



SPRIDER STORES S.A.

No in the Register of S.A.: 7356/06/B/86/13

1, Syrou Street, 153 49, Anthoussa - Attica, Greece

ANNUAL FINANCIAL REPORT

For the period that ended on December 31,2010

(according to L. 3556/2007)

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A. Statements by the Members of the Board of Directors

(According to par. 2 of article 4 of L. 3556/2007)

With the following statement we declare that to the best of our knowledge:

a) The full year parent and group financial statements of SPRIDER STORES for the period from 01/01/2010 to 31/12/2010, which were prepared under the current accounting standards, depict in a truthful manner the Asset accounts, the Liabilities accounts, the Shareholders Equity accounts and the Profit and Loss accounts of the parent company, as well as the companies that are included in the consolidation as a whole.

b) The Full Year Report of the Board of Directors portrays in a true manner the performance and the financial standing of the parent company, , as well as the companies that are included in the consolidation as a whole.

Anthousa, Attica, March 14, 2011

The attestors,

President of the BoD

Member of the BoD

Member of the BoD

Athanasios Hatzioannou
ID No 926225

Evaggelos Hatzioannou
ID No X 561871

Vasileios Tsiganos
ID No AE 012521

B. Independent Auditor's Review

To the Shareholders of SPRIDER STORES S.A

Report on the Parent Company and Consolidated Financial Statements

We have audited the parent company and the consolidated Financial Statements of SPRIDER STORES S.A. ("the Company") and its subsidiaries ("the Group"), which consist of the parent company and the consolidated statement of financial position balance sheet as at December 31, 2010, the parent company and the consolidated statements of comprehensive income, of changes in equity and cash flow statements for the year ended at the same date, along with a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Company and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these parent company and consolidated Financial Statements in accordance to the International Financial Reporting Standards that have been adopted by the European Union as well as those internal premises that the management determines as necessary in order to be able to compile the company and the consolidated financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the he parent company and the consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the parent company and the consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the parent company and the consolidated Financial Statements 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 management, as well as evaluating the overall presentation of the parent company and the consolidated 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 abovementioned parent company and consolidated Financial Statements present fairly, in all material respects, the financial position of the Company SPRIDER STORES S.A. and its subsidiaries as of December 31, 2010, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal Matters

- a) The Report of the Board of Directors includes a statement of corporate governance, which provide the information specified in paragraph 3d of article 43a of C.L. 2190/1920.
- b) We verified the agreement and correspondence of the content of the Board of Directors' Report with the abovementioned financial statements, in the context of the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, 17 March 2011
The Certified Public Auditors Accountants

Pavlos Stellakis

SOEL Reg. No 24941



Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Ζεφύρου 56, 175 64, Παλαιό Φάληρο
Α.Μ.ΣΟΕΛ 127

C. Full year Report of the Board of Directors

Of "SPRIDER STORES S.A."

on the consolidated and company financial statements

for the period from January 1, 2010 to December 31, 2010

Dear Shareholders,

According to the provisions of Law 2190/1920, article 43a par. 3, article 108 par. 3 and article 136 and according to the provisions of Law 3556/2007 article 4 par. 2c, 6, 7 and 8 as well as according to the provisions of the Decision 7/448/11.10.2007 of the Board of Directors of the Hellenic Capital Market Commission article 2 and the articles of constitution of the Company, we submit to you the Board of Directors' Annual Report for the year from 01/01/2010 to 31/12/2010, which includes the audited financial statements of the Company and the Group, the notes on the financial statements and the independent auditor's review. The present report describes briefly information on the Company and the Group **SPRIDER STORES S.A.**, financial information which aim in briefing the shareholders and investors for the financial standing, the results, the overall developments and changes taking place within FY 2010 as well as important events that took place and their impact on the financial statements of the year. Moreover, a description of the major risks and uncertainties that the Group and the Company may face in the future takes places and the most important transactions of the issuer and its related parties are presented

The current Report includes in summary yet substantive way all of the significant individual sections that are necessary, according to the above legislative framework and accurately presents all of the related information that are necessary based on Law, in order to deduct a substantial and thorough briefing for the activity during the referred period of the Company **SPRIDER STORES A.E.** (hereafter called as "**Company**" for reasons of brevity or "**SPRIDER STORES**"), as well as of the Group. The following companies are included in the Group:

| COMPANY NAME | REGISTER-COUNTRY | % PARTICIPATION | RELATION OF PARTICIPATION |
|---|-------------------------|------------------------|----------------------------------|
| COMPANY NAME | Greece | | Parent |
| SPRIDER STORES S.A. | Greece | 24.50% | Direct |
| FASHION LOGISTICS S.A. | Bulgaria | 100.00% | Direct |
| SPRIDER BULGARIA MON EPIE | Romania | 100.00% | Direct |
| SRPIDER STORES SRL | Cyprus | 100.00% | Direct |
| COMPANY FOR SERVICES AND TRADE OUTLET MACEDONIA Dooel EXPORT IMPORT SKOPJE | SKOPJE | 100.00% | Direct |

The current Report accompanies the full year financial statements of the mentioned period (01/01/2010 – 31/12/2010) and is included uncut with the mentioned statements as well as the reports of the members of the BoD in the full year financial report concerning 2010. Given that the company issues consolidated financial statements as well, the present Report is integrated, and emphasis is placed on the consolidated financial statements while reference to the company financial statements is made only where it was deemed necessary or intentional for the best comprehension of the full year report.

The sections of the Report and their content is as follows:

SECTION 1: FINANCIAL DEVELOPMENTS & PERFORMANCE OF FY 2010

1.1 Significant Events of FY 2010

The retail sector in 2010 was in the center of the crisis that is affecting the Greek economy. The global economic recession in conjunction with the chronic fiscal problems of the Greek economy and the rapid increase of the public debt, led to measures that reduced consumers' available income and resulted to the decrease of consumer spending.

Despite the adverse business environment, the Group focused on the rationalization of its sales network and opened 12 new stores, out of which 6 stores in Greece and 6 stores in Romania and Bulgaria, while it ceased the operation of 7 stores, out of which 5 stores in Greece - 2 abroad. So, on December 31st December 2010 the Group operates a significant network of 114 stores out of which 88 stores in Greece, 16 stores in Romania, 8 stores in Bulgaria and 2 stores in Cyprus.

The Group's total sales network is depicted in the following table:

| | 2007 | 2008 | 2009 | 2010 |
|--------------|-----------|------------|------------|------------|
| Greece | 57 | 78 | 87 | 88 |
| Romania | 5 | 14 | 14 | 16 |
| Bulgaria | 2 | 5 | 5 | 8 |
| Cyprus | 1 | 2 | 2 | 2 |
| Skopje | 1 | 1 | -- | -- |
| Poland | -- | 1 | 1 | -- |
| TOTAL | 66 | 101 | 109 | 114 |

Pursuant to the efforts towards a uniform image and modern esthetics of the retail chain, the group proceeded during 2010 to the renovation of 7 of its stores, three of which are located in Greece and the remaining 4 in Romania. It should be noted that for several of the aforementioned points of sale, the group applied the new SPRIDER STORES model, which signals the beginning of the new era and approach aiming to reveal the group's brands which find their own position into the store. This way the consumer is able to navigate directly and easily to the department with the fashion that is to his/her interest. Through this new concept the SPRIDER STORES offer new distinct departments: *KIDS* for boys and girls, *Aggressive* for young casual wear (male and female), *Soul Rebel* casual wear (male and female), *Emilio Corali* formal wear and suits, underwear department that offers the *Belinda* underwear, sports department that will offer other well-known brands, shoe department and last but not least the *SPRIDER Home* department.

On 21/09/2010 CEO Mr. Charalampos Xylouris stepped down from office for personal reasons. This is the completion of a longtime and constructive collaboration that is closely related to the successful growth course of the Company, while Mr. Xylouris legacy in SPRIDER STORES acts as collateral for the achievement of the strategic objectives set for the following years. CEO duties will be undertaken by the Chairman of the Company's BoD Mr. Athanasios Hatzioannou

In the framework of the continuing effort to meet the full range of consumer needs the Group announces the signing of an exclusive agreement with top Greek performer Sakis Rouvas. Pursuant to the above agreement, the famous artist will create and sign the "Sakis Rouvas Collection", a complete apparel collection for men and women that will bear his personal signature. The "Sakis Rouvas Collection" will be distributed exclusively through the SPIDER STORES broad retail network as of October 2010. The introduction of the new product line was accompanied by a "freshening" of all the shops in the Greek territory.

On 27/12/2010 SPRIDER STORES SA completed the extraordinary General Meeting of its shareholders which convened at the company's business headquarters in Anthousa, where a total of 14 shareholders were present owning 60,202,949 common registered shares of a total of 78,787,980 outstanding shares hence representing 76.41% of the company's paid up capital and therefore the General Meeting had the required quorum and resolved on all items of the daily agenda. Therefore, the General Meeting:

1. Unanimously, approved the increase of the share's par value from EUR 0.30 to EUR 0.90 and the subsequent decrease (reverse split) of the current 78,787,980 outstanding common registered shares of par value EUR 0.30 each, to convert to 26,262,660 outstanding common registered shares of par value EUR 0.90 each, which are to be distributed pro bono to the current shareholders pro rata one (1) new share replacing three (3) held, as well as the amendment of article 5 of the Company's Articles of Association regarding the share capital.
2. Unanimously, approved the amendment of article 3 of the Company's Articles of Association, regarding the scope of business as follows:

The Company's scope of business is:

- To produce and trade garments, sportswear, sea outfit, shoes, leather products, fabrics, yarns, every kind of accessory and home products as well as gums, lollipops and other readymade sugar candies or sugar products, concert, cinema and theatre tickets and other artistic or non-artistic events, or space, cds, dvds and any other sort of sound and video recording means, cosmetics and other body and face care products, perfumes, watches as well as sun glasses and eyewear products. To import and export the aforementioned products. To represent domestic or international houses, which produce the aforementioned or similar products and to distribute in wholesale or retail in the Greek or international markets. To acquire, exploit any sort of right, privilege and license to use third party technical knowhow and brands which service the scope or are useful to the Company's endeavors. In pursuit of the aforementioned scopes the Company may participate in any company of similar or not scope of business, in any company form and (or) to cooperate with them as well as to provide all sort of guarantees to third party on behalf of subsidiaries or other affiliated companies of the Company, as the Board of Directors deems necessary.
 - The retail sale of electricity.
 - To construct and commercially use real estate.
3. Unanimously, approved the validation of the election of members of the BoD in replacement of the resigned. In specific, Messieurs Efthymios Bakalis and Nikolaos Doulaveris replaced Messieurs Charalambos Xylouris and Nikolaos Baklatzis. Therefore, the current BoD composition is as follows:
- **Athanasios Hatzioannou, son of Dorotheos, Chairman and Managing Director**
 - **Savas Hatzioannou, son of Dorotheos, Vice-Chairman**
 - **Dorotheos Hatzioannou, son of Athanasios, executive member**
 - Evangellos Hatzioannou, son of Athanasios, executive member
 - Efthymios Bakalis, son of Nikolaos, executive member
 - Emmanuel Vlasseros, son of Prokopios, Independent non-executive member
 - Vasileios Tsiganos, son of Panagiotis, Independent non-executive member
 - Nikolaos Doulaveris, son of George, Independent non-executive member

The Board's term matures on 14/06/2015.

Moreover the Company's Audit Committee consists of the following:

- Emmanuel Vlasseros, son of Prokopios, Chairman
- Vasileios Tsiganos, son of Panagiotis, Member
- Nikolaos Doulaveris, son of George, Member

On 31/01/2010 the management of the company decided to cease operations of its retail store in Poland. The activity in this country was deemed non profitable. The financial crisis and the fluctuations of the local currency versus the euro, have deteriorated the market conditions which did not allow the company to reach its sales objectives. Meanwhile a private investor had showed interest in acquiring the above subsidiary including the cumulative losses. Following the calculation of the subsidiaries impairment, the parent company's management proceeded to the sale of the subsidiary, transaction which completed on 29/11/2010.

The company pursuant to the resolution of the Board of Directors dated May 28, 2009 approved the sale of its 100% subsidiary SPRIDER DOOEL MON EPE (Skopje), whose sale was completed on 02/06/2009. However, the company buyer faced severe financial problems and was not able to meet the terms of the signed deed of sale, which had a clause where if such an event occurred, the subsidiary would be owned again by SPRIDER STORES S.A., which actually occurred on 31/03/2010. The company has been renamed by its former owner to «Company for services and trade outlet Macedonia Doel export import Skopje».

1.2 Evolution, Performance and Opinion of the Company

As a result of the above, FY 2010 **consolidated turnover** decreased by **11.8%** standing at **€ 144.509 thou.** compared to € 163.881 thou. in 2009. At the same time, **gross profit** stood at **€ 80.610 thou.** versus € 89.416 thou. decreased by **9.8%** compared to 2009. **Gross profit margin** in 2010 increased by 1.2 percent points compared to 2009 standing at **55.8%** of the consolidated turnover versus 54.6%. This increase was achieved despite the significant increase posted within the year in the price of raw material (cotton) price and the absorption of two (2) V.A.T. increases, due to the fact that FY 2009 consolidated results had been burdened with inventory impairment of **€ 7.889 thou.**, while in 2010 no further impairments were imposed.

Group **EBITDA** formed at **€ 6.649 thou.** versus € 13.154 thou. last year, decreased by **49.5%**. It is noted that total consolidated expenses decreased by **8.1%** standing at **€ 79.064 thou.** versus € 86,022 thou. in 2009, reflecting Management's efforts to constrain expenses.

Group **EBIT** stood at losses of **€ 4.694 thou.** compared to profits of € 1.440 thou. in 2009. Depreciation in 2010 stood at **€ 11.342 thou.** compared to € 11.714 thou. in 2009.

Group EBT stood at losses of **€ 11.050 thou.** compared to losses of € 1.452 thou. last year. Please note that:

- Net financial cost stood at **€ 2.221 thou.** compared to € 2.276 thou., decreased by 2.4%, despite the continuously increasing borrowing cost, primarily due to the decrease of loans.
- FY 2010 results were burdened with extraordinary losses of € 3.409 thou., related to the cease of operation of the aforementioned stores.

Please note that the above results have been burdened with the amount of € 669 thou., which regards the extraordinary contribution under law 3845/2010 (measures imposed in application of the Greek economy support mechanism set by the Euro member states and the IMF).

Finally, **Group EATAM** stood at losses of **€ 10.177 thou.** compared to losses of € 4.379 thou. in 2009.

As regards the parent company results, **turnover** marked an **11.0%** decrease standing at **€ 138,003 thou.** versus € 155,010 thou. in FY 2009. **Gross profit** formed at **€ 73,698 thou.** versus € 81,146 thou. marking a 9.2% decrease versus FY 2009 while **gross profit margin** formed at **53.4%** of the company's turnover versus 52.3% in FY 2009, marking an increase of 1.1 percent points.

EBITDA amounted to **€ 7,391 thou.** versus € 14,272 thou. in FY 2009 decreased by 48.2%.

Accordingly, **EBIT** amounted to losses of **€ 2,466 thou.** versus profits of € 4,238 thou. in FY 2009.

The financial crisis has strongly affected both Greece and the other countries where SPRIDER STORES's subsidiaries operate. Within the adverse financial environment, the Group's management decided the impairment of its participation in subsidiary companies by the amount of **€ 16,260 thou.**, taking into account the prevailing conditions in the international markets which worsened within the second half of 2010, in conjunction with the fact that the said situation is not expected to significantly reverse in the medium term, and in combination with its intention to further rationalize its sales network abroad within 2011; this amount burdened FY 2010 financial results of the parent company.

Results before taxes (EBT) amounted to losses of **€ 25,958 thou.** versus profits of € 760 thou. last year. Finally, results after tax (**EAT**) amounted to losses of **€ 25,755 thou.** versus losses of € 2,011 thou. in 2009.

As a result of the mild growth achieved during the current fiscal year the group's fixed assets decreased by 7.8% and formed at € 67,130 thou. versus € 72,782 thou. on 31/12/2009.

The group's inventory marked substantial decrease and amounted to € 36,427 thou. versus € 43,822 thou. on 31/12/2009, i.e decreased by 16.9%. The above decrease was also realized by the tight procurement policy that was followed during 2010.

The Group's receivables amounted to € 19,648 thou. versus € 23,048 thou. on 31/12/2009, marking a 14.8% decrease approximately. The above decrease is mainly due to the decrease of the turnover.

The net after tax losses reported in FY 2010, have lead to a 17.2% reduction of the group's shareholders equity which formed at € 51,290 thou. on 31/12/2010 versus € 61,944 thou. on 31/12/2009.

The group's outstanding debt marked a 3.4% decrease and amounted to € 45,865 thou. versus € 47,470 thou. on 31/12/2009.

Mother company management is in final stage of negotiations for an adjustment in the payment terms of the issued corporate bond, where among other issues a grace period is requested concerning capital payments for the year 2011, amounting € 4.800 thou. In the above financial statements the aforementioned capital is included in short term liabilities.

Finally, the balance of suppliers as at 31/12/2010 marked a 7.8% decrease and amounted to € 28,092 thou. versus € 30,472 thou. on 31/12/2009, reflecting on the orders reduction stemming from the tighter procurement budgetary policy that was followed during 2010.

Within the framework of SPRIDER STORES investment plan, **the total investments realized within 2010 stood at € 9,066 thou.** and concerned primarily the rationalization of the sales network, the renovation of existing sales points following the new Sprider Store concept, which is based on segmenting the store according to brand names, the modernization of the Group's warehouse and the upgrade of the IT system. It is worth noting that the Group is in the process of installing and operating its new ERP system which will enable better monitoring of its supply chain and its various procedures. Furthermore it should be noted that the said investments were practically financed through the **operational cash flow** which in FY 2010 stood at **€ 5,852 thou.** and cash in hand highlighting that even within difficult times SPRIDER STORES remains sturdy and financially solid.

The group in order to best monitor its results and performance keeps track on a regular basis of the following performance indicators:

| FINANCIAL INDICATORS | 2010 | 2009 | 2008 |
|----------------------------------|--------|--------|-------|
| Growth (%) | | | |
| Sales | -11.8% | 6.4% | 20.3% |
| Gross Profit | -9.8% | -9.6% | 32.8% |
| EBIDTA | -49.5% | -55.3% | 19.8% |
| EBIT | ME | -92.7% | 5.2% |
| EBT | ME | ME | -3.0% |
| EATAM | ME | ME | -4.8% |
| Profitability Margins (%) | | | |
| Gross | 55.8% | 54.6% | 64.2% |
| EBIDTA | 4.6% | 8.0% | 19.1% |
| Net | ME | ME | 8.7% |
| Liquidity (:) | | | |
| Current Ratio | 1.03 | 1.23 | 1.52 |
| Quick Ratio | 0.42 | 0.52 | 0.65 |
| Interest Coverage | 2.99 | 5.41 | 14.8 |
| Debt (:) | | | |
| Debt / Equity | 1.65 | 1.51 | 1.39 |
| Banks / Equity | 0.89 | 0.77 | 0.59 |
| Efficiency (%) | | | |
| ROE | ME | ME | 19.5% |
| ROA | ME | ME | 9.6% |

1. NA = Non applicable.

SECTION 2: Important Events

On Thursday, March 3, 2011 was completed the reverse split of the company's shares. So, the company's share capital still amounts to EUR 23,363,394.00 divided into 26,262,660 common registered voting shares of par value EUR 0.90 each.

SECTION 3: Risks & Uncertainties

The major risks and uncertainties for FY 2011 are summed up in the following:

3.1 Foreign Exchange Risk

The Group operates internationally and therefore it is exposed to foreign exchange risk, which arises mainly from the U.S. Dollar. This risk mostly derives from future transactions, payables in foreign currency that represent approximately 60% of the Group's total purchases from its suppliers. The Group in order to adequately face potential risks arising from the exchange rate of EUR: USD employs flexible forwards, locking in that way the rate of the USD and consequently reduces its exposure to the relevant Foreign Exchange Risk.

Moreover, Foreign Exchange Risk stems as well from the Group's activities in the countries of South East Europe, like Romania and Bulgaria. With the exception of Bulgaria, where the local currency was linked to the Deutsche Mark and with that rate is now linked to the Euro, the possibility of reacting in the fluctuation of the exchange rate of these currencies towards the Euro is rather limited, since there are not any relevant hedging products.

The Group contacts constantly its financial advisors as to determine the appropriate hedging policy to follow within the dynamic environment, in which it operates.

Credit Risk & Liquidity Risk

Following the provisions of impairment accounted for, the Group does not face significant credit risk. The group's sales concerns mainly retail sales, for the vast part of which is settled via cash payment.

Liquidity risk is kept at low levels with sufficient cash and cash equivalents available and bank credit limits. Moreover, concerning the current year, and aiming at the Group's cash flow enhancement, the Board of Directors intend to propose at the Annual Ordinary Shareholders Meeting, the non distribution of dividend for FY 2010, due to the losses of the fiscal year 2010 despite the distributable retained earnings.

Cash flows and fair value change risk due to interest rate changes

Operating revenues and Group cash flows are substantially independent of the changes to the prices of the interest rates. The Group has not significant interest bearing items and the policy of the Group is to preserve almost its total debt to products of floating interest rate. At the closing of the fiscal period, the total of the Group's debt was with a floating interest rate. The management of the parent company is considering the effect of Euribor's change risk compensation for the fiscal year 2011.

SECTION 4: FORECASTED COURSE & DEVELOPMENT

The Group's management will continue to pursue its strategic goals for 2011, trusting the successful SPRIDER STORES business model and at the same time monitoring continuously the volatile conditions of both the Greek market and the regional markets where the Group operates in the SE Europe, in order to promptly adjust its strategy whenever deemed necessary. The strategic priorities for 2011 continue to comprise of the rationalization of the sales network, the increase of market share, the constrain of operational expenses, the fortification of the operational cash flow, the preservation of the competitive pricing policy and the further utilization of the supply chain infrastructure. The Management strongly believes that there are opportunities within the crisis and the businesses that will utilize these opportunities and overcome the crisis intact, will have significant perspectives for a bright future.

With the aim of fortifying financially the Group, within an adverse and volatile economic environment, the Management intends to propose to the Annual General Shareholder's Meeting, dated on June 13, 2011, a non-dividend distribution.

SECTION 5: Transactions with related parties

This section includes the most important transactions between the company and its affiliated parties as determined in the International Accounting Standard No 24 and in specific this section includes:

- a) The transactions of the company and each of its affiliated parties executed during the FY 2010 and which had a material effect in the company's financial position in the said same year.
- b) Any changes in the transactions between the company and each of its affiliated parties that are described in the latest annual report, which could have material consequences on the company's financial position or its performance during FY 2010.

We note that the aforementioned reference to the transactions which follows in detail contains the following elements:

- a) The amount of the transaction for the FY 2010,
- b) The balance as at the period end (31/12/2010),
- c) The nature of the relation between the affiliated party and the company as well as
- d) Any additional information on the transactions, which are essential for the understanding of the Company's financial position, only in the case where these transactions are material and have not been executed under the generally accepted rules and conditions.

In more detail, the transactions and the Company's balance with its affiliated parties - legal entities or persons - as determined by the International Accounting Standard No 24, for the FY 2010 and as at 31/12/2010 respectively are as following:

| Sales of goods and services (Amounts in euro thou.) | THE GROUP | | THE COMPANY | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
| Subsidiaries | - | - | 6,251 | 4,773 |
| Affiliated parties | 1,428 | 760 | 1,428 | 760 |
| Other affiliated parties | - | 1,660 | - | 1,660 |
| Total | 1,428 | 2,420 | 7,679 | 7,193 |
| Purchase | | | | |
| Subsidiaries | - | - | 295 | 5 |
| Affiliated parties | 5,992 | 10,482 | 5,992 | 10,482 |
| Other affiliated parties | 20 | | 20 | |
| Total | 6,012 | 10,482 | 6,307 | 10,482 |
| Loans to affiliated parties | | | | |
| Subsidiaries | - | - | - | 928 |
| Total | - | - | - | 928 |
| Loans from affiliated parties | | | | |
| Total | - | - | - | - |
| Guarantees to affiliated parties | | | | |
| Subsidiaries | 7,657 | 3,702 | 7,657 | 3,702 |
| Total | 7,657 | 3,702 | 7,657 | 3,702 |
| Receivables | | | | |
| Subsidiaries | - | - | 5,629 | 5,178 |
| Affiliated parties | 5,754 | 4,556 | 5,754 | 4,556 |
| Other affiliated parties | - | 22 | - | 22 |
| Total | 5,754 | 4,579 | 11,383 | 9,757 |
| Liabilities | | | | |
| Subsidiaries | - | - | 178 | 713 |
| Affiliated parties | 3,523 | 5,192 | 3,523 | 5,192 |
| Other affiliated parties | - | 22 | - | 22 |
| Total | 3,523 | 5,214 | 3,701 | 5,927 |

The balances of the above accounts are settled in cash. As far as it concerns the fiscal year ended December 31, 2010 the company has not accounted for any provisions on doubtful receivables which are related to amounts due by affiliated companies.

From the abovementioned transactions, transactions and balances concerning subsidiary companies have been cross eliminated from the consolidated financial results of the Group.

Provisions to BoD Members and top management according to IAS 24

| Amounts in th. € | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Transactions and remuneration with top management and BoD members | 1,903 | 2,137 | 1,823 | 1,957 |
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| Receivables / Prepayments from / to top management and BoD members | 66 | 75 | 66 | 75 |

| Amounts in th. € | THE GROUP | | THE COMPANY | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 |
| Salaries and wages and bonus | 1,672 | 1,923 | 1,594 | 1,761 |
| Social insurance expenses | 185 | 214 | 182 | 196 |
| Provisions for retirement benefit | 46 | | 46 | |
| Total | 1,903 | 2,137 | 1,823 | 1,957 |

It is noted that no loans have been granted to the members of the board or management of the Group and their families.

SECTION 6: Information pertaining to par. 7 and Explanatory Report according to par. 8, article 4 of L. 3556/2007

1. Share Capital Structure

The company's share capital on 31/12/2010 amounts € 23,636,394.00, divided in 78,787,980 common shares, with a par value of € 0.30 each.

The Extraordinary General Shareholders meeting dated on 27/12/2010 unanimously, approved the increase of the share's par value from EUR 0.30 to EUR 0.90 and the subsequent decrease (reverse split) of the current 78,787,980 outstanding common registered shares of par value EUR 0.30 each, to convert to 26,262,660 outstanding common registered shares of par value EUR 0.90 each, which are to be distributed pro bono to the current shareholders pro rata one (1) new share replacing three (3) held. The new shares on 3/3/2011 credited to the accounts of beneficiaries. According to the above the company's share capital still amounts to EUR 23,636,394.00 divided into 26,262,660 common registered voting shares of par value EUR 0.90 each.

All shares are nominal and listed in the Athens Exchange ("MID & SMALL CAP" category).

Every common share provides the privilege of one voting right in the General Assembly of the shareholders.

Every share provides all the privileges and obligations, which are set by the Law and the company's articles of constitution. The responsibility of the shareholders is restricted in the par value of the shares they possess.

2. Restrictions in the Transfer of Shares

The transfer of SPRIDER STORES shares takes place as provided by the Law. As it is derived from the terms of the corporate bond contract that the Company issued within FY 2008:

- Hadjioannou family undertakes the obligation not to reduce its participation, direct or indirect, in SPRIDER STORES' share capital as well as voting rights to less than 30% cumulatively.
- Hadjioannou family undertakes the obligation not to amend the control that possesses over the Company.

Apart from the above, there are no restrictions set by the company's constitution

3. Important Direct or Indirect Participations in the Company's Share Capital, as defined by article 9 – 11 of L. 3556/2007

The shareholders, who possessed more than 5% of the company's voting rights on 31/12/2010, are listed in table below:

| SHAREHOLDERS | PARTICIPATION RATE |
|------------------------|--------------------|
| HATZIOANNOU SA | 39.92% |
| HATZIOANNOU ATHANASIOS | 12.11% |
| HATZIOANNOU SAVVAS | 10.22% |
| FORTIS INVESTMENTS | 8.60% |

4. Shares Giving Special Control Privileges

There are no SPRIDER STORES' shares giving special control privileges.

