THRACE NONWOVENS & GEOSYNTHETICS

A.B.E.E.

ANNUAL FINANCIAL REPORT

---

1 January to 31 December 2013

(In accordance with the International Financial Reporting Standards – I.F.R.S.)

Company Reg. No. 44194/66/B/99/017
General Commerce Reg. No. 12531046000
Domicile: Magiko, Municipality of Avdira, Xanthi Prefecture - Greece
Offices: 20 Marinou Antypa Street, Alimos 17455, Athens Greece

The accompanying Financial Statements, have been approved by the Board of Directors of THRACE NON WOVENS & GEOSYNTHETICS A.B.E.E. on 7 May 2014 and have been posted on the internet at the website http://www.thraceplastics.gr/gr/el/companies/thrace-ng/

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The present Financial Report, which refers to the period from 1.1.2013 to 31.12.2013 was prepared according to I.F.R.S., to meet the consolidation requirements of the parent company THRACE PLASTICS Co. S.A., which is listed on the Athens Exchange, and was approved by the Board of Directors on 7 May 2014.

REPORT BY THE BOARD OF DIRECTORS OF "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." ON THE FINANCIAL STATEMENTS OF 31.12.2013

The Board of Directors of "THRACE NONWOVENS & GEOSYNTHETICS SOCIETE ANONYME INDUSTRIAL AND COMMERCIAL COMPANY" presents its report for the annual financial statements for the financial year ended on 31/12/2013 according to article 136 of C.L. 2190/1920. The accompanying financial statements of the Company "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." cover the period from 1 January to 31 December 2013, and are prepared in accordance with the International Financial Reporting Standards.

Significant events that took place during 2013

On 30 June 2013, the Annual Ordinary General Meeting of shareholders convened and approved the following with regard to the items of the daily agenda:

ITEM 1

Approval of the annual financial statements according to IFRS of the year 1/1/2012-31/12/2012 following presentation and approval of the report of the Board of Directors and of the Independent Auditor's Report

The General Meeting of shareholders unanimously approved the submitted financial statements, the Annual Management Report of the Board of Directors and the Independent Auditor's Report, as well as the distribution of the year's results after the deduction of income tax as follows:

Legal Reserve	187,221.56
Tax Free Reserve	3,557,200.00
Total	3,744,421.56

ITEM 2

Release of the members of the Board of Directors and of the Independent Auditor from any liability for indemnity with regard to the above financial statements and the management of the financial year 2012.

The General Meeting via a special vote, by calling each shareholder's name, unanimously released the Board of Directors and the Auditors from any liability for indemnity with regard to the Balance Sheet and the general management of the financial year under consideration.

ITEM 3

Election of ordinary and deputy Independent Auditor for the audits of the financial year 2013 and approval of the Auditor's fees.

The Chairman of the Annual Ordinary General Meeting of shareholders addressed the attendants and presented the reasons which necessitate the election of Independent Auditors and specifically of one ordinary and one deputy auditor, for the ordinary audit of the financial statements for the year 1. 1. 2013 - 31. 12. 2013.

The Annual Ordinary General Meeting, taking into consideration the above and after a dialogue-based discussion, unanimously approved the election of one ordinary Independent Auditor and one deputy Independent Auditor. Specifically the Meeting elected Ms. Olga Kotzabassi of Ioannis, Reg. No. SOEL 18231 as ordinary auditor and Mr. Konstantinos Michalatos of Ioannis, Reg. No. SOEL 17701, as deputy auditor, from the auditing firm PricewaterhouseCoopers SA. Furthermore, the General Meeting of Shareholders approved their fees regarding the above services.

ITEM 4

Approval of fees already granted or to be granted to the members of the Board of Directors

The General Meeting following a dialogue-based discussion unanimously approved the fees paid to the members of the Board of Directors for the financial year ending on 31/12/2012 as well as the fees paid during the first half of the current year. Following, the Meeting unanimously pre-approved the fees and monthly remunerations for the period from 1/7/2013 until the date of the next Ordinary General Meeting of shareholders.

ITEM 5

Granting of permission according to article 23 of PL 2190/1920 to the Members of the Board of Directors, the General Directors and the Managers of the Company, to participate in the Board of Directors or in the Management of subsidiary or related companies and in general companies of Thrace Plastics Group.

Following the Chairman's proposal, the General Meeting released the Chairman of the BoD, the Vice-Chairman of the BoD, the Members of the BoD, the Advisors participating in the management as well as the Directors from the prohibitions of the article 23 of PL 2190/1920 with regard to their actions as Advisors and as Managers in subsidiary or related companies and in general companies of Thrace Plastics Group.

ITEM 6

Sundry issues and announcements

The Chairman of the General Meeting informed the Shareholders with regard to the Company's business course during the current financial year.

Evolution and Performance of the Company

Following we present the basic results for financial year 2013 compared to 2012.

(amounts in euro)	**2013**	**2012**	
Turnover	68,132,436	65,119,410	*4.6%*
Cost of Sales	(59,973,363)	(53,929,111)	*11.2%*
Gross Profit	**8,159,073**	**11,190,299**	*-27.1%*
Gross Profit Margin	***12.0%***	***17.2%***	
Other Operating Income	1,523,283	1,990,437	*-23.5%*
Distribution Expenses	(5,914,464)	(5,762,922)	*-5.3%*
Administrative Expenses	(2,527,079)	(1,584,980)	*59.4%*
Other Operating Expenses	(265,284)	(988,506)	*-73,2%*
Expenses due to Foreign Exchange Differences	(247,152)	(66,814)	*269,9%*
Operating Profit before taxes, financial and investment results	**728,377**	**4,777,514**	*-84,8%*
Operating Profit Margin	***1.1%***	***7,3%***	
Interest and Related Expenses	(878,441)	(901,941)	*2.6%*
Other Financial Expenses	157,199	61,343	*156.26%*
Earnings before Taxes	**7,136**	**3,936,916**	*99,8%*
EAT Margin	***0.0%***	***6,0%***	
Income Tax	(634,384)	(156,663)	*304.93%*
Earnings/(Losses) after Taxes	**(627,248)**	**3,780,253**	*-83.4%*
EATAM Margin	***(0.9%)***	***6.2%***	
EBITDA	**2,724,972**	**6,838,085**	*-60.1%*
EBITDA Margin	***4.0%***	***10.5%***	

In 2013, turnover amounted to euro 68,132,432 as compared to euro 65,119,410 in 2012 posting an annual increase of 4.6%. Gross profit amounted to euro 8,159,073 increased by 11.2% compared to the previous year. EBITDA accounted for euro 2,724,792 posting a decrease of 60.1% compared to the previous year. Earnings before Taxes amounted to euro 7,136 or 99.8% lower than in 2012. Losses after taxes accounted for euro 627,248 or 83.4% lower than in 2012.

Balance Sheet Data

(amounts in euro)	**31.12.2013**	**32.12.2012**	*% change*
Assets			
Total Non-Current Assets	12,764,440	13,686,556	*-6,7%*
Total Current Assets	45,822,630	39,805,574	*15,1%*
Total Assets	**58,587,070**	**53,492,130**	*9.5%*

Total Equity	**25,032,216**	**25,768,370**	*-2.9%*
Liabilities			
Long-term Loams	3,500,000	-	-
Other Long-term Liabilities	2,922,299	2,366,218	*23.5%*
Short-term Loans	9,271,073	13,607,441	*-31.9%*
Other Short-term Liabilities	17,861,482	11,750,101	*52.0%*
Total Equity & Liabilities	**58,587,070**	**53,492,130**	*9.5%*
Net Bank Debt / Equity	**0.18**	**0.15**	

On 31.12.2013 Total Assets amounted to Euro 58,587,070.
The Share Capital of the Company "THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E." amounts to Euro 5,989,385 and is divided into 203,030 common bearer shares, with a nominal value of Euro 29.50 each.
The Net Bank Debt/Equity ratio amounts to 0.18.
There are no liens or guarantees written on the Company's property (land fields and buildings).

Financial Risk Management

The financial assets mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Company's activities create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

Risk from fluctuation of prices of raw materials

The Company is exposed to fluctuations in the price of polypropylene, which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price, induces pressure on profit margins.

Credit risk

The Company is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.

