

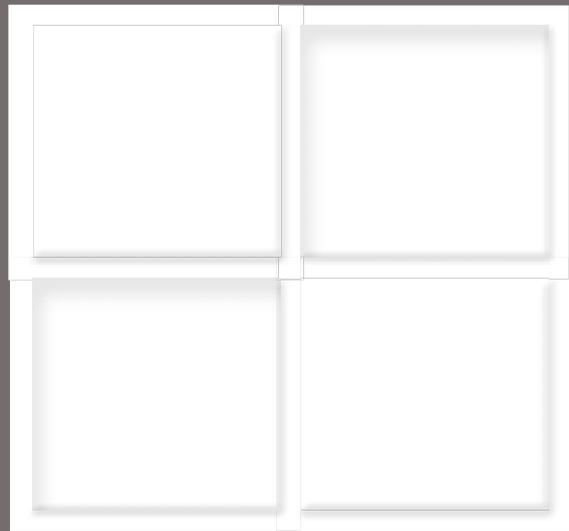


MEMBER OF SHACOLAS GROUP OF COMPANIES

# 2009

ANNUAL REPORT

WOOLWORTH (CYPRUS) PROPERTIES PLC



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## Financial Highlights

	2005	2006	2007	2008	2009
PROFIT BEFORE TAXATION (Euro mil)	4,6	9,0	18,9	39,3	19,5
EARNINGS PER SHARE OF 34 CENTS (cents) - Basic	4,1	7,6	13,5	28,3	16,6
TOTAL ASSETS (Euro mil)	266,7	290,0	451,2	491,4	503,5
SHAREHOLDERS' EQUITY (Euro mil)	116,5	126,0	149,1	174,9	194,6
BOOK VALUE PER SHARE (Euro)	1,21	1,31	1,29	1,53	1,71

Number of Shareholders 7 May 2010 - Seven thousand four hundred eighty (7.480)

## Share Capital

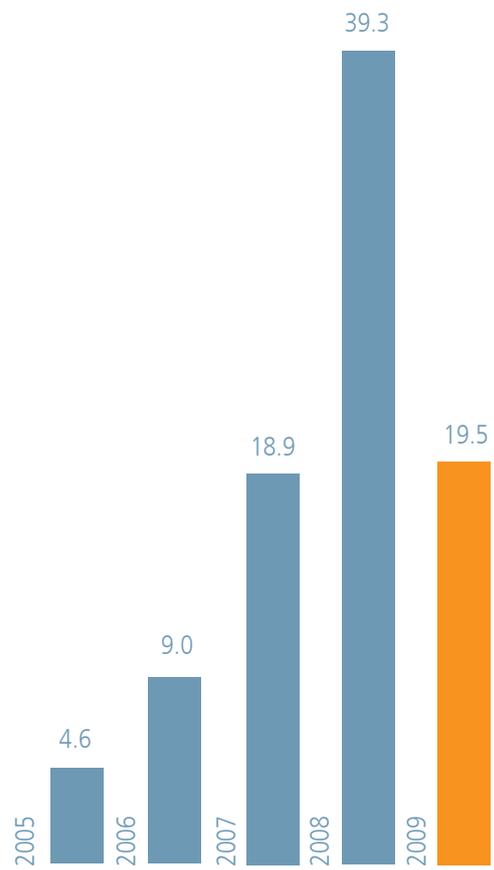
The issued share capital of Woolworth (Cyprus) Properties Plc on 28 April 2010 was:

Number of shares of 34 cents of Euro each

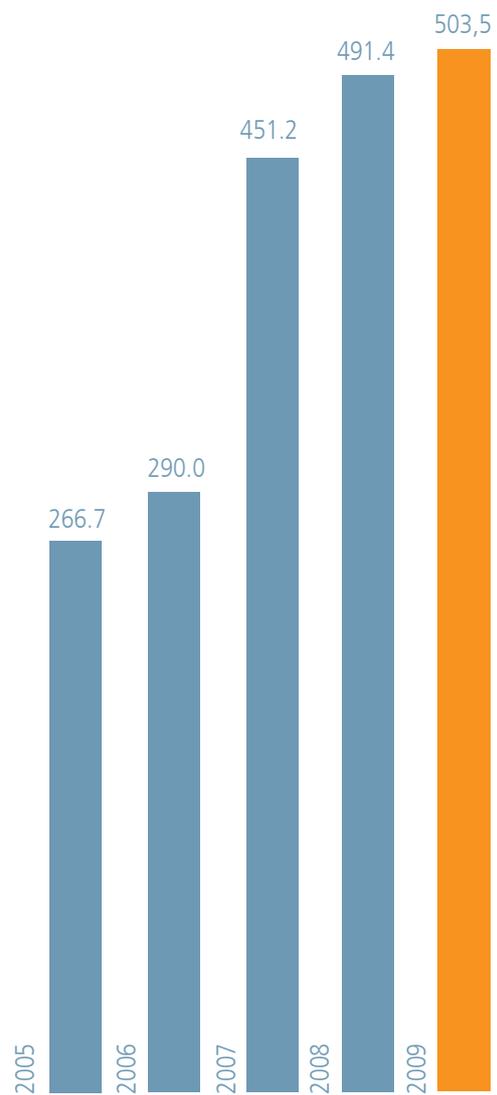
Authorised 125 000 000

Issued and fully paid shares 114 623 855

PROFIT BEFORE TAXATION (EURO mil)



TOTAL ASSETS (EURO mil)



## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Woolworth (Cyprus) Properties Plc will be held at the Hilton Hotel in Nicosia, on Thursday 24 June 2010, at 5.15 p.m.

### Agenda

1. To review the Report of the Directors and Financial Statements for the year ended 31 December 2009.
2. Approval of dividend.
3. To elect members of the Board of Directors.
4. To fix the Director's remuneration.
5. To re-appoint the auditors and authorize the Board of Director to fix their remuneration.

### Notes:

1. A member entitled to attend and vote at the meeting can authorize a proxy to attend and vote on his/her behalf. The proxy does not need to be a Shareholder of the Company. The notification of the appointment of proxy must be submitted to the Company's Registered Office, Shacolas House, Old Nicosia - Limassol Road, Athalassa, P.O. Box 21744, 1589 Nicosia, at least 48 hours before the opening of the Meeting.
2. Copies of the Annual Report are available from the Shares Department, at the Company's Registered Office as above, on the website at [www.woolworthgroup.com.cy](http://www.woolworthgroup.com.cy) and on the relevant web page of the Cyprus Stock Exchange, [www.cse.com.cy](http://www.cse.com.cy) (Listed Companies/ Information and List).
3. According to the Company's Articles of Association, the outgoing Directors are Messrs Nicolas K. Shacolas, Marios Panayides and Eleni Shacola, who being eligible for re-election offer themselves for re-election.
4. The Board of Directors will propose the payment of a dividend of 1,8 cent per share, or 5,29% on the nominal value of the shares.



George P. Mitsides  
Secretary

Nicosia, 25 Μαΐου 2010

## Board of Directors

### Chairman

Renos Solomides - (b,d)

### Honorary Chairman

Nicolas K. Shacolas - (a, d)

### Managing Director

Marios Panayides - (a, d)

### Executive Directors (in alphabetical order)

Eleni N. Shacola (a, d)

Marios N. Shacolas (a, d)

### Directors (in alphabetical order)

Demetris Demetriou (b, d)

Pambos Ioannides (b, d)

Michalakis Koniotis (b, d) (deceased on 14 May 2009)

Andreas Louroutziatis (b, c)

Marios A. Sawides (b, d) (resigned on 17 November 2009)

Menelaos C. Shacolas (b, c)

### Secretary

George P. Mitsides

### Legal Advisors

Ioannides Demetriou

Tassos Papadopoulos & Associates

### Registered Office

Shacolas Building

Old Road Nicosia - Limassol,

Athalassa, Nicosia

a = executive      b = non-executive

c = independent      d = non-independent



### Dear Shareholders,

The financial year 2009 was a relatively strong year for Woolworth (Cyprus) Properties Plc (Woolworth), despite the persistent economic crisis in Cyprus during the period.

### RESULTS

Profits before tax in 2009 reached €19.453.000 compared to €39.327.000 in the previous year. Net profits attributable to the Company's Shareholders was €18.904.000 compared to €32.216.000 in 2008.

It should be noted that the results for the year do not include any fair value gains from investment properties, while in 2008 these gains were about €36 million, before the related provision for deferred taxation, mainly due to the revaluation of the "Shacolas Emporium Park" which was then fully completed. The profits for 2009 include, however, a profit of about €13.3 million, which arose from the sale of the Company's 20% shareholding in its associate company CTC-ARI Airports Limited

The revenues from the rights of use of space and other income reached €19.245.000 in 2009, compared to €18.791.000 in 2008, representing an increase of 2,4%. The increase was mainly due to the licensing of space in the Annex 4 building of the Shacolas Emporium Park and the increases in license fees from shops at The Mall of Cyprus and at The Mall of Engomi.

Group operating expenses were maintained at similar levels to those of the previous year, whereas finance costs were significantly lower mainly due to the reduction of the interbank Euribor interest rates.

The tax provision for the year was approximately €549.000 compared to €7.011.000 in 2008. In the previous year, there was an additional provision for deferred taxation due to the revaluation gains mentioned above amounting to €6.606.000.

### PROJECTS AND INVESTMENTS

#### ITTL Trade Tourist & Leisure Park Plc – Shacolas Emporium Park

The operations of the Shacolas Emporium Park continued successfully for a second consecutive year. In 2009, the visitors at The Mall of Cyprus and IKEA were about 6 million, representing an increase of 5% compared to the previous year. A similar increase was achieved in the turnover of the shops operating there and it is estimated that their total turnover for the year reached €157 million. Taking into account the reduction in the economic activity of the retail sector in Cyprus in 2009, these results are considered very satisfactory and prove that the "Shacolas Emporium Park" is now established as a destination for shopping and entertainment.

The revenues and profits of the subsidiary company ITTL Trade Tourist & Leisure Park Plc were higher in 2009 compared to the previous year. With the gradual licensing of additional space at the commercial buildings Annex 3 and Annex 4 the income of ITTL and of the Group will continue to increase.

The appropriate authorities have approved the listing of ITTL's shares on the 'Parallel Market' of the Cyprus Stock Exchange, however, the Board of Directors determined that it would be preferable to list the shares in the new Emerging Companies Market of the Cyprus Stock Exchange that was recently created. It is expected that the Company's shares will be listed during 2010.

## Cyprus Limni Resorts & GolfCourses Plc

Cyprus Limni Resorts & GolfCourses Plc, in which Woolworth has a significant shareholding, progresses with the planning phase of its ambitious development project, which includes two golf courses, Golf Club, plots, villas, apartments and other housing units, a luxury hotel and other related amenities. In parallel, the earthworks for the preparation of the ground and the reinstatement of the environment continued throughout the year. This project has a long term horizon and is expected to contribute to the upgrading of the tourist product of Cyprus, yield significant benefits both to the Group and also to the economy as a whole and to create new jobs during construction and permanent job positions during operation.

On 29 March 2010, the shares of Cyprus Limni Resorts and GolfCourses Plc were listed on the new Emerging Companies Market of the CSE. In total 300 million shares were introduced. Based on the listing price of €1,00 per share, the Company is valued at €300 million. It is expected that the listing will facilitate the participation of strategic and institutional investors in the share capital of the Company in the future.

## CTC-ARI Airports Ltd

In 2009, Woolworth proceeded with the sale of its participation in CTC-ARI Airports Ltd, which manages exclusively the commercial operations at the Larnaca and Pafos airports until 2031, to Ermes Department Stores Plc for the consideration of €16,4 million. This transaction resulted in improving significantly the profitability and liquidity of the Group in 2009, whilst, at the same time, the activity was undertaken by Ermes which is the more appropriate company to manage it.

## Other Investments

On 2 March 2010, Woolworth purchased land in Strovolos, adjacent to the "Shacolas Emporium Park", near the Nicosia-Limassol high way, of an area of 16.063 square metres, which includes 5.223 square metres that were under expropriation procedures, for the amount of €7 million. On 30 March 2010 the Company agreed the sale of part of the property, of a net area of 4.000 square metres, to G N Gallery Famagusta Limited for the amount of €6 million. The profit expected to arise from this transaction, without taking into account taxes, is €2,6 million.

During the year, the Group did not proceed with any significant improvements and extensions to its buildings with the exception of the completion of the extension works of the Debenhams Apollon building in Limassol and certain works at the Shacolas Emporium Park. The Board of Directors has in its future plans, additional developments in its properties in Pafos, Limassol and Larnaca and the expansion of The Mall of Engomi in Nicosia. It deemed prudent, however, to postpone these projects, which are estimated to cost €25 million, due to the economic crisis.

## GOALS AND PROSPECTS

The economic crisis has inevitably influenced to a large extent many aspects of the Cyprus' economy, including the real estate sector. However, due to the qualitative and unique characteristics of the property assets of the Group, its future prospects remain favourable.

The Shopping Malls especially, due to their successful operation, added value to the wealth of the Group and increased significantly its revenues. In parallel, they have contributed qualitatively to the diversification of the portfolio of properties of Woolworth, as the space of these properties was licensed to and used by a large number of quality tenants. It is expected, that the revenues and profitability from these operations will continue to increase in the future.

The Group's main goals remain to continue to focus on the real estate sector and to maximise the value of its property assets for the benefit of its shareholders. Selectively and very carefully, the Group evaluates investment opportunities, especially in the area of shopping malls, where it holds a leading position and has important expertise and know-how. In addition, where there is scope, it will proceed with the planning phase for the improvement or expansion of its existing properties so that it takes action as soon as the investment environment improves.

## DIVIDEND

Despite the persistent economic crisis, the Board of Directors decided to propose, at the Annual General Meeting, the payment of a dividend from the profits of the Company for the year ended 31 December 2009, of €2.063.299, which is equivalent to 1,8 cent per share or 5,29% of the nominal value of the share.

## NET BOOK VALUE PER SHARE

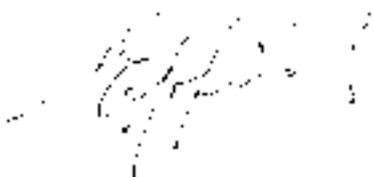
The net book value per share of the Company, on a consolidated basis, as at 31 December 2009, was €1,71. Excluding the provision for deferred taxation, which is a contingent liability, the net book value per share rises to €1, 94.

## THANKS

Our warm thanks to all the members of the staff of the Group and to the Managing Director Mr Marios Panayides. We also express our thanks to all the members of the Board of Directors of all the Companies of the Woolworth Group for their valuable cooperation and contribution to the progress of the business of our Group. Special thanks are explicitly expressed to our Honorary Chairman Mr Nicolas Shacolas whose continuous, diverse and significant contribution to the Group is invaluable.

Finally, our warm thanks are expressed to all of you, the shareholders of the Company, for your continuous support and trust.

Yours Sincerely,



Renos Solomides  
Chairman

Nicosia, 28 April 2010







Our Properties

## Commercial Centres



### Shacolas Emporium Park

The Shacolas Emporium Park is a unique, in its sector, infrastructure project for Cyprus with total land area 102.000 m<sup>2</sup>. "The Mall of Cyprus" and IKEA, continue successfully their operations.

The Shacolas Emporium Park was completed with the completion of the two commercial buildings, Annex 3 and Annex 4 which will accommodate shops, showrooms and leisure areas, "Mana square", with a statue honoring the modern day Cypriot Mother, an open-air amphitheatre and a children playground.

The Shacolas Emporium Park has in total about 60.000m<sup>2</sup> net retail space and 2.500 car park spaces.





### The Mall of Cyprus

The "Mall of Cyprus" includes 27.000m<sup>2</sup> of retail space, including Debenhams, Carrefour, Zara, Next, K-Cineplex cinema with 5 screens, restaurants and other known shops.

Additionally, there is a customer information point, a children's play area, ATM's, first aid room, infants care facilities, lifts and escalators. It also has 2.500 car park spaces.

The operations in the "Mall of Cyprus" are very successful for a second consecutive year with the number of visitors reaching very high numbers.



shacolas  
emporium  
PARK





### The Mall of Engomi

"The Mall of Engomi" belongs to the 100% subsidiary company, Woolworth Commercial Centre Ltd.

"The Mall of Engomi" is situated on 28th October Avenue in Engomi, Nicosia, near the Nicosia Airport round-a-bout on a commercial piece of land 20.100m<sup>2</sup> and car park spaces for 500 cars.

The retail areas of "The Mall of Engomi" are 13.600m<sup>2</sup>. It includes an Ermes Department store, which is managed and operated by Carrefour, Debenhams, Super Home Center D.I.Y., Oviessse, Peacocks, Germanos and Venue café.

In the future, the Company will proceed with further expansion of the commercial center.





### Debenhams Central

The Debenhams Central department store is located in a central location in Nicosia at the junction between Makarios and Dhigenis Akritas Avenue, with access and frontage from the parallel side street Annas Komninis.

