EUROCHARTIKI SA PAPER & DETERGENTS INDUSTRY

ANNUAL FINANCIAL REPORT

for financial year 2013

(1 January to 31 December 2013)

In accordance with Law 3556/2007

"EUROCHARTIKI SA PAPER & DETERGENTS INDUSTRY"

distinctive title "EUROCHARTIKI SA"

Annual Financial Statements
for the year from 1 January 2013 to 31 December 2013
In accordance with the International Financial Reporting Standards

It is stated that the attached Financial Statements are those approved by the Board of Directors of "EUROCHARTIKI SA" on 30/04/2014, have been made public through the press and are available online at *www.eurochartiki*.gr. It is noted that the published financial statements aim to provide the reader with general information but do not provide a complete picture of the financial position and results of the Company in accordance with International Financial Reporting Standards. It is also noted that, for simplicity in the published summary financial statements have been rearranged.

Christopoulos Nicholaos
President of the Board & CEO
EUROCHARTIKI SA

FINANCIAL STATEMENTS INDEX

Board of Directors' Report on the Financial Statements of "EUROCHARTIKI SA" for the year ended 31 December 2013

Dear Shareholders**,**
We submit the Directors' Report for the financial year 01/01/2013-31/12/2013 and the annual financial statements, which were prepared under the applicable law and generally accepted accounting principles as prescribed by the International Financial Reporting Standards.

Dear Shareholders,
2013 has been a year of decline both in the Industry and in terms of consumption. The continued recession in Greece, which was mainly expressed as negative sentiment, has adversely affected the majority of consumers with resulted in even lower consumption, especially in our industry.
Despite the challenging conditions, our company's Management managed to not only maintain the company's position but also achieve a turnover increase by 2.76%. This demonstrates our customers' trust, costumers that recognized and valued our consistency in delivery, excellent quality of our products and our competitive prices.
More specifically, for the past year we could mention the following:
Gross profit margin fell from 24.02% to 23.15%. This is due to the company's aggressive policy which translated into continuous offers across its network, with the aim to maintain and promote further development, which is reflected in the higher turnover with significant increase in the numbers of sold boxes, despite price reductions.
Operating expenses approximated the previous year's levels in absolute terms. In fact, the turnover increase was absorbed by company operations, without any further correction required.
Financial cost decreased from €1,709 thousand to €1,270 thousand, down by 25.69%. This is due to the improvement in our company's collection methods and the selection of clients, while the continued reduction of borrowings was also an important factor. Monitoring of cash flows, combined with the company's potential to adapt to continuously changing conditions through planning, has stabilised losses by cutting costs.
The above, together with the rational formation of provisions, resulted in the formation of pre-tax profit to the amount of €670 thousand against €617 thousand in 2012, recording a growth of 8.6%.

The fundamental financial data of the company are configured as follows:
Sales: Sales amounted to € 38.95 million compared to € 37.90 million in corresponding period of 2012, recording an increase of 2.76%.

EBITDA: Operating profit (EBITDA) amounted to 3.36 million from 3.77 million in 2012.

Selling - Administrative Expenses: The Selling and Administrative Expenses totaled € 6.59 million compared to € 6.78 million in the corresponding period of 2012.

Profit before tax: Profit before tax amounted to € 670.00 thousand compared to profit € 617.00 thousand in 2012.

Profit after tax: Profit after tax stood at € 332.41 thousand in 2013 compared to profit of € 333.39 thousand in the same period in 2012 .

Total Liabilities: The Company's total liabilities amounted to € 27.59 million compared to € 30.81 million in the corresponding period of 2012.

The total debt of the company amounted to € 14.94 million compared to € 18.77 million in the corresponding period of 2012, recording a decrease of 20.40%.
The investment properties amounted to € 263,00 thousand compared to € 295,78 thousand the corresponding period of 2012. Investments in fixed assets remained almost unchanged as in the corresponding period of 2012.

SUMMARY OF FINANCIAL RESULTS

The summary of results and balance sheet data for the years 2013 and 2012 are presented in the following tables

PROFIT / LOSS DATA

Company			
(in thousands €)	2013	2012	df % 2013 vs 2012
Revenues	38,945	37.898	2.76%
Gross Profit	9,017	9,105	(0.97)%
EBITDA	3,363	3,770	(10.80)%
Profit before income taxes	670	617	(8.59)%
Total Borrowing	14,943	18,770	(20.39)%
Gross Profit Margin	23.15%	24.02%	-

BALANCE SHEET DATA

Company		
(in thousands €)	2013	2012
Fixed assets	32,176	32,969
Current Assets	20,470	23,692
Total Assets	52,646	56,660
Total Equity	25,060	25,846
Minority Rights	-	-
Total liabilities	27,586	30,815

Important events:

The company has been audited for tax purposes up to year 2008. The years 2009 and 2010 are unaudited. For the years 2011-2012-2013 we have been granted a certificate of tax compliance.

1.1 *Objectives and prospects for 2013*

The company's policy to reduce doubtful debts will continue into 2014, by selecting clients on even stricter criteria. The company's position already appears strengthened in relation to competition, while new selection of suppliers should support gross profit margin, given that we can achieve better prices by keeping the quality of our products unchanged.
The company's plan for 2014 is to achieve a turnover increase of approximately 8%. More specifically, turnover should reach EUR 42,000,000 and net profit before tax should exceed EUR 1,000,000.
The above objectives can be directly achieved through the company's production capacity, while the investment to be made in the detergents segment should give an additional boost to the company's growth.
This seems feasible for two main reasons. The first reason is the sales of products under the brand name "ENDLESS", in new outlets (new customers), which will result in increased turnover by approximately 10%. The second reason is the expansion of our cooperation with existing, private-label clients that present a significant margin for development, whose credit rating was checked in 2013, as well as with new clients. This is expected to increase the company's turnover by approximately 20%.

Financial instruments

Fair Value: The amounts reflected in the accompanying statements of financial position for cash, customers and other receivables prepayments, suppliers and other current liabilities approximate their respective fair values. The fair value of floating rate loans approximate the amounts shown in the balance sheet.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the period there were no transfers between Level 1 and Level 2 and no transfers into and out of Level 3 fair value measurement.

(amounts are expressed in euro unless otherwise stated)

On 31 December 2013 and 2012, the Company held the following financial instruments measured at fair value:

	Fair Value –31.12.2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Long-term loans (including short term portion) (Note 22)	-	9,156,970	-	**9,156,970**
Derivative financial instruments (Note 27)	-	-	-	**-**

	Fair Value –31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Long-term loans (including short term portion) (Note 22)	-	8,448,311	-	**8,448,311**
Derivative financial instruments (Note 27)	-	120,373	-	**120,373**

Interest Rate Risk: As the long-term & short-term borrowings, Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for relevant positions to hedge risks arising from them.

The following table shows the changes in comprehensive income (through the impact of the remaining floating-rate borrowings at year end) possible changes in interest rates, holding other variables constant.

Sensitivity analysis of the Company's loans to interest rate changes:

	31 December 2013		31 December 2012	
	Volatility of Interest Rates	**Impact on Comprehensive Income**	**Volatility of Interest Rates**	**Impact on Comprehensive Income**
EUR	1.0%	(104,478)	1.0%	(209,635)
	-1.0%	104,478	-1.0%	209,635

Note: The above table does not include the positive effect of interest income from deposits.

Price Risk: The Company faces significant risk from changes in the prices of a & b raw materials and packaging materials production company products. The key risk to price changes is to supply a paper material which constitutes the most basic supplies throughout the company. In the global paper market prices are usually formed at quarter level. Due to the global financial crisis and the changes that it caused at both the demand and cost of outputs, the global paper market adjusted to current needs and prices now formed at a monthly basis, which follows our company. Management addresses the above risk at both supply paper and throughout the company, entering into partnerships with several suppliers of the same species, maintaining solid partnerships, continuously reviewing the global market and finally passing on increases to consumers.

(amounts are expressed in euro unless otherwise stated)

Credit Risk: The Company's maximum exposure to credit risk because of non-performance of obligations by contractors during the current year, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Company has no significant concentrations of credit risk with any single counterparty.

Liquidity Risk: The Company manages the risks that may arise due to insufficient liquidity by managing to have always available secured bank credit to use. Prudent liquidity management of the Company is achieved by appropriate combination of cash and bank credits.

The following table summarizes the maturity profile of undiscounted financial liabilities deriving from relevant contracts, as at 31 December 2013 and 2012.

