



CYPRUS STOCK EXCHANGE Annual Report 2006

CYPRUS STOCK EXCHANGE
CYPRUS STOCK EXCHANGE

1950

1990





Annual Report 2006

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Section

1

**Financial
Highlights**



(£ Cyprus Pounds)	2006 C£	2005 C£
Revenue	4.768.760	2.315.857
Deficit for the year	(13.510)	(385.451)
Retained Surplus / Net Assets employed	7.637.221	7.650.731
Capital Expenditure	518.725	109.499
Held-to-Maturity Investments	4.846.495	4.826.215
Cash and Bank balances	7.099.112	3.112.771
Total Reserves and Liabilities	13.219.563	8.690.415

Section

2

**Message by the
Chairman of the
Council of CSE**



2006 was a successful year for the stock markets. In the World Federation of Exchanges' Report is noted that during the year 2006 the total market capitalization increased by 22% reaching up to 50 trillion dollars while all the stock markets' indices worldwide increased as well.

During the year, CSE followed the same successful course. Especially, by the end of the year the CSE General Price Index closed at 3.900,39 units recording an important increase of 128.79% compared to the end of the previous year. The CSE Markets' Price Indices increased as well (Main Market 130.51%, Parallel Market 44.40%, Alternative Market 72.50%, Investment Companies 100.94%). Also, the daily volume of transactions (£6.828.224/ €11.831.836) increased by 641% compared to the year 2005.

CSE produced remarkable economic results. The sales turnover increased by 226% from £1.9 billions to £4.3 billions. The loss for the year is £13.510 compared to the loss of £385.451 of the last year, taking into consideration a provision of £1.759.000 for the past service cost of the defined benefit pension plan.

The Common Trading Platform between Athens Stock Exchange and Cyprus Stock Exchange, which was the most important project of the Strategic Plan, launched successfully its operation as of October 30, 2006. The operation of the Common Trading Platform gave great benefits to the investors and other parties involved in the stock market and generally can be considered as a basic tool for the further development and strengthening of the CSE. Especially, the operation of the Common Trading Platform is expected to promote cooperations and initiatives for further development of the CSE operations, its continuous progress and alignment with the developed markets making at the same time use of opportunities and synergies that appear in the wider area of the Southeast Europe and Mediterranean.

Also, during the year, some changes in the Corporate Governance Code took place. CSE gives an emphasis on the rationalistic and extended implementation of the Corporate Governance Code by the listed companies, since it can contribute to their development, the protection of the investors and generally the qualitative upgrading of the stock market. Moreover, the recent dematerialization of the Government Bonds included in the CSE Central Depository and Registry, is expected to invigorate the investors' interest about this market. The global stock market is on a continuous evolution and tremendous changes are expected to take place. The competition and the investors' demand for increased liquidity, transparency and lower prices will play vital role for further improvements in the stock market environment. In Europe, the alignment with the MiFID Directive is expected to cause positive changes in the structure of the European stock market and consequently of the Cyprus market, giving more investment choices to investors or imposing excellent execution of their trading orders.

CSE will continue its development course in order to be always ready to face any new challenges appeared in Europe. An efficient stock market along with its further development is completely correlated with the prospects of development of the Cyprus Economy.

CSE's excellent progress and its economic results for 2006 were achieved by the Council and its president Mr Akis Kleanthous, to whom I would like to express my gratitudes. It is known that Mr Kleanthous resigned from the presidency of the CSE Council after he accepted an appointment as a Minister of Education and Culture.

My gratitudes to the General Manager and the rest of the management team as well as to the personnel for their hard work and affection they showed. At last, I would like to express my special thanks to the Minister of Economics and the employees of the Ministry with whom we had an excellent cooperation as well as those involved in the Cyprus stock market for their cooperation and contribution.

Section

3

**CSE Council,
Management
and Personnel**



Cyprus Stock Exchange Council

Members of the Council	Position
George Koufaris	Chairman
Demetris Papadopoulos	Vice-Chairman
Alexis Anninos	Member
Nicos Nicolaou	Member
Andreas Theodosiou	Member
Marios Pilavakis	Member
Andreas Leonidou	Member
Nondas Cl. Metaxas	Director General-CEO

On the 18th of April 2007, Mr. George Koufaris was appointed as the new Chairman of the Board of the CSE. Mr. Koufaris was appointed after the ex Chairman Mr. Akis Kleanthous resigned due to his appointment as Minister of Education and Culture.



George Koufaris
Chairman



Demetris Papadopoulos
Vice-Chairman



Andreas Theodosiou
Member



Nicos Nicolaou
Member



Marios Pilavakis
Member



Alexis Anninos
Member



Andreas Leonidou
Member



Nondas Cl. Metaxas
Director General-CEO





CSE Management and Personnel

1	NONDAS CL.	METAXAS	DIRECTOR GENERAL - CEO
2	NICOS	TRIPATSAS	CHIEF OFFICER
3	MARIA	PETSA	SENIOR OFFICER (CLEARING & SETTLEMENT)
4	DEMETRA	KALOGEROU	SENIOR OFFICER (LISTING)
5	ANGELA	FRANGOU	SENIOR OFFICER (LEGAL SERVICES)
6	TASSOS	LAZARIDES	SENIOR OFFICER (I.T)
7	MARIA	HERACLEOUS	OFFICER (LEGAL SERVICES)
8	ELEANA	GEORGIADOU	OFFICER (CLEARING & SETTLEMENT)
9	GEORGE	HAJISPYROU	OFFICER (CLEARING & SETTLEMENT)
10	MARKELLOS	HADJIMARKOU	MARKET OFFICIAL
11	ELIZA	STASOPOULOU	OFFICER (LISTING)
12	PANAYIOTIS	CHRISTOFOROU	OFFICER (CLEARING & SETTLEMENT)
13	ZENONAS G.	ACHILLIDES	OFFICER (LISTING)
14	ANGELOS	TROPIS	OFFICER (ACCOUNTS)
15	THEANO	YIASEMI	OFFICER (ACCOUNTS)
16	JULIA	CLERIDES	OFFICER (ACCOUNTS)
17	ANTIGONE	HADJIGEORGIU	OFFICER (ACCOUNTS)



18	CONSTANTINOS	PAPACONSTANTINOU	OFFICER (CLEARING & SETTLEMENT)
19	THEMIS	PANAYI	OFFICER (LISTING)
20	MARIOS	T'ZIAKOURIS	OFFICER (I.T)
21	COSTAS	TROPIS	MARKET OFFICIAL
22	MICHALIS	MICHAEL	MARKET OFFICIAL
23	ANDRI	ANDREOU	OFFICER (LISTING)
24	ANASTASIA	CLEANTHOUS	OFFICER (I.T)
25	NEOPHYTOS	GALAXIS	OFFICER (CLEARING & SETTLEMENT)
26	IOANNA	PETROU ELIA	OFFICER (ACCOUNTS)
27	KOULA	PANAYI	OFFICER (CLEARING & SETTLEMENT)
28	ANTIGONI	MILIKOURI	OFFICER (LISTING)
29	CHARALAMBOS	CHARALAMBOUS	OFFICER (I.T)
30	STELLA	PISSARIDOY	OFFICER (LEGAL SERVICES)
31	MARIA	LOUMBA	TECHNICAL SUPPORT (I.T)
32	KYRIACOS	COSTA	TECHNICAL SUPPORT (I.T)
33	ANGELOS	YIAKOUMIS	TECHNICAL SUPPORT (I.T)

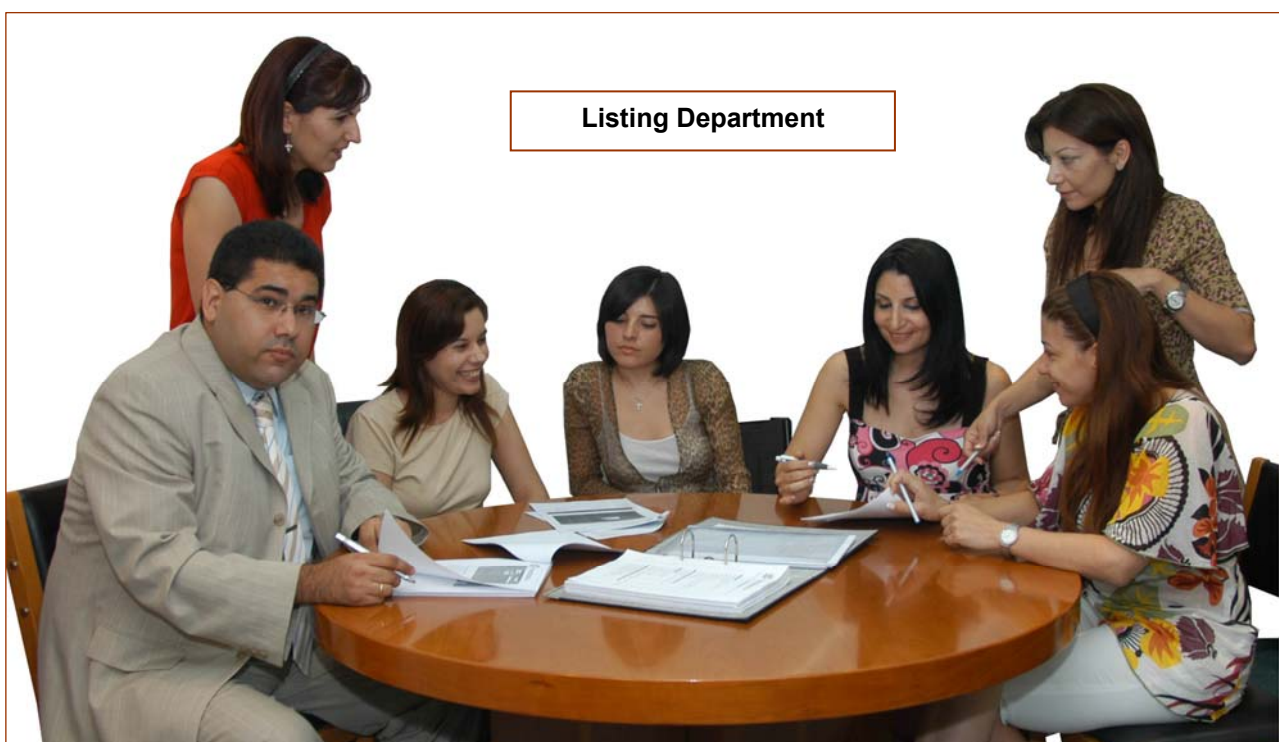


34	YIOTA	CHARACTA	SECRETARY
35	SOUSANA	ORPHANOU	SECRETARY
36	TONIA	MATSOUKARI	SECRETARY
37	MARIA	SOLOMOU	SECRETARY
38	MARIA	CHRISTODOULOU	SECRETARY
39	EFTYCHIA	ALEXANDROU	SECRETARY
40	MARIA	PANAYIOTIDOU	SECRETARY
41	ANDRI	YIANGOU	SECRETARY
42	XENIA	POLYVIOU	SECRETARY
43	SOPHIE	ELEFThERIOU	SECRETARY





44	GEORGE	ARISTOTELOUS	SECRETARY
45	ARISTI	MICHAEL	SECRETARY
46	DEMETRA	GEORGIU	SECRETARY
47	MIRANDA	DEMETRIOU	SECRETARY
48	SONIA	PANAYI	SECRETARY
49	YIOTA	AGATHAGGELOU	SECRETARY
50	ATHENA	AGROTIS	SECRETARY
51	KATERINA	CHRISTODOULIDOU	SECRETARY
52	PANAYIOTA	LOUCA	SECRETARY
53	ELENA	ANTONIOU	SECRETARY
54	MARIA	MICHAEL	SECRETARY
55	LAMBROS	LAMBROU	SECRETARY
56	KOULLA	KOUKKIDOU	SECRETARY



Section

4

Main Developments



The year 2006 was the eleventh year of the operation of the Cyprus Stock Exchange (CSE), which began its official operation in March 1996, based on the legal and lawful framework that was voted by the Parliament of Representatives.

This year constitutes a landmark for the Stock Exchange, provided that during which a huge scale work for the Common Trading Platform between CSE and Athens Exchange (ATHEX) was materialized, strengthening in this way the accessibility and the liquidity of the Cypriot Stock Exchange market.

The vision of the CSE Council remains the establishment of the CSE in Cyprus, in the wider range and in Europe as well as the provision of extended investment opportunities to investors in a continuous basis and the attraction of institutional investors. The main axes in which the above focus, is the CSE establishment, as a basic lever of Cypriot economic growth, as well as the upgrading of its role in the wider Cyprus geographic region and in Europe. In this framework, the CSE Strategic Plan 2004-2006 was progressively materialized in which, the project of the Common Trading Platform among others was included.

The most important Stock Exchange activities and the developmental projects that were materialized during 2006 are the following:

1. **STRATEGIC PLAN 2004-2006**

The enforcement of a number of development projects that were included in the Strategic Plan 2004-2006 was continued during 2006. In particular, in 2006 the constitution and operation of the New Market of the CSE was completed, the Common Trading Platform between CSE and Athens Exchange began operation, the benefit of custodian services in Cyprus was adopted, the effort for extensive and exemplary induction of Corporate Governance Code in Cyprus was continued etc.

The developmental projects that were completed during 2006 are mentioned below analytically:

2. **COMMON TRADING PLATFORM BETWEEN CSE – ATHEX**

The 30th of October 2006, was the date of the launch of the Common Trading Platform between Cyprus Stock Exchange (CSE) and Athens Exchange (ATHEX). From this day on major changes in the CSE operation occurred, which do not remind anything from the old CSE times, in the following way:

- The legal framework of the stock exchange market operation and the CSE Central Depository was completely reformed.
- The market of the listed companies was completely changed through the creation of new specialized markets, based on strict quantitative and qualitative criteria.
- All the CSE procedures were redesigned, in order to be fully aligned with the international practices and in order to facilitate the attraction of institutional investors.
- The custodian services for facilitating the efforts for attracting of domestic and foreign institutional capital were introduced.
- The CSE technological infrastructure which allows the Common Trading Platform operation was completely upgraded, considerably reducing in this way the total cost of implementation and clearing of stock exchange transactions.
- Euro was adopted for all the listed shares excluding the corporate and government bonds.



