



Koropi,31/03/2010

## **INFORM P. LYKOS S.A. (Symbol A.S.E.: LYK)**

### **Financial Results for the year 2009**

The consolidated financial statements of Inform Lykos are published today March 31 2010, according to the International Financial Reporting Standards (I.F.R.S.) and include the companies: INFORM P. LYKOS S.A., EKTIPOTIKI VOREIOU ELLADOS S.A., LYKOS PAPERLESS SOLUTIONS S.A., TERRANE LTD (consolidated financial statements) and SAGIME GMBH (consolidated financial statements).

The sales of the Group , for the year 2009 reached € 106,5 mil. compared to € 127,9 mil. in 2008, representing a 16,8% decrease compared to 2008. This decrease was caused mainly due to the prolonged worldwide financial crisis which hit with particular severity the countries of Eastern Europe and the resulting increase of the domestic and international competition.

The sales of the parent company INFORM P.LYKOS S.A for the year 2009 decreased by 6,6% compared to 2008, and reached to € 35,1 mil. compared to € 37,5 mil. in 2008. This decrease was caused by the significant delays in contracts with the Public sector, the reduction of demand for mobile telecommunication cards, and also the significant decrease of the advertising budgets in the Private Sector.

The sales of our subsidiary in Romania were decreased by 33,5% compared to 2008 in Euro which is the currency used for financial reporting, reaching € 19,5 mil. from € 29,3 mil. in 2008. With fixed exchange rates, sales would decrease by 23,4% reaching € 22,5 mil. The drop of the sales in Romania was caused primarily by the overall decrease of the economic activity of the country and secondarily by the cancellation of the prepaid postal fees.

The sales of our subsidiary in Austria for the year 2009 decreased by 9% compared to 2008, and reached € 54,9 mil. compared to € 60,3 mil. in 2008. This decrease was caused by the delay of mass renewals of banking cards and the intensified competition.

The consolidated Earnings before income tax, interest, depreciation and amortization (EBITDA) of the Group for the year 2009 reached € 15,5 mil., compared to € 18,5 mil. in 2008 representing a 16.2% decrease compared to 2008. The sales decrease did not affect significantly the results, as it was compensated from the reduction by 10% of the production and operating expenses, in line with our plan of immediate cost reduction which was implemented in all the Companies of the Group.

Earnings before taxes of the Group by continued operations reached € 5,3 mil. compared to € 6,2 mil. in 2008, decreased by 15% in line with the sales decrease. Earnings before taxes of the Group for 2009, compared to earnings of 2008 of € 89 mil. decreased by 40%. Total earnings before income tax of 2008 include extraordinary non recurring income of € 1,7 mil. from the sale of Austria Card's shareholding in the Swedish company Xpon Card and € 1 mil. negative goodwill generated from the acquisition of Austria Card by Inform Lykos.

Finally, earnings after taxes of the Group in 2009 reached € 3,5 mil. versus € 6,4 mil. in 2008, a decrease of 46,3%. The income tax reached € 1,8 mil. compared to € 2,4 mil. in 2008.

During 2009, the Group continued its efforts for cost reductions, the control of working capital needs and the efficient management of cash liquidity, and the creation of positive cash flows. The operating cash flow in 2009 reached € 9,7 mil. and the cash & cash equivalents amounted to € 22,1 mil. at the end of the year, providing the Group with significant cash liquidity. At the same time the borrowing was decreased by € 3 mil. compared to 2008.

The results of the year 2009 were considerably affected from reorganization costs which took place in order to face the prolonged financial crisis and relate to the consolidation of production facilities in Greece and Romania, the Group wide optimization of production processes, and the adjustment of our business model to the needs of the market, as these developed within the frame of the financial crisis.

In the table below the financial results of 2009 are presented with and without the reorganization costs.

1/1 - 31/12/2009	THE GROUP			THE COMPANY		
	RESULTS WITH REORGANIZATION COSTS	REORGANIZATION COSTS	RESULTS BEFORE REORGANIZATION COSTS	RESULTS WITH REORGANIZATION COSTS	REORGANIZATION COSTS	RESULTS BEFORE REORGANIZATION COSTS
<b>Sales</b>	<b>106.491</b>	<b>0</b>	<b>106.491</b>	<b>35.103</b>	<b>0</b>	<b>35.103</b>
Cost of sales	(70.148)	562	(69.586)	(26.795)	176	(26.619)
<b>Gross Profit</b>	<b>36.344</b>	<b>562</b>	<b>36.905</b>	<b>8.308</b>	<b>176</b>	<b>8.484</b>
Operating Expenses	(29.721)	663	(29.059)	(8.352)	169	(8.184)
Other operating income & expenses	1.156	0	1.156	91	0	91
<b>Earnings before taxes, financing and investing results</b>	<b>7.778</b>	<b>1.224</b>	<b>9.002</b>	<b>46</b>	<b>345</b>	<b>391</b>
Financial income & expenses	(2.520)	0	(2.520)	(419)	0	(419)
Income from subsidiaries & related companies	88	0	88	3.067	0	3.067
<b>Earnings before taxes</b>	<b>5.346</b>	<b>1.224</b>	<b>6.570</b>	<b>2.694</b>	<b>345</b>	<b>3.039</b>

The consolidated earnings before taxes of the Group for the year 2009 would come up to € 6,5 mil. instead of € 5,3 mil. and respectively of the company to € 3 mil. instead of € 2,7 mil.

As stated by Mr.Pavlos Tryposkiadis, Executive Vice President, “our continued effort for the optimization of our cost structure and the liquidity increase has strengthened the Group, in order that the prolonged economic uncertainty will have the minimum impact in the normal development of our revenues and profits. At the same time, we are ready to take advantage of the opportunities that are created during the crisis; in all the markets we have activities. We believe, that the recovery of the markets will find all the companies of the Group stronger and reinforced.”

About Inform Lykos ([www.lykos.gr](http://www.lykos.gr))

Inform Lykos was founded in 1897, is listed in the Athens Stock Exchange since 1994 and today consists of five companies with a leading presence in the Central and Eastern Europe in the area of Information Management & Business Communication. The Group is active internationally in the development, production and personalization of Smart Cards for Banks, Telecommunications, Public Organizations and Retail chains holding international certificates by Visa, MasterCard & Diners. Inform Lykos is a leader in the area of printing management, production of secured documents, production of prepaid cards and Business Process Outsourcing offering services of printing and posting statements, electronic presentation of statements and printing management for Banks, Telecommunication companies, Public sector and Industrial/Trade companies. The Group Inform Lykos occupies today about 1.000 employees.

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