



MOTODYNAMICS S.A.

**ANNUAL FINANCIAL STATEMENTS
OF THE COMPANY & THE GROUP
FOR THE YEAR FROM JANUARY 1 TO DECEMBER 31, 2010**

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

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

The undersigned below, Messrs:

1. Odysseas Kyriakopoulos, Chairman of the Board of Directors
2. Sotirios Hatzikos, Managing Director, and
3. Ioannis Karkalemis, Board of Directors' member, especially nominated for this purpose by the Board of Directors' meeting today (23.03.2011)

STATE THAT

To the best of our knowledge:

1. The annual financial statements of the Company and the Group MOTODYNAMICS S.A. for the period from 01/01/10 through to 31/12/10, drawn up according to the applicable International Financial Reporting Standards, as adopted by the European Union, provide the true picture of the assets and liabilities, the net equity and the results of the Company, as well as of the companies included in the consolidation, considered as a total, pursuant to the provisions of article 4 of Law 3556/2007.

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

Aspropyrgos, March 23rd 2011

Kyriakopoulos Odysseas

Hatzikos Sotirios

Karkalemis Ioannis

BoD Chairman

Managing Director

BoD Member

ANNUAL REPORT
OF THE BOARD OF DIRECTORS FOR THE YEAR 1/1—31/12/2010

Dear Shareholders,

The Board of Directors' annual report regards the financial year 2010 (January 1st to December 31st 2010) and has been drawn up in accordance with the applicable provisions both of Codified Law No 2190/1920 (Article 107, par. 3, since the company draws consolidated financial statements), and of Law No 3556/2007 (par. 6, Article 4) and the implementing Decisions No 1/434/3-7-2007 and 7/448/11-10-2007 of the Capital Market Committee's Board of Directors.

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

1. MOTODIKTYO S.A. having its registered office in Greece and a participating interest of 100%
2. MOTODIKTYO VOREIOU ELLADOS S.A. having its registered office in Greece and a participating interest of 51%
3. MOTODYNAMICS SRL having its registered office in Romania and a participating interest of 100%
4. MOTODYNAMICS LTD having its registered office in Bulgaria and a participating interest of 100%

The Report is included as is, along with the Company and the Group's financial statements and the other data and statements required by law in the Annual Financial Report as of the year 2010.

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

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

In 2010, as a result of the financial slowdown, the consumer durables market, both in Greece as well as in foreign countries where the Group operates (Romania and Bulgaria), recorded a significant drop. The decrease in the Group's turnover was within overall market trends. During the year, significant actions for decreasing general expenses were taken. The outlook for 2011 and for as long as the financial downturn continues to adversely impact on consumer psychology, is that markets will have limited chances of an upturn. Expense reduction actions taken in 2010 will bear fruits in 2011. The optimization of the supply chain based on the new facilities and the further reduction in the general expenses will continue.

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

Turnover:

For the Group, the consolidated turnover in 2010 stood at € 48.0 m. compared to € 62.0 m. in 2009, presenting a 22.69% decrease. The parent company's turnover for the same period recorded a 25.52% decrease and stood at € 44.4 m. from € 59.6 m. in 2009.

EBITDA:

Earnings before interest, taxes, depreciation and amortization, as a percentage of the sales, on a consolidated basis, amounted to (0.88 %) compared to 1.6 % in 2009. The respective percentages for the parent company amounted to (0.61%) compared to 2.7% in the respective previous year's period.

Selling and Administrative Expenses:

In 2010, Group expenses amounted to € 11.7 m. compared to € 14.0 m. in 2009, presenting 16.75% decrease, reflecting the significant efforts made by the Group to cut expenses. Respectively, parent company expenses in 2010 amounted to € 9.8 m. compared to € 12.3 m. in the respective 2009 period, thus decreased by 20.17 % for exactly the same reason.

Profits before taxes:

The Group presented for the year 2010 a loss of € 1.793 m. compared to a loss of € 356 thousand in 2009. Respectively, the parent company presented a loss of € 1.410 m. compared to a loss of € 541 thousand in 2009.

Profits after taxes:

Profits after taxes of the Group presented a loss of € 1.653 m. compared to a loss of € 549 thousand in 2009. Profits after taxes of the parent company presented € 1.280 m. in losses, compared to € 823 thousand in losses during the corresponding period of 2009.

Discontinued Operations:

In view of the better and more efficient operation of the business segments of the Company and the Group, the Extraordinary General Meeting of 19/03/2010, following a proposal by the Board of Directors in 2009, approved the spin-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100%) trading under the name "MOTODIKTYO EMPORIA KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A." and the distinctive title "MOTODIKTYO S.A.", in accordance with the provisions of articles 1-5 of law 2166/93. Moreover, the 31st December 2009 was designated as the Transformation Balance Sheet date (of the accounting statements).

The official approval of the retail sales spin-off was approved by the competent authorities on 4 May 2010. However, the 31st December 2009 is considered the substantive spin-off date and therefore the retail sales results are not presented separately for 2010.

Current assets

The total current assets of the Group in 2010 amounted to € 23.2 m. compared to € 20.9 m. in the respective period in 2009. The 11.00% increase noted is mainly due to the increase in receivables and reserves. Respectively, for the same reasons, the Company's current assets increased by 11.41% and amounted to € 20.99 m. compared to € 18.84 m. in 2009.

Current liabilities:

Total current liabilities of the Group for 2010 amounted to € 14 m. compared to € 10.1 m. in the respective 2009 period, recording a 38.6% increase. The increase is mainly due to the transfer of € 4 m. regarding bonded loan instalments from the non-current to the current liabilities. At parent company level, in 2010, current liabilities amounted to € 13 m. compared to € 9.6 m. presenting a 35.4% increase, due to the same reasons as the Group.

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

During the financial year 2010, as well as after expiration thereof and until the date of drawing hereof, the following significant events have taken place:

1. In view of the better and more efficient operation of the business segments of the Company and the Group, the Extraordinary General Meeting of 19/03/2010, following a proposal by the Board of Directors approved the spin-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100%) trading under the name "MOTODIKTYO EMPORIA KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A." and the distinctive title "MOTODIKTYO S.A.", in accordance with the provisions of articles 1-5 of law 2166/93, while December 31st, 2009 was designated the Transformation Balance Sheet date (of the accounting statements). The spin-off of the division was approved by the competent authorities on May 4th, 2010.

2. On April 23rd, 2010, the Ordinary General Shareholders' Meeting of the Company convened and approved the annual Financial Statements of the Company and the Group for the financial year 1.1.2009-31.12.2009, the Directors' Report, the Audit Report drafted by the Certified Auditor, the release of the BoD members and the auditors from all liability, the election of new ones for the year from 1.1.2010 to 31.12.2010, the non-distribution of dividends, the approval of the remuneration to be paid to the BoD members (as per article 24, par. 2, of Law 2190/20) and the extension of the Company's treasury share acquisition plan.

3. On 16 June 2010, the Board of Directors approved the merger of its 100% subsidiary MOTODYNAMIKI INSURANCE BROKERAGE SA and the distinctive title MOTODYNAMIKI INSURANCE BROKERAGE SA, by absorption of the latter by the Company, in accordance with the provisions of articles 78 and 69-77 of Codified Law 2190/20 and articles 1-5 of Law 2166/1993, according to the transformation balance sheet of 30 June 2010. The merger was approved by the competent authorities on December 30th, 2010.

4. By decision of the Extraordinary General Meeting dated October 26th, 2010, the following were determined: That 130.000 treasury shares acquired in the context of the treasury share acquisition plan decided upon by the Ordinary General Shareholders' Meeting decision dated 23.04.2010, in conjunction with the General Meeting decision dated 30.05.2008, would be cancelled. This entailed decrease in the Company's (paid-up) share capital by € 76.700, which corresponds to the nominal value of the 130.000 treasury shares of the Company that were cancelled. The amount of € 169.234 that occurs from the difference between the average acquisition value and the nominal value of such shares shall decrease the "Share Premium" account.

That the Company's share capital would be increased by € 3.835,000 by cash payment and issue of 6.500.000 new common registered shares, of nominal value of € 0.59 each, with pre-emptive rights in favour of the old shareholders, at a selling price of € 0.60 per share. Athens Stock Exchange approved the admission of the Company's new shares for trading on 31/12/2010 and their trading commenced on 07/01/2011.

Finally, the Company's share capital stood, on December 31st, 2010, to € 6.785.000,00, consisting of 11.500.000 common registered shares, each of € 0.59 nominal value.

The share capital increase costs amounted to € 177.315,00, which is presented as a deduction in the "Share Premium" account.

5. The Company announced to the investors that it signed, on 15/2/2011, a binding Memorandum of Cooperation with Porsche AG, according to which the Company undertakes the agency and distribution of Porsche automobiles in Greece. The final contract is expected to be signed within two months, upon completion of the infrastructures to accommodate this new business.

3) Corporate Governance Statement

Introduction

"Corporate Governance" is the regulatory framework that describes how companies are managed and controlled. In Greece, in particular, the corporate governance framework has been developed mainly through the adoption of mandatory rules, such as Law 3016/2002, imposing the participation of non-executive and independent executive members in the Board of Directors of Greek companies whose shares are traded on an organized stock exchange market, the establishment and operation of an internal audit unit and the adoption of internal rules of operation. Moreover, other more recent statutes incorporated into the Greek law European Directives on corporate law, creating new corporate governance rules, such as Law 3693/2008, which provides for the constitution of audit committees, as well as important publicity obligations as regards the ownership status and the governance of a company, and Law 3884/2010, which regards shareholders' rights and additional corporate obligations of notification to the shareholders while organizing a general meeting. Last but not least, the recent Law 3873/2010 integrated into the Greek law order EU Directive No 2006/46/EC, thus serving as a reminder of the need to establish a Corporate Governance Code.

The Company, in compliance with the requirements and arrangements of the aforementioned legislative texts, has established and complies with high corporate governance standards, with a view to ensure transparency in its financial management and operation, to increase its creditworthiness and its business prestige and, on the long-term, to increase the value of its stock. MOTODYNAMICS S.A. approved, by the

Board of Directors' decision dated 23/03/2011, the Company's Corporate Governance Code that, as from the date of its approval, is posted on www.yamaha-motor.gr.

By this statement, the Company declares that it applies, strictly and without derogations, the Greek law provisions (Codified Law 2190/1920, Law 3016/2002 and Law 3693/2008), which provide for the minimum requirements that any Corporate Governance Code applied by a Company whose shares are traded on an organized market must meet.

With regard to the said additional practices and principles, there are, for the time being, certain deviations (including cases of non-application), which are briefly analyzed below, along with an explanation of the reasons justifying them.

A) The Board of Directors & its operation

Pursuant to Law 3016/2002, the Board of Directors consists of eleven (11) members, three (3) executive members, three (3) non-executive members and five (5) independent, non-executive members. The Board of Directors' members are elected by the General Shareholders' Meeting for a three-year term of office, which is prolonged until the expiry of the period during which the immediately following ordinary General Meeting must convene. The current Board of Directors was elected by the Extraordinary General Shareholders' Meeting dated 25-6-2008, due to expiry of the term of office of the previous BoD, with a term of office expiring on 25-6-2011, being able to be automatically prolonged until the immediately following Ordinary General Meeting is convened.

Executive members are the Managing Director and the managers of the Group "S&B INDUSTRIAL MINERALS S.A.", an affiliate company, which have undertaken the Company's management.

The non-executive members are the majority of the BoD and have undertaken to supervise corporate activities. They are selected among noted professionals of the entrepreneurial and academic world, having domestic and international experience, chosen based on their educational level and their social status. Therefore, these members can, presumably, have an impartial and global opinion and express objective views on the corporate affairs. There is no committee proposing candidacies for the BoD, since, due to the structure and operation of the Company, the specific committee is not regarded as necessary for the time being.

The Board of Directors convenes at least seven times a year based on a schedule communicated to the members at the beginning of the year. The role of a secretary accurately recording the BoD meetings is undertaken by the Company's Legal Consultant, as the case may be.

Information about the Board of Directors' members:

Odysseas Kyriakopoulos, Chairman of the Board of Directors

He studied Mining Engineering at Montanuniversitaet Loeben in Austria and at the University of Newcastle-Upon-Tyne in England. He received his M.B.A. at the European Institute of Business Administration (INSEAD) in Fontainebleau, France. He is a member of the General Council of Bank of Greece. He is a member of the Board of Lamda Development S.A., a member of the Board of J. Boutaris & Son Holding S.A. and Lavipharm S.A., a Chairman of the Federation of Greek Industries and Vice Chairman of Business Europe (UNICE). From 1979 to date, he works for S&B Industrial Minerals S.A., holding the position of the Chairman of the BoD.

Konstantinos Kapagiannidis, Vice Chairman of the Board of Directors

He studied Mechanical Engineering at the University of Karlsruhe and Management at the REFA institute in Germany.. He has been with the Group of "S&B Industrial Minerals S.A." since 1989, as a General Director of the Bentonite Business Unit from 1990 to 1994. Then, he assumed the role of the Managing Director of the Group's commercial companies, ELIOPOULOS BROTHERS S.A. and KIA MOTORS HELLAS S.A. from 1995 to 1997 and, then, Managing Director / General Manager of MOTODYNAMICS S.A. from 1998 to 2007. Since January 2008, he has undertaken the position of the Executive Vice Chairman of the Board of Directors of MOTODYNAMICS S.A. In 2008, he resumed responsibilities at S&B as General Manager of the newly-created Geothermal Division.

Michael Karamichas, Deputy Vice Chairman of the Board of Directors

He studied Chemical Engineering (B.A.Sc.) at the University of British Columbia in Canada. He has served as General Manager of the ESSO PAPPAS refinery, General Manager of MOTOR OIL HELLAS refinery, Managing Director of the Hellenic Aluminum Industry S.A. and Managing Director of EKO S.A. From 1993 to the end of 2004, he was Executive Director of the S&B INDUSTRIAL Minerals S.A. From 2005 to July 2009, he was Vice Chairman of DEPA S.A.

Sotirios Hatzikos, Managing Director

He graduated from the Aristotle University of Thessaloniki with honours in Economics and Business Administration. He holds a Master in Business Administration from the Manchester Business School. From January 1st, 2008, he has undertaken the position of Managing Director in MOTODYNAMICS S.A. From 1994 to 2007, he was working for S&B INDUSTRIAL MINERALS S.A., where his initial duty was as Assistant Financial Director and his last assignment was as Financial Director of the Group. In the past, he has worked in England for the industrial air multinational group of companies AIR PRODUCTS as a Manager, European Treasury Operations. He had further been teaching «Mergers and Acquisitions» in the Professional MBA of Athens Laboratory of Business Administration (ALBA) for many years.

Ioannis Karkalemis, Non-Executive Member of the Board of Directors

He studied Economics, Commercial Sciences and Law at the Athens University and Commercial Sciences in Egypt. He is a member of the BoD of the "Hellenic Institute of Certified Auditors". He is Director of MOTODYNAMICS LTD, in Sofia, Bulgaria, of Greek American Exploration

Ltd. (GRAMEX) in Sofia, Bulgaria, and of GRAMEX SRL, Bucharest, Romania. Since 1968 he has been with “S&B Industrial Minerals S.A” in the capacity of Tax Counsellor to the Group of “S&B” companies.

Stratis Papaefstratiou, Non-Executive Member of the Board of Directors

He obtained his B.A in Economics from Yale University in 1970 and his MBA from Columbia University in 1972. In 1971, he worked for the American Express International Banking Corp. and, between 1972 and 1979, for J.P Morgan, initially in the Mediterranean Europe sector, where he specialized in loans to governments and major organizations, and then in the Africa Sector as Assistant Vice President. He then worked for the Bank of Greece between 1979 and 1984 as Administration Advisor, responsible for safeguarding and managing the country’s external debt, as well as for establishing the first free foreign currency market. He also served as Deputy Governor and President /Non-Executive Member of the Board of Directors of the ETBA Bank (1984-1987) and as Chief Financial Officer and Director of Corporate Relations in the Group of S&B Industrial Minerals S.A (1989-to date). Today, he is Manager of the Real Estate Business Activities of the S&B Group.

Dr. George I. Avlonitis, Independent Non-Executive Member of the Board of Directors

He studied at the Higher School of Industrial Studies of Piraeus and, then, attended post-graduate studies in Great Britain, where he successively obtained a Diploma in Management Studies, a Master in Business Organization and Administration from the University of Aston and a Ph.D from the Marketing Department of the Strathclyde University. He has served as consultant for Marketing Strategy and Sales Management in more than 50 Greek Companies and Organizations. He has presented various papers in U.S.A., Canada and Europe and has published more than 90 articles in international conference proceedings and scientific journals of Marketing. He has served as Vice-President of the European Marketing Academy, he is a member of the Editorial Review Board, an elected Fellow of the Chartered Institute of Marketing and Chairman of the Greek Marketing Academy. He is a professor of Marketing in the Athens University of Economics and Business and Director of the Executive Postgraduate Program “Marketing and Communication with New Technologies”.

Lefkothea Varangi – Independent Non-Executive Member of the Board of Directors

She studied agricultural economics in England. She worked for VARANGIS AVEPE furniture company in the retail department having the supervision of the After Sales Service department.. For two years she was on the board of directors. In 1985 she started ENDYMATOPITIKI S.A., a company that designed, produced and sold directly to its own stores men’s wear with the trade name THE BOSTONIANS. When SPORTSMAN undertook the distribution of THE BOSTONIANS brand nationwide; as a member of the Board of Directors, she remained on the retail, for other brands as well. Today she is with NOTOS COM in the team that works for the expansion of the network of company-owned stores in the Balkans, namely Romania and Skopje. For Greece, she continues managing company stores and her work focuses in stores that are operating in shopping malls.

Fotini Karageorgi, Independent Non-Executive Member of the Board of Directors

She has a degree in Political & Economic Sciences from the University of Athens and a Master in Business Administration from London Business School in England. She started her carrier in Marketing at Procter & Gamble. For many years, she held the position of Marketing Director at United Distillers and, then, the one of Marketing & International Relations Director at the Boutaris Group. From 1995 until 2003, she was Regional Managing Director at Hasbro S.A, a worldwide leading company in children’s toys and games, having under her supervision the regions of Greece, Cyprus, Turkey, India, Africa and emerging markets. In 2003, she founded Giochi Preziosi Hellas, where she is a Shareholder and Managing Director. Giochi Preziosi Hellas is a member of the biggest European group of companies in children’s products and toys and distributes in Greece, Turkey and Cyprus a variety of popular brands such as Little Tikes, Gormiti, Ben Ten, Bakugan, Hello Kitty, Hannah Montana, Winx and many more.

Paul Lascaris – Independent Non-Executive Member of the Board of Directors

He is a member of the BoD of LAMDA S.A. that distributes FIAT, ALFA ROMEO, LANCIA, TOYOTA, HYUNDAI, KIA MOTORS and RENAULT-branded automobiles at the northern area of Athens. His long professional history in the Greek automobile market began in 1970 at AKMIS S.A., at the time distributor of the French car manufacturer SIMCA. In 1975, he was assigned as Parts Manager at FIAT-PANHELLAS S.A. and, in 1978, he served as Managing Director of AUTOTECHNICA S.A. a FIAT-PANHELLAS S.A group affiliate. From 1980 to 1985, he served as Co-Managing Director in FIAT-PANELLAS S.A. In 1985, he became Vice President and Executive Director of MAVA S.A., the RENAULT representative in Greece.

In 1994-1995, he was involved as an advisor for the launching of KIA MOTOR HELLAS automobiles in Greece. Since 1980, he has been elected continuously as a member of the Automobile Representatives Association. During that period, he serves as a Treasurer of such Association. Since 1986, he has been writing in the auto press, initially in the magazine “Auto Express” and, from 1992, in the monthly magazine “4 Wheels”.

Ioannis Tavoularis – Independent Non-Executive Member of the Board of Directors

He holds a Master in Political Sciences from the Boston University. He also holds BS in Financial Sciences from the Bentley University. He is Vice President of NEORION HOLDINGS S.A. since 1994, a Managing Director of Elefsis Shipyards since 1997, Vice President of Neorion Syros Shipyards since 2002, a member of the Board of Directors of MOTODYNAMICS since 2007, a member of the Social Affairs Committee (SAC) (EU) since 2005 and a member of the AeroSpace and Defence Industries Association of Europe (ASD) since 2005. He had also served as member of the Board of Directors of the Federation of Greek Industries from 2002 to 2008 and a member of the Professional Chamber of the Enterprise Policy Group (EPG) (E.U.) from 2003 until 2007.

To ensure the more effective operation of the Board of Directors, without, though, disturbing its cohesion, the following Supervisory Committees have been established and operating and report to the BoD as a collective body.

1) Audit Committee:

With a view to support the Board of Directors' work relating to the execution of its supervisory tasks concerning:

- Overview of the financial statements (annual and interim) before their final approval by the BoD.
- Company's adaptation to the relevant applicable legislation as the case may be.
- Supervision and evaluation of the Company's internal and external audit to ensure the quality and independence of the auditing work.

