

MLS MULTIMEDIA SA

[MLSr.AT]

- A sustainably successful turnaround story
 - Leader in the navigation software and systems' market in Greece
 - Growth opportunities from the gradual introduction of multimedia systems in the Greek educational system
-



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by **VALUATION & RESEARCH SPECIALISTS (VRS)**

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Greek Equities - June 23, 2009

MLS Multimedia SA

Sector : Information Technology - Software

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Company Description:

MLS Multimedia is a small-medium size information and communication technology (ICT) company in Greece, generating revenues through the development of a broad range of software systems in multimedia and navigation. The Company's major product categories consist of navigating systems and software, language technology applications (such as translators, etc.) as well as other multimedia products in the areas of education, entertainment, automotive and office equipment.

In million €	2008	2009 E	2010 E
Turnover	12.43	16.73	20.43
EBITDA	4.19	5.51	6.67
Margin %	33.68%	32.95%	32.66%
Net Income	1.82	2.49	3.19
Margin %	14.64%	14.92%	15.60%

Price (22/06/2009)	€ 1.45
Shares Outstanding	12,417,000
MktCap (in € ,000)	18,005

Beta (2 years)	0.82
Dividend '08	€ 0
Div. Yield	0%

	2008	2009 E	2010 E
P/E	9.89x	7.22x	5.65x
P/BV	1.33x	1.17x	1.00x
Debt/Equity	0.00	0.00	0.00
ROE	14.16%	17.25%	19.12%

Source: Company data & VRS Projections

Key Investment Points

- ⊙ **MLS is a leader in the navigation software and systems' market in Greece** with a market share of about 38% in value for the fiscal 2008 (53% for the period Jan-March 2009). Assuming that the penetration rate of the navigation market will reach 18% at the end of the fiscal 2013 (most likely) from 2.9% at the end of the fiscal 2008 and that MLS will retain a market share close to 46-47%, revenue CAGR will reach a rate of at least 18%.
- ⊙ MLS is the indisputable leader in the Greek multimedia market possessing a portfolio of more than 100 titles with an aggregate market share of approximately 70%. The Greek state's efforts to introduce personal computers to public schools utilizing multimedia learning is expected to boost the demand for MLS' products in the coming years.
- ⊙ In addition, the Company is likely to undertake part (we estimated at least 1/3) of the forthcoming multimedia related state projects over the next 5 years.
- ⊙ The Company has no bank debt exposure retaining a healthy balance sheet with strong cash flows.
- ⊙ According to our estimates for the period 2009-2013, turnover will post an annual growth of 18.4%, while EBITDA margin will decrease to 33.1% in 2013 from 33.7% in 2008 with net income rising on an annual average rate of 20.7%. **By applying our forecasts for the coming 5-years in the DCF model, we derive a fair price of €2.39 per share.**

Share Price Graph (52 Weeks) - Max: € 1.62 - Min: € 0.65



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General Overview

MLS has managed to post strong growth in sales and profitability during the fiscal 2008 exceeding our expectations, despite the negative economic conditions. For the fiscal 2009, we believe that the Company is well positioned to retain a double digit growth rate attributed to:

- 1/ further expansion of navigation product sales and
- 2/ the introduction of new multimedia products in line with the higher demand for multimedia software in Greece.

For the next 5-year period, we have projected solid growth for sales and bottom line results for the Company based on the following key assumptions:

1. The low penetration of navigation products in Greece, assumes high growth rates in the coming years with MLS remaining the leader in the market;
2. The Company broadens its navigation sales network expanding applications for mobile handsets to all major providers;
3. The gradual distribution of PCs to all students, assumes higher penetration rate of multimedia products to households;
4. MLS continues to innovate and translate its R&D activities into successful products and services;
5. MLS brands its products successfully utilizing additional international partnerships in the future.

Investment Case

Automotive Navigation

MLS is a pioneer in the Greek navigation market, having developed and distributed the first navigation system for vehicle owners in the Greek market in 2003. The Company's core navigation software system is called "MLS Destinator" and is offered in the domestic market since 2005. Since January 2008, "MLS Destinator" is also offered on the Company's own hardware telephone handset.

During the last 6 years, MLS managed to remain the market leader in the fast growing navigation market in Greece. The domestic navigation market is seen to have entered a high growth phase having reached a total market size of € 27.8 million (equating with an annual sale of 143,654 navigation sets) from € 9-10 million in 2007 (equating with an annual sale of 40-50,000 navigation sets). As an indication of the market's real growth potential, it is noted that there are currently at least 4 million cars running on the country's road network with vehicle owners having an ever rising need to facilitate their daily driving via a navigation system.

For the first 3 months of the fiscal 2009, the Company acquired a 43% stake in volume from a 40,267 navigation set market, (or 53% stake in value from a € 7.3 million market). For the fiscal 2009, we believe that the Greek navigation market will reach at least 200,000 sets of which MLS will have sold about 43% (or in an estimated market of €32.5 million, MLS will capture about 47.5%).

Our model's projections are relatively conservative implying a sustainable leading domestic market share during the next 5-year period of about 43% in volume and 46-47.5% in value. With regard to this revenue stream, we have assumed an average growth rate in revenues of 19.6% with total navigator product sales reaching € 25.86 million by the end of the fiscal 2013. Navigation revenues enjoy the highest gross profit margin among the Company's product categories; however the margins are expected to decrease following a lower pricing policy in order to sustain a leading market share against competition.

The Greek navigation market's high growth rate expectations in the next 5 years, is attributed to the higher penetration rates (the Greek market is expected to follow the average EU) and new technological features that increase demand. The projected market shares of MLS are supported by

- the Company's continuous investments in advanced technology seeking new potential for navigation systems that advances its competitiveness,

- The introduction of navigation software to mobile phones in Greece and Cyprus,
- The expansion of sales network, covering most of the possible selling points (92% weighted distribution),
- Agreements with automotive distributors.

Internationally, MLS is targeting the Cypriot and the Balkan markets where R&D activities are in progress. These markets are expected to contribute limited revenues at this stage however their growth potential should not be underestimated. We have not included any revenues from that potential source.

Multimedia / Software Systems

The multimedia market in Greece is significantly lower compared to other EU countries. However, since 2008, the Greek state has made efforts to gradually introduce personal computers to public schools and utilize multimedia learning.

The future for multimedia products appears especially favorable in the coming years. This is attributed to:

- The trend for higher penetration of technology to public schools and the utilization of multimedia software for learning (assuming that the Greek educational system will follow the other European countries educational norms).
- The household demand for multimedia learning is expected to follow.
- The higher PC penetration rate to households that assumes higher demand for multimedia products as well.

MLS is the indisputable leader in the Greek multimedia market possessing a portfolio of more than 100 titles with an aggregate market share of approximately 70%. In addition, it recently delivered a project in Greece and Cyprus to provide the public schools with educational software of a total budget of over € 2 million.