- The trading hours were extended from 10:00 until 17:00, harmonizing in this way with the Athens Exchange and the European Stock Exchanges.
- The possibility of registration of remote Members (foreign stock broking firms) is offered, facilitating the relevant procedures including the opening of Central Depository accounts which are now opening through the new CSE electronic systems from the remote Members (from their offices).

Generally speaking the Common Trading Platform, facilitates the access of the participants (Members, institutional and private investors, Banks – Custodians, companies etc) from the stock markets of both Athens and Cyprus Stock Exchange. It contributes to the configuration of a homogeneous, efficient and effective environment, for the completion of the clearing and settlement of transactions in both markets, which are fully aligned with the procedures of the European Union and other developed international capital markets. The Common Trading Platform brought the reduction of the total operational cost, the economies of scale exploitation and the reduction of investors cost to both stock exchange markets.

3. NEW CSE MARKET

Within the framework of the reformation of the CSE legislation, the improvement of the CSE services and its efforts for a constant harmonization with the international markets, the CSE Council during 2006 completed one of its main projects of the Strategic Plan 2004-2006: the introduction and operation of new CSE markets on the basis of the new legislative framework that governs the operation of the market. The operation of the CSE market became more flexible and is fully inline with the international trends and practices. In particular the new markets are the following: Main Market, Parallel Market, Alternative Market, Investment Companies Market, Major Projects Market, Shipping Companies Market, Special Category Market, Corporate Bonds Market, Government Bonds Market, OSEKA Shares Market (UCITS Market).

4. DEVELOPMENTS IN LEGISLATIVE AND LAWFUL REGULATIONS

In January 2006, the publication of the Cyprus Stock Exchange Regulatory Decisions was announced that governs the Stock Exchange Market operation, through which the CSE becomes more flexible and is completely aligned with the international practices.

The Regulatory Decisions concern the creation of ten new markets, the opportunity of transfer of securities from one Market to another, the introduction of a number of special requirements for each market that the issuer intends to be listed, the simplification of the procedure of listing, suspension and delisting of shares and the addition of further Special Continuous Obligations, in respect to the General Continuous Obligations that concern the market that the shares of the issuer are listed.

On the 20th of October the following CSE Regulatory Decision were published, according to the respective authorizations that are provided by the law of the CSE Council:

- Regulatory Decision for the operation of the Central Depository and Central Registry.
- Regulatory Decision for the clearing and settlement of the transactions on the Dematerialized Stocks.
- Regulatory Decision for the introduction of a joint – guarantee fund regarding the counter – party risk for the Transactions.



These decisions were drawn up in the framework of the preparative work for the project of the Common Trading Platform between Cyprus Stock Exchange (CSE) and Athens Exchange (ATHEX).

In October 2006, the launch of a subcategory in the Special Trading Category was also announced the “Special Characteristics”, after the amendment of the Regulatory Decision 596/2005 (listing of securities in the CSE and Continuous Obligations of listed companies).

According to this amendment the CSE Council has the power to transfer to the subcategory all issuers that:

- (a) Show low dispersion (below 10%).
- (b) Show low marketability (below 1%).
- (c) Show low stock market value (below £600.000) and
- (d) Change their activities or are released from the investment restrictions.

5. CSE INDICES

Following the final suspension of the old CSE General Price Index, the CSE in January 2006, announced that the Index of Main and Parallel Market is renamed to CSE General Price Index. Effectively, the Index of Main and Parallel Market which was introduced with the other new CSE indices on September 3rd 2004 was renamed to CSE General Price Index and includes the companies listed in the Main and Parallel Market as well as Shipping companies and Major Projects companies which are listed in the Cyprus Stock Exchange. This Index is constituted by the 36 shares listed in the Main, Parallel and Shipping Companies Market, which contributed approximately 80% of the market capitalization of equities.

Also the FTSE/CySE 20 and FTSE – Med 100 Indices, which were the result of the expanded cooperation of the CSE with the FTSE are calculated regularly on a daily basis and are being revised twice a year based on their Operating Regulations.

In May 2006, following a decision taken by FTSE/CySE 20 Special Advisory Committee, the Cyprus Stock Exchange announced that the criterion of FTSE/CySE 20 Ground Rules on the minimum rate of dispersion for the participation in the Index has changed. This was reduced from 30% to 25% of the share capital of each listed issuer, with effect from December 1, 2006, the date after the revision of the Index. For this decision, the Committee has taken into account the recent CSE Regulatory Decisions that differentiate the minimum rate of dispersions for each CSE Market (e.g. Main, Parallel and Alternative Shipping).

6. UPGRADING OF THE CSE WEBSITE

In January 2006, the Cyprus Stock Exchange announced that after the enrichment of its website, the number of visits in the CSE website has increased considerably. Specifically, the CSE website accepts 5.000 visits per day by 600 different persons. It is worth noting that 35% of the visits are from abroad, mainly from Greece and the United Kingdom. The above development shows that the CSE website is gradually becoming the main source of information for the investing public. The CSE having as a main aim, to inform the investing public in the best possible way, will continue its efforts for a continuous improvement and enrichment of its website.



7. EDUCATIONAL SEMINARS/ CSE PROMOTION ISSUES/ ATTENTION OF THE CSE TO WORKINGS OF STOCK EXCHANGE FEDERATIONS

During 2006, the Cyprus Stock Exchange participated but also organized various training and educational seminars. These seminars were attended by the Members of the CSE Council and the Management as well as by executives from the personnel. The CSE also organized events in cooperation with other market institutions. Analytically, the following events have been realized:

- In January 2006 CSE representatives visited Athens, within the framework of the Common Trading Platform between CSE – ATHEX and organized exams for the Greek EPEY Officials – ATHEX Members as Stock Exchange representatives, Clearing Offices in the CSE, pursuant to the CSE laws.
- On the 30th of January 2006 the Council organized a road-show, addressed to institutional investors, ATHEX Members and other Greek market participants. The event was held at the ATHEX assembly room, 10 Sophocleous and was attended by more than 100 professionals in the Greek Stock Market.

During this presentation, which falls within the framework of the continuous effort to inform the market officials on the latest developments, CSE Chairman Mr. Akis Cleanthous informed the attendants on the current CSE developments and the enforcement of its development programs, pursuant to the CSE Strategic Plan. The CSE Chairman also emphasized the stages of enforcement of the Common Trading Platform between CSE – ATHEX the enrolment of the ATHEX Members in the Cyprus Stock Exchange via the Common Platform and the prospects and investment opportunities in Cyprus.

- In the view of the implementation of the Common Trading Platform, the CSE organized in March educational seminars about the function of Members and other market participants in the Common Trading Platform environment via the new system of Equities Trading (OASIS) and Clearing and Settlement software (SAT).
- In March, the CSE also organized a mock trading session during the afternoon hours (15:00 – 18:00) covering the operation of the new software systems.
- The Cyprus Stock Exchange awarded a student of Economics and Administration Department of the University of Cyprus the CSE prize of £1.000. The prize was awarded to a final year student, Mr. Charalambos Pitsillos, who ranked first in the Public Administration and Business Department. The award was given by a CSE higher official at a special ceremony for the top students of Economics and Administration Department in the academic year 2005-2006 held on the 28/6/2006 at the University of Cyprus campus in Latsia, Nicosia. In the past few years the CSE awards a top student on an annual basis, within the framework of the cooperation between the CSE and the University of Cyprus in a number of issues and the encouragement of the students for more effective studies at the University of Cyprus.
- In July, the CSE organized at its offices a special training for the members and custodians as well as a preparatory program for the following mock trading sessions, regarding the operation of the Common Trading Platform.
- From the 24th until the 28th of July, the CSE organized daily mock trading sessions. The mock trading attended by the CSE and ATHEX market participants. The market participants went through the complete procedure concerning the trading, clearing and settlement and came up with the final conclusions on the technical infrastructure of the Common Trading Project.



- On the 25th of July 2006, the CSE Council organized a presentation of the Cyprus Stock Market and the operation of the CSE in the Common Trading Platform. The event was held in Athens and was addressed to a large audience of institutional investors, ATHEX Members and other Greek market participants.

8. NEW CSE BUILDING

In July 2006 the CSE Council informed the investors that it was signed a contract for the purchase of a building that will be host new CSE offices.

During 2006, efforts for continuous briefing and information of investors and other participants in stock exchange matters and further continued by:

- The daily prices bulletin and the General Index,
- The monthly statistical bulletin of the CSE that includes the main statistical values and main developments on a monthly basis,
- The annual report and the financial statistics of the CSE, which includes all the CSE developments and the accounts of the CSE on an annual basis,
- The annual fact book and statistics that is published in English and gives a broad range of statistical data and is mainly addressed to foreign investors,
- The Informative Publication regarding the new Regulative Decisions,
- The Briefing publication and the investors manual for the dematerialization and Central Registry and Depository,
- The continuous mutual briefing about stock exchange developments via the exchange of opinions with various associations of participants in the financial market,
- The attendance of CSE officials and executives in various events organized by other authorities regarding stock exchange matters.



Cyprus Economy

Section

5



International Economic Environment and Cyprus Economy

The Cyprus Economy growth rate is estimated to lightly accelerate at 4% in real terms, in 2006, against 3,8% in 2005, in particular from private consumption, private investment in construction, mechanical accoutrement and export of services.

It should be noted that the continuing rise of the oil prices is an inhibitory factor and threats to weaken the recovery process of the international as well as the EU economies, with unfavorable effects to the Cyprus Economy.

As of 1st of May 2004, Cyprus is a full member – state of the European Union. Cyprus as the crossroad of three continents has traditionally maintained close political, trading and cultural ties with the countries of the Middle East region, as well as with the countries of Central and Eastern Europe. In this sense, as an E.U member state, Cyprus has become a bridge connecting United Europe with Middle East.

Due to the small size of the market, our economy is volatile and vulnerable to external factors. However, the economy of Cyprus has substantial comparative advantages that enable it to adopt to the changing conditions in the world market. Such advantages are the legal framework, the high education level of the labor force, the macroeconomic stability, and the geographical location of Cyprus.

The structure of the Cyprus Economy has changed dramatically since 1960. During the 1960s, the agriculture sector was the biggest contributor to the GDP, whereas in the 1970s and early 1980s, the industrial sector contributed the most of the GDP. But in the last fifteen years, the services sector had a major increase to the contribution of the GDP.

A table follows with the main economic indicators of the Cyprus Economy:



Main Economic Indicators of the Cyprus Economy 1996 –2006

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Est. 2006
1. GDP at current mp. (£ mil)	4.159,6	4.373,1	4.704,1	5.037,1	5.525,3	5.876,9	6.370,3	6.805,1	7.216,2	7.730,9	8.371,9
2. Consumer Price Index (%)	3,0	3,6	2,2	1,7	4,1	2,0	2,8	4,1	2,3	2,5	2,4
3. Unemployment Rate (%)	3,1	3,4	3,3	3,6	3,4	2,9	3,2	3,5	3,6	3,8	4,8
4. Fiscal Deficit.(£ mil)	-142,1	-231,2	-230,0	-224,2	-150,5	-166,5	-284,0	-427,0	-306,3	-221,4	-154,2
5. Fiscal Deficit /GDP (%)	-3,4	-5,3	-4,9	-4,5	-2,7	-2,8	-4,5	-6,3	-4,2	-2,9	-1,8
6. Current Account Balance (£ mil)	-215,4	-173,9	-261,7	-118,0	-283,7	-202,9	-286,1	-204,8	-408,9	-408,8	-533,6
7. Per Capita GDP (£)	6.333	6.580	6.929	7.338	7.966	8.380	8.977	9.444	9.787	10.371	11.192,6
8. Number of Tourists (000)	1.950	2.088	2.222,7	2.434,3	2.686,2	2.696,7	2.418,2	2.303,2	2.349,0	2.513,4	2.531,8
9. Receipts from Tourism (£mil)	780	843	878,3	1.022,0	1.194,0	1.277,0	1.136,0	1.020,0	988,0	1.025,4	1.097,7
10. Tourist Receipts/GDP (%)	18,8	19,3	18,7	20,3	21,6	21,7	17,8	15,0	13,7	13,3	13,1
11. Public Debt (£mil)	3.510,2	3.982,1	4.536,8	4948,5	5.407,7	5.993,3	6.659,5	7.359,4	7.982,1	8.375,5	5.414,9
12. Public Debt/GDP (%)	84,4	91,1	96,4	98,2	97,9	102,0	104,5	108,1	110,6	108,3	64,7

Source: Ministry of Finance



**Review of the
Securities Market**

Section

6



1. THE TREND OF THE MARKET IN 2006.

The upward trend of the Cyprus market in 2006 was reflected both on the Cyprus Stock Exchange (CSE) General Price Index and on the average daily volume of transactions.

During the year under review, the completion of one of the most important projects for the Strategic Planning of 2004 – 2006, the Common Trading Platform between CSE-ASE, political-economic conditions, positive psychology of investors which resulted in the increase of the investment interest etc. , were the main factors which affected positively the Stock Exchange.

CSE SHARES INDEX

	Closing 31/12/2006	Highest	Lowest	% Change	
				During 2006 %	31/12/2005 %
Market Indices (Base 03/09/2004=1000)					
General Index	3.900,39	3.945,10 (15/12/2006)	1.730,55 (2/1/2006)	125,38	128,79
Main Market Index	3.983,34	4.031,43 (15/12/2006)	1.754,61 (2/1/2006)	127,02	130,51
Parallel Market Index	1.567,73	1.591,91 (13/11/2006)	1.051,49 (4/7/2006)	43,96	44,40
Alternative Market Index	1.789,09	1.817,11 (15/12/2006)	1.019,28 (21/7/2006)	72,91	72,50
Investment Companies Market Index	2.277,67	2.294,18 (15/12/2006)	1.136,6 (2/1/2006)	100,39	100,94
Sectoral Indices (Base 03/09/2004=1000)					
Banks	4.395,39	4.445,88 (15/12/2006)	1.883,66 (2/1/2006)	133,34	137,32
Hotels	1.844,17	2.076,33 (31/8/2006)	1.124,18 (10/1/2006)	62,21	60,85
FTSE & CSE Indices					
FTSE CySE 20 (Base 30/11/2000=1000)	1.331,04	1.346,88 (15/12/2006)	585,81 (2/1/2006)	127,21	130,73
FTSE Med 100	9.976,15	10.702,72 (8/5/2006)	8.728,85 (14/7/2006)	3,17	4,07

The lowest point that was reached by the CSE General Price Index was 1.730,55 points on the 2nd of January 2006 while its highest point was 3.945,10 points on the 15th of December 2006. The Index closed at the end of the year at 3.900,39 points, recording an increase of 128,79% compared to the end of the preceding year (1.704,76 points).