Following the entry into force of Law 3693/2008 (article 37, par. 1), every "entity of public interest", namely every organization governed by the law of a Member State that trades its transferable securities on an organized market of any Member State, must establish and maintain an Audit Committee.

The Company's Audit Committee consists of 3 to 5 members.

Following the entry into force of Law 3693/2008, article 37, par. 1, it consists of at least two non-executive members and one independent non-executive member of the BoD.

The Audit Committee members are mandatorily appointed by the General Meeting (as per Law 3693/2008).

The Committee convenes at least four (4) times a year, before and at the time of the issue of the annual, semi-annual and quarterly financial statements. Moreover, it may also hold extraordinary meetings, whenever required. The Committee convenes following invitation by its Chairman. An agenda is drafted for the meetings, containing the necessary information so that the Committee members are prepared and informed. The members are obliged to attend all meetings. No participation via proxy is allowed. Decisions are adopted at the absolute majority of those present. In case of halved votes, the Chairman has a casting vote. Members of the Management, employees conducting the Company's internal or external audit, as well as any other executives regarded as necessary by the Committee, may be invited and participate at the Committee's meetings, without voting rights. The Chairman of the Committee communicates the minutes of the meetings to the BoD. The Audit Committee members have knowledge and experience in financial, accounting or audit matters and are also familiar with the Group's business object. The term of office of the Audit Committee is correlated to that of the BoD and its members may be entitled to be paid a special fee. Its amount is determined by decisions of the Company's General Meeting and BoD.

The committee's main competences are as follows:

- To monitor the financial reporting process (competence based on Law 3693/2008);
- To review the application of the recommendations and proposals of the internal and external auditors by the executive management;
- To monitor the course of the mandatory audit on the individual and consolidated financial statements (competence as per Law 3693/2008);
- To review the accuracy, reliability and completeness of the annual and interim (semi-annual and quarterly) financial statements, as provided for by the Capital Market Commission decisions and the applicable law, and to make proposals on their publication;
- To assess the external auditors, to ensure their independence, qualifications and the quality of their audit, to make a relevant proposal to the BoD concerning the continuation or termination of the Company's cooperation with them;
- To monitor the effective operation of the internal audit system and the risk management system (competence as per Law 3693/2008);
- To assess the work of the internal audit, to take into account the opinion of the executive management and the external auditors concerning the internal audit's effectiveness;
- To examine the findings of the internal audit and to report to the BoD as per Law 3016/2002;
- To examine any findings of audits conducted by national regulatory authorities;
- To ensure the parade of external auditors, as required by the applicable law;
- To ensure the unimpeded operation of the Company's internal audit, to supervise its activities, to provide directions, to ensure that the internal audit plan covers the main business risk sectors; to ensure the coordination between the internal audit and the external auditors;
- To (regularly) inform the BoD about its activities;
- To examine and underline any lacks in the audit systems and the relevant methodology applied by the Company and the Group, based on the findings of the internal audit report;
- To examine the Company's compliance with its legal obligations and the strict application of the Principles and Procedures of the Group's Corporate Governance System, to recommend to the BoD any modification required;
- To overview the Company's policies and practices and to identify, assess and manage risks; to inform the Management;
- To make proposals on the selection of external auditors, the setting of their remuneration and their release;
- To overview and monitor issues pertinent to the existence and preservation of the impartiality and independence of the statutory auditor or auditing firm (competence as per Law 3693/2008).

2. Remuneration Committee

With a view to submit proposals to the BoD regarding the remuneration system for retaining and attracting the appropriate staff of the Company. The Committee consists of 3 to 5 members, executive, non-executive or independent non-executive members. It convenes on a regular basis once a year and, on extraordinary occasions, whenever required, following invitation by its Chairman. An agenda is drawn up for the meeting containing the necessary information so that the Committee members are prepared and informed. The members are obliged to be present at all meetings and no participation via proxy is allowed. The decisions are adopted at the absolute majority of those present, while, in case of halved votes, the Chairman has a casting vote.

The Managing Director or other company executives, as to be decided by the Committee, may be invited and participate at the Committee meetings, without any voting rights. The Committee Chairman communicates the minutes of the meetings to the BoD. The Committee's tenure is correlated to the BoD tenure.

Main competences – obligations:

- To submit proposals to the BoD concerning the remunerations to be paid to the managers.
- To submit proposals to the BoD regarding the general remuneration policy applicable to the Group staff.

The Managing Director has a absolutely specific role and performs the competences assigned by the Board of Directors of the Company.

The Managing Director reports to the Company's Board of Directors and also holds the position of the General Manager.

The Directors, the individual Divisions and Services that report to the Managing Director – General Manager of the Company are as follows:

- Sales Director

- Marketing Director
- Retail Market Director
- Technical Director
- Group Finance Director
- Human Resources Director
- IT Director

B) The role of the Managing Director is described below:

He reports to the Company's Board of Directors. He draws the business and operational strategy of the Group and recommends it to the Board of Directors. He undertakes the total supervision and administration of the Group activities and functions and sees to the effective development and management of the available financial and human resources. He also handles the relations between the Group and its shareholders, investors, partners and the state authorities, ensuring protection of the Group's interests and the continuous improvement of its image.

The main competences of the Managing Director are briefly as follows:

- He draws and implements the long-term strategy of the company and the Group "MOTODYNAMICS" so as to achieve the main missions, to protect the shareholders' interests and to ensure the profitable growth of the Group in the domestic and the European market.
- He reports the financial results to the Board of Directors. He proposes new entrepreneurial opportunities to the competent statutory bodies, to ensure the Company's penetration into new markets and the Group's profitable growth.
- He sees to the realization of the Company's annual targets, by managing its divisions, ensuring their effective and efficient operation and the alignment of their individual targets to those of the "MOTODYNAMICS" Group.
- He assesses the overall effectiveness of the Group, checks the Effectiveness – Efficiency relation of the existing functions, undertakes the responsibility for examining and processing Organizational and Operating issues.
- He develops and manages relations with third parties (suppliers, clients, partners – dealers etc.) with a view to promote Group interests.
- He ensures the lawful operation of the Company, as well as the strict compliance with all policies and internal rules of operations of the "MOTODYNAMICS" Group.
- He assesses and values the effectiveness of the Company managers based on the strategic targets and the results of the Company, in total, and each unit, individually.

As to the duties and behavior of the Board of Directors' members:

- a. The Board of Directors' members and any third person who has been assigned with competences by the Board of Directors, as well as the Company Managers, are not allowed to pursue own interests contrary to the Company interests.
- b. The Board of Directors' members and any third person who has been assigned with competences by the Board of Directors, as well as the Company Managers, must disclose in time to the other members of the Board of Directors their own interests, which may occur from Company transactions falling under their scope of responsibility, as well as any other conflict of own interests with those of the Company or its affiliates, in the meaning of Article 42e, par. 5, of Codified Law 2190/1920, arising at the exercise of their duties.
- c. The Board of Directors' members, by a written statement to the Chairman or by a statement to be recorded in the minutes of the Board of Directors' meeting, must report to the BoD any form of conflict of their own interests with those of other companies, include the interests of the Group of companies where they belong, as well as with the interests that may arise from significant transactions of the Company they receive knowledge of. The BoD members must notify the BoD of their intentions to carry out significant transactions and economic activities related to the Company, as well as with main clients or suppliers of the Company.
- d. Any further treatment, which may include abstention from the discussion or abstention from the voting, falls upon the Chairman of the BoD.
- e. Individuals having undertaken managerial competences at the Group "S&B INDUSTRIAL MINERALS S.A." must notify the BoD, through the Internal Audit Division, of their intention to carry out significant transactions and economic activities that are related to the Company, as well as the Company's main clients or suppliers.

It is not obligatory to organize meetings, on a regular basis, between the BoD Chairman and the non-executive members of the BoD, without the presence of the executive members, with a view to discuss upon the performance and the remunerations of the latter, since all issues are discussed in the presence of all members.

There is no provision for any introduction programmes for the new BoD members or for the continuous vocational training and education of the other members, since individuals having adequate and proven experience and organizational administrative capacities are proposed for election.

C) Internal Audit and Risk Management System

Particular importance is given by the Board of Directors to the internal audit and risk management systems, which the BoD is responsible for and which are monitored, among others, through the drafting of periodical reports on their functioning.

The BoD is responsible for the identification, assessment and monitoring of the risks the Company is confronted with, as well as their management. In addition to the periodical reviews regarding risk management, the Board of Directors also receives information from the executive members concerning the existence of serious control issues, accidents or incidents, new or old ones, which may have significant financial and business consequences.

The Company features an Internal Audit Unit.

It is supervised by the Audit Committee and reports to a manager.

The head of the Internal Audit Unit, pursuant to article 7 of Law 3016/2002 and article 4 of the Capital Market Commission decision no. 5/204/14.11.2000, is independent at the exercise of his duties and is appointed by the Company's Board of Directors. The internal auditor is entitled to receive knowledge of any log, document, file, banking account or portfolio of the Company and have access to any service of the Company. The Board of Directors' members must cooperate with and provide information to the Internal Auditor and, in general, facilitate, in any way, his work. The Company's management must provide the Internal Auditor with all necessary means to facilitate his work.

As per article 8 of Law 3016/2002, the Internal Audit Unit has the following competences:

- a. It monitors the application and continuous compliance with the Internal Rules of Operations and the Articles of Association of the Company, as well as the legislation, in general, that applies to the Company and, in particular, the legislation on sociétés anonymes, the capital market and the money market.
 - b. It reports to the Company's Board of Directors cases of conflict of the private interests of the Company's managers or BoD members with the Company interests, which it receives knowledge of while exercising its duties.
 - c. It informs, in writing, at least quarterly, the Board of Directors about the audit carried out (by them) and attends the General Shareholders' Meetings.
 - d. It provides, following approval by the Company's BoD, any information is requested in writing by the Supervisory Authorities, cooperates with them and facilitates, in any possible way, their monitoring, auditing and supervision work.
- The competences of the internal audit unit also include, as per article 4 of the Capital Market Commission decision 5/204/2000, the following:
- a. Review of the compliance with the obligations provided for in the Capital Market Commission decision 5/204/2000.
 - b. Review of the compliance with the commitments included in the Company's information bulletins and business plans regarding the use of the funds drawn from the exchange market.
 - c. Review of the legality of the remunerations and any type of benefits to the managers with regard to the decisions of the competent bodies of the Company.
 - d. Review of the Company's relations and transactions with its affiliates, in the meaning of article 42e, par. 5, of Codified Law 2190/1920, as well as the Company's relations with companies in the capital of which members of the Company's BoD or Company shareholders participate by at least 10%.

Managing the risks of the Company and the Group in relation to the procedure applied for drafting the financial statements (company and consolidated).

The Group has invested in the development and maintenance of advanced computerized infrastructures ensuring, through a series of safeguards, the correct presentation of the financial figures. In addition, the breakdown of the results covers everything related to the Company's business, while comparisons are made between actual, past and budgeted income statements, with adequately detailed explanation of all significant deviations.

The financial statements (semi-annual and annual ones) are reviewed and audited by external auditors, respectively.

The budgeting & forecasting procedure is controlled and approved by the Board of Directors. In the context of its auditing work, the BoD Audit Committee provides the reasons for any budget/ forecast deviations, examines the provisions and the method to ensure the Company's liquidity. Moreover, it meets at least twice a year with the external auditors, whom it receives information from.

Group functions are governed by a regulatory framework that is expressed through the existence of approved policies & procedures, such as, indicatively, rules on procurement, staff appointment and dismissal, sales policy etc. The internal audit unit carries out audits to ascertain whether there is compliance with the aforementioned procedures.

This Corporate Governance Statement is integral and special part of the annual Report of the Company's Board of Directors.

4) Main risks and uncertainties

Financial Risk Management:

Interest Rate Risk:

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

Foreign Exchange Risks:

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

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

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

Liquidity Risk:

The parent and its subsidiaries meet their obligation to suppliers and banks in a prompt and timely manner, and no past due obligations exist. Motodynamics possesses sufficient creditworthiness, as shown by the overall credit limits available to the company, which, as of December 31st

2010, amounted to € 22.7 m. on a separate level and €23.35 m. on a consolidated basis. Out of these amounts, 24.37% has been used for the Company and 27.13% for the Group.

Capital Risk :

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

Credit risk:

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

5) Significant transactions between the issuer and its associates

Transactions with subsidiaries

Transactions with subsidiaries (sales of merchandise and provision of services) are carried out within the Company's normal business operations. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31st, 2010 there are no pending guarantees or any other commitments of Motodynamics towards and from its subsidiaries. The Company's Management does not deem that a provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

The breakdown of transactions (sales of merchandises and provision of services) and Company balance with the above mentioned subsidiaries, in which it holds a participating interest, as well as the breakdown of transactions among the subsidiaries are presented below.

	COMPANY	
	December 31st 2010	December 31st 2009
Sale of goods and services		
Motodiktyo S.A.	2.885.788,18	1.349.379,37
Motodiktyo N.G. S.A.	495.632,42	850.457,02
Motodynamics Ltd.	358.333,15	469.167,51
Motodynamics Srl.	518.004,19	817.339,61
Motodynamics Insurance Brokerage S.A.	-	777,12
	4.257.757,94	3.487.120,63
Purchases of goods and services		
Motodiktyo S.A.	119.982,98	1.722,40
Motodiktyo N.G. S.A.	2.128,20	1.192,30
Motodynamics Ltd.	8.529,54	14.742,05
Motodynamics Srl.	10.852,68	183.093,64
	141.493,40	200.750,39
Receivables		
Motodiktyo S.A.	208.062,88	759.886,53
Motodiktyo N.G. S.A.	37.554,74	217.484,37
Motodynamics Ltd.	1.743,54	1.888,37
Motodynamics Srl.	219.392,92	411.477,72
Motodynamics Insurance Brokerage S.A.	-	982,80
	466.754,08	1.391.719,79
Liabilities		
Motodiktyo S.A.	43.109,43	791,59
Motodiktyo N.G. S.A.	863,60	226,46
Motodynamics Srl.	2.877,73	2.397,79
	46.850,76	3.415,84

	Motodynamics Ltd.		Motodynamics Srl.	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Sale of goods and services				
Motodynamics Srl	45.091,00	19.811,00	-	-
Motodynamics Ltd.	-	-	12.527,00	-
	45.091,00	19.811,00	12.527,00	-
Purchases of goods and services				
Motodynamics Srl	12.527,00	-	-	-
Motodynamics Ltd.	-	-	45.091,00	19.811,00
	12.527,00	-	45.091,00	19.811,00
Receivables				
Motodynamics Srl	-	7.546,00	-	-
	-	7.546,00	-	-
Liabilities				
Motodynamics Ltd.	-	-	-	7.546,00
	-	-	-	7.546,00

Transactions - balance with subsidiaries

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Purchases of goods and services				
S&B Industrial Minerals S.A.	-	319.092,80	-	316.072,69
	-	319.092,80	-	316.072,69
Liabilities				
S&B Industrial Minerals S.A.	38.526,44	31.159,23	38.526,44	-
	38.526,44	31.159,23	38.526,44	-

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

Compensation of key management personnel of the Company and the Group for the year ended December 31st, 2010 and 2009, were as follows:

	GROUP		COMPANY	
	December 31st 2010	December 31st 2009	December 31st 2010	December 31st 2009
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.778.215,99	1.810.755,98	1.733.164,41	1.703.997,71
Key management personnel receivables	-	-	-	-
Liabilities to key management personnel	769.388,63	963.234,15	764.428,63	956.674,15

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

6) Structure of the Company's share capital – rights and obligations attached to shares

1.1. Company's share capital structure: The company's share capital amounts to 6.785.000 Euro, divided into 11.500.000 shares, of a nominal value of 0,59 Euro each. All Company shares are ordinary shares with voting rights and are traded in the Medium and Small Capitalization category of the Athens Stock Exchange.

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

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

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

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

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

1.2.5. The General Shareholders' Meeting reserves all its rights during liquidation (article 35, paragraph 5 of the Articles of Association).

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

7) Limits on transfer of Company shares

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

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

On 31.12.2010 the following shareholders held more than 5% of the total voting rights of the Company

3.1. Mr. Odysseas Kyriakopoulos held 14,42 %.

3.2. Mrs. Ekaterini Kyriakopoulou held 13,94%

3.3. Mrs. Flora-Maria Kyriakopoulou held 13,66%.

3.4. "YAMAHA MOTOR EUROPE N.V." held 11,41%

9) Shares conferring special control rights

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

10) Limitations on voting rights

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

11) Agreements among Company shareholders

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

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

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

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

Following the decision dated 30/5/08 of the Ordinary General Shareholders' Meeting and the extension thereof, in accordance with the Ordinary General Meeting dated 23/04/2010, the Company may acquire own shares under the following terms:

a. The maximum number of own shares that may be acquired is subject to an upper limit of 400.000, an amount corresponding to less than 1/10 of paid-up share capital.

b. The maximum purchase price of the shares was set at EUR twelve (12) and the minimum purchase price was set at EUR one (1), while by the extension decision dated 23/04/2010, the maximum purchase price was set at EUR six (6) and the minimum at EUR sixty cents (0.60).

c. The timeframe within which the share acquisitions will be performed was designated as twenty four (24) months, namely from 30/5/2008 to 30/5/2010 and was extended to 23/04/2012.

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

Moreover, by virtue of its decision dated 6/10/08, the Board of Directors of the Company appointed the Managing Director as its special attorney-in-fact and process server and, in the event of his impediment, the Chief Financial Officer and the Manager of Financial Services and Credit Control, acting either jointly or individually, conferring them the authorisation to undertake all requisite actions in view of the acquisition of own shares, in the name and on behalf of the Company, in accordance with the aforementioned terms that were approved by the Ordinary General Shareholders' Meeting held on 30-5-2008 and the extension thereof in accordance with the Ordinary General Shareholders' Meeting dated 23/04/2010.

e. By decision of the extraordinary General Meeting dated 26/10/2010, the Company's Board of Directors was authorized, as per Article 13, par. 6, of Codified Law 2190/1920, as applicable, to set the price for the new shares within a time limit to be determined by the Extraordinary General Meeting, as well as all issues pertaining to the granting of authorization by the Capital Market Commission, the drafting of the Information Bulletin, the shares' admission to the Small and Mid Capitalization Market of the Athens Stock exchange, the distribution of any unsold shares and all relevant issues.

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

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

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

The Company has entered into an employment contract (as of 01.01.2008) with its Managing Director, Mr. Sotirios Hatzikos, which was approved by the Ordinary General Meeting held on 29.5.2009.

Aspropyrgos, 23.03.2011

On behalf of the Board of Directors
The Managing Director

Sotirios Hatzikos

Audit Report of Independent Chartered Auditor Accountant

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

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of the Company EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS ANONIMI EMPORIKI ETAIRIA (COMMERCIAL S.A. COMPANY) with the distinctive title "MOTODYNAMICS S.A." and of its subsidiaries, which consist of the company and consolidated financial position statement as of December 31st 2010, the company and consolidated income statements, statements of changes in equity and cash flow statements for the year then ended, as well as the summary of significant accounting policies and other explanatory notes.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on these company and consolidated Financial Statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit in order to obtain reasonable assurance that the company and consolidated financial statements are free from material misstatement.

An audit involves performing procedures in order to obtain sufficient information and documentation concerning the amounts and disclosures included in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In assessing that risk, the auditor considers the internal control system relevant to the company's preparation and fair presentation of the company and consolidated financial statements, in order to design audit procedures that are appropriate in view of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control system. The audit also includes evaluating whether the accounting policies applied are adequate or not.

and whether the estimates made by the management are reasonable, as well as evaluating the total presentation of the company and consolidated financial statements.

We have obtained reasonable assurance that all important evidence has been brought to our attention and is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the company under the trade name Emboriki Eisagogiki Ditrohon kai Mihanon Thalassis S.A. and distinctive title “MOTODYNAMICS S.A.” and its subsidiaries as of December 31st, 2010, and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as the latter have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The BoD Management Report includes a Corporate Governance Statement providing the information provided for in article 43a, par. 3d, of Codified Law 2190/1920.

(b) We have verified the compliance and consistency of the content of the Management Report of the Board of Directors with the accompanying company and consolidated financial statements, as foreseen under the provisions of articles 43(a), 108 and 37 of Codified Law 2190/1920.

Metamorphosi, March 23rd, 2011

VASILIOS KAMINARIS
Charter of Certified Auditors Reg. No. 20411
ERNST & YOUNG (GREECE)
CHARTERED AUDITOR ACCOUNTANTS S,A,
11th km Athens – Lamia National Road
144 51 Metamorfosi
Charter of Certified Auditors Reg. No. 107



MOTODYNAMICS S.A.

ANNUAL COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31ST, 2010

IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

as the latter have been adopted by the European Union

of the Société Anonyme

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.

under the distinctive title “MOTODYNAMICS S.A.”