The multimedia software of MLS covers a broad range of topics such as educational software, general and thematic encyclopedias, dictionaries, leisure and general interest. Furthermore, the Company's automatic translators ("Systran") and dictation systems ("MLS Talk & Write"), resulting from its co-operation with "Systran" and "Philips" respectively, have captured a notable share of the Greek software market.

With regard to this revenue stream, we have assumed an annual average growth rate of at least 19% over the next 5 years, with total multimedia product sales reaching € 2.4 million by the end of the fiscal 2013 (will represent about 8% of total Company sales). We expect MLS to retain its leadership in this market and utilize its deep

knowledge and sales network to develop and promote its products covering future needs. MLS has also got a strong foothold in the Cypriot multimedia market utilizing a similar business model with the one applied in Greece.

Projects & Services

MLS is expert in the development of multimedia solutions. The Company has long history in researching and developing product ideas which can very easily form the basis of new multimedia solutions for a broad range of markets. As the domestic economy and the Greek state enter into the digital era, the Company's positioning in the market is to provide state as well as private entities with "tailor made" multimedia solutions. In this front, MLS targets all potential projects in Greece and in neighboring countries, capturing benefits from this segment's higher profit margins and utilizing synergies from its strong technological know-how. Below, we present the Company's major service categories:

- Development of educational applications;
- Development of professional applications;
- Professional translation systems;
- Voice recognition systems;
- Multimedia applications;
- Digitalization of archive materials;
- Portal development, etc.

Taking into consideration the Company's unique positioning in this market, we have assumed total project and service revenues to account for about € 600-700,000 for each of the next 5 year period, representing 2.5% of total turnover at the end of the fiscal 2013.

Historic & Projected Turnover Breakdown

(in € ,000)

	2006	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Projects								
Ministry of Development	114.4	86.2	58.0	60.0	65.0	70.0	75.0	80.0
% of total project revenue	48.5%	30.4%	4.8%	9.5%	10.1%	10.6%	11.1%	11.5%
y-o-y change	-80.6%	-24.6%	-32.7%	3.4%	8.3%	7.7%	7.1%	6.7%
Ministries of National Education	0	165	1,110	500	500	500	500	500
% of total project revenue	0.0%	58.1%	91.5%	79.4%	77.5%	75.7%	73.9%	72.1%
y-o-y change			574.5%	-55.0%	0.0%	0.0%	0.0%	0.0%
Other Public Sector Projects	101	15	19	20	25	30	35	40
% of total project revenue	43.0%	5.3%	1.5%	3.2%	3.9%	4.5%	5.2%	5.8%
y-o-y change	-83.2%	-85.2%	23.3%	8.1%	25.0%	20.0%	16.7%	14.3%
Private Projects	20	18	26	50	55	61	67	73
% of total project revenue	8.6%	6.2%	2.1%	7.9%	8.5%	9.2%	9.8%	10.6%
y-o-y change	-80.8%	-12.7%	47.2%	92.3%	10.0%	10.0%	10.0%	10.0%
Total Project Revenues	236	283	1,212	630	645	661	677	693
% of total turnover	6.5%	4.0%	9.8%	3.8%	3.2%	2.8%	2.5%	2.4%
y-o-y change	-86.0%	20.1%	327.7%	-48.0%	2.4%	2.4%	2.4%	2.5%
Navigation								
Navigation Software	1,224	1,596	1,161	1,208	1,187	1,201	1,205	1,219
% of total navigation revenue	44.2%	25.9%	11.0%	7.9%	6.4%	5.6%	5.0%	4.7%
y-o-y change	494.7%	30.4%	-27.2%	4.0%	-1.8%	1.2%	0.3%	1.2%
Navigation Systems	1,542	4,570	9,386	14,001	17,254	20,253	22,994	24,641
% of total navigation revenue	55.8%	74.1%	89.0%	92.1%	93.6%	94.4%	95.0%	95.3%
y-o-y change	194.4%	196.3%	105.4%	49.2%	23.2%	17.4%	13.5%	7.2%
Total Navigation Revenues	2,766	6,166	10,548	15,209	18,441	21,454	24,199	25,860
% of total turnover	75.9%	87.2%	84.8%	90.9%	90.3%	89.4%	89.3%	89.3%
y-o-y change	279.1%	122.9%	71.1%	44.2%	21.2%	16.3%	12.8%	6.9%
Multimedia								
Lingual Technology	375	321	229	240	360	510	600	660
% of total multimedia revenue	58.4%	51.9%	34.1%	27.0%	26.7%	26.9%	26.9%	27.4%
y-o-y change	-24.3%	-14.3%	-28.6%	4.8%	50.0%	41.7%	17.6%	10.0%
Education Titles	211	238	399	600	930	1,320	1,560	1,680
% of total multimedia revenue	32.9%	38.4%	59.4%	67.6%	69.1%	69.7%	70.0%	69.7%
y-o-y change	15.8%	12.8%	67.8%	50.4%	55.0%	41.9%	18.2%	7.7%
Other Titles	56	60	43	48	56	64	68	72
% of total multimedia revenue	8.7%	9.7%	6.5%	5.4%	4.2%	3.4%	3.1%	3.0%
y-o-y change	-65.4%	8.0%	-27.7%	10.7%	16.7%	14.3%	6.3%	5.9%
Total Multimedia Revenues	641	619	671	888	1,346	1,894	2,228	2,412
% of total turnover	17.6%	8.8%	5.4%	5.3%	6.6%	7.9%	8.2%	8.3%
y-o-y change	-23.5%	-3.4%	8.5%	32.3%	51.6%	40.7%	17.6%	8.3%
Total Turnover	3,643	7,068	12,431	16,727	20,432	24,008	27,104	28,965

Source: Company's Historic Data & VRS Projections.

Company Profile

MLS Multimedia SA was established in October 1995 in Thessalonica, Northern Greece. The Company activates in the broader multimedia market on both commercial and development basis. MLS's research and development team produces multimedia applications and solutions for the retail market as well as for third parties such as educational institutions, state-owned organizations and private corporations.

Over the past 10 years, the Company's strategic objectives have been to:

- Develop new multimedia applications used for a broad range of computer systems;
- Produce specialized language technology systems for targeted clientele groups;
- Develop a relatively lower number of multimedia products however with a greater content and higher capabilities;
- Give strong emphasis on technological advancements;
- Create a portfolio of products and services with high added value;
- Initiate export activities for certain product categories.

