



INTERIM FINANCIAL REPORTS

For the period from 1 January 2013 to 30 September 2013

KARATZIS S.A. Industrial
& HOTEL Enterprises
Industrial Area
71110 Iraklion, Crete
Registry Number of SAs 11396/06/B/86/89
www.karatzis.gr

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(Any differences in totals are attributed to rounding)

General Information	
Company Name	
KARATZIS S.A. - INDUSTRIAL & HOTELIER ENTERPRISES	
Registry Number of SAs :	11396/06/B/86/89
Number in General Commercial Register	077088427000
Supervisor Authority:	Ministry of Development & Competitiveness - Directorate of SAs & Credit
web site :	www.karatzis.gr
e-mail address:	hermes@karatzis.gr
Ticker Symbol of OASIS	KARTZ
Listing Date	Septembr, 04 2000
Board of Directors	
Executive Members	Non-Executive Members
Karatzis A. Miltiadis - Chairman	Antonakakis K. Eleutherios
Karatzis M. Athina - Vice Chairman	Perantonakis A. Konstantinos - Independent
Karatzis M. Antonios - CEO	Papastefanakis E Jason - Independent
Karatzis M. Maria - Deputy CEO	
Archontakis L. Konstantinos	
Kalathas A. Ilias	
Activity:	
VAT Number. - Tax Authority :	Industrial products and services, packaging materials, hotelier enterprises, energy production through renewable sources EL 094113381 - "A" Public Tax Authority of Iraklion
Foundation Year :	1979
Address :	Industrial Area of Iraklion, P.O. box 1490, 71110, Iraklion Crete Greece
Tel. :	+30-2810-382900
Subsidiaries :	
MESHPACK GMBH	STELLA POLARIS CRETA SA
Ing.-A.-Rudow-Strasse 1 D-38486 Kusey Germany	Industrial Area of Iraklion, P.O. box 1490 71110, Iraklion Crete Greece
KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES SA & Co	CROPPY SOLUTIONS S.L.
Industrial Area of Iraklion, P.O. box 1490 71110, Iraklion Crete Greece	Montero Calvo, 3 47001 , Valladolid, Spain

KARATZIS S.A.
INDUSTRIAL & HOTEL ENTERPRISES

It is certified that the attached Interim Financial Statements are those that were approved by the Board of Directors of **'KARATZIS S.A. INDUSTRIAL & HOTEL ENTERPRISES'** on 26 November 2013 and they have been published, after their report on internet, on the web site www.karatzis.gr as well as on the web site of Athens Stock Exchange, where they will be available for the investors for at least five (5) years from the date of their preparation and publication.

The Chairman of the Board of Directors

MILTADIS KARATZIS

A. Interim Financial Statements for the period 1/1/2013 – 30/9/2013

STATEMENT OF FINANCIAL POSITION (consolidated and unconsolidated)					
Amounts in Euro					
	Note	KARATZIS GROUP		KARATZIS SA	
		30/9/2013	31/12/2012	30/9/2013	31/12/2012
Assets					
Non current assets					
Property, plant and equipment	5	104.967.406	104.172.494	84.226.881	82.855.373
Intangible fixed assets	6	2.172.963	2.283.703	159.928	153.500
Investments in subsidiaries		-	-	13.898.975	9.171.551
Deferred tax receivables		212.029	82.625	-	-
Other non current assets		76.245	81.356	75.606	4.632.160
		107.428.643	106.620.178	98.361.389	96.812.584
Current assets					
Inventory		13.488.385	16.158.262	10.443.439	13.605.488
Trade receivables	7	15.036.843	10.613.806	12.087.785	7.843.954
Other current assets		2.477.301	5.112.663	1.959.018	3.502.105
Prepayments		339.366	302.486	284.584	238.058
Financial assets carried at fair value	23	521.838	10.000	521.838	10.000
Cash and cash equivalents		19.162.261	18.994.829	18.579.266	18.876.019
		51.025.992	51.192.047	43.875.929	44.075.623
Total Assets		158.454.636	157.812.226	142.237.319	140.888.207
Equity & Liabilities					
Equity					
Share Capital		21.138.900	21.138.900	21.138.900	21.138.900
Reserves		61.456.121	59.208.845	58.860.554	56.613.278
Retained earnings		10.915.005	5.938.613	10.249.546	5.396.304
Equity attributable to shareholders of the Parent Company		93.510.027	86.286.358	90.249.001	83.148.483
Non-controlling interests		57.812	54.571	-	-
Equity		93.567.839	86.340.929	90.249.001	83.148.483
Non current liabilities					
Long-term debt	8	20.657.036	23.371.812	12.525.090	13.715.599
Deferred tax liability	9	4.824.078	4.052.668	4.824.078	4.052.668
Other provisions	14	408.410	408.710	372.510	372.510
Employee benefits	15	568.647	548.691	568.647	548.691
investment grants		2.717.899	2.932.570	1.593.169	1.656.314
Total Non Current Liabilities		29.176.069	31.314.451	19.883.493	20.345.782
Current liabilities					
Trade and other payables		6.889.713	4.945.872	5.987.734	4.606.635
Short-term debt	8	21.315.641	29.360.025	20.667.575	28.438.977
Current portion of long term debt	8	1.759.002	2.429.648	629.040	1.382.883
Tax liabilities		3.419.659	1.736.023	2.787.220	1.478.420
Other current liabilities		2.326.713	1.685.279	2.033.256	1.487.027
Total current liabilities		35.710.727	40.156.846	32.104.825	37.393.943
Total Liabilities		64.886.797	71.471.297	51.988.318	57.739.724
Total Equity and Liabilities		158.454.636	157.812.226	142.237.319	140.888.207