Debenhams Central has:

- Land area: 3.700m<sup>2</sup>
- Building area: 4.000m<sup>2</sup>
- Parking space: for 105 cars



### Debenhams Olympia

The Debenhams Olympia department store is located in a prime location by the Limassol main coastal road.

Debenhams Olympia has:

- Land area: 10.100m<sup>2</sup>
- Building area: 9.200m<sup>2</sup>
- Parking space: for 250 cars



### Debenhams Apollon

The Debenhams Apollon department store is located on Makarios Avenue in Limassol.

The Debenhams Apollon has:

- Land area: 8.700 m<sup>2</sup>
- Building area: 7.200m<sup>2</sup>
- Parking space: for 220 cars



### Debenhams Zenon

The Debenhams Zenon department store in Larnaca, is on Strategou Timayia Avenue. The Company is planning, within the same land area, the renovation of an adjacent building for the operation of retail stores.

Debenhams Zenon has:

- Land area: 10.300m<sup>2</sup>
- Building area: 9.000m<sup>2</sup>
- Parking space: for 246 cars



### Korivos Commercial Center

The Korivos Commercial Center is near the Korivos football stadium and the round-a-bout at the entrance to the town in Pafos. Within the commercial complex there is a Debenhams department store, a Next shop and a Super Home D.I.Y mega store. In 2008, the Company proceeded with the expansion of the car park of the commercial centre and there is the potential for further expansion on this property.

The Korivos commercial center has:

- Land area: 42.200m<sup>2</sup>
- Building area: 9.200m<sup>2</sup>
- Parking space: for 500 cars



### Super Home Center D.I.Y., Strovolos

The Super Home Center D.I.Y is in the Strovolos municipal district, near "The Mall of Cyprus". In this property, there is the potential for significant further expansion.

The Super Home Center D.I.Y has:

- Land area: 20.000m<sup>2</sup>
- Building area: 3.200m<sup>2</sup>
- Parking space: for 160 cars



### Shacolas Tower

The Tower is within the old walls of Nicosia and is considered to be a focal point, as it is the highest building in the city. The Shacolas Tower is the home of the well known Debenhams Ledra department store, which spans on 6 floors. The whole building comprises 14 floors.

On the 10th floor there is a Conference Room and on the 11th floor there is a Museum and the Ledra observation deck, which attracts thousands of visitors.

The Shacolas Tower has:

- Land area: 798m<sup>2</sup>
- Building area: 3.000m<sup>2</sup>



### Ledra Neoclassical Building

The neoclassical building is on Ledra Street in Old Nicosia, opposite the Debenhams Ledra department store. It is a five-storey very well maintained neoclassical building. It is the home of a Peacocks store, which is operating with success.

The neoclassical building in Ledra Street has:

- Building area: 1.125m<sup>2</sup>



### Ledra Arcade - Old Nicosia

The Ledra Arcade is in the heart of Old Nicosia and operates with success since 2004. In the Arcade there is a Next, and also a Starbucks, Cinnabon and a McDonald's. The Arcade has a modern pay parking area in the basement for 170 cars.

The Ledra Arcade has:

- Land area: 1.875m<sup>2</sup>
- Building area: 1.600m<sup>2</sup>



### Ermes Department Stores Head Offices

Woolworth also owns the land and the head office building and warehouses of Ermes Department Stores Plc in Latsia. The land area is about 10.000 m<sup>2</sup> and the building area is 7.500m<sup>2</sup>.



### Commercial outlets

The immovable property of the Company includes also various smaller commercial outlets which are in Limassol, Paphos and Larnaca and these outlets operate Next and Zako shops.

- The total area exceeds the 6.000m<sup>2</sup>

### Commercial plot of land at Strovolos

The commercial plot of land is next to the Shacolas Emporium Park, alongside the Nicosia - Limassol highway. It was acquired by Woolworth (Cyprus) Properties Plc in March 2010. The total area of the land, after the expropriation, is about 10.840m<sup>2</sup>. There is a draft agreement for the disposal of 4.000m<sup>2</sup> and the rest of it will be developed commercially in the future.

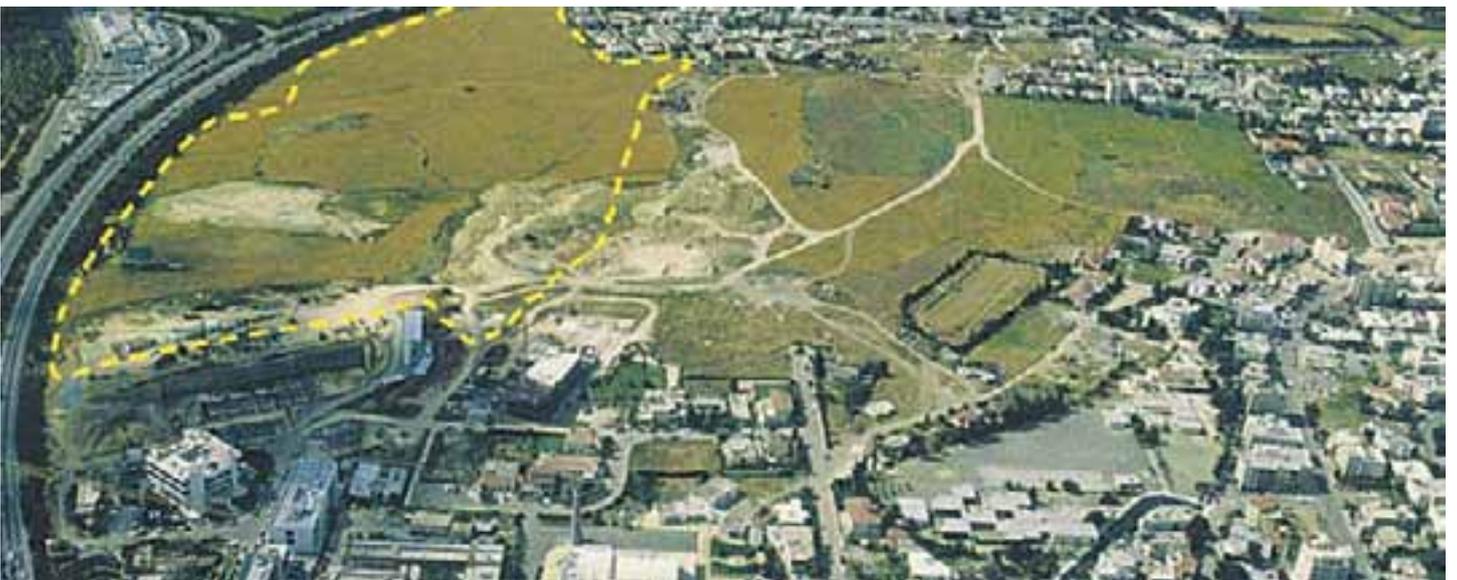
## Other Properties



### Cyprus Limni Resorts & GolfCourses Plc - Limni Golf Resort

Woolworth holds indirectly 46,8% of the share capital of Cyprus Limni Resorts and GolfCourses Plc. Cyprus Limni Resorts and GolfCourses Plc is the owner a of land area of more than 3 million m<sup>2</sup> at the Limni area, Polis Chrysochous district, where it is planning to develop a large modern development project with 2 golf courses, a Golf Club, plots of land, villas, apartments and other lodgings, a luxurious hotel and other facilities. The land has access to the beach with a pier extending 150m into the sea.

The above land area includes an area of about 300.000m<sup>2</sup> on the hill of Kinoussa village, next to the government protected forest, for which the planning process has started for the preparation of the Master Plan for the future development of this property.



### Akinita Lakkos Mikelli

Woolworth controls 35% of the Company Akinita Lakkos Mikelli Ltd, which was acquired in 2004. The Company's share in the land is an area of 109 acres which is located in a prime location, at the south entrance of Nicosia.







# Financial Statements

## Statement of the Members of the Board of Directors and the Company Officials for the drafting of the financial statements

According to article 9, section (3) (c) and (7) of the Transparency Conditions (Marketable values for negotiation in an Adjustable Market) Law of 2007, we the members of the Board of Directors and the Company officials responsible for the drafting of the financials statements of Woolworth (Cyprus) Properties Plc for the year ended 31 December 2009, based on our knowledge we confirm that:

- (a) The annual financial statements that are presented in pages 32 to 82
  - (i) prepared according to International Financial Reporting Standards (IFRSs) and according to section (4), and
  - (ii) give a true and fair view of assets, liabilities, financial position and profit of Woolworth (Cyprus) Properties Plc and the companies that are included in the consolidated financial statements as a total and
- (b) the Report of the Board of Directors gives a fair overview of the developments and the performance as well as the position of Woolworth (Cyprus) Properties Plc and the Companies that are included in the consolidated financial statements as a total with a description of the principal risks and uncertainties that are encountering.

### **Members of the Board of Directors**

#### **Chairman**

Renos Solomides

#### **Honorary Chairman**

Nicolas K. Shacolas

#### **Managing Director**

Marios Panayides

#### **Members of the Board**

Demetris Demetriou

Pambos Ioannides

Andreas Louroutziatis

Eleni Shacola

Marios Shacolas

Menelaos Shacolas

#### **Responsible for the drafting of the financial statements**

Maria Aristidou - Financial Controller

Nicosia, 28 April 2010

## Report of the Board of Directors

The Board of Directors of Woolworth (Cyprus) Properties Plc (the "Company") and its subsidiary companies, collectively referred to as the "Group", presents its Annual Report together with the audited consolidated financial statements and the Company's separate audited financial statements for the year ended 31 December 2009.

### ACTIVITIES

The main activity of the Company and the Group is the ownership, exploitation, management and trading of real estate property.

The consolidated results of the Group for the year 2009 include the subsidiary Companies of Woolworth (Cyprus) Properties Plc that are property owners, that is, Zako Ltd, FWW Super Department Stores Ltd, Zako Estate Ltd, Apex Ltd, Niola Estates Limited, the parent company of Estelte Limited, and Realtra Limited, the parent company of Calandra Limited. The majority of this property is licensed/rented to Ermes Department Stores Plc, which carries its retail operations in these properties. It is also the parent company of ITTL Trade Tourist & Leisure Park Plc, which owns the land in which the Shacolas Emporium Park was developed, which includes the large Commercial Centre "The Mall of Cyprus", an IKEA multistore and other operations. It also includes the subsidiary company Woolworth Commercial Center Limited, owner of the Commercial Centre "The Mall of Engomi".

Woolworth (Cyprus) Properties Plc also holds indirectly through Chrysochou Merchants Limited and Arsinoe Investments Limited 11,7% and 35% respectively of the share capital of the Company Cyprus Limni Resorts and GolfCourses Plc which owns a large plot of land in Polis Chrysochous.

The Group results also include the associated company Akinita Lakkos Mikelli Limited. CTC- ARI Airports Limited that has been an associate company of the Group until 31 December 2008 was sold on 1 January 2009.

### FINANCIAL RESULTS

The Group's operating profits for the year 2009 amounted to €33.034.767 compared to €53.514.982 in 2008. The Company's operating profits for the year 2009 amounted to €25.262.988 compared to loss of €8.909.072 in 2008.

The Group's profit before tax for the year 2009 amounted to €19.452.765 compared to €39.327.054 in 2008. The Group results for 2009 include a profit of €13.288.809 from the sale of the Group's share of 20% in the associated Company CTC - ARI Airports Limited to Ermes Department Stores Plc on 1 January 2009. The results for the year do not include any fair value gains from investment property. In the corresponding period of 2008 the fair value gains from investment property were €35.968.000 before deducting the provision for deferred taxation, mainly due to the revaluation of the Shacolas Emporium Park. The Company's profit before tax for the year 2009 amounted to €15.702.650, compared to a loss of €2.198.618 for the year 2008. The results of the Company for 2009 include a profit of €16.379.497 from the sale of 20% share in the associated Company CTC - ARI Airports Limited.

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Profit/(loss) before tax	19.452.765	39.327.054	15.702.650	(2.198.618)
Corporation tax and defence contribution	(485.857)	(405.580)	(315.199)	(81.602)
Deferred tax	(62.953)	(6.605.539)	251.168	(262.322)
Profit/(loss) after tax	18.903.955	32.315.935	15.638.619	(2.542.542)
Minority interest	-	-	-	-
Profit/(loss) attributable to the shareholders	18.903.955	32.315.935	15.638.619	(2.542.542)
Basic earnings/(losses) per share (cents)	16,6	28,3	13,7	(2,2)
Fully diluted earnings/(losses) per share (cents)	16,6	28,3	13,7	(2,2)

### DIVIDEND

Despite the ongoing financial crisis, the Board of Directors decided to recommend, at the Annual General Meeting, the payment of dividend in respect of the profit for the year ended 31 December 2009 amounting to €2.063.229, which equals to 1,8 euro cents or 5,29% of the nominal value of the share.

## PRINCIPAL RISKS AND UNCERTAINTIES

Due to the nature of the Company's and the Group's activities, the main risks faced by the Company and the Group are:

- The fluctuation in property prices.
- The leasing or granting of space usage rights of the Company's and the Group's property mainly relates to a great extent to the company Ermes Department Stores Plc.
- Financial risk factors as described in notes 3 and 30.

## FUTURE DEVELOPMENTS

As a result of the qualitative factors of the Group's assets, its future prospects are considered satisfactory, despite the international financial crisis that is affecting Cyprus as well. The successful operation of the Shacola's Emporium Park and The Mall of Engomi have augmented significantly the value of the property of the Group and have increased its revenues significantly. At the same time, they have altered the quality of the property portfolio of Woolworth (Cyprus) Properties Plc, as the spaces in these properties were granted to a number of quality users.

On 29 March 2010 the shares of Cyprus Limni Resorts and Golf courses Plc began trading on the "Emerging Companies Market" of the Cyprus Stock Exchange. In total, 300 million shares were subscribed. Based on the induction price of €1,00 per share, the Company's value amounts to €300 million. Such action eases the future attraction of strategic and statutory investors to the share capital of the Company.

Despite the fact that the relevant authorities approved the subscription of the subsidiary company ITTL Trade Tourist & Leisure Park Plc in the "Parallel Market" of the Cyprus Stock exchange, the Board has decided that it would be best if the shares will be subscribed in the "Emerging Companies Market". It is expected that the introduction of the Company's shares in the Cyprus Stock Exchange will be completed within 2010.

## PROFITABILITY

It is expected that the company's profitability from normal operating activities in 2010 will increase, whereas the total net profits for the year are expected to be lower because in 2009 there was a non-recurring profit from the sale of associated company CTC-ARI Airports Limited.

## EXISTENCE OF COMPANY AND GROUP BRANCHES

The Company and the Group do not maintain any branches either in Cyprus or abroad.

## SHARE CAPITAL

There were no changes in the share capital of the Company.

## BOOK VALUE OF THE SHARES

### The Group

The book value of the Company's share, with a nominal value of 34 Euro cents, on 31 December 2009, was €1.71. The book value of the Company's share excluding the provision for deferred tax, which constitutes a contingent liability, amounts to €1.94.

### The Company

The book value of the Company's share, with a nominal value of 34 Euro cents, on 31 December 2009, was €1.16. The book value of the Company's share excluding the provision for deferred tax, which constitutes a contingent liability, amounts to €1.22.

## TREASURY SHARES

During 2009 the Company acquired 55 463 treasury shares by purchases from the Cyprus Stock Exchange. The total acquisition price was €57.384 which has been deducted from Shareholder's equity.

On 28 April 2010, the Board of Directors decided to call an Extraordinary General Meeting on 24 June 2010 (right before the Annual General Meeting) for the purpose of re-approving the Special Resolution authorizing the Board of Directors to purchase treasury shares, if this is deemed necessary.

Because of the shareholding structure of the Company, the above right will only be exercised following approval of the Stock Exchange Committee.

## BOARD OF DIRECTORS

The members of the Board of Directors at the date of this report are shown on page 1. All of them were members of the Board throughout the year 2009 except Mr. Michalakis Koniotis who was a director on 1 January 2009 and deceased on 14 May 2009, and Mr. Marios A Savvides who was a director on 1 January 2009 and resigned on 17 November 2009.

According to the Company's Memorandum, Messrs Nicolas K. Shacolas, Marios Panayides and Eleni N. Shacola resign in turn, but they are re-electable and offer themselves for re-election.

There were no other significant changes in the assignment of responsibilities or in the remuneration of the Members of the Board of Directors.

### DIRECTORS' INTERESTS IN THE COMPANY'S SHARE CAPITAL

The direct and indirect interests of the members of the Board of Directors in the share capital of the Company at 31 December 2009 and at the date of this report, were as follows:

	31 December 2009	28 April 2010
	%	%
Nicolas K. Shacolas	77,04	77,04
Renos Solomides	-	-
Eleni N. Shacola	-	-
Marios N. Shacolas	-	-
Menelaos Shacolas	-	-
Demetris Demetriou	-	-
Pambos Ioannides	-	-
Marios Panayides	-	-
Andreas Louroutziatis	-	-

The interests of Mr. Nicolas K. Shacolas include the interest of his wife and children, who are not members of the Board of Directors, as well as those of Cyprus Trading Corporation Plc and of other companies in which he owns, directly or indirectly, at least 20% of the voting rights.