Amounts 31.12.2013	On Demand	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowing	96,306	6,440,837	926,000	7,304,664	175,000	14,942,807
Trade and other payables	4,074,027	2,980,165	-	-	-	7,054,192
Total	**4,170,333**	**9,421,002**	**926,000**	**7,304,664**	**175,000**	**21,996,999**

Amounts 31.12.2012	On Demand	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowing	-	6,098,773	6,097,773	5,080,547	1,492,768	18,769,861
Trade and other payables	2,047,317	4,567,984	-	-	-	6,615,301
Total	**2,047,317**	**10,666,757**	**6,097,773**	**5,080,547**	**-**	**25,385,162**

Capital management: The primary objective of capital management is to ensure the maintenance of high credit rating and healthy capital ratios to support and expand the activities of the Company and maximize shareholder value.

INDEPENDENT AUDITORS' REPORT
To the shareholders of "EUROCHARTIKI S.A."

Report on the Financial Statements
We have audited the accompanying separate and consolidated financial statements of "EUROCHARTIKI S.A." which comprise of the statement of financial position as at 31 December 2013, and the statements of comprehensive income, changes in shareholders' equity and cash flows 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 controls as management determines is necessary to enable the preparation of 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 separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards of Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated 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 separate and consolidated 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 separate and consolidated 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 accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of "EUROCHARTIKI S.A." as of 31 December 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.

Limitation of Scope

Without qualifying our opinion, we draw attention to the decision of the Board not to distribute dividend is subject to approval by the Annual General Meeting of Shareholders with the quorum and majority laid down by law.

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, 2 June 2014
The Certified Auditor Accountant

GRIGORIS IL. KOUTRAS
R.N. ICA (GR) 13601

International Register Of Certificated Auditors (IRCA) S.A.
R.N. ICA (GR) 111

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	01.01-31.12.2013	01.01-31.12.2012
Income	5	38,945,019	37,897,677
Cost of sales	7	(29,928,093)	(28,793,168)
		9,016,927	**9,104,509**
Administrative expenses	7	(1,631,017)	(1,626,594)
Selling and distribution expenses	7	(4,956,174)	(5,153,887)
Other operating expenses	8	(597,798)	(387,132)
Other operating income	6	101,094	370,865
Earnings before interest and taxes (EBIT)		**1,933,032**	**2,307,761**
Financial income	9	7,286	17,862
Financial expenses	9	(1,270,126)	(1,708,512)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**3,362,713**	**3,769,705**
Profit before tax		**670,191**	**617,111**
Income tax	10	(337,777)	(283,725)
Net profit (A)		**332,414**	**333,386**
Other comprehensive income after taxes (B)		-	-
Total comprehensive profit after taxes (A) + (B)		**332,414**	**333,386**

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

`	Note	31.12.2013	31.12.2012
ASSETS			
Non Current Assets			
Property, plant and equipment	12	31,868,917	32,617,843
Investment property	14	263,004	295,784
Intangible assets	13	12,302	21,363
Other long-term receivables		31,549	33,953
Total non-current assets		**32,175,772**	**32,968,943**
Current assets			
Inventories	15	7,122,356	6,409,313
Trade and other receivables	16	11,693,617	14,138,937
Prepayments and other receivables	17	1,356,025	2,654,438
Cash and cash equivalents	18	297,842	488,862
Total Current Assets		**20,469,839**	**23,691,550**
TOTAL ASSETS		**52,645,611**	**56,660,493**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	5,642,976	4,436,664
Other reserves	20	3,694,507	6,004,085
Retained earnings		15,722,110	15,405,239
Total Equity		**25,059,593**	**25,845,988**
Long-term liabilities			
Long-term borrowing	22	7,479,970	6,574,316
Grants	24	666,133	746,414
Provisions for staff retirement indemnities	23	203,856	188,393
Deferred tax liability	10	4,393,440	4,366,011
Total long-term liabilities		**12,743,400**	**11,875,134**
Current liabilities			
Suppliers	26	5,341,343	4,225,584
Short-term borrowing	22	6,790,837	11,812,806
Short-term portion of long-term borrowings	22	672,000	382,739
Current finance lease liabilities	25	12,584	20,741
Income taxes payable		313,005	107,784
Accrued and other current liabilities	27	1,712,849	2,389,717
Total Current Liabilities		**14,842,619**	**18,939,372**
TOTAL EQUITY AND LIABILITIES		**52,645,611**	**56,660,493**

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Share capital	Statutory reserves	Other Reserves	Retained earnings	Total
Total equity at year start 1 January 2012	**4,436,664**	**542,284**	**4,888,415**	**15,095,116**	**24,962,478**
Total comprehensive income after taxes	-	-	-	333,386	333,386
Collection of grant under Law 3299/04	-	-	550,123	-	550,123
Transfer to reserves	-	23,263	-	(23,263)	-
Total equity at year end 31 December 2012	**4,436,664**	**565,547**	**5,438,538**	**15,405,239**	**25,845,988**
Total equity at year start 1 January 2013	**4,436,664**	**565,547**	**5,438,538**	**15,405,239**	**25,845,988**
Total comprehensive income after taxes	-	-		332,414	332,414
Share capital increase	1,206,312				1,206,312
Distribution of reserves			(2,325,121)		(2,325,121)
Collection of grant under Law 3299/04	-	-			-
Transfer to reserves	-	15,543		(15,543)	0
Total equity at year end 31 December 2013	**5,642,976**	**581,090**	**3,113,417**	**15,722,110**	**25,059,593**

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CASH FLOWS (INDIRECT METHOD) FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	01.01-31.12.2013	01.01-31.12.2012
Cash flows from operating activities			
Profit before income taxes		670,191	617,111
Adjustments for:			
Depreciation and amortisation		1,510,041	1,538,588
Amortisation of grants		(80,359)	(76,643)
Income from sale of PPE		-	(3,681)
Financial (income)/expenses		1,262,840	1,690,650
Provisions for staff retirement indemnities		(127,312)	(237,072)
Other provisions		400,000	300,000
Operating profit before changes in working capital		**3,235,402**	**3,828,952**
(Increase)/Decrease:			
Inventories		(713,043)	1,068,012
Trade receivables		1,979,760	2,019,210
Prepayments and other receivables		821,294	(1,153,064)
Other long-term receivables		(10,186)	(19,221)
Increase/(Decrease):			
Suppliers		1,115,759	(610,965)
Accrued and other current liabilities		(676,868)	274,755
Interest paid		(1,270,126)	(1,708,512)
Payments for staff retirement indemnities		(111,849)	(61,111)
Taxes paid		(123,736)	(76,980)
Total inflows from operating activities		**4,246,407**	**3,561,077**
Cash flows from investing activities			
Grants received		-	550,123
Income from sales of PPE		-	26,250
Acquisition of tangible and intangible assets		(609,503)	(391,064)
Interest and related income received		7,286	17,862
Cash outflows for investing activities		**(602,218)**	**203,171**
Cash flows from financial activities			
Proceeds from share capital increase		-	-
Net change in long-term borrowing		905,654	645,259

(amounts are expressed in euro unless otherwise stated)

Net change in short-term borrowing	(4,732,708)	(5,032,451)
Net change in finance leases	(8,157)	(70,869)
Cash outflows from financial activities	**(3,835,210)**	**(4,458,061)**
Net increase in cash and cash equivalents	**(191,020)**	**(693,812)**
Cash and cash equivalents at year start	**488,862**	**1,182,674**
Cash and cash equivalents at year end	**297,842**	**488,862**

The accompanying notes are an integral part of the Financial Statements

1. Corporate information

The "Limited Commercial and Industrial Storage Company logistics distribution EUROCHARTIKI", trade title "EUROCHARTIKI S.A.", founded in Greece on 05/02/1993 (Government Gazette 485/12/03/1993 & Companies Register: 28384/03/B/93/13).

Its registered office is located the Municipality of Aspropyrgos (area Faka), Attica.

The Company's initial term was ten years from registration in the Companies Register (05/02/1993), and by amendment to Article 4 of the Statute, following a decision of the General Meeting of Shareholders on 11/10/2001, it was extended until 02/05/2013.

Scope of Works - Products

The Company's principal activities are the following:

- The paper processing for the manufacture of finished paper products (napkins luxury, toilet paper, tablecloths, paper equipment, paper towels appliances, zigzags and medical rolls)
- The production of liquid detergent (dish detergents, fabric softeners, liquid chlorine liquid detergents and glass surfaces, dishwasher detergents, liquid detergents, floor)
- The trade in all our manufacturing stationery and sanitary napkins, incontinence, baking sheets, underpads
- Trade of detergents (all detergents produced by our company, and power detergents)
- The production of private label (paper - detergents) for large chains of super markets.
- Production of cosmetics (cream soap).

The above mentioned activities take place at the Company's registered office, within privately-owned premises (production areas - a & b material and finished goods storage areas) of 21,087 sq.m. on a plot of 46,601 sq.m.