STATEMENT OF COMPREHENSIVE INCOME
(consolidated)
Amounts in Euro

	Note	KARATZIS GROUP							
		1/1 - 30/9/2013	1/1 - 30/9/2012		Total	1/7 - 30/9/2013	1/7 - 30/9/2012		
		Continuing operations	Discontinuing operations			Continuing operations	Discontinuing operations	Total	
Sales	10	56.680.281	49.749.256	3.868.160	53.617.416	21.294.277	18.176.503	145.305	18.321.807
Cost of Sales		(39.955.407)	(35.959.262)	(3.272.731)	(39.231.993)	(14.026.015)	(12.097.299)	(275.920)	(12.373.219)
Gross Profit		16.724.875	13.789.993	595.429	14.385.423	7.268.262	6.079.204	(130.615)	5.948.589
Administrative expenses		(1.681.130)	(1.866.690)	(351.084)	(2.217.774)	(595.219)	(592.103)	(103.057)	(695.161)
Distribution expenses		(3.148.950)	(3.404.692)	(5.574)	(3.410.266)	(999.879)	(1.157.880)	-	(1.157.880)
Other income		320.536	504.037	29.990	534.027	127.392	172.683	15.880	188.562
Other expenses		(2.254.490)	(1.230.064)	(6.914)	(1.236.979)	(995.815)	(959.206)	-	(959.206)
Earnings before interest & taxes		9.960.842	7.792.584	261.847	8.054.431	4.804.741	3.542.698	(217.793)	3.324.904
Non-operating foreign exchange differences		-	-	346.404	346.404	-	-	185.902	185.902
Investment results		(60.969)	338	1.881.928	1.882.267	(9.170)	0	1.881.928	1.881.928
Financial income		20.104	103.683	0	103.683	13.614	34.308	0	34.308
Financial expenses		(1.977.570)	(2.210.364)	-	(2.210.364)	(400.011)	(664.447)	-	(664.447)
Revenue from recovered grant	20	2.582.802	-	-	-	-	-	-	-
Earnings before taxes		10.525.210	5.686.241	2.490.179	8.176.420	4.409.174	2.912.559	1.850.037	4.762.596
Deferred tax		(642.006)	(15.074)	-	(15.074)	398.561	37.563	-	37.563
Income tax	9	(2.656.294)	(1.059.620)	(362.475)	(1.422.095)	(1.514.256)	(821.413)	(362.475)	(1.183.889)
Profit after taxes (A)		7.226.910	4.611.548	2.127.704	6.739.252	3.293.480	2.128.708	1.487.562	3.616.271
Effect of the amendment to IAS 19	15	-	(121.987)	-	(121.987)	-	(40.662)	-	(40.662)
Exchange differences due to consolidation		-	-	118.774	118.774	-	-	(1,047)	(1,047)
Other Comprehensive Income (B)		-	(121.987)	118.774	(3.213)	-	(40.662)	(1.047)	(41.709)
Total comprehensive income after taxes (A + B)		7.226.910	4.489.560	2.246.478	6.736.039	3.293.480	2.088.046	1.486.515	3.574.561
Profit attributable to:									
Shareholders of the Parent Company		7.220.682	4.599.316	2.127.704	6.727.020	3.283.826	2.130.196	1.487.562	3.617.758
Non-controlling interests		6.228	12.232	-	12.232	9.654	(1.487)	-	(1.487)
Total comprehensive income attributable to:									
Shareholders of the Parent Company		7.220.682	4.477.328	2.246.478	6.723.807	3.283.826	2.089.533	1.486.515	3.576.049
Non-controlling interests		6.228	12.232	-	12.232	9.654	(1.487)	-	(1.487)
Number of shares		14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792
Basic earnings per share in €	18	0,4923	0,3141	0,1449	0,4591	0,2244	0,1450	0,1013	0,2463
Summary of result of the period									
		1/1 - 30/9/2013	1/1 - 30/9/2012			1/7 - 30/9/2013	1/7 - 30/9/2012		
Earnings before interest & taxes		9.960.842	7.792.584	261.847	8.054.431	4.804.741	3.542.698	(217.793)	3.324.904
Earnings before interest, taxes, depreciation and amortization		14.384.208	11.813.606	626.721	12.440.327	6.609.050	5.298.549	(122.576)	5.175.973
Earnings before taxes		10.525.210	5.686.241	2.490.179	8.176.420	4.409.174	2.912.559	1.850.037	4.762.596
Profit after taxes		7.226.910	4.611.548	2.127.704	6.739.252	3.293.480	2.128.708	1.487.562	3.616.271

STATEMENT OF COMPREHENSIVE INCOME
(consolidated)
Amounts in Euro

	Note	KARATZIS SA							
		1/1 - 30/9/2013				1/7 - 30/9/2012			
		1/1 - 30/9/2013	Continuing operations	Discontinuing operations	Total	1/7 - 30/9/2013	Continuing operations	Discontinuing operations	Total
Sales	10	48.079.186	42.699.298	5.623	42.704.921	17.212.041	15.360.309	-	15.360.309
Cost of Sales		(33.904.209)	(30.907.743)	(5.813)	(30.913.556)	(11.090.464)	(10.324.859)	-	(10.324.859)
Gross Profit		14.174.977	11.791.555	(190)	11.791.365	6.121.577	5.035.450	-	5.035.450
Administrative expenses		(1.401.043)	(1.616.875)	-	(1.616.875)	(517.385)	(502.039)	-	(502.039)
Distribution expenses		(2.546.451)	(2.786.427)	-	(2.786.427)	(755.411)	(939.612)	-	(939.612)
Other income		193.122	363.686	-	363.686	97.987	110.973	-	110.973
Other expenses		(1.423.504)	(845.477)	-	(845.477)	(664.024)	(658.889)	-	(658.889)
Earnings before interest & taxes		8.997.100	6.906.463	(190)	6.906.273	4.282.744	3.045.883	-	3.045.883
Non-operating foreign exchange differences		-	-	346.404	346.404	-	-	185.902	185.902
Investment results		(56.983)	338	1.507.673	1.508.011	(9.170)	-	1.507.673	1.507.673
Financial income		18.624	102.986	210.138	313.124	12.810	34.100	-	34.100
Financial expenses		(1.486.607)	(1.816.870)	-	(1.816.870)	(246.317)	(453.328)	-	(453.328)
Revenue from recovered grant	20	2.582.802	-	-	-	-	-	-	-
Earnings before taxes		10.054.935	5.192.917	2.064.026	7.256.942	4.040.068	2.626.655	1.693.575	4.320.230
Deferred tax		(771.410)	22.770	-	22.770	340.558	60.063	-	60.063
Income tax	9	(2.183.007)	(911.957)	(362.475)	(1.274.433)	(1.281.853)	(719.395)	(362.475)	(1.081.870)
Profit after taxes (A)		7.100.518	4.303.729	1.701.550	6.005.280	3.098.772	1.967.323	1.331.100	3.298.423
Effect of the amendment to IAS 19	15	-	(121.987)	-	(121.987)	-	(40.662)	-	(40.662)
Other Comprehensive Income (B)		-	(121.987)	-	(121.987)	-	(40.662)	-	(40.662)
Total comprehensive income after taxes (A + B)		7.100.518	4.181.742	1.701.550	5.883.292	3.098.772	1.926.661	1.331.100	3.257.761
Number of shares		14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792	14.679.792
Basic earnings per share in €	18	0,4837	0,2932	0,1159	0,4091	0,2111	0,1340	0,0907	0,2247
Summary of result of the period		1/1 - 30/9/2013	1/1 - 30/9/2012		1/7 - 30/9/2013	1/7 - 30/9/2012			
Earnings before interest & taxes		8.997.100	6.906.463	(190)	6.906.273	4.282.744	3.045.883	-	3.045.883
Earnings before interest, taxes, depreciation and amortization		12.600.645	10.318.021	(190)	10.317.831	5.816.480	4.509.224	-	4.509.224
Earnings before taxes		10.054.935	5.192.917	2.064.026	7.256.942	4.040.068	2.626.655	1.693.575	4.320.230
Profit after taxes		7.100.518	4.303.729	1.701.550	6.005.280	3.098.772	1.967.323	1.331.100	3.298.423

STATEMENT OF CHANGES IN EQUITY (KARATZIS GROUP)

	Note		Consolidated			Non-controlling interests	
	Attributable to shareholders of the Parent						Total equity
	Share Capital	Share premium	Total reserves	Retained earnings	Total		
Opening Balance 1st January 2013	21.138.900,48	20.455.827,18	38.753.017,75	5.938.612,68	86.286.358,09	54.570,68	86.340.928,77
Comprehensive income for the period				7.220.682,19	7.220.682,19	6.227,93	7.226.910,12
Change due to the percentage increase in a subsidiary				2.986,44	2.986,44	(2.986,44)	-
Transfer to reserves			2.247.276,37	(2.247.276,37)	-		-
Total changes for the period	-	-	2.247.276,37	4.976.392,26	7.223.668,63	3.241,49	7.226.910,12
Closing Balance 30st September 2013	21.138.900,48	20.455.827,18	41.000.294,12	10.915.004,94	93.510.026,72	57.812,17	93.567.838,89
	-	-	-	-	-	0,0000	-

Previous Period

	Note		Consolidated			Non-controlling interests	
	Attributable to shareholders of the Parent						Total equity
	Share Capital	Share premium	Total reserves	Retained earnings	Total		
Opening Balance 1st January 2012	21.138.900,48	20.455.827,18	33.319.181,65	5.491.830,55	80.405.739,86	45.821,05	80.451.560,91
Effect from the retrospective application of amendment to IAS 19 15				427.712,00	427.712,00	-	427.712,00
Adjusted Opening Balance 1st January 2012	21.138.900,48	20.455.827,18	33.319.181,65	5.919.542,55	80.833.451,86	45.821,05	80.879.272,91
Comprehensive income for the period (continuing operations)				4.477.328,46	4.477.328,46	12.231,83	4.489.560,29
Comprehensive income for the period (discontinuing operations)				2.246.478,30	2.246.478,30	-	2.246.478,30
Other changes from sale of subsidiary			(81.700,82)	493.383,56	411.682,74	-	411.682,74
Transfer to reserves			5.515.536,92	(5.515.536,92)	-		-
Total changes for the period	-	-	5.433.836,10	1.701.653,40	7.135.489,50	12.231,83	7.147.721,33
Closing Balance 30st September 2012	21.138.900,48	20.455.827,18	38.753.017,75	7.621.195,95	87.968.941,36	58.052,88	88.026.994,23

