REPORT OF THE BOARD OF DIRECTORS FOR THE NINE MONTH PERIOD 2009

The Greek capital market

The deep financial crisis that has been afflicting the world economy since 2008 continued and with the same intensity in 2009. The reduced capital flows, in conjunction with the reduction in spending, are affecting even the healthiest of companies, which are already facing problems, such as reduced cash flows and increased price volatility.

Athens Exchange, just like most exchanges worldwide, found itself in the middle of a maelstrom of liquidations by investors, in the first few months of the year. The bad climate for exchanges worldwide in 2008, which worsened during the first quarter of 2009, resulted in share prices reaching six-year lows at the beginning of March, before improving during the 2nd and 3rd quarters.

The Athens Exchange General Index closed on September 30th 2009 at 2,661 points, posting a 49% increase from the start of the year.

From the start of the year, the FTSE/ATHEX 20 posted a 52% increase, mainly due to the large increase posted by bank stock, while the FTSE/ATHEX Liquid Mid posted the largest increase – 64%.

This data, by itself, is impressive. On the other hand, despite the 49% increase from the start of the year, the General Index at the end of the nine month period was 7% lower that the level at which it was at the end of the corresponding period, on September 30th 2008, and 49% lower than the 31.12.2007 close, when it was at 5,179 points.

The increase in the volume of transactions remains an encouraging signal. The total volume of transactions (number of shares) in the 3rd quarter of 2009 posted a historic high in the Greek market. In particular, during the 3rd quarter, 3.4bn shares changed hands, making the 3rd quarter the most "productive" in the history of Athens Exchange.

In the first nine months of 2009, the total value of transactions in the cash market amounted to €34.4bn vs. €64.8bn in the nine month period of 2008, posting a 46.9% reduction.

The average daily value of transactions was €186m vs. €352m in the corresponding nine month period last year. The reduction in trading activity (total value of transactions) is due exclusively to the drop in share prices.

The total volume of transactions during the first nine months of 2009 amounted to 8.39bn shares vs. 6.84bn shares in the first nine months of 2008, posting a 22.6% increase.

The total capitalization of the cash market of Athens Exchange on 30.09.2009 was €98.6bn. Compared to the corresponding market capitalization in September 2008 (€105.5bn), the drop was 6.5%.

The participation of international investors in the market capitalization of the Greek Exchange increased and stood at 49.8% on 30.09.2009, while in the previous month it was 48.4%.

Business Development

Organized Market

Starting on 1.1.2009, the record date rule for determining the beneficiaries of corporate actions went into effect, replacing the trade date rule.

On 23.7.2009, the shares of the company MIG REAL ESTATE REIC were listed for trading in the Medium and Small Capitalization market segment of the cash market of ATHEX.

During the period from 01.01.2009 to 30.09.2009, ten listed companies (CHATZIKRANIOTIS & SONS MILLS, HELLAS ONLINE, ELINOIL, EMPORIKI BANK OF GREECE, S & B INDUSTRIAL MINERALS, ALAPIS, REDS, GENERAL BANK OF GREECE, NAT. BANK OF GREECE and TT HELLENIC POSTBANK) completed their rights issues and raised a total of €3,377.55m (out of which €1,247.2m concern the NAT. BANK OF GREECE).

In implementing the current trend for more effective and rational organization of their activities, nine listed companies (ATTICA – BLUE STAR, GEK – TERNA, KATSELIS – ALLATINI, PC SYSTEMS – OPENTEC – COMPUTERBANK NETWORKING, INTERFISH – LESVOS AQUACULTURE – KORONIS AQUACULTURE – STEFANOU AQUACULTURE, INTRACOM CONSTRUCTION – CYBARCO – Th.

KARAGIANNIS - EUROKAT) merged with other listed or non-listed companies, out of which companies with a larger capitalization emerged, which better attract investor interest.

The listing of the corporate bonds of NIREUS, which had been issued during a previous fiscal year, took place.

Following the invitation to express interest by ATHEX, NBG Asset Management assumed the creation and distribution in the Greek market of the new Exchange Traded Fund (ETF), which tracks the ATHEX General Index. The start of trading of the ETF's shares took place in June 2009.