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

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31ST, 2010

(amounts in Euro)

	Notes	GROUP	
		1.1 – 31.12.2010	1.1 – 31.12.2009
Sales	6	47.935.028,70	61.999.912,63
Cost of Sales		<u>(38.357.493,56)</u>	<u>(48.774.241,07)</u>
Gross Profit		9.577.535,14	13.225.671,56
Other income	9	1.072.664,61	1.210.117,80
Administrative expenses	7	(5.734.028,15)	(6.927.845,70)
Sales and distribution expenses	8	(5.969.170,71)	(7.144.442,87)
Other expenses	10	(294.126,34)	(224.953,04)
Operating profit / Loss		<u>(1.347.125,45)</u>	<u>138.547,75</u>
Financial income	11	58.851,84	77.530,77
Financial expenses	12	(504.577,33)	(572.273,23)
Loss before taxes		<u>(1.792.850,94)</u>	<u>(356.194,71)</u>
Income tax	13	142.605,87	(193.045,15)
Loss after tax		<u>(1.650.245,07)</u>	<u>(549.239,86)</u>
Attributable to:			
Equity holders of the parent		(1.598.966,80)	(540.286,45)
Minority interests		(51.278,27)	(8.953,41)
		<u>(1.650.245,07)</u>	<u>(549.239,86)</u>
Cumulative consolidated exchange dif.		<u>(3.004,42)</u>	<u>(42.130,74)</u>
Consolidated total income / loss after taxes		<u>(1.653.249,49)</u>	<u>(591.370,60)</u>
Attributable to:			
Parent company owners		(1.601.971,22)	(582.417,19)
Minority interests		(51.278,27)	(8.953,41)
		<u>(1.653.249,49)</u>	<u>(591.370,60)</u>
Basic losses per share net of tax (in €)	16	(0,3138)	(0,1153)
Diluted losses per share (in Euro):	16	(0,3108)	(0,1145)

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

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

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31ST, 2010

(amounts in Euro)	Notes	COMPANY			Total
		1.1-31.12.2010	1.1-31.12.2009		
		Ongoing Operations	Ongoing Operations	Discontinued Operations	
Sales	6	44.380.981,16	54.532.693,09	5.057.381,26	59.590.074,35
Cost of Sales		(36.423.237,49)	(44.131.327,59)	(3.380.107,39)	(47.511.434,98)
Gross Profit		7.957.743,67	10.401.365,50	1.677.273,87	12.078.639,37
Other income	9	1.110.429,83	1.231.322,42	98.335,07	1.329.657,49
Administrative expenses	7	(5.559.880,49)	(6.603.128,96)	-	(6.603.128,96)
Sales and distribution	8	(4.261.780,11)	(4.650.464,33)	(1.048.908,76)	(5.699.373,09)
Other expenses	10	(264.104,23)	(200.148,41)	-	(200.148,41)
Operating profit / loss		(1.017.591,33)	178.946,22	726.700,18	905.646,40
Financial income	11	14.710,83	49.064,23	351,85	49.416,08
Financial expenses	12	(407.446,97)	(469.959,09)	(6.203,55)	(476.162,64)
Provision for devaluation of participating interests	4	-	(1.020.000,00)	-	(1.020.000,00)
Profit / Loss before tax		(1.410.327,47)	(1.261.948,64)	720.848,48	(541.100,16)
Income tax	13	130.494,17	(102.061,70)	(180.212,12)	(282.273,82)
Profit / Loss after tax		(1.279.833,30)	(1.364.010,34)	540.636,36	(823.373,98)
Consolidated total income / loss after taxes		(1.279.833,30)	(1.364.010,34)	540.636,36	(823.373,98)

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

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

STATEMENT OF FINANCIAL POSITION

as of December 31st, 2010

(amounts in Euro)

	Notes	GROUP		COMPANY	
		December 31st 2010	December 31st 2009	December 31st 2010	December 31st 2009
ASSETS					
Non-current assets					
Tangible assets	17	5.157.011,15	5.818.413,98	4.784.254,73	5.298.096,12
Software	18	173.233,33	188.153,38	111.172,42	157.606,31
Deferred tax receivables	13	806.816,59	596.738,12	523.710,66	325.743,89
Investments in subsidiaries	4	-	-	4.227.443,64	3.215.433,64
Other long-term assets	32	1.567.376,14	1.565.984,23	1.500.397,05	1.554.643,67
Total non-current assets		7.704.437,21	8.169.289,71	11.146.978,50	10.551.523,63
Current assets					
Inventories	19	15.968.481,24	14.933.075,27	14.056.629,61	12.337.430,03
Trade accounts receivable	20	5.814.432,84	4.749.238,39	5.617.854,55	4.383.047,56
Amounts due from subsidiaries	5	-	-	466.754,08	1.391.719,79
Other receivables	21	642.201,34	616.767,06	600.303,93	567.079,25
Cash and cash equivalents	22	731.505,20	569.446,03	245.101,20	161.369,40
Total current assets		23.156.620,62	20.868.526,75	20.986.643,37	18.840.646,03
Discontinued activity assets	4	-	-	-	1.311.065,96
Grand total of assets		30.861.057,83	29.037.816,46	32.133.621,87	30.703.235,62
EQUITY AND LIABILITIES					
Equity					
Share capital	24	6.785.000,00	3.026.700,00	6.785.000,00	3.026.700,00
Share premium		5.756.695,00	6.038.244,00	5.756.695,00	6.038.244,00
Reserves	25	1.034.760,10	1.034.760,10	1.030.302,01	1.030.302,01
Treasury Shares	24	(430,45)	(220.568,42)	(430,45)	(220.568,42)
Reserves for allocation of free shares to directors	23	160.727,43	107.151,62	160.727,43	107.151,62
Cumulative consolidation exchange differences		(236.475,40)	(233.470,98)	-	-
Results carried forward		2.342.096,64	3.949.403,87	4.552.890,71	6.037.891,39
Total		15.842.373,32	13.702.220,19	18.285.184,70	16.019.720,60
Minority interests		9.213,07	60.491,34	-	-
Total Equity		15.851.586,39	13.762.711,53	18.285.184,70	16.019.720,60
Long-term Liabilities					
Provision for staff retirement indemnity	27	977.256,00	1.073.380,85	809.253,00	916.052,12
Non-current loan obligations	29	-	4.000.000,00	-	4.000.000,00
Other non-current liabilities		7.261,68	17.328,34	3.500,00	-
Total long-term liabilities		984.517,68	5.090.709,19	812.753,00	4.916.052,12
Short-term Liabilities					
Trade payables	28	6.582.976,53	4.152.127,60	6.489.115,43	4.020.332,94
Short-term loans	29	6.335.601,22	4.700.808,85	5.532.540,62	4.394.263,80
Dividends Payable	26	6.147,14	6.147,14	6.147,14	6.147,14
Accrued and other short-term liabilities	30	1.100.228,87	1.325.312,15	1.007.880,98	1.167.601,39
Total short-term liabilities		14.024.953,76	10.184.395,74	13.035.684,17	9.588.345,27
Total Liabilities		15.009.471,44	15.275.104,93	13.848.437,17	14.504.397,39
Discontinued activity liabilities	4	-	-	-	179.117,63
Total Equity and Liabilities		30.861.057,83	29.037.816,46	32.133.621,87	30.703.235,62

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31ST, 2010

(amounts in Euro)

	Share capital	Share premium	Reserves	Cumulative consolidated exchange dif.	Reserves for allocation of free shares to directors	Treasury Share Purchase	Results carried forward	Total	Minority interests	Total Equity
Total Equity at the beginning of the year										
January 1st, 2009	3.026.700,00	6.038.244,00	1.019.191,30	(191.340,24)	53.575,81	(98.466,59)	5.366.448,50	15.214.352,78	23.486,57	15.237.839,35
Results of financial year (1/1-31/12/2009)	-	-	-	(42.130,74)	-	-	(540.286,45)	(540.286,45)	(8.953,41)	(549.239,86)
Other total income/ (expenses)	-	-	-	(42.130,74)	-	-	(540.286,45)	(582.417,19)	(8.953,41)	(42.130,74)
Grand total income/ (expenses)	-	-	-	(42.130,74)	-	-	(820.800,00)	(820.800,00)	-	(591.370,60)
Dividends (note 26)	-	-	-	-	-	-	-	-	-	(820.800,00)
Acquisition of Minority Rights in subsidiaries	-	-	-	-	-	-	(55.958,18)	(55.958,18)	45.958,18	(10.000)
Transfer from/to reserves	-	-	15.568,80	-	-	-	-	15.568,80	-	15.568,80
Reserves for allocation of free shares to directors (note 25)	-	-	-	-	53.575,81	-	-	53.575,81	-	53.575,81
Purchase of own shares (note 24)	-	-	-	-	-	(122.101,83)	-	(122.101,83)	-	(122.101,83)
Total Equity at the end of the year										
December 31st, 2009	3.026.700,00	6.038.244,00	1.034.760,10	(233.470,98)	107.151,62	(220.568,42)	3.949.403,87	13.702.220,19	60.491,34	13.762.711,53
Total Equity at the beginning of the year										
January 1st, 2010	3.026.700,00	6.038.244,00	1.034.760,10	(233.470,98)	107.151,62	(220.568,42)	3.949.403,87	13.702.220,19	60.491,34	13.762.711,53
Results of financial year (1/1 - 31/12/2010)	-	-	-	-	-	-	(1.610.286,90)	(1.610.286,90)	(51.278,27)	(1.661.565,17)
Other total income/ (expenses)	-	-	-	(3.004,42)	-	-	2.979,67	(24,75)	-	(24,75)
Grand total income/ expenses	-	-	-	(3.004,42)	-	-	(1.607.307,23)	(1.610.311,65)	(51.278,27)	(1.661.589,92)
Dividends (note 26)	-	-	-	-	-	-	-	-	-	-
Share capital increase	3.835.000,00	(112.315,00)	-	-	-	-	-	3.722.685,00	-	3.722.685,00
Reserves for allocation of free shares to directors (note 23)	-	-	-	-	53.575,81	-	-	53.575,81	-	53.575,81
Acquisition/ cancellation of own shares (note 24)	(76.700,00)	(169.234,00)	-	-	-	220.137,97	-	(25.796,03)	-	(25.796,03)
Total Equity at the end of the year										
December 31st, 2010	6.785.000,00	5.756.695,00	1.034.760,10	(236.475,40)	160.727,43	(430,45)	2.342.096,64	15.842.373,32	9.213,07	15.851.586,39

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
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SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31ST, 2010

(amounts in Euro)

	Share capital	Share premium	Reserves	Reserves for allocation of free shares to directors	Treasury Share Purchase	Results carried forward	Total Equity
Total Equity at the beginning of the period							
January 1st, 2009	3.026.700,00	6.038.244,00	1.014.733,21	53.575,81	(98.466,59)	7.682.065,37	17.716.851,80
Results of financial year (1/1 – 31/12/2009)	-	-	-	-	-	(823.373,98)	(823.373,98)
Other total income/ (expenses)	-	-	-	-	-	(823.373,98)	(823.373,98)
Consolidated total income/ (expenses)	-	-	-	-	-	(820.800,00)	(820.800,00)
Dividends (note 26)	-	-	15.568,80	-	-	-	15.568,80
Transfer from/to reserves	-	-	-	-	-	-	-
Reserves for allocation of free shares to directors (note 23)	-	-	-	53.575,81	-	-	53.575,81
Purchase of own shares (note 24)	-	-	-	-	(122.101,83)	-	(122.101,83)
Total Equity at the end of the period							
December 31st, 2009	3.026.700,00	6.038.244,00	1.030.302,01	107.151,62	(220.568,42)	6.037.891,39	16.019.720,60
Total Equity at the beginning of the period							
January 1st, 2010	3.026.700,00	6.038.244,00	1.030.302,01	107.151,62	(220.568,42)	6.037.891,39	16.019.720,60
Results of financial year (1/1 – 31/12/2010)	-	-	-	-	-	(1.279.833,30)	(1.279.833,30)
Other total income/ (expenses)	-	-	-	-	-	-	-
Consolidated total income/ (expenses)	-	-	-	-	-	(1.279.833,30)	(1.279.833,30)
Dividends (note 26)	-	-	-	-	-	-	-
Reserves for allocation of free shares to directors (note 23)	-	-	-	53.575,81	-	-	53.575,81
Share capital increase	3.835.000,00	(112.315,00)	-	-	-	-	3.722.685,00
Purchase/ cancellation of own shares (note 24)	(76.700,00)	(169.234,00)	-	-	220.137,97	-	(25.796,03)
Take over of subsidiary	-	-	-	-	-	(205.167,38)	(205.167,38)
Total Equity at the end of the period							
December 31st, 2010	6.785.000,00	5.756.695,00	1.030.302,01	160.727,43	(430,45)	4.552.890,71	18.285.184,70

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

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
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STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31ST, 2010
(amounts in Euro)

Indirect Method	Notes	GROUP		COMPANY	
		December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Operating Operations					
Loss before taxes from Ongoing Operations		(1.792.850,94)	(356.194,71)	(1.410.327,47)	(1.261.948,64)
Profit / (loss) before taxes from Ongoing Operations		-	-	-	720.848,48
Loss before taxes		(1.792.850,94)	(356.194,71)	(1.410.327,47)	(541.100,16)
- Depreciation	15	937.145,96	870.716,11	746.492,30	681.734,97
Provision for devaluation of participating interests	4	-	-	-	1.020.000,00
- Provision for staff retirement indemnities	27	493.152,63	335.685,50	439.645,56	327.752,34
- Provision for doubtful receivables	20	336.031,61	442.637,69	325.930,08	178.005,94
- Provision for slow moving inventory	19	659.983,63	170.041,99	582.872,63	170.041,99
- Reserves for allocation of free shares to directors	23	53.575,81	53.575,81	53.575,81	53.575,81
Foreign exchange differences	11,12	17.063,99	62.172,29	7.665,84	1.327,21
- Results (income, expenses, profit and loss) of		(23.411,25)	(15.219,08)	(23.224,01)	(25.427,12)
- Credit interests	11	(23.523,66)	(59.914,88)	(12.806,42)	(44.108,84)
- Payable interests and relevant expenses	12	452.185,16	492.485,05	397.876,72	469.528,19
Plus/ less adjustments for changes in capital, working capital or relevant to operating activities					
Decrease / (Increase) in:					
- Inventories		(1.387.891,97)	7.197.908,87	(1.994.574,58)	6.220.173,24
- Long-term receivables		(1.391,91)	107.413,97	54.546,62	67.567,91
- Trade receivables		(1.341.429,76)	4.355.676,16	(611.742,95)	5.376.757,36
- Other short-term receivables		(35.528,92)	(194.901,15)	(33.224,68)	(149.735,06)
(Decrease) / Increase in (except banks):					
- Long-term liabilities		(10.066,66)	(10.941,47)	3.500,00	-
- Trade and other payables		2.430.848,93	(6.427.629,52)	2.468.782,49	(6.405.857,14)
- Other short term liabilities		(236.228,23)	(136.609,84)	(335.311,40)	(112.635,09)
Minus:					
- Debit interest and relevant expenses paid	12	(452.185,16)	(492.485,05)	(397.876,72)	(469.528,19)
- Taxes paid		(31.546,00)	(767.175,35)	(31.546,00)	(725.060,86)
- Realised foreign exchange differences	11,12	(17.063,99)	(62.172,29)	(7.665,84)	(1.327,21)
- Utilized provision for doubtful clients	20	(49.971,66)	(935.085,97)	(24.028,41)	(904.734,72)
- Realised depreciation of goods	19	(307.497,63)	(96.929,99)	(307.497,63)	(96.929,99)
- Staff indemnity payment		(589.007,48)	(308.507,98)	(546.444,68)	(299.921,49)
Total cash inflow / (outflow) from operating		(919.607,50)	4.224.546,16	(655.382,74)	4.790.099,09
Investment Activities					
- Acquisition of subsidiary, affiliate, joint ventures and other		-	-	-	(10.000,00)
- Purchases of tangible and intangible fixed assets	17	(473.052,01)	(3.864.044,95)	(397.577,67)	(3.812.407,96)
- Sale of tangible and intangible fixed assets		199.513,68	124.713,97	192.359,21	120.946,63
- Interest received	11	23.523,66	59.914,88	12.806,42	44.108,84
Total cash outflow from investing activities (b)		(250.014,67)	(3.679.416,10)	(192.412,04)	(3.657.352,49)
Financing Activities					
- Receipts from share capital increase		3.722.685,00	-	3.722.685,00	-
- Receipts from issued / utilised loans		8.757.099,42	17.285.165,33	8.003.100,00	16.942.128,84
- Loan repayments		(11.122.307,05)	(17.461.979,96)	(10.864.823,18)	(17.425.488,52)
- Dividends paid	26	-	(725.060,86)	-	(723.481,84)
- Purch/ cancellation of own shares		(25.796,03)	(122.101,83)	(25.796,03)	(122.101,83)
Total cash inflow / (outflow) from financing		1.331.681,34	(1.023.977,32)	835.165,79	(1.328.943,35)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)		162.059,17	(478.847,26)	(12.628,99)	(196.196,75)
Cash and cash equivalents at the beginning of the		569.446,03	1.048.602,69	257.730,19	453.926,94
Cash and cash equivalents at the end of the	22	731.505,20	569.446,03	245.101,20	257.730,19

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

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

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010 (All amounts in euro, unless stated otherwise)

NOTES ON THE ANNUAL FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Emporiki Eisagogiki Ditrohon And Mihanon Thalassis Group of Companies S.A., under the distinctive title Motodynamics S.A. (“the Group”) is a Greek group of companies mainly engaged in the import, agency, distribution and trade of motorcycles and marine products (outboard motors, inflatable boats and jet skis), spare parts and lubricants. The parent Company MOTODYNAMICS S.A. (“Motodynamics” or “parent company”) was founded in Greece in 1992 with a 25-year term, until 2018.

The Group has the right of exclusive distribution of Yamaha Motor Co. products in Greece, Romania and Bulgaria, as well as the products of its associates based on contracts concluded by Yamaha Motor Europe N.V. (subsidiary of Yamaha Motor Co., Japan). The term of these contracts, for all countries, is extended until December 31st, 2011. The Company is at the final phase of negotiation for the new five-year extension of these contracts.

From June 2005 the Company’s shares have been traded in the Parallel Market of Athens Stock Exchange. The Company maintains its registered offices in Aspropyrgos, at the Kyrillos site.

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

The number of employees at the end of the year was 85 for the parent company and 124 for the Group and for the corresponding previous year they numbered 122 for the parent company and 144 for the Group, respectively.

2. BASIS FOR PRESENTATION OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- (a) *Basis of Preparation of the Financial Statements: The accompanying consolidated and separate Financial Statements, (hereinafter «the financial statements») have been prepared on the basis of historical cost and according to International Financial Reporting Standards («IFRS») adopted by the European Union. The financial statements are drawn up in accordance with Greek Codified Law 2190/1920, as in force. No Standards were applied before their effective date.*
- (b) *Approval of Financial Statements: The Financial Statements for the year ended December 31st, 2010 were approved by the Companys Board of Directors in its meeting of March 23rd, 2011. It should be noted that the accompanying financial statements are subject to the approval of the Annual General Shareholders Meeting.*
- (c) *Use of estimates: The preparation of Financial Statements in accordance with IFRS requires that the management makes estimates, assumptions and adjustments which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as well as the revenues and expenditures presented for the reporting period. These estimates, assumptions and judgments are periodically reviewed so that they may reflect actual facts and will reflect the risks prevailing at the time; they are based on the previous experience of the management in relation to the size of related transactions or events. The actual results may differ from these estimates. The most significant estimates and judgments related to facts the evolution of which could affect the financial statements' items during the following 12 months are cited below:*
- *Provision for income tax: The income tax provision according to IFRS 12 is calculated by estimate of the taxes to be paid to tax authorities and includes the current income tax for every use and provision for additional taxes that may occur during tax audits. The final settlement of income taxes may diverge from the relevant amounts recorded in the financial statements.*

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

- *Provision for doubtful receivables: The Group calculates a special provision for doubtful receivables based on estimates of the administration regarding the possibility of collecting its receivables, which is reassessed at the year end.*
- *Recovery of deferred tax receivables linked to assets: The recognition of deferred tax receivables entails estimates regarding their recoverability and, specifically, the recognition of deferred tax receivables on tax losses brought forward demands from Management the formulation of forecasts regarding the achievement of sufficient tax profits, which will allow their recovery, for every taxation system under which the Company and the subsidiaries of the Group operate.*
- *Provision for Staff Leaving Indemnities: The liabilities for staff leaving indemnities are calculated on the basis of actuarial methods, the implementation of which requires Management to evaluate specific parameters, such as the future rise in employee remuneration, the discount rate applied to said liabilities, the employee turnover rate etc. Management*

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NOTES ON THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010 (All amounts in euro, unless stated otherwise)

attempts, at each reference date on which the above provision is revised, to evaluate these parameters in the best possible manner.

