

HELLENIC SUGAR INDUSTRY S.A.



ANNUAL FINANCIAL REPORT

**for the fiscal year from
July 1, 2012 until June 30, 2013**

pursuant to article 4 of Law 3556/2007



Mitropoleos St. 34, Thessaloniki, Postal Code 541 10

www.ebz.gr

SA Reg. No. 8246/06/B/86/11



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TABLE OF CONTENTS

A. Statements by Representatives of the Board of Directors

B. Board of Directors' Annual Report

C. Independent Chartered Auditors' Report

D. Annual Company and Consolidated Financial Statements

E. Additional Data and Information of the Annual Financial Report

- Data and information for the fiscal year from July 1, 2012 until June 30, 2013
- Information required by article 10 of Law 3401/2005
- Availability of the Financial Statements



A. Statements by Representatives of the Board of Directors



Statements by Representatives of the Board of Directors **(Pursuant to article 4 par. 2 of Law 3556/2007)**

We declare that, to the best of our knowledge: (a) the annual financial statements, company and consolidated, for the fiscal year from July 1, 2012 until June 30, 2013, which were prepared in compliance with the International Financial Reporting Standards which have been adopted by the European Union, present in a true manner the elements of the assets and liabilities, the net position and the profit and loss of the HELLENIC SUGAR INDUSTRY SA (the Company), as well as of the companies which are included in the consolidation, considered as a whole and (b) the annual report by the Board of Directors depicts in a true manner the development, performance and position of the Company as well as those companies included in the consolidation, considered as a whole, including the description of the principal risks and uncertainties they face.

Thessaloniki, September 16, 2013

**THE
CHAIRMAN OF THE BoD &
CHIEF EXECUTIVE OFFICER**

**LMBROS A. CHARALAMPOUS
ID Card No. AI 160312/2009**

**THE EXECUTIVE MEMBER OF
THE BOARD OF DIRECTORS**

**GEORGIOS Ch. MELETIS
ID Card No. M 248447/1983**

**THE EXECUTIVE MEMBER OF
THE BOARD OF DIRECTORS**

**DIMITRIOS A. DIMITRIOU
ID Card No. AA355998/2005**



B. Board of Directors' Annual Report



**ANNUAL REPORT BY THE BORD OF DIRECTORS OF
“HELLENIC SUGAR INDUSTRY SA”
ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR
from July 1, 2012 until June 30, 2013**

Significant Events

Dear Shareholders,

The “Hellenic Sugar Industry SA” from the commencement of this year’s productive period, reserved the right to produce, in the context of its capacity, the entire national quota, amounting to 158,702 tons. For the production of sugar the Group operates three (3) plants-branches in Greece (Platy in Imathia, Serres and Orestiada) and two (2) in Serbia (AD Fabrika Secera Sajakaska Zabalje, AD Fabrica Secera Crvenka), of total daily processing capacity amounting to 31,000 tons of sugar-beet.

For crop season 2012 the cultivation of 225,000 stremma of sugar-beet was planned. Despite its subsidization with higher prices compared to 2011 and the financial assistance by HSI SA to sugar-beet growers, for the procurement of fertilizers, ultimately final agreements for 115,009 stremma were signed, corresponding to 3,590 sugar-beet growers.

Seeding was completed in mid-April, 95,357 stremma were sowed and finally the growth area amounted to 93,237 stremma, corresponding to 3,100 sugar-beet producers.

The factors which had a negative impact on the efforts to sow more land and, consequently, contributed to the non-realization of the programme are:

- Bad weather conditions with snowfall and intense rainfall during the preparation of the seedbed and sowing which led to white-harvesting for the year.
- The per case applicable high prices or low cultivating cost of competitive, to sugar-beet, crops, such as corn, cotton, grain and sunflower.
- High fuel costs which bear heavily on the cultivation costs at every phase.

In the months of June-August 2012 intense xerothermic conditions prevailed, with drought as well as the appearance of extremely high temperatures (>40° C) and for prolonged periods which resulted in the loss of valuable foliage and the interception of the development of the cultivation of sugar-beet and as a direct consequence weight loss. The negative impact of the aforementioned factors was greater than anticipated. Thus, finally 93,090 stremma were harvested (2011:57,911) with an Mean Yield per Stremma amounting to 5,130 kg/stremma (2011:5,676), Average Sugar Content 14,36 (2011:14,91) and sugar per stremma 737 kg/stremma (2011:846).

In accordance to the quantity and quality of the sugar-beet processed and with respect to the operation of the plant, there ensued an increased technical divergence and fuel consumption, principally due to the small duration of the campaign.

Sugar production against the quota by HSI SA in Greece amounted to 54,699 tons of sugar, compared with the production of 38,265 tons of sugar in the previous production period from a total of 158,702 tons against the quota that the company may produce. This fact led to a decrease in production costs for Greek sugar by 16.19% (from 1.039,93 €/ton of sugar for production period 2011/2012 to a production cost of 871.57 €/ton of sugar for production period 2012/2013). It is clarified that the company in the course of the fiscal period evaluates its inventories based on the production cost ensuing from the pre-cost estimate, due to the seasonality of its productive process. The pre-cost estimate is updated every trimester and in this way all of its individual elements are correctly presented, until the end of the fiscal year, where, after all of its factors have been allocated, the final cost estimate is compiled.



To cover the right to produce the remaining quantity of approximately 104 thousand tons of sugar, HSI SA (pursuant to EU Regulation 952/2006) proceeded to conclude agreements with major firms in the European market for the production of Greek quota sugar in EU countries (tucking). These countries are France, Germany and Poland.

The productive activity in Europe was completed in January 2013 and yields in major Northern productive countries (France, Germany, the Netherlands and Poland) were at ordinary levels, which in central and southern Europe, draught had a negative impact on yields. Sugar quota stock in the EU was at normal levels – approximately 18% of the quota – and stocks out of quota remain high from the previous year. In order to exhaust these stocks the EU permitted exports to Third Nations of a quantity amounting to 1.35 million tons, against 650,000 tons provided for.

International sugar prices range on the lower levels of the last two years and fluctuate between 490-500\$. The trend is for such fall to continue, due to the forecasts for the anticipated large sugar production in Brazil and despite the fact that prices for sugar destined for bioethanol are attractive. Forecasts for an anticipated large production are also at play for India and Thailand.

At the end of the year a global increase of sugar stocks to the region of 8 million tons is anticipated. Prices in EU have fallen, compared to those for the previous year, despite price increases for beet given to all countries. Difference in sugar prices between the EU and Third Nations allows for the import of quantities (approximately 3.5 million tons of sugar), duty free, from Less Developed Nations to European Nations.

With respect to the commercial year 2012/2013, 1,950,000 tons of sugar outside the quota and duty free were disposed in the European market, of which 600,000 tons with reduced levy, while 546,092 tons of white and raw sugar with reduced duties were also imported.

The aforementioned quantities were mostly directed to countries showing a deficit and as a result sugar prices fell dramatically, especially in the last months of the fiscal year. In Greece price levels for sugar were among the highest in EU, resulting in the import of large quantities of sugar from Third Nations. The prices for such sugar were much lower than the price levels for EU sugar and as a result they seasonally covered a large market share.

HSI sales up to and including the month of April 2013 were slightly higher than the previous year and can be attributed to the attraction of new clients in the current year. In the months of May and June, sales decreased by roughly 15,000 tons compared to the previous fiscal year.

This decrease is due to Third Nations sugar, as cited above, the great decrease of the sugar destined for peach preserves, due to small production, and the drastic decrease of sugar purchases by two major associates, due to their financial troubles.

Analysis of Economic Fundamentals

The following are what is principally reported in the annual financial statements with respect to the parent company:

- Decrease in sugar sales by 8.70%. While 204,452 tons of sugar were sold in the last fiscal year, 186,674 tons were sold in the year just closed (2010/2011: 286,442 tons). This decrease in the sales of sugar brought about a corresponding decrease in the company's turnover by 8.05%.
- The item "Other Income" exhibit a decrease of 69.31% principally due to the entry, in the previous fiscal year, of the value of Utilizable Spare Parts which ensued from the dismantling of Equipment of the units in Larisa and Xanthi.
- The item "Other Expenses" exhibits an increase of 7.90% due to the entry of a Provision for bad debt, amounting to the sum of € 15,976,000 (despite the extraordinary entry in the previous fiscal year of the sum of € 5,618,477 regarding Provisions for bad debt, the sum of € 10,461,408 regarding the impairment of fixed assets due to the dismantling of equipment of the units in Larisa and Xanthi and the provision for the future cost of the Programme for the Special Subsidy of Employees, amounting to € 920,000).



These events brought about fluctuations in the results of the group and the company which are cited below:

a) with respect to the group:

- The turnover of the Hellenic Sugar Industry SA Group of Companies exhibits a decrease by 0.27% in the current fiscal year compared to the corresponding last one and amounted to 228,355 thousand Euros, compared to 228,966 thousand Euros in the corresponding last fiscal year.
- Gross profit margin fell from 23.24% last fiscal year to 19.45%.
- The income statement before tax, financing, investment and total amortizations amounted to profits of 11,078 thousand Euros, compared to profits of 26,254 thousand Euros in the previous fiscal year.
- Consolidated profit and loss for the Group before taxes were losses amounting to 11,287 thousand Euros, compared to profits amounting to 232 thousand Euros in the previous fiscal year.
- Consolidated profit and loss for the Group after taxes were losses amounting to 10,734 thousand Euros, compared to profits amounting to 2,957 thousand Euros in the previous fiscal year.
- Finally, net consolidated profit and loss for the Group after taxes and the deduction of minority rights were losses amounting to 10,852 thousand Euros, compared to profits amounting to 2,822 thousand Euros in the corresponding previous fiscal year.

And b) with respect to the company:

- The turnover of Hellenic Sugar Industry SA exhibited a decrease by 8.05% in the current fiscal year compared to the corresponding previous one and amounted to 161,193 thousand Euros, compared to 175,300 thousand Euros in the corresponding previous fiscal year.
- Gross profit margin fell from 16.30% in the previous fiscal year to 15.16%.
- The income statement before tax, financing, investment and total amortizations amounted to losses of 3,306 thousand Euros from profits of 10,628 thousand Euros in the previous fiscal year.
- Profits or losses for the company before taxes exhibit losses amounting to 11,372 thousand Euros, compared to losses amounting to 994 thousand Euros in the corresponding previous fiscal year.
- Finally, net results for the company after taxes amounted to losses of 9,797 thousand Euros, compared to profits amounting to 2,321 thousand Euros in the corresponding previous fiscal year.



The principal financial indexes monitored by the Group are as follows:

Capital Adequacy Indexes

| | GROUP | COMPANY |
|-----------------------------|-------|---------|
| Net Bank Loans / Own equity | | |
| 30/6/2013 | 1,81 | 2,45 |
| 30/6/2012 | 1,61 | 2,18 |
| EBITDA/Net Bank Loans | | |
| 30/6/2013 | 0,07 | -0,03 |
| 30/6/2012 | 0,18 | 0,08 |

Current Ratio Indexes

| | | |
|---|------|------|
| Current Assets / Short-term Liabilities | | |
| 30/6/2013 | 0,80 | 0,68 |
| 30/6/2012 | 0,86 | 0,71 |

Risks and uncertainties

a) Tax unaudited fiscal years

HSI SA and its subsidiary companies have not been audited by the tax authorities for the following fiscal years:

| Tax Authority | | |
|------------------------------|--------|-------------------------------|
| HSI SA | Greece | From 1/7/2005 until 30/6/2010 |
| AD FABRIKA SECERA "SAJKASKA" | Serbia | From 1/1/2004 until 30/6/2012 |
| AD FABRIKA SECERA "CRVENKA" | Serbia | From 1/1/2004 until 30/6/2012 |
| HSI Cyprus LTD | Cyprus | From 1/9/2003 until 30/6/2012 |

In Greece taxable results are considered provisional until the tax authorities audit the books and records of the companies and the corresponding tax returns, as opposed to Serbia where fiscal years are not closed, for taxation purposes, and the tax authorities reserve the right of repeated audits. Therefore, companies remain potentially liable for additional taxes and penalties which may be imposed following such an audit. Due to the fact that tax unaudited fiscal years 2005/2010 were loss incurring and due to the high accumulated losses, the parent company deems that a future possible liability will not ensue and has not formed a corresponding provision.

