICS INSURANCE BROKERAGE S.A." by "MOTODYNAMICS S.A."	http://www.motodynamics-ir.gr/el/other-announcements.html	
23/03/2009	Approval of Draft Contract of the Merger by absorption of "MOTODYNAMICS INSURANCE BROKERAGE S.A."	http://www.motodynamics-ir.gr/el/other-announcements.html	
26/03/2009	Announcement of Other Significant Events – Suspension of Operation of Corfu Branch	http://www.motodynamics-ir.gr/el/other-announcements.html	
8/05/2009	Change of registered office of the Company	http://www.motodynamics-ir.gr/el/other-announcements.html	
8/05/2009	Decision to Change Funding Allocation	http://www.motodynamics-ir.gr/el/other-announcements.html	
29/05/2009	Communication of Ex-Right/ Dividend Payment	http://www.motodynamics-ir.gr/el/other-announcements.html	
29/05/2009	Change of Funding Allocation	http://www.motodynamics-ir.gr/el/other-announcements.html	
12/06/2009	Change of high-ranking management executive	http://www.motodynamics-ir.gr/el/other-announcements.html	
12/06/2009	Announcement of Other Significant Events – Modification to Merger Decision	http://www.motodynamics-ir.gr/el/other-announcements.html	
23/12/2009	Announcement of Other Significant Events – Acquisition of Total Shares in subsidiary Motodiktyo S.A.	http://www.motodynamics-ir.gr/el/other-announcements.html	
23/12/2009	Announcement of Other Significant Events – Organizational Changes	http://www.motodynamics-ir.gr/el/other-announcements.html	
30/12/2009	Spin-off of retail division	http://www.motodynamics-ir.gr/el/other-announcements.html	

Notes: *The communications of the table of references are also posted on the 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 on the Company's website, www.yamaha-motor.gr or www.motodynamics-ir.gr, where they shall remain at the disposal of the investor community for a time period of at least 5 (five) years, as of the date of their drafting and publication.