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

2.1. MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES

The accounting policies adopted are consistent with those that had been adopted during the preceding financial year, with the following exceptions:

The Group has adopted the following new or revised standards and interpretations as at 1 January 2010:

- **IFRIC 17, “Distributions of Non-cash Assets to Owners”:**
- **Amendment to IAS 39 Financial Instruments: Recognition and measurement - Eligible hedged items”:**
- **Amendment to IFRS 2, “Share-based Payment”:**
- **Revised IFRS 3 “Business Combinations” and Amended IAS 27 “Consolidated and Separate Financial Statements”:**
- **Annual Improvements to IFRS (May 2008) All published improvements were applied to the financial year ended on December 31st 2009, except the following:** IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”: This amendment specifies that all assets and liabilities of a subsidiary are classified as held for sale in accordance with IFRS 5, even in the event that a company retains a non-controlling interest in a subsidiary following a sale.
- **Annual Improvements to IFRS (April 2009)**

In the event the adoption of a standard or interpretation exerted an impact on the financial statements or operation of the Group, that impact is described below:

- **IFRIC 17, “Distributions of Non-cash Assets to Owners”:**
- **Amendment to IAS 39 Financial Instruments: Recognition and measurement - Eligible hedged items”:**
- **Amendment to IFRS 1 “Additional Exemptions for First-time Adopters of IFRS”**
- **Amendment to IFRS 2, “Share-based Payment”:**
- **Revised IFRS 3 “Business Combinations” and Amended IAS 27 “Consolidated and Separate Financial Statements”:**

The revised IFRS 3 introduces a series of changes to the accounting treatment of business combinations that will affect the amount of the goodwill recognised, the results of the period in which the business combination takes place and the future results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). Revised IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting treatment of losses incurred by subsidiaries, as well as the accounting treatment of loss of control of a subsidiary.

In April 2009, the International Accounting Standards Board (IASB) issued a second series of amendments to IFRS, in order to eliminate inconsistencies and provide clarifications. These amendments and any impact thereof on the accounting policies, the financial condition or performance of the Group shall be as follows:

2.1 MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

➤ **IFRS 2, “Share-based Payment”:**

It is clarified that a contribution of a company during the formation of a joint venture, as well as combinations of entities under joint control, do not fall within the scope of application of IFRS 2, although they are exempt from the scope of application of IFRS 3 (amended). In the event a company is an early adopter of IFRS 3 (amended), the amendment to IFRS 2 must also be implemented early.

➤ **IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”:**

It is clarified that the disclosures required regarding non-current assets and groups of assets classified as held for sale or discontinued operations are only those requirements set forth by IFRS 5. The requirements for disclosure set forth in other standards are applied only if there is a specific requirement for the specific non-current assets or discontinued operations.

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NOTES ON THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010 (All amounts in euro, unless stated otherwise)

➤ **IFRS 8, “Operating Segments”**

It specifies that the assets and liabilities per operating segment are to be mandatorily disclosed only in the case that these assets and liabilities are taken into account in measurements used by the person in charge of adopting business decisions.

➤ **IAS 1, “Presentation of Financial Statements”**

The terms of a liability which can culminate, at any time, to a settlement through the issue of equity instruments, subject to the preemption of the counterparty, shall not affect its classification.

➤ **IAS 7 “Statement of Cash Flow”**

It explicitly states that only expenses culminating in the recognition of an asset can be classified as cash flows from investment activities. This amendment will affect the presentation of the contingent price of a cash-settled merger of companies completed within 2009 in the cash flow statement.

➤ **IAS 17 “Leases”**

The amendment abrogates the special implementation guidelines regarding the classification of land as a leasehold, retaining only the general implementation guidelines.

➤ **IAS 18 “Revenue”**

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

- Has primary responsibility for providing goods or services;
- Undertakes the risk attaching to inventories;
- Has discretion over the designation of prices;
- Undertakes the credit risk.

➤ **IAS 36, “Impairment of Assets”**

The amendment clarifies that the largest unit to which goodwill may be allocated, which was acquired in a merger of companies, is the operating segment stipulated in IFRS 8, prior to the application of concentration regulations for the purposes of publication.

➤ **IAS 38, “Intangible Assets”**

It is clarified that the valuation methods presented in the determination of the fair value of an intangible asset acquired in a company merger and which is not traded in a stock market, are only illustrative and are not limiting in regard to the method that may be used.

2.1 MODIFICATIONS TO ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

In the event a company is an early adopter of IFRS 3 (amended), the amendment to IAS 38 must also be implemented early.

➤ **IAS 39, “Financial instruments” Recognition and Measurement”:**

This amendment clarifies that:

- The right of prepayment is considered closely related to the primary contract when the vesting price of a prepayment right compensates the borrower up to the approximate current value of lost interest for the remainder of the primary contract.
- The exception applying to contracts between a purchaser and a seller in a business combination, for the purchase or sale of the acquired item at a future date, shall only be applied to binding future contracts and not to derivative contracts necessitating further actions from either party. (Applicable to all non-expired contracts for accounting periods beginning on or after January 1st 2010).

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

➤ **IFRIC 9 “Reassessment of Embedded Derivatives”**

The IASB amended the scope of implementation of IFRIC 9, in order to clarify that it is not applied to contingent revaluations, on the acquisition date, of embedded derivatives in contracts, that are acquired upon the merger of companies into business combinations or under joint control or the formation of a joint venture. In the event a company is an early adopter of IFRS 3 (amended), the amendment to IAS 38 must also be implemented early.

➤ **Interpretation 16, “Hedges of a net investment in a foreign operation”**

The amendment specifies that in a hedge of a net investment in a foreign operation, the hedging instruments may be retained by any company or companies within the group, including the foreign operation, given that the requirements of IAS 39 are fulfilled regarding the designation, documentation and effectiveness in regard to the hedge of a net investment.

2.2. NEW STANDARDS AND INTERPRETATIONS

The following new Standards and Interpretations shall not apply to the current accounting period and the Group has not implemented them earlier.

➤ **IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”**

It is applied to annual accounting periods beginning on or after July 1st, 2010. This interpretation clarifies the accounting treatment applied to cases of renegotiation of the terms of a liability between a company and a creditor, whereby the creditor accepts company shares or other equity instruments of the company for the partial or total settlement of the liability. This interpretation specifies that these equity instruments constitute the price paid pursuant to IAS 39, paragraph 41 and, by extension, the financial liability is written off and the equity instruments issued are treated as the paid price in view of extinguishing the financial liability. The Group expects that this Interpretation will have no impact on its financial statements.

2.2. NEW STANDARDS AND INTERPRETATIONS (continued)

➤ **IFRIC 14, “Cases of prepayments for minimum funding contributions (amendment)”**

It is applied to annual accounting periods beginning on or after January 1st, 2011. The purpose of this amendment is to allow companies to recognize certain voluntary prepayments for minimum funding contributions, as assets. This amendment has retroactive effect and its early implementation is allowed. The Group expects that this amendment will have no impact on its financial statements.

➤ **IFRS 9, Financial Instruments – Phase 1: Classification and Measurement of Financial Assets**

It is applied to annual accounting periods beginning on or after January 1st, 2013. Phase 1 of this new standard introduces new requirements for the classification and measurement of financial assets. Early implementation of the standard is allowed. The European Union has not adopted this amendment yet. The Group is currently in the process of examining the impact of this standard on its financial statements.

➤ **Amendment to IAS 32, Classification of rights issues**

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

➤ **Amendment to IAS 24, Related Party Disclosures**

It is applied to annual accounting periods beginning on or after January 1st, 2011. This amendment refers to the assessment required in order to determine whether the State and known State-controlled companies can be treated as a single customer. In judging this, the company should take into account the degree of financial interaction existing between those companies. This

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amendment has retroactive effect and its early implementation is allowed. The Group expects that this amendment will have no impact on its financial statements.

- **In May 2010, the IASB** issued a third series of amendments to IFRSs, in order to remove inconsistencies, as well as to provide clarifications. The effective dates are different for each amendment, the first of which shall concern the accounting periods beginning on or after July 1st, 2010. An early application in all cases is allowed. The European Union adopted these amendments during 2011.

➤ **IFRS 1 First-time adoption of IFRS.** It is applied to accounting periods beginning on or after January 1st, 2011. This improvement clarifies the treatment of changes in the accounting policies in the year when the IFRS are first applied following the publication of interim financial statements based on IAS 34 Interim Financial Reporting. It allows, in the year of first application, the use of a fair value driven by a specific event as deemed cost and expands the application scope of “deemed cost” to tangible and intangible fixed assets, including assets used in activities that are subject to price regulation.

➤ **IFRS 3 Business Combinations.** It is applied to accounting periods beginning on or after July 1st, 2010. This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial instruments: Recognition and Measurements that eliminate the exception for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as amended in 2008).

Moreover, this improvement limits the scope of the measurement choices (fair value or at the present ownership instruments’ proportionate share of the acquiree’s identifiable net assets) only to the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity’s net assets.

Finally, it requires an entity (in a business combination) to account for the replacement of the acquiree’s share-based payment transactions (whether obliged or voluntary), i.e., split between consideration and post combination expenses.

2.2. NEW STANDARDS AND INTERPRETATIONS (continued)

➤ **IFRS 7, Financial instruments: Disclosures.** It is applied to accounting periods commencing on or after January 1st, 2011. This amendment provides clarifications regarding the disclosures required as per IFRS 7 and puts emphasis on the interaction between quantitative and qualitative disclosures and the nature and extent of the risks related to financial instruments.

➤ **IAS 1 Presentation of Financial Statements.** It is applied to accounting periods commencing on or after January 1st, 2011. This amendment specifies that an entity shall present a breakdown of the other total income for any account in the equity either in the statement of changes in the equity or the notes to the financial statements.

➤ **IAS 27 Consolidated and Separate Financial Statements.** It is applied to accounting periods commencing on or after July 1st, 2010. This amendment specifies that the consequential amendments from IAS 27 made to IAS 21 Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures shall apply prospectively for accounting periods commencing on or after July 1st, 2009 or earlier, in case of early application of IAS 27.

➤ **IAS 34 Interim Financial Reporting.** It is applied to accounting periods commencing on or after January 1st, 2011. This amendment provides guidance relating to the application of the principles of disclosure in IAS 34 and lays down additional disclosure requirements.

Interpretation 13 Customer Loyalty Programmes. It is applied to accounting periods commencing on or after January 1st, 2011. This amendment clarifies that, when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit schemes is to be also taken into account.

- **IFRS 7, Financial instruments: Disclosures as part of the comprehensive review of off-balance sheet activities (amended)**

It is applied to accounting periods commencing on or after July 1st, 2011. The purpose of this amendment is to allow users of financial statements to improve their understanding of transfer transactions of financial assets (e.g. securitization), including understanding the possible effects of any risks that may remain with the entity which transferred the assets. The amendment also requires additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. This amendment aligns, to a great extent, the disclosure requirements as per the IFRSs and the US accounting standards. The European Union has not adopted this amendment yet. The Group expects that this amendment will have no impact on its financial statements, except than possible additional disclosures.

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• **IAS 12 Deferred tax: Recovery of underlying assets (amended)**

It is applied to annual accounting periods commencing on or after January 1st 2012. This amendment regards the determination of deferred tax on investment property measured at fair value and also incorporates Interpretation 21 – Income Taxes – Recovery of Revalued Non-Depreciable Assets into IAS 12 for non-depreciable assets measured using the revaluation model in IAS 16.

The purpose of this amendment is to include (a) a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale and (b) a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis. The European Union has not adopted this amendment yet. The Group expects that this amendment will have no impact on its financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

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

- (a) **Basis of consolidation:** The accompanying consolidated financial statements of the Company include those of the parent (“MOTODYNAMICS») and its subsidiaries. All subsidiaries (entities in which Motodynamics has direct or indirect ownership of the majority of voting interest and/or has the power to control the Board) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and cease to be consolidated on the date at which control is transferred out of the Group. All intercompany balances and transactions have been eliminated. Where necessary, accounting policies of the subsidiaries have been revised to ensure consistency with those of the parent. A full list of consolidated subsidiaries, along with the related effective ownership interests of Motodynamics in each, is provided in Note 4. It is noted that all Group subsidiaries have the same Financial Statement closing date. Losses of subsidiaries attributed to non-controlled interest shall be recognized only up to the amount of the controlled interest.
- (b) **Functional and Presentation Currency and Foreign Currency Translation:** The functional and presentation currency of Motodynamics and its Greek subsidiaries is the Euro. Transactions involving other currencies are converted to Euro using the exchange rates which are in effect at the time of the transactions. Assets and liabilities in foreign currency are adjusted to reflect the exchange rates as at the balance sheet date. Profits and losses resulting from transactions in foreign currency as well as year-end valuation of monetary assets and liabilities in foreign currency are reported in the income statement, with the exception of transactions that comply with cash flow hedging requirements that are reported in equity. The functional currency of the Company’s foreign subsidiaries is the official currency of the country in which each subsidiary operates. Accordingly, at each reporting date all balance sheet accounts of the subsidiaries are translated into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the weighted average rate of exchange prevailing during the reporting year/period. The accumulated difference resulting from such translation is recognized directly in consolidated equity until the disposal, write off or de-recognition of a subsidiary, when it is transferred to the consolidated income statement.
- (c) **Intangible Assets:** intangible assets consist mainly of software, the value of which represents acquisition cost increased by any type of outlay incurred during system implementation and reduced by accumulated depreciation and possible impairment. Significant subsequent expenditures are capitalized when they enhance software performance beyond initial specifications. The acquisition value and the accumulated depreciation of an asset are de-recognized after its disposal or when no further economic benefits are expected from its use. Any profit or loss resulting from the de-recognition of an asset is included in the income statement of the year in which the asset was de-recognized.
- (d) **Tangible Assets: Tangible** Assets are stated at historical cost less accumulated depreciation, if applicable, and any accumulated impairment losses. Repairs and maintenance are charged to expenses as incurred. Significant subsequent expenses are capitalized when increasing the fixed asset’s useful life or its production capacity or when decreasing its operating cost. The acquisition value and the accumulated depreciation of an asset are de-recognized after its disposal or when no further economic benefits are expected from its use. An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.
- (e) **Depreciation:** Depreciation is calculated on a straight-line basis over the average estimated useful economic life of the assets and is included in the income statement. It is noted that plots are not amortized. The useful lives used are as follows:

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

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3. BASIC ACCOUNTING PRINCIPLES (continued)

(f) **Impairment of Assets:** The carrying values of non-current assets are subject to impairment if events or changes in circumstance indicate that their carrying values are no longer recoverable. The loss from asset impairment is accounted for in the income statement for the year in which the net carrying value of the asset after depreciation exceeds its recoverable amount. Recoverable amount is determined as the greater of the net selling price and the value in use of the asset in question. Net selling price is the amount which can be obtained from the sale of an asset in an arms length transaction in which both parties are willing and knowledgeable after the deduction of any incremental disposal costs, while value in use is the present value of expected future cash flows which will result from the continuing use of the asset and from its disposal at the end of its estimated useful life. For the purposes of assessing impairment, assets are grouped at the lowest level for which there exist separately identifiable cash flows.

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

(h) **Inventories:** Inventories are valued at the lower of acquisition cost and of net realizable value. The acquisition cost of inventories includes acquisition value plus any kind of expense required

for their import into the warehouses. Such expense is determined, in case of the main products (motorcycles and marine products etc.) using the individual cost method and, in case of spare parts, accessories and other complementary products, using the weighted average method. A provision for impairment of inventory value is formed using management estimates based on each situation and the possibility of using the products if this becomes necessary, keeping in mind that the company is obligated to maintain a safety stock of spare parts for the totality of models in circulation.

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

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

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

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

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

(n) **Provision for Staff Compensation:** Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed and are determined using the projected unit credit actuarial valuation method. The net costs of retirement for the period are included in payroll cost in the income statement attached and consist of

3. BASIC ACCOUNTING PRINCIPLES (continued)

the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses recognized in the fiscal year and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognized actuarial profits or losses are recognized in equal instalments during the average remaining employment period of active staff, and are included in net departure costs due to retirement for the reporting year in cases where at the beginning of the reporting year the accumulated balance exceeds 10% of

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the expected future obligations for benefits. The retirement benefit obligations are not funded. No provision for employees in foreign subsidiaries shall be calculated, since no vesting of such right exists by law.

- (o) **Scheme for granting participation securities (shares):** The Group applies a scheme for granting participation securities (shares) of the parent Company to key management personnel. The fair value of the services provided by employees to whom free shares are granted is recorded as expense. The total expense is recorded during the maturation period of such rights and is determined based on the reasonable value of the rights granted. On each balance sheet date, the Group re-examines its estimates on the number of options expected to be exercised and records the readjustment, if any, in the results with respective impact on equity.
- (p) **Income Tax (Current and Deferred):** Current income tax in the consolidated financial statements is estimated on the basis of financial statements of every company that included in the consolidation, according to the Greek tax laws currently in force or laws in force in countries where subsidiaries operate. In the separate financial statements current income tax is estimated on the basis of the parent financial statements according to the Greek tax laws currently in force. The expenditure for income tax consists of income tax calculated on the basis of annual results as these are modified in the Company's tax statements, additional income taxes determined by tax audits conducted by the tax authorities and deferred income taxes on the basis of tax rates currently in use. Deferred income taxes are computed on the basis of the liability method for any temporary difference which results from the difference between the tax base of asset or liability, and their accounting value as this is presented in the financial statements. No deferred tax claim is accounted for where the expected tax benefit will probably not be realized in the near future. For transactions recognized directly in the Company's net equity position, any tax consequence is recognized in the net equity position. The calculation for deferred taxes is carried out using either enacted or substantively enacted tax rates on the basis of which it is expected that tax claims or obligations will be settled.
- (q) **Provisions and Contingent Receivables – Liabilities:** Provisions are recognized when the Company has present legal or constructive obligations as a result of past events, whose settlement involves an outflow of funds and where the exact amount of any eventual liability can be credibly estimated. Provisions are re-examined at the date of preparation of every balance sheet and are modified so as to reflect the present value of the expense expected to be incurred to settle the obligation. In cases where there is a substantial time delay from the recognition of a provision to the expected time of settlement, provisions are discounted using a pre-tax discount rate. Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed if the inflow of economic benefits is probable.
- (r) **Earnings Per Share:** Basic earnings per share are computed by dividing net profits attributable to shareholders of the parent by the weighted average number of shares in circulation each year, subtracting the average number of shares repurchased as treasury stock. Diluted earnings per share are computed by dividing net profits attributable to shareholders of the parent restated by the impact of potential conversion on instruments convertible to shares, by the average number of shares mentioned above, restated by the impact of potential conversion of instruments convertible to shares.
- (s) **Recognition of Revenues:** Revenues are recognized to the degree that it is probable that economic benefits will flow and where revenue can be reliably measured. Revenues from the sale of goods after the deduction of any discounts and commissions are recognized when the buyer assumes the significant risks and benefits deriving from ownership of the goods in question. Intercompany sales between Group companies are written off. Revenues from the provision of services are recognized on the basis of the stage of completion of the services provided at the date of financial statement preparation, compared to the total services to be provided. Revenues from interest are recognized as revenues in the period to which they refer and revenues from dividends are recognized when the right to receive them has been approved by the respective bodies of the companies declaring the dividends.

3. BASIC ACCOUNTING PRINCIPLES (continued)

- (t) **Segment Reporting:** The Group of companies operates mainly in the markets for motorized two-wheelers and marine products (outboards, inflatable crafts etc.) which it considers as operating segments and for which it discloses the required information. Uniform accounting principles are followed for each of these operating segments. Because sales, operating results and assets originating outside the territory of Greece represent less than 10% of the Company total, the respective analyses by geographical are not disclosed.
- (u) **Treasury Shares:** Treasury Shares represent Company shares acquired and held by the Company. Treasury shares are presented at acquisition cost, as separate item, deducted from the equity. Any result occurring from the purchase, sale or cancellation of treasury shares is directly recognized in equity.
- (v) **Reclassification of items:** Certain items of the balance sheet and the income statement of the previous year have been reclassified in order to become comparable to those of the closing year. Relevant information is provided in the note citing the discontinued operations.
- (w) **Operating Leases:** Leases in which the lessor maintains substantially all benefits and risks emanating from the property ownership are classified as operating leases. Rent payments for operating leases are recorded as expenses in the results systematically during the lease.

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

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

- The rights on the case resources' inflow have expired.
- The Company maintains the right on the inflow of cash resources from the specific asset but has also assumed a liability against third parties to fully reimburse them without unreasonable delay in the form of a transfer contract.
- The Company has transferred the right on the inflow of case resources from the specific asset, while, at the same time, it has either (a) transferred substantially all risks and benefits or (b) not transferred substantially all risks and benefits, but has transferred the control over the specific asset.
- In cases that the Company has transferred the rights on inflow of case resources from the specific asset but has not transferred substantially all risks and benefits from, or the control over, the specific asset, then such asset is recognized at the extent of the Company's continued participation in such asset. The continued participation that has the form of a guarantee on the asset transferred is assessed at the lower of the asset's initial balance and the maximum amount that the Company is called to pay. When the continued participation has the form of call and/or put option on the asset (including options settled by cash), the extent of the Company's continued involvement is the value of the asset transferred that the Company may repurchase, excluding the case of a put option on the asset that is assessed at fair value, where the continued participation of the Company is limited to the lower of the fair value of the asset transferred and the option exercise price.