The new Market Indices recorded an increase compared to the end of the preceding year (2005). Analytically, these Market Indices had the following results:

The lowest point that was reached by the Main Market Index was 1.754,61 points on the 2nd of January 2006, while its highest point was 4.031,43 points on the 15th of December 2006. The Main Market Index closed at the end of the year at 3.983,34 points.

The Parallel and Alternative Indices closed on the 29th of December 2006 at 1.567,73 and 1.789.09 points respectively. The lowest point that was reached by the Parallel Index was 1.051,49 points on the 4th of July 2006 while its highest point was 1.591,91 points on the 13th of November 2006. The lowest point of the Alternative Market Index was at 1.019,28 points on the 21st of July 2006 and its highest point was at 1.817,11 on the 15th of December 2006.

Also, the Investment Companies Market Index closed at the 2.277,67 points on the 29th of December 2006. During the year under review, its highest point was at 2.294,18 points on the 15th of December 2006 and 1.136,60 points on the 2nd of January 2006.

As regards sectoral indices, the Banking sector closed at the end of the year at 4.395,39 points and the sector of Hotels at 1.844,17 points.

Finally, the FTSE CySE 20 and FTSE Med 100 Indices recorded a considerable rise compared to the preceding year 2005, closing at 1.331,04 and 9.976,15 points, respectively. The FTSE CySE 20 had increased of the order of 127,21 % and the FTSE Med 100 of 3,17% .

MONTHLY TRADING TURNOVER

Month	Turnover in securities			Turnover in value				Percentage YoY**
	2006	2005	Percentage	2006		2005		
			%	£	€	£	€	
January	182.841.128	79.229.810	130,77	64.796.501	112.376.866	12.191.093	20.941.849	436,61
February	226.948.758	169.845.751	33,62	86.966.716	150.826.771	28.222.738	48.397.727	211,64
March	237.472.748	91.083.335	160,72	100.290.110	173.933.593	14.956.354	25.653.383	578,01
April	135.523.586	37.452.447	261,86	70.860.622	122.893.899	7.075.383	12.138.446	912,44
May	253.164.786	36.522.588	593,17	161.487.464	280.068.443	6.494.001	11.245.897	2.390,41
June	119.473.477	40.876.865	192,28	91.003.483	157.827.754	8.704.697	15.161.911	940,95
July	122.376.194	31.070.190	293,87	83.349.310	144.553.087	9.319.847	16.244.210	789,87
August	190.095.233	44.807.841	324,25	84.693.018	146.883.486	13.355.879	23.302.940	530,32
September	268.970.753	102.606.947	162,14	97.120.923	168.437.258	28.890.145	50.423.973	234,04
October	406.681.012	69.682.578	483,62	217.586.832	377.332.303	26.194.600	45.699.326	725,68
November	403.750.881	115.933.833	248,26	257.652.899	446.001.250	37.119.811	64.727.855	589,04
December	317.254.311	91.614.505	246,29	377.591.631	653.160.577	35.572.809	62.027.793	953,01
Total	2.864.552.867	910.726.690		1.693.399.509	2.934.295.287	228.097.357	395.965.310	

** Year Over Year



The total volume of trading of 2006 amounted to £1.693.399.509 (€2.934.295.287) with the daily average volume exceeding £6.828.224 (€11.831.836), recording a substantial increase of 641% compared to the average daily volume of the preceding year, which was around £919.747 (€ 1.596.634).

The biggest part of the volume for the past year was concentrated on the «Financial Services» sector with 83,44%, whereas the sector of the «Basic Materials » had the lowest contribution of 0,05%.

MOST ACTIVE SECURITIES (BY VALUE)

Security Name	No. of Shares Traded	Value traded (€)	No. of Trades	Weight %	No. of sessions
MARFIN POPULAR BANK PUBLIC CO LTD	192.261.383	1.122.713.542	74.720	38,26	248
BANK OF CYPRUS PUBLIC COMPANY LTD	98.239.647	726.493.425	63.933	24,76	248
HELLENIC BANK PUBLIC COMPANY LTD	131.008.000	294.806.930	51.679	10,05	248
HELLENIC BANK PUBLIC COMPANY LTD (AMERICAN TYPE WARRANTS 2003/2007)	144.739.118	159.914.060	35.891	5,45	248
LOUIS PLC	137.499.689	74.282.185	26.109	2,53	248
SFS GROUP PUBLIC COMPANY LTD	274.735.786	54.317.045	26.147	1,85	248
LOGICOM PUBLIC LTD	35.898.538	37.864.623	14.686	1,29	245
WOOLWORTH (CYPRUS) PROPERTIES PUBLIC LTD	38.875.642	30.542.019	13.818	1,04	248
MARFIN POPULAR BANK PUBLIC COMPANY LTD - RIGHTS	9.517.042	26.451.739	5.415	0,9	15
DEMETRA INVESTMENT PUBLIC LTD	31.193.055	21.279.977	10.814	0,73	248
Total	1.093.967.900	2.548.665.546	323.212	86,86	

Securities of Marfin Popular Bank Public Co Ltd attracted the highest investment interest. Its trading reached a percentage of 38,26% of the total trading volume, followed by the Bank of Cyprus Public Company Ltd with 24,76%.

2. REVIEW OF THE MARKET ON A MONTHLY BASIS.

The year started with an upward trend with the General Price Index closing at 2.147,17 points. The Index reached its lowest point for the whole of 2006, which was 1.730,55 points on the 2nd of January 2006. The volume of trading for January, which was the lowest for the year 2006, was £64.796.501 (€112.376.866).

During February the General Price Index closed at 2.507,65 points recording a substantial increase of 16,8%, compared to the previous month.



MONTHLY GENERAL PRICE INDEX

Month	High	Date	Low	Date	Month – End	% Change MoM* %	Sessions
January	2.147,17	31	1.730,55	2	2.147,17	26,0	21
February	2.507,65	28	2.051,87	2	2.507,65	16,8	20
March	2.573,84	1	2.231,50	8	2.461,29	-1,8	22
April	2.729,06	27	2.472,79	5	2.689,31	9,3	17
May	3.017,48	10	2.432,57	23	2.600,94	-3,3	22
June	2.763,55	30	2.309,71	13	2.763,55	6,3	21
July	2.654,09	31	2.356,71	17	2.654,09	-4,0	21
August	2.727,37	22	2.641,53	10	2.695,91	1,6	22
September	2.947,98	29	2.726,15	1	2.947,98	9,4	21
October	3.476,83	31	2.941,04	2	3.476,83	17,9	20
November	3.856,69	24	3.443,25	2	3.745,64	7,7	22
December	3.945,10	15	3.739,77	6	3.900,39	4,1	19

*Month over month

In March the Index had a decrease of 1,8%, closed at 2.461,29 points and the total volume of transactions reached £100.290.110 (€173.933.593), with an average daily volume of £4.558.641 (€7.906.072).

During April the total volume of transactions decreased, reaching £70.860.622 (€122.893.899), with an average daily volume of £4.168.272 (€7.229.053). The General Price Index for the fourth month of 2006, closed at 2.689,31 points.

During May and June the General Price Index closed at 2.600,94 and 2.763,55 points respectively, recording a decrease of 3,3% for May and an increase of 6,3% for June. The total volume of transactions during May and June reached £161.487.464 (€280.068.443) and £91.003.483 (€157.827.754), respectively.

During July the General Price Index had a further small decrease of 4%, closing at 2.654,09 points and the volume of transactions reached £ 83.349.310 (€144.553.087), with the average daily volume reaching £3.969.015 (€6.883.480).

In August the market continued with an upward course with the General Price Index closing at 2.659,91 points while in September closed at 2.947,98 points, recording an increase of 9,4%.

In October 2006, Index had an increase of 17,9%, closing at 3.476,83 points.

During November the total volume of transactions reached £257.652.899 (€446.001.250), with an average daily volume of £11.711.495 (€20.272.784).

During the last month the market was marked by an upward trend of 4,1%, with the General Price Index closing at 3.900,39 points. December was the month with the highest total volume of transactions for the year 2006, and had reached £377.591.631 (€653.160.577). The Index reached its highest point for the whole of 2006, which was 3.945,10 points on the 15th of December 2006.



3. STOCK EXCHANGE VALUE BY (SHARES)

The securities market capitalisation (shares only) in total, excluding Investment Market, reached €12.254.042.487 recording an increase of 119,62% , compared to the respective market capitalisation in the preceding year. The industry of Financials had the highest percentage, 83,44% of the total market capitalisation, while the industry of Basic Materials had the lowest percentage, of 0,05%. Moreover the total market capitalisation including Corporate bonds, Government bonds and Warrants reached €17.047.645.107. Issuers with the highest market capitalisation were Bank of Cyprus Public Company Ltd with 44,89% amounting to €5.707.664.928 and Marfin Popular Bank Ltd with the 20,41% amounting to €2.595.193.983.

4. LISTING OF NEW COMPANIES ON THE EXCHANGE (IPOS)

Two new companies listed their securities on the CSE during 2006. More specifically, the titles of “White Knight Public Company Ltd” and “Ocean Tankers Holdings Public Company Ltd” were listed on the Cyprus Stock Exchange in April (13th) and in December (6th) , respectively.

5. NEW RIGHTS ISSUES

During the year 2006, 4 listed companies proceeded to right issues to their existing shareholders. These companies are: «Marfin Popular Bank Public Company Ltd», « Unigrowth Investments Public Ltd», «Unifast Finance & Investments Public Co Ltd» and «Liberty Life Insurance Public Company Ltd».

6. DE-LISTINGS OF THE CYPRUS STOCK EXCHANGE

During the year 2006, five companies, «Hawaii Hotels Public Ltd», «Andreas Coullapides Public Company Ltd», «Lanitis Bros Public Ltd», «Worldmax Investments Public Ltd» and «Brainstorm Enterprises Public Ltd» were de-listed from the Cyprus Stock Exchange.

7. NEW ISSUES OF GOVERNMENT BONDS AND TREASURY BILLS (52 WEEKS).

During the year 2006, 4 issues of Treasury Bills (52 weeks), 3 issues of two-year Government Bonds at 3,75% interest, 3 issues of five-year Government Bonds at 4,25% interest, 1 issue of five-year Government Bonds at 4,50% interest, and 5 issues of ten-year Government Bonds at 4,50% interest were also listed on the CSE.

8. FUNDS RAISED

Funds raised in 2006, in total, reached the amount of £1.024.486.589 (€1.776.771.747). From the total funds raised the rights issues represent £64.215.778 (€111.369.715) (6,27%), Corporate Bonds £67.158.100 (€116.472.598) (6,56%), Treasury Bills £255.000.000 (€442.247.659)(24,89%) and Government Bonds represent £625.752.800 (€1.085.245.924) (61,08%). Finally, conversions of securities to shares represent £5.180.992 (€8.985.419) (0,51%).

Section

7

**CSE Prospects for
Development**



The completion of the project of the Common Trading Platform between Athens Stock Exchange and Cyprus Stock Exchange consists a basic parameter for the implementation of the CSE Strategic Plan 2004 – 2006. This ambitious project, which was completed through the collaboration and hard work needed by all the market participants, is expected to yield mutual benefits for both CSE and Athens Stock Exchange and strengthen the role of CSE for the development of the Cyprus companies.

Especially, the Common Trading Platform brought in a full restructuring of the legal framework regarding the operation of the stock market, the Central Registry and Depository and the market of the listed companies through its division into new markets based on strict quantitative and qualitative criteria. All the processes have been redesigned in full alignment with the internationally accepted practices, so that they are attractive to the foreign institutional investors. CSE became more accessible due to the introduction of custody service, the absence of which could not allow CSE to attract domestic and mainly foreign institutional investors.

Furthermore, the Corporate Governance Code was recently upgraded, by the adoption of new provisions which are based on the contemporary international practices and reinforce the supervisory role of the companies' board of directors and guarantee its appropriate independence. It is also noted that CSE, in agreement with the Central Bank and the Ministry of Economics, proceeded with the dematerialization of the Government Bonds.

Moreover, it is noted the fact of Cyprus accession into European Union, which imposed important changes on the legal framework of the capital market. In the context of achieving the goal of full alignment with the European Union directives, CSE continues its attempts to become an efficient market based on the modern European markets' standards in order to face the new competitive conditions in the integrated European capital market.

In this new, diversified and highly competitive environment, CSE concentrates its next efforts in the upgrading of the market through the provision of new products and services and the development of further cooperations and alliances with other European stock exchanges, aiming at the development of synergies and economies of scales and the gaining of an increased peripheral role. CSE is oriented to this direction, by setting, with the Athens Stock Exchange, an official proposal for the participation of the Bulgarian Stock Exchange in the Common Trading Platform and at the same time they expressed their common interest for the acquisition of 44% of the Bulgarian Stock Exchange which is state-owned.

The basic strategic pylons of CSE are: competitiveness, increased liquidity, transparency and lower charging fees. Based on these pylons, CSE steps forward its strategic plans for the next three years which generally regard: the modernization of the legal framework through the adoption of new European directives and the simplification of the internal procedures which will accelerate the trading transactions, the listing of the mutual funds, the development of new investment products (e.g. derivatives), the settlement of the issue of the primary bond market, the reassessment of CSE markets with emphasis in upgrading the quality of the listed companies especially in relation with the diversification of liquidity criterion and finally the upgrading of the compliance with the Corporate Governance Code by the listed companies.

Given the good performance of the Cyprus economy and the CSE objective for continuous and full compliance with the new conditions existing in the international environment, CSE as an emerging market, mainly targets at achieving increased liquidity and helping the development of the Cyprus companies and the economy in general. Especially, the alignment of the Cyprus capital market with the European directive called "MiFID" is expected to reform the market, by developing margins for further improvement and achievement of more efficiency. We are looking forward to be supported by all the participants involved in the stock market.



