IRF European Finance Investments Ltd
Financial Statements

for the year ended
31 December 2010

In accordance with the International Financial Reporting Standards

The accompanying consolidated financial statements of IRF European Finance Investments Ltd (the "Company" or "IRF") and its subsidiaries (together the "Group"), for the year ended 31 December 2010 were approved by the Company's Board of Directors on 27 April 2011.

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BOARD OF DIRECTORS

Name	Position
Angeliki Frangou	Chairman, Non – Executive Director
Sheldon Goldman	Deputy Chairman, Non – Executive Director
Loukas Valetopoulos	Chief Executive Officer, Director
Alexander Meraclis	Secretary of the Company and Non – Executive Director

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

Financial highlights

IRF Group			
Amounts in € 000	***31 December 2010***	***31 December 2009***	***%***
Statement of comprehensive income items			
Total operating income	22,362	44,462	(49.71%)
Total operating expenses	(129,714)	(95,456)	35.89%
Loss after tax (attributable to equity holders of the Company)	(107,426)	(51,090)	110.27%
Other comprehensive income / Loss	(4,966)	4,978	(199.76%)
Total comprehensive income (attributable to equity holders of the Company)	(112,392)	(46,112)	143.74%
Basic earnings per share (€/share)	(0.86)	(0.41)	109.21%
Financial position items			
Cash and cash equivalent	653	126,842	(99.49%)
Trading portfolio	74,517	18,499	302.82%
Investment portfolio	84,563	193,886	(56.39%)
Total assets	168,310	340,504	(50.57%)
Loans from banks	160,154	198,104	(19.16%)
Total liabilities	160,623	201,027	(20.10%)
Total Equity	7,687	139,478	(94.49%)
Ratios			
Current assets / current liabilities	177.81	50	255.62%
Total assets / total liabilities	1.05	1.69	(38.00%)
Net loss after tax / total assets	(0.64)	(0.15)	325.51%
Long term debt/equity	20.83	1.42	1,367.12%

IRF European Finance Investments Ltd

2010 Review

Market conditions

The business environment in Europe generally and Greece specifically was difficult during 2010. This was driven by the Hellenic Republic's need for a bailout package and fears of contagion to other EU member states. The need to curtail government budget deficits of the Hellenic Republic through fiscal austerity programs adversely affected consumer and business confidence as well as liquidity and pricing of securities trading on the Athens Stock Exchange.

Investment strategy and objectives

The Company's investment strategy is to seek control and non-control investment opportunities in the financial sector and select opportunities in other industries. The Company intends to reinvest capital gains and income from its investments with the aim of achieving capital growth. In addition, the Company intends, at the discretion of the Directors, to distribute capital and income on a periodic basis.

Key risk factors

IRF is exposed to various risks as set forth in note 6 to the financial statements. The existing budget deficits in the Hellenic Republic and the anaemic economic recovery have adversely affected investors' appetite for businesses in the Hellenic Republic and securities listed on the Athens Stock Exchange.

Performance and position of the Company

In general, under relevant accounting standards (IAS 39), any decline in the fair value of an "available for sale" financial asset is recognized in other comprehensive income and due to the existence of objective evidence that the asset is impaired the cumulative loss that had been recognized in other comprehensive income has been reclassified to profit or loss even though the financial asset has not been derecognised. The amount of such profit or loss is determined based on the difference between the new fair value and the previous evaluation of fair value. During 2010, the Company recognized an impairment loss of €119,371,034, reflecting the deterioration in value of investments in securities available for sale (primarily shares in MIG) since 31 December 2009.

The Company has been building its "special situation" investment capabilities through an asset manager in which it has an equity interest ("Asset Manager"). The Company generated positive returns from investing in distressed securities, event-driven opportunities and other special situations in 2009 and 2010. In 2010, the Company transferred approximately $29 million into a fund managed by the Asset Manager.

In March 2010, the Company purchased a convertible bond of MIG with a five-year term for approximately €50 million. The bond pays 5% annual interest and is convertible into common shares of MIG at a price of € 1.7071397241.

As at 31 December 2010, IRF held investments in equity and debt securities valued at about €159 million, including €123.4 million overall investment in MIG.

In April 2010, at a Special General Meeting, the shareholders agreed to reduce the Company's share premium by about $38 million to allow US$0.30 per common share to be paid to the Company's shareholders. The amount was paid to shareholders in May 2010.

In April 2010, the Company repaid €40 million of the outstanding loan, and in July 2010 the Company signed an agreement to refinance €160 million loan for a 5-year period.

In December 2010 the Company issued approximately 12.5 million common shares with a value of US$0.95 per share in exchange for approximately 12.2 million common shares in Marfin Investment Group. This transaction increased the Company's investment in MIG at an attractive price while also increasing the amount of equity on IRF's financial statement.

Events after the reporting period

In February 2011, the Company utilized the existing credit facilities and borrowed an additional amount of €10 million in order to finance its investment strategy, leading to total debt of €170 million. Using this liquidity the Company acquired additional listed shares in Athens Stock Exchange amounting to €4.8 million.

CORPORATE GOVERNANCE

There is no corporate governance regime applicable to the Company in Bermuda. In addition, companies listed on the SFM are not required to comply with the Combined Code. Nevertheless, the Directors recognise the importance of sound corporate governance and intend to continue to develop policies and procedures which, taking into account the size and nature of the Company, will create an effective corporate governance regime.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ANNUAL ACCOUNTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law and in accordance with appropriate regulations of the listing authority, the directors have elected to prepare financial statements in accordance International Financial Reporting Standards as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1981 of Bermuda. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Angeliki Frangou

Chairman, Non – Executive Director

Financial Statements for year ended 31 December 2010

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of IRF European Finance Investments Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of IRF European Finance Investments Ltd (the "Company") and its subsidiaries (which, together with the Company form the "Group"), which comprise the consolidated Statement of Financial Position as at 31 December 2010, and consolidated Statement of Comprehensive Income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 about 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Athens, 27 April 2011

The Chartered Accountant

Panagiotis Christopoulos
SOEL Reg. No 28481

Grant Thornton

Chartered Accountants Management Consultants
56, Zefirou str., 175 64, Palaio Faliro, Greece
Registry Number SOEL 127

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts presented in € '000	Note	1/1 - 31/12/10	1/1 - 31/12/09
Income			
Interest and similar income	**7**	2,609	2,417
Dividend and other income	**8**	11,205	18,360
Exchange differences		7,709	-
Realised gain from disposal / settlement of derivative financial instruments	**9**	-	22
Realised gain from disposal of available for sale financial assets	**10**	-	7,939
Realised gain from disposal of financial assets held for trading	**11**	206	14,837
Unrealised gain from valuation of financial assets held for trading	**12**	449	670
Unrealized gain from valuation of derivative financial instruments	**9**	-	1
Share of profits / (losses) of associates	**18**	185	216
Total operating income		**22,362**	**44,462**
Expenses			
Interest and similar expenses	**7**	(9,511)	(9,223)
Fee and commission expense	**13**	(127)	(393)
Exchange differences		-	(2,244)
Realised loss from derivative financial instruments	**14**	(4)	-
Impairment losses on available-for-sale financial assets	**15**	(119,371)	(81,717)
Staff costs	**16**	(100)	(100)
Other operating expenses	**17**	(601)	(1,778)
Total operating expenses		**(129,714)**	**(95,456)**
Loss for the period		**(107,353)**	**(50,994)**
Less: Income tax	**18**	(74)	(96)
Loss after tax		**(107,426)**	**(51,090)**
Other comprehensive income			
Current year gains/(losses) from revaluation of available for sale portfolio		(4,975)	12,701
Reclassification to profit or loss		-	(7,727)
Exchange differences on translating foreign operations		9	3
Other comprehensive income for the period net of tax		**(4,966)**	**4,978**
Total comprehensive income for the period after tax		**(112,392)**	**(46,112)**
Profit after tax attributable to:			
Owners of the parent Company		(107,426)	(51,090)
Total comprehensive income attributable to:			
Owners of the parent Company		(112,392)	(46,112)
Earnings per share attributable to parent company's shareholders (€/share)			
- Basic and diluted	**30**	**(0,86)**	**(0.41)**