The ATHEX Rulebook was revised, concerning the classification criteria in the market segments, and the regular review of the classification criteria for listed companies in the various market segments, including the under surveillance segment was completed, in accordance with articles 3.1.2.3 and 3.1.2.5 of the ATHEX Rulebook.

The Dematerialized Securities Stock Exchange Transactions Clearing and Settlement Regulation was modified in regards to a) the conditions for linking with other depositories and improvements in OTC settlement, and b) special regulations for the clearing of structured products.

Alternative Market (EN.A)

On 9.2.2009 the shares of the company KRITON ARTOS, on 11.5.2009 the shares of the company BIOMEDICAL AND ROBOTICS TECHNOLOGY, and on 6.8.2009 the shares of the company Foodlink started trading, and thus the market now has twelve companies.

In the first nine months of 2009 the new "Alternative Market Price Index" started being calculated.

The revenues of the Group from EN.A. for the period 1.1.2009 – 30.09.2009 amounted to €74.2 thousand.

Comment on the results

The turnover in 9M 2009 was €53.1m vs. €85.4m in the corresponding period last year, posting a 37.9% reduction.

Turnover dropped mainly because of the sharp drop in the prices of stocks listed on ATHEX.

Approximately 62% of the Group's turnover in 9M 2009 comes from the trading, clearing and settlement of transactions in the cash and derivatives markets that take place at Athens Exchange (including revenues from the operation of the ATHEX-CSE Common Platform). The corresponding number in 9M 2008 approached 69%.

Revenues are down across all categories (except data vendors, IT services and revenue from listed companies which includes fees from rights issues), due to the reduction in the value of transactions, and the drop of the share prices of ATHEX listed companies. The expense categories that posted the largest drop in absolute numbers are:

a) Revenue from stock trading, which amounted to €10.3m in 9M 2009 vs. €18.6m in 9M 2008, a 44.9% reduction.

b) Revenue from the clearing of transactions which amounted to €16.0m vs. €31.8m in the corresponding nine month period last year, a 49.5% reduction.

c) Revenue from the derivatives market which amounted to €5.9m vs. €8.4m in 9M 2008, a 30.3% reduction.

d) Revenue from off-exchange transfers which amounted to €1.5m vs. €4.7m in the corresponding nine month period last year, a 67.5% reduction.

The total operating revenue of the Group, excluding the Capital Market Commission fee, amounted to €50.6m vs. €80.7m in the corresponding period last year, a 37.4% reduction.

Total expenses

The operating expenses of the Group posted a significant reduction, for the fifth consecutive year. In particular, the total expenses of the Group excluding depreciation, in the 9M 2009 amounted to €17.1m vs. €19.9m in 2008, reduced by 2.8m euro (14% reduction).

Personnel remuneration and expenses, which account for 62% of total operating expenses of the Group, and which posted a €1.0m or €9.1% reduction, contributed significantly to the overall reduction of operating expenses. The number of employees of the Group of 30.9.2009 was 270 persons, reduced from the 272 persons at the end of the corresponding period last year.

All individual expense categories were significantly reduced, except the building management expenses, which were increased because the contractual obligation by the construction company of the Athinon Ave. building to maintain it ended, resulting in maintenance expenses being covered by the Group.

Earnings before Interest and Taxes (EBIT) in 9M 2009 amounted to €33.3m vs. €62.5m in the corresponding period last year, a 46.7%reduction.

Including the financial revenue, earnings before taxes (EBT) amounted to €37.2m vs. €68.6m in the corresponding period last year, a 45.8% reduction.

The income tax in 9M 2009 was calculated following the tax adjustment of the accounts of the companies of the Group, and as a result the effective tax rate was 25% of the profits before taxes.

The net after tax profit of the Group in 9M 2009 amounted to €27.9m vs. €50.2m in the corresponding period last year, reduced by 44.5%. This profit corresponds to forty three cents (€0.43) per share, compared to seventy one cents (€0.71) per share in 9M 2008, reduced by 39.4%.