**Report on Corporate
Governance**

Section

8



Part A

The Corporate Governance Code was introduced by the Cyprus Stock Exchange on September 2002. On March 2006 the CSE issued the 2nd edition (updated) of the Code, and then in January 2007 issued an addendum of the Code, based on international trends on Corporate Governance. At the present stage, the Corporate Governance Code (“the Code”) is partly implemented. There are specific provisions of the Code that cannot be adopted since they do not accord with the status of the CSE, which is a legal entity in the form of a public corporate body.

Part B

A. Directors

A.1. Board of Directors

The Board of Directors meets once every week and has a formal schedule of matters for consideration, on which only it is able to take decisions. This schedule include matters, as they are mentioned in the provision A.1.2, except from A.1.2(e), A.1.2(h) and A.1.2(i) which are in point of:

- Any mergers, acquisitions and how the greater part of the company’s cash are allocated.
- The selection, appointment and dismissal of Executive Management (Chief Executive Director or Managing Director, or Director General or CEO, or any other title used) of the company.
- The drawing up of the retirement policy for Executive Management.

These provisions of the Code cannot be adopted since there are certain regulations in the Cyprus Securities and Stock Exchange Law.

The Board of the CSE consults experts, if deemed necessary, in order to provide to the members the fullest possible information and independent professional advice for the best possible performance of their duties.

The CSE’s Legal Service was appointed Secretary of the meetings of the Board of Directors in order to prepare minutes which contain detailed decisions taken.

Each Director receives appropriate training on the first occasion that he is appointed to the Board of the CSE, or subsequently if necessary.



A.2. Balance of Board of Directors

The Board of Directors comprises of 7 non-executive Directors:

- Mr. George Koufaris	- Chairman	(independent, non-executive)
- Mr. Demetris Papadopoulos	- Vice Chairman	(independent, non-executive)
- Mr. Alexis Anninos	- Member	(independent, non-executive)
- Mr. Nicos Nicolaou	- Member	(independent, non-executive)
- Mr. Andreas Theodosiou	- Member	(independent, non-executive)
- Mr. Marios A. Pilavakis	- Member	(independent, non-executive)
- Mr. Andreas Leonidou	- Member	(independent, non-executive)

Mr. George Koufaris appointed by the Government on the 18th of April 2007.

Mr. Akis Kleanthous resigned on the 19th of February 2007.

The members of the Board have no executive powers.

There is clear division of responsibility in the positions of the Chairman of the Board of Directors and Director General – CEO. The Director General – CEO of the Cyprus Stock Exchange is Mr. Nondas Cl. Metaxas.

A.3. Supply of Information

The Board of Directors receives timely, reliable and detailed information, from the Management of the Cyprus Stock Exchange, to allow it to carry out its duties.

The minutes of a meeting of the Board of Directors circulated as soon as possible after a meeting and certainly before the next meeting. These minutes contain detailed decisions taken and are at the disposal of all directors.

A.4. Appointments to the Board

The Government of the Republic of Cyprus appointed the 7 non-executive members of the Board of Directors for a period of 5 years, and therefore no Nominations Committee has been set up.

A.5. Re-election

The Government of the Republic of Cyprus appoints the 7 non-executive member of the Board of Directors. In consequence there can be no compliance with the provisions of Article A.5 of the Code.

B. Director's Remuneration

B.1. Procedure

At present, there are no executive directors at the Cyprus Stock Exchange. Consequently, no Remunerations Committee has been set up.



B.2. Level and Make-up of Remuneration

The Directors' remuneration is fixed on an annual basis.

There are no executive members and as a result there are no remuneration packages.

B.3. Disclosure

The total amount of remuneration of directors is disclosed in the Financial Statement in the CSE's Annual Report.

C. Accountability and Audit

C.1. Financial Reporting

The Board of the Cyprus Stock Exchange submits annually a balanced, detailed and understandable assessment of the CSE's position and prospects.

The Board of Directors confirms that the CSE plans to continue to function as a going concern for the next twelve months.

C.2. Internal Control

At the present stage, the Cyprus Stock Exchange is on a recruitment procedure, because the Internal Auditor resigned on the 12th of November 2006.

The Cyprus Stock Exchange had internal Audit Department until the 12th of November 2006. The Board of Directors having conducted a review confirms and certifies the effectiveness of the CSE's system of internal controls, as well as the procedures and it further confirms and certifies the accuracy, completeness and validity of the information that is given to investors.

C.3. Audit Committee, Auditors and Compliance with the Code

The Board of Directors has set up an Audit Committee, which is composed of 3 members.

The Committee is composed of:

Members:	<u>Mr. Nicos Nicalaou</u>	- Independent, non-executive (Chairman)
	<u>Mr. Marios A. Pilavakis</u>	- Independent, non-executive (Member)
	<u>Mr. Alexis Anninos</u>	- Independent, non-executive (Member)

The Audit Committee helps the Board of Directors to introduce formal and transparent procedures as regards the way in which principles governing financial reporting, corporate governance and internal auditing are applied.

Additionally the duties of the Audit Committee are:

- Maintains a suitable relationship with the CSE's auditors including their appointment, dismissal and remuneration.



- Selects the accounting principles and the accounting estimates regarding financial statements of the CSE.
- Recommends to the Board of Directors a suitable person as a Compliance with the Code of Corporate Governance Officer.
- Examines the extent and effectiveness of the Corporate Governance implementation and report to the Board of Directors.
- Reviews the basic transactions of the CSE, in which a Director, Director General – CEO, Chief Executive Officer, Higher Executive Member, Secretary or Auditor, has directly or indirectly any substantial interest, so as to ensure that these are being carried out at arm's length.
- Inspects annually the internal audit systems and the procedures verifying their correctness, completeness and effectiveness to the Board of Directors. Supervises the duties and responsibilities of the internal audit department, oversees its staffing and appoints or dismisses the internal Auditor.
- Draws up of a report on Corporate Governance with the help of the Compliance with the Code of Corporate Governance Officer, which is included in the Annual Report of CSE.
- Performs any other duties assigned to it by the Board of Directors and informs the Board periodically for its operations regarding CSE's financial position and functions.

The Audit Committee has established on January 2005 and during 2006 met 9 times.

The Officer for compliance with the Corporate Governance Code is Mrs. Eliza Stasopoulou.

The Board of Directors has set up three Committees which are composed as follows:

Listed Companies Committee

Mr. M. A. Pilavakis (Chairman)

Mr. N. Nicolaou (Member)

Mr. D. Papadopoulos (appointed on the 14th of June 2007) - (Member)

The Listed Companies Committee helps the Board of Directors by its suggestions to examine and evaluate the effective operation of the CSE's markets.

The Listed Companies Committee has met 2 times during the year under review (2006).

Marketing and Communication Committee

Mr. M. A. Pilavakis (Chairman)

Mr. A. Anninos (appointed on the 14th of June 2007)

Mr. N. Nicolaou (appointed on the 14th of June 2007)

Mr. A. Kleanthous (resigned on the 19th of February 2007)

The Marketing and Communication Committee helps the Board of Directors by its suggestions to promote CSE's markets and other services and products both in Cyprus and abroad.

The Marketing and Communication Committee has met 1 time during the year under review (2006).

Additionally on the 14th of June 2007 the Board of Directors has set up the following Committees:

Human Resource and Premises Committee

Mr. A. Theodosiou (Chairman)

Mr. A. Leonidou (Member)



The Human Resource and Premises Committee helps the Board of Directors by its suggestions to oversee and monitor the work load to the new building of the Cyprus Stock Exchange and to examine other issues concerning the staff of the CSE.

Legal Framework and Law Issues Committee

Mr. D. Papadopoulos (Chairman)

Mr. A. Leonidou (Member)

Mr. A. Theodosiou (Member)

The Legal Framework and Law Issues Committee helps the Board of Directors by its suggestions to take decisions on legal matters and other issues regarding the legal framework of the Cyprus Stock Exchange.

D. Relations with shareholders

The Cyprus Stock Exchange is a legal entity in the form of a public corporate body with no shareholders. Therefore there can be no compliance with the provisions of Article D of the Code.

The relationship and the links between the Cyprus Stock Exchange and the environment, Members of the CSE, listed companies on the CSE and the investors, are strengthened as a result of their continuous conversation.

Section

9

**Annual Report &
Financial
Statements**



Council and other information

Chairman

George Koufaris

Members of the Council

Vice – Chairman

Demitris Papadopoulos

Members

Marios Pilavakis

Nicos Nicolaou

Andreas Leonidou

Alexis Anninos

Andreas Theodosiou

Director General – CEO

Nondas Cl. Metaxas

The Administration

Kambou Street
CSE Building, 2nd Floor, Strovolos
P.O.Box. 25427
CY-1309 Nicosia
Cyprus

Offices

PricewaterhouseCoopers Limited

Julia House

3 Themistocles Dervis Street

CY-1066 Nicosia

P.O.Box. 21612

CY-1591 Nicosia

Cyprus

Auditors

Auditor General of the Republic of Cyprus



The Council presents its report together with the audited financial statements for the year ended 31 December 2006.

Principal activities and aim of establishment

The Cyprus Stock Exchange is a public corporate body where stock market transactions in Cyprus take place exclusively. The aim and principal activities of the Cyprus Stock Exchange is to promote stock exchange activity, develop and supervise the securities market, regulate and operate stock market transactions, encourage the growth of a smooth market for stock exchange transactions and provide appropriate protection to the investors. In the context of the principal activities and aim of the Cyprus Stock Exchange, the Common Platform with the Athens Stock Exchange was launched on 30 October 2006.

Results

The results for the year are presented on page 43, together with comparative figures for the previous year. The loss for the year amounted to C£13.510 (2005 loss: C£385.451). Consequently retained earnings at 31 December 2006 have decreased to C£7.637.221 (2005: C£7.650.731).

Members of the Council

The members of the Council are shown on page 39 of the financial statements.

On 19 February 2007, the Chairmain Mr Akis Cleanthous resigned. On 18 April 2007 the Council of Ministers, subsequent to recommendation by the Minister of Finance, appointed Mr George Koufaris as new chairman of the CSE.

Auditors

The auditors of the Cyprus Stock Exchange are PricewaterhouseCoopers Limited and the Auditor General of the Republic of Cyprus.

By Order of the Council

George Koufaris
Chairman

Nicosia, 12 July 2007



We have audited the financial statements of the Cyprus Stock Exchange on pages 43 to 69 which comprise the balance sheet as at 31 December 2006, and the income statement, statement of recognised gains and losses and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Statements

The Council of the Cyprus Stock Exchange is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the Council, as well as evaluating the overall presentation of the 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 financial statements give a true and fair view of the financial position of the Cyprus Stock Exchange as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB and the requirements of the Cyprus Stock Exchange Laws and Regulations.



Other Matter

This report, including the opinion, has been prepared for and only for the Council of the Cyprus Stock Exchange, the Minister of Finance and the Auditor General of the Republic in accordance with Section 49 of the Cyprus Stock Exchange Law and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Chartered Accountants

Nicosia, 12 July 2007



	Note	2006 C£	2005 C£
Revenue	3	4.310.804	1.875.544
Cost of services	4	(3.522.712)	(1.439.083)
Gross profit		788.092	436.461
Interest income	5	457.956	440.313
Administrative expenses	6	(1.178.463)	(1.182.894)
Operational fee payable to the Cyprus Securities and Exchange Commission	7	(75.000)	(75.000)
Loss from operations		(7.415)	(381.120)
Finance costs	8	(6.095)	(4.331)
Loss for the year before tax		(13.510)	(385.451)
Tax	9	-	-
Loss for the year after tax		(13.510)	(385.451)
Retained earnings at the beginning of the year		7.650.731	8.036.182
Retained earnings at the end of the year	16	7.637.221	7.650.731

Statement of recognised gains and losses for the year ended 31 December 2006

There were no gains or losses not recognised in the income statement either in the current or prior year.

The notes on pages 46 to 69 form an integral part of these financial statements.



	Note	2006 C£	2005 C£
Assets			
Non-current assets			
Intangible assets	10	372.602	164.913
Property, plant and equipment	11	144.376	54.702
Held-to-maturity investments	12	4.846.495	4.826.215
		<u>5.363.473</u>	<u>5.045.830</u>
Current assets			
Trade and other receivables	13	756.978	531.814
Cash and cash equivalents	15	7.099.112	3.112.771
		<u>7.856.090</u>	<u>3.644.585</u>
Total assets		<u>13.219.563</u>	<u>8.690.415</u>
Reserves and liabilities			
Reserves			
	16	<u>7.637.221</u>	<u>7.650.731</u>
Non-current liabilities			
Defined benefit pension fund liability	4	<u>1.759.000</u>	-
Current liabilities			
Trade and other payables	14	<u>3.823.342</u>	<u>1.039.684</u>
Total liabilities		<u>5.582.342</u>	<u>1.039.684</u>
Total reserves and liabilities		<u>13.219.563</u>	<u>8.690.415</u>

On 12 July 2007 the Council of the Cyprus Stock Exchange authorised these financial statements for issue.

George Koufaris
Chairman

Nondas Cl. Metaxas
Director General - CEO

The notes on pages 46 to 69 form an integral part of these financial statements.



	Note	2006 C£	2005 C£
Cash flows from operating activities			
Loss before tax		(13.510)	(385.451)
Adjustments for:			
Depreciation of property, plant and equipment	11	57.333	114.050
Amortisation of computer software	10	156.216	236.373
Profit on disposal of property, plant and equipment	6	(7.680)	(1.706)
Pension fund liability in relation to employees' past service	4	1.759.000	-
Interest income	5	(457.956)	(440.313)
Profit/(loss) from operating activities before changes in working capital		1.493.403	(477.047)
Changes in working capital:			
Trade and other receivables		(224.837)	(123.653)
Trade and other payables		527.928	(16.779)
Members Guarantee Fund		2.263.543	50.000
Cash generated from/(used in) operations		4.060.037	(567.479)
Tax paid		-	-
Net cash from/(used in) operating activities		4.060.037	(567.479)
Cash flows from investing activities			
Purchase of intangible assets	10	(371.718)	(83.579)
Purchase of property, plant and equipment	11	(147.007)	(25.920)
Proceeds from sale of property, plant and equipment	11	7.680	1.715
Net interest received		437.349	382.346
Net cash (used in)/generated from investing activities		(73.696)	274.562
Net increase/(decrease) in cash and cash equivalents		3.986.341	(292.917)
Cash and cash equivalents at beginning of year		3.112.771	3.405.688
Cash and cash equivalents at end of year	15	7.099.112	3.112.771

The notes on pages 46 to 69 form an integral part of these financial statements.



