

Nireus Aquaculture

Reuters : NIRr.AT Bloomberg : NIR GA

Sector: Aquaculture

Ownership Structure:

Main Shareholders	24.81%
Proton Bank	8.96%
Deutsche Bank	7.22%
Small Cap World Fund	5.13%
Free Float	53.88%

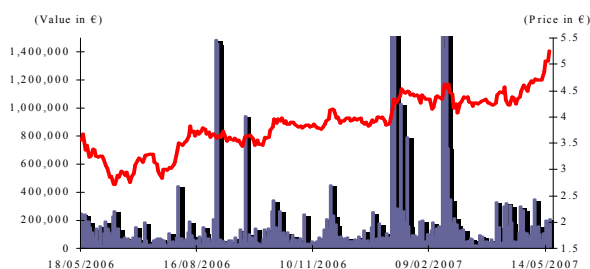
Stock Data	Before Share Cap. Increase	After Share Cap. Increase
Price (18/05/2007)	5.20	4.16
Shares (in mn)	40,933	51,156
Mkt Cap (in mn)	212,850	212,850

Stock Ratios	2005	2006	2007 E	2008 E
P / E	28.53	23.53	14.25	11.99
P / BV	1.96	1.83	1.33	1.24
EV / EBITDA	14.80	11.40	8.45	7.51
Div. Yield (unadjusted)	1.36%	1.53%	2.03%	2.38%
ROE	6.89%	8.04%	10.80%	10.73%
ROIC	3.95%	3.85%	5.01%	5.50%
Net Debt/Equity	0.72	0.92	0.85	0.87

Summary Financials	2005	2006	2007 E	2008 E
P&L (in mil. €)				
Turnover	138.12	161.48	230.01	259.11
Gross Profit	42.17	48.98	75.34	85.74
OPEX	23.85	21.97	35.10	38.82
EBITDA	19.65	28.03	41.24	48.12
Fin. Results	-3.33	-5.61	-7.01	-7.74
Depreciation	5.16	7.11	10.44	12.95
EBT	11.17	15.30	23.79	27.42
EAT & Minor.	7.46	9.05	14.93	17.76

Source: Company Data & VRS Projections

Stock Graph (52 weeks)
Min: € 2.71, Max: € 5.26



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KEY INVESTMENT POINTS

- Nireus Group is the largest sea-bream and sea-bass producer globally, exporting to more than 30 countries. The Group holds about **45% market share in fry (fish juveniles) and 21% in farmed fish (market size) in Greece**, surpassing significantly all Greek companies in fish farming sector, in terms of sales, profits and total own funds.
- The Group invests on either on hatchery or its existing fish farming units or through acquisitions of other companies in Greece and abroad, seeking to achieve its strategic goal of becoming a world wide producer.
- Nireus, acquired recently the ASE listed Kego utilising its expertise in genetically improved fish, getting access on better quality eggs and thus improving production quality. In addition, it funds an R&D program in order to improve the production cycle seeking at the same time to efficiently control all stages of production, and aiming at genetic selection and shortening of the production cycle.
- Furthermore, **the Group invests in order to further diversify operations**. So, in addition to the pre-on growing units, Nireus invests on fish-feed factories, fish processing plants, branded fish products and new products, improving its operating margins and gradually boosting profitability.
- By applying our forecasts for the coming 5-years in the DCF model, **we derive a fair value for the Group of € 241.75 million implying an outperform rating**. Our time horizon for this rating is approximately 12 months.

Relative performance with G.I. (52 weeks)
Stock Return: 46.07% - G.I. Return: 24.99%

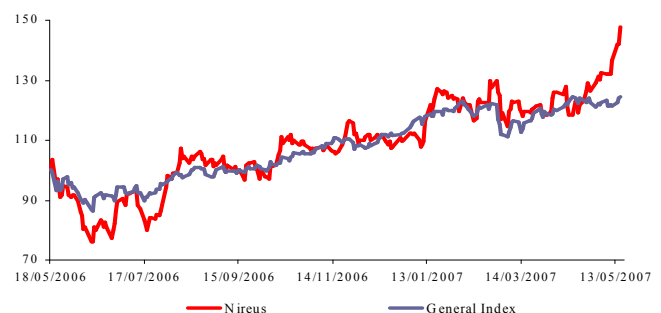


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INVESTMENT CASE

The Group is the largest sea-bream and sea-bass producer globally, holding about 10% and 19% of market size fish and fry (fish juveniles) respectively (20.9% and 45.3% of the Greek market respectively). The Group exports to more than 30 countries, with international revenues accounting for 63% of total Group turnover for the financial year 2006.