Except for the balances and transactions disclosed in Note 32, there were no other significant contracts with the Company or its subsidiaries or associates, in which a Director or related parties had a material interest.

### MAIN SHAREHOLDERS

At the date of this report, the following Shareholders held directly or indirectly over 5% of the Company's issued share capital.

	Percentage holding %
Nicolas K. Shacolas	77,04
Cyprus Trading Corporation Plc	77,04

### EVENTS AFTER THE BALANCE SHEET DATE

On 2 March 2010, the Company announced the purchase of a plot in Strovolos, along side the Nicosia – Limassol highway, of total area 16.063 sq.m of which 5.223 sq.m. are in the process of expropriation. The Company has paid for the value of the plot €7 million. On 30 March 2010 the Company agreed to sell 4.000 sq.m. of the plot's area to G N Gallery Famagusta Limited for €6 million. The profit arising from the transaction, excluding taxes, is €2.6 million. This profit will be included in the Company's income statement in the year 2010.

### INDEPENDENT AUDITORS

The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

Renos Solomides  
Chairman

Nicosia, 28 April 2010

## Directors Report on Corporate Governance

### PART A

The Board of Directors recognising the importance of the Code on Corporate Governance for the proper and prudent management of the Company and the continuing protection of the interests of all the Shareholders, has adopted as from 2004, the Code on Corporate Governance and applies its Principles.

### PART B

The Board of Directors confirms the compliance with all the Provisions of the Code on Corporate Governance except for the new provision B.3.1 as described below in the Directors Remuneration section

### BOARD OF DIRECTORS AND DIRECTORS' REMUNERATION

#### Duties and Responsibilities of the Board of Directors

The Company is managed by the Board of Directors which consists of 9 members, 5 of whom are non-executive and of whom 2 are Independent.

The position of the Chairman of the Board of Directors is held by Mr Renos Solomides. The Managing Director of the Company is Mr. Marios Panayides, who deals with the management of the Company as far as the day to day operations and activities of the Company are concerned.

The Company's Board of Directors after obtaining timely, complete and reliable information, meets at regular intervals to consider and take decisions, which are recorded accurately in Minutes. During 2009 six meetings were held. The Board of Directors has set out a formal agenda of issues on which decisions must be taken only by the Board. No category of members of the Board of Directors is differentiated as to its responsibility towards any other category.

The Company's Secretary is responsible to provide complete, timely and reliable information to all the members of the Board of Directors and the Chairman has the responsibility to ensure that all members of the Board are properly informed on the issues discussed at its meetings.

All the Directors may have consultations with the Executive Chairman, the Managing Director, the Secretary as well as with the External and Internal Auditors of the Company. Every newly appointed Director receives adequate briefing upon appointment, as well as during his service, whenever considered necessary. All the Directors exercise independently and impartially, to the best interest of the Company, their judgement during the execution of their duties and, whenever deemed necessary, obtain independent professional advice, at the Company's cost.

The Board of Directors at the date of this report is composed by the Directors shown in table 1 below. All of them have been members of the Board of Directors throughout the year 2009 except for Mr Michalakis Koniotis who deceased on 14 May 2009 and Mr Marios Savvides who resigned on 17 November 2009.

According to the Company's Articles of Association, at each Annual General Meeting, 1/3 of the longest serving members of the Board, as well as those appointed after the previous Annual General Meeting, retire but have the right to be re-elected.

During the next Annual General Meeting Messrs Nicolas K. Shacolas, Marios Panayides and Eleni N.Shacola retire and, being eligible, offer themselves for re-election.

As required by the Code, short biographical details are given below for all the Directors who retire and offer themselves for re-election.

**Nicolas K. Shacolas** - Executive chairman of N.K. Shacolas (Holdings) Limited, Cyprus Trading Corporation Plc, Ermes Department Stores Plc and Cyprus Limni Resorts and Golfcourses Plc. He is permanent Honorary Chairman of Woolworth (Cyprus) Properties Plc and MTN (Cyprus) Limited and he is also Chairman of Hermes Airports Limited and CTC- AIR Airports Limited.

He has also served as honorary consult of Mexico in Cyprus from 1990 to 2006. He was awarded distinction by six Nations and Government leaders and he has been "honoured by the Cyprus Government with the "Outstanding Contribution Medal".

**Marios Panayides** - Graduated from the University of Bristol England with a Bachelor of Science degree in Economics and Accounting and a Chartered Accountant (ACA). He has worked for Ernst & Young in London and as an investor for several large brokerage firms in Greece and Cyprus. He is Deputy General Manager of N.K. Shacolas (Holdings) Limited, Managing Director of Woolworth (Cyprus) Properties Plc and Cyprus Limni Resorts and Golfcourses Plc, as well as Executive Director of Cyprus Trading Corporation Plc and of other companies.

**Eleni N Shacola** - Studied in England (General Degree in Business Administration) at the University of London. Worked for N.K. Shacolas (Holdings) Limited as Human Capital manager. She is Executive Director of Woolworth (Cyprus) Properties Plc and Director in other companies.

## Independence of Directors

The structure of the Board of Directors and the assignment of the Directors to categories, are presented in table 1 below:

**Table 1: The Company's Board of Directors**

### Executive Directors

Nicolas K. Shacolas  
Marios Panayides  
Eleni N. Shacola  
Marios N. Shacolas

### Non-executive Directors

Renos Solomides  
Demetris Demetriou  
Pambos Ioannides  
Michalakis Koniotis - (deceased 14 May 2009)  
Andreas Louroutziatis - Independent  
Marios Savvides - (resigned 17 November 2009)  
Menelaos Shacolas - Independent

The classification above is consistent with the independence criteria of the Code of Corporate Governance.

## Committees of the Board of Directors

The Board of Directors of the Company, adopting the Principles of the Code, proceeded with the formation of the following Committees and the approval of the regulations of conducting their duties, which are consistent with the Code and are available for inspection by anyone who may be interested to obtain more information on the subject at the Company's Head Office. These committees also apply for all the subsidiaries of Woolworth (Cyprus) Properties Plc.

### a. Nominations Committee

The main purpose of the Nominations Committee is the operation of a defined and comprehensive procedure when it comes to suggestions for the appointment of new members of the Board of Directors. The members of the Nomination Committee, the majority of which are Non-Executive Directors, are the following:

Renos Solomides, Chairman - Non Executive  
Nicolas K. Shacolas - Executive  
Andreas Louroutziatis - Non Executive, Independent

The Nomination Committee meets at least once a year and reports to the Board of Directors. Furthermore, at least once a year it presents in summary its activities during the previous financial year as well as any recommendations it may have.

### b. Remunerations Committee

The Remuneration Committee constitutes of the following Non-Executive Directors, the majority of which are Independent:

Renos Solomides, Chairman - Non Executive  
Andreas Louroutziatis - Non Executive, Independent  
Menelaos Shacolas - Non Executive, Independent

The Remunerations Committee meets at least once a year and its responsibility is the submission of suggestions to the Board of Directors over the context and amount of the remuneration of the Executive Directors, as well as the terms of the relevant employment contracts. The remuneration of the Non-Executive Directors is determined by the Annual General Meeting.

### c Audit Committee

The Audit Committee's role and responsibility relate to matters regarding the services of the External and Internal Auditors, including their independence affirmation, matters on accounting treatment, matters on review of significant transactions in which there might be a conflict of interest, as well as the preparation of the Report of the Board of Directors on Corporate Governance. The Audit Committee reports to the Board of Directors. The Internal Control Systems are inspected on a continuous basis by the Group's Internal Audit Department, which reports to the Audit Committee, and reviews their effectiveness.

The Audit Committee of the Company consists of the following members, the majority of whom are Independent Non-Executive Directors:

Demetris Demetriou, Chairman	- Non Executive
Andreas Louroutziatis	- Non Executive, Independent
Menelaos Shacolas	- Non Executive, Independent

The Audit Committee meets at least 4 times a year. It examines, amongst other things, the financial statements and the company's internal financial controls, the reports of the Internal Audit Department and the effectiveness of the Internal Control and risk management systems of the Company. It suggests the appointment or termination of the services of the Internal and External Auditors and it observes their relationship with the Company, including the balance between the audit and other non-audit services they may provide.

The External Auditors of the Company, other than the audit services that were offered to the Company during the year 2009, no other work or service was provided except for work on Tax and V.A.T. matters that are directly related to the audit services they provide.

The audit committee may request independent professional advice on matters within the scope of its duties and whenever deemed necessary, may invite to its meeting specialists on the matters under discussion.

### Directors' Remuneration

The remuneration of the Executive Directors is determined by the Board of Directors after the recommendations of the Remuneration Committee. The Remuneration Committee acts within the framework of the Remuneration Policy, which was approved at the Annual General meeting of the Shareholders and complies with the provisions of Paragraph B.2 of the Code on Corporate Governance.

None of the Executive Directors is involved in the determination of his/her remuneration. The existing employment contracts of the Executive Directors are of indefinite duration, the notice period does not exceed one year and the provisions of reimbursement in case of early termination of contracts is based on the provisions of the Employment Termination Law.

The remuneration of the Directors, under their capacity as members of the Committees of the Board of Directors, is determined by the Board of Directors and is proportional to the time spent on managing the Company. The remuneration of the Directors, under their capacity as members of the Board of Directors, is approved by the Shareholders at the General Meeting. The remuneration of the Non-Executive Directors is not associated with profitability, nor does it take the form of participation in a pension or insurance scheme of the Company. The Company has not adopted the provisions of the new clause B.3.1 of the Principles and Provisions of the Corporate Governance code regarding name disclosures. The remuneration of the Directors for 2009 is listed below and is separated between Executive and non-Executive Directors.

The total remuneration of the Executive Directors for their services to the Company for the year 2009 was: one Director among €85.001 and €171.000. The remaining three Directors do not receive remuneration as Executive Directors. Their remuneration as members of the Board of Directors amounted to €11.600.

During the year ended 31 December 2009, the Company did not pay any additional remuneration to Non-Executive Directors, except for their annual reward as members of the Board of Directors, which amounted to €37.600 and their remuneration for the participation in various Committees of the Board of Directors which amounted to €3.570. The total remuneration of the Non-Executive Directors of the Group amounted to €41.170.

The Directors' remuneration is presented in Note 32 of the Consolidated Financial Statements.

## RESPONSIBILITY AND CONTROL

### Internal Control System

The Board of Directors is assured that the Company maintains an adequate Internal Control System in order to safeguard to the greatest possible extent the Shareholders' investment and the assets of the Company.

The Board of Directors of the Company has reviewed the procedures and methods of validation of the correctness, completeness and accuracy of the information provided to the investors and confirms that they are effective.

The Board of Directors confirms that it reviews the effectiveness of the Internal Control System of the Company through its Internal Audit Department of the Shacola's Group, which acts independently and objectively, reports to the Audit Committee of the Company inspects the Internal Control Systems of the Company and confirms that their effectiveness is satisfactory. The review of the Internal Control Systems and Risk Management Systems by the Internal Audit Department covers, on a sample basis, the financial, operating, and software systems, including the applied control systems and security systems.

The objective of the Internal Audit Department of the Group is the provision of independent and objective Internal Control services and advisory services designed to add value and improve the operation of the Company.

The Internal Audit Department helps the Group to achieve its goals through the application of systematic and disciplined methodology in the evaluation and improvement of the Risk Management Systems, Internal Control Systems, and in the application of the Code on Corporate Governance.

The Internal Audit Department, is liable to the Board of Directors and to the Audit Committee of the Company regarding the execution of its duties. In the context of its independence, its staff reports both administratively and operationally directly to the Audit Committee.

The Board of Directors of the Company confirms that nothing has come to its attention concerning any breach of the Cyprus Stock Exchange Laws and Regulations, except of those that are known to the relevant Stock Exchange officials.

### Voting and control rights

The Company has not issued any titles granting special control rights, and there are no limitations regarding voting rights. All shares have the same rights.

### Loans to Directors

Any loans to Directors of the Group from Group companies and information relating to contingent interest of Directors in transactions or matters that affect the Company, are disclosed in Note 32 of the Financial Statements.

### Going Concern

The Board of Directors confirms that the Company has sufficient resources to continue its operations as a going concern for the next twelve months.

#### Compliance with the Code on Corporate Governance

The Board of Directors appointed Messrs George Mitsides and Demetris Demetriou as Compliance Officers under the Code on Corporate Governance, to observe, in cooperation with the Audit Committee, the implementation of the Code.

## RELATIONSHIPS WITH THE SHAREHOLDERS

The Directors consider an important part of their responsibilities the provision of timely, clear and reliable information to the Shareholders and the adoption of the provisions of the Code on Corporate Governance regarding the constructive use of the General Meeting and the equitable treatment of Shareholders. The Board of Directors appointed Mr Marios Panayides and Mrs Maria Aristidou as the Company's Shareholder liaison officers.

The Board of Directors appointed Mr. Andreas Louroutziatis, Independent Non Executive Director, as Senior Independent Director, who is available to listen the Shareholders' concerns whose problems have not been solved through the normal communication channels of the Company.

## BOARD OF DIRECTOR'S REMUNERATION POLICY

The Board of Directors Remuneration policy has been determined and approved at the Shareholders' General Meeting, and is uploaded on the Company's official website

By order of the Board of Directors,  
Renos Solomides  
Chairman

Nicosia, 28 April 2010

# Independent Auditors' Report to the Members of Woolworth (Cyprus) Properties Plc

## Report on the Consolidated and Company's Separate Financial Statements

We have audited the accompanying consolidated financial statements of Woolworth (Cyprus) Properties Plc (the "Company") and its subsidiaries ("The Group") and the Company's accompanying separate financial statements, which comprise the balance sheets of the Group and the Company as at 31 December 2009, and the statements of income, comprehensive income, changes in equity and cash flows of the Group and the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Board of Directors' Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Woolworth (Cyprus) Properties Plc and its subsidiaries as at 31 December 2009, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

## Report on Other Legal and Regulatory Requirements

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

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

According to the requirements of the Directive DI 190-2007-04 of the Cyprus Securities and Exchange Commission, we report that a Corporate Governance statement for the information concerning the paragraphs (a), (b), (c), (f) and (g) of article 5 of the above Directive has been made and represents a special section of the Board of Directors' report.



## Other Matter

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

PricewaterhouseCoopers Limited  
Chartered Accountants

Nicosia, 28 April 2010

## Consolidated income statement for the year ended 31 December 2009

	Note	2009 €	2008 €
Rights for use of space and other income	5	19.244.807	18.791.221
Other income	6	3.285.448	1.888.256
Other gains – net	7	13.245.207	35.468.000
General and administrative expenses	8	<u>(2.740.695)</u>	<u>(2.632.495)</u>
<b>Operating profit</b>		<b>33.034.767</b>	<b>53.514.982</b>
Finance cost	10	(13.572.815)	(15.740.148)
Share of (loss)/profit of associated companies after tax	19	<u>(9.187)</u>	<u>1.552.220</u>
<b>Profit before taxation</b>		<b>19.452.765</b>	<b>39.327.054</b>
Corporation tax and defence contribution		(485.857)	(405.580)
Deferred tax		<u>(62.953)</u>	<u>(6.605.539)</u>
<b>Taxation</b>	11	<b><u>(548.810)</u></b>	<b><u>(7.011.119)</u></b>
<b>Profit for the year</b>		<b><u>18.903.955</u></b>	<b><u>32.315.935</u></b>
Attributable to:			
Company Shareholders		18.903.955	32.315.935
Minority Interest		<u>-</u>	<u>-</u>
		<b><u>18.903.955</u></b>	<b><u>32.315.935</u></b>
<b>Earnings per share attributable to Company's shareholders (cents per share):</b>	12		
Basic		16,6	28,3
Fully diluted		16,6	28,3

The notes on pages 44 to 82 are an integral part of these financial statements.

## Consolidated Statement of comprehensive income for the year ended 31 December 2009

	Note	2009 €	2008 €
Profit for the year		<u>18.903.955</u>	<u>32.315.935</u>
Other comprehensive income:			
Deferred taxation adjustment	26	-	52.675
Available-for-sale financial assets	26	<u>843.292</u>	<u>(863.952)</u>
Other comprehensive income for the year, net of tax		<u>843.292</u>	<u>(811.277)</u>
Total comprehensive income for the year		<u>19.747.247</u>	<u>31.504.658</u>

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 11

The notes on pages 44 to 82 are an integral part of these financial statements.