1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES

The Cyprus Stock Exchange was established under Law 14(I) of 1993 in the form of a public corporate body with a prime objective to promote stock market activity and to take all necessary measures for the development, control and regulation of securities' transactions in the public interest.

The Cyprus Stock Exchange operates under the supervision of the Minister of Finance exercised through the Cyprus Securities and Exchange Commission and is governed by the Council. Its formal operations commenced on 29 March 1996 following approval of the Regulations by the House of Representatives in July 1995.

Stock market transactions in Cyprus take place exclusively through the Cyprus Stock Exchange. The aim and activities of the Cyprus Stock Exchange are to promote stock exchange activity, develop and supervise the securities market, regulate and operate stock market transactions, encourage the growth of a smooth market for stock exchange transactions and provide appropriate protection to the investors. In the context of the principal activities and aim of the Cyprus Stock Exchange, the Common Platform with the Athens Stock Exchange was launched on 30 October 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation of financial statements

The financial statements of the Cyprus Stock Exchange have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements comply with both these reporting frameworks because at the time of their preparation all applicable IFRSs issued by the IASB have been adopted by the EU through the endorsement procedure established by the European Commission. In addition the financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Cyprus Stock Exchange Laws and Regulations.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the accounting policies of the Organisation. There are no specific areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.



Adoption of new and revised IFRSs

In the current year the Organisation adopted all new and revised IFRSs that are relevant to its operations and are effective for accounting periods beginning on 1 January 2006. This adoption did not result in substantial changes to the accounting policies of the Organisation.

At the date of authorisation of these financial statements the following Standards were in issue but not yet effective:

- IFRS 7 “Financial Instruments: Disclosures” and IAS 1 (Amendment) “Presentation of Financial Statements - “Capital Disclosures” (effective from 1 January 2007).
- IFRS 8 “Operating Segments” (effective from 1 January 2009). *
- IAS 23 (Amendment) “Borrowing Costs” (effective from 1 January 2009). *
- IFRIC Interpretation 7 “Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies” (effective for accounting periods beginning on or after 1 March 2006).
- IFRIC Interpretation 8 “Scope of IFRS 2” (effective for accounting periods beginning on or after 1 May 2006).
- IFRIC Interpretation 9 “Reassessment of Embedded Derivatives” (effective for accounting periods beginning on or after 1 June 2006).
- IFRIC Interpretation 10 “Interim Financial Reporting and Impairment” (effective for accounting periods beginning on or after 1 November 2006).
- IFRIC Interpretation 11 “IFRS2 – Group and Treasury Share Transactions” (effective for accounting periods beginning on or after 1 March 2007).
- IFRIC Interpretation 12 “Service Concession Arrangements” (effective from 1 January 2008).*
- IFRIC Interpretation 13 “Customer Loyalty Programmes” (effective for accounting periods beginning on or after 1 July 2008).*

* Have not been endorsed by the European Union

The Council anticipates that the adoption of the above Standards in future periods will have no material impact on the financial statements of the Organisation.



Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over the estimated useful lives. The annual depreciation rates are as follows:

	%
Office equipment	20
Computer equipment	33,33
Motor vehicles	20
Mobile telephones	50

The building under construction is not depreciated.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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



Intangible assets

Costs that are directly associated with identifiable and unique computer software products controlled by the Organisation and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software beyond their original specifications are capitalised. Costs associated with maintenance of computer software are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over a period of five years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

Computer software system comprises two different systems; the Disaster Recovery System and the Common Platform software.

Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Revenue recognition

Revenue comprises fees, annual subscriptions and finance income. Income from fees and annual subscriptions is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided and are exempt from value added tax. Interest income is recognised on a time proportion basis, using the effective interest method.



Investments

The Organisation's investments, which consist solely of government bonds and treasury bills, are classified into the held-to-maturity category. The classification depends on the purpose for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates this designation at every reporting date.

Investments with fixed or determinable payments and fixed maturity that the Organisation's management has the positive intention and ability to hold to maturity are classified as held-to-maturity. These investments are included in the balance sheet under non current assets, unless they mature within twelve months from the balance sheet date, in which case they are included under current assets.

Regular way purchases and sales of investments are recognised on trade date, which is the date on which the Organisation commits to purchase or sell the asset. Held-to-maturity investments are initially recognised at fair value plus transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Organisation has substantially transferred the risks and rewards of ownership. Held-to-maturity investments are carried at amortised cost using the effective interest method.

The Organisation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is impaired when the carrying amount is higher than the estimated recoverable amount. The amount of impairment loss for assets recognised at amortised cost is calculated as the difference between the carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Organisation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.



Functional and presentation currency

Items included in the Organisation's financial statements are measured using the currency of the primary economic environment in which the Organisation operates ("the functional currency"). The financial statements are presented in Cyprus pounds (C£), which is the Organisation's functional and presentation currency.

Foreign currency translation

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

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and at bank including Members' Guarantee Fund, less bank overdrafts.

Tax

Current tax liabilities and assets for the current and prior period are measured at the amount expected to be paid or recovered from the taxation authorities using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Leases

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

Provisions

Provisions are recognised when the Organisation has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.



Employee benefits

The Organisation and the employees contribute to the Government Social Insurance Fund based on the employees' salaries. In addition, during 2006 the Organisation operated a defined contribution provident fund the assets of which were held in a separate trustee-administered fund. The scheme was funded by payments from employees and by the Organisation. The Organisation's contributions were expensed as incurred and were included in staff costs.

Following the establishment of the Pension Fund (Notes 4, 17), CSE will operate a defined benefit pension fund. The defined benefit pension fund defines the amount of pension benefit than an employee will receive on retirement which is dependent on the years of service and on the level of salaries. The liability recognised in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised 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-quality 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 experience adjustments and changes in the actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are recognised in the income statement over the employees' expected average remaining working lives.

Past service costs are recognised immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time. In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.



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3. REVENUE

Revenue consisting of Fees, Annual Subscriptions and other income is presented below. On October 2006 the fees of the Stock Exchange were restructured.

	2006 C£	2005 C£
Fees		
<u>From non-dematerialized system:</u>		
Stock Exchange transaction fees	-	26
<u>From dematerialized system:</u>		
Trading fees	307.413	44.007
Clearing fees	922.958	129.647
Order Data Link fees	47.804	-
Fees from cross border transactions by CSE Members in Athens Exchange	18.408	-
Off-floor transaction fees	96.059	31.319
Printing and dispatch of statements	24.508	8.454
Fees for pledging securities	50.427	31.316
Fees for correcting a mistake in the Central Depository	-	90
Fees from full or partial registry copies	11.639	7.595
Fees for opening / transferring trading accounts	30.079	2.406
	1.509.295	254.834
<u>Other Fees:</u>		
Listing of government bonds	12.500	20.000
Issuers' initial registration and additional shares issued	14.625	15.843
Applications for listing by issuers	18.175	11.375
Pre-approval/examination of applications by issuers	6.200	3.500
Fees of official announcement for listing	4.500	-
Registration license fees	7.500	10.750
Merger and acquisition fees	21.809	20.000
Registration of members	-	20.000
Registration of brokers' representatives/clearing clerks	10.500	11.275
Brokers/clearing clerks examination fees	10.034	500
Undertaking of registry fees	1.000	-
Sale of documents for public procurement contracts	250	490
	107.093	113.733
Total Fees	1.616.388	368.593



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3. REVENUE (Continued)

	2006 C£	2005 C£
Annual Subscriptions		
<u>From non-dematerialized system:</u>		
Members' annual subscriptions	-	91
<u>From dematerialized system:</u>		
Members' annual subscriptions	1,305,709	226,023
Annual use of Order Data Link fee per terminal	6,050	-
Members' fees per transaction	34,510	12,299
Information connection fees for members	6,000	8,000
Issuers' annual fee for shares registry	583,733	604,719
Issuers' annual fee for warrants, rights and bonds registries	38,734	48,916
Issuers' connection with Central Depository	73,470	75,540
Issuers' fee per trade order	54,794	26,989
Corporate activities of Central Registry	9,909	14,196
	2,112,909	1,016,682
<u>Other annual subscriptions:</u>		
Issuers' annual subscriptions	367,672	319,644
Government Bonds annual subscriptions	22,433	27,682
Annual subscription for announcement and publication of index and other market information	79,948	85,725
Annual subscriptions of brokers' employees	1,275	1,575
	471,328	434,626
Total Annual Subscriptions	2,584,237	1,451,399
Other Income		
Members' installation of the Order Data Link service	69,000	-
Installation and connection fees for Remote Trading Systems	9,000	6,180
Penalties to Members and Companies	12,870	15,140
Revenue from seminars	13,327	31,114
Sales of documents	30	15
Sale of official Regulations and Circulars	645	651
Miscellaneous income	5,307	2,452
Total Other Income	110,179	55,552
Total Revenue	4,310,804	1,875,544



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Notes to the financial statements for the year ended
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4. COST OF SERVICES

Cost of services consists of salaries, employer's contributions and staff benefits which are analysed as follows:

	2006 C£	2005 C£
Staff salaries and benefits	1,120,215	1,080,346
Overtime	88,458	8,170
Services hired	-	600
Social insurance costs	69,460	63,084
Provident fund contributions	97,727	94,232
Social cohesion contributions	22,880	20,622
Medical fund contributions	109,990	100,684
Redundancy fund contributions	13,234	12,015
Industrial training fund contributions	5,513	5,007
Welfare fund contributions	54,084	25,522
Employees' loan provision plan	12,409	14,086
Retrospective return of employees' contribution to Social Insurance fund (Note 14)	157,092	-
Pension fund deficit	1,759,000	-
	<u>3,510,062</u>	<u>1,424,368</u>
Council Members remuneration	12,650	14,715
Total Staff Costs	<u>3,522,712</u>	<u>1,439,083</u>

The total number of employees of the Cyprus Stock Exchange at 31 December 2006 were 85 (2005: 88 employees) and are analysed as follows:

	2006 Number	2005 Number
Permanent staff	56	59
Temporary staff	26	22
Hourly-wage staff	3	7
	<u>85</u>	<u>88</u>

Defined benefit pension plan (Pension Fund)

	2006 C£	2005 C£
Present value of Pensions Fund obligation	2,430,000	-
Fair value of Pensions Fund assets	(671,000)	-
Pension Fund Liability	<u>1,759,000</u>	<u>-</u>



4. COST OF SERVICES (Continued)

Following the adoption of the defined benefit pension plan for the employees of the CSE (Note 17), the CSE's obligation to the Pension Fund in relation to the past service cost of employees, amounts to £1,759,000 (date of valuation 31/12/2006), which has been fully recognised in the income statement of 2006.

The movement of the provision for the defined benefit pension plan is as follows:

	2006 C£	2005 C£
Balance at beginning of year	-	-
Past service cost	1,759,000	-
Balance at end of year	1,759,000	-

Principal Actuarial Assumptions – 31 December 2006:

	2006
Discount rate	5,00%
Expected average return on plan assets	5,00%
Average annual salary increase (excluding increases due to age and promotions)	3,50%
Average annual increase of the basic insurable income	4,50%
Average annual increase of the Plan's pensions.	3,50%
Average annual increase of the Government pension plan	2,50%



5. INTEREST INCOME

	2006 C£	2005 C£
Interest income:		
Net interest income from government bonds	331.821	330.361
Net interest income from banks	126.135	109.952
	457.956	440.313

6. EXPENSES BY NATURE

	2006 C£	2005 C£
Amortisation of intangible assets (Note 10)	156.216	236.373
Depreciation of property, plant and equipment (Note 11)	57.333	114.050
Receivables – (reversal)/impairment charge for doubtful debts (Note 13)	(11.886)	24.586
Auditors' remuneration-current year	13.508	6.693
Operating lease rentals	191.330	188.942
Legal and other professional fees	88.775	69.510
Promotion expenses	10.937	2.504
Telephones and electricity	104.695	72.165
Entrance security expenses	79.886	67.576
Stationery and postages	68.218	33.549
Entertainment and hospitality expenses	13.535	7.648
Profit on disposal of property, plant and equipment (Note 11)	(7.680)	(1.706)
Repairs and maintenance	219.281	172.401
Subscriptions and overseas conferences	84.980	78.193
Cleaning expenses	6.662	10.891
Exhibition participation expenses	6.050	19.612
Other expenses	96.623	79.907
Total administrative expenses	1.178.463	1.182.894

7. OPERATIONAL FEE PAYABLE TO THE CYPRUS SECURITIES AND EXCHANGE COMMISSION

In accordance with the Article 44 of the Cyprus Securities and Exchange Commission Law (Amendment) of 2005, an amount equal to seventy five thousands Cyprus Pounds (C£75.000) is payable from the Cyprus Stock Exchange to the Cyprus Securities and Exchange Commission as operational fee for the oversight duties of the Cyprus Securities and Exchange Commission towards the Stock Exchange (2005: C£75.000)



8. FINANCE COSTS

	2006 C£	2005 C£
Bank charges	4.130	1.686
Net foreign exchange transaction losses	1.965	2.645
Total finance costs	6.095	4.331

9. TAX

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

	2006 C£	2005 C£
Loss before tax	(13.510)	(385.451)
Tax calculated at the applicable tax rates	(3.378)	(96.363)
Tax effect of expenses not deductible for tax purposes	72.419	104.340
Tax effect of allowances and income not subject to tax	(126.538)	(125.146)
Tax effect of tax losses carried forward	57.497	117.169
Tax charge	-	-

The applicable tax rate for the Organisation is 25% for taxable profit up to C£1.000.000 and 30% for taxable profit over C£1.000.000.