The net after tax profit of the Group in Q3 2009 amounted to €11.0m vs. €14.4m in the corresponding period last year, reduced by 23.6%, a considerable improvement over previous quarters. This improvement is due to the increase in the daily transaction value in the third quarter, as well as to the increase in revenue from rights issues by listed companies.

The net after tax profits of the Group for the 3rd quarter, amounted to €11.0m vs. €14.4m in the corresponding period last year, reduced by 23.6% yet significantly improving the overall picture. The increase in the daily turnover in the 3rd quarter contributed to this improvement, as well as the increase in revenue from rights issues by listed companies.

Important Events

- In implementing the resolution of the Annual General meeting on 14.5.2008, HELEX purchased up until 31.12.2008 5,117,000 own shares at a cost of €40.7m and an average purchase price of €7.95 per share. The Repetitive General Meeting of shareholders of 26.5.2009 decided to cancel all of the treasury stock. On 30.9.2009 HELEX does not have any treasury stock.
- The Annual General Meeting of HELEX shareholder of 6.5.2009 decided to distribute €0.45 per share as dividend, in total €29.4m, while the Repetitive General Meeting of 26.5.2009 decided to return capital in the amount of €0.15 per share or €9.8m in total. Payment commenced on 17.9.2009. Payment of the €0.15 began on 17.09.2009. On the dividend payment of €0.45 there was a 10% withholding tax, and a net amount of €0.405 per share was distributed to shareholders.
- HELEX is a founding member of Link Up Capital Markets, a new consortium formed by 8 European Depositories (with the participation of CSE) that is planning on providing cross-border transaction settlement services. On 29.06.2009, the first connection of HELEX as depository with the Swiss depository was made, based on the terms of the Link Up contract. The total investment by the 8 Depositories in the company is €7.9m, and HELEX's participation is €1.4m, 17.82% of the total investment.
- The Group has invested part of its liquidity in bank bonds which it had originally classified as a commercial portfolio. These bonds are not expected to be sold in the near future. Taking into consideration the recent modifications of IAS 39, the company on 1.7.2008 transferred the abovementioned bonds in the securities for sale portfolio. The result of the revaluation of the bonds in 9M 2009 was a loss of €208 thousand, which is charged directly to equity, and is not recorded in the results of the first nine months. The amount is shown in other comprehensive income, in accordance with the revised IAS 1 effective 1.1.2009.
- The Group, sensitive to the current world financial crisis, has reduced the cost of the use of the infrastructure that it provides to its Members. In particular, the annual subscription of Members in the cash market was reduced by 31%, the annual subscription of Members in the derivatives market was reduced by 11%, and the ODL service is provided for free to all Members of the cash market for 2009. Furthermore, as part of the overall effort to develop the derivatives

market, zero fees were decided upon for a six month period (starting on 1.4.2009) for trading and clearing stock options.

- In April 2009 the HELEX tax audit for fiscal years 2006 and 2007 was concluded. These fiscal years include the last fiscal years for ADECH and CSD, until the date that the approval by the Prefecture for merging those companies with HELEX was published – 29 November 2006. Based on the tax audit, additional tax and penalties in the amount of €171.383 were assessed, which were paid. This amount will not burden the current fiscal year, as it is covered by a provision that had been made in previous fiscal years.
- For TSEC, the tax audit for fiscal years 2005 and 2006 were included in the provisions of article 28 of Law 3697/2008, and the explanatory circular by the Ministry of Finance (POL. 1130/2008) concerning the unaudited fiscal years, and as a result the tax audit was completed with the payment of €15,274.12. This amount will not burden the current fiscal year as it is covered by provisions already made. Fiscal years 2007 and 2008 remain unaudited for TSEC.
- The terrorist act (explosion) that was carried out against Hellenic Exchanges on 2.9.2009, caused extensive damage to the new building of the Group. The group is fully insured, and thus it is estimated that it will soon be restored to its former condition, without burdening the profitability of the Group.
- In accordance with Law 3606/2007 and relevant resolutions by the Capital Market Commission, HELEX is obliged to separate its post trading services. This obligation requires that actions must be taken, in order to implement the structural changes, which are summarized below:

    1. Design the clearing, settlement and registration services in such a way that these services are separate and, to as far as possible, independent of one another.
    2. Evolution of the system monitoring the margin limits in OASIS, in order to provide greater flexibility and compatibility with the clearing system risk management model.
    3. Improve the clearing and settlement process in order to increase the recognizability of the market and increase investor activity.
    4. More efficient counterparty risk (market risk) management, in order to reduce costs for members.