5. Restrictions in Voting Rights

SPRIDER STORES' constitution does not provide for any restrictions in voting rights.

6. Shareholders' Agreements

The company does not have any knowledge and its constitution does not provide for agreements between shareholders, which lead to restrictions in the shares' transfer or in exercising voting rights.

7. Regulations for Appointing and Replacing BoD Members and Constitution Adjustments, which Differ from the Provisions of Law 2190/1920

The regulations provided by the company's constitution for appointing and replacing BoD members and the adjustment of the constitution's articles do not differ from the provisions of Law 2190/1920.

8. Jurisdiction of the BoD or of some of its Members for the Issue of New Shares or the Purchase of SPRIDER STORES Own Stock, according to article 16 of Law 2190/1920

There is no special jurisdiction of the BoD or of some of its members for issuing new shares. The BoD is not authorized by the shareholders' General Assembly to buy own stock, according to article 16 of Law 2190/1920.

9. Important Agreements Effective, Amended or Expired in Case of Alterations in the Company's Control after a Public Offering

There are no company agreements, which are effective, amended or expired in case of alterations in SPRIDER STORES' control after a public offering.

10. Important Agreements with Bod Members or Company Personnel

There are no company agreements with its BoD members or its personnel, which provide for the payment of compensation especially in case of resignation or dismissal without defensible cause or termination of their service or employment because of a public offering.

C.I STATEMENT OF CORPORATE GOVERNANCE

(The present statement is compiled according to article 43a paragraph 3d of the Law 2190/1920 and is part of the Annual Report of the Board of Directors)

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INTRODUCTION

The term "corporate governance" describes the way with which companies are managed and controlled. Corporate governance is stipulated as a system of relationships between the management of the Company, the Board of Directors, the shareholders and other interested parts and constitutes the structure through which the targets of the company are set, the means with which to achieve these targets are set and the observation of the performance of the management is monitored.

Effective corporate governance plays a substantial and primary role in the advancement of competitiveness of companies and the increased transparency it offers has as a result the improvement of overall transparency in economic activity of private businesses and public organizations and institutions.

1. Code of corporate governance

1.1 Disclosure of willing compliance of the Company with the Code of Corporate Governanc

In our country at the time of compilation of this statement there are no more than one codes of Corporate Governance that set examples of best practices in corporate governance for geek companies, this shortage differentiates Greece from other member- countries of European Union and makes the compliance of Greek companies with the European law harder on what concerns corporate governance. More specifically, in Greece the framework of corporate governance has been developed mainly via the adoption of obligatory rules as is Law 3016/2002 that enforces the participation of non executive members in BoDs of Greek companies that are negotiated in the Athens Stock Exchange, the development of internal control and internal rulebook. Moreover, other laws such as 3693/2008 that dictates the cretion of Audit Committees as well as important disclosure obligations and 3884/2010 that concerns shareholder rights. Finally, the most recent addition Law3873/2010 (Guidance of the EC 2006/46/EC) making obligatory the adoption of a Code of Corporate Governance. Our company is in full compliance with the above mentioned laws and more specifically (and more specifically 2190/1920, 3016/2002 και 3693/2008), which comprise the minimum content of any Code of Corporate Governance.

In view of the aforementioned and in order to comply with the provisions of Law 3873/2010, our company states that for the current being it adopts as the Code of Corporate Governance, the generally accepted (and sole for the time being) Code of Corporate Governance prepared by the Hellenic Federation of Enterprises(SEV) of (available at http://www.sev.org.gr/Uploads/pdf/SEV_CGC_ENG_2011_FINAL%20MARCH_2011.pdf) which code states that,

1.2 Deviations from the Code of Governance and explanation of the non- compliance.

The company states that it conforms to all the legal obligations (κ.ν. 2190/1920, ν. 3016/2002 και ν. 3693/2008). These minimum obligations are embodied in the Code of Corporate Governance of SEV, but it also contains additional provisions (over and above the minimum obligations). So some deviations (including the case on the non application) are observed in relation to the above mentioned Code of Corporate Governance, for which the explanation follows:

Part A- BoD and its members

I. Role and authority of the Board of Directors

- the BoD has not created a separate committee, which manages the procedure for applying candidates for the election of the BoD and prepares proposals for election in the BoD concerning the compensation of the members of the BoD given that the policy concerning these compensations is stable and formed.

II. Size and composition of the BoD

- the BoD is no comprised from seven (7) to fifteen (15) members but from three (3) to thirteen (13) members, as the size and organization of the company do not account for such a numerous BoD S

- the BoD is not comprised in majority by non executive members, but from five (5) executive and three (3) non executive members and with this organization an efficient and operation of the BoD has been assured with compliance requirement of l. 3016/2002.

III. Role and characteristics of the President of the BoD

- there is no specific discern between the President and the CEO and given the structure of the company, such a discern is not needed
- the BoD does not appoint an independent Vice President coming from its independent members, but an executive Vice President, as his contribution to the exercise of the executive duties of the President is considered of utmost importance

IV. Duties and conduct of the member of the BoD

- the BoD has not adopted as part of its internal rules, policies to encounter conflict of interests between its members and the company, since these policies have not yet formulated. Under all circumstances, however, the Company's Articles of Association prohibit the members of the Board of Directors, as well as the Managers of the Company, from engaging, in a professional capacity, in any acts which fall under the objectives of the Company, as well as from participating as general partners in companies pursuing similar objectives, whether on their own account or on behalf of third parties, without having obtained the prior authorisation of the General Meeting.
- there is no obligation of analytical disclosure of any professional bounds of the BoD before their appointment in the BoD.

V. Nomination of candidates for the BoD

- the maximum service of the BoD is not four-year, but longer, at least six – year so that the need to elect a new BoD does not come about in shorter periods, which would mean additional formalities (as for the representation in the presence of third parties etc)
- there is no committee for selecting candidates for the BoD, as because of the size and operation of the company this committee is not necessary at this

VI. Operation of the BoD

- there is no specific rule for the operation of the BoD, as the articles of Association are adequate for the organization and operation of the BoD
- the BoD at the beginning of every calendar year does not adopt an calendar of convocations and 12month program of actions, since all its members live in Attica and the convocation of the BoD is easy when the needs of the company render it necessary or the law without a predefined action program
- there is no provision for the support of the BoD during its work by competent, specialized and experienced secretary, since the technology exists to record and map the convocations of the BoD
- there is obligation for the President and the non executive members of the BoD to convene in a regular basis, since all the matters are open for discussion in the presence of all the members of the BoD
- there is no provision for existence of programs for the introductory information for the new members of the BoD or their constant education since the members that are sponsored have adequate experience and managerial skills.
- there is no provision for the supply of sufficient resources to the committees of the BoD for the fulfillment of their obligations and for the hiring of external consultants to the degree they are needed as such resources are approved by the management of the company, based on the needs

VII. Evaluation of the BoD

- there is no institutional procedure with the aim to assess the effectiveness of the BoD and its committees or the assessment of the performance of the President of the BoD during the procedure in which the independent vice- president directs. This procedure is not deemed necessary given the structure of the company.

Part B- Audit Committee

I. Internal Control – Audit Committee

- the audit committee does not convene over three (3) times per year
- There is no special and specific rule for the operation of the audit committee, as its main duties and authorities are described adequately from the law
- no specific funds are given out to the committee for the use of external consultants, as the composition of the committee and the specialized knowledge and experience of its members ensure its operation

Part C- Compensation

I. Level and structure of the compensation

- there is no committee of compensation, comprising exclusively of non executive members, independent in their majority, which aims at defining the compensation of the executive and non-executive members of the BoD and thus there are no rules for the frequency of its convocations and other issues concerning its operation. The creation of such a committee has not been deemed necessary until today
- in the contracts of the executive members of the BoD, there is no provision that the BoD may ask for part or full refund of the bonuses paid due to the revised financial statements of previous years or in general wrong financial data that were used to calculate such a bonus since such rights come about, only after the approval of the financial statements by the General Assembly
- the compensation of every executive member of the BoD is not approved by the BoD after the proposal of the audit committee, given that no such committee exists.

Part D - Relationship with shareholders*I. Communication with shareholders*

- No deviation was observed

II. The General Assembly of the share holders

- No deviation was observed

1.3 Practices for corporate governance that the company applies over the provisions of the law.

The company abides to the provisions of the text as in its legal framework concerning corporate governance. There are no practices applied over the above mentioned.

2. Board of Directors

2.1 Composition and Services of the BoD

2.1.1 The company's BoD is composed, according to article 19 of the Articles of Association of the company, of three (3) up to thirteen (13) members, which are elected by the General Assembly of the Shareholders by absolute majority of the votes, which are represented in the Assembly. The members of the BoD may be Shareholders of the company or other natural entities (non shareholders). The members of the BoD are unlimitedly re-electable and freely revocable from the General Assembly irrespective of the time their service ends.

The service of the BoD members is six (6) years commencing the following date of the election of the BoD and expiring the relevant date of the sixth year. In case upon the expiration of their service an new BoD has not been elected, their service is extended up to the first ordinary General Assembly which shall be converged upon the expiration of their service, which in no case can supersede six years.

Each member has to participate in the deliberations of the BoD.

2.1.2 The Board of Directors shall convene in session at the Company's registered head offices, at least once a month. The Board of Directors may validly be convened outside its registered head offices, at a different location, either in Greece or abroad, on condition that the session is attended in person or by

proxy by all its members and that no member raises objections to the holding of the meeting and to the adoption of decisions. The Board of Directors is convened by its Chairman by invitation, which shall be notified to its members at least two (2) working days prior to the meeting. The invitation must mandatorily list the agenda items, otherwise decision-making is permitted only if all the members of the Board of Directors are present or represented and that no one objects to the adoption of decisions. Two (2) of the members of the Board of Directors may request for a Board of Directors session to be convened, by submitting an application in that regard to its Chairman, who is obligated to convene the Board of Directors within a deadline of ten (10) days as of the date of submission of the application. In the event of refusal of the Chairman to convene the Board of Directors within the aforementioned deadline or if it is convened following the lapse thereof, the members who requested its convening are entitled to convene the Board of Directors themselves, within a deadline of five (5) days as of the lapse of the ten-day period, notifying the relevant invitation to the remaining members of the Board of Directors. In their above application they must, under penalty of inadmissibility, also clearly list the agenda items that will be deliberated during the session of the Board of Directors.

2.1.3 The Board of Directors shall achieve quorum and shall be validly convened when it is attended in person, or by proxy, by half plus one of its members, but under no circumstances may the number of attending members be less than 3. The decisions of the Board of Directors shall be adopted by absolute majority of the BoD members in attendance and those who are represented. In the event of an equality of votes, the Chairman of the Board of Directors shall not have a casting vote. Every member of the Board of Directors is entitled to one (1) vote. By way of exception, s/he may exercise two (2) votes, when s/he also represents another Board member.

2.1.4 The discussions and decisions of the BoD are kept in the minutes which are registered in a special book of minutes and are signed by his President or lawful representative, and the members which are present during the meeting. Each director is entitled to request to have his opinion to be mentioned in the minutes, the possible contrary opinion towards the taken decision. In the book also a list of the present directors during the convocation of the Board is posted. The signature of the minutes by all the members of the BoD is equal to a decision of the BoD even if convocation has not proceeded.

2.1.5 Minutes shall be kept of the deliberations and decisions of the Board of Directors. Copies and excerpts of the minutes of the Board of Directors shall be ratified by the Chairman or by his/her alternate.

If possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining directors of the BoD, so long as they are at least three (3), are obliged to elect a replacer for the remaining of the service of the member who is replaced. The said election is submitted for approval in the first upon the election General Assembly of the shareholders. Election decisions fall under the publication obligation of Codified Law 2190/1920, article 7(b), and are announced by the Board of Directors at the immediately ensuing General Meeting, which may replace the elected members, regardless of whether a relevant item has been included in the agenda thereof.

2.1.7 If possibly any member of the BoD departs or deceases or is declared fallen for any reason before the expiration of its service, the remaining members may continue the management and representation of the company without replacing the fallen members, according to the previous paragraph, with the prerequisite that they are over the half members, as they were before these facts. In any case the members cannot be less than three.

2.2 Information concerning the members of the BoD

2.2.1 The BoD of the company has eight members and has the following members:

Athanasios Dorotheos Hatzioannou, Chairman & CEO
Savvas Dorotheos Hatzioannou, Vice President
Dorotheos Athanasios Hatzioannou, Executive Member
Evaggelos Athanasios Hatzioannou, Executive Member
Efthimios Nikolaos Bakalis, Executive Member
Emmanuel Prokopios Vlaseros, Independent non Executive Member
Vasileios Panagiotis Tsiganos, Independent non Executive Member
Nikolaos George Doulaveris, Independent non Executive Member

The above BoD's was elected from the company's Extraordinary General Shareholder's Meeting on 27/12/2010 and will be effective up to 14/06/2015.

2.2.2 The brief resumes of the members of the BoD are:

Athanasios Hatzioannou

Born in Kozani in 1959. He studied in Italy on the textile industry. He is a member of Hatzioannou S.A. Management team since 1987, where he is actively involved since 1980, mainly on issues of industrial production.

Savvas Hatzioannou

Born in Germany in 1963. He has been Chairman of the Board of Directors of Vertical S.A. and Hatzioannou S.A. for a number of years. Currently he holds the position of Vice President of the BoD of SPRIDER STORES S.A.

Dorotheos Hatzioannou

Born in 1982. He holds a Bachelors Degree in Business Administration – Marketing from Devry University. He speaks English. He worked for several years at Group Hatzioannou, where he assumed various managerial positions at several of the Group's subsidiaries both in Greece as well as abroad. As of July 2010 he returned at SPRIDER STORES SA where he assumed the position of Group Commercial Director.

Evangelos Hatzioannou

Born in 1983. He holds a Bachelors degree in Business Administration from the Athens University of Economics and Business (A.U.E.B.) and has attended several seminars in the London School of Economics. He speaks English. He has served for several years in various managerial positions for several of Group Hatzioannou companies. As of May 2009 he assumed the position of Deputy Financial Officer of SPRIDER STORES S.A.

Efthimios Bakalis

Born in Athens in 1965. He holds a Bachelor's degree in Economics from the Athens University of Economics and Business. He speaks English, Italian, and German. Within 1989, upon completion of his military obligations, he worked for an electric products importer. He has been working at SPRIDER STORES S.A. since 1991 in the Imports Department.

Emmanuel Vlasseros

Born in Naxos in 1956. He holds a Bachelor's degree in Economics from the Piraeus University. He has extensive experience in senior management positions in various companies and in consultancy services.

Vasileios Tsigganos

Born in Patra in 1958. He holds a Certificate and Diploma in Marketing from the EMCS University as well as a Diploma in Communications. Moreover, he holds an MA degree in Marketing from the Bristol University. He served as an executive for several multinationals in the field of communications and he also held several senior management positions at Greek corporations. Today he runs his own business specializing in the fields of coaching and training.

Nikolas Doulaveris

Born in Agia Vlacherna, Euritania in 1958. He studied Economics at AUUEB. For the past twenty years he served as senior executive for several Greek corporations in the financial services field.

2.3 Audit Committee

2.3.1 The company in compliance with the Law 3693/2008 elected during its Extraordinary General Shareholders Meeting on December 27th 2010 an Audit Committee including comprising of the following non executive members:

Emmanuel Prokopios Vlasseros, Chairman
Vasileios Panagiotis Tsigganos, Member
Nikolaos George Doulaveris, Member

The three members are independent non executive members of the BoD.

2.3.2 The authorities and obligation of the Audit Committee are:

- a) observing the procedure of financial information,
- b) the observation of the efficient operation of the system of internal control and the system of risk management, as well as the observation of the correct operation of the internal auditors of the company
- γ) the observation of the course of the obligatory check of the financial statements company and of the group
- δ) the observation of issues contingent to the existence and preservation of the independence of the auditor especially on what concerns the providing of other services from the auditor.

2.3.3 Mission of the Audit Committee is the ensurance of efficiency of the company's proceedings affairs, the control of the credibility of the financial information that is provided to the investing public and the shareholders of the company, the compliance of the company with the laws, the safeguard of investments and assets of the company and the detection and confrontation of the most important risks.

2.3.4 The audit committee during 2010 (01/01/2010-31/12/2010) convened twice.

2.3.5 It is also clarified that the Auditor of the company who audits the annual and interim financial statements, does not offer any other auditing or other service to the company, or is connected to the company so his objectivity , impartiality and independence.

3. General Assembly of Shareholders

3.1 Way of operation of the General Assembly and its basic Authorities

3.1.1 The General Assembly is the supreme body of the Company and is entitled to decide for any company matter and to conclude upon all matters, which are submitted or said. More specifically it is exclusively competent to decide upon:

- a) the amendments of the articles of association. As amendments are meant also the increases or decreases of the capital share and other cases that are enforced by law,
- b) the election of Auditors,
- c) the approval of the balance sheet and the annual financial statements of the Company,
- d) the distribution of annual profits,
- e) the merge, fracture, conversion, revival of the Company,
- f) the conversion of shares of registered,
- g) the extension or abbreviation of the duration of the company,
- h) the dissolution of the Company and the appointment of liquidators,
- i) the appointment of members of the BoD, apart form the case of article 11 of the present and
- g) the approval of the election according to article 19 of the Articles of Association, the temporary members replacing the members that resigned, passed away of have fallen out

3.1.2 The decisions of the General Shareholders Meeting are obligatory for the shareholders that are absent or object.

3.1.4 The Shareholder Meeting, with the exception of the repeating Meetings and those that simulate it, must convene twenty (20) days at least before its date including the non working days. The date of publication of the invitation and the day of the General Assembly are not calculated.

In the invitation to the General Assembly, the date, year, day time and place of the General Assembly must be determined, the matters of the agenda, the shareholders that have the right to take part in the Shareholder Meeting as well as accurate directions of how to take part in Shareholder Meeting and exercise their rights in person or via representative or even from a distance. An invitation for the

General Assembly is not required when the shareholders that are represented represent the total of the share capital and none of them contradict its realization and the making of decisions.

3.1.5 The Shareholder Meeting has a quorum and duly convokes in the matters of the agenda when in the said shareholders who represent one fifth (1/5) at least of the paid capital share are represented.

If such quorum is not achieved the General Assemble converges again in twenty (20) days from the date of the meeting which was cancelled since is invited for that purpose ten (10) at least days earlier. The said repetitive meeting duly convokes for the matters of the initial agenda no matter what percentage of the share capital represented is.

The decisions of the General Assembly are taken by absolute majority of votes, which are represented.

Exceptionally, when it concerns decisions regarding: a) the alteration of the Company's nationality, b) the alteration of the Company's registered office, c) the alteration of the purposed or object of the Company's business, d) the alteration of the Company's shares to registered, e) the increase of the obligations of shareholders, f) the increase of share capital g) the decrease of share capital, h) the issuance of Bond Loans according to articles 3a and 3b of 2190/1920, i) the alteration of the mode of distribution of profits, j) the merging, dispersion, alteration, revival of the company, ja) the company's dissolution, jb) the giving or renewing of authority to the BoD for increase of share capital according to par. 1art. 6 of the Articles of Association, and jc) every other case for which the law determines. the General Assembly has a quorum and duly convokes when shareholders representing two thirds (2/3) of the paid share capital are represented.

3.1.7 The President of the BoD or when he is hindered his lawful replacer presides temporarily in the General Assembly and defines as secretary one of the Shareholders or their representatives who are present, until the list of shareholders is certified by the General Assembly, who are entitled to participate in the said and elects the ordinary presiding office. The Presiding Office is composed of the President and the Secretary who also executes duties of vote – teller.

3.1.8 The discussions and the decisions of the General Assembly are restricted to the mattes of the agenda. The agenda is drawn by the BoD and includes the proposals of the BoD towards the Assembly, as well as the possible proposals of the BoD towards the Assembly, who represent the one twentieth (1/20) of the Share Capital. The discussions and decisions of the General Assembly are registered in a special Book (Book of Minutes) and the relevant minutes are signed by the President and the Secretary of the Assembly. At the beginning of the minutes the list of shareholders is registered. Upon application of the shareholders the President of the Assembly is obliged to register in the in the minutes the shareholder's opinion who requested the above. If in the General Assembly one (1) shareholder is present, the assembly is also attended by a Notary.

3.2 Shareholder Rights

3.2.1 Rights to participate and vote

3.2.1.1 The shareholders exercise their rights, concerning the management of the company, only in General Assemblies and according to the law and the Articles of Association. Each share gives the right for one vote in the General Assembly according to Law 2190/1920 as it stands today.

3.2.1.2 In the General Assemble anyone who appears as a shareholder in the Dematerialized Securities System which is managed by Athens Stock Exchange S.A. has a right to participate. The proof of shareholders identity is established by the relevant written assurance of the above mentioned organization or by direct electronic connection of the Company with the organization.

The person must be a shareholder 5 days before the General Assembly (record date), and the relevant receipts or the electronic receipts concerning the shareholding capacity must come to the company at the latest the third day before the General Assembly.

3.2.1.3 In the General Assembly only those who are shareholders in the said date have a right to participate in the General Assembly. In case of non compliance to article 28a of the law 2190/1920, the said shareholder participates in the General Assembly only after its license.

3.2.1.4 The fulfilling of the above mentioned rights does not require the prior bound of the shareholders' shares or any other procedure that limits the possibility of selling or transferring shares in the time between the record date and the date of the General Assembly.

3.2.1.5 The shareholder participates in the General Assembly and votes either in person or via proxies.

Each shareholder may appoint up to three (3) proxies. Legal entities may participate in the General Assembly appointing as proxies up to three natural entities. However, if the shareholder owns shares of the company that appear in more than one accounts, he may appoint different proxies. A proxy that acts on behalf of different shareholders may vote differently for each shareholder. The proxy must inform the Company before the beginning of the General Assembly, any fact that may be useful to assess the risk that the proxy may cater to interests other than the represented shareholder.

The appointment and reverse of a proxy takes place in writing and is announced to the company at least three (3) days before the date of the general Assembly.

3.2.2 Other rights of shareholders

3.2.2.1 Ten days before the general Assembly each shareholder may take from the Company copies of the Annual Reports.

3.2.2.2 Upon application of Shareholders that represent the one twentieth (1/20) of the paid capital, the BoD is obliged to convene an extra- ordinary General Assembly. The day of the Assembly must not abstain more than forty five (45) days from the date that the application was served to the President of the BoD. The application must also contain the matters that are going to be discussed. If the General Assembly is not convened after twenty days from the relevant application, the Assembly is convened by the shareholders with the expense of the company with a court decision.

3.2.2.3 By application of the share holders that represent one twentieth (1/20) of the share capital, the BoD is obliged to add additional matters in the agenda that has already convene, if the relevant application comes to the BoD at least fifteen (15) days before the general Assembly. The additional matters have to be published, under the responsibility of the BoD, according to art. 26 of the law 2190/1920, seven (7) days at least before the General Assembly.

3.2.2.4 Upon application of the shareholders that represent one twentieth (1/20) of the share capital, the BoD gives out at least six (6) days before the date of the General Assembly, plans of decisions for matters that have been included in the initial or the revised agenda, if the relevant application has come to the BoD seven (7) days before the date of the General Assembly.

3.2.2.5 After an application of any shareholder, the BoD has to present to the General Assembly the necessary information for the affairs of the company to the point that they are useful for the true estimation of the matters of the agenda.

3.2.2.6 Upon application of the one twentieth (1/20) of the paid share capital, the President of the General Assembly to postpone only once the taking of the decisions of the ordinary or extra- ordinary General Assembly and defines as date of the decision making the date mentioned in the application of the shareholders. The said date may not abstain more than thirty (30) days from when the postponement was granted. A reconvened General Meeting following adjournment constitutes a continuation of the preceding one and does not call for a new invitation to be addressed to shareholders; moreover, it may also be attended by new shareholders, in line with the provisions of articles 27 par. 2 and 28 of Codified Law 2190/1920.

3.2.2.7 Upon application of the one twentieth (1/20) of the paid share capital, which must be submitted five (5) days before the General Assembly, the BoD must announce to the General Assembly the amounts that in the last two years have been paid for any reason to the members of the BoD or its Directors or other employees as well as any other contract that was drawn up with the same persons.

The BoD is required to give out such information if it is useful for the assessment of the matters of the agenda. The BoD may decline to give out such information and post in the minutes the relevant reason. Such grounds for attendance may be established, under the circumstances, if the requesting shareholders are represented in the Board of Directors, in accordance with Codified Law 2190/1920, article 18, par. 3 or 6.

3.2.2.8 Upon application of the one fifth (1/5) of the paid share capital, which is submitted within the deadline of the previous paragraph, the BoD has to offer the General Assembly information regarding the course of company affairs and the assets of the company. The BoD may decline to give out such information and post in the minutes the relevant reason. Such grounds for attendance may be established, under the circumstances, if the requesting shareholders are represented in the Board of

Directors, in accordance with Codified Law 2190/1920, article 18, par. 3 or 6, on condition that the respective members of the Board of Directors have received due and proper notification thereof.

3.2.2.9 In case of the one twentieth (1/20) of the paid share capital, the decision making for any matter of the agenda is done by registered vote.

3.2.2.10 Shareholders of the company, that represent one twentieth (1/20) of the share capital have the right to ask for the control of the company from the Court of First Instance of the district in which the company has its registered address. An audit is ordered if acts are suspected which are in violation of the provisions of the laws, or of the Articles of Association, or of the decisions of the General Meeting.

3.2.2.11 Shareholders of the company that represent the one fifth (1/5) of the paid share capital, have the right to ask the control of the company as described in the previous paragraph, if the management is not sensible. This provision shall not be applied in cases where the minority requesting the audit is represented in the Company's Board of Directors.

4. System of Internal Control and Risk Management

4.1 Main characteristics of the Internal Control

4.1.1. The Internal Control of the company is conducted by the Service of internal control according to the programme of control included in the Internal Rulebook of the company.

It is noted that the control on the base of which the relevant report is drawn up within the law 3016/2002, as it stands, as well as Decision 5/204/2000 of the Hellenic Market Committee, as it stands after its alteration by the Decision of the BoD of the Hellenic Market Committee no 3/348/19.7.2005. S/he shall report to the Company's Board of Directors, cases of conflict of interest, which s/he ascertains in the framework of exercising his/her duties, involving a conflict between the private interests of Company Board members or executives, and the interests of the Company. Internal auditors are obligated to report to the Board of Directors in writing, at least on a quarterly basis, regarding the audit they have performed, as well as to attend General Shareholders' Meetings. Moreover, they shall provide, following the authorisation of the Company's Board of Directors, any information as shall be requested of them in writing by the Supervisory Authorities, and they shall cooperate therewith and provide every assistance and facilitation to the latter's monitoring, auditing and supervisory duties.

4.1.2 During the control the Service of Internal Control takes into account all the necessary books, files, bank accounts and portfolios of the company and asks for the complete and constant cooperation of the management so that all the necessary information and data with the purpose to reach conclusions that do not entail substantial inaccuracies. This control does not include any evaluation of the appropriate of the accounting principles that were adopted as well as the estimations made from the management as these are a matter of the legal auditor.

4.1.3 The scope of control is the evaluation of the general level of the procedures of the system of internal control. They shall monitor the implementation and continuous adherence to the Internal Regulation and Articles of Association of the Company, as well as, in general, to legislation applicable to the Company, especially legislation governing S.A. (Public Limited) companies and stock exchange legislation. In any controlled period several scopes of control are chosen, while the organization and operation of the BoD is constantly controlled as well as the Service of Servicing Shareholders and Investor Relations that operate based on the law 3016/2002.

4.2 Risk management concerning the financial statements. The Group has invested in the development and maintenance of MIS infrastructure that ensure the correct display of figures. At the same time an analysis of the results is made on a daily basis covering all the important fields of business activity. The actual, historical and budgeted figures are compared with adequate explaining of all the important deviations.

5. Other managerial or supervisory committees of the company

No other committees exist at the time.