10. INTANGIBLE ASSETS

	Computer software system C£
At 1 January 2005	
Cost	1.858.802
Accumulated amortisation	(1.541.095)
Net book amount	317.707
Year ended 31 December 2005	
Opening net book amount	317.707
Additions	83.579
Amortisation charge (Note 6)	(236.373)
Closing net book amount	164.913
At 31 December 2005	
Cost	1.942.381
Accumulated amortisation	(1.777.468)
Net book amount	164.913
Year ended 31 December 2006	
Opening net book amount	164.913
Additions	371.718
Amortisation charge (Note 6)	(156.216)
Write-off	(7.813)
Closing net book amount	372.602
At 31 December 2006	
Cost	2.306.286
Accumulated depreciation	(1.933.684)
Net book amount	372.602

The additions of intangible assets during the year 2006 relate to capitalised costs for the development and implementation of the project “Development of a Common Platform supporting the market operation of the Athens Exchange and Cyprus Stock Exchange”.



11. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture	Computer Hardware	Motor Vehicles	Building under construction	Total
	C£	C£	C£	C£	C£
At 1 January 2005					
Cost	669.821	1.165.828	53.230	-	1.888.879
Accumulated depreciation	(576.813)	(1.118.687)	(50.538)	-	(1.746.038)
Net book amount	93.008	47.141	2.692	-	142.841
Year ended 31 December 2005					
Opening net book amount	93.008	47.141	2.692	-	142.841
Additions	1.263	24.657	-	-	25.920
Disposals	(9)	-	-	-	(9)
Depreciation charge (Note 6)	(66.098)	(46.606)	(1.346)	-	(114.050)
Closing net book amount	28.164	25.192	1.346	-	54.702
At 31 December 2005					
Cost	671.038	1.171.753	53.230	-	1.896.021
Accumulated depreciation	(642.874)	(1.146.561)	(51.884)	-	(1.841.319)
Net book amount	28.164	25.192	1.346	-	54.702
Year ended 31 December 2006					
Opening net book amount	28.164	25.192	1.346	-	54.702
Additions	12.102	41.955	32.000	60.950	147.007
Χρέωση απόσβεσης (Σημ.6)	(23.951)	(25.636)	(7.746)	-	(57.333)
Closing net book amount	16.315	41.511	25.600	60.950	144.376
At 31 December 2006					
Cost	683.140	1.213.708	85.230	60.950	2.043.028
Accumulated depreciation	(666.825)	(1.172.197)	(59.630)	-	(1.898.652)
Net book amount	16.315	41.511	25.600	60.950	144.376



11. PROPERTY, PLANT AND EQUIPMENT (Continued)

On 17 July 2006 a contract agreement was signed with K. Athienitis Contractors – Developers Public Ltd, for the construction of the new building of the Cyprus Stock Exchange which will be located at Vironos Avenue in Nicosia. According to the agreement, the total purchase cost of the building amounts to C£2.100.000 plus VAT, which will be payable by the Cyprus Stock Exchange as follows:

- £50.000 plus VAT upon the signing of the agreement (paid).
- £410.000 plus VAT provided that the operations for digging and concreting the rough foundation will be completed.
- £410.000 plus VAT provided that the operations for concreting the roof of the first basement floor will be completed.
- £410.000 plus VAT provided that the operations for concreting the roof of the 4th floor will be completed.
- £410.000 plus VAT provided that the external sites of the building will be completed.
- £360.000 plus VAT on the date that the completed building will be delivered to the CSE.
- £50.000 within 15 days from the issue of the certificate of final approval for the building.

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

	2006	2005
	C£	C£
Net book amount	-	9
Profit on disposal of property, plant and equipment (Note 6)	7.680	1.706
Proceeds from disposal of property, plant and equipment	<u>7.680</u>	<u>1.715</u>

12. HELD-TO-MATURITY INVESTMENTS

Government Bonds (10 year bonds with maturity 2009, 2010 and 2011) carry annual interest rate at 7% and the net interest income earned during the year 2006 amounted to C£331.821 (2005: C£330.361), (Note 5).

	2006	2005
	C£	C£
Maturity from 1 to 5 years	4.846.495	1.875.987
Maturity over 5 years	-	2.950.228
	<u>4.846.495</u>	<u>4.826.215</u>



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13. TRADE AND OTHER RECEIVABLES

	2006	2005
	C£	C £
Publication fees of mutual fund prices	-	3.163
Installation and maintenance of Remote Trading System and Order Data Link	24.113	3.177
Fees for printing central registry and transfers	17.801	4.300
Annual subscription for publication of index and other market information	14.779	9.798
Registration fees	5.054	2.375
Trading fees and annual subscription from Members	54.203	52.085
Fees for Central Depository	7.397	23.482
Fees from depository system and annual subscriptions of listed companies	221.798	209.900
Corporate activities of central registry	36.221	9.885
Penalties to Issuers and Members	31.285	34.685
Special tax levy on trades	21.313	5.698
Payables on overseas transactions	9.168	-
Registration fees for brokers' representatives and brokers' authorised employees	500	500
Total trade receivables	443.632	359.048
Less: provision for impairment of bad and doubtful debts	(85.504)	(97.390)
Total trade receivables – net	358.128	261.658
Interest receivable (net)	160.870	160.542
Other receivables	9.944	8.305
Prepayments	228.036	101.309
Total	756.978	531.814

The fair value of trade and other receivables which are due within one year approximates their carrying amount at the balance sheet date.



13. TRADE AND OTHER RECEIVABLES (Continued)

The movement of the provision of impairment of bad and doubtful debts is as follows:

	2006 C £	2005 C £
Balance at beginning of year	97.390	72.804
(Reversal)/impairment charge for the year (a)	(11.886)	24.586
Balance at end of year	85.504	97.390

(a) The (reversal)/ impairment charge for bad and doubtful debts for the year, which is included in administrative expenses (Note 6) in the income statement, is analysed as follows:

	2006 C £	2005 C £
Provision for penalties	(1.550)	400
Provision for annual subscriptions of issuers	(15.108)	5.944
Provision for shares registry fees	824	12.333
Provision for Trading fees	-	1.784
Provision Central Depository fees	-	1.138
Provision for connection with the Central Depository and maintenance fees	(1.750)	2.250
Provision for brokers' representatives fees	-	500
Provision on special tax levy on trades	5.698	-
Provision for sundry fees	-	237
	(11.886)	24.586



14. TRADE AND OTHER PAYABLES

	2006 C£	2005 C£
Trade payables	454.350	13.692
Special tax levy on trades	22.550	16.921
Amount payable to experts	46.970	82.229
Audit fees payable	14.535	6.893
Staff expenses payable	46.417	60.987
Other payables	10.898	11.395
Members Guarantee Fund (1)	3.063.543	800.000
Members Joint Compensation Fund	6.987	36.718
Return of employees' contribution to Social Insurance Fund (2)	157.092	-
Deferred income	-	10.849
	3.823.342	1.039.684

1. The amount payable for Members Guarantee Fund arises from the Members' obligation to deposit in Euro the equivalent amount of C£50.000 in benefit of the Cyprus Stock Exchange, as guarantee for the settlement of their transactions via the dematerialised settlement system of the Cyprus Stock Exchange, as well as for their obligation to contribute to the fund 0.05% of the total value of the buy and sell transactions. This guarantee is refundable in case a Member is deregistered from the Cyprus Stock Exchange.
2. Following the introduction of the Pension Fund for CSE's employees, the CSE will return to permanent staff the amount of £157.092 (estimated as at 31/12/2006) in relation to their contribution of 3,1% to the Social Insurance fund, as a result of the retrospective effect of the Pension Fund (Note 17).

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.



15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purpose of the cash flow statement:

	2006 C£	2005 C£
Cash at bank	4.036.553	2.312.771
Members' Guarantee Fund	3.062.559	800.000
Total	7.099.112	3.112.771

The weighted average interest rate for the cash at bank was 4,24% (2005: 4,9%).

Cash at bank includes an amount of £6.987 (2005: £36.718) which relates to the Members Joint Compensation Fund for the clearing and settlement of transactions.

16. RESERVES

The movement in retained earnings is presented below:

	2006 C£	2005 C£
Balance at beginning of year	7.650.731	8.036.182
Loss for the year	(13.510)	(385.451)
Balance at end of year	7.637.221	7.650.731



17. STAFF SCHEMES

During 2006 the Cyprus Stock Exchange maintained a Provident Fund Scheme, a Medical Fund Scheme and a Welfare Fund Scheme, all of which are funded separately. The Cyprus Stock Exchange's contribution to the Provident Fund was 12% of each employee's gross salary and for the year 2006 it amounted to C£97.727 (2005: C£94.232). No contributions were made for Members of the Council.

On 29 June 2007 the "2007 Regulations of Cyprus Stock Exchange (Pensions and Benefits)" were published in the official newspaper of the Republic whereby a Pension Fund was established for CSE's employees, similar to the Pension Fund of Government employees on the public service, which will have a retrospective effect. According to the actuarial valuation of Muhanna & Co with a valuation date of 31/12/2006, the contribution of CSE to the Pension Fund for future service amounts to 33,1% of each permanent employee's gross salary (basic salary + COLA, not including 13th salary) and the employer's contribution to the Social Insurance Fund will be increased to 9,4% (additional contribution 3,1% to the Social Insurance Plan).

Due to the retrospective application of the Pension Fund, a deficit of C£1.759.000 (valuation date 31/12/2006) has arisen for the past service cost of employees, which was recognised immediately in the income statement for 2006. The deficit will be paid through annual contributions to the pension fund (C£162.000 per year) for a period of 15 years.

The Cyprus Stock Exchange contributes all the costs of the Medical Fund. The Cyprus Stock Exchange's contribution to the Medical Fund for the year 2006 amounted to C£109.990 (2005: C£100.684). The Members of the Council have no benefits arising from this scheme.

The Welfare Fund Scheme prepares its own financial statements, whereby employees are entitled to certain benefits according to its articles of association set by its Committee. The Cyprus Stock Exchange's contribution to the Welfare Fund Scheme for the year 2006 amounted to C£54.084 (2005: C£25.522).

18. CONTINGENT LIABILITIES

As at 31 December 2006, there were pending legal claims against the Cyprus Stock Exchange in relation to its activities. Based on legal advice, the Council of the Cyprus Stock Exchange believes that there is sufficient defense against any claims and no loss is expected to arise for the Cyprus Stock Exchange. As a result, no provision has been made in the financial statements in relation to these claims.

In addition, the Organisation is in negotiation with the owner of the IMC building regarding various claims by him in relation to the electricity and rent payable by the Cyprus Stock Exchange. It is possible that a liability will arise from these negotiations which however is not expected to be material. At present it is not possible to estimate any amount for this matter, but the negotiations continue and are expected to be completed before the end of 2007.



19. FINANCIAL RISK MANAGEMENT

The Organisation is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Organisation to manage these risks are discussed below:

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Organisation's functional currency. The Organisation is exposed to currency risk arising from Stock Market Transactions in Euro through the Common Platform with the Athens Exchange. The management is aware of this risk, but no specific measures are considered necessary to be adopted for the time being due to the limited risk exposure. The Organisation's policy is not to enter into any currency hedging transactions. At 31 December 2006 the amount of receivables in Euro was C£79.078, (2005: C£Nil), payables C£2.812.636 (2005: C£3.169) and cash at bank C£3.888.678, (2005: C£Nil).

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Organisation's income and operating cash flows are substantially independent of changes in market interest rates. The Organisation has a significant amount of bank deposits with variable interest rate which expose the Organisation to cash flow interest rate risk. Held-to-maturity investments have a fixed interest rate exposing the Organisation to fair value interest rate risk. The Organisation's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets at the balance sheet date. Credit risk is limited since there is detailed and continuous review of the credit risk of trade receivables. There is no significant concentration of credit risk due to the fact that the Organisation is trading with a large number of debtors, which consist of Members and Issuers of the Cyprus Stock Exchange. Cash balances are held with high credit quality financial institutions.



19. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position, potentially enhances profitability, but can also increase the risk of losses. The Organisation has procedures with the object of minimizing such losses, such as maintaining sufficient cash balances.

Fair value estimation

The fair values of the Organisation's financial assets and liabilities approximate their carrying amounts at the balance sheet date.

The fair value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

20. OPERATING LEASE COMMITMENTS

The future aggregate lease payments in relation to the existing Cyprus Stock Exchange building (IMC building) are as follows:

	2006 C£	2005 C£
Not later than 1 year	220.323	213.646
Later than 1 year and not later than 5 years	222.159	220.323
Total	442.482	433.969

21. COMMITMENTS FOR THE COMMON PLATFORM PROJECT CSE-ASE

According to the contract agreement which was signed on 16th September 2005 between the Cyprus Stock Exchange and the Athens Stock Exchange for the implementation of the project "Development of Common Platform supporting the operation of the Athens Exchange and the Cyprus Stock Exchange Markets" which was implemented on 30 October 2006, the implementation cost for the Cyprus Stock Exchange for the first year of the operation amounted to €250.000 (plus VAT), with an annual increase of 5% for the following years. In addition, the cost according to the Order Data Link operation to the Members of Cyprus Stock Exchange in the first year of the operation of the Common Platform, amounted to €3.000 for each connected Member, with a minimum cost of €10.000 (plus VAT), and will increase annually by 5% for the following years.



22. COMMITMENTS FOR CSE BUILDING

Details regarding the commitments for the new building of Cyprus Stock Exchange are presented on Note 11.