  HELEX is currently exploring and drafting a time plan for the best possible solution, in order to fulfill its obligation.

- The depositories of all euro area countries (including HELEX), as well as nine other European depositories, have signed the Memorandum of Understanding with the Eurosystem – the European Central Bank (ECB) and the 16 national central banks of the euro area. The Memorandum of Understanding is a commitment by the Depositories to participate in the TARGET2-Securities (T2S) project, which is currently in its requirements specification phase and T2S is expected to go live in June 2013. T2S is an important step in the unification of the European Exchange Market.

Share Capital

The company is listed at Athens Exchange, and its shares are traded in the large capitalization segment of the ATHEX cash market. The shares of the company are common registered, with a voting right.

In nine months of 2009, the share capital of the company was modified, due to the resolution of the Repetitive General Meeting of 26.5.2009 to cancel all of the treasury stock (5,117,000 shares). Thus the total number of shares outstanding was reduced to 65,368,563, while the share capital amounted to €81,710,703.75, with a par value of €1.25 per share.

Following the resolution of the Repetitive General Meeting of 26.5.2009 to return capital in the amount of €0.15 per share, with a corresponding reduction in the par value of the share, the share capital amounts to €71,905,419.30 divided into 65,368,563 shares with a par value of €1.10 each.

The equity of the Group amounts to €149.7m, and the Company €281.9m.

Treasury Stock

Following the resolution of the General Meeting of shareholders of 14.5.2008, HELEX bough back in 2008 5,117,000 shares, paying €40,637,094.98, i.e. at an average price of €7.95. Following the resolution of the General Meeting of the Company of 26.5.2009 to cancel all of the treasury stock, the 5,117,000 were cancelled and as a result the Company on 30.09.2009 does not have any shares as treasury stock.

Dividend Policy

The Annual General Meeting of HELEX shareholders on 6.5.2009 decided to distribute dividend in the amount of €0.45 per share, in total €29.4m, for fiscal year 2008. Payment of the dividend commenced on 21.5.2009.

Additionally, the Repetitive General Meeting of 26.5.2009 approved the proposal of the BoD for a share capital return in the amount of €0.15 per share. The payment of the share capital return commenced on 17.9.2009.

Transactions between associated persons

The total value of the transactions with associated persons amounts to €1,760 thousand and concerns the remuneration of executives and members of the Boards of Directors of the companies of the Group, while the Company's amount to €866 thousand. Besides these transactions, no other transactions with associated persons took place, in accordance with the provisions of IAS 24, which could materially affect the financial position or the performance of the Group for the period in question. There is no (credit or debit) balance from these transactions on 30.09.2009.

Use of financial instruments

The Company does not use financial means in order to value assets and liabilities, or in the financial position or in the profit and loss statement, and therefore does not apply accounting offsets.

Expectations for the remainder of 2009

In the nine month period of 2009, indices continue to remain at lower levels across all exchanges of the world compared to the corresponding period last year. At the same time, there is a drop in the daily value of transactions. The combination of the above at the Greek Exchange, has led to a drop of revenues for the HELEX Group, a fact that is expected to negatively affect the profitability of the current fiscal year.

The Group, through its continuous effort to reduce its operating expenses over the past few years, is of course in a position to successfully face the challenge of this difficult financial environment in 2009. At the same time, with its dividend policy, strives to keep its shareholders happy with the returns that they enjoy.

Turnover – Risks and Uncertainties

The revenues of the HELEX Group depend, to a large extent, on factors over which it has no influence, since they are connected with developments in the Greek capital market, which in turn are affected by a series of factors such as, the financial results of listed companies, the fundamental macroeconomic data of the Greek economy as well as developments in international capital markets. In the last few months the condition of the markets internationally and the large drop in share prices reduced transaction activity at Athens Exchange, and as a result the revenues of the HELEX Group were negatively affected, something that is continuing in the current fiscal year, which has began with very low transaction activity.