The following table presents an analysis of the maturity of trade and other receivables:

	2013	2012
01 – 30 days	2,405,698	2,219,043
31 – 90 days	6,982,888	7,721,439
91 – 180 days	2,392,412	3,184,769
Over 180 days	2,917,772	1,000,517
Provisions for doubtful debts	(173,407)	(154,180)
Total	**14,475,363**	13,971,588

The above amounts are presented on the basis of the days of delay in the following table:

	2013	2012
Receivables within the payment deadline	9,015,064	9,729,494
Overdue receivables	5,460,299	4,242,094
Overdue receivables with impairment provision	173,407	154,180

Subtotal	14,648,770	14,125,768
Provision for impairment	(173,407)	(154,180)
Total	**14,475,363**	13,971,588

With regard to amounts in delay for over 90 days and have been classified from the Company as doubtful, there are adequate provisions.

Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Company to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities –loans - derivatives according to their maturity dates.

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	4,730,280	9,972,680	-	-	14,702,961
Other liabilities	2,243,296	718,225	-	-	2,725,744
Short-term debt	123,708	4,573,682	4,573,682	-	9,271,072
Long-term debt	-	-	-	3,500,000	3,500,000
Total 31/12/2013	**7,097,285**	**15,264,587**	**4,573,682**	**3,500,000**	**30,435,554**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	2,879,098	6,098,994	-	-	8,978,092
Other liabilities	2,077,583	624,074	-	-	2,701,657
Short-term debt	225,699	671,818	12,709,924	-	13,607,441
Long-term debt	-	-	-	-	-
Total 31/12/2012	**5,182,380**	**7,394,886**	**12,709,924**	**-**	**25,287,190**

Interest rate risk

Short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a charge / (improvement) of earnings before tax as follows:

Potential interest rate change	Effect on earnings before tax	
	2013	2012
Interest Rate Increase by 1%	127,537	136,074
Interest Rate Decrease by 1%	(127,537)	(136,074)

Capital Adequacy Risk

The Company controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity. The Company's objective in relation to capital management is to ensure its smooth operation aiming at providing satisfactory returns for shareholders and benefits for other parties, as well as to maintain an ideal capital structure in order to ensure a low cost of capital. For this purpose it systematically monitors working capital, in order to maintain the lowest possible level of external financing.

	2013	2012

Long-term debt	3,500,000	-
Short-term debt	9,271,073	13,607,441
Total debt	12,771,073	13,607,441
Minus cash & cash equivalents	8,348,112	9,798,598
Net debt	**4,422,961**	**3,808,843**
EBITDA	**2,724,972**	**6,838,085**
EBITDA/NET BANK DEBT	**1.62**	**0.56**
EQUITY	**25,032,216**	**25,768,370**
NET BANK DEBT / EQUITY	**0.18**	**0.15**

Transactions with Related Parties

Following we present transactions with related parties according to I.A.S. 24.

Companies	Sales-Other Income	Purchases-Expenses	Receivables	Liabilities
THRACE POLYBULK AB	1,080,002	119,380	21,404	-
THRACE IPOMA AD	1,622,258	-	262,406	-
DON & LOW LTD	1,451,702	160,527	69,467	-
SYNTHETIC PACKAGING LTD	2,112,354	35,749	457,724	-
LUMITE	2,180,054	-	918,561	-
THRACE PLASTICS CO. SA	3,159,373	4,000,829	-	205,042
THRACE LINC INC	3,426,231	-	3,475,410	-
Total				

Transactions between related parties are realized under normal market terms. No guarantee has been provided or received by related parties.

Financial Ratios

Capital Structure Ratios	2013	2012
Total Liabilities/Equity	1.34	1.08
Net Bank Debt/Equity	0.18	0.15
Net Tangible Fixed Assets/Total Assets	0.96	0.96
Equity/Net Tangible Fixed Assets	2.05	1.96
Leverage Ratios		
Equity/Total Assets	0.43	0.48
Interest Coverage	0.83	5.30
Liquidity Ratios		
Current Ratio	1.69	1.57
Quick Ratio	1.07	1.09

Company Outlook

The development strategy as regards the two separate segments where the Group operates is presented below:

Geofabrics and Agrofabrics Segment

- Development of new products with high profit margins
- Expansion of the sales network in new markets (Central Asia, Russia, Latin America etc.)
- Promotion of the geogrid in the Canadian and U.S.A. market which specifies products with special characteristics.
- Development of the TERRA HOME product which targets the DIY (Do It Yourself) market in Greece and Europe.
- Utilization of the Company's existing sales network to promote products for agricultural use (cords, nets etc.)

Spun bond Nonwoven Segment

- Development of sales of breathable membrane in German speaking countries.
- Objective of generating spun bond sales from agricultural applications.
- Development of new added value products & applications
- Utilization of the Group's available equipment (extrusion coating)
- Further dispersion of client base
- Development of markets outside the EU

Events after the end of the reporting period

There are no events after 31 December 2013 that could substantially affect the financial position or results of the Company for the financial year then ended, or events that must be disclosed in the financial statements.

Xanthi, 7 May 2014
The Board of Directors

The present report, which consists of 6 pages, is that referred to in the Audit Report issued by me dated 8 May 2014.

Thessalonica, 8 May 2014

Olga Kotzabasi
Certified Auditor - Accountant
Certified Auditor (SOEL) Reg. No. 18231

Independent Auditor's Report

To the Shareholders of "Thrace Non-Wovens & Geosynthetics A.B.E.E."

Report on the Financial Statements

We have audited the accompanying financial statements of "Thrace Non-Woven & Geosynthetics A.B.E.E." which comprise the statement of financial position as of 31 December 2013 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of "Thrace Non-Wovens & Geosynthetics A.B.E.E" as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference on Other Legal and Regulatory Matters

We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Thessaloniki, 8 May 2014

PricewaterhouseCoopers SA
Certified Chartered Accountants
Kifisias 268, Halandri
Reg. No. SOEL 113

Olga Kotzabassi
Certified Chartered Accountant
Reg. No. SOEL 18231

pwc

Amounts in Euro, unless stated otherwise

ANNUAL STATEMENT OF COMPREHENSIVE INCOME

	Note	1/1-31/12/2013	1/1-31/12/2012
Turnover		68,132,436	65,119,410
Cost of Sales	4	(59,973,363)	(53,929,111)
Gross Profit/(loss)		8,159,073	11,190,299
Other Operating Income	3	1,523,283	1,990,437
Distribution Expenses	4	(5,914,464)	(5,762,922)
Administrative Expenses	4	(2,527,079)	(1,584,980)
Other Operating Expenses	7	(265,284)	(988,506)
Income/(Expenses) from foreign exchange differences		(247,152)	(66,814)
Earnings /(loss) before interest and tax (EBIT)		728,377	4,777,514
Interest & related (expenses) / income	8	(878,441)	(901,941)
Other Financial (expenses) / income	8	157,199	61,343
Earnings /(loss) before Tax (EBT)		7,136	3,936,916
Income Tax	9	(634,384)	(156,663)
Earnings / (loss) after tax (A)		(627,248)	3,780,253
Other comprehensive income			
Items not transferrable to the results			
Actuarial profit/(loss)		(37,236)	(52,698)
Transfer of liabilities from related company after tax		(35,849)	(205,110)
Other income / (expenses)		(35,822)	0
Other comprehensive income after taxes (B)		(108,907)	(257,808)
Total comprehensive income after taxes (A) + (B)		(736,155)	3,522,445
Earnings / (loss) before interest, tax, depreciation & amortization (EBITDA)		2,724,972	6,838,085

The accompanying notes that are presented in pages 11-36 form an integral part of the present financial statements

Amounts in Euro, unless stated otherwise

ANNUAL STATEMENT OF FINANCIAL POSITION

	Note	31/12/2013	31/12/2012
ASSETS			
Non-Current Assets			
Tangible fixed assets	10.1	12,224,302	13,156,591
Intangible Assets	10.2	94,903	122,437
Participation in subsidiaries & related companies		261,000	261,000
Other long term receivables		184,236	146,528
Total non-Current Assets		12,764,440	13,686,556
Current Assets			
Inventories	11	16,704,208	12,222,277
Income tax prepaid		100,354	185,953
Trade receivables	12	14,475,363	13,971,587
Debtors and other accounts	12	6,167,765	3,587,928
Derivatives	21	26,827	39,231
Cash and Cash Equivalents	13	8,348,112	9,798,598
Total Current Assets		45,822,630	39,805,574
TOTAL ASSETS		58,587,071	53,492,130
EQUITY AND LIABILITIES			
EQUITY			
Share Capital	14	5,989,385	5,989,385
Share premium	14	(41,897)	(41,897)
Other reserves	15	14,336,144	10,591,722
Retained earnings		4,748,584	9,229,160
Total Equity		25,032,216	25,768,370
Long Term Liabilities			
Long Term loans	16	3,500,000	-
Provisions for Employee Benefits	18	877,665	733,289
Deferred Tax Liabilities	19	1,744,635	1,442,928
Provisions	9	300,000	190,000
Total Long Term Liabilities		6,422,300	2,366,217
Short Term Liabilities			
Short Term loans	16	9,271,073	13,607,441
Income Tax		197,000	70,352
Short-term liabilities towards related parties	20	235,776	228,391
Suppliers	20	14,702,962	8,978,091
Other short-term liabilities	20	2,725,744	2,473,267
Total Short Term Liabilities		27,132,555	25,357,542
TOTAL LIABILITIES		33,554,856	27,723,759
TOTAL LIABILITIES AND EQUITY		58,587,071	53,492,130