The main growth drivers of future expansion for the Group are the following:

1. The increase of group's production capacity in all of the three production activities (fry production, market size fish production and fish-feed production);
2. The improved production cycle;
3. The geographic expansion of production in current and new species;
4. The increase of international sales as a proportion of total sales;
5. The operating expansion in new profitable activities (fish filet and branded fish).

Assuming the successful implementation of the corporate strategy and vision by the management, we expect total turnover to reach € 353.52 mn by the end of the fiscal 2011, with the CAGR of next 5-years standing at 16.97%.

☞ Expansion of Fry Production Capacity

For the financial year 2006, the Group managed to produce about 164.4 mn pieces from 129.4 mn pieces last year, achieving the initially targeted production with the operation of 8 hatchery units. We expect that fry production of the Group will exceed 200 mn pieces in 2007, and 300 mn pieces from the fiscal 2010 and on. According to our estimates, approximately 40% of total production is utilized for the needs of the Group.

The future growth of fry production and revenues is attributed to:

1. The investments in existing hatchery units to expand current capacity production, or develop new installations;
2. The internationalization of production activity. In Spain, the Group acquired the Company Predomar that owns a hatchery unit and a pre-

fattening station in South Spain, and has a production capacity of 20 million units of fish fry;

3. The utilization of KEGO know how on genetic selection (not intervention) in order to decrease the mortality rate of the fry;
4. The investments in new technology hatchery units (pre-on growing farms) that can grow fish juveniles of higher size. According to our estimations, 23% of total production will account for 10 gr fry (next 2-3 years). This new size is expected to boost selling price by at least 55% as it reduces the production cycle (from fish juvenile to market size fish) for the buyer.

☞ **Expansion of Market Size Fish Production Capacity**

For the financial year 2006, the Group managed to sell about 22,700 tons from 16,900 tons in 2005, operating 54 fish cage farming units. Assuming that planned investments in Greece and abroad will complete successfully on the estimated time period, sales of own production market size fish will exceed 40,000 tons during the year 2010. The higher production capacity will be mostly due to the planned investments in Greece and Turkey, maximizing the utilization rate of acquired production licenses.

In Turkey, Nireus is active through Ilknak AS a subsidiary fishery company having license for the production of 1,000 tones of market size fish and 10 million of fish fry, and through Carbon which possesses a production license for 5,000 tones. Both companies will add to Nireus capacity 25 mn pieces p.a. of fry by 2008 and 5,000 tones p.a. of market size fish by 2009.

Besides own production, Nireus capitalizes on its valuable expertise on fish production and collaborates with other fish farming companies (undertaking the management in some cases), or by implementing facon type production under the brand name “Nireus”, creating considerable synergies for the Group.

The Group also expands operations through other species like Cobia fish in Caribbean targeting the American and Asian markets.

☞ Reduction of Production Cycle of Market Size Fish

Production will also benefit from the curtailment of production cycle utilizing the know-how of the new subsidiary Kego. The subsidiary has managed to develop greater quality/yield of fish eggs by applying genetic selection, boosting the reduction of the production cycle of market size fish. Thus, we expect that this period will shorten below 15 months by the end of fiscal 2011 from 18 months currently needed, increasing total production of market size fish.

☞ Development of Value Added Final Products

Nireus Group is planning to invest approximately € 3 mn in a fish processing plant in order to provide fish fillets and gutted fish of high quality. The Group has also reached a 3-year agreement with Merkos S.A. for fish processing. This processed product is consumer friendly and at the same time represents a value added product with higher selling price and better gross margins. Nireus Group also operates 13 state of the art packing centers that cover 100% of its needs for packaging and secure the required quality of the final product. In addition, Nireus is expanding various strategic collaborations, providing branded label fish in supermarket chains. The size of Group's production assures continuous supply to large retail chains throughout the year. Nireus has already signed an agreement with A-B Vassilopoulos chain (listed on Athens Exchange and member of Delhaize Group) for the supply of fresh sea bream, guaranteeing at the same time high quality standards.