6. Additional Informative data

6.1 Article 10, par. 1 of the Guidance 2004/25/EK of the European Parliament and Committee of April 21st 2004, relevant to the public offerings for the titles of companies that are negotiated in organized markets.:

“1. Member States shall ensure that companies as referred to in Article 1(1) publish detailed information on the following:

- a) the structure of their capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents;
- b) any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC;
- c) significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;
- d) the holders of any securities with special control rights and a description of those rights;
- e) the system of control of any employee share scheme where the control rights are not exercised directly by the employees;
- f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;
- g) any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC;
- h) the rules governing the appointment and replacement of board members and the amendment of the articles of association;
- i) the powers of board members, and in particular the power to issue or buy back shares;
- j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements;
- k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.”

6.2 Relevant to points c, d, f, h and i of par. 1 of article 10 the company states the following:

- concerning point c: the significant direct or indirect participations of the company are:

| Company | Country | Participati on Equivalent | Consolidati on Method |
|---|----------------|--|----------------------------------|
| SPRIDER STORES S.A | Greece | | Parent |
| FASHION LOGISTICS S.A | Greece | 24.50% | direct |
| SPRIDER BULGARIA Single Person LTD | Bulgaria | 100.00% | direct |
| SPRIDER STORES S.R.L. (ROMANIA) | Romania | 100.00% | direct |
| SPRIDER STORES (CYPRUS) LIMITED | Cyprus | 100.00% | direct |
| COMPANY FOR SERVICES AND TRADE OUTLET MACEDONIA Dooel EXPORT IMPORT SKOPJE | Skopje | 100.00% | direct |

Moreover, the significant direct or indirect participations in the share capital and the voting rights of the Company, under the meaning of Law 3556/2007, articles 9 through to 11, are the following:

| SHAREHOLDERS | NUMBER OF SHARES & MINORITY RIGHTS S | PARTICIPATION PERCENTAGE |
|----------------------------------|---|---------------------------------|
| Hatzioannou S.A. | 31,454,271 | 39.92% |
| Athanasios Hatzioannou | 9,539,429 | 12.11% |
| Savvas Hatzioannou | 8,051,369 | 10.22% |
| ABN AMRO GLOBAL CUSTODY SERVICES | 6,774,500 | 8.60% |

- concerning point d: no such titles exist
- concerning point f: There is no limitation on the voting right of each share of the Company.

Concerning the exercise of voting rights during th General Assembly a detailed report is provided in unit 3 of the Statement of Corporate Governance.

- concerning point f: concerning the appointment and replacement of the members of the BoD as well as the alteration of the articles of Association of the company, there are no rules that differ from what is stated in Law 2190/1920. These rules analyzed in Unit 2.1 of the present Statement.
- concerning point i: The Company have no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason in case of a public offer.

The present Statement is part of the Annual Report of the Board of Directors of the Company.

Anthousa, Attica, March 14, 2011

Chairman & CEO

Athanasios Hatzioannou
Id No. AA 926225

D. Annual Financial Statements

The attached financial statements are those approved by the Board of Directors of SPRIDER STORES S.A. on March 14, 2011 and has been posted in internet, in the address www.spriderstores.com, as well as in the ATHEX website, where it will remain in the disposal of investors for a time period of at least 5 years, since the date its edit and publication.

The attention of the reader is drawn to the fact that the Synoptic Financial Data and Information that derive by the financial statements published in the press aim at providing the public with a general information regarding the financial situation and the result of the Company, but they do not present a comprehensive view of the financial position and the results of operation and the Cash Flow of the Company and the Group, in accordance with the International Financial Reporting Standards.

Statement of Financial Position

| Amounts in th. € | Note. | THE GROUP | | THE COMPANY | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 5.2 | 67,130 | 72,782 | 53,320 | 59,471 |
| Intangible assets | 5.3 | 3,021 | 3,538 | 2,793 | 3,211 |
| Investments in subsidiaries | 5.4 | - | - | 2,800 | 19,060 |
| Investments in affiliated parties | 5.4 | - | - | 200 | 418 |
| Other long-term receivables | 5.6 | 2,642 | 2,750 | 2,456 | 2,563 |
| Deferred income tax | 5.15 | 1,989 | 432 | 1,218 | 329 |
| Total | | 74,782 | 79,502 | 62,786 | 85,051 |
| Current assets | | | | | |
| Inventories | 5.7 | 36,427 | 43,822 | 32,183 | 38,868 |
| Trade and other receivables | 5.8 | 13,609 | 11,625 | 18,934 | 16,522 |
| Other receivables | 5.8 | 6,040 | 11,422 | 5,910 | 11,168 |
| Short term financial assets | 5.9 | 170 | 253 | 170 | 253 |
| Cash and cash equivalents | 5.10 | 4,973 | 8,588 | 4,517 | 6,237 |
| Total | | 61,219 | 75,710 | 61,715 | 73,047 |
| Total Assets | | 136,001 | 155,212 | 124,502 | 158,098 |
| EQUITY AND LIABILITIES | | | | | |
| Own Equity | | | | | |
| Share Capital | 5.11 | | | | |
| Share premium | | 23,636 | 23,636 | 23,636 | 23,636 |
| Cash flow hedging reserve | | 241 | 241 | 241 | 241 |
| Other reserves | | 136 | (11) | 136 | (11) |
| Curried forward | | 3,804 | 3,804 | 3,804 | 3,804 |
| Foreign exchange differences reserves | | 24,396 | 34,989 | 13,589 | 39,343 |
| Own equity attributable to the shareholders of the parent | | (924) | (715) | - | - |
| Minority interest | | 51,290 | 61,944 | 41,406 | 67,014 |
| Total equity | | 51,290 | 61,944 | 41,406 | 67,014 |
| Long-term liabilities | | | | | |
| Employee benefits due to retirement | 5.17 | 1,200 | 1,510 | 1,200 | 1,510 |
| Long-term bank liabilities | 5.16 | 21,400 | 26,000 | 21,400 | 26,000 |
| Long-term financial liabilities | 5.16 | 2,744 | 3,120 | 2,744 | 3,120 |
| Deferred tax liabilities | 5.15 | 31 | 16 | - | - |
| Other long-term liabilities | 5.16 | - | 1,098 | - | 1,098 |
| Total | | 25,375 | 31,743 | 25,344 | 31,728 |
| Short-term liabilities | | | | | |
| Suppliers and other liabilities | 5.13 | 28,092 | 30,472 | 26,848 | 28,215 |
| Current tax | 5.14 | 705 | 3,651 | 705 | 3,646 |
| Other liabilities | 5.14 | 3,281 | 4,337 | 2,958 | 4,060 |
| Short-term bank liabilities | 5.16 | 21,721 | 18,350 | 21,721 | 18,202 |
| Short-term financial liabilities | 5.9 | (0) | 268 | (0) | 268 |
| Provisions and other Short-term liabilities | 5.12 | 5,537 | 4,446 | 5,520 | 4,965 |
| Total short-term liabilities | | 59,336 | 61,524 | 57,752 | 59,357 |
| Total liabilities | | 84,711 | 93,268 | 83,095 | 91,085 |
| TOTAL EQUITY AND LIABILITIES | | 136,001 | 155,212 | 124,502 | 158,098 |

Any differences to the totals are due to rounding

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements.

Statement of Comprehensive Income

| Amounts in th. € | NOTE | THE GROUP | | THE COMPANY | |
|---|-------------|------------------|------------------|------------------|------------------|
| | | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
| Sales | 5.1 | 144,432 | 163,370 | 138,003 | 155,010 |
| Cost of sales | 5.18 | (63,835) | (74,220) | (64,305) | (73,864) |
| Gross profit | 5.18 | 80,597 | 89,151 | 73,698 | 81,146 |
| Selling expenses | 5.18 | (74,785) | (78,076) | (66,401) | (69,029) |
| Administrative expenses | 5.18 | (7,633) | (8,896) | (7,034) | (7,782) |
| R&D expenses | 5.18 | (854) | (1,129) | (854) | (1,129) |
| Other income | 5.18 | 4,860 | 9,682 | 4,423 | 8,793 |
| Other expenses | 5.18 | (6,708) | (8,753) | (6,298) | (7,760) |
| Operating Profits | | (4,523) | 1,979 | (2,466) | 4,238 |
| Financial income | 5.18 | 65 | 155 | 27 | 117 |
| Financial cost | 5.18 | (2,246) | (2,417) | (2,203) | (2,346) |
| Loss / (Profit) from the sale and destruction of assets | 5.18 | (3,339) | 96 | (3,337) | 524 |
| Other financial results | 5.18 | - | (109) | - | (109) |
| Results from affiliated companies | 5.18 | (740) | (99) | (17,978) | (1,665) |
| Profit (loss) before tax | | (10,783) | (396) | (25,958) | 760 |
| Income tax | 5.19 | 873 | (2,792) | 204 | (2,771) |
| Net profit (loss) for the period | 5.25 | (9,910) | (3,188) | (25,755) | (2,011) |
| Profit (loss) before tax from discontinued operations | 5.25 | (267) | (1,056) | | |
| Income tax | | - | (135) | | |
| Net profit (loss) from the period from discontinued operations | 5.25 | (267) | (1,191) | | |
| Net profit (loss) for the period | | (10,177) | (4,379) | (25,755) | (2,011) |

| Other Comprehensive Income | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Exchange differences from the conversion of the financial statements of business activities abroad from continued operations | (625) | (124) | - | - |
| Exchange differences from the conversion of the financial statements of business activities abroad from discontinued operations | - | (50) | | |
| Cash flow hedging | 131 | (3,074) | 131 | (3,074) |
| Income tax of the other comprehensive income | 16 | 769 | 16 | 769 |
| Other comprehensive income of the period after tax | (477) | (2,479) | 147 | (2,306) |
| Accumulated comprehensive results of the period | (10,654) | (6,859) | (25,607) | (4,317) |
| Profits of the period attributable to: | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
| Shareholders of the parent | (9,910) | (3,188) | (25,755) | (2,011) |
| Minority interest | - | - | - | - |
| | (9,910) | (3,188) | (25,755) | (2,011) |
| Profit (loss) from the period from discontinued operations | | | | |
| Shareholders of the parent | (267) | (1,191) | - | - |
| Minority interest | - | - | - | - |
| | (267) | (1,191) | - | - |
| Cumulative comprehensive results of the period attributable to: | | | | |
| Shareholders of the parent | (10,654) | (6,859) | (25,607) | (4,317) |
| Minority interest | - | - | - | - |
| | (10,654) | (6,859) | (25,607) | (4,317) |
| Profit (loss) per share attributable to shareholders of the parent | | | | |
| Basic (€) | (0.1258) | (0.0405) | (0.3269) | (0.0255) |
| Profit (loss) per share from discontinued attributable to shareholders of the parent | | | | |
| Basic (€) | (0.0034) | (0.0151) | 0.0000 | 0.0000 |
| Suggested dividend per share (€) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

| | CONTINUED OPERATION | | | |
|--|-------------------------------|------------------------------|------------------------------|------------------------------|
| | THE GROUP | | THE COMPANY | |
| | 01.01- 31.12.2010 | 01.01- 31.12.2009 | 01.01- 31.12.2010 | 01.01- 31.12.2009 |
| Profit / (Losses) before interest and taxes | (4,523) | 1,979 | (2,466) | 4,238 |
| Profit / (Losses) before interest, taxes, depreciation and amortization | 6,805 | 13,547 | 7,391 | 14,272 |
| | DISCONTINUED OPERATION | | | |
| | THE GROUP | | THE COMPANY | |
| | 01.01- 31.12.2010 | 01.01- 31.12.2009 | 01.01- 31.12.2010 | 01.01- 31.12.2009 |
| Profit / (Losses) before interest and taxes | (171) | (539) | | |
| Profit / (Losses) before interest, taxes, depreciation and amortization | (156) | (392) | | |

Any differences to the totals are due to rounding

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

Statement of changes in equity

The group

| CONSOLIDATED FIGURES | Own equity attributed to SPRIDERSTORES shareholders | | | | | | | Minority interest | Total Equity |
|---|---|---------------|---------------------------|--------------|-------------------|----------------------|---------------|-------------------|---------------|
| | Share capital | Share premium | Cash flow hedging reserve | Reserves | Retained earnings | Exchange differences | Total | | |
| Amounts in th. € | | | | | | | | | |
| Balance as of January 1, 2009 | 23,636 | 241 | 2,294 | 3,100 | 40,072 | (542) | 68,802 | - | 68,802 |
| Changes in owners' equity | | | | | | | | | |
| Transactions with owners | - | - | - | - | - | - | - | - | - |
| Earnings distribution for the fiscal year 2008 | - | - | - | 704 | (704) | - | - | - | - |
| Cumulative Comprehensive results for the period | - | - | (2,306) | - | (4,379) | (174) | (6,859) | - | (6,859) |
| Balance as of December 31, 2009 | 23,636 | 241 | (11) | 3,804 | 34,989 | (715) | 61,944 | - | 61,944 |
| Balance as of January 1, 2010 | 23,636 | 241 | (11) | 3,804 | 34,989 | (715) | 61,944 | - | 61,944 |
| Transactions with owners | | | | | | | - | | |
| Transform due to the changes of Group's structure | | | | | (416) | 416 | - | | - |
| Cumulative Comprehensive results for the period | - | - | 147 | - | (10,177) | (625) | (10,654) | | (10,654) |
| Balance as of December 31, 2010 | 23,636 | 241 | 136 | 3,804 | 24,396 | (924) | 51,290 | - | 51,290 |

Any differences to the totals are due to rounding

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

The Company

| Amounts in th. € | Share capital | Share premium | Cash flow hedging reserve | Reserves | Retained earnings | Total Equity |
|---|---------------|---------------|---------------------------------|--------------|----------------------|---------------|
| Balance as of January 1, 2009 | 23,636 | 241 | 2,294 | 3,100 | 42,059 | 71,331 |
| Transactions with owners | | | - | - | - | - |
| Earnings distribution for the fiscal year 2008 | | | | 704 | (704) | - |
| Cumulative Comprehensive income for the period | - | - | (2,306) | - | (2,011) | (4,317) |
| Balance as of December 31, 2009 | 23,636 | 241 | (11) | 3,804 | 39,343 | 67,014 |
| Balance as of January 1, 2010 | 23,636 | 241 | (11) | 3,804 | 39,343 | 67,014 |
| Transactions with owners | | | | | | - |
| Earnings distribution for the fiscal year 2009 | | | | - | | - |
| Cumulative Comprehensive results for the period | - | - | 147 | - | (25,755) | (25,607) |
| Balance as of December 31, 2010 | 23,636 | 241 | 136 | 3,804 | 13,589 | 41,406 |

Any differences to the totals are due to rounding

The attached notes on the Annual Financial Statements represent an integral part of the annual financial statements

Cash Flow Statement

| Amounts in th. € | THE GROUP | | THE COMPANY | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1/1 - 31/12/2010 | 1/1 - 31/12/2009 | 1/1 - 31/12/2010 | 1/1 - 31/12/2009 |
| Cash flows from operating activities | | | | |
| Profit / (losses) before tax (continued operations) | (10,783) | (396) | (25,958) | 760 |
| Profit / (losses) before tax (discontinued operations) | (267) | (1,056) | | |
| Adjustments for: | | | | |
| Depreciation | 11,328 | 11,568 | 9,858 | 10,034 |
| Provisions - impairments | (77) | 15,373 | (75) | 14,793 |
| Foreign Exchange differences | 251 | (1,707) | 221 | (1,993) |
| Debit interest | 2,246 | 2,432 | 2,203 | 2,346 |
| Credit interest | (65) | (156) | (27) | (117) |
| Results (income, expenses, profit and losses) from investing activities | 740 | 209 | 17,978 | 1,774 |
| Loss / (Profit) from the sale of assets | 3,339 | (534) | 3,337 | (524) |
| Decrease/(increase) in inventories | 7,395 | 3,225 | 6,684 | 2,529 |
| Decrease/(increase) receivables | (2,326) | (6,172) | (2,589) | (10,584) |
| (Decrease)/increase in Suppliers and other liabilities (except for banks) | (2,217) | (6,072) | (1,786) | (2,768) |
| Less: | | | | |
| Interests paid | (2,020) | (2,706) | (1,978) | (2,620) |
| Income tax paid | (1,668) | (5,224) | (1,644) | (5,115) |
| Operating cash flows from discontinued operations | (24) | 1,047 | | |
| Net Cash flows from operating activities | 5,852 | 9,831 | 6,224 | 8,515 |
| Cash flows from investing activities | | | | |
| Acquisition of subsidiaries, affiliated companies, joint ventures & other companies / available for sale | 191 | (7) | 191 | (7) |
| Purchase of tangible and intangible assets | (8,619) | (16,958) | (7,002) | (15,888) |
| Proceeds from sale of property, plant and equipment | 530 | 4,996 | 303 | 4,986 |
| Proceeds from the sale of subsidiary minus cash of it | (17) | (14) | | |
| Subsidiaries and affiliated companies Financing | - | - | - | (728) |
| Interest Income from investments | 65 | 156 | 27 | 117 |
| Cash flows from investing activities from discontinued operations | 0 | (43) | | |
| Net Cash flows from investing activities | (7,850) | (11,871) | (6,482) | (11,520) |
| Cash flows from financing activities | | | | |
| Cash proceeds from loans | 6,600 | 17,648 | 6,600 | 17,500 |
| Payments of loans | (7,933) | (10,500) | (7,800) | (10,500) |
| Repayments of financial leasing liabilities | (258) | (360) | (258) | (360) |
| Dividends paid | (0) | (12) | (0) | (12) |
| Cash flows from financing activities from discontinued operations | - | - | | |
| Net Cash flows from financing activities | (1,591) | 6,776 | (1,458) | 6,628 |
| Net increase (decrease) in cash and cash equivalents | (3,589) | 4,736 | (1,716) | 3,623 |
| Cash at the beginning of the period | 8,588 | 3,882 | 6,237 | 2,618 |
| Profit/(loss) from foreign exchange differences and its effect on Cash and Cash Equivalent | (25) | (30) | (4) | (4) |
| Cash at the end of the period | 4,973 | 8,588 | 4,517 | 6,237 |

Any differences to the totals are due to rounding.

The attached notes represent an integral part of the interim financial statements.

Notes to the consolidated financial statements**1. General information**

The financial statements for the Group and the Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as these have been published by the International Accounting Standards Board.

The parent Company of the Group is SPRIDER STORES S.A. The Company was established in 1978 in Athens and is headquartered in Greece, Prefecture of Attica, Community of Anthoussa, on 1 Syrou Street, location O.S.A.M., Postal Code 153 49. The Company's website is www.spriderstores.com.

SPRIDER STORES S.A. shares are listed on the Athens stock exchange since 2004.

The financial statements of December 31st 2010 have been approved for issue by the Board of Directors on March 14 2011. According to the provisions of the Hellenic Capital Market Commission after the date of the approval of the financial statements no amendments are allowed

Please note that SPRIDER STORES is included in the consolidated financial statements of HATZIOANNOU HOLDINGS S.A., a company also listed in the Athens Exchange. HATZIOANNOU HOLDINGS S.A. is headquartered in Greece, holds a share of 39,92% in SPRIDER STORES (as of December 31, 2010) and consolidates it in its own financial statements under full consolidation method due the control of the majority stake at the Company's BoD meetings.

The SPRIDER STORES Group is engaged in the clothing-shoes sector, holding a leading role in the Greek market. The Group offers total clothing solutions for the entire family. Furthermore, in 2009, the company created the collection SPRIDER Home, which includes a wide range of household products covering all practical and decorative needs of a modern household.

2. Basis of preparation

The consolidated and parent financial statements of SPRIDER STORES S.A. have been prepared in accordance with International Accounting Standards (IAS). The financial statements have been prepared under the historical cost principle as modified by the revaluation of particular items of assets and liabilities at their fair value, the going concern principle and are in conformity with the framework for the preparation of financial statements and are in accordance with the International Financial Reporting Standards (IFRS) that have been issued by the International Accounting Standards Board (IASB) and their interpretations that have been issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB.

All revised or newly issued Standards and Interpretations that have an impact on Group and are in effect on December 31st 2010 have been taken into consideration for the preparation of the financial statements of the current fiscal year in the extent they were applicable.

The preparation of the financial statements according to the international Financial Reporting Standards (IFRS) requires the use of accounting estimates. The situations which require a more sophisticated level of judgment and complexity or the situations where the assumptions and the estimations are significant for the consolidated financial statements, are included in Note 2.2

FY 2003 and 2004, the International Accounting Standards Board (IASB) has issued a series of new International Accounting Reporting Standards (IFRS) and reviewed International Accounting Standards (IAS), which in conjunction with the non-reviewed International Accounting Standards (IAS) that were published by the Committee of International Accounting Standards, the predecessor of the International Accounting Standards Board (IASB), which is referred to as "the IFRS Stable Platform 2005". The group applies IFRS Stable Platform 2005 as of January 1, 2005.

2.1. Changes in Accounting Principles

The Group has adopted fully all new IFRS and interpretations adopted by the European Union; their application is mandatory in drafting the financial statements for the year ended on 31/12/2010. In the following paragraphs we present the IFRS that apply to the Group have been adopted as of January 1st 2010, as well as all those that are obligatory as of January 1st 2010 but do not apply to the Company's operations as well as the standards, amendments to the standards and interpretations on existing standards, which either have not been in effect as yet or have not been adopted by EU as yet.

2.1.1. Changes in Accounting Principles (Amendments in published standards in effect as of 2010)

- **Annual Improvements 2009**

During 2009 IASB proceeded to the publication of the annual Improvements of IFRS for 2009 – a series of adjustments in 12 Standards – which is part of the annual IFRS improvements plan. The IASB annual improvement plan aims at the realization of necessary but non urgent adjustments to IFRS which will not be a part of a broader standards review plan

Moreover, the following standards, amendments and revisions are in effect as of 2010 but do not apply to the Group.

- **Annual Improvements 2008**

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations: The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale.

- **Amendment to IFRS 1 "IFRS First Adoption" - Limited Exemptions from Comparative Information for IFRS 7 Disclosures of first-time Adopters of IFRS**

This Amendment exempts businesses that are first-time adopters of IFRS from the obligation to provide comparative information regarding disclosures required by IFRS 7 "Financial Means: Disclosures") This amendment is applied for annual fiscal periods that begin on or after July 1, 2010 and has been approved from the European Union. This amendment does not apply to the Group.

- **Amendment to IFRS 2 "Share based Payment"**

The IASB has issued an amendment to IFRS 2, which clarifies the accounting method of share-based transactions between companies in the same group and how those are recognised in the separate financial statements of the subsidiaries. This amendment does not apply to the operations of the Group.

- **Adoption of the revised IFRS 3: «BUSINESS COMBINATIONS» and the revised IAS 27: «Consolidated Financial Statements and accounting treatment of investments in affiliates»**

The revised IFRS 3 introduces a series of changes in the accounting treatment of business combinations that will affect the amount of the recognized goodwill, the results of the fiscal period when the acquisition of businesses is realized as well as the future results. These changes include the recognition of cost as expenses related to the acquisition as well as the recognition of deferred changes in the fair value of the "contingent consideration" at the income statement. The amended IAS 27 demands transactions which lead to the recognition of participation in a subsidiary at the shareholders equity. Moreover, the amended standard change the accounting treatment of the losses incurred by a subsidiary as well as the lack of control of a subsidiary. All changes of the aforementioned standards will apply and affect future acquisitions and transactions with minority shareholders.

- **IAS 39: "Financial instruments: Recognition and Measurement" – Amendment to IAS 39 for instruments that fulfill the conditions for an accounting hedge**

The amendment to IAS 39 clarifies accounting hedging issues and in specific the inflation and the one-sided risk of a hedge instrument.

The implementation of the amendment is not expected to have an impact on the Group's financial statements.

- **IFRIC 17: Distributions of Non-cash Assets to Owners**

When an entity announces the distribution of dividends and has the obligation to distribute a part of its assets to its owners, it should recognize a liability for those dividends payable.

The purpose of Interpretation 17 is to provide guidance on when a company should recognize dividends payable, how to calculate them and how it should record the difference between the book value of the net assets distributed and the book value dividend payable when the dividends payable are paid by the entity.

- **IFRIC 18: Transfers of Assets from Customers**

Interpretation 18 mainly applies to entities or organizations that provide services of general interest. The purpose of IFRIC 18 is to clarify the IFRS requirements regarding the agreements where an entity receives from a client part of a tangible asset (land, buildings, equipment) which the entity must use in order for the customer to be part of a network or in order for the customer to acquire continuous access to the supply of products or services (i.e. supply of electricity or water).

In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of a facility in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services (or to provide both). The Interpretation 18 clarifies the circumstances under which the definition of an asset is met, the recognition of the asset and the measurement of its initial cost. Furthermore it sets the method for the determination of the obligation for the provision of the said services in return for the asset as well as the method of recognition of the revenue and the accounting for cash collections from customers.

2.1.2. Accounting standards, amendments and interpretations in existing accounting standards which are not yet in effect and have not been adopted

Furthermore, IASB has issued the following new IFRSs, amendments and interpretations which are not mandatory in the financial statements presented and which, up to the issuance date of these financial statements, they had not been adopted by the EU.

- **IFRS 9: "Financial instruments"**

IASB plans to fully replace IAS 39 "Financial Instruments, recognition and measurement" towards the end of 2010, when it will be placed in effect for the annual fiscal periods that will begin on January 1, 2013. IFRS 9 will be the first stage of the overall replacement plan for IAS 39. The basic stages are as follows:

Stage 1: Recognition and measurement

Stage 2: Impairment methodology

Stage 3: Hedge accounting

Furthermore, an additional plan is been discussed on issues regarding discontinuance of recognition.

IFRS 9 aims to reduce the complexity entailed in the accounting treatment of financial instruments, providing less categories of financial assets and a principle based on the approximation for their classification. According to the new standard, the financial entity classifies financial assets either under depreciated cost or at fair value, based on:

a) the company's business model for the management of financial assets and

b) the characteristics of compatible cash flows of financial assets (if it has not chosen to define a financial asset at fair value through profit and loss).

The existence of only two categories – depreciated cost and fair value – means that only one impairment model is required in the framework of the new standard, thus reducing complexity.

An impact from the application of IFRS 9 is being assessed by the company, as an impact on Equity and on the results of the business plan, which the company will choose in order to manage its financial assets, is not expected.

The standard applies for the annual fiscal periods as of 01/01/2013 and has not been approved by EU.

- **Amendment to IFRS 1 “IFRS First Adoption” - Limited Exemptions from Comparative Information for IFRS 7 Disclosures of first-time Adopters of IFRS**

This Amendment exempts businesses that are first-time adopters of IFRS from the obligation to provide comparative information regarding disclosures required by IFRS 7 “Financial Means: Disclosures”) This amendment is applied for annual fiscal periods that begin on or after July 1, 2010 and has been approved from the European Union. This amendment does not apply to the Group

- **IAS 24 “Related-Party Disclosures (revision)”**

By this amendment, the definition of related-parties is clarified and an attempt is made to reduce disclosures of transactions between related-parties of the public sector. In particular, the obligation of related-parties of the public sector to disclose details of all transactions performed with the public sector and other related-parties of the public sector is abolished; it clarifies and simplifies the definition of “related-party” and imposes the disclosure not only of the relations, transactions and other actions between related-parties, but also of obligations both in individual and consolidated financial statements. This amendment, which has not yet been adopted by the European Union, will enter into mandatory application as of January 1, 2011. The application of the revised standard do not affect the financial statements.

- **IFRIC 14 (Amendment) – “Advance payment of minimum capital requirements”**

This amendment was made in order to revoke the limitation that entities had to recognize an asset that arose from voluntary advance payment towards a benefits program in order to cover its minimum capital liabilities. This amendment is applied for annual periods that begin on or after July 1, 2011 and has been approved from the European Union. This amendment is not applicable for the Group.

- **IFRIC 19: Extinguishing Financial Liabilities with Equity**

Interpretation 19 examines the accounting treatment issue of cases in which the terms of a financial liability constitute an object of renegotiation and, as a result, entities issue shares to the creditor in order to fully or partially extinguish the financial liability. Such transactions are sometimes referred to as an exchange of “debit-equity instruments” or of shares and their frequency is increasing in the economic crisis.

The new Interpretation is applied for accounting periods that begin on or after July 1, 2010 and their early adoption is permitted. The interpretation does not apply to the Group.

