

Demetra Investment Public Limited

Annual Report and Consolidated and Company Financial Statements For the year ended 31 December 2008

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Demetra Investment Public Limited

Board of Directors and Professional Advisors

BOARD OF DIRECTORS

Stavros Evagorou	(Non-executive Chairman)
Lefteris Christoforou	(Non-executive Vice-chairman)
Michalakis Serafides	(Non-executive Vice-chairman)
Kriton Georgiades	(Non-executive Director)
Evangelos Georgiou	(Non-executive Director)
Fotis Demetriades	(Non-executive Director)
Maria Theodorou	(Non-executive Director – Appointed on 18 June 2008)
Demos Demou	(Non-executive Director - Resigned on 18 June 2008)

COMPANY SECRETARY

Nicos Michaelas

REGISTERED OFFICE

Demosthenis Severis 34, 4th Floor
1080 Nicosia
Cyprus

INVESTMENTS MANAGERS

Co-operative Central Bank Ltd
EFG Eurobank Asset Management Ltd
Marfin CLR (Financial Services) Ltd
Argus Stockbrokers Ltd
Piraeus Bank (Cyprus) Ltd
Sharelink Securities & Financial Services Ltd
Goldman Sachs International
Credit Suisse

LAWYERS

Georgiades & Pelides
Antis Triantafyllides & Sons
Christofi & Associates
LicaLaw Partners Orphanides
Dinos Mastoroudes
Panicos Christofi
Fiona Nicolaou
Argentoula Ioannou

BANKERS

Co-operative Central Bank Ltd
Co-operative Credit Companies and Savings Companies
Alpha Bank
Marfin Popular Bank Public Co Ltd
Societe Generale
EFG Eurobank Ergasias A.E.
Piraeus Bank

AUDITORS

Deloitte Limited

Demetra Investment Public Limited

Report of the Board of Directors

The Board of Directors of Demetra Investment Public Limited (the "Company") presents its report together with the audited consolidated financial statements of the Company and its subsidiaries ("the Group") and the individual financial statements of the Company for the year ended 31 December 2008.

Principal activities

The principal activities of the Group comprise the management of the investments portfolio which includes investments in bonds, securities, venture capital and strategic investments, including inter alia, dividend and interest bearing securities, deposits and financial instruments such as derivatives and forward contracts, as well as investments in real estate and immovable property development.

Review of developments, current position and performance of the Group's business

The current Global Financial Crisis that has adversely affected the worldwide economy had negative effects on the investments of the Group and mainly on the portfolio of the Company with investments in shares. The financial results of Demetra Investment Public Limited Group for the year ended 31 December 2008 present a loss after tax of €84,1 m. compared to €38,1 m. profit after tax in 2007. The net asset value per share has fallen to 93,31 cents compared to 135,79 cents at 31 December 2007, representing a decrease of 31,3%.

The decrease in the capitalization value is attributed mainly to the performance of the portfolio invested in the Cyprus Stock Exchange and other foreign Stock Exchanges. The Company and the Group have recorded significant losses on the portfolios mentioned above which sum up to €90,2 m. compared to €26,4 m. profit in 2007. These losses are exclusively attributed to the bad performance of Stock markets internationally and are mainly unrealised.

Profits from sale, revaluation and reappraisal of real estate and immovable property show a significant reduction in comparison with the last reporting period as a consequence of the global financial crisis which negatively influenced the real estate market. On the contrary, interest receivable and dividends receivable have shown a small increase.

Administrative expenses have shown a small increase of 3.4% compared to 2007. This resulting increase is due mainly to the increase in expenses for the General Meeting, the printing and dispatch of the annual report and also to the expenses incurred regarding the newly incorporated subsidiaries.

The activities of the group, for management purposes are split into two main sectors: Securities Portfolio Management and Land and Immovable Property Development. On 31 December 2008 the Group assets were 67.4% for Securities Portfolio Management Investments, 32.4% for Land and Immovable Property Development and for the other assets 0.2%.

Group profitability and performance is dependent on the performance of the investments in Cyprus and abroad. The main objective of the Company, for the best interests of the shareholders, is the best management of the portfolio and its strategic positioning to achieve the best performance.

Results

The Company's and the Group's results for the year are presented on pages 13 and 9 respectively. During the year 2008 the results of the Group and the Company have been adversely affected from the consequences of the Global Financial Crisis which led to the continuous fall of the share prices in the main stock markets that the Group and the Company are active in.

Main risks and uncertainties

The main risks which both the Company and the Group faces are market price risk, interest rate risk, credit risk, liquidity risk, currency risk, compliance risk, share ownership risk and capital management which results from the financial instruments they hold. These risks and the risk management policy adopted by the Group are explained in note 3 of the financial statements.

The Company and the Group do not face any other significant risks and uncertainties, except those referred to in note 3 of the financial statements.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Future development of the Group

The Board of Directors does not anticipate any significant changes in the activities of the Company and the Group in the foreseeable future.

Events after the balance sheet date

Any significant events that occurred after the balance sheet date are described in note 38 of the Company and consolidated financial statements.

Existence of branches

The Company and the Group did not maintain any branches during the year.

Dividends

The Board of Directors of the Company does not suggest the payment of a dividend and the net loss will be transferred to the Reserves (2007: €6.812.822 for 2006).

Share Capital

As a result of the adoption of the Euro as the official currency of the Republic of Cyprus as well as the functional currency of the Group and the Company, the nominal value of the shares of the Company converted, since 1st January 2008, from CY£0,50 to €0,85. As such, the authorised and issued share capital of the Company have changed as follows:

Authorised capital

The authorised share capital of the Company amounting to CY£250.000.000 divided into 500.000.000 ordinary shares of CY£0,50 each was converted into € 425.000.000 divided into 500.000.000 shares of €0,85 each.

Issued capital

The issued share capital of the Company amounting to £ 100.000.000 divided into 200.000.000 ordinary shares of CY£0,50 each was converted into € 170.000.000 divided into 200.000.000 shares of €0,85 each.

From the above conversion and rounding the share capital of the Company has decreased by €860.144 with the equivalent amount being transferred to the conversion reserve of the share capital.

Changes in Group's structure

During the year 2008 the Group expanded its activities through the incorporation or acquisition of the following subsidiary and associated companies:

- On 8 January 2008 the Company acquired 50% of the share capital of Demetra Investments & Arsiotis Developments Limited. The purpose of the acquisition of the above company is to invest in real estate and immovable property development.
- Also on 30 January 2008, the Company acquired 40% of the share capital of Verendrya Ventures Limited, which was incorporated in Cyprus with principal activity the project development and specifically the development of desalination units.
- Finally, during the financial year, the Company through its 100% subsidiary Demetra Overseas Investments Ltd, acquired 100% of the share capital of Demetra Residency Developments SRL and Demetra Investments Public SRL which were incorporated in Romania and Moldavia as limited liability companies with principal activity the investment in real estate and immovable property development.

Board of directors

The members of the Board of Directors at 31 December 2008 and on the date of this report are shown on page 1. On the 18 June 2008 Mr. Demos Demou resigned from the position of the member of the Board of Directors and at the same date Mrs. Maria Theodorou was appointed as a member of the Board of Directors. All the remaining were members of the Board throughout 2008. During the forthcoming Annual General Meeting one third of the directors will resign from office, but they reserve the right to put themselves forward for re-election.

There were no significant changes in the assignment of responsibilities of the members of the Board of Directors. Following a special resolution of the Annual General Meeting of the Company's shareholders held at 13 June 2007, the remuneration of the Board Members remained at €3.417(£2.000) per year for every member of the Board and was rounded up to €3.500 with a resolution of the Annual General Meeting dated 18 June 2008.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Directors' interests in the Company's capital

The percentage shareholding in the Company's share capital, at 31 December 2008 and 24 April 2009 by the members of the Board of Directors, their spouses and their infant children, together with companies in which they hold directly or indirectly at least 20% of the voting rights in a general meeting, are as follows:

	31 December 2008	24 April 2009
	%	%
Stavros Evagorou	0,000	0,000
Michalakis Serafides	0,000	0,000
Lefteris Christoforou	0,000	0,000
Kriton Georgiades	0,003	0,003
Evangelos Georgiou	0,003	0,003
Fotis Demetriades	0,001	0,001
Maria Theodorou	0,000	0,000

Agreements with Directors and affiliated persons

- The Company holds 24.774.721 bonds of A. Panayides Contracting Public Ltd valued at €0,01 each, totaling €247.747. These bonds are listed on the Cyprus Stock Exchange with a maturity date 31 October 2011. These bonds bear interest at the basic rate plus 2%, payable every 6 months.
- On 16 March 2007 the Group sold 3.652.714 shares of A. Panayides Contracting Public Limited in the over the counter market at €0,26 per share. The total value of this transaction which took place on an arm's length basis was €949.706.
- During the year 2007, the Company issued a loan of €6.000.000 to the Romanian company Demetra Realty Developments Srl, who is owned:
 - 50% by Demetra Overseas Investments Ltd
 - 50% by Osorio Holdings Ltd (which is 70% held by A Panayides Contracting Public Ltd and 30% held by Farmakas Quarry Limited).

Mr. Vaggelis Georgiou is related with the companies A Panayides Contracting Public Ltd and Farmakas Quarries Limited. The loan agreement above took place on an arm's length basis and all the necessary procedures have been carried out. The loan bears interest equal to the applicable basic interest rate plus 2%.

As collateral for the above loan, Osorio Holdings Ltd has placed its shares in Demetra Realty Developments Srl on guarantee in favour of Demetra Overseas Investments Ltd.

Demetra Investment Public Limited

Report of the Board of Directors (continued)

Major shareholders

On 31 December 2008 and during the period between 1 January 2009 and 24 April 2009, the shareholders below held more than 5% of the issued capital of the Company without any fluctuation to their percentage.

	Shareholding percentage
<u>Investment Group of Co-operative Companies "Lefkoniko" Limited</u>	10%

Auditors

Deloitte Limited, expressed their willingness to continue in office. A resolution authorising the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By Order of the Board of Directors

Stavros Evagorou
Chairman
Nicosia, 24 April 2009

Demetra Investment Public Limited

Declaration of the Members of the Board of Directors

In accordance with Article 9(7) of Law 190(I)/2007 on Transparency Requirements in relation to an issuer whose securities are listed for trading on a regulated market, we the Members of the Board of Directors and all other persons responsible for the financial statements of Demetra Investment Public Limited for the year ended 31 December 2008, confirm that to the best of our knowledge:

- (a) the annual financial statements that are presented on pages 9 to 52.
 - (i) were prepared according to the International Financial Reporting Standards and according to Article 9(4)
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Demetra Investment Public Limited [and the undertakings included in the consolidated financial statements, as a whole] and
- (b) The Report of the Board of Directors includes a fair review of the developments and performance of the business as well as the position of Demetra Investment Public Limited [and the undertakings included in the consolidated financial statements, as a whole] together with the description of the principal risks and uncertainties that they face.

Members of the Board of Directors

..... Stavros Evagorou, Non-Executive Chairman
..... Lefteris Christoforou, Non-Executive Vice-Chairman
..... Michalakis Serafides, Non-Executive Vice Chairman
..... Kriton Georgiades, Non-Executive Director
..... Evangelos Georgiou, Non-Executive Director
..... Fotis Demetriades, Non-Executive Director
..... Maria Theodorou, Non-Executive Director

Financial Controller

..... Costas Paphitis

Company Secretary

..... Nicos Michaelas

Nicosia, 24 April 2009

Demetra Investment Public Limited

Independent Auditors' Report

To the Members of Demetra Investment Public Limited

Report on the Financial Statements

We have audited the consolidated financial statements of **Demetra Investment Public Limited** (the "Company") and its subsidiaries ("the Group") and the individual financial statements of the Company on pages 9 to 52 which comprise the consolidated and Company balance sheet as at 31 December 2008 and the consolidated and Company income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated and individual financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated and individual 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 to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and individual financial statements give a true and fair view of the financial position of the Group as of 31 December 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Demetra Investment Public Limited

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 5 is consistent with the consolidated financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report may be divulged.

