

Heraklion, August 29, 2014

## **6M 2014 CONSOLIDATED FINANCIAL RESULTS**

### **HIGH PROFITABILITY FOR KARATZIS GROUP IN 6M 2014**

- **Increase of sales in the industry and hotel sectors**
- **Improvement of operating profitability**
- **Further decrease of bank liabilities**

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KARATZIS Group of Companies announces its consolidated financial results for the first half of 2014 according to International Financial Reporting Standards.

**Consolidated turnover**, increased in the first half of 2014 by 5% standing at €37.2 mil. compared to €35.4 mil. in the first half of 2013. This increase is attributed to the increase of the turnover of the industrial sector (+8.9%) as a result of the increase of the sales of the parent company as well as of hotel sector (+6.2%). The increase of the hotel sector was affected by the overall strengthening of the tourism market and the capitalization of the provision of high quality services over time and the strong brand-name that has been established gradually during the recent years, in conjunction with the recent renovation of Nana Beach Hotel. The photovoltaic sector's net sales (excluding extraordinary contribution) decreased by 9.9 % due to the decrease of electricity price.

**Consolidated Gross profits** stood in the first half of 2014 at € 9.8 mil. compared to €9.5 mil. in the respective period in 2013 increased by 3.8%. This increase is attributed to the improvement of the gross results of the industrial sector, due to the increase of sale prices as well as the significant increase of the gross profit of the hotel sector, which counterbalanced the decrease in gross profit of the energy sector.

**Consolidated profits before taxes, financial & investing results and depreciation (EBITDA)** stood at €8.6 mil. compared to €7.8 mil. in the first half of 2013 increased by 10.7% due to the results of the industrial sector. **Consolidated profits before taxes** stood at €4.8 mil., while **consolidated profits after tax and minority rights** stood at €3.5 mil. Net earnings are reduced compared to the previous year due to the presence of non-recurring income from recovered grant of the amount of €2.6 mil. during the first half of 2013.

The positive results of the first semester in conjunction with the strategic movements made by company's management imply that for the full year 2014, KARATZIS Group's figures will move upwards. The sales of

the industrial sector are projected to maintain their upward trend, while for the sales of the hotel activity are also expected to be increased.

At the same time it is noted that due to the high growth rates of the markets where the company operates, the implementation of a series of selective investment is continued. In specific, it is under development the investment for new machinery and equipment, of total budget of €2.5 mil., at the parent company's plant in the Industrial Area of Heraklion, which will increase the production capacity of the facility by 15% and is expected to be completed early in 2015. In addition, at the end of the current tourist period is expected to begin the construction of a new 5\* hotel, with a total budget of €16 mil. The new hotel, which is estimated that has been completed in the first quarter of 2016 and will be operational in the summer of 2016, will be placed in an area of 37 acres in Drapano, Hersonissos, Heraklion, Crete and according to the latest plans will have 127 rooms and 260 beds.

#### **About KARATZIS Group of Companies**

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*KARATZIS Group of Companies is active since 1974 in the production of nets for use in the food industry, the agricultural and horticultural industry as well as in the field of constructions. Additionally, it has realized selective investments in the hotel and the renewable energy industry.*

*Regarding the key business of nets' manufacturing, the Group has developed a truly multinational presence with four production facilities in Greece and Germany and two commercial companies in Spain and United Kingdom, having significant market shares in the international markets.*

*In the field of hotel business, the Group owns and manages the Nana Beach Hotel, an all inclusive 5 stars resort with 500 rooms in the prefecture of Heraklion.*

*In the field of renewable energy, the Group possesses photovoltaic plants of a total capacity of 13.74 MW.*

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