☞ Fish Feed Plant

The Group has managed to vertically diversify operations in fish feed production by merging at late 2005 with the ex-subsiary Feedus SA. In the coming years, we expect Nireus to produce approximately 39,000 tones covering almost all of Group's needs, improving at the same time total gross margin for the Group. Nireus has also signed an agreement with the fish feed producer Perseus to produce facon type fish feeds. The Group also sells fish feed to other fish farming companies in Greece and Turkey. In addition, Nireus is investing in a new fish feed production plant in Turkey. The new plant is expected to complete

by the end of fiscal 2008, and will cost approximately €10 mn with total production capacity of 40-45,000 tones.

☞ **The Acquisition of KEGO**

Early this year, Nireus announced the acquisition (51% analyzed as 20% direct & 31% in-direct equity control) of the Greek fish feed producer and fish farming company Kego (listed on the Athens Exchange). Through the management of Nireus, the new subsidiary will expand its fish feed production capacity to 40,000 tones by the end of the fiscal 2010 (from 21,000 tones during the fiscal 2006), and another 1,600 tones of market size fish by the end of the fiscal 2009 (from 800 tones during 2006). Kego also sells another 900-1000 tones facon type market size fish annually from another fish farming company.

The competitive advantage of KEGO is the R&D department which has developed, in collaboration with Akvaforsk, a Norwegian specialized institute. It produces sea bream & sea bass eggs of improved fish (shrinks the growth cycle of the fish, lowers fatality percentages). Nireus will utilize this advantage for its own production, with gradual financial benefits in profit margins (from the fiscal 2009 and on). Finally, Kego produces big and poultry breeding stock, trading at the same nutritional products for animals. This is a profitable activity that is expected to sustain under Nireus management.

☞ **International Sales**

Nireus sells 62.75% of its production abroad with EU sales representing more than 90% of total exports. The Group has settled a broad sales network in more than 30 countries, continuously seeking strategic collaborations and joint ventures in new and existing countries. The aim of the Group is to secure favorable trading contracts and achieve high prices in order to improve operating margins.

☞ **Confectionary Products**

The origin of Nireus Group is the island of Chios, with the world famous natural mastic well known for its nutritional advantages. The Group invested on that unique and highly profitable product and developed a new factory (total capex of € 2.5 mn) producing chewing gum products, based on mastic, aiming to capture a

market share from the world chewing gum market. The subsidiary produces also traditional fruit sweets, juices, honey and other candies. For the fiscal 2006, revenues reached € 6.7 mn (+29.8% y-o-y) below management's expectations. This activity is not however the main focus and we believe that it would be more appropriate for Nireus Group to withdraw and sell it.

☞ **Latest Developments**

On April 23rd 2007, Nireus announced the acquisition of 17.9% stake of the shares of the Norwegian Company 'Marine Farms ASA' listed on the Oslo Stock Exchange. Up to May 18th 2007, the Group and other related to Nireus parties increased the participation to 33.44%. The production profile of Marine Farms ASA' meets the strategic objectives of Nireus. The Norwegian company has developed vertical structures in the production of Mediterranean fish farming (sea bass and sea bream) in Spain with annual production capacity of 7,200 tones and 15 mn pieces of fry, as well as salmon in Scotland with a production capacity of 9,500 tones and 7.5 mn pieces. In addition, the company has initiated the production of the fish Cobia in Central America and in Asia (Vietnam), aiming at satisfying the rising demand of the American and Japanese markets. Its licenses refer to an annual production of 8,000 tones of Cobia. The Company is also active in the production of cod juveniles with a hatchery unit in Scotland with a production capacity of 3 million pieces. Marine Farms ASA had a turnover of € 71.9 mn, EBITDA of € 19.9 mn and profits before tax of €13.3 mn during 2006.