Deloitte Limited
Certified Public Accountants (Cyprus)

Nicosia, 24 April 2009

Demetra Investment Public Limited

Consolidated Income Statement For the year ended 31 December 2008

	Note	2008 €	2007 €
Revenue			
Dividends receivable	6	5.188.656	4.712.925
Interest receivable and other financial income	6	4.873.505	4.332.607
Gain from disposal, revaluation and development of land and immovable property	10	131.470	5.347.472
(Loss) / Gain from financial instruments	5	(90.158.090)	26.441.192
		(79.964.459)	40.834.196
Administrative expenses	9	(1.976.173)	(1.911.149)
Financial expenses	11	(1.443.076)	(87.920)
Share of loss from associated companies	18	(1.730)	(1.780)
(Loss) / Profit before taxation		(83.385.438)	38.833.347
Taxation	12	(758.469)	(704.009)
(Net loss) / Net profit for the year		(84.143.907)	38.129.338
(Loss) / Earnings per share – cents	13	(42,07)	19,09

The notes on pages 17 to 52 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Balance Sheet

As at 31 December 2008

	Note	2008 €	2007 €
ASSETS			
Non Current assets			
Property, plant and equipment	15	9.085.456	5.203.598
Investment property	16	23.362.236	21.795.504
Investments in Associates	18	11.170	-
Receivables from associated companies	23	-	12.821
Deferred taxation	28	126.753	-
Held-to-maturity financial assets	19	9.888.011	7.908.641
		42.473.626	34.920.564
Current Assets			
Corporate bonds and venture capital	20	2.702.080	3.968.011
Inventory	21	14.035.633	4.960.711
Trade and other receivables	22	2.643.709	4.079.547
Receivables from associated companies	23	6.577.037	6.198.245
Financial assets at fair value through profit and loss	25	61.171.564	164.394.154
Cash and cash equivalents	26	60.883.573	55.614.692
		148.013.596	239.215.360
Total assets		190.487.222	274.135.924
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	27	170.000.000	170.860.144
Reserves		16.616.831	100.729.532
Total equity		186.616.831	271.589.676
Non Current liabilities			
Deferred taxation	28	473.811	497.821
Current liabilities			
Trade and other payables	29	3.062.537	2.031.652
Taxation	30	334.043	16.775
Total current liabilities		3.396.580	2.048.427
Total equity and liabilities		190.487.222	274.135.924
Net assets per share (cents)	13	93,31	135,79

On 24 April 2009 the Board of Directors of Demetra Investment Public Limited authorised these consolidated financial statements for issue.

Stavros Evagorou, Chairman

Michalakis Serafides, Vice-Chairman

The notes on pages 17 to 52 form an integral part of these financial statements.

Demetra Investment Public Limited

Consolidated Statement of Changes in Equity For the year ended 31 December 2008

	Share Capital €	Accumulated profits €	Share Capital Conversion Reserve €	Exchange difference reserve €	Total €
Balance at 31 December 2006/ 1 January 2007	170.860.144	69.441.461	-	6.672	240.308.277
Net profit for the year	-	38.129.338	-	-	38.129.338
Dividends	-	(6.812.822)	-	-	(6.812.822)
Loss from sale of treasury shares	-	(21.388)	-	-	(21.388)
Exchange difference arising on the re- translation of balances with foreign subsidiaries	-	-	-	(13.729)	(13.729)
Balance at 31 December 2007 / 1 January 2008	170.860.144	100.736.589	-	(7.057)	271.589.676
Difference arising from the conversion of share capital to Euro	(860.144)	-	860.144	-	-
Net loss for the year	-	(84.143.907)	-	-	(84.143.907)
Defence payable on deemed distribution of dividends	-	(875.000)	-	-	(875.000)
Exchange difference arising on the re- translation of balances with foreign subsidiaries	-	-	-	46.062	46.062
Balance at 31 December 2008	170.000.000	15.717.682	860.144	39.005	186.616.831

From the tax year commencing 1 January 2003 onwards, companies which do not distribute 70% of their profits after tax, as defined in the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence will be payable on such deemed dividends. Any special defence contribution will be payable by the shareholders considering the deemed dividend distribution amount payable initially by the Company and then subsequently charged to shareholders.

The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year during the following two years and in the case when the actual dividend is paid after the two years of the relevant tax year, any deemed distribution amount decreases the actual dividend for which special contribution for defence is withheld.

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Consolidated Cash Flow Statement For the year ended 31 December 2008

	Note	2008 €	2007 €
Cash flow from operating activities			
(Loss)/profit for the year before taxation		(83.385.438)	38.833.347
Adjustments for:			
Depreciation of property, plant and equipment	15	29.917	27.729
Loss/(profit) on disposal and revaluation of financial assets	5	90.158.090	(26.441.192)
Loss/(profit) on revaluation of investment property		69.672	(4.754.908)
Share of loss from associated companies		1.730	1.780
Exchange difference arising on the re-translation of balances in foreign currency		226.577	59.212
Net cash flow before working capital changes		7.100.548	7.725.968
Decrease in corporate bonds granted		1.265.931	3.205.882
Decrease/(increase) in inventories		(9.074.922)	837.168
Decrease/(increase) in trade and other receivables		1.435.838	(537.169)
Increase in receivables from associated companies		(365.971)	(6.211.068)
Net sales of financial assets and liabilities at fair value through profit and loss		13.064.500	6.836.444
Increase in trade and other payables		155.885	968.665
Cash flow from operations		13.581.809	12.825.890
Taxation paid		(584.569)	(693.010)
Net cash flow from operations		12.997.240	12.132.880
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(3.911.775)	(5.106.179)
Investments in associated companies	18	(12.900)	(1.780)
Purchase of investment property	16	(4.552.757)	(10.165.890)
Proceeds from sale of investment property		2.728.443	-
Purchases of financial assets held-to-maturity	19	(1.979.370)	(86.106)
Net cash flow for investing activities		(7.728.359)	(15.359.955)
Cash flow from financing activities			
Purchase of treasury shares		-	(567.447)
Proceeds from the sale of treasury shares		-	546.059
Dividends paid		-	(6.812.822)
Cash flow for financing activities		-	(6.834.210)
Net (decrease)/increase in cash and cash equivalents		5.268.881	(10.061.285)
Cash and cash equivalents at the beginning of the year		55.614.692	65.675.977
Cash and cash equivalents at the end of the year	26	60.883.573	55.614.692

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Holding Company Income Statement For the year ended 31 December 2008

	Note	2008 €	2007 €
Revenue			
Dividends receivable	6	5.188.656	4.712.925
Interest receivable and other financial income	6	6.576.593	5.475.381
Gain from disposal, revaluation and development of land and immovable property	10	249.740	668.395
(Loss)/Gain from financial instruments	5	(90.158.090)	26.441.192
		(78.143.101)	37.297.893
Administrative expenses	9	(1.758.837)	(1.790.631)
Financial expenses	11	(202.820)	(12.359)
(Loss)/profit before taxation		(80.104.758)	35.494.903
Taxation	12	(771.846)	(272.589)
(Net loss)/net profit for the year		(80.876.604)	35.222.314
(Loss)/earnings per share – cents	13	(40,44)	17,63

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Holding Company Balance Sheet For the year ended 31 December 2008

	Note	2008 €	2007 €
ASSETS			
Non Current assets			
Investments in subsidiaries	17	44.460	44.424
Investments in Associates	18	14.181	1.281
Property, plant and equipment	15	1.662.021	113.849
Investment property	16	1.438.575	3.389.976
Receivables from subsidiaries and associated companies	24	8.015.591	7.052.085
Held-to-maturity financial assets	19	9.888.011	7.908.641
		21.062.839	18.510.256
Current assets			
Corporate bonds and venture capital	20	2.702.080	3.968.011
Trade and other receivables	22	2.186.102	2.104.031
Receivables from subsidiaries and associated companies	24	51.985.314	32.469.431
Financial assets at fair value through profit and loss	25	56.045.759	159.268.350
Cash and cash equivalents	26	55.479.350	53.441.872
		168.398.605	251.251.695
Total assets		189.461.444	269.761.951
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	27	170.000.000	170.860.144
Reserves		16.943.875	97.835.335
Total equity		186.943.875	268.695.479
Non Current liabilities			
Deferred taxation	28	48.809	90.964
Current liabilities			
Trade and other payables	29	2.141.862	966.199
Taxation	30	326.898	9.309
Total current liabilities		2.468.760	975.508
Total equity and liabilities		189.461.444	269.761.951
Net assets per share (cents)	13	93,47	134,35

On 24 April 2009 the Board of Directors of Demetra Investment Public Limited authorised these financial statements for issue.

Stavros Evagorou, Chairman

Michalakis Serafides, Vice-Chairman

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Holding Company Statement of Changes in Equity

For the year ended 31 December 2008

	Share Capital €	Accumulated profits €	Share Capital Conversion Reserve €	Total €
Balance at 31 December 2006/ 1 January 2007	170.860.144	69.447.231	-	240.307.375
Net profit for the year	-	35.222.314	-	35.222.314
Dividends	-	(6.812.822)	-	(6.812.822)
Loss from sale of treasury shares	-	(21.388)	-	(21.388)
Balance at 31 December 2007 / 1 January 2008	170.860.144	97.835.335	-	268.695.479
Difference arising from the conversion of share capital to Euro	(860.144)	-	860.144	-
Net profit for the year	-	(80.876.604)	-	(80.876.604)
Defence payable on deemed distribution of dividends	-	(875.000)	-	(875.000)
Balance at 31 December 2008	170.000.000	16.083.731	860.144	186.943.875

From the tax year commencing 1 January 2003 onwards, companies which do not distribute 70% of their profits after tax, as defined in the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence will be payable on such deemed dividends. Any special defence contribution will be payable by the shareholders considering the deemed dividend distribution amount payable initially by the Company and then subsequently charged to shareholders.

The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year during the following two years and in the case when the actual dividend is paid after the two years of the relevant tax year, any deemed distribution amount decreases the actual dividend for which special contribution for defence is withheld.

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Holding Company Cash Flow Statement

For the year ended 31 December 2008

	Σημ.	2008 €	2007 €
Cash flow from operating activities			
(Loss)/profit for the year before taxation		(80.104.758)	35.494.903
Adjustments for:			
Depreciation of property, plant and equipment	15	29.435	27.432
Loss/(profit) on disposal and revaluation of financial assets	5	90.158.090	(26.441.192)
Loss/(profit) on revaluation of investment property		(384.042)	(643.997)
		9.698.725	8.437.146
Net cash flow before working capital changes			
Decrease in corporate bonds granted		1.265.931	3.205.883
Decrease in inventories		-	359.440
Decrease/(increase) in trade and other receivables		(82.071)	873.087
Increase in receivables from subsidiaries and associated companies		(20.479.389)	(28.885.961)
Net sales of financial assets and liabilities at fair value through profit and loss		13.064.500	11.962.247
Increase/(decrease) in trade and other payables		300.664	(70.345)
		3.768.360	(4.118.503)
Cash flow from/(used in) operations			
Taxation paid		(496.412)	(671.843)
		3.271.948	(4.790.346)
Net cash flow from/(used in) operations			
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(1.577.607)	(16.693)
Proceeds from the sale of investment property		2.335.443	-
Purchase of or increase in financial assets held-to-maturity	19	(1.979.370)	(86.107)
(Purchase) / Sale of subsidiaries		(36)	11.743
Purchase of associates	17&18	(12.900)	(1.281)
		(1.234.470)	(92.338)
Net cash flow for investing activities			
Cash flow from financing activities			
Purchase of treasury shares		-	(567.447)
Proceeds from the sale of treasury shares		-	546.059
Dividends paid		-	(6.812.822)
		-	(6.834.210)
Cash flow for financing activities			
		2.037.478	(11.716.894)
Net (decrease)/increase in cash and cash equivalents			
		53.441.872	65.158.766
Cash and cash equivalents at the beginning of the year			
		55.479.350	53.441.872
Cash and cash equivalents at the end of the year			

The notes on pages 17 to 52 form an integral part of these financial statements..