The Company owns a storage area in Aspropyrgos (Location Rykia) in privately-owned facilities of 8,250 sq.m. on a plot of 22.739 m².

The Company also maintains a well-developed branch in Nea Magnisia, Municipality of Echedoros, Thessaloniki, in a privately-owned storage area of

4,000 sq.m. on a 11,000 sq.m.plot.

The main supplies of raw material – paper are imported partly from Italy and partly from Turkey.

The promotion of the Company's products is undertaken by:
- Sales network in Attica and Greek Province
- Proprietary vehicles covering the whole of Greece
- Branch in Thessaloniki
- Excellent partnerships with retailers
- Partnerships with companies placing products produced.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 General

The accompanying financial statements for the year 1/1-31/12/2013 are consistent with the accounting principles used to prepare the annual financial statements for year 2013 and have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board, and the Interpretations issued by the Interpretations Committee, as in force on 31 December 31.

These accompanying financial statements have been prepared on a historical cost basis except for the Company's fields and buildings which are shown in the financial statements at deemed cost, as calculated based on fair values on the transition date.

The preparation of financial statements in accordance with IFRS requires management of the Company to make estimates and assumptions that affect the balances in accounts the assets, liabilities and income statement, and the disclosure of contingent assets and liabilities at the date of the financial statements. The estimates and assumptions are based on existing experience and on other factors and data considered reasonable and reviewed at regular intervals. The effect of the revisions adopted estimates and assumptions recognized in the year in which they occur or even in the next if the revision affects not only the present but also future years.

2.2 Statutory Financial Statements

The Company maintains its accounting records in accordance with the Greek Commercial Law (Law 2190/1920) and the applicable tax legislation. Accordingly, these financial statements have been prepared in accordance with applicable tax laws, on which they have conducted all appropriate out-records in order to comply with IFRS.

2.3 Approval of the Annual Financial Statements

The annual financial statements for the year ended 31 December 31 were approved for publication by the Board of Directors on 30 April 2014. The abovementioned financial statements are subject to final approval by the Annual General Meeting of Shareholders.

3. ACCOUNTING PRINCIPLES:

The key accounting principles adopted in the preparation of the accompanying financial statements are as follows:

3.1 Functional Currency and Foreign Currency Translation

The company's functional currency is euro. Transactions involving other currencies are converted into Euro using the exchange rates, which were in effect at the time of the transactions. At the financial position date, monetary assets and liabilities which are denominated in other currencies are adjusted to reflect the current exchange rates.

Gains or losses resulting from transactions and the year-end valuation of monetary assets in foreign currency are recognised in the income statement.

3.2 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. These values are reduced by accumulated depreciation and any impairment losses.

The initial acquisition cost comprises the purchase price, including all direct expenses to make PPE functional and ready for the intended use.

The acquisition cost of PPE on the transition date (1/1/2006) was calculated at fair value, as determined by independent valuers.

Subsequent costs are included in relation to investment properties are capitalized only when it increases the future economic benefits expected to be derived from their exploitation. Repairs and maintenance costs are expensed as incurred.

The cost and 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 to the income statement, using the straight-line method over the term of the estimated useful lives of fixed assets. Land is not depreciated. The estimated useful life per category of fixed asset is:

Buildings & facilities on third-party property	1-50 years
Machinery & Facilities	1-29 years
Vehicles	1-26 years
Furniture and other equipment	1-5 years

The residual values and useful lives of PPE are revised and adjusted at each balance sheet date. When the carrying values of PPE exceed their recoverable value, the difference (impairment) is posted in the income statement as expense.

3.3 Intangible Assets

Software

Software programs correspond to the cost of purchase. The expenses incurred to increase or expand the performance of software beyond its initial specifications are recognized as capital expenses added to the initial software cost.

Amortisation of software is charged to profit or loss using the straight line method over the useful life of such software. The estimated useful life is as follows:

Software	1-4 years

3.4 Impairment of Assets

The tangible and intangible assets and other non-current assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount of an asset is the greater of its net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction in which the parties are fully knowledgeable, after deducting the costs of disposal. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its estimated useful life. If it is not possible to estimate the recoverable amount of an asset for which there are indications of impairment, then the recoverable amount of the unit generating cash flows to which the asset belongs.

Reversal of impairment of assets recognized in prior years is only when there are sufficient indications that the impairment no longer exists or has decreased. In these cases, the reversal is recognized as income.

3.5 Investment Property

The values of investment properties are determined using the cost method.

These values are reduced by accumulated depreciation.

Subsequent costs are included in relation to investment properties are capitalized only when it increases the future economic benefits expected to be derived from their exploitation. Repairs and maintenance costs are expensed as incurred.

Depreciation is charged to the income statement, using the straight-line method over the term of their estimated useful lives of investment properties. The estimated useful life has been determined to 12 years.
Lease income from operating leases is recognized in income on a straight-line basis over the lease term.

3.6 Inventories

Inventories are stated at the lower of acquisition cost or production cost and net realizable value. The cost of inventories is determined using the method of weighted average basis and includes all necessary expenses incurred in bringing inventories to their current point of tipping. The net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Provision for slow moving or obsolete inventories is made when necessary.

3.7 Trade and Other Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Impairment losses (losses from bad debts) are recognized when there is objective evidence that the company is unable to collect all amounts due according to the contractual terms. The amount of the impairment loss is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognized in the income statement.

3.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash with banks, e.g. sight deposits.

3.9 Share Capital

Common shares are classified as equity. Costs directly attributable to the issuance of shares, net of tax, reduce the proceeds from the issue.

3.10 Borrowings

Borrowings are recognized initially at fair value, net of any direct costs of the transaction. Borrowings are subsequently measured at amortized cost using the discount rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

3.11 Borrowing Costs

Borrowings are recognized initially at fair value, net of any direct costs of the transaction. Subsequently they are measured at unamortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective rate method.

Borrowings are classified as current liabilities unless the Company has the right to repay them in more than 12 months after the balance sheet date.

3.12 Provisions and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. When the Company expects all or part of the provisions to be recovered, for example under an insurance policy, recovery is recognised as a special asset and the provision is recognised in the income statement net of the asset only when collection is certain. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability. Where discounting is used, the increase in the provision by reason of the passage of time is recognised as borrowing cost. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

3. 13 Leases

3.13.1. Leasing

Leases of fixed assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The corresponding rental obligations, net of financial expenses, are included in liabilities. The part of financial expenses relating to finance leases is recognized in the income statement over the lease period. Fixed assets acquired under finance leases are depreciated over a longer period of the useful life of the asset or the lease term, except where there is reasonable certainty that the Company will obtain ownership of the asset at the end of the lease.

3.13.2 Operating Leases

Leases where substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the income statement proportionally over the period of lease.

3.14 Income Taxes (Current and Deferred)

Current and deferred income taxes are computed based on the amounts reflected in the financial statements, in accordance with the applicable taxation laws in Greece. Current income tax corresponds to tax on the Company’s taxable profits as restated in accordance with the requirements of taxation law and calculated at the applicable tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

The expected tax effect of temporary tax differences is determined and recognised as future (deferred) liabilities or deferred assets.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

Deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the comprehensive income statement date.

3.15 Provisions for employee benefits

The Company's obligation to its employees in relation to future benefits, depending on the each such person's service, is accounted for and reflected based on the expected vested right of each employee, at the balance sheet date, discounted at its present value, in relation to the anticipated time of payment.

The liability is calculated on the basis of financial and actuarial assumptions detailed in Note 23 and are determined using the actuarial method funded scheme (Funded System). In this system, the cost of benefits is calculated the beginning of insurance, usually as a percentage of salaries, and thus a reserve is formed which, when compounded, will be sufficient to pay future compensation expenses. The cost is determined based on an actuarial study and updated at regular intervals by a subsequent study, if the population or assumptions have changed. On commencement of the program, the experience of each employee is calculated as one accumulated liability, and the total forms the Unfunded Liability which must be amortized over a period of 10 to 40 years. This reserve represents the present value of benefits corresponding to experience before the start of the endowment.

3.16 Government insurance programs

The staff of the company is mainly insured with by the largest Social Security Organization in Greece (IKA), which provides pension and medical benefits. Each employee is required to contribute a portion of his / her monthly salary to the Social Security Organization, while part of total contribution is covered by the Company. Upon retirement, the pension fund is responsible to provide employees with retirement benefits. Consequently, the Company has no obligation to pay future benefits under this program.

3.17 Government Grants

Government grants are recognized initially at their nominal value when there is reasonable assurance that the grant will be received and that the Company will comply with all attached conditions. Government grants relating to costs are recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of tangible assets (fixed assets) included in current liabilities as deferred income are recognized as income and are transferred to the income statement during the useful life of the related assets.