23. KEY MANAGEMENT COMPENSATION

	2006 C£	2005 C£
Salaries and allowances	216.412	192.728
Total	216.412	192.728

Independent Auditors report on pages 41 and 42

Section

10

**Listed Securities
on the CSE**



Section 10
Listed Securities on the CSE

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Code	Security Names	Market
BOCY	BANK OF CYPRUS PUBLIC COMPANY LTD	MAIN MARKET
CPB	MARFIN POPULAR BANK PUBLIC CO LTD	MAIN MARKET
CTC	CYPRUS TRADING CORPORATION PUBLIC LTD	MAIN MARKET
FWW	WOOLWORTH (CYPRUS) PROPERTIES PUBLIC LTD	MAIN MARKET
HB	HELLENIC BANK PUBLIC COMPANY LTD	MAIN MARKET
HBEw	HELLENIC BANK PUBLIC COMPANY LTD (AMERICAN TYPE WARRANTS 2003/2007)	MAIN MARKET
LBHG	LIBRA HOLIDAYS GROUP PLC (Preference Shares)	MAIN MARKET
LGW	MARFIN POPULAR BANK PUBLIC CO LTD (WARRANTS 2001/2007)	MAIN MARKET
LHG	LIBRA HOLIDAYS GROUP PLC	MAIN MARKET
LOG	LOGICOM PUBLIC LTD	MAIN MARKET
LUI	LOUIS PLC	MAIN MARKET
MAI	MUSKITA ALUMINIUM INDUSTRIES PLC	MAIN MARKET
OPT	OPTIONS CASSOULIDES PLC	MAIN MARKET
ORF	ORFANIDES PUBLIC COMPANY LTD	MAIN MARKET
SFS	SFS GROUP PUBLIC COMPANY LTD	MAIN MARKET
SFW	SFS GROUP PUBLIC COMPANY LTD (WARRANTS 2005/2007)	MAIN MARKET
TSH	A. TSOKKOS HOTELS PUBLIC LTD	MAIN MARKET
VCW	VASSILICO CEMENT WORKS PUBLIC COMPANY LTD	MAIN MARKET
VIP	VISION INTERNATIONAL PEOPLE GROUP PUBLIC LTD	MAIN MARKET
WW	WOOLWORTH (CYPRUS) PROPERTIES PUBLIC LTD (WARRANTS 2003/2007)	MAIN MARKET
ZRP	A. ZORBAS & SONS PUBLIC LTD	MAIN MARKET
OCT	OCEAN TANKERS HOLDINGS PUBLIC COMPANY LTD	SHIPPING COMPANIES MARKET
ALL	ALLIANCE INTERNATIONAL REINSURANCE PUBLIC COMPANY LTD	PARALLEL MARKET
APE	A&P (ANDREOU & PARASKEVAIDES) ENTERPRISES PUBLIC COMPANY LTD	PARALLEL MARKET
CAP	C.A. PAPAELLINAS TRADING PUBLIC COMPANY LTD	PARALLEL MARKET
CDL	CHRISTIS DAIRIES PUBLIC LTD	PARALLEL MARKET
DHH	D.H. CYPROTELS PLC	PARALLEL MARKET
GAP	G.A.P. VASSILOPOULOS PUBLIC LTD	PARALLEL MARKET
KAN	KANIKA HOTELS PUBLIC COMPANY LTD	PARALLEL MARKET
LHH	LORDOS HOTELS (HOLDINGS) PUBLIC LTD	PARALLEL MARKET
LI	LAIKI INVESTMENT (FINANCIAL SERVICES) PUBLIC COMPANY LTD	PARALLEL MARKET
LPL	LORDOS UNITED PLASTICS PUBLIC LTD	PARALLEL MARKET
MFS	ASPIS HOLDINGS PUBLIC COMPANY LTD	PARALLEL MARKET
PAPA	C.A.C. PAPANTONIOU PUBLIC COMPANY LTD	PARALLEL MARKET
PHIL	PHIL. ANDREOU PUBLIC LTD	PARALLEL MARKET
USB	UNIVERSAL BANK PUBLIC LTD	PARALLEL MARKET
ACD	K. ATHIENTIS CONTRACTORS DEVELOPERS PUBLIC LTD	ALTERNATIVE MARKET
ACR	ASTRA SELF DRIVE CARS PUBLIC LTD	ALTERNATIVE MARKET
ACS	AVACOM PUBLIC COMPANY LTD	ALTERNATIVE MARKET
AD	ATHOS DIAMOND CENTER PUBLIC LTD	ALTERNATIVE MARKET
AGRO	AGROS DEVELOPMENT COMPANY "PROODOS" PUBLIC LTD	ALTERNATIVE MARKET
ANC	AMATHUS PUBLIC LTD	ALTERNATIVE MARKET
ANS	AVACOM NET PUBLIC COMPANY LTD	ALTERNATIVE MARKET



Code	Security Names	Market
APC	A. PANAYIDES CONTRACTING PUBLIC LTD	ALTERNATIVE MARKET
AQS	AQUA SOL HOTELS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
ARD	ARISTO DEVELOPERS PLC	ALTERNATIVE MARKET
ASG	A.S.G. (ANDY SPYROU) GROUP PUBLIC LTD	ALTERNATIVE MARKET
AST	ASTARTI DEVELOPMENT PLC	ALTERNATIVE MARKET
ATL	ATLANTIC INSURANCE COMPANY PUBLIC LTD	ALTERNATIVE MARKET
BLUE	BLUE ISLAND PLC	ALTERNATIVE MARKET
CAR	CARAMONDANI BROS PUBLIC CO LTD	ALTERNATIVE MARKET
CBH	CONSTANTINOU BROS HOTELS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CCC	THE CYPRUS CEMENT PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CCCW	THE CYPRUS CEMENT PUBLIC COMPANY LTD (WARRANTS 2009)	ALTERNATIVE MARKET
CCCH	CCC HOLDINGS & INVESTMENTS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CCCT	C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CCCTW	C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LTD (WARRANTS 1999/2007)	ALTERNATIVE MARKET
CFI	CYPRUS FOREST INDUSTRIES PUBLIC LTD	ALTERNATIVE MARKET
CFL	CEILFLOOR PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CHAM	CHAMPIGNON (CYPRUS) PUBLIC COMPANY LTD	ALTERNATIVE MARKET
CHAP	CHARILAOS APOSTOLIDES PUBLIC LTD	ALTERNATIVE MARKET
CJ	CHRIS JOANNOU PUBLIC LTD	ALTERNATIVE MARKET
CLA	CLARIDGE PUBLIC LTD	ALTERNATIVE MARKET
CLL	CLR INVESTMENT FUND PUBLIC LTD	ALTERNATIVE MARKET
CLR	CLR CAPITAL PUBLIC LTD	ALTERNATIVE MARKET
COS	COSMOS INSURANCE PUBLIC COMPANY LTD	ALTERNATIVE MARKET
COV	TOXOTIS INVESTMENTS PUBLIC LTD	ALTERNATIVE MARKET
CPIH	CPI HOLDINGS PUBLIC LTD	ALTERNATIVE MARKET
DES	DIMCO PUBLIC COMPANY LTD	ALTERNATIVE MARKET
DISP	DISPLAY ART LTD	ALTERNATIVE MARKET
DOME	DOME INVESTMENTS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
ELF	ELLINAS FINANCE PUBLIC COMPANY LTD	ALTERNATIVE MARKET
ERP	EUROPROFIT CAPITAL INVESTORS PUBLIC LTD	ALTERNATIVE MARKET
ERRW	EUROPROFIT CAPITAL INVESTORS PUBLIC LTD (WARRANTS 2005/2012)	ALTERNATIVE MARKET
EXE	CYVENTURE CAPITAL PUBLIC COMPANY LTD	ALTERNATIVE MARKET
EXF	G & K EXCLUSIVE FASHIONS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
FBI	ALKIS H. HADJIKYRIACOS (FROU-FROU BISCUITS) PUBLIC LTD	ALTERNATIVE MARKET
FBIW	ALKIS H. HADJIKYRIACOS (FROU-FROU BISCUITS) PUBLIC LTD (WARRANTS 2001/2015)	ALTERNATIVE MARKET
KARK	KARKOTIS MANUFACTURING & TRADING PUBLIC LTD	ALTERNATIVE MARKET
KEO	KEO PLC	ALTERNATIVE MARKET
KG	K + G COMPLEX PUBLIC COMPANY LTD	ALTERNATIVE MARKET
KMC	COSTAS MICHAELIDES CONSTRUCTIONS LTD	ALTERNATIVE MARKET
KRO	KRONOS PRESS DISTRIBUTION AGENCY PUBLIC COMPANY LTD	ALTERNATIVE MARKET
KYTH	K. KYTHREOTIS HOLDINGS PUBLIC LTD	ALTERNATIVE MARKET
LCH	LEPTOS CALYPSO HOTELS PUBLIC LTD	ALTERNATIVE MARKET
LDL	LANITIS DEVELOPMENT PUBLIC LTD	ALTERNATIVE MARKET



Code	Security Names	Market
LEM	LEMECO SILVEX INDUSTRIES PUBLIC COMPANY LTD	ALTERNATIVE MARKET
LIB	LIBERTY LIFE INSURANCE PUBLIC COMPANY LTD	ALTERNATIVE MARKET
MEGA	MEGABET PUBLIC COMPANY LTD	ALTERNATIVE MARKET
MINE	MINERVA INSURANCE COMPANY PUBLIC LTD	ALTERNATIVE MARKET
MPT	MALLOUPPAS & PAPACOSTAS PUBLIC CO LTD	ALTERNATIVE MARKET
NEM	NEMESIS CONSTRUCTIONS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
PES	PHILOKTIMATIKI PUBLIC LTD	ALTERNATIVE MARKET
PETS	ANDREAS PETSAS AND SONS PUBLIC LTD	ALTERNATIVE MARKET
PGE	PIERIDES ELECTRICAL PUBLIC CO LTD	ALTERNATIVE MARKET
PHC	PHC FRANCHISED RESTAURANTS PUBLIC LTD	ALTERNATIVE MARKET
PHL	PETROLINA (HOLDINGS) PUBLIC LTD	ALTERNATIVE MARKET
PND	PANDORA INVESTMENTS PUBLIC LTD	ALTERNATIVE MARKET
PROP	A.L. PROCHOICE GROUP PUBLIC LTD	ALTERNATIVE MARKET
ROL	ROLANDOS ENTERPRISES PUBLIC LTD	ALTERNATIVE MARKET
ROY	ROYAL HIGHGATE PUBLIC COMPANY LTD	ALTERNATIVE MARKET
SAL	SALAMIS TOURS (HOLDINGS) PUBLIC LTD	ALTERNATIVE MARKET
SHL	STADEMOS HOTELS PLC	ALTERNATIVE MARKET
TLA	TELIA AQUA MARINE PUBLIC LTD	ALTERNATIVE MARKET
TOP	TOP KINISIS TRAVEL PUBLIC LTD	ALTERNATIVE MARKET
TRB	L.P. TRANSBETON PUBLIC LTD	ALTERNATIVE MARKET
WKH	WHITE KNIGHT HOLDINGS PUBLIC COMPANY LTD	ALTERNATIVE MARKET
ACT	ACTIBOND GROWTH FUND PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
APOL	APOLLO INVESTMENT FUND PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
ARI	JUPITER PORTFOLIO INVESTMENTS PUBLIC COMPANY LTD (EM)	INVESTMENT COMPANIES MARKET
ATH	ATHINA CYPRUS PUBLIC COMPANY LTD (EM)	INVESTMENT COMPANIES MARKET
CONF	CONFINE INVESTMENTS PUBLIC LTD (EM)	INVESTMENT COMPANIES MARKET
CYTR	CYTRUSTEES INVESTMENT PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
DEM	DEMETRA INVESTMENT PUBLIC LTD (EM)	INVESTMENT COMPANIES MARKET
DOD	DODONI PORTFOLIO INVESTMENTS PUBLIC COMPANY LTD (EM)	INVESTMENT COMPANIES MARKET
ELMA	ELMA HOLDINGS PUBLIC COMPANY LTD (EM)	INVESTMENT COMPANIES MARKET
EMP	EMPIRE CAPITAL INVESTMENTS PUBLIC LTD	INVESTMENT COMPANIES MARKET
INF	INTERFUND INVESTMENTS PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
INRW	INTERFUND INVESTMENTS LTD (WARRANTS 2004/2007)	INVESTMENT COMPANIES MARKET
STAR	STARIO PORTFOLIO INVESTMENTS PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
TCAP	TRIENA INVESTMENT PUBLIC COMPANY LTD - CAPITAL	INVESTMENT COMPANIES MARKET
TINC	TRIENA INVESTMENT PUBLIC COMPANY LTD - INCOME	INVESTMENT COMPANIES MARKET
TINT	TRIENA INVESTMENT PUBLIC COMPANY LTD - INTERNATIONAL	INVESTMENT COMPANIES MARKET
TRPW	WARRANTS 2004/2007 TRIENA INVESTMENT PUBLIC COMPANY LTD	INVESTMENT COMPANIES MARKET
UNI	UNIGROWTH INVESTMENTS PUBLIC LTD (EM)	INVESTMENT COMPANIES MARKET
UNw	UNIGROWTH INVESTMENTS PUBLIC LTD (WARRANTS 2007/2009)	INVESTMENT COMPANIES MARKET
CYP	CYPRINT PLC	SPECIAL CHARACTERISTICS
EFR	EFREMICO HOLDINGS PUBLIC LTD	SPECIAL CHARACTERISTICS
EURO	EUROINVESTMENT & FINANCE PUBLIC LTD	SPECIAL CHARACTERISTICS
EXIN	EXELIXI INVESTMENT PUBLIC LTD (EM)	SPECIAL CHARACTERISTICS
FIA	FINIKAS INVESTMENT FAMAGUSTA PUBLIC COMPANY LTD	SPECIAL CHARACTERISTICS
HCM	HARVEST CAPITAL MANAGEMENT PUBLIC LTD (EM)	SPECIAL CHARACTERISTICS
ISXI	ISXIS INVESTMENT PUBLIC LTD (EM)	SPECIAL CHARACTERISTICS