The accompanying notes constitute an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts presented in € '000	Note	31 December 2010	31 December 2009
ASSETS			
Non-current assets			
Investments in associates	19	429	228
Investment portfolio	20	84,563	193,886
Total non-current assets		**84,992**	**194,114**
Current assets			
Trading portfolio and other financial assets at fair value through profit & loss	21	74,517	18,499
Derivative financial instruments	22	-	80
Loans and receivables		8,010	-
Other assets	23	138	969
Cash and cash equivalents	24	653	126,842
Total current assets		**83,318**	**146,390**
TOTAL ASSETS		**168,310**	**340,504**
EQUITY AND LIABILITIES			
Shareholders equity			
Share capital	28	162	147
Share premium	28	363,079	382,491
Revaluation reserve		-	4,975
Other reserves	29	12	3
Retained (losses) /earnings		(355,565)	(248,139)
Total equity attributable to shareholders' of the parent Company		**7,687**	**139,478**
TOTAL EQUITY		**7,687**	**139,478**
LIABILITIES			
Non-current			
Long term loans	25	160,154	198,104
Deferred tax liability	18	175	99
Total non-current liabilities		**160,330**	**198,203**
Current liabilities			
Financial liabilities at fair value through profit & loss	26	-	1,687
Derivative financial instruments	22	-	21
Other liabilities	27	293	1,115
Total current liabilities		**293**	**2,823**
TOTAL LIABILITIES		**160,623**	**201,027**
TOTAL LIABILITIES AND EQUITY		**168,310**	**340,504**

The accompanying notes constitute an integral part of the financial statements

Athens, 27 April 2011

Angeliki Frangou	Loukas Valetopoulos
Chairman, Non – Executive Director	Chief Executive Officer, Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to shareholders of the Parent Company					
		Share Capital	**Share Premium**	**Revaluation Reserve**	**Other Reserves**	**Retained Earnings / (losses)**	**Total**
Consolidated Statement of Changes in Equity	**Note**						
Amounts presented in € '000							
Opening balance as at 1st January 2010	**28**	**147**	**382,491**	**4,975**	**3**	**(248,139)**	**139,478**
Common shares issue	**28**	14	9,038		-	-	9,053
Share premium reduction & return to shareholders	**28**		(28,451)		-	-	(28,451)
Transactions with owners		**14**	**(19,412)**	**-**	**-**	**-**	**(19,398)**
Loss for the period 01/01-31/12/2010		**-**	**-**	**-**	**-**	**(107,426)**	**(107,426)**
Other comprehensive income:							
- Gains/ losses directly recognized in other comprehensive income		-	-	(4,975)	-	-	(4,975)
Exchange differences on translating foreign operations		-	-	-	9	-	9
Total comprehensive income / (loss) recognised for the period		**-**	**-**	**(4,975)**	**9**	**(107,426)**	**(112,392)**
Balance as at 31 December 2010		**162**	**363,079**	**-**	**12**	**(355,565)**	**7,687**

The accompanying notes constitute an integral part of the financial statements

IRF European Finance Investments Ltd

Financial Statements for year ended 31 December 2010

	Note	Attributable to shareholders of the Parent Company					
		Share Capital	Share Premium	Revaluation Reserve	Other Reserves	Retained Earnings / (losses)	Total
Amounts presented in € '000							
Opening balance as at 1st January 2009		**147**	**400,443**	**-**	**-**	**(197,049)**	**203,541**
Share premium reduction & return to shareholders		-	(17,951)	-	-	-	(17,951)
Transactions with owners		**-**	**(17,951)**	**-**	**-**	**-**	**(17,951)**
Loss for the period 01/01-31/12/2009		**-**	**-**	**-**	**-**	**(51,090)**	**(51,090)**
Other comprehensive income:							
Available for sale:							
- Gains/ losses directly recognized in other comprehensive income		-	-	12,701	-	-	12,701
- Reclassification to profit or loss		-	-	(7,727)	-	-	(7,727)
Exchange differences on translating foreign operations		-	-	-	3	-	3
Total comprehensive income / (loss) recognised for the period		**-**	**-**	**4,975**	**3**	**(51,090)**	**(46,112)**
Balance as at 31 December 2009		**147**	**382,491**	**4,975**	**3**	**(248,139)**	**139,478**

The accompanying notes constitute an integral part of the financial statements

IRF European Finance Investments Ltd

Financial Statements for year ended 31 December 2010

CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts presented in € '000	Note	31 December 2010	31 December 2009
Cash flows from operating activities			
(Loss)/Profit before tax of continuing operations		**(107,426)**	**(50,994)**
Adjustments for:			
Add: Impairment losses on loans, financial and non financial assets		119,371	81,717
(Profit) /loss from revaluation of financial assets at fair value through Profit & Loss		(449)	(671)
(Profit)/loss from sale of a.f.s. portfolio at fair value		-	(7,939)
Share of (profit)/loss from associates		(185)	(216)
Interest and other non cash expenses		7,029	6,806
Dividends received		(11,205)	(18,360)
Exchange differences		(46)	2,444
Cash Flows from operating activities before changes in working capital		***7,090***	***12,588***
Changes in working capital:			
Net (increase)/decrease in trading securities		(56,520)	(11,570)
Net (increase)/decrease in other assets		831	(362)
Net increase/(decrease) in other liabilities		(756)	(647)
Cash flows from operating activities before payment of income tax		*(49,355)*	*9*
Tax paid		(4)	-
Net cash flows from operating activities		**(49,359)**	**9**
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit & loss		-	1,628
Acquisition of available for sale financial asset		(4,448)	-
Proceeds from a.f.s. portfolio		-	2,075
Interest received		2,609	2,417
Loans and receivables		(8,572)	-
Dividend received from investment activities		9,504	1,905
Dividends received from financial assets at fair value through P&L		180	198
Net cash flow from investing activities		**(728)**	**8,223**
Cash flows from financing activities			
Share premium return		(28,451)	(17,951)
Dividend paid		-	-
Repayments of borrowings		(40,000)	(289)
Interest paid		(7,587)	(9,223)
Proceeds from borrowings		-	-
Net cash flow from financing activities		**(76,038)**	**(27,463)**
Net increase/(decrease) in cash and cash equivalents		**(126,125)**	**(19,231)**
Cash and cash equivalents at the beginning of the period		126,842	148,610
Effect of exchange rate fluctuations on cash and cash equivalents		(64)	(2,537)
Cash and cash equivalents at the end of the financial year	**24**	**653**	**126,842**

The accompanying notes constitute an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Country of incorporation

IRF European Financial Investments Ltd ("IRF") was incorporated on 8 September 2005 under the Bermuda Companies Act 1981. The Company was initially listed on AIM on 14 November 2005 and on 19 January 2009 transferred to the Specialist Fund Market (the "SFM"), a regulated market operated by the London Stock Exchange plc. The Company's registered office is at Canon's Court 22 Victoria Street, Hamilton HM12, Bermuda.

Principal Activities

IRF was formed as an investing company to serve as a vehicle for the acquisition of one or more businesses in the financial services industry in Europe. Currently the Company seeks investment opportunities in the financial sector in Europe with a primary focus on financial institutions, investment funds and insurance companies based in South Eastern Europe. The company also focuses on financial institutions outside of Europe, select distressed opportunities in other industries in the United States and, generally, companies which previously may have been an investment grade.

IRF holds approximately 13.6% of the issued shares in Marfin Investment Group ('MIG') which, as at 31 December 2010, is the most significant investment in the Company's portfolio. MIG invests in private equity, privatisations and infrastructure projects and principally operates in Greece, Cyprus and South East Europe. All equity holdings are publicly listed in stock exchanges.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Statement of Compliance

The financial statements of the Group for the year ended 31 December 2010 have been prepared according to the International Financial Reporting standards (IFRS), which were published by the International Accounting Standards Board (IASB) and in compliance with their interpretations, which have been published by the International Financial Reporting Interpretations Committee (IFRIC) and have been adopted by the European Union.