- **IAS 32 (Amendment) “Financial Instruments: Presentation” – Classification of Rights Issues.**

This amendment revised the definition of financial liability in IAS 32 with the purpose of classifying certain stock options (referred to as “rights”) as equity instruments. The amendment applies to annual fiscal periods commencing on or after 01/02/2010 and the application of the amendment will examine if it has any impact on the consolidated financial statements. The above amendment has been approved by the European Union.

- **IAS 12 (Amendment) ‘Income Taxes’.**

This Amendment provides practical guidance for measuring the book value of assets carried at fair value or adjusted according to the provisions of IAS 40 'Investment Property'. According to present amendment, a future recovery of the book value of such assets is expected to be made through the future sale of that asset. This amendment is applied to annual periods beginning on or after 1 January 2012 and the impact of the application of the amendment to the Group's Consolidated Financial

Statements will be subjected to scrutiny. This amendment has yet to be officially ratified by the European Union.

- **Amendment to IFRS 1 'First-time Adoption of IFRS' – Abolition of the derecognition of financial assets and liabilities.**

This Amendment abolishes the use of the pre-defined transition date (1 January 2004) and replaces it with the actual date of transition to IFRS. At the same time, it abolishes the obligations to derecognise transactions that had taken place prior to the pre-defined transition date. This amendment is applied to annual periods beginning on or after 1 July 2011, while its earlier adoption is permitted. The application of the amendment will not have an effect on the consolidated Financial Statements of the Group. This amendment has yet to be officially ratified by the European Union.

- **Amendment to IFRS 1 'First-time Adoption of IFRS' – Hyperinflationary Economies.**

This Amendment provides guidance on the resumed adoption of IFRS after a period of non-compliance with IFRS due to the functional currency of the Entity having been subject to severe hyperinflation. This amendment is applied to annual periods beginning on or after 1 July 2011, while its earlier adoption is permitted. The application of the amendment will not have an effect on the consolidated Financial Statements of the Group. This amendment has yet to be officially ratified by the European Union.

- **IFRS 7 'Financial Instruments: Disclosures – Amendments regarding additional disclosures in cases of reclassification of financial assets "**

These amendments will allow users of the financial statements to obtain a better grasp of the reclassifications of financial assets and of the likely repercussions of any risks to which the transferee entity may continue to be exposed. On the basis of this amendment, additional disclosure obligations are imposed in cases where a disproportionately large percentage of transfer transactions are performed at the close of a reporting period. This amendment is applied to annual periods beginning on or after 1 July 2011, while its earlier adoption is permitted. The application of the amendment will not have an effect on the consolidated Financial Statements of the Group. This amendment has yet to be officially ratified by the European Union.

2.1.3. Annual Improvements 2010

During 2009, IASB issued annual IFRS Improvements for 2009 – a series of 12 adjusted Standards – which is part of the program for annual improvements of the Standards. The IASB annual improvements program aims to perform necessary, but not urgent, IFRS adjustments which were not part of a broader program of revisions. Most adjustments for annual periods begin on or after January 1, 2011, while an early application is permitted.

The Group does not intend to apply any of the Standards or the Interpretations at an earlier date.

Based on the existing structure of the Group and the accounting policies followed, the Management does not expect significant impacts (unless otherwise stated) on the Group's and the company's financial statements from the application of the aforementioned Standards and interpretations, when these become effective.

2.2. Important accounting judgments, estimates and assumptions

The preparation of financial statements according to International Financial Reporting Standards (IFRS) demands from management the formulation of judgements, assumptions and conditions that affect assets and liabilities at the reporting date of the financial statements. They also affect the disclosures of contingent assets and liabilities at the reporting date as well as the published revenues and expenses during the period. Actual results may differ from those estimated. Estimates and judgments are based on experience from the past as well as other factors including expectations for future events which are considered reasonable under specific circumstances while they are reassessed continuously with the use of all available information.

Judgments

The basic judgments that Group's Management implements (apart from judgments that are being linked with estimates that are presented thereafter) and have significant impact in the figures that are recognised in the financial statements have mainly to do with:

- **Classification of investments**

Management decides on the acquisition of an investment whether this will be classified as long term investments, current investments at fair value through the income statement or held for sale. For those investments classified as held until maturity, the management examines if they comply the IAS 39 criteria and in specific to the extent that the Group has both the ability and the intention to hold on to these assets until maturity. The Group classifies these investments as held for commercial purposes in the case that these were acquired mainly for short term gains. Classification of investments at fair value through the income statement depends on how the management monitors the return on investment. When they are not classed as current investments but fair values are available and reliably measured and movements at their fair value are included in the income statement, they are classed as valued at their fair value through the income statement. All other investments are classed as held for sale.

➤ **Inventory**

Inventory is valued at the lower price between historic cost and net liquidation value. In order to estimate the net liquidation value, management takes into account the most reliable evidence available at the evaluation time. Its activity lies upon potential impairments, mainly due to off fashion period, which causes price change.

- **Recoverability of accounts receivable and,**
- **Determining whether a lease can be classified as an operating or finance lease.**

Estimates and assumptions

Specific amounts which are included or affect the financial statements and the relevant disclosures are assessed demanding from the management of the company to formulate assumptions regarding values or conditions which is not possible to be certain during the period of preparation of financial statements. An accounting estimate is considered important when it is important for the image of the financial condition and results of the company and it requires the most difficult, subjective or complex judgments by management and which is often the result of the need for the formulation of assumptions which are uncertain. The group evaluates such estimates on a continuous basis based on the results of past experience, on experts consultations, trends and tendencies and on other methods which are considered reasonable in the current circumstances, as well as the company's provisions with regard to their possibility to change in the future. § 43 «Accounting Principles Summary», contains those accounting principles that have been selected from already accepted alternatives.

➤ **Estimates of Impairment**

Every year the group controls the tangible and other assets for any impairment. In order to estimate the impairment the fair value estimation is required for every recognizable tangible or other asset. In this case, the approach followed is either the discounted cash flow method or the independent estimators evaluation as deems necessary.

In addition they are monitored on an annual basis for potential impairment other recognizable intangible assets with defined useful lives which are being depreciated by comparing their book value with the sum of the non discounted cash flows that anticipated to be created from the asset. Intangible assets with non defined useful lives are being monitored annually as well by using a method of fair value such as the discounted cash flows.

➤ **Income Tax**

Sprider Stores S.A. is liable to income tax from various tax authorities. In order to determine the provisions for income taxes, significant estimations are required. There are many transactions and calculations for which the exact determination of the tax is uncertain during the normal course of operations of the company. Sprider Stores S.A. recognizes liabilities for expected tax audits base on estimations of the additional taxes that may be due. When the final result for the taxes from these issues, differs form the amount initially estimated in the financial statements, these differences affect the income tax and the provisions for deferred income tax of the period when these amounts are finalized.

➤ **Fair value of Derivatives and other Financial Instruments**

Sprider Stores S.A. uses derivatives to mitigate or eliminate a series of risks regarding foreign currency exchange rates. Accounting for derivatives, in order to qualify for hedge accounting, requires that at the inception of the arrangement the details of the hedging relationship must be formally documented and the hedged item and the hedging instrument (derivative financial contract) must meet the requirements

for hedge accounting. Accounting relating to derivatives is complex. In the case where the accounting principles are not applied correctly the movements in the derivative's fair value affect the income statement while the net movement of the fair values affects the income statement only when a profit or loss is realized, irrespectively if the hedging was successful.

For the evaluation whether a financial contract qualifies for hedge accounting, first of all is evaluated whether or not the financial contract meets the criteria for the exclusion from the continuous monitor of effectiveness. For a financial contract that does not meet the exclusion criteria, we monitor its effectiveness at the beginning and thereafter every following quarter, determining whether is effective in offsetting either changes in fair value or cash flows, as appropriate, for the risk being hedged. This test is performed on a cumulative basis in every period. If a hedge relationship becomes ineffective, it no longer qualifies as a hedge in the future. The fair values of the derivative financial contract and the hedged item are calculated using market data originating from independent sources.

➤ **Provisions**

The bad accounts are recorded showing the amounts that may be recovered. The estimation about the amounts to be recovered are a result of analysis as well as the group's experience on the possibility of bad receivables. As soon as it comes to our attention that a specific account is under increasing risk of the usual credit risk limits (ie low credit worthiness of the client, or a dispute as to the amount due or its existence, etc), the account is then analyzed and subsequently recorded as bad collectible, assuming that the conditions suggest that this receivable will not be collected.

➤ **Contingencies**

The Group is in legal disputes and compensations during the regular course of its operations. The management believes that any settlements will not materially affect the group's financial situation as at December 31, 2010. However, the determination of probable obligations in relation to these legal disputes, is a rather complicated procedure which involves judgmental opinions regarding the probable consequences and interpretations of the laws and the regulations. Any changes in the judgments or interpretations may cause an increase or decrease of the group's liabilities in the future.

➤ **Useful Life of Depreciable Assets**

The Company's management evaluates the useful life of depreciable assets in every period. On 31 December 2010 the Company's management believes that the useful lives of the assets are in line with their expected usefulness. Actual values though may differ due to the straight line depreciation of assets policy, especially for assets such as IT equipment and software.

➤ **Fair value of financial instruments**

The management uses evaluation methodologies of the fair value of its financial instruments whenever there are no available prices in the active markets. As regards the implementation of the valuation methods, the management uses those estimations and assumptions which are most probably consistent with the available information that the participants would use in order to evaluate a financial instrument. Whenever this information is not available the management utilizes the best possible estimations for the assumptions that will be used. These estimations may differ from the actual values at the financial statements period end.

3. Accounting Principles Summary

3.1. General

The important accounting principles adopted for the preparation of these consolidated financial statements are summarized below.

Consolidated financial statements are presented in thousands of Euros, or maybe are mentioned otherwise. Please note that any changes in sums are due to roundings.

3.2. Consolidation and investments in associates

3.2.1. Subsidiaries

Subsidiaries are those entities, in which the group has the power to control their financial and business policies. Sprider Stores SA reckons possession and exercise of control, when it holds more than half of the voting rights.

The existence and possible affection of potential voting rights that are exercisable or convertible, is taken into account in order to determine whether Sprider Stores SA exercises control over a financial entity.

Sprider Stores SA consolidated financial statements include the parent company's financial statements as well as the financial statements of the financial entities controlled by the group in full consolidation.

Subsidiaries are fully consolidated from the date that control over them is acquired by the group and cease to be consolidated from the date that this control no longer exists.

Accounting principles of subsidiaries have been changed where necessary to ensure consistency with the principles adopted by the Group.

Non controlling participations represent the part of profits or losses and net assets that do not belong to the Group. If the losses of a subsidiary regarding non controlling participations exceed the non controlling participations in the subsidiaries net shareholders equity, the excess amount is allocated to the shareholders of the parent company excluding the amount that the non controlling participations has as liability and may offset these losses.

Inter-company receivables and payables accounts, income and expenses from transactions and unrealized profits and losses between Group companies are written-off

In the parent company balance sheet the participation in subsidiaries is valued at acquisition cost, unless there are indications for impairment. In this case, the devaluation appears in the Income Statement account "Results from affiliated companies".

The revised IFRS 3 introduces a series of changes to the method of accounting for business combinations, which will have an impact on the amount of the recognised goodwill, on the results of the reporting period during which the acquisitions of businesses take place, as well as on future results. These changes include the expensing of costs pertaining to the acquisition and recognition of future adjustments to the fair value of the contingent consideration in the results. Revised IAS 27 requires that transactions leading to a change in participation in a subsidiary are accounted for as equity transactions. Moreover, the revised standard amends the accounting treatment of losses sustained by a subsidiary, as well as from the disposal of an investment in a subsidiary that results in loss of its control. All amendments to the above standards shall be retroactively applied and shall influence future acquisitions and transactions with shareholders holding non-controlling interests (NCIs).

The revised standards are anticipated to exert an impact on the accounting treatment of business combinations of future financial periods, while this impact shall be assessed when such combinations are effected.

3.2.2. Affiliated Companies

Associates are financial entities on which the Group can exert significant influence but do not fulfill the conditions to be classified as subsidiaries or shares in joint ventures. Significant influence is the authority to participate in decisions, which regard decisions upon the business and financial policies of the issuer, but not the control over these policies. Significant influence is considered to exist usually

when Sprider Stores SA holds a percentage between 20% and 50% of the voting rights, through ownership of the stocks or through another kind of agreement.

Investments in associates are initially recognized at cost, while for consolidation purposes the equity method is used. Goodwill is included in the book value (cost) of the investment and it is tested for impairment as part of the investment. When a financial entity of the Group transacts with a affiliated company of the group, the probable intercompany gains or losses are eliminated up to the Group's participation percentage in the affiliated company.

All subsequent changes in the percentage of participation in the equity of the affiliated company are recognized in the book value of the Group's investment. Changes that occur from gains or losses that are generated from the affiliated company are recorded in the "Results from affiliated companies" account in the consolidated income statement of Sprider Stores SA for the fiscal year and subsequently affect the Group's net results.

These changes include the subsequent depreciations of tangible assets, the depreciations of intangible assets, the depreciations or possible impairments of the fair value adjustments of assets and liabilities. During the consolidation, changes that have been recognized directly to the equity of the affiliated company and are related to the result, i.e. those that occur from the accounting treatment of investments of the affiliated company that are available for sale, are recognized in the consolidated equity of the Group. All changes that are recognized directly to equity and are not related to the results, i.e. dividend distribution or other transactions with the shareholders of the affiliated company, are recorded at the book value of the participation. No effect in the net results or in equity is recognized within the framework of these transactions. Nevertheless, when the Group's proportion of losses in an affiliated company equals or exceeds the book value of the investment, including any unsecured claims, the Group does not recognize further losses, unless the investor has been charged with obligations or has proceeded to payments on behalf of the associated company.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's participation in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of loss due to an impairment of the asset transferred from the affiliated company.

If the financial statements of the associated company that are used for the implementation of the equity method of consolidation are prepared in a reference date which differs from that of the parent company, adjustments are being made to the financial statements of the associated company which reflect the effects of significant transactions or events that occurred between that date and the date of the Financial Statements of the investing company. In any case, the difference between the reference date of the associated and that of the investing company exceeds 3 months.

Accounting principles of associates have been changed where necessary to ensure consistency with the principles adopted by the Group.

3.3. Foreign Currency Conversions

Sprider Stores SA consolidated financial statements are reported in Euros (€), which is the operating currency of the parent Company.

All the financial entities of the Group set their operating currency and the items that are included in the financial statements of each financial entity. All transactions in foreign currencies, that are included in the financial statements of the consolidated financial entities, are converted to the operating currency of each entity using the rates in effect at the date of the transactions. Foreign exchange gains and losses resulting from such transactions and from the conversion at year-end exchange rates of other accounts are recognized in the income statement "Financial Income / (Expenses)" line respectively, except from the portion of gain or loss of the hedging instrument that is substantiated as an effective hedge and is recorded directly to equity through the statement of changes in shareholders' equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as assets held at fair value through profit or loss are recognized in the income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as assets classified as available for sale are included in the fair value reserve in equity, which regards financial assets available for sale.

In the consolidated financial statements, all individual financial statements of the subsidiaries and jointly controlled financial entities that are included in the consolidation, which initially are presented in a

currency different than the Group's operating currency (none of which has the currency of a hyperinflationary economy), have been converted to Euros.

Assets and liabilities items have been converted to Euros using the exchange rate at the date of the balance sheet.

The income and expenses have been converted to the Group's reporting currency using the average rates during the aforementioned period, unless significant rate volatilities have occurred, and then income and expenses are converted using the exchange rates at the dates of the transactions.

Any differences that arise from this process, have been transferred to the equity reserve for balance sheets conversion.

Goodwill and fair value adjustments arising on the acquisition of a foreign financial entity are treated as assets and liabilities of the foreign entity and where converted at the closing rate.

On consolidation, exchange differences arising from the conversion of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity, through the statement of changes in shareholders' equity.

When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognized in the income statement at the time of disposal as part of the gain or loss on sale.

3.4. Segment Reporting per geographical region

A geographical segment is defined as a geographical region in which goods and services are provided and which is subject to different risks and returns than other regions. The group is activate in mainly retail sale of apparel, footwear as well as house ware products. Geographically the Group is activated in Greece and in the markets of Bulgaria, Romania, Skopje and Cyprus.

Each one of the geographic segments is being managed individually. The intersegment transactions are being conducted under the same terms and conditions that all other transactions are realized on a clearly commercial base using wholesale prices.

The accounting principles that the group applies for reporting purposes of the per segment analysis according to IFRS 8, are the same that used for the compilation of the financial statements.

There are no changes as compared to the previous fiscal period regarding the valuation method used for the determination of the profit or loss per geographic segment. There were no disproportionate allocations to the reported segments. For instance a disproportionate segment is an entity which allocates the depreciation expense to a geographic segment without allocating the assets attached to this depreciation as well.

3.5. Recognition of revenue and expenses

Revenue is recognized when it is probable that the economic benefits will flow to the financial entity and the revenue can be reliably measured.

Revenue is measured in the fair value of the collected exchange and it is net of Value Added Tax, returns, any form of discount and intergroup sales.

The amount of revenue is considered reliably measured, when all possible burdens related to the sale have been resolved.

➤ Sales of goods

Revenue on sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually at the shipment of the goods.

➤ Provision of Services

The revenue from contracts at predetermined price is recognized based on the transaction completion stage as at the balance sheet period end. According to the method of the percent completion, the revenue is generally recognized based on the type of services offered and its performance as of today as a percent of total services that will be delivered.

When the result of the transaction from services offered cannot be reliably estimated, the revenue is recognized only to the extent that the recognized expenses may be recovered.

The amount of the sales price stemming from a services agreement where the services will be delivered at a later stage, is accounted for in a interim account and is recognized at the period where these services are being delivered. This revenue (deferred income) includes the "other liabilities" account.

In the case that the initial estimations regarding revenue change, the expenses or the completion stage are restated. These restatements may lead to increases or decreases of the estimated revenues or expenses and appear in the result of the period. When the restatements are necessary these are announced by the management.

➤ **Interest Income**

Interest income is recognized using the effective interest rate method, where effective interest rate is the interest rate that discounts accurately future cash deposits or collections for the duration of the expected lifetime of the financial instrument or, when necessary, for a shorter period, in the net book value of the financial asset or liability.

When a receivable is impaired, the Group reduces the book value to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Interest income from loans that have been impaired are recognized using original effective interest rate.

➤ **Options Income**

Income from options is recognized using the accrued income/expenses principle, depending on the meaning of the relative contract.

➤ **Dividend Income**

Dividend income is recognized when the collection right of the shareholders is finalized;

Operating expenses are recognized in the income statement during the use of the service or the date it occurred. Guarantees' expenses are recognized and debited against the respective provision, once the relevant income is recognized.

➤ **Borrowing cost**

Loans are initially recorded at their current value, including bank expenses and commissions.

Company Management deems that interest rate paid regarding the contracted loans is equivalent to the fair market interest rates and consequently there is no prerequisite for any value adjustment regarding these liabilities.

Any difference between the proceeds (net of transaction costs) and the payment value is recorded in the income statement during the period of the loan.

Loans are classified as short – term, unless the Group has the right to postpone the payment of the liability for at least 12 months after the balance sheet date.

The group has adopted the revised IAS 23 : "Cost of borrowing". The revised IAS 23 cancels the choice of direct recognition as expense of the cost of borrowing which concerns the acquisition, construction or production of a fixed asset. The future of this asset is that it requires a substantial time period in order to become available for use or sale. A company however, is required to capitalize such cost of borrowing as part of the fixed asset's cost.

The revised standard does not required the capitalization of cost of borrowing related to the fixed assets which are estimated at fair value as well as inventory that is produced of constructed in large quantities systematically even if it requires a substantial time period to become available for use or sale.

• **IFRIC 13: Customer Loyalty Programmes**

Customer loyalty programmes provide incentives to customers to purchase products or services from a company. If the customer purchases products or services, the company grants him/her loyalty award

credits, or "points," which the customer can redeem in future in order to earn free or discounted products or services. These programmes may be applied by the Company itself or by a third party. IFRIC 13 may be applied to all customer loyalty programme award credits that a company may grant to its customers as part of a sales transaction. IFRIC 13 is mandatorily applied to annual periods beginning on or after 1 July 2008.

3.6. Other intangible assets and research and development activities

Intangible assets are initially valued at acquisition cost. The cost of an intangible asset acquired within a joint venture is equal to the fair value of the asset at its acquisition date.

After the initial recognition, intangible assets are measured at their cost, minus their accumulated amortization and any impairment loss that can possibly occur.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programmes are recognized as an expense in the period that they incurred.

The expected life time of intangible fixed assets is either limited or unlimited, depending on their nature.

Intangible fixed assets with limited expected life time are amortized during their life time, the amortization commences when the asset is available for use and the amortization expenses are recorded in the operating expenses line in the income statement.

The period and method of amortization is revised leastwise at the end of each fiscal year. If the expected life time, or the expected consumption rate of the future financial gains incorporated in the asset, have changed, then the period and method of amortization change respectively. Such changes are treated as changes in accounting estimations.

Intangible assets with unlimited expected life time are not amortized and an impairment test is conducted on an annual basis in order to impair their value if necessary and to determine the validity of the regarding the unlimited expected life time of these intangible assets.

If the management's evaluation is not valid, the change in the expected life time from unlimited to limited is treated as change in accounting estimations, on the basis of IAS 8 «Accounting policies, changes in the accounting estimations and mistakes».

The gains or losses from the sale of an intangible asset is determined as the difference between the sales price and the net asset value and is recognized in the period's income statement under the account "other revenue" or "other expense".

3.6.1. Acquired Software

Intangible assets include the acquired software used in the production and administration.

Capitalized expenditures are amortized using the straight line method over their expected useful lives (three to five years). Additionally the acquired software is tested for impairment of its value.

3.6.2. Research and development expenses

Expenses related to research and development activities are recognized as an expense within the period. Expenses materialized during the development stage of the new, adjusted to the customer's needs, software for information technology and telecommunication systems are recognized as intangible assets, if the following conditions are met:

- The technical viability of the asset under development can be established either for internal use or for sale
- The intangible asset will create possible future financial benefits from the internal use or sale
- There are sufficient technical, financial and other resources for the completion of its development, and
- The value of the intangible asset can be reliably estimated.

The cost which is directly attributed to development includes the cost of benefits to the personnel for the development of the software together with an amount of directly attributed cost.

The cost of internally created software development is recognized as an intangible asset. Until the completion of the development project, the assets are subject to impairment tests. The amortization commences upon completion of the asset within the period of the estimated future sales period regarding the respective project, using a straight line method. All other development expenses are recognized as an expense during the period.

3.6.3. Trademarks and licenses

The acquired trademarks and licenses are initially recognized at historical cost. The licenses have a limited useful life and are depicted at cost net all accumulated amortization. The amortization is calculated using the straight line depreciation, aiming at the allocation of the trademarks and licenses costs throughout the duration of their expected useful lives. Trademarks do not have a specified useful life and are depicted at cost, net of every impairment amount that arises from the annual impairment test.

The management implements its judgment, after analyzing all available data, in the case that has to be decided whether the criteria, regarding the recognition of Sprider Stores SA development expenses, are met.

This is necessary because the financial success of the development of every product is uncertain and possibly subject to future technical problems. The judgments are based on the information available at the balance sheet date. Furthermore, all internal procedures related to research and development of new software products are constantly controlled by the management of Sprider Stores SA.

3.7. Tangible Assets

Land plots held for production or administration are recorded at their acquisition cost. Since their expected useful life cannot be determined, the respective book values are not amortized.

Buildings, mechanical equipment, and furniture is recorded at acquisition cost or at acquisition cost net of accumulated depreciation and every accumulated impairment losses. The cost includes the cost of the spare parts of the tangible assets which need replacement on a regular basis, if the recognition criteria are met. Day to day maintenance costs of the tangible assets are recorded on the income statement when they occur.

If the book value of the tangible assets has been devaluated is subject to impairment losses this is materialized as described below.

The gain or loss from the sale of the land plots will be measured as the difference between the net result of the disposal, if it exists, and the book value of the asset, and it is recorded in the income statement.

Depreciations have been calculated using a straight line method for the entire useful life of the assets. Buildings that have been acquired through financial leases are depreciated within their entire expected useful life (determined in comparison with comparable owned assets), if it is shorter. The tangible assets' useful lives are summarized below:

| | |
|----------------------|-------------|
| Buildings | 12-25 years |
| Mechanical equipment | 8-10 years |
| Vehicles | 7-10 years |
| Other equipment | 3-7 years |

The salvage values, useful lives and methods of depreciation are re-examined and adjusted if necessary at the end of each fiscal year.

3.8. Leasing

The group conducts transaction agreements that do not bear the legal type of a lease but through which the right to use the assets (tangible assets) is transferred to the company in exchange of a series of payments.

The estimate on whether an agreement contains the element of leasing is made at the beginning of the agreement, taking into account all available data and specific conditions. A re-examination is conducted after the commencement of the agreement, when one of the following occurs:

- a. The contract terms have changed, unless the change merely renews or extends the contract.
- b. A renewal option is exercised, or an extension is agreed, unless the renewal or extension term was originally included in the leasing period.
- c. There is a change as to the magnitude of the fulfillment depending on a specified asset.
- d. There is a significant change regarding the asset.

If the contract is re-examined, the accounting treatment for leases is applicable from the date of the change in the condition that lead to the re-examination as regards (a), (c) and (d) and from the date of the renewal or the extension as regards case (b).

3.8.1. Group as the Les

The ownership of a leased asset is transferred to the lessee if all risks and benefits related to the leased asset are transferred to the lessee, regardless of the legal type of the contract.

At the beginning of the lease the asset is recognized at its fair value or, if lower, at the present value of the minimum lease payments, including additional payments, if any, that are covered by the lessee.

A relevant amount is recognized as a financial lease liability regardless of the fact that some of the lease payments may be in advance at the beginning of the lease.

The posterior accounting treatment of assets that have been acquired through financial lease contracts i.e. the used depreciation method and the determination of its useful life, is identical to the one applied in comparatively acquired, except leasing contracts, assets. The accounting treatment of the respective liability concerns its gradual decrease, on the basis of the minimum lease payments, net of financial charges, which are recognized as an expense in the financial expenses.

Financial charges are allocated throughout the leasing period, and represent a fixed periodic interest rate on the remaining financial liability. All other leases are treated as operational leases.

The payments of operational leases' contracts are recognized as an expense in the income statement using the straight method (association of fiscal year's revenue and expense). The associated expenses such as maintenance and insurance, are recognized as expenses, when they occur.

3.8.2. Group Company as the Lessor

The leases, where, the Group does not in effect transfer all risks and benefits of the asset are classified as operational leases. Initial direct costs charged to the lessor at the negotiation and the agreement of an operational lease are added to the book value of the leased asset and recognized throughout the entire period of the lease as leasing revenues.

3.9. Tangible and intangible assets impairment test

For valuation purposes regarding the impairment, some assets are grouped into the smallest identifiable group of assets, that creates cash inflows from its use (Cash Flow Creation Units). As a result, some assets are examined independently for a possible impairment, while others are examined as Cash Flow Creation Units.

Impairment losses of a CFCU are allocated pro rata to the CFCU's assets.

Assets or CFCUs with an undetermined useful life and assets that are not yet available for use are examined for a possible impairment at least on an annual basis. The other assets and CFCUs are tested for impairment when there is indication that the book value may not be recoverable. The impairment value is recognized up to the amount, in which the book value of the assets or the CFCUs exceeds the recoverable value. The recoverable value of an asset or a CFCU, is the highest between the fair value and the usage value (is derived on the basis of evaluation of the discounted future cash flows of the assets or the CFCUs).

Excluding goodwill, all assets are subsequently re-evaluated in cases that the impairment loss that was originally recognized may not exist.

3.10. Financial Assets

Financial instrument of the Group, except from hedging means includes the following categories:

- Loans and receivables,
- Financial assets at fair value through profit or loss and
- Available for sale financial assets.

Financial assets are categorized by management according to their characteristics the purpose for which they have being acquired. For each category different rules apply with regards to its valuation and the recognition of expected result either in profit and loss or directly in equity.