The accompanying notes that are presented in pages 11-36 form an integral part of the present financial statements

ANNUAL STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other Reserves	Retained earnings	Total
Balance as at 01/01/2012	**5,989,385**	**(41,897)**	**7,302,962**	**8,995,475**	**22,245,925**
Profit / (loss) for the period	-	-	-	3,780,253	**3,780,253**
Other comprehensive income	-	-	-	(257,808)	**(257,808)**
Distribution of earnings	-	-	3,288,760	(3,288,760)	**-**
Changes during the period	-	-	3,288,760	233,685	3,522,445
Balance as at 31/12/2012	**5,989,385**	**(41,897)**	**10,591,722**	**9,229,160**	**25,768,370**
Balance as at 01/01/2013	**5,989,385**	**(41,897)**	**10,591,722**	**9,229,160**	**25,768,370**
Profit / (loss) for the period	-	-	-	(627,248)	**(627,248)**
Other comprehensive income	-	-	-	(108,907)	**(108,907)**
Distribution of earnings	-	-	3,744,422	(3,744,422)	**-**
Changes during the period	-	-	3,744,422	(4,480,577)	(736,155)
Balance as at 31/12/2013	**5,989,385**	**(41,897)**	**14,336,145**	**4,748,584**	**25,032,216**

The accompanying notes that are presented in pages 11-36 form an integral part of the present financial statements

STATEMENT OF CASH FLOWS

Indirect method

	Note	1/1 - 31/12/2013	1/1 - 31/12/2012
Cash flows from Operating Activities			
Earnings before Taxe		7,136	3,936,916
Plus / (minus) adjustments for:			
Depreciation/Amortization	6	1,996,415	2,060,571
Provisions		(1,989,959)	(1,179,225)
FX differences		247,203	66,768
(Profit)/loss from sale of fixed assets		0	2,149
Interest charges & related (income)/expenses	8	721,241	840,598
Operating Profit before adjustments in working capital		982,036	5,727,777
(Increase)/decrease in receivables		(1,123,295)	2,241,837
(Increase)/decrease in Inventories		(4,565,507)	(3,157,651)
Increase/(decrease) in liabilities (apart from banks)		5,989,960	2,830,135
Cash generated from operating activities		1,283,194	7,642,098
Interest Paid		(943,246)	(969,819)
Taxes paid		(1,002)	(360,225)
Cash flows form operating activities (a)		338,946	6,312,054
Investing Activities			
Proceeds from sales of tangible and Intangible assets		-	39,680
Interest received		58,454	116,920
Increase of participations in subsidiaries		-	(261,000)
Purchase of tangible assets		(1,036,590)	(998,044)
Purchase of intangible assets & other investments		-	(133,474)
Cash flow from investing activities (b)		(978,136)	(1,235,918)
Financing Activities			
Receipt of grants-subsidies		25,073	631,645
Proceeds from loans		3,500,000	-
Repayment of Loans		(4,336,368)	(1,504,905)
Cash flow from financing activities (c)		(811,295)	(873,260)
Net increase /(decrease) in Cash and Cash Equivalents		(1,450,485)	4,202,876
Cash and Cash Equivalents at beginning of period	13	9,798,598	5,595,722
Cash and Cash Equivalents at end of period	13	8,348,113	9,798,598

The accompanying notes that are presented in pages 11-36 form an integral part of the present financial statements

1. *Foundation and Activities of the Company*

THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E, former DON & LOW HELLAS A.B.E.E (hereinafter "The Company") was established in 1999, with Company Reg. No. 44194/66/B/99/017 and General Commerce Reg. No. 12531046000 and is registered in the Magiko area of the Municipality of Avdira in Xanthi Greece. The Company's business objective is the production of plastic and synthetic fabrics of several types as well as any kind of plastic packaging items. The company THRACE PLASTICS Co. S.A. participates in the Company's share capital by 100%.

The Company's Board of Directors consists of the following members:

Name	Position
Chalioris Konstantinos	Chairman & CEO
Chrountas Dimitrios	Vice-Chairman
Karageorgiou Christos	CEO
Dimiou Athanasios	CEO
Mantzavinos Georgios	Member

The Financial Statements of the Company, are included in the Consolidated Financial Statements of THRACE PLASTICS Co. S.A., which is registered in the Magiko area of the Municipality of Avdira in Xanthi Greece with Company Reg. No. 11188/06/B/86/31 and General Commerce Reg. No. 12512246000, with the full consolidation method.

2. Basis for the preparation of the Financial Statements

2.1 Basis for Presentation

The present Financial Statements have been prepared according to the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (I.A.S.) and interpretations that have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as such have been adopted by the European Union until 31 December 2013. The basic accounting principles are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2012 and are described in such.

Wherever it was deemed necessary, the comparative accounts have been reclassified for reconciliation purposes with the respective accounts of the current financial year.

Differences that possibly appear between accounts in the financial statements and the respective accounts in the notes are due to rounding.

The Financial Statements have been prepared according to the historic cost principle, as such is disclosed in the company's accounting principles presented below.

The Financial Statements of the Company THRACE NONWOVENS & GEOSYNTHETICS A.B.E.E. were approved by the Bard of Directors on 7/5/2014, are subject to approval from the General Meeting of shareholders and are posted on the internet on the website of the parent company www.thracegroup.gr.

2.2 New standards, amendments of standards and interpretations

Specific new standards, amendments of standards and interpretations have been issued, which are mandatory for accounting periods beginning during the present period or after. The Company's assessment as regards to the effect from the application of the new standards, amendments and interpretations is presented below.

Standards and Interpretations mandatory for the present financial year

IAS 1 (Amendment) "Presentation of Financial Statements"

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not such may be recycled to profit or loss in the future. The amendment does apply to the Company.

IAS 19 (Amendment) "Employee Benefits"

This amendment makes significant changes to the recognition and measurement of defined benefit pension costs and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to defined benefit plans and distinction between "short-term" and "other long-term" benefits. The amendment does not apply to the Company.

IAS 12 (Amendment) "Income Taxes"

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model according to IAS 40 "Investment Property". This amendment does not affect the financial statements of the Company.

IFRS 13 "Fair Value Measurement"

IFRS 13 provides new guidance on the measurement of fair value and disclosure requirements. The requirements of the standard do not extend the use of fair value accounting but provide guidance on its application for cases where its use is required by other standards. IFRS 13 provides a precise definition of fair value as well as guidance on the measurement of fair value and the disclosure requirements, regardless of the standard according to which the use of fair value is applied. Moreover, the disclosure requirements have been extended to cover all the assets and liabilities that are measured at fair value and not only financial assets and liabilities. The amendment applies to the Company and has been taken into account in the cases required.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

The IASB has published this amendment to include further information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements of financial assets and liabilities, including rights of offsetting associated with the entity's recognized financial assets and recognized financial liabilities, on the entity's financial position. The amendment applies to the Company and has been taken into account in the cases required.

Amendments to standards that form part of the IASB's (International Accounting Standards Board) 2011 annual improvements project

The amendments set out below describe the key changes to IFRS following the publication in May 2012 of the results of the IASB's annual improvements project.

IAS 1 "Presentation of financial statements"

The amendment provides clarifications on the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognized in the results and income tax related to the costs of equity transactions is recognized in equity, in accordance with IAS 12.

IAS 34 "Interim financial reporting"

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

Standards and Interpretations effective from periods beginning on or after 1 January 2014

IFRS 9 "Financial Instruments" (effective for annual accounting periods beginning on or after 1 January 2015)

IFRS 9 is the first phase of the IASB's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for value impairment. The Company is currently assessing the impact of IFRS 9 on its financial statements. The Company cannot adopt IFRS 9 in advance as it has not been endorsed by the EU. Only once approved will the Company decide if IFRS 9 will be adopted prior to 1 January 2015.