The Group has adopted all International Accounting Standards, IFRS and their interpretations which apply to the Group's activities.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value:

- Financial assets and liabilities at fair value through Profit & Loss (including derivatives),
- Financial assets available for sale

2.3 Functional and Presentation Currency

The current financial statements are presented in Euro, which is the functional currency of the parent company. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the one in which it primarily generates and expends cash. Management used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

All amounts are presented in thousand Euros unless mentioned otherwise. Due to rounding, percentages and numbers presented throughout the consolidated financial statements may not match the counterparts in the financial statements. All amount expressed in dollars, are US dollars.

2.4 Use of Estimates

The preparation of the financial statements in accordance with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reporting amounts of assets, liabilities, income and expenses.

Assumptions and estimates are reviewed on an ongoing basis and are revised based on experience and other factors. Revisions of accounting estimates are recognised in the period in which estimates are revised and in any future periods affected. Assumptions and estimates include expectations on future events and outcomes that are considered as reasonable given the current conditions. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and items that are significantly affected by judgements in applying accounting policies are presented in note 4.

2.5 Adoption of new standards, amendments and interpretations with effective date as of 1 January 2010:

2.5.1 Change in accounting policies

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

2.5.2 New standards, amendments and interpretations with effective date as of 1 January 2010:

During 2009, the IASB issued the annual improvements to IFRS for 2009, a series of adjustments in 12 Standards, as a part of the annual improvement program. The annual improvement program of the IASB aims to make necessary but not urgent adjustments to IFRS's and will not be a part of bigger revision program. The following standards, amendments and interpretations are applicable from the period ending 31 December 2010:

(a) IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements"; The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary be accounted for as an equity transaction. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with non-controlling interests. This revision will not have significant impact on the Group's financial statement.

(b) IFRS 2 (Amendment) – "Group Cash-settled Share-based Payment Arrangements"; This amendment is not applicable for the Group.

(c) IAS 39 (Amended) "Financial Instruments: Recognition and Measurement" – Eligible Hedged Items; This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.. The standard does not apply to the Group.

(d) IFRS 1 (Amendment) "First time adoption – Additional exemptions for first time adopters"; This amendment does not apply to the Group.

(e) IFRS 8 "Operating Segments"; the amendment provides clarifications on the disclosure of information about segment assets.

(f) IAS 7 "Statement of Cash Flows"; the amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

(g) IAS 17"Leases"; The standard does not apply to the Group.

(h) IAS 18 "Revenue"; the amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

(i) IAS 36 "Impairment of Assets"; the amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8.

(j) IAS 38 "Intangible assets"; the standard does not apply to the Group.

(k) IAS 39 "Financial Instruments: Recognition and Measurement"; The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

(l) IFRIC 9 "Reassessment of embedded derivatives"; this amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

(m) IFRIC 12 – This interpretation is not relevant to the Group's operations.

(n) IFRIC 16 – "Hedges of a net investment in a foreign operation" (effective for annual periods beginning on or after 1 July 2009); This interpretation is not relevant to the Group's operations.

(o) IFRIC 17: "Distribution of non-cash assets to owners"; this interpretation is not relevant to the Group's operations.

(p) IFRIC 18 "Transfers of assets from customers" (effective for transfers of assets received on or after 1 July 2009.This interpretation is not relevant to the Group.

2.5.3 New standards, amendments and interpretations effective for periods beginning 1 January 2011 and onwards:

(a) IFRS 9 – Financial Instruments; In the primary issuance of IFRS 9 from the IASB at November 12, 2009, the standard replaces IAS 39 only in the stipulations regarding classification and measurement of financial assets. In its final form the new standard will lead to complete replacement of IAS 39. The new standard negates the four classification categories of IAS 39 and imposes the classification of all financial assets in two categories (amortized cost and fair value), according to the business model of each corporate entity and the characteristics of the financial asset. IFRS 9 eliminates the requirement of IAS 39, for the separation of embedded derivates in financial assets. The standard imposes the overall evaluation of both derivative and financial asset for the determination of cash flows being capital and capital on interest. IFRS permits reclassifications between fair value and amortized cost categories only if there is a change in the business management model of the financial assets.

IFRS 9 obligatory adoption is for periods beginning at or after January 1st 2013 and has a retrospective effect. Early adoption is permitted, but it has not been adopted by the European Union. The effect from the application of IFRS 9 is being evaluated by the Group because it is expected these changes affect its equity and results.

(b) IFRS 1 (Amendment) "First time adoption – Limited Scope Exemption for IFRS 7 Disclosures"; (effective for annual periods beginning on or after 1 July 2010). This amendment provides exemptions for first time adopters relating to presentation of comparative financial information that is required from IFRS 7. This amendment does not apply to the Group.

(c) IAS 24 (Amendment) "Related Party Disclosures"; The aforementioned amendment clarifies the definition of related parties and reduces disclosures regarding related parties of the State. In particular, it rescinds the obligation of State entities to disclose details of all transactions with other State parties, it clarifies and simplifies the definition of a related party and endorses the disclosure not only of transactions and balances between related parties, but also undertakings, both in separate and consolidated statements. The aforementioned amendment has not been endorsed yet by the European Union and has obligatory adoption from January 1st 2011. This amendment is not expected to have significant impact on the financial statements.

(d) IFRIC 14 (Amendment) – "Prepayments of a Minimum Funding Requirement" (effective date for mandatory adoption 1st January 2011); The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. This amendment does not apply to the Group.

(e) IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"; IFRIC 19 considers the accounting treatment when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. Before the issuance of IFRIC 19, there were multiple choices in accounting treatment of these transactions.

The interpretation is effective for annual periods beginning on or after 1 July 2010 with earlier application permitted. IFRIC 19 is relevant only for the debtor's accounting treatment for these transactions. It does not apply when the creditor is also an immediate or intermediate stock holder and acts upon his status, or the debtor and the entity are controlled by the same party after the transaction, and the substance of the transaction relates to a capital return from or to the entity. Financial liabilities that are extinguished with equity instruments in accordance with the initial terms of the financial liability are also outside the scope of this IFRIC.

(f) IAS 32 (Amendment) – "Financial instruments: Presentation - Classifications of rights issues"; The amendment revises the definition of financial liability of IAS 32 in order to classify options or rights on stocks as debt instruments. The amendment is effective for periods beginning on or after 1 February 2010.

(g) IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012): The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". Under IAS 12, the measurement of deferred tax depends on whether an entity expects to recover an asset through use or through sale. However, it is often difficult and subjective to determine the expected manner of recovery with respect to investment property measured at fair value in terms of IAS 40. To provide a practical approach in such cases, the amendments introduce a presumption that an investment property is recovered entirely through sale.

(h)IFRS 7 (Amendment) "Financial Instruments: Disclosures for transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)". This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements.

During 2010, IASB issued the annual improvements to IFRS for 2011. The following amendments are applicable from the period ending 31 December 2011:

(a) IFRS 3 "Business combinations"; The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008) , (ii) measuring non- controlling interests and (iii) accounting for share-based payment transactions that are part of a business combination, including un–replaced and voluntarily replaced share-based payment awards.

(b) IAS 1 "Presentation of Financial Statements"; The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

(c) IFRIC 13 " Customer Loyalty Programmes": The amendment clarifies the meaning of the term fair value in the context of measuring award credits under customer loyalty programmes.

3. SUMMARY OF IMPORTANT ACCOUNTING POLICIES

3.1 Consolidation

Subsidiaries: Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist if the Company has ownership, directly or indirectly, over more than half of the voting rights. The Group has developed several criteria in order to determine whether it has the "de facto" control over the entity, including the actual representation of the Company on the Board of Directors and the

management of the subsidiary and the fact that there is no realistic possibility that all the other shareholders of the subsidiary will be organised and take control over the entity.
Subsidiaries are fully consolidated using the purchase method from the date on which control commences until the date that control ceases. The acquisition cost of a subsidiary is measured at the fair value of the assets given, the shares issued and the liabilities undertaken on the date of the exchange. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair values on the acquisition date. The excess between the cost of acquisition and the fair value of the net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in profit or loss.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. All Group subsidiaries follow the same accounting policies as those adopted by the Group.

Associates: Associates are entities over which the Group has significant influence but not control. Significant influence is presumed to exist if the Group holds between 20% and 50% of the voting rights of another company. Investments in associates are initially recognised at acquisition cost and subsequently are accounted under the equity method. At each financial statement date, the investments carrying amount is increased by the Group's proportion of the associate's changes in equity and decreases by the amount of dividends received from the associate.

