

PRESS RELEASE
YEAR END 2008 FINANCIAL RESULTS

On March 27th, 2009 Yalco announces its 2008 Annual Financial Statements for the period January 1st – December 31st, 2008. On the occasion of the announcement of the financial results, the Company's management provides the following detailed information:

I. Sales

Consolidated sales for the fiscal year 2008 amounted to €66.15m against €67.82m in 2007, decreased by 2.5%, while sales till September posted an increase of 2.4%. The abovementioned result is mainly due to the general economic conditions, which posted a significant downturn on a global basis, spread from financial sector to real economy. The crisis had a considerable effect on specific sectors of the economy, and also affected the houseware and professional equipment sector.

In particular, Parent Company sales amounted to €45.12m posting a decrease of 3.6% against an increase of 1.3% during the nine month period of 2008, mainly attributed by line sales that remained at the same levels as 2007. OMNISHOP sales posted a satisfactory growth of 14.7%, also strengthened since December 2008 by the first "stand alone" Habitat shop, while the air-conditioners sales of EXCEL S.A. posted a decrease of 34% against summer 2007 significantly positive sales due to extreme temperatures that time.

On the opposite side, Company's subsidiaries YALCO ROMANIA and YALCO HUNGARY posted a significant sales increase by 86.8% and 57.4% respectively.

The gross margin of the Group has shown an improvement, with the exception of OMNISHOP S.A., which continues to hold the best gross margin among the companies of the Group.

II. Operating Expenses

Operating Expenses amounted to €22.20m increased by 20.4% due to a) higher warehouse and distribution cost that was significantly overloaded by the Greek ports' strike the high fuel prices and the increased stocks, b) strengthening of the Parent Company and its subsidiaries' management team to effectively contribute to the development process of the Group c) OMNISHOP expenses related to the development and the expansion of activities of Habitat in Greece, as further described in the "Important Developments" section below, d) foreign exchange losses due to the year-end valuation of EXCEL and other Subsidiaries' liabilities in foreign currency and e) provisions for bad debt of YALCO HUNGARY. The realization of significant investments and the maintenance of high stocks resulted to the actual increase of bank loans by the Parent Company which combined with higher interest rates increased financial cost by 7%. On the contrary, financial expenses of the Group remained stable compared with 2007.

III. Profits

All of the above mentioned elements resulted to a Group pre tax profit of €37th compared to €3.61m in 2007, while consolidated after tax profit was negative by €529 th. The Parent Company pre tax profit amounted to €1.48m, decreased by 41.8% while after tax profit amounted to €1.06m.

IV. Significant Developments

The significant developments which took place during the fiscal year 2008 were the following:

- a) The undertaking by the OMNISHOP subsidiary of the exclusive development of the HABITAT brand in Greece. The opening of the first shop-in-shop at **notoshome** in

downtown Athens, followed by the first "stand alone" HABITAT shop in downtown Glyfada as well as the second HABITAT shop-in-shop at the Shopping Center "Golden Hall", in Maroussi.

- b) The assumption by YALCO ROMANIA SRL of the exclusive distribution of the DeWALT professional tools in the fast growing Romanian market and the expansion of its activities in the houseware and professional equipment market.
- c) The expansion of the product portfolio by the parent company including well known international brands like SAECO (espresso machines) etc., which recently has been largely enriched with the signing of the agreement with IONIA SA for the exclusive distribution of IONIA professional line of porcelain products (hotels-restaurants) from 09/02/2009 onwards.
- d) The construction of the new logistics center located in Inofita of Viotia, of a total investment of €8.2m, completed in December 2008.

The above mentioned summary developments, as well as a series of other decisions together with the company's Management, Executives and Personnel indefatigable efforts, will contribute to the control and reduction of operational cost as well as to the further increase of operations and financial figures of the Group.

The Management
March 27th, 2009