IFRS 9 "Financial Instruments: Hedging accounting and amendments in IFRS 9, IFRS 7 and IAS 39" (applied for annual periods beginning on or after 1 January 2015)

The International Accounting Standards Board (IASB) issued the IFRS 9 Hedging Accounting, the third phase in the replacement process of IAS 39, which establishes an approach of hedging accounting based on principles and handles inconsistencies and weaknesses of the current model of IAS 39. The second amendment requires the recognition in other comprehensive income of the changes in the fair value of a liability of an economic entity which is attributed to changes of credit risk of the particular entity. The third amendment removes the mandatory application date of IFRS 9. The amendments have not been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual accounting periods beginning on or after 1 January 2015)

The amendment requires additional disclosures during the transition from IAS 39 to IFRS 9. The amendment has not been endorsed yet by the European Union.

IAS 32 (Amendment) "Financial Instruments: Presentation" (effective for annual accounting periods beginning on or after 1 January 2014)

This amendment to the application guidance of IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

Group of standards on consolidation and joint arrangements (effective for annual accounting periods beginning on or after 1 January 2014)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual accounting periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. These standards are not applicable in the case of the Company. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control as a factor for determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting similar to that applied for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 "Disclosure of Interests in Other Entities"

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) "Separate Financial Statements"

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 "*Consolidated and Separate Financial Statements*". The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 "*Investments in Associates*" and IAS 31 "*Interests in Joint Ventures*" regarding separate financial statements.

IAS 28 (Amendment) "Investments in Associates and Joint Ventures"

IAS 28 "*Investments in Associates and Joint Ventures*" replaces IAS 28 "*Investments in Associates*". The objective of this Standard is to define the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance" <u>(effective for annual accounting periods beginning on or after 1 January 2014)</u>

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative information for disclosures relating to interests in unconsolidated structured entities is not required.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities" <u>(effective for annual accounting periods beginning on or after 1 January 2014)</u>

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many investment funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although control is exercised on such. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets" <u>(effective for annual accounting periods beginning on or after 1 January 2014)</u>

This amendment requires: a) the disclosure of the recoverable amount of an asset of cash generating unit when an impairment loss has been recognized or reversed and b) detailed disclosures regarding the measurement of fair value minus the selling expenses when an impairment loss is recognized or reversed. Also, it removes the requirement to disclose the recoverable amount when a cash generating unit includes goodwill or intangible assets with an indefinite useful life and when there is no impairment.

IFRIC 21 "Levies" <u>(effective for annual accounting periods beginning on or after 1 January 2014)</u>

This interpretation defines the accounting treatment of a liability for a levy imposed by the government and that is not income tax. The interpretation clarifies that the obligating event based on which the obligation to pay the levy should have been created (one of the criteria for the recognition of liability according to IAS 37) is the action as such is described in the relevant law that imposes the levy's payment. The interpretation may lead to the recognition of a liability in the future, particularly as regards to levies that are imposed as a result of conditions that are effective on a specific date. The interpretation has not yet been adopted by the European Union.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement" <u>(effective for annual accounting periods beginning on or after 1 January 2014)</u>

This amendment allows the continuance of hedge accounting when a derivative, which has been defined as a hedging instrument, is novated in order to be settled by a central counterparty as a result of laws or regulations, given that specific conditions are met.

IAS 19 Revised (Amendment) "Employee Benefits" <u>(applied for annual periods beginning on or after 1st July 2014)</u>

The amendment is of limited scope and applies to the contributions made by employees or third parties to defined benefit plans. It simplifies the accounting of contributions when they are not dependent of the employee's years of service, for example, employees' contributions are calculated as a fixed percentage of payroll. The amendment has not been adopted by the European Union.

Annual Improvements in IFRS of 2012 <u>(applied for annual periods beginning on or after 1st July 2014)</u>

The following amendments describe the major changes that have been made in seven IFRS as result of the Circle 2010-2012 of the annual improvement program of IASB. These amendments have not been adopted by the European Union.

<u>*IFRS 2 "Share-based payment"*</u>

The amendment clarifies the definition of the "fulfillment condition" and defines distinctively the "yield term" and the "service term".

<u>*IFRS 3 "Business combinations"*</u>

The amendment clarifies how the obligation for a contingent payment which fulfills the definition of financial instrument is classified as financial obligation or as an item of the net worth based on the provisions of IAS 32 "Financial Instruments: Presentation". In addition, it clarifies that any contingent payment, financial or non financial, which is not an item of the net worth, is recorded at fair value through the results.

<u>*IFRS 8 "Operating Segments"*</u>

The amendment requires the disclosure of the management's estimates with regard to the aggregation of the operating segments.

<u>*IFRS 13 "Fair Value Measurement"*</u>

The amendment clarifies that the standard does not exclude the option of calculating the short-term assets and liabilities based on the amounts of invoices in cases the discounting effect is not significant.

<u>*IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"*</u>

Both standards have been amended in order to clarify the approach by which the underappreciated value of an asset and the accumulated depreciation are treated in a company which applies the adjustment method.

<u>*IAS 24 "Related Party Disclosures"*</u>

The standard was amended to include as related party a company providing services equivalent with ones of a major managerial official in the economic entity or the parent company of the economic entity.

Annual Improvements in IFRS of 2013 <u>(applied for annual periods beginning on or after 1st July 2014)</u>

The following amendments describe the major changes that have been made in four IFRS as result of the Circle 2011-2013 of the annual improvement program of IASB. These amendments have not been adopted by the European Union.

<u>*IFRS 3 "Business Combinations"*</u>

The amendment clarifies that the IFRS 3 does not apply in the recording of the formulation of any joint activity based on IFRS 11 in the financial statements of the particular joint activity.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the exception provided from the IFRS 13 for portfolio of financial assets and liabilities is applied in all contracts (including the non financial ones) with the context of application of IAS 39/IFRS 9.

IAS 40 "Investment Property"

The amendment of the standard was made in order to clarify that IAS 40 and IFRS 3 are not mutually excluded.

IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendment clarifies how an entity adopting the IFRS for the first-time has the option to apply either the preceding or the new version of a revised standard when its premature adoptions is permitted.

2.3 Management Estimations

The preparation of Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that may affect, the accounting balances of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses that have been recognized during the reported period. The use of the available information, which is based in historical data and assumptions and the implementation of subjective evaluation are necessary in order to conduct estimates. The actual future results may differ from the above estimates and these differences may affect the Financial Statements. Estimates and relative assumptions are revised constantly. The revisions in accounting estimations are recognized in the period they occur if the revision affects only the specific period or the revised period and the future periods if the revisions affect the current and the future periods.

The basic estimations and subjective judgments that refer to data, the evolution of which could affect the accounts of the Financial Statements during the next twelve months, are as follows:

2.3.1 Doubtful debts

The Company calculates impairment on the value of trade receivables when there is data or evidence that indicates that the collection of the receivable overall or part of the receivable is not likely. The Management periodically reviews the adequacy of the created provision for doubtful debts together with its credit policy, taking into account data from the Legal Service as well, which result from processing historic data and recent developments on cases it handles.

2.3.2 Provision for income tax

The provision for income tax according to I.A.S. 12 is calculated by estimating taxes that will be paid to the tax authorities and includes the current income tax for each financial year and a provision for additional taxes that may arise in future tax audits. In order to define the Company's provision for income tax, an essential understanding of the above is required. The finalization of income tax may differ from the relevant amounts booked in the Company's financial statements and such differences will affect income tax and the provisions for deferred taxes.

2.3.3 Provisions for employee benefits

The liability for employee benefits is defined according to a study by independent actuaries. The final liability may differ from the actuarial calculation due to different real data as regards to the discount rate, inflation, wage increases, demographics and other data.

2.3.4 Depreciation/amortization of tangible and intangible assets

The Company calculates depreciation/amortization on tangible and intangible assets based on estimation of the useful life of such. The residual value and useful life of such assets are reviewed and defined at the end of each reporting period, if deemed necessary.

2.3.5 Legal cases

The Company recognizes a provision for pending legal cases according to information from its Legal Service.

2.3.6 Provisions for contractual obligations

The Company recognizes provisions for contractual obligations towards third parties, which are calculated based on historic and statistical data from the solution of respective cases in the past.

2.4 Tangible Fixed Assets

Tangible assets are stated at book cost, net of any grants received, less accumulated depreciation and any impairment in value. Any adjustments that might have taken place (on land or buildings) based on Greek legislation are reversed. Expenses for replacement of part of fixed assets are included in the value of the asset if they can be estimated accurately and increase the future benefits of the Company from such. The repairs and maintenance of fixed assets charge the results, in the period when such are realized. The acquisition cost and the related accumulated depreciation of assets retired or sold, are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the Statement of Comprehensive Income.