The Group's share in the associate's profits or losses, after the acquisition date, is recognised in profit or loss whereas, the Group's share of other comprehensive income is recognised directly in other comprehensive income.

In instances when the Group's participation in the associate's losses is equal or exceeds its cost of participation, inclusive of any doubtful debts, the Group does not account for any further losses, except if it has incurred liabilities or has made payments on behalf of the associate as well as those arising in the context of the shareholding.

3.2 Operating segments

IFRS 8 "Operating Segments" (issued in 2006 and applied by companies for periods starting on or after 01/01/2009), requires a "management approach" to the Group's presentation of financial information under segment reporting. Information disclosed is basically information that the management uses for internal reporting so as to assess the productivity of segments, as well as the manner in which resources are allocated. Such reporting might differ from information used during the preparation of the statement of financial position and the statement of comprehensive income.

The directors determined that IRF's continuing business, as an investment company, would be managed by the directors as a whole and no segmental information would be reported to the CEO. Therefore, IRF does not present segmental financial information**.** Approximately 80% of the Groups dividend income (€11.2 million) is from its investment in a listed company on the Athens Stock Exchange and all dividend income is from investments in Europe. The revenues of IRF for the periods ending 31 December 2010 and 31 December 2009 derive from the following geographical areas:

As of 31 December 2010

Amounts presented in € '000	**Europe**	**USA**	**Total**
Income / expenses			
Interest and similar income	2,303	306	2,609
Dividend Income	11,205	-	11,205
Net trading income	5,729	2,635	8,364
Share of profits of associates	-	185	185
Total operating income	**19,237**	**3,126**	**22,362**

As of 31 December 2009

Amounts presented in € '000	Europe	USA	Total
Income/expenses			
Interest and similar income	1,768	649	2,417
Dividend Income	18,360	-	18,360
Net trading income	21,281	2,189	23,470
Share of profits of associates	-	216	216
Total operating income	**41,409**	**3,054**	**44,462**

3.3 Foreign Currency

The consolidated financial statements are presented in Euro, which is also the functional currency of the parent company.

(a) Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments due to business combinations, are translated into Euro at exchange rates applicable on the financial statement date. The income and expenses are translated into Euro at the exchange rate on the dates of transactions or, if it is a reasonable approximation, based on the average exchange rates during the reporting period. Any differences arising from the translation of the assets, liabilities, income and expenses are recognized in other comprehensive income into "Other reserves".

(b) Foreign Currency Transactions

Foreign currency transactions are translated into the respective functional currency of the Group entities at the exchange rates on the dates of transactions. Monetary asset and liability denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate on that date. The non-monetary assets denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate on the date that the fair value was determined. Foreign currency differences arising on the execution of foreign currency transactions and on the retranslation of monetary assets and liabilities are recognized in profit or loss.

3.4 Interest income and expense

Interest income and expense are recognised on an accrual basis in profit or loss for all interest bearing assets and liabilities, based on the effective interest method. Interest income and expense include the amortization of any discount or premium, transaction costs or other differences between the initial cost of an interest bearing financial asset and the amount to be received or paid at maturity using the effective interest rate method.

The effective interest rate is the rate that exactly discounts any estimated future payment or receipt through the expected life of a financial instrument (or until the next date of interest reset), to the carrying amount of the financial instrument, including any fees or transaction costs incurred.

3.5 Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the relevant services have been provided. Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party is recognised on completion of the underlying transaction. Portfolio management fees and other advisory and service fees are recognized in profit or loss according the applicable service contract, usually on a time-apportionate basis.

3.6 Dividend Income

Dividend income is recognized in profit or loss when the right to receive payment is established.

3.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.7.1 Initial Recognition

Financial assets and liabilities are recognized at the trade date which is the date when the Group becomes a party to the contractual provision of the instruments. The financial assets and liabilities are initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3.7.2 Classification and Measurement of Financial Assets

Management determines the classification of its investments at initial recognition. Financial assets are classified into the following categories:

(a) Financial Assets and Liabilities at Fair Value through Profit & Loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in the "held for trading" category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Moreover financial asset is classified in this category if it includes an embedded derivative which differentiates the cash flows of the primary contract and the Group decides to classify the synthetic financial instrument in this category.

Derivative financial instruments are also categorised as "held for trading" unless they are designated as accounting hedges in which case hedge accounting is applied. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with a documented investment strategy. Information about these financial assets is provided internally on a fair value basis to key management personnel. Financial assets and liabilities designated as at fair value through profit or loss, are subsequently measured at fair value and any change in the fair value is recorded in profit or loss.

(b) Loans and Receivables

These include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which the Group does not intend to sell in the short-term. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans and receivables are measured at amortized cost using the effective interest method.

(c) Held to maturity investments

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. When the Group sells other than an insignificant amount of held-to-maturity assets, then the entire category is tainted and reclassified as available-for-sale. Held-to-maturity financial assets are measured at amortised cost, using the effective interest method

(d) Available for sale investment – (AFS)

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets at fair value through profit or loss, held-to-maturity, and available-for-sale are recognized at trade date – the date on which the Group commits to purchase or sell the asset. Loans are recognized when cash is advanced to the borrowers.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value and any change in fair value is recognized directly in other comprehensive income.

3.7.3 Off setting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expenses are offset only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

3.7.4 Fair value measurement

For the measurement of assets and liabilities at fair value, the Group uses current market prices for every financial instrument. For those assets and liabilities whose current market price was not available, the values were derived by applying appropriate valuation methods.

3.7.5 Impairment of financial assets

Assets carried at fair value

The Group assesses at each financial statement date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

3.7.6 Derivative financial instruments and hedge accounting

Derivative financial instruments include forward exchange contracts, currency and interest rate swaps, stock, currency and index futures, equity and currency options and other derivative financial instruments. These are initially recognised in the statement of financial position at fair value, and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and other appropriate pricing models. All derivatives are shown as financial assets at fair value through profit or loss when fair value is positive and as financial liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received).

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

The Group has designated all derivatives as trading and has not applied hedging accounting.

3.8 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity and include cash and non restricted balances with Central Bank, government bonds and treasury bills and amounts due from other banks and short-term government securities.

3.9 Financial liabilities

The Group classifies its financial liabilities into the following categories:

1) Financial liabilities are treated as held for trading if:

(a) Acquired principally for the purpose of selling or repurchasing them in the near term;

(b) A derivative financial instrument.

Financial liabilities are initially recognised at fair value. Subsequently any changes in their fair value are recognised in the income statement.

2) Financial liabilities at amortised cost:

Borrowings are initially measured at fair value, i.e. at the amount of the cash received (net of transaction fees) or other financial assets. They are then measured at amortised cost under the effective interest rate method and are recognised in statement of financial position under "Long term loans".

3.10 Share capital

(a) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted from equity.

(b) Dividends on ordinary shares

The dividend distribution to ordinary shareholders is recognized in the period in which the dividend is approved by the Company's shareholders.

(c) Treasury Shares

Where the Company or other members of the Group purchase the Company's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

3.12 Income Tax

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

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax liabilities are recognised for all taxable temporary differences.

However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with the initial recognition of goodwill.

No deferred taxes are recognised on temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

No deferred taxes are recognised on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the financial statement date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly in other comprehensive income, are charged or credited directly in other comprehensive income.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of available for sale financial assets

The Group follows the guidance in IAS 39 to determine if an investment has been impaired. This decision requires critical judgement. Available for sale equity investments are impaired when there has been a significant or prolonged decline in fair value below its cost.

When the declines in fair value are considered significant or prolonged, the fair value reserve is transferred to profit or loss. Additional information for the current year losses is presented in note 15.

b) Financial Instruments Classification

The Group's accounting policies require financial assets and liabilities to be classified into different categories at their inception:

- Financial instruments for trading purposes include Investments and derivatives held to achieve short-term profit.

c) Financial assets not quoted in active markets

By nature, valuations based on estimates include risk and uncertainties relating to their occurrence in the future. Consequently actual future results may differ from these estimates and have a significant impact on the financial statements. The use of estimates primary concerns the valuation of financial assets that currently do not trade in active market .The valuation estimates currently apply to the financial asset presented in note 6.6 and specifically the asset classified in level 3 of hierarchy. The sensitivity analysis for those estimates is presented in the aforementioned note.