3.18 Financial Instruments

The main financial instruments of the Company are cash, bank deposits, trade and other receivables and payables and bank loans. The Company's management believes that the fair value coincides with the value presented in the books of the Company. Additionally, the Company's management believes that the interest paid in respect of loans are equal to the current fair market rates and therefore no reason for any adjustment to the value at which these liabilities.

3.19 Revenue Recognition

The revenue from the sale of goods is recognized when the significant risks and rewards of ownership are transferred to the buyer.

Interest income is recognized on a time proportion basis taking into account the balance of the original amount and the applicable rate for the period to maturity, when it is determined that such income will be payable to the Company.

3.20 Dividends

Dividends are reported as a liability at the time of their approval by the General Meeting of Shareholders.

3.21 Earnings per share

Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of outstanding ordinary shares during the period.

3.22 Derivative Financial Instruments and Hedging

The company uses derivative financial instruments such as interest rate swaps, currency swaps and other derivatives to hedge its risks associated with interest rate and foreign currency fluctuations.

Derivative financial instruments are measured at fair value at the balance sheet date.

Changes in fair value of cash flow hedges are recognized directly in equity, whereas changes in fair value hedges are recognized in equity. In the case of fair value hedges, these are recognised through profit and loss.

Where the required future transactions or commitment to be hedged result in the recognition of an asset or a liability, the gains and losses previously recognized in equity (cash flow hedges) are included in the initial measurement of the cost of the asset or liability.

Derivatives that do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 are recognized directly in the income statement.

Changes in accounting principles

The Company have adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2012. Their adoption has had no significant effect on the financial statements of the Company:

- **IFRS 7 Financial Instruments:** Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements
- **IAS 1 Financial Statement Presentation (Amended)** – Presentation of Items of Other Comprehensive Income
- **IAS 12 Income Taxes (Amended)** – Deferred tax: Recovery of Underlying Assets

Standards issued but not yet effective and not early adopted

- **IAS 19 Employee Benefits (Amended)**

The amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued a number of amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Early adoption is permitted. The Company is in the process of assessing the impact of this amendment on its financial statements.

- **Separate Financial Statements (revised)**

The standard is effective for annual periods beginning on or after 1 January 2013. As a result of the new standards IFRS 10 and IFRS 12, IAS 27 is limited to the accounting treatment of investments in subsidiaries, joint ventures and associates in the separate financial statements. Early adoption of the standard is permitted. This amendment has not yet been endorsed by the EU. The Company does not expect this amendment to significantly affect its financial statements.

- **Investments in Associates and Joint Ventures (revised)**

The standard is effective for annual periods beginning on or after 1 January 2013. As a consequence of the new standards IFRS 11 and IFRS 12, IAS 28 has been renamed "Investments in Associates and Joint Ventures", and describes the application of the equity method to investments in joint ventures in addition to associates. Early adoption of the standard is permitted. This amendment has not yet been endorsed by the EU. This standard is not relevant to the Company.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities**

The amendment is effective for annual periods beginning on or after 1 January 2014. The amendment clarifies the meaning of "currently has a legally enforceable right to set-off". It also clarifies the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments to IAS 32 are to retrospectively applied. Early adoption is permitted. However, if an entity chooses early adoption, it must disclose that fact and also make the disclosures required by amendments to IFRS 7 Offsetting Financial Assets and Financial Liabilities. This amendment has not yet been endorsed by the EU. The Company is in the process of assessing the impact of this amendment on its financial statements.

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities**

Effective for annual periods beginning on or after 1 January 2013. The amendment introduces common disclosure requirements. The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The amendments to IFRS 7 are to be retrospectively applied. This amendment has not yet been endorsed by the EU. The Company's Management is in the process of assessing the impact of this amendment on its financial statements.

- **IFRS 9 Financial Instruments: Classification and Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. Phase 1 of IFRS 9 will have a significant impact on (i) the classification and measurement of financial assets and (ii) a change in reporting for those entities that have designated financial liabilities using the fair value option though profit and loss. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. Early adoption is permitted. This standard has not yet been endorsed by the EU. The Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 10 Consolidated Financial Statements**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard has not yet been endorsed by the EU. The Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 11 Joint Arrangements**

The new standard is effective for annual periods beginning on or after 1 January 2013. *IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers.* IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard has not yet been endorsed by the EU. This standard is not relevant to the Company.

- **IFRS 12 Disclosure of Interests in Other Entities**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard has not yet been endorsed by the EU. The Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRS 13 Fair Value Measurement**

The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. This standard is applied prospectively and early adoption is permitted. This standard has not yet been endorsed by the EU. The Company are in the process of assessing the impact of the new standard on the financial position or their performance.

- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine**

This interpretation only applies to stripping costs incurred in surface mining activity during the production phase of the mine ('production stripping costs'). Costs incurred in undertaking stripping activities are considered to create two possible benefits: a) the production of inventory in the current period and/or b) improved access to ore to be mined in a future period (stripping activity asset). Where costs cannot be specifically allocated between the inventory produced during the period and the stripping activity asset, IFRIC 20 requires an entity to use an allocation basis that is based on a relevant production measure. Early adoption is permitted. IFRIC 20 has not yet been endorsed by the EU. This interpretation is not applicable to the Company.

The IASB has issued the Annual Improvements to IFRSs 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. This project has not yet been endorsed by the EU. This project has not yet been endorsed by the EU. The Company is in the process of assessing the impact of these improvements on its financial statements.

IAS 1 Presentation of Financial Statements: This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. A company should include comparative information in the relevant notes to the financial statements when providing voluntary comparative information beyond the minimum required comparative periods. The additional comparative periods need not include a comprehensive financial report. In addition, the original statement of financial position (also known as the third balance sheet) should be drafted when i) the company changes its accounting policies, ii) makes retrospective restatements or reclassifications and the change have a significant impact on its financial position statement. The original statement will refer to the beginning of the previous period. However, contrary to the voluntary comparative information, the relevant notes need not accompany the third balance sheet.

IAS 16 Property, Plant and Equipment: This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation: Presentation: This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

IAS 34 Interim Financial Reporting: Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

- **Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)**

The guidance is effective for annual periods beginning on or after 1 January 2013. The IASB issued amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments change the transition guidance to provide further relief from full retrospective application. The date of 'initial application' in IFRS 10 is defined as 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. The assessment of whether control exists is made at 'the date of initial application' rather than at the beginning of the comparative period. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. However, if the control assessment is the same, no retrospective application is required. If the control assessment is different between IFRS 10 and IAS 27/SIC-12, retrospective adjustments should be determined. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the guidance on its financial statements.

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

The amendment is effective for annual periods beginning on or after 1 January 2014 and earlier adoption is permitted. The amendment applies to a particular class of business that qualify as investment entities. The IASB uses the term 'investment entity' to refer to an entity whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. An investment entity must also evaluate the performance of its investments on a fair value basis. Such entities could include private equity organisations, venture capital organisations, pension funds, sovereign wealth funds and other investment funds. Under IFRS 10 Consolidated Financial Statements, reporting entities were required to consolidate all investees that they control (i.e. all subsidiaries). The Investment Entities amendment provides an exception to the consolidation requirements in IFRS 10 and requires investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendment also sets out disclosure requirements for investment entities.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES:

The Company makes accounting estimates, assumptions and judgments concerning the future events and transactions, in order to implement the most appropriate accounting principles. These estimates, assumptions and judgments are regularly reviewed so that they are in line with the current circumstances and reflect the current risks, and are based on the Management's previous experience in relation to the extent/volume of relevant transactions or events. The key estimates and judgments related to events the development of which could affect the financial statements over the next 12 months are as follows:

(a) Provisions for doubtful receivables: The Company's Management periodically reassesses the adequacy of provisions for doubtful receivables in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

(b) Provision for income taxes: According to IAS 12, income tax provisions are based on estimations as to the taxes that will be paid to the tax authorities and include the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in the financial statements.

(c) Depreciation rates: The Company's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual useful lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programs.

(d) Impairment of property, plant and equipment: Property, plant and equipment are tested for impairment when there are indications that the carrying amounts may not be recoverable. To calculate the value in use, the Management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

(e) **Finance/ Operating Leases:** Lease agreements are initially classified as finance or operating leases. Initial classification of leases may not be changed subsequently. Classification depends to a significant extent on the assessment of contractual terms. The methodology followed in assessment is that of the substance of the transaction. The value of leased PPE recognised in the statement of financial position is based on the present value of contractual payments of the lease. Contractual payments are fixed and, therefore, the value of leases can be valued with relevant certainty.

