

The financial statements illustrated below aim to provide general information about the financial position and results of KARATZIS S.A. and the Group. We advise the reader wishing to establish a thorough idea about its financial standing and results, to refer to the company's internet address where the annual financial statements in accordance with International Financial Reporting Standards are available, together with the auditor's report.

COMPANY'S DATA

| | | | |
|---|---|---|---|
| Address of the Company: | Municipality of Archanes-Asterousia, Melidochori Monofatsi, Heraklion Crete | Board of Directors: | |
| Registry Number of SAs: | 11396/06/B/86/89 | Miltiadis A. Karatzis - Chairman, Executive Member | Ilias A. Kalathas, Executive Member |
| Number in General Commercial Register: | 77088427000 | Athina S. Karatzi - Vice Chairman, Executive Member | Konstantinos A. Perantonakis - Independent Non-Executive Member |
| Supervisor Authority: | Ministry of Development & Competitiveness | Antonios M. Karatzis - CEO | Iason E. Papastefanakis - Independent Non-Executive Member |
| | G.R. of Commerce - Directorate of SAs & Credit | Maria M. Karatzi - Deputy CEO | Eleutherios K. Antonakakis - Non-Executive Member |
| Date of approval of the financial statements: | 30th of March 2015 | Konstantinos L. Archontakis, Executive Member | |
| Certified Chartered Auditor: | Emmanouil N. Diamantoulakis - Reg. No. in Body of C.A.A. 13101 | | |
| Audit firm: | Grant Thornton S.A. - Reg. No. in Body of C.A.A. 127 | | |
| Type of auditors' review: | Unqualified | Web site: | www.karatzis.gr |

STATEMENT OF FINANCIAL POSITION (group and company)
amounts in th. €

| | GROUP | | COMPANY | |
|---|----------------|----------------|----------------|----------------|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| ASSETS | | | | |
| Property, plant and equipment | 106.209 | 104.867 | 86.520 | 84.365 |
| Intangible assets | 1.755 | 1.905 | 157 | 158 |
| Other non current assets | 408 | 277 | 13.994 | 13.975 |
| Inventories | 13.191 | 16.136 | 11.143 | 13.816 |
| Trade receivables | 8.481 | 9.413 | 6.433 | 7.153 |
| Other current assets | 2.985 | 3.319 | 2.704 | 2.694 |
| Cash and cash equivalents | 19.134 | 19.289 | 18.595 | 18.681 |
| TOTAL ASSETS | 152.164 | 155.207 | 139.546 | 140.841 |
| EQUITY AND LIABILITIES | | | | |
| Share capital | 24.662 | 24.662 | 24.662 | 24.662 |
| Other equity components | 71.470 | 65.904 | 68.562 | 63.374 |
| Total equity attributable to owners of the parent (a) | 96.132 | 90.566 | 93.224 | 88.036 |
| Non-controlling interests in equity (b) | 60 | 54 | - | - |
| Total equity (c) = (a) + (b) | 96.192 | 90.620 | 93.224 | 88.036 |
| Long term interest bearing loans and liabilities | 16.054 | 19.870 | 9.202 | 11.957 |
| Deferred tax liabilities | 4.668 | 4.795 | 4.813 | 4.960 |
| Provisions and other long term liabilities | 3.235 | 3.594 | 2.267 | 2.456 |
| Short term bank borrowings | 22.584 | 24.778 | 21.340 | 22.847 |
| Other short term liabilities | 9.430 | 11.550 | 8.700 | 10.585 |
| Total liabilities (d) | 55.971 | 64.587 | 46.322 | 52.805 |
| TOTAL EQUITY AND LIABILITIES (c) + (d) | 152.164 | 155.207 | 139.546 | 140.841 |

STATEMENT OF COMPREHENSIVE INCOME (group and company)
amounts in th. €

| | GROUP | | COMPANY | |
|---|--------------|--------------|--------------|--------------|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| GROUP | | | | |
| Turnover | 71.387 | 66.759 | 60.973 | 56.173 |
| Gross profit / (loss) | 18.629 | 16.273 | 16.465 | 14.415 |
| Earnings / (loss) before taxes and financing and investing results | 11.289 | 8.049 | 10.302 | 7.863 |
| Earnings / (loss) before taxes | 8.949 | 7.202 | 8.416 | 7.916 |
| Earnings / (loss) after taxes (A) | 6.452 | 4.279 | 6.067 | 4.888 |
| Attributable to : | | | | |
| Owners of the parent | 6.446 | 4.280 | 6.067 | 4.888 |
| Non-controlling interests | 6 | (1) | - | - |
| Other Comprehensive Income (B) | (112) | - | (112) | - |
| Total Comprehensive Income (A) + (B) | 6.340 | 4.279 | 5.955 | 4.888 |
| Attributable to : | | | | |
| Owners of the parent | 6.334 | 4.280 | 5.955 | 4.888 |
| Non-controlling interests | 6 | (1) | - | - |
| Earnings / (loss) after taxes per share - basic (in €) | 0,4395 | 0,2915 | 0,4133 | 0,3329 |
| Earnings / (loss) before interest, taxes, depreciation & amortization | 17.049 | 13.894 | 15.073 | 12.509 |

STATEMENT OF CHANGES IN EQUITY (group and company)
amounts in th. €

| | GROUP | | COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| Equity at the beginning of the year (01/01/2014 & 01/01/2013 respectively) | 90.620 | 86.341 | 88.036 | 83.148 |
| Total comprehensive income, after taxes | 6.340 | 4.279 | 5.955 | 4.888 |
| Dividends paid | (767) | (0) | (767) | (0) |
| Equity at the end of the year (31/12/2014 & 31/12/2013 respectively) | 96.192 | 90.620 | 93.224 | 88.036 |