From fiscal year 2011 and forward, Greek Public Limited Companies and Limited Liability Companies whose annual financial statements are compulsory audited by Statutory Auditors, registered in the public Records of Law 3693/2008 must receive an Annual Certificate, as provided for in par. 5 of article 82 of Law 2238/1994. The certificate above is issued following a tax audit carried out by the Statutory Auditor himself or the auditing firm which audits the annual financial statements. Following the completion of the tax audit, the Statutory Auditor or auditing firm issues to the company a Tax Compliance Report, accompanied by the Analytical Informational Data Annex. In ten days by the latest after the final date for the approval of the financial statements of the company by its General Meeting of Shareholders, the aforementioned Report and the Annex are digitally submitted to the Ministry of Economics by the Statutory Auditor or the auditing firm. The Ministry of Economics will then select a sample of



companies, at least 9%, for a tax countercheck by the competent services of the Ministry. Such countercheck must be completed in a period no greater than eighteen months from the date of the submission of the “Tax Compliance Report” to the Ministry.

Tax unaudited fiscal years until and including 2010 shall be audited by the tax authorities based on the rules and procedures which were in force until the enforcement of the aforementioned law. The deadline for the submission of the Tax Compliance Report was extended until March 30, 2012 while parallel to the implementation of the medium-term fiscal strategy framework 2012-2015, at the end of paragraph 5 of article 82 of the Income Tax Code, a paragraph was added which explicitly cites the imposition of penalty to those companies for which a tax certificate has not been issued.

A special tax audit was undertaken by the Statutory Auditors, in compliance with article 82 par. 5 of Law 2238/1994, as in force and applicable, in order to ascertain the tax compliance of the Company for managerial fiscal year from 01/07/2010 until 30/06/2011 (fiscal year 2011) and from 01/07/2011 until 30/06/2012 (fiscal year 2012).

Based on the work performed, nothing devolved to the attention of the Statutory Auditors which would lead them to the conclusion that the Company was not compliant, in all material respects, with the tax provisions in force with respect to the tax subjects which are designated in the schedule for the audit of tax compliance as provided for in decision no. POL.1159/22.7.2011 by the Minister of Economics.

Following these, the company received an Independent Chartered Auditor-Accountant Tax Compliance Report for the managerial year from 01/07/2010 until 30/06/2011 (fiscal year 2011) and from 01/07/2011 until 30/06/2012 (fiscal year 2012), in compliance with article 82 par. 5 of Law 2238/1994 without reservations. The Certificate in question was timely submitted to the GSIS by the Statutory Auditors.

Moreover, the special tax audit by the Statutory Auditors for the managerial fiscal year from 01/07/2012 until 30/06/2013 is in progress and the relevant tax compliance report is anticipated to be granted following the publication of the financial statements for the fiscal year ended on 30/06/2013. The Management of the company does not expect there to be significant tax liabilities at the completion of the tax audit, beyond those which were entered and presented in the financial statements.

The Audit Authority for Large Enterprises carries out a Tax Audit for tax unaudited fiscal years from 01/07/2005 up to and including 30/06/2010. Due to the fact that the tax unaudited fiscal years from 2005 to 2010 were loss generating and due to the high accumulated losses, the mother company deems that a possible future liability will not ensue from such audit and, therefore, has not formed a relevant provision.

b) Exchange risk

Part of the Group’s activities is performed by sugar processing companies abroad (Serbia), the operational currency of which is the Dinar. Possible fluctuation of the exchange rate Euro/Dinar is offset to a large extent, given that 50% of the sales of the two companies is realized out of Serbia and in Euros. At the consolidation of the financial statements of the two companies in the consolidated financial statements for the group these are converted to the operational currency of HSI SA, which is the Euro. The ensuing, from such conversion, exchange differences are registered, as required by the International Accounting Standards, directly in the net position of the Company.

Exchange differences which have accumulatively ensued until June 30, 2012 amount to approximately 28.41 million Euros and represent losses from the conversion of the Euro/Dinar exchange rate from the date of the acquisition of these participations.

c) Credit risk

Credit risk is the risk of financial losses for the Group, in case where a customer or third contracting party in a financial instrument does not fulfill his contractual obligations, stemming principally from receivables from customers and investments in securities.



The exposure of the Group to credit risk is principally affected by the special characteristics of each customer. The demographic information for the Group's customer base, inclusive of the risk of payment defaults, which characterizes the specific market and country in which the customers operate, affect credit risk.

Based on the credit policy adopted, the Group assesses each new customer on an individual basis for their credit-worthiness, before the terms and conditions for payments and deliveries are proposed to them. The credit-worthiness check realized by the Group includes also the assessment of customers based on bank sources. The Board of Directors is responsible for the overall creation and monitoring of the framework for risk management in the Group. The risk management policies of the Group are implemented in order for the risks facing the Group to be recognized and analyzed, for control points and limits for risk taking to be posed. Risk management policies and systems are periodically assessed in order to depict changes in market conditions and the Group's activities.

The maximum exposure of the Group to credit risk for its trade receivables on 30/6/2013 is:

| | GROUP | | COMPANY | |
|------------------------------|--------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Up-to-date | 17.217.479 | 16.581.906 | 12.465.472 | 14.406.816 |
| Overdue up to 90 days | 10.061.508 | 17.860.053 | 6.206.676 | 17.486.575 |
| Overdue from 91 to 180 days | 17.453.271 | 21.244.046 | 14.162.077 | 20.734.775 |
| Overdue from 181 to 360 days | 33.345.813 | 16.167.689 | 27.803.695 | 15.130.592 |
| Overdue more than 360 days | 28.458.482 | 24.129.492 | 24.955.637 | 20.565.083 |
| TOTAL | 106.536.554 | 95.983.186 | 85.593.558 | 88.323.841 |
| Impairments | (44.404.450) | (28.193.851) | (40.698.428) | (24.722.428) |
| Net receivables | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |

The increase in the dates of maturity of trade receivables reflects the general developments noted in recent years for the Greek economy and principally the special operating conditions of the real economy characterized by serious liquidity problems in the Greek market. In any case the Group strives to take the necessary securities and warranties in order to mitigate or even remove credit risk.

In parallel, the Group forms an impairment provision which represents its estimates for losses which it may potentially incur with respect to trade and other receivables and investments. This provision comprises from the special provision which regards specific cases of exposure to risk and a general provision for categories of similar claims which it is estimated that they will present issues in their settlement. The general provision is determined based on historic payment records for similar claims.

Against receivables overdue for more than 360 days, as well as receivables which are overdue for a lesser term but their collection is deemed problematic also due to the special conditions prevailing in the Greek market, a provision amounting to 44.40 million Euros has been formed for the Group (1.7.2012-30.06.2013: € 16.21 mil., 1.7.2011-30.06.2012: € 6.76 mil.) and amounting to approximately 40.70 million Euros for the Company (1.7.2012-30.06.2013: € 15.98 mil. 1.7.2011-30.06.2012: € 5.62 mil.).

Further analysis of the credit risk is provided in Note 7 to the Annual Financial Statements.

d) Liquidity risk

Liquidity risk comprises of the risk for the Group not to be able to meet its financial obligations in time. The approach of the Group with respect to liquidity management is to ensure, to the extent possible, that it will always



have sufficient liquidity to meet its obligations on time, both under normal as well as under unfavorable conditions, without realizing unacceptable losses or risking the Group's reputation.

Based on the contractual maturities of financial liabilities, the Group and the Company have the following programme for the repayment thereof:

The Group

| | Value on Balance Sheet 30.06.2013 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--|---------------------------|---|--------------------------------------|---|-----------------------------|
| Bank Loans | 149.623.204 | 144.378.255 | 4.577.938 | 667.011 | 0 | 0 |
| Suppliers and other liabilities | 28.109.989 | 28.109.989 | 0 | 0 | 0 | 0 |
| Other liabilities | 6.339.260 | 5.788.800 | 0 | 550.460 | 0 | 0 |
| Total | 184.072.453 | 178.277.044 | 4.577.938 | 1.217.471 | 0 | 0 |

The Company

| | Value on Balance Sheet 30.06.2013 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--|---------------------------|---|--------------------------------------|---|-----------------------------|
| Bank Loans | 127.065.140 | 127.065.140 | 0 | 0 | 0 | 0 |
| Suppliers and other liabilities | 29.210.577 | 29.210.577 | 0 | 0 | 0 | 0 |
| Other liabilities | 3.310.682 | 2.760.222 | 0 | 550.460 | 0 | 0 |
| Total | 159.586.399 | 159.035.939 | 0 | 550.460 | 0 | 0 |

On July 27, 2012, by a decision by the Committee for Credit and Insurance Matters of the Bank of Greece (Official Gov. Gaz. 2208/27-7-2012), the revocation of the operating license for the credit institution by the name "Agricultural Bank of Greece SA", which is the reference shareholder of HSI SA and the only financial institution with which the Company maintained a loan contract, was revoked. In parallel, by virtue of decision no 4/27-7-2012 by the Bank of Greece (Official Gov. Gaz. 2209/27-7-2012), the order was given for the transfer to "Piraeus Bank SA" of the assets of the financial institution by the name "Agricultural Bank of Greece SA".

In compliance with this decision, the stake of the credit institution by the name "Agricultural Bank of Greece SA" in HSI was not transferred to "Piraeus Bank SA" and remained in the under special liquidation "Agricultural Bank of Greece SA".

Based on the aforementioned, the company applied for and received a renewal of its financial limit by "Piraeus Bank SA" up until and including September 30, 2013, where the conditions and term of the financing in question will be reassessed.

Further analysis of the liquidity risk as well as an analysis of the sensitivity of cash flows is provided in Note 7 to the Annual Financial Statements.



e) Disputes pending before courts or under arbitration by court of arbitrating bodies

It is noted that there is a dispute between the company and the Greek Government pending before courts which regards a company claim for the sum of €11,098,478.05 and originated from the difference between the sale price and production cost for sugar in past fiscal years (before June 30, 1991). The company has formed an equal in amount provision against the pending before the courts claim above, burdening the profit and loss for fiscal year 2004/2005.

Forecasted development of the company and group

The greater and unswerving goals of the company are, on the one hand, the decrease in production costs through the improvement of its industrial output and the attainment of production according to the total quota by supporting sugar-beet cultivation and, on the other hand, the decrease of its operating expenses.

For crop season 2013, 3,593 applications regarding 123,049 stremma were submitted, while 2,265 private agreements, covering an area of 74,667 stremma were signed. Despite the fact that the pricing policy of HSI SA satisfied the farming community both for the timeliness of its announcement as well as the new prices, the existing good climate was overturned:

- On the one hand by the unprecedented bad weather conditions in the months of January – April (Mean Duration of Precipitation: ~30-38 days, Rain level: ~150-400mm). Continuous heavy rainfall resulted in rendering the preparation of the seedbed and sowing impossible in areas where sugar-beet can be grown. Sowing was performed with great difficulties and intensity and there are several agronomic issues which ensued from the violent sowing.
- On the other hand, the implementation of the programme for the Integrated Management of Beet Production and the non-preparedness of farmers to enter the European Union programme, which besides rights also has commitments and penalties overturned the initial good climate and maximized the negative effects brought about by the extreme weather conditions. The crop year is characterized as fairly late and its productive factors depend on the conditions that will prevail both during the summer as well as during the 2013 campaign.

During the months of June-August 2013 mild xerothermic conditions prevailed with volatile rainfall which, on the one hand, caused problems to the plant-protection interventions against cercospora while, on the other hand, created the ideal conditions for its spread. The year is considered mediocre for its productive results, due to the lateness of sowing and difficult to harvest due to the large dispersion of the sugar-beet cultivations.

58,148 stremma (2012: 92,946) are expected to be harvested with Mean Yield per Stremma 5.475 (2012: 5.137) kg/stremma and average sugar content 14.20 (2011:14,36) and sugar per stremma ratio 777 (2011:738) kg/stremma.

The cultivation of sugar beet observed, throughout the course of the growing season, the rules set forth in standard AGRO 2.1&2.2, which govern the Integrated Management System for the Growing of Sugar Beet. The audit by certifying body QCERT leading to the award of the ARGO certificate for sugar beet cultivation, is currently under way and expected to be concluded in the course of the present campaign.

