

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 therefore the reader before he proceeds with any kind of financial choice or other transaction with the company or the group to refer to the website address of the issuer, where the annual consolidated and company financial statements as well as the auditor's report are available.

COMPANY'S DATA

Web site:
Date of approval of the semiannual financial statements:

www.karatzis.gr
29 September 2016

Certified Chartered Auditor:
Audit firm:
Type of auditors' review:

Konstantinos Emm. Antonakakis - Reg. No. in Body of
Grant Thornton S.A. - Reg. No. in Body of C.A.A. 127
Unqualified

STATEMENT OF FINANCIAL POSITION (group and company)

amounts in th. €

	THE GROUP		THE COMPANY	
	30/06/2016	31/12/2015	30/06/2016	31/12/2015
ASSETS				
Property, plant and equipment	102.598	103.315	83.960	84.296
Intangible assets	1.529	1.581	135	139
Other non current assets	753	672	14.731	13.995
Inventories	20.589	20.218	16.733	17.521
Trade receivables	19.738	8.454	16.127	6.325
Other current assets	3.782	3.657	3.659	3.400
Cash and cash equivalents	19.008	19.347	18.213	18.625
TOTAL ASSETS	167.998	157.243	153.558	144.301
EQUITY AND LIABILITIES				
Share capital	24.662	24.662	24.662	24.662
Other equity components	81.680	77.218	77.788	73.676
Total equity attributable to owners of the parent (a)	106.342	101.880	102.450	98.338
Non-controlling interests in equity (b)	54	37	-	-
Total equity (c) = (a) + (b)	106.397	101.917	102.450	98.338
Long term interest bearing loans and liabilities	10.112	12.824	4.832	6.989
Deferred tax liabilities	5.558	5.588	5.609	5.664
Provisions and other long term liabilities	3.257	3.265	2.386	2.352
Short term bank borrowings	25.156	23.357	23.579	21.916
Other short term liabilities	17.519	10.292	14.702	9.042
Total liabilities (d)	61.602	55.327	51.108	45.962
TOTAL EQUITY AND LIABILITIES (c) + (d)	167.998	157.243	153.558	144.301

STATEMENT OF COMPREHENSIVE INCOME (group and company)

amounts in th. €

	THE GROUP		THE COMPANY	
	01/01-30/06/16	01/01-30/06/15	01/01-30/06/16	01/01-30/06/15
Turnover	43.448	38.592	37.607	34.071
Gross profit / (loss)	11.266	10.112	9.716	9.041
Earnings / (losses) before taxes, financing and investing results	7.287	6.632	6.686	6.095
Earnings / (Losses) before taxes	6.395	5.707	5.891	5.300
Earnings / (Losses) after taxes	4.446	3.904	4.112	3.592
Attributable to:				
Owners of the parent company	4.477	3.885	4.112	3.592
Non controlling interests	(31)	19	-	-
Other comprehensive income after tax (B)	(15)	11	-	-
Total comprehensive income after tax (A) + (B)	4.431	3.915	4.112	3.592
Attributable to:				
Owners of the parent company	4.462	3.896	4.112	3.592
Non controlling interests	(31)	19	-	-
Earnings after taxes per share - basic (in €)	0,3029	0,2659	0,2801	0,2447
Earnings / (Losses) before interest, taxes, depreciation and amortization	10.027	9.257	8.939	8.238

STATEMENT OF CHANGES IN EQUITY (group and company)

amounts in th. €

	THE GROUP		THE COMPANY	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
Equity at the beginning of the period (01/01/2016 & 01/01/2015 respectively)	101.917	96.192	98.338	93.224
Total comprehensive income after taxes	4.431	3.915	4.112	3.592
Shareholders' deposits	49	-	-	-
Equity at the end of the period (30/06/2016 & 30/06/2015 respectively)	106.397	100.108	102.450	96.816