STATEMENT OF CHANGES IN EQUITY (KARATZIS SA)

	unconsolidated				
	Note				
	Share Capital	Share premium	Total reserves	Retained earnings	Total
Opening Balance 1st January 2013	21.138.900,48	20.455.827,18	36.157.450,94	5.396.304,09	83.148.482,69
Comprehensive income for the period				7.100.518,49	7.100.518,49
Transfer to reserves			2.247.276,37	(2.247.276,37)	-
Total changes for the period	-	-	2.247.276,37	4.853.242,12	7.100.518,49
Closing Balance 30st September 2013	21.138.900,48	20.455.827,18	38.404.727,31	10.249.546,21	90.249.001,18

Previous period

	unconsolidated				
	Note				
	Share Capital	Share premium	Total reserves	Retained earnings	Total
Opening Balance 1st January 2012	21.138.900,48	20.455.827,18	30.641.942,07	6.243.674,94	78.480.344,67
Effect from the retrospective application of amendment to IAS 19				427.712,00	427.712,00
Adjusted Opening Balance 1st January 2012	21.138.900,48	20.455.827,18	30.641.942,07	6.671.386,94	78.908.056,67
Comprehensive income for the period (continuing operations)			-	4.181.742,04	4.181.742,04
Comprehensive income for the period (discontinuing operations)			-	1.701.550,38	1.701.550,38
Transfer to reserves			5.515.508,87	(5.515.508,87)	-
Total changes for the period	-	-	5.515.508,87	367.783,55	5.883.292,42
Closing Balance 30st September 2012	21.138.900,48	20.455.827,18	36.157.450,94	7.039.170,49	84.791.349,09

CASH FLOW STATEMENT (consolidated and unconsolidated)

Amounts in Euro

<i>Indirect method</i>	KARATZIS GROUP		KARATZIS SA	
	1/1 - 30/9/2013	1/1 - 30/9/2012	1/1 - 30/9/2013	1/1 - 30/9/2012
Operating Activities				
Profit before tax (continuing operations)	10.525.210	5.686.241	10.054.935	5.192.917
Profit before tax (discontinued operations)	-	2.490.179	-	2.064.026
<i>Plus: Adjustments for:</i>				
Depreciation and amortization	4.597.812	4.131.799	3.705.222	3.522.335
Provisions and provision reversals	94.758	(98.708)	94.758	8.215
Investment results	60.969	(338)	56.983	(338)
Financial results	1.957.465	2.106.682	1.467.983	1.503.746
Other non-cash expenses / (revenues)	(100.053)	(185.743)	(100.053)	(143.837)
Operating cash flows before changes in the working capital	17.136.162	14.130.112	15.279.829	12.147.063
<i>Plus: Adjustments for changes in the working capital</i>				
Decrease / (increase) in inventories	2.669.878	5.075.538	3.162.049	5.851.465
Decrease / (increase) in receivables	(2.264.405)	(4.983.416)	(2.823.461)	(4.311.315)
Increase / (decrease) in liabilities (except loans)	2.753.777	1.149.402	1.959.421	(78.407)
	20.295.411	15.371.636	17.577.839	13.608.807
<i>Less:</i>				
Interest and similar expenses taxes paid	2.009.663	2.228.214	1.518.701	1.834.719
Taxes paid	981.636	(277.218)	883.185	312.257
Operating cash flows from discontinuing operations	-	(1.226.023)	-	(735.293)
Net cash flows from operating activities (a)	17.304.111	12.194.618	15.175.953	10.726.538
Investing Activities				
Acquisition of subsidiaries, associates and other investments	(556.483)	-	(587.907)	-
Purchase of tangible and intangible assets	(5.300.244)	(20.382.067)	(5.157.131)	(8.237.588)
Proceeds from sale of tangible and intangible assets	1.400	543	61.400	543
Proceeds from sale of subsidiaries companies	-	8.873.551	-	8.873.551
Interest received	20.104	103.683	18.624	102.986
Other inflows (outflows) not included in the working capital	1.752	(1.766.808)	(139.446)	(2.076.069)
Investing cash flows from discontinuing operations	-	(5.009)	-	1.968.095
Net cash flows from investing activities (b)	(5.833.470)	(13.176.107)	(5.804.461)	631.518
Financing activities				
Grants related to fixed assets	47.509	-	47.509	-
Proceeds from bank loans	24.144.502	32.186.224	24.144.502	21.925.002
Repayments of bank loans	(35.495.221)	(19.615.410)	(33.860.256)	(19.455.161)
Dividends paid	-	(1.692)	-	(1.692)
Net cash flows from financing activities (c)	(11.303.210)	12.569.122	(9.668.246)	2.468.149
Net increase / (decrease) in cash and cash equivalents of the period (a) + (b) + (c)	167.431	11.587.633	(296.753)	13.826.205
Cash and cash equivalents at the beginning of the period (continuing operations)	18.994.829	5.373.718	18.876.019	4.525.605
Cash and cash equivalents at the beginning of the period (discontinuing operations)	-	1.595.348	-	-
Cash and cash equivalents at end of the period	19.162.261	18.556.699	18.579.266	18.351.810

B. Notes to the financial statements

1. General information about the Company and the Group

'KARATZIS INDUSTRIAL & HOTEL ENTERPRISES S.A.' under the distinctive title 'KARATZIS S.A.' (hereafter the 'Company' or 'Parent company') together with its subsidiaries (hereafter the 'Group') conduct business activities in the following sections: a) production of polymers and synthetic fibres for agricultural, manufacturing and industrial use b) operation of a five star hotel, c) production of electrical power from solar parks.

The Company has its registered office in Melidohori Monofatsiou, in the Municipality of Archanes-Asterousia, in the Prefecture of Iraklion, while its headquarters are located at the Iraklion Industrial Park, A Street. The stocks of the parent company are listed in the Primary Market of the Athens Stock Exchange.

The interim financial statements of the Company and of the Group for the period from 1 January 2013 to 30 September 2013 were approved by decision of the BoD on 26th of November 2013.

The subsidiaries, which have been included in the attached consolidated financial statements of the Group, are described in note 4. The amounts of the explanations are expressed in Euro, unless otherwise stated.

2. Basis of preparation and accounting policies

The present interim financial statements have been prepared according to IAS 34 "Interim Financial Information" and should be examined in relation to the published annual financial statements as at December 31st 2012 which are available on the company's official website www.karatzis.gr.

The interim condensed financial statements for period January 1st to September 30th 2013 have been prepared according to the historical cost convention as it is modified by the adjustment of certain assets and liabilities to market values, and to the going concern assumption. The accounting principles used to prepare the annual financial statements of December 31st 2012 remain unchanged, with exception to the retrospective application of the amendment of IAS 19 (see Note 15).

The preparation of the annual financial statements according to the IFRS requires by the Management the use of certain accounting estimates and judgment in the application of accounting principles. It also requires the use of calculations and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the financial statements' date and the reported amounts of revenues and expenses during the period under report. Although these estimates are based on the best knowledge of management with respect to current events and actions, actual results ultimately may differ from those estimates.