The financial assets are recognized at the date of settlement

The impairment test is conducted leastwise at the balance sheet release date, either when objective indications exist that a financial asset or a group of financial assets have been subject to a value decrease or not.

The Group determines if a purchase contract attaches a derivative instrument in the agreement. The attached derivative is split from the main contract and it is considered as a derivative only when the analysis demonstrates that the financial characteristics and the risks of the derivative do not relate to the main contract.

3.10.1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market.

They occur when the Group grants cash, goods or services directly to a debtor, without the intention of commercial use. Loans and receivables are recognized at amortized cost using the effective interest rate method minus possible write downs provisions. Any change in the value of loans or receivables is recognized in the income statement when the loans or receivables are written off or their value is reduced and when they are amortized.

Some receivables are tested per single claim (for example for every customer separately) for a possible impairment in the case that the collection of the receivable has been characterized overdue at the date of the financial statements or in cases that objective evidence suggests the need for impairment.

Other receivables are grouped and tested for possible impairment in total. The groups are commonly characterized by their geographic breakdown, the counterparties' field of activity and other common characteristics of credit risk if available.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as noncurrent assets. In the balance sheet they are classified as trade and other receivables and constitute the largest portion of the Group's financial assets.

3.10.2. Financial assets at fair value through the income statement

Financial assets or liabilities recognized at fair value through the income statement comprise those financial instruments classed as held for commercial purposes or recorded at fair value through the income statement at initial recognition.

If a contract attaches one or more derivatives, the Group determines the overall synthetic contract as a financial asset at fair value through the income statement unless if the attached derivative does not have a significant impact in the cash flows that would otherwise be required by the contract or the split of the attached derivative (of the attached derivatives) from the contract would be prohibited. In addition, those financial derivatives instruments that do not qualify for hedge accounting are classed as held commercial purposes. Upon initial recognition, they are designated by the Company as an instrument measured at fair value, with any changes recognized in the Income Statement. Financial assets that have been initially being classified as financial assets at fair value through profit and loss cannot be reclassified.

3.10.3. Non current assets held for sale – Discontinued operations

Assets held for sale include intangible assets (goodwill including) and tangible assets that the Group intends to sale within a year from the date that they were classified as "Held for sale". These assets may be a component of a business entity, a disposal group of an independent non current fixed asset.

Assets classified as "Held for sale" are evaluated at the lower price between the book value and the fair value reduced by the cost that the company would have to pay for the sale.

Assets classified as "Held for sale" are not subject to depreciation. The gain or loss from the sale or revaluation of the assets "Held for sale" is including in the Income Statement in figures "Other Income" of "Other Expenses" respectively.

A discontinued operation is a component of a business entity that has either been sold or is classified as held for sale and (a) represents either a separate major business sector or geographical area of business activity with a substantial contribution to the group's figures, (b) is part of a specific and coordinated disposal plan of a particular business sector or geographical activity or (c) is a subsidiary which was acquired for resale.

3.10.4. Fair Value

The fair values of financial assets that are quoted in active markets are defined by current closing market prices. Regarding non-tradable assets, their fair values are defined with the use of valuation techniques. The purpose of using valuation techniques is to determine the transaction value at the record date which is conducted at purely commercial terms and driven by common business factors. Valuation techniques include the analysis of recent transactions at purely commercial terms, peer group valuation, discounted cash flows and stock option valuation models.

3.11. Financial derivatives and hedge accounting

The derivative financial assets such as the futures, the interest rate swaps and forward contracts are being used for financial management of the Group's business activity and its financing.

All financial derivative assets are initially recognized at the value prevailing on the agreement date and subsequently at their fair value. Financial derivative instruments are recognized in assets when their fair value is positive and in liabilities when their fair value is negative. Their fair value is calculated from the value they have on an active market or through other valuation techniques when an active market does not exist for these financial instruments.

The method used for accounting of the profit or loss depends on whether a derivative has been determined as a hedging item and if hedging exists based on the nature of the hedged item.

Profit or losses arising from the movements during the period in the fair value of derivatives that are not recognized as hedging items, are recognized in the income statement. The Group is using hedge accounting in the case where at the commencement of the hedging transaction, and the subsequent use of financial derivatives, the Group can determine and justify the hedging relationship between the hedged item and the instrument used for hedging, relating to its risk management policy and strategy for hedging. Moreover hedge accounting is used only when it is expected that the hedging strategy will be highly effective and reliably and continuously calculated, for the periods it was intended for, as per the reconciliation of the movements in the fair value or the cash flows resulting from the hedged risk.

➤ Cash flow hedging

Through the cash flow hedge, the company aims at covering the risks stemming from the cash flow volatility and are sourced either at an asset account or a liability or a future transaction and this change will have an impact on the fiscal year's results.

As regards the derivative financial instruments characterized as hedge instruments within the scope of a cash flow hedge, several accounting treatments are required.

In order for the hedging relation to fulfill the prerequisites for an accounting hedge, it must fulfill certain strict conditions, concerning the substantiation, the likelihood of occurrence, the effectiveness of the hedging and the reliability of its computation.

During the current period the Group has recognized specific currency forward contracts as hedge instruments towards a cash flow hedge relation. These contracts have been executed in order to alleviate the foreign exchange risk stemming from sales and purchases denominated in the US dollar. The result from the accounting recognition of the financial claims and liabilities are presented, respectively, at the account "Short-term Financial Assets" and "Short-term Financial Liabilities".

The portion of the profit or loss of the hedge instrument which is substantiated as hedging result, is recognized directly to the Shareholders' Equity via the statement of changes in shareholders' equity while the result portion of the profit or loss of the hedge instrument will be recognized in the Income statement.

The amounts accrued to the shareholders' equity are transferred to the income statement of those periods that these hedge instruments are affecting the profit or loss like as the financial hedge income or the financial hedge expense is recognized or like as in a prospective sale or purchase.

If the hedging of a prospective transaction will conclude with the subsequent recognition of a financial asset or a financial liability, the related profits or losses that have were recognized directly to the shareholders' equity will be reallocated to the income statement of the same period or periods when the acquired asset or liability is impacting the results. However, should the financial entity expect that all or part of a loss directly recognized to the shareholders' equity will not be recovered in one or more future periods, will reallocate the amount not expected to be recovered to the income statement.

When a cash flow hedge instrument expires or is sold, annulled or exercised without being replaced or when a hedge instrument does not fulfill any more the conditions of an accounting hedge, every accrued profit or loss appearing in the shareholders equity at that moment, remains at the shareholders

equity and is recognized when the prospective transaction is realized. If the related transaction is not expected to be realized, the amount is transferred to the income statement.

3.12. Inventories

Inventories include purchased raw materials and goods.

The acquisition cost includes all the costs incurred to bring the inventories at their current location and condition, which are directly attributable to the production process and a portion of general expenses that is related to the production process and it is absorbed on the basis of the regular capacity of the production facilities.

Financial cost is not taken into account.

At the balance sheet date, inventories are valued at the lowest between the acquisition cost and net realizable value. Net realizable value is the estimated sales price during the normal course of the company's business less any estimated relevant sales expenses. The cost is calculated using the method of weighted average cost.

3.13. Income tax accounting

3.13.1. Current income tax

Current income tax claim / liability includes all the liabilities or claims from the tax authorities that relate to the current or previous reference periods and have not been paid until the balance sheet date.

Current taxes are measured according to the tax rates and tax laws in effect during the financial years to which they relate, based on the taxable profit for the fiscal year. All changes to the tax claims or liabilities are recognized as tax expense in the income statement.

3.13.2. Deferred Income Tax

Deferred income taxes are measured with the liability method that focuses on temporarily differences. This includes the comparison of the book value of assets and liabilities of consolidated financial statements with the respective tax bases. Deferred tax assets are recognized to the extent that it is possible to be offset by future income taxes. Deferred tax liabilities are recognized for all temporal tax differences.

Deferred income tax is not recognized for temporary differences related to investments in subsidiaries if the reversal of the temporary differences can be controlled by the company and it is expected that the temporary differences will not be reversed in the future.

Furthermore, tax losses that can be carried forward to upcoming periods as well as tax credits in the Group are recognized as deferred tax claims.

No deferred income tax is recognized at the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are measured at tax rates that are expected to be enacted when the asset will be recovered or the liability settled, taking into account the tax rates enacted or materially enacted up to the date of the balance sheet.

Most changes in deferred tax assets or liabilities are recognized as part of current income tax and are charged in the income statement. Only changes in deferred assets or liabilities related with change in the amount of a claim or liability that is directly recorded in equity are debited or credited in equity.

The Group recognizes a previously not recognized deferred tax asset to the extent that it is possible that future taxable profit will allow the recovery of the deferred tax asset.

Deferred tax assets are re-examined at every balance sheet date and are reduced to the extent that it is no longer possible that a taxable income will be available to allow the use of benefit, in total or partially, of the deferred tax asset.

3.1. Cash and Cash Equivalent

Cash and cash equivalents include cash in the bank and in hand as well as short term highly liquid investments such as marketable securities and time deposits maturing in three months or less. Marketable securities are financial assets recorded in their fair value through the income statement.

For the purpose of the consolidated Cash Flow Statement, cash and cash equivalents comprise of cash and cash equivalents as described previously, net of outstanding balances of bank overdrafts.

3.2. 4.15. Equity

Share capital is determined using the nominal value of shares that have been issued. Common shares are classified in equity. A share capital increase through cash includes any share premium during the initial share capital issuance. Any cost related to the capital increase or any tax benefit is deducted from the product of the share capital increase.

The elements of a financial instrument that a) create a financial liability to the financial equity and b) grant the owner of the financial instrument an option to convert it to an equity title of the financial entity are recognized separately as financial liabilities, financial claims or equity titles.

If the financial entity acquires own shares, they are deducted from equity. If this shares are reoffered at a posterior date, the received amount (net of the relevant transaction costs and the respective income tax benefit) is included in the equity attributable to the shareholders. At the time of the acquisition, sale, issuance or cancellation of the financial entity's own shares, no profit or loss is recorded in the income statement.

Employees' stock options are still credited to the additional paid capital until the respective rights are exercised.

The readjustment reserve includes profits and losses related to readjustments of certain financial elements and fixed assets. Foreign exchange conversion differences are included in the readjustment reserve. Retained earnings include current and previous period's results as disclosed in the income statement.

3.3. Employee benefits due to retirement and other short term benefits to employees**3.3.1. Benefits due to retirement**

The Group has not set either a defined benefits scheme or a defined contributions scheme. A defined benefit scheme is a pension scheme that is not classified as a defined contributions scheme. Typically, defined benefit schemes are a pension schemes that define an amount of pension benefit that an employee will receive upon retirement, usually dependent on factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the balance sheet date less the fair value of scheme assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high yield corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from empirical adjustments and changes in actuarial assumptions in the end of the previous period in excess of the greater of 10% of the fair value of scheme assets or 10% of the defined benefit liabilities are debited or credited in the income statement on the basis of the expected average remaining working lives of the employees' included in the scheme.

Past-service costs are recognized directly in income, unless the changes to the pension scheme are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

A defined contribution scheme is a pension scheme, in which the Group pays defined contributions to an independent administrative administered funds on a mandatory, contractual or optional basis. The Group has no legal or constructive obligations for further payment if the fund doesn't have adequate

assets to pay all benefits to the employees, for the services offered in the current or previous fiscal years. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available

3.3.2. Employment termination benefits

Termination benefits are payable when employment is terminated in the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.4. Financial Liabilities

The Group's financial liabilities comprise of bank loans and overdraft accounts, trade and other payables and financial leases. The Group's financial liabilities (apart from the loans) are illustrated in the "Long term financial liabilities" account of the balance sheet as well as in the "Other trade payables" account. Financial liabilities are recognized when the company becomes a party to the contractual agreements of the instrument and derecognized when the Group is discharged from the liability or the liability is cancelled or expired.

Interest expenses are recognized as an expense in the "Financial Expenses" line of the Income Statement.

Financial leases liabilities are measured at their initial cost, net of the amount of the financial payments capital.

Trade payables are recognized initially at their nominal value and are subsequently measured at their unamortized cost, net of settlement payments.

Shareholder's dividends are included in the "Other short term financial liabilities" account, when the dividend is approved by the Shareholders' General Meeting.

Profit and loss is recognized in the Income Statement when the liabilities are written off and through amortization.

When an existing financial liability is exchanged with another liability of a different form with the same lender, but substantially different terms, or the terms of an existing liability are amended significantly, like an exchange or a modification, this is treated as a payment of the original liability and recognition of a new liability. Any difference in the book values is recorded in the income statement.

3.4.1. Loans

Bank loans provide a long term and short term financing of the Group's operations. All loans are initially recognized at cost, which is the fair value of the received return, net of the issuance cost related to the loan.

After the initial recognition, the loans are measured at their amortized cost and any difference between the revenues and the payment is recorded in the income statement at the period of the loan on the basis of the effective rate. The amortized cost is measured by taking into account the issuance cost and any discount or above par amounts in the settlement.

The bond is non convertible and represents the group's liability for future coupon payments and capital payments.

3.5. Provisions, contingent liabilities and contingent assets

Provisions are recognized when a present obligation is possible to lead to an outflow of the Group's financial resources and it can be measured accurately. The materialization time or the amount of the outflow can be uncertain.

An existing obligation originates from the presence of a legal or constructive liability that has occurred from events of the past, such as product guarantees, legal disputes or burdensome contracts.

Restructuring provisions are recognized only upon the preparation and execution of a detailed formal program, or if the management has at least announced the characteristics of the program to those affected by it. Provisions regarding future operational losses are not recognized.

When part, or the total of the expense needed for the settlement of a provision is expected to be refunded from another party, the refund will be recognized solely when it is certain for real that the refund will be collected, if the financial entity settles the liability and this is treated as a separate asset.

The amount recognized as refund does not exceed the amount of the provision. The expense regarding a provision is depicted in the income statement, net of the amount recognized for the refund.

A provision is used only for expenses that it was originally made for. Provisions are tested at every balance sheet date and adjusted in order to illustrate the best current estimation.

Provisions are evaluated at the expected cost that is required for the determination of the current commitment, on the basis of reliable evidence that is available at the balance sheet date, including all risks and uncertainties related to the current commitment.

When the effect of the time value of money is significant, the amount of the provision is the present value of the expenses that are expected to be claimed, in order to settle the liability.

The pre-tax discount interest rate reflects the current market estimates regarding the time value of money and the risks related to the liability. The interest rate does not reflect risks for which future cash flow estimates have been adjusted.

When the discount method is used, the book value of a provision increases in every period in order to reflect the lapse of time. This increase is recognized as borrowing cost in the income statement. When a number of similar commitments exists, the possibility that an outflow will be needed for settlement is determined by taking into account the category of commitments as a whole. A provision is recognized even if the possibility of an outflow for an element included in the commitments' category is small.

If an outflow of resources, that encompass financial benefits is henceforth not possible to be claimed, the provision is reversed. In such cases that an outflow of financial resources as a result of current commitments is considered not possible, or the amount of the provision cannot be estimated reliably, no liability is recognized in the consolidated balance sheet, unless considered within the framework of a merger between companies.

Those potential liabilities are recognized within the framework of allocation of the acquisition cost in the assets and liabilities during the companies' merger. Subsequently they are estimated at the higher between the amount of a comparable provision as previously described and the amount originally recognized, net of all amortizations. Possible inflows of financial benefits for the Group, that do not yet fulfill the criteria of an asset are considered as possible claims.

4. Group Structure

Sprider Stores Group Structure as of December 31st , 2010 is as follows:

| Company | Country | Type of Participation | Participation Equivalent | Consolidation Method 31.12.10 |
|---------------------------------------|----------|-----------------------|--------------------------|-------------------------------|
| SPRIDER STORES S.A | Greece | | Parent Company | Full Consolidation |
| FASHION LOGISTICS S.A | Greece | direct | 24.50% | Equity |
| SPRIDER BULGARIA Single Person LTD | Bulgaria | direct | 100.00% | Full Consolidation |
| SPRIDER STORES S.R.L. (ROMANIA) | Romania | direct | 100.00% | Full Consolidation |
| SPRIDER STORES (CYPRUS) LIMITED | Cyprus | direct | 100.00% | Full Consolidation |
| COMPANY FOR SERVICES AND TRADE OUTLET | | direct | | |
| MACEDONIA Dooel EXPORT IMPORT SKOPJE | Skopje | | 100.00% | Full Consolidation |

5. Notes to the Financial Statements

5.1. Detailed presentation of per segment information

Group headquarters are located in Greece. Group operates domestically in Greece and abroad (Bulgaria, Romania, Cyprus and Skopje).

The Group focuses on retail sales onwards (>90% of total sales, results, assets) and therefore its management deems that segment reporting (wholesale – retail) will provide no value to the readers of the financial statements.

| 01/01/10 - 31/12/2010 | GREECE | ROMANIA | BULGARIA | CYPRUS | POLAND | SKOPJE | TOTAL |
|--|-----------------|----------------|----------------|--------------|--------------|-----------|-----------------|
| Sales | | | | | | | |
| To external clients | 131,734 | 7,641 | 3,575 | 1,482 | 77 | - | 144,509 |
| Inter-segmental (Other countries of the group) | 6,269 | | | | | | 6,269 |
| Total Sales | 138,003 | 7,641 | 3,575 | 1,482 | 77 | - | 150,778 |
| Gross Result | | | | | | | |
| Cost of inventory sold | (57,854) | (3,688) | (1,653) | (640) | (64) | - | (63,899) |
| Provision for inventory impairment | | | | | | | - |
| Total Cost of inventory sold | (57,854) | (3,688) | (1,653) | (640) | (64) | - | (63,899) |
| Total Gross Profit | 73,880 | 3,953 | 1,922 | 842 | 13 | - | 80,610 |
| Financial Income | 27 | 38 | - | - | 0 | - | 65 |
| Financial Expenses | (2,203) | (23) | (14) | (1) | (26) | (5) | (2,272) |
| Depreciation | (9,858) | (887) | (348) | (236) | (14) | | (11,342) |
| Pro rata profit or losses from affiliated companies which are consolidated under the equity method | - | | | | | | - |
| Asset impairment (IAS 36) | | | | | | | - |
| Impairment reversal | | | | | | | - |
| Income tax | 714 | 175 | (16) | - | - | (0) | 873 |
| EATAM | (7,771) | (1,100) | (318) | (815) | (267) | 95 | (10,177) |
| Profit / (Losses) before interest and taxes (EBIT) | (2,245) | (1,275) | (288) | (814) | (171) | 99 | (4,694) |
| Profit / (Losses) before interest, taxes, depreciation and amortization (EBITDA) | 7,613 | (388) | 59 | (578) | (156) | 99 | 6,648 |
| 31/12/2010 | | | | | | | |
| Non current assets | 58,568 | 7,953 | 4,325 | 1,946 | - | - | 72,793 |
| Other non current assets (Deferred tax claim) | 1,303 | 687 | - | - | - | - | 1,989 |
| Other assets | 55,659 | 2,985 | 1,716 | 799 | - | 60 | 61,219 |
| Total assets | 115,530 | 11,625 | 6,041 | 2,745 | - | 60 | 136,001 |
| Total liabilities | 77,262 | 1,664 | 3,607 | 2,109 | - | 68 | 84,711 |

Any differences to the totals are due to rounding

| 01/01/09 - 31/12/2009 | GREECE | ROMANIA | BULGARIA | CYPRUS | POLAND | SKOPJE | TOTAL |
|--|-----------------|----------------|----------------|--------------|----------------|--------------|-----------------|
| Sales | | | | | | | |
| To external clients | 150,237 | 7,233 | 4,190 | 1,553 | 511 | 157 | 163,882 |
| Inter-segmental (Other countries of the group) | 4,773 | | | | | | 4,773 |
| Total Sales | 155,010 | 7,233 | 4,190 | 1,553 | 511 | 157 | 168,654 |
| Gross Result | | | | | | | |
| Cost of inventory sold | (61,244) | (2,697) | (1,707) | (585) | (245) | (99) | (66,576) |
| Provision for inventory impairment | (7,889) | | | | | | (7,889) |
| Total Cost of inventory sold | (69,133) | (2,697) | (1,707) | (585) | (245) | (99) | (74,465) |
| Total Gross Profit | 81,104 | 4,536 | 2,483 | 969 | 266 | 58 | 89,417 |
| Financial Income | 117 | 36 | 2 | - | 1 | 0 | 156 |
| Financial Expenses | (2,346) | (35) | (16) | (18) | (14) | (2) | (2,432) |
| Depreciation | (10,034) | (830) | (401) | (235) | (147) | (68) | (11,714) |
| Pro rata profit or losses from affiliated companies which are consolidated under the equity method | (198) | | | | | | (198) |
| Asset impairment (IAS 36) | (6,663) | (438) | | | (504) | | (7,605) |
| Impairment reversal | | | | | | | - |
| Income tax | (2,976) | 224 | (40) | - | (135) | - | (2,927) |
| EATAM | (743) | (1,898) | 243 | (654) | (1,191) | (135) | (4,379) |
| Profit / (Losses) before interest and taxes (EBIT) | 4,697 | (1,740) | 288 | (636) | (1,036) | (133) | 1,439 |
| Profit / (Losses) before interest, taxes, depreciation and amortization (EBITDA) | 14,731 | (911) | 688 | (402) | (889) | (64) | 13,154 |
| 31/12/2009 | | | | | | | |
| Non current assets | 65,245 | 7,357 | 4,006 | 2,153 | 308 | - | 79,070 |
| Other non current assets (Deferred tax claim) | (80) | 511 | - | - | - | - | 432 |
| Other assets | 67,646 | 4,693 | 2,135 | 1,052 | 184 | - | 75,710 |
| Total assets | 132,811 | 12,562 | 6,141 | 3,205 | 492 | - | 155,212 |
| Total liabilities | 90,376 | 2,084 | 276 | 180 | 350 | - | 93,267 |

Any differences to the totals are due to rounding

It is noted that:

- Pursuant to the resolution of the Board of Directors dated March 30, 2010, the parent company recovered on 31/3/2010 its ownership in subsidiary SPRIDER DOOEL MON. Ltd (FYROM), which was sold on 2/6/2009. Detailed information may be presented in § 5.4
- The parent company acquire its subsidiary in Poland, while the group's activity in the country was unprofitable. In the previous year 2009 was carrying out an impairment of fixed assets of the subsidiary, by the amount of approximately 503 thousand €. More mentioned in § 5.4.

5.2. Property, plant & equipment

On 31/12/2010 given pledges and mortgages over fixed assets for guaranteeing debt amounted € 3,111 thou (2008 € 3,111 thou).

Group's fixed assets are analyzed as follows

| | Land | Land acquisition through financial leasing | Buildings | Buildings acquisition through financial leasing | Machinery equipment | Means of transportation | Means of transportation through financial leasing | Furniture and accessories/ fittings | Furniture and accessories/ fittings acquisition through financial leasing | Fixed assets in progress | TOTAL |
|---|--------------|--|---------------|---|---------------------|-------------------------|---|-------------------------------------|---|--------------------------|----------------|
| TANGIBLE ASSETS | | | | | | | | | | | |
| Cost or Fair value Balance as of January 1st 2009 | 3,772 | 684 | 56,302 | 3,712 | 152 | 285 | | 31,190 | 851 | 1,767 | 98,716 |
| Additions | - | - | 7,897 | - | - | 9 | 41 | 6,203 | - | 368 | 14,518 |
| Disposals | (394) | - | (3,295) | - | - | (157) | - | (711) | - | - | (4,557) |
| Transfers – Eliminations | - | - | 2,375 | (734) | - | - | - | 817 | (691) | (1,767) | (0) |
| Distractions | - | - | (859) | - | - | - | - | (400) | - | - | (1,260) |
| Exchange Differences | - | - | (140) | - | (11) | - | - | (882) | - | - | (1,032) |
| Additions | - | - | (77) | - | 0 | - | - | (38) | - | - | (115) |
| Balance as of December 31st 2009 | 3,378 | 684 | 62,203 | 2,978 | 142 | 137 | 41 | 36,179 | 160 | 368 | 106,270 |
| Accumulated Depreciation Balance as of January 1st ,2009 | - | - | 11,746 | 443 | 115 | 116 | - | 11,706 | 78 | - | 24,205 |
| Depreciation for the year | - | - | 4,601 | 182 | 13 | 22 | 1 | 5,856 | 24 | - | 10,699 |
| Depreciation of sold fixed assets | - | - | (1,123) | - | - | - | - | (515) | - | - | (1,639) |
| Depreciation of non consolidated subsidiary | - | - | (55) | - | (11) | (68) | - | (666) | - | - | (799) |
| Assets impairment | - | - | (193) | - | - | - | - | (188) | - | - | (381) |
| Depreciation of destroyed assets | - | - | 504 | - | - | - | - | 438 | - | - | 942 |
| Exchange Differences | - | - | 25 | - | 1 | - | - | 435 | - | - | 461 |
| Balance as of December 31st, 2009 | - | - | 15,505 | 625 | 119 | 71 | 1 | 17,066 | 102 | - | 33,488 |
| Net Book Value as of December 31st 2009 | 3,378 | 684 | 46,698 | 2,353 | 23 | 66 | 40 | 19,114 | 58 | 368 | 72,782 |
| Cost or Fair value Balance as of January 1st 2010 | 3,378 | 684 | 62,203 | 2,978 | 142 | 137 | 41 | 36,179 | 160 | 368 | 106,270 |
| Additions | - | - | 3,849 | - | 63 | - | - | 4,324 | - | 182 | 8,419 |
| Disposals | - | - | (148) | - | (31) | - | - | (30) | - | - | (208) |
| Transfers – Eliminations | - | - | 161 | - | - | - | - | - | - | (170) | (8) |
| Assets of non consolidated subsidiary | - | - | (682) | - | (17) | - | - | (334) | - | - | (1,034) |
| Impairments | - | - | - | - | - | - | - | - | - | - | - |
| Distractions | (88) | - | (5,107) | - | - | - | - | (154) | - | - | (5,348) |
| Exchange Differences | - | - | (76) | - | - | - | - | (18) | - | - | (93) |
| Balance as of December 31st 2010 | 3,291 | 684 | 60,201 | 2,978 | 157 | 137 | 41 | 39,968 | 160 | 380 | 107,997 |
| Accumulated Depreciation Balance as of January 1st 2010 | - | - | 15,505 | 625 | 119 | 71 | 1 | 17,066 | 102 | - | 33,488 |
| Depreciation for the year | - | - | 4,538 | 119 | 32 | 20 | - | 5,382 | 176 | - | 10,267 |
| Depreciation of sold fixed assets | - | - | (22) | - | (27) | - | - | (106) | - | - | (154) |
| Depreciation of destroyed assets | - | - | (1,848) | - | - | - | - | (102) | - | - | (1,950) |
| Depreciation of non consolidated subsidiary | - | - | (656) | - | (9) | - | - | (135) | - | - | (799) |
| Exchange Differences | - | - | (10) | - | - | - | - | 25 | - | - | 15 |
| Balance as of December 31st 2010 | - | - | 17,508 | 744 | 115 | 91 | 1 | 22,130 | 278 | - | 40,867 |
| Net Book Value as of December 31st 2009 | 3,291 | 684 | 42,693 | 2,233 | 42 | 46 | 40 | 17,838 | (118) | 380 | 67,130 |

Company's net investments in tangible and intangible assets during the period amounted to € 6,379 thou. and regarded mainly to investments in new and old stores and equipment purchases. The respective amount for the Group stood at € 9.066 thou. and regards not only the net investments of the company but also the net investments of its foreign subsidiaries.

Pursuant to streamlining of its operating cost, the group proceeded to the cease of operations of several of its retail stores soon after the negotiations with the property owners with the objective of reducing the lease payments, were not successful. As a result of the aforementioned cease of operations, there was a undepreciated balance of fixed assets write-down amounting € 3,409 thou. which affected the consolidated results of the current year.