5. STRUCTURE OF THE GROUP

The structure of the IRF group (the "Group") as at 31 December 2010 and 31 December 2009:

Name	Country	Direct and indirect holding	Relation that dictated the consolidation	Note
IRF EUROPEAN FINANCE INVESTMENTS LIMITED	**BERMUDA**	**Parent**		
MIMOSA TRADING SA	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
MYRTLE TRADING COMPANY	MARSHALL ISLANDS	100%	Percentage Ownership	Direct Stake
IRF US	USA	100%	Percentage Ownership	Direct Stake
ASSOCIATES				
S.GOLDMAN ASSET MANAGEMENT LLC	USA	49%		Indirect stake through "IRF US"

Information on consolidation

MIMOSA TRADING SA: This company is duly incorporated and filed articles of incorporation under the provisions of the Marshall Islands Business Corporation Act on 6 July 2007. IRF is the owner of five hundred (500) fully paid and non-assessable shares of the capital stock of the corporation. The aggregate number of shares of stock that this company is authorized to issue is five hundred (500) registered and/or bearer shares without par value.

MYRTLE TRADING COMPANY: This company is duly incorporated and filed articles of incorporation under the provisions of the Marshall Islands Business Corporation Act on 6 July 2007. IRF is the owner of five hundred (500) fully paid and non-assessable shares of the capital stock of the corporation. The aggregate number of shares of stock that this company is authorized to issue is five hundred (500) registered and/or bearer shares without par value.

IRF US INVESTMENTS INC: IRF US Investments inc. **(IRF US)** was organized as a wholly owned subsidiary under the laws of the State of Delaware. IRF US's only activity is to hold the 49% interest in S.Goldman Asset Management LLC **(SGAM)**. IRF US is fully consolidated in IRF's Group financial statements.

S.Goldman Asset Management LLC (SGAM) is a limited liability company formed under the law of the State of Delaware. IRF US holds a 49% interest in SGAM. SGAM is an investment manager on a "managed account" and fund basis. SGAM is classified as an associate company and it is consolidated under the equity method.

One of IRF's non – executive directors controls the aforementioned company, which provides investment advisory services to the Aurora Fund and receives a management fee under an investment advisory agreement.

6. RISK MANAGEMENT

The Group is exposed to various risks in relation to financial instruments. IRF intends to minimise its exposure to credit, liquidity and interest rate risk, while it is exposed to market risks due to its investments in listed equity shares.

6.1 Credit Risk

The Group is exposed to credit risk, which is the risk that the counterparty of a financial instrument will cause losses to the Group by failing to discharge its obligations.

6.1.1 Maximum credit risk exposure:

The below table presents the maximum credit risk exposure as at 31 December 2010 and 31 December 2009 respectively, without taking into account any collaterals or other credit enhancements pledged.

For on-balance-sheet assets, the exposures set out above are based on net carrying amounts as reported in Statement of Financial Position.

Amounts presented in € '000

Total exposure to credit risk

Exposure to credit risk of the Statement of Financial Position items:	**31.12.2010**	**31.12.2009**
Cash and other equivalents	653	126,842
Trading portfolio and other financial assets at fair value through Profit & Loss	50,000	15,585
Loans and receivables	8,010	-
Other assets	138	923
Total	**58,804**	**143,349**

6.1.2 Concentration of risks of financial assets with credit risk exposure: analysis per industry

The table below breaks down the Group's main credit exposure at their carrying amounts, as categorized by the industry sectors of our counterparties.

Amounts presented in € '000	**Financial institutions**	**Holdings**	**Transport telecomm**	**Trade**	**Energy**	**Other industries**	**Individuals and households**	**Total**
Cash and other equivalents	653	-	-	-	-	-	-	**653**
Trading portfolio and other financial assets at fair value through	-	50,000	-	-	-	-	-	**50,000**
Loans and receivables	-	-	-	-	-	8,010	-	**8,010**
Other assets	-	90	-	-	-	48	-	**138**
Total maximum credit risk as at 31 December 2010	**653**	**50,090**	**-**	**-**	**-**	**8,058**	**-**	**58,804**
Total maximum credit risk as at 31 December 2009	**129,850**	**-**	**2,618**	**2,736**	**1,000**	**4,381**	**2,765**	**143,350**

6.1.3 Debt securities

The table below presents an analysis of debt securities, and other eligible bills by rating agency designation at 31 December 2010 and 31 December 2009, based on Moody's (or equivalent) rating system:

	Trading portfolio through profit or loss	
Amounts presented in € '000	**2010**	**2009**
AAA to A	-	205
Baa to B	-	4,808
Caa to C	-	8,926
Unrated	50,000	1,645
Total	**50,000**	**15,585**

6.2 Market Risk

The Group takes on exposure to market risks. Market risk is the risk of occurring possible losses caused by the fluctuation and volatility of market prices, such as share prices, interest rate and foreign exchange rate fluctuations.

Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes.

The table below presents the results in the carrying value of the assets of the Group by implementing a stress test scenario on the factors concerning the aforementioned market risks.

As of 31 December 2010

Amounts presented in € '000

Market Prices	**Price Volatility**	**Impact on Equity and Profit and Loss**
Foreign-exchange rate	-10% / +10%	(3,205) / 3,205
Prices of securities	-40% /+40%	(63,631) / 63,631
Interest Rates	+1,00% / -1%	(1,576) / 1,576

As of 31 December 2009

Amounts presented in € '000

Market Prices	**Price Volatility**	**Impact on Equity and Profit and Loss**
Foreign-exchange rate	-10% / +10%	(9,045) / 9,045
Prices of securities	-40%/ +40%	(84,279) / 84,279
Interest Rates	+1,00% / -1%	(740) / 740

Foreign-exchange rate

The tables above illustrate the sensitivity of profit and equity in relation to the Group's financial assets and financial liabilities and mainly the USD/EURO exchange rates "all other things being equal".

Prices of listed securities

For listed securities a price volatile of +/-40% (actual volatility 2010:-32%) has been considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in the market risk that were reasonably possible at the market date. It is noted that as at 31 December 2010 the Group held shares of a total value €73.4 million in one listed company on the Athens Stock Exchange. From the total impact of €63.631 million, €33.8 million would be recognized directly to equity as gains of AFS investments, and the rest will recognized in profit and loss accounts in the period.

Interest Rates

The changes in the tables above are considered to be reasonably possible based on observations of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

6.3 Currency Risk

The Group is exposed to currency risk arising from the exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The following tables summarize the Group's exposure to currency risk. The Group's assets and liabilities at carrying amounts, categorized by currency are included in the table.

As of 31 December 2010

Amounts presented in € '000

ASSETS	EUR	USD	GBP	AUD	TOTAL
Cash and other equivalents	525	128	-	-	653
Trading portfolio and other financial assets at fair value through Profit & Loss	50,836	23,680	-	-	74,517
Loans and receivables	-	8,010	-	-	8,010
Investments in associates	-	429	-	-	429
Investment portfolio securities	84,563	-	-	-	84,563
Derivative financial instruments	-	-	-	-	-
Other assets	90	48	-	-	138
Total assets	**136,014**	**32,296**	**-**	**-**	**168,310**

LIABILITIES	EUR	USD	GBP	AUD	TOTAL
Long term loans	160,154	-	-	-	160,154
Financial liabilities at fair value through profit & loss	-		-	-	-
Tax Liability	-	175	-	-	175
Other liabilities	211	66	15	-	293
Total liabilities	**160,366**	**242**	**15**	**-**	**160,623**
Total exposure	**(24,351)**	**32,054**	**(15)**	**-**	**7,687**

As of 31 December 2009

Amounts presented in € '000

ASSETS	EUR	USD	GBP	AUD	TOTAL
Total assets	247,179	92,810	-	287	340,276
Total liabilities	198,279	2,584	58	0	200,921
Total exposure	**48,900**	**90,226**	**(58)**	**287**	**139,355**

6.4 Interest Rate Risk

Interest rate risk is the risk of a negative impact on the Group's financial condition due to its exposure to interest rates.