Depreciation is charged in the Results based on the straight-line method over the estimated useful life of assets. The estimated useful life of each category of asset is presented below:

Category	Depreciation rate	Useful life
Buildings and technical works	2.5% - 5%	20 - 40 years
Machinery and technical installations	7% - 10%	10 - 14 years
Specialized mechanical equipment	12% - 15%	7 - 8 years
Vehicles	10% - 20%	5 - 10 years
Furniture and fixture	10% - 30%	3 - 10 years

Land and plots are not depreciated however they are reviewed for impairment. Residual values and economic life of fixed assets might be adjusted if necessary at the time financial statements are prepared. Fixed assets, that have been impaired, are adjusted to reflect their recoverable amount. The remaining value, if not negligible, is re-estimated on an annual basis.

2.4.1 Intangible Assets

Intangible assets mainly refer to rights for use of brand names and software. Their values are stated at acquisition cost, less accumulated amortization. Amortization of intangible assets is registered in the Results, based on the straight-line method over the estimated useful life of assets. The following table depicts the estimated useful life of assets:

Category	Amortization Rates	Useful life
Rights for use of brand names	20%	5 years
Software	20%	5 years

Subsequent expenses on intangible assets are capitalized only when they increase the future benefits that are attributed to the specific asset. All other expenses are recorded when they incur.

2.5 Impairment of Assets

With the exception of intangible assets with an indefinite life, which are reviewed for impairment at least on an annual basis, the book values of other long-term assets are reviewed for impairment when events or changes in conditions indicate that the book value may not be recoverable. When the book value of an assets exceeds its recoverable amount, the respective impairment loss is registered in the results. The recoverable amount is defined as the largest value between the net sales price and the value in use. Net sale price is the amount that can be received from the sale of an asset, in the context of an arm's length transaction in which the parties have full knowledge and voluntarily proceed, after the deduction of any additional direct cost for sale of the asset. Value in use is the present value of estimated future cash flows expected to be realized from the continuous use of an asset and from the revenue expected to result from its sale and the end of its estimated useful life. For purposes of defining impairment, assets are grouped at the lowest level for which cash flows can be recognized separately.

2.6 Inventories

Inventories are stated at the lower of cost (acquisition or production) and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, less any selling cost. Cost includes all cost of purchase, cost of materials, costs of production and other cost incurred in bringing the inventories to their present condition. The cost of inventories is calculated using the weighted average method.

2.7 Accounts Receivable – Provisions from Doubtful Debts

Accounts receivable are initially recognized at fair value and subsequently measured at net book cost using the effective interest rate, less any provisions for impairment. Impairment provisions are recognized when there is objective indication that the Company is not in a position to collect all the amounts due according to the contractual terms.

Accounts receivable include open balances, checks and notes receivable from customers and other debtors. Serious financial problems of the customers, the possibility or default or financial reorganization and the inability to regularly perform payments are considered indications that the receivable is impaired. The amount of the impairment provision is the difference between the book value of the receivables and the present value of estimated future cash flows, discounted with the effective interest rate. The amount of impairment loss is registered as an expense in the results and included in "Other Operating Expenses".

2.8 Cash & cash equivalents

For purposes of preparing the Statement of Cash Flows, the category of cash & cash receivables include cash in hand, cash equivalents, such as site deposits and short-term time deposits, namely those with a maturity less than three months from the preparation date of the Financial Statements.

2.9 Foreign exchange translations

2.9.1 Operating currency and presentation currency

The data in the financial statements of the Company are registered in the currency of the primary economic environment, in which the Company operates ("operating currency"). The financial statements are presented in Euro, which is the Company's operating valuation currency and presentation currency.

2.9.2 Transactions and balances

The amounts that result from transactions in foreign currency are translated to Euro with the exchange rate in effect during the date of the transactions. Monetary assets and liabilities in foreign currency are translated, during the balance sheet date, to Euro based on the exchange rate in effect on that date. Any foreign exchange differences (profit or losses) that result from such a translation, are registered in the Results.

2.10Dividends

Payable dividends are presented as a liability during the time when such are approved by the Annual General Meeting of Shareholders.

2.11Income

2.11.1 Income from Sales of Goods and Services

Income from the sale of goods, after the deduction of turnover discounts, sales incentives and the corresponding VAT, is recognized when all significant risks and awards emanating from ownership of the goods are transferred to the buyer, the income and expenses related to the sale can be measured reliably, it is likely that economic benefits relating to the transaction will result for the Company, the Company does not maintain management and does not exercise significant influence on the sold goods.

Income from the provision of services is registered in the Results according to the completion stage of the transaction, during the Balance Sheet date.

2.11.2 Government Grants - Subsidies

Government grants on tangible and intangible assets, are deducted from the book value of the asset for which they were received. The relevant income is recognized with the form of reduced depreciation amounts during the useful life of the relevant asset. Government grants that concern payroll expenses are recognized as income during the period that such relate to the respective expenses and are presented in the Income Statement in the account “Other Operating Income”.

2.11.3 Interest Income

Interest income is recognized on an accrual basis.

2.12Expenses

Expenses are recognized in the Statement of Comprehensive Income on an accrual basis.

2.13Leases

Lease in which the lessor transfers the rights and obligations (risks) arising from the ownership of an asset, is assumed as a financial lease and accounts as the acquisition of an asset and the undertaking of a liability. In this case the rents are divided in financial expenses (interest) and reduction of the liability. Financial expenses are recorded directly in the Results.

The financial lease appears in the lower cost between their fair value and the present value of the minimum rent payment at the beginning of the lease less accumulated depreciation or impairment loss.

If from the lease agreement the rights and liabilities (risks) arising from the ownership of an asset are not transferable, the lease is assumed operational for the lessor and the rents are recorded as expenses when they incur using the direct method for the duration of the lease.

2.14Income Tax

Tax burden for the year relates to current and deferred taxes.

Current income taxes are payable taxes on taxed income for the year based on effective tax rates as of the balance sheet date, as well as additional income taxes relating to previous years.

Deferred taxes are tax burden/exemptions relating to current year’s profit (or losses) that will be charged by the tax authorities in future years. Deferred income taxes are calculated according to tax rates effective as of the dates they will be paid, on the difference between accounting and tax base of individual assets and liabilities, provided that these differences imply time deviations, which will be erased in future.

Deferred tax receivables are recognized only to the extent they imply future taxable income, which will be offset by these deferred tax receivables. Deferred tax receivables might be lowered any time when it is not evident that such future tax relaxation will be certain.

Current and deferred tax is recorded in the Results or directly in Equity, if it relates to elements directly recognized in Equity.

The Company offsets deferred tax receivables with deferred tax liabilities, only if:

a) It has a legal applicable right to offset current tax receivables with current tax liabilities.

b) The deferred tax receivables and liabilities relate to income taxes imposed by the same tax authority.

2.15Employee benefits

2.15.1 Defined contribution plans

Liabilities for defined contribution plans are fully recorded as expense in the Results at the time they incur, with fulfillment of the liability.

2.15.2 Defined benefit plans

The net liability, related to the defined benefit plan is estimated independently for each plan with the estimation of future benefits the employees are entitled to based on their working years in current and previous periods. The future benefits are discounted at present value following the deductions of the fair value of the assets in the plan. The discount rate is the yield to maturity, at the balance sheet date, of the bonds that have a maturity that approaches the maturity of the liabilities. The defined benefit liability is calculated by an independent actuary, using the projected unit credit method. When the benefits of a plan improve, the proportion of the increased benefit that refer to the past working length of the employees is recorded as expense in the Results on a straight-line basis on the average fiscal years until the full recognition of the benefits. To the extent that the benefits are given instantly, the expense is recorded directly in the Results.

2.16Provisions

Provisions are recognized only when there is a liability, due to events that have occurred and it is likely (namely more possible than not) that there settlement will create an outflow, the amount of which can be estimated reliably. The recognition of provisions is based on the present value of capital flows that may be needed for the above liabilities to be settled. Amounts paid in order to arrange the repayment of such liabilities are deducted from the recorded provisions. The amounts are also reviewed at the periods when the Financial Statements are prepared. Provisions for any future losses should not be recognized. Compensation received from third parties and relate to the aggregate amount or part of the estimated capital flow, should be recognized on the asset side only when there is certainty for the final payment of the corresponding amount.

2.17Suppliers and Other Creditors

Suppliers and other liabilities are initially recognized at fair value and subsequently measured according to amortized cost, while the effective interest rate method is used. Liabilities are classified as short-term if payment is expected in less than one year. If not, then such are included in long-term liabilities.

2.18Share Premium

The share capital includes common shares of the Company. The difference between the nominal value of shares and their issue price is registered in the "Share Premium" account. Direct expenses for the issue of shares, are presented after the deduction of the relevant income tax and reduce the issue proceeds, namely as a deduction from the share premium.