Besides the fees from transactions that take place in the ATHEX markets and are collected through the Members, important revenue streams for the Group are also revenues from orders and Member terminals, revenue from Members and Operator subscriptions, revenues from subscriptions and rights issues of listed companies, revenues from data vendors, revenues from IT support and services, educational services etc.

Contrary to revenues, which cannot be controlled by the companies of the Group, on the cost side concerted cost containment efforts are being made, with the aim of reducing negative consequences to the financial results of the Group from possible adverse developments in the market.

Risk Management

Financial Risk Factors

The Group is exposed to a limited range of financial risks. The usual risks to which the group is theoretically subjected to are market risks (changes in exchange rates, interest, market prices), credit risk, liquidity risk, cash flow risk.

The general risk management program of the Group focuses on the management of risks that HELEX assumes as central counterparty in the settlement of derivative products.

Risk management is performed by the relevant departments of the Group and the basic elements are described below.

Foreign exchange risk

This risk does not materially influence the operation of the Group, since there are very few transactions with customers & suppliers in foreign currencies.

Price risk

The Group is exposed to the risk of change in the value of the securities it possesses. On 30.09.2009 the Group possessed (through ATHEX) Greek bank bonds valued at €10.4m.

Credit risk

The turnover of the Group mainly consists of transactions with members of the cash and derivatives markets as well as with reliable foreign houses which have a high credit rating. On this basis, it is estimated that credit risk is minimal.

Liquidity risk

Liquidity risk is maintained at low levels by keeping adequate cash in hand and highly liquid securities while the revenue from transactions, both in the cash and derivatives market, is immediately collected (T+3 for stocks, T+1 for bonds).

Cash flow risk and risk from the change of the fair value due to interest rate changes

The operating revenues, as well as the cash flows of the Group are independent of interest rate changes.

Operational risk

HELEX has been assigned the role of Auxiliary Fund manager, which is the mechanism for covering counterparty risk in the cash market, while at the same time, as successor to ADECH, it operates as the central counterparty in the derivatives market. It manages, in other words, on the one hand the mechanisms for gathering the required resources from the members in order to cover the needs of the market in case one of the members is unable to fulfill its obligations (on behalf of its clients) either in cash or in securities, both in the cash market and in the derivatives market, and on the other hand the mechanism that will perform the necessary actions in order to cover the market, should that become necessary.

This set of activities is determined and described by the following regulatory framework:

1. Resolutions 1/392/26.7.2006 and 2/392/26.7.2006 of the HCMC concerning the operation and management of the Auxiliary Fund, which is the central risk management mechanism in the cash market.
2. The Derivatives Clearing Regulation, which defines HELEX's role as central counterparty, as part of it functions as the company clearing transactions on derivatives.

In order for the abovementioned duties to be carried out, the following committees have been setup and operate:

1. The Auxiliary Fund Activation Committee, whose basic purpose is to take the necessary actions to cover members that are unable to do so in the cash market
2. The Derivatives Risk Management Committee, whose basic purpose is the systematic measurement and parameterization of risks, in order to ensure the smooth operation of the market.

The areas of responsibility of these committees is specified and described in:

1. Resolution 3 of the HELEX BoD
2. The HELEX internal Rulebook

In order to cover counterparty risk for transactions in the ATHEX derivatives market, HELEX receives from all counterparties its safety margin in cash, Greek Government Bonds or shares, as well as collateral from its members. These risks are calculated daily by HELEX and the guarantees provided are subject to daily valuation.

Corporate Social Responsibility

The HELEX Group is active in a continuously changing global environment. The Group is faced, on a daily basis, with challenges concerning its efficiency and its status as an integral part of society and business.

In response to a multitude of financial, social and environmental challenges, the Hellenic Exchanges Group has integrated in its strategy the philosophy and spirit of Corporate Social Responsibility (CSR). We have declared our own social responsibility, and voluntarily undertake commitments that go beyond our obligations as stipulated in the regulations and contracts, obligations that have to be fulfilled in any case.