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

1. General Information

Incorporation

Demetra Investment Public Limited (the "Company") was incorporated in Cyprus as a public limited liability company in accordance with the provisions of the Companies Law, Cap. 113 on 30 December 1999. The shares and warrants of the Company were listed on the Cyprus Stock Exchange on 27 April 2000. The registered office of the Company is at 34 Dimosthenis Severis Avenue, 4th floor, 1080 Nicosia, Cyprus.

Principal Activities

On 7 March 2005, the Board of the Cyprus Stock Exchange with the agreement of the Securities and Exchange Commission, approved the Prospectus of the Company dated 4 March 2005 regarding the expansion of its activities and its release from any investment limitations.

The principal activities of the Group comprise the management of the investment portfolio which includes investments in securities, venture capital and strategic investments, including inter alia, dividend earning and interest earning securities, deposits and financial instruments such as derivatives and forward contracts, as well as investments in real estate and immovable property development.

Investment management

On 27 February 2008, the agreement with the Central Cooperative Bank Limited governing the management of the Company's funds which are invested in the Cyprus Stock Exchange was renewed for a period of one more year. The Company reserves the right to end the agreement at any given time by giving at least one month's notice. For the services that the Investment Manager provides to the Company based on the Management Agreement, the Company has agreed to pay him a Management Fee of 0,33% per year which will be calculated quarterly based on the value of the Portfolio plus VAT. Furthermore, the commission payable by the Company for its stock market transactions amounts to 0,25% on the total value of these transactions, excluding the Stock Exchange's fees and the transactions costs.

During the year ending 31 December 2008, the Company renewed the agreements that it signed with EFG Eurobank Asset Management Ltd, Marfin CLR (Financial Services) Ltd and Argus Financial Services Ltd which relate to the management of its funds which are invested in foreign Stock Exchanges. Additionally, during the year ended 31 December 2008, the Company entered into an agreement with Piraeus Bank (Cyprus) Ltd in relation to the management of its funds which are invested in shares and renewed the agreements it signed with Goldman Sachs International and Credit Suisse relating to the management of its funds which are invested in securities and bonds. Finally, during the year, the Company ended the agreement it had with Sharelink Securities and Financial Services Ltd relating to the management of its funds. For their services, the Company pays a Management Fee of 0,1%-0,8% per year on the net value of the portfolio, plus VAT. Furthermore, a commission on the stock market transactions is payable as well as other fees which fluctuate according to the Stock Exchange in which the transactions are carried out and the agreement which has signed with each Investment Manager.

2. Summary of significant accounting policies

The principal accounting policies applied throughout the year for the preparation of these, Company and Group, financial statements are set out below. These policies have been applied consistently for all the periods presented in these financial statements, except where it is stated otherwise.

Basis of preparation

The consolidated and individual financial statements are prepared under the historical cost convention, as modified for the revaluation of the investment property and the financial assets at fair value through profit and loss. The financial statements of the Company and the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113 as well as the provisions of the Cyprus Stock Exchange Law and Regulations.

The preparation of these financial statements in conformity with IFRS, requires the use of certain critical accounting estimates and the exercise of judgement from management during the process of applying the Company's and the Group's accounting policies. It also requires the use of estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Despite the fact that these estimates are based on management's best possible knowledge with reference to current circumstances and conditions, actual results may differ from these estimates.

Demetra Investment Public Limited
Notes to the Company and Consolidated Financial Statements
For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Basis of preparation (continued)

The financial statements of the Company and Group can be obtained from the Company's registered office which is located at 34 Demosthenis Severis Street, 4th floor, 1080 Nicosia, Cyprus.

Adoption of new and revised International Financial Reporting Standards (IFRS)

In the current year, the Company has adopted all of the new and revised standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and are effective for annual periods beginning on 1 January 2008. The adoption of these Standards did not have a material effect on the financial statements.

At the date of authorisation of these financial statements the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation

Effective for annual periods beginning on or after:

i) Adopted by the European Union

Improvements to IFRSs – 2008	1 January 2009
Amendments to IFRS 1 and International Accounting Standard (IAS) 27 «Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate»	1 July 2009
Amendment to IFRS 2 «Share Based Payment: Vesting Conditions and Cancellations»	1 January 2009
IFRS 8 «Operating Segments»	1 January 2009
IAS 1 (Revised) «Presentation of Financial Statements»	1 January 2009
IAS 23 (Revised) «Borrowing Costs»	1 January 2009
Amendments to IAS 32 and IAS 1 «Puttable Financial Instruments and Obligations arising on Liquidation»	1 January 2009
International Financial Reporting Interpretation Committee (IFRIC) 13 «Customer Loyalty Programmes»	1 July 2008

ii) Not adopted by the European Union

IFRS 1 (Revised) «First Time Adoption of International Financial Reporting Standards»	1 January 2009
IFRS 3 (Revised) «Business Combinations»	1 July 2009
IAS 27 (Revised) «Consolidated and Separate Financial Statements»	1 July 2009
Amendment to IAS 39 «Eligible Hedged Items»	1 July 2009
Amendment to IAS 39 «Reclassification of Financial Assets: Effective Date and Transition»	1 July 2009
IFRIC 15 «Agreements for the Construction of Real Estate»	1 January 2009
IFRIC 16 «Hedges of a Net Investment in a Foreign Operation»	1 October 2008
IFRIC 17 «Distributions of Non cash Assets to Owners »	1 July 2009
IFRIC 18 «Transfers of Assets from Customers»	1 July 2009

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Adoption of new and revised International Financial Reporting Standards (IFRS)-(continued)

The Board of Directors expects that the adoption of these Standards and Interpretations in future periods will not have a material effect on the financial statements of the Group and the Company except for the application of IAS 1 (Revised) «Presentation of Financial Statements» which will have a material impact on the presentation of financial statements.

Basis of consolidation

The consolidated financial statements of the Group include the financial statements of the holding company (the “Company”) and its subsidiaries all of which together are referred to as the “Group”. The financial statements of the subsidiary companies are prepared on the same date as the Company’s report, using identical accounting policies.

Revenues, profits and balances which arise from transactions among the Group companies are not included in the consolidated financial statements.

The subsidiary companies included in note 17, are the companies in which the Group holds more than 50% of the voting rights or it exercises control over them by other means. The financial statements of the subsidiary companies are consolidated from the date when the Group acquires the right of control and cease to be consolidated from the date the Group ceases to hold the right to control. The control is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The consolidated financial statements do not include Cooper Security Services Public Ltd. Cooper Security Services Public Ltd was incorporated in Cyprus as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113, on 17 November 1993. The Company holds 50.72% of the shares of Cooper Security Services Public Ltd. The net assets of Cooper Security Services Public Ltd on 31 December 2008 and the net profit of the company for the year then ended based on the unaudited financial statements of the Company amount to €NIL and €36.668 respectively, and are not considered material for consolidation purposes. Operations of the company were terminated during the year 2008 and the Board of Directors has already commenced the procedures for its liquidation.

Business combinations

The combination of subsidiaries is accounted for using the acquisition method. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 “Business Combinations” are recognised at their fair values at the acquisition date, except for non-current assets that are classified as held for sale in accordance with IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination the excess is recognised immediately in the income statement.

Investments in associated companies

Associated companies are entities in which the Group owns between 20% and 50% of the voting rights or over which the Group exerts significant influence but doesn’t control them. Investments in associated companies are initially recognized in cost price and subsequently accounted for according to the method of the net position. The investment of the Group in associated companies includes the goodwill (after the deductions of any accumulated impairment losses) which arises on their acquisition. If the acquisition cost is less than the fair value of the clearly identifiable net assets of the associated company that has been acquired, the difference is recognized in the consolidated income statement as negative goodwill.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Investments in associated companies (continued)

The share of the Group in the profit or loss of the associated companies after their acquisition is recognized in the consolidated income statement and the share of the Group in the reserves movement after the acquisition is recognized in the reserves. The accumulated movements after the acquisition are adjusted against the accounting value of the investment. When the share of the Group in the loss of the associated company equals or exceeds the interest in the associated company including other unsecured receivables, the Group doesn't recognize any further losses, except if it has taken on liabilities or made payments on behalf of the associated company.

Any Unrealised profits arising from transactions between the Group and its associated companies are set-off to the extent of the interest of the Group in these associated companies. Any unrealised losses are also set-off except if the transaction reveals an impairment in the value of the asset carried forward. Where necessary, the accounting policies of the associated companies have been adjusted in order to conform with the accounting policies adopted by the Group. The financial statements of the associates are prepared on the same date as the Company's report, using identical accounting policies.

Revenue recognition

The revenue of the Group and Company is recognized as follows:

Dividend income is recognised when the Company's and the Group's right to receive payment is established. Dividends from investments in shares of public companies are considered payable on the date of recording in the Register of the Shareholders for the purpose of dividend payment or the "ex-dividend" date of shares trade.

Interest from securities, bonds and deposits are recognised on the accrued income basis.

Profit or loss from the sale of financial assets or liabilities at fair value through the profit and loss is calculated as the difference between the average cost price and the net selling proceeds, which includes the stock exchange selling costs. The profit or loss is recognized in the income statement.

The difference between the fair value of financial instruments at fair value through profit and loss at 31 December 2008 and the average cost price represents unrealised gain or loss and is recognised in the income statement as deficit / surplus from revaluation of investments.

Income from real estate development is recognised upon delivery and transfer of risks to the buyer.

Functional and presentation currency

Items included in the Company's and the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

As of 1 January 2008, the functional currency as well as the presentation currency of the financial statements of the Company and its subsidiaries in Cyprus as well as the presentation currency of the Company and the Group (including comparatives), changed from Cyprus Pounds to Euro as a result of the adoption of the Euro as the official currency of the Republic of Cyprus as of that date. All assets and liabilities of the Company and its subsidiaries as at 1 January 2008, as well as all comparative amounts that are presented in the consolidated financial statements, have been converted to Euro based on the locked exchange rate of €1= £0,585274.

Employees' benefits

The Company and its employees contribute to the Governmental Social Insurance Fund based on the salaries of the employees. Furthermore, the Company contributes to a Medical Scheme as well as to the Approved Provident Fund of the Company. The contributions of the Company are written-off in the year to which they relate and are included in the staff cost.

Debtors and provisions for bad debts

Bad debts are written off to the income statement and a specific provision is made, where it is considered necessary. No general provision for bad debts is made. Trade debtors are stated after deducting the specific provision for bad and doubtful debts, if any.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Foreign currencies

For the purpose of preparing the separate financial statements of the holding Company and its subsidiaries, the accounting records of the Group's companies are kept in Euro (functional currency) with the exception of foreign subsidiaries. Transactions in foreign currency are recorded based on the exchange rates prevailing on the date of the transaction.

