



## SFS GROUP PUBLIC COMPANY LIMITED

### CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

The Board of Directors of SFS Group Public Company Limited (the "Company"), at the meeting held on 27<sup>th</sup> May 2009, approved the three monthly consolidated financial statements of the Group for the period from 1<sup>st</sup> January to 31<sup>st</sup> March 2009.

The interim financial statements have not been audited by the external auditors of the Company.

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## EXPLANATORY STATEMENT REGARDING THE RESULTS OF THE FIRST QUARTER OF YEAR 2009

## Introduction and summary results

The profits attributable to the shareholders of SFS Group Public Company Limited (the "Company") were substantially reduced in the first quarter of 2009 in comparison with the relevant quarter of 2008, mainly due to the recognition of profits in 2008 from the disposal of five ship owning companies owned by Lemissoler Shipping Group PCL, resulting in a profit for the Group of €12 million. Despite the adverse economic market conditions in Cyprus and internationally in the first quarter of 2009 in comparison to those of last year, the results of the main operating segments of the Group were positive, with the exception of proprietary trading.

Group cash flow from operations reached €0,9 million compared to €8,7 million of the relevant quarter of 2008.

## Financial Highlights of the Results of the Group

		First three months 2009	First three months 2008	Year ended 31.12.2008
Total revenue	Decrease of 18,7%	€19,8 million	€24,4 million	€120,3 million
Total contribution from operations	Decrease of 11,8%	€6,7 million	€7,6 million	€50,5 million
Net profits attributable to equity holders of the Company	Decrease of 97,6%	€0,2 million	€6,6 million	€19,5 million
Net cash inflows from operations	Decrease of 90%	€0,9 million	€8,7 million	€6,8 million
Earnings per share	Decrease of 97,7%	0,25 cent	10,66 cent	31,45 cent
Return on shareholders equity [on an annualised basis]	Decrease by 22,3 percentage points	0,49%	22,8%	16,3%

## Financial review for the first quarter of year 2009

The Group's total revenues decreased by 18,7% compared to the first quarter of 2008. Revenues from the financial services segment decreased by 60%, i.e. from €3,3 million in the first quarter of 2008 to €1,3 million in the first quarter of 2009 mainly due to the negative conditions of the stock markets internationally and consequently a substantial reduction in the number of corporate actions. The second most significant reduction concerns the shipping activities, which present a decrease of 19%, from €12,1million in 2008 to €9,8 million in 2009. The main reason for the decrease is the disposal of all ship owning companies of the Group during 2008. The revenues of the property segment present a significant increase, from €0,7 million in 2008 to €1,3 million in 2009, due to an increased delivery of villas during the first quarter of 2009.

Net revenue from the provision of financial services recorded a reduction of 62% (from €4,4 million in 2008 to €1,7 million in 2009). The gross profit from shipping, commercial and property activities decreased by 11% (from €5.5 million in 2008 to €4,9 million in 2009), mainly due to a reduction in the profitability of the shipping segment following the disposal of the ship owning companies. Despite a drop of the General Price Index of the CSE of 16% in the first quarter of 2009, the reduction in value of the proprietary portfolio was limited to 5%, resulting in a loss of €0,3 million.

As a result of the above, total contribution from operations of the Group were contained at €6,7 million during the first quarter of 2009 compared with €7,6 million for the first quarter of 2008.

## EXPLANATORY STATEMENT REGARDING THE RESULTS OF THE FIRST QUARTER OF YEAR 2009

## Financial review for the first quarter of year 2009 (continued)

Selling and distribution costs showed a reduction of 19%, while administrative expenses recorded an increase of 17% (from €3,6 million in 2008 to €4,2 million in 2009), mainly from the shipping and financial services segments of the Group. The decrease in depreciation and impairment of fixed assets is a result of the disposal of the five ships during the first quarter of 2008. Financial expenses decreased by 18% and specifically from €1,5 million in 2008 to €1,3 million in 2009, mainly due to the repayment of loans. As a result of the above, profit from operations during the first quarter of 2009 reached €0,02 million compared to €0,50 million of the relevant quarter in 2008.

Our share of the financial results of our associates present a profit of €0,6 million, compared to a loss of €0,4 million in 2008, mainly due to the positive results of an associated company of the Group, Cypra Ltd. The income statement of the first quarter of 2008 included a profit of €12 million from the disposal of the five ship owning subsidiary companies, and a profit from the decrease in the provision for doubtful claims receivable of €1,4 million.

As a result of all the above, net profit attributable to the shareholders of the Company in the first quarter of 2009 was contained at €0,2 million compared to €0,6 million for 2008.