3. New accounting standards and IFRIC Interpretations

The Group has entirely adopted all IFRS and IFRIC Interpretations as adopted by the European Union and whose application is mandatory for the preparation of financial statements for the fiscal year 2013.

Noted that the compared amounts of the financial statements are restated so as to present the changes due to the application of the revised IAS 19 "Employees' benefits" (see note 15).

▪ New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

- Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of Items of Other Comprehensive Income
- IFRS 13 "Fair Value Measurement"
- Amendments to IAS 19 "Employee Benefits"
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"
- Amendments to IFRS 7 "Financial Instruments: Disclosures" - Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" - Government loans
- Annual Improvements 2009–2011 Cycle: In May 2012, IASB issued Annual Improvements 2009–2011 Cycle, a collection of amendments to five International Financial Reporting Standards (IFRSs) and it is a part of the annual improvements in IFRS.

The current amendments were approved by the European Union in March 2013. The amendments are not significant and have not a material impact on Group's/Company's financial statements. (to be adjusted accordingly).

In the following paragraphs are presented the new Standards and Interpretations that have been issued by the International Accounting Standards Board (IASB) and their application is mandatory from or after 01/01/2013.

▪ Standards and Interpretations mandatory for annual periods beginning on or after January 1, 2014

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after January 1, 2015)
- IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual periods beginning on or after January 1, 2015)
- IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual periods beginning on or after January 1, 2014)
- Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after January 1, 2014)

- IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition Guide" (effective for annual periods beginning on or after 1 January 2014)
- IAS 36 (Amendment) 'Recoverable Amount Disclosures for Non-Financial Assets' (effective for annual periods beginning on or after January 1, 2014)
- IFRIC 21 "Levies" (effective for annual periods beginning on or after January 1, 2014)
- IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting" (effective for annual periods beginning on or after January 1, 2014)

The company does not intend to apply any of the above mentioned Standards or Interpretations early. Based on the applied accounting policies, the Management does not expect material effects on the financial statements by the application of the above mentioned Standards or Interpretations, when they become effective.

4. Consolidation

The consolidated financial statements comprise of the financial statements of the Parent company and of its subsidiaries. The following table presents the companies included in the consolidated financial statements for the period from 1 January 2013 to 30 September 2013.

S.N.	Company Name	Country of Incorporation	Activity	Consolidation Method	Percentage
1.	KARATZIS SA	Greece	Plastic & elastic nets, Hotel Enterprises, Energy Production through renewable sources	Parent Company	
2.	MESH PACK GMBH	Germany	Raschel bags and packaging nets production	Full	100%
3.	STELLA POLARIS CRETA SA	Greece	Hotel & tourism enterprises	Full	100%
4.	CROPPY SOLUTIONS SL	Spain	Packaging materials (commercial)	Full	80%
5.	KARATZIS INDUSTRIAL & HOTELIER ENTERPRISES SA & Co (KARATZIS ENERGY)	Greece	Energy Production through renewable sources	Full	99,999%

On 13 March 2013, KARATZIS S.A. took place in the share capital increase of KARATZIS ENERGIKI carried out through the capitalisation of liabilities, thus increasing its participation percentage in the that company from 99% to 99.999%.

On 16 July 2013, the parent company KARATZIS S.A. participated in the increase of the share capital of 100% of subsidiary of Stella Polaris Creta S.A., through cash contribution.

The financial statements for the respective period last year include KARATZIS USA LLC (presented in the discontinued operations column for the Company and the Group), which was sold on 14 September 2013.

The balance sheet presents the subsidiaries at acquisition cost less impairment provisions, if any.

The accounting method used for the consolidation is the acquisition method. The acquisition cost of a subsidiary is the fair value of its assets, the equity instruments issued and the obligations undertaken as at the exchange date, plus any transaction-related cost. Individual property assets, liabilities and contingent liabilities that comprise a business consolidation are valued upon acquisition at fair value, irrespectively of the participation percentage. If the total acquisition cost is lower than the fair value of the individually acquired assets, the difference is identified directly in the profit.

Intra-group transactions and intra-group balances and profits or losses from transactions carried out between companies of the Group are written off.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

5. Property, plant and equipment

The movement of the property, plant and equipment of the **Group** for the period 1.1 – 30.9.2013 is analyzed as follows:

a) ACQUISITION COST FIXED ASSETS CATEGORY	Balance 31/12/2012	Additions	Sales 2013	Disposals 2013	Balance 30/9/2013
Land	24.342.135	-	-	-	24.342.135
Buildings - Building installations	42.215.570	2.140.793	-	-	44.356.362
Machinery - Technical installations	71.651.337	2.429.715	2.945	142	74.077.966
Transportation Equipment	779.919	7.370	-	-	787.289
Furniture and Fixtures	7.008.159	738.994	-	2.267	7.744.887
Total	145.997.120	5.316.872	2.945	2.408	151.308.640

b) DEPRECIATION FIXED ASSETS CATEGORY	Balance 31/12/2012	Depreciation for the period	Depreciation of Sales 2013	Disposals 2013	Balance 30/9/2013
Buildings - Building installations	11.003.814	1.337.096	-	-	12.340.910
Machinery - Technical installations	27.223.171	2.752.056	1.587	18	29.973.622
Transportation Equipment	503.796	44.801	-	-	548.598
Furniture and Fixtures	5.580.518	305.589	-	217	5.885.890
Total	44.311.300	4.439.542	1.587	236	48.749.019

c) NET VALUE FIXED ASSETS CATEGORY	Balance 31/12/2012	Balance 30/9/2013
Land	24.342.135	24.342.135
Buildings - Building installations	31.211.756	32.015.452
Machinery - Technical installations	44.428.166	44.104.344
Transportation Equipment	276.123	238.691
Furniture and Fixtures	1.427.641	1.858.998
Total	101.685.821	102.559.620

	Balance 31/12/2012	Additions	Transfers	Balance 30/9/2013
Under construction	924.225	2.409.101	2.541.870	791.456
Prepayments	485.449	1.011.904	860.692	636.660
Orders from abroad	1.077.000	991.849	1.089.180	979.669
Grand Total	104.172.494	4.412.854	4.491.742	104.967.406

The changes of the **Company's** tangible fixed assets for the period 1.1 - 30.09.2013 are analyzed as follows:

a) ACQUISITION COST FIXED ASSETS CATEGORY	Balance 31/12/2012	Additions	Sales 2013	Disposals 2013	Balance 30/9/2013
Land	19.328.186				19.328.186
Buildings - Building installations	38.276.858	2.137.495			40.414.353
Machinery - Technical installations	50.334.897	2.390.319	93.295	142	52.631.780
Transportation Equipment	734.508	7.370			741.877
Furniture and Fixtures	6.509.127	716.949		2.267	7.223.809
Total	115.183.575	5.252.133	93.295	2.408	120.340.005

b) DEPRECIATION FIXED ASSETS CATEGORY	Balance 31/12/2012	Depreciation for the period	Depreciation of Sales 2013	Disposals 2013	Balance 30/9/2013
Buildings - Building installations	9.929.893	1.218.081			11.147.974
Machinery - Technical installations	18.640.416	2.150.924	36.223	18	20.755.099
Transportation Equipment	495.911	39.760			535.671
Furniture and Fixtures	5.195.088	274.445		217	5.469.316
Total	34.261.308	3.683.210	36.223	236	37.908.059

c) NET VALUE FIXED ASSETS CATEGORY	Balance 31/12/2012	Balance 30/9/2013
Land	19.328.186	19.328.186
Buildings - Building installations	28.346.965	29.266.379
Machinery - Technical installations	31.694.481	31.876.681
Transportation Equipment	238.597	206.207
Furniture and Fixtures	1.314.039	1.754.493
Total	80.922.268	82.431.947