STATEMENT OF CASH FLOWS (group and company)
amounts in th. €

| | GROUP | | COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 31/12/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 |
| <i>Indirect method</i> | | | | |
| Operating activities | | | | |
| Earnings (loss) before taxes | 8.949 | 7.202 | 8.416 | 7.916 |
| Plus : Adjustments for : | | | | |
| Depreciation / amortization | 6.024 | 5.972 | 4.918 | 4.773 |
| Provisions | 152 | (138) | 151 | (138) |
| Investing results | (29) | 395 | 42 | 134 |
| Financial results | 2.161 | 2.985 | 1.854 | 2.344 |
| Adjustment of recovered grant | - | (2.583) | - | (2.583) |
| Other non cash expenses / (income) | 1 | (39) | 173 | (39) |
| Plus (less) adjustments for changes in working capital assets | | | | |
| Decrease / (increase) in inventories | 2.945 | 22 | 2.672 | (210) |
| Decrease / (increase) in receivables | 1.051 | 3.344 | 625 | 1.784 |
| Increase / (decrease) in liabilities (except for banks) | (2.900) | 1.836 | (2.792) | 1.903 |
| | 18.354 | 18.996 | 16.060 | 15.886 |
| Minus : | | | | |
| Interest paid | 2.056 | 2.910 | 1.746 | 2.268 |
| Taxes paid | 2.314 | 1.270 | 2.120 | 1.155 |
| Net cash flows from operating activities (a) | 13.983 | 14.816 | 12.194 | 12.463 |
| Investing Activities | | | | |
| Acquisition of subsidiaries, affiliated companies, joint ventures and other investments | (0) | - | (0) | (4.727) |
| Purchase of tangible and intangible fixed assets | (7.221) | (6.721) | (7.119) | (6.549) |
| Proceeds from sale of tangible and intangible assets | 4 | 2 | 15 | 91 |
| Interest received | 56 | 76 | 52 | 74 |
| Other net cash flows not included in working capital | (199) | 5 | (199) | 4.557 |
| Net cash flows from investing activities (b) | (7.361) | (6.638) | (7.251) | (6.555) |
| Financing Activities | | | | |
| Grants related to fixed assets | - | 48 | - | 48 |
| Proceeds from recovered grant | - | 2.583 | - | 2.583 |
| Proceeds from bank borrowings | 32.633 | 30.034 | 34.382 | 30.032 |
| Repayments of bank borrowings | (38.643) | (40.547) | (38.643) | (38.765) |
| Dividends paid | (767) | - | (767) | - |
| Net cash flows from financing activities (c) | (6.778) | (7.883) | (5.029) | (6.103) |
| Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) | (155) | 295 | (86) | (195) |
| Cash and cash equivalents at the beginning of the period | 19.289 | 18.995 | 18.681 | 18.876 |
| Cash and cash equivalents at the end of the period | 19.134 | 19.289 | 18.595 | 18.681 |

ΠΡΟΣΘΕΤΑ ΣΤΟΙΧΕΙΑ ΚΑΙ ΠΛΗΡΟΦΟΡΙΕΣ

- The accounting principles adopted in the current financial statements are consistent with those adopted in the financial statements of 31/12/2013.
- Companies included in the consolidated financial statements for the period 1.1 - 31.12.2014 are presented in note 2.2 of the financial statements, including information about locations, ownership percentage and consolidation method.
- The financial statements of the parent company are included solely in the consolidated financial statements presented above.
- Information concerning the unaudited by tax authorities fiscal years of the Company and the Group are presented in note 33 of the financial statements.
- 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.
- Provisions formed as at 31/12/2014 amount to (fig. in th. €) :

| | Group | Company |
|---|-------|---------|
| Provisions for tax obligations regarding unaudited fiscal years | 120 | 120 |
| Other provisions | 157 | 120 |
- The number of employees as at 31/12/2014 and 31/12/2013 was 302 and 285 employees for the Company and 385 and 369 employees for the Group respectively.
- The company and its subsidiaries do not hold any own shares.
- There are underwritings on the company's fixed assets equal to € 1,800 thousand & there are underwritings and pledges on the Group fixed assets equal to € 8,611 thousand.
- Related party transactions and balances (according to IAS 24) for the period 01/01 - 31/12/2014 are as follows (amount in th. €):

| | Group | Company |
|---|-------|---------|
| a) Revenue | 1.476 | 2.153 |
| b) Expenses | 450 | 522 |
| c) Receivables from related parties | 478 | 786 |
| d) Payables to related parties | 14 | 15 |
| e) Compensation of key managers and members of the BoD | 903 | 703 |
| f) Receivables from key managers and members of the BoD | 37 | 37 |
| g) Liabilities to key managers and members of the BoD | 11 | 9 |
- 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 th. EUR 3,268. By order of the Ministry of Development and Competitiveness the amount that will be paid by the State to the Company, was set to th. EUR 2,583. This amount was recorded in the profit or loss statement for 2013 as "Income from recovered grant".
- The newly created company 'ZEUS PACKAGING AGRI LTD', placed in the UK, has been consolidated with the equity method, for the first time in the consolidated financial statements of the first half of 2014. The contribution of KARATZI SA amounts to 50%. More information is presented in note 7 of the financial statements.
- There has been no discontinuance of operations or Group company.
- "Other comprehensive income" in the income statement for the year 2014 amounting to € 112 thousand relate entirely to actuarial losses.

Heraklion, March 30th 2015

THE CHAIRMAN OF THE B.o.D.

THE VICE CHAIRMAN

THE CHIEF EXECUTIVE OFFICER

THE GENERAL MANAGER

THE ACCOUNTING MANAGER

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