The Company's history is highlighted below:

MLS Corporate History	
1995	Production of the first electronic encyclopedia
1996	Initiation of major investments for the creation of multimedia titles
1998	The first electronic encyclopedia "TOMI" in the Greek market. Co-operation with the Greek Ministry of Education
1999	MLS awarded with the European Information Technology Grand Prize MLS files for listing on Athens Exchange (Greece)
2000	Participation in "NEW MEDIA SA", a company dealing with CD and DVD production
2001	MLS is listed on Athens Exchange (Greece)
2002	Launch of the first Greek language translator and the first voice

	recognition application
2003	First automatic navigation system for cars
2004	Continuous voice recognition application in co-operation with Phillips
2005	Launch of “MLS Destinator” (co-operation with Destinator and NGI)
2007	“MLS Talk & Drive” (voice recognition for navigation systems) “MLS Destinator” becomes a standardized navigation system in the Greek market. Co-operation with the country’s 3 major mobile telephony providers, Cosmote, Vodafone and Wind
2008	MLS Destinator is offered on the Company’s own branded hardware
2009	Introduction of navigation systems to mobile telephony

Source: The Company.

Portfolio of Products

The Company’s major product categories consist of navigating systems, language technology applications (such as translators, etc.), as well as other multimedia products in the areas of education, entertainment, automotive and office equipment.

The following table presents MLS’ major branded products:

TABLE 1

MLS Branded Product Portfolio

Source: The Company.

- Automatic Translator SYSTRAN
 - “MLS Talk & Write”
- Electronic Encyclopedia DOMI
- “MLS Destinator” (automatic navigation)
 - “MLS-ASUS”

Distribution

Through its major offices located in Athens and Thessalonica, the Company has built a broad distribution network to promote its products across Greece. Points of sale currently exceed 1,500 consisting of some of the country's top retail networks such as mobile telephony networks (Cosmote, Vodafone, Wind), bookstores (Papasotiriou, Elefderoudakis, Patakis, etc.), high technology retail chains (Multirama, Microland, etc.), toy stores (Moustakas, etc.), electrical and electronic appliances store-networks (Germanos, Media Markt, Plaisio, Electro World, Electroniki, Expert, etc.) and hypermarkets (such as Carrefour).

Cientele Base

The Company's major product categories –navigation and multimedia– target individuals, professionals and corporations. With regard to the projects / services segment, the Company has clients from both the public and private sector of the Greek economy.

Shareholders' Structure

Shareholder	Equity Stake
Ioannis Kamatakis	66%
Free Float (with each investor holding less than 5%)	34%

Source: The Company.

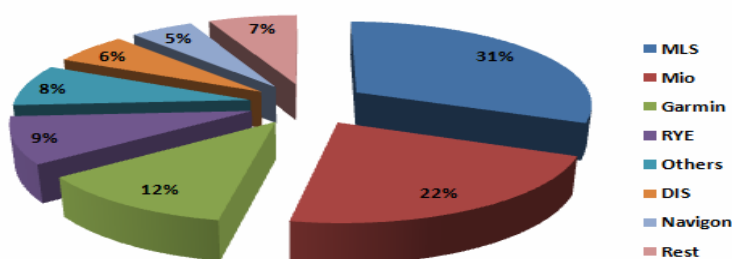
The Sector

The Greek Market of Automotive Navigation Systems

The domestic consumer navigation market has grown significantly in the last few years. Recently handset-based navigation systems have started to gain momentum offering huge potential for pedestrian navigation and location based services. Furthermore, at this stage, Personal Navigation Devices (PNDs) appear to be the most successful form factor for IT companies to capture market shares. For the fiscal 2008, the total number of PNDs sold to final consumers in Greece accounted for 143,654 pieces (with MLS holding about 31% market share), while the estimated number for the fiscal 2010 is set at 250,000 pieces. With regard to total navigation value, for the fiscal 2008, the Greek market settled at €27.8 million with MLS holding an about 38% stake.

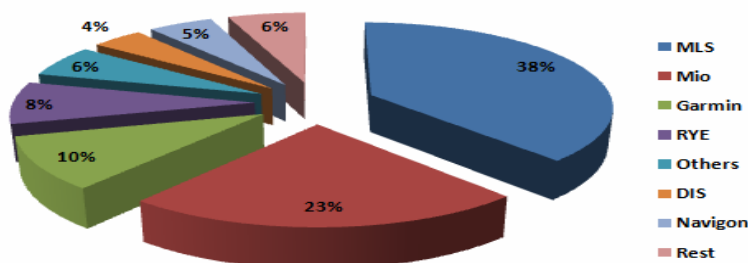
Volume sales for the period January – December 2008

(total market of 143,654 pieces)



Value sales for the period January – December 2008

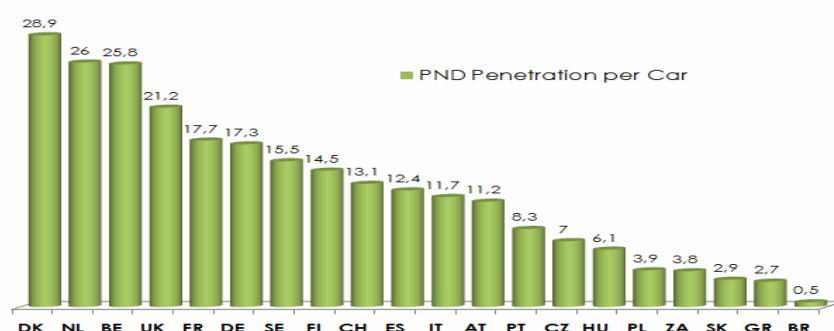
(total market of € 27.8 million)



Source: The Company & GFK

As it has been the case in most international markets, the demand for navigation related products is expected to sustain in Greece mainly from automakers and vehicle owners as well as from mobile phone users. With regard to the automotive market during this period, we expect navigation systems to become indispensable vehicle accessories. Price declines in future would be also attributed to the technological innovations and higher economies of scale on behalf of manufacturers / providers.

International per Car Penetration Rates



Source: The Company & GFK

The higher future demand for navigation systems domestically is expected to result from the following factors:

- Higher awareness of the advantages of modern automotive navigation systems;
- Improvement of the feature/performance-price ratio through simultaneous technological innovations and advances in real-time information delivery capabilities;
- Increased functionality such as in the case of the “MLS Talk & Drive Navigator”;
- Higher integration of navigation systems with telecommunication technologies.

At a more mature phase, probably between 5 and 10 years from now, 50% of all vehicle owners in Greece will have purchased –directly or indirectly– an automotive navigation system as compared to today’s penetration rate which stands at 1-2%.