## Consolidated balance sheet at 31 December 2009

	Note	2009 €	2008 €
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	16	1.112.846	1.112.542
Investment property	17	362.755.343	353.772.059
Intangible assets	18	1.635.900	1.635.900
Investments in associated companies	19	15.313.524	18.433.902
Available-for-sale financial assets	21	497.574	862.884
Financial assets at fair value through profit or loss	22	107.224.134	107.224.134
		<u>488.539.321</u>	<u>483.041.421</u>
<b>Current assets</b>			
Receivables	23	8.597.812	6.149.155
Tax refundable		278.792	280.677
Cash and cash equivalents	24	6.121.000	1.908.854
		<u>14.997.604</u>	<u>8.338.686</u>
<b>Total assets</b>		<u>503.536.925</u>	<u>491.380.107</u>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's shareholders</b>			
Share capital	25	38.972.111	38.972.111
Difference from conversion of share capital into Euro		197.184	197.184
Share premium	25	25.018.383	25.018.383
Treasury shares	25	(808.747)	(751.363)
Fair value reserves	26	27.642.604	26.799.312
Retained earnings		103.601.823	84.697.868
<b>Total equity</b>		<u>194.623.358</u>	<u>174.933.495</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Payables and accrued expenses	29	2.530.410	4.068.576
Borrowings	27	223.264.378	225.604.336
Deferred tax liabilities	28	26.790.231	26.727.278
		<u>252.585.019</u>	<u>256.400.190</u>
<b>Current liabilities</b>			
Payables and accrued expenses	29	24.162.715	33.949.313
Current tax liabilities		1.559.529	1.100.791
Borrowings	27	30.606.304	24.996.318
		<u>56.328.548</u>	<u>60.046.422</u>
<b>Total liabilities</b>		<u>308.913.567</u>	<u>316.446.612</u>
<b>Total equity and liabilities</b>		<u>503.536.925</u>	<u>491.380.107</u>

On 28 April 2010 the Board of Directors of Woolworth (Cyprus) Properties Plc authorized these consolidated financial statements for issue

**Renos Solomides**  
Chairman

**Marios Panayides**  
Managing Director

The notes on pages 44 to 82 are an integral part of these financial statements.

## Consolidated statement of changes in equity for the year ended 31 December 2009

### Attributable to the Company's shareholders

	Share capital	Difference from conversion of share capital into Euro	Treasury shares	Share premium	Fair value reserves	Retained earnings (1)	Total
	€	€	€	€	€	€	€
<b>Balance at 1 January 2008</b>	39.169.295	-	-	25.018.383	27.610.589	57.318.398	149.116.665
<b>Comprehensive income</b>							
Profit for the year	-	-	-	-	-	32.315.935	32.315.935
<b>Other comprehensive income</b>							
Land and Buildings:							
Deferred taxation adjustment (Note 26)	-	-	-	-	52.675	-	52.675
Available-for-sale financial assets:							
Fair value loss (Note 26)	-	-	-	-	(863.952)	-	(863.952)
Total other comprehensive income	-	-	-	-	(811.277)	-	(811.277)
<b>Total comprehensive income for the year 2008</b>	-	-	-	-	(811.277)	32.315.935	31.504.658
<b>Transactions with owners</b>							
Dividend (Note 13)	-	-	-	-	-	(3.115.049)	(3.115.049)
Income tax and defence tax that were not deducted at source on dividend payment	-	-	-	-	-	(1.735.680)	(1.735.680)
Purchase of treasury shares (Note 25)	-	-	(751.363)	-	-	-	(751.363)
Reduction of share capital from conversion to Euro (Note 25)	(197.184)	197.184	-	-	-	-	-
Shareholders' special contribution for defence due on deemed dividend distribution	-	-	-	-	-	(85.736)	(85.736)
Total transactions with owners	(197.184)	197.184	(751.363)	-	-	(4.936.465)	(5.687.828)
<b>Balance at 31 December 2008</b>	38.972.111	197.184	(751.363)	25.018.383	26.799.312	84.697.868	174.933.495

## Consolidated statement of changes in equity for the year ended 31 December 2009

### Attributable to the Company's shareholders

	Share capital €	Difference from conversion of share capital into Euro €	Treasury shares €	Share premium €	Fair value reserves €	Retained earnings (1) €	Total €
<b>Balance at 1 January 2009</b>	38.972.111	197.184	(751.363)	25.018.383	26.799.312	84.697.868	174.933.495
<b>Comprehensive income</b>	-	-	-	-	-	18.903.955	18.903.955
Profit for the year	-	-	-	-	-	18.903.955	18.903.955
<b>Other comprehensive income</b>	-	-	-	-	(11.009)	-	(11.009)
Available-for-sale financial assets:	-	-	-	-	-	-	-
Fair value loss (Note 26)	-	-	-	-	(11.009)	-	(11.009)
Transfer to income statement due to disposal (Note 26)	-	-	-	-	854.301	-	854.301
Total other comprehensive income	-	-	-	-	843.292	-	843.292
Total comprehensive income for the year 2009	-	-	-	-	843.292	18.903.955	19.747.247
<b>Transactions with owners</b>	-	-	(57.384)	-	-	-	(57.384)
Purchase of treasury shares (Note 25)	-	-	(57.384)	-	-	-	(57.384)
Total transactions with owners	-	-	(808.747)	25.018.383	27.642.604	103.601.823	194.623.358
<b>Balance at 31 December 2009</b>	38.972.111	197.184	-	25.018.383	27.642.604	103.601.823	194.623.358

(1) Companies which do not distribute 70% of their profits after tax, as defined by the special contribution for the defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 44 to 82 are an integral part of these financial statements.

## Consolidated statement of cash flow for the year ended 31 December 2009

	Note	2009 €	2008 €
<b>Cash flows from operating activities</b>			
Profit before tax		19.452.765	39.327.054
Adjustments for:			
Depreciation of property, plant and equipment	16	277.538	246.918
Interest expense	10	13.561.983	15.813.401
Interest income	6	(577.969)	(369.554)
Share of loss/(profit) of associated companies	19	9.187	(1.552.220)
Fair value gains on investment property	7	-	(35.968.000)
Dividend income	6	(1.648.215)	(62.388)
(Profit)/loss on sale of property, plant and equipment	16	(1.571)	18.605
Loss on sale of available for sale financial assets	7	43.602	-
Profit on sale of associated company	34	(13.288.809)	-
Impairment loss on available for sale financial assets	7	-	500.000
		<u>17.828.511</u>	<u>17.953.816</u>
Changes in working capital:			
Receivables		(2.448.657)	10.644.159
Payables and accrued expenses		<u>(11.324.764)</u>	<u>4.758.110</u>
<b>Cash generated from operations</b>		<u>4.055.090</u>	<u>33.356.085</u>
Tax paid		<u>(25.234)</u>	<u>(4.902.413)</u>
<b>Net cash from operating activities</b>		<u>4.029.856</u>	<u>28.453.672</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	16	(368.070)	(11.389.359)
Purchases of investment property	17	(8.983.284)	(8.611.262)
Proceeds from sale of property, plant and equipment	16	91.799	29.508
Proceeds from sale of associated company	34	16.400.000	-
Proceeds from sale of available-for-sale financial assets		1.165.000	-
Interest received		577.969	369.554
Dividend received from associated company	19	-	350.910
Dividends received		1.648.215	62.388
<b>Net cash from/(used in) investing activities</b>		<u>10.531.629</u>	<u>(19.188.261)</u>
<b>Cash flows from financing activities</b>			
Net borrowings		3.270.028	5.411.148
Interest paid		(13.561.983)	(16.872.843)
Purchase of treasury shares	25	(57.384)	(751.363)
Dividends paid	13	-	(3.115.049)
<b>Net cash used in financing activities</b>		<u>(10.349.339)</u>	<u>(15.328.107)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>4.212.146</u>	<u>(6.062.696)</u>
<b>Cash and cash equivalents at beginning of year</b>		<u>1.908.854</u>	<u>7.971.550</u>
<b>Cash and cash equivalents at end of year</b>	24	<u>6.121.000</u>	<u>1.908.854</u>

The notes on pages 44 to 82 are an integral part of these financial statements

## Income statement of the Company for the year ended 31 December 2009

	Note	2009 €	2008 €
Rights for use of space and other income	5	4.954.903	4.851.325
Other income	6	5.725.798	5.231.286
Other gains – net	7	16.335.895	351.000
General and administrative expenses	8	<u>(1.753.608)</u>	<u>(1.524.539)</u>
<b>Operating profit</b>		<b>25.262.988</b>	<b>8.909.072</b>
Finance cost	10	<u>(9.560.338)</u>	<u>(11.107.690)</u>
<b>Profit/(loss) before tax</b>		<b>15.702.650</b>	<b>(2.198.618)</b>
Corporation tax and defence contribution		(315.199)	(81.602)
Deferred tax		<u>251.168</u>	<u>(262.322)</u>
<b>Taxation</b>	11	<b><u>(64.031)</u></b>	<b><u>(343.924)</u></b>
<b>Profit/(loss) for the year</b>		<b><u>15.638.619</u></b>	<b><u>(2.542.542)</u></b>
<b>Earnings per share attributable to the Company's shareholders (cents per share)</b>	12		
Basic		13,7	(2,2)
Diluted		13,7	(2,2)

The notes on pages 44 to 82 are an integral part of these financial statements

## Statement of comprehensive income of the Company for the year ended 31 December 2009

	Note	2009 €	2008 €
Profit/(loss) for the year		<u>15.638.619</u>	<u>(2.542.542)</u>
Other comprehensive income:			
Available-for-sale financial assets	26	<u>843.292</u>	<u>(863.952)</u>
Other comprehensive income for the year, net of tax		<u>843.292</u>	<u>(863.952)</u>
Total comprehensive income for the year		<u>16.481.911</u>	<u>(3.406.494)</u>

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 11

The notes on pages 44 to 82 are an integral part of these financial statements

## Balance sheet of the Company at 31 December 2009

	Note	2009 €	2008 €
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	16	147.285	200.858
Investment property	17	87.340.438	85.171.575
Investments in subsidiaries	20	59.572.023	59.572.023
Investments in associated companies	19	8.296.713	8.317.216
Available-for-sale financial assets	21	497.574	862.884
Financial assets at fair value through profit or loss	22	107.224.134	107.224.134
		<u>263.078.167</u>	<u>261.348.690</u>
<b>Current assets</b>			
Receivables	23	46.413.387	46.413.912
Tax refundable		259.195	259.195
Cash and cash equivalents	24	5.584.391	47.511
		<u>52.256.973</u>	<u>46.720.618</u>
<b>Total assets</b>		<u>315.335.140</u>	<u>308.069.308</u>
<b>Equity</b>			
<b>Capital and reserves attributable to the Company's shareholders</b>			
Share capital	25	38.972.111	38.972.111
Difference from the conversion of share capital into Euro		197.184	197.184
Share premium	25	25.018.383	25.018.383
Treasury shares	25	(808.747)	(751.363)
Fair value reserves	26	18.189.413	17.346.121
Retained earnings		50.287.953	34.649.334
<b>Total equity</b>		<u>131.856.297</u>	<u>115.431.770</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	27	123.341.223	129.884.498
Deferred tax liabilities	28	7.210.088	7.461.256
Payables and accrued expenses	29	-	62.026
		<u>130.551.311</u>	<u>137.407.780</u>
<b>Current liabilities</b>			
Payables and accrued expenses	29	26.665.722	34.305.158
Current tax liabilities		1.014.233	722.793
Borrowings	27	25.247.577	20.201.807
		<u>52.927.532</u>	<u>55.229.758</u>
<b>Total liabilities</b>		<u>183.478.843</u>	<u>192.637.538</u>
<b>Total equity and liabilities</b>		<u>315.335.140</u>	<u>308.069.308</u>

On 28 April 2010 the Board of Directors of Woolworth (Cyprus) Properties Plc authorized these financial statements for issue.

**Renos Solomides**  
Chairman

**Marios Panayides**  
Managing Director

The notes on pages 44 to 82 are an integral part of these financial statements.

## Statement of changes in equity for the Company for the year ended 31 December 2009

	Attributable to the Company's shareholders							Total
	Share capital	Difference from conversion of share capital into Euro	Treasury shares	Share premium	Fair value reserves	Retained earnings (1)		
	€	€	€	€	€	€	€	
<b>Balance at 1 January 2008</b>	39.169.295	-	-	25.018.383	18.210.073	42.128.341	124.526.092	
<b>Comprehensive income</b>								
Loss for the year	-	-	-	-	-	(2.542.542)	(2.542.542)	
<b>Other comprehensive income</b>								
Available-for-sale financial assets :								
Fair value loss (Note 26)	-	-	-	-	(863.952)	-	(863.952)	
Total other comprehensive income	-	-	-	-	(863.952)	-	(863.952)	
Total comprehensive income for the year 2008	-	-	-	-	(863.952)	(2.542.542)	(3.406.494)	
<b>Transactions with owners</b>								
Dividend (Note 13)	-	-	-	-	-	(3.115.049)	(3.115.049)	
Income tax and defence tax that were not deducted at source on dividend payment	-	-	-	-	-	(1.735.680)	(1.735.680)	
Purchase of treasury shares (Note 25)	-	-	(751.363)	-	-	-	(751.363)	
Reduction of share capital from the conversion of share capital into Euro (Note 25)	(197.184)	197.184	-	-	-	-	-	
Shareholders' special contribution for defence due on deemed dividend distribution	-	-	-	-	-	(85.736)	(85.736)	
Total transactions with owners	(197.184)	197.184	(751.363)	-	-	(4.936.465)	(5.687.828)	
<b>Balance at 31 December 2008</b>	38.972.111	197.184	(751.363)	25.018.383	17.346.121	34.649.334	115.431.770	

## Statement of changes in equity of the Company for the year ended 31 December 2009

### Attributable to the Company's shareholders

	Share capital	Difference from conversion of share capital into Euro	Treasury shares	Share premium	Fair value reserves	Retained earnings (1)	Total
	€	€	€	€	€	€	€
<b>Balance at 1 January 2009</b>	38.972.111	197.184	(751.363)	25.018.383	17.346.121	34.649.334	115.431.770
<b>Comprehensive income</b>	-	-	-	-	-	15.638.619	15.638.619
Profit for the year	-	-	-	-	-	15.638.619	15.638.619
<b>Other comprehensive income</b>	-	-	-	-	(11.009)	-	(11.009)
Available-for-sale financial assets:	-	-	-	-	-	-	-
Fair value loss (Note 26)	-	-	-	-	854.301	-	854.301
Transfer to profit due to disposal (Note 26)	-	-	-	-	843.292	-	843.292
Total other comprehensive income	-	-	-	-	843.292	15.638.619	16.481.911
Total comprehensive income for the year 2009	-	-	-	-	-	15.638.619	15.638.619
<b>Transactions with owners</b>	-	-	(57.384)	-	-	-	(57.384)
Purchase of treasury shares (Note 25)	-	-	(57.384)	-	-	-	(57.384)
Total transactions with owners	-	-	(57.384)	-	-	-	(57.384)
<b>Balance at 31 December 2009</b>	38.972.111	197.184	(808.747)	25.018.383	18.189.413	50.287.953	131.856.297

(1) Companies which do not distribute 70% of their profits after tax, as defined by the special contribution for the defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 44 to 82 are an integral part of these financial statements.

## Statement of Cash flow of the Company for the year ended 31 December 2009

	Note	2009 €	2008 €
<b>Cash flows from operating activities</b>			
Profit/(loss)/ before tax		15.702.650	(2.198.618)
Adjustments for:			
Depreciation of plant and equipment	16	47.847	43.441
Interest expense	10	9.560.338	11.107.690
Interest income	6	(2.399.206)	(2.767.446)
Fair value gains on investment property	7	-	(851.000)
Dividend income	6	(2.484.601)	(1.116.743)
Loss from sale of plant and equipment	16	-	5.707
Loss on sale of available for sale financial assets	7	43.602	-
Profit on sale of associated company	34	(16.379.497)	-
Impairment of available for sale financial assets	7	-	500.000
		<u>4.091.133</u>	<u>4.723.031</u>
Changes in working capital:			
Receivables		525	8.499.399
Payables and accrued expenses		<u>(7.701.462)</u>	<u>12.996.727</u>
<b>Cash (used in)/generated from operations</b>		<u>(3.609.804)</u>	<u>26.219.157</u>
Tax paid		<u>(23.759)</u>	<u>(2.975.267)</u>
<b>Net cash (used in)/from operating activities</b>		<u>(3.633.563)</u>	<u>23.243.890</u>
<b>Cash flows from investing activities</b>			
Purchases of plant and equipment	16	(69.074)	(71.976)
Purchases of investment property	17	(2.168.863)	(981.595)
Proceeds from sale of plant and equipment	16	74.800	19.864
Proceeds from sale of associated company	34	16.400.000	-
Proceeds from sale of available-for-sale financial assets		1.165.000	-
Interest received		2.399.206	2.767.446
Dividends received		2.484.601	1.116.743
<b>Net cash from investing activities</b>		<u>20.285.670</u>	<u>2.850.482</u>
<b>Cash flows from financing activities</b>			
Net borrowings		(1.497.505)	(14.263.330)
Interest paid		(9.560.338)	(11.107.690)
Purchase of treasury shares	25	(57.384)	(751.363)
Dividends paid	13	-	(3.115.049)
<b>Net cash (used in) financing activities</b>		<u>(11.115.227)</u>	<u>(29.237.432)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>5.536.880</u>	<u>(3.143.060)</u>
Cash and cash equivalents at beginning of year		<u>47.511</u>	<u>3.190.571</u>
Cash and cash equivalents at end of year	24	<u>5.584.391</u>	<u>47.511</u>

The notes on pages 44 to 82 are an integral part of these financial statements.