## Financial Position

A new category of assets and liabilities has been introduced in the Group's balance sheet referred to as "Non-currents assets/liabilities held for sale". This new category refers to the Group's participation in SFS Ledra Properties Ltd ("Ledra"), which is one of the four funds that were announced in early 2008, and is actively involved in the management and development of properties within the old Venetian walls which enclose the old city core of Nicosia. The Group's target, as previously announced, was and still is to issue and/or dispose the majority shareholding in Ledra to institutional and other private investors which will result in the Group retaining a minority stake and eventually listing the company on the CSE. Due to the adverse capital market conditions which prevailed during the second half of 2008 it was not possible to issue and/or dispose the majority stake in Ledra. Management's target is for the Group to be a minority shareholder in Ledra within the first half of 2009.

The financial position of the Group as at 31 March 2009 continues to be very satisfactory and depicts its financial strength and stability as well as its future potential. Total assets reached €302 million at 31 March 2009 compared to €303 million at 31 December 2008. Total equity of the Group as well as total equity attributable to equity holders reached €142,4 million and €127 million respectively, from €142,1 million and €127 million respectively at 31 December 2008.

The Group, being a listed company in the main market of CSE, has the obligation to report quarterly financial statements. In an effort to provide to stakeholders more valuable information, the Group has determined key ratios/indices for measuring the efficiency and profitability of its operations. These ratios/indices are used by the Management of the Group and the financial analysts for measuring figures in the Profit and Loss account, Balance Sheet, Cash Flow Statement and other financial parameters.

## EXPLANATORY STATEMENT REGARDING THE RESULTS OF THE FIRST QUARTER OF YEAR 2009

## Financial Position (Continued)

Ratios/Indices	Description	31.3.2009	31.3.2008	31.12.2008
Cash contribution from operations (CCO)	This index indicates the cash contribution from all activities of the Group, which are controllable, excluding the associated companies. This is the main source of liquidity of the Group (more than 90%) and as a result, the CCO's growth must be higher than the growth of operating expenses on a cash basis.	€7,0 m	€8,9 m	€40,7 m
Operating expenses on a cash basis (OEC)	This index, records all the operating expenses (administration, selling and distribution) on a cash basis, which are mostly controllable by the management.	€5,0 m	€4,6 m	€26,3 m
Interest cover from cash operating profit	This index, reflects the financial surpluses of the Group that can be used to pay its financial expenses (FE) using the cash generated from its main activities. This index must exceed by far the level of 100%. [It equals to (CCO-OEC)/FE].	154%	480%	203%
Operating costs to total revenues	This ratio, calculates the percentage of operating expenses to the total revenues of the Group. The target is not to exceed 30%, reflecting thus an increase in productivity, especially in the provision of financial services and increase in the activities that demand lower fixed operating costs.	25,4%	19,0%	21,9%
Leverage ratio (LR)	The LR is calculated by dividing total assets over total equity. This ratio reflects the capability of the Group to leverage its Balance Sheet using own funds and debt. On the basis of the total equity of the Group at 31 March 2009, the LR can not exceed 3,0 times [i.e. total debt can not exceed 2,0 times total equity].	2,1	2,0	2,1
Net debt to total equity	This ratio presents the relationship of net debt [deducting cash and bank balances] over total equity of the Group. It uses total equity because it is more representative, due to the high levels of debt used in the shipping activities, in which there is a significant minority interest stake of 48,5%.	0,35	0,38	0,35
Return on weighted average shareholders equity (ROE)	This ratio is calculated by dividing the net profit attributable to equity holders of the Company over the weighted average of shareholders equity. The weighted average is calculated using the opening and closing shareholders equity of the reported year.	0,49%	22,8%	16,3%

## EXPLANATORY STATEMENT REGARDING THE RESULTS OF THE FIRST QUARTER OF YEAR 2009

## Prospects

SFS Group has set its strategic priorities for 2009-2011 with the target of continuously creating value for its shareholders whilst maintaining the best possible levels of client service throughout the Group. The Group's strategy is targeted at maximising shareholders return by utilising the Group's core competencies in the areas of financial services, venture and capital markets investments, real estate investments and shipping investments.

The Group's strategic targets are split in two parts:

## Qualitative strategic targets

- Increase further our presence in the local financial services market with special emphasis on the brokerage, asset management and investment banking activities.
- Gradual decrease of own private equity and venture capital investments with a reallocation of the funds to other existing activities.
- Increase of shipping investments under management through new strategic partnerships in the sector and raising of third party funds for the SFS Ocean Challenge Shipping Fund and other pioneer shipping investment funds. Based on this strategy the Group announced on 4 May 2009 the signing of a Joint Venture with Kuwait Finance House for the establishment of a Shariah compliant Shipping Fund in the shipping sector via a Limited Partnership in Cayman Islands before the end of 2009. The target fund size is approximately US\$150 million, is to be managed by an equally-owned company acting as the General Partner and based in the Cayman Islands.
- Expansion of our container liner service in North Europe through acquisitions and/or mergers in the region. Consolidate further our Inter Marine Container Lines presence in the market.
- Increase third party ships under management.
- Rebalance our investment property portfolio to achieve even better performances over the next three years to allow rollover of remaining properties into new property fund structures where the Group will maintain a significant minority stake.

