

KARATZIS S.A.

INDUSTRIAL AND HOTEL ENTERPRISES



DATA and INFORMATION for the period from 1st of January 2013 to 31st of December 2013

(Issued in accordance with the C.L. 2190/20 art. 135 for companies that issue annual financial statements, consolidated or not, according to the I.F.R.S.)

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:	29th of March 2014	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	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
ASSETS				
Property, plant and equipment	104.867	104.172	84.365	82.855
Intangible assets	1.905	2.284	158	153
Other non current assets	277	164	13.975	13.804
Inventories	16.136	16.158	13.816	13.605
Trade receivables	9.413	10.614	7.153	7.844
Other current assets	3.319	5.425	2.694	3.750
Cash and cash equivalents	19.289	18.995	18.681	18.876
TOTAL ASSETS	155.207	157.812	140.841	140.888
EQUITY AND LIABILITIES				
Share capital	24.662	21.139	24.662	21.139
Other equity components	65.904	65.147	63.374	62.010
Total equity attributable to owners of the parent (a)	90.566	86.286	88.036	83.148
Non-controlling interests in equity (b)	54	55	-	-
Total equity (c) = (a) + (b)	90.620	86.341	88.036	83.148
Long term interest bearing loans and liabilities	19.870	23.372	11.957	13.716
Deferred tax liabilities	4.795	4.053	4.960	4.053
Provisions and other long term liabilities	3.594	3.890	2.456	2.578
Short term bank borrowings	24.778	31.790	22.847	29.822
Other short term liabilities	11.550	8.367	10.585	7.572
Total liabilities (d)	64.587	71.471	52.805	57.740
TOTAL EQUITY AND LIABILITIES (c) + (d)	155.207	157.812	140.841	140.888

STATEMENT OF COMPREHENSIVE INCOME (group and company)

amounts in th. €

GROUP	1/1- 31/12/2013		1/1- 31/12/2012		Total	
	Total	Continuing Operations	Discontinued Operations	Total		
Turnover	66.759	61.804	3.868	65.672	66.759	
Gross profit / (loss)	16.273	15.570	595	16.166	16.273	
Earnings / (loss) before taxes and financing and investing results	8.049	7.296	262	7.558	8.049	
Earnings / (loss) before taxes	7.202	3.465	2.462	5.927	7.202	
Earnings / (loss) after taxes (A)	4.279	2.995	2.099	5.094	4.279	
Attributable to :						
Owners of the parent	4.280	2.986	2.099	5.085	4.280	
Non-controlling interests	(1)	9	-	9	(1)	
Other Comprehensive Income (B)	-	(163)	119	(44)	-	
Total Comprehensive Income (A) + (B)	4.279	2.832	2.218	5.050	4.279	
Attributable to :						
Owners of the parent	4.280	2.823	2.218	5.041	4.280	
Non-controlling interests	(1)	9	-	9	(1)	
Earnings / (loss) after taxes per share - basic (in €)	0,2915	0,2040	0,1430	0,3470	0,2915	
Earnings / (loss) before interest, taxes, depreciation and amortization	13.894	12.195	627	12.822	13.894	
COMPANY	1/1- 31/12/2013	1/1- 31/12/2012	Total	Continuing Operations	Discontinued Operations	Total
Turnover	56.173	51.719	6	51.725	56.173	56.173
Gross profit / (loss)	14.415	13.074	(0)	13.074	14.415	14.415
Earnings / (loss) before taxes and financing and investing results	7.863	6.396	(0)	6.396	7.863	7.863
Earnings / (loss) before taxes	7.916	3.137	2.035	5.172	7.916	7.916
Earnings / (loss) after taxes (A)	4.888	2.730	1.673	4.403	4.888	4.888
Attributable to :						
Owners of the parent	4.888	2.730	1.673	4.403	4.888	4.888
Non-controlling interests	-	-	-	-	-	-
Other Comprehensive Income (B)	-	(163)	-	(163)	-	-
Total Comprehensive Income (A) + (B)	4.888	2.567	1.673	4.240	4.888	4.888
Attributable to :						
Owners of the parent	4.888	2.567	1.673	4.240	4.888	4.888
Non-controlling interests	-	-	-	-	-	-
Earnings / (loss) after taxes per share - basic (in €)	0,3329	0,1860	0,1140	0,2999	0,3329	0,3329
Earnings / (loss) before interest, taxes, depreciation and amortization	12.509	10.744	(0)	10.744	12.509	12.509

STATEMENT OF CASH FLOWS (group and company)