# Notes to the financial statements

## 1 GENERAL INFORMATION

### Country of incorporation

The Company was incorporated and domiciled in Cyprus in 1971 as a private limited liability company in accordance with the provisions of the Companies Law, Cap. 113 and in 1987 it became a public company. In 1996 the Company's shares were quoted on the Cyprus Stock Exchange.

The Company's registered office is at Shacolas Building, Old Nicosia-Limassol Road, Athalassa, Nicosia.

### Principal activities

The Company is the parent company of the Woolworth Group. As from 31 December 2003 the Group's activities involve mainly the ownership, development, management and trading of property. The Company also owns 35% of the share capital of the company Akinita Lakkos Mikelli Ltd.

The principal activity of the Company and the Group up until 31 December 2003 was the conduct of retail trading in Cyprus and in Greece, through multi stores and specialised stores. As from that date, after the restructuring that took place, all the retail activities were transferred to Ermes Department Stores Plc. This restructuring resulted in the separation of the trading activities of the Company and the Group from the property and investing activities.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

### Basis of preparation

The consolidated financial statements of Woolworth (Cyprus) Properties Plc and its Subsidiaries and the Company's separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

At the date of approval of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and effective as at 1 January 2009 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of the following:

- (i) Certain provisions of IAS 39 "Financial Statements: Recognition and Measurement" relating to portfolio hedge accounting;
- (ii) Improvements to IFRSs 2009.

In addition, the following interpretations have been endorsed by the EU however their effective dates are not the same. Nevertheless an entity may choose to early adopt them:

- (i) IFRIC 12 "Service Concession Arrangements";
- (ii) IFRIC 15 "Agreements for the construction of real estate"; and
- (iii) IFRIC 16 "Hedges of a Net Investment in a Foreign Operation".

The consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property, available-for-sale financial assets and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's and the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### Adoption of new and revised IFRSs

During the current year the Company and the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2009. This adoption did not have a material effect on the accounting policies of the Company and the Group with the exception of the following.

- (i) IAS 1 (revised) "Presentation of financial statements", as a result of the adoption which, the Company presents in the statement of changes in equity all owner changes in equity whereas all non-owner changes in equity are presented in the statement of comprehensive income. Comparative information has been represented so that it is also in conformity with the revised standard. The change in the accounting policy impacts only presentation aspects.
- (ii) IFRS7 "Financial Instruments - disclosures" (amendment) as a result of the adoption of which, the Company provides additional disclosures in relation to the fair value measurements of its financial instruments by level of or fair value measurement hierarchy.

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

**(i) Adopted by the European Union**

**NEW STANDARDS**

- IFRS 3 (Revised) "Business Combinations" (effective for annual periods beginning on or after 1 July 2009).
- IAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009).
- IFRS 1 (Revised) "First Time Adoption of International Financial Reporting Standards" (effective for annual periods beginning on or after 1 July 2009).

**AMENDMENTS**

- Annual improvements to IFRS (2008) re IFRS 5 "Non current Assets Held for Sale and Discontinued Operations" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" on "Eligible Hedged Items" (effective for annual periods beginning on or after 1 July 2009).
- Amendment to IFRIC 9 and IAS 39 regarding embedded derivatives (effective for annual periods beginning on or after 30 June 2009).
- Amendments to IAS 32 "Financial Instruments: Presentation: Classifications of Rights Issues" (effective for annual periods beginning on or after 1 February 2010).

**NEW IFRICS**

- International Financial Reporting Interpretation Committee (IFRIC) 12 "Service Concession Arrangements" (effective for annual periods beginning on or after 1 January 2008, EU: 30 March 2009).
- IFRIC 15 "Agreements for the Construction of Real Estate" (effective for annual periods beginning on or after 1 January 2009, EU: 31 December 2009).
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 1 October 2008, EU: 30 June 2009).
- IFRIC 17 "Distributions of Non cash Assets to Owners" (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 "Transfers of Assets from Customers" (effective for annual periods beginning on or after 1 July 2009).

**(ii) Not adopted by the European Union**

**NEW STANDARDS**

- IAS 24 (Revised) "Related Party Disclosures" (effective for annual periods beginning on or after 1 January 2011).
- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013).

**AMENDMENTS**

- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after 1 January 2011).
- Annual Improvements 2009 (effective for annual periods beginning on or after 1 July 2009 to 1 January 2010).
- Amendments to IFRS 2 "Group Cash settled Share based Payment Transactions" (effective for annual periods beginning on or after 1 January 2010).
- Amendments to IFRS 1 "Additional Exemptions for First time Adopters" (effective for annual periods beginning on or after 1 January 2010).
- Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First Time Adopters" (effective for annual periods beginning on or after 1 July 2010).

**NEW IFRICS**

- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (effective for annual periods beginning on or after 1 July 2010).

The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company and the Group.

## General

The consolidated financial statements include the financial statements of Woolworth (Cyprus) Properties Plc (the "Company") and all its subsidiaries which are collectively referred to as the "Group".

### *(i) Subsidiaries*

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies and generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### *(ii) Associated Companies*

Associated Companies are entities over which the Group has between 20% to 50% of the voting rights or entities over which the group has significant influence but not control. Investments in associates are initially recognised at cost and subsequently are accounted for by the equity method of accounting. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment in the value of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Sale of subsidiary or associated companies

The gain or loss from the disposal of subsidiary or associated companies is estimated as the difference between the sale proceeds and the Group's share of net assets of the subsidiary or associated company at the date of disposal, less any unamortised goodwill resulting during the acquisition of the subsidiary or associated company.

## Separate financial statements of the Company

### *(i) Subsidiary Companies*

In the balance sheet of the Company investments in subsidiary companies are carried at cost less any impairment.

### *(ii) Associated Companies*

In the balance sheet of the Company investments in associated companies are carried at cost less any impairment.

## Sale of subsidiaries or associated companies

In the separate financial statements of the Company the profit or loss from the sale of subsidiaries or associated companies is calculated as the difference between the selling price and the purchase price of the subsidiary or associated company.

## Revenue recognition

The accounting principle applied by the Company and the Group for revenue recognition in the income statement is as follows:

The Company and the Group recognise revenue when the amount of revenue can be reliably estimated, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company and the Group base their estimates on historic results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### *(i) Income from rights for use of space*

The income from rights for use of space is recognised on an accrual basis according to the substance of the relevant rights agreements.

### *(ii) Rental income*

Rental income is recognised on a straight-line basis over the lease term.

### *(iii) Interest income*

Interest income is recognised on a time proportion basis using the effective interest method.

### *(iv) Dividend income*

Dividend income is recognised when the Company's and the Group's right to receive payment is established.

## Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Foreign currency translation

### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's Entities are measured using the currency of the primary economic environment in which each of the Group's entity operates ("the functional currency"). The financial statements are presented in Euros (€), which is the functional and presentation currency of each of the Entities of the Group

### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance costs". All other foreign exchange gains and losses are presented in the income statement within "other gains/(losses) - net".

## Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated in the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the any Company of the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

No deferred taxation arises for investments in subsidiaries and associates because the profits from the sale of securities are not taxable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company and the Group where there is an intention to settle the balances on a net basis.

### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's and the Group's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Motor vehicles	20
Furniture and fittings	15
Office equipment	15
Computers	33
Machinery	20

The assets' residual values and useful lives are reviewed and adjusted, at each balance sheet date, if this is deemed necessary.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in the income statement.

### Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

## Investment property

Investment property is held for long-term rental yields or for capital appreciation and is not occupied by the Company and the Group. Investment property is carried at fair value, representing open market value determined annually by external valuers and the management of the Company and the Group.

## Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "intangible assets". Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

## Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## Financial assets

### (i) Classification

The Company and the Group classify their financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- **Financial assets at fair value through profit or loss**

This category has two sub categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's and the Group's documented investment strategy. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

- **Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets the Company's and the Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

- **Held to maturity investments**

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's and the Group's management has the positive intention and ability to hold to maturity. During the year, the Company and the Group did not hold any investments in this category.

- **Available for sale financial assets**

Available for sale financial assets are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets, unless management intends to dispose of the investment within twelve months of the balance sheet date.

### ***(ii) Recognition and measurement***

Regular way purchases and sales of financial assets are recognised on the trade date which is the date on which the Company and the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company and the Group have transferred substantially all risks and rewards of ownership.

Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity financial assets are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other gains/(losses) net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses on available for sale financial assets.

Interest on available for sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available for sale equity instruments are recognised in the income statement as part of other income when the Company's and the Group's right to receive payments is established.

The Company and the Group assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company and the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'General and administrative expenses'.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "General and administrative expenses" in the income statement.

## Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds. Incremental costs for the issue of shares directly attributable to the acquisition of a business are included in the cost of acquisition as part of the purchase consideration.

Where any company of the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of tax) is deducted from shareholders' equity as treasury shares until they are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs, is included in shareholders' equity attributable to the Company's equity holders.

## Provisions

Provisions are recognised when the Company and the Group have a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. No provisions are recognised for future losses.

The provisions are estimated as the current value of the expenses which are expected to be demanded for the settlement of the liabilities, using a pre-tax percentage, which attributes running market valuations of the value of money over time, reflecting the risks related with the liability. The increase to the provisions due to the passing of time is recognised as interest payable.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Company and the Group become legally or constructively committed to payment. Costs related to the on going activities of the Company and the Group are not provided in advance. Provisions are not recognised for future operating losses.

## Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company and the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the Group and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company and the Group have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

## Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand and current deposits held at call with banks.

## Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Previously the Company and the Group presented interest and dividends in "other profits-net". Management believes that their presentation in "other income" represents a more fair presentation of the activities of the Company and the Group

### 3 FINANCIAL RISK MANAGEMENT

#### (i) *Financial risk factors*

The Company's and the Group's activities expose them to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's and the Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance. Risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's and the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

- **Market risk**

- **Price risk**

- The Company and the Group is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available for sale. The Company and the Group are not exposed to commodity price risk.

- The Company's and the Group's equity investments that are publicly traded are included in the Cyprus Stock Exchange General Index.

- The table below summarises the impact of increases/decreases of the CSE general index on the Company's and the Group's other components of equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 5% (2008: 5%) with all other variables held constant and all the Company's and the Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on other components of equity in €			
	The Group		The Company	
	2009	2008	2009	2008
Cyprus Stock Exchange - General Index	25.139	25.689	25.139	25.689

- Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available-for-sale.

- **Cash flow and fair value interest rate risk**

- As the Company and the Group have significant interest bearing assets, the Company's and the Group's income and operating cash flows depend on changes in market interest rates.

- The Company's and the Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company and the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company and the Group to fair value interest rate risk.

- At 31 December 2009, if interest rates on Euro-denominated borrowings had been 0,1% (2008:0,1%) higher/lower with all other variables held constant, post-tax profit for the year would have been €249.323 (2008:€244.724) lower/higher for the Group and €147.061 (2008:€147.873) lower/higher for the Company, mainly as a result of higher/lower variable borrowing rates.

- The Company's and the Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

- Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

- For banks and financial institutions, only independently rated parties with a minimum rating of 'B' or are highly rated by the Board of Directors are accepted.

Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. See Note 15 for further information on credit risk.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows except the balances of trade and other payables which are presented in their book value.

The Group	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
<b>At 31 December 2009</b>				
Borrowings	43.047.635	40.776.746	88.460.503	145.459.920
Trade and other payables	24.130.002	106.415	319.245	2.104.750
	<u>67.177.637</u>	<u>40.883.161</u>	<u>88.779.748</u>	<u>147.564.670</u>
<b>At 31 December 2008</b>				
Borrowings	33.321.199	31.296.090	92.503.042	176.823.606
Trade and other payables	33.949.313	1.846.833	221.106	2.000.637
	<u>67.270.512</u>	<u>33.142.923</u>	<u>92.724.148</u>	<u>178.824.243</u>
<b>The Company</b>				
	Less than 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €
<b>At 31 December 2009</b>				
Borrowings	33.083.940	34.418.990	67.509.857	42.445.985
Trade and other payables	26.665.722	-	-	-
	<u>59.749.662</u>	<u>34.418.990</u>	<u>67.509.857</u>	<u>42.445.985</u>
<b>At 31 December 2008</b>				
Borrowings	28.526.688	25.099.412	72.349.399	64.801.885
Trade and other payables	34.305.158	62.026	-	-
	<u>62.831.846</u>	<u>25.161.438</u>	<u>72.349.399</u>	<u>64.801.885</u>

Trade and other payables include balances to related companies which are categorised as less than 1 year as the amounts do not have a predetermined payment date.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's and the Group's liquidity reserve on the basis of expected cash flow.

(ii) **Capital risk management**

The Company's and the Group's objectives when managing capital are to safeguard the Company's and the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders of the Company and the Group and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company and the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company and the Group monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

During 2009, the Company's and the Group's strategy, which was unchanged from 2008, was to maintain the gearing ratio within 45% to 60%. The gearing ratios at 31 December 2009 and 2008 were as follows:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Total borrowings (Note 27)	253.870.682	250.600.654	148.588.800	150.086.305
Less: cash and cash equivalents (Note 24)	<u>(6.121.000)</u>	<u>(1.908.854)</u>	<u>(5.584.391)</u>	<u>(47.511)</u>
Net debt	247.749.682	248.691.800	143.004.409	150.038.794
Total equity	<u>194.623.358</u>	<u>174.933.495</u>	<u>131.856.297</u>	<u>115.431.770</u>
Total capital as defined by management	<u>442.373.040</u>	<u>423.625.295</u>	<u>274.860.706</u>	<u>265.470.564</u>
Gearing ratio	56%	59%	52%	57%

The decrease in the gearing ratio during 2009 was mainly the result of the increased cash and cash equivalents as a result of cash inflow from the sale of CTC-ARI Airports Limited.

### (iii) Fair value estimation

Effective 1 January 2009, the Company and the Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Company's and the Group's assets and liabilities that are measured at fair value at 31 December 2009.

The Group	Level 1	Level 2	Level 3	Total balance
	€	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
Non-Trading securities	-	-	107.224.134	107.224.134
Available-for-sale financial assets:				
Equity securities	497.574	-	-	497.574
<b>Total assets measured at fair value</b>	<b>497.574</b>	<b>-</b>	<b>107.224.134</b>	<b>107.721.708</b>
<b>The Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total balance</b>
	€	€	€	€
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
Non-Trading securities	-	-	107.224.134	107.224.134
Available-for-sale financial assets:				
Equity securities	497.574	-	-	497.574
<b>Total assets measured at fair value</b>	<b>497.574</b>	<b>-</b>	<b>107.224.134</b>	<b>107.721.708</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Cyprus Stock Exchange equity investments listed on the Cyprus Stock Exchange classified as available for sale.

The fair value of financial instruments that are not traded in an active market (for example, unlisted equity securities) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Critical accounting estimates and assumptions

The Company and the Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) Estimated impairment of goodwill

The Company and the Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amount of cash-generating units has been determined based on value-in-use calculations. These calculations require the use of estimates as disclosed in Note 18.

Given the agreements for the rights of use of space in the Shacolas Emporium Park which is owned by ITTL Trade Tourist and Leisure Park Plc, even if the expected rent per square meter in Shacolas Emporium Park, based on which the assessment for impairment of goodwill that resulted from the acquisition of ITTL Trade Tourist and Leisure Park Plc was based, was 10% lower compared to management's calculations at 31 December 2009, there would not be any reduction in the book value of goodwill.

#### (ii) Income taxes

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company and the Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 5 RIGHTS FOR USE OF SPACE AND OTHER INCOME

The amounts reported in the income statement of the Company and the Group include additional income from rights received for the granting of space for the operation of commercial shops in "The Mall of Cyprus" and in "The Mall of Engomi". These amounted to €1.000.000 (2008: €1.104.820) for the Group and €1.000.000 (2008: €1.000.000) for the Company.

## 6 OTHER INCOME

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Interest income:				
Bank balances	23.716	87.451	1.547	2.269
Balances with subsidiary companies	-	-	1.843.406	2.483.074
Balances with related companies	554.253	282.103	554.253	282.103
Total interest income	577.969	369.554	2.399.206	2.767.446
Dividend income	1.648.215	62.388	2.484.601	1.116.743
Consultancy services	1.059.264	1.456.314	841.991	1.347.097
	<u>3.285.448</u>	<u>1.888.256</u>	<u>5.725.798</u>	<u>5.231.286</u>

Consultancy services represent services of management nature that were provided to related companies.