2.19Financial instruments

The Company's investments are classified in the following categories. The classification depends on the purpose for which the investment was acquired. Management defines the classification during initial recognition and reviews the classification at the end of each reporting period.

2.19.1 Investments held until maturity

This category includes non-derivative financial assets, with fixed or predefined payments and specific maturity and which the Company intends to hold to maturity and has the ability to do so.

2.19.2 Financial assets available for sale

Such include non-derivative financial assets that are either defined in this category or cannot be included in any of the above categories. Financial assets available for sale are included in non-current assets given that Management does not intend to liquidate such within 12 months from the Balance Sheet date.

The purchases and sales of investments are recognized during the transaction date, which is also the date on which the Company commits to purchasing or selling the assets. Investments available for sale are initially recognized at fair value, plus any transaction costs.

Subsequently, financial assets available for sale are valued at fair value and the relevant profit or losses are registered in an equity reserve until such are sold or suffer impairment. During sale or impairment, the profit or losses are transferred to the results. Impairment losses that have been recognized in the results cannot be reversed through the results.

The fair values of financial assets traded on active markets are defined by the current market prices. For assets not traded on active markets, the fair values are estimated by using valuation techniques such as analysis of recent transactions, comparable assets traded on active markets and discounted cash flows.

On each balance sheet date the Company assesses whether there is objective indication that leads to the conclusion that the financial assets have suffered impairment. For company shares classified as financial assets available for sale, such an indication is the significant or continuous reduction of fair value compared to the acquisition cost. If impairment is evidenced, the cumulative loss in equity, which is the difference between acquisition cost and fair value, is transferred to the results. Impairment losses on shares that are registered in the results, are not reversed through the results.

2.19.3 Financial Derivatives

The Company uses financial derivatives, mainly forward foreign exchange contracts, to hedge risks that emanate from changes in exchange rates.

Financial derivatives are measured at fair value, during the balance sheet date. The fair value of forward contracts is calculated based on the market prices of contracts with respective maturities (valuation of 1st level of IFRS 7).

2.19.4 Loans and receivables

Such include non-derivative financial assets with fixed or predefined payments, which are not traded on active markets and there is no intention to sell such. They are included in current assets, apart from those with a maturity over 12 months from the balance sheet date. The latter are included in non-current assets.

2.20Interest Bearing Loans

Loans are initially recognized at fair value, less any possible expenses directly linked to the relevant transaction. Subsequently loans are valued at net book cost. Any difference between the received amount, net of relevant expenses, and the repayment value is recognized in the results during the borrowing period based on the effective interest rate method. Loans are characterized as short-term liabilities except if the Company has the final right to postpone repayment for at least 12 months after the balance sheet date. Bank overdrafts are included in short-term debt in the balance sheet and in investment activities in the statement of cash flows.

3. Other Operating Income

	2013	2012
Grants *	**1,389,012**	1,092,691
Gains on sale of fixed assets	**-**	4,569
Income from provision of services	**25,112**	532,111
Other operating income	**109,159**	361,065
Total	**1,523,283**	1,990,437

The amount of grants refers to subsidy of payroll cost, which companies located in peripheral areas of Greece are entitled to, according to the provisions of L. 1767/88 , L. 1836/89, L. 1563/85 and their amendments.

4. Analysis of Expenses (Production – Administrative – Distribution)

	2013	2012
Payroll expenses (note 5)	**12,249,333**	9,700,842
Third party fees – expenses	**1,017,118**	767,848
Administrative support expenses	**1,300,000**	700,000
Electric power	**4,192,458**	3,542,283
Other third party benefits	**2,046,419**	1,381,883
Transfer expenses	**3,645,744**	3,579,630
Consumables	**1,791,581**	1,546,698
Depreciation / Amortization (note 6)	**1,996,415**	2,060,571
Sundry expenses	**801,851**	646,242
Subtotal	**29,040,919**	23,925,997
Cost of consumed inventories recognized as an expense	**39,373,987**	37,351,016
Total	**68,414,906**	61,277,013

The analysis of expenses per operating category, is as follows:

	2013				2012			
	Cost of sales	Administrative	Distribution	**Total**	Cost of sales	Administrative	Distribution	**Total**
Company	**59,973,363**	**2,527,079**	**5,914,464**	**68,414,906**	53,929,111	1,584,980	5,762,922	**61,277,013**

5. Payroll Expenses

Payroll expenses, are as follows:

	2013	2012
Wages	**2,793,187**	2,508,393
Employer contributions	**729,192**	586,206
Subtotal	**3,522,379**	3,094,599
Day-wages	**6,713,625**	5,064,631
Employer contribution	**1,926,874**	1,489,762
Subtotal	**8,640,499**	6,554,393
Total payroll expenses	**12,162,878**	9,648,992
Other employee expenses	**86,455**	51,850
Total	**12,249,333**	9,700,842

The number of employed staff at the Company at the end of the present financial year, was as follows:

	2013	2012
Regular employees	**85**	69
Day-wage employees	**321**	238
Total	**406**	307

The total staff is primarily insured with the Social Insurance Organization (I.K.A.), both as regards to medical care and as regards to primary pension.

6. Analysis of Depreciations

The analysis of depreciation expenses, per operating category, is as follows:

	2013	2012
Production	**1,942,816**	2,021,344
Administrative	**6,322**	6,787
Distribution	**47,276**	32,440
Total	**1,996,415**	2,060,571

7. Other Operating Expenses

	2013	2012
Charges of the parent for provision of services	**25,441**	532,143
Provisions for doubtful debts	**19,227**	14,359
Employee indemnities	**53,592**	115,202
Other operating expenses	**167,023**	326,802
Total	**265,284**	988,506

8. Financial income / (expenses)

	2013	2012
Interest and interest related income	**58,454**	116,920
Interest charges and related costs	**(936,894)**	(1,018,861)
Total financial (expenses)/income	**(878,441)**	(901,941)
Other financial income/(expenses)	**157,199**	61,343
Total	**(721,242)**	(840,598)

9. Income Tax

The new taxation law 4110/2013 was set in effect on 23 January 2013 and changed the tax rate of legal entities in Greece to 26% (from 20% in 2012) for the year 2013 as well as after that year.

The analysis of tax charged in the year’s Results, is as follows:

	2013	2012
Income tax	**(197,000)**	(80,382)
Provision for tax on un-audited fiscal years	**(110,000)**	(70,000)
Deferred tax (expense)/income	**(327,384)**	(6,280)
Total	**(634,384)**	(156,663)

Income tax (reconciliation with the effective tax rate) is analyzed as follows:

	2013	2012
(Earnings)/losses before tax	**7,136**	3,936,915
Income tax rate	**26%**	20%
Corresponding income tax	**(1,855)**	(787,383)
Difference from tax of previous years	**-**	(10,031)
Difference due to tax rate	**(432,879)**	-
Non tax-deductible expenses	**(175,522)**	(29,810)
Tax-exempt reserves	**85,872**	740,561
Provision for un-audited fiscal years	**(110,000)**	(70,000)
Income tax	**(634,384)**	(156,663)

In Greece, the results reported to tax authorities are deemed temporary and are subject to audit by the tax authorities up until the year 2010. Therefore, for the non-audited fiscal years (2005 – 2010) there is the possibility that additional tax may be imposed on such when they are audited by the tax authorities.

The Company has made a provision of euro 300 thousand, which is considered adequate to cover possible liabilities that may arise from a tax audit.

From 2011 and after, Greek Société Anonyme Companies and Limited Liability Companies, whose annual financial statements must by audited by Legal Certified Auditors that are registered in the public Registry of Law 3693/2008, are obliged to receive an “Annual Certificate”, as stipulated by par. 5 of article 82 of L.2238/1994. The relevant certificate is issued after tax audit conducted by the same Legal Certified Auditor or audit firm that audits the annual financial statements. Following the completion of the tax audit, the Legal Auditor or audit firm issues a “Tax Compliance Report” for the Company which is accompanied by the Notes on Detailed Information. The latest within ten days from the final approval date of the Company’s financial statements by the General Meeting of Shareholders, the aforementioned Report and the relevant Notes are submitted electronically to the Ministry of Economics by the Legal Auditor or the audit firm. The Ministry of Economics will subsequently select a sample of companies corresponding to at least 9% for a tax review by the relevant tax audit services of the Ministry.

This audit must have been completed for the year of 2011 until 30.04.2014 and for the year 2012 in a period shorter than 18 months from the date of submission of the “Tax Compliance Report” to the Ministry of Finance.
According to the decision 1236/2013 of the Ministry of Finance, the financial year 2011 will deemed as finalized on 30 April 2014.