Code	Security Names	Market
KAR	KARYES INVESTMENT PUBLIC COMPANY LTD	SPECIAL CHARACTERISTICS
KNO	KNOSSOS INVESTMENTS PUBLIC LTD (EM)	SPECIAL CHARACTERISTICS
LAS	LASER INVESTMENTS PUBLIC LTD	SPECIAL CHARACTERISTICS
LEDA	LEDA INVESTMENT PUBLIC COMPANY LTD (EM)	SPECIAL CHARACTERISTICS
MSV	MODESTOU SOUND & VISION PUBLIC COMPANY LTD	SPECIAL CHARACTERISTICS
RAI	R.A.I. CONSULTANTS PUBLIC LTD	SPECIAL CHARACTERISTICS
SNET	SPIDERNET SERVICES PUBLIC LTD	SPECIAL CHARACTERISTICS
TLM	D & M TELEMARKEETING PUBLIC LTD	SPECIAL CHARACTERISTICS
UFI	UNIFAST FINANCE & INVESTMENTS PUBLIC COMPANY LTD	SPECIAL CHARACTERISTICS
UFw	UNIFAST FINANCE & INV. LTD (WARRANTS 2010/2011)	SPECIAL CHARACTERISTICS
AIAS	AIAS INVESTMENT PUBLIC LTD (EM)	SPECIAL CATEGORY MARKET
CAIR	CYPRUS AIRWAYS PUBLIC LTD	SPECIAL CATEGORY MARKET
FRH	RENOS HATZIOANNOU FARM PUBLIC COMPANY LTD	SPECIAL CATEGORY MARKET
GLC	GLOBAL CONSOLIDATOR PUBLIC LTD	SPECIAL CATEGORY MARKET
MCC	MULTICHOICE (CYPRUS) PUBLIC COMPANY LTD	SPECIAL CATEGORY MARKET
NMT	NEW MARATHON TOURS PUBLIC CO LTD	SPECIAL CATEGORY MARKET
PAL	PALINEX TRADING PUBLIC LTD	SPECIAL CATEGORY MARKET
PIPF	PIPIS BROS FARMS PUBLIC COMPANY LTD	SPECIAL CATEGORY MARKET
PLY	PLYNTEX PUBLIC LTD	SPECIAL CATEGORY MARKET
REG	REGALLIA HOLDINGS & INVESTMENTS PUBLIC LTD (EM)	SPECIAL CATEGORY MARKET
SAFS	SAFS HOLDINGS PUBLIC LTD	SPECIAL CATEGORY MARKET
SUP	SUPHIRE HOLDINGS PUBLIC LTD	SPECIAL CATEGORY MARKET
XEN	XENOS TRAVEL PUBLIC LTD	SPECIAL CATEGORY MARKET
ANCB	AMATHUS PUBLIC LTD - GUARANTEED BONDS 2010	BOND MARKET
APCB	A. PANAYIDES CONTRACTING PUBLIC LTD - BONDS 2004-2011	BOND MARKET
BCSA	BANK OF CYPRUS PUBLIC COMPANY LTD - CAPITAL SECURITIES (A)	BOND MARKET
BCSB	BANK OF CYPRUS PUBLIC COMPANY LTD - CAPITAL SECURITIES (B)	BOND MARKET
HBCS	HELLENIC BANK PUBLIC COMPANY LTD - CAPITAL SECURITIES	BOND MARKET
HBDD	HELLENIC BANK PUBLIC COMPANY LTD (DEBENTURES) 2004/2009	BOND MARKET
HBDE	HELLENIC BANK PUBLIC COMPANY LTD - BONDS 2011	BOND MARKET
HBDF	HELLENIC BANK PUBLIC COMPANY LTD - BONDS 2016	BOND MARKET
LGCS	MARFIN POPULAR BANK PUBLIC CO LTD - CAPITAL SECURITIES	BOND MARKET
LGDD	MARFIN POPULAR BANK PUBLIC CO LTD (BONDS 2003-2007)	BOND MARKET
WD	WOOLWORTH (CYPRUS) PROPERTIES PUBLIC LTD (BONDS 2005/2007)	BOND MARKET
GB021A06	GRDS 3.75% (1st Series 2006 Maturity 2008)	BOND MARKET
GB021B05	GRDS 4.00% (1st Series 2005 Maturity 2007)	BOND MARKET
GB022A05	GRDS 5.00% (2nd Series 2005 Maturity 2007)	BOND MARKET
GB022A06	GRDS 3.75% (2nd Series 2006 Maturity 2008)	BOND MARKET
GB023A05	GRDS 5.00% (3rd Series 2005 Maturity 2007)	BOND MARKET
GB023A06	GRDS 3.75% (3rd Series 2006 Maturity 2008)	BOND MARKET
GB051A03	GRDS 4.75% (1st Series 2003 Maturity 2008)	BOND MARKET
GB051A04	GRDS 4.25% (1st Series 2004 Maturity 2009)	BOND MARKET
GB051A05	GRDS 5.75% (1st Series 2005 Maturity 2010)	BOND MARKET
GB051A06	GRDS 4.25% (1st Series 2006 Maturity 2011)	BOND MARKET
GB051B03	GRDS 4.25% (1st Series 2003 Maturity 2008)	BOND MARKET
GB051B04	GRDS 5.75% (1st Series 2004 Maturity 2009)	BOND MARKET
GB051B05	GRDS 5.00% (1st Series 2005 Maturity 2010)	BOND MARKET
GB052B03	GRDS 4.25% (2nd Series 2003 Maturity 2008)	BOND MARKET
GB052B04	GRDS 5.75% (2nd Series 2004 Maturity 2009)	BOND MARKET
GB101A00	GRDS 7% (1st Series 2000 Maturity 2010)	BOND MARKET



Code	Security Names	Market
GB101A01	GRDS 7% (1st Series 2001 Maturity 2011)	BOND MARKET
GB101A02	GRDS 5.50% (1st Series 2002 Maturity 2012)	BOND MARKET
GB101A03	GRDS 5.00% (1st Series 2003 Maturity 2013)	BOND MARKET
GB101A04	GRDS 4.50% (1st Series 2004 Maturity 2014)	BOND MARKET
GB101A05	GRDS 6.00% (1st Series 2005 Maturity 2015)	BOND MARKET
GB101A06	GRDS 4.50% (1st Series 2006 Maturity 2016)	BOND MARKET
GB101A97	GRDS 7% (1st Series 1997 Maturity 2007)	BOND MARKET
GB101A98	GRDS 7% (1st Series 1998 Maturity 2008)	BOND MARKET
GB101A99	GRDS 7% (1st Series 1999 Maturity 2009)	BOND MARKET
GB101B03	GRDS 4.50% (1st Series 2003 Maturity 2013)	BOND MARKET
GB101B04	GRDS 6.00% (1st Series 2004 Maturity 2014)	BOND MARKET
GB101B05	GRDS 5.25% (1st Series 2005 Maturity 2015)	BOND MARKET
GB101C05	GRDS 4.75% (1st Series 2005 Maturity 2015)	BOND MARKET
GB102A05	GRDS 6.00% (2nd Series 2005 Maturity 2015)	BOND MARKET
GB102A06	GRDS 4.50% (2nd Series 2006 Maturity 2016)	BOND MARKET
GB102B03	GRDS 4.50% (2nd Series 2003 Maturity 2013)	BOND MARKET
GB102C05	GRDS 4.75% (2nd Series 2005 Maturity 2015)	BOND MARKET
GB103A05	GRDS 6.00% (3rd Series 2005 Maturity 2015)	BOND MARKET
GB103A06	GRDS 4.50% (3rd Series 2006 Maturity 2016)	BOND MARKET
GB103B04	GRDS 6.00% (3rd Series 2004 Maturity 2014)	BOND MARKET
GB104A05	GRDS 6.00% (4th Series 2005 Maturity 2015)	BOND MARKET
GB104A06	GRDS 4.50% (4th Series 2006 Maturity 2016)	BOND MARKET
GB104B04	GRDS 6.00% (4th Series 2004 Maturity 2014)	BOND MARKET
GB105A06	GRDS 4.50% (5th Series 2006 Maturity 2016)	BOND MARKET
GB151A01	GRDS 6.60% (1st Series 2001 Maturity 2016)	BOND MARKET
GB151A02	GRDS 5.60% (1st Series 2002 Maturity 2017)	BOND MARKET
GB151A03	GRDS 5.10% (1st Series 2003 Maturity 2018)	BOND MARKET
GB151A04	GRDS 4.60% (1st Series 2004 Maturity 2019)	BOND MARKET
GB151A05	GRDS 6.10% (1st Series 2005 Maturity 2020)	BOND MARKET
GB151B03	GRDS 4.60% (1st Series 2003 Maturity 2018)	BOND MARKET
GB151B04	GRDS 6.10% (1st Series 2004 Maturity 2019)	BOND MARKET
GB151B05	GRDS 5.35% (1st Series 2005 Maturity 2020)	BOND MARKET
GB152B03	GRDS 4.60% (2nd Series 2003 Maturity 2018)	BOND MARKET
TB016	52 Weeks Treasury Bills (31/1/2006 - 30/1/2007)	BOND MARKET
TB026	52 Weeks Treasury Bills (30/3/2006 - 29/3/2007)	BOND MARKET
TB036	52 Weeks Treasury Bills (22/6/2006 - 21/6/2007)	BOND MARKET
TB046	52 Weeks Treasury Bills (10/7/2006 - 9/7/2007)	BOND MARKET

*(EM) = Issuer that has listed shares in the Investment Companies Market and after the permission of the CSE Council has achieved the expansion of its activities or its discharge from the investment restrictions or its obligations that are referred to the Decisions of the CSE Council, regarding Approved Investment Companies.

Section

11

Members of the CSE



Section 11 Members of the CSE

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Name	Address	Town	Phone	Fax	E-mail	Website
Acropolis Securities S.A.	8 Efpolidos str., Athens 105 52	Athens	2103292800	2103292800	info@acropolis-axe.gr	http://www.acropolis-axe.gr
Alpha Finance Brokerage Investment Services S.A.	5 Merlin str, 106 71 Athens	Athens	2103677405	2103677405	reception@alphafinance.gr	http://www.alphafinance.gr
Argus Stockbrokers Ltd	12-14 Kennedy Avenue, Kennedy Business Center, 3rd Floor, Office 303, P.O.Box 24863, 1304 Nicosia	Nicosia	22717000	22717000	argus@argus.com.cy	www.argus.com.cy
Artion Securities S.A.	4 Sina str., Athens 10672	Athens	2103671700	2103671700	info@artion.net	http://www.artion.net
Atlantic Securities Ltd	37 Prodroumou, 1090 Nicosia P.O.Box 22781, 1524 Nicosia	Nicosia	22445400	22445400	info@atlanticfs.com	www.atlanticfs.com.cy
Beta Securities S.A	29 Alexandras Ave., & Vraila str., 114 73 Athens	Athens	2106478900	2106478900	info@beta.gr, nkantzoura@beta.gr	http://www.beta.gr
CLR Securities and Financial Services Ltd	26 Vironos Avenue, 1096 PO Box 24616, 1301 Nicosia	Nicosia	22898600	22898600	ctoumpouri@clrfn.com	www.clrfn.com
Cooperative Central Bank Ltd	8 Gregori Afxentiou, P.O.Box 24537, 1096 Nicosia	Nicosia	22743000	22743000	GeneralManagement@ccn.com.cy	
Cyprus Investment and Securities Corporation Ltd	4 Eurou, Eurolife House, P.O.Box 20597, 1660 Nicosia	Nicosia	22881700	22881700	info@cisco.bankofcyprus.com	www.bankofcyprus.com
EFG Eurobank Securities S.A	10 Philellinon & 13 Xenofontos str., 105-57 Athens	Athens	2103720000	2103720000	info@eurobanksec.gr	http://www.eurobanksec.gr
Egnatia Finance S.A	8 Dragatsaniou str., 105 59 Athens	Athens	2103279200	2103279200	info@egnasec.gr	
Egnatia Financial Services (Cyprus) Ltd	178 Athalassas Avenue Eirinis Building, Office 102, P.O Box 2025 Nicosia, 16180 2086 Nicosia	Nicosia	22454777	22454777	info@egnatia.com.cy, research@egnatia.com.cy	egnatiastite.egnatiabank.gr/egnatiadfscyprus
Euroxx Securities S.A	7 Paleologou str., 152 32, Halandri, Athens	Athens	2106879400	2106879400	info@euroxx.gr, dpapadop@euroxx.gr	http://www.euroxx.gr
Global Capital Securities and Financial Services Ltd	5 Limassol Avenue, Eurosure Building, 1st Floor, Aglantzia, 2112 Nicosia P.O.Box 16099, 2085 Nicosia	Nicosia	22710710	22710710	info@globalcapital.com.cy	www.globalcapital.com.cy
Hellenic Bank (Investments)Ltd	1 Menandrou Street, Frosia Building P.O.Box 24747, 1394 Nicosia	Nicosia	22553655	22553655	investment@hellenicbank.com	www.hbi.hellenicbank.com
HSBC Pantelakis Securities S.A	109-III Messoghion Ave., 115 26 Athens	Athens	2106965000	2106965000	hpss@hsbc.gr	http://www.investdirect.hsbc.gr
Investment Bank Of Greece S.A.	24b Kifisias Ave., 151-25 Amarousion, Athens	Athens	2108173111	2108173111	vsamara@ibg.gr	http://www.ibg.gr
Laiki Brokerage (Financial Services) Ltd	39 Evagorou Avenue, Etitta Court 1rd Floor, 1066 Nicosia P.O.Box 25065, 1306 Nicosia	Nicosia	22718300	22718300	investments@laiki.com	www.laiki.com
Mega Equity Securities & Financial Services Ltd	42-44 Griva Digeni Avenue, 3rd Floor, 1080 Nicosia, P.O.Box 23685, 1685 Nicosia	Nicosia	22711711	22711711	info@megaequity.com	
National Bank of Greece (Cyprus) Ltd	Stasicratous 37, Center Point Tower, 9th Floor P.O Box 23806, 1096 Nicosia	Nicosia	22840231	22840231	ekounouni@nbg.com.cy	
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Piraeus Securities S.A.	10 Stadiou str., Athens 10564	Athens	2103354100	2103354100	info@piraeus-sec.gr	www.piraeus-sec.gr , http://sigma.gr
Proton Bank S.A.	22 S.Karageorga & 1 Char. Trikoupi 17671, Athens	Athens	2109005500	2109005500	protonbank@proton.gr	http://www.proton.gr
Sharelink Securities and Financial Services Ltd	Theotoki 6, 1055 Agios Antonios P.O.Box 22379, 1521 Nicosia	Nicosia	22554000	22554000	apostolidout@sharelink.com.cy	www.sharelinksecurities.com
Troilos Investment and Financial Services Ltd	29 Stasinou Avenue Costanza Court, Office 101 1523 Nicosia P.O Box 22643	Nicosia	22458877	22458877	troiloskepey@troilos.com.cy	



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