	Balance 31/12/2012	Additions	Transfers	Balance 30/9/2013
Under construction	370.657	2.324.572	2.516.624	178.605
Prepayments	485.449	1.011.904	860.692	636.660
Orders from abroad	1.077.000	991.849	1.089.180	979.669
Grand Total	82.855.373	4.328.325	4.466.496	84.226.881

For the period 1.1 – 30.9.2012 the changes of the tangible fixed assets both for the Group and the Company are the following:

KARATZIS GROUP

a) ACQUISITION COST FIXED ASSETS CATEGORY	Balance 31/12/2011	Additions	Revaluations & exchange differences 2012	Sales 2012	Disposals 2012	Influence from the Sale of KARATZIS-USA LLC	Balance 30/09/2012
Land	21.485.535	2.976.454	(403)	-	-	33.397	24.428.189
Buildings - Building installations	43.065.473	2.674.898	(15.913)	-	118.942	1.585.953	44.019.564
Machinery - Technical installations	61.237.855	15.909.704	(62.055)	-	3.924	5.704.446	71.377.134
Transportation Equipment	874.543	16.060	(612)	461	17.965	50.722	820.843
Furniture and Fixtures	6.608.490	355.078	(420)	-	712	34.725	6.927.711
Total	133.271.896	21.932.194	(79.402)	461	141.542	7.409.243	147.573.442

b) DEPRECIATION FIXED ASSETS CATEGORY	Balance 31/12/2011	Depreciation for the period	Revaluations & exchange differences 2012	Depreciation of Sales 2012	Disposals 2012	Influence from the Sale of KARATZIS-USA	Balance 30/09/2012
Buildings - Building installations	10.210.015	1.252.802	(1.362)	-	11.496	169.380	11.280.580
Machinery - Technical installations	26.061.778	2.781.539	(14.317)	-	1.910	2.481.667	26.345.423
Transportation Equipment	503.386	60.274	(217)	256	9.582	26.329	527.276
Furniture and Fixtures	5.284.149	269.044	(194)	-	-	20.849	5.532.150
Total	42.059.328	4.363.658	(16.090)	256	22.987	2.698.225	43.685.428

c) NET VALUE FIXED ASSETS CATEGORY	Balance 31/12/2011	Balance 30/09/2012
Land	21.485.535	24.428.189
Buildings - Building installations	32.855.458	32.738.984
Machinery - Technical installations	35.176.077	45.031.712
Transportation Equipment	371.157	293.568
Furniture and Fixtures	1.324.341	1.395.562
Total	91.212.569	103.888.015

	Balance 31/12/2011	Additions	Transfers	Balance 30/09/2012
Under construction	2.564.252	12.509.952	14.335.613	738.590
Prepayments	645.034	916.054	810.576	750.512
Orders from abroad	-	113.320,10	-	113.320
Grand Total	94.421.855			105.490.436

KARATZIS SA

a) ACQUISITION COST ASSET CATEGORY	Balance 31/12/2011	Additions	Sales 2012	Disposals 2012	Balance 30/09/2012
Land	16.437.786	2.976.454			19.414.240
Buildings - Building installations	39.209.289	899.050			40.108.339
Machinery - Technical installations	46.421.771	3.748.541		3.924	50.166.389
Transportation Equipment	757.124	16.060		461	754.758
Furniture and Fixtures	6.143.775	292.737		712	6.435.800
Total	108.969.745	7.932.842		461	116.879.525

b) DEPRECIATION ASSET CATEGORY	Balance 31/12/2011	Depreciation for the period	Depreciation of Sales 2012	Disposals 2012	Balance 30/09/2012
Buildings - Building installations	9.105.045	1.141.424			10.246.469
Machinery - Technical installations	15.893.974	2.076.177		1.910	17.968.241
Transportation Equipment	455.649	47.300		256	493.111
Furniture and Fixtures	4.931.824	227.566			5.159.390
Total	30.386.491	3.492.467		256	33.867.210

c) NET VALUE ASSET CATEGORY	Balance 31/12/2011	Balance 30/09/2012
Land	16.437.786	19.414.240
Buildings - Building installations	30.104.244	29.861.870
Machinery - Technical installations	30.527.797	32.198.148
Transportation Equipment	301.476	261.647
Furniture and Fixtures	1.211.951	1.276.410
Total	78.583.254	83.012.315

	Balance 31/12/2011	Additions	Transfers	Balance 30/09/2012
Under construction	125.266	1.161.992	1.101.519	185.739
Prepayments	645.034	916.054	810.576	750.512
Orders from abroad	-	113.320	-	113.320
Grand Total	79.353.554			84.061.886

Note: The additions of fixed assets include non-cash transactions, while the cash flow table has been adjusted for non-cash figures.

6. Intangible fixed assets

The changes of the intangible fixed assets of the **Group** for the nine month period 1.1. – 30.9.2013 are analyzed as follows:

a) ACQUISITION COST	Balance	Additions	Sales	Disposals	Balance
FIXED ASSETS CATEGORY	31/12/2012		2013	2013	30/09/2013
Client list	421.906	-	-	-	421.906
Software	532.083	37.529	-	-	569.612
Licence for energy production	1.895.124	-	-	-	1.895.124
Total	2.849.113	37.529	-	-	2.886.642

b) AMORTIZATION	Balance	Amortization	Amortization of	Disposals	Balance
FIXED ASSETS CATEGORY	31/12/2012	for the period	Sales 2013	2013	30/09/2013
Client list	182.826	63.286	-	-	246.112
Software	334.519	33.186	-	-	367.705
Licence for energy production	48.065	61.798	-	-	109.862
Total	565.410	158.270	-	-	723.679

c) NET VALUE	Balance	Balance
FIXED ASSETS CATEGORY	31/12/2012	30/09/2013
Client list	239.080	175.794
Software	197.564	201.907
Licence for energy production	1.847.059	1.785.261
Total	2.283.703	2.162.963

	Balance	Additions	Transfers	Balance
	31/12/2012			30/09/2013
Prepayments	-	14.493	4.493	10.000
Grand Total	2.283.703	14.493	4.493	2.172.963

The changes of the **Company's** intangible fixed assets for the period 1.1 – 30.9.2013 are analyzed as follows:

a) ACQUISITION COST	Balance	Additions	Sales	Disposals	Balance
FIXED ASSETS CATEGORY	31/12/2012		2013	2013	30/09/2013
Software	436.112	18.439	-	-	454.551
Total	436.112	18.439	-	-	454.551

b) AMORTIZATION	Balance	Amortization	Amortization of	Disposals	Balance
FIXED ASSETS CATEGORY	31/12/2012	for the period	Sales 2013	2013	30/09/2013
Software	282.612	22.012	-	-	304.624
Total	282.612	22.012	-	-	304.624

c) NET VALUE	Balance	Balance
FIXED ASSETS CATEGORY	31/12/2012	30/09/2013
Software	153.500	149.928
Total	153.500	149.928

	Balance	Additions	Transfers	Balance
	31/12/2012			30/09/2013
Prepayments	-	14.493	4.493	10.000
Grand Total	153.500	14.493	4.493	159.928