(amounts are expressed in euro unless otherwise stated)

5. Income

	1/1-31/12/2013	01/01-31/12/2012
Goods - Products	38,724,325	37,610,092
Sales of other stocks and waste material	184,225	243,086
Services	36,469	44,499
Total	**38,945,019**	**37,897,677**

6. Other operating income

	1/1-31/12/2013	1/1-31/12/2012
Revenue from grants and subsidies	-	7,455
Rental income	12,000	12,000
Extraordinary gains	-	8,025
Prior period income	34	-
Extraordinary and non-operating income	89,060	77,243
Income from unused provisions	-	239,538
Income from derivatives	-	24,257
Other	-	2,347
Total	**101,094**	**370,865**

7. Operating expenses

Expenses per Company operation are as follows:

	1/1-31/12/2013			
	Cost of sales	Administrative expenses	Selling and distribution expenses	Total
Cost of inventories recognized as expense	26,347,776	-	-	**26,347,776**
Fees & Expenses	1,963,585	798,427	1,578,663	**4,340,675**
Third party expenses	58,236	397,238	151,938	**607,412**
Service fees	680,581	132,127	298,373	**1,111,081**
Taxes-Duties	101,939	45,297	164,393	**311,629**
Miscellaneous expenses	58,478	129,984	2,249,605	**2,438,067**
Depreciation and amortisation	956,695	127,944	327,061	**1,411,700**
Provisions	-	-	186,141	**186,141**
Self-constructed	(239,197)	**-**	**-**	**(239,197)**
Total	**29,928,093**	**1,631,017**	**4,956,174**	**36,515,284**

	1/1-31/12/2012			
	Cost of sales	**Administrative expenses**	**Selling and distribution expenses**	**Total**
Cost of inventories recognized as expense	25,094,712	-	-	**25,094,712**
Fees & Expenses	2,173,086	1,038,406	1,932,656	**5,144,148**
Third party expenses	57,837	119,145	192,650	**369,633**
Service fees	449,884	127,198	331,272	**908,353**
Taxes-Duties	96,215	67,748	168,953	**332,915**
Miscellaneous expenses	63,878	120,766	2,100,484	**2,285,128**
Depreciation and amortisation	1,006,213	153,332	379,043	**1,538,588**
Self-constructed	(148,657)	-	-	**(148,657)**
Provisions	**-**	**-**	48,829	**48,829**
Total	**28,793,168**	**1,626,594**	**5,153,887**	**35,573,649**

8. Other operating expenses

Other operating expenses are analysed as follows:

	1/1-31/12/2013	**1/1-31/12/2012**
Prior period expenses	421	22,522
Other extraordinary and non-operating expenses	133,161	11,220
Other extraordinary losses	173,566	79,390
Provisions for contingencies	290,650	270,000
Total	**597,798**	**387,132**

(amounts are expressed in euro unless otherwise stated)

9. Financial income / expenses

Financial income / (expenses) in the accompanying financial statements are as follows:

	1 January - 31 December	
	2013	**2012**
Interest on long-term borrowings (Note 22)	524,713	582,319
Interest on short-term borrowings (Note 22)	492,117	736,210
Interest on finance leases	377	1,836
Valuation of derivative financial instruments	-	-
Interest on assignment of receivables (factoring)	188,110	217,186
Other financial expenses	64,809	170,961
Total financial expenses	**1,270,126**	**1,708,512**
Interest income (Note 18)	4,346	3,517
Other financial income	2,940	14,345
Total financial income	**7,286**	**17,862**
Net financial expenses	**1,262,840**	**1,690,650**

10. Income Taxes

In accordance with the new Greek tax law 4110/2013, the tax rate imposed on legal entities domiciled in Greece was increased from 20% to 26% for years beginning on 1 January 2013. The provision for income taxes reflected in the financial statements is analysed as follows:

	1 January - 31 December	
	2013	**2012**
Current income tax	310,347	100,159
Prior year income tax	-	-
Deferred income tax	27,430	183,566
Total (credit) / debit for income taxes reflected in the statement of comprehensive income	**337,777**	**283,725**

The reconciliation of income tax shown in the statement of comprehensive income and the amount of income taxes determined by the application of the Greek tax rate to pre-tax losses is summarized as follows:

(amounts are expressed in euro unless otherwise stated)

	1 January - 31 December	
	2013	**2012**
Earnings before income taxes	**670,191**	**617,111**
Income taxes calculated at the applicable tax rate of 20%	134,038	123,422
Tax effect of non-taxable income and expenses not deductible for tax purposes	203,739	160,303
Special contribution	-	-
Prior year income tax	-	-
Tax effect of change in tax rates	-	-
Income taxes as shown in the statement of comprehensive income	**337,777**	**283,725**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Income tax statements are submitted on a yearly basis, but earnings or losses declared for tax purposes are of interim nature, until tax authorities have audited the subject's tax statements and books, following which audit the relevant tax obligations are settled. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five financial years following the year to which they relate.

Tax Compliance Report:

Since FY 2011, Greek Societes Anonyme and Limited Liability Companies whose annual financial statements are mandatorily audited by statutory auditors or audit firms pursuant to the provisions of Law 2190/1920 and Law 3190/1955 are required to obtain the "Annual Certificate" referred to in Article 82(5) of Law 2238/1994, which is issued following a tax audit performed by the same statutory auditor or audit firm that audits the annual financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to a "Tax Compliance Report" to the company and then the statutory auditor or audit firm submits it to the Ministry of Finance electronically within ten days from the deadline set for approval of the company's financial statements by the General Meeting of Shareholders. The Ministry of Finance will select a sample of at least 9% for audit by the competent audit authorities of the Ministry. This audit should be completed within a period of eighteen months from the date of submission of the "Tax Compliance Report" to the Ministry of Finance.

The Company has not been audited by the tax authorities for the fiscal years 2009 and 2010.

A future tax audit on the unaudited fiscal years is expected to impose additional taxes and penalties on "Eurochartiki SA" The Company believes that it has made adequate provisions (€

(amounts are expressed in euro unless otherwise stated)

120 thousand) in respect of additional taxes that may arise on the basis of relevant experience from previous tax audits and earlier interpretations of tax laws.

The Company's tax audit for year 2013 is being performed by the statutory auditor. Upon completion of the tax audit, the Company's management did not expect any significant tax liabilities other than those recognized and reported in the financial statements.

The movement in deferred tax assets (liabilities) is as follows:

	31 December	
	2013	**2012**
Opening balance	**(4,366,011)**	**(4,182,445)**
Tax loss [credit / (debit)]	(27,429)	(183,566)
Closing balance	**(4,393,440)**	**(4,366,011)**

In some cases, in order to determine taxable income, income and expenses are accounted for at a different time from the time at which they are taxed or rebated, which requires accounting recognition of deferred assets and liabilities.

The change in deferred tax assets and liabilities during 2013 and 2012 is as follows:

	On 31/12/2012	Debit (Credit) through p/l	On 31/12/2013
Deferred tax liabilities			
Tax-free reserves	(3,838)	-	(3,838)
Adjustment of property, plant and equipment	(4,532,722)	54,614	(4,478,108)
	(4,536,560)	**54,614**	**(4,481,946)**
Deferred tax assets			
Provision for staff retirement indemnities	37,679	3,092	40,771
Provision for doubtful receivables	54,000	(54,000)	-
Leasing	4,148	(1,631)	2,517
Inventory adjustment	3,230	(5,444)	(2,214)
Grants for investments in fixed assets	105,156	15	15,171
Derivatives	24,075	(24,075)	-
Other changes	(57,738)	-	(57,738)
	170,550	**(82,043)**	**88,507**
Net deferred tax liabilities	**4,366,011**	**(27,429)**	**(4,393,440)**

(amounts are expressed in euro unless otherwise stated)

	On 31/12/2011	Debit (Credit) through p/l	On 31/12/2012
Deferred tax liabilities			
Tax-free reserves	(4,838)	-	(3,838)
Adjustment of property, plant and equipment	(4,511,814)	(20,908)	(4,532,722)
	(4,515,652)	**(20,908)**	**(4,536,560)**
Deferred tax assets			
Provision for staff retirement indemnities	81,587	(43,908)	37,679
Provision for doubtful receivables	72,777	(18,777)	54,000
Leasing	19,741	(15,593)	4,148
Inventory adjustment	11,584	(8,354)	3,230
Grants for investments in fixed assets	100,205	4,951	105,156
Derivatives	28,926	(4,851)	24,075
Write-off of setup expenses	18,387	(76,125)	(57,738)
	333,208	**(162,657)**	**170,550**
Net deferred tax liabilities	**(4,182,445)**	**(183,566)**	**4,366,011**

11. Earnings per share

The calculation of basic earnings per share is as follows:

	On 31/12/2013	On 31/12/2012
Net profit attributable to common shareholders	332,414	333,386
Weighted average number of shares outstanding	18,809,920	14,788,880
Basic earnings per share (in €)	**0.0177**	**0.0225**

(amounts are expressed in euro unless otherwise stated)

12. Tangible Assets

Tangible fixed assets are analyzed as follows:

	Land & Plots	Buildings and Facilities	Machinery	Vehicles	Furniture and fixtures	Assets under construction or installation	Total
Acquisition or valuation cost							
On 1/1/2013	**10,801,508**	**15,653,941**	**14,061,804**	**1,744,936**	**2,481,803**	**27,606**	**44,771,597**
Additions in year 2013	-	37,310	78,625	119,260	51,806	339,432	626,386
Disposals in year 2013	-	-	-	-	-	-	-
Transfers in year 2013	-	10,293	73,842	-	-	(91,364)	-
Total as at 31/12/2013	**10,801,508**	**15,701,544**	**14,214,271**	**1,864,196**	**2,533,609**	**275,674**	**45,390,802**
Accumulated Depreciation							
On 1/1/2013	**-**	**2,219,610**	**6,507,274**	**1,058,103**	**2,368,768**	**-**	**12,153,754**
Additions in year 2013	-	350,593	836,264	137,051	44,335	-	1,368,243
Other movements in 2013	-	391	(691)	1,200	(1,012)	-	(112)
Disposals in year 2013	-			-	-	-	-
Total as at 31/12/2013	**-**	**2,570,594**	**7,342,847**	**1,196,354**	**2,412,091**	**-**	**13,521,885**
Net book value							
On 31/12/2012	**10,801,508**	**13,434,331**	**7,554,530**	**686,833**	**113,035**	**27,606**	**32,617,843**
On 31/12/2013	**10,801,508**	**13,130,950**	**6,871,424**	**667,842**	**121,518**	**275,674**	**31,868,917**

	Land & Plots	Buildings and Facilities	Machinery	Vehicles	Furniture and fixtures	Assets under construction or installation	Total
Acquisition or valuation cost							
On 1/1/2012	**10,801,508**	**15,562,095**	**13,874,920**	**1,891,836**	**2,464,337**	**27,787**	**44,552,483**
Additions in year 2012	-	26,679	59,101	62,725	18,466	192,769	359,740
Disposals in year 2012	-	-	-	(139,625)	(1,000)	-	(140,625)
Transfers in year 2012	-	65,167	127,783	-	-	(192,950)	-
Total as at 31/12/2012	**10,801,508**	**15,653,941**	**14,061,804**	**1,744,936**	**2,481,803**	**27,606**	**44,771,598**
Accumulated Depreciation							
On 01/01/2012	-	1,881,438	5,653,414	1,033,202	2,209,715	-	10,777,769
Additions in year 2012	-	342,243	853,860	141,957	159,053	-	1,497,112
Other movements in 2012	-	(4,071)	-	-	-	-	(4,071)
Disposals in year 2012	-	-	-	(117,056)	-	-	(117,056)
Total as at 31/12/2012	**-**	**2,219,610**	**6,507,274**	**1,058,103**	**2,368,768**	**-**	**12,153,755**
Net book value							
On 31/12/2011	**10,801,508**	**13,680,656**	**8,221,506**	**788,634**	**254,622**	**27,606**	**33,774,714**
On 31/12/2012	**10,801,508**	**13,434,331**	**7,554,530**	**686,833**	**113,035**	**27,606**	**32,617,843**

On 05/10/2012 a liens amounting to € 1.620.000 was recorded, in favor of a) Alpha Bank and

(amounts are expressed in euro unless otherwise stated)

b) Alpha Bank London Ltd, on a plot with a surface of 10.187 sq.m. in the Municipal Community of Nea Magnisia, Regional Unit of Thessaloniki, in Central Macedonia Region.

On 01/02/2013, a mortgage prenotation of € 7,500,000 was registered in favour of "Eurobank Ergasias SA" in relation to a single parcel, together with all components, fixtures and appendage in general and all structures built thereon, at location RYKIA, Municipality of Aspropyrgos, Attica, covering a total area of 22,293.69 sq.m.

The ownership of fixed assets purchased under lease agreements remains with the lessors until repayment of the agreements. The net book value of capitalized leased assets as at 31 December 2013 and 2012 amounted to € 1,322,253 and € 1,751,222 respectively. The net book value of capitalized leased property, plant and equipment per category is analysed as follows:

	31 December	
	2013	**2012**
Machinery and mechanical installations	1,448,116	1,596,718
Vehicles	125,863	154,504
Total	**1,322,253**	**1,751,222**

13. Intangible assets

The intangible assets of the Company are as follows:

Acquisition value		**Acquisition value**	
On 01/01/2013	934,791	**On 01/01/2012**	919,465
Additions in year 2013	1,694	Additions in year 2012	15,326
Total as at 31/12/2013	**936,485**	**Total as at 31/12/2012**	**934,791**
Accumulated Depreciation		**Accumulated Depreciation**	
On 01/01/2012	913,428	**On 01/01/2012**	904,733
Additions in year 2012	10,755	Additions in year 2012	8,695
Total as at 31/12/2013	**924,183**	**Total as at 31/12/2012**	**913,428**
Net book value		**Net book value**	
On 31/12/2013	**12,302**	**On 31/12/2012**	**21,363**

(amounts are expressed in euro unless otherwise stated)

14. Investment property

Investment property comprises freehold property company in Aigio (range Stafydalona) Achaia during 2009, which in the year 2010 were leased. These properties have been valued at their acquisition cost minus total depreciation. The net book acquisition cost of the above properties stands at € 263,004 (31/12/2012: € 295,784). The fair value of the properties equals their net book value.

During the year ended 31 December 2013 the Company received revenue from the lease of the above properties totalling € 12,000 (31.12.2013: € 12,000).

15. Inventories

The Company's inventories are analyzed as follows:

	31 December	
	2013	**2012**
Goods	589,102	589,037
Finished and semi-finished byproducts	3,110,133	3,075,345
Raw and auxiliary materials - Consumables - Spare parts and packaging	3,423,121	2,744,931
Balance of trade receivables	**7,122,356**	**6,409,313**

16. Trade receivables

Trade receivables in the accompanying financial statements are as follows:

	31 December	
	2013	**2012**
Trade	10,934,316	11,805,331
Cheques and notes	2,693,187	4,297,492
Total	**13,627,503**	**16,102,823**
Less: Provision for doubtful receivables	(1,933,886)	(1,963,886)
Balance of trade receivables	**11,693,617**	**14,138,937**

(amounts are expressed in euro unless otherwise stated)

Provisions for doubtful receivables are analyzed as follows:

	31 December	
	2013	2012
Opening balance	**1,963,886**	**1,663,886**
Closing of provisions for doubtful receivables	(30,000)	300,000
Closing balance	**1,933,886**	**1,963,886**

The aging analysis of trade receivables is as follows:

	31 December	
	2013	2012
Analysis of trade receivables:		
Balances less than or equal to one month	3,035,604	3,442,890
Balances up to two months	1,882,892	2,080,496
Balances up to three months	1,695,017	2,086,635
Balances up to four months	1,208,409	1,333,287
Balances up to 6 months	1,108,396	2,119,786
Balances over 6 months	2,763,299	3,072,843
Total	**11,693,617**	**14,138,937**

Trade receivables as at the date of the Financial Statements approximate their fair value and thus no discounting is required. The policy of trade receivables' collection ranges from 2-6 months. The above does not apply to Company receivables from the Greek public sector. Collections of the Company's trade receivables from the Greek public sector range from 6 months to 1.5 years.

17. Prepayments and other receivables

Prepayments and other receivables in the accompanying financial statements are as follows:

	31 December	
	2013	2012
Receivables from Public Sector	8,133	7,148
Prepaid expenses	52,837	84,202
Purchases in transit	586,901	401,301
Advances to suppliers	95,092	80,499
Grants -Grants receivable	445,986	453,384
Other debtors	167,076	1,627,904
Total	**1,356,025**	**2,654,438**

(amounts are expressed in euro unless otherwise stated)

18. Cash and cash equivalents

Cash and cash equivalents in the accompanying financial statements are as follows:

	31 December	
	2013	**2012**
Cash in hand	31,281	21,440
Sight and time deposits	266,561	467,422
Total	**297,842**	**488,862**

19. Share Capital

By decision of the Ordinary General Meeting of the Company's Shareholders as of 30/06/2006, the share capital was increased by € 625,803, standing at € 3,517,503 divided into 11,725,010 shares with the face value of € 0.30 each. By decision of the extraordinary general meeting of the Company's shareholders as of 30/11/2007, the share capital was increased by €500,000.40 by cash payment and the issue of 1,666,668 new shares with the face value of €0.30 each. Following the above, the Company's paid in share capital as of 31/12/2009 amounted to € 4,017,503.40, divided into 13,391,678 shares with the face value €0.30 each. By decision of the ordinary general meeting of shareholders as of 30/06/2010, the Company's share capital was increased by€419,160.60, by issuing 1,397,202 new ordinary shares with the face value of €0.30 each.