At each balance sheet date, monetary items denominated in foreign currencies are retranslated to Euro at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated to Euro at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost and are denominated in a foreign currency are not retranslated to Euro.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items, are included in the income statement of the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement of the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in the exchange difference reserve. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the exchange difference reserve.

For the purpose of presenting the consolidated financial statements, the financial statements of the Group's foreign subsidiaries are retranslated to Euro using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising from the retranslation are transferred to reserves. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.

Taxation

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The management evaluates periodically the stands that it took in the tax returns in relation to instances where the applicable tax regulations are subject to interpretation and creates provisions where this is necessary based on the amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are netted off where there is a strong legal right to net off the current tax assets with the current tax liabilities and when the deferred taxes relate to the same tax authority.

The carrying value of the deferred tax assets is reviewed at each balance sheet date and it is reduced to the extent that it is not any more probable that adequate future taxable profits will be available to allow the recovery of this asset, either partly or in full.

Property, plant and equipment

Property, plant and equipment is shown at historical cost less accumulated depreciation and impairment losses. The historical cost includes any expenditure that is directly attributable to the acquisition of the property, plant and equipment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost included professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's and the Group's accounting policies. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated using the straight-line method to allocate cost minus residual values of property, plant and equipment, over their respective estimated useful economic lives. The annual depreciation rates are as follows:

Furniture and office equipment	10
Motor vehicles	20
Property under construction	0
Computer hardware	20 - 33,3

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

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement in the year in which it is incurred. The cost of major renovations and other subsequent expenditure is included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the Group and the cost of the item can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing sales proceeds with the respective carrying amounts, and are included in the income statement.

Investment property

Investment property consists of investments in land and buildings that are held for capital appreciation or for rental. Investment property is initially recognised at cost, which includes transaction costs relating to the acquisition, and is subsequently carried at fair value.

The fair value of the investment property is based on valuations performed by independent professional valuers before the deduction of transaction costs that the Company and the Group will incur on the sale.

The profit or loss on the disposal of investment property included in the income statement for the year represents the net proceeds less the carrying amount of such property.

The profit or loss on the revaluation of investment property included in the income statement for the year, represents the difference between the market value at the end of the year and the market value at the beginning of the year or the cost of the investment property acquired during the year.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price of inventories at the ordinary operations of the Company and Group less all estimated costs of sale. The purchase price includes the cost of purchase of investment property and subsequent expenses.

Impairment of assets

At each balance sheet date, the Company and the Group review the carrying amounts of the tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company and the Group estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is defined as the higher of the asset's fair value less cost to sell and its value in use. Fair value less costs to sell is defined as the net proceeds from the disposal of an asset in a binding sale agreement in an arms length transaction between knowledgeable, willing parties after deducting the costs of disposal, whereas value in use is the present value of the future cash flows expected to be derived from the continuous use of an asset and from its ultimate disposal at the end of its estimated useful life.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Impairment of assets (continued)

For the calculation of the value in use, the future cash flows are discounted at a pre-tax interest rate. The discount factor reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

(i) Investments

The Company and the Group classifies its investments in the following categories: financial assets at fair value through profit or loss, corporate bonds and held to maturity financial assets. The classification depends on the purpose for which the investment was initially acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

a) *Financial assets at fair value through profit and loss*

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit and loss at initial recognition. A financial asset is classified in this category if it was acquired with the main purpose of being disposed off in the near future, or if it was classified in this category by management.

These investments are initially recognised at cost and they are subsequently adjusted to their fair value. Any surplus or deficit which arises from this adjustment is recognised in the income statement in the period in which it occurs.

b) *Corporate bonds*

Corporate bonds are non-derivative financial assets with fixed or determinable payments which are not traded in active markets and for which no intention for trading exists.

The corporate bonds are recognised initially at their purchase cost and are subsequently shown at their amortised cost.

c) *Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Company's management has the positive intention and ability to hold to maturity.

The held-to-maturity financial assets are presented initially at their purchase cost and subsequently at their amortised cost using the effective interest rate method.

Purchases and sales of investments are recognised on the date of transaction which is the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company and the Group has transferred substantially all risks and rewards of ownership.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

(i) Investments (continued)

The fair values of quoted investments in an active market are based on current bid prices. If the market for a financial asset is not active the Company and the Group establishes fair value by using valuation techniques. These include the use of recent transactions performed on an arm's length basis, reference to other similar instruments and discounted cash flow analysis, by making maximum use of market inputs and by relying as little as possible on the Company's and the Group's specific inputs.

The Company and the Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for held to maturity financial assets or corporate bonds the impairment in their value is recognised in the income statement in the period in which it occurs.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise bank deposits and cash in hand.

(iii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company and the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Share capital

Ordinary shares are classified as equity.

Purchase of treasury shares

The treasury shares are presented in the Balance Sheet of the Company and the Group as a reduction in the shareholders' funds.

No profit or loss from the sale, issue or cancellation of the treasury shares which are owned by the Company and the Group and the share of the treasury shares which are owned by the subsidiary and associated companies is recognised in the consolidated income statement for the year.

The share of the Company in the treasury shares which are owned by the subsidiary and associated companies at the balance sheet date is presented as a reduction in the shareholders' funds instead of being included as part of the assets in the consolidated balance sheet.

Short selling

Short selling refers to sale of investments which the Company and the Group does not own at the time of sale. Short sales are presented as liabilities at fair value at the balance sheet date and any profit or loss is included in the income statement of the period.

Employees' provident fund

The annual cost regarding specific contribution schemes is recognised in the income statement of the year it relates.

Dividends

The distribution of dividends to the shareholders of the Company is recognized as a liability in the financial statements of the Company in the year in which the dividends are approved by the shareholders of the Company.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

2. Summary of significant accounting policies (continued)

Analysis by activity sector

For management purposes, the activities of the Group are divided into two main sectors: Investment Management Portfolio and Investments in Land and Immovable Property Development. The sectors are divided based on the reporting of information to the Board of Directors. The Group considers the analysis by activity sector to be the main reporting sector.

Income and expenses by sector

The income and expenses that directly relate with an activity sector are attributed to that certain sector.

Assets and liabilities by sector

The balances of the assets by sector include all the assets that are being used in a sector. In case that an asset is used in more than one sector then it is being attributed to that sectors on a proportionate basis. The balances of the liabilities by sector include all the liabilities from operations and consist mainly of creditors.

Income and charges between sectors are carried out on an arm's length basis.

Analysis by geographical sector

The Group also prepares analysis by geographical sector and distinguishes its activities by areas in which the economical and political situations are consistent.

(a) Analysis of the income of the Group by geographical sector based on the geographical area of the investments.

(b) Analysis of the assets of the Group by geographical sector based on the geographical area of the assets of the Group.

(c) Analysis of the purchase costs of tangible and intangible fixed assets that have been incurred during the period based on the geographical area of the Group.

The Group conducts its operations in the following geographical sectors: Cyprus, member-states of the Eurozone, Romania, Bulgaria and other countries.

Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3. Financial risk management

(α) Financial risk factors

The main financial assets of the Company and the Group are the cash at bank, the investments in securities and bonds and the trade and other receivables. The main financial liabilities are the trade and other liabilities.

The Company's and the Group's activities expose it to market price risk, interest rate risk, credit risk, liquidity risk currency risk compliance risk, securities ownership and capital management all arising from the financial instruments it holds and its general activities.

These risks are monitored by various mechanisms from all the companies of the Group so as to avoid the possibility of having excess risks concentrated. The risk management policies employed by the Company and the Group to manage these risks are discussed below:

(i) Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The financial assets at fair value through profit and loss are subject to market price risk arising from uncertainties about future prices of the investments. This market price risk is managed through the diversification of its investment portfolio in Cyprus and abroad and by selected placements and disposals when this is considered necessary.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements

For the year ended 31 December 2008

3. Financial risk management (continued)

(α) Financial risk factors (continued)

(i) Market price risk (continued)

Sensitivity analysis

An increase in investment prices by 15% at 31 December 2008 would have as a result an increase in the results for the year of the Company and the Group by €8.406.864 and €9.175.734, respectively (2007: €23.890.253 and €24.659.123 respectively). For a decrease of 15% there would be an equal but opposite impact on the results for the year.

(ii) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company and the Group is exposed to interest rate risk in relation to its revenue, cash flows and financial position from interest rates fluctuations. The Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the balance sheet date, the analysis of the financial instruments that bear interest compared to the interest rates were:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Financial instruments bearing fixed interest rate				
Financial assets	50.677.657	35.801.429	45.486.834	35.801.429
Financial instruments bearing variable interest rate				
Financial assets	38.685.531	38.911.780	91.793.834	69.981.942
	89.363.188	74.713.209	137.280.668	105.783.371

Sensitivity analysis

An increase of 50 basis points in interest rates at 31 December 2008 would have as a result the increase in the profit for the year which is shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 50 basis points there would be an equal and opposite impact on the results.

	THE GROUP		THE COMPANY	
	Results	2007	Results	2007
	2008	€	2008	€
	€	€	€	€
Financial instruments bearing variable interest rate				
	193.428	194.558	458.969	349.910

(iii) Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. The Company and the Group applies effective controls and procedures in order for this risk to be minimized. Cash balances are held with high credit quality financial institutions and the Company and the Group have policies to limit the amount of credit exposure to any financial institution.

Demetra Investment Public Limited

Notes to the Consolidated Financial Statements For the year ended 31 December 2008

3. Financial risk management (continued)

(α) Financial risk factors (continued)

(iii) Credit risk (continued)

The accounting value of the financial assets represents the maximum exposure in credit risk. The maximum exposure in credit risk at the balance sheet was:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Trade and other receivables	2.643.709	2.175.365	2.186.102	2.104.031
Cash and Cash equivalents	60.883.573	55.614.692	55.479.350	53.441.872
Bonds listed in foreign stock exchanges	5.527.155	7.414.980	5.527.155	7.414.980
Financial assets held-to-maturity	9.888.011	7.908.641	9.888.011	7.908.641
Receivables from subsidiaries and associates	6.577.037	6.211.066	60.000.905	39.521.516
Corporate bonds and venture capital	2.702.080	3.968.011	2.702.080	3.968.011
	88.221.565	83.292.755	135.783.603	114.359.051

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company and the Group have procedures to minimize such losses such as maintaining sufficient cash deposits and other highly liquid assets.

The following tables show the expected maturity of the financial liabilities of the Company and the Group. The tables have been prepared based on the conventional non pre-settled cash flows of the financial obligations and based on the earliest date at which the Company/the Group could be obligated to pay:

THE GROUP

31 December 2008

	Net Book Value	Contractual cash flows	within 3 months	between 3 and 12 months
	€	€	€	€
Trade and other payables	2.635.941	2.635.941	1.419.221	1.216.720

31 December 2007

	Net Book value	Contractual cash flows	within 3 months	between 3 and 12 months
	€	€	€	€
Trade and other payables	1.769.151	1.769.151	425.837	1.343.314

THE COMPANY

31 December 2008

	Net Book Value	Contractual cash flows	within 3 months	between 3 and 12 months
	€	€	€	€
Trade and other payables	1.729.591	1.729.591	512.871	1.216.720

31 December 2007

	Net Book value	Contractual cash flows	within 3 months	between 3 and 12 months
	€	€	€	€
Trade and other payables	729.318	729.318	387.598	341.720

Demetra Investment Public Limited
Notes to the Consolidated Financial Statements
For the year ended 31 December 2008

3. Financial risk management (continued)

(α) Financial risk factors (continued)

(v) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's and the Group's functional currency. The Company and the Group are exposed to foreign exchange risk arising from its overseas investments which are located outside the Eurozone.

