KARATZIS S.A.

INDUSTRIAL AND HOTEL ENTERPRISES

RegNo SAS 11396/06/B/86/89 - GCR No 77088427000

Municipality of Archanes-Asterousia, Melidochori Monofatsi, Heraklion Crete

Financial Data and Information From January 1st 2013 and June 30th 2013, (according to the Decision 4/507/28.04.2009 of the HCMC Board of Directors)

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 DATA :

Website :	karatzis.gr	**Certified Chartered Auditor :**	Emmanouil N. Diamantoulakis - Reg. No. in Body of C.A-A. 13101
Date of approval of the financial statements by the Board of Directors	28 August 2013	**Audit firm :**	Grant Thornton S.A. - Reg. No. in Body of C.A-A. 127
		Type of auditors' review :	Unqualified

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

	GROUP		COMPANY	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
ASSETS				
Property, plant and equipment	105.618	104.172	84.675	82.855
Intangible assets	2.207	2.284	150	154
Other non current assets	76	164	13.953	13.804
Inventories	13.544	16.158	10.500	13.605
Trade receivables	14.106	10.614	12.055	7.844
Other current assets	7.545	5.425	6.484	3.750
Cash and cash equivalents	17.523	18.995	17.038	18.876
TOTAL ASSETS	**160.619**	**157.812**	**144.854**	**140.888**
EQUITY AND LIABILITIES				
Share capital	21.139	21.139	21.139	21.139
Other equity components	69.087	65.147	66.011	62.010
Total equity attributable to owners of the parent (a)	90.226	86.286	87.150	83.148
Non-controlling interests in equity (b)	48	55	-	-
Total equity (c) = (a) + (b)	90.274	86.341	87.150	83.148
Long term interest bearing loans and liabilities	21.337	23.372	12.922	13.716
Deferred tax liabilities	5.011	4.053	5.165	4.053
Provisions and other long term liabilities	3.732	3.890	2.544	2.578
Short term bank borrowings	26.949	31.790	24.957	29.822
Other short term liabilities	13.317	8.367	12.117	7.572
Total liabilities (d)	70.344	71.471	57.704	57.740
TOTAL EQUITY AND LIABILITIES (c) + (d)	**160.619**	**157.812**	**144.854**	**140.888**

STATEMENT OF CHANGES IN EQUITY
(group and company)

	GROUP		COMPANY	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
Equity at the beginning of the year (01/01/2013 & 01/01/2012 respectively)	86.341	80.452	83.148	78.480
Retrospective application of IAS 19 effect	-	428	-	428
Total comprehensive income, after taxes (continuing operations)	3.933	2.402	4.002	2.279
Total comprehensive income, after taxes (discontinued operations)	-	760	-	346
Equity at the end of the year (30/06/2013 & 30/06/2012 respectively)	**90.274**	**84.041**	**87.150**	**81.534**