The Market of Multimedia Titles

The market of multimedia titles in Greece is characterized by relatively limited growth compared to international standards. The demand for multimedia titles is determined by the following factors:

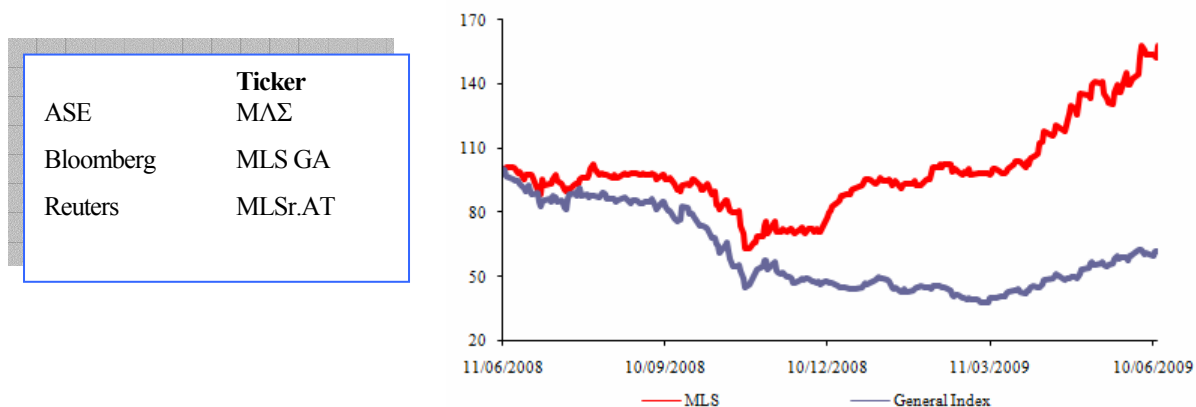
- The level of disposable income in the economy;
- The country's household PC penetration rate;
- The modernization progress of the country's education system and public sector in general.

For the last two points, Greece is currently behind the average levels of EU. However, the Greek state is subsidizing certain programs for the provision of PCs to students while it has introduced educational software for all subjects to the schools of the country.

Expectations for the demand of multimedia products over the next 5 years appear attractive as the Greek state seeks to modernize the educational system of the country and at the same time the penetration of PCs in households increases.

Although this market demonstrates a lower growth potential than the navigation market, it is closely related with the Company's ability to build on know-how and translate multimedia products into high profit margin services for the public and the private sector of Greece.

Share Price Performance vs. General Index (base=100)



	22 June 2009	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Price (in €)	€ 1.45						
Shares	12,417,000						
Market Capitaliz. (in €)	18,004,650						
EPS (in €)		0.15	0.20	0.26	0.31	0.35	0.38
Book Value / Share (x)		1.1	1.2	1.4	1.7	1.9	2.1
EV (in € thous.)		15.81	17.54	17.13	14.99	12.08	8.68
P/E (a.t.& m.i.)		9.89x	7.22x	5.65x	4.74x	4.14x	3.85x
P/BV		1.33x	1.17x	1.00x	0.87x	0.76x	0.68x
EV/EBITDA		3.78x	3.18x	2.57x	1.91x	1.35x	0.90x
EV/Sales		1.27x	1.05x	0.84x	0.62x	0.45x	0.30x
Dividend / Share (in €)		0.00	0.05	0.06	0.08	0.12	0.16
Dividend Yield		0.0%	3.3%	3.8%	5.3%	8.3%	11.2%

Source: VRS Estimates.

Valuation (DCF Methodology)

We have applied the DCF methodology which is the most widely accepted approach for corporate valuation and provides a greater depth of understanding of the Company's dynamics. We note that the DCF method incorporates best the Company's growth prospects over the next 5 years.

By projecting the Company's operating profits, and then adjusting for taxes, depreciation, capital expenditures and working capital, we end up with the future free cash flows to the firm. Discounting those cash flows with the weighted average cost of capital (the interest rate that weighs both own capital and debt employed by a company), we end up with the Company's enterprise value, also known as EV that equals with equity value (or market capitalization) plus debt minus cash.

Applying the above assumptions and factors, the fair value (EV minus debt plus cash as of December 2009) for the Company settles at €29.67 million or € 2.39 per share.

The following important assumptions have been made in the DCF model:

- Infinity weighted average cost of capital at 11.5% (based on a 0% debt to equity ratio with cost of equity and cost of debt assumed at 11.5% and 6.5% respectively),
- Cost of equity is based on risk free rate of 5.0%, risk premium of 5.0% and beta of 1.3x.
- Infinity Sales Growth of 1.5%,
- Infinity EBIT Margin of 19.2%.

Weighted Average Cost of Capital (WACC) Calculation

WACC CALCULATION	
Risk Free Rate	5.0%
Beta Factor	1.3
Market risk Premium	5.0%
Cost of Equity	11.5%
Debt / Debt + Equity	0.0%
Cost of Debt	6.5%
Tax Rate	25.0%
Weighted Average Cost of Capital	11.5%

Source: VRS Estimates.

Applying our projections in the DCF model, we end up with a fair value of €29.67 million or € 2.39 per share.

The table below demonstrates our assumptions and calculations.

	2009 E	2010 E	2011 E	2012 E	2013 E	L-Term Assumptions
Important Assumptions						
Growth Rate (Sales)	34.6%	22.1%	17.5%	12.9%	6.9%	1.5%
EBIT Margin	18.4%	19.1%	19.2%	19.4%	19.5%	19.2%
Tax Rate	15.0%	15.0%	15.0%	15.0%	15.0%	25.0%
Working Capital (% of sales)	13.7%	8.2%	5.8%	4.6%	2.8%	4.0%
Capex (% of sales)	22.7%	15.6%	10.5%	9.0%	8.5%	9.0%
WACC	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Depreciation (% of sales)	14.5%	13.6%	13.4%	13.7%	13.6%	9.0%
Cash Flow Statement (in € mn)						
Turnover	16.7	20.4	24.0	27.1	29.0	29.4
EBIT	3.1	3.9	4.6	5.3	5.6	5.6
Less: Adjusted Tax	0.4	0.6	0.7	0.8	0.8	0.9
Adjusted Operating Profit	2.6	3.3	3.9	4.5	4.8	4.7
Plus: Depreciation	2.4	2.8	3.2	3.7	3.9	2.6
Operating Cash Flow	5.1	6.1	7.2	8.2	8.8	7.4
Less: Change in Working Capital	2.3	1.7	1.4	1.2	0.8	1.2
Less: Capex	3.8	3.2	2.5	2.5	2.5	2.6
Cash Flow to the Firm (FCFF)	-1.0	1.2	3.2	4.5	5.5	3.6
Discount Factor	0.90	0.80	0.72	0.65	0.58	0.58
Present Value of Cash Flows	-0.90	0.99	2.33	2.92	3.20	
Accumulated Present Value	-0.90	0.09	2.42	5.34	8.54	
Residual Value						35.6
Present Value of Residual Value						20.7
VALUATION						
Enterprise Value	29.21					
% Residual Value of Total	70.8%					
Less: Net Debt	-0.46					
Value of firm (in € mn)	29.67					
Outstanding # of shares (000)	12,417					
Value of share (€)	2.39					

Source: VRS Estimates

The fair value implies a P/E ratio of 11.9x for the financial year 2009 and 9.3x for 2010 based on our projections.

The model's assumptions presume also the following conditions:

- The Company will undertake the public projects incorporated into our financial forecasts;
- Sustained demand for navigators with MLS maintaining its leading position;
- Continuous investments in new systems and / or updating of existing multimedia products;
- Ability to finance the long-term investment program.