## Quantitative strategic targets

- Contain fixed cash overheads at below inflation rate plus 3%.
- Further reduction in bank debt by end of 2010.
- Maintain shareholders equity above €100 million.

## Prerequisite assumptions for achievement of above targets

- Maintenance of current brokerage volumes on the Athens Stock Exchange and increased volumes on the Cyprus Stock Exchange.
- Revival of the Cyprus and global economies within 2010.
- Containment of energy and commodity costs.
- Containment of inflationary pressures in the Eurozone.
- Low interest rates for the Euro up to end of 2010.
- Continuation of interest from foreign investors for holiday homes and investment properties in Cyprus.

Nicosia, 27 May 2009.

CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	Period from 1 January to 31 March 2009 €	Period from 1 January to 30 March 2008 €
<b>Total revenue</b>	<b>19.840.883</b>	<b>24.398.028</b>
Gross profit from shipping, commercial, and property activities	4.895.949	5.471.865
Net revenue from the provision of financial services	1.664.371	4.380.954
Other income	418.397	150.892
Loss on disposal and revaluation of financial assets at fair value through the income statement	(300.827)	(2.435.279)
<b>Total Contribution from Operations</b>	<b>6.677.890</b>	<b>7.568.432</b>
Expenses		
Selling and distribution costs	(804.947)	(995.412)
Administrative expenses	(4.235.754)	(3.630.337)
Depreciation, amortisation and impairment loss of assets	(354.623)	(889.871)
Financial expenses	(1.258.745)	(1.534.234)
Profit from operations	23.821	518.578
Share of profit/(loss) of associates	628.228	(419.427)
(Loss)/profit from disposal of investment in subsidiaries	(25.959)	12.044.680
Decrease in provision for doubtful claims receivable	-	1.308.873
Profit for the period before taxation	626.090	13.452.704
Taxation	(77.909)	(25.142)
<b>Profit for the period after taxation</b>	<b>548.181</b>	<b>13.427.562</b>
Attributable to:		
Equity holders of the parent	156.413	6.624.674
Minority interest	391.768	6.802.888
	548.181	13.427.562
Basic earnings per share attributable to equity holders of the parent (cent)	0,25	10,66
Diluted earnings per share (cent)	Not applicable	

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2009

	31.3.2009	31.12.2008
	€	€
<b>ASSETS</b>		
Current assets		
Cash in hand and at bank	27.539.692	28.694.906
Clients' money accounts	10.566.453	10.380.121
Financial assets at fair value through the income statement	6.309.300	6.679.883
Trade and other receivables	30.096.078	31.858.922
Inventories	29.398.773	29.243.008
Assets classified as held for sale	45.609.683	45.226.813
Current portion of long-term loans receivable	1.048.939	1.048.939
<b>Total current assets</b>	<b>150.568.918</b>	<b>153.132.592</b>
Non-current assets		
Investment property	85.499.857	85.498.835
Property, plant and equipment-net	18.908.836	19.190.392
Deferred taxation	829.792	733.010
Long-term loans receivable	1.431.537	1.463.114
Investment in associates	25.337.621	24.443.000
Other non-current assets	710.201	417.261
Available for sale financial assets	7.193.899	7.262.783
Goodwill	5.800.191	5.800.190
Intangible assets	5.450.930	5.474.637
<b>Total non-current assets</b>	<b>151.162.864</b>	<b>150.283.222</b>
<b>Total assets</b>	<b>301.731.782</b>	<b>303.415.814</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Bank overdrafts	20.109.080	19.581.625
Trade and other payables	43.619.302	44.548.899
Taxation	2.194.536	2.128.852
Current portion of long-term loans	8.374.079	7.940.120
Liabilities classified as held for sale	27.525.855	28.019.473
Short-term loans	7.750.816	7.750.816
<b>Total current liabilities</b>	<b>109.573.668</b>	<b>109.969.785</b>
Non-current liabilities		
Deferred taxation	7.946.182	7.770.204
Long-term loans	41.805.712	43.565.137
<b>Total non-current liabilities</b>	<b>49.751.894</b>	<b>51.335.341</b>
Equity		
Share capital	62.398.097	62.398.097
Reserves	64.742.673	64.698.196
<b>Total equity before the deduction of own shares</b>	<b>127.140.770</b>	<b>127.096.293</b>
Own shares	(175.949)	(175.949)
Own shares held by associates	(3.789)	(4.392)
<b>Attributable to equity holders of the parent</b>	<b>126.961.032</b>	<b>126.915.952</b>
Minority interest	15.445.188	15.194.736
<b>Total equity</b>	<b>142.406.220</b>	<b>142.110.688</b>
<b>Total liabilities and equity</b>	<b>301.731.782</b>	<b>303.415.814</b>