The accounting value of the monetary assets and liabilities of the Company and the Group which are presented in foreign currency at the balance sheet date is as follows:

	THE GROUP		THE COMPANY	
	Assets		Assets	
	2008	2007	2008	2007
	€	€	€	€
United States Dollars	10.014.691	8.465.097	10.014.691	8.465.097
English Sterling	529.493	1.312.874	529.493	1.312.874
Swiss Franc	204.854	275.806	204.854	275.806
Japanese Yen	304.326	469.175	304.326	469.175
Romanian Lei	28.809	1.165.367	-	-
Bulgarian Leva	22.941	50.978	-	-
Moldavian Lei	31.981	-	-	-
	11.137.095	11.739.297	11.053.364	10.522.952

Sensitivity analysis

A 5% strengthening of the Euro against the following currencies at 31 December 2008 would have decreased the results for the year by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 5% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the results.

	THE GROUP		THE COMPANY	
	Assets		Assets	
	2008	2007	2008	2007
	€	€	€	€
United States Dollars	476.890	423.255	476.890	423.255
English Sterling	25.214	65.644	25.214	65.644
Swiss Franc	9.755	13.790	9.755	13.790
Japanese Yen	14.492	23.459	14.492	23.459
Romanian Lei	1.372	58.268	-	-
Bulgarian Leva	1.092	2.549	-	-
Moldavian Lei	1.523	-	-	-
	530.338	586.965	526.351	526.148

(vi) Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company and the Group.

(vii) Share ownership risk

The risk of share ownership arises from the investment in shares/participation of the Company and the Group and it is a combination of credit, price and operational risk as well as the risk of compliance and loss of reputation. The Company and the Group applies procedures of analysis, measurement and evaluation of this risk in order to minimize it.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

3. Financial risk management (continued)

(α) Financial risk factors (continued)

(viii) Capital management risk

The Company and the Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's and the Group's overall strategy remains unchanged from last year.

(b) Fair value estimation

The fair value of financial assets at fair value through profit and loss which are traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company and the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current selling price.

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Company and the Group use a variety of methods, such as the estimated discounted cash flow method, and makes assumptions that are based on market conditions existing at the balance sheet date. The fair value of the financial instruments approximates their accounting value at the balance sheet date.

The nominal value less accumulated credit adjustments for financial assets and liabilities, is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company and the Group for similar financial instruments.

4. Critical judgments in applying the Group's accounting policies

During the implementation of the accounting policies of the Company and the Group described in Note 2, the Board of Directors exercised the following estimates and judgments that have a significant effect on the amounts recognised in the financial statements:

Estimates

Provision for bad and doubtful debts

The Company and the Group review their trade and other receivables to assess their recoverability. Such evidence includes the payment record and the overall financial position of the third party. If indications of non-recoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged to the income statement.

The review of the credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

Income taxes

The taxation charge for the year is calculated on the basis of the taxation legislation and on various estimates made during the preparation of the financial statements and has been charged to the income statement. The final tax assessment for the companies of the Group is agreed with the taxation authorities at a later stage. Any possible differences between the amount of the provision and the actual charge will affect the taxation charge of subsequent periods.

Valuation of non-listed investments

The Company and the Group use various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the balance sheet date.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

4. Critical judgments in applying the Group's accounting policies (continued)

Judgements

Classification of investments

The Company and the Group adopt the provisions of IAS39 regarding the classification of financial assets.

The Company and the Group exercise judgment concerning the classification of their financial assets on the basis of the strategic management of the relevant risks associated with those investments. Within this framework, the Company and the Group have classified their financial instruments to financial instruments held-to maturity, financial instruments included at fair value through the profit and loss and corporate bonds and venture capital.

Financial instruments held-to-maturity

The Company and the Group follow the provisions of IAS 39 in the classification of non-derivative financial instruments with fixed or predetermined payments with an expiration date, as held-to-maturity. This classification requests the exercise of substantial judgment. On exercising that judgment the Company and the Group evaluate whether those investments will be held-to-maturity. If the Company and the Group fail to hold these investments to maturity for reasons other than the ones specified in IAS39, the whole classification of assets will be changed to financial assets available for sale.

Legal cases

At the date of this report there were no pending lawsuits against the Company and the Group and no contingent liabilities that need to be reported.

5. Profit / (Loss) from financial instruments

THE GROUP AND THE COMPANY

	2008 €	2007 €
Loss from disposal of financial assets and liabilities at fair value through profit and loss	(9.096.225)	(4.092.232)
(Loss)/Profit from revaluation of financial assets at fair value through profit and loss	(81.061.865)	30.533.424
	(90.158.090)	26.441.192

6. Analysis of revenue from investments in financial asset - by financial asset category

THE GROUP

	2008 €	2007 €
<i>Loans and other receivables (including cash and cash equivalents)</i>		
- Interest receivable and other financial income	3.970.093	3.654.416
<i>Financial instruments at fair value through profit and loss</i>		
- Interest receivable	405.926	80.904
<i>Financial instruments held-to-maturity</i>		
- Interest receivable	497.486	597.287
	4.873.505	4.332.607
Financial instruments at fair value through profit and loss		
- Dividends receivable	5.188.656	4.712.925
	10.062.161	9.045.532

Demetra Investment Public Limited
Notes to the Company and Consolidated Financial Statements
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6. Analysis of revenue from investments in financial asset - by financial asset category (continued)

THE COMPANY

	2008 €	2007 €
<i>Loans and other receivables (including cash and cash equivalents)</i>		
- Interest receivable and other financial income	5.673.181	4.797.190
<i>Financial instruments at fair value through profit and loss</i>		
- Interest receivable	405.926	80.904
<i>Financial instruments held-to-maturity</i>		
- Interest receivable	497.486	597.287
	6.576.593	5.475.381
Financial instruments at fair value through profit and loss		
- Dividends receivable	5.188.656	4.712.925
	11.765.249	10.188.306

7. Segmental Analysis

THE GROUP

	2008 €	2007 €
(Losses) / Income		
Investment portfolio management	(80.851.101)	34.875.030
Investments in the field of land and immovable property development	886.642	5.959.166
(Losses) / Income as per the Income Statement	(79.964.459)	40.834.196

	2008 €	2007 €
(Loss) / Profit from operations		
Investment portfolio management	(81.603.025)	34.022.644
Investments in the field of land and immovable property development	52.389	5.245.330
Financial expenses	(1.443.076)	(87.920)
Unallocated expenses	(389.996)	(344.927)
Share of loss in associated companies	(1.730)	(1.780)
	(83.385.438)	38.833.347

Segment Assets

Investment portfolio management	128.466.426	224.851.949
Investments in the field of land and immovable property development	61.672.382	49.096.688
	190.138.808	273.948.637
Unallocated Assets	348.414	187.287
Assets as per the balance sheet	190.487.222	274.135.924

Segment Liabilities

Investment portfolio management	-	-
Investments in the field of land and immovable property development	802.610	1.112.871
	802.610	1.112.871
Unallocated liabilities	3.067.781	1.433.377
Liabilities as per the balance sheet	3.870.391	2.546.248

Demetra Investment Public Limited
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For the year ended 31 December 2008

7. Analysis by activity sector (continued)

THE GROUP

	2008 €	2007 €
Capital expenditure		
Investment portfolio management	9.777	8.348
Investments in the field of land and immovable property development	3.901.998	5.097.831
	3.911.775	5.106.179
Depreciation of tangible and intangible assets		
Investment portfolio management	14.717	13.717
Investments in the field of land and immovable property development	15.200	14.012
	29.917	27.729

8. Geographical Analysis

THE GROUP

2008

	Cyprus	Eurozone	Romania	Bulgaria	Other countries	Total
	€	€	€	€	€	€
(Losses) / Income	(58.117.018)	(19.029.642)	365.425	(1.328.344)	(1.854.880)	(79.964.459)
Total assets	128.319.928	21.088.637	22.743.368	9.044.124	9.291.165	190.487.222
Capital expenditure	3.911.775	-	-	-	-	3.911.775

2007

	Cyprus	Eurozone	Romania	Bulgaria	Other countries	Total
	€	€	€	€	€	€
Income	28.710.128	8.553.270	1.189.918	2.737.116	(356.236)	40.834.196
Total assets	201.358.788	44.438.988	12.001.755	9.620.913	6.715.480	274.135.924
Capital expenditure	5.106.179	-	-	-	-	5.106.179

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

9. Administrative expenses

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Investment managers fees	342.185	552.281	342.185	552.281
Custodian fees	24.379	15.258	24.379	15.258
Auditors' remuneration – current year	38.092	32.163	22.000	20.503
Auditors' remuneration – prior years	(461)	4.323	(461)	4.323
Annual fees of the Members of the Board of Directors	24.210	23.920	24.210	23.920
Committees' fees of the Members of the Board of Directors	27.540	32.293	27.540	32.293
Other expenses of the Members of the Board of Directors	23.788	22.637	23.788	22.637
Insurance	31.220	13.501	19.450	13.501
Printing and dispatch of Annual Report and Annual General Meeting expenses	280.989	149.263	280.989	149.263
Cyprus Stock Exchange Annual Fee	8.199	12.789	8.199	12.789
Cyprus Stock Exchange depository fees	42.715	42.715	42.715	42.715
Legal expenses	129.752	145.178	97.175	136.037
Other professional expenses	124.402	167.011	58.576	93.081
Salaries and staff expenses (Note 14)	378.326	306.743	378.326	306.743
Rents	73.731	62.957	71.659	61.400
Contributions and donations	6.914	5.761	6.914	5.761
Travelling abroad	54.450	39.385	54.450	39.385
Expenses for press announcements	51.562	47.567	51.562	47.567
Depreciation of property, plant and equipment (Note 15)	29.917	27.729	29.435	27.432
Expenses for the dividend payment	129	86.587	129	86.587
Provision for impairment of receivables and other balances	89.477	-	70.632	-
Other administrative expenses	194.657	121.088	124.985	97.155
	1.976.173	1.911.149	1.758.837	1.790.631

10. Gain from sale, revaluation and development of land and immovable property

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
(Loss) / Gain from revaluation of investment property (Note 16)	(203.116)	4.754.908	310.848	643.997
Decrease in the value of inventory	(54.411)	-	-	-
Net loss from sales of Investment Property	(23.454)	-	(61.108)	-
Net gain from sales of Inventory	131.306	592.564	-	24.398
Rent Receivable (Note 16)	281.145	-	-	-
	131.470	5.347.472	249.740	668.395

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

10. Gain from sale, revaluation and development of land and immovable property (continued)

Income from rent receivable for the Group represents rent received from investment property that is currently under operating leases.

During the year the Group received €1.050.000 (2007: €3.619.899) from the sale of inventories and the Company received € NIL (2007: €410.064).