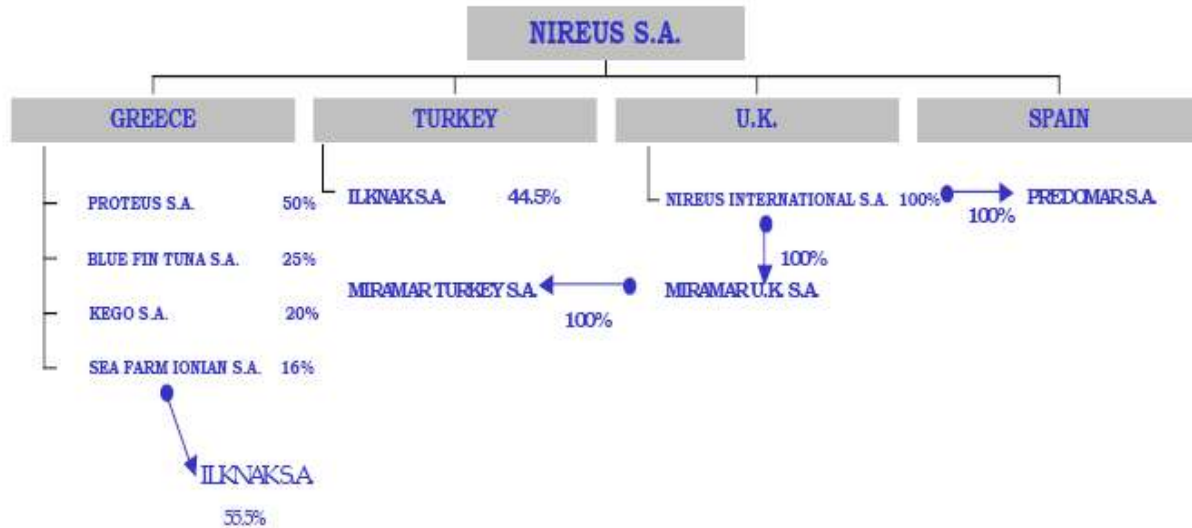
[Please note that the Norwegian company is not included in our projected consolidated accounts.]

CORPORATE PROFILE

Nireus was established in 1988 in Chios and was listed on the Athens Exchange (ATHEX) in 1995. The main activities of the Group is the production of Mediterranean fish species (mainly sea bass and sea bream - fish eggs, fry and market size fish), the production of processed fish in own or third party facilities (fresh and frozen fish, fish fillets, gutted fish, and blue fin tuna), the production and trade of fish feed, the production of fish farming equipment such as nets, cages etc., and the production and trade of traditional confectionery products. Nireus' products possess high quality standards as production procedures are certified by international organizations.

The Group's present structure derived mainly from the acquisition of its ex-subsubsidiary company Feedus SA at the end of year 2005 adding two new business activities (production of fish feed and confectionary products). In 2006, the Group consolidated for the first time Seafarm Ionian SA (16.78% & control of its management for the next 15 years). During the financial year 2007, the Group acquired stake in Kego S.A. -listed on the ATHEX- which produces mainly high quality/yield fish eggs and fish feed, bought 100% of the Spanish company Predomar SA in order to produce in land pre-on growing facilities 10gr size of fish juvenile, and finally bought a stake of the Norwegian listed company Marine Farms A.S.A. which produces sea bass and sea bream, salmon, cobia tropical fish, and cod juvenile. Moreover the Group continued its expansion in Turkey, through its affiliated companies Ilnak AS, and Miramar AS acquiring 100% of Carbon AS thus adding more fish farming licensees in Turkey, accounting for 5.000 tones of annual production capacity of sea bass and sea bream.

Group Structure



SECTOR OUTLOOK

The Greek aquaculture market has experienced especially volatile conditions over the past 17 years. The sharp decline of fish prices in 1990's provoked an extended recession in the Greek aquaculture sector up to the year 2004. The rationalization phase that followed the "violent" decline in prices saw closures of production units, mergers, acquisitions, as well as modernization of hatcheries and fish farming units. The rationalization phase has not ended yet, implying growth and investment opportunities for the sector's leading players, such as Nireus.