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

	GROUP		COMPANY	
Indirect method	01/01-30/06/2013	01/01-30/06/2012	01/01-30/06/2013	01/01-30/06/2012
Operating activities				
Earnings (loss) before taxes (continuing operations)	6.116	2.774	6.015	2.566
Earnings (loss) before taxes (discontinued operations)	-	640	-	370
Plus : Adjustments for :				
Depreciation / amortization	2.712	2.338	2.114	2.021
Provisions	94	8	95	8
Investing results	52	(0)	48	(0)
Financial results	1.571	1.477	1.234	1.295
Other non cash expenses / (income)	(2.670)	(133)	(2.621)	(105)
Plus (less) adjustments for changes in working capital assets				
Decrease / (increase) in inventories	2.614	2.827	3.106	3.614
Decrease / (increase) in receivables	(2.603)	(5.462)	(3.936)	(4.907)
Increase / (decrease) in liabilities (except for banks)	4.263	1.209	4.093	1.445
	12.149	5.677	10.148	6.307
Minus :				
Interest paid	1.552	1.546	1.215	1.364
Taxes paid	490	505	485	360
Operating cash flows from discontinued operations	-	838	-	392
Net cash flows from operating activities (a)	**10.107**	**4.463**	**8.449**	**4.976**
Investing Activities				
Acquisition of subsidiaries, affiliated companies, joint ventures and	(559)	-	(5.265)	-
Purchase of tangible and intangible fixed assets	(4.082)	(17.018)	(3.987)	(6.370)
Proceeds from sale of tangible and intangible assets	2	-	61	1
Interest received	6	69	6	69
Other net cash flows not included in working capital	(70)	(421)	4.557	(2.004)
Investing cash flows from discontinued operations	-	(5)	-	210
Net cash flows from investing activities (b)	**(4.703)**	**(17.375)**	**(4.628)**	**(8.095)**
Financing Activities				
Proceeds from bank borrowings	13.910	28.759	13.910	19.236
Repayments of bank borrowings	(20.787)	(13.364)	(19.569)	(13.281)
Dividends paid	-	(3)	-	(3)
Net cash flows from financing activities (c)	**(6.876)**	**15.392**	**(5.659)**	**5.952**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(1.472)**	**2.480**	**(1.838)**	**2.833**
Cash and cash equivalents at the beginning of the period (continuing operations)	**18.995**	**5.125**	**18.876**	**4.526**
Cash and cash equivalents at the beginning of the period (discontinued operations)	**-**	**1.844**	**-**	**-**
Cash and cash equivalents at the end of the period	**17.523**	**9.449**	**17.038**	**7.359**

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

THE GROUP	01/01-30/06/2013	01/01- 30/06/2012			01/04-30/06/2013	01/04- 30/06/2012		
	Total	Continuing Operations	Discontinued Operations	Total	Total	Continuing Operations	Discontinued Operations	Total
Revenue	35.386	31.573	3.723	35.296	20.829	17.459	1.946	19.404
Gross profit / (loss)	9.457	7.711	726	8.437	5.761	4.324	366	4.690
Earnings / (loss) before taxes and financing and investing results	5.156	4.250	480	4.730	3.168	2.465	249	2.715
Earnings / (loss) before taxes	6.116	2.774	640	3.414	2.111	1.335	591	1.926
Earnings / (loss) after taxes (A)	**3.933**	**2.483**	**640**	**3.123**	**1.537**	**1.328**	**591**	**1.919**
Attributable to :								
Owners of the parent	3.937	2.469	640	3.109	1.537	1.316	591	1.906
Non-controlling interests	(3)	14	-	14	0	13	-	13
Other Comprehensive Income (B)	**-**	**(81)**	**120**	**38**	**-**	**(81)**	**175**	**94**
Total Comprehensive Income (A) + (B)	**3.933**	**2.402**	**760**	**3.161**	**1.537**	**1.247**	**765**	**2.013**
Attributable to :								
Owners of the parent	3.937	2.388	760	3.148	1.537	1.234	765	2.000
Non-controlling interests	(3)	14	-	14	0	13	-	13
Earnings / (loss) after taxes per share - basic (in €)	0,2679	0,1691	0,0436	0,2127	0,1047	0,0905	0,0402	0,1307
Earnings / (loss) before interest, taxes, depreciation and amortization	7.775	6.515	749	7.264	4.680	3.794	394	4.189

THE COMPANY	01/01-30/06/2013	01/01- 30/06/2012			01/04-30/06/2013	01/04- 30/06/2012		
	Total	Continuing Operations	Discontinued Operations	Total	Total	Continuing Operations	Discontinued Operations	Total
Revenue	30.867	27.339	6	27.345	18.109	14.905	3	14.908
Gross profit / (loss)	8.053	6.756	(0)	6.756	4.831	3.701	(1)	3.700
Earnings / (loss) before taxes and financing and investing results	4.714	3.861	(0)	3.860	2.790	2.176	(1)	2.175
Earnings / (loss) before taxes	6.015	2.566	370	2.937	1.899	1.219	452	1.670
Earnings / (loss) after taxes (A)	**4.002**	**2.361**	**346**	**2.707**	**1.468**	**1.271**	**428**	**1.698**
Attributable to :								
Owners of the parent	4.002	2.361	346	2.707	1.468	1.271	428	1.698
Non-controlling interests	-	-	-	-	-	-	-	-
Other Comprehensive Income (B)	-	(81)	-	(81)	-	(81)	-	(81)
Total Comprehensive Income (A) + (B)	**4.002**	**2.279**	**346**	**2.626**	**1.468**	**1.189**	**428**	**1.617**
Attributable to :								
Owners of the parent	4.002	2.279	346	2.626	1.468	1.189	428	1.617
Non-controlling interests	-	-	-	-	-	-	-	-
Earnings / (loss) after taxes per share - basic (in €)	0,2726	0,1608	0,0236	0,1844	0,1000	0,0866	0,0291	0,1157
Earnings / (loss) before interest, taxes, depreciation and amortization	6.784	5.809	(0)	5.809	4.027	3.328	(1)	3.327