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

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

4. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Subsidiary / Business	Year of establish ment	%	Country
Motodiktyo S.A. Motorcycles, motorbikes, machinery, machines and any type of motor agency, import, trade, distribution, maintenance, repair and assembling.	2002	100%	Greece
Motodiktyo Northern Greece S.A. Motorcycles, motorbikes, machinery, machines and any type of motor agency, import, trade, distribution, maintenance, repair and assembling.	2004	51%	Greece
Motodynamics Srl. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Romania	1994	100%	Romania
Motodynamics Ltd. Representation, exclusive distribution, re-export, logistics services and trading of Yamaha brand products in Bulgaria	1992	100%	Bulgaria

Within 2009, the Company, jointly appraising international and local developments in conjunction with the accumulated losses of its subsidiaries Motodynamics Srl (Romania) and Motodynamics Ltd (Bulgaria), formed a provision amounting to 1.020,000 euro in total, by which it partially impaired its participating interest in the above subsidiaries, considering that the recovery of the corresponding amount is not forecasted to take place during ensuing years. In December 2010, the Company reviewed the provision for the devaluation of its participating interests but no significant differences occurred. The provision pertains mainly to the subsidiary Motodynamics Ltd (Bulgaria).

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On December 30th 2010, the merger of the Company with its 100% subsidiary MOTODYNAMIKI INSURANCE BROKERAGE SA and the distinctive title MOTODYNAMIKI INSURANCE BROKERAGE SA was completed by absorption of the latter by the Company, in accordance with the provisions of articles 78 and 69-77 of Codified Law 2190/20 and articles 1-5 of Law 2166/1993, according to the transformation balance sheet drafted by MOTODYNAMIKI INSURANCE BROKERAGE SA on June 30th 2010.

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

	December 31st 2010	December 31st 2009
Motodiktyo S.A.	1.250.156,52	118.146,52
Motodiktyo Northern Greece S.A.	76.500,00	76.500,00
Motodynamics Insurance Brokerage S.A.	-	120.000,00
Motodynamics Srl.	1.883.927,84	1.883.927,84
Motodynamics Ltd.	2.036.859,28	2.036.859,28
Provision for devaluation of participating interests	(1.020.000,00)	(1.020.000,00)
	<u>4.227.443,64</u>	<u>3.215.433,64</u>

Discontinued Operations:

In view of the better and more efficient operation of the business segments of the Company and the Group, the Extraordinary General Meeting of 19/03/2010, following a proposal by the Board of Directors in 2009, approved the spin-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100%) trading under the name “MOTODIKTYO EMPORIA KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A.” and the distinctive title “MOTODIKTYO S.A.”, in accordance with the provisions of articles 1-5 of law 2166/93. Moreover, the 31st December 2009 was designated as the Transformation Balance Sheet date (of the accounting statements).

The official approval of the retail sales spin-off was approved by the competent authorities on 4 May 2010. However, the 31st December 2009 is considered the substantive spin-off date and therefore the retail sales results are not presented separately for 2010.

4. INVESTMENTS IN SUBSIDIARIES (continued)

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

	1/1-31/12 2009
Sales	5.057.381,26
Cost of Sales	(3.380.107,39)
Sales and distribution expenses	(1.048.908,76)
Other income	98.335,07
Other expenses	-
Financial income	351,85
Financial expenses	(6.203,55)
Profit before taxes	<u>720.848,48</u>
Income tax	(180.212,12)
Profit after tax	<u>540.636,36</u>
Basic earnings per share net of tax (in €)	0,1070
Diluted earnings per share (in Euro):	0,1063

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

	December 31st, 2009
ASSETS	
Non-current assets	
Tangible assets	210.628,82
Software	17.778,02

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	<u>JULY 30TH, 2010</u>
LIABILITIES	
Equity	
Share capital	120.000,00
Results carried forward	<u>(205.167,38)</u>
Total Liabilities	(85.167,38)
Short-term liabilities	<u>109.165,62</u>
Total Liabilities	<u>109.165,62</u>
Total Liabilities	<u><u>23.998,24</u></u>

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5. RELATED PARTIES TRANSACTIONS

Transactions with subsidiaries

Transactions with subsidiaries (sales of merchandise and provision of services) are carried out within the Company's normal business operations. Outstanding balances at the end of the year are unsecured, interest free and settlement occurs in cash. On December 31st, 2010 there are no pending guarantees or any other commitments of Motodynamics towards and from its subsidiaries. The Company's Management does not deem that a provision is required for potential failure to collect its receivables from its subsidiaries and, therefore, no provision has been formed.

The breakdown of transactions (sales of merchandises and provision of services) and Company balance with the above mentioned subsidiaries, in which it holds a participating interest, as well as the breakdown of transactions among the subsidiaries are presented below.

	COMPANY	
	December 31st 2010	December 31st, 2009
Sale of goods and services		
Motodiktyo S.A.	2.885.788,18	1.349.379,37
Motodiktyo N.G. S.A.	495.632,42	850.457,02
Motodynamics Ltd.	358.333,15	469.167,51
Motodynamics Srl.	518.004,19	817.339,61
Motodynamics Insurance Brokerage S.A.	-	777,12
	4.257.757,94	3.487.120,63
Purchases of goods and services		
Motodiktyo S.A.	119.982,98	1.722,40
Motodiktyo N.G. S.A.	2.128,20	1.192,30
Motodynamics Ltd.	8.529,54	14.742,05
Motodynamics Srl.	10.852,68	183.093,64
	141.493,40	200.750,39
Receivables		
Motodiktyo S.A.	208.062,88	759.886,53
Motodiktyo N.G. S.A.	37.554,74	217.484,37
Motodynamics Ltd.	1.743,54	1.888,37
Motodynamics Srl.	219.392,92	411.477,72
Motodynamics Insurance Brokerage S.A.	-	982,80
	466.754,08	1.391.719,79
Liabilities		
Motodiktyo S.A.	43.109,43	791,59
Motodiktyo N.G. S.A.	863,60	226,46
Motodynamics Srl.	2.877,73	2.397,79
	46.850,76	3.415,84

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5. TRANSACTIONS - BALANCES WITH SUBSIDIARIES (continued)

	Motodynamics Ltd.		Motodynamics Srl.	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Sale of goods and services				
Motodynamics Srl	45.091,00	19.811,00	-	-
Motodynamics Ltd.	-	-	12.527,00	-
	45.091,00	19.811,00	12.527,00	-
Purchases of goods and services				
Motodynamics Srl	12.527,00	-	-	-
Motodynamics Ltd.	-	-	45.091,00	19.811,00
	12.527,00	-	45.091,00	19.811,00
Receivables				
Motodynamics Srl	-	7.546,00	-	-
	-	7.546,00	-	-
Liabilities				
Motodynamics Ltd.	-	-	-	7.546,00
	-	-	-	7.546,00

Transactions - balance with subsidiaries

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Purchases of goods and services				
S&B Industrial Minerals S.A.	-	319.092,80	-	316.072,69
	-	319.092,80	-	316.072,69
Liabilities				
S&B Industrial Minerals S.A.	38.526,44	31.159,23	38.526,44	-
	38.526,44	31.159,23	38.526,44	-

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

Compensation of key management personnel of the Company and the Group for the year ended December 31st, 2010 and 2009, were as follows:

	GROUP		COMPANY	
	December 31st 2010	December 31st 2009	December 31st 2010	December 31st 2009
Benefits to key management personnel of the Company and the Group				
Compensation of key management personnel	1.778.215,99	1.810.755,98	1.733.164,41	1.703.997,71
Key management personnel receivables	-	-	-	-
Liabilities to key management personnel	769.388,63	963.234,15	764.428,63	956.674,15

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6. SALES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Motorised Two-Wheelers	24.303.518,73	34.418.560,56	23.033.639,81	30.690.815,50
Marine products	10.624.015,24	13.819.012,50	10.444.578,13	13.452.763,96
Spare parts	9.413.688,05	9.795.957,64	8.005.578,71	7.440.735,51
Accessories	1.880.934,00	2.025.189,26	1.575.229,46	1.504.543,30
Lubricants	1.086.591,80	1.121.216,36	953.750,89	925.913,55
Tires	348.715,78	504.422,64	338.747,08	479.758,84
Other	62.335,41	97.696,30	15.054,08	30.604,12
Services	215.229,69	217.857,37	14.403,00	7.558,31
	47.935.028,70	61.999.912,63	44.380.981,16	54.532.693,09
Sales of discontinued operations	-	-	-	5.057.381,26
Total Sales	47.935.028,70	61.999.912,63	44.380.981,16	59.590.074,35

7. ADMINISTRATIVE EXPENSES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Payroll (note 0)	2.645.113,68	3.487.726,55	2.536.847,64	3.274.810,99
Rents	1.087.229,41	1.307.654,16	1.074.794,81	1.279.904,22
Depreciation of fixed assets (note 15)	761.205,39	659.972,04	746.492,30	638.171,16
Remuneration to third parties	556.685,03	243.471,83	534.302,35	240.861,13
Utilities	18.321,89	135.012,93	19.513,26	133.871,32
Third parties fees	397.962,33	516.616,01	394.259,48	509.177,93
Provisions	25.590,88	121.650,00	25.590,88	91.650,00
Transportation expenses	43.832,99	205.783,78	43.832,99	205.780,83
Other	198.086,55	249.958,41	184.246,78	228.901,38
	5.734.028,15	6.927.845,70	5.559.880,49	6.603.128,96

8. SALES AND DISTRIBUTION EXPENSES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Payroll (note 0)	2.910.690,94	3.431.071,15	2.008.354,44	2.276.460,42
Advertising and Promotion Exp.	779.102,98	1.114.222,42	759.484,80	1.094.979,71
Third parties fees	879.452,55	950.485,03	449.571,54	366.658,19
Provisions	434.801,88	520.987,69	388.930,08	286.355,94
Transportation expenses	281.222,99	290.518,78	252.200,72	227.076,79
Travel expenses	105.703,13	107.066,17	103.530,69	101.846,30
Depreciation of fixed assets (note 15)	175.940,57	210.744,07	-	-
Remuneration to third parties	99.796,30	169.181,64	59.702,21	65.748,12
Exhibition and Demonstration Expenses	93.519,15	46.796,68	91.345,34	35.995,31
Other	208.940,22	303.369,24	148.660,29	195.343,55
	5.969.170,71	7.144.442,87	4.261.780,11	4.650.464,33
Distribution expenses of discontinued operations	-	-	-	1.048.908,76
Total distribution expenses	5.969.170,71	7.144.442,87	4.261.780,11	5.699.373,09

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9. OTHER INCOME

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Supplier participation in promotions	21.711,53	46.646,23	21.711,53	41.522,91
Income from guarantees	465.948,06	553.295,23	459.530,04	537.574,08
Reimbursed shipping expenses	165.792,68	280.484,01	262.279,74	259.389,56
Income from commissions	3.044,32	18.101,66	379,24	8.163,46
Income from sales of assets	16.439,46	37.930,41	16.439,46	37.930,41
Other	399.728,56	273.660,26	350.089,82	346.742,00
	1.072.664,61	1.210.117,80	1.110.429,83	1.231.322,42
Other income from discontinued operations	-	-	-	98.335,07
Total other income	1.072.664,61	1.210.117,80	1.110.429,83	1.329.657,49

10. OTHER EXPENSES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Fines and increments	1.758,94	6.204,00	1.246,45	6.204,00
Exceptional and extraordinary expenses	18.912,37	-	18.912,37	-
Losses from sales of assets	39.850,71	12.503,29	39.663,47	12.503,29
Past years expenses	232.605,11	179.209,68	203.419,60	179.209,68
Other	999,21	27.036,07	862,34	2.231,44
Total other expenses	294.126,34	224.953,04	264.104,23	200.148,41

11. FINANCIAL INCOME

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Credit interest	23.523,66	59.914,88	12.806,42	43.756,99
Foreign exchange gain	35.328,18	17.615,89	1.904,41	5.307,24
	58.851,84	77.530,77	14.710,83	49.064,23
Financial income from discontinued operations	-	-	-	351,85
	58.851,84	77.530,77	14.710,83	49.416,08

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12. FINANCIAL EXPENSES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Debit interest	376.413,65	442.765,12	374.839,66	434.150,72
Commissions and Bank expenses	75.771,51	49.719,93	23.037,06	29.173,92
Foreign exchange losses	52.392,17	79.788,18	9.570,25	6.634,45
	504.577,33	572.273,23	407.446,97	469.959,09
Financial expenses from discontinued operations	-	-	-	6.203,55
	504.577,33	572.273,23	407.446,97	476.162,64

13. INCOME TAX (CURRENT AND DEFERRED)

Income tax in the income statement is analyzed as follows:

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Current income tax	-	277.879,00	-	277.879,00
Income from un-utilized provision for unaudited years	(40.429,00)	-	(40.429,00)	-
Deferred income tax	(210.078,47)	(134.833,85)	(197.966,77)	(45.605,18)
Special levy under Law 3845/2010	62.901,60	-	62.901,60	-
Provision for unaudited fiscal years	45.000,00	50.000,00	45.000,00	50.000,00
	(142.605,87)	193.045,15	(130.494,17)	282.273,82
Minus Tax on Discontinued Operations	-	-	-	(180.212,12)
Income tax on ongoing operations	(142.605,87)	193.045,15	(130.494,17)	102.061,70

The income tax rate of the parent company is 24% for 2010 and 25% for 2009 based on Law 3697/2008. Income tax statements are filed annually, but tax profits or losses remain provisional until the company undergoes a tax audit of its statements, book and records and the final audit report is issued. Tax losses, to the extent they are accepted by the tax authorities, can be offset against future profits for a five-year period as of the year in which they arose.

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

Company	Unaudited Periods
Motodynamics S.A.	2010
Motodiktyo S.A.	2007 up to 2010 inclusive
Motodiktyo Northern Greece S.A.	2005 up to 2010 inclusive
Motodynamics Ltd. (Bulgaria)	2005 up to 2010 inclusive
Motodynamics Srl. (Romania)	2008 up to 2010 inclusive

In December 2010, the ordinary tax audit of the parent company for the years 2007-2009 was completed. The audit resulted in the imposition of additional taxes and surcharges amounting to EUR 143.752.00. The Company had formed a provision of EUR 190.000.00.

Moreover, the tax audit of the years 2004 to 2009 on the taken-over subsidiary, Motodynamiki Insurance Brokerage S.A., was also completed using the procedure of final closure of outstanding tax cases in accordance with the provisions of Law 3888/2010. The respective statement of accounts issued provided for payable taxes totalling to EUR 3.864.00.

During 2010, following a re-audit of the year 2003, additional taxes and surcharges amounting to EUR 1.955,00 were imposed on the parent company.

Moreover, pursuant to Law 3845/2010, the results of the parent company were burdened by an extraordinary contribution amounting to EUR 62.901,60 regarding tax profits of the year 2009.

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

For the unaudited tax periods it is not possible to made a reliable assessment of the additional taxes and penalties that maybe charged and that is because taxes and fines are depend on the significance of findings by the tax authorities. For that reason, the company has made a provision for additional taxes and penalties to account for unaudited tax years, on the basis of tax assessments of previous years. An analysis and reconciliation of the nominal tax amount derived from the application of the nominal rate to earnings before taxes with the actual tax that arose is shown below:

	GROUP	
	December 31st, 2010	December 31st, 2009
Loss before taxes	(1.792.850,94)	(356.194,71)
Income tax (based on prevailing tax rate)	(430.284,23)	(89.048,68)
Income from un-utilized provision for unaudited years	(40.429,00)	-
Special levy under Law 3845/2010	62.901,60	-
Losses suffered by subsidiaries in which no deferred tax receivables have been recognized	64.258,22	55.725,54
Differences attributed to different nominal tax rates of the parent and the subsidiaries	12.131,58	61.071,10
<u>Non-tax deductible Expenses</u>		
- Provision for doubtful receivables	30.223,22	44.501,49
- Accounting differences	48.000,00	37.500,00
- Others	65.592,74	33.295,71
	(187.605,87)	143.045,15
- Provision for unaudited tax years	45.000,00	50.000,00
<i>Income Tax Provision</i>	(142.605,87)	193.045,15
	COMPANY	
	December 31st, 2010	December 31st, 2009
Loss before taxes	(1.410.327,47)	(541.100,16)
Income tax (based on prevailing tax rate)	(338.478,59)	(135.275,04)
Income from un-utilized provision for unaudited years	(40.429,00)	-
Special levy under Law 3845/2010	62.901,60	-
<u>Non-tax deductible Expenses</u>		
- Provision for doubtful receivables	30.223,22	44.501,49
- Provision for devaluation of participating interests	-	255.000,00
- Accounting differences	48.000,00	37.500,00
- Others	62.288,06	30.547,37
	(175.494,17)	232.273,82
- Provision for unaudited tax years	45.000,00	50.000,00
<i>Income Tax Provision</i>	(130.494,17)	282.273,82

Deferred income taxes are calculated on the basis of all temporary tax differences based on the tax rates expected to be in force during the years in which an asset will be recovered or a liability will be settled and based on tax rates (and tax laws) that are applicable at the balance sheet date. Pursuant to Law 3697/2008, the income tax rate for the year

2010 is 24% and shall be gradually decreased by 1% in the following years until it falls down to 20%.

The Company has used the tax rates each time applicable depending on the time that temporary differences will be settled.

Movement in the deferred income tax account is as follows:

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Beginning Balance	596.738,12	461.904,27	325.743,89	280.138,71
Credit to income	210.078,47	134.833,85	197.966,77	45.605,18
Ending Balance	806.816,59	596.738,12	523.710,66	325.743,89

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

Deferred income tax assets and liabilities are as follows:

	GROUP			
	Balance sheet		Income statement	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Deferred tax receivables				
- Write-off of intangibles	66.722,70	57.952,17	8.770,53	446,83
- Inventories	163.922,53	90.189,08	73.733,45	9.195,11
- Subsidiaries' tax losses	397.685,59	126.664,33	271.021,26	69.910,24
- Provision for staff retirement indemnities	166.754,65	215.176,17	(48.421,52)	5.566,17
- Other provisions	34.328,56	88.175,44	(53.846,88)	(20.658,41)
- Board of Directors' Fees	56.000,00	87.789,60	(31.789,60)	87.789,60
Gross Deferred Income Tax Assets	885.414,03	665.946,79	219.467,24	152.249,54
Deferred tax liabilities				
- Depreciation for tangible fixed assets	(57.598,48)	(43.136,71)	(20.279,63)	(7.903,58)
- Depreciation for intangible fixed assets	(20.915,66)	(15.097,80)	-	-
- Other	(83,30)	(10.974,16)	10.890,86)	(9.512,11)
Gross Deferred Income Tax Liabilities	(78.597,44)	(69.208,67)	(9.388,77)	(17.415,69)
Net Deferred Income Tax Assets Credit to Income	806.816,59	596.738,12	210.078,47	134.833,85

	COMPANY			
	Balance sheet		Income statement	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Deferred tax receivables				
- Write-off of intangibles	44.440,70	17.603,67	26.837,03	(64,17)
- Provision for: - slow moving inventories	73.697,40	20.484,64	53.212,76	15.884,64
- staff retirement indemnities	161.850,60	211.396,17	(49.545,57)	5.566,17
- Other provisions	3.831,60	57.678,48	(53.846,88)	(46.155,44)
- Board of Directors' Fees	56.000,00	87.789,60	(31.789,60)	87.789,60
Tax losses	262.487,80	-	262.487,80	-
Gross Deferred Income Tax Assets	602.308,10	394.952,56	207.355,54	63.020,80
Deferred tax liabilities				
- Depreciation for tangible fixed assets	(57.598,48)	(43.136,71)	(14.461,77)	(7.654,70)
- Depreciation for intangible fixed assets	(20.915,66)	(15.097,80)	(5.817,86)	(248,88)
- Other	(83,30)	(10.974,16)	10.890,86)	(9.512,04)
Gross Deferred Income Tax Liabilities	(78.597,44)	(69.208,67)	(9.388,77)	(17.415,62)
Net Deferred Income Tax Assets Credit to Income	523.710,66	325.743,89	197.966,77	45.605,18

The Group expects that, in the following years, there will be tax profits both of the parent company and of its subsidiaries which shall, though, set off a part of the tax losses certified to date. For that reason, no deferred tax claim has been calculated for the losses incurred in 2010 by foreign subsidiaries amounting to € 101.524,09 and the losses incurred in 2010 by a domestic subsidiary amounting to € 81.243,33.

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14. PAYROLL COST

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Payroll cost included in:				
- Administration expenses (note 7)	2.645.113,68	3.487.726,55	2.536.847,64	3.274.810,99
- Sales & Distribution Expenses (note 8)	2.910.690,94	3.431.071,15	2.008.354,44	2.276.460,42
- discontinued activities	-	-		749.961,02
	5.555.804,62	6.918.797,70	4.545.202,08	6.301.232,43

All payroll costs incurred in 2010 and 2009 have been charged to income in these respective years.