During the past 2-3 years, the Greek aquaculture has entered a moderate recovery phase, characterized by price increases, de-escalating competition and stronger demand. With the recent recovery in prices, most of the sector's large-scale producers (a group of 67 companies) managed to return profitable. In addition, the recovery trend came after a period of intensive consolidation (mergers, acquisitions and closures of farms), which led the total number of Greek firms to less than 200 from nearly 500 in 2002.

TURNOVER FORECASTS

For the period, 2006-2011, we expect Group (including the recently acquired company Kego) turnover CAGR of 16.97%, which will emerge from the increase in the production capacity of both the fry (fish juveniles) and the market size fish.

1. **Fry Division.** We expect that the annual production capacity of the fry to increase by at least 130 million pieces within the next 5 years, reaching a total annual capacity of about 300,000,000 pieces (in Greece and abroad), of which 40% will be consumed for own needs.
2. **Market Size Fish Division.** With regard to the market size fish, we have estimated an increase by 21,000 tons in the production capacity until the end of 2011. We have also conservatively assumed an average selling price of € 4.6 / kilo for the fiscal 2007 and annual growth of 1% thereafter. **As a result, total Group turnover from this division will reach € 205.14 mn by the end of the financial year 2011, from € 101.16 mn during the financial year 2006, growing on a CAGR of 15.2%.**
3. **Fish Feed Division.** The recent acquisition of KEGO and investments in Turkey will boost Group's own production of fish feed to 120,000 tons by the end of the year 2011 from about 67,200 tons for the year 2006. The Group will consume about 55%-65% of total production and will sell the remaining. We have assumed stable pricing for fish feed during all the projected years and also a small decrease in the rate of food required / kilo of market size fish until the end of 2011, within the framework of food quality improvement.

Activity Turnover Breakdown (historic & projected figures)

(in € ,000)	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Fry Sales	18,160	18,726	23,994	30,252	39,666	45,743	47,443
y-o-y Change. %		3.11%	28.14%	26.08%	31.12%	15.32%	3.72%
% of Total	13.15%	11.59%	12.09%	13.45%	14.87%	15.84%	15.76%
Market Size Fish (own & facon)	79,646	101,160	126,384	140,078	173,680	194,608	205,137
y-o-y Change. %		27.01%	24.93%	10.84%	23.99%	12.05%	5.41%
% of Total	57.67%	62.61%	63.66%	62.27%	65.12%	67.40%	68.14%
Fish Feed	22,973	24,413	28,332	31,875	25,716	19,393	17,130
y-o-y Change. %		6.27%	16.05%	12.51%	-19.32%	-24.59%	-11.67%
% of Total	16.63%	15.11%	14.27%	14.17%	9.64%	6.72%	5.69%
Other Sales	17,338	17,275	19,819	22,746	27,635	28,992	31,333
y-o-y Change. %		-0.36%	14.73%	14.77%	21.50%	4.91%	8.08%
% of Total	12.55%	10.69%	9.98%	10.11%	10.36%	10.04%	10.41%
Total Turnover	138,117	161,574	198,529	224,950	266,697	288,736	301,043
y-o-y change		16.98%	22.87%	13.31%	18.56%	8.26%	4.26%
Kego Sales			42,385	46,378	55,379	61,240	67,315
				9.42%	19.41%	10.58%	9.92%
Inter-Group Sales							
Fry Sales			9,900	11,016	12,173	13,371	13,639
Fish Feed			1,000	1,200	1,200	1,200	1,200
Net Sales	138,117	161,574	230,014	259,112	308,703	335,405	353,519
y-o-y change		16.98%	42.36%	12.65%	19.14%	8.65%	5.40%

Source: Company Data & VRS Estimates

GROSS PROFIT MARGIN EVOLUTION

According to our forecasts, EBITDA margin will follow an upward trend, reaching at the end of 2011 20.87% from 17.93% in 2007 and 17.36% in financial year 2006. This is due to:

1. The utilisation of the vertical diversification of the Group;
2. The sale of 10 gr fry (higher gross margin);
3. The genetic selection applied in fish eggs and fry;
4. Higher efficiency and economies of scale in Group's operations;
5. Stronger bargaining power due to the size of production and quality assurance.