For crop season 2013/14 it is anticipated that the provided-for, HSI produced sugar will amount to 35,000 tons. As this quantity of Greek sugar is small, it will be transferred from the plants in Serres and Orestiada to the plant in Platy to be sub-packaged to one kilo bags. The quantity that HSI SA can produce in its plants and in compliance with the quota is 158,702 tons. To cover the production right for the remaining quantity of approximately 120 thousand tons of sugar, HSI SA (based on EU regulation 952/2006) proceeded with the conclusion of contracts with major houses in the European market for the production of Greek quota sugar in EU nations as work on order. These countries are France, Germany and Poland.

The sowing of beets in Europe proceeded with delays, due to bad weather conditions in Spring and the production of sugar is expected to be 6% lower than the previous year. The quota sugar stocks in EU are anticipated in the new sugar season 2013/14 to be increased compared to last year and range in the region of 2 mil. tons.



With respect to sales, it is forecasted that the major fall in sugar prices will continue in the coming months and the up until the final price is reached at the end of September. For the new sugar year – and against previous years – all customers are buttoned-up and do not wish to commit themselves contractually with a procurer for sugar, in anticipation of the final prices which will be reached at the end of September or wishing to conclude only short term contracts (three-four months).

HSI keeps track of the market prices by its major competitors. There are some traders with small quantities (500-600 tons) who can procure sugar from Third Nations at very low prices and can offer it in the market at very low prices. Such prices are not observed by HSI for it deems them circumstantial.

HSI with its pricing policy and the development of collaborations aims for the present year to reach sales amounting to 200,000 tons, despite the fact that the shortage in pears will dramatically decrease sugar for preserves and will have a negative impact on the sales for the first months of the new fiscal year.

Finally, safety in the workplace, the protection of the environment, the harmonious coexistence with local society and the continuous education and training of the personnel remain nonnegotiable objectives, irrevocably tied to the operation of the company.

Programme for the Integrated Management of Sugar-Beet Cultivation

The Ministry of Rural Development and Foods in collaboration with the company has proceeded with the issuance of a Joint Ministerial Decision which governs the rights and obligations of those included in the programme and which was signed by the competent Ministries of Rural Development & Food, Development Competitiveness, Infrastructures, Transportation and Networks and the Ministry of Economics and published in the official Government Gazette issue 2556/20-12-2012 and where the cultivation of sugar-beet was included in the Programme for Integrated Management, through the Rural Development 2007-2013 Programme and specifically through Measure 214 “Agricultural-environmental subsidies”.

On November 23, 2012 the 1st Invitation for the Expression of Interest for the Integrated Management of Sugar-beet was published and, pursuant to the Joint Ministerial Decision sugar-beet growing is subsumed to a regime of Integrated Management, fact that will offer sugar-beet farmers with an additional income of approximately 30 Euros per stremma, but with many problems in the procedures for the activation of the programme in question, implemented and financed by bodied supervised by the Ministry of Rural Development and Food.

In addition, the 2nd Invitation for the Expression of Interest in Action 2.3 (B) “Integrated Management System in the production of sugar-beet” no. 6777/26-3-2013 was published on 26-3-2013, directed at new sugar-beet producers who shall be included in the programme from 2013 onwards. The implementation of Integrated Management shall have positive environmental impact, while it shall also improve the operation of HSI SA for the benefit of domestic consumption of a basic nutritional good such as sugar.

The contribution of HSI SA to the programme shall be limited to the monitoring of the implementation of Integrated Management with the input of suitable consultants for its development and certification. The procedures for the organization of the system for monitoring the implementation of Integrated Management are already underway.

Procedure for the sale of the majority block of shares

The reference shareholder of company ATE proceeded in 2011 with an open public request for offers for the transfer of the majority block of shares it holds, namely of 82.33%. The first phase of the open call was successfully completed and 10 candidate buyers qualified to the second phase. Due Diligence was carried out by the prospective buyers and three binding bids were submitted. On July 27, 2012 the “Revocation of the operating license for credit institution with the name “Agricultural Bank of Greece SA” was sanctioned and published in the official Government Gazette no. 2208/27-7-2012, which is the reference shareholder of HSI SA.

On September 21, 2012 the Agricultural Bank of Greece SA (under Special Liquidation), which is now the reference shareholder of the company announced that the international request for offers for the sale of its participation in the Hellenic Sugar Industry SA was unfruitful.



On September 28, 2012 Agricultural Bank of Greece SA (under special liquidation) announced that it will proceed with a new international call for the sale of its stake in the company with the name “Hellenic Sugar Industry SA”. The relevant invitation for the expression of interest was published in the Press and on the website www.atebank.gr on September 29 and 30, 2012.

On October 17, 2012 Agricultural Bank of Greece SA (under special liquidation) announced that in the context of the invitation for the expression of interest in the sale of a block of shares of “HELLENIC SUGAR INDUSTRY SA” non binding interest was expressed within the deadline by a total of ten (10) candidates and on October 26, 2012 it announced that nine (9) candidates qualified to the next phase of the Call.

On December 24, 2012 Agricultural Bank of Greece SA (under special liquidation) announced that a total of five (5) candidates submitted binding bids within the deadline and that the offers will be evaluated in collaboration with the Sales Consultant.

On January 31, 2013 Agricultural Bank of Greece SA (under special liquidation) announced that in the context of the invitation for the expression of interest in the sale of a block of shares of “HELLENIC SUGAR INDUSTRY SA”, it received valid binding offers from the following companies:

- CRISTAL FINANCIERE SAS, member of the CRISTAL UNION Group
- KRAJOWA SPOLKA CUKROWA S.A.
- LITEX COMMERCE JSC.
- SUNOKO d.o.o. Novi Sad

On March 29, 2013, Agricultural Bank of Greece SA (under special liquidation) announced that in the context of the call carried out for the transfer of 30.256.689 common shares representing 82.33% of the paid-up share capital of company HELLENIC SUGAR INDUSTRY SA, the Preferred Candidate status is awarded to company CRISTAL FINANCIERE, 100% subsidiary of CRISTAL UNION SOCIETE COOPERATIVE AGRICOLE; while companies KRAJOWA SPOLKA CUKROWA S.A and LITEX COMMERCE JSC were selected as Runner-up Candidates.

On July 10, 2013 the Special Liquidator for the under special liquidation Agricultural Bank of Greece SA, aiming for the best possible solution in the context of the sale of the stake of the institution under special liquidation in company HELLENIC SUGAR INDUSTRY SA, announced that he has decided the extension of the current competitive procedure and calls on any prospective buyer (old and new) to submit their binding offers until Friday November 1, 2013 and 15:00 hours.

Significant transactions between affiliated parties

The subsidiary companies of the Group are considered as affiliated parties, as such are cited in Note 1 to the Financial Statements and the executive members of the Board of Directors. Since the Group is included in the consolidated financial statements of the Agricultural Bank of Greece (ATE), ATE and the companies in ATE Group are considered as affiliated parties. All transactions with affiliated parties have been performed in compliance with the generally accepted commercial terms and are intended to be arranged in cash within a reasonable deadline. All transactions with affiliated parties (subsidiary companies) have been removed at the preparation of the consolidated financial statements.

The balances of the transactions between the Company and its subsidiaries or cognates as well as the results corresponding to such transactions are as follows:



HELLENIC SUGAR INDUSTRY SA

30/6/2013

| | | Sales of goods and services | Purchases of goods and services | Receivables | Liabilities |
|----------------------------|--------------------------|-----------------------------------|---------------------------------------|-------------------|-------------------|
| ATE LEASING | <i>ATE Group Company</i> | 0 | 58.197 | 0 | 68.232 |
| AD FABRIKA SECERA SAJKASKA | <i>Subsidiary</i> | 588.600 | 5.129.537 | 3.700.103 | 3.461.768 |
| AD FABRIKA SECERA CVRENKA | <i>Subsidiary</i> | 1.696.764 | 10.479.748 | 7.120.808 | 6.518.814 |
| HSI CYPRUS LTD | <i>Subsidiary</i> | 0 | 0 | 0 | 33.744 |
| | Total | 2.285.364 | 15.667.482 | 10.820.911 | 10.082.558 |

The sales appearing in the table above regard sales of seeds by the company to its subsidiaries and of byproducts to other affiliated parties, while purchases regard purchases of sugar from the subsidiaries in Serbia and debit interest from parent ATE with respect to the previous fiscal year. Liabilities principally regard the loan agreement with ATE (previous fiscal year) and liabilities ensuing from purchases of sugar from the Serbian subsidiaries.

Receivables mainly regard receivables from the sales of seeds and byproducts, from the sales of mechanical equipment and from subsidiaries' dividends. There are no Receivables – Liabilities to and from the members of the Board of Directors.

The corresponding intra-corporate transactions and balances in the previous fiscal year are as follows:

HELLENIC SUGAR INDUSTRY SA

30/6/2012

| | | Sales of goods and services | Purchases of goods and services | Receivables | Liabilities |
|--------------------------------|--------------------------|-----------------------------------|---------------------------------------|------------------|--------------------|
| Agricultural Bank of Greece SA | <i>Parent</i> | 7.980 | 15.524.057 | 781.157 | 133.181.892 |
| DODONI SA | <i>ATE Group Company</i> | 32.980 | 0 | -172 | 0 |
| ATE LEASING | <i>ATE Group Company</i> | 0 | 111.954 | 0 | 114.118 |
| ATE RENT | <i>ATE Group Company</i> | 0 | 0 | 0 | 0 |
| ATE INSURANCE SA | <i>ATE Group Company</i> | 38.548 | 585.625 | 1.100 | 44.403 |
| ATExelixa SA | <i>ATE Group Company</i> | 0 | 0 | 0 | 8.700 |
| AD FABRIKA SECERA SAJKASKA | <i>Subsidiary</i> | 255.000 | 14.365.377 | 727.455 | 3.199.024 |
| AD FABRIKA SECERA CVRENKA | <i>Subsidiary</i> | 3.370.415 | 15.789.866 | 251.200 | 9.925.484 |
| HSI CYPRUS LTD | <i>Subsidiary</i> | 0 | 0 | 0 | 0 |
| | Total | 3.704.923 | 46.376.879 | 1.760.740 | 146.473.621 |



Changes in the Share Capital Structure of the Companies

At the end of 2011 the two Serbian companies in the context of their usual operation raised additional loans from local banks. Following this action, the total value of the loan liabilities of each company exceeded 30% of the value of company assets on December 31, 2010, as such has followed from the corresponding balance sheets on that date. For this reason it was assessed that the conditions in article 470 of the Serbian law on the operation of commercial companies (Law 36/2011 and 99/2011) concur. Pursuant to all provisions in article 470 of Serbian commercial legislation (Law 36/2011 and 99/2011) when loans and other guarantees by a company exceed 30% of the total value of its assets, as such has been calculated in compliance with its most recently drafted annual balance sheet, there exists the case for the “disposal of high value assets” and the General Meeting of company shareholders and its Board of Directors shall approve such case (article 471). Additionally in such a case minority shareholders may request the buy out of their shares by the company itself.

Thus, in the context of article 471 the General Meetings of shareholders of companies Ad Fabrica Secera Crvenka and Ad Fabrika Secera Sajkaska (June 2012) approved the “disposal (sale) of high value assets”, as a consequence of the increase in loan liabilities and guarantees as a percentage of the value of the assets of each company. Additionally, articles 474, 475 and 476 in the Serbian law on the operation of commercial companies (Laws 36/2011 and 99/2011) establish the minority rights in case of objections (requirement for the buy out of their shares by the company itself) and the way for determining the buy-out price.

The determination of the buy-out price was performed, as established by Serbian legislation, at the greatest price between the book value, the current stock exchange price and that which ensued in the report by an independent surveyor, certified by Serbian legislation. The sums paid by the subsidiary companies as the buy-out price for a percentage (stake) of 6,85% for Ad Fabrika Secera Sajkaska and 17,67% for Ad Fabrica Secera Crvenka amounted to a total of € 14.895.681 (€ 2.960.366 for the first and € 11.935.315 for the second). Following the end of fiscal year 2012/2013 new buy-out requests were submitted for shares in company Ad Fabrica Secera Crvenka valued at € 611.362.