11. Financial expenses

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Interest on tax	150.000	-	150.000	-
Bank charges	7.450	25.622	5.007	12.359
Exchange loss	1.285.626	62.298	47.813	-
	1.443.076	87.920	202.820	12.359

12. Taxation

Taxation charge for the year is made up of the following:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Tax adjustment for previous years	100.000	(249.719)	100.000	(249.719)
Corporation tax	639.847	385.068	625.898	374.021
Defence contribution	94.429	52.461	88.103	52.461
Defence contribution adjustment for previous years	-	31.426	-	31.426
Tax of foreign subsidiaries	68.726	7.704	-	-
Deferred taxation (note 28)	(144.533)	477.069	(42.155)	64.400
	758.469	704.009	771.846	272.589

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

12. Taxation (continued)

Taxation on the Company's/Group's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
(Loss) / Profit before tax	(83.385.438)	38.833.347	(80.104.758)	35.494.903
Tax calculated at the applicable corporation tax rate of 10%	(7.945.762)	3.583.663	(8.010.476)	3.549.490
Tax effect of expenses not deductible for tax purposes	9.211.819	631.475	9.180.955	630.250
Tax effect of allowances and income not subject to tax	(654.889)	(3.772.669)	(560.725)	(3.700.518)
Special contribution for defence	94.429	83.888	88.103	83.888
Tax adjustment for previous years	100.000	(249.719)	100.000	(249.719)
Tax of foreign subsidiaries	68.726	7.704	-	-
10% Additional tax	16.304	8.058	16.144	8.058
Deferred tax	(144.533)	477.069	(42.155)	64.400
Other effects	12.375	(65.460)	-	(113.260)
Tax charge	758.469	704.009	771.846	272.589

Tax rates

Corporation tax

According to the Income Tax Law of 2002, which came into effect on 1 January 2003, the Company is subject to corporation tax on its taxable profits at the rate of 10%. In case of losses, the Group's companies can elect to transfer losses and offset them against future profits indefinitely.

From 1 January 2003, the Group which consists of the Company and its subsidiaries is entitled to transfer its tax losses among its companies and offset them against profits, given that companies have been part of the Group for the whole of the tax year. For tax purposes members of the same Group are considered to be companies in which the holding company owns directly or indirectly over 75% of the issued share capital.

Special defence contribution

The defence contribution on the tax profits of the Company and the Group has been abolished as from 1 January 2003. Income from dividends from abroad is subject to a 15% defence contribution according to specific conditions. Income from interest, of non-trading nature is subject to 10% defence contribution.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

13. Earnings per share and net assets per share

The earnings per share is calculated by dividing the profit for the year which is attributable to the shareholders of the Company by the weighted average number of issued shares during the year.

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
(Loss) / Profit for the year	(84.143.907)	38.129.338	(80.876.604)	35.222.314
Weighted average number of shares in issue during the year	200.000.000	199.758.377	200.000.000	199.758.377
(Loss) / Profit per share (cents)	(42,07)	19,09	(40,44)	17,63

The net assets per share is calculated by dividing the net assets at 31 December by the number of issued shares on that date.

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Net assets at 31 December	186.616.831	271.589.676	186.943.875	268.695.479
Number of shares in issue at 31 December	200.000.000	200.000.000	200.000.000	200.000.000
Net assets per share (cents)	93,31	135,79	93,47	134,35

The Company has no share options that can be exercised. As a result the diluted earnings per share and the diluted net assets per share were not calculated.

14. Staff expenses

THE GROUP AND THE COMPANY

	2008	2007
	€	€
Salaries	289.748	239.038
Provident fund contribution	27.908	21.340
Other employer's contributions	60.670	46.365
	378.326	306.743

The total number of employees of the Group as at 31 December 2008 was 9 (2007: 7).

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

15. Property, plant and equipment

THE GROUP

	Motor Vehicles	Furniture and office equipment	Computer hardware	Property under construction	Total
	€	€	€	€	€
Cost					
Balance 1 January 2007	15.377	69.506	61.897	-	146.780
Additions	-	8.716	8.864	5.088.599	5.106.179
Balance 1 January 2008	15.377	78.222	70.761	5.088.599	5.252.959
Additions	-	3.464	16.091	3.892.220	3.911.775
Balance 31 December 2008	15.377	81.686	86.852	8.980.819	9.164.734
Accumulated depreciation					
Balance 1 January 2007	256	6.974	14.402	-	21.632
Charge for the year	3.075	8.053	16.601	-	27.729
Balance 1 January 2008	3.331	15.027	31.003	-	49.361
Charge for the year	3.075	8.021	18.821	-	29.917
Balance 31 December 2008	6.406	23.048	49.824	-	79.278
Net book value					
31 December 2008	8.971	58.638	37.028	8.980.819	9.085.456
31 December 2007	12.046	63.195	39.758	5.088.599	5.203.598

THE COMPANY

	Motor Vehicles	Furniture and office equipment	Computer hardware	Property under construction	Total
	€	€	€	€	€
Cost					
Balance 1 January 2007	15.377	69.506	61.305	-	146.188
Additions	-	8.716	7.977	-	16.693
Balance 1 January 2008	15.377	78.222	69.282	-	162.881
Additions	-	3.464	16.091	1.558.052	1.577.607
Balance 31 December 2008	15.377	81.686	85.373	1.558.052	1.740.488
Accumulated depreciation					
Balance 1 January 2007	256	6.974	14.370	-	21.600
Charge for the year	3.075	8.053	16.304	-	27.432
Balance 1 January 2008	3.331	15.027	30.674	-	49.032
Charge for the year	3.075	8.021	18.339	-	29.435
Balance 31 December 2008	6.406	23.048	49.013	-	78.467
Net book value					
31 December 2008	8.971	58.638	36.360	1.558.052	1.662.021
31 December 2007	12.046	63.195	38.608	-	113.849

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

16. Investment property

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Balance 1 January	21.795.504	6.950.785	3.389.976	2.745.979
Additions during the year	4.552.757	10.165.890	-	-
Sales	(2.594.999)	-	(2.262.249)	-
Revaluation for the year	(203.116)	4.754.908	310.848	643.997
Exchange differences	(187.910)	(76.079)	-	-
Balance 31 December	23.362.236	21.795.504	1.438.575	3.389.976

The property included in investment property was revalued at 31 December 2008 according to valuations of independent professional valuers using the Comparative method of valuation, based on the value of property in the free market. The market value was estimated according to the existing comparative data and by considering physical and legal characteristics, the prospects and potential of the property under review as well as the trends in the real estate market and the economy in general. The profit on revaluation of the investment property is included in the income statement of the year.

Investment property purchased near the year end amounted to €950.920, was included in the consolidated financial statements at purchase cost which as per the Board of Directors, approached its fair value.

Investment property totalling €7.578.865 (2007: €5.965.472) was not transferred to the Group as the title deeds were not issued, but all necessary acquisition documents have been filed with the Land Registry Department.

Investment property totalling €1.438.575 (2007: €1.170.392) was not transferred to the Company as the title deeds were not issued, but all necessary acquisition documents have been filed with the Land Registry Department.

Income received by the Group in the form of rent from investment property, all of which is currently under operating leases, is €281.145 (2007: € NIL) (Note 10).

17. Investments in subsidiary companies

THE COMPANY

	2008	2007
	€	€
At 1 January	44.424	56.167
Additions	36	-
Disposals	-	(11.743)
At 31 December	44.460	44.424

Additions for the year ending 31 December 2008 represent increases in the Share Capital of subsidiaries due to its conversion from Cyprus Pounds to Euro.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

17. Investments in subsidiary companies (continued)

The subsidiary companies as at 31 December 2008 are as follows:

	Principal Activity	Country of incorporation	Ownership percentage and voting rights	
			Direct	Indirect
Demetra Overseas Investments Ltd	Investment in foreign associated companies	Cyprus	100%	-
Demetra Real Estate Investments Ltd	Investments in the field of land and immovable property development in Cyprus	Cyprus	100%	-
Demetra Bulgaria Ltd	Investments in the field of land and immovable property development in Bulgaria	Bulgaria	-	100%
Demetra Investment Public SRL	Investments in the field of land and immovable property development in Rumania	Rumania	-	100%
Demetra Residency Developments SRL	Investments in the field of land and immovable property development in Rumania	Rumania	-	100%
Demetra Investment Public SRL	Investments in the field of land and immovable property development in Rumania	Moldavia	-	100%
Demetra Golf Investments Ltd	Investment in the development of golf resorts	Cyprus	-	100%
Demetra Tower Ltd	Investment and exploitation of immovable property	Cyprus	-	100%
Demetra Tower (Limassol) Ltd	Investment and exploitation of immovable property	Cyprus	-	100%
Cooper Security Services Public Ltd	Provision of security services - Dormant at the end of the year	Cyprus	50,72%	-

The details relating to the acquisition of the subsidiary companies in 2008 are shown below:

Demetra Residency Developments SRL

On the 22 February 2008, the company Demetra Investment Public SRL was incorporated in Rumania. Its primary activities are the investments in the field of land and immovable property development in Rumania. The Company indirectly holds 100% of the share capital of Demetra Residency Developments SRL. The issued and fully paid share capital of Demetra Residency Developments SRL is €2.732 (10.000 Romanian Lei).

Demetra Investment Public SRL

On the 4 September 2008, the company Demetra Investment Public SRL was incorporated in Moldavia. Its primary activities are the investments in the field of land and immovable property development in Moldavia. The Company indirectly holds 100% of the share capital of Demetra Investment Public SRL. The issued and fully paid share capital of Demetra Investment Public SRL amounts to €350 (5.400 Moldavian Lei).

The net loss that was recognized in the consolidated financial statements from the incorporation of the above subsidiaries until the end of the financial year amounts to €51.105.

No goodwill resulted from the above transactions.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

18. Investments in associated companies

THE GROUP

	2008	2007
	€	€
At 1 January	-	-
Additions	12.900	1.780
Share of loss after taxation	(1.730)	(1.780)
At 31 December	11.170	-

THE COMPANY

	2008	2007
	€	€
At 1 January	1.281	-
Additions	12.900	1.281
At 31 December	14.181	1.281

The associated companies as at 31 December 2008 are:

	Principal Activity	Country of incorporation	Ownership percentage and voting rights	
			Direct	Indirect
Demetra Investment & Arsiotis Developments Ltd	Investments in land and immovable property development in Cyprus	Cyprus	50%	-
Verendrya Ventures Ltd	Development and construction of desalination units.	Cyprus	40%	-
Thoosa (Energy) Ltd	Production of energy	Cyprus	50%	-
Flightcare Cyprus Ltd	Provision of ground services to airports – Dormant at year end	Cyprus	25%	-
Demetra Realty Developments SRL	Investments in land and immovable property development in Romania	Romania	-	50%

Demetra Investment & Arsiotis Developments Ltd

During 2008, the Company acquired 50% of the share capital of Demetra Investment & Arsiotis Developments Ltd which was incorporated in Cyprus as a limited liability company. Its principal activity is investments in the field of land and immovable property development.

Verendrya Ventures Ltd

During 2008, the Company acquired 40% of the share capital of Verendrya Ventures Ltd which was incorporated in Cyprus on 30 January 2008 as a limited liability company. Its principal activities are the development of desalination units.

There was no goodwill created out of the above transactions.

Flightcare Cyprus Ltd

During 2008, the operations of Flightcare Cyprus Ltd were terminated and the Board of Directors has commenced the liquidation process.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

19. Financial assets held to maturity

THE GROUP AND THE COMPANY

	2008 €	2007 €
Government bonds	6.819.721	6.806.593
Corporate bonds listed in foreign Stock Exchanges	666.242	-
Corporate bonds listed in the Cyprus Stock Exchange	2.402.048	1.102.048
	9.888.011	7.908.641

The Government bonds bear interest at 5,75% - 7% (2007: 5,75% - 7%) annually, and the corporate bonds earn interest equal to the base rate plus 0,8%- 2%.

