APPENDIX 3 - Key Terms

Intrinsic value: The value of the asset given a hypothetically complete understanding of the asset's investment characteristics.

Relative valuation models: A model that specifies an asset's value relative to the value of another asset.

Method based on forecasted fundamentals: An approach to using price multiples that relates a price multiple to forecasts of fundamentals through a discounted cash flow model.

Method of comparables: An approach to valuation that involves using a price multiple to evaluate whether an asset is relatively fairly valued, relatively undervalued, or relatively overvalued when compared to a benchmark value of the multiple.

Discounted Cash Flow Method: a method within the income approach whereby the present value of future expected net cash flows is calculated using a discount rate.

Free cash flow to equity: The cash flow available to a company's common shareholders after all operating expenses, interest, and principal payments have been made, and necessary investments in working and fixed capital have been made.

Free cash flow to equity model: A model of stock valuation that views a stock's intrinsic value as the present value of expected future free cash flows to equity.

Report Writing: presents a detailed valuation report with numerous comments on why certain items were included or excluded.

Sell-side analysts: Analysts who work at brokerages.

Top-down forecasting approach: A forecasting approach that involves moving from international and national macroeconomic forecasts to industry forecasts and then to individual company and asset forecasts.

Shareholders' equity: Total assets minus total liabilities.

Enterprise value (EV): Total company value (the market value of debt, common equity, and preferred equity) minus the value of cash and investments.

Top-down investing: An approach to investing that typically begins with macroeconomic forecasts.

Financial reporting: is the provision of financial information about an entity to external users, that is useful to them in making economic decisions and for assessing the effectiveness of the entity's management. Typically, this information is made available annually, half-yearly or quarterly and is presented in formats laid down or approved by the governments and other regulators in each national jurisdiction. Sometimes, the term translated in Greek as "information", sometimes as "reference", sometimes as "presentation" and sometimes as "report" (more detailed in Loukas Louka, Vlachos Christos, 2007).

Financial statements: are the summary of the performance of an entity over a particular period and its financial position at the end of that period. Financial statements should provide users with relevant information. To meet this requirement a number of key statements have been identified which allow users to assess the financial performance and position of an entity as well as its liquidity. The broad structure of financial statements is standardised so that this information is presented in a similar manner by all entities, allowing meaningful comparisons to be made across different entities.

IAS 1: requires the individual components of the financial statements to be presented with equal prominence in an entity's complete set of financial statements. The Financial statements published under IFRS are the Balance Sheet (financial position), Income Statement (performance), Statement of Recognized Income and Expense/all Changes in Equity, Statement of Cash Flows & Notes including accounting policies.

Main differences between Greek GAAP and IFRS: the applied standards for public and private companies in Greek Beverage Industry generally, giving an analysis for each standard (purpose, definition and accounting treatment) as well as the financial statements under them presented and analyzed in previous Paper 1-3, 5-6 contributed to extract clear conclusions for the overall impact of IFRS compared to Greek GAAP.

Accounting Software: describes a type of application software that records and processes accounting transactions within functional modules (accounts payable, accounts receivable, payroll, and trial balance). It functions as an accounting information system. Accounting software may be on-line based, accessed anywhere at any time with any device which is Internet enabled, or may be desktop based. It varies greatly in its complexity and cost.

Finance Packages: describes a type of financial management to budget, save, and spend monetary resources over time, considering various financial risks and future life events.

Types of Accounting Software/Financial Packages: 1.Free and open source software (FOSS/FLOSS) and 2. Proprietary software

The term FOSS (Free and Open Source Software) or FLOSS (Free/Libre/Open Source software) : groups the free software (FS) and open source software (OSS), software available with special permits that allow users to study, modify, redistribute and to improve the software.

Small and medium-sized enterprises (SMEs) : are defined by the European Commission as having less than 250 persons employed. They should also have an annual turnover of up to EUR 50 million, or a balance sheet total of no more than EUR 43 million (Commission Recommendation of 6 May 2003).

The main classes of SMEs: are a) micro enterprises: with less than 10 persons employed; b) small enterprises: with 10-49 persons employed; c) medium-sized enterprises: with 50-249 persons employed; d) small and medium sized enterprises (SMEs): with 1-249 persons employed; e) large enterprises: with 250 or more persons employed.