Moreover and based on the provisions in article 522 of the Serbian law on the operation of commercial companies (Laws 36/2011 and 99/2011), as small minority shareholders group in company SAIKASKA requested, its right to do so stemming from the aforementioned articles, from the reference shareholder (HSI SA) – and owner of more than 90% of voting rights in company SAIKASKA – the buy-out of their shares (3.239 shares of a percentage of 0,38%). Until the publication of the Annual Financial Statements 2,615 shares (or a percentage of 0.31%) had been bought out, for a total price of 121,608 Euros.

Events after the reference period

A) On July 10, 2013 the Special Liquidator for the under special liquidation Agricultural Bank of Greece SA, aiming to attain the best possible outcome in the context of the procedure for the sale of the stake in HELLENIC SUGAR INDUSTRY SA of the corporation under special liquidation, announced that he decides to extend the existing competition and calls upon any candidate buyer (old and new) to submit their binding bids until **Friday November 1, 2013 and 15:00 hours.**

B) In the meeting of the Board of Directors of the company on 01.08.2013, Mr. Chrysostomos Geroukis, Chairman of the BoD and executive member thereof and Mr. Pavlos Baroutas, independent non-executive member of the BoD and member of the Auditing Committee, submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Mssrs. Betsis Ilias and Meletis Georgios as new members.

C) Furthermore, in the BoD meeting on 22.08.2013 Mr. Asterios Tarazas, executive member of the BoD and Mr. Manasis Konstantinidis, independent non-executive member of the BoD and member of the Auditing Committee submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Mssrs. Dimitrio Dimitriou and Michael Fefe as new members.



The composition of the Board of Director of the company and the composition of the Auditing Committee at the date of publication of the annual financial statements is cited below:

Board of Directors

a. Executive Members

Haralampous Lambros, Chairman & CEO
Meletis Georgios, Member
Dimitriou Dimitrios, Member

b. Non-Executive Members

Betsis Ilias, Member
Fefes Michael, Member

c. Independent Non-Executive Members

Lazari Adamantini, Vice-Chairman
Koliatsas Styridon, Member

Auditing Committee

Koliatsas Styridon, Chairman of the Committee
Lazari Adamantini, Member
Fefes Michael, Member

The election of the members of the Board of Directors and the Auditing Committee will be placed for sanction in the next General Meeting.

There are no other significant events after the date of the preparation of the financial standards, for which a relevant reference is necessitated.



Explanatory Report pursuant to article 4 par. 7 of Law 3556/2007

The present explanatory report by the Board of Directors to the Ordinary General Meeting of its Shareholders contains additional analytic information regarding the issues of pars. 7 and 8 of article 4 of Law 3556/2007.

a. Structure of the share capital of the Company

The share capital of the Company amounts to € 26,826,703.57, divided into 36,748,909 common bearer shares of nominal value seventy three cents of a Euro (0.73) each one. Company shares are listed in the Athens Stock Exchange.

The rights of Company shareholders stemming from its shares are proportional to the percentage of the capital to which the paid-up value of the share corresponds. Each share affords all rights provided for by the law and the articles of association of the company and specifically:

- The right on the dividend from the annual or the at the liquidation profits of the Company. A percentage of 35% of the net profits after the deduction of only the statutory reserve. The granting of additional dividend shall be decided by the General Meeting. Every shareholder is entitled to the dividend, provided they are cited in the, kept by the HELLENIC EXCHANGES GROUP SA, register of shareholders at the date for the determination of those entitled to dividend. The dividend for each share shall be paid to the shareholder within two (2) months from the date of the Ordinary General Meeting which approved the annual financial statements. The manner for the payment of the dividend shall be disclosed in the Press. The right to collect the dividend is prescribed and the corresponding sum devolves to the State after the lapse of 5 years from the end of the year on which the General Meeting approved its distribution.
- The right to assume the contribution at the liquidation or, correspondingly the redemption of the capital corresponding to the share, provided that such has been decided by the General Meeting.
- The pre-emptive right in every increase of the Company's share capital in cash and the subscription of new shares.
- The right to receive a copy of the financial statements and the reports by the chartered auditors and the Board of Directors of the Company.
- The right to participate in the General Meeting, which is specialized in the following individual rights of legitimization, presence, participation in the debates, suggestions on issues on the agenda, registration of the views in the minutes and voting.
- The General Meeting of Company shareholders reserves all of its rights also during the liquidation.

The liability of Company shareholders is limited to the nominal value of the shares they hold.

b. Limitations in the transfer of Company shares

The transfer of Company shares is performed as prescribed by the Law and no limitations are posed by its articles of association as regards their transfer, given that they regard dematerialized securities listed in Athens Stock Exchange.

c. Significant direct or indirect participations for the purposes set out in articles 9 to 11 of Law 3556/2007

The shareholders (natural persons or legal entities) who directly or indirectly hold a percentage greater than 5% of the total number of company shares are cited in the following table:

| <u>FULL NAME</u> | <u>PERCENTAGE</u> |
|--|-------------------|
| "Agricultural Bank of Greece SA under Special Liquidation" | 82,33% |

d. Shares affording special control rights

There are no company shares which afford to their shareholders special control rights.



e. Limitations to voting rights

No limitations on the voting rights ensuing from its shares are provided for in the articles of association of the Company.

f. Agreements between company shareholders

The Company is not aware of the existence of any agreements between its shareholders which entail limitations in the transfer of its shares or the exercise of the voting rights ensuing from its shares.

g. Rules for the appointment and replacement of members of the BoD and the amendment of the articles of association

The rules provided for by the articles of association of the Company for the appointment and replacement of member of the Board of Directors of the company and the amendment of the provisions in its articles of association are not differentiated from what is provided for in Codified Law 2190/1920.

h. Competence of the Board of Directors of appointed members thereof for the issuance of new shares or the purchase of own shares, pursuant to article 16 of Cod. Law 2190/1920

There is no competence assigned to the members of the BoD for the issuance of new shares or the purchase of own shares without the prior approval of the General Meeting of Shareholders.

i. Important agreements entering into force, amended or expiring in case of change of control following a public take-over bid

There are no agreements which will enter into force, be amended or will expire in case of change in the control of the Company following a public take-over bid.

j. Agreements with members of the Board of Directors or Company personnel

There are no agreements between the Company and members of its Board of Directors or personnel which foresee the payment of compensation, especially in case of resignation or dismissal without sound reason or termination of their term or employment on account of a public take-over bid.



Corporate Governance Statement (article 2 par.2 of Law 3873/2010)

1. General

Pursuant to the provisions of Law 3873/2010, which incorporated in Greek legal order Directive 2006/46/EC by the European Union, on annual and consolidated accounts of companies of certain statuses, each company, the shares and other securities of which have been listed in an organized market, must, from fiscal year 2010 (for HSI the fiscal year is 01.07.2010-30.06.2011) to include in its annual managerial report also a report on Corporate Governance, to which it is subsumed of which it has decided to implement on its own free will. The corporate governance framework has been developed principally through the adoption of compulsory rules, such as Law 3016/2002. Additionally, a number of other legislative acts have incorporated in the Greek legislative framework the European directives on corporate law, thus creating new rules for corporate governance, such as Law 3693/2008 and Law 3884/2010. Recent Law 3873/2010, constitutes a “cornerstone” for the creation of the Code. The Law on public limited companies, Law 2190/1920, which many of the aforementioned provisions in the laws of community institution amend, includes the fundamental rules for corporate governance.

The term “corporate governance” describes the manner by which a company is managed and audited. Corporate Governance is articulated as a system of relations, as such are defined by the Principles of Corporate Governance by the Organization for Economic Co-operation and Development, between the Management of a Company, its Board of Directors, its shareholders and other interested parties.

It constitutes the structure via which the objectives of a company are posed and approached, the means for the attainment of such objectives are designated and the monitoring of the Management’s performance in the process of the implementation of the above is rendered possible. It institutes best practices for governance standards and promotes increased transparency throughout all of company activities.

It illustrates the policies and procedures adopted by the Company as a tool for the attainment of good governance practices. Resting on the Greek regulative framework – of which the command overrule in every case – the principles and practices of the Code are aimed to provide guidance in issues which are either not regulated legislatively or are regulated with respect to the minimal possible response.

2. Voluntary Compliance of the Company to the Code of Corporate Governance

The present declaration is compiled in compliance with article 43a par. 3 case d of Cod. Law 2190/1920 and pursuant to the provisions of Law 3873/2010. The company states that it fully and voluntarily conforms with the commands and regulations in the legislative texts which constitute the minimum content of any Corporate Governance Code and comprise such an informal Code.

The company has compiled its own Corporate Governance Code and the relevant text has been uploaded on its website and specifically at: www.ebz.gr.

3. Deviations from the Corporate Governance Code and justifications

The Company declared that it faithfully and strictly implements the provisions in the Greek Law (Cod. Law 2190/1920, Law 3016/2002 and Law 3693/2008) which form the minimum requirements which must be fulfilled by any Corporate Governance Code, implemented by a Company whose shares are listed in an organized market.

Such minimum requirements are incorporated in the HSI SA Corporate Governance Code.

4. Principal Features of the Internal Audit and Risk Management Systems in Relation to the Procedure for the Preparation of the Financial Statements and Financial Reports

i) Principal elements of the risk management and internal audit systems

The company maintains an Internal Audit System. The Internal Audit System of the Company includes all of the procedures implemented by the BoD, the Management and its other personnel and are aimed:



- To ensure the effectiveness and efficiency of corporate business.
- The reliability of the provided financial reporting, both inside as well as outside of the Company.
- The compliance with the standing laws and regulations, also including the internal corporate regulations.

Since business objectives, internal organization and the environment in which the Company operates are constantly changing, the risks which it is called to confront also change. In order to carry out an effective internal audit the following bodies are provided for:

- Audit Committee
- Internal Audit Service, staffed by personnel exclusively engaged in the carrying out of the Internal Audit.

A) Audit Committee

The Audit Committee is Three-Member and comprises of non-executive members of the Board of Directors, of whom at least one is independent. All the members of the Audit Committee are appointed by the General Meeting of shareholders, while the independent non-executive member of the Audit Committee must have a demonstrated sufficient knowledge in issues relating to accounting and auditing.

The members of the Audit Committee were appointed by the resolution of the Extraordinary General Meeting of HSI SA of 30.11.2012 (item 7 on the agenda) and its composition is as follows:

- Spyridon Koliatsas (non-executive member of the BoD)
- Manasis Konstantinidis (independent non-executive member of the BoD)
- Pavlos Baroutas (independent non-executive member of the BoD)

Five (5) meetings took place in fiscal year 2012/2013 on 26/9/2012, 18/11/2012, 26/11/2012, 26/02/2013 and 29/05/2013.

The Audit Committee has indicatively the following competences:

- monitoring the procedure for financial reporting and the reliability of the financial statements of the Company;
- monitoring the effective operation of the internal audit system;
- monitoring the proper operation of the Internal Audit Service;
- monitoring the course of the statutory audit of the individual and consolidated financial statements;
- review and monitoring of issues relating to the existence and maintenance of the objectivity and independence of the statutory auditor or auditing firm, especially with respect to the provision of other services to the entity audited by the statutory auditor or auditing firm;
- examination of conflicts of interest at the transactions of the company with persons affiliated with it;
- care for the existence and content of procedures by which company personnel may, confidentially, express its concerns for possible transgressions and irregularities in issues relating to financial reporting or other issues touching upon the operation of the company;
- disclosure to the Board of Directors of the findings of the audits and the submitted to it reports by the Internal Audit Service.

B) Internal Audit Service

The Internal Audit Service is independent from the other operational units and administratively reports to the CEO and operationally to the BoD's Audit Committee.

For the exercise of their duties the Person Responsible and other staff of the Internal Audit Service as well as the members of the Audit Committee are entitled to take cognizance of any document necessary for the carrying out of the audit.

The members of the Board of Directors must collaborate and provide information to the Internal Audit Service and, in general, to facilitate in any way its work. The management of the Company must provide all necessary means to facilitate its work.



Internal Audit Organization

The Internal Audit Service was formed in implementation of decision no. 5/204/2000 by the Board of Directors of the Hellenic Capital Market Commission and Law 3016/2002 for corporate governance from which the obligation of the companies listed in the stock exchange to possess a special Internal Audit service follows.