amounts in th. €

Indirect method	GROUP		COMPANY	
	1/1- 31/12/2013	1/1- 31/12/2012	1/1- 31/12/2013	1/1- 31/12/2012
Operating activities				
Earnings (loss) before taxes (continuing operations)	7.202	3.465	7.916	3.137
Earnings (loss) before taxes (discontinued operations)	-	2.462	-	2.035
Plus : Adjustments for :				
Depreciation / amortization	5.972	5.400	4.773	4.483
Provisions	(138)	261	(138)	263
Investing results	395	674	134	(833)
Financial results	2.985	3.185	2.344	2.403
Other non cash expenses / (income)	(2.622)	(153)	(2.622)	(153)
Plus (less) adjustments for changes in working capital assets				
Decrease / (increase) in inventories	22	2.457	(210)	2.472
Decrease / (increase) in receivables	3.344	(2.618)	1.784	(64)
Increase / (decrease) in liabilities (except for banks)	1.836	(2.256)	1.903	(859)
	18.996	12.875	15.886	12.883
Minus :				
Interest paid	2.910	3.314	2.268	2.741
Taxes paid	1.270	(65)	1.155	(98)
Operating cash flows from discontinued operations	-	(1.226)	-	410
Net cash flows from operating activities (a)	14.816	8.400	12.463	10.650
Investing Activities				
Acquisition of subsidiaries, affiliated companies, joint ventures and other investments	-	-	(4.727)	-
Purchase of tangible and intangible fixed assets	(6.721)	(21.913)	(6.549)	(9.609)
Proceeds from sale of tangible and intangible assets	2	953	91	953
Proceeds from sale of subsidiaries	-	8.845	-	8.845
Interest received	76	143	74	142
Other net cash flows not included in working capital	5	5	4.557	(4.173)
Investing cash flows from discontinued operations	-	5	-	1.968
Net cash flows from investing activities (b)	(6.638)	(11.962)	(6.555)	(1.873)
Financing Activities				
Grants related to fixed assets	48	-	48	-
Proceeds from recovered grant	2.583	-	2.583	-
Proceeds from bank borrowings	30.034	30.638	30.032	20.464
Repayments of bank borrowings	(40.547)	(15.049)	(38.765)	(14.889)
Dividends paid	-	(2)	-	(2)
Net cash flows from financing activities (c)	(7.883)	15.588	(6.103)	5.573
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	295	12.026	(195)	14.350
Cash and cash equivalents at the beginning of the period (continuing operations)	18.995	5.374	18.876	4.526
Cash and cash equivalents at the beginning of the period (discontinued operations)	-	1.595	-	-
Cash and cash equivalents at the end of the period	19.289	18.995	18.681	18.876

STATEMENT OF CHANGES IN EQUITY (group and company)

amounts in th. €

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Equity at the beginning of the year (01/01/2013 & 01/01/2012 respectively)	86.341	80.879	83.148	78.908
Total comprehensive income, after taxes (continuing operations)	4.279	2.832	4.888	2.567
Total comprehensive income, after taxes (discontinued operations)	-	2.218	-	1.673
Other Changes	(0)	412	(0)	-
Equity at the end of the year (31/12/2013 & 31/12/2012 respectively)	90.620	86.341	88.036	83.148

ADDITIONAL DATA AND INFORMATION

- The accounting principles adopted in preparation of the financial statement are consistent with those adopted for the financial statements of 31/12/2012.
- Companies included in the consolidated financial statements for the period 1.1 - 31.12.2013 are presented in note 2.2 of the financial statements, including information about locations, ownership percentage and consolidation method.
- In the financial statements of the prior year has been consolidated KARATZIS USA LLC (shown in discontinuing operations of the Company and the Group), which was sold on 14th of September 2012.
- 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 32 of the financial statements.
- Provisions formed as at 31/12/2013 amount to (fig. in th. €) :

	Group	Company
Litigation provisions	-	-
Provisions for tax obligations regarding unaudited fiscal years	120	120
Other provisions	216	180
- The number of employees as at 31/12/2013 and 31/12/2012 was 285 and 281 employees for the Company and 369 and 369 employees for the Group respectively.
- 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 € 3,564.5 thousand.
- Other comprehensive income (B) refers to exchange differences from the conversion of subsidiaries' financial statements, as well as the effect of the retrospective application of the amended IAS 19.
- Due to the retrospective application of IAS 19 have been restated under IAS 8, certain prior year. Details can be found in note 36 of the financial report.
- The company and its subsidiaries do not hold any own shares.
- Related party transactions and balances (according to IAS 24) for the period 01/01 - 31/12/2013 are as follows (amount in th. €):

	Group	Company
a) Revenue	313	946
b) Expenses	495	543
c) Receivables from related parties	39	532
d) Payables to related parties	2	5
e) Compensation of key managers and members of the BoD	873	701
f) Receivables from key managers and members of the BoD	84	84
g) Liabilities to key managers and members of the BoD	12	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". Following the above court process in October 2013, the company has filed a lawsuit against the Greek State before the Three-member Administration Council of the Administrative Court of First Instance of Athens for the payment of default interest amounting to approximately EUR 3 million. There are no other 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.
- On 16th of July 2013, the parent company KARATZIS S.A. participated in the capital share increase of its wholly owned subsidiary, STELLA POLARIS CRETA S.A., through contribution in cash. Following the said increase, the subsidiary's capital amounted to EUR 1,515,250 and the parent company's participation remained unchanged.
- On 13th of March 2013, Karatzis SA fully covered the share capital increase of the subsidiary "KARATZIS SA & Co", which amounted to EUR 4,696,000, by capitalisation of equal amount of the subsidiary's liabilities towards the parent company. Following the said increase, the share capital of subsidiary company amounts to EUR 4,700,000 and KARATZIS S.A. participates with the percentage of 99.99%.

Iraklion, March 29th 2014

THE PRESIDENT OF THE B.o.D.

THE VICE PRESIDENT

THE CHIEF EXECUTIVE OFFICER

THE GENERAL MANAGER

THE DIRECTOR OF THE ACCOUNTING DEPARTMENT

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