15. DEPRECIATION

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Depreciation included in:				
- Administration expenses (note 7)	761.205,39	659.972,04	746.492,30	638.171,16
- Sales & Distribution Expenses (note 8)	175.940,57	210.744,07	-	-
- Discontinued Operations	-	-	-	43.563,81
	937.145,96	870.716,11	746.492,30	681.734,97

The above depreciation charges refer to the following asset categories:

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Depreciation				
- of tangible assets (note 17)	846.817,09	791.088,86	677.438,40	617.139,53
- of intangible assets (note 18)	90.328,86	79.627,25	69.053,91	64.595,44
	937.145,95	870.716,11	746.492,31	681.734,97

All depreciation charged in 2010 and 2009 has been included in the financial statements for the respective years.

16. EARNINGS/LOSSES PER SHARE

Basic earnings/ losses per share were calculated by dividing the net earnings attributable to the parent company's shareholders with the weighted average number of trading shares during the year, except from the average of ordinary shares acquired as treasury shares. Diluted earnings/ losses per share were calculated by dividing the net earnings/losses attributable to the parent company's shareholders by the weighted average of trading shares as above, adapted to the effect of the possible allocation of free shares, except from the average of ordinary shares acquired as treasury shares.

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16. EARNINGS/LOSSES PER SHARE (continued)

	GROUP		COMPANY	
	1.1 – 31.12.2010	1.1 – 31.12.2009	1.1 – 31.12.2010	1.1 – 31.12.2009
Losses used for the calculation of basic / diluted earnings per share	(1.601.971,22)	(582.417,19)	(1.279.833,30)	(823.373,98)
Shares' weighted average				
Total Shares	5.104.646	5.118.363	5.104.646	5.118.363
Minus: Weighted average of Treasury Share Purchase	-	65.056	-	65.056
Basic weighted average of shares	5.104.646	5.053.307	5.104.646	5.053.307
Total Shares	5.137.979	5.135.030	5.137.979	5.135.030
Minus: Weighted average of Treasury Share Purchase	-	65.056	-	65.056
Plus: Weighted average of reserves for allocation of free shares to directors	16.667	16.667	16.667	16.667
Diluted	5.154.646	5.086.641	5.154.646	5.086.641
Losses per share (in Euro):				
Basic	(0,3138)	(0,1153)	(0,2507)	(0,1629)
Diluted	(0,3108)	(0,1145)	(0,2483)	(0,1619)

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17. TANGIBLE FIXED ASSETS

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

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transport Means</u>	<u>Furniture & Fixtures</u>	<u>Total</u>
Acquisition Value						
January 1st, 2009	401.047,37	1.618.691,94	302.052,31	1.373.312,97	3.641.403,04	7.336.507,63
Additions	-	1.736.939,45	41.554,72	503.400,47	1.441.622,63	3.723.517,27
Foreign exchange differences	-	-	(2.232,95)	(5.560,54)	(9.154,63)	(16.948,13)
Sales	-	(5.745,35)	(42.087,69)	(238.389,23)	(79.012,60)	(365.234,87)
Transfers	-	(204.315,31)	(28.397,63)	-	(1.268.994,17)	(1.501.707,11)
December 31st, 2009	401.047,37	3.145.570,73	270.888,76	1.632.763,67	3.725.864,27	9.176.134,80
Additions	-	83.499,34	-	269.046,36	53.009,17	405.554,87
Foreign exchange differences	-	-	(118,71)	(611,83)	(1.125,64)	(1.856,19)
Sales	-	-	-	(340.632,44)	(7.007,77)	(347.640,21)
Disposals-Items Written off	-	(5.605,00)	-	-	-	(5.605,00)
Transfers	-	-	-	-	(8.178,62)	(8.178,62)
December 31st, 2010	401.047,37	3.223.465,07	270.770,05	1.560.565,76	3.762.561,41	9.218.409,65
Accumulated Depreciation						
January 1st, 2009	-	641.879,38	231.930,68	496.839,37	2.896.951,00	4.267.600,43
Depreciations (note 15)	-	87.836,06	29.983,23	189.560,30	483.709,26	791.088,86
Write-off	-	(204.314,76)	(28.569,40)	-	(1.260.955,60)	(1.493.839,76)
Foreign exchange differences	-	-	2.166,05	(1.735,94)	(4.392,07)	(3.961,97)
Sales	-	(3.182,09)	(40.382,71)	(97.686,26)	(61.915,68)	(203.166,74)
December 31st, 2009	-	522.218,59	195.127,85	586.977,47	2.053.396,91	3.357.720,82
Depreciations (note 15)	-	115.223,14	22.133,06	204.441,55	505.019,35	846.817,09
Write-off	-	(2.474,35)	-	-	(428,18)	(2.902,53)
Foreign exchange differences	-	-	(117,68)	(502,12)	(1.173,72)	(1.793,52)
Sales	-	-	-	(120.073,51)	(18.106,29)	(138.179,80)
Transfers	-	53,77	(737,78)	(317,33)	737,78	(263,56)
December 31st, 2010	-	635.021,15	216.405,45	670.526,06	2.539.445,85	4.061.398,50
Net Book Value						
December 31st, 2008	401.047,37	976.812,56	70.121,63	876.473,60	744.452,04	3.068.907,20
December 31st, 2009	401.047,37	2.623.352,14	75.760,91	1.045.786,20	1.672.467,36	5.818.413,98
December 31st, 2010	401.047,37	2.588.443,92	54.364,60	890.039,70	1.223.115,56	5.157.011,15

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17. TANGIBLE FIXED ASSETS (continued)

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

	Acquisition Value				Transport Means		Furniture & Fixtures		Total
	Land	Buildings	Machinery						
January 1st, 2009	401.047,37	1.320.933,78	222.472,37		1.223.645,57	3.031.362,39		6.199.461,48	
Additions	-	1.736.939,45	41.554,72		488.711,16	1.404.674,95		3.671.880,28	
Sales	-	(5.745,35)	(42.087,69)		(222.280,96)	(79.012,60)		(349.126,60)	
Disposals-Items Written off	-	(204.315,31)	(6.073,18)		-	(1.251.811,70)		(1.462.200,19)	
Tangible assets of discontinued activities	-	(288.338,93)	(59.285,87)		(1.600,00)	(397.093,50)		(746.318,30)	
December 31st, 2009	401.047,37	2.559.473,64	156.580,35		1.488.475,77	2.708.119,54		7.313.696,67	
Additions	-	62.252,83	-		269.046,36	46.928,48		378.227,67	
Sales	-	-	-		(332.131,82)	(7.007,77)		(339.139,59)	
December 31st, 2010	401.047,37	2.621.726,47	156.580,35		1.425.390,31	2.748.040,25		7.352.784,75	
Accumulated Depreciation									
January 1st, 2009	-	477.219,75	179.866,37		424.817,00	2.500.691,51		3.582.594,63	
Depreciations (note 15)	-	56.746,17	19.873,33		164.614,35	375.905,68		617.139,53	
Disposals	-	(204.314,76)	(6.072,91)		-	(1.251.800,05)		(1.462.187,72)	
Sales	-	(3.182,09)	(40.382,71)		(80.775,93)	(61.915,68)		(186.256,41)	
Depr. assets of discontinued activities	-	(166.792,12)	(41.042,78)		(1.200,00)	(326.654,58)		(535.689,48)	
December 31st, 2009	-	159.676,95	112.241,30		507.455,42	1.236.226,88		2.015.600,55	
Depreciations (note 15)	-	68.332,95	10.578,26		183.527,15	415.000,04		677.438,40	
Sales	-	-	-		(118.914,60)	(5.330,77)		(124.245,37)	
Transfers	-	53,77	(737,78)		(319,33)	737,78		(263,56)	
December 31st, 2010	-	228.063,67	122.081,78		571.750,64	1.646.633,93		2.568.530,02	
Net Book Value									
December 31st, 2008	401.047,37	843.714,03	42.606,00		798.828,57	530.670,88		2.616.866,85	
December 31st, 2009	401.047,37	2.399.796,69	44.339,05		981.020,35	1.471.892,66		5.298.096,12	
December 31st, 2010	401.047,37	2.393.662,80	34.498,57		853.639,67	1.101.406,32		4.784.254,73	

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17. TANGIBLE FIXED ASSETS (continued)

The tangible asset purchases are significantly increased compared to the corresponding period of 2009 due to the Company's relocation at the new rented registered office at Aspropyrgos and required building improvements and new equipment.

18. SOFTWARE

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

	GROUP		
	Acquisition Value	Accumulated Depreciation	Net Book Value
January 1st, 2009	628.924,22	(500.675,81)	128.248,41
Additions / Depreciation	140.527,68	(79.627,25)	60.900,43
Foreign exchange differences	(1.670,14)	674,68	(995,46)
December 31st, 2009	767.781,76	(579.628,38)	188.153,38
Additions / Depreciation	67.497,14	(90.328,86)	(22.831,72)
Currency differences/ Transfers	7.989,14	(77,47)	7.911,67
December 31st, 2010	843.268,04	(670.034,71)	173.233,33
	COMPANY		
	Acquisition Value	Accumulated Depreciation	Net Book Value
January 1st, 2009	566.346,93	(466.894,91)	99.452,02
Additions / Depreciation	140.527,68	(64.595,44)	75.932,24
Software programmes of Discontinued Operations	(21.773,51)	3.995,49	(17.778,02)
December 31st, 2009	685.101,10	(527.494,79)	157.606,31
Additions / Depreciation	22.883,57	(69.053,91)	(46.170,34)
Currency differences/ Transfers	-	(263,56)	(263,56)
December 31st, 2010	707.984,67	(596.812,26)	111.172,41

19. INVENTORIES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Two – Wheelers	5.029.502,08	4.479.567,75	4.314.830,46	3.796.682,47
Marine products	2.743.884,05	3.976.566,92	2.628.406,93	3.828.419,66
Spare parts	1.579.332,15	1.770.136,27	875.877,79	1.355.220,24
Accessories	1.180.952,15	1.232.189,50	880.991,26	1.064.709,72
Lubricants	115.637,93	187.044,57	91.861,18	165.927,63
Tires	97.904,42	85.864,89	95.470,12	85.438,80
Other	204.064,64	330.946,96	59.877,05	74.052,90
	10.951.277,42	12.062.316,87	8.947.314,79	10.370.451,42
Provision for slow moving inventory	(460.598,00)	(108.112,00)	(368.487,00)	(93.112,00)
	10.490.679,42	11.954.204,87	8.578.827,79	10.277.339,42
Non custom clearance inventories	5.145.320,85	2.627.124,68	5.145.320,85	2.627.124,68
Goods in transit	332.480,97	351.745,72	332.480,97	351.745,72
	15.968.481,24	14.933.075,27	14.056.629,61	13.256.209,82
Less inventories of discontinued activities	-	-	-	(918.779,79)
Total inventories of ongoing operations	15.968.481,24	14.933.075,27	14.056.629,61	12.337.430,03

No liens exist on the Group and Company inventories.

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19. INVENTORIES (continued)

The provision for impairment of inventories' value refers mostly to the spare parts and is formed whenever the management considers it appropriate, considering the safety stock for spare parts which the company is obligated to maintain for the total amount of products in circulation. The provision's movement is as follows:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Beginning Balance	(108.112,00)	(35.000,00)	(93.112,00)	(20.000,00)
Additional provision	(659.983,63)	(170.041,99)	(582.872,63)	(170.041,99)
Inventories write – offs	307.497,63	96.929,99	307.497,63	96.929,99
Ending Balance	(460.598,00)	(108.112,00)	(368.487,00)	(93.112,00)

20. TRADE RECEIVABLES

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

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Open accounts	2.932.409,63	2.597.783,66	2.724.540,17	2.316.579,91
Cheques receivable:				
- in portfolio	2.550.543,33	1.951.762,71	2.498.432,84	1.844.773,94
- past due	259.834,32	219.940,16	127.834,32	92.214,24
Notes receivable:				
- in portfolio	25.000,00	-	25.000,00	-
- to banks for collection	334.572,75	11.443,74	334.572,75	11.443,74
- past due	271.516,14	251.516,14	271.516,14	237.804,70
Doubtful clients and clients in litigation	56.840,02	60.423,94	-	-
Provision for doubtful clients	-	(13.408,56)	-	-
	6.430.716,19	5.079.461,79	5.981.896,22	4.502.816,53
Less provision for doubtful receivables	(616.283,35)	(330.223,40)	(364.041,67)	(62.140,00)
Balance of clients	5.814.432,84	4.749.238,39	5.617.854,55	4.440.676,53
Less balance of clients of discount. operations	-	-	-	(57.628,97)
Balance of clients of ongoing operations	5.814.432,84	4.749.238,39	5.617.854,55	4.383.047,56

Provision for doubtful accounts is made for specific client accounts which the management considers doubtful as to collection. The credit policy for collecting receivables ranges between 60-115 days and based on that the following balance maturation table has been drafted. There are no liens on the receivables. This provision presented the following movement during the year:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Beginning Balance	(330.223,40)	(822.671,68)	(62.140,00)	(788.868,78)
Additional provision	(336.031,61)	(442.637,69)	(325.930,08)	(178.005,94)
Receivable write – offs	49.971,66	935.085,97	24.028,41	904.734,72
Ending Balance	(616.283,35)	(330.223,40)	(364.041,67)	(62.140,00)

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20. TRADE RECEIVABLES (continued)

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st 2010	December 31 st 2009
Current receivables	5.546.471,00	4.088.207,76	5.357.066,41	3.895.014,46
Overdue :				
Minus overdue from discontinued operations	-	-	-	(57.628,97)
up to 30 days	118.481,93	96.788,01	118.481,93	65.005,74
31 – 90 days	67.052,58	191.915,28	67.052,58	99.107,50
91 – 180 days	54.866,00	121.591,07	54.866,00	119.565,73
more than 180 days	643.844,68	580.959,67	384.429,30	324.123,10
Total	6.430.716,19	5.079.461,79	5.981.896,22	4.445.187,56
Provision for doubtful clients	(616.283,35)	(330.223,40)	(364.041,67)	(62.140,00)
Total trade receivables	5.814.432,84	4.749.238,39	5.617.854,55	4.383.047,56

21. OTHER RECEIVABLES

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

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Advances and credits	42.488,84	41.433,04	12.803,74	16.133,48
Advances to suppliers	79.531,48	94.726,78	79.531,48	94.726,78
Greek State	443.374,21	403.305,76	443.374,21	403.305,76
Employee loans	5.565,00	4.414,03	5.565,00	4.414,03
Future years' expenses	71.241,81	72.887,45	59.029,50	58.088,77
Total other receivables	642.201,34	616.767,06	600.303,93	576.668,82
Minus other receivables from discontinued operations	-	-	-	(9.589,57)
Other receivables from ongoing operations	642.201,34	616.767,06	600.303,93	567.079,25

22. CASH

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

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Cash	59.646,37	42.683,03	17.399,20	27.729,08
Sight Deposits	671.858,83	526.763,00	227.702,00	230.001,11
Total	731.505,20	569.446,03	245.101,20	257.730,19
Minus cash and cash equivalents from discontinued operations	-	-	-	(96.360,79)
Cash and cash equivalents of ongoing operations.	731.505,20	569.446,03	245.101,20	161.369,40

Interest rates on the above deposits for the parent and its Greek subsidiaries amounted from 0.5% to 1.2% (floating rate). Respectively, for the Company subsidiaries in Bulgaria and Romania, deposit rates amounted from 4% to 10% (floating rates). The following table analyzes cash and cash equivalents by currency (denominated in Euro):

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22. CASH & CASH EQUIVALENTS (continued)

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Cash & cash equivalents in:				
- EURO	470.810,88	460.027,98	245.101,20	257.730,19
- Bulgarian Leva (BNG)	186.976,40	42.717,36	-	-
- Romanian Leu (RON)	73.717,92	66.700,69	-	-
Total	731.505,20	569.446,03	245.101,20	257.730,19
Minus cash and cash equivalents from discontinued operations	-	-	-	(96.360,79)
Cash and cash equivalents of ongoing operations.	731.505,20	569.446,03	245.101,20	161.369,40

23. ALLOCATION OF BONUS SHARES TO DIRECTORS

In the context of approving the contracts provided for in article 23a, para. 2 of Codified Law 2190/20, the ordinary General Meeting of Shareholders as of May 30th, 2008 approved the contract made as of 01.01.2008 between the company and the Managing Director and CEO. Among others, this contract determines the provision of 50.000 bonus shares after the completion of three years since the effective date of this contract and the provision of continuous services at the aforementioned position.

The fair value of shares was calculated on the basis of the share's market price on the date the contract was approved by the Ordinary General Meeting, and amounts as on 31.12.2010 to Euro 160.727,43 compared to 107.151,62 in 2009 respectively. Said amount reflects the services received by the company during 1/3 of the shares' vesting period, which is three years in total. and was completed on December 31st, 2010.

24. SHARE CAPITAL

On December 31st 2009, 2008, 2007, 2006 and 2005, the share capital of the parent company amounted to 3.026.700,00 Euro, comprising 5.130,000 ordinary nominal shares of € 0.59 nominal value each.

By decision of the extraordinary General Meeting dated October 26th, 2010, the following were determined:

That 130.000 treasury shares acquired in the context of the treasury share acquisition plan decided upon by the Ordinary General Shareholders' Meeting decision dated 23.04.2010, in conjunction with the General Meeting decision dated 30.05.2008, would be cancelled. This entailed decrease in the Company's (paid-up) share capital by € 76.700, which corresponds to the nominal value of the 130.000 treasury shares of the Company that were cancelled. The amount of € 169.234 that occurs from the difference between the average acquisition value and the nominal value of such shares shall decrease the "Share Premium" account.

That the Company's share capital would be increased by € 3.835,000 by cash payment and issue of 6.500,000 new common registered shares, of nominal value of € 0.59 each, with pre-emptive rights in favour of the old shareholders, at a selling price of € 0.60 per share. Athens Stock Exchange approved the admission of the Company's new shares for trading on 31/12/2010 and their trading commenced on 07/01/2011.

Finally, the Company's share capital stood, on December 31st, 2010, to € 6.785.000,00, consisting of 11.500,000 common registered shares, each of € 0.59 nominal value.

The share capital increase costs amounted to € 177.315,00, which is presented as a deduction in the "Share Premium" account.

According to the decision of the Company's Ordinary General Shareholders' Meeting of 30/5/08 and its extension according to the Ordinary General Meeting dated 23/4/2010 and the decision of the Board of Directors of 6/10/2008, the Company proceeded until October 26th, 2010 to the purchase of 130.250 treasury shares amounting to €246.364,45. Following the cancellation of treasury shares, the Company held, as on December 31st, 2010, 250 treasury shares amounting to € 430,45. The total treasury shares as on December 31st, 2009 amounted to 111,603 shares, of a total value of € 220.568,42, which corresponded to 2.2% of the total share capital.

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25. RESERVES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Ordinary Reserve	1.015.751,62	1.015.751,62	1.011.293,53	1.011.293,53
Special Reserves	15.568,80	15.568,80	15.568,80	15.568,80
Tax free reserves under special law	3.439,68	3.439,68	3.439,68	3.439,68
Reserves for allocation of free shares to key directors (note 23)	160.727,43	107.151,62	160.727,43	107.151,62
Purchase of own shares (note 24)	(430,45)	(220.568,42)	(430,45)	(220.568,42)
	1.195.057,08	921.343,30	1.190.598,99	916.885,21

According to Greek commercial law, companies are obliged to set up a legal reserve for 5% of their annual net profits until this reserve reaches one third of their paid-in capital. Any distribution from the ordinary reserve is prohibited during the Company’s life. For the period ending December 31, 2010 the Company did not set up additional legal reserve because this reserve has already reached one third of its paid-in capital.

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

The special reserves of € 15.568,80 formed in 2009 regarded a dividend for the treasury shares held by the Company on the date of the Ordinary General Meeting, and, due to technical difficulties, were not allocated.

26. DIVIDENDS

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

In foreign subsidiaries, any profits are distributed according to the laws in force in each country.

The Ordinary General Shareholders’ Meeting of the parent company dated April 23rd 2010 decided not to distribute a dividend to the shareholders for the loss-causing year 2009. On December 31st, 2010, an amount of EUR 6.147,14 regarded dividends from previous years that had not been undertaken by the shareholders yet. More specifically for fiscal year 2008: Euro 1.212,56, for the year 2007: Euro 3.220,98, for the year 2006: Euro 789.60 and for the year 2005: Euro 924.00.

The Board of Directors of the parent company, during the approval of the financial statements attached hereto, dated March 23rd 2011, decided that it will not allocate a dividend for the loss-causing year 2010.