## 7 OTHER GAINS - NET

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Available-for-sale financial assets:				
Loss on sale (Note 21)	(43.602)	-	(43.602)	-
Impairment charge (Note 21)	-	(500.000)	-	(500.000)
	<u>(43.602)</u>	<u>(500.000)</u>	<u>(43.602)</u>	<u>(500.000)</u>
Investments in associated companies:				
Profit on sale (Note 34)	13.288.809	-	16.379.497	-
Investment property:				
Fair value gains (Note 17)	-	35.968.000	-	851.000
	<u>13.245.207</u>	<u>35.468.000</u>	<u>16.335.895</u>	<u>351.000</u>

## 8 EXPENSES BY NATURE

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Depreciation of property, plant and equipment (Note 16)	277.538	246.918	47.847	43.441
(Profit)/loss on sale of property, plant and equipment (Note 16)	(1.571)	18.605	-	5.707
Directors' remuneration	52.940	60.420	52.940	60.420
Remuneration of directors of subsidiaries	13.669	13.669	-	-
Professional fees	230.742	273.665	204.816	213.431
Building and equipment expenses	45.963	41.256	23.706	13.904
Office expenses	41.023	31.396	27.307	24.845
Travelling expenses	738	3.679	938	3.679
Insurance	186.004	138.265	92.141	81.951
Auditors' remuneration	106.830	109.636	69.909	66.310
Legal fees	40.501	9.308	25.092	6.308
Bank charges	174.850	177.957	145.817	10.743
Donations and subscriptions	25.520	66.506	25.520	65.506
Cyprus Stock Exchange expenses	21.535	72.222	21.108	30.737
Staff costs (Note 9)	558.817	501.911	500.526	428.211
Advertising and promotional expenses	296.306	252.250	33.605	35.816
Mortgage expenses	209.859	95.114	209.859	95.114
Receivables - impairment charge for receivables	3.537	-	3.537	-
Taxes and licenses	141.910	157.376	79.436	130.813
Annual General Meeting expenses	24.371	27.340	24.371	27.340
Other expenses	289.613	335.002	165.133	180.263
	<u>2.740.695</u>	<u>2.632.495</u>	<u>1.753.608</u>	<u>1.524.539</u>

## 9 STAFF COSTS

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Salaries	480.184	438.112	428.831	370.947
Social insurance and other funds	50.290	39.288	44.579	33.901
Provident fund contributions	28.343	24.511	27.116	23.363
	<u>558.817</u>	<u>501.911</u>	<u>500.526</u>	<u>428.211</u>

## 10 FINANCE COSTS

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Interest expense:				
Bank borrowings	(9.528.115)	(10.606.775)	(5.485.164)	(6.105.009)
Bank overdrafts	(319.542)	(188.166)	(123.254)	(62.427)
Interest on taxation	(141.203)	(979.230)	(139.157)	(750.000)
Balances with related companies	(3.490.499)	(3.894.535)	(3.774.115)	(4.112.960)
Loan from related party	(19.324)	(38.647)	(19.324)	(38.647)
Other interest	(63.300)	(106.048)	(19.324)	(38.647)
	<u>(13.561.983)</u>	<u>(15.813.401)</u>	<u>(9.560.338)</u>	<u>(11.107.690)</u>
Net foreign exchange transaction (loss)/gain from financing activities	(10.832)	73.253	-	-
	<u>(13.572.815)</u>	<u>(15.740.148)</u>	<u>(9.560.338)</u>	<u>(11.107.690)</u>

## 11 INCOME TAX EXPENSE

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
<b>Current tax charge</b>				
Corporation tax	530.099	569.756	395.034	338.804
Defence contribution	62.906	73.845	4.618	6.242
Total current tax	<u>593.005</u>	<u>643.601</u>	<u>399.652</u>	<u>345.046</u>
<b>Prior year taxation:</b>				
Prior year tax	5.208	(238.021)	27.903	(263.444)
Defence contribution of previous years	(112.356)	-	(112.356)	-
Total prior year taxes	<u>(107.148)</u>	<u>(238.021)</u>	<u>(84.453)</u>	<u>(263.444)</u>
<b>Deferred tax (Note 28)</b>				
Origination and reversal of temporary differences	62.953	6.605.539	(251.168)	262.322
Total deferred tax	<u>62.953</u>	<u>6.605.539</u>	<u>(251.168)</u>	<u>262.322</u>
Income tax expense	<u>548.810</u>	<u>7.011.119</u>	<u>64.031</u>	<u>343.924</u>

The tax on the Company's and the Groups profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Profit/(loss) before tax	<u>19.452.765</u>	<u>39.327.054</u>	<u>15.702.650</u>	<u>(2.198.618)</u>
Tax calculated at the applicable corporation tax rate of 10%	1.945.276	3.932.705	1.570.265	(219.862)
Tax effect of expenses not deductible for tax purposes	869.809	527.105	829.747	501.052
Tax effect of allowances and income not subject to tax	(1.696.160)	(289.742)	(1.883.221)	(121.091)
Difference between income tax and Capital gains tax rates and indexation effect	(574.064)	2.635.269	(408.837)	83.278
Tax losses for which no deferred tax asset was recognised	-	348.962	-	357.749
Defence contribution	62.906	73.845	4.618	6.242
Corporation tax - prior years	5.208	(238.021)	27.903	(263.444)
Defence contribution – prior years	(112.356)	-	(112.356)	-
Penalty 10%	48.191	20.996	35.912	-
Income tax charge	<u>548.810</u>	<u>7.011.119</u>	<u>64.031</u>	<u>343.924</u>

The Companies of the Group are subject to corporation tax on taxable profits at the rate of 10%.

Upto 31 December 2008, under certain conditions interest may be subject to defence contribution at the rate of 10%. In such cases 50% of the same interest will be exempt from corporation tax thus having an effective tax rate burden of approximately 15%.

From 1 January 2009 onwards, under certain conditions interest may be exempt from income tax and only subject to defence contribution at the rate of 10%

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Tax effect of components of other comprehensive income

	Year ended 31 December					
	2009			2008		
	Before tax	Tax (charge)/ credit	After tax	Before tax	Tax (charge)/ credit	After tax
€	€	€	€	€	€	
<b>The Group</b>						
<b>Land and buildings:</b>						
Restatement of deferred taxation	-	-	-	-	52.675	52.675
<b>Available-for-sale financial assets:</b>						
Fair value loss	(11.009)	-	(11.009)	(863.952)	-	(863.952)
Loss transferred to income statement due to disposal	854.301	-	854.301	-	-	-
Other comprehensive income	<u>843.292</u>	<u>-</u>	<u>843.292</u>	<u>(863.952)</u>	<u>52.675</u>	<u>(811.277)</u>
<b>The Company</b>						
<b>Available-for-sale financial assets:</b>						
Fair value loss	(11.009)	-	(11.009)	(863.952)	-	(863.952)
Loss transferred to income statement due to disposal	854.301	-	854.301	-	-	-
Other comprehensive income	<u>843.292</u>	<u>-</u>	<u>843.292</u>	<u>(863.952)</u>	<u>-</u>	<u>(863.952)</u>

## 12 EARNINGS PER SHARE

The basic profit/(loss) per share are calculated by dividing the profit/(loss) attributable to the Company's shareholders by the weighted average number of issued shares during the year excluding the ordinary shares purchased by the Company which are held as treasury shares (Note 25).

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Profit/(loss) for the year attributable to shareholders	<u>18.903.955</u>	<u>32.315.935</u>	<u>15.638.619</u>	<u>(2.542.542)</u>
Weighted average number of issued shares	<u>113 975 019</u>	<u>114 252 147</u>	<u>113 975 019</u>	<u>114 252 147</u>
Basic earnings per share - cents	<u>16,6</u>	<u>28,3</u>	<u>13,7</u>	<u>(2,2)</u>
Adjusted weighted average number of shares	<u>113 975 019</u>	<u>114 252 147</u>	<u>113 975 019</u>	<u>114 252 147</u>
Fully diluted earnings per share – cents	<u>16,6</u>	<u>28,3</u>	<u>13,7</u>	<u>(2,2)</u>

## 13 DIVIDEND PER SHARE

Despite the ongoing financial crisis, the Board of Directors decided to recommend at the Annual General Meeting, the payment of dividend in respect of the profit for the year ended 31 December 2009 amounting to €2.063.229 which equals to 1,8 Euro cents or 5,29% of the nominal value of the share.

These Financial Statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2010.

The dividend declared at the General Meeting on 1 July 2008 and paid during 2008 was €3.115.049 and relate to profits from previous years.

Dividend paid to individuals who are tax residents of Cyprus are subject to or deduction of special contribution for defence at the rate of 15%.

## 14 FINANCIAL INSTRUMENTS BY CATEGORY

The Group	Loans and receivables	Assets at fair value through profit and loss	Available-for- sale	Total
	€	€	€	€
<b>31 December 2009</b>				
<b>Assets as per balance sheet</b>				
Available-for-sale financial assets	-	-	497.574	497.574
Trade and other receivables (excluding prepayments)	8.079.791	-	-	8.079.791
Financial assets at fair value through profit and loss	-	107.224.134	-	107.224.134
Cash and cash equivalents	6.121.000	-	-	6.121.000
<b>Total</b>	<b>14.200.791</b>	<b>107.224.134</b>	<b>497.574</b>	<b>121.922.499</b>

	Other financial liabilities	Total
	€	€
<b>Liabilities as per balance sheet</b>		
Borrowings	253.870.682	253.870.682
Trade and other payables (excluding statutory liabilities)	25.977.759	25.977.759
<b>Total</b>	<b>279.848.441</b>	<b>279.848.441</b>

The Group	Loans and receivables	Assets at fair value through profit and loss	Available-for- sale	Total
	€	€	€	€
<b>31 December 2008</b>				
<b>Assets as per balance sheet</b>				
Available-for-sale financial assets	-	-	862.884	862.884
Trade and other receivables (excluding prepayments)	5.675.654	-	-	5.675.654
Financial assets at fair value through profit and loss	-	107.224.134	-	107.224.134
Cash and cash equivalents	1.908.854	-	-	1.908.854
<b>Total</b>	<b>7.584.508</b>	<b>107.224.134</b>	<b>862.884</b>	<b>115.671.526</b>

The Group	Other financial liabilities	Total
	€	€
<b>Liabilities as per balance sheet</b>		
Borrowings	250.600.654	250.600.654
Trade and other payables (excluding statutory liabilities)	37.806.995	37.806.995
<b>Total</b>	<b>288.407.649</b>	<b>288.407.649</b>

The Company	Loans and receivables	Assets at fair value through profit and loss	Available-for- sale	Total
	€	€	€	€
<b>31 December 2009</b>				
<b>Assets as per balance sheet</b>				
Available-for-sale financial assets	-	-	497.574	497.574
Trade and other receivables (excluding prepayments)	46.345.492	-	-	46.345.492
Financial assets at fair value through profit and loss	-	107.224.134	-	107.224.134
Cash and cash equivalents	5.584.391	-	-	5.584.391
<b>Total</b>	<b>51.929.883</b>	<b>107.224.134</b>	<b>497.574</b>	<b>159.651.591</b>

		Other financial liabilities	Total
		€	€
<b>Liabilities as per balance sheet</b>			
Borrowings		148.588.800	148.588.800
Trade and other payables (excluding statutory liabilities)		26.035.423	26.035.423
<b>Total</b>		<b>174.624.223</b>	<b>174.624.223</b>

The Company	Loans and receivables	Assets at fair value through profit and loss	Available-for- sale	Total
	€	€	€	€
<b>31 December 2008</b>				
<b>Assets as per balance sheet</b>				
Available-for-sale financial assets	-	-	862.884	862.884
Trade and other receivables (excluding prepayments)	46.225.662	-	-	46.225.662
Financial assets at fair value through profit and loss	-	107.224.134	-	107.224.134
Cash and cash equivalents	47.511	-	-	47.511
<b>Total</b>	<b>46.273.173</b>	<b>107.224.134</b>	<b>862.884</b>	<b>154.360.191</b>

		Other financial liabilities	Total
		€	€
<b>Liabilities as per balance sheet</b>			
Borrowings		150.086.305	150.086.305
Trade and other payables (excluding statutory liabilities)		34.222.198	34.222.198
<b>Total</b>		<b>184.308.503</b>	<b>184.308.503</b>

## 15 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if applicable) or to historical information about counterparty default rates:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
<b>Trade Receivables</b>				
Counterparties without external credit rating				
Group 1	<u>703.836</u>	<u>805.375</u>	<u>-</u>	<u>-</u>
<b>Fully performing other receivables</b>				
Group 2	6.802.485	2.757.256	46.331.015	45.462.720
Group 3	<u>1.091.491</u>	<u>2.586.524</u>	<u>82.372</u>	<u>951.192</u>
	<u>7.893.976</u>	<u>5.343.780</u>	<u>46.413.387</u>	<u>46.413.912</u>
<b>Cash at bank and short-term bank deposits (1)</b>				
A2	3.396.481	191.012	3.041.678	41.953
A3	45.246	32.237	-	-
A1	-	1.414.220	-	-
Baa 2	2.571.514	264.748	2.439.250	5.518
Not rated	<u>103.112</u>	<u>-</u>	<u>103.112</u>	<u>-</u>
	<u>6.116.353</u>	<u>1.902.217</u>	<u>5.584.040</u>	<u>47.471</u>

(1) the rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

Group 1 – clients without any defaults in the past.

Group 2 – companies within the group, common control companies and associated companies with no defaults in the past.

Group 3 – new receivables (less than 6 months).

None of the financial assets that are fully performing has been renegotiated in the last year.

None of the loans and receivables from related parties is past due or impaired.

## 16 PROPERTY, PLANT AND EQUIPMENT

The Group	Land and buildings	Plant and equipment	Motor vehicles	Total
	€	€	€	€
<b>At 1 January 2008</b>				
Cost or valuation	118.696.832	2.639.423	167.289	121.503.544
Accumulated depreciation	-	(1.761.831)	(7.113)	(1.768.944)
Net book amount	<u>118.696.832</u>	<u>877.592</u>	<u>160.176</u>	<u>119.734.600</u>
<b>Year ended 31 December 2008</b>				
Opening net book amount	118.696.832	877.592	160.176	119.734.600
Additions	11.019.554	308.651	61.154	11.389.359
Disposals	-	(37.085)	(36.009)	(73.094)
Transfer to Investment Property (IAS 40) (Note 17)	(129.716.386)	-	-	(129.716.386)
Disposals – depreciation charge	-	14.543	10.438	24.981
Depreciation charge (Note 8)	-	(210.024)	(36.894)	(246.918)
Closing net book amount	<u>-</u>	<u>953.677</u>	<u>158.865</u>	<u>1.112.542</u>
<b>At 31 December 2008</b>				
Cost or valuation	-	2.910.989	192.434	3.103.423
Accumulated depreciation	-	(1.957.312)	(33.569)	(1.990.881)
Net book amount	<u>-</u>	<u>953.677</u>	<u>158.865</u>	<u>1.112.542</u>
<b>Year ended 31 December 2009</b>				
Opening net book amount	-	953.677	158.865	1.112.542
Additions	-	324.570	43.500	368.070
Disposals	-	(100.514)	-	(100.514)
Depreciation charge – disposals	-	10.286	-	10.286
Depreciation charge (Note 8)	-	(233.251)	(44.287)	(277.538)
Closing net book amount	<u>-</u>	<u>954.768</u>	<u>158.078</u>	<u>1.112.846</u>
<b>At 31 December 2009</b>				
Cost or valuation	-	3.135.045	235.934	3.370.979
Accumulated depreciation	-	(2.180.277)	(77.856)	(2.258.133)
Net book amount	<u>-</u>	<u>954.768</u>	<u>158.078</u>	<u>1.112.846</u>

The land and buildings at the beginning of the year 2008 included buildings under construction of the subsidiary company ITTL Trade Tourist and Leisure Park Plc that were transferred to investment property on completion of the project (Note 17).