All financial assets held-to-maturity are redeemable as follows:

	Between 1 and 5 years		Over 5 years	
	2008 €	2007 €	2008 €	2007 €
Government bonds	6.819.721	6.806.593	-	-
Corporate bonds listed in foreign Stock Exchanges	-	-	666.242	-
Corporate bonds listed in the Cyprus Stock Exchanges	247.747	247.747	2.154.301	854.301
Balance 31 December	7.067.468	7.054.340	2.820.543	854.301

20. Corporate bonds and venture capital

THE GROUP AND THE COMPANY

	2008 €	2007 €
Corporate bonds and venture capital	2.702.080	3.968.011

Included in the above amount is the amount due from Cybarco Ltd in relation to an agreement signed with Cybarco Ltd in 2005, according to which it allows the Company to participate in the Amathusa Coastal Heights project. The total amount of this investment was €5.125.804. The project is located in the area of Amathunta, adjacent to the coastal road network and comprises 255 villas and apartments. In relation to the above, the Company has obtained a capital guarantee totalling €5.125.804 plus interest via the mortgage of immovable property. According to the agreement the Company has the right to terminate this agreement in 6 years. In that case the Company is entitled (beyond the amounts received up to the date of termination) to a refund of part of the original amount invested, corresponding to any unsold villas and apartments, plus interest. For the year ended 31 December 2008, the Group has received an amount of €1.852.575 (2007: €1.944.730) and €755.173 (2007: €611.693) were recognized as income in the Income Statement.

21. Inventories

	THE GROUP		THE COMPANY	
	2008 €	2007 €	2008 €	2007 €
Land and buildings under development and for sale	14.035.633	4.960.711	-	-

Inventories amounting to €1.252.364 (2007: €2.142.308) have not been transferred to the Group due to the fact that the title deeds have not been issued yet, however all the necessary acquisition documents have been filed with the Land Registry Department.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

21. Inventories (continued)

All inventories above are measured at the lower of cost and Net Realizable Value (NRV).

22. Trade and other receivables

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Trade Receivables	350.000	-	-	-
Amounts receivable from cash refunds in relation to investments in new share issues	1.039.429	1.026.265	1.039.429	1.026.265
Dividends receivable	-	642.014	-	642.014
Interest receivable	1.125.435	425.001	1.114.249	425.001
Prepayment for the purchase of land and immovable property	-	1.904.182	-	-
Other receivables and prepayments	128.845	82.085	32.424	10.751
	2.643.709	4.079.547	2.186.102	2.104.031

During the year ended 31 December 2007 a provision was made for the non-collection of dividends receivable by a public company amounting to €737.962. The amount receivable from cash refunds in relation to investments in new share issues bear interest at the rate of 6%-6.5% (2007: 4%-6%) per annum.

The fair value of trade and other receivables approximates their carrying amount at the balance sheet date.

Aged analysis of trade receivables and other financial assets overdue but not impaired:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
within 30 days	100.000	-	-	-
30-120 days	-	-	-	-
121-365 days	-	-	-	-
over 1 year	1.039.429	1.026.265	1.039.429	1.026.265
	1.139.429	1.026.265	1.039.429	1.026.265

23. Receivables from associated companies

THE GROUP

	2008	2007
	€	€
Receivables from associated companies within 1 year (Note 31)	6.577.037	6.198.245
Receivables from associated companies over 1 year (Note 31)	-	12.821
	6.577.037	6.211.066

The amount receivable from associated companies are payable on first demand. The amounts receivable from associated companies bear interest at the rate of 4% - 6% per year.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

24. Receivables from subsidiary and associated companies

THE COMPANY

	2008 €	2007 €
Receivables from subsidiary and associated companies within 1 year (Note 31)	51.985.314	32.469.431
Receivables from subsidiary and associated companies over 1 year (Note 31)	8.015.591	7.052.085
	60.000.905	39.521.516

The amounts receivable from subsidiary and associated companies carry interest of 4% - 6% per annum.

The receivable amounts from subsidiary and associated companies do not include any amounts that are due.

25. Financial assets at fair value through profit and loss

	THE GROUP		THE COMPANY	
	2008 €	2007 €	2008 €	2007 €
At 1 January	164.394.154	144.795.014	159.268.350	144.795.014
Addition	36.775.928	87.256.102	36.775.928	82.130.298
Disposals	(58.936.653)	(98.190.386)	(58.936.653)	(98.190.386)
Changes in fair value (Note 5)	(81.061.865)	30.533.424	(81.061.865)	30.533.424
At 31 December	61.171.564	164.394.154	56.045.759	159.268.350

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

25. Financial assets at fair value through profit and loss (continued)

The financial assets at fair value through profit and loss are analysed as follows:

Shares listed on the Cyprus Stock Exchange by sector:	THE GROUP		THE COMPANY	
	Market value 2008 €	Market value 2007 €	Market value 2008 €	Market value 2007 €
Financial	15.746.756	81.382.066	15.746.756	81.382.066
Manufacturing	809.727	5.634.622	809.727	5.634.622
Retail services	2.528.658	14.839.127	2.528.658	14.839.127
Consumption goods	3.125.150	4.440.500	3.125.150	4.440.500
Technology	4.317.621	3.901.562	4.317.621	3.901.562
Other	1.708.601	1.708.601	1.708.601	1.708.601
	28.236.513	111.906.478	28.236.513	111.906.478
Non-listed shares	7.186.925	6.780.370	2.061.120	1.654.566
Total investments in Cyprus	35.423.438	118.686.848	30.297.633	113.561.044
Foreign investments				
Structured and other products	4.578.117	4.595.348	4.578.117	4.595.348
Shares in foreign stock exchanges	11.851.508	31.131.210	11.851.508	31.131.210
Stock repos	1.228.652	-	1.228.652	-
Derivatives listed in foreign stock exchanges	142.694	3.949	142.694	3.949
Bonds listed in foreign stock exchanges	7.947.155	9.976.799	7.947.155	9.976.799
Total foreign investments	25.748.126	45.707.306	25.748.126	45.707.306
Total investments	61.171.564	164.394.154	56.045.759	159.268.350

The financial assets at fair value through profit and loss are presented in the cash flow statement under “cash flows from operations” as part of changes in working capital.

The changes in fair values of financial assets at fair values through profit and loss are included in the income statement.

Financial assets designated at fair value through profit and loss at inception are those of which performance is evaluated on a fair value basis in accordance with the Group’s established investment strategy. Information about these financial assets is provided internally on a fair value basis to the Group’s directors.

The Group financial statements include in the non listed investments the purchase of 321.518 shares, from Demetra Golf Investments Limited, in Eliades Anatolikon Leisure Resort Limited with a cost of €5.125.805 (2007: €5.125.805), representing 10% of the issued share capital. The above company has the option (put option) to sell the shares to the previous owners at the fair value. The exercise period of this option is from 1 November 2016 until 31 January 2017. In addition a warranty is given for tax and accounting issues.

The Group and Company financial statements, include the purchase of 170.860.144 securities in the Bank of Cyprus Public Limited totalling €1.708.601 (2007: €1.708.601).

Financial assets at fair value of €1.228.652 as at 31 December 2008 were borrowed to the Athens Derivatives Stock Exchange. The Company still enjoys all risks and rewards from the ownership of the shares, but cannot proceed to the sale of these shares as far as these are still bound to the Derivatives Stock Exchange.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

25. Financial assets at fair value through profit and loss (continued)

The accounting value of financial assets shown below is categorized as follows:

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Financial assets that have been designated at fair value through profit and loss during the initial recognition	61.171.564	164.394.153	56.045.759	159.268.350

26. Cash and cash equivalents

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Balances with Co-Operative Financial Institutions, Savings Companies and Commercial Banks	58.533.959	49.982.356	53.129.736	47.809.536
Cash under management by Investment Managers	2.349.614	5.632.336	2.349.614	5.632.336
	60.883.573	55.614.692	55.479.350	53.441.872

The cash and cash equivalents earn interest at 1%-6,75% (2007: 1%-5,75%) annually.

The cash and cash equivalents which are included in the cash flow statement comprise the above balance sheet amounts.

27. Share capital

	2008		2007	
	Number of shares	€	Number of shares	€
Authorised				
Shares of €0,85 each (2007: CY£0,50 each)	500.000.000	425.000.000	500.000.000	427.150.360
Issued and fully paid				
Shares of €0,85 each (2007: CY£0,50 each)	200.000.000	170.000.000	200.000.000	170.860.144

All issued ordinary shares carry the same rights.

On 18 June 2008 during an Extraordinary General Meeting an ordinary resolution was approved for the conversion of the shares' nominal value to Euro, because of the adoption of the Euro as the national currency of the Republic of Cyprus since 1 January 2008.

The conversion of the Company's shares nominal value from Cyprus Pounds to Euro was made as proposed in the resolution below. This resolution aimed at leaving the number of shares of the Company unchanged despite the adoption of the Euro and at the same time to convert the nominal value of each share of the Company from C£0,50 to €0,85 each.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

27. Share capital (continued)

ORDINARY RESOLUTION

1. That as at 1 January 2008, the Share Capital of the Company that was C£250.000.000 divided into 500.000.000 ordinary shares of C£0,50 each to be converted at the above date to €425.000.000 divided to 500.000.000 ordinary shares of €0,85 each.
2. That every issued share with nominal value of C£0,50 each to be converted to €0,85 each.
3. That the Company's Issued Share Capital that as at 1 January 2008 was C£100.000.000 divided into 200.000.000 ordinary shares of C£0,50 each to be converted at the above date to €170.000.000 divided to 200.000.000 ordinary shares of €0,85 each.
4. Since the nominal value of the Company's shares has been rounded to €0,85 (from €0,8543) and because of this rounding the Issued Share Capital of the Company has decreased by €860.144, the amount of €860.144 is transferred to a special reserve that is called 'Difference arising from the Share Capital conversion to Euro'. The conversion was done on the nominal value of each share and not on the Share Capital as a whole. The conversion of the nominal value from Pounds to Euro is done by dividing the amount (share value) to Cyprus Pounds using the locked exchange rate set on 10 July 2007 of €1= £0,585274 and using all six decimal places. The resulting amount in Euro is rounded to two decimal places to the nearest cent.

28. Deferred taxation

The deferred taxation is calculated on the temporary differences using the liability method based on the applicable tax rates.

Deferred Tax Liability	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
At 1 January	497.821	23.096	90.964	26.564
(Credit)/Charge in the Income Statement	(15.107)	477.069	(42.155)	64.400
Exchange difference	(8.903)	(2.344)	-	-
At 31 December	473.811	497.821	48.809	90.964

Deferred Tax Assets	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
At 1 January	-	-	-	-
Credit in the Income Statement	129.426	-	-	-
Exchange difference	(2.673)	-	-	-
At 31 December	126.753	-	-	-

Deferred tax liabilities arise from the revaluation of investment property, whilst deferred tax assets arise from the tax losses of foreign subsidiaries and revaluation of investment property.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

29. Trade and other creditors

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Trade creditors	755.197	1.020.469	-	-
Defence contribution payable for the deemed dividend distribution	1.216.720	341.720	1.216.720	341.720
Other creditors and accrued expenses	1.090.620	669.463	925.142	624.479
	3.062.537	2.031.652	2.141.862	966.199

The fair value of other creditors approximates their carrying amount at the balance sheet date.

30. Current tax liabilities

	THE GROUP		THE COMPANY	
	2008	2007	2008	2007
	€	€	€	€
Corporation tax	428.287	148.943	426.526	148.943
Special contribution for defence	(93.302)	(139.634)	(99.628)	(139.634)
Corporation tax of foreign subsidiaries	(942)	7.466	-	-
	334.043	16.775	326.898	9.309

31. Related parties transactions

(i) Remuneration of key management personnel

The remuneration and other benefits of the members of the Board of Directors and the key management personnel were as follows:

THE GROUP AND THE COMPANY

	2008	2007
	€	€
Members of the Board of Directors		
Annual fees of the Members of the Board of Directors	24.210	23.920
Committee fees of the Members of the Board of Directors	27.540	32.293
Other expenses of the Members of the Board of Directors	23.788	22.637
	75.538	78.850
Remuneration of other Key management personnel		
Salaries	89.157	76.661
Provident fund contributions	8.916	6.802
Other employer's contributions	13.755	10.021
	111.828	93.484

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

31. Related parties transactions (continued)

(ii) Agreements with Directors and related parties

Bond of A. Panayides Contracting Public Limited

The Company holds 24.774.721 bonds of A. Panayides Contracting Public Ltd valued €0,01 each, totaling €247.747. These bonds are listed on the Cyprus Stock Exchange with a maturity date 31 October 2011. These bonds bear interest at the basic rate plus 2% and the interest is payable every 6 months.