Historic & Projected Operating Margins for the Group

	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Profit Margin Ratios							
Gross Margin	30.53%	30.33%	32.75%	33.09%	33.71%	34.32%	34.84%
EBITDA Margin	14.23%	17.36%	17.93%	18.57%	19.76%	20.35%	20.87%
EBIT Margin	10.49%	12.95%	13.39%	13.57%	15.10%	15.85%	16.46%
Pre-Tax Profit Margin	8.09%	9.48%	10.34%	10.58%	12.56%	13.65%	14.68%
Net Profit Margin	5.40%	5.60%	6.49%	6.85%	8.31%	8.98%	9.53%

Source: Historic Data & VRS Estimates

BALANCE SHEET ANALYSIS

The Group has planned to increase its share capital by € 43.97 mn this year issuing new shares (new capital of € 33.74 mn) and capitalising reserves. In addition, the Group is planning to issue a convertible bond, but we have not included this option in our projections. The additional capital will finance Group's investment program and the working capital needs. The share capital increase will improve the bank debt to equity ratio.

Historic & Projected Ratios for the Group

	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Activity							
Stock Days	48	37	60	60	60	60	60
Debtors Days	180	171	160	158	158	158	158
Creditors Days	173	213	190	180	180	180	180
Operating Cycle	228	208	220	218	218	218	218
Cash Cycle	55	-5	30	38	38	38	38
Biological Asset Avg Days	552	552	539	509	440	423	422
Capital Structure							
Total Debt/ Total Equity	1.39	1.86	1.69	1.69	1.65	1.50	1.30
Bank Loans/ Total Equity (D/E ratio)	0.74	1.01	0.86	0.89	0.82	0.70	0.54

Source: Company Accounts and VRS Estimates

DCF VALUATION

Based on our forecasts for the next 5-years (explicit period) and the long-term assumptions (terminal value), the application of the DCF methodology produces a fair value of € 241.75 mn for Nireus Group implying a target P/E₂₀₀₇ of 16.19x.

	2007 E	2008 E	2009 E	2010 E	2011 E	Terminal Value
Cash Flow to the Firm (FCFF)	-26,139	12,347	35,043	46,912	52,121	483,637
PV of FCFF	-24,149	10,546	27,547	33,684	33,777	310,218
Enterprise Value						391,623
Less: Net Debt						135,541
Less: Minorities						14,331
Value of firm						241,751

WACC CALCULATION

Risk Free Rate	4.50%
Beta Factor	1.40
Market risk Premium	5.00%
Cost of Equity	11.50%
Debt / Debt + Equity	30.00%
Cost of Debt	5.50%
Tax Rate	25.00%

Weighted Average Cost of Capital	9.29%
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We have applied the following major assumptions in our model:

- Weighted Average Cost of Capital at 9.29%, (Cost of Equity = 11.5%);
- We have estimated sustained growth in all activities during the examined period and infinity sales growth of 1.2%;
- Infinite EBIT margin of 16%.

COMPARATIVE VALUATION RATIOS

We have compared Nireus with a peer group of domestic and international aquaculture companies. The analysis demonstrates that Nireus stock trades on average compared to its peers (based on projected fiscal 2007 P/E multiple). On the other hand, the company can be only partially compared to its peers, as there are considerable differences in size and scope. The only company of similar in size though lower production capacity that can be compared with Nireus is the Greek Group Selonda (it produces sea bream and sea bass and is also listed on the ASE). Leory and Marine Harvest are two of the largest salmon producers worldwide.

Company	Country	Mkt Cap.	P/E '07 E	P/EBITDA '07 E
Selonda	Greece	122.4	11.60x	6.55x
Pescanova	Spain	429.0	16.38x	3.66x
Leroy	Norway	845.9	10.26x	7.17x
Marine Harvest	Norway	2,678.0	36.12x	25.85x
Nireus	Greece	212.85	14.25x	5.16x

Source: Bloomberg estimates for fiscal 2007. Share prices as of May 18, 2007.