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009

	Period from 1 January to 31 March 2009 €	Period from 1 January to 31 March 2008 €
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Cash flow from operating activities		
Profit before taxation	626.090	13.452.704
Adjustments for:		
Depreciation and impairment loss of property, plant and equipment	368.197	904.410
Amortisation of intangible assets	48.276	38.580
Increase/(decrease) in provision for doubtful receivables, loans receivables, contingent liabilities and obsolete stocks	150.167	(1.308.871)
Loss/(profit) from disposal of subsidiary companies	25.959	(12.044.680)
Loss on revaluation of financial assets at fair value through the income statement	300.828	1.352.940
Profit on disposal of property, plant and equipment	-	(47.247)
Profit on disposal of intangible assets	-	(13.523)
Interest receivable	(228.909)	(194.775)
Dividends receivable	(62.342)	(55.987)
Interest payable	1.258.745	1.534.234
Write off of share options cost granted to staff	70.869	42.715
Share of (profit)/ loss of associates	(617.356)	419.427
Foreign exchange difference on conversion of balances of subsidiaries	(334.724)	(208.640)
	<hr/>	<hr/>
Cash provided before working capital changes	1.605.800	3.871.287
Decrease in financial assets at fair value through the income statement -net	138.099	1.903.470
Decrease in trade and other receivables and clients' money accounts	1.130.347	12.090.601
Increase in assets and liabilities classified as held for sale	(876.488)	-
Decrease in trade and other creditors	(934.634)	(7.660.980)
Increase in inventories	(155.765)	(1.480.292)
	<hr/>	<hr/>
Cash flow provided by operations	907.359	8.724.086
Interest received	228.909	194.775
Dividends received	62.342	55.987
Interest paid	(1.258.745)	(1.534.234)
Taxation paid	(1.231)	(16.339)
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(61.366)	7.424.275
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CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2009 (CONTINUED)

	Period from 1 January to 31 March 2009	Period from 1 January to 31 March 2008
	€	€
Cash flow from investing activities		
Increase in share of associates	-	(2.253.623)
Proceeds from disposal of subsidiaries	-	12.823.885
Proceeds from disposal of property, plant and equipment	-	93.627
Purchase of property, plant and equipment	(110.092)	(287.294)
Acquisition of intangible assets	(24.567)	(86.594)
Proceeds from disposal of intangible assets	-	26.730
Purchase of investment properties	(1.022)	(1.440.192)
Purchase of subsidiaries		(20.503)
Cash held in subsidiary disposed	52.897	(690.286)
Acquisition of available for sale investments	-	(5.125.804)
Decrease in long term loans receivable	31.577	3.553.476
<b>Net cash from investing activities</b>	<b>(51.207)</b>	<b>6.593.422</b>
<b>Cash flow before financing</b>	<b>(112.573)</b>	<b>14.017.697</b>
Cash flow from financing activities		
Repayment of loans - net	(1.570.085)	(3.431.964)
Cash contribution to shareholder of subsidiary	-	1.286
<b>Net cash flow used by financing activities</b>	<b>(1.570.085)</b>	<b>(3.430.678)</b>
Net (decrease)/increase in cash and cash equivalents	(1.682.658)	10.587.019
Cash and cash equivalents at the beginning of the period	9.113.281	5.318.159
Foreign exchange difference on cash and cash equivalents at the beginning of the period	-	(106.479)
<b>Cash and cash equivalents at the end of the period</b>	<b>7.430.623</b>	<b>15.798.699</b>

## SEGMENTAL ANALYSIS

	Segmental Revenue		Segmental Result	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	€	€	€	€
Financial Services	1.309.968	3.287.545	416.905	2.267.593
Proprietary trading	-	-	(300.828)	(2.435.279)
Property holding and development	1.309.891	67.874	698.844	(28.160)
Shipping segment	9.768.588	12.057.419	816.054	1.227.629
Commercial Segment	6.386.529	7.273.312	583.542	446.469
Investing and other activities	909.197	1.711.878	990.497	1.275.536
Revenues from assets classified as held for sale not allocated	156.710	-	117.918	-
Administration overheads	-	-	(1.412.137)	(1.120.403)
<b>Total</b>	<b>19.840.883</b>	<b>24.398.028</b>	<b>1.910.795</b>	<b>1.633.385</b>