In the cash flow statement proceeds from sale of property, plant and equipment include:

	2009 €	2008 €
Net book amount	90.228	48.113
Profit/(loss) on sale of property, plant and equipment (Note 8)	<u>1.571</u>	<u>(18.605)</u>
Proceeds from sale of property, plant and equipment	<u>91.799</u>	<u>29.508</u>

The Company	Plant and equipment €	Motor vehicles €	Total €
<b>At 1 January 2008</b>			
Cost	106.383	132.293	238.676
Accumulated depreciation	<u>(8.239)</u>	<u>(32.543)</u>	<u>(40.782)</u>
Net book amount	<u>98.144</u>	<u>99.750</u>	<u>197.894</u>
<b>Year ended 31 December 2008</b>			
Opening net book amount	98.144	99.750	197.894
Additions	10.822	61.154	71.976
Disposals	-	(36.009)	(36.009)
Depreciation charge - disposals	-	10.438	10.438
Depreciation charge (Note 8)	<u>(13.547)</u>	<u>(29.894)</u>	<u>(43.441)</u>
Closing net book amount	<u>95.419</u>	<u>105.439</u>	<u>200.858</u>
<b>At 31 December 2008</b>			
Cost	117.205	157.438	274.643
Accumulated depreciation	<u>(21.786)</u>	<u>(51.999)</u>	<u>(73.785)</u>
Net book amount	<u>95.419</u>	<u>105.439</u>	<u>200.858</u>
<b>Year ended 31 December 2009</b>			
Opening net book amount	95.419	105.439	200.858
Additions	25.574	43.500	69.074
Disposals	(74.800)	-	(74.800)
Depreciation charge (Note 8)	<u>(10.559)</u>	<u>(37.288)</u>	<u>(47.847)</u>
Closing net book amount	<u>35.634</u>	<u>111.651</u>	<u>147.285</u>
<b>At 31 December 2009</b>			
Cost	67.979	200.938	268.917
Accumulated depreciation	<u>(32.345)</u>	<u>(89.287)</u>	<u>(121.632)</u>
Net book amount	<u>35.634</u>	<u>111.651</u>	<u>147.285</u>

In the cash flow statement proceeds from the sale of property, plant and equipment include:

	2009 €	2008 €
Net book value	74.800	25.571
Loss on sale of property, plant and equipment (Note 8)	<u>-</u>	<u>(5.707)</u>
Proceeds from sale of property, plant and equipment	<u>74.800</u>	<u>19.864</u>

## 17 INVESTMENT PROPERTY

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
At the beginning of year	353.772.059	178.416.969	85.171.575	83.338.980
Transfer from property, plant and equipment (Note 16)	-	129.716.386	-	-
Additions	8.983.284	9.670.704	2.168.863	981.595
Fair value gains (Note 7)	-	35.968.000	-	851.000
At end of year	<u>362.755.343</u>	<u>353.772.059</u>	<u>87.340.438</u>	<u>85.171.575</u>

Part of the bank loans and facilities are secured on investment property of the Group for an amount of €231.343.905 (2008: €190.895.787) (Note 27). The corresponding amounts for the Company were €130.132.086 (2008: €89.683.968) (Note 27).

Investment property is revalued annually on 31 December at fair value comprising open-market value, as estimated by the management of the Company and the Group and by an independent, professional qualified valuer, with significant experience in the valuation of similar properties in Cyprus.

Fair value is based in active market process, adjusted, if necessary for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company and the Group use alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are reviewed annually by the Management of the Company and the Group and from an independent professional chartered surveyor. Changes in fair values are recorded in the income statement and are included in "other gains-net".

Interest of € nil (2008: €1.059.442) that relate to borrowings specifically obtained for the funding of construction costs, were capitalized during the year and were included in the cost of the building. The interest rate that was used for the capitalization is 6,5% and represents the cost of borrowings for the year 2008. No interest capitalization took place during 2009.

The amounts presented below have been recognised in the income statement.

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Income rights of use of space	14.262.008	13.830.330	3.820.761	3.575.706
Rental income	3.659.035	3.720.055	134.142	275.620
	<u>17.921.043</u>	<u>17.550.385</u>	<u>3.954.903</u>	<u>3.851.326</u>

## 18 INTANGIBLE ASSET

	Goodwill
	€
<b>At 1 January 2008</b>	
Cost	1.635.900
Accumulated amortisation and impairment	-
Net book amount	<u>1.635.900</u>
<b>Year ended 31 December 2008</b>	
Opening net book amount	1.635.900
Impairment charge	-
Closing net book amount	<u>1.635.900</u>
<b>At 31 December 2008</b>	
Cost	1.635.900
Accumulated amortisation and impairment	-
Net book amount	<u>1.635.900</u>
<b>Year ended 31 December 2009</b>	
Opening net book amount	1.635.900
Impairment charge	-
Closing net book amount	<u>1.635.900</u>
<b>At 31 December 2009</b>	
Cost	1.635.900
Accumulated amortisation and impairment	-
Net book amount	<u>1.635.900</u>

### IMPAIRMENT TEST FOR GOODWILL

Goodwill is allocated to cash-generating units. The goodwill included in the Group's financial statements represents the premium paid to acquire the company ITTL Trade Tourist and Leisure Park Plc, ("ITTL"), which represents a single cash-generating unit.

The recoverable amount of the ITTL cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets which are based on the prices and the proposed duration of the rights of use of space at Shacolas Emporium Park which commenced operations in September 2007 and have been approved by management. The growth rates used do not exceed those used in similar space granting agreements.

The key assumptions used for the value-in-use calculations are as follows:

- Percentage increase of fees for space usage: expected inflation +1% annually
- Discount rate: 6,10%

The discount rate that was used, reflects specific risks that are associated with the cash-generating unit. Based on the above assumptions it was established that the indicative value of goodwill that arises from the acquisition of the subsidiary company amounting to €1.635.900 is lower than the value in use of the business and therefore there is no need for impairment.

## 19 INVESTMENTS IN ASSOCIATES

	2009 €	2008 €	2009 €	2008 €
At the beginning of the year	18.433.902	17.232.592	8.317.216	8.317.216
Share of (loss)/profit after taxation	(9.187)	1.552.220	-	-
Disposal of associated company (Note 34)	(3.111.191)	-	(20.503)	-
Dividend paid	-	(350.910)	-	-
At the end of the year	<u>15.313.524</u>	<u>18.433.902</u>	<u>8.296.713</u>	<u>8.317.216</u>

The Company's and the Group's interest in its associated companies, all of which are unlisted, and total assets and liabilities are as follows:

2009	Country of incorporation	Assets €	Liabilities €	Revenue €	Profit/ (loss) €	% shareholding
Akinita Lakkos Mikelli Limited	Cyprus	15.906.107	914.723	-	<u>(9.187)</u> <u>(9.187)</u>	35
2008						
Akinita Lakkos Mikelli Limited	Cyprus	15.903.732	903.160	-	(7.671)	35
CTC – ARI Airports Limited	Cyprus	8.068.343	4.977.655	17.264.375	<u>1.559.891</u> <u>1.552.220</u>	20

## 20 INVESTMENTS IN SUBSIDIARIES

The Company	2009 €	2008 €
At the beginning and at the end of the year	<u>59.572.023</u>	<u>59.572.023</u>

## 21 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
At the beginning of the year	862.884	2.226.836	862.884	2.226.836
Disposals	(354.301)	-	(354.301)	-
Revaluation deficit transferred to equity (Note 26)	(11.009)	(863.952)	(11.009)	(863.952)
Impairment charge (Note 7)	-	(500.000)	-	(500.000)
At the end of the year	<u>497.574</u>	<u>862.884</u>	<u>497.574</u>	<u>862.884</u>

The Company and the Group transferred losses of €854.301 (2008:€nil) in the income statement

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Listed equity securities:				
Cyprus stock exchange	497.574	508.583	497.574	508.583
Unlisted securities	-	354.301	-	354.301
At the end of the year	<u>497.574</u>	<u>862.884</u>	<u>497.574</u>	<u>862.884</u>

The following are included in the income statement with respect to available-for-sale financial assets:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Loss on sale of available-for-sale financial assets	(43.602)	-	(43.602)	-
Impairment charge on available-for-sale financial assets	-	(500.000)	-	(500.000)
Net loss on available-for-sale financial assets (Note 7)	<u>(43.602)</u>	<u>(500.000)</u>	<u>(43.602)</u>	<u>(500.000)</u>

In addition during the year 2008 the Group and the Company received dividend income of €62.388 from available-for-sale financial assets, which is included in "other income" in the income statement (Note 6).

Available-for-sale financial assets are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Euro-functional and presentation currency	<u>497.574</u>	<u>862.884</u>	<u>497.574</u>	<u>862.884</u>

None of the financial assets is either past due or impaired.

## 22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Non-listed securities:				
Designated at fair value through profit or loss on initial recognition	<u>107.224.134</u>	<u>107.224.134</u>	<u>107.224.134</u>	<u>107.224.134</u>

Financial assets designated as at fair value through profit or loss at inception are those that are managed and whose performance is evaluated on a fair value basis, in accordance with the Company's and the Group's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's and the Group's key management personnel.

The shares of Cyprus Limni Resorts and Golf courses Plc began trading on the Emerging Companies Market of the Cyprus Stock Exchange on 29 March 2010. In total, 300 million share were subscribed. Based on the induction price of €1,00 per share, the value of the Company amounts to €300 million. Such action eases the future attraction of strategic and statutory investors to the share capital of the Company.

## 23 RECEIVABLES

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Other receivables	577.043	1.399.010	510.561	1.259.026
Other receivables - provision for impairment of receivables	<u>(496.084)</u>	<u>(496.084)</u>	<u>(496.084)</u>	<u>(496.084)</u>
Other receivables – net	80.959	902.926	14.477	762.942
Trade receivables	703.836	805.375	-	-
Receivable from subsidiary companies (Note 32 (iii))	-	-	39.752.200	42.967.348
Receivable from associated company (Note 32 (iii))	17.500	3.617	17.500	3.617
Receivable from related companies (Note 32 (iii))	6.784.985	2.753.639	6.561.315	2.491.755
VAT receivable	492.511	1.210.097	-	-
Advances and prepayments	<u>518.021</u>	<u>473.501</u>	<u>67.895</u>	<u>188.250</u>
Advances and prepayments	<u>8.597.812</u>	<u>6.149.155</u>	<u>46.413.387</u>	<u>46.413.912</u>

The fair values of trade and other receivables are as follows:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Other receivables	80.959	902.926	14.477	762.942
Trade receivables	703.836	805.375	-	-
Receivables from subsidiary companies	-	-	39.752.200	42.967.348
Receivables from associated companies	17.500	3.617	17.500	3.617
Receivables from related parties	6.784.985	2.753.639	6.561.315	2.491.755
VAT refundable	492.511	1.210.097	-	-
Prepayments	<u>518.021</u>	<u>473.501</u>	<u>67.895</u>	<u>188.250</u>
	<u>8.597.812</u>	<u>6.149.155</u>	<u>46.413.387</u>	<u>46.413.912</u>

As of 31 December 2009, trade receivables of the Group of €703.836 (2008: €805.367) were neither past due nor impaired.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Company and the Group does not hold any collateral as security.

The carrying amounts of the Company and the Group trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Euro - functional and presentation currency	<u>8.597.812</u>	<u>6.149.155</u>	<u>46.413.387</u>	<u>46.413.912</u>

## 24 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Cash at bank and in hand	6.121.000	690.706	5.584.391	47.511
Short-term bank deposits	-	1.218.148	-	-
	<u>6.121.000</u>	<u>1.908.854</u>	<u>5.584.391</u>	<u>47.511</u>

The effective interest rate on cash at bank was 4% (2008: 4%).

For the purposes of the cash flow statement cash and bank overdrafts include the following:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Cash and cash equivalents	<u>6.121.000</u>	<u>1.908.854</u>	<u>5.584.391</u>	<u>47.511</u>

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
Euro-functional and presentation	<u>6.121.000</u>	<u>1.908.854</u>	<u>5.584.391</u>	<u>47.511</u>

## 25 SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

	Number of ordinary shares of 34 cents each	Share capital	Share Premium reserve	Treasury shares	Total
		€	€	€	€
At 1 January 2008	114 623 855	39.169.295	25.018.383	-	64.187.678
Purchase of treasury shares	(593 373)	-	-	(751.363)	(751.363)
Reduction of share capital from the conversion into Euro	-	(197.184)	-	-	(197.184)
At 31 December 2008	<u>114 030 482</u>	<u>38.972.111</u>	<u>25.018.383</u>	<u>(751.363)</u>	<u>63.239.131</u>
At 1 January 2009	114 030 482	38.972.111	25.018.383	(751.363)	63.239.131
Purchase of treasury shares	(55 463)	-	-	(57.384)	(57.384)
At 31 December 2009	<u>113 975 019</u>	<u>38.972.111</u>	<u>25.018.383</u>	<u>(808.747)</u>	<u>63.181.747</u>

The share premium reserve is non-distributable.

The total authorized number of ordinary shares is 125 000 000 shares (2008: 125 000 000 shares) with a par value of €0,34 per share. All issued shares are fully paid.

During 2008 the Company acquired 593 373 treasury shares through purchases on the Cyprus Stock Exchange. The total amount paid to acquire the shares was €751.363 which has been deducted from shareholders' equity.

During 2009 the Company acquired 55 463 of its own shares through purchases on the Cyprus Stock Exchange. The total amount paid to acquire the shares was €57.384 which has been deducted from shareholders' equity.

Following the introduction of the Euro as the official currency of the Republic of Cyprus on 1 January 2008, the issued share capital of the Company was converted from 114 623 855 ordinary shares of €0,20 each of total nominal value €22.924.700 to 114 623 855 ordinary shares of €0,34 each of total nominal value of €38.972.111. From the conversion of the share capital to Euro the share capital was reduced by the total amount of €197.184 and the difference was taken to a special reserve created after a special resolution passed on 1 July 2008 called "Difference from conversion of Share Capital into Euro".

## 26 FAIR VALUE RESERVES

	Land and Buildings revaluation €	Available-for-sale financial assets €	Total €
<b>The Group</b>			
<b>At 1 January 2008</b>	29.471.395	(1.860.806)	27.610.589
Land and buildings:			
Deferred taxation adjustment	52.675	-	52.675
Available-for-sale financial assets:			
Fair value loss (Note 21)	-	(863.952)	(863.952)
<b>As at 31 December 2008/1 January 2009</b>	<u>29.524.070</u>	<u>(2.724.758)</u>	<u>26.799.312</u>
Available-for-sale financial assets:			
Fair value loss (Note 21)	-	(11.009)	(11.009)
Loss transferred to income statement due to disposal	-	854.301	854.301
<b>As at 31 December 2009</b>	<u>29.524.070</u>	<u>(1.881.466)</u>	<u>27.642.604</u>
	Land and Buildings revaluation €	Available-for-sale financial assets €	Total €
<b>The Company</b>			
<b>At 1 January 2008</b>	26.013.836	(7.803.763)	18.210.073
Available-for-sale financial assets:			
Fair value loss (Note 21)	-	(863.952)	(863.952)
<b>As at 31 December 2008/1 January 2009</b>	<u>26.013.836</u>	<u>(8.667.715)</u>	<u>17.346.121</u>
Available-for-sale financial assets:			
Fair value loss (Note 21)	-	(11.009)	(11.009)
Loss transferred to income statement due to disposal	-	854.301	854.301
<b>As at 31 December 2009</b>	<u>26.013.836</u>	<u>(7.824.423)</u>	<u>18.189.413</u>

## 27 BORROWINGS

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
<b>Current</b>				
Bank overdrafts	4.547.788	5.868.123	1.528.256	2.213.613
Bank borrowings	12.341.187	12.314.539	10.001.992	11.174.538
Loan from related parties (Note 32 (iv))	-	621.868	-	621.868
Other loans (Note 32 (iv))	-	428.632	-	428.632
Loan from related company (Note 32 (v))	13.717.329	5.763.156	13.717.329	5.763.156
	<u>30.606.304</u>	<u>24.996.318</u>	<u>25.247.577</u>	<u>20.201.807</u>
<b>Non-current</b>				
Bank borrowings	198.084.300	182.421.526	98.161.145	86.701.688
Loan from related company (Note 32 (v))	25.180.078	43.182.810	25.180.078	43.182.810
	<u>223.264.378</u>	<u>225.604.336</u>	<u>123.341.223</u>	<u>129.884.498</u>
<b>Total borrowings</b>	<u>253.870.682</u>	<u>250.600.654</u>	<u>148.588.800</u>	<u>150.086.305</u>
<b>Maturity of non-current borrowings</b>				
Between 1 and 2 years	30.017.921	20.762.981	28.196.985	17.781.954
Between 2 and 5 years	65.199.041	67.777.597	57.290.566	56.687.458
Over 5 years	128.047.416	137.063.758	37.853.672	55.415.086
	<u>223.264.378</u>	<u>225.604.336</u>	<u>123.341.223</u>	<u>129.884.498</u>

The carrying amounts of current and non-current borrowings approximate their fair value.

The weighted average effective borrowing interest rates were as follows:

	2009	2008
	%	%
Loans and overdrafts	5,49	6,00
Loans from related parties	5,50	7,00
Other borrowings	5,50	7,00
Loans from related company	5,25	5,40

The bank loans and overdrafts of the Company and the Group are mainly arranged at variable interest rates. Borrowings at fixed interest rate exposes the Company and the Group at interest rate risk that relates to fair value. For variable interest rate borrowings, the Company and the Group are exposed to interest rate risk in relation to cash flows.

The bank loans are repayable by monthly instalments until 2022.

The bank loans and overdrafts are secured as follows:

### THE GROUP

- By mortgage on land and buildings for €231.343.905 (Note 17).
- By guarantees from related companies for €102.930.157.
- By assignment of insurance for fire and earthquake on the property of the Group.
- By general assignment of rights for use of space and rental income which will be received by the Group's subsidiary companies Woolworth Commercial Centre Limited, Apex Limited, ITTL Trade Tourist and Leisure Park Plc, Estelte Limited and Calandra Limited.
- By commitment of 4 150 500 shares of Akinita Lakkos Mikelli Limited and 50 000 001 shares of ITTL Trade Tourist & Leisure Park Plc.