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The **Company's** fixed assets are analyzed as follows:

| TANGIBLE ASSETS | Land | Land acquisition through financial leasing | Buildings | Buildings acquisition through financial leasing | Machinery equipment | Means of transportation | Means of transportation through financial leasing | Furniture and accessories /fittings | Furniture and accessories /fittings acquisition through financial leasing | Fixed assets in progress | TOTAL |
|---|--------------|---|------------------|--|----------------------------|--------------------------------|--|--|--|---------------------------------|---------------|
| Cost or Fair value | | | | | | | | | | | |
| Balance as of January 1st 2009 | 3,686 | 684 | 43,724 | 3,712 | 135 | 285 | - | 26,714 | 851 | 343 | 80,134 |
| Additions | | | 7,875 | | | 9 | 41 | 5,588 | | 203 | 13,715 |
| Disposals | (394) | | (3,288) | | | (157) | | (711) | | | (4,550) |
| Transfers – Eliminations | | | 1,078 | (734) | | | | 691 | (691) | (343) | - |
| Distractions | | | (140) | | (11) | | | (882) | | | (1,032) |
| Balance as of December 31st 2009 | 3,292 | 684 | 49,248 | 2,978 | 125 | 137 | 41 | 31,400 | 160 | 203 | 88,267 |
| Accumulated Depreciation | | | | | | | | | | | |
| Balance as of January 1st 2009 | - | - | 10,329 | 443 | 112 | 116 | - | 11,071 | 78 | - | 22,150 |
| Depreciation for the year | | | 3,819 | 182 | 9 | 22 | 1 | 5,027 | 24 | | 9,083 |
| Depreciation of sold fixed assets | | | (1,122) | | | | | (515) | | | (1,637) |
| Depreciation of destroyed assets | | | (55) | | (11) | (68) | | (666) | | | (799) |
| Depreciation for the year | | | | | | | | | | | |
| Balance as of December 31st 2009 | - | - | 12,971 | 625 | 110 | 71 | 1 | 14,916 | 102 | - | 28,796 |
| Net Book Value as of December 31st 2009 | 3,292 | 684 | 36,277 | 2,353 | 15 | 66 | 40 | 16,484 | 58 | 203 | 59,471 |
| Cost or Fair value | | | | | | | | | | | |
| Balance as of January 1st 2010 | 3,292 | 684 | 49,248 | 2,978 | 125 | 137 | 41 | 31,400 | 160 | 203 | 88,267 |
| Additions | | | 2,752 | | | | | 3,444 | | 182 | 6,379 |
| Disposals | | | | | (31) | | | (346) | | | (377) |
| Transfers – Eliminations | | | | | | | | | | (8) | (8) |
| Distractions | (88) | | (5,107) | | - | - | | (154) | | | (5,348) |
| Exchange Differences | | | | | | | | | | | |
| Balance as of December 31st 2010 | 3,205 | 684 | 46,893 | 2,978 | 94 | 137 | 41 | 34,345 | 160 | 377 | 88,913 |
| Accumulated Depreciation | | | | | | | | | | | |
| Balance as of January 1st 2010 | - | - | 12,971 | 625 | 110 | 71 | 1 | 14,916 | 102 | - | 28,796 |
| Depreciation for the year | | | 3,578 | 119 | 7 | 20 | - | 4,944 | 176 | | 8,844 |
| Depreciation of sold fixed assets | | | | | (27) | | | (70) | | | (97) |
| Depreciation of destroyed assets | | | (1,848) | | - | - | - | (102) | | | (1,950) |
| Balance as of December 31st 2010 | - | - | 14,701 | 744 | 90 | 91 | 1 | 19,688 | 278 | - | 35,593 |
| Net Book Value as of December 31st 2010 | 3,205 | 684 | 32,192 | 2,233 | 4 | 46 | 40 | 14,657 | (118) | 377 | 53,320 |

5.3. Intangible assets

Intangible assets for the **Group** are analyzed as follows:

| Amounts in th. € | Software | Other | TOTAL |
|--|--------------|------------|--------------|
| Cost or fair value | | | |
| Balance as of 1st January 2009 | 4,201 | 685 | 4,887 |
| Additions | 1,233 | - | 1,233 |
| Disposals / Impairments | (152) | - | (152) |
| Exchange Differences | (20) | - | (20) |
| Balance of 31 December 2009 | 5,262 | 685 | 5,948 |
| Accumulated depreciation | | | |
| Balance as of 1st January 2009 | 1,129 | 302 | 1,431 |
| Depreciation of the year | 715 | 300 | 1,015 |
| Depreciation of sold / impaired fixed assets | (36) | - | (36) |
| Balance of 31 December 2009 | 1,807 | 602 | 2,410 |
| Net book value as of 31 December 2009 | 3,455 | 83 | 3,538 |
| Cost or fair value | | | |
| Balance as of 1st January 2010 | 5,262 | 685 | 5,948 |
| Additions | 647 | - | 647 |
| Disposals / Impairments | (43) | - | (43) |
| Intangible of non consolidated subsidiary | (84) | - | (84) |
| Exchange Differences | (4) | - | (4) |
| Balance of 31 December 2010 | 5,778 | 685 | 6,463 |
| Accumulated depreciation | | | |
| Balance as of 1st January 2010 | 1,807 | 602 | 2,410 |
| Depreciation of the year | 992 | 83 | 1,074 |
| Depreciation of sold / impaired fixed assets | (15) | - | (15) |
| Depreciation of non consolidated subsidiary | (25) | - | (25) |
| Exchange Differences | (2) | - | (2) |
| Balance of 31 December 2010 | 2,757 | 685 | 3,442 |
| Net book value as of 31 December 2010 | 3,021 | - | 3,021 |

Intangible assets for the **Company** are analyzed as follows:

| Amounts in th. € | Software | Other | Software | Other | TOTAL |
|--|--------------|------------|----------|-------|--------------|
| Cost or fair value | | | | | |
| Balance as of 1st January 2009 | 3,657 | 685 | | | 4,343 |
| Additions | 1,175 | | | | 1,175 |
| Disposals / Impairments | (9) | | | | (9) |
| Balance of 31 December 2009 | 4,824 | 685 | | | 5,509 |
| Accumulated depreciation | | | | | |
| Balance as of 1st January 2009 | 1,046 | 302 | | | 1,348 |
| Depreciation of the year | 651 | 300 | | | 951 |
| Depreciation of sold / impaired fixed assets | (1) | - | | | (1) |
| Balance of 31 December 2009 | 1,695 | 602 | | | 2,298 |
| Net book value as of 31 December 2009 | 3,128 | 83 | | | 3,211 |
| Cost or fair value | | | | | |
| Balance as of 1st January 2010 | 4,824 | 685 | | | 5,509 |
| Additions | 623 | | | | 623 |
| Disposals / Impairments | (43) | | | | (43) |
| Balance of 31 December 2010 | 5,403 | 685 | | | 6,089 |
| Accumulated depreciation | | | | | |
| Balance as of 1st January 2010 | 1,695 | 602 | | | 2,298 |
| Depreciation of the year | 930 | 83 | | | 1,013 |
| Depreciation of sold / impaired fixed assets | (15) | - | | | (15) |
| Balance of 31 December 2010 | 2,611 | 685 | | | 3,296 |
| Net book value as of 31 December 2010 | 2,793 | - | | | 2,793 |

Intangible assets are not pledged and are free of any kind of burdens.

5.4. Investments in subsidiaries and affiliates

Participations of the parent Company in subsidiaries and affiliates are analyzed as follows:

| Amounts in th. € | ACQUISITION COST 31/12/2010 | ACQUISITION COST 31/12/2009 |
|--|--------------------------------|--------------------------------|
| FASHION LOGISTICS S.A. | 418 | 418 |
| Less: Impairment | (218) | |
| Acquisition cost of participation in affiliated companies | 200 | 418 |
| SPRIDER BULGARIA FOOD | 258 | 258 |
| SPRIDER DOOEL LTD (SKOPJE) | 2,286 | - |
| SPRIDER STORES S.R.L. | 16,216 | 16,216 |
| SPRIDER STORES LIMITED | 2,700 | 2,700 |
| SPRIDER STORES POLSKA | - | 1,665 |
| Acquisition cost of participation in subsidiary companies | 21,460 | 20,839 |
| Less: Impairment | (18,660) | (1,779) |
| Total participation to subsidiaries | 2,800 | 19,060 |

There are no restrictions limiting the above affiliated companies from transferring capital to the company in the form of cash dividend, or loan payment or down payment. There are no other potential obligations or restrictions (i.e. capital), related to investments in affiliated companies.

It is noted that:

1. The repercussions of the global financial crisis, which also had an impact on the results of the Group's subsidiaries, which already faced intense competition, have been a great cause of concern for the management of the parent company. During this critical period, all difficult decisions carry exceptional weight and call for great mental clarity and focus.

The financial crisis that has hit the countries of operation of the Group's subsidiaries, especially Romania, inhibits consumer trust and leads to waning consumer markets. Within this notably adverse economic environment, the Group's management, taking into account the circumstances prevailing in international markets, which noticeably deteriorated during the second semester of 2010, and in conjunction with the fact that this state of affairs is not anticipated to exhibit any dramatic reversals in the mid-term, decided to impair participations in the Romanian, Bulgarian and Cypriot subsidiaries, by EUR16,260 thousand, a move which impacted on the results of the parent company. Following these impairments, the redeemable amount of the participations in subsidiaries recorded in the financial statements of the parent company stands at EUR2,800 thousand. The above impairments did not exert any impact on consolidated turnover, consolidated results (profit or loss) after taxes and minority interests, or on consolidated Equity. Both internal as well as external sources of information were taken into account in appraising the redeemable amount. Indicatively:

- Significant changes that adversely impact the subsidiary, which have taken place during the period or which are anticipated to take place in the near future, to the environment wherein the subsidiary operates;
- Market interest rates or other market rates of return on investments have increased during the period and such increases are likely to impact the discount interest rate applied to calculating value and, consequently, to substantially decrease the redeemable amount;
- Significant changes that have an adverse impact on the subsidiary, which have taken place during the period or which are anticipated to take place in the near future, to the extent or in regard to the manner that an asset (such as a store) is used or anticipated to be used. These changes include the partial or total freezing of the asset, programmes for the suspension or reorganization of the business undertaking under which the financial asset is classified, or programmes for the disposal of a financial asset prior to the previously anticipated date and the reappraisal of the useful life of an asset as finite instead of indefinite.
- Available documentation from internal audit reports, furnishing proof that the financial performance of the subsidiary is deteriorating or is going to be worse than anticipated.

Management assessed the reasonableness of the assumptions on which the current cash flow forecasts were based, examining the reasons for the differences between previous anticipated cash flows and current cash flows. The assumptions on which management relied are consistent with previous actual results. The estimations of future cash flows were based on the most recently updated budgets, over a five-year horizon.

Future cash flows were estimated in the currency in which they are to be generated and were subsequently prepaid, using the suitable discount interest rate for that currency. The present value was converted using the current rate of exchange as applicable on the calculation date.

It is noted that the positive results stemming from the reorganization of the Group's subsidiaries in Romania, Cyprus and Bulgaria, which are to take effect within 2011, were not taken into account in this appraisal and, as such, the impairment conducted reflects a highly prudent policy.

1. The Company Pursuant to the resolution of the Board of Directors dated May 28, 2009, the company approved the sale of the group's fully owned (100%) subsidiary SPRIDER DOOEL MON. Ltd (FYROM), and the sale was finalized on 02/06/2009 for a total of € 1.500 thou. The subsidiary's previous year results were consolidated as at the date of the sale (1/1-1/6/2009).
2. The acquirer of the company is facing serious financial problems and the company estimates that the amount of the sale will not be collected and therefore proceeded to accounting for provision of impairment against the claim.

Pursuant to the resolution of the Board of Directors dated March 31, 2010, the company, in order to secure its claim, sent to the buyer a letter warning him that in case of no compliance with the payment obligations, the company will terminate the trading contract of the subsidiaries shares dated 29/5/2009, considering the postponement clause towards the company's security as annulled, which also include that in case of a payment delay, even one installment, from the total amount of the sale, the Company has the right to call back its shares within a period of three (3) days, hence should the buyer not comply, the seller has the right to execute the call back of the shares (sales call back). The buyer has declared inability to fulfill the payment of even one installment and therefore signed the deed of share return on 30/3/2010. Hence as at 31/3/2010 the company recovered full ownership. Therefore the € 1.500 thou. receivable along with the corresponding impairment were counter accounted and hence the company recovered the participation value of € 2,286 thou., the accumulated impairment of € 786 thou. and also accounted for an additional impairment of € 1.500 thou. resulting to a nil participation value. The company's intention is to liquidate the subsidiary. It is estimated that as a result of the above action there will be no additional expenses while there is also an insurance claim pending, that will be accounted for at the financial statements when redeemed. It is noted that in 2010 the subsidiary company received compensation as an insurance amount € 120 thou. The company has been renamed by its previous owner to "Company for services and trade outlet Macedonia Doel export import Skopje".

The results of the subsidiary company for the preceding financial year have been consolidated up to the date of sale (1 January to 1 June 2009), while in the current financial year they have been incorporated beginning on 31 March 2010.

3. The parent company, pursuant to the decision of its Board of Directors of 31 January 2010, decided to suspend the operation of its only store in Poland, as the business activity of the Group in that country was deemed to be unprofitable. The financial crisis, as well as fluctuations in the local currency against the Euro, aggravated market conditions and did not allow sales targets to be met. Meanwhile, a private party expressed an interest in acquiring the aforementioned company, which bore accrued damages. After calculating the impaired value of the company, the Board of Directors of the parent company offset the calculated value against the consideration offered and decided, by its decision of 24 November 2010, to transfer its participation, an operation that was completed on 29 November 2010. The impairment recorded in the separate balance sheet was carried over from the preceding financial year, namely reaching the total amount of EUR1,665 thousand.

The results of the subsidiary company were consolidated up to the date of disposal (1 January to 29 November 2010).

The above modifications to the structure of the Group did not, overall, impact turnover, results after taxes and minority interests and Equity of parent company shareholders, by more than 25%.

4. The impact from the pro rata results of affiliated company FASHION LOGISTICS S.A. was not accounted for, since it has already been accounted for on a consolidated basis. In the parent company's books there is impairment of € 218 thou.

The synoptic financial results of the affiliated company Fashion Logistics SA on 31/12/2010 are as follows:

| Amounts in th. € | TURNOVER | (LOSSES) AFTER TAX | ASSET | EQUITY | LIABILITIES |
|------------------------|----------|-----------------------|-------|--------|-------------|
| FASHION LOGISTICS S.A. | 3,497 | (560) | 9,414 | (563) | 9,977 |

There were no changes at the group's composition versus December 31st, 2009.

5.5. Available for sale Financial Assets

During the previous fiscal year the company sold its participation in the company UNITED TRENDINO SHOES S.A. The result of the sale stood at losses of € 109 thou.

5.6. Other long-term receivables

Other long-term receivables of the Group and the company concern rent warranties and electricity warranties to the Public Power Company. These receivables are to be received after the end of the rent contracts.

| Amounts in th. € | THE GROUP | | THE COMPANY | |
|-----------------------------|------------|------------|-------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Other long-term receivables | 2,642 | 2,750 | 2,456 | 2,563 |

5.7. Inventory Analysis

Inventories for the Group and for the company are analyzed as follows:

| Amounts in th. € | THE GROUP | | THE COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Merchandise | 43,900 | 51,335 | 40,047 | 46,733 |
| Final Products | 3 | 17 | 3 | 17 |
| Raw material – packaging materials | 552 | 498 | 162 | 146 |
| Raw material – Production material in progress | - | - | - | - |
| Production in progress | - | - | - | - |
| Total | 44,455 | 51,850 | 40,212 | 46,896 |
| Impairments at the beginning of the year | (8,028) | (326) | (8,028) | (326) |
| Impairments of the fiscal year | - | (7,889) | - | (7,889) |
| Used impairments | - | 186 | - | 186 |
| Total inventory impairments | (8,028) | (8,028) | (8,028) | (8,028) |
| Net Book Value | 36,427 | 43,822 | 32,183 | 38,868 |

The amount of inventory that was recognized as expense during the fiscal year and it is included in the consolidated cost of goods sold, amount to € 63,835 thou (2009: € 74,220 thou). At the parent company level the expense amounted € 64,305 thou (2009: € 73,864 thou).

It is noted that the group's FY 2009 results are burdened with inventory impairments amounting to € 7,889 thou.

In order to determine a net sales value of the inventory, the company considers the most reliable information at hand at the date of the evaluation. The company's corporate activity depends on trend changes (fashion), which main result to considerable impairment of its inventory.

In the framework of the continuing effort to meet the full range of consumer needs the Group announces the signing of an exclusive agreement with top Greek performer Sakis Rouvas. Pursuant to the above agreement, the famous artist will create and sign the "Sakis Rouvas Collection", a complete apparel collection for men and women that will bear his personal signature. The "Sakis Rouvas Collection" will be distributed exclusively through the SPIDER STORES broad retail network as of October 2010. The introduction of the new product line was accompanied by a "freshening" of all the shops in the Greek territory.

5.8. Trade and Other Receivables

Trade receivables of the Group and the company are analyzed as follows:

| CUSTOMERS & TRADE RECEIVABLES | THE GROUP | | THE COMPANY | |
|---|-------------------|-------------------|--------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Amounts in th. € | | | | |
| Customers | 15,404 | 10,953 | 20,730 | 15,850 |
| Promissory notes receivable | 10 | 10 | 10 | 10 |
| Cheques receivable | 677 | 132 | 677 | 132 |
| Delayed check payments | 16 | 16 | 16 | 16 |
| Delayed bill payments | 58 | 58 | 58 | 58 |
| Provisions for doubtful checks - bills | (74) | (74) | (74) | (74) |
| Claims from credit cards - Factors | 1,104 | 3,396 | 1,104 | 3,396 |
| Provisions for bad debts | (3,585) | (2,866) | (3,585) | (2,866) |
| TOTAL TRADE CLAIMS | 13,609 | 11,625 | 18,934 | 16,522 |
| OTHER CLAIMS RECEIVABLE | | | | |
| Purchase prepayments | 3,371 | 5,747 | 3,370 | 5,746 |
| Other debtors | 2,539 | 1,889 | 2,399 | 1,653 |
| Provisions for bad debtors - prepayments | (4,062) | (3,048) | (3,922) | (2,906) |
| Receivable from the sale of subsidiary | | 1,500 | | 1,500 |
| Provision of Receivable from the sale of subsidiary | - | (1,500) | - | (1,500) |
| Advances and credit control account | - | 92 | | 92 |
| Claims from Governmental Organizations | 1,854 | 3,816 | 1,832 | 3,809 |
| Securities | 1 | 1 | 1 | 1 |
| Claims from damaged stores compensation | 750 | - | 750 | |
| Claims from subsidiaries and affiliates | - | 22 | | 37 |
| Deferred expense | 899 | 947 | 795 | 787 |
| Other assets | 49 | 1,634 | 47 | 1,626 |
| Deferred income receivable | 639 | 322 | 639 | 322 |
| TOTAL RECEIVABLE | 6,040 | 11,422 | 5,910 | 11,168 |
| TOTAL CLIENTS AND OTHER RECEIVABLES | 19,648 | 23,048 | 24,845 | 27,690 |

All the above receivables are concerned as short term. The fair value of that short-term financial assets is not determined independently because the book value is considered to be equal to the fair value.

The book value of the receivables from subsidiaries, is considered to be equal to the fair values, because their collection is expected to take place within that period that the effect of the time value of money is considered insignificant.

For all of the Group's receivables, an estimation of the indication of probable impairment has been realized. The global financial crisis and the subsequent recession have affected companies (clients – suppliers) which are business associates of the group. In view of that the group's management decided to proceed with provisions for doubtful receivables impairment amounting to € 1,986 for the group and the company (2009: € 6,663 thou. and € 6,469 thou accordingly).

The Group's provisions detailed analysis as regards the non collectible claims is presented at § 5.12 "Provisions analysis".

The Receivables that were not impaired and are postdated, are greater than one year old and amount € 1,7 million and concern receivables from the Greek State and Local Authorities.

5.9. Short Term Financial Assets – Liabilities

The Group participates in international level and consequently is exposed to foreign exchange rate risk deriving mainly from US Dollar. This risk is mainly originated from future commercial transactions, liabilities in foreign currency, which constitute a large portion of total liabilities to suppliers. The Group in order to confront potential risks from the fluctuation of the exchange rate Euro:US Dollar utilizes flexible forward contracts securing in that way the price of the Dollar and consequently decreasing its exposure in the relative foreign exchange rate risk.

The Nominal Value of the Flexible Forward Contracts as of 31/12/2010 amounted to \$ 16,000 th and the duration is up to 6 months, up to June 30, 2011.

The derivatives are classified as asset accounts (Short Term Financial Assets) or as liability accounts (Short Term Financial Liabilities). The total of the fair value of a derivative which is designated as a hedge instrument is classified as current asset and current liabilities due to the fact that the hedging of the prospective transactions in foreign currency is expected to be realized at various dates of the following six months up until 30/06/2011. The profits and losses from the foreign exchange forward contracts, which have been accounted for at the reserve from the fair value of the Shareholders Equity as at 31/12/2010, will be transferred to the Income Statement of the period or the period during which the transactions concerning the hedging are affecting the income statement.

| Amounts in th. € | CONSOLIDATED/COMPANY FIGURES | |
|---|------------------------------|-------------|
| | 31/12/2010 | 31/12/2009 |
| Financial Derivatives | | |
| Flexible Forward - Cash flow hedge | 170 | 253 |
| Financial Derivatives (claim) | 170 | 253 |
| Flexible Forward - Cash flow hedge | (0) | 268 |
| Financial Derivatives (liability) | (0) | 268 |
| Net Derivatives value | 170 | (15) |
| Less: Taxes related to assets credited in the Shareholders Equity | 34 | (4) |
| Amounts directed accounted for in the Shareholders Equity | 136 | (11) |

The fair value of these contracts has been evaluated by using the foreign exchange rates at the end of the period in reference.

5.10. Cash and Cash equivalents

Group and company cash and cash equivalents are analyzed as follows:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Cash | 1,104 | 1,161 | 983 | 1,067 |
| Sight deposits | 3,869 | 3,726 | 3,535 | 1,470 |
| Time deposits | - | 3,700 | | 3,700 |
| TOTAL CASH & CASH EQUIVALENTS | 4,973 | 8,588 | 4,517 | 6,237 |

From the use of the cash of the group there have been derived interests (income) of the amount of € 65 thou for the group and € 27 thou for the company (2009: € 156 thou and € 117 thou).

5.11. Shareholders Equity

Group and company shareholders equity comprise the following:

| Amounts in th. € | Group | | Company | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Capital and Reserves distributed to the shareholders of the parent company | | | | |
| Share Capital | 23,636 | 23,636 | 23,636 | 23,636 |
| Shares premium | 241 | 241 | 241 | 241 |
| Foreign Exchange differences | (924) | (715) | | |
| Cash flow hedge reserve | 136 | (11) | 136 | (11) |
| Other Reserves | 3,804 | 3,804 | 3,804 | 3,804 |
| Retained earnings | 24,396 | 34,989 | 13,589 | 39,343 |
| Total | 51,290 | 61,944 | 41,406 | 67,014 |
| Minority rights | - | - | | |
| Total equity | 51,290 | 61,944 | 41,406 | 67,014 |

Out of the above, the Statutory reserve is formed by law from the profits of each fiscal period and remains in the equity capital of the company to offset probable future losses, while it has been taxed in the accounting period, in which it was formed, and consequently it is tax free.

As far as the rest of the reserves are concerned, they can be distributed to the shareholders after the income tax is paid.

The account "Other Reserves" of the Group and the Company is analyzed as follows:

| Amounts in th. € | Group/Company | | | | |
|--------------------------------|--------------------|------------------------|-------------------|----------------|--------------|
| | Statutory reserves | Extraordinary reserves | Tax free reserves | Other reserves | Total |
| Balance at 1/1/2009 | 2,807 | 50 | 241 | 2 | 3,100 |
| Changes during the fiscal year | 704 | | | | 704 |
| Balance at 31/12/2009 | 3,511 | 50 | 241 | 2 | 3,804 |
| Changes during the fiscal year | | | | | - |
| Balance at 31/12/2010 | 3,511 | 50 | 241 | 2 | 3,804 |

The analytical presentation of the changes in Shareholder Equity of the Group and of the company is given in the chapter, «Statement of changes in equity» of this report

5.11.1. Share Capital

The Company's Share capital divided on 31/12/2010 into 78.787.980 common registered shares with a par value of € 0.30 each.

The Extraordinary General Shareholders meeting dated on 27/12/2010 unanimously, approved the increase of the share's par value from EUR 0.30 to EUR 0.90 and the subsequent decrease (reverse split) of the current 78,787,980 outstanding common registered shares of par value EUR 0.30 each, to convert to 26,262,660 outstanding common registered shares of par value EUR 0.90 each, which are to be distributed pro bono to the current shareholders pro rata one (1) new share replacing three (3) held. The new shares on 3/3/2011 credited to the accounts of beneficiaries. According to the above the company's share capital still amounts to EUR 23,363,394.00 divided into 26,262,660 common registered voting shares of par value EUR 0.90 each.

The share of SPRIDER is listed in the Athens Exchange in the category of SMALL BIG CAP.

Every common share provides the privilege of one voting right in the General Assembly of the shareholders.

Every share provides all the privileges and obligations, which are set by the Law and the company's articles of constitution. The responsibility of the shareholders is restricted in the par value of the shares they possess.

The amounts received, over and above the issued shares par value, are included in the "Share Premium Account" under the Equity net of all issuing expenses, other legal fees and relevant tax dues. All issued shares by the Company are paid in full.

The company or any of its subsidiaries and affiliated companies do not own any parent company own shares.

As at 31/12/2010 the parent company "HATZIOANNOU SA" held 39.92% of SPRIDER STORES SA's share capital.

Due to the company's reported losses for FY 2010, the Board of Directors intends to propose at the Annual Ordinary Shareholders Meeting, scheduled to convene on Monday June 13, 2011, the non distribution of dividend for FY 2009 in spite of the retained earnings available for distribution. Due to the prevailing instability in the market as a result of the growing financial crisis and its impact consumers purchasing power and hence demand as well as the reluctance of the financial institutions to finance businesses and in view of enhancing the group's liquidity, the management chose to finance the group's growth plan for FY 2010 through own capital.

Losses after tax of SPRIDER STORES S.A., amounting € 25.755 thou., is suggested to be distributed as follows:

| | |
|---|-----------------|
| (Losses) of the year (in € thou) | (25,755) |
| Losses carried forward | (25,755) |
| Suggested dividend (in €) | 0.00 |
| Dividend per share (in €) | 0.000 |

It must be noted that the proposed dividend is pending the approval of the annual ordinary general shareholders' meeting.

5.12. Provisions

The provisions formed by the Company and the Group are presented in the following table:

| Amounts in th. € | CONSOLIDATED FIGURES | | | COMPANY FIGURES | | |
|---------------------------------|----------------------|--------------------------------------|---------------------------------|----------------------|--------------------------------------|---------------------------------|
| | Bad debts provisions | Provisions for tax audit differences | Employee Compensation Provision | Bad debts provisions | Provisions for tax audit differences | Employee Compensation Provision |
| Balance as of 1/1/2009 | 824 | 417 | 1,130 | 876 | 417 | 1,130 |
| Additions (New provisions) | 6,663 | 350 | 436 | 6,469 | 350 | 436 |
| Disposals (Used provisions) | | (417) | (56) | | (417) | (56) |
| Balance as of 31/12/2009 | 7,487 | 350 | 1,510 | 7,346 | 350 | 1,510 |
| Balance as of 1/1/2010 | 7,487 | 350 | 1,510 | 7,346 | 350 | 1,510 |
| Additions (New provisions) | 1,986 | - | 377 | 1,986 | - | 377 |
| Disposals (Used provisions) | (1,752) | - | (687) | (1,750) | - | (687) |
| Balance as of 31/12/2010 | 7,721 | 350 | 1,200 | 7,581 | 350 | 1,200 |

5.13. Suppliers and other short-term liabilities

Suppliers and other short-term liabilities for the Group and for the company are presented in the following table:

| SUPPLIERS AND OTHER TRADE LIABILITIES Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|---------------|-----------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Suppliers | 15,265 | 18,626 | 14,021 | 16,369 |
| Promissory notes payable | 5,720 | 4,511 | 5,720 | 4,511 |
| Cheques payable | 7,107 | 7,335 | 7,107 | 7,335 |
| TOTAL SUPPLIERS AND OTHER TRADE LIABILITIES | 28,092 | 30,472 | 26,848 | 28,215 |

| OTHER SHORT-TERM LIABILITIES Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Liabilities to insurance companies | 1,374 | 1,697 | 1,352 | 1,672 |
| Other creditors | 108 | 1,304 | 234 | 1,960 |
| Accrued expenses | 1,388 | 1,008 | 1,338 | 977 |
| Employee salaries payable | 71 | 57 | 1 | |
| Dividend | 6 | 7 | 6 | 7 |
| Customers' advance payments | 2,231 | - | 2,231 | |
| Provisions for tax audit differences | 350 | 350 | 350 | 350 |
| Other provisions | - | 24 | | |
| Deferred income | 8 | - | 8 | |
| TOTAL OTHER SHORT-TERM LIABILITIES | 5,537 | 4,446 | 5,520 | 4,965 |

All liabilities are short-term. The fair value of the trade and other liabilities are not reported separately since, due to their short term nature, the company's management estimated that the book value accounted for at the balance sheet is a fair approach of its fair value.