Following the above, the Company's share capital as at 31 December 2012 and 2011 amounted to € 4,436,664, divided into 14,788,880 shares with the face value of € 0.30 each.

By decision of the General Meeting of shareholders as of 10/12/2013 it was decided to reduce the Share Capital by EUR 1,107,000. As a result, the Share Capital stands at EUR 3,329,664 divided into 11,098,880 registered shares with the face value of EUR 0.30 each.

By the same decision it was decided to increase the company's share capital by EUR 2,313,312.00 by capitalising: 1) tax-free reserves of EUR 1,452,328.06 in accordance with Law 1828/89, 2) tax-free reserves of EUR 794,062.01 in accordance with Law 3220/2004, 3) tax-free reserves after taxes, of EUR 66,921.49 arising from deposit interest income, and 4) by cash payment of EUR 0.44 and issuing 7,711,040 new registered shares with the face value of EUR 0.30 each. As a result, the share capital stands at EUR 5,642,976 divided into 18,809,920 registered shares with the face value of EUR 0.30 each.

(amounts are expressed in euro unless otherwise stated)

According to the Register of the Company's Shareholders as at 31/12/2013, the shareholders of the company are as follows:

SHAREHOLDER	NUMBER OF SHARES HELD	HOLDING AS OF 31/12/2012
NIKOLAOS CHRISTOPOULOS	9,404,960	50%
IOANNIS TRAKAKIS	9,404,960	50%
TOTAL	**18,809,920**	**100%**

20. Other reserves

Other reserves are analysed as follows:

	31 December	
	2013	**2012**
Statutory reserves	581,090	565,547
Contingency reserves	1,990,110	1,990,110
Specially taxed reserves	-19,191	59,540
Tax-free reserves under special laws	1,142,498	3,388,888
Total Reserves	**3,694,507**	**6,004,085**

Statutory Reserves: According to Greek corporate law, companies are required to transfer at least 5% of annual net profit, as depicted in their books, to a statutory reserve until such reserve reaches one-third of the paid in share capital. This reserve may not be distributed during the operation of the Company.

Tax-free Reserves: Tax-free reserves represent revenue from State grants for the company's investment plan that has been subject to the beneficial provisions of Law 3299/2004. According to Greek taxation law, this reserve is exempt from income tax, provided that it is not distributed to shareholders. The Company does not intend to distribute this reserve and thus has not calculated the deferred income tax would be required in the case of distribution.

Contingency Reserves: According to Greek corporate law, companies can maintain emergency reserves, following a decision of the shareholders at the Annual General Meeting or if required by the Statute. Contingency reserves have been formed from undistributed profits after tax of previous years.

21. Dividends

According to Greek corporate law, companies are required to distribute cash to shareholders annually, equal to at least 35% of their net profits after the deduction of statutory reserves and certain gains from the sale of shares, as described in Article 3(1) of the Law 148/1967. The above provisions do not apply if the General Meeting so decides by a majority of at least 65%. In this case, undistributed dividends are transferred to a special reserve account of the company for capitalisation. This reserve must be capitalised by the company within four years from its formation by issuing new bonus shares to the beneficiaries (Article 3(2) of Law 148/1967). The above provisions of paragraphs 1 and 2 shall not apply if the General Meeting so decides by a majority of at least 70%. Greek corporate law also requires that certain conditions must be met for the dividends to be distributed, which are as follows:

a) No distribution of dividends may be made to shareholders if the Company's equity as shown in the statement of financial position after the distribution is less than equity plus non-distributable reserves.
b) No distribution of dividends may be made to shareholders if the unamortized balance of formation expenses is greater than the reserves plus retained earnings.

There were no dividends paid or proposed by the Company for the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

22. Borrowings

a) Long-term Borrowing:

The Company's long-term borrowings as at 31 December 2013 and 31 December 2012 are as follows:

	31 December	
	2013	**2012**
Bond loan	6,440,000	5,748,217
Other long-term borrowings	2,716,970	2,700,094
Total	**9,156,970**	**8,448,311**
Less short-term portion:		
-Bond loan	(1,005,000)	(1,491,256)
-Other	(672,000)	(382,739)
Total	**(1,677,000)**	**(1,873,995)**
Long-term portion	**7,479,970**	**6,674,316**

The Company's loans have been granted by domestic banks and are denominated in euros. Amounts payable within one year from the balance sheet date are classified as short term, while the amounts that are payable at a later time as long-term. The Company forms provisions for accrued bank interest and charges the income statement for each year.

The Company's loans are analysed and described as follows:

Bond Loans

- "Alpha Bank's" Bond issued on 02/10/2012, totaling € 2.800.000 divided into 2,800,000 bonds with the nominal value € 1,00 payable monthly in fifty-nine (59) instalments of € 40.000 and sixtieth instalment of € 440.000. The balance at 31/12/2013 amounted to € 2.240.000; remaining are forty-five(45) instalments of € 40.000, and the 46th instalment of € 440.000.
- "EuroBank's" Bond issued on 01.10.2013 amounting to € 4.200.000,00 divided into nine hundred sixty (960) bonds with the nominal value € 4.375,00 each, payable quarterly starting from 15/4/2014 to twenty-four (24) instalments of € 175.000,00.

Long-term borrowing

- On 23/12/2013, a facility of € 1,116,664.00 was signed with Piraeus Bank, pertaining to a loan to be employed for the refinancing of short-term borrowing. The loan will be repaid in forty-eight (48) consecutive monthly instalments, of which the first forty seven (47) will amount to € 23,000.00 each, and the forty-eighth (48^{th}) and last instalment will amount to € 35,664.00, starting from 27/01/2014.

(amounts are expressed in euro unless otherwise stated)

- On 31/12/2013, a facility of € 1,600,000.00 was signed with National Bank, pertaining to a loan to be employed for the refinancing of short-term borrowing. The loan will be repaid in forty-eight (48) consecutive monthly instalments, of which the first forty seven (47) will amount to € 33,000.00 each, and the forty-eighth (48^{th}) and last instalment will amount to € 49,000.00, starting from 31/01/2014.

According to certain loan agreements, the Company should meet certain financial ratio levels, throughout the term of the loans, based on the annual audited financial statements. The main financial ratios agreed are as follows:

1. **EBITDA [(Earnings before Interest, Taxes and Depreciation) / Interest]:** maintained throughout the duration of the Bond Loan greater than or equal to 1.5.
2. **Foreign capital (including contracts Leasing (Leasing) / equity:** maintained throughout the duration of the Bond Loan less or equal to 2.
3. **Index Sales / Total Borrowings (including contracts Leasing (Leasing) and contract factoring (Factoring**): maintained throughout the duration of the Bond Loan greater or equal to 1.3.
4. **Index of Total Net Debt / EBITDA:** less than 11.00.

Total interest expenses on long-term borrowings for the years ended 31 December 2013 and 2012 amounted to € 524,713 and € 582,319 respectively and are included in financial expenses (Note 9) in the accompanying financial statements.

b) Short-term Borrowings:

The Company maintains short-term borrowing the annual floating rate of which ranges from 5.2% to 8.755%. The table below shows the credit lines available to the Company as well as the utilized amount.

	31 December	
	2013	**2012**
Funding limit	13,150,000	19,758,665
Unused threshold	(7,314,032)	(9,737,115)
Used portion	**5,835,968**	**10,021,550**

Total interest expenses on short-term borrowings for the years ended 31 December 2013 and 2012 amounted to € 680.227 and € 953.396 respectively and are included in financial expenses (Note 9) in the accompanying financial statements.

(amounts are expressed in euro unless otherwise stated)

23. Provisions for staff retirement indemnities

The obligation of the Company to the persons working in Greece for future benefits depending on the length of service of each, counted and displayed based on the expected vested right of every employee, at the balance sheet date, discounted to its present value, in relation to the anticipated time of payment. The discount rate used (5.00%) is equal to the long-term Greek government bonds' yield at the balance sheet date.