For the period 1.1 – 30.9.2012 the changes of the intangible fixed assets both for the Group and the Company are the following:

a) ACQUISITION COST FIXED ASSETS CATEGORY	Balance 31/12/2011	Additions	Influence of Sale of KARATZIS USA-LLC	Sales 2012	Disposals 2012	Balance 30/09/2012
Client list	421.906	-	-	-	-	421.906
Software	511.713	61.747	61.725	-	-	511.735
Licence for energy production	1.895.124	-	-	-	-	1.895.124
Total	2.828.743	61.747	61.725	-	-	2.828.765

b) AMORTIZATION FIXED ASSETS CATEGORY	Balance 31/12/2011	Amortization for the period	Influence of Sale of KARATZIS USA-LLC	Amortization of Sales 2012	Disposals 2012	Balance 30/09/2012
Client list	98.445	63.286	-	-	-	161.731
Software	312.412	33.656	21.510	-	-	324.558
Licence for energy production	-	27.466	-	-	-	27.466
Total	410.857	124.407	21.510	-	-	513.755

c) NET VALUE FIXED ASSETS CATEGORY	Balance 31/12/2011	Balance 30/09/2012
Client list	323.461	260.175
Software	199.301	187.177
Licence for energy production	1.895.124	1.867.658
Total	2.417.885	2.315.010

a) ACQUISITION COST FIXED ASSETS CATEGORY	Balance 31/12/2011	Additions	Sales 2012	Disposals 2012	Balance 30/09/2012
Software	399.716	25.475	-	-	425.190
Total	399.716	25.475	-	-	425.190

b) AMORTIZATION FIXED ASSETS CATEGORY	Balance 31/12/2011	Amortization for the period	Amortization of Sales 2012	Disposals 2012	Balance 30/09/2012
Software	245.219	29.868	-	-	275.087
Total	245.219	29.868	-	-	275.087

c) NET VALUE FIXED ASSETS CATEGORY	Balance 31/12/2011	Balance 30/09/2012
Software	154.496	150.103
Total	154.496	150.103

7. Trade Debtors

	KARATZIS GROUP		KARATZIS SA	
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
Customers of industrial activity	6.562.814	6.190.437	5.392.676	4.946.727
Customers of hotel activity	2.658.992	89.236	2.658.992	89.236
Customers of solar energy	5.312.182	4.199.770	3.398.194	2.531.406
Cheques receivable	1.857.100	1.420.961	1.857.100	1.420.961
Less: Provisions	1.354.246	1.286.596	1.219.177	1.144.374
Total	15.036.843	10.613.806	12.087.785	7.843.954

The trade receivables of the company and the Group increased mainly due to the increased sales performed at the end of the nine-month period, as well as to accrued receivables amounting to EUR 5.312 thousand from the sales of electrical power.

8. Loans and current encumbrances

Long-term Debts	KARATZIS GROUP		KARATZIS SA	
	30/09/2013	31/12/2012	30/09/2013	31/12/2012
Long-term Debts	20.657.036	23.371.812	12.525.090	13.715.599
Short-term Debts				
Bank loans	21.315.641	29.360.025	20.667.575	28.438.977
Long-term debts payable				
within the next 12 months	1.759.002	2.429.648	629.040	1.382.883
Total Short-term Debt	23.074.643	31.789.673	21.296.615	29.821.860
Total Debt	43.731.679	55.161.485	33.821.704	43.537.459

Part of the additional borrowing has been used to enhance the working capital and the rest was used for financing the Group's investment activity.

The long-term loans from banks as at the end of the period under review were as follows:

Long-term Debts payable in	KARATZIS GROUP		KARATZIS SA	
	30/09/2013	31/12/2012	30/09/2013	31/12/2012
> 1 year and ≤ 2 years	2.614.283	2.350.494	1.599.235	1.382.883
> 2 years and ≤ 5 years	8.058.665	8.132.680	6.396.942	4.884.097
Over 5 years	9.984.088	12.888.639	4.528.913	7.448.619
TOTAL	20.657.036	23.371.812	12.525.090	13.715.599

Collaterals: There are mortgages and underwritings on the property, the mechanical and the other installations of the German subsidiary Mesh Pack GMBH, amounting to EUR 1.578 thousand. The mechanical installations of KARATZIS ENERGIAKI have been pledged for the amount of EUR 5.233 thousand. There is an underwriting for the amount of EUR 1.800 thousand on the property of the parent company, while there are no mortgages or underwritings on the other subsidiaries.

Furthermore, as a guarantee towards the banks for any claims regarding the respective long-term loans and any future amounts in excess of the loans, the Company and the Group have pledged their receivables from their counterparty 'Operator of Electricity Market S.A' (LAGIE), which arise from the sales of electrical power.

9. Taxation

	KARATZIS GROUP		KARATZIS SA	
	1/1 - 30/9/2013	1/1 - 30/9/2012	1/1 - 30/9/2013	1/1 - 30/9/2012
Earnings before taxes	10.525.210	8.176.420	10.054.935	7.256.942
Plus: Losses of subsidiaries	412.398	76.853	-	-
Plus: Adjustments between IFRS - Greek Accounting Standards	(2.440.940)	(558.874)	(2.398.178)	(337.103)
Less: Profit destined for tax-free reserves	-	(1.792.471)	-	(1.412.101)
Less: Offsetting of Subsidiaries' losses carried forward	-	(217.091)	-	-
Plus: Tax reformation of expenses	1.697.278	864.717	738.765	864.425
Taxable earnings	10.193.946	6.549.553	8.395.523	6.372.163
Income tax	2.656.294	1.422.095	2.183.007	1.274.433
Deferred tax / effect from the increase of tax rate	1.187.047	-	1.189.025	-
Deferred tax / effect of IAS 19	-	(24.397)	-	(24.397)
Deferred tax expense / (income)	(545.041)	39.471	(417.615)	1.627
Total tax in income statement	2.111.253	1.461.566	1.765.391	1.276.060

10. Operating segments

An operating segment is a component of a financial entity, which conducts business activities from which income and expenses arise. The operating results are regularly reviewed by the entity's management for business decision-making purposes. The information disclosed is the information used internally by the management for the performance evaluation of the operational segments. The Group operates in the sectors of industrial production, the provision of hotel services and the production of electrical power from solar parks.

With respect to the industrial production, there are three industrial units in Greece, one in Germany, as well as a commercial undertaking in Spain.

The hotel business activity is an operating segment which comprises the hotel of the parent company and STELLA POLARIS S.A.

Furthermore, the Group conducts business activities in the electrical power production sector from solar parks, which consists a separate operating segment. The Group has solar parks owned by the parent company with a total power of 8.84 MW and the 5.5 MW solar station owned by KARATZIS INDUSTRIAL & HOTEL ENTERPRISES S.A. & Co. in the Prefecture of Pieria.

The sales and the results of the operating segments for the continuing **operations** of the Group are as follows:

Nine-month period 2013

KARATZIS GROUP (amounts in €)	Industry	Hotel	Solar power	Total
Sales	40.982.975	8.954.315	7.223.724	57.161.015
Less: Intercompany Sales	(480.733)	-	-	(480.733)
Sales to 3rd parties	40.502.242	8.954.315	7.223.724	56.680.281
Gross Profit	8.220.925	2.721.126	5.782.824	16.724.875
Administrative expenses	(1.227.443)	(268.313)	(185.374)	(1.681.130)
Distribution expenses	(3.148.950)	-	-	(3.148.950)
Other income	228.159	92.377	-	320.536
Other expenses	(218.587)	(21.548)	(2.014.354)	(2.254.490)
Operating and extraordinary results	3.854.105	2.523.642	3.583.096	9.960.842
Non-operating foreign exchange differences	-	-	-	-
Investment results	(18.195)	(12.140)	(30.634)	(60.969)
Financial income	9.213	5.155	5.736	20.104
Financial expenses	(713.636)	(411.497)	(852.436)	(1.977.570)
Revenue from recovered grant	1.072.391	714.928	795.483	2.582.802
Earnings before taxes	4.203.879	2.820.087	3.501.244	10.525.210
Deferred tax	(117.123)	(359.791)	(165.092)	(642.006)
Income tax	(991.510)	(615.219)	(1.049.564)	(2.656.294)
Profit after taxes	3.095.246	1.845.077	2.286.588	7.226.910
Fixed Assets Additions	1.822.555	2.504.599	973.090	5.300.244
Fixed Assets Depreciation & Amortization	2.376.076	1.153.592	1.068.144	4.597.812