5.14. Current and Other Tax Liabilities

The Group's and Company's current tax liabilities are as follows:

| CURRENT TAX LIABILITIES Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Income tax | 15 | 2,025 | 15 | 2,021 |
| Taxes from tax audit differences | 17 | 535 | 17 | 535 |
| Extraordinary tax contribution | 673 | 1,091 | 673 | 1,091 |
| Total current tax liabilities | 705 | 3,651 | 705 | 3,646 |
| Value added tax | 3,024 | 4,118 | 2,743 | 3,885 |
| Employee services Tax | 78 | 90 | 78 | 90 |
| Taxes-duties for third parties | 79 | 37 | 79 | 37 |
| Other taxes | 100 | 92 | 58 | 49 |
| Total other tax liabilities | 3,281 | 4,337 | 2,958 | 4,060 |
| TOTAL CURRENT TAX LIABILITIES | 3,986 | 7,988 | 3,663 | 7,707 |

5.15. Deferred taxation

Deferred income tax is calculated on temporary differences, using tax rates that are due in the countries where the companies of the Group operate on the recovery or settlement date. The amounts that are shown in the balance sheet will be recovered or settled after December 31, 2010. Specifically for the calculation of the parent company deferred taxation, a 20% ratio for the next years.

Tax rates for the fiscal year 2010 for the companies operating abroad are as follows:

| COUNTRY | Tax rate |
|---------|----------|
| BULGARY | 10% |
| ROMANIA | 16% |
| CYPRUS | 10% |
| Skopje | 10% |

Balances in deferred tax claims and liabilities before their settlement for the Group are the following:

| Amounts in th. € | CONSOLIDATED FIGURES | | | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | 31/12/2010 | | 31/12/2009 | |
| | Deferred tax receivable | Deferred tax liabilities | Deferred tax receivable | Deferred tax liabilities |
| Tangible assets | - | 1,127 | - | 1,549 |
| Intangible assets | - | 233 | - | 57 |
| Investments in associates | 84 | - | - | - |
| Inventories | 566 | - | 38 | - |
| Trade and other receivables | 303 | - | 709 | - |
| Employee benefits due to retirement | 240 | - | 374 | - |
| Tax reversal of tax free reserves | - | 416 | - | 542 |
| Reserves from the valuation of cash flow hedging contracts | - | 34 | 3 | - |
| Leasing liabilities | 661 | - | 805 | - |
| Provisions | 2 | 2 | - | - |
| Trade and other liabilities | 7 | - | 111 | 1 |
| Deferred tax receivable from tax loss recovery /write off of deferred claim due to the liquidation of subsidiary | 1,906 | - | - | - |
| Impact from tax rate changes | 154 | 154 | 379 | 365 |
| Total | 3,924 | 1,966 | 2,930 | 2,513 |
| Depreciation | (1,934) | (1,934) | (2,498) | |
| Net deferred tax receivable /(payable) | 1,989 | 31 | 432 | 16 |

Balances in deferred tax claims and liabilities before their settlement for the Company are the following:

| Amounts in th. € | COMPANY FIGURES | | | |
|--|-------------------------|--------------------------|-------------------------|--------------------------|
| | 31/12/2010 | | 31/12/2009 | |
| | Deferred tax receivable | Deferred tax liabilities | Deferred tax receivable | Deferred tax liabilities |
| Tangible assets | - | 1,086 | - | 1,531 |
| Intangible assets | - | 233 | - | 57 |
| Investments in associates | 52 | - | 445 | - |
| Inventories | 521 | - | - | - |
| Trade and other receivables | 296 | - | 709 | - |
| Employee benefits due to retirement | 240 | - | 374 | - |
| Tax reversal of tax free reserves | - | 416 | - | 542 |
| Reserves from the valuation of cash flow hedging contracts | - | 34 | 3 | - |
| Leasing liabilities | 661 | - | 805 | - |
| Provisions | - | 2 | - | - |
| Trade and other liabilities | - | - | 109 | - |
| Deferred tax receivable from tax loss recovery /write off of deferred claim due to the liquidation of subsidiary | 1,220 | - | - | - |
| Impact from tax rate changes | 154 | 155 | 379 | 365 |
| Total | 3,144 | 1,926 | 2,823 | 2,494 |
| Depreciation | (1,926) | - | (2,494) | - |
| Net deferred tax receivable /(payable) | 1,218 | - | 329 | - |

Changes in deferred claims and liabilities for the presented fiscal years for the Group are the following:

| Amounts in th. € | 1/1/2010 | Accounted for in other comprehensive income | Accounted for in Income Statement | 31/12/2010 |
|--|------------|---|-----------------------------------|--------------|
| Tangible assets | (1,549) | - | 422 | (1,127) |
| Intangible assets | (57) | - | (176) | (233) |
| Investments in associates | - | - | 84 | 84 |
| Inventories | 38 | - | 528 | 566 |
| Trade and other receivables | 709 | - | (406) | 303 |
| Employee benefits due to retirement | 374 | - | (134) | 240 |
| Employee benefits due to retirement | (542) | - | 126 | (416) |
| Tax reversal of tax free reserves | 3 | (37) | - | (34) |
| Reserves from the valuation of cash flow hedging contracts | 805 | - | (144) | 661 |
| Leasing liabilities | - | - | 0 | 0 |
| Provisions | 110 | - | (102) | 7 |
| Trade and other liabilities | 511 | - | 1,395 | 1,906 |
| Deferred tax receivable from tax loss recovery /write off of deferred claim due to the liquidation of subsidiary | 14 | - | (14) | 0 |
| | 416 | (37) | 1,579 | 1,958 |
| Accounted for as: | | | | |
| Deferred tax claims | 432 | - | - | 1,989 |
| Deferred tax liability | (16) | - | - | (31) |

Changes in deferred claims and liabilities for the presented fiscal years for the Company are the following:

| Amounts in th. € | 1/1/2010 | Accounted for in other comprehensive income | Accounted for in Income Statement | 31/12/2010 |
|--|------------|---|-----------------------------------|--------------|
| Tangible assets | (1,531) | - | 445 | (1,086) |
| Intangible assets | (57) | - | (176) | (233) |
| Investments in associates | 445 | - | (392) | 52 |
| Inventories | - | - | 521 | 521 |
| Inventories | 709 | - | (413) | 296 |
| Trade and other receivables | 374 | - | (134) | 240 |
| Employee benefits due to retirement | (542) | - | 126 | (416) |
| Tax reversal of tax free reserves | 3 | (37) | - | (34) |
| Reserves from the valuation of cash flow hedging contracts | 805 | - | (144) | 661 |
| Leasing liabilities | - | - | (2) | (2) |
| Provisions | 109 | - | (109) | - |
| Trade and other liabilities | - | - | 1,220 | 1,220 |
| Deferred tax receivable from tax loss recovery /write off of deferred claim due to the liquidation of subsidiary | 14 | - | (15) | (1) |
| | 329 | (37) | 927 | 1,218 |
| Accounted for as: | | | | |
| Deferred tax claims | 329 | - | 0 | 1,218 |
| Deferred tax liability | - | - | - | - |

5.16. Debt –Other long term liabilities

Loan liabilities, both long-term and short-term are analyzed in the following table:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|---------------|-----------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Long-term borrowings | | | | |
| Real estate leasing | 2,744 | 3,120 | 2,744 | 3,120 |
| Corporate Bonds | 21,400 | 26,000 | 21,400 | 26,000 |
| Total long term debt | 24,144 | 29,120 | 24,144 | 29,120 |
| Short-term borrowings | | | | |
| Part of short-term corporate bonds payable into 1 year and long-term loans payable into 1 year | 4,800 | 5,000 | 4,800 | 5,000 |
| Short – term bank borrowings | 16,661 | 13,208 | 16,660 | 13,060 |
| Real estate leasing | 261 | 143 | 261 | 143 |
| Total short-term debt | 21,721 | 18,350 | 21,721 | 18,202 |
| Total debt | 45,865 | 47,470 | 45,864 | 47,322 |

The Company with the decision of the General Shareholders Meeting held on November 22 2007, proposed and approved the issuance of a bond loan up to € 60.000 thousands. The amount finally approved amounted to € 35.000 thousands.

During the current fiscal year, the company and the group raised loans amounting to € 6,600 thou. (2009: € 17,500 thou and € 17,648 thou additionally) while the Group and the Company paid back short term loans amounting to € 7,933 thou. and € 7,800 thou respectively as well as a bond loan amounting to € 4,800 thou.

The parent company's management is in the final stage of its negotiation with its creditor banks with respect to the bond loan and the objective of modifying its terms of payment including among others the request for a grace period for the capital due in 2011 amounting €4,800 thou. The aforementioned capital is included in the financial statements under the short term liabilities account.

Concerning Company leasing contracts, an analysis of total payments for the following years is presented in the table below, regarding both capital payments and proportionate interest payments:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Real estate leasing payable in a year (Capital) | 261 | 143 | 261 | 143 |
| Proportionate interest | 82 | 194 | 82 | 194 |
| Short-term Sinking payment payable in a year | 343 | 337 | 343 | 337 |
| Real estate leasing payable in two to five years (capital) | 1,293 | 1,073 | 1,293 | 1,073 |
| Proportionate interest | 244 | 807 | 244 | 807 |
| Sinking payment | 1,536 | 1,880 | 1,536 | 1,880 |
| Real estate leasing payable after five years (capital) | 1,451 | 2,046 | 1,451 | 2,046 |
| Proportionate interest | 38 | 306 | 38 | 306 |
| Sinking payment | 1,489 | 2,352 | 1,489 | 2,352 |
| Long term Sinking payment | 3,026 | 4,232 | 3,026 | 4,232 |
| TOTAL | 3,369 | 4,569 | 3,369 | 4,569 |

The weighted average real interest rates on the loans of the Group and of the company at the date of the balance sheet are the following:

| | COMPANY FIGURES | |
|------------|-----------------|------------|
| | 31/12/2010 | 31/12/2009 |
| Bank Loans | 3.17% | 3.07% |

For guaranteeing debt there are pledges and mortgages over land and buildings of the Group of the amount of € 3,111 thou.

The Company performs its sales through a network of leased stores and other installations which for the needs of IFRS are considered operating leases. An analysis of the rents which will be paid out in the following years is presented in the following table:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|----------------|-----------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Operating rental charges payable into 1 year | 16,660 | 23,719 | 13,922 | 19,081 |
| Subtotal 1: Short-term operating rental charges | 16,660 | 23,719 | 13,922 | 19,081 |
| Operating rental charges payable into 2 to 5 years | 78,846 | 107,905 | 66,588 | 85,725 |
| Subtotal 2 | 78,846 | 107,905 | 66,588 | 85,725 |
| Operating rental charges payable after 5 years | 128,411 | 159,126 | 118,381 | 138,998 |

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Subtotal 3 | 128,411 | 159,126 | 118,381 | 138,998 |
| Subtotal 4 (=2+3): Long term operating leasing | 207,257 | 267,031 | 184,969 | 224,723 |
| TOTAL (=1+4) | 223,917 | 290,750 | 198,892 | 243,804 |

The significant decrease versus the previous fiscal year is due to the renegotiation of the lease contracts as well as the cease of operations of several stores.

On 31/12/2009 the account "**Other Long Term Liabilities**" amounted to € 1,098 thou due a legal settlement whereby the parent company as a result of the damages incurred from the December 2008 riots, was awarded a postponement of payments of insurance contributions. This liability was paid in full during the year.

5.17. Staff Retirement Indemnities

Compensation to personnel due to retirement: In accordance with the Greek labour legislation employees are entitled to compensation in the event of dismissal or retirement, the amount of which varies based on the employee's salary, the duration of his service and the way of termination of his employment agreement (dismissed or retired). Employees who resign or are dismissed with cause are not entitled to compensation. The amount payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, according to local practice, these programs are not financed.

The company debits the results for working benefits in each period with corresponding increase of the retirement obligation. Benefit payments to personnel who has retired each period are debited against this obligation. Changes in net obligation in the attached balance-sheet of the Group and the Company for the financial year 2008 and 2007 are presented in note "5.12, Provisions analysis".

The number of personnel working within the company at the end of current financial year was 1,550 persons and for the group 1,868 persons, while in the previous financial year the number amounted 1,763 and 2,035 persons respectively.

The Company entrusted to esteemed independent analysts-actuaries, to perform a valuation for the obligations of the Company that stem from its obligation to pay out compensations due to retirement. The basic factors of the actuarial study at 31 December 2010 and 2009 are as follows:

| | 2010 | 2009 |
|------------------|--|-------------|
| Interest rate | 5.20% | |
| Salary increases | 3.50% | 4.00% |
| Inflation | 2.50% | |
| Service board | EVK 2000 | EVK 2000 |
| Retirement | Amounts entitled by the retirement authority | |
| Evaluation date | 31/12/2010 | 31/12/2009 |
| Salary Balance | NAI | |
| Salaries | 14/12 | |

The turnover rate is as follows:

| Working Experience | TurnOver Rates |
|---------------------------|-----------------------|
| 0-1 | 15% |
| 1-5 | 10% |
| 5-10 | 7% |
| 10 and above | 4% |

Last, the prerequisites and the retirement ages are those imposed by the insurance authorities and depend on the sex, the insurance payments and the employee's class (old or new).

| | CONSOLIDATED FIGURES / COMPANY FIGURES | |
|----------------------------|---|-------------------|
| Amounts in th. € | 31/12/2010 | 31/12/2009 |
| Balance Sheet Liabilities: | | |
| Retirement Benefits | 1,200 | 1,890 |

Amounts written down in the consolidated & parent company profit and loss accounts statement are presented below:

| | CONSOLIDATED FIGURES / COMPANY FIGURES | |
|----------------------------|---|-------------|
| Amounts in th. € | 2010 | 2009 |
| Current cost of employment | (691) | 380 |

5.18. Profit and Loss statement continued operation

- Cost of Goods Sold**

FY 2010 consolidated cost of goods sold stood at € 63,835 thou (2009: € 74,220 thou), while company's cost of goods sold stood at € 64,305 thou (2009: € 73,864thou).

It is noted that during the previous year, the parent company's as well as the group's gross profit was burdened by the amount of € 7,889, from inventory impairment.

Gross Profit Margin is as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---------------------|----------------------|----------------|-----------------|----------------|
| | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 |
| Gross Profit Margin | 55.80% | 54.57% | 53.40% | 52.35% |

Gross profit margin in 2010 increased by 1.2 percent points compared to 2009. This increase was achieved despite the significant increase posted within the year in the price of raw material (cotton) price and the absorption of two (2) V.A.T. increases, due to the fact that FY 2009 consolidated results had been burdened with inventory impairment of € 7,889 thou., while in 2010 no further impairments were imposed.

- Operating Expenses**

Selling Expenses for the group and the company are analyses as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|---------------------|---------------------|---------------------|
| | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 |
| Amounts in th. € | | | | |
| Employee compensation and expenses | 26,696 | 27,127 | 24,957 | 25,247 |
| Provisions of the staff retirement indemnities | 340 | 387 | 340 | 387 |
| Third parties fees and expenses | 5,119 | 5,335 | 5,119 | 5,335 |
| Charges for third-party services | 24,506 | 25,863 | 20,444 | 21,083 |
| Taxes and duties | 1,283 | 1,007 | 1,177 | 988 |
| Other expenses | 7,548 | 8,958 | 6,351 | 7,873 |
| Depreciation | 9,293 | 9,399 | 8,013 | 8,116 |
| TOTAL SELLING EXPENSES | 74,785 | 78,076 | 66,401 | 69,029 |

Administrative Expenses for the group and the company are analyses as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|---------------------|---------------------|---------------------|
| | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 |
| Amounts in th. € | | | | |
| Employee compensation and expenses | 2,675 | 3,216 | 2,409 | 2,865 |
| Provisions of the staff retirement indemnities | 33 | 44 | 33 | 44 |
| Third parties fees and expenses | 961 | 1,224 | 918 | 1,207 |
| Charges for third-party services | 946 | 1,634 | 893 | 1,210 |
| Taxes and duties | 184 | 248 | 158 | 210 |
| Other expenses | 1,255 | 933 | 1,236 | 899 |
| Depreciation | 1,578 | 1,598 | 1,388 | 1,347 |
| TOTAL ADMINISTRATION EXPENSES | 7,633 | 8,896 | 7,034 | 7,782 |

R&D Expenses for the group and the company are analyses as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|---------------------|---------------------|---------------------|
| | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 |
| Amounts in th. € | | | | |
| Employee compensation and expenses | 267 | 305 | 267 | 305 |
| Provisions of the staff retirement indemnities | 4 | 4 | 4 | 4 |
| Third parties fees and expenses | 66 | 159 | 66 | 159 |
| Charges for third-party services | 36 | 49 | 36 | 49 |
| Taxes and duties | 4 | 5 | 4 | 5 |
| Other expenses | 21 | 37 | 21 | 37 |
| Depreciation | 457 | 570 | 457 | 570 |
| TOTAL R&D EXPENSES | 854 | 1,129 | 854 | 1,129 |

Other income and expenses for the group and the company are analyses as follows:

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|------------------|------------------|------------------|
| | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
| Amounts in th. € | | | | |
| OTHER INCOME | | | | |
| Rent income | 603 | 656 | 603 | 656 |
| Received expenses | 901 | 1,062 | 901 | 1,062 |
| Other income | 2 | 2,980 | - | 2,980 |
| Income from commission of merchandise selling | 120 | 646 | - | 646 |

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Income from the recognition of compensation from damaged stores | 1,216 | 2,859 | 934 | 2,503 |
| Income from the destruction of insured assets | 126 | - | 126 | |
| Income from the destruction of insured inventory | 71 | 432 | 71 | 432 |
| Income from foreign exchange differences | 1,752 | 56 | 1,750 | 56 |
| Personnel subsidies | 71 | 976 | 39 | 442 |
| Previous years income | 4,860 | 9,682 | 4,423 | 8,793 |
| Income from used provisions | | | | |
| Total | 305 | 145 | 229 | 92 |
| Other Expenses | 169 | - | 169 | |
| Other expenses | 1,986 | 6,663 | 1,986 | 6,469 |
| Provision for bad receivables | 674 | 672 | 674 | 672 |
| Extraordinary losses | 1,175 | - | 1,175 | |
| Losses from abolition of unfitting inventories | 73 | - | 73 | |
| Losses from abolition of insured assets | 413 | - | 413 | |
| Losses from abolition of insured inventory | 58 | - | 58 | |
| Foreign Exchange differences | 1,467 | 1,249 | 1,154 | 510 |
| Previous years expenses | 389 | 23 | 367 | 18 |
| Total | 6,708 | 8,753 | 6,298 | 7,760 |

Financial cost for the group and the company are analysed as follows

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--------------------------|----------------------|----------------|-----------------|----------------|
| | 1.1-31.12.2010 | 1.1-31.12.2009 | 1.1-31.12.2010 | 1.1-31.12.2009 |
| Financial Expenses | 700 | 933 | 700 | 933 |
| Bond Loan interest | 686 | 662 | 686 | 645 |
| Short-term loan interest | 657 | 696 | 615 | 641 |
| Other bank expenses | 109 | | 109 | |
| Lease contract interest | 93 | 127 | 93 | 127 |
| Total | 2,246 | 2,417 | 2,203 | 2,346 |

Financial income for the group and the company are analysed as follows:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|----------------|-----------------|----------------|
| | 1.1-31.12.2010 | 1.1-31.12.2009 | 1.1-31.12.2010 | 1.1-31.12.2009 |
| Income from interest | | | | |
| Income of non operating exchange differences | 65 | 155 | 27 | 117 |
| Total | 65 | 155 | 27 | 117 |

The **Profit / (loss) from the liquidation – destruction** of the Group's and the Company's fixed assets is analyzed as following:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|------------------|------------------|------------------|
| | 01/01-31/12/2010 | 01/01-31/12/2009 | 01/01-31/12/2010 | 01/01-31/12/2009 |
| Profit from the liquidation destruction compensation of fixed assets | - | (438) | - | - |
| Fixed assets impairments | 273 | 1,080 | 34 | 1,070 |
| Loss from the liquidation of fixed assets | (240) | (89) | - | (89) |
| Loss from the destruction of fixed assets | (3,371) | (457) | (3,371) | (457) |
| Total | (3,339) | 96 | (3,337) | 524 |

The account "**Other Financial Results**" consists of a loss amounting to € 109 thou. from the sale of its participation in UNITED TRENDINO SHOES SA, which was classified as Financial Asset Available for Sale.

Results from affiliates are analyzed as follows

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|---------------------|---------------------|---------------------|
| | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 | 1/1/2010-31/12/2010 | 1/1/2009-31/12/2009 |
| Results from the valuation of an affiliated company | | (198) | (218) | |
| Impairment of participation in subsidiaries | | | (16,260) | (1,665) |
| Results from the dissolution of a foreign subsidiary | (740) | 99 | (1,500) | |
| Total Affiliated parties results | (740) | (99) | (17,978) | (1,665) |

5.19. Income tax reconciliation

The income tax that corresponds to the profits of the Group and of the Company, differs from the tax amount that should be charged if we apply the weighted tax rate standing in the profits of the consolidated companies. The association between the expected tax expense, based on the real tax rate of the Group, and tax expenses the finally recognized of the profit and loss account, is as follows:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Current income tax | - | 2,032 | - | 1,998 |
| Extraordinary tax contribution | 673 | 1,091 | 673 | 1,091 |
| Additional income tax | 32 | 23 | 32 | 23 |
| Other taxes non included in the operating cost | - | 23 | - | 23 |
| Deferred Tax | (1,612) | (998) | (942) | (985) |
| Deferred tax change due to change of the tax rate | 15 | (14) | 15 | (14) |
| Tax from audit taxes and contingent taxes | 18 | 636 | 18 | 636 |
| TOTAL INCOME TAX | (873) | 2,792 | (204) | 2,771 |

| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|--|----------------------|--------------|-----------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| Profits before tax | (10,783) | (1,452) | (25,958) | 760 |
| Tax rate | 24% | 25% | 24% | 25% |
| Expected tax expense under the legislated tax rate | (2,588) | (363) | (6,230) | 190 |
| Impact from other countries different tax rates | 144 | 212 | - | - |
| Adjustment for tax free revenue | - | - | - | - |
| - other tax free revenue | (103) | (36) | - | - |
| Adjustment for differences in tax rates | 15 | (14) | 15 | (14) |
| Adjustment for non deductible expenses | - | - | - | - |
| - other non deductible expenses | 83 | 884 | 3,902 | 822 |
| Other taxes | 32 | 45 | 32 | 45 |
| Deferred tax claim for taxable loss non recognized | - | 336 | - | - |
| Reversal non recoverable deferred tax asset | 851 | - | 1,385 | - |
| Extraordinary tax contribution | 673 | 1,091 | 673 | 1,091 |
| Provision of tax from unaudited fiscal years tax audit and tax audit differences | 18 | 636 | 18 | 636 |
| Realized tax burden | (873) | 2,792 | (204) | 2,771 |
| Weighted average tax rate | 8% | -192% | 1% | 365% |

It is noted that deferred taxation was calculated using a 20% scale.

5.20. Earnings / (losses) per share

Basic earnings/(losses) per share is calculated dividing profits or loss of the common registered shareholders of the parent company with weighted average number of shares outstanding during the accounting period.

| Amounts in th. € | CONTINUED OPERATIONS | | | |
|---|----------------------|------------------|------------------|------------------|
| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
| | 01/01-31/12/2010 | 01/01-31/12/2009 | 01/01-31/12/2010 | 01/01-31/12/2009 |
| Profits attributable to the Parent Company's shareholders | (9,909) | (3,188) | (25,755) | (2,011) |
| Weighted average number of shares | 78,787,980 | 78,787,980 | 78,787,980 | 78,787,980 |
| Basic earnings/(losses) per share (in €) | (0.1258) | (0.0405) | (0.3269) | (0.0255) |

| Amounts in th. € | DISCONTINUED OPERATIONS | | | |
|---|-------------------------|------------------|------------------|------------------|
| | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
| | 01/01-31/12/2010 | 01/01-31/12/2009 | 01/01-31/12/2010 | 01/01-31/12/2009 |
| Profits attributable to the Parent Company's shareholders | (267) | (1,191) | - | - |
| Weighted average number of shares | 78,787,980 | 78,787,980 | - | - |
| Basic earnings/(losses) per share (in €) | (0.0034) | (0.0151) | - | - |

5.21. Third parties related transactions

Within the framework of the operating activity, the inventory and the services are being supplied by several of the Company's partners. These transactions involve Companies in which there is participation and also involves Companies that the members of the Board of SPRIDER STORES SA are participating. The transactions with these Companies are being held on a strictly trade basis. SPRIDER STORES Group

has not participated in any transaction of unusual nature or content which may be material for the Group, or any of the companies or the persons that are closely related with the Group, and has no intention to participate in any such transactions in the future either.

None of these transactions contains special terms and conditions and no guarantee has been offered or taken.

| Sales of goods | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|------------------|------------------|------------------|
| | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
| Amounts in th. € | | | | |
| Subsidiaries | - | - | 6,251 | 4,773 |
| Affiliated parties | 1,428 | 760 | 1,428 | 760 |
| Other affiliated parties | - | 1,660 | - | 1,660 |
| Total | 1,428 | 2,420 | 7,679 | 7,193 |
| Purchases of goods | | | | |
| Subsidiaries | - | - | 295 | 5 |
| Affiliated parties | 5,992 | 10,482 | 5,992 | 10,482 |
| Other affiliated parties | 20 | - | 20 | - |
| Total | 6,012 | 10,482 | 6,307 | 10,482 |
| Loans to affiliated parties | | | | |
| Subsidiaries | - | - | - | 928 |
| Total | - | - | - | 928 |
| Loans from affiliated parties | | | | |
| Total | - | - | - | - |
| Guaranties to affiliated parties | | | | |
| Subsidiaries | 7,657 | 3,702 | 7,657 | 3,702 |
| Total | 7,657 | 3,702 | 7,657 | 3,702 |
| Receivables | | | | |
| Subsidiaries | - | - | 5,629 | 5,178 |
| Affiliated parties | 5,754 | 4,556 | 5,754 | 4,556 |
| Other affiliated parties | - | 22 | - | 22 |
| Total | 5,754 | 4,579 | 11,383 | 9,757 |
| Liabilities | | | | |
| Subsidiaries | - | - | 178 | 713 |
| Affiliated parties | 3,523 | 5,192 | 3,523 | 5,192 |
| Other affiliated parties | - | 22 | - | 22 |
| Total | 3,523 | 5,214 | 3,701 | 5,927 |

The settlement of the balances is performed with cash. For the period that ended on December 31 2009, the company has not formed any provision for bad debt related with the amounts corresponding to relating companies.

From the abovementioned transactions, transactions and balances concerning subsidiary companies have been deleted from the consolidated financial results of the Group.