Internal Auditors are appointed by the Board of Directors of the Company. Members of the Board of Directors, current executives or relatives of the above, up to the second degree by blood or marriage, may not be appointed as internal auditor. The company informs the Capital Market Commission on the organization and composition of the internal audit service as well as on any changes to it within a deadline of ten (10) working days.

The Internal Audit Service pursues the compliance with the International Professional Practices Framework through the observation of the International Standards for the Professional Implementation of Internal Audit (IIA Standards) and in compliance with what is prescribed by the Moral Conduct and Ethics Code.

Subject and Scope of the Internal Audit Service

It ensures that all activities are consistent with the objectives, policies and procedures of the Company, in compliance with the current institutional framework and the principles of corporate governance.

Specifically, the Internal Audit Service has the following competences:

- monitors the implementation and observance of the Internal Rules of Operation and the Articles of Association of the Company as well as the general legislation regarding the company and especially the legislation on public limited companies and those relating to the stock market;
- reports to the Audit Committee of the Company of cases of conflict between the private interests of members of the Board of Directors or Company Executives with the interests of the Company, which are ascertained at the exercise of its duties;
- monitors the handling of information between Company Directorates to ensure abidance with Stock Exchange Legislation and especially the prevention of transactions based on insider reports;
- informs the Audit Committee at least once every trimester on the audits carried out by it;
- provides, following an approval by the Board of Directors, any information requested by the Supervisory Authorities in writing, collaborates with such and facilitates in any possible way the monitoring and audit actions exercised by the Supervisory Authorities.

Internal and External Auditors

The Internal Auditors constitute part of the Company and provide continuous monitoring and evaluation of all of its activities. On the other hand External Auditors are independent of the Company and provide their opinion on an annual basis with regard to its financial statements. The work of the internal and external auditors must be coordinated for optimum results and efficiency.

Risk Management

The Board of Directors is overall responsible for the establishment and supervision of the Group's risk management framework.

The Group's risk management policies are implemented in order to recognize and analyze the risks the Group is confronted with, to place check points and limits for the taking of risks. The risk management policies and systems are periodically assessed in order for changes in market conditions and the Group's activities to appear. The Internal Audit Service undertakes regular and extraorDinary audits regarding the implementation of the check points and risk management procedures, the findings of which it discloses to the Board of Directors.

ii) Non-auditing procedures by the statutory company auditors

The statutory auditors have not offered non-auditing services to the company, which regard their participation, in any way, direct or indirect, to the taking of decisions relating to the activities of the entity under audit. There are no self-audit or own interest conditions, advocate capacity, intimacy, intimidation and perturbation of trust at the performance of their work. Therefore, taking into account what is prescribed in Law 3693/2008, there have been no cases which may affect the objectivity and effectiveness of the statutory audit.



5. The General Meeting and Shareholders' Rights

The Law on Public Limited Companies foresees important rights for minority shareholders. In compliance with Law 2190/1920, shareholders who represent 1/20 of the paid-up share capital may request an extraordinary General Meeting of shareholders and add items to the agenda. For the taking of certain important decisions, such as the amendment of certain articles in the articles of association or a merger, an increased quorum and majority is required.

Furthermore, the requirement for the blocking of shares for five (5) days prior to the General Meeting of shareholders, which is a considerable hindrance for the participation of international institutional investors (an important minority for many large Greek companies) was abolished by the incorporation in Greek Law of European Directive 2007/36/EC19 on shareholders' rights by Law 3884/2010.

By the amendments to Law 2190/1920 by virtue of new Law 3884/2010 with respect to listed companies informing and briefing of the shareholders with respect to their rights, as well as to the items on the agenda is ensured.

According to the above, HSI SA publicizes all information relating to the General Meeting of Shareholders in a manner that ensures that all shareholders have easy and equal access. All disclosures and relating documents are uploaded on the company's website on the date of their disclosure.

Already by Law 3884/2010, HSI SA, being a listed company, must publicize and upload on its website specific information regarding the preparation of the General Meeting, but also information regarding the proceedings of the General Meeting.

General Meeting Competences

The General Meeting of Company Shareholders is its supreme body and entitled to rule on any affair regarding the Company. The lawful resolutions of the General Meeting are binding also for those shareholders absent or in discord.

With the reservation of the provisions of article 17 in the articles of association of the company, the General Meeting is the only competent body to rule on:

- a) the amendment of the articles of association. An increase or decrease of the share capital is also considered as an amendment;
- b) the approval of the company's and the Group's annual financial report;
- c) the appropriation of the profits for the fiscal year;
- d) the merger, extension or dissolution of the Company;
- e) the appointment of the liquidators for the Company;
- f) the election of members of the Board of Directors;
- g) the appointment of auditors;
- h) the election of the members of the Auditing Committee.

General Principle

The Board of Directors ensures that the preparation and holding of the General Meeting of Shareholders facilitate the effective exercise of the rights of the shareholder, who must be fully informed on all issues relating to their participation in the General Meeting, including the items on the agenda and their rights in the General Meeting.

The BoD facilitates, within the framework of the relevant provisions in the articles of association, the participation of shareholders in the General Meeting, and especially the minority shareholders, foreign shareholders and those who are domiciled in remote areas, in order to attain their essential, substantial and open dialogue with the company.

6. Composition and Operation of the Board of Directors and its Committees

The Board of Directors is the supreme managerial body of the Company which shapes its objectives and the strategy for its development, monitors their implementation, is responsible for the efficient operation of the Company's management system and supervises and controls the management of its assets.



The Board of Directors is competent to rule on any issue relating to the management and representation of the Company, the management of its assets and, in general, its activities, while its takes all indicated measures and decisions for the realization of the objective of the Company.

Excluded from the competence of the Board of Directors are those issues which, in compliance with the provisions in the Law or the articles of association are subsumed to the exclusive competence of the General Meeting.

Composition of the Board of Directors

According to its Articles of Association, the Company is managed by a Board of Directors which comprises of seven members. Of these, three are executive members and the rest are non-executive. Amongst the non-executive members at least two independent members are appointed, who cannot be shareholders or have a dependent relation to the Company or with affiliated with it persons. The executive members are employed in the Company are provide services to it, performing managerial duties. The non-executive members of the Board of Directors do not perform managerial duties for the Company.

The election of the members of the Board of Directors is performed by a resolution taken by the General Meeting of Shareholders. The capacity of the members of the Board of Directors as executive or not is designated by the Board of Directors. The independent members are appointed by the General Meeting. Should the Board of Directors elect a provisional member until the first General Meeting to replace another independent member who resigned died or for any reason was removed from office, the member thus appointed must also be independent.

The Board of Directors immediately after its election convenes and forms to Body, electing from its executive members its Chairman, Vice-Chairman and Chief Executive Officer.

The term of the members of the Board of Directors is five years. In case of early retirement of any of its members and for any reason, the term of the member who will be elected in replacement will be, by a decision taken by the other members of the Board of Directors, until the end of the term of the member who left. In case of the election of a member by the Board of Directors, this election shall be announced in the immediately next General Meeting, which may replace those members thus elected. If, for any reason, the position of a Director becomes vacant and until such position is filled, the Board of Directors shall decide with its other members validly, provided that their number is not less than four. In detail the members of the BoD for fiscal year 2012/2013 were the following:

| | Full Name | Capacity | Date of the assumption of duties (most recent) | End of Term |
|---|--|--|---|--------------------|
| 1 | Chrysostomos Geroukis Son of Stefanos | Chairman to the BoD – Executive Member | 30/03/2010 | 29/03/2015 |
| 2 | Adamantini Lazari Son of Constantinos | Vice-Chairman to the BoD – Non-Executive Member | 30/03/2010 | 29/03/2015 |
| 3 | Lampros Charalampos Son of Antonios | CEO- Executive Member | 30/03/2010 | 29/03/2015 |
| 4 | Asterios Tarazas Son of Dimitrios | Member of the BoD – Executive Member | 30/03/2010 | 29/03/2015 |
| 5 | Spyridon Koliatsas Son of Ilias | Member of the BoD – Non-Executive Member | 30/03/2010 | 29/03/2015 |
| 6 | Manasis Konstantinidis Son of Theodoros | Member of the BoD – Non-Executive Member | 31/03/2011 | 29/03/2015 |
| 7 | Pavlos Baroutas Son of Andreas | Member of the BoD – Non-Executive Member | 24/02/2012 | 29/03/2015 |



BoD Roles and Competences

The BoD effectively exercises its leadership and directs company affairs for the benefit of the company and all shareholders, by ensuring that Management implements the corporate strategy. Furthermore it ensures the fair and equal treatment of all shareholders, including minority shareholders and foreign shareholders.

At the performance of its duties, the BoD takes into account those parties whose interests are connected to those of the company, such as the clients, creditors, workers and social groups directly affected by the operation of the company and to the degree where there ensues no conflict with corporate interest.

An unfailing pursuit of the BoD is the bolstering of the long-term value of the company and the protection of the general corporate interest. The Board of Directors is competent to decide on any action which regards the management of the company, the management of company assets and, in general, the pursuit of its objective, without any limitation (with the exception of the issues subsumed to the exclusive competence of the General Meeting) and to represent the company before courts and out-of-court.

The principal, non-assignable, competences of the Board of Directors include:

- The approval of long-term strategy and operational objectives of the company;
- the approval of the annual budget and business plan, as well as decision taking for major capital expenditures, take-overs and sales;
- the selection and, when needed, the replacement of the executive leadership of the company, as well as the supervision of succession planning;
- the control of the performance of senior Management and the harmonization of the salaries of senior executives with the long-term interests of the company and its shareholders;
- to ensure the reliability of the financial statements and information of the company, the systems for financial reporting and of the information and data being disclosed, as well as to ensure the effectiveness of the internal audit and risk managements systems;
- vigilance with respect to existing or possible conflicts of interest between, on the one hand, the company and, on the other, its Management, the members of the BoD or leveraged shareholders (including the shareholders with direct or indirect authority to shape or influence the composition and conduct of the BoD) as well as the proper treatment of such conflicts; to this end the BoD must adopt a procedure for the supervision of transactions based on transparency and the protection of corporate interests;
- to ensure the existence of an efficient procedure for the regulative compliance of the company;
- the responsibility to take the relevant decisions for the monitoring of the effectiveness of the company's management system, inclusive of the decision-making procedures and the assignment of authorities and duties to other executives, and
- the formulation, dissemination of the principal values and principles of the company which govern its relations with all parties, the interests of whom are related to those of the company.

Duties and conduct of BoD members

Every member of the BoD is obliged to be committed full-time to the company. The BoD members must act with integrity and for the interest of the company and ensure the confidentiality of non-publicly available information. They must not be in a competitive relation to the company and must avoid any office or activity which creates or appears to be creating a conflict between their personal interests and those of the company, including offices in the Board of Directors or Management of competitive companies without the permission of the General Meeting. The members of the BoD contribute their experience and devote to their duties the necessary time and attention. The members of the BoD must pursue to participate in all BoD meetings, as well as those of the Committees to which they have been assigned.

Evaluation of the Board of Directors

The BoD regularly evaluates its effectiveness in the exercise of its duties, as well as that of the Committees.

The evaluation of the BoD's effectiveness, as well as that of its Committees, takes place at least once every two (2) years. The Chairman presides of the evaluation procedure and its findings are discussed by the BoD while the President then takes the necessary measures to confront the ascertained weaknesses.



Remuneration of the Board of Directors

The remuneration of the members of the Board of Directors is cited under Transactions with affiliated parties on the Annual Financial Statement of HSI SA and are the following:

| | <u>GROUP</u> | <u>COMPANY</u> |
|--|--------------|----------------|
| Remuneration of the members of the BoD for fiscal year 2012/2013 | 351.841 € | 225.084 € |

Meetings of the Board of Directors

19 meetings of the Board of Directors took place in the course of fiscal year 2012/13. As a rule the Board meets at least once a month.

Composition and terms of operation of the work and competences of the committees of the Board of Directors and Meetings of the Committees

Three Committees have been instituted and operate in the Company, manned by members of the Board of Directors. These are the Audit Committee, the Special Three-Member Committee and the Three-Member Committee. Specifically:

1. Audit Committee

The Audit Committee has been presented in detail in the previous section of the present Statement.