Comparable period (Nine month period 2012) Continuing Operations

KARATZIS GROUP (amounts in €)	Industry	Hotel	Solar power	Total
Sales	36.962.915	7.767.854	5.428.962	50.159.731
Less: Intercompany Sales	(409.844)	(631)	-	(410.475)
Sales to 3rd parties	36.553.070	7.767.223	5.428.962	49.749.256
Gross Profit	7.380.194	1.990.684	4.419.115	13.789.993
Administrative expenses	(1.382.136)	(306.716)	(177.838)	(1.866.690)
Distribution expenses	(3.404.692)	-	-	(3.404.692)
Other income	317.926	159.800	26.310	504.037
Other expenses	(365.560)	(119.169)	(745.336)	(1.230.064)
Operating and extraordinary results	2.545.734	1.724.599	3.522.252	7.792.584
Non-operating foreign exchange differences	-	-	-	-
Investment results	338	-	-	338
Financial income	39.665	29.859	34.158	103.683
Financial expenses	(753.567)	(526.771)	(930.026)	(2.210.364)
Earnings before taxes	1.832.170	1.227.687	2.626.384	5.686.241
Deferred tax	23.880	(731)	(38.222)	(15.074)
Income tax	(422.303)	(206.098)	(431.218)	(1.059.620)
Profit after taxes	1.433.747	1.020.858	2.156.943	4.611.548
Fixed Assets Additions	2.894.958	4.128.644	13.358.465	20.382.067
Fixed Assets Depreciation & Amortization	2.352.075	1.018.431	761.292	4.131.799

The "extraordinary special contribution of solidarity to the producers of electrical power from stations RES and CHP" of L. 4093/12.11.2012, that is included in other expenses of the solar sector is imposed from 01.07.2012.

The Financial Position of the Group per segment are as follows:

30.9.2013

KARATZIS GROUP (amounts in €)	Industry	Hotel	Solar power	Total
Intangible fixed assets	350.706	36.996	1.785.261	2.172.963
Tangible fixed assets	29.497.520	44.642.203	30.827.683	104.967.406
Inventories	13.379.162	109.223	-	13.488.385
Trade receivables	6.760.738	2.963.922	5.312.182	15.036.843
Other assets	10.255.909	5.673.559	6.859.570	22.789.039
Investment in subsidiaries	-	-	-	-
Total Assets	60.244.036	53.425.903	44.784.697	158.454.636
Total Liabilities	26.316.222	15.065.279	23.505.295	64.886.797
Equity attributable to:				
Shareholders of the Parent Company	33.870.048	38.360.624	21.279.355	93.510.027
Non-controlling interests	57.766	-	46	57.812
Equity	33.927.814	38.360.624	21.279.402	93.567.839

31.12.2012

KARATZIS GROUP (amounts in €)	Industry	Hotel	Solar power	Total
Intangible fixed assets	407.783	28.861	1.847.059	2.283.703
Tangible fixed assets	29.992.266	43.347.111	30.833.116	104.172.494
Inventories	16.121.459	36.803	-	16.158.262
Trade receivables	6.241.346	172.691	4.199.770	10.613.806
Other assets	12.473.191	4.748.700	7.362.068	24.583.960
Investment in subsidiaries	-	-	-	-
Total Assets	65.236.045	48.334.167	44.242.014	157.812.226
Total Liabilities	31.255.100	12.960.922	27.255.275	71.471.297
Equity attributable to:				
Shareholders of the Parent Company	33.929.404	35.373.245	16.983.710	86.286.358
Non-controlling interests	51.542	-	3.029	54.571
Equity	33.980.945	35.373.245	16.986.739	86.340.929

11. Unaudited fiscal years

<u>Company name</u>	<u>Unaudited years</u>
Karatzis S.A.	2010
Mesh Pack GMBH	2011 – 2012
Stella Polaris Creta S.A.	2010
Croppy Solutions SL	2009 – 2012
KARATZI INDUSTRIAL & HOTEL ENTERPRISES S.A. & Co.	2010 – 2012

The parent company and Stella Polaris Creta S.A. have been tax audited by the legal auditors pursuant to the provisions of Article 82, paragraph 5 of Law 2238/1994 for the fiscal years 2011 and 2012. The Tax Compliance Reports for 2012 were issued on 14 August 2013 and were 'unqualified' without material changes in the taxes and the relevant tax provisions included in the financial statements for 2012. According to the relevant legislation, these fiscal years are considered completed from a taxation aspect after the lapse of eighteen months from the issue of the tax compliance reports.

12. Seasonality of business activity

Due to the seasonal nature of the hotel business of the company, there is a significant variation in the profit and loss statement of the Company and the Group between quarters.

The hotel business activity begins on the 2nd quarter of each fiscal year. The operating results for the said period usually result in loss, due to the low prices charged per night. The solar park activity also accelerates during the same quarter.

The hotel business activity improves significantly during the 3rd quarter due to the high prices charged per night (high season). During the same period the solar parks activity peaks, due to the long sunshine duration.

The hotel business activity declines during the 4th quarter due to the decrease in the prices charged per night. Furthermore, the proceeds from the sale of energy from solar parks decline due to the deteriorating weather conditions.

13. Disputes under litigation or arbitration

There are no disputes under litigation or arbitration or decisions issued by courts or arbitration boards, which have or may have a material effect on the financial position of the Company and of the Group.

14. Provisions

The parent company has formed provisions for the unaudited tax fiscal years amounting to EUR 120 thousand and for disputed claims EUR 253 thousand.

The Meshpack GmbH subsidiary has formed, on a cumulative basis, other provisions amounting to EUR 36.2 thousand pertaining to guarantees provided for products sold.

15. Changes in accounting estimates

No change was noted in the accounting methods or accounting estimates with the exception of the readjustment of the comparable period stated in the financial statements in order to present the adjustments from the retrospective application of the revised IAS 19 'Employee Benefits'. IAS 19 has been applied on a retrospective basis, according to its transition provisions. As a result, the Company has restated its financial statements for the comparable period. The impact on the Group's financial statements for the comparable period is analyzed as follows:

KARATZIS GROUP 30.09.2012	Published	Effect (IAS 19)	Restated
Profit / (loss) after tax	6.714.854	24.397	6.739.252
Other comprehensive income / (expenses)	118.774	(121.987)	(3.213)
Total comprehensive income	6.833.628	(97.590)	6.736.039
Employee benefits	1.076.059	121.987	1.198.047
Equity attributable to shareholders	87.638.819	330.122	87.968.941
Non-controlling interests	58.053	-	58.053
Total Equity	87.696.872	330.122	88.026.994

KARATZIS GROUP 31.12.2012	Published	Effect (IAS 19)	Restated
Profit / (loss) after tax	5.061.319	32.530	5.093.849
Other comprehensive income / (expenses)	118.774	(162.650)	(43.876)
Total comprehensive income	5.180.093	(130.120)	5.049.973
Employee benefits	920.681	(371.990)	548.691
Equity attributable to shareholders	85.988.766	297.592	86.286.358
Non-controlling interests	54.571	-	54.571
Total Equity	86.043.337	297.592	86.340.929

The company has restated its statements for the comparable period as follows:

KARATZIS SA 30.09.2012	Published	Effect (IAS 19)	Restated
Profit / (loss) after tax	5.980.882	24.397	6.005.280
Other comprehensive income / (expenses)	-	(121.987)	(121.987)
Total comprehensive income	5.980.882	(97.590)	5.883.292
Employee benefits	1.076.059	121.987	1.198.047
Equity attributable to shareholders	84.461.227	330.122	84.791.349
Non-controlling interests	-	-	-
Total Equity	84.461.227	330.122	84.791.349

KARATZIS SA 31.12.2012	Published	Effect (IAS 19)	Restated
Profit / (loss) after tax	4.370.546	32.530	4.403.076
Other comprehensive income / (expenses)	-	(162.650)	(162.650)
Total comprehensive income	4.370.546	(130.120)	4.240.426
Employee benefits	920.681	(371.990)	548.691
Equity attributable to shareholders	82.850.891	297.592	83.148.483
Non-controlling interests	-	-	-
Total Equity	82.850.891	297.592	83.148.483

16. Other total income after taxes

In the consolidated financial statements for the comparable period, the amount of EUR 118.774, which was directly recorded in equity in the discontinued operations column, pertains to the exchange difference generated from the consolidation of KARATZIS USA – LLC.