The tax audit for financial years 2011 and 2012 was completed by the audit firm “PricewaterhouseCoopers” S.A., whereas no significant tax liabilities emerged from the audit apart from those registered and presented in the financial statements.

For the year 2013, the Company has been submitted to the tax audit of Certified Auditors Accountants stipulated by the provisions of article 82 par. 5 L. 2238/1994. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2013 financial statements. If until the completion of the tax audit additional tax liabilities arise, we assess that such will not have a substantial effect on the financial statements.

10. Tangible Assets and Intangible Assets

Amounts in Euro, unless stated otherwise

10.1 Tangible Fixed Assets

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 1.1.2013	110,270	8,135,230	40,392,940	227,920	231,329	109,160	49,206,849
Additions	-	14,400	925,743	28,000	37,041	31,522	1,036,706
Sales / transfers	-	-	97,883	-	-	(97,883)	-
Acquisition cost 31.12.2013	**110,270**	**8,149,630**	**41,416,566**	**255,920**	**268,370**	**42,800**	**50,243,555**
DEPRECIATIONS							
Cumulative depreciations 1.1.2013	-	(3,284,779)	(32,475,005)	(149,380)	(141,094)	-	(36,050,258)
Depreciations for the period	-	(217,042)	(1,699,434)	(27,013)	(25,507)	-	(1,968,996)
Depreciation of sales/transfers		-	-	-	-	-	-
Cumulative depreciations 31.12.2013	**-**	**(3,501,821)**	**(34,174,439)**	**(176,394)**	**(166,601)**	**-**	**(38,019,255)**
NET BOOK VALUE							
31.12.2012	110,270	4,850,451	7,917,933	78,540	90,235	109,160	13,156,591
31.12.2013	**110,270**	**4,647,808**	**7,242,127**	**79,527**	**101,769**	**42,800**	**12,224,302**

	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Vehicles	Furniture & other equipment	Fixed assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 1.1.2012	110,270	8,120,485	39,665,395	170,474	176,077	16,809	48,259,510
Additions	-	14,745	762,247	57,446	54,392	109,160	997,990
Sales / transfers	-	-	(34,702)	-	860	(16,809)	(50,651)
Acquisition cost 31.12.2012	**110,270**	**8,135,230**	**40,392,940**	**277,920**	**231,239**	**109,160**	**49,206,849**
DEPRECIATIONS							
Cumulative depreciations 1.1.2012	-	(3,068,694)	(30,697,608)	(123,519)	(123,970)	-	(34,013,791)
Depreciations for the period	-	(216,085)	(1,786,274)	(25,861)	(17,124)	-	(2,045,344)
Depreciation of sales/transfers	-	-	8,875	-	-	-	8,875
Cumulative depreciations 31.12.2012	**-**	**(3,284,779)**	**(32,475,007)**	**(149,380)**	**(141,094)**	**-**	**(36,050,260)**
NET BOOK VALUE							
31.12.2011	110,270	5,051,791	8,967,787	46,955	52,107	16,809	14,245,719
31.12.2012	**110,270**	**4,850,451**	**7,917,933**	**78,540**	**90,235**	**109,160**	**13,156,591**

There are no liens and guarantees on the Company's tangible fixed assets.

10.2 Intangible Assets

	Computer Software & Industrial Property Rights
ACQUISITION COST	
Acquisition cost 1.1.2013	143,345
Additions/sales	-
Acquisition cost 31.12.2013	**143,435**
AMORTIZATION	
Cumulative amortization 1.1.2013	(20,997)
Amortization for the period	(27,535)
Cumulative amortization 31.12.2013	**(48,532)**
NET BOOK VALUE	
31.12.2012	122,437
31.12.2013	**94,903**

	Computer ware & Industrial Property Rights
ACQUISITION COST	
Acquisition cost 1.1.2012	9,961
Additions/sales	133,474
Acquisition cost 31.12.2012	**143,345**
AMORTIZATION	
Cumulative amortization 1.1.2012	(5,770)
Amortization for the period	(15,227)
Cumulative amortization 31.12.2012	**(20,997)**
NET BOOK VALUE	
31.12.2011	4,191
31.12.2012	**122,437**

11. Inventories

	2013	2012
Merchandise	**387,355**	883,554
Finished and semi-finished products	**10,369,372**	8,126,675
Raw & auxiliary materials	**5,981,729**	3,206,588
Prepayments for purchases of inventories	**49,326**	5,459

Provision for inventory impairment	**(83,575)**	-
Total	**16,704,208**	12,222,277

The movement of provisions for inventories for the year ending on 31 December 2013 is analyzed as follows:

	2013	2012
Opening balance	**-**	-
Used provision	**-**	-
Reversal of provision	**-**	-
Additional provision	**(83,575)**	-
Closing Balance	**(83,575)**	-

12. Trade and other receivables

	2013	2012
Customers	**8,913,835**	9,072,388
Notes- checks post-dated	**226,356**	511,265
Checks – notes overdue	**17,421**	17,421
Provisions for doubtful debts	**(173,407)**	(154,180)
Total	**8,984,205**	9,446,894
Trade receivables (related companies)	**5,491,157**	4,524,693
Total trade receivables	**14,475,363**	13,971,587

	2013	2012
Other receivables	**1,411,883**	105,793
MEO (OAED) grants receivable	**4,648,960**	3,285,021
Accrued income	**106,923**	197,114
Total other receivables	**6,167,765**	3,587,928

The fair value of the receivables approaches the book values.

The dispersion of the Company's sales is considered as satisfactory. Sales are not concentrated to a limited number of customers and therefore there is neither increased risk with regard to any loss of income nor increased credit risk.

The movement of provisions for doubtful debts for the period ended on 31 December 2013 is analyzed as follows:

	2013	2012
Opening balance	**154,180**	169,622
Used provision	**-**	(16,301)
Reversal of provision	**-**	(13,500)
Additional provision	**19,227**	14,359
Balance 31 December	**173,407**	154,180

13. Cash & Cash Equivalents

	2013	2012
Cash in hand	**3,400**	3,959
Sight and term deposits	**8,344,712**	9,794,639
Total	**8,348,112**	9,798,598

Credit rating of cash & cash equivalents (Fitch)

Approximately 33% of the Company's cash and cash equivalents are deposited in various Greek systemic banks. The Management of the Company deems that at this period there are no risks with regard to the safety of the above deposits. The remaining balance is deposited in foreign banks with credit rating higher than A. Below, the cash and cash equivalents are classified according to the credit ratings of the banks at which the respective deposits have been made.

	2013	2012
CCC	-	6,220,518
B -	2,752,076	-
A	5,592,637	3,574,121
Total	**8,344,712**	9,794,639

14. Share Capital and Share Premium Reserve

The Company's share capital consists of 203,030 common bearer shares, with a nominal value of Euro 29.50 (in absolute terms) each. The debit balance of the "Share premium" account amounting to Euro 41,897.26 concerns expenses for the last Share Capital increase.

15. Reserves

	2013	2012
Statutory Reserve	359,926	172,705
Tax-exempt Reserves – Other reserves	13,976,218	10,419,017
Total	**14,336,144**	10,591,722

15.1 Statutory Reserve

In accordance with the provisions of Greek Law, the creation of a statutory reserve – by transferring to such a reserve an amount equal to 5% of the annual after tax profits realized – is mandatory until the time the reserve reaches the 1/3 of the Company's share capital. The statutory reserve can be distributed only upon the dissolution of the Company. However it can be used to offset accumulated loss.

15.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of laws for development. In case of their distribution will be taxed with the tax rate prevailing at the time of their distribution.

16. Debt

The Company's long-term loan has been granted by the Hellenic Bank based on Euribor plus a spread.

The Company's short term loans have been granted from various banks with interest rates of Euribor plus a margin. The book value of loans approaches their fair value during 31/12/2013.

Specifically, net debt at the end of the year is analyzed as follows:

	2013	2012
Long-term loans	3,500,000	-
Short-term loans	9,271,073	13,607,441
Minus cash equivalents (note 13)	(8,348,112)	(9,798,598)
Net Debt	**4,422,961**	3,808,843

The maturity of loans is as follows:

	2013	2012
Up to 1 year	9,271,073	13,607,441
From 1 – 3 years	3,500,000	-

17. Operating leases

The Company has signed operating leasing contracts, for use of vehicles and mechanical equipment. The liabilities that emanate from such contracts are analyzed as follows:

	2013
Liability up to 1 year	779,880
Liability up to 5 years	2,411,640
Liability over 5 years	432,000

The amounts of leases charged during the year amount to euro 798,145.