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES

On December 31, 2010 and 2009 the established provision for staff retirement indemnities refers to parent company and its Greek subsidiaries. In accordance with Greek law, employees are entitled to indemnities for dismissal or for retirement, the amount of which varies according to salary, years of service and the manner of separation. (retirement or dismissal). Employees who resign or are dismissed with proper justification are not entitled to an indemnity. Indemnity payable in case of retirements amounts to 40% of the indemnity payable in case of dismissal without proper justification. Usually in Greece, according to the effective local practice, the staff compensation programs are not financed. These programs are of specific benefits according to IAS 19. The Group and the Company charges the accrued benefits in each period with a corresponding increase of the provision for the future liability due to retirement. Payments of retirement benefits for each period reduce the accumulated provision. We note that on 31/12/2010 there was no respective liability for the subsidiaries abroad.

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**NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31,
2010** (All amounts are expressed in euros, unless otherwise stated)

27. PROVISION FOR STAFF RETIREMENT INDEMNITIES (continued)

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

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Net Liability at the beginning of the year	1.073.380,85	1.046.203,33	916.052,12	1.029.150,00
- Benefits paid	(589.007,48)	(308.507,98)	(546.444,68)	(299.921,49)
- Expense recognised in the income statement	493.152,63	335.685,50	439.645,56	327.752,34
Net Liability at the end of the year	977.526,00	1.073.380,85	809.253,00	1.056.980,85
Minus liabilities of discontinued operations	-	-	-	(140.928,73)
Net liabilities from ongoing operations	977.526,00	1.073.380,85	809.253,00	916.052,12

The estimate of the parent company’s liabilities emanating from its obligation to pay indemnities due to retirement has been made by actuarial study performed by an independent firm of internationally acknowledged actuaries. For the subsidiary Motodiktyo S.A. that currently has many employees due to the takeover of the retail sector, a respective actuarial study was conducted.

The details and principal assumptions of the actuarial study as at December 31, 2010 and 2009 are provided below:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Present value of non-funded liabilities	847.361,89	1.164.579,16	716.842,00	1.140.246,00
Non-recognized actuarial profits/(losses)	130.164,11	(91.198,31)	92.411,00	(83.265,15)
Net Balance Sheet Liability	977.526,00	1.073.380,05	809.253,00	1.056.980,85
<u>Components of periodic retirement cost:</u>				
Service cost	66.401,00	75.471,16	57.931,00	67.538,00
Interest cost	63.222,80	60.214,34	53.956,00	60.214,34
Regular change to statement of income	129.623,80	135.685,50	111.887,00	127.752,34
Cost of extra benefits paid	363.528,83	200.000,00	327.758,56	200.000,00
Total charge to income	493.152,63	335.685,50	439.645,56	327.752,34
<u>Reconciliation of benefit obligation:</u>				
Net obligation at the beginning of year	1.164.579,13	1.109.382,49	999.317,27	1.084.396,00
Service cost	66.401,00	75.471,16	57.931,00	67.538,00
Interest cost	63.222,80	60.214,34	53.956,00	60.214,34
Benefits paid	(589.007,48)	(308.507,98)	(546.444,68)	(299.921,49)
Cost of extra benefits paid	363.528,83	200.000,00	327.758,56	200.000,00
Actuarial losses/(profits)	(221.362,42)	28.019,15	(175.676,15)	28.019,15
Present value of actuarial liability at year end	847.361,89	1.164.579,16	716.842,00	1.140.246,00

Basic Assumptions:

Discount rate	4,87%	5,50%	4,87%	5,50%
Rate of compensation increase	4,00%	5,00%	4,00%	5,00%
Average expected working life	17,98	18,31	17,04	17,62

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

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27. PROVISION FOR STAFF RETIREMENT INDEMNITIES (continued)

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

Employers contribution to Defined Benefits Programs

The Group of Companies contribution to state social security funds for the period ending on December 31, 2010 and 2009 amounted to € 940.263,37 and € 1.146.901,28 respectively and are included in the payroll cost in the accompanying income statement.

The parent company’s contribution to state social security funds for the period ending on December 31, 2010 and 2009 amounted to € 736.258,31 and € 1.028.314,65, respectively and are included in the payroll cost in the accompanying income statement.

28. TRADE PAYABLES

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2009	December 31st, 2009
Suppliers	2.963.466,98	3.060.026,22	2.908.111,90	2.944.503,91
Notes payable and promissory letters	3.456.973,00	768.561,00	3.456.973,00	768.561,00
Client advances	162.536,55	323.540,38	124.030,53	307.268,03
	6.582.976,53	4.152.127,60	6.489.115,43	4.020.332,94

29. LOANS

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

	GROUP		COMPANY	
	December 31st, 2010	December 31st, 2009	December 31st, 2010	December 31st, 2009
Long-term bank loans				
Long-term bonded loan	-	4.000.000,00	-	4.000.000,00
Short term bank loans				
Short term bank loans	1.300.000,00	3.700.000,00	1.300.000,00	3.700.000,00
Short-term bonded loan instalments	4.000.000,00	-	4.000.000,00	-
Lines of credit	1.035.601,22	1.000.808,85	232.540,62	694.263,80
Total Short-term bank loans	6.335.601,22	4.700.808,85	5.532.540,62	4.394.263,80
Total loans	6.335.601,22	8.700.808,85	5.532.540,62	8.394.263,80

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

a) the Total Net Bank Lending ratio (Total Bank Loan less Cash) to Earnings before Tax, Interest, Depreciation and Amortization (EBITDA) must be lower than or equal to 3.00 throughout the Bonded loan term.

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

Measurement of the above financial ratios shall be performed annually on the Issuer's audited annual consolidated financial statements, taking into account the notes of the Issuer and the notes – certifications of the chartered auditors on the financial statements. For the year 2010, the Total Net Bank Lending (Total Bank Loan less Cash) to Earnings before Tax, Interest, Depreciation and Amortization EBITDA ratio exceeded

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NOTES ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010 (All amounts are expressed in euros, unless otherwise stated)

29. LOANS (continued)

3.00. On 8/3/2011, the Company reimbursed the 3rd installment amounting to € 2,000,000 and the Bonded Loan balance of € 2,000,000 is to be repaid on 8/9/2011.

On December 31, 2010 and 2009 Motodynamics S.A. and its subsidiaries contracted bonded loan agreements for short term loans and lines of credit intended to finance working capital. The average cost of borrowing (floating rates) was: a) for the parent company 4.54% for 2010 and 3.60% for 2009 and b) for Group companies 4.90% for 2010 and 3.71% for 2009. The average outstanding loans for: a) for the Company € 8.502,249 in 2010 and € 12.357,482 in 2009 and b) for the Group € 8.915,686 in 2010 and € 12.432,130 in 2009.

It is noted that no liens on assets of the Company or the Group were created for granting such loans. The fair value of the loans is the value recorded on the books on 31/12/2010 given that short-term loans are working capital that is constantly renewed. All loans are denominated in Euro.

The borrowing limit available and the unused amount are as follows:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Credit lines available	23.350.000,00	26.900.000,00	22.700.000,00	25.500.000,00
Non-utilised amount	(17.014.398,78)	(18.199.191,15)	(17.167.459,38)	(17.105.736,20)
Utilised amount	6.335.601,22	8.700.808,85	5.532.540,62	8.394.263,80

30. OTHER SHORT TERM LIABILITIES

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Liabilities from taxes, duties	536.741,08	351.137,24	459.445,76	304.065,44
Social security	205.907,71	246.475,43	163.689,85	227.998,74
Board of Directors' Fees	280.000,00	365.790,00	280.000,00	365.790,00
Non-current liabilities payable in following years	10.693,15	14.888,37	-	-
Accrued period expenses	23.275,72	26.890,01	23.275,72	26.890,01
Other	43.611,21	320.131,10	81.469,65	281.046,10
Total	1.100.228,87	1.325.312,15	1.007.880,98	1.205.790,29
Other current liabilities of discontinued operations	-	-	-	(38.188,90)
Other current liabilities of ongoing operations	1.100.228,87	1.325.312,15	1.007.880,98	1.167.601,39

31. FINANCIAL RISK MANAGEMENT

- (a) **Credit Risk Concentration:** There is no significant concentration of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset. Motodynamics and its subsidiaries have settled criteria for customers who wish to trade on credit terms. These criteria are mainly based on client's activity "size" with parallel evaluation of clients relevant economical information. The Group and Parent company cover their credit risk with securities (mortgage e.t.c.) or bank letters of guarantee and up to the amount which is considered as necessary.
- (b) **Fair Value:** The carrying amounts reflected in the balance sheets for cash and cash equivalents, receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.
- (c) **Foreign Exchange Risk:** The majority of transactions and balances are in Euro. So and at this current phase, management estimates that there are no risks arising for the variation of exchange rates.
- (d) **Interest Rate Risk:** On 31/12/10 total loans for Group and Parent company reached the amount of € 6.335.601,22. From this total amount, the amount of € 4.000,000 was short-term instalments of bonded loan, while the amount of € 1.300,000 was interbank loans of one-month term with a fixed and stable interest rate. The amount of € 1.035.601,22 was in open accounts with floating interest rate. It is noted that Group's cash balance amounted on 31/12/2010 to € 731.505,20.

31. FINANCIAL RISK MANAGEMENT (continued)

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

The following table presents the impact on the Pre-tax Earnings of a potential change in floating rates (with the remaining variables remaining stable) on the loans applicable on 31/12/10. The impact on Net Worth is insignificant.

Interest rate increase/ decrease (in base units)	Impact of Pre-Tax Earnings (in € thousand)
50	-1,5
75	-2
100	-3
-50	1,5
-75	2
-100	3

(f) **Liquidity Risk:** Sensible management of liquidity risk involves sufficient cash availability through a legitimate credit system and the capability to secure the Group with the right due date gathering of the accounts receivable. Due to the dynamic nature of the business, the Group Management aims at preserving flexibility in funding by maintaining adequate cash and open credit lines.

The Company’s liquidity is monitored by the Group Management on a regular basis.

It is noted that the following loans regard the Company, since the other Group companies have no borrowing.

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

	December 31st, 2010	December 31st, 2009
LONG – TERM LIABILITIES		
Bonded bank loans		
1 - 2 years	-	4.000.000,00
2 - 5 years	-	-
Total	-	4.000.000,00
Other non-current liabilities		
1 - 2 years	7.261,68	17.328,34
2 - 5 years	-	-
Total	7.261,68	4.017.328,34

	December 31st, 2010	December 31st, 2009
SHORT – TERM LIABILITIES		
Total short-term liabilities		
0 - 90 days	9.784.216,46	5.145.057,34
91 - 180 days	3.703.996,22	4.688.201,16
Total	13.488.212,68	9.833.258,50

Total short-term liabilities analyzes as follows:

Trade payables		
0 - 90 days	6.194.581,53	1.830.525,29
91 - 180 days	388.395,00	2.321.602,31
Total	6.582.976,53	4.152.127,60
Short-term loans		
0 - 90 days	2.335.601,22	2.700.000,00
91 - 180 days	4.000.000,00	2.000.808,85
Total	6.335.601,22	4.700.808,85

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31. FINANCIAL RISK MANAGEMENT (continued)

Dividends Payable

0 - 90 days	6.147,14	6.147,14
91 - 180 days	-	-
Total	6.147,14	6.147,14

Other liabilities

0 - 90 days	283.487,79	608.384,91
91 - 180 days	280.000,00	365.790,00
Total	563.487,79	974.174,91

(g) *Capital Risk Management:* During the capital management the Group aims to maintain the ability of moving on its business in order to reassure the returns for its shareholders and to maintain an optimum capital structure. The Group managing capital structure and proceeds in necessary reactions according to its needs and to occasional economic evolutions. Capital sufficiency is monitoring with financial indexes. The table below analyzes indexes movements for annual periods 2010 and 2009:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Net average return on equity	N/A	N/A	N/A	N/A
Debt / Equity	0,95	1,11	0,76	0,92

32. COMMITMENTS AND CONTINGENCIES

At the past and until December 31, 2010, Group companies and the parent company concluded a number of operating lease agreements mostly involving building rentals, expiring on different dates up to 2024. The rental expenses included in the accompanying income statement for the year ended December 31, 2010, amounted to € 1.502.699,83 for the Group and € 1.192.353,96 for the parent company, while the respective amounts for the previous year were € 1.818.583,42 for the Group and € 1.511.548,45 for the parent company.

The decrease of rents for the company and by extension for the Group is due to the simultaneous payment of rent for the Company's previous registered office at the municipality of Kifissia and the current registered office at the municipality of Aspropyrgos, within 2009, due to simultaneous exploitation of the two spaces, until the final relocation.

The single contingent future liability derives from the possible early voluntary departure and termination of these rental agreements, which according to the applicable civil law, consists of payment of four rents at the time of departure.

The company has paid the amount of € 1.480.000,00 as a guarantee according to the private agreements concerning the safeguarding of future leasing of the building. This amount appears in Other non-current assets of the company.

Other non-current assets are broken down as follows:

	GROUP		COMPANY	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Guarantee for future building lease charges	1.480.000,00	1.480.000,00	1.480.000,00	1.480.000,00
Other guarantees granted	87.376,14	85.984,23	20.397,05	74.643,67
Other non-current assets	1.567.376,14	1.565.984,23	1.500.397,05	1.554.643,67

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33. OPERATING SEGMENT REPORTING

The Group is mainly engaged in the market of motorcycles and marine products (outboard motors, inflatable boats etc.) which are considered operating segments and for which it discloses the required information. Uniform accounting principles are followed for each of these segments. Home analyses per region are not reported due to the fact that sales and assets outside Greece represent less than 10% of the respective total of the Group.

GROUP	Motorised Two-Wheelers		Marine Products		Other		Total	
	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009	December 31 st , 2010	December 31 st , 2009
Sales	24.303.518,73	34.403.224,85	10.624.015,24	13.834.348,21	13.007.494,73	13.762.339,57	47.935.028,70	61.999.912,63
Cost of sales	(20.114.181,86)	(28.429.583,06)	(8.561.389,15)	(10.609.992,44)	(9.681.922,54)	(9.734.665,57)	(38.357.493,56)	(48.774.241,07)
Other income	<u>4.189.336,87</u>	<u>5.973.641,79</u>	<u>2.062.626,09</u>	<u>3.224.355,77</u>	<u>3.325.572,19</u>	<u>4.027.674,00</u>	<u>9.577.535,14</u>	<u>13.225.671,56</u>
Administrative expenses							1.072.664,61	1.210.117,80
Sales and distribution expenses							(5.770.488,38)	(6.927.845,70)
Other expenses							(5.944.030,58)	(7.144.442,87)
Finance income							(294.126,34)	(224.953,04)
Finance expenses							58.851,84	77.530,77
							(504.577,33)	(572.273,23)
Profit before taxes							(1.804.171,04)	(356.194,71)
Income tax							142.605,87	(193.045,15)
Net Profits							(1.661.565,17)	(549.239,86)
Depreciation							937.145,96	870.716,11
Assets	5.029.502,08	4.479.567,75	2.743.884,05	3.976.566,92	3.177.891,29	3.606.182,19	10.951.277,42	12.062.316,87
Other assets							19.909.780,41	16.975.499,59
Liabilities	5.601.960,43	1.009.353,95	438.358,78	434.493,11	542.657,33	2.708.280,54	6.582.976,53	4.152.127,60
Other liabilities							8.435.707,98	11.183.468,67
Equity							15.842.373,32	13.702.220,19
Capital expenditure							30.861.057,83	29.037.816,46
							473.052,01	3.864.044,95

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34. EVENTS AFTER THE BALANCE SHEET DATE

The Company announced to the investors that it signed, on 15/2/2011, a binding Memorandum of Cooperation with Porsche AG, according to which the Company undertakes the agency and distribution of Porsche automobiles in Greece. The final contract is expected to be signed within two months, upon completion of the infrastructures to accommodate this new business.

Responsible for the preparation of the company and the Group’s annual financial statements for the period ended on December 31st, 2010 and approved by the Board of Directors on March 23rd, 2011 are the following:

Aspropyrgos, March 23rd, 2011,

BoD Chairman

Managing Director

Financial Services Director

Odysseas P. Kyriakopoulos
ID Card No AH 042868

Sotirios D. Hatzikos
ID Card No. R 528354

Anna G. Lizou – Spyratou
First Class License No. 0003870

EMPORIKI EISAGOGIKI DITROHON & MIHANON THALASSIS SOCIETE ANONYME,
under the distinctive title “MOTODYNAMICS S.A.”

REPORT ON THE INVESTMENT OF FUNDS RAISED FROM THE SHARE CAPITAL INCREASE OF THE COMPANY BY CASH PAYMENT AND PRE-EMPTIVE RIGHTS IN FAVOUR OF THE OLD SHAREHOLDERS IN ACCORDANCE WITH THE DECISION OF THE EXTRAORDINARY GENERAL SHAREHOLDERS’ MEETING DATED 26.10.2010 AND THE BOARD OF DIRECTORS’ MEETING OF THE COMPANY DATED 24.11.2010

Athens Stock Exchange (ASE), by its decision dated 31.12.2010, approved the share capital increase of the Company with pre-emptive rights and the issue of 6.500,000 new common registered shares by cash payment. The total amount of the funds raised was € 3.722,685. The Company’s Board of Directors, at its meeting dated 28.12.2010, certified the share capital increase. The trading of the new shares on ASE commenced on 7.1.2011.

Allocation of Funds (amounts in €)	Total amounts to be allocated	Total allocated funds/ Year 2010	Balance for allocation as on 31.12.2010
Repayment of Short-term Bank loan	3.722.685	3.722.685	0
Share capital increase costs	177.315	177.315	0
Total	3.900.000	3.900.000	0

Note:

The funds raised from the share capital increase of the Company were exclusively allocated to the purposes of the share capital increase stated in the Information Bulletin (par. 4.3) approved by the Hellenic Capital Market Commission on 29.11.2010.

BoD Chairman

Managing Director

Group’s Financial Services Director

Odysseas P. Kyriakopoulos
Identity card No. AH 042868

Sotirios D. Hatzikos
Identity card No. P 528954

Anna G. Lizou - Spyratou
A' Class License No. 0003870

Findings Report from the Performance of Pre-agreed Procedures on the Raised Funds Allocation Report.

To the Board of Directors of the Company “MOTODYNAMICS S.A.”

According to the order received by the Board of Directors of “MOTODYNAMICS S.A.” (the Company) we effected the below pre-agreed procedures within the framework of the regulatory framework of the Athens Stock Exchange, as well as the respective legal framework of the capital market, as for the Company’s Raised Funds Allocation Report concerning the increase of the share capital with cash payment effected on December 2010. The Company’s Administration is liable for the preparation of the aforementioned Report. We undertook this project in accordance with the International Standard of Related Services 4400, which is effective for “Execution Assignments of Pre-agreed Procedures Related to Financial Information”. It is our liability to execute the following pre-agreed procedures and notify to you our findings.

Procedures:

- 1) We compared the amounts referred as disbursement in the attached “Allocation Report of Funds Raised from the Increase of the Share Capital with Cash Payment”, with the respective amounts recognized in the Company’s books and data during the time period these refer to. 2) We examined the Report’s completeness and the consistency of its content towards the information referred at the Descriptive Sheet issued by the Company for this purpose, as well as towards the respective decisions and notifications of the Company’s competent bodies.

Findings:

- a) The amounts per type of use/investment appearing as disbursements in the attached “Allocation Report of Funds Raised from the Increase of the Share Capital with Cash Payment” arise from the Company’s books and data during the time period they refer to. b) The Report’s content comprises the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange and the respective legal framework of the capital market and also it is consistent with the references in the related Prospectus and the relevant decisions and notifications of the Company’s competent bodies.

Given that the project effected does not constitute an audit or a review, pursuant to the International Auditing Standards or the International Standards on Review Works’ Assignment, we do not provide any assurances other than as aforementioned. Had we effected additional procedures or performed an audit or a review, we might have been made aware of other matters, apart from those mentioned in the previous paragraph.

This Report is exclusively addressed to the Company’s Board of Directors, in the context of compliance with the regulatory framework of the Athens Stock Exchange as well as the respective legal framework of the capital market. Hence, this Report may not be used for any other purposes since it is confined only to the aforementioned data and is not extended to the financial statements drawn up by the company for the period ending on December 31st 2010 for which we issued a separate Audit Report on March 23rd, 2011.

Athens, March 23rd, 2011

Vassilios Kaminaris
Charter of Certified Auditors Reg. No.20411
Ernst & Young (Hellas) S.A. Certified Auditors Accountants
11th klm. of Athens - Lamia National Road, Charter of Certified Auditors Reg. No. 107

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.

"MOTODYNAMICS S.A."

S.A. Register No 28211/06/B/93/8

Registered Address: Aspropyrgos, Kyrillos location

DATA AND INFORMATION FOR THE FINANCIAL YEAR FROM JANUARY 1ST 2010 TO DECEMBER 31ST 2010

(Published in accordance with C.L. 2190/1920, Article 135, on companies that prepare consolidated and separate financial statements in accordance with IAS)

The following information arising from the financial statements, aim at providing general information about the financial situation and the results of MOTODYNAMICS S.A. and the GROUP. We therefore recommend to the reader to examine the financial statements and the auditor's report at the issuer's website, prior to proceeding with any type of investment or other transaction with the issuer.