Moreover, in the consolidated financial statements for the comparable period an expense amounting to EUR 121.987 was recorded in the other comprehensive income for the nine-month period of 2012, which concerns the adjustment of the profit and loss statement for the period according to the amended IAS 19 (see note 15).

17. Number of Employees and payroll cost

The number of employees on 30/9/2013 and 30/9/2012, as well as the salary cost for the nine-month period of 2013 and 2012, for the Group and the Company are as follows:

	KARATZIS GROUP		KARATZIS SA	
	1/1 - 30/9/2013	1/1 - 30/9/2012	1/1 - 30/9/2013	1/1 - 30/9/2012
Permanent employees	362	360	277	273
Seasonal employees	197	167	197	167
Total	559	527	474	440
Salaried employees	252	224	241	215
Day-paid employees	307	303	233	225
Total	559	527	474	440
	0	0	0	0
Payroll Cost	7.907.395	8.274.512	6.782.186	6.913.662

18. Weighted average number of shares and Earnings per share

The earnings per share for the nine-month period 1.1 – 30.09.2013 are specified as follows:

Earnings per share	KARATZIS GROUP			Total
	1.1 - 30.09.2013	1.1 -30.09.2012		
		Continuing operations	Discontinued operations	
Profit / (loss) after tax	7.226.910	4.611.548	2.127.704	6.739.252
Weighted average number of shares	14.679.792	14.679.792	14.679.792	14.679.792
Basic earnings per share	0,4923	0,3141	0,1449	0,4591

Earnings per share	KARATZIS SA			
	1.1 - 30.09.2013	1.1 - 30.09.2012		
		Continuing operations	Discontinued operations	Total
Profit / (loss) after tax	7.100.518	4.303.729	1.701.550	6.005.280
Weighted average number of shares	14.679.792	14.679.792	14.679.792	14.679.792
Basic earnings per share	0,4837	0,2932	0,1159	0,4091

For the nine-month period of 2013, the weighted average number of shares is 14.679.792 (the weighted average number of shares for the nine-month period of 2012: 14.679.792).

19. Related parties transactions

KARATZIS SA	Subsidiaries					Total
	MESHPACK	STELLA POLARIS	CROPPY SOLUTIONS	KARATZIS SA & Co	Other related parties	
Intercompany transactions and balances						
a) Intercompany sales of goods and services	238.936	-	282.530	1.800	236.475	759.740
b) Intercompany purchases of goods and services	34.452	-	11.973	-	276.028	322.453
c) Receivables	223.364	-	97.020	10.758	175.909	507.051
d) Liabilities	1.041	-	-	-	13.799	14.840

Transactions and balances with Board Members and Directors

e) Compensation of key managers and members of the Board of Directors					447.571	447.571
f) Receivables from key managers and members of the Board of Directors					86.646	86.646
g) Liabilities to key managers and members of the Board of Directors					-	-

KARATZIS GROUP	Subsidiaries					Total
	MESHPACK	STELLA POLARIS	CROPPY SOLUTIONS	KARATZIS SA & Co	Other related parties	
Intercompany transactions and balances						
a) Intercompany sales of goods and services	-	-	-	-	236.475	236.475
b) Intercompany purchases of goods and services	-	-	-	-	276.028	276.028
c) Receivables	-	-	-	-	175.909	175.909
d) Liabilities	-	-	-	-	13.799	13.799

Transactions and balances with Board Members and Directors

e) Compensation of key managers and members of the Board of Directors					572.174	572.174
f) Receivables from key managers and members of the Board of Directors					86.646	86.646
g) Liabilities to key managers and members of the Board of Directors					-	-

20. Income from recovered grant

According to decision no 3582/2010, issued by the Hellenic Council of State, the parent company had been partially vindicated regarding the annulment of the submission of an investment made by it to the provisions of Law 1892/90 and was forced to return of a subsidy plus interest, amounting in total to EUR 3.268 thousand.

By order of the Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks, the amount that will be paid by the State to the Company, was set to EUR 2.583 thousand.

This amount was recorded in the profit and loss statement for the 1st quarter of 2013 as 'Income from recovered grant'.

21. Participation in the share capital increase of a subsidiary:

On 13 March 2013, KARATZIS S.A. covered the entire share capital increase of its subsidiary, 'KARATZIS INDUSTRIAL & HOTEL ENTERPRISES S.A. & Co.', which amounted to EUR 4.696.000 through the capitalisation of equal amount of the subsidiary's liabilities towards the parent company.

Upon the said increase, the share capital of 'KARATZIS INDUSTRIAL & HOTEL ENTERPRISES S.A. & Co.' amounts to EUR 4.700.000 and KARATZIS S.A. participates in the said capital at a percentage of 99.999%.

On 16 July 2013, the parent company KARATZIS S.A covered entirely the increase of share capital of 100% of subsidiary Stella Polaris Creta S.A., through cash contribution. After that increase, the share capital of subsidiary is EUR 1.515.250.

22. Treasury shares

At the end of the current period the parent company, the subsidiaries and the affiliates did not own any shares of KARATZIS S.A.

23. Financial instruments carried at fair value

IAS 34 requires the financial statements to include certain disclosures in relation to the fair value of financial instruments, according to the requirements set by IFRS 13 'Fair value measurement' and IFRS 7 'Financial instruments: Disclosures'. The said disclosures include the classification of fair value measurements in three levels. The Group uses the following hierarchy to define and disclose the fair value of its financial instruments, according to valuation technique;

Level 1: Investments carried at fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Investments carried at fair value based on valuation models where all inputs that have a material effect on the fair value are based directly or indirectly on observable market data.

Level 3: Investments carried at fair value based on valuation models where the material inputs are not based on observable market data.

The Group applies IAS 39 "Financial instruments: Recognition and measurement", at the end of each reporting period the Group carries out the necessary calculations regarding the fair value of its financial instruments. The financial instruments held by the Group as at 30.09.2013 and are carried at fair value amount to € 523 thousand and are analyzed as follows:

Financial Instruments	The Group		The Company	
	Level 1	Level 3	Level 1	Level 3
Shares listed in the ASE	389.357		389.357	
Warrants listed in the ASE	122.481		122.481	
Other stock		10.000		10.000
TOTAL	511.838	10.000	511.838	10.000

The book value of the subsequent financial assets and liabilities is considered as a reasonable approximation of their fair value:

- Trade and other receivables
- Cash and cash equivalents
- Suppliers and other liabilities.

24. Approval of financial statements by the BoD

The financial statements for the period from 1 January 2013 until 30 September 2013 were approved by the Board of Directors of 'KARATZIS S.A.' on 26 November 2013.

25. Events after the reporting period

There are no post reporting period events concerning the Group or the Company for which a disclosure must be made according to the International Accounting Standards.

Iraklion, 26 November 2013

THE CHAIRMAN OF THE BoD	THE VICE CHAIRMAN OF THE BoD	THE CHIEF EXECUTIVE OFFICER	THE GENERAL MANAGER	THE DIRECTOR OF THE ACCOUNTING DEPARTMENT
MILTADIS KARATZIS ID No. AE 456669	ATHINA KARATZI ID No. AK 475716	ANTONIOS KARATZIS ID No. X 357305	KONSTANTINOS ARHONTAKIS ID No. AE 456589	NIKOLAOS AMONAHAKIS Accountant Reg. no 0065793/A