STOCK DATA & VALUATION RATIOS

Stock Data & Valuation Ratios (historic & projected figures)

(price as of May 18, 2007)

	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Market Capitalization (in € ,000)	212,85					
EV (in € mn)	319,621	348,391	361,558	363,350	353,801	335,501
P/E (a.t.& m.i.)	23.53x	14.25x	11.99x	8.30x	7.07x	6.32x
P/BV	1.83x	1.33x	1.24x	1.13x	1.03x	0.93x
EV/EBITDA	11.40x	8.45x	7.51x	5.96x	5.18x	4.55x
EV/Sales	1.98x	1.51x	1.40x	1.18x	1.05x	0.95x

Source: Company Data & VRS Projections

Historic & Projected Profit & Loss Account for the Group

	2004	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Turnover	116,641	138,117	161,482	230,014	259,112	308,703	335,405	353,519
y-o-y Change. %		18.41%	16.92%	42.44%	12.65%	19.14%	8.65%	5.40%
Cost of Sales	84,146	95,944	112,498	154,676	173,372	204,634	220,283	230,343
% of Turnover	72.14%	69.47%	69.67%	67.25%	66.91%	66.29%	65.68%	65.16%
y-o-y Change. %		14.02%	17.25%	37.49%	12.09%	18.03%	7.65%	4.57%
Other Operating Income / Expense	10,700	1,322	1,015	1,000	1,200	1,200	1,200	1,200
Operating Expenses	17,942	23,846	21,973	35,096	38,824	44,274	48,074	50,582
% of Turnover	15.38%	17.26%	13.61%	15.26%	14.98%	14.34%	14.33%	14.31%
y-o-y Change. %		32.91%	-7.85%	59.72%	10.62%	14.04%	8.58%	5.22%
EBITDA	25,254	19,650	28,026	41,241	48,116	60,995	68,248	73,795
EBITDA Margin	21.65%	14.23%	17.36%	17.93%	18.57%	19.76%	20.35%	20.87%
y-o-y Change. %		-22.19%	42.63%	47.15%	16.67%	26.77%	11.89%	8.13%
Depreciation	4,754	5,157	7,109	10,438	12,954	14,394	15,087	15,605
% of Turnover	4.08%	3.73%	4.40%	4.54%	5.00%	4.66%	4.50%	4.41%
EBIT	20,500	14,492	20,918	30,803	35,162	46,601	53,160	58,190
% of Turnover	17.58%	10.49%	12.95%	13.39%	13.57%	15.10%	15.85%	16.46%
y-o-y Change. %		-29.31%	44.33%	47.26%	14.15%	32.53%	14.07%	9.46%
Net Financial Results	-662	-3,325	-5,614	-7,012	-7,737	-7,818	-7,370	-6,299
Net Results before Taxes	19,838	11,167	15,304	23,792	27,424	38,784	45,790	51,891
EBT Margin	17.01%	8.09%	9.48%	10.34%	10.58%	12.56%	13.65%	14.68%
y-o-y Change. %		-43.71%	37.04%	55.46%	15.27%	41.42%	18.07%	13.32%
Income Tax	6,969	3,436	6,379	5,948	6,856	9,696	11,448	12,973
Effective Tax Rate	35.13%	30.76%	41.68%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Results after Taxes	12,869	7,732	8,924	17,844	20,568	29,088	34,343	38,918
EAT Margin	11.03%	5.60%	5.53%	7.76%	7.94%	9.42%	10.24%	11.01%
y-o-y Change. %		-39.92%	15.42%	99.94%	15.27%	41.42%	18.07%	13.32%
Proportion of Minority Rights	1,704	271	-121	2,911	2,812	3,434	4,222	5,218
Net Results (a.t.&m.i.)	11,165	7,461	9,045	14,932	17,757	25,654	30,121	33,700
Net Margin	9.57%	5.40%	5.60%	6.49%	6.85%	8.31%	8.98%	9.53%
y-o-y Change. %		-33.18%	21.24%	65.08%	18.91%	44.48%	17.41%	11.88%

*P&L includes Kego accounts from the fiscal 2007 and on.