The following tables summarise the Group's exposure to interest rate risks. Included in the tables are the Group's assets and liabilities at carrying amounts categorized by contractual repricing date for floating rate items and maturity day for fixed rate items.

Amounts presented in € '000 **As at 31 December 2010** **ASSETS**	**Less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**More than 5 years**	**Uncategorized**	**Total**
Cash and other equivalents	653	-	-	-	-	-	653
Trading portfolio and other financial assets at fair value through Profit & Loss	-	-	-	50,000	-	24,517	74,517
Loans and receivables	-	-	8,010	-	-	-	8,010
Investment portfolio	-	-	-	-	-	84,563	84,563
Other assets	-	-	-	-	-	138	138
Total assets	**653**	**-**	**8,010**	**50,000**	**-**	**109,218**	**167,881**
As at 31 December 2010							
LIABILITIES							
Long term loans	-	160,154	-	-	-	-	160,154
Financial liabilities at fair value through profit & loss	-	-	-	-	-	-	-
Tax Liability	-	-	-	-	-	175	175
Derivative financial instruments	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	293	293
Total Liabilities	**-**	**160,154**	**-**	**-**	**-**	**469**	**160,623**
Net interest gap	**653**	**(160,154)**	**8,010**	**50,000**	**-**	**108,749**	**7,258**

Amounts presented in € '000 **As at 31 December 2009**	**Less than 1 month**	**From 1 to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**More than 5 years**	**Uncategorized**	**Total**
Total assets	**25,681**	**109,980**	**6,765**	-	-	**197,850**	**340,276**
Total Liabilities	-	-	**199,791**	-	-	**1,130**	**200,921**
Net interest gap	**25,681**	**109,980**	**(193,026)**	**-**	**-**	**196,720**	**139,355**

6.5 Liquidity Risk

Liquidity risk arises from the Group's financing process and management of the open positions in the market. Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with financing liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors, to fulfil commitments to lend, and to liquidate its financial assets at fair value.

The Group has an authorized credit line for another €40 million at 31 December 2010. In February 2011, the Company utilized the existing credit facilities and borrowed an additional amount of €10 million as stated in paragraph 35. The Group has an adequate amount of cash and cash equivalents as well as significant tradable investments as at 31 December 2010. There are no material uncertainties regarding the going concern of the Group.

6.5.1 Non derivative contractual cash flows

The table below presents the cash flows payable by the Group under non-derivative financial liabilities showing the remaining contractual maturities at the financial statement date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Amounts presented in € '000

As at 31 December 2010

LIABILITIES	**Less than 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**over 5 years**	**Total**
Long term loans	-	2,245	6,860	186,321	-	195,427
Financial liabilities at fair value through profit & loss	-	-	-	-	-	-
Other liabilities	-	293	-	-	-	293
Total liabilities	**-**	**2,538**	**6,860**	**186,321**	**-**	**195,720**

As at 31 December 2009

LIABILITIES	**Less than 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**over 5 years**	**Total**
Long term loans	-	1,729	5,282	205,243	-	212,253
Financial liabilities at fair value through profit & loss	-		106	1,262	750	2,119
Other liabilities	-	969	-	-	-	969
Total liabilities	**-**	**2,698**	**5,387**	**206,505**	**750**	**215,341**

6.5.2 Derivative contractual cash flows

The table below analyses the Group's derivative financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the financial statement date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 December 2009

Amounts presented in € '000

LIABILITIES	**Less than 1 month**	**1-3 months**	**3-12 months**	**1-5 years**	**over 5 years**	**Total**
Derivative financial instruments		21				
Total liabilities	**-**	**21**	**-**	**-**	**-**	**-**

There were no derivatives outstanding at 31 December 2010.

6.6 Financial instruments measured at fair value

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy as follows:

As at 31 December 2010

Amounts presented in € '000	LEVEL 1	LEVEL 2	LEVEL 3
Assets			
Listed securities and debentures	85,399	23,680	50,000
Listed derivatives	-	-	-
Total	**85,399**	**23,680**	**50,000**
Liabilities			
Listed debentures	-	-	-
Listed derivatives	-	-	-
Total	**-**	**-**	**-**
Net fair value	**85,399**	**23,680**	**50,000**

As at 31 December 2009

Amounts presented in € '000	LEVEL 1	LEVEL 2	LEVEL 3
Assets			
Listed securities and debentures	212,385	-	-
Listed derivatives	80	-	-
Total	**212,465**	**-**	**-**
Liabilities			
Listed debentures	1,687	-	-
Listed derivatives	21	-	-
Total	**1,709**	**-**	**-**
Net fair value	**210,756**	**-**	**-**

There have been no transfers between levels 1, 2 and 3 in the reporting period.

Level 3 instrument refers to MIG's convertible bond. As observable prices are not available and the market was not active on 31 December 2010 the Company used a valuation model to derive the fair value.

The Company used the following two models in order to evaluate the bond:

1. **The Binominal Option Pricing Model:** The key input parameters were a) the share price volatility of MIG's shares b) the risk free rate and c) the dividend policy. It is noticed that the model took into account the early call options for the issuer as well as the multiple exercise periods for the Bond holder. Through the employment of a 17-step Binomial Option Pricing Model the value of the Bond was €99.3 for every €100.
2. **Black – Scholes option valuation model:** The key parameters employed were the same as in the Binomial Option Pricing Model, whereas the discount rate employed for the computation of the present value of the cash flows of the Bond took into account the Euro Swap Rate as well as a risk premium whose computation took into account the spreads of bonds of the Hellenic Republic and of European issuers (including a Greek entity). Again the early call options for the issuer were taken into account. Through the employment this valuation Model the value of the Bond was €100.81 for every €100.

The following table presents the movement in level 3 instruments for the year ended 31 December 2010.

Amounts presented in € '000	**Bonds**
Opening balance	-
Purchases	50.000
Sales	-
Transfers into level 3	-
Gains and losses recognised in profit and loss	-
Closing balance	50.000
Total gains or losses for the year included in the statement of comprehensive income for assets held at the end of the year.	-

Sensitivity analysis test were performed in order to be testing the sensitivity of the base model results to volatility changes. If the discount rate used in the discounted cash flow valuation model was increased by approximately 260 bps, this would have resulted in a decrease in value of €2.75 million.

6.7 Capital management

The Group's capital management objectives are:

• to ensure the Group's ability to continue as a going concern; and

• to provide an adequate return to shareholders

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital. Net debt is calculated as long term loans (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained earnings, and revaluation reserve).

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Amounts presented in € '000	31/12/2010	31/12/2009
Net debt		
Long term loans	160,154	198,104
Less cash and cash equivalents	(653)	(126,842)
Total	**159,501**	**71,262**
Total equity	**7,687**	**139,478**
Net debt-to capital- ratio	**20.75**	**0.51**

7. INTEREST INCOME & INTEREST EXPENSE

Amounts presented in € '000	31/12/2010	31/12/2009
Interest and similar income		
From deposits in financial institutions	295	1,767
From securities	2,164	650
From loans and receivables	151	-
Total	**2,609**	**2,417**
Interest and similar expenses		
Due to financial institutions	(9,478)	(9,158)
Other interest related expenses	(33)	(65)
Total	**(9,511)**	**(9,223)**

8. DIVIDEND INCOME

Amounts presented in € '000	31/12/2010	31/12/2009
Dividends from available-for-sale securities	11,025	18,162
Dividends from trading securities	180	198
Total	**11,205**	**18,360**

From the total amount of dividend from AFS securities, the amount of €8,958,834 is related to dividends received from a listed company on the Athens Stock Exchange.

9. GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS

Realised / settlement gains

Amounts presented in € '000	31/12/2010	31/12/2009
Listed derivatives	-	22
Share swaps	-	-
Total	**-**	**22**

Valuation Gains

Amounts presented in € '000		31/12/2009
Listed derivatives	-	1
Total	**-**	**1**

10. REALISED GAINS/(LOSSES) FROM DISPOSAL OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

Amounts presented in € '000	31/12/2010	31/12/2009
Listed stocks	-	7,939
Total	**-**	**7,939**

11. REALISED GAIN FROM DISPOSAL OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

Amounts presented in € '000	31/12/2010	31/12/2009
Listed shares	8	13,586
Listed bonds	198	1,251
Total	**206**	**14,837**

12. UNREALISED GAIN FROM VALUATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

Amounts presented in € '000	31/12/2010	31/12/2009
Listed shares	(1,275)	34
Listed bonds	-	636
Investment fund units	1,724	-
Total	**449**	**670**

13. FEE AND COMMISSION INCOME & EXPENSE

Amounts presented in € '000	31/12/2010	31/12/2009
Fee and commission expense from:		
Securities brokerage & safekeeping	-	(393)
Loans fees and commissions	(127)	-
Total	**(127)**	**(393)**

14. REALIZED LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS

Realised / settlement gains

Amounts presented in € '000	31/12/2010	31/12/2009
Listed derivatives	(4)	-
Total	**(4)**	**-**

15. IMPAIRMENT LOSSES

Amounts presented in € '000	31/12/2010	31/12/2009
Listed stocks	(119,371)	(81,717)
Total	**(119,371)**	**(81,717)**

As of 31 December 2010 and 31 December 2009, the total of approximately €119,371,034 and €81,717,403 respectively, was generated from the difference between the acquisition cost of the investments classified as available-for-sale and fair value of the aforementioned portfolio. The management of IRF, taking into consideration the following factors:

a) the large decline in the fair value of the investments;

b) the budget crises in the Hellenic Republic;

c) the prolonged negative trend on the Athens Stock Exchange; and

d) the combined effect of the above on international economic and market conditions,

has concluded that there is an objective evidence of impairment of the available-for-sale investments.

Following the stipulations of IAS 39 paragraphs 59 and 67, when a decline in the fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income shall be removed from other comprehensive income and recognised in profit or loss even though the financial asset has not been derecognised.

16. STAFF COSTS

Amounts presented in € '000	31/12/2010	31/12/2009
Wages and salaries	(100)	(100)
Total	**(100)**	**(100)**

	31/12/2010	31/12/2009
Number of employees	1	1

The CEO is the sole employee of the Company.

17. OTHER OPERATING EXPENSES

Amounts presented in € '000	31/12/2010	31/12/2009
Consulting and other third party fees	(172)	(1,270)
Legal fees	(149)	(155)
Other operating expenses	(280)	(354)
Total	**(601)**	**(1,778)**

18. DEFERRED TAX – INCOME TAX EXPENSE

Deferred tax has been calculated based on the nominal tax rate applicable for the financial years in which a temporary taxable and deductible difference reversal is expected. Deferred income tax assets and liabilities are attributable to the investment in associate company:

Amounts presented in € '000	**31/12/2010**		**31/12/2009**	
	Deferred Tax		Deferred Tax	
	Asset	Liability	Asset	Liability
Investment in associates		175	-	99
Total		*175*	-	*99*
Amount set-off		-	-	-
Balance at 31 December		**175**	**-**	**99**

The Group operates in a number of different jurisdictions. Profits recorded in the jurisdictions of Bermuda and Marshall Islands are tax free. Income generated by entities established under United States Law is subject to income tax according to United States Tax Law. The companies operating in the United States remain subject to examination for three previous periods by local tax authorities.

The tax charge for the year is analyzed below:

	31/12/2010	
	Amount	**Rate**
Federal	45	30.5%
State	13	8.0%
Local	26	8.9%
Total	**74**	

	31/12/2010
	Amount
Loss before tax	**(107,353)**
Less: loss generated in other jurisdictions (tax free)	(107,529)
Taxable in US at 47.4%	***176***
Federal Tax	**(45)**
State Tax	**(13)**
Local Tax	**(16)**
Total tax expense	**(74)**

The tax charge for the year 2009 is analyzed below:

	31/12/2009	
	Amount	**Rate**
Federal	61	28,4%
State	16	7.3%
Local	19	8.9%
Total	**96**	

	31/12/2009
	Amount
Loss before tax	**(50,944)**
Less: loss generated in other jurisdictions (tax free)	(51,209)
Taxable in US at 47.4%	***216***
Federal Tax	**(61)**
State Tax	**(16)**
Local Tax	**(19)**
Total tax expense	**(96)**

19. INVESTMENTS IN ASSOCIATES

Amounts presented in € '000	**31/12/2010**	**31/12/2009**
Investments in associates	429	228
Total	**429**	**228**

In 2009, IRF invested a nominal sum in exchange for a 49% interest in "S.Goldman Asset Management LLC". Shares of "S.Goldman Asset Management LLC" are not publicly listed on a stock exchange and price quotes are thus unavailable.

Some brief financial information as at 31 December 2010 on the associate is given below:

Amounts presented in € '000	**Domicile**	**Assets**	**Liabilities**	**Profits /(losses)**	**Participation %**
S.GOLDMAN ASSET MANAGEMENT LLC	USA	1,892	1035	377	49%

Investments in associates are accounted under the equity method.

20. INVESTMENT PORTFOLIO

The Group's investment portfolio comprises financial instruments available for sale.

Amounts presented in € '000	**31/12/2010**	**31/12/2009**
Available for sale portfolio (at fair value)		
Equity securities	84,563	193,886
Total Investment portfolio	**84,563**	**193,886**

The movement in the investment portfolio for the year ended 31 December 2010 is summarized as follows:

Amounts presented in € '000	**Financial assets available for sale 2010**
Balance as at 1 January 2010	193,886
Additions	15,022
Disposals	-
Gains / (losses) from changes in fair value through equity	(4,975)
Impairment losses	(119,371)
Balance as at 31 December 2010	**84,563**

Investment in Marfin Investment Group (MIG) constitutes the major investment in IRF's portfolio as at 31 December 2010.

21. TRADING PORTFOLIO AND OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT & LOSS

Amounts presented in € '000

Trading Portfolio	**31/12/2010**	**31/12/2009**
Corporate entities bonds	50,000	15,585
Investment fund units	23,680	-
Equity securities	837	2,914
	74,517	**18,499**

In 2010, the Company transferred $28.8 million to the SG Aurora Fund Ltd (the "Aurora Fund) in exchange for units in the Aurora Fund. The Aurora Fund is an investment fund incorporated under the Companies Act of the Cayman Islands.

On 19 March 2010, the Company purchased a convertible bond loan issue of MIG with a five-year term. Under the terms of the issue, the Company acquired 10,482,180 bonds for a price of €4.77 per bond, paying approximately €50 million. The bonds bears 5% fixed annual interest and are convertible into common registered shares of MIG. On 26 March 2010, the bonds commenced trading on the Athens Stock Exchange.

22. DERIVATIVE FINANCIAL INSTRUMENTS

There were no derivative financial instruments at 31 December 2010.

The notional and fair values of derivatives held at 31 December 2009:

		31st December 2009	
		FAIR VALUE	
Amounts presented in € '000	**Notional amount**	**Assets**	**Liabilities**
Derivatives held for trading			
a) Trading in exchanges			
Options / Warrants	424	80	21
	424	**80**	**21**

The notional amount of certain types of derivative financial instruments provide a basis for comparison with instruments recognised on the statement of financial position but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, market prices or foreign exchange rates relative to their terms.

The aggregate contractual or notional amount of derivative financial instruments on hand, to the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The Group does not apply hedge accounting as described in IAS 39, therefore the gains and losses arising on derivative financial instruments are recognised in profit or loss.

23. OTHER ASSETS

The Group's other assets and the company's other assets accounts are analysed as follows:

Amounts presented in € '000	31/12/2010	31/12/2009
Other Assets		
Prepayments to third parties	48	47
Brokerage fees receivables	-	666
Sundry debtors and other receivables	90	256
Total	**138**	**969**

24. CASH AND OTHER EQUIVALENTS

Amounts presented in € '000	31/12/2010	31/12/2009
Petty cash	1	1
Deposits placed in other financial institutions	652	4,485
Time deposits	-	122,356
Total	**653**	**126,842**

25. LONG TERM LOANS

Amounts presented in € '000	31/12/2010	31/12/2009
Long-term loans due to banks	160,154	198,104
Total	**160,154**	**198,104**

The aforementioned amount relates to the long term loan facility of IRF. On 8 April 2010, the Company repaid €40 million in reduction of the principal amount of the outstanding loan. On 20 July 2010 the Company signed an agreement to refinance €160 million loan for a 5-year period. The first reduction instalment will have to be paid on March 2013. The Company has an authorized credit line amounting to €200 million.