COMPANY DETAILS

Credit URL: www.yamaha-motor.gr
 Date of approval of financial statements by the Board of Directors: March 23rd, 2011
 Legal Auditor: Vasilios Kaminaris (SOEL Registry Nr. 20411)
 Auditing Firm: ERNST&YOUNG (HELLAS) CERTIFIED ACCOUNTANTS AUDITORS S.A. (SOEL Registry Number: 107)
 Type of review report: Unqualified opinion

Composition of Board of Directors: Chairman – Executive member: Odyseas P. Kyriakopoulos
 Vice-Chairman – Non-executive member: Michail I. Karamihias
 Vice-Chairman – Executive member: Konstantinos A. Kapagianlidis
 Chief Executive Officer – Executive member: Sotirios D. Hatzikos
 Director – Non-executive member: Ioannis P. Karkalensis
 Director – Independent non-executive member: Ioannis-Stylianos N. Tavoularis
 Director – Independent non-executive member: Georgios I. Avlonitis
 Director – Independent non-executive member: Pavlos A. Laskaris
 Director – Independent non-executive member: Lefkothea Th. Varagi
 Director – Independent non-executive member: Fotini N. Karageorgi
 Director – Non-executive member: Elfratros D. Papaefstratou

STATEMENT OF FINANCIAL SITUATION DATA (annual consolidated and separate) Amounts in Euro				
	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
ASSETS				
Owner-occupied tangible assets	5.157.011,15	5.818.413,98	4.784.254,73	5.288.096,12
Intangible assets	173.233,33	188.153,33	111.172,42	157.606,31
Other non-current assets	2.374.192,73	2.162.722,35	6.251.551,35	5.005.601,20
Inventories	15.968.481,24	14.933.075,27	14.056.629,61	12.337.430,03
Trade accounts receivable	5.014.432,94	4.749.230,59	6.004.000,63	5.774.767,35
Other current assets	642.201,34	616.787,06	600.303,62	567.079,25
Cash and cash equivalents	731.505,20	589.448,03	245.101,20	161.389,40
Discontinued operations assets	-	-	-	1.511.065,56
TOTAL ASSETS	30.885.087,83	29.637.816,44	32.133.421,87	30.783.236,82
EQUITY AND LIABILITIES				
Share capital	6.785.000,00	3.026.700,00	6.785.000,00	3.026.700,00
Share premium	5.758.696,00	6.038.244,00	5.758.696,00	6.038.244,00
Other equity items	3.520.678,32	4.637.276,19	5.743.489,70	6.954.776,60
Total equity of parent company equity holders (a)	16.064.374,32	13.702.220,19	18.286.185,70	16.019.720,60
Minority interests (b)	8.213,07	89.891,34	-	-
Total equity (c) = (a) + (b)	16.072.587,39	13.792.111,53	18.286.185,70	16.019.720,60
Non-current loan obligations	-	4.000.000,00	-	4.000.000,00
Provisions/Other non-current liabilities	984.517,89	1.090.709,19	812.753,00	916.032,12
Current loan obligations	6.335.691,22	4.700.808,85	5.532.540,62	4.394.263,80
Other short term liabilities	7.609.352,54	5.483.586,99	7.203.143,55	5.194.001,47
Discontinued operations liabilities	-	-	-	179.117,63
Total liabilities (d)	15.009.471,44	15.275.184,93	13.848.437,17	14.663.516,22
TOTAL EQUITY AND LIABILITIES (c) + (d)	30.885.087,83	29.637.816,44	32.133.421,87	30.783.236,82

STATEMENT OF CHANGES IN EQUITY DATA (annual consolidated and separate) Amounts in Euro				
	GROUP		COMPANY	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Total Equity at the beginning of the period (1/1/2010 and 1/1/2009, respectively)	12.782.711,63	15.237.839,35	16.019.720,60	17.186.851,88
Aggregate total income after taxes (ongoing and discontinued operations)	-1.650.269,82	-591.370,60	-1.279.833,30	-823.373,59
Dividends paid	-	-820.800,00	-	-820.800,00
Share capital increase and share premium	3.711.384,90	-	3.722.685,00	-
Acquisition of minority interests	-	-10.000,00	-	-
Transfer from/to reserves	-	15.568,00	-	15.568,00
Reserves for allocation of free shares to directors	53.578,81	53.578,81	53.578,81	53.578,81
Treasury share purchase / issues	-25.796,03	-112.101,63	-25.796,03	-112.101,63
Take over of subsidiary	-	-	-205.167,38	-
Total Equity at the end of the period (31/12/2010 and 31/12/2009, respectively)	16.072.587,39	13.792.111,53	18.286.185,70	16.019.720,60

- ADDITIONAL INFORMATION**
- The Basic Accounting Principles of Financial Statements of 31.12.2010 have been adhered to
 - Group companies with their respective trading names and the countries where they are registered, the percentages that the Parent Company holds in their share capital as well as their method of incorporation in the consolidated financial statements for the period ended on 31.12.2010 are set out in note 4 of the annual financial statements.
 - The Company and the Group's accounting periods that have not been audited by the tax authorities, are set out in detail in note 13 of the annual corporate and consolidated financial statements
 - There is no pending litigation or arbitration for the companies, nor court or arbitration bodies' decisions that may have a material impact on their financial situation or their operation. Group and Company accounted provisions on 31.12.2010 are analyzed in Provisions for periods not audited at an amount of €51.937,07 for the Group and €45.000,00 for the Company and Other Provisions of €2.954.137,35 and €2.561.781,67, respectively.
 - No liters or other commitments burden the Group and Company fixed assets.
 - The number of employees for the year ended December 31st, 2010, was 35 for the parent company and 124 for the Group and for the corresponding previous year they numbered 122 for the parent company and 144 for the Group, respectively.
 - Other total costs after taxes recorded to equity pertain to foreign exchange differences from foreign operations.
 - Profit / (loss) per share were calculated on the basis of a weighted number on the total number of shares.
 - The Ordinary General Shareholders' Meeting of 23/4/2010 decided not to distribute dividends for fiscal year 2009. For fiscal year 2008, the approved gross dividend was € 0.16 per share.
 - In view of the better and more efficient operation of the business segments of the Company and the Group, the Extraordinary General Meeting of 19/3/2010, following a proposal by the Board of Directors approved the split-off of the Company's retail sales division and its absorption by the operating subsidiary (by 100% trading under the name "MOTODYNOMIKI EMPORIKI KAI DIANOMI DITROHON KAI MIHANON THALASSIS S.A." and the distinctive title "MOTODYNOMIKI S.A.", in accordance with the provisions of articles 1-5 of Law 2166/93 with the transformation Balance Sheet (accounting statement) date, the split-off of the segment was decided on 31 December 2009 and approved by the competent authorities of 4 May 2010. The results of the retail segment for the period ended on 31.12.2009 were reclassified and are presented in the company financial statements as the "Discontinued operations". For comparison reasons, the company funds associated with the corresponding 2009 period were reclassified to refer only to ongoing operations.
 - On 16 June 2010, the Board of Directors approved the merger of its 100% subsidiary MOTODYNAMIKI INSURANCE BROKERAGE SOCIETE ANONYME and the distinctive title MOTODYNAMIKI INSURANCE BROKERAGE SA, by absorption of the latter by the Company, in accordance with the provisions of articles 78 and 69-77 of Code of Law 2190/20 and articles 1-5 of Law 2166/1993, according to the transformation balance sheet of 30 June 2010. The merger was approved by the competent authorities on December 30th, 2010.
 - The Extraordinary General Meeting held on October 26th, 2010, decided as follows:
That 130.000 treasury shares acquired in the context of the implementation of the treasury share acquisition plan would be cancelled.
That the Company's share capital would be increased by € 3.838.000 by cash payment and issue of 6.500.000 new common and registered shares, of nominal value of € 0.59 each, with pre-emptive rights to the benefit of the old shareholders, at a selling price of € 0.60 per share.
Athens Stock Exchange approved the admission of the Company's new shares for trading on 31/12/2010 and their trading commenced on 07/01/2011.
 - The Company announced to the investors that it signed, on 15/2/2011, a binding Memorandum of Cooperation with Porsche AG, according to which the Company undertakes the agency and distribution of Porsche automobiles in Greece. The final contract is expected to be signed within two months, along with the completion of the infrastructures to accommodate this new business.
 - Transactions of all kinds (inflows and outflows) cumulatively from the start of the period ending on 31.12.2010 as well as the balance of the company's and the Group's receivables and liabilities at the end of the current period, that have arisen from their transactions with associated enterprises as determined by IAS 24, are as follows:

	GROUP	COMPANY
(Amounts in Euro)		
Inflows	-	141.493,40
Outflows	-	4.257.757,94
Receivables	-	455.754,08
Liabilities	38.526,44	46.650,76
Total compensation and transactions by key management personnel	1.778.215,99	1.733.164,41
Key management personnel receivables	-	-
Liabilities to key management personnel	769.388,63	764.428,63

Transactions and balances between subsidiaries have been eliminated from the Group's transactions as above.

INCOME STATEMENT DATA (annual consolidated and separate) Amounts in Euro				
	COMPANY			
	6/1-31/12/2010	6/1-31/12/2009	6/1-31/12/2009	
	Ongoing	Ongoing	Discontinued	Total
Turnover	44.300.951,16	54.532.693,09	5.057.391,26	59.590.074,35
Gross profit	7.957.743,67	10.491.385,50	1.677.273,67	12.678.693,37
Profit / (loss) before interest, financing and investment results	-1.917.983,33	178.848,22	728.720,18	609.644,60
Profit / (loss) before taxes	-1.419.327,47	-1.261.846,64	720.848,48	-541.100,16
Minus taxes	130.496,17	-102.081,70	-180.212,12	-251.797,65
Profit / (loss) after tax (A)	-1.279.833,30	-1.364.010,34	540.636,36	-803.373,58
Parent company equity holders	-	-	-	-
Other total income / (loss) after tax (B)	-1.279.833,30	-1.364.010,34	540.636,36	-803.373,58
Aggregate total income / (loss) after tax (A) + (B)	-1.279.833,30	-1.364.010,34	540.636,36	-803.373,58
Parent company equity holders	-	-	-	-
Minority interests	-	-	-	-
Profit/(loss) per share - basic after tax (in €)	-0,2507	-0,2589	0,1070	-0,1620
Profit/(loss) before interest, financing, investment results and total depreciation	-271.099,03	613.342,19	774.039,18	1.587.391,37

CASH FLOW STATEMENT DATA (annual consolidated and separate) Amounts in Euro				
	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
Indirect method				
Operating Activities				
Profit / (loss) before taxes from Ongoing Operations	-1.792.850,94	-356.194,71	-1.410.327,47	-1.261.948,64
Profit / (loss) before tax from discontinued operations	-	-	-	720.848,48
Profit / (loss) before tax	-1.792.850,94	-356.194,71	-1.410.327,47	-541.100,16
Plus / Minus adjustments for:				
Depreciation	397.146,96	870.716,11	746.402,30	691.734,07
Provisions	1.642.749,88	1.001.940,99	1.402.024,08	1.749.376,08
Foreign exchange differences	17.083,90	62.172,29	-23.224,01	1.327,21
Results (income, expenses, profit and loss) of investing activities	-23.411,25	-15.210,08	7.605,94	-25.427,12
Credit interest	-23.823,66	-56.914,88	-12.909,42	-44.108,04
Debit interest and relevant expenses	452.185,16	492.485,05	397.876,72	466.828,19
Plus / minus adjustments for changes in working capital or operating activity accounts:				
Decrease / (increase) in inventories	-1.387.891,07	7.197.908,87	-1.904.574,58	6.059.910,71
Decrease / (increase) in receivables	-1.379.350,59	4.288.188,98	-690.421,01	5.274.922,13
(Decrease) / increase in liabilities (with the exception of loan liabilities)	2.184.554,04	-6.575.180,83	2.136.971,09	-6.566.681,13
Less:				
Debit interest and relevant expenses paid	-452.185,16	-492.485,05	-397.876,72	-466.828,19
Taxes paid	-31.546,00	-767.175,35	-31.546,00	-725.000,86
Realised foreign exchange differences	-17.083,90	-62.172,29	-7.605,94	-1.327,21
Realised depreciation of goods	-307.497,83	-66.929,99	-307.497,83	-66.929,99
Self-identity payment	-680.071,48	-308.507,06	-548.444,68	-296.621,49
Utilized provision for doubtful clients	-46.971,66	-635.085,97	-24.028,41	-604.734,72
Cash flow from discontinued operations	-	-	-	218.110,51
Total cash inflow / (outflow) from operating activities (a)	-919.607,90	4.224.546,16	-655.382,74	4.790.059,09
Investment Activities				
Acquisition of subsidiaries, affiliates, joint ventures and other investments	-	-	-	-10.000,00
Purchase of tangible and intangible fixed assets	-473.052,01	-3.884.044,95	-397.577,67	-3.812.407,09
Sale of tangible and intangible fixed assets	169.613,68	124.713,97	162.359,21	120.946,63
Interest received	23.823,66	59.914,88	12.909,42	44.108,04
Subsidiaries share capital increase	-	-	-	-
Total cash inflow / (outflow) from investing activities (b)	-250.014,67	-3.679.416,10	-192.412,04	-3.657.352,49
Financing Activities				
Receipts from share capital increase	3.722.685,00	-	3.722.685,00	-
Receipts from issued/used loans	8.757.086,42	17.285.165,33	6.003.100,00	16.942.128,84
Loan repayments	-11.122.307,05	-17.481.079,06	-10.884.823,18	-17.425.488,82
Purchase of own share	-25.796,03	-122.101,63	-25.796,03	-122.101,63
Dividends paid	-	-725.000,86	-	-723.811,54
Total cash inflow / (outflow) from financing activities (c)	1.331.688,34	-1.023.979,32	635.165,79	-1.328.943,35
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	162.059,17	-478.847,26	-12.628,99	-196.196,75
Cash and cash equivalents at the beginning of the period	589.448,03	1.048.692,89	257.730,19	453.926,94
Cash and cash equivalents at the end of the period	731.505,20	569.755,43	245.101,20	257.730,19

CASH FLOW STATEMENT DATA (annual consolidated and separate) Amounts in Euro				
	GROUP		COMPANY	
	1/1-31/12/2010	1/1-31/12/2009	1/1-31/12/2010	1/1-31/12/2009
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Aggregate total income / (loss) after tax (A) + (B)	-1.279.833,30	-1.364.010,34	540.636,36	-803.373,58
Parent company equity holders	-	-	-	-
Minority interests	-	-	-	-
Profit/(loss) per share - basic after tax (in €)	-0,2507	-0,2589	0,1070	-0,1620
Profit/(loss) before interest, financing, investment results and total depreciation	-271.099,03	613.342,19	774.039,18	1.587.391,37

Aspropyrgos March 23 2011

CHAIRMAN OF THE BoD

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

ODYSEAS KYRIAKOPOULOS
I.D. NO. AH 042868

SOTIROS D.CHATZIKIOS
I.D. NO. P 528954

ANNA G. LIZOU - SPYRATOU
NO. LICENCE 1ST
CLASS 0003870

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title “MOTODYNAMICS S.A.”
NOTES ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(All amounts are expressed in euros, unless otherwise stated)

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

Date	Announcement	Web address	Notes
Annual Financial Results 2009			
16/03/2010	Annual Financial Report of the Company & Group for the year from January 1 st to December 31 st 2009	http://www.motodynamics-ir.gr/annual-financial-statements.html	
5/03/2010	Data and Information for the year from January 1 st 2009 to December 31 st 2009	http://www.motodynamics-ir.gr/annual-financial-statements.html	
19/03/2010	Annual Financial Results 2009 Commentation	http://www.motodynamics-ir.gr/el/other-announcements.html	
3Q2010 Financial Results			
18/05/2010	1Q2010 Interim Consolidated & Separate Financial Statements	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
18/05/2010	1Q2010 Data and Information	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
21/05/2010	1Q2010 Results Commentation	http://www.motodynamics-ir.gr/el/other-announcements.html	
1st Half 2010 Financial Results			
31/08/2010	Semi-Annual Financial Report of the Company & the Group for the period from January 1 st to June 30 th 2010	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
31/08/2010	1 st Half 2010 Data and Information	http://www.motodynamics-ir.gr/periodic-financial-statements.html	
31/08/2010	Comments on 1 st Half 2010 Results	http://www.motodynamics-ir.gr/el/other-announcements.html	
9-month 2010 Financial Results			
10/11/2010	9-month 2010 Interim Consolidated & Separate Financial Statements	http://www.motodynamics-ir.gr/	
10/11/2010	9-Month 2010 Data and Information	http://www.motodynamics-ir.gr/	
10/11/2010	9-Month 2010 Results Commentation	http://www.motodynamics-ir.gr/el/other-announcements.html	
Information Bulletin			
2010	Information Bulletin 02.12.2010	http://www.motodynamics-ir.gr/el/presentations-publications.html	
Transaction Communications & Regulated Information Announcements			
2010	Notifications of transactions and communications by persons under the obligation stipulated by Greek law.	http://www.motodynamics-ir.gr/el/disclosures-of-transactions.html	
Treasury Share Purchase Announcements			
2010	Treasury Share Purchase Announcements	http://www.motodynamics-ir.gr/el/purchase-of-own-shares.html	
General Meetings			
19/02/2010	Preliminary Invitation to Extraordinary General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
29/03/2010	Extraordinary General Meeting Decisions	http://www.motodynamics-ir.gr/el/general-meetings.html	
01/04/2010	Preliminary Invitation to General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
26/04/2010	General Meeting Decisions	http://www.motodynamics-ir.gr/el/general-meetings.html	
04/10/2010	Preliminary Invitation to Extraordinary General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
05/10/2010	Notification – Clarification on the Invitation to the Extraordinary General Meeting	http://www.motodynamics-ir.gr/el/general-meetings.html	
05/10/2010	Shareholders’ Participation & Minority Rights	http://www.motodynamics-ir.gr/el/general-meetings.html	
27/10/2010	Extraordinary General Meeting Decisions	http://www.motodynamics-ir.gr/el/general-meetings.html	
30/11/2010	Statement of Intent of Primary Shareholders to Participate in the Share Capital Increase	http://www.motodynamics-ir.gr/el/general-meetings.html	

EMPORIKI EISAGOGIKI DITROHON KAI MIHANON THALASSIS S.A.
under the distinctive title “MOTODYNAMICS S.A.”
NOTES ON THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010
(All amounts are expressed in euros, unless otherwise stated)

Other Communications			
Date	Announcement	Web address	Notes
19/02/2010	Announcement of Retail Sector Spin-Off	http://www.motodynamics-ir.gr/el/other-announcements.html	
06/05/2010	Retail Sector Spin-Off & Takeover by MOTODIKTYO S.A. subsidiary	http://www.motodynamics-ir.gr/el/other-announcements.html	
04/06/2010	Notification of Extraordinary Contribution as per Law 3845/2010	http://www.motodynamics-ir.gr/el/other-announcements.html	
24/08/2010	Approval of Merger Plan of MOTODYNAMIKI INSURANCE BROKERAGE S.A.	http://www.motodynamics-ir.gr/el/other-announcements.html	
04/10/2010	Board of Directors' Report	http://www.motodynamics-ir.gr/el/other-announcements.html	
22/10/2010	Appointment of New Shareholders' Relation Officer	http://www.motodynamics-ir.gr/el/other-announcements.html	
19/11/2010	Cancellation of Own Shares	http://www.motodynamics-ir.gr/el/other-announcements.html	
24/11/2010	Communication of Other Significant Events – Organization Changes	http://www.motodynamics-ir.gr/el/other-announcements.html	
01/12/2010	Pre-Emptive Right Ex-Right Date and Exercise Period	http://www.motodynamics-ir.gr/el/other-announcements.html	
01/12/2010	Communication of Release of Information Bulletin on Share Capital Increase	http://www.motodynamics-ir.gr/el/other-announcements.html	
09/12/2010	Intent to Transfer Pre-Emptive Rights	http://www.motodynamics-ir.gr/el/other-announcements.html	
21/12/2010	Communication of Transactions	http://www.motodynamics-ir.gr/el/other-announcements.html	
28/12/2010	Completion of Tax Audit on Parent Company and Subsidiary	http://www.motodynamics-ir.gr/el/other-announcements.html	
28/12/2010	Final Coverage of Share Capital Increase	http://www.motodynamics-ir.gr/el/other-announcements.html	
30/12/2010	Change in Organizational Structure	http://www.motodynamics-ir.gr/el/other-announcements.html	

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

AVAILABILITY OF FINANCIAL STATEMENTS

The annual financial statements, the certified auditors' certificates and the Board of Directors' reports of the companies included in the Company's consolidated financial statements are posted on the website of the Company www.yamaha-motor.gr or www.motodynamics-ir.gr and will be available there to the investors for at least 5 (five) years from the date they were drafted and published.