Sensitivity Analysis

Our valuation incorporates a sensitivity analysis based on the discounted free cash flow method employing a discount rate in the range of 9.5% - 13.5% and a growth rate between 0.5% - 2.5%.

		WACC				
		9.5%	10.5%	11.5%	12.5%	13.5%
GROWTH	0.50%	2.56	2.45	2.22	2.04	1.88
	1.00%	2.86	2.55	2.30	2.10	1.94
	1.50%	3.00	2.66	€ 2.39	2.17	1.99
	2.00%	3.17	2.78	2.49	2.25	2.06
	2.50%	3.35	2.92	2.59	2.33	2.12

Source: VRS Estimates.

Financial Analysis

Profit & Loss Analysis

Turnover Analysis

During the period 2006-2008, the Company's turnover expanded by more than 240% outpacing ours and market's estimates. This growth is attributed to the rapid expansion of navigation systems, where MLS is the market leader, and the undertaking of large public projects related to technology and multimedia. This exceptional performance was also presented in bottom line results, with profit before tax reaching €1.8 million for the fiscal 2008 from €0.5 million losses in fiscal 2006, demonstrating a successful turnaround story. In the coming years, we believe that growth will sustain, but on a slower pace compared to past performance.

For the period 2008-2013, Group's turnover is expected to increase by approximately 18.4% on average annually, mostly attributed to:

1. **Navigation.** This division accounts for the majority of Company's turnover (84.8% for the fiscal 2008) presenting at the same time the highest growth rate (sales CAGR of 95.3% for the period 2006-2008, with volume growth of 140%). According to a study by Canalys, the market is expected to reach 250,000 pieces per annum in Greece by the end of the fiscal 2010. As noted previously, MLS is the leader in Greece constantly offering new devices and improving its software systems. For the next 5-year period, we assume that the Company will retain at least 43% market share in volume (for the first 3 months of the fiscal 2009 MLS holds 43% market share) resulting to an average annual volume growth of 16.8%. Assuming that selling prices will remain close to an average of €160 per set, total revenues from the sale of navigation products and services will grow on an average annual rate of 19.7%, reaching at the end of the fiscal 2013 €25.9 million.
2. **Public projects.** As of today, the Company has bid for public projects of € 9-10 mn in Greece and Cyprus (has undertaken about 40%), while in the coming 5 years, MLS is expected to bid for multimedia related state projects of at least € 5-10 mn. For the period 2009-2013, we have projected €500,000 per annum revenues for MLS from these public projects (assuming that MLS will undertake about 1/3 of the projects) based on its knowhow and its past track record.

3. **Multimedia.** The expansion of technology to public schools and education in general, is expected to increase the demand for MLS multimedia products. With regard to volume, we have assumed an average annual growth of 23.8% for lingual titles and 25.1% for educational titles with selling prices kept constant, producing an average annual growth of 29.2% of total multimedia sales for the period 2007-2012. **By the end of the fiscal 2013, we expect sales of at least € 2.4 mn from € 0.67 mn in 2008, representing about 8.3% of total sales.**

Cost of Sales Analysis

Gross profit margin is expected to range at the region of 45.8-46.2% during the period 2009-2013. With regard to the analysis of the cost of sales, our projections include the following assumptions:

- Inventories recognized as expense will double in line with total navigation volume sales;
- Payments to 3rd parties will also increase to € 0.6 mn from € 0.5 mn during the year 2008, as the Company assigns part of the large projects to outsourcers;
- A part of Company's expenses represent investment in software products recorded at completion as intangible asset and transferred to the relative account in assets.

Historic & Projected Cost of Sales Breakdown

(in € ,000)	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Inventories recognized as expense	2,877	6,639	8,931	10,787	12,594	14,197	15,148
y-o-y change	99.4%	130.7%	34.5%	20.8%	16.7%	12.7%	6.7%
Personnel payments and expenses	40.3	61.5	65.8	70.4	75.3	80.6	86.2
y-o-y change		52.4%	7.0%	7.0%	7.0%	7.0%	7.0%
Payments & other exp. to 3rd parties	478.4	527.6	554	582	593	611	629
y-o-y change	740.4%	10.3%	5.0%	5.0%	2.0%	3.0%	3.0%
Other expenses & services	35	75	86	90	92	96	98
y-o-y change	52.0%	117.5%	14.0%	5.0%	2.0%	5.0%	2.0%
MLS Production Expenses	-399	-560	-569	-480	-380	-368	-368
y-o-y change		40.5%	1.5%	-15.6%	-20.9%	-3.2%	0.0%
Total Cost of Sales	3,032	6,743	9,068	11,050	12,974	14,618	15,594
% of turnover	42.90%	54.24%	54.21%	54.08%	54.04%	53.93%	53.84%
y-o-y change	94.5%	122.4%	34.5%	21.9%	17.4%	12.7%	6.7%

Source: Company Data & VRS Projections.

EBITDA Analysis

EBITDA margin accounted for approximately 33.7% during the fiscal 2008, a level that is expected to slightly decline to 32.6-33.1% during the period 2009-2013, with EBITDA growing on an average annual rate of 18%. The EBITDA is affected by the following factors:

1. Gross margin is estimated to present tight fluctuation compared to 2008 levels;
2. For the period 2008-2013, the CAGR for administrative expenses will reach about 26.8%, for distribution expenses 16.2% and for R&D expenses 18.5%. The analysis for each expense category is presented in the tables below.
3. Once more, part of Company's expenses represent investment in software products recorded at completion as intangible asset and transferred to the relative account in assets.

Historic & Projected Administrative Expenses Breakdown

(in € ,000)	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Personnel payments and expenses	155.4	123.0	141.4	155.5	166.4	178.1	190.6
y-o-y change	20.0%	-20.9%	15.0%	10.0%	7.0%	7.0%	7.0%
Payments & other exp. to 3rd parties	312.0	352.0	528.0	601.9	656.1	715.2	765.2
y-o-y change	136.3%	12.8%	50.0%	14.0%	9.0%	9.0%	7.0%
Exceptional Non-Operating Expen.	172.2	62.3	50.0	50.0	50.0	50.0	50.0
y-o-y change	5.4%	-63.8%					
Other expenses	147	127	165	170	177	184	192
y-o-y change	91.8%	-13.6%	30.0%	3.0%	4.0%	4.0%	4.0%
MLS Production Expenses	-399	-373	-379	-320	-253	-245	-245
y-o-y change	36.7%	-6.3%	1.5%	-15.6%	-20.9%	-3.2%	0.0%
Administrative Expenses	388	291	506	658	797	882	952
% of turnover	5.49%	2.34%	3.02%	3.22%	3.32%	3.26%	3.29%
y-o-y change	84.9%	-25.0%	73.8%	30.1%	21.1%	10.8%	7.9%

Source: Company Data & VRS Projections.