Headcount and payroll:

	On 31/12/2013		On 31/12/2012
Average number of employees	167		161
Cost of employees:			
Payroll expenses	3,243,170		4,002,401
Staff compensation costs	111,849		61,111
Insurance fund costs	933,672		1,102,484
Benefits	36,521		41,728
Provision for staff retirement indemnities	15,463		(300,648)
Total Cost	**4,340,675**		**4,907,076**

The movement in the net pension liability is as follows:

	On 31/12/2013		On 31/12/2012
Net liability at year start	288,393		489,042
Expenses/income recognised in the income statement	15,463		(300,647)
Net liability at year end	**203,856**		**188,393**

The Company's obligation for retirement compensation to its employees was based on actuarial valuation prepared by an independent actuary. Key financials and actuarial assumptions as of 31 December 2013 and 2012 are as follows:

(amounts are expressed in euro unless otherwise stated)

	On 31/12/2013	On 31/12/2012
Present value of obligation	203,856	188,393
Net liability in balance sheet	**203,856**	**188,393**

	On 31/12/2013	On 31/12/2012
Analysis of pension costs in the income statement:		
Cost of service	17,539	11,955
Financial cost	8,478	26,897
Actuarial gains (losses)	(10,554)	(339,501)
Total charge to income statement	**15,463**	**(300,648)**

Liabilities from employee benefits changed during the year as follows:		
Net liability at year start	188,393	489,042
Current service cost	17,539	11,955
Interest cost	8,478	26,897
Actuarial gains (losses)	(10,554)	(339,501)
Net liability at year end	**203,856**	**188,393**

Basic assumptions of the actuarial study:	
Actuarial valuation method	Projected Unit Method
Average annual salary increase	1.00% (2012: 0.00%)
Average annual salary reduction	0% (2012: 13.50%)
Discount rate	5.50% (2012: 5.50%)
Assets for compensation under Law 2112/20	Nil (2012: Nil)

24. Grants

Government grants related to investments in fixed assets are recognised as revenue in addition to depreciation of assets-mainly machinery-subsidised. Depending on the relevant law under which the grant was issued, there are certain restrictions on the transfer of subsidised machinery and the legal status of the subsidised company. The several inspections carried out by the competent authorities throughout these years, did no identify any non-compliance with these restrictions.

(amounts are expressed in euro unless otherwise stated)

ACQUISITION COST	On 31/12/2013	On 31/12/2012
Opening balance	1,364,383	1,364,383
Grants received during the year	-	-
Closing balance	**1,364,383**	**1,364,383**

DEPRECIATION	On 31/12/2013	On 31/12/2012
Opening balance	617,969	541,325
Depreciation for the year	80,281	76,643
Total depreciation at year end	**698,250**	**617,969**
Unamortised Balance	**666,133**	**746,414**

25. Leasing

The company’s finance leases are analysed as follows:

	31 December	
	2013	2012
Leasing of machinery	12,584	20,741
Total	**12,584**	**20,741**

26. Suppliers

The Company's total liabilities to suppliers are analysed as follows:

	31 December	
	2013	2012
Domestic suppliers	1,668,650	1,460,256
Foreign suppliers	3,541,893	2,753,761
Suppliers of fixed assets	130,801	7,877
Cheques payable	-	3,690
Balance	**5,341,343**	**4,225,584**

(amounts are expressed in euro unless otherwise stated)

27. Accrued and other current liabilities

Accrued and other current liabilities are analysed as follows:

	31 December	
	2013	2012
Insurance organisations	219,443	242,187
Other taxes (excluding income tax)	74,320	80,782
Accrued expenses	182,647	198,024
Advances from customers	546,156	476,349
Value Added Tax	206,974	194,464
Liabilities from derivative financial instruments	-	120,373
Other current liabilities	483,309	1,077,538
Total liabilities	**1,712,849**	**2,389,717**

28. Financial instruments

Fair Value: The amounts reflected in the accompanying statements of financial position for cash, customers and other receivables prepayments, suppliers and other current liabilities approximate their respective fair values. The fair value of floating rate loans approximate the amounts shown in the balance sheet.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities,

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly,

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the period there were no transfers between Level 1 and Level 2 and no transfers into and out of Level 3 fair value measurement.

On 31 December 2013 and 2012, the Company held the following financial instruments measured at fair value:

(amounts are expressed in euro unless otherwise stated)

	Fair Value –31.12.2013			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Long-term loans (including short term portion) (Note 22)	-	9,156,970	-	**9,156,970**
Derivative financial instruments (Note 27)	-	-	-	**-**

	Fair Value –31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities				
Long-term loans (including short term portion) (Note 22)	-	8,448,311	-	**8,448,311**
Derivative financial instruments (Note 27)	-	120,373	-	**120,373**

Interest Rate Risk: As regards long-term & short-term borrowings, the Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for relevant positions to hedge risks arising from them.

The following table shows the changes in comprehensive income (through the impact of the remaining floating-rate borrowings at year end) possible changes in interest rates, holding other variables constant.

Sensitivity analysis of the Company's loans to interest rate changes:

	31 December 2013		31 December 2012	
	Volatility of Interest Rates	**Impact on Comprehensive Income**	**Volatility of Interest Rates**	**Impact on Comprehensive Income**
EUR	1.0%	(104,478)	1.0%	(209,635)
	-1.0%	104,478	-1.0%	209,635

Note: The above table does not include the positive effect of interest income from deposits.

The Management manages the risk of interest rate fluctuations through hedging.

Price Risk: The Company faces significant risk of changes in prices of raw materials and packaging materials. The key risk to price changes is to supply a paper material which constitutes the most basic supplies throughout the company. In the global paper market, prices are determined on a quarterly basis, therefore our company makes quarterly contracts with its suppliers. The Management addresses the above risk both at paper supply level and across the company, by entering into partnerships with several suppliers pursuing similar objectives, maintaining solid partnerships, continuously reviewing the global market and finally passing on increases to consumers.

(amounts are expressed in euro unless otherwise stated)

Credit Risk: The Company's maximum exposure to credit risk because of non-performance of obligations by contractors during the current year, is the carrying amount of those assets as indicated in the accompanying statements of financial position. The Company has no significant concentrations of credit risk with any single counterparty.

Liquidity Risk: The Company manages the risks that may arise due to insufficient liquidity by managing to have always available secured bank credit to use. Prudent liquidity management of the Company is achieved by appropriate combination of cash and bank credits.

The following table summarizes the maturity profile of undiscounted financial liabilities deriving from relevant contracts, as at 31 December 2013 and 2012.

Amounts 31.12.2013	On Demand	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowing	96,306	6,440,837	926,000	7,304,664	175,000	14,942,807
Trade and other payables	4,074,027	2,980,165	-	-	-	7,054,192
Total	**4,170,333**	**9,421,002**	**926,000**	**7,304,664**	**175,000**	**21,996,999**

Amounts 31.12.2012	On Demand	Less than 6 months	6-12 months	1 to 5 years	>5 years	Total
Borrowing	-	6,098,773	6,097,773	5,080,547	-	18,769,861
Trade and other payables	2,047,318	4,567,984	-	-	-	6,615,302
Total	**2,047,318**	**10,666,757**	**6,097,773**	**5,080,547**	**-**	**25,385,163**

Capital management: The primary objective of capital management is to ensure the maintenance of high credit rating and healthy capital ratios to support and expand the activities of the Company and maximize shareholder value.

(amounts are expressed in euro unless otherwise stated)

29. Transactions and Balances with Related Persons

Remunerations of Management members and Executives of the Company are analysed as follows:

	31 December	
	2013	2012
Compensation of the Board	365,814	121,437
Managers' fees	303,087	376,298
Total	**668,901**	**497,735**

30. Commitments and Contingent Liabilities

30.1 Commitments:

Rents: The Company has entered into commercial operating lease agreements to lease a warehouse and vehicles. Future obligations under the already signed contracts for buildings at 31 December 2013 and 31 December 2012 are as follows:

	31 December	
	2013	2012
Within one year	79,493	76,151
2-5 years	114,127	95,105
Over 5 years	-	-
Total	**193,620**	**171,256**

30.2. Guarantees: The Company issues letters of guarantee to various third parties. The following table contains a breakdown of such letters of credit as at 31 December 2013 and 31 December 2012:

	31 December	
	2013	2012
Participation in competitions	12,370	31,762
Good performance of contracts	37,760	25,644
Total	**50,130**	**57,406**

30.3. Contingent liabilities arising from litigation or arbitration: There are no litigation or arbitration or court decisions or arbitration bodies that may have a material effect on the financial condition or operations of the Company.

31. Subsequent Events

There are no events subsequent to 31 December 2013 that may affect the financial position of the Company.

Nikolaos Christopoulos	Ioannis Trakakis	
President of the Board and CEO	Vice-President of the Board	
ID No: Σ078093	ID No: ID No:	

AVAILABILITY OF FINANCIAL STATEMENTS

The annual and interim financial statements, the Auditor's Report and Management Report of the Board of Directors to the Annual General Meeting have been posted on the Company's website (www.eurochartiki.gr).