Sale of shares in A. Panayides Contracting Public Limited

On 16 March 2007 the Group sold 3.652.714 shares of A. Panayides Contracting Public Limited in the over-the-counter market at €0,26 per share. The total value of this transaction which took place on an arm's length basis was €949.706.

Loan to Demetra Realty Developments Srl

During 2007 the Company has provided a loan of €6.000.000 to the Romanian company Demetra Realty Developments Srl, the shareholders of which are:

- Demetra Overseas Investments Ltd with 50% shareholding
- Osorio Holdings Ltd with 50% shareholding (70% of the share capital of the company is owned by Panayides Contracting Ltd and 30% by Farmakas Mines Ltd).

Mr. Vangelis Georgiou is associated with the companies A. Panayides Contracting Ltd and by Farmakas Mines Limited. The above loan agreement has been carried out at arm's length and all the procedures that need to be followed in such cases have been followed. The loan bears interest equal to the applicable basic interest rate plus 2%.

As collateral for the above loan, Osorio Holdings Ltd has placed its shares in Demetra Realty Developments Srl in favour of Demetra Overseas Investments Ltd.

(iii) Receivables from directly and indirectly subsidiary and associated companies

THE COMPANY

	2008	2007
	€	€
Demetra Bulgaria Ltd	8.023.065	7.046.737
Demetra Overseas Investment Ltd	3.010.138	2.887.417
Demetra Investment Public SRL	14.596.355	2.494.611
Demetra Investment Public SRL (Moldova)	2.326.861	-
Demetra Real Estate Investments Ltd	7.520.588	5.794.985
Demetra Tower Ltd	7.797.717	5.198.234
Demetra Tower (Limassol) Ltd	4.680.133	4.634.231
Demetra Realty Developments SRL	6.488.681	6.121.331
Thoosa (Energy) Ltd	79.999	76.914
Flightcare Cyprus Ltd	-	12.821
Demetra Golf Investments Ltd	5.477.368	5.254.235
	60.000.905	39.521.516

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements For the year ended 31 December 2008

31. Related parties transactions (continued)

(ii) Agreements with Directors and related parties (continued)

The above amounts are repayable as follows:

	Within 1 year	Between 1 – 5 years
	€	€
Demetra Bulgaria Ltd	7.474	8.015.591
Demetra Overseas Investment Ltd	3.010.138	-
Demetra Investment Public SRL	14.596.355	-
Demetra Investment Public SRL (Moldova)	2.326.861	-
Demetra Real Estate Investments Ltd	7.520.588	-
Demetra Tower Ltd	7.797.717	-
Demetra Tower (Limassol) Ltd	4.680.133	-
Demetra Realty Developments SRL	6.488.681	-
Thoosa (Energy) Ltd	79.999	-
Demetra Golf Investments Ltd	5.477.368	-
	51.985.314	8.015.591

(iv) Receipts from the disposal of subsidiary companies THE COMPANY

	2008	2007
	€	€
Demetra Bulgaria Ltd	-	10.035
Demetra Golf Investments Ltd	-	1.709
	-	11.744

(v) Interest charged to subsidiary and associated companies

THE COMPANY

	2008	2007
	€	€
Demetra Bulgaria Ltd	297.133	235.358
Demetra Overseas Investment Ltd	114.914	103.604
Demetra Investment Public SRL	501.939	92.346
Demetra Investment Public SRL (Moldova)	31.601	-
Demetra Real Estate Investments Ltd	251.494	199.124
Demetra Tower Ltd	251.737	109.234
Demetra Tower (Limassol) Ltd	181.720	39.494
Demetra Realty Developments SRL	367.355	105.858
Thoosa (Energy) Ltd	3.085	1.914
Flightcare Cyprus Ltd	-	419
Demetra Golf Investments Ltd	210.684	126.896
	2.211.662	1.014.247

(vi) Receivables from associated companies THE GROUP

	2008	2007
	€	€
Demetra Realty Development SRL	6.497.038	6.121.331
Thoosa (Energy) Ltd	79.999	76.914
Flightcare Cyprus Ltd	-	12.821
	6.577.037	6.211.066

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

31. Related parties transactions (continued)

(vi) Receivables from associated companies

The above amounts are repayable as follows:

	Within 1 year €	Between 1 – 5 years €
Demetra Realty Development SRL	6.497.038	-
Thoosa (Energy) Ltd	79.999	-
	6.577.037	-

(vii) Interest charged to associated companies THE GROUP

	2008 €	2007 €
Demetra Realty Development SRL	367.355	105.858
Thoosa Energy Ltd	3.085	1.914
Flightcare Cyprus Ltd	-	419
	370.440	108.191

32. Contingent liabilities

At the date of this report there were no pending lawsuits against the Company and the Group and no contingent liabilities that need to be reported.

33. Commitments

Commitments relate to rent payable by the Company and the Group and are as follows:

	THE GROUP		THE COMPANY	
	2008 €	2007 €	2008 €	2007 €
Within one year	3.184.604	2.119.828	570.929	69.506
Between two to five	690.000	2.293.430	690.000	52.129
More than five years	-	-	-	-
	3.874.604	4.413.258	1.260.929	121.635

The above commitments include an amount of €2.613.675 (2007: €4.291.622) which is related to the construction of the Demetra Tower building by Demetra Tower Ltd and which is located at Limassol Avenue, in Nicosia.

Company commitments also include an amount of €1.208.800 which is related to the construction of a building in Nicosia whilst the rest of the amount of €52.129 relates to commitments for rent payments.

Demetra Investment Public Limited

Notes to the Company and Consolidated Financial Statements

For the year ended 31 December 2008

34. Leasing of property

The future minimum receipts from leasing of property and for which no provision is made in the financial statements are as follows:

THE GROUP

	2008 €	2007 €
Within one year	346.020	262.351
Between two to five	1.298.377	1.198.199
More than five years	1.329.600	1.641.600
	2.973.997	3.102.150

35. Provident fund

Since 2006, the Company operates a defined contribution provident fund in which its employees participate. The contributions of the employees range from 5% to 10%, whereas employers' contributions are 10%. The fund operates independently and prepares separate financial statements. The total contribution of the Group to the fund for 2008 was €27.908 (2007: €21.340).

36. Significant contracts

Other than the agreements with the asset managers, as described in Note 1 "General Information", there are no other significant contracts.

37. Dividends

The Board of Directors of the Company does not recommend the payment of a dividend.

38. Events after the balance sheet date

Related party transactions

During the first months of 2009, the Company granted additional loans which amount to €1.647.185 and €304.495 to its subsidiary companies Demetra Real Estate Investments Ltd and Demetra Tower Ltd respectively. In addition the Company received the amounts of €2.200.000 and €70.274 from its subsidiaries Demetra Investment Public SRL (Moldova) and Demetra Tower (Limassol) Ltd respectively which related to balances due to the Company.

Incorporation of new subsidiaries

On 18 February 2009 the Company incorporated a new subsidiary named Demetra Oil and Gas Investment Ltd with principal activity the trading in gas and petroleum products.

On 27 February 2009, the Company established a new associate company, with 30% holding, named ICTS (Cyprus) Limited with principal activity the provision of security services.

Global Financial Crisis

The unfavourable economic developments during 2008 in the Global Financial Markets have led to a remarkable worsening of the Global Financial Crisis. An important number of Global Financial Institutions were declared bankrupt, taken over from other Financial Institutions, or were included in the Liquidation Support Programmes of the Governments of the various countries they are active in. As a result of the above developments, at the issue date of this report there is a continuous uncertainty regarding the market, that could affect both the Company's and the Group's results.

Demetra Investment Public Limited

Investments exceeding 5% of the Group's Assets, and the 10 most significant investments of the Group as at 31 December 2008

Issuer/ Asset	Industry/ Activities	Market	Title category	Number of titles	Purchase cost €	Market value €	Total investment €	Percentage of total assets %	Dividends and interest received €	Participation In issuer's share capital %	Issuer's Net Profit for the period € '000	Issuer's Net Assets that relate to the Investment €' 000	
1	Investments in the field of land and property development - Cyprus - Romania - Bulgaria	N/A N/A N/A	Land and property development Other investments Other investments Other investments	N/A N/A N/A	30.688.047 20.170.146 7.019.231	32.747.871 20.549.615 8.580.993	61.878.479	32,48%					
2	Cash	N/A	N/A	N/A	60.883.573	60.883.573	60.883.573	31,96%					
3	Bank of Cyprus Public Company Ltd	Financial	Main Market High Capital Market Corporate Bonds Corporate Bonds Other Markets	CSE shares ASE shares Capital Securities 12/2007 Convertible Bond 2013/18 Bonds	1.395.241 811.756 170.860.144 1.000.000 7.000	7.064.297 5.493.806 1.708.601 1.000.000 666.242	3.725.293 2.167.389 1.708.601 1.000.000 666.242	9.267.525	4,87%	865.554 311.709 106.191 19.616	0,24% 0,14% 1,71% 0,35%	478.683	4.899 2.858
4	Marfin Popular Bank Public Company Ltd	Financial	Main Market High Capital Market	CSE shares ASE shares	3.196.159 830.095	18.265.615 4.689.369	6.104.664 1.577.180	7.681.844	4,03%	1.194.423 250.377	0,39% 0,10%	403.345	13.376 3.430
5	Government bonds	N/A	N/A	7% 2000-2010 5,75% 2005-2010	341.720.288 341.720.288	3.320.383 3.400.104	3.405.965 3.413.757	6.819.722	3,58%	448.820			
6	Logicom Public Ltd	Technology	Main Market	Shares	6.444.211	6.768.977	4.317.621	4.317.621	2,27%	169.604	9,49%	5.887	4.916
7	SFS Group Public Company Ltd	Financial	Main Market	Shares	6.250.000	7.985.635	3.125.000	3.125.000	1,64%	555.036	10,02%	28.722	12.717
8	Hellenic Bank Public Company Ltd	Financial	Main Market Corporate Bonds	Shares Bond	1.813.015 85.430.072	4.357.125 854.301	1.867.405 854.301	2.721.706	1,43%	251.523 35.849	0,61% 0,67%	31.324	2.687
9	A.&P (Andreou & Paraskevaides) Ent. Plc Co. Ltd	Consumer goods	Parallel Market	Shares	18.500.000	15.990.570	2.220.000	2.220.000	1,17%	347.700	10,12%	4.078	4.967
10	A. Tsokkos Hotels Public Ltd (Note)	Consumer services	Main Market	Shares	12.741.951	9.094.007	1.911.293	1.911.293	1,00%	158.563	5,07%	7.130	8.692
TOTAL					209.420.029	160.826.763	160.826.763	84,43%					

Total assets €190.487.222

Net assets per share at 31 December 2008: €0,9331

Diluted net assets per share is not applicable.

The market value of listed investments is calculated based on bid prices as at 31 December 2008

Note: The net profit of the issuer for the year and the net assets corresponding to the investment relate to 2007 figures as no audited financial statements of the issuer were available for 2008.