Historic & Projected Distribution Expenses Breakdown

(in € ,000)	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Personnel payments and expenses	121.0	128.3	154.0	169.4	181.3	193.9	207.5
y-o-y change	12.1%	6.1%	20.0%	10.0%	7.0%	7.0%	7.0%
Payments & other exp. to 3rd parties	606.2	176.5	317.6	412.9	450.1	490.6	524.9
y-o-y change	30.2%	-70.9%	80.0%	30.0%	9.0%	9.0%	7.0%
Doubtfully debt provisions	0.0	10.0	10.5	11.0	11.6	12.2	12.8
y-o-y change							
Other expenses	113	463	579	660	726	799	879
y-o-y change	45.1%	310.6%	25.0%	14.0%	10.0%	10.0%	10.0%
MLS Production Expenses	-598	-70	-190	-160	-127	-123	-123
y-o-y change	36.7%	-88.3%	170.6%	-15.6%	-20.9%	-3.2%	0.0%
Selling, distribution expenses	242	708	872	1,094	1,243	1,373	1,502
% of turnover	3.43%	5.70%	5.21%	5.35%	5.18%	5.07%	5.18%
y-o-y change	-25.5%	192.4%	23.1%	25.5%	13.6%	10.5%	9.4%

Source: Company Data & VRS Projections.

Historic & Projected R&D Breakdown

(in € ,000)	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Personnel payments and expenses	161.3	302.0	483.3	507.4	517.6	527.9	538.5
y-o-y change	12.1%	87.2%	60.0%	5.0%	2.0%	2.0%	2.0%
Payments & other exp. to 3rd parties	624.0	1,206.3	1,218.3	1,169.6	1,129	1,174	1,232
y-o-y change	12.9%	93.3%	1.0%	-4.0%	-3.5%	4.0%	5.0%
Other expenses	139.9	393.7	403.6	407.6	411.7	415.8	420.0
y-o-y change	71.0%	181.4%	2.5%	1.0%	1.0%	1.0%	1.0%
MLS Production Expenses	-598	-1,330	-1,327	-1,119	-886	-858	-858
y-o-y change	2.5%	122.5%	-0.3%	-15.6%	-20.9%	-3.2%	0.0%
y-o-y growth	327	572	779	965	1,172	1,260	1,333
% of turnover	4.63%	4.60%	4.66%	4.73%	4.88%	4.66%	4.60%
y-o-y change	67.8%	74.6%	36.2%	24.0%	21.4%	7.5%	5.8%

Source: Company Data & VRS Projections.

Key Elements of Balance Sheet

CAPEX: The majority of investments refer to intangible assets in the form of product (software) development and account for employee and related expenses. For the period 2009-2013, MLS is expected to invest about € 11.2 mn for intangible assets (new product development as well as update and improvements of current products in navigation as well as multimedia markets).

In addition, the Company is currently under a €2.65 mn investment program that includes the purchase of land and the rise of its new offices in Technopolis Thessalonica. This investment is subsidized by the Greek Ministry of development.

Working Capital: With regard to current assets, inventory turnover ratio is calculated at 230 days (on average basis) during the period 2009-2013, from 601 at the end of the fiscal 2007 and 238 in fiscal 2008, following a more rapid delivery of public projects. A large part of inventories account for product development for large public projects. The delays on the delivery of these projects are caused from bureaucratic and other external factors that we believe will appear to a less extent in the coming years.

Debtor turnover ratio is expected to account for approximately 100 days during the period 2009-2013 from 111 days (on average basis) during 2007 and 82 days in 2008.

We have also estimated that creditor turnover ratio will decline to 150 days during the period 2009-2013 from 285 in 2007 and 175 days in fiscal 2008.

Bank Debt: The Company has no long term debt. The positive cash flows allow for financing all planned investments.

Dividend Policy: We assume that MLS will be distributing 25-35% of its net income every year for dividends. It can however make this policy more generous in future. At the AGM for the fiscal 2008 (June 24, 2009) shareholders are expected to decide for a share capital payback of € 0.04 per share instead of dividend distribution.

Historic & Projected Balance Sheet Ratios

	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Stock Days	601	238	230	230	230	230	230
Debtors Days	111	82	100	100	100	100	100
Creditors Days	285	172	160	150	150	150	150
Total Debt/ Total Equity	0.26	0.37	0.37	0.35	0.34	0.33	0.31
Bank Loans/ Total Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Ratio	3.08	2.24	2.18	2.41	2.76	3.15	3.57
Quick Ratio - Acid Ratio	1.51	1.36	1.18	1.30	1.60	1.95	2.35

Source: Company Data & VRS Projections.

Historic & Projected P&L Ratios

	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Profit Margins							
Gross Margin	57.10%	45.76%	45.79%	45.92%	45.96%	46.07%	46.16%
EBITDA Margin	43.61%	33.68%	32.95%	32.66%	32.61%	33.13%	33.11%
EBIT Margin	19.71%	17.80%	18.44%	19.09%	19.22%	19.44%	19.49%
Pre-tax profit margin	17.76%	15.34%	17.55%	18.36%	18.60%	18.88%	18.97%
Net Profit margin	12.78%	14.64%	14.92%	15.60%	15.81%	16.05%	16.13%
Cost Absorption & Sources							
Cost of sales on sales	42.90%	54.24%	54.21%	54.08%	54.04%	53.93%	53.84%
Administrative cost on sales	5.49%	2.34%	3.02%	3.22%	3.32%	3.26%	3.29%
Distribution cost on sales	3.43%	5.70%	5.21%	5.35%	5.18%	5.07%	5.18%
R&D Expenses on Sales	4.63%	4.60%	4.65%	4.73%	4.88%	4.65%	4.60%

Source: Company Data & VRS Projections.

3 Month 2009 Financial Results [Source: The Company.]

For the first 3 month period of the fiscal 2009, MLS reported 39.3% growth in turnover, and 46.5% growth in net income.

(in ,000 €)	2008	2009	Change
Turnover	2,465	3,433	39.3%
EBITDA	1,049	1,350	28.6%
EBITDA Margin	42.6%	39.3%	
EBT	613	825	34.6%
EBT Margin	24.9%	24.0%	
EAT	454	665	46.5%
EAT Margin	18.4%	19.4%	

Revenues from navigation systems represented about 93.6% of total turnover during the first 3months of the fiscal 2009 from 81.15% during the first 3months of the fiscal 2008.

(in ,000 €)	2008	2009	Change
Navigation Systems	2,000.1	3,221.4	61.1%
% of total	81.2%	93.6%	
Multimedia software	464.6	221.7	-52.3%
% of total	18.8%	6.4%	
Total	2,465	3,443	39.7%

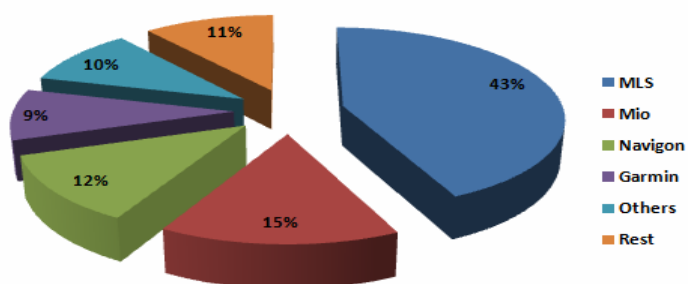
The 3month financial results present the sustainable growth of turnover and mostly of navigation systems' revenues. This trend is expected to remain for the whole fiscal 2009 and continue, but on a slower pace in the next 4 years.