Source: Company Data & VRS Projections

Historic & Projected Balance Sheet

	2004	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Assets								
Net Intangible Assets	3,518	7,528	24,259	25,730	24,746	23,751	22,747	21,732
Biological Assets	54,583	47,343	63,221	81,899	83,952	83,753	87,704	91,403
Net Tangible Assets	46,830	49,991	53,657	82,673	93,005	90,089	82,641	74,688
Other L-term assets	6,300	5,912	9,387	10,200	9,996	9,796	9,600	9,408
Total Non-Current Assets	111,231	110,775	150,523	200,502	211,698	207,389	202,692	197,232
% Total Assets	48.22%	42.40%	44.43%	45.14%	44.37%	40.17%	37.62%	35.92%
Inventories	14,579	12,586	11,411	25,426	28,500	33,638	36,211	37,865
Biological Assets	43,639	67,258	89,848	115,007	121,783	138,917	150,932	159,084
Trade Receivables	60,187	68,045	75,625	100,828	112,164	133,630	145,189	153,030
Cash in bank and at hand	1,041	2,590	11,412	2,421	2,937	2,663	3,765	1,860
Total Current Assets	119,445	150,480	188,296	243,682	265,382	308,848	336,097	351,839
% Total Assets	51.78%	57.60%	55.57%	54.86%	55.63%	59.83%	62.38%	64.08%
Total Assets	230,676	261,254	338,818	444,184	477,080	516,237	538,789	549,070

	2004	2005	2006	2007 E	2008 E	2009 E	2010 E	2011 E
Equity & Liabilities								
Shareholder's Equity	95,005	108,339	116,570	159,834	171,267	187,712	206,996	228,612
Minority Rights	7,789	1,895	5,622	14,331	16,018	18,078	20,611	23,742
Total Equity	102,794	110,234	122,191	174,165	187,285	205,790	227,608	252,354
% Total Equity & Liabilities	44.56%	42.19%	36.06%	39.21%	39.26%	39.86%	42.24%	45.96%
L-Term Bank Loans	16,177	61,072	83,220	96,962	90,645	88,163	84,716	79,512
Provisions for Staff Retirement	1,419	1,538	2,156	2,850	3,060	3,270	3,480	3,690
Other long term debts	12,669	9,869	15,911	30,000	28,500	27,000	25,500	24,000
Total L-Term Liabilities	30,265	72,479	101,287	129,812	122,205	118,433	113,696	107,202
Suppliers	41,574	45,409	65,588	80,516	85,499	100,915	108,633	113,594
Banks	49,098	19,537	34,964	41,000	61,000	65,000	60,000	45,000
Taxes-duties	3,693	4,290	4,601	4,461	5,142	7,272	8,586	9,729
Other Payables	3,253	9,305	10,187	14,230	15,950	18,826	20,266	21,192
Total Current Liabilities	97,618	78,541	115,340	140,208	167,591	192,014	197,485	189,515
Total Liabilities	127,883	151,020	216,627	270,020	289,796	310,447	311,181	296,717
% Total Equity & Liabilities	55.44%	57.81%	63.94%	60.79%	60.74%	60.14%	57.76%	54.04%
Total Equity & Liabilities	230,676	261,254	338,818	444,184	477,080	516,237	538,789	549,070

*Balance Sheet includes Kego accounts from the fiscal 2007 and on.

Source: Company Data & VRS Projections

NOTES

Dynamic Securities Rating System

Rating	Ratings Breakdown	Definition of Rating System
Outperformed	85.71%	Expected to Outperform the Index by more than 10%
Neutral	14.29%	Expected to perform relative to the Index by +/- 5%
Underperform	0%	Expected to Underperform the Index by more than 10%

- Notes: 1/ Ratings refer to a 12-month period.
 2/ Benchmark Index: ASE General Index.
 3/ Stock Universe: 40 Companies.
 4/ Current Stocks Covered: 7 Companies.

Ratings History

Company	Date	Rating	Target Price
SARANTIS	27/07/2006	Outperform	€ 9.10
INTRALOT	31/10/2006	Outperform	€ 25.55
THRACE PLASTICS	18/12/2006	Outperform	€ 2.72
OPAP	10/01/2007	Neutral	€ 29.86
F.H.L. KIRIAKIDIS	01/02/2007	Outperform	€ 2.93
KRI KRI	28/03/2007	Outperform	€ 4.47
NIREUS GROUP	18/05/2007	Outperform	€ 5.91

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