2. Special Three-member Committee

The Special Three-Member Committee is competent for issues relating to the personnel of the Company, as such are designated below and comprises of the Chief Executive Officer or acting CEO and two members of the Board of Directors. In case of absence or unavailability of any of its members, the absent or unavailable member shall be replaced by a member of the Board of Directors, following the recommendation by the Chairman of the Board of Directors. The Special Three-Member Committee shall convene regularly and as a rule twice annually, in the months of June and December, to discuss issues relating to the promotion and the financial advancement on grounds of successful tenure; once a year to discuss matters relating to transfers, should such exist and extraorDinarily for all other cases.

The members of the Special Three-Member Committee, which is provided for in article 61, 63, 71 & 72 of the Code of Work by HSI, were appointed by a decision taken by the BoD of HSI SA on 31/03/2011 (2nd item on the agenda), and its composition, following the amendments by virtue of BoD decisions on 24/02/2012 (2nd item) and 02/04/2013 (item 7/1b), is as follows:

- Chairman Lampros Haralampous (executive member of the BoD)
- Members Adamantini Lazari (non-executive BoD member)
Asterios Tarazas (executive BoD member)

In case where the Chairman is absent or unavailable, Ms. Adamantini Lazari shall preside. Mr. Spyridon Koliatsas was appointed as substitute member.

In fiscal year 2012/2013 the Committee met three (3) times, on 02/07/2012, 17/09/2012 and 10/05/2013.

The Special Three-Member Committee has the following competences:

- It recommends to the Board of Directors the promotion of top and senior executives to fill the existing vacant posts, following the assessment of their performance records.
- It recommends to the Board of Directors the financial advancement on grounds of successful tenure for to and senior company executives, following the assessment of their performance records.
- It ascertains the professional inadequacy or unsuitability of top management and correspondingly recommends to the Board of Directors their dismissal.
- It assesses the complaints filed by low and middle level workers as well as those by the auxiliary staff



which regard omissions, the consistency of the scores, promotions or the granting of financial advancement, or decisions regarding lay-offs due to professional inadequacy or unsuitability and following the exhaustive examination of the complainers' folders and possible recent evidence it rules on the dismissal of the application or the annulment of the prior decision issues proceeding with the correction of their performance records.

- It approves the transfers and secondments of low and middle level personnel, as well as auxiliary staff following the assessment of their applications and based on the criteria in par. 2 of article 63 of the Company's Code of Work.

The representative of the BoD of the Company's Workers' Union, the representative of the corresponding first degree Union and the director of the Legal Service may be present in the meetings of the Special Three-Member Committee without voting rights.

3. Three-member Committee

The Three-Member Committee is responsible for approving Company expenditures up to a certain amount and comprises of the CEO or deputy CEO and two members of the Board of Directors. In case of absence or unavailability of any of its members, the absent or unavailable member shall be replaced by a member of the Board of Directors, following the recommendation by the Chairman of the Board of Directors. The Three-member Committee convenes informally, depending on existing needs.

The members of the Three-member Committee, by a procedure foreseen in the Expenditures Approval and Pricing Policy Code of HSI, as such was approved by BoD resolution on 01/12/2007 (3rd item on the agenda), were appointed by BoD decision of 09/04/2010 (3rd item) and its composition, following its amendment by virtue of BoD decisions on 31/03/2011 (2nd item), 24/02/2012 (2nd item) and 02/04/2013 (item 7/1a), is as follows:

- Chairman Lampros Haralampous (executive BoD member)
- Members Adamantini Lazari (non-executive BoD member)
Asterios Tarazas (executive BoD member)

In case where the Chairman is absent or unavailable, Ms. Adamantini Lazari shall preside. Mr. Spyridon Koliatsas was appointed as substitute member.

The Three-member Committee is competent for the approval of every expense for procurements, sales, transportation etc. from € 25,000.00 up to € 50,000.00 exclusive of VAT, as well as for issues relating to lesser expenses, which have been relegated to it from the CEO.

The Three-member Committee reserves the right to reject or amend the recommendation or to defer its decision or to relegate the issue to the Board of Directors. Its decision is formulated as an act on the recommendation.

The competent Directors of Central Services or their deputies, to the competence of whom the issues under approval are subsumed are present, without voting rights, at the meetings of the Three-member Committee.

7. Information required pursuant to article 10 par. 1 of Directive 2004/25/EC regarding public takeover bids

Article 10 par. 1 of Directive 2004/25/EC of the European Parliament and Council of April 21, 2004, on public takeover bids, foresees the following regarding the companies. all of the securities of which are admitted for trading on a regulated market:

"1. Member States shall ensure that companies as referred to in Article 1par. 1 publish detailed information on the following:

(a) the structure of their capital, including securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it and the percentage of total share capital that it represents;



The share capital of the Company amounts to € 26.826.703,57, divided into 36.748.909 common bearer shares of nominal value 0,73 Euro each one. The shares of the company are listed for trading in the Securities Market of the Athens Stock Exchange. The rights of the shareholders of the Company stemming from its share are proportional to the percentage of the capital to which the paid-up value of the share corresponds. Each share affords all rights provided for by the law and the articles of association of the company. The liability of Company shareholders is limited to the nominal value of the shares they hold.

(b) any restrictions on the transfer of securities, such as limitations on the holding of securities or the need to obtain the approval of the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34/EC;

The transfer of Company shares is performed as prescribed by the Law and there are no limitations posed by the Articles of Association to such transfer, given that they are dematerialized securities listed in Athens Stock Exchange.

(c) significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC;

The shareholders (natural persons or legal entities) who directly or indirectly hold a percentage greater than 5% of the total number of the company's shares are cited below:

| <u>FULL NAME</u> | <u>PERCENTAGE</u> |
|--|-------------------|
| "Agricultural Bank of Greece SA under Special Liquidation" | 82,33% |

(d) the holders of any securities with special control rights and a description of those rights;

There are no company shares which afford special control rights to their holders

(e) the system of control of any employee share scheme where the control rights are not exercised directly by the employees;

There are no Company shares which afford special control rights to their holders

(f) any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the company's cooperation, the financial rights attaching to securities are separated from the holding of securities;

The Articles of Association of the Company do not foresee any limitation to the voting rights which ensue from its shares.

(g) any agreements between shareholders which are known to the company and may result in restrictions on the transfer of securities and/or voting rights within the meaning of Directive 2001/34/EC;

The Company is not aware of any agreements between its shareholders, which entail limitations to the transfer of its shares or the exercise of the voting rights which ensue from its shares.

(h) the rules governing the appointment and replacement of board members and the amendment of the articles of association;

The rules provided for by the Articles of Association of the Company for the appointment and replacement of members of its Board of Directors and the amendment of the provisions in its articles of association are not differentiated from the provisions of Cod. Law 2190/1920.

(i) the powers of board members, and in particular the power to issue or buy back shares;

The members of the BoD have no competence to issue new shares or buy own shares without the prior approval of the General Meeting of Shareholders.



(j) any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements;

The Company knows of no agreements which take effect, alter or terminate upon change of control of the Company following a takeover bid.

(k) any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

There are no agreements between the Company and the members of its Board of Directors, which foresee the payment of compensation especially in case of resignation or redundancy without valid reason or if their term or employment is terminated because of a takeover bid.

The issues relating to the information of article 10 par. 1 of Directive 2004/25/EC of the European Parliament and Council of April 21, 2004 regarding public takeover bids are also cited under the section entitled “Explanatory Report pursuant to Article 4 pars. 7-8 of Law 3556/2007” in the Report by the Board of Directors to the Ordinary General Meeting of the Shareholders of HSI SA.

The present statement of Corporate Governance constitutes an integral and special part of the annual Management Report by the Board of Directors of the Company.

After the closure of the fiscal year and before the date of publication of the annual financial statements, the following changes in the composition of the Board of Directors and the Auditing Committee of the company took place:

In the meeting of the Board of Directors of the company on 01.08.2013, Mr. Chrysostomos Geroukis, Chairman of the BoD and executive member thereof and Mr. Pavlos Baroutas, independent non-executive member of the BoD and member of the Auditing Committee, submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Messrs. Betsis Ilias and Meletis Georgios as new members.

Furthermore, in the BoD meeting on 22.08.2013 Mr. Asterios Tarazas, executive member of the BoD and Mr. Manasis Konstantinidis, independent non-executive member of the BoD and member of the Auditing Committee submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Messrs. Dimitrios Dimitriou and Michael Fefe as new members.

Thus the composition of the Board of Directors of the company as well as the composition of the Auditing Committee on the date of publication of the annual financial statements is cited below:

Board of Directors

a. Executive Members

Haralampous Lambros, Chairman & CEO
Meletis Georgios, Member
Dimitriou Dimitrios, Member

b. Non-Executive Members

Betsis Ilias, Member
Fefes Michael, Member

c. Independent Non-Executive Members

Lazari Adamantini, Vice-Chairman
Koliatsas Styridon, Member



Auditing Committee

Koliatsas Styridon, Chairman of the Committee

Lazari Adamantini, Member

Fefes Michael, Member

The election of the members of the Board of Directors and the Auditing Committee will be placed for sanction in the next General Meeting.

Thessaloniki, September 16, 2013

For the Board of Directors

**THE CHAIRMAN &
CHIEF EXECUTIVE OFFICER OF
THE BOARD OF DIRECTORS**

**LAMBROS A. HARALAMPOUS
ID Card no.: AI 160312/2009**

C. Independent Chartered Auditors' Report

Independent Chartered Auditor Accountant's Audit Report

To the Shareholders of company HELLENIC SUGAR INDUSTRY SA

Report on Company and Consolidated Financial Statements

We have audited the attached company and consolidated financial statements for entity HELLENIC SUGAR INDUSTRY SA, which comprise of the company and consolidated financial position statement as of June 30, 2013, the company and consolidated comprehensive income, changes in equity and cash flow statements for the fiscal year ended on that date, as well as the summary of key accounting principles and methods and other explanatory information.

Management's Responsibility for the Company and Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union, as well as for the internal control that the management implements as necessary in order to render the preparation of the financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in compliance with International Auditing Standards. Such Standards require that we comply with ethical requirements, as well as to plan and perform the audit aiming to obtain reasonable assurance whether the financial statements are free of material misstatement.

The audit involves the performance of procedures to obtain audit evidence, regarding the amounts and the disclosures in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the company and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor shall examine the internal control with respect to the preparation and fair presentation of the financial statements, in order to design auditing procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. The audit also includes the evaluation of the suitability of accounting principles and methods employed and the reasonableness of the accounting estimates made by the management, as well as the evaluation of the overall presentation of the company and consolidated financial statements.

We believe that the auditing evidence we have obtained is sufficient and suitable to provide the foundations for our auditing opinion.

Opinion

In our opinion, the attached company and consolidated financial statements give a true and fair view, in all material respects, of the financial position of the Company HELLENIC SUGAR INDUSTRY and its subsidiaries, as of June 30, 2013, of their financial performance and their cash flows for the fiscal year then ended, in compliance with International Financial Reporting Standards, as such have been adopted by the European Union.

Issues than need be emphasized

We draw your attention to explanatory note 3 in the financial statements, where reference is made to the issue that the Group's Management is negotiating with a financial institution in order to reassess the terms for loan liabilities amounting to 127.065 thousand Euros. Moreover, in the same note reference is made to the issue that the total of the Group and Company's short-term liabilities exceeds the total of their current assets by the sums of € 36,256 thousand and € 51,849 thousand respectively, fact which may imply the existence of uncertainties regarding the unhindered continuation of their activity, which depends on the renewal of their financing. In parallel in note 3 of the financial statements the actions planned by the Group's Management for the further improvement of its financial position and the smooth continuation of its activities are cited.

No further reservation is formulated, in our opinion, on account of this issue.

Report on other Legal and Regulatory Issues

- a) The Management Report by the Board of Directors includes a statement of corporate governance, which provides the information prescribed in paragraph 3d of article 43a of Cod. Law 2190/1920.
- b) We have confirmed the agreement and correspondence of the contents of the Board of Director's Report with the attached financial statements, in the scope of the provisions of articles 43a and 37 of Codified Law 2190/1920.