18. Employee benefits

The liabilities of the Company towards its employees in providing them with certain future benefits, depending on the length of service is calculated by an actuarial study and is reported on the basis of the accrued entitlement, as at the date of the Balance Sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment. The liability for the Company, as presented in the Balance Sheet, is analyzed as follows:

[redacted]

19. Deferred Taxes

A. Change of deferred tax in the results

	2013	2012
As at 1 January	**(1,442,928)**	**(1,501,101)**
Change in the results	**(327,384)**	**(6,279)**
Change in other comprehensive income	**25,678**	**64,452**
As at 31 December	**(1,744,635)**	**(1,442,928)**

B. Deferred tax liabilities

	Depreciation	Other	Total
As at 31 December 2011	**(1,581,209)**	**(45,694)**	**(1,626,903)**
Change in the results	**(39,214)**	**45,694**	**6,480**
As at 31 December 2012	**(1,620,423)**	**-**	**(1,620,423)**
Change in the results	**(413,133)**	**-**	**(413,133)**
As at 31 December 2013	**(2,033,567)**	**-**	**(2,033,567)**

C. Deferred tax assets

	Liabilities for employee benefits	Provisions	Total
As at 31 December 2011	**91,876**	**33,924**	**125,800**
Change in the results	**(9,671)**	**(3,088)**	**(12,759)**
Change in other comprehensive income	**64,452**	**-**	**64,452**
As at 31 December 2012	**146,657**	**30,836**	**177,493**
Change in the results	**55,856**	**29,893**	**85,749**
Change in other comprehensive income	**25,678**	**-**	**25,678**
As at 31 December 2013	**228,193**	**60,729**	**288,921**

20. Other Short-term Liabilities – Accrued Expenses

	31.12.2013	31.12.2012
Suppliers	**14,702,962**	8,978,091
Sundry creditors	**864,942**	822,013
Liabilities from tax and pensions	**889,233**	766,731
Other accounts payable	**395,233**	432,293
Accrued expenses	**576,337**	452,229
Total other short-term liabilities	**17,428,706**	11,451,357
Liabilities towards related companies	**235,776**	228,391
Total short-term liabilities	**17,664,482**	11,679,748

The fair value of liabilities approaches the book values.

21. Financial Derivatives

The Company enters into forward foreign exchange contracts to cover foreign exchange risk from the receipt of receivables and payments of suppliers in foreign currencies. Such contracts have several maturity dates, according to the date of the expected receipt or payment. The valuation of the Company's open positions on 31 December 2013 and 31 December 2012 is as follows:

Currency	Open position	Forward purchase/(sale) amount	Forward purchase/(sale) value	Market Value	Valuation Profit/(Loss) 31.12.2013
USD	Sale	1,400,000	1,042,914	1,015,155	**27,759**
GBP	Sale	250,000	298,936	299,868	**(932)**
Total		**1,650,000**	**1,341,850**	**1,315,023**	**26,827**

Currency	Open position	Forward purchase/(sale) amount	Forward purchase/(sale) value	Market Value	Valuation Profit/(Loss) 31.12.2012
USD	Sale	1,500,000	1,164,296	1,136,880	**27,416**
GBP	Sale	500,000	624,485	612,670	**11,815**
Total		**2,000,000**	**1,788,781**	**1,749,550**	**39,231**

22. Transactions with Related Parties

Following, the transactions with related companies are presented.

	2013	2012
Income – Sales	15,248,336	16,429,606
Expenses – Purchases	4,211,692	6,344,465
Receivables	5,487,916	4,524,693
Liabilities	234,776	228,391

	2013	2012
Remuneration of Board Members and Senior Executives	597,793	444,087

23. Commitments and Contingent Liabilities

On 31 December 2013 there are no significant legal issues pending that may have a material effect in the financial position of the Companies.

The Company has issued letters of guarantee concerning the Greek State, suppliers and customers amounting to euro 3,702,982.

24. Reclassifications of accounts

The present Financial Statements include comparative data of the previous financial year that have been amended to a small extent, for comparability purposes.

25. Risk Management

The financial assets mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

The general activities of the Company create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

25.1 Risk from fluctuation of prices of raw materials

The Company is exposed to fluctuations in the price of polypropylene, which is faced with a corresponding change in the sale price of the final product. The possibility that the increase in polypropylene prices will not be fully transferred to the sale price, induces pressure on profit margins.

25.2 Credit risk

The Company is exposed to credit risk, and in order to manage such consistently, it applies a clearly defined credit policy that is continuously monitored and reviewed, in order to assure that the provided credit does not exceed the credit limit per customer. Also, insurance contracts are made to cover sales per customer, while collateral is not required on the assets of customers. During the preparation date of the financial statements, provisions were made for doubtful debts and the Management considers that there is no other substantial credit risk that is not covered by insurance coverage or provisions.

The following table presents an analysis of the maturity of trade and other receivables.

	2013	2012
01 – 30 days	2,405,698	2,219,043
31 – 90 days	6,932,888	7,721,439
91 – 180 days	2,392,412	3,184,769
180 and over	2,917,772	1,000,517
Provisions for doubtful customers	(173,407)	(154,180)
Total	**14,475,363**	13,971,588

The above amounts are presented on the basis of the days of delay in the following table:

	2013	2012
Receivables within the payment deadline	9,015,064	9,729,494
Overdue receivables	5,460,299	4,242,094
Overdue receivables with impairment provision	173,407	154,180
Subtotal	14,648,770	14,125,768
Provision for impairment	(173,407)	(154,180)
Total	**14,475,363**	13,971,588

With regard to amounts in delay for over 90 days and have been classified from the Company as doubtful, there are adequate provisions.

25.3 Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Company to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. Short-term liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities –loans - derivatives according to their maturity dates.

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	4,730,280	9,972,680	-	-	14,702,961
Other liabilities	2,243,296	718,225	-	-	2,725,744
Short-term debt	123,708	4,573,682	4,573,682	-	9,271,072
Long-term debt	-	-	-	3,500,000	3,500,000
Total 31/12/2013	**7,097,285**	**15,264,587**	**4,573,682**	**3,500,000**	**30,435,554**

	Up to 1 month	1-6 months	6-12 months	Over one year	Total
Suppliers	2,879,098	6,098,994	-	-	8,978,092
Other liabilities	2,077,583	624,074	-	-	2,701,657
Short-term debt	225,699	671,818	12,709,924	-	13,607,441
Long-term debt	-	-	-	-	-
Total 31/12/2012	**5,182,380**	**7,394,886**	**12,709,924**	**-**	**25,287,190**

25.4 Interest rate risk

Short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a charge / (improvement) of earnings before tax as follows:

Potential interest rate change	Effect on earnings before tax	
	2013	2012
Interest Rate Increase by 1%	127,537	136,074
Interest Rate Decrease by 1%	(127,537)	(136,074)

25.5 Capital Adequacy Risk

The Company controls capital adequacy using the Net Bank Debt to Operating Profit ratio and the ratio of Net Bank Debt to Equity. The Company's objective in relation to capital management is to ensure its smooth operation aiming at providing satisfactory returns for shareholders and benefits for other parties, as well as to maintain an ideal capital structure in order to ensure a low cost of capital. For this purpose it systematically monitors working capital, in order to maintain the lowest possible level of external financing.

	2013	2012
Long-term debt	3,500,000	-
Short-term debt	9,271,073	13,607,441
Total debt	12,771,073	13,607,441
Minus cash & cash equivalents	8,348,112	9,798,598
Net debt	**4,422,961**	**3,808,843**

EBITDA	**2,724,972**	**6,838,085**
EBITDA/NET BANK DEBT	**1.62**	**0.56**
EQUITY	**25,032,216**	**25,768,370**
NET BANK DEBT / EQUITY	**0.18**	**0.15**

26. Events after the end of the reporting period

There are no other events after 31 December 2013 that could substantially affect the financial position or results of the Company for the financial year then ended, or events that must be disclosed in the financial statements.

The Financial Statements, that are presented in pages 15 through 40, were prepared according to the provisions of C.L. 2190/20 as amended and currently in effect and according to the International Financial Reporting Standards, as such have been adopted by the European Union, and were approved by the Board of Directors on 7 May 2014 and are signed on behalf of such by the following:

The Chairman and Chief Executive Officer	**The Vice-Chairman**	**The Head Accountant**
KONSTANTINOS ST. CHALIORIS	DIMITRIOS A. CHROUNTAS	CHRISTOS VL. ARGYRIOU
ID No. AI 569344	ID No. AZ 100400	ID No.AB 463263 Accountant Lic. Reg. No. 417 A CLASS