STATEMENT OF CASH FLOWS (group and company)

amounts in th. €

	THE GROUP		THE COMPANY	
	01/01-30/06/2016	01/01-30/06/2015	01/01-30/06/2016	01/01-30/06/2015
<i>Indirect Method</i>				
Operating Activities				
Earnings (Losses) before taxes	6.395	5.707	5.891	5.300
Plus: Adjustments for:				
Depreciation	2.832	2.740	2.300	2.190
Provisions	58	150	55	85
Investment results	(88)	(87)	-	-
Financial Results	(0)	0	(0)	0
Adjustment for recovered grant	981	1.011	793	795
Other non cash expenses (income)	(91)	(0)	(46)	46
Plus (minus) adjustments for changes in working capital accounts				
Decrease / (increase) in inventories	(306)	1.650	788	2.890
Decrease / (increase) in receivables	(12.642)	(6.655)	(10.051)	(6.561)
Increase / (decrease) in liabilities (except for banks)	6.893	3.298	3.907	2.406
	4.032	7.815	3.635	7.151
Minus:				
Interest paid	985	1.031	796	800
Taxes paid	(38)	(24)	55	(47)
Net cash flows from operating activities (a)	3.085	6.807	2.785	6.398
Investing Activities				
Acquisition of subsidiaries, affiliated companies, joint ventures and other investments	-	-	(231)	-
Purchase of tangible and intangible fixed assets	(2.085)	(1.400)	(1.980)	(1.360)
Proceeds from sale of tangible and intangible assets	10	1	10	1
Interest received	4	6	3	5
Other net cash flows not included in working capital	(489)	(3)	(505)	(2)
Net cash flows from investing activities (b)	(2.559)	(1.396)	(2.702)	(1.356)
Financing Activities				
Proceeds from bank borrowings	17.658	12.011	18.078	11.553
Repayments of bank borrowings	(18.572)	(17.804)	(18.572)	(16.897)
Shareholders' deposits	49	-	-	-
Dividends paid	(0)	-	(0)	-
Net cash flows from financing activities (c)	(865)	(5.792)	(494)	(5.343)
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	(339)	(381)	(411)	(302)
Cash and cash equivalents at the beginning of the period	19.347	19.134	18.625	18.595
Cash and cash equivalents at the end of the period	19.008	18.753	18.213	18.294

ADDITIONAL DATA AND INFORMATION

- The accounting principles adopted in the preparation of the financial statements are consistent with those adopted for the financial statements of 31/12/2015.
- The companies that are included in the consolidated financial statements as well as their country of incorporation, the percentage of the parent company and the method of consolidation, are mentioned in note 4 of the semi-annual financial report.
- The company and its subsidiaries do not hold any own shares.
- 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 12 of the financial report.
- The number of employees as at 30/06/2016 and 30/06/2015 for the parent company was 497 and 489 employees and for the Group 571 and 569 employees respectively.
- Provisions formed as at 30/06/2016 amount to (fig. in th. €) :

	THE GROUP	THE COMPANY
Provisions for tax obligations regarding unaudited fiscal years	120	120
Other provisions	347	270
- There are underwritings on the company's fixed assets equal to € 1,800 thousand and there are underwritings and other collaterals on the Group's fixed assets and inventories amounting € 9.095 thousand.
- There are no disputes under litigation or arbitration or decisions of judicial or arbitral authorities which have or may have significant impact in the financial standing of the Company or the Group.
- Related party transactions and balances (according to IAS 24) for the period 01/01 to 30/06/2016 are as follows (amount in th. €):

	THE GROUP	THE COMPANY
a) Revenue	2.501	4.101
b) Expenses	240	242
c) Receivables from related parties	2.334	4.470
d) Payables to related parties	38	38
e) Compensation of key managers and members of the BoD	229	229
f) Receivables from key managers and members of the BoD	58	58
g) Liabilities to key managers and members of the BoD	0	0

- There is no activity interruption for any sector or company of the Group.
- Other comprehensive income after taxes involves foreign exchange differences of group consolidation.

Herakleion, 29 September 2016

THE PRESIDENT OF THE B.o.D.
& CEO

THE VICE PRESIDENT

THE CHIEF EXECUTIVE OFFICER

THE GENERAL MANAGER

THE DIRECTOR
OF THE ACCOUNTING DEPARTMENT

ANTONIOS KARATZIS
ID Card No. X 357305

ATHINA KARATZI
ID Card No. AK 475716

MARIA KARATZI
ID Card No. AM 456332

KONSTANTINOS ARHONTAKIS
ID Card No. AE 456589

NIKOLAOS AMONACHAKIS
Accountant Reg. No. O.E.E. 0065793/A'