Athens, September 16, 2013
THE INDEPENDENT AUDITOR ACCOUNTANT

Sotiris A Konstantinou
SOEL Reg. No.: 13671



Grant Thornton

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Ορκιστή Ελεγκτές Σύμβουλοι Επιχειρήσεων
Συλλογικό Μέλος 17264 Τελικού Φόρου
Α.Μ. ΣΟΕΑ 127



D. Annual Company and Consolidated Financial Statements



HELLENIC SUGAR INDUSTRY S.A.

**ANNUAL CONSOLIDATED AND COMPANY FINANCIAL REPORTS
For the fiscal year from July 1, 2012 until June 30, 2013**

Mitropoleos St. 34, Thessaloniki, Postal Code
54110

www.ebz.gr

SA Reg. No. 8246/06/B/86/11



| CONTENTS | PAGE |
|-----------------------------------|-------------|
| Comprehensive Income Statement | 1 |
| Financial Position Statement | 2 |
| Changes in Equity Statement | 3 |
| Cash Flow Statement | 4 |
| Notes on the Financial Statements | 5-47 |

Comprehensive Income Statement
For fiscal year from July 1, 2012 until June 30, 2013
(Sums in Euro)

| | Note | GROUP | | COMPANY | |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 |
| Sales | | 228.354.811 | 228.965.927 | 161.192.779 | 175.300.451 |
| Costo of goods sold | 10 | (183.938.308) | (175.746.557) | (136.761.420) | (146.729.742) |
| Gross Margin | | 44.416.503 | 53.219.370 | 24.431.359 | 28.570.709 |
| Other income | 9 | 4.554.390 | 14.251.490 | 3.774.141 | 12.297.993 |
| Distribution expenses | 10 | (7.729.949) | (10.181.037) | (4.236.587) | (4.789.308) |
| Administrative expenses | 10 | (13.860.798) | (13.870.831) | (10.189.840) | (10.876.937) |
| Other expenses | 12 | (23.199.815) | (25.076.855) | (22.434.710) | (20.792.105) |
| Income from operating activities | | 4.180.331 | 18.342.137 | (8.655.637) | 4.410.352 |
| Financial income | 13 | 1.119.117 | 4.331.201 | 10.682.737 | 10.604.327 |
| Financial expenses | 14 | (16.586.889) | (22.441.100) | (13.398.862) | (16.008.345) |
| Profits/(Losses) before taxes | | (11.287.441) | 232.238 | (11.371.762) | (993.666) |
| Income tax | 15 | 553.474 | 2.724.404 | 1.575.117 | 3.314.689 |
| Profits/(Losses) after taxes | | (10.733.967) | 2.956.642 | (9.796.645) | 2.321.023 |
| Other comprehensive income | | | | | |
| Exchange rate differences from the conversion of the Financial Statements of business activities abroad | | 1.205.625 | (8.991.908) | 0 | 0 |
| Income tax for other comprehensive income items | | (145.218) | 0 | (145.218) | 0 |
| Total other income | | 1.060.407 | (8.991.908) | (145.218) | 0 |
| Profit for the period | | (9.673.560) | (6.035.266) | (9.941.863) | 2.321.023 |
| Profits/(Losses) corresponding | | | | | |
| parent shareholders | | (10.851.551) | 2.822.353 | (9.796.645) | 2.321.023 |
| - minority interests | | 117.584 | 134.289 | 0 | 0 |
| | | (10.733.967) | 2.956.642 | (9.796.645) | 2.321.023 |
| Profits/(Losses) corresponding | | | | | |
| parent shareholders | | (9.830.645) | (8.836.913) | (9.941.863) | 2.321.023 |
| - minority interests | | 157.085 | 2.801.647 | | |
| Total comprehensive income | | (9.673.560) | (6.035.266) | (9.941.863) | 2.321.023 |
| Basic earnings / (losses) per share (in €) | 28 | (0,2953) | 0,0768 | (0,2666) | 0,0632 |

The attached explanatory notes cited on pages 5 to 47 constitute an integral part of the financial statements.

Financial Position Statement

As of June 30, 2013

(Sums in Euros)

| ASSETS | Note | GROUP | | COMPANY | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Tangible fixed assets used for own purposes | 16 | 93.917.222 | 93.773.681 | 65.228.292 | 68.482.261 |
| Investments in property | 18 | 20.882.259 | 23.497.218 | 20.882.259 | 23.497.218 |
| Intangible assets | 17 | 7.944.902 | 7.892.796 | 0 | 0 |
| Investments in Subsidiary Enterprises | 19 | 0 | 0 | 20.899.510 | 20.771.085 |
| Deferred Tax Receivables | 21 | 0 | 66.737 | 0 | 66.737 |
| Non-current assets held for sale | | 57.003 | 59.480 | 0 | 0 |
| Other Long-Term Claims | 20 | 691.085 | 811.917 | 63.715 | 67.103 |
| Total Non-Current Assets | | 123.492.471 | 126.101.829 | 107.073.776 | 112.884.404 |
| Inventories | 22 | 75.796.908 | 82.415.560 | 46.291.633 | 46.463.752 |
| Customers and other Trade Receivables | 23 | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |
| Other Receivables | 25 | 5.429.723 | 11.197.141 | 14.755.014 | 6.297.669 |
| Financial Items at Fair Value through Comprehensive Income Statement | | 102.960 | 46.374 | 102.960 | 46.374 |
| Cash and cash equivalents | 24 | 4.901.368 | 1.855.190 | 2.981.477 | 1.316.985 |
| Total Current Assets | | 148.363.062 | 163.303.600 | 109.026.213 | 117.726.193 |
| Assets available for sale | | 0 | 1.205.073 | 0 | 1.205.073 |
| Total Assets | | 271.855.533 | 290.610.502 | 216.099.989 | 231.815.670 |
| Net Position | | | | | |
| Share Capital | 26 | 26.826.703 | 26.826.703 | 26.826.703 | 26.826.703 |
| Premium | 26 | 16.888.623 | 16.888.623 | 16.888.623 | 16.888.623 |
| Reserves | 27 | 111.508.320 | 110.342.196 | 137.086.911 | 137.086.911 |
| Revaluation reserves | | 1.791.028 | 1.936.246 | 1.791.028 | 1.936.246 |
| Accumulated profits (losses) | | (77.815.034) | (66.265.737) | (132.047.880) | (122.251.235) |
| Parent owners' total equity | | 79.199.640 | 89.728.031 | 50.545.385 | 60.487.248 |
| minority interests | | 479.976 | 510.753 | 0 | 0 |
| Total Equity | | 79.679.616 | 90.238.784 | 50.545.385 | 60.487.248 |
| Long-term loan liabilities | 29 | 667.010 | 2.193.684 | 0 | 0 |
| Deferred Tax Liabilities | 21 | 879.616 | 481.386 | 246.125 | 0 |
| Past service benefit liabilities | 30 | 4.531.924 | 4.430.751 | 3.882.902 | 3.848.405 |
| Other long-term liabilities | 34 | 1.478.541 | 2.725.178 | 550.460 | 969.213 |
| Total Long-Term Liabilities | | 7.557.091 | 9.830.999 | 4.679.487 | 4.817.618 |
| Suppliers and other liabilities | 31 | 28.109.989 | 21.731.004 | 29.210.577 | 28.501.983 |
| Current Tax Liabilities | | 2.631.648 | 1.548.224 | 1.778.902 | 1.028.280 |
| Short-term loan liabilities | 29 | 148.956.194 | 147.368.387 | 127.065.140 | 133.181.892 |
| Other short-term liabilities | 33 | 4.860.719 | 19.848.477 | 2.760.222 | 3.754.022 |
| Provisions | 32 | 60.276 | 44.627 | 60.276 | 44.627 |
| Total Short-Term Liabilities | | 184.618.826 | 190.540.719 | 160.875.117 | 166.510.804 |
| Total Liabilities | | 192.175.917 | 200.371.718 | 165.554.604 | 171.328.422 |
| Total Equity and Liabilities | | 271.855.533 | 290.610.502 | 216.099.989 | 231.815.670 |

The attached explanatory notes cited on pages 5 to 47 constitute an integral part of the financial statements.

Consolidated changes in equity statement

For the fiscal year ended on June 30, 2013

(Sums in Euro)

| CHANGES IN EQUITY | Share capital | Premium | Reserves | Results carried forward | Total | Minority Rights | Total |
|---|-------------------|-------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|
| Balance of equity as of June 30, 2011 | 26.826.703 | 16.888.623 | 123.937.708 | (65.551.148) | 102.101.886 | 10.556.074 | 112.657.960 |
| Changes in equity for fiscal year 01/07/2011 - 30/06/2012 | | | | | | | |
| Dividends distributed | 0 | 0 | 0 | 0 | 0 | (1.850.608) | (1.850.608) |
| Net profit and loss 01/07/2011-30/06/2012 | 0 | 0 | 0 | 2.822.353 | 2.822.353 | 134.289 | 2.956.642 |
| Change of Group Percentages | 0 | 0 | 0 | (3.536.942) | (3.536.942) | (10.996.360) | (14.533.302) |
| Exchange rate differences in the conversion of Financial Statements | 0 | 0 | (11.659.266) | 0 | (11.659.266) | 2.667.358 | (8.991.908) |
| Total comprehensive income after taxes | 0 | 0 | (11.659.266) | (714.589) | (12.373.855) | (10.045.321) | (22.419.176) |
| Total recognized profit/loss for the period | 0 | 0 | (11.659.266) | (714.589) | (12.373.855) | (10.045.321) | (22.419.176) |
| Balance of equity as of June 30, 2012 | 26.826.703 | 16.888.623 | 112.278.442 | (66.265.737) | 89.728.031 | 510.753 | 90.238.784 |
| GROUP | | | | | | | |
| Balance of equity as of June 30, 2012 | 26.826.703 | 16.888.623 | 112.278.442 | (66.265.737) | 89.728.031 | 510.753 | 90.238.784 |
| Changes in equity for fiscal year 01/07/2012 - 30/06/2013 | | | | | | | |
| Dividends distributed | 0 | 0 | 0 | 0 | 0 | (152.288) | (152.288) |
| Change in Group Percentages | 0 | 0 | 0 | (697.746) | (697.746) | (35.574) | (733.320) |
| Adjustment of deferred taxation from 20% to 26% | 0 | 0 | (145.218) | 0 | (145.218) | 0 | (145.218) |
| Net profit and loss 01/07/2012-30/06/2013 | 0 | 0 | 0 | (10.851.551) | (10.851.551) | 117.584 | (10.733.967) |
| Exchange rate differences in the conversion of Financial Statements | 0 | 0 | 1.166.124 | 0 | 1.166.124 | 39.501 | 1.205.625 |
| Total comprehensive income after taxes | 0 | 0 | 1.020.906 | (11.549.297) | (10.528.391) | (30.777) | (10.559.168) |
| Total recognized profit/loss for the period | 0 | 0 | 1.020.906 | (11.549.297) | (10.528.391) | (30.777) | (10.559.168) |
| Balance of equity as of June 30, 2013 | 26.826.703 | 16.888.623 | 113.299.348 | (77.815.034) | 79.199.640 | 479.976 | 79.679.616 |

Company changes in equity statement

For the fiscal year ended on June 30, 2013

(Sums in Euro)

| CHANGES IN EQUITY | Share capital | Premium | Reserves | Results carried forward | Total |
|--|-------------------|-------------------|--------------------|-------------------------|--------------------|
| Balance as of June 30, 2011 | 26.826.703 | 16.888.623 | 139.023.157 | (124.572.258) | 58.166.225 |
| Changes in equity for fiscal year 01/07/2011 - 30/06/2012 | | | | | |
| Net profit or loss for period 01/07/2010-30/06/2011 | 0 | 0 | 0 | 2.321.023 | 2.321.023 |
| Total comprehensive income after taxes | 0 | 0 | 0 | 2.321.023 | 2.321.023 |
| Total recognized profit/loss for the period | 0 | 0 | 0 | 2.321.023 | 2.321.023 |
| Balance of equity as of June 30, 2012 | 26.826.703 | 16.888.623 | 139.023.157 | (122.251.235) | 60.487.248 |
| Changes in equity for fiscal year 01/07/2012 - 30/06/2013 | | | | | |
| Adjustment of deferred taxation from 20% to 26% | 0 | 0 | (145.218) | 0 | (145.218) |
| Net profit or loss for period 01/07/2012-30/06/2013 | 0 | 0 | 0 | (9.796.645) | (9.796.645) |
| Total comprehensive income after taxes | 0 | 0 | (145.218) | (9.796.645) | (9,941.863) |
| Total recognized profit/loss for the period | 0 | 0 | (145.218) | (9,796.645) | (9,941.863) |
| Balance of equity as of June 30, 2013 | 26.826.703 | 16.888.623 | 138.877.939 | (132.047.880) | 50.545.385 |

The attached explanatory notes cited on pages 5 to 47 constitute an integral part of the financial statements.