Benefits to the BoD and management executives of the Company according to IAS 24

| Amounts in th. € | 01.01-31.12.2010 | 01.01-31.12.2009 | 01.01-31.12.2010 | 01.01-31.12.2009 |
|---|-------------------|-------------------|-------------------|-------------------|
| Fees and remunerations for BoD Members and Top Executives | 1,903 | 2,137 | 1,823 | 1,957 |
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| Receivables - prepayments to BoD members and Top Executives | 66 | 75 | 66 | 75 |

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---|----------------------|----------------|-----------------|----------------|
| | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 |
| Salaries , wages, bonus | 1,672 | 1,923 | 1,594 | 1,761 |
| Social Security Organization (IKA) expenses | 185 | 214 | 182 | 196 |
| Provisions for retirement benefits | 46 | - | 46 | - |
| Total | 1,903 | 2,137 | 1,823 | 1,957 |

Note that no loans have been granted to members of the board or management of the Group and their families.

5.22. Benefits to the personnel

Benefits to the personnel of the Group and the Company are as follows:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------|----------------------|----------------|-----------------|----------------|
| | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 |
| Salaries , wages, bonus | 23,261 | 23,971 | 21,588 | 22,021 |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Social Security Organization (IKA) expenses | 6,256 | 6,348 | 5,924 | 5,961 |
| Employees compensation payable | 121 | 235 | 121 | 235 |
| Provisions for retirement benefits | 377 | 199 | 377 | 199 |
| Total | 30,015 | 30,753 | 28,009 | 28,416 |

| | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Number of employees | 1,868 | 2,035 | 1,550 | 1,763 |

5.23. Contingent demands-liabilities

There are no disputes in Courts or in Arbitration that can substantially affect the operation and the financial results of the Group.

The Company has claims against Local Government Bodies (OTA) and Legal Entities operating under Public Law, arising from the execution of public-sector contracts, the cost for which has not been paid. The Company has initiated legal proceedings for claims, which total 1,173 thousand euro and concern the failure of the litigants to pay the public procurement contracts for clothing items. The Company deems that there is a high likelihood it will be awarded the amounts it seeks for all its cases in litigation. As regards the collection thereof, the Company is unable to formulate an assessment thereto, as all its counter-litigant parties to the proceedings fall under the broader Public Sector, the clarification of the financial standing of which is still pending. We are examining the option of initiating legal proceedings against OTA and other Legal Entities operating under Public Law, for claims amounting to 613 thousand euro. These claims concern the failure of the relevant OTA and Legal Entities under Public Law to pay public procurement contracts for clothing items. A conclusion regarding legal action will be reached within the first semester of 2011. Moreover, a legal action has also been brought against a private individual, in the amount of 14 thousand euro, for breach of a contractual obligation.

In addition to the above, the Company has launched a total of thirty four (34) appeals before Administrative Courts, against rulings calling upon it to pay fines towards public-sector bodies. The hearing date for most of these appeals has not as yet been set. The result of most of these cases is uncertain and, by extension, no reliable assessment can be made regarding their outcome. The total amount represented by these appeals stands at EUR168 thousand, an amount which is in any case deemed negligible, taking into account the Company's turnover and the extent of its network.

It is noted that, following an evaluation of the actual circumstances, of the legal framework and the likelihood of payment, it was decided that the Company will not initiate legal proceedings on full compensation from the Greek State, in regard to the damages it incurred as a result of the total destruction of the Company's store on Ermou Street following the extensive riots in the centre of Athens on 6 December 2008.

The unaudited fiscal years of the company's of Group are as follows:

| COMPANY NAME | UNAUDITED TAX YEARS |
|--|---------------------|
| SPRIDER STORES S.A. | 2009-2010 |
| SPRIDER BULGARIA Single Person LTD | 2000-2010 |
| SPRIDER DOOEL Single Person LTD (Skopje) | 2005-2010 |
| SPRIDER STORES S.R.L (ROMANIA) | 2006-2010 |
| SPRIDER STORES (CYPRUS) LIMITED | 2006-2010 |
| FASHION LOGISTICS S.A. | 2010 |

For the unaudited tax years concerning companies of the Group, the possibility of imposition of additional taxes and accessions exists at the year that these companies will be examined and the additional taxes and accessions will be finalized by the appropriate tax authorities(§ 5.12).

5.24. Operating lease – the Group as lessor

The Group leases several of its own office and warehouse space based on a non revocable operating lease. All leases include a term, have different terms, escalation terms, renewal terms.

The group towards the end of the current fiscal year, it renegotiated most of its rental leases with its proprietors, achieving this way significant reductions that will affect the results of future fiscal years.

Also the Group leases several of its own building facilities and equipment based on a revocable operating lease. The Group has the right to terminate these agreements with a six-month notice. The minimum future lease payments based on the non revocable operating lease as at December 31, 2010 is analyzed as follows:

| Amounts in th. € | GROUP/COMPANY | | COMPANY FIGURES | |
|---|---------------|--------------|-----------------|--------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Operating leasing received in 1 year | 662 | 659 | 662 | 659 |
| Subtotal 1: Short term operating leasing | 662 | 659 | 662 | 659 |
| Operating leasing that will be received in 2 to 5 years | 2,560 | 2,685 | 2,560 | 2,685 |
| Subtotal 2 | 2,560 | 2,685 | 2,560 | 2,685 |
| Operating leasing that will be received after 5 years | 2,230 | 2,979 | 2,230 | 2,979 |
| Subtotal 3 | 2,230 | 2,979 | 2,230 | 2,979 |
| Subtotal 4 (=2+3): Long term operating leasing | 4,790 | 5,665 | 4,790 | 5,665 |
| TOTAL (=1+4) | 5,452 | 6,324 | 5,452 | 6,324 |

5.25. Analysis of Discontinued Operations

As reported in § 5.4, the Parent company on 29/11/2010 to sale its subsidiary in Poland and therefore the activity in this country is considered as discontinued operation.

The analysis of the results for the current and the previous fiscal periods as far as it concerns continued and discontinued operations is presented in the following table:

| Amounts in th. € | CONSOLIDATED FIGURES | | | | | |
|---|----------------------|----------------|-------------------------|----------------|-----------------|----------------|
| | CONTINUED OPERATIONS | | DISCONTINUED OPERATIONS | | TOTAL | |
| | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 | 1/1-31/12/2010 | 1/1-31/12/2009 |
| Sales | 144,432 | 163,370 | 77 | 511 | 144,509 | 163,882 |
| Cost of sales | (63,835) | (74,220) | (64) | (245) | (63,899) | (74,465) |
| Gross profit | 80,597 | 89,151 | 13 | 266 | 80,610 | 89,417 |
| Selling expenses | (74,785) | (78,076) | (224) | (647) | (75,009) | (78,722) |
| Administrative expenses | (7,633) | (8,896) | (52) | (152) | (7,685) | (9,048) |
| R&D expenses | (854) | (1,129) | - | - | (854) | (1,129) |
| Other income | 4,860 | 9,682 | 242 | 77 | 5,103 | 9,760 |
| Other expenses | (6,708) | (8,753) | (149) | (84) | (6,858) | (8,837) |
| Operating Profits | (4,523) | 1,979 | (171) | (539) | (4,694) | 1,440 |
| Financial Cost | (2,246) | (2,417) | (26) | (14) | (2,272) | (2,432) |
| Financial Income | 65 | 155 | - | 1 | 65 | 156 |
| Other Financial results | - | (109) | - | - | - | (109) |
| Profit/ (loss) from the liquidation - destruction of fixed assets | (3,339) | 96 | (71) | (504) | (3,410) | (408) |
| Results from affiliated parties | (740) | (99) | - | - | (740) | (99) |
| Profit (loss) before tax from continued operations | (10,783) | (396) | (267) | (1,056) | (11,050) | (1,452) |
| Income tax | 873 | (2,792) | - | (135) | 873 | (2,927) |
| Net profit (loss) for the period from continued operations | (9,910) | (3,188) | (267) | (1,191) | (10,177) | (4,379) |
| Profit / (Losses) before interest and taxes | (4,523) | 1,979 | (171) | (539) | (4,694) | 1,440 |
| Profit / (Losses) before interest, taxes, depreciation and amortization | 6,805 | 13,547 | (156) | (392) | 6,648 | 13,155 |

5.26. Guaranties

The Group and the Company have contingent liabilities and receivables in relation with banks, other guaranties and other issues arising from ordinary activities as follows:

| Amounts in th. € | 31/12/2010 | 31/12/2009 |
|--|---------------|---------------|
| Pre-mortgages of land and buildings pledged against loans | 3,111 | 3,111 |
| Granted warranties to third parties (subsidiaries) | 7,657 | 3,702 |
| Other Letters of guaranty for safeguarding liabilities | 9,912 | 5,869 |
| Letters of guaranty (to municipalities) for proper cooperation | 2,383 | 3,064 |
| Guaranteed credit | 19,398 | 11,148 |
| TOTAL | 42,461 | 26,894 |

6. Risk Management Policy & Objectives

The company is exposed to various financial risks such as market risk (variation in foreign exchange rates, interest rates, market prices etc.), credit risk and liquidity risk. The group's risk management policy aims at limiting the negative impact on the company's financial results which results from the inability to predict financial markets and the variation in cost and revenue variables. The group aims to use derivatives to hedge its exposure to specific risk categories in the recent future.

The group's financial instruments include mainly bank deposits, banks overdrafts, trade debtors and creditors, loans to its subsidiaries and related companies, dividends payable and leasing obligations.

The group's risk management policy aims at limiting the negative impact on the company's financial results which results from the inability to predict financial markets and the variation in cost and revenue variables. The group aims to use derivatives to hedge its exposure to specific risk categories in the recent future, while in 2011 it explores the alternative of hedging the risk of volatility of the Euribor.

The risk management policy is executed by the Treasury department of the Parent company. The procedure followed is the following:

- Evaluation of risks related to the company's activities,
- Methodology planning and selection of suitable derivative products for risk reduction and
- Execute risk management in accordance to the procedure approved by management.

6.1. Foreign currency risk

The company is active internationally and is exposed to variations in foreign currency exchange rate which arise mainly from US- Dollars. This kind of risk arises mainly from transactions in foreign currency as well as from net investments in companies abroad. The group's Treasury, in order to manage this type of risk, engages in flexible forwards with financial institutions on the parent Company's behalf.

At the Company level, these financial instruments are classified as cash flow hedging instruments against specific liabilities or future commercial transactions.

The group holds investments in companies abroad, and its net assets are exposed to foreign currency risk, mainly with the Romanian RON and the Polish Zloty (PLN). The foreign exchange risk of this kind is attributed to the aforementioned currencies rates against the Euro. In FY 2010 the currency risk from the Polish currency has been eliminated.

The financial assets and liabilities in foreign currency translated into euros using the exchange rate at the balance sheet date as follows:

| Amounts in th. € | 2010 | | 2009 | | |
|----------------------------|----------------|--------------|----------------|--------------|-------------|
| | US\$ | RON | US\$ | RON | PLN |
| Nominal amounts | | | | | |
| Financial Assets | 12 | 2,985 | 7 | 5,402 | 184 |
| Financial Liabilities | (5,722) | (1,664) | (4,870) | (2,084) | (202) |
| Short term exposure | (5,710) | 1,321 | (4,863) | 3,317 | (18) |
| Financial Assets | - | - | - | - | - |
| Financial Liabilities | - | - | - | - | - |
| Long term exposure | - | - | - | - | - |

The following tables illustrate the sensitivity of the result before tax for the year and the equity in regards to the financial assets and liabilities and the US Dollar / Euro exchange rate and RON / Euro exchange rate.

We assume a change occurring on December 31, 2010 in the EUR / US dollar exchange by 1.54% (2009: 1.32%), in the EUR / Ron exchange rate by 0.42% (2009: 2.69%) and in the EUR/PLN exchange rate by 0.84% (2008: 23.22%). These percentages have been determined on the average market volatility in exchange rates in 2 ½ months until the end of every fiscal year for US dollar and Ron, while for PLN exchange rates in 2009 we examined the average market volatility for the whole year 2009 and none for 2010. The sensitivity analysis is based on the group's foreign currency financial instruments held at each balance sheet date and also takes into account foreign currency (\$).

If the € increased by the above currencies with the aforementioned percentages, then the FY results before taxes and the shareholders' equity for the year would have the following impact

| Amounts in th. € | 2010 | | 2009 | | |
|--------------------------------------|------|-----|------|------|-----|
| | US\$ | RON | US\$ | RON | PLN |
| Net result before taxes for the year | 87 | (5) | 63 | (87) | 0 |
| Equity | 69 | (5) | 47 | (73) | 0 |

If the € depreciates against the above currencies with the aforementioned percentages, then the FY results and the shareholders' equity for the year would have the following impact:

| Amounts in th. € | 2010 | | 2009 | | |
|--------------------------------------|------|-----|------|-----|-----|
| | US\$ | RON | US\$ | RON | PLN |
| Net result before taxes for the year | (90) | 6 | (65) | 92 | (0) |

| | | | | | |
|--------|------|---|------|----|-----|
| Equity | (72) | 5 | (49) | 77 | (0) |
|--------|------|---|------|----|-----|

The group's foreign exchange rates exposure varies within the year depending on the volume of the transactions in foreign exchange. However the above analysis is considered to be representative of the company's currency risk exposure.

6.2. Interest Rate Sensitivity

At 31 December 2010 the company is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates. (Euribor+spread). As in the previous year all other financial assets and liabilities have fixed rates.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonable change in interest rates of +1.5% or -1.5% (2009 : +/- 0.5%). These changes are considered to be reasonably possible based on observation of the market conditions.

| Amounts in th. € | 2010 | | 2009 | |
|-------------------------|-------|-------|-------|-------|
| | 1.5% | -1.5% | +0.5% | -0.5% |
| Net result for the year | (700) | 700 | (283) | 283 |
| Shareholders' Equity | (532) | 532 | (212) | 212 |

6.3. Credit Risk Analysis

The company's exposure to credit risk is limited to the carrying amount of financial assets recognized at the balance sheet date as summarized below:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-------------------------------------|----------------------|---------------|-----------------|---------------|
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| Financial items | | | | |
| Financial Assets available for sale | - | - | - | - |
| Short term financial assets | 170 | 253 | 170 | 253 |
| Cash & cash equivalent | 4,973 | 8,588 | 4,517 | 6,237 |
| Customers and other receivables | 19,648 | 23,048 | 24,845 | 27,690 |
| Total | 24,792 | 31,888 | 29,532 | 34,180 |

The company continuously monitors its receivables identified either individually or by group and incorporates this information into its credit risk controls. Depending on availability and fair cost, independent third party reports and analyses concerning our clients are being used. The group's policy is to cooperate only with reliable clients. The vast majority of the sales concerns retail sales.

The management considers that all the above financial assets part of which have been impaired are of good credit quality, including those that are past due.

None of the financial assets are secured with mortgage or any credit enhancement.

In respect of trade and other receivables the company is not exposed to any significant credit risk exposure and has accounted for impairments. The credit risk for liquid funds and other short term financial assets is considered negligible.

6.4. Liquidity Risk Analysis

The Group manages its liquidity by carefully monitoring scheduled debt servicing payments for long – term financial liabilities as well as cash – outflows due in day - to - day business. Liquidity needs are monitored in various time bands, on a day – to - day and week – to – week basis, as well as on the basis of rolling 30 – day projection. The liquidity need for the following 6 months and the following year are identified monthly.

The company maintains cash to meet its liquidity requirements for up to 30 – day periods.

The maturities of the Group's liabilities as at 31 December 2010 and 2009 are analyzed as follows:

| Amounts in th. € | 31/12/2010 | | | |
|------------------------------|-----------------|---------------|---------------|----------------------|
| | Short term | | Long term | |
| | Within 6 months | 6 - 12 months | 1 - 5 years | Greater than 5 years |
| Bank Loans | 16,661 | - | - | - |
| Bond | 2,400 | 2,400 | 21,400 | - |
| Finance lease obligations | 130 | 130 | 1,293 | 1,451 |
| Other long term liabilities | | | - | |
| Trade payables | 26,425 | 1,668 | - | - |
| Other short term liabilities | 9,020 | 503 | - | - |
| Total | 54,635 | 4,701 | 22,693 | 1,451 |

| Amounts in th. € | 31/12/2009 | | | |
|------------------------------|-----------------|---------------|---------------|----------------------|
| | Short term | | Long term | |
| | Within 6 months | 6 - 12 months | 1 - 5 years | Greater than 5 years |
| Bank Loans | 13,208 | - | - | - |
| Bond | 2,500 | 2,500 | 26,000 | - |
| Finance lease obligations | 71 | 71 | 1,073 | 2,046 |
| Other long term liabilities | | | 1,098 | |
| Trade payables | 30,326 | 146 | - | - |
| Other short term liabilities | 10,413 | 2,021 | - | - |
| Total | 56,518 | 4,738 | 28,171 | 2,046 |

The corresponding maturities of the Parent Company's liabilities as at 31 December 2010 and 2009 are analyzed as follows:

| Amounts in th. € | 31/12/2010 | | | |
|------------------------------|-----------------|---------------|---------------|----------------------|
| | Short term | | Long term | |
| | Within 6 months | 6 - 12 months | 1 - 5 years | Greater than 5 years |
| Bank Loans | 16,660 | - | - | - |
| Bond | 2,400 | 2,400 | 21,400 | - |
| Finance lease obligations | 130 | 130 | 1,293 | 1,451 |
| Other long term liabilities | | | - | |
| Trade payables | 25,580 | 1,268 | - | - |
| Other short term liabilities | 8,830 | 353 | - | - |
| Total | 53,601 | 4,151 | 22,693 | 1,451 |

| Amounts in th. € | 31/12/2009 | | | |
|------------------------------|-----------------|---------------|---------------|----------------------|
| | Short term | | Long term | |
| | Within 6 months | 6 - 12 months | 1 - 5 years | Greater than 5 years |
| Bank Loans | 13,060 | | - | - |
| Bond | 2,500 | 2,500 | 26,000 | |
| Finance lease obligations | 71 | 71 | 1,073 | 2,046 |
| Other long term liabilities | | | 1,098 | |
| Trade payables | 28,069 | 146 | - | - |
| Other short term liabilities | 10,651 | 2,021 | - | - |
| Total | 54,351 | 4,738 | 28,171 | 2,046 |

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the liabilities at the balance sheet date.

The management of the parent company is currently in the final stage of negotiations with the banks which provided it with the bond loan, regarding the revision of its repayment terms whereby, among others, it requests a grace period for the principal of the 2011 financial year, representing an amount of 4,800 thousand euros. In the tables hereinabove, the aforementioned capital amount is included under short-term liabilities.

7. Analysis of Financial Assets and Liabilities per class

The Financial Assets as well as the financial obligations at the balance sheet date may be classified as follows:

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|---------------------------------|----------------------|---------------|-----------------|---------------|
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| Non current assets | | | | |
| Trade and other receivables | | | | |
| Customers and other receivables | 19,818 | 23,300 | 25,015 | 27,943 |
| Cash and cash equivalent | 4,973 | 8,588 | 4,517 | 6,237 |
| Total | 24,792 | 31,888 | 29,532 | 34,180 |

| Amounts in th. € | CONSOLIDATED FIGURES | | COMPANY FIGURES | |
|-----------------------------------|----------------------|---------------|-----------------|---------------|
| | 31.12.2010 | 31.12.2009 | 31.12.2010 | 31.12.2009 |
| Financial obligations at net cost | 24,144 | 29,120 | 24,144 | 29,120 |
| Total | 24,144 | 29,120 | 24,144 | 29,120 |
| Short term liabilities | | | | |
| Financial obligations at net cost | 21,721 | 18,350 | 21,721 | 18,202 |
| Trade liabilities | | | | |
| Financial obligations at net cost | 37,615 | 42,906 | 36,031 | 40,887 |
| Total | 59,336 | 61,256 | 57,752 | 59,089 |

8. Objectives & policies for managing capital

The company's objectives regarding managing capital are:

- to safeguard the ability to continue as a going concern and
 - to provide an adequate return to shareholders
- by pricing products and services commensurately with the level of risk.

The Group manages its capital on the bases of the amount of equity, less cash and cash equivalents as these are stated in the Balance Sheet. Equity for fiscal years 2010 and 2009 is analysed as follows:

| Amounts in th. € | 31/12/2010 | 31/12/2009 |
|---------------------------------------|---------------|----------------|
| Total Equity | 51,290 | 61,944 |
| Less: cash & cash equivalents | (4,973) | (8,588) |
| Capital | 46,317 | 53,356 |
| Total Equity | 51,290 | 61,944 |
| Plus: Loans | 45,865 | 47,470 |
| Total capital | 97,155 | 109,414 |
| Debt-to-adjusted capital ratio | 5/10 | 5/10 |

As regards the capital management the group's medium term objective and up until the reversal of the adverse conditions is to maintain the above ratio at the same levels.

The Group determines the amount of capital in relation to the overall capital structure ie. Equity and financial obligations. The Group manages the capital structure and does all adjustments at the time when the financial situation and the risk characteristics of the existing assets are changing. Aiming at sustaining the adjusted capital structure, the group may adjust the amount of dividends payable, may return capital to the shareholders, may issue new share capital or may sell assets in order to decrease debt.

The company has honored all its contractual obligations, including the preservation of the rational capital structure.

9. Post Balance Sheet Events

Beyond the aforementioned events, there are no other events, which concern either the Group or the Company that requires disclosure as per the International Financial Reporting Standards.

Anthousa, March 14, 2011

| | | | |
|---|---|--|---|
| Athanasios Hatzioannou son of Dorotheos | Dorotheos Hatzioannou son of Athanasios | Evaggelos Hatzioannou son of Athanasios | Ifigenia Hatzidaki of Nikolaos |
| President of the Bod ID No AA 926225 | Executive member ID No AB 061998 | Deputy Chief Financial Officer ID No. X 561871 | Group Accounting Director ID No. AE 008242 First Class License No.19341 |

F. Information of article 10 of law 3401/2005 published by the company in 2010

| SUBJECT | DATE | WEBSITE |
|---|------------|--|
| CATEGORY 2: ANNOUNCEMENTS | | |
| General Meeting Resolutions | 27/12/2010 | www.ase.gr |
| General Meeting Resolutions | 27/12/2010 | www.ase.gr |
| Announcement re the proposed amendment of the company's articles of association | 29/11/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements | 17/11/2010 | www.ase.gr |
| 9M 2010 IR Release | 17/11/2010 | www.ase.gr |
| Announcement concerning the release of 9M 2010 financial statements | 15/11/2010 | www.ase.gr |
| SPRIDER STORES opens two new points of sale in Bulgaria and Romania | 2/11/2010 | www.ase.gr |
| SPRIDER STORES opens two new points of sale in Bulgaria and Romania | 2/11/2010 | www.ase.gr |
| Announcement of other significant facts | 29/10/2010 | www.ase.gr |
| New Board of Directors | 19/10/2010 | www.ase.gr |
| Opening of the new SPRIDER STORE in Braila, Romania | 18/10/2010 | www.ase.gr |
| Announcement of other significant facts | 6/10/2010 | www.ase.gr |
| Announcement of other significant facts | 5/10/2010 | www.ase.gr |
| Inauguration of the third SPRIDER STORE in Sofia Bulgaria | 23/9/2010 | www.ase.gr |
| Completion of renovation of three (3) SPRIDER STORES | 13/9/2010 | www.ase.gr |
| Cease of operations for SPRIDER STORE ERMOU, Thessalonica | 2/9/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements | 25/8/2010 | www.ase.gr |
| 6M 2010 IR Release | 25/8/2010 | www.ase.gr |
| Announcement concerning the release of 6M 2010 financial statements | 23/8/2010 | www.ase.gr |
| Confirmation – Clarification regarding press articles | 22/7/2010 | www.ase.gr |
| Cease of operations for SPRIDER STORE LIMANI, Thessalonica | 14/7/2010 | www.ase.gr |
| General Meeting Resolutions | 14/6/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements (english) | 19/5/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements | 19/5/2010 | www.ase.gr |
| Q1 2010 IR Release | 19/5/2010 | www.ase.gr |
| Announcement concerning the release of Q1 2010 financial statements | 17/5/2010 | www.ase.gr |
| New Board of Directors | 21/9/2010 | www.ase.gr |
| New Board of Directors | 8/4/2010 | www.ase.gr |
| Confirmation – Clarification regarding press articles | 6/4/2010 | www.ase.gr |
| Confirmation – Clarification regarding press articles | 2/4/2010 | www.ase.gr |
| New SPRIDER STORE in Nea Modania, Thessalonika | 24/3/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements (part 1 English) | 18/3/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements (part 1) | 18/3/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements (part 2 English) | 18/3/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements (part 2) | 18/3/2010 | www.ase.gr |
| Announcement concerning the annotation of interim / full year financial statements | 17/3/2010 | www.ase.gr |
| FY 2009 IR Release | 17/3/2010 | www.ase.gr |
| 2010 Financial calendar | 17/3/2010 | www.ase.gr |
| Announcement concerning the release of FY 2009 financial statements | 17/3/2010 | www.ase.gr |
| New SPRIDER STORE in Zakynthos | 11/3/2010 | www.ase.gr |
| New Board of Directors | 10/3/2010 | www.ase.gr |
| CATEGORY 3: INVITATIONS | | |
| Invitation in General Assembly | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly (english) | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly (english) | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly (continue) | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly | 29/11/2010 | www.ase.gr |
| Invitation in General Assembly | 21/5/2010 | www.ase.gr |
| CATEGORY 5: NOTIFICATION OF TRANSACTIONS OF LAW 3340 | | |
| Notification of transactions of related parties | 2/12/2010 | www.ase.gr |
| Notification of transactions of related parties | 22/9/2010 | www.ase.gr |
| Notification of transactions of related parties | 16/7/2010 | www.ase.gr |
| Notification of transactions of related parties | 25/6/2010 | www.ase.gr |
| Notification of transactions of related parties | 16/6/2010 | www.ase.gr |
| Notification of transactions of related parties | 28/5/2010 | www.ase.gr |
| Notification of transactions of related parties | 17/5/2010 | www.ase.gr |
| Notification of transactions of related parties | 3/5/2010 | www.ase.gr |
| Notification of transactions of related parties | 30/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 30/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 20/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 20/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 16/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 15/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 14/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 8/4/2010 | www.ase.gr |
| Notification of transactions of related parties | 31/3/2010 | www.ase.gr |
| Notification of transactions of related parties | 19/3/2010 | www.ase.gr |

| SUBJECT | DATE | WEBSITE |
|---|------------|--|
| Notification of transactions of related parties | 11/3/2010 | www.ase.gr |
| Notification of transactions of related parties | 2/3/2010 | www.ase.gr |
| Notification of transactions of related parties | 25/2/2010 | www.ase.gr |
| Notification of transactions of related parties | 23/2/2010 | www.ase.gr |
| Notification of transactions of related parties | 11/1/2010 | www.ase.gr |
| CATEGORY 6: NOTIFICATIONS OF TRANSACTIONS OF LAW 3556/2007 | | |
| Announcement of Regulated Information of Law 3356/2007 | 2/12/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 22/9/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 16/7/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 25/6/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 16/6/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 28/5/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 17/5/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 3/5/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 30/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 30/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 20/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 20/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 16/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 15/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 14/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 8/4/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 31/3/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 19/3/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 11/3/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 2/3/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 (Correct repetition) | 25/2/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 25/2/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 23/2/2010 | www.ase.gr |
| Announcement of Regulated Information of Law 3356/2007 | 11/1/2010 | www.ase.gr |
| CATEGORY 7: PUBLICATIONS OF FINANCIAL STATEMENTS | | |
| Financial Statements according to the IAS | 17/11/2010 | www.ase.gr |
| Financial Statements according to the IAS | 17/11/2010 | www.ase.gr |
| Financial Statements according to the IAS | 25/8/2010 | www.ase.gr |
| Financial Statements according to the IAS | 25/8/2010 | www.ase.gr |
| Financial Statements according to the IAS | 19/5/2010 | www.ase.gr |
| Financial Statements according to the IAS | 19/5/2010 | www.ase.gr |
| Financial Statements according to the IAS | 17/3/2010 | www.ase.gr |
| Financial Statements according to the IAS | 17/3/2010 | www.ase.gr |

G. Availability of the Annual Financial Report

The company's annual financial statement, the Audit Report and the BoD Report for the year ended on December 31, 2010 are available in internet on the corporate website www.spiderstores.com.