With regard to market shares during the first 3months of the fiscal 2009, the Company managed to increase its share in navigation systems reaching 43% share in volume sales.

The tables below present the market shares distribution with regard to volume and value for the period January – March 2009.

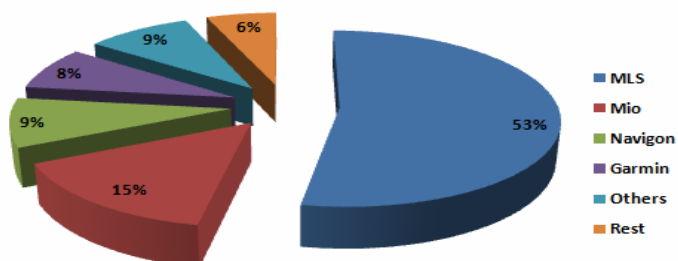
Volume sales for the period January – March 2009

(total market of 40,267 pieces)



Value sales for the period January – March 2009

(total market of € 7.5 million)



HISTORIC & PROJECTED PROFIT & LOSS ACCOUNT

(in ,000 €)	2006	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Turnover	3,643	7,068	12,431	16,727	20,432	24,008	27,104	28,965
y-o-y Change %	11.9%	94.0%	75.9%	34.6%	22.1%	17.5%	12.9%	6.9%
Cost of Sales	1,559	3,032	6,743	9,068	11,050	12,974	14,618	15,594
% of Turnover	42.8%	42.9%	54.2%	54.2%	54.1%	54.0%	53.9%	53.8%
y-o-y Change %	413.7%	94.5%	122.4%	34.5%	21.9%	17.4%	12.7%	6.7%
Total Gross Operating Results	2,084	4,036	5,688	7,659	9,382	11,034	12,486	13,371
Gross Operating Margin	57.2%	57.1%	45.8%	45.8%	45.9%	46.0%	46.1%	46.2%
y-o-y Change %	-29.4%	93.6%	41.0%	34.6%	22.5%	17.6%	13.2%	7.1%
Other operating income	73	4	69	8	8	8	8	8
Operating Expenses	730	958	1,571	2,156	2,717	3,212	3,516	3,787
% of Turnover	20.0%	13.6%	12.6%	12.9%	13.3%	13.4%	13.0%	13.1%
y-o-y Change %	50.9%	31.1%	64.0%	37.3%	26.0%	18.2%	9.5%	7.7%
EBITDA	1,427	3,082	4,186	5,511	6,673	7,830	8,978	9,591
EBITDA Margin	39.2%	43.6%	33.7%	32.9%	32.7%	32.6%	33.1%	33.1%
y-o-y Change %	-42.7%	116.0%	35.8%	31.6%	21.1%	17.3%	14.7%	6.8%
Depreciation	1,936	1,689	1,974	2,426	2,772	3,216	3,710	3,946
% of Turnover	53.1%	23.9%	15.9%	14.5%	13.6%	13.4%	13.7%	13.6%
EBIT	-509	1,393	2,212	3,085	3,900	4,615	5,268	5,645
% of Turnover	-14.0%	19.7%	17.8%	18.4%	19.1%	19.2%	19.4%	19.5%
y-o-y Change %	-200.3%	-373.6%	58.8%	39.5%	26.4%	18.3%	14.2%	7.2%
Net Financial Results	-65	-138	-306	-150	-150	-150	-150	-150
Net Results Before Taxes	-574	1,255	1,907	2,935	3,750	4,465	5,118	5,495
EBT Margin	-15.8%	17.8%	15.3%	17.5%	18.4%	18.6%	18.9%	19.0%
y-o-y Change %	-211.2%	-318.7%	51.9%	53.9%	27.8%	19.0%	14.6%	7.4%
Income Tax	-8	352	87	440	563	670	768	824
Effective Tax Rate	1.3%	28.0%	4.5%	15.0%	15.0%	15.0%	15.0%	15.0%
Net Results After Taxes	-567	904	1,820	2,495	3,188	3,795	4,351	4,671
EAT Margin	-15.6%	12.8%	14.6%	14.9%	15.6%	15.8%	16.1%	16.1%
y-o-y Change %	-237.2%	-259.5%	101.4%	37.1%	27.8%	19.0%	14.6%	7.4%
Proportion of Minority rights	-21.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Results (a.t.&m.i.)	-545	904	1,820	2,495	3,188	3,795	4,351	4,671
Net Margin	-15.0%	12.8%	14.6%	14.9%	15.6%	15.8%	16.1%	16.1%
y-o-y Change %	-232%	-266%	101.4%	37.1%	27.8%	19.0%	14.6%	7.4%

Source: Company Data & VRS Estimates.

HISTORIC & PROJECTED BALANCE SHEET

	2006	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Assets								
Total Intangible Assets	11,071	14,034	17,346	19,394	21,592	23,972	26,272	28,572
Accumulated depreciation	7,501	9,007	10,843	13,047	15,507	18,366	21,707	25,272
Total Net Intangible Assets	3,571	5,026	6,503	6,347	6,085	5,607	4,565	3,300
Tangible Assets	1,771	1,838	2,183	3,925	4,925	5,075	5,225	5,375
Accumulated depreciation	1,220	1,402	1,541	1,762	2,075	2,431	2,800	3,182
Total Net Tangible Assets	551	436	643	2,163	2,850	2,644	2,425	2,193
Financial & Other L-Term Assets	525	127	135	133	130	127	125	122
Total Fixed Assets	4,646	5,589	7,281	8,643	9,065	8,378	7,115	5,616
% Total Assets	34.52%	36.29%	39.31%	40.84%	37.42%	30.08%	22.66%	16.29%
Inventories	3,977	4,994	4,403	5,714	6,963	8,176	9,211	9,827
Debtors	1,803	2,158	2,788	4,583	5,598	6,578	7,426	7,936
Other Receivables	1,649	1,469	1,854	1,761	1,726	1,709	1,726	1,761
Cash in bank and at hand	1,385	1,189	2,196	460	872	3,011	5,926	9,327
Total Current Assets	8,813	9,810	11,240	12,518	15,159	19,474	24,289	28,849
% Total Assets	65.48%	63.71%	60.69%	59.16%	62.58%	69.92%	77.34%	83.71%
Total Assets	13,460	15,399	18,521	21,161	24,225	27,851	31,404	34,466
Equity & Liabilities								
Share capital	3,650	3,725	3,725	3,725	3,725	3,725	3,725	3,725
Share premium account	2,892	2,941	2,941	2,941	2,941	2,941	2,941	2,941
Reserves & Profit Carried Forward	4,625	5,542	6,841	8,752	11,268	14,123	17,015	19,718
Minority Rights	7	0	0	0	0	0	0	0
Total Capital & Reserves	11,173	12,209	13,507	15,418	17,934	20,789	23,682	26,385
% Total Equity & Liabilities	83.01%	79.29%	72.93%	72.86%	74.03%	74.64%	75.41%	76.55%
L-Term Bank Loans	0	0	0	0	0	0	0	0
Provisions for Staff Retirement	18	18	83	83	84	84	84	85
Deferred Tax Liabilities	1	0	0	0	0	0	0	0
Total L-Term Liabilities	19	18	83	83	84	84	84	85
Suppliers	971	2,364	3,183	3,975	4,541	5,332	6,007	6,409
Banks	3	0	0	0	0	0	0	0
Taxes-duties	-4	74	138	396	506	603	691	742
Sundry debtors	1,297	734	1,610	1,288	1,159	1,043	939	845
Total Current Liabilities	2,267	3,171	4,931	5,659	6,207	6,978	7,637	7,996
Total Liabilities	2,286	3,190	5,014	5,743	6,290	7,062	7,722	8,081
% Total Equity & Liabilities	16.99%	20.71%	27.07%	27.14%	25.97%	25.36%	24.59%	23.45%
Total Equity & Liabilities	13,460	15,399	18,521	21,161	24,225	27,851	31,404	34,466