The loan bears a total interest of 5.61% as at 31 December 2010.

26. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT & LOSS

Amounts presented in € '000	31/12/2010	31/12/2009
Corporate entities bonds (short pos.)	-	1,687
Total	**-**	**1,687**

All corporate bonds were listed in the US market.

27. OTHER LIABILITIES

Amounts presented in € '000	31/12/2010	31/12/2009
Contribution to subsidiaries	7	7
Salaries payable	58	17
Brokerage services securities and derivatives	-	985
Suppliers and other third party liabilities	227	107
Total	**293**	**1,115**

28. SHARE CAPITAL & SHARE PREMIUM

Amounts in €' 000	Number of shares	Nominal value $	Share capital in $	Share capital	Share premium	Total
Opening balance at 1 January 2010	**124,832,394**	**-**	**187**	**147**	**382,491**	**382,639**
Share premium returned to shareholders					(28,451)	(28,451)
Common shares issue	12,483,239		19	14	9,038	9,053
Closing balance at 31 December 2010	**137,315,633**	**-**	**206**	**162**	**363,079**	**363,240**

The Company's Special General Meeting held on 19 April 2010, resolved to reduce the Company's share premium from US$495,378,160.37 to US$457,928,442.17, enabling an amount of US$0.30 per common share to be paid to holders of the Company's common shares. The amount was paid to shareholders on 6 May 2010. The reduction of share premium reduces neither the authorised or issued share capital of the Company nor the nominal value of the shares of the Company.

On 20 December 2010 the Board resolved to issue 12,483,239 common shares of the Company in exchange for 12,233,420 shares in Marfin Investment Group. The MIG shares transferred were valued based on the closing price of such shares on the Athens Stock Exchange as of 20 December 2010. The deemed issue price of the IRF Shares was US$0.95 per share, representing a discount of approximately 9.5% to IRF's bid price. This transaction resolved to increase the Company's share premium from US$457,928,442.17 to US$469,768,794.36.

Authorized share capital

	Preference Shares of $0.0001 each		Common Shares of $0.0015 each	
	Number	Amount in $	Number	Amount in $
Authorized at 31 December 2010	**2,500,000**	**250**	**200,000,000**	**300,000**

29. OTHER RESERVES

Amounts presented in € '000	31/12/2010	31/12/2009
Translation of exchange differences	12	3
Total	**12**	**3**

30. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of shares in issue during the year.

Basic earnings per share are analysed below:

Amounts presented in €

Basic Earnings per share	**1/1 - 31/12/10**	**1/1 - 31/12/09**
Net profit from continuing operations attributable to the Parent Company's Shareholders	(107,426,244.12)	(51,089,923.69)
Weighted average number of shares in issue	125,242,803	124,832,395
Basic earnings per Share (€/Share)	**(0.86)**	**(0.41)**

31. RELATED PARTIES TRANSACTIONS

31.1 Transactions between companies included in Consolidation

Transactions of the parent company with Subsidiaries		
Amounts presented in € '000	**31/12/2010**	**31/12/2009**
Asset accounts		
Other assets	8	-
Total	**8**	**-**
Income		
Dividend income	-	71,025
Interest income	-	
Total	-	**71,025**
Liability accounts		
Other liabilities	2,187	-
Total	**2,187**	**-**

The aforementioned balances of the Company have been eliminated from the consolidated financial statements.

31.2 Transactions with Associates

Amounts presented in € '000	**31/12/2010**	**31/12/2009**
Asset accounts		
Other amounts due	-	-
Total	**-**	**-**
Liability accounts		
Deposits	-	-
Other liabilities	-	985
Capital contribution	7	7
Total	**7**	**992**
Income /Expenses		
Interest and similar expenses	-	-
Other expenses (fees)	49	(1,092)
Other income	-	-
Total	**49**	**(1,092)**

31.3 Transactions with Management and Members of the Board of Directors

No salaries or loans were paid to the Directors of the Company for the period, apart from salaries paid to the CEO of the Company.

Transactions with Management and Members of the Board of Directors		
Amounts presented in € '000	**31/12/2010**	**31/12/2009**
Asset accounts		
Loans	-	-
Other assets	-	-
Total	**-**	**-**

Transactions with Management and Members of the Board of Directors

Amounts presented in € '000	31/12/2010	31/12/2009
Liability accounts		
Deposits	-	-
Debt securities in issue	-	-
Other Liabilities	58	17
Total	**58**	**17**
Letters of Guarantee	**-**	**-**
Income		
Interest and similar income	-	-
Other income	-	-
Total	**-**	**-**
Expenses		
Remuneration	100	100
Interest and similar expenses	-	-
Other fees & expenses	-	-
Total	**100**	**100**

32. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

32.1 Contingent legal liabilities

As at 31 December 2010 there was no litigation pending against the Group in connection with its activities.

32.2 Assets given as collateral

All investment portfolio and cash accounts of IRF, is assigned as collateral to IRF's long term loan.

33. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Differences might arise between the carrying amount and the fair value of financial assets and liabilities.

34. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Assets

Balance at 31 December 2010

Assets	Fair value through profit or loss	Available for sale	Held to maturity	Loans & receivables	Total
Trading portfolio and other financial assets at fair value through Profit & Loss	74,517	-	-	-	**74,517**
Loans and receivables	-	-	-	8,010	**8,010**
Investment portfolio	-	84,563	-	-	**84,563**
Derivative financial instruments	-	-	-	-	**-**
Total	**74,517**	**84,563**	**-**	**8,010**	**167,090**

Balance at 31 December 2009

Assets	Fair value through profit or loss	Available for sale	Held to maturity	Loans & receivables	Total
Trading portfolio and other financial assets at fair value through Profit & Loss	18,499		-	-	**18,499**
Loans and receivables	-	-	-	-	**-**
Investment portfolio	-	193,886	-	-	**193,886**
Derivative financial instruments	80	-	-	-	**80**
Total	**18,579**	**193,886**	**-**	**-**	**212,465**

Liabilities

Balance at 31 December 2010

LIABILITIES	At amortized cost	At fair value through profit or loss	Total
Long term loans	160,154	**-**	**160,154**
Financial liabilities at fair value through profit & loss	-	**-**	**-**
Derivative financial instruments	-	**-**	**-**
Total liabilities	**160,154**	**-**	**160,154**

Balance at 31 December 2009

LIABILITIES	At amortized cost	At fair value through profit or loss	Total
Long term loans	198,104	**-**	**198,104**
Financial liabilities at fair value through profit & loss	-	1,687	**1,687**
Derivative financial instruments	**-**	21	**21**
Total liabilities	**198,104**	**1,709**	**199,813**

For the periods ending 31 December 2010 and 31 December 2009, all financial assets and liabilities are carried at their fair value, except from the long term loans due to financial institutions and loans and receivables which are carried at amortized cost. Due to the fact that the interest rate changes every trimester, the fair value of the loans will not significantly differ from its carrying amount.

35. POST REPORTING DATE EVENTS

Subsequent events, which regard the Group which, according to the International Financial Reporting Standards, need to be mentioned, are the following:

In February 2011, the Company utilized the existing credit facilities and borrowed an additional amount of €10 million in order to finance its investment strategy, leading to total debt of €170 million. Using this liquidity the Company acquired additional listed shares in Athens Stock Exchange amount €4.8 million.

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of IRF European Finance Investments Limited ("the Company") as well as the consolidated financial statements of the Company and its subsidiaries ("the Group"), for the year ended 31 December 2010 were approved by the Company's Board of Directors on 27 April 2011 and are subject to the final approval of the General Meeting of the Shareholders according to the Company's Bye-laws,

Independent Auditors Report on pages 8 to 9.

Athens, 27 April 2011

Angeliki Frangou	Loukas Valetopoulos
______________________________	______________________________
Chairman, Non – Executive Director	Chief Executive Officer, Director