## THE COMPANY

- (a) By mortgage on investment property for €130.132.086 (Note 17).
- (b) By guarantees from related companies for €70.663.506.
- (c) By assignment of insurance for fire and earthquake on the property of the Company.
- (d) By general assignment of rights for use of space and rental income which will be received by the company.
- (e) By commitment of 4 150 500 shares of Akinita Lakkos Mikelli Limited and 50 000 001 shares of ITTL Trade Tourist & Leisure Park Plc.

The Company and the Group have the following undrawn borrowing facilities:

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Floating rate:				
Expiring within one year	<u>3.745.144</u>	<u>3.582.996</u>	<u>2.056.074</u>	-

The facilities expiring within one year are annual facilities subject to review at various dates during 2010.

The carrying amounts of borrowings approximate their fair value.

The carrying amounts of borrowings of the Group and the Company are denominated in the following currencies:

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Euro – Functional and presentation currency	253.870.682	250.438.678	148.588.800	149.924.329
United States Dollars	-	161.976	-	161.976
	<u>253.870.682</u>	<u>250.600.654</u>	<u>148.588.800</u>	<u>150.086.305</u>

## 28 DEFERRED INCOME TAX LIABILITIES

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	2009 €	2008 €
<b>The Group</b>		
<b>Deferred income tax assets</b>		
Deferred tax assets to be recovered after more than twelve months	<u>(1.704.386)</u>	<u>(1.740.494)</u>
<b>Deferred income tax liabilities</b>		
Tax liabilities to be settled after more than twelve months	<u>28.494.617</u>	<u>28.467.772</u>
Deferred income tax liabilities - net	<u>26.790.231</u>	<u>26.727.278</u>

The gross movement on the deferred income tax account is as follows:

	2009 €	2008 €
At beginning of year	26.727.278	20.174.414
Income statement charge (Note 11)	62.953	6.605.539
Tax charge relating to components of other comprehensive income (Note 11)	-	(52.675)
At end of year	<u>26.790.231</u>	<u>26.727.278</u>

The movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Difference between depreciation and wear and tear allowance	Revaluation of land and buildings	Fair value gains	Total
	€	€	€	€
<b>Deferred tax liabilities</b>				
At 1 January 2008	1.945.610	14.897.766	4.637.691	21.481.067
Charged/(credited) to:				
Income statement (Note 11)	807.310	-	6.232.070	7.039.380
Other comprehensive income (Note 26)	-	(52.675)	-	(52.675)
Transfer due to category change	-	(14.845.091)	14.845.091	-
At 31 December 2008/1 January 2009	2.752.920	-	25.714.852	28.467.772
Charged/(credited) to:				
Income statement (Note 11)	580.286	-	(553.441)	26.845
At 31 December 2009	3.333.206	-	25.161.411	28.494.617

	Tax losses	Total
	€	€
<b>Deferred tax assets</b>		
At 1 January 2008	(1.306.653)	(1.306.653)
Charged/(credited) to:		
Income statement (Note 11)	(433.841)	(433.841)
At 31 December 2008/1 January 2009	(1.740.494)	(1.740.494)
Charged/(credited) to:		
Income statement (Note 11)	36.108	36.108
At 31 December 2009	1.704.386	1.704.386

	2009	2008
	€	€
<b>The Company</b>		
<b>Deferred income tax assets:</b>		
- Deferred tax assets to be recovered after more than twelve months	(1.174.921)	(1.174.921)
<b>Deferred income tax liabilities:</b>		
- Deferred tax liabilities to be settled after more than twelve months	8.385.009	8.636.177
Deferred income tax liabilities - net	7.210.088	7.461.256

The gross movement on the deferred income tax amount is as follows:

	2009	2008
	€	€
At beginning of year	7.461.256	7.198.934
Income statement charge (Note 11)	(251.168)	262.322
	7.210.088	7.461.256

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Difference between depreciation and wear and tear allowance	Revaluation of land and buildings	Fair value gains	Total
	€	€	€	€
<b>Deferred tax liabilities</b>				
At 1 January 2008	1.082.433	6.541.857	749.565	8.373.855
Charged/(credited) to:				
Income statement (Note 11)	93.944	-	168.378	262.322
Transfer due to category change	-	(6.541.857)	6.541.857	-
At 31 December 2008/1 January 2009	1.176.377	-	7.459.800	8.636.177
Charged/(credited) to:				
Income statement (Note 11)	157.669	-	(408.837)	(251.168)
At 31 December 2009	1.334.046	-	7.050.963	8.385.009
			Tax losses	Total
			€	€
<b>Deferred tax assets</b>				
At 1 January 2008			(1.174.921)	(1.174.921)
Charged/(credited) to:				
Income statement (Note 11)			-	-
At 31 December 2008/1 January 2009			(1.174.921)	(1.174.921)
Charged/(credited) to:				
Income statement (Note 11)			-	-
At 31 December 2009			(1.174.921)	(1.174.921)

## 29 PAYABLES AND ACCRUED EXPENSES

	The Group		The Company	
	2009	2008	2009	2008
	€	€	€	€
<b>Current</b>				
Trade payables	100.183	96.232	-	-
Subsidiary companies (Note 32 (iii))	-	-	8.082.813	7.661.414
Related companies (Note 32 (iii))	18.329.903	27.985.125	17.520.555	25.868.823
Other payables and accrued expenses	5.646.812	5.782.197	976.619	689.185
Shareholders' special contribution for defence payable on deemed dividend distribution	85.817	85.759	85.735	85.736
	<u>24.162.715</u>	<u>33.949.313</u>	<u>26.665.722</u>	<u>34.305.158</u>
<b>Non-current</b>				
Contractors' retentions	-	1.835.157	-	62.026
Leasehold prepayments	2.530.410	2.233.419	-	-
	<u>2.530.410</u>	<u>4.068.576</u>	<u>-</u>	<u>62.026</u>
Total payables and accrued expenses	<u>26.693.125</u>	<u>38.017.889</u>	<u>26.665.722</u>	<u>34.367.184</u>
<b>Maturity of non-current payables and accrued expenses</b>				
Between 1 and 2 years	106.415	1.846.833	-	62.026
Between 2 and 5 years	319.245	221.106	-	-
More than 5 years	2.104.750	2.000.637	-	-
	<u>2.530.410</u>	<u>4.068.576</u>	<u>-</u>	<u>62.026</u>

The fair value of the current and non-current payables approximates their carrying value at the balance sheet date.

## 30 CONTINGENT LIABILITIES

At 31 December 2009 the Group and the Company had contingencies in relation to the following:

### OPERATING ENVIRONMENT OF THE GROUP

The ongoing global liquidity crisis which commenced in the middle of 2007 has resulted in, among other things, a lower level of capital market funding, lower liquidity levels across the banking sector, and higher interbank lending rates. The uncertainties in the global financial market have also led to bank failures and bank rescues in the United States of America, Western Europe, Russia and other countries.

Such circumstances could affect the ability of the Group and the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions. The debtors or borrowers of the Group and the Company may also be affected by the lower liquidity situation which could in turn impact their ability to repay their amounts owed. Deteriorating operating conditions for debtors or borrowers may also have an impact on Management's cash flow forecasts and assessment of the impairment of financial and non-financial assets. To the extent that information is available, management has reflected revised estimates of expected cash flows in its impairment assessment.

The uncertainty in the global markets combined with other local factors during 2008 and 2009 has led to very high volatility in the stock markets and, at times, much higher than normal inter-bank lending rates. Management is unable to reliably estimate the effects on the Group's and the Company's financial position of any further deterioration of the financial market and the increased volatility in the currency and equity markets. Management believes it is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances.

## 31 COMMITMENTS

### CAPITAL COMMITMENTS

At 31 December 2009 there were capital commitments by subsidiary companies and the Company for €3.500.000 (2008: €9.000.000). These capital commitments, relate to the construction of "Shacolas Emporium Park" and the necessary funding for the relevant expenditure has been secured.

### GUARANTEES

The Company has provided guarantees for €54.090.178 (2008: €68.968.210) in order to secure bank facilities of related companies.

### OPERATING LEASE COMMITMENTS – WHERE THE GROUP AND THE COMPANY ARE THE LESSORS

The future aggregate minimum rights for use of space/rentals receivable under non-cancellable operating leases are as follows:

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Not later than 1 year	18.559.119	17.173.196	4.421.004	3.851.325
Between 1 and 5 years	74.945.918	71.094.034	18.126.000	15.375.961
Later than 5 years	84.773.315	99.339.054	17.264.000	17.330.962
	<u>178.278.352</u>	<u>187.606.284</u>	<u>39.811.004</u>	<u>36.558.248</u>

## 32 RELATED PARTY TRANSACTIONS

At the date of this report the main shareholder of the Company is Cyprus Trading Corporation Plc which owns 77,04% of the Company's shares. Mr Nicolas K. Shacolas, Honorary Chairman, owns directly or indirectly (including his share in Cyprus Trading Corporation Plc) 77,04% of the Company's shares

The following transactions were carried out on a commercial basis with related companies (companies in which Mr Nicolas K. Shacolas has significant interest) and with associated companies:

### (i) Sale of services and other transactions

	Nature of transaction	The Group		The Company	
		2009 €	2008 €	2009 €	2008 €
Subsidiary companies	Financing and interest	-	-	1.843.406	2.483.074
Related companies	Financing and interest	554.253	282.103	554.253	282.103
	Rights for use of space	10.352.015	10.009.896	3.954.903	3.851.325
	Sale of associated company	16.400.000	-	16.400.000	-
	Consultancy services	663.978	1.930.720	663.978	1.930.720
	Right for use of space for advertising	55.245	219.141	-	-
	Dividends	1.648.215	62.388	2.484.601	1.116.743
		<u>29.673.706</u>	<u>12.504.248</u>	<u>24.057.735</u>	<u>7.180.891</u>

*(ii) Purchase of goods, services and other transactions*

Nature of transaction	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
<b>Subsidiary companies</b>				
Financing and interest	-	-	364.613	291.969
<b>Related companies</b>				
Financing and interest	3.490.499	3.894.535	3.774.115	4.112.960
Consultancy services	336.636	224.241	320.476	207.482
Purchase of goods	48.907	43.425	6.030	33.591
	<u>3.876.042</u>	<u>4.162.201</u>	<u>4.100.621</u>	<u>4.354.033</u>
<b>Related parties</b>				
Financing and interest	19.324	38.647	19.324	38.647

*(iii) Year-end balances arising from the above transactions*

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
<b>Amounts receivable</b>				
Related companies (1) (Note 23)	6.784.985	2.753.639	6.561.315	2.491.755
Associated companies (Note 23)	17.500	3.617	17.500	3.617
Subsidiary companies (2) (Note 23)	-	-	39.752.200	42.967.348
	<u>6.802.485</u>	<u>2.757.256</u>	<u>46.331.015</u>	<u>45.462.720</u>
<b>Amounts payable</b>				
Related companies (3) (Note 29)	18.329.903	27.985.125	17.520.555	25.868.823
Subsidiary companies (4) (Note 29)	-	-	8.082.813	7.661.414
	<u>18.329.903</u>	<u>27.985.125</u>	<u>25.603.368</u>	<u>33.530.237</u>

- (1) Amounts receivable from related companies include a balance of €4.844.000 (2008: € Nil) which relate to the sale of associated company CTC-ARI Airports Limited which bears interest 6% and is payable on demand. It also includes a balance of €1.684.636 (2008: €1.173.672) that bears interest 4,75% (2008: 3 months Euribor + 1%) and is payable on demand.
- (2) Amounts receivable from subsidiary companies bear interest 4,75% (2008: 3 months Euribor + 1%) and are payable on demand.
- (3) Amounts payable to related companies are of a financing nature and bear interest 4,75% (2008: 3 months Euribor +1%) and are payable on demand.
- (4) Amounts payable to subsidiary companies bear interest 4,75% (2008: 3 months Euribor + 1%) and are payable on demand.

*(iv) Loan from related and other parties*

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
At the beginning of the year	1.050.500	1.753.227	1.050.500	1.753.227
Loan repaid during the year	(1.089.148)	(780.021)	(1.089.148)	(780.021)
Interest payable	<u>38.648</u>	<u>77.294</u>	<u>38.648</u>	<u>77.294</u>
At the end of the year (Note 27)	<u>-</u>	<u>1.050.500</u>	<u>-</u>	<u>1.050.500</u>

The above amount relates to the acquisition of the remaining shares of ITTL Trade Tourist & Leisure Park Plc (Note 27) and bears interest of 5,5%.

*(v) Loan from related company*

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
At beginning of the year	48.945.966	56.589.808	48.945.966	56.589.808
Loan repaid during the year	(10.816.000)	(10.652.976)	(10.816.000)	(10.652.976)
Balances transferred from related companies	(1.620.644)	-	(1.620.644)	-
Interest payable	<u>2.388.085</u>	<u>3.009.134</u>	<u>2.388.085</u>	<u>3.009.134</u>
	<u>38.897.407</u>	<u>48.945.966</u>	<u>38.897.407</u>	<u>48.945.966</u>

At 31 December 2007 the balance with the related company N K Shacolas (Holdings) Limited amounting to €56.589.808 was converted into a loan. The loan carries interest at 5,25% (2008: 0,5% above the average bank interest rate of banking institutions in Cyprus) and is repayable during a period of nine years starting 1 January 2009.

*(vi) Directors' remuneration*

The total remuneration of the Directors was as follows:

	The Group		The Company	
	2009 €	2008 €	2009 €	2008 €
Fees as Non-executive directors	11.770	12.970	11.770	12.970
Fees as Executive directors	<u>54.839</u>	<u>61.119</u>	<u>41.170</u>	<u>47.450</u>
	<u>66.609</u>	<u>74.089</u>	<u>52.940</u>	<u>60.420</u>

### 33 INVESTMENTS IN SUBSIDIARY COMPANIES

The details of subsidiary companies are as follows:

Name	Principal activity	Interest Held		Country on incorporation
		2009 %	2008 %	
<b>Company's subsidiaries</b>				
FW.W. Super Department Stores Limited	Rental of property in Larnaca	100	100	Cyprus
Woolworth Commercial Centre Limited	Owner of land and of a commercial centre in Engomi area in Nicosia	100	100	Cyprus
ZAKO Limited	Rental of property in Limassol, Larnaca, Paphos	100	100	Cyprus
ITTL Trade Tourist & Leisure Park Plc	Owner of commercial centre in Athalassa area, Nicosia	100	100	Cyprus
Niola Estates Limited	Holding company of Estelte Limited which owns immovable property	100	100	Cyprus
Realtra Limited	Holding company of Calandra Limited which owns land property	100	100	Cyprus
Chrysochou Merchants Limited	Investment in Cyprus Limni Resorts & Golf Courses Plc, owner of large piece of land in Polis Chrysochous	100	100	Cyprus
<b>Subsidiaries of ZAKO Limited</b>				
Zako Estate Limited	Rental of own property in Ledras Street, Nicosia	100	100	Cyprus
The Cyprus Supply Company Limited	Dormant	100	100	Cyprus
Elermi General Trading Limited	Dormant	100	100	Cyprus
Apex Limited	Exploitation of rights of use of space of the Ledra Arcade Building in Ledras Street, Nicosia and owner of property in Latsia, and management of own parking space in Ledras Street	100	100	Cyprus

### 34 DISPOSAL OF ASSOCIATED COMPANY

During the year 2009, the Company and the Group sold 20% of its shares held in the associated company CTC-ARI Airports Limited.

The profit from the disposal above was as follows:

	The Group	The Company
	€	€
Proceeds from sale of investment	16.400.000	16.400.000
Net assets (Note 19)	(3.111.191)	-
Cost of investment (Note 19)	-	(20.503)
Profit on disposal (Note 7)	<u>13.288.809</u>	<u>16.379.497</u>

### 35 MATERIAL DIFFERENCES BETWEEN THE INDICATIVE RESULTS ANNOUNCED AND THE AUDITED CONSOLIDATED RESULTS FOR THE YEAR

The audited consolidated financial results of the Group present the following differences between the indicative results announced and the audited consolidated results for the year.

	€
Profit according to announcement	18.937.000
Deferred tax	(8.857)
Taxation	(62.953)
Other differences	38.765
Profit according to the consolidated financial statements	<u>18.903.955</u>

### 36 EVENTS AFTER THE BALANCE SHEET DATE

On 2 March 2010 the Company announced the acquisition of a plot in Strovolos alongside the Nicosia-Limassol highway, of total area 16.063 sq.m. of which 5.223 sq.m. are in the process of expropriation. The Company paid for the value of the plot €7 million. On 30 March 2010 the Company agreed to sell 4.000 sq.m. of the plot's area to G N Gallery Famagusta Limited for €6 million. The profit that is expected to arise from the transaction, excluding taxes, is €2.6 million. The above profit will be accounted in the company's income statement in 2010.

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WOOLWORTH (CYPRUS) PROPERTIES PLC  
MEMBER OF SHACOLAS GROUP OF COMPANIES

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