ADDITIONAL DATA AND INFORMATION

1. The accounting principles adopted in preperation and presentation of the financial statement are consistent with the accounting principles adopted for the financial statements of the Company and the Group for the year ended as at December 31st, 2012.
2. Companies included in the consolidated financial statements for the period 1.1 - 30.6.2013 are presented in note 4 of the financial statements, καταστάσεις, including information about locations, Group ownership percentage and consolidatior method.
3. The company and its subsidiaries do not hold any own shares.
4. The financial statements of the parent company are included solely in the consolidated financial statements presented above.
5. Information concerning the unaudited by tax authorities fiscal years of the Company and the Group are presented in note 11 of the financial statements.
6. On September 14th 2012, the subsidiary Karatzis USA-LLC was sold to USA based Fabpro Oriented Polymers LLC for USD 11.800.000. Results and cash flows from the sold subsidiary are presented in discontinued operations of the comparable period.
7. On March 6th 2013 the Ministry of Development, Competitiveness, Infrastructure, Transportation and Networks issued the Nr10158 Decision by which the company is entitled to collect € 2.582.802 as a repayment for an investment grant for capital and interest of Law 1892/90. Related details are presented in note 20 of the Financial statements.
8. The number of employees as at 30/06/2013 and 30/06/2012 was 461 and 442 employees for the Company and 546 and 558 employees for the Group respectively.
9. Provisions formed as at 30/06/2013 amount to (fig. in th. €) :

	GROUP	COMPANY
Litigation provisions	253	253
Provisions for tax obligations regarding unaudited fiscal years	120	120
Other provisions	36	-

10. Other comprehensive income (B) refers to exchange differencies from the conversion of subsidiaries' financial statements equal to (fig. in th€) €120 thousand for the first semester of 2012, as well as the effect of the retrospective application of the amended IAS 19 of € 81 thousand (expense).
11. 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.
12. There are no litigations or arbitrations pending against the Company and the Group that may have a significant impact on their financial position or operation.
13. Related party transactions and balances (according to IAS 24) for the period 01/01 - 30/06/2013 are as follows (amount in th.€):

	GROUP	COMPANY
a) Revenue	163	624
b) Expenses	184	230
c) Receivables from related parties	234	685
d) Payables to related parties	30	31
e) Compensation of key managers and members of the BoD	296	237
f) Receivables from key managers and members of the BoD	89	89
g) Liabilities to key managers and members of the BoD	3	3

14. The company's and the Group's earnings for the period 1.1 - 30.6.2013 include the expense from the special solidarity levy imposed on electrical power producers of Law 4093/12.11.2012, which amounts to € 566 thousand for the mother company and € 1.027 thousand for the Group.

Iraklion, August 28th, 2013

THE PRESIDENT OF THE B.o.D.	THE VICE PRESIDENT	THE CHIEF EXECUTIVE OFFICER	THE GENERAL MANAGER	THE DIRECTOR OF THE ACCOUNTING DEPARTMENT
MILTIADIS KARATZIS ID No. AE 456669	ATHINA KARATZI ID No. AK 475716	ANTONIOS KARATZIS ID No. X 357305	KONSTANTINOS ARCHONTAKIS ID No. AE 456589	NIKOLAOS AMONACHAKIS Reg. no 0065793/A