Source: Company Data & VRS Estimates.

HISTORIC & PROJECTED CASH FLOW

(in € ,000)	2007	2008	2009 E	2010 E	2011 E	2012 E	2013 E
Profit after tax	904	1,820	2,495	3,188	3,795	4,351	4,671
Plus: Change of Depreciation	1,689	1,974	2,426	2,772	3,216	3,710	3,946
Gross Cash Flow	2,593	3,794	4,921	5,960	7,011	8,061	8,617
<u>Change in:</u>							
(-) Trade Debtors	354	630	1,795	1,015	980	848	510
(-) Inventory	1,018	-592	1,311	1,249	1,213	1,035	615
(-) Other Receivables	-179	385	-93	-35	-17	17	35
(+) Trade Creditors	1,392	820	792	566	791	675	401
(+) Liabilities for taxes	77	64	259	110	96	88	51
(+) Other Short - term liabilities	-562	876	-322	-129	-116	-104	-94
Change in Working Capital	-285	1,337	-2,285	-1,681	-1,404	-1,241	-802
Operating Cash Flow	2,307	5,131	2,635	4,279	5,607	6,819	7,816
<u>Change in:</u>							
(-) Intangible Assets	2,962	3,312	2,048	2,198	2,380	2,300	2,300
(-) Tangible Assets	67	345	1,742	1,000	150	150	150
(-) Other long - term receivables	-398	9	-3	-3	-3	-3	-2
(+) Other Long - term liabilities	-1	64	0	0	0	0	0
(+) Cons. diff./ Minority Interests	-7	0	0	0	0	0	0
Cash Flow from Investment	-2,639	-3,602	-3,787	-3,194	-2,527	-2,447	-2,447
Net Cash Flow Before Financing Activities	-331	1,529	-1,152	1,084	3,079	4,372	5,369
Increase in Share Capital	75	0	0	0	0	0	0
Increase in Share Premium Account	50	0	0	0	0	0	0
Net Change in Reserves	403	-35	0	0	0	0	0
Change in Long - Term Debt	0	0	0	0	0	0	0
Change in Short - Term Debt	-3	0	0	0	0	0	0
Dividends	389	487	584	672	940	1,458	1,968
Minority Interests on Profit	0	0	0	0	0	0	0
Net Cash Flow from Financing	135	-522	-584	-672	-940	-1,458	-1,968
Cash at Beginning	1,385	1,189	2,196	460	872	3,011	5,926
Change in Cash and Marketable Securities	-196	1,007	-1,736	413	2,139	2,915	3,401
Cash at End	1,189	2,196	460	872	3,011	5,926	9,327

Source: Company Data & VRS Estimates.

	Investment Risks / Concerns	Mitigating Factors / Important Notes
1	Revenues are characterized by high seasonality mainly in the periods of Christmas and Easter. This trend may create volatility in the Company's cash flows.	Over the past years, MLS has not witnessed any significant effect on cash flow due to seasonality. Furthermore the Company is debt free.
2	The Company's high investments in R&D might not necessarily translate into new commercially successful products.	The Company's track record demonstrates a satisfactory 'return on investment' rate in the majority of projects that have been carried out from an R&D stage.
3	Greece is characterized by a slower penetration rate in terms of home PC users. This trend affects the sales of multimedia titles negatively.	The introduction of multimedia titles in the country's educational system is expected to dramatically alter the current trend.
4	The Greek public sector is suffering from inefficiencies in expediting tenders for the introduction of multimedia titles in the country's educational system.	Greece must absorb the 3 rd part of the EU Cohesion Funds by the end of 2013.
5	The limited international activities so far imply larger if not exclusive dependence on the domestic market place.	The Management is currently targeting the Balkans and has already entered the Cyprus. The plan should translate into a greater contribution of international revenues to the total.
6	The Company is increasingly dependent on revenues from its navigation systems offered in the domestic market place.	Existing plans for more aggressive entrance in the mobile telephony market and geographic diversification are expected to alleviate this concern.
7	As it has occurred in several international markets, prices of navigation systems should continue dropping in line with strong competition, greater supply and product range enlargement.	Innovations made by the Company's R&D team and more aggressive branding –possibly via international partnerships– would decelerate such price trend.

Source: Valuation & Research Specialists, Company's Guidance

Notes

VALUATION & RESEARCH SPECIALISTS

Value Invest - www.valueinvest.gr

Investment Research & Analysis Journal - www.iraj.gr

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VRS Cautions on Forward-Looking Statements

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VRS Makes a Statement about Real Estate Market Risk

The real estate market is to a large extent cyclical and faces risks at a number of levels. Among others, the following factors tend to affect the demand and the ability of tenants to pay rent:

- Macroeconomic environment
- Level of supply
- Interest rates

Furthermore, the following factors are mainly, but not exclusively, accountable for the course of property values:

- Macroeconomic environment
- Corporate Earnings
- Interest rates
- Financing mechanisms offered
- Returns on other types of assets
- Legal and tax legislation

Please contact “ VALUATION & RESEARCH SPECIALISTS ” for further information on Equity Research Related Fees.

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Covered Company	Reuters	Price Close	Date of Price Close	Disclosure
MLS	MLSt.AT	€ 1.45	22 June 2009	2, 4, 6

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: no change has been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
6. VRS produces research reports for this company on demand basis.
7. VRS has produced a research report for this company within the past 12 months.

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