Closely related with CSR is our active concern for fellow human beings, both in our business as well as in our social activities. The constant improvement of the already high level of work, health and safety conditions is a priority for HELEX. The same is true for education, which is not only the subject of constant and intense interest to the Group, but is also a means to strengthen and enrich its social contributions.

The framework of our actions that we recognize as important and necessary for the long term well being of our Company as part of society is along the following axes:

- Development of Corporate Governance having as its main criteria transparency, trust and reliability
- Restructuring the operation of the company in a socially responsible manner
- Investment in knowledge
- Investment in our human resources
- Protection of the environment
- Respect for human rights
- Support groups of people that are socially excluded
- Contribution to the development of the arts

Code of Conduct

Based on the Code of Conduct for clearing and settlement, which was signed on October 31st 2006 between exchanges (FESE), clearing houses (EACH) and depositories (ECSDA), Hellenic Exchanges SA is committed to implement measures of fee transparency, access and interoperability, separation of services and accounting separation of services. All measures of the Code of Conduct have been implemented by Hellenic Exchanges SA in accordance with the common agreed-upon schedule in the Code.

The measures for separation of services and their accounting separation have been applied for 2008. Hellenic Exchanges S.A. has complied with part V of the Code and in particular with articles

39 (principles), 40 (Unbundling of prices), 42 (Disclosure of annual non consolidated accounts) and 43 (Disclosure of costs and revenues).

The status of the services, their description and the relevant fee table are available at the website of the company (www.helex.gr), as required by the Code of Conduct.

HELEX has complied in full with the Code of Conduct, providing its services with full transparency and without cross subsidies. Costs and revenues for each service provided have been separated, registered and monitored in a fully separated accounting level, and are reported for the purposes of the Code in the relevant categories. International Accounting standards and ABC costing are used in the preparation of the report.

In compliance with the requirements of the Code of Conduct to unbundle the services offered and for their accounting separation, HELEX has drafted a self-assessment report and has published the expenses and revenues for each service for the year 2008.

The HELEX certified auditor, PricewaterhouseCoopers SA, has drafted an independent audit report on the HELEX self-assessment report.

The self-assessment report, together with the audit report of the certified auditor, the audited financial statements of HELEX, and the table with the costs and revenues have been submitted to the Hellenic Capital Market Commission on April 30th 2009.

Important events after 30.09.2009

On the 1st of November 2009, in accordance with §§4-6 of article 85 of Law 3606/2007 as it applies following its modification by §13 of article 9 of Law 3756/2009, the legal as well as the regulatory provisions concerning the method of clearing and settlement of transactions by HELEX (CSD – ADECH), as well as those that concern the operation of the Auxiliary Fund were abolished, as part of the liberalization process for carrying out clearing and settlement activities, as the law stipulates.

Following the abolition of the abovementioned provisions, the Capital Market Commission is released from the responsibility to shape the counterparty risk management framework, and assumes the responsibility of creating a regulatory framework for licensing the organizations and systems that will provide these services for organized markets and operate in Greece. In this direction, the new Rulebook for Clearing and Settlement of Transactions on Transferable Securities in Accounting Form and the Rulebook for Clearing Transactions on Derivatives have been drafted and been presented for approval.

The HELEX BoD has approved the new Rulebook for Clearing and Settlement of Transactions on Transferable Securities in Accounting Form and the Rulebook for Clearing Transactions on Derivatives, the texts of which are the product of consultations with the Capital Market Commission. The Rulebooks were submitted to the Capital Market Commission for approval, and were approved on 29.10.2009.

The reconstruction works of the extensive damage to the building, as a result of the terrorist act (explosion) against Hellenic Exchanges on 2.9.2009, are continuing at a quick pace. By 30.9.2009, the competition for selecting the construction company to restore the damages had been completed. The total expense for restoring the damages is expected to be between €3.2 and €3.5m and is expected to be covered by the insurance companies.

There is no other significant event worth noting, that has taken place or was completed after the 9M 2009 balance sheet date of 30.09.2009, and until the date the Financial Statements were approved by the Board of Directors on 4.11.2009.