Cash flow statement
For the fiscal year ended on June 30, 2013
(Sums in Euro)

| | GROUP | | COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Operating activities | | | | |
| Receivables collected | 234.255.609 | 219.128.576 | 170.318.317 | 161.007.549 |
| Payments for purchases, corporate expenditures | (196.467.576) | (206.650.625) | (149.367.559) | (165.195.442) |
| Taxes payable (proceeds from tax return) | (895.846) | (1.266.214) | 0 | 0 |
| Tax paid | (8.192.866) | (17.366.886) | (6.779.415) | (15.293.982) |
| Total cash flow from operating activities (a) | 28.699.321 | (6.155.149) | 14.171.343 | (19.481.875) |
| Investing activities | | | | |
| Payments for the acquisition of tangible and intangible assets | (4.980.029) | (6.372.005) | (256.190) | (1.509.862) |
| Payments for the purchase of investment stock (shares, securities) | (14.865.836) | 0 | 0 | 0 |
| Dividends received | 0 | 0 | 0 | 20.329.184 |
| Payments for the purchase of subsidiaries, affiliates, joint ventures etc. | 0 | 0 | (128.424) | 0 |
| Proceeds from the sale of tangible and intangible assets | 209.042 | 191.470 | 0 | 0 |
| Total cash flow from investing activities (b) | (19.636.823) | (6.180.535) | (384.614) | 18.819.322 |
| Financing activities | | | | |
| Proceeds from issued/assumed loans | 65.264.621 | 130.626.655 | 35.875.265 | 99.636.689 |
| Loan repayment | (71.187.518) | (124.561.369) | (47.997.502) | (99.249.912) |
| Dividends paid | (93.667) | (3.627.293) | 0 | 0 |
| Total cash flow from financing activities (c) | (6.016.564) | 2.437.993 | (12.122.237) | 386.777 |
| Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c) | 3.045.934 | (9.897.691) | 1.664.492 | (275.776) |
| Cash and cash equivalents at beginning of period | 1.855.434 | 11.752.881 | 1.316.985 | 1.592.761 |
| Cash and cash equivalents at end of period | 24 4.901.368 | 1.855.190 | 2.981.477 | 1.316.985 |

The attached explanatory notes cited on pages 5 to 47 constitute an integral part of the financial statements.

1. Information about the company

The “Hellenic Sugar Industry SA” with distinctive title “HSI” was incorporated in 1960 with the objective to establish the conditions for the cultivation of sugar-beet in Greece and the self-sufficiency of the Greek state in sugar. Its reference shareholder is the “Agricultural Bank of Greece SA under Special Liquidation”. The term of the Company has been designated until 31/12/2030 and it may be extended following the resolution by the General Meeting of Shareholders.

The Company is active in Greece and Serbia in the production and trade of white crystal sugar and its byproducts. It is the sole producer of sugar in Greece and operates in the framework of the European Union’s (EU) Common Agricultural Policy and observes the rules instituted by the EU with respect to the production and distribution of sugar.

The registered office of the company is in the Municipality of Thessaloniki, Mitropoleos St. no. 34. The Company is listed in Athens Stock Exchange and its shares are included in FTSE Mid Cap (FTSEM), FTSE Greece Turkey (FTSE GT), FTSEA and FTSE Foods-Drinks.

On 30.6.2013 the Group employed 1,040 people (2012: 1,233), of whom 505 (2012: 679) work in Greece. The allocation of personnel is presented in detail in the table below:

| PERSONNEL 30/6/2013 | | | |
|----------------------------|------------------|-----------------|--------------|
| | Full time | Seasonal | Total |
| HELLENIC SUGAR INDUSTRY SA | 269 | 236 | 505 |
| AD FABRICA SECERA SAJKASKA | 177 | 47 | 224 |
| AD FABRICA SECERA CRVENKA | 214 | 97 | 311 |
| HSI GROUP SA | 660 | 380 | 1.040 |

| PERSONNEL 30/6/2012 | | | |
|----------------------------|------------------|-----------------|--------------|
| | Full time | Seasonal | Total |
| HELLENIC SUGAR INDUSTRY SA | 281 | 398 | 679 |
| AD FABRICA SECERA SAJKASKA | 180 | 52 | 232 |
| AD FABRICA SECERA CRVENKA | 214 | 108 | 322 |
| HSI GROUP SA | 675 | 558 | 1.233 |

The Consolidated Financial Statements of the Company as of June 30, 2013 include the following financial statements of HSI and its subsidiaries:

| <u>Name of subsidiary company</u> | <u>Activity</u> | <u>Participation percentage</u> | |
|-----------------------------------|-----------------|---------------------------------|------------------|
| | | <u>2012/2013</u> | <u>2011/2012</u> |
| <u>Serbia</u> | | | |
| AD FABRIKA SECERA “SAJKASKA” | Sugar plant | 99,53% | 99,16% |
| AD FABRIKA SECERA “CRVENKA” | Sugar plant | 98,50% | 98,39% |
| <u>Cyprus</u> | | | |
| HSI Cyprus LTD. | Trade | 100% | 100% |

All of the subsidiary companies above are included in the consolidated financial statements using the method of full consolidation. HSI Group consolidated financial statements are included, using the full consolidation method, in the consolidated financial statements of “Agricultural Bank of Greece SA under Special Liquidation” Group, the registered office of which is in Athens and which holds a participation percentage of 82.33% on HSI Group.

The fiscal year of subsidiaries AD FABRIKA SECERA “SAJKASKA” and AD FABRIKA SECERA “CRVENKA” lasts for twelve months, commences on January 1 and ends of December 31 for each year. For consolidation purposes these particular companies prepare special financial statements for use by the parent company (01/07-30/06), which are audited by Chartered Auditors.

2. Basis for the preparation of the financial statements

2.1 Basis of presentation

The Group’s financial statements have been prepared based on the International Financial Reporting Standards (IFRS), including the International Accounting Standards (IAS) and the interpretations which have been published by the Interpretation Committee of the International Financial Reporting Standards, as such have been adopted by the European Union and until June 30, 2013.

Where necessary, comparative data has been reclassified in order to be in-line with possible changes in the presentation of the data for the present fiscal year.

Additionally, the group’s and company’s financial statements have been prepared based on the principle of the business continuity of its activities, having taken into account all of the macroeconomic and microeconomic factors and their effects on the unhindered operation of the group and the company. Specifically, with respect to short-term bank loans, the Management, following contacts with the credit institutions involved, estimates that the relevant credit limits shall be renewed beyond September 30, 2013 and the Company shall obtain the financing required for the unhindered continuation of its activity in the future (also see notes 35.2 and 29).

The financial statements were approved by the Board of Directors on September 16, 2013, have been posted on the internet at address www.ebz.gr and are subject to the approval by the Ordinary General Meeting of Shareholders.

2.2 Basis of measurement

The financial statements have been prepared on the basis of the historic cost, save for some items of the assets and liabilities which are presented at fair value, such as the financial instruments at fair values through income statement and the investment real estate.

2.3 Operating currency

The operating currency of the Group is the Euro. The Group’s financial statements are presented in Euros, save if stated otherwise in individual notes.

2.4 Use of estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires the performance of estimates and admissions by Management, which may affect both the accounting balances of assets and liabilities, as well as the income and expenses recognized in the course of the reference period. Real results may differ from the assessments above.

Estimates and judgements are regularly re-assessed. Deviations from such accounting estimates are recognized in the reference period in which they are reassessed, provided they regard only the current period or, should they also regard future periods, if they affect the current and future periods.

Estimates performed by the Management at the application of the IFRS which have a considerable impact on the financial statements and estimates which present a significant risk for substantial adjustments in the next fiscal year are cited under Note 5.

3. Continuing activity

The present financial statements have been prepared based on the Company's capacity to be maintained as a continuing activity.

The validity for the acceptance of the continuing activity principally depends on the success of the efforts by the Management to ensure additional financing in order to cover the continuous needs of the Company in the visible future.

On June 27, 2012 the "Revocation of the operating license for credit institution by the name 'Agricultural Bank of Greece SA'", which is the reference shareholder of HSI SA and the only financial institution with which the Company maintained a loan agreement, was approved and published in Gov. Gaz. 2209/27/7/2012. In parallel by its resolution no. 4/27-7-2012 (Gov. Gaz. 2209/27-7-2012) the Bank of Greece gave the mandate for the transfer to "Bank of Piraeus SA" of assets of the credit institution by the name "Agricultural Bank of Greece SA".

Pursuant to this resolution, the stake of the credit institution with the name "Agricultural Bank of Greece SA" in HSI was not transferred to "Piraeus Bank SA" and remained in the under special liquidation "Agricultural Bank of Greece SA".

The loan liabilities of the Company on 30/06/2013 amounted to the total sum of € 127,065 thousand and are short-term (expiry on 30/09/2013) while they appear under short-term liabilities. As a result the total of short-term liabilities for the Group and the Company exceeds the total of current assets by the sums of € 36,256 thousand and € 51,849 thousand correspondingly.

With respect to the renewal of financing beyond 30.09.2013 (date of expiry of the loan agreement, which is usually renewed for one year from its expiry), and based on the aforementioned, the Management of the Company is anticipating the renewal of its financial limit by "Piraeus Bank SA" and is in continuous contact with the Management of the latter for the finalization of the contract. Until the approval date for the financial statements, the anticipated approval had not been officially received.

Moreover, in the context of the potential need to reinforce liquidity, beyond the cost saving programme and the attainment of synergies through the restructuring of activities already under way, the Group assesses a series of additional actions including, amongst others: an effective utilization and movement of funds among the subsidiaries of the Group and the review of existing agreements with associates.

4. Major accounting principles

The accounting principles cited below are been consistently applied for all fiscal periods cited in these financial statements and have been consistently applied by all HSI Group companies.

4.1 Basis for consolidation

(a) Subsidiary companies

Subsidiaries are those companies controlled by the Group. Control exists when the Group directly or indirectly controls the business and economic policy of the company. The existence of possible potential

voting rights which are exercisable is taken into account in order to ascertain if the parent exercises control on the subsidiaries. In the consolidated financial statements subsidiary companies are included using the full consolidation method from the date their control was acquired.

The acquisition of subsidiary companies is accounted for using the method of takeover. The acquisition cost is calculated at the fair value of the assets transferred, the shares issued or the liabilities assumed on the date of the takeover. The distinct assets and liabilities items and potential obligations acquired in a business merger, are measured at fair value at the takeover, independent of the minority percentage. The difference between the takeover cost and the commensurate to the Company fair value of the net position of the subsidiary acquired appears as good will. Should the takeover cost be less than the commensurate to the Company fair value of the net position of the subsidiary acquired, the difference is directly recognized in the income statement account.

(b) Loss of control for companies

When the control of a subsidiary company is lost the Group ceases to consolidate this particular company and any surplus or deficit ensuing from the loss of the control of the subsidiary is entered into the income statement for the fiscal year. The remaining sum is measured afresh at fair value. Sums which may have been recorded directly into the net position are transferred to the income statement.

(c) Elimination of intra-corporate transactions

Inter-company balances as well as profits or losses, income or expenses from inter-company transactions are removed at the preparation of the consolidated financial statements. Losses are removed in the same way as profits under the condition that there is no indication for impairment.

4.2 *Transactions in foreign currency*

Transactions in foreign currency are converted to the operational currency of the companies, based on the exchange rates applicable on the date the transactions were undertaken. Cash assets and liabilities in foreign currency which appear in historic cost, are converted to the operational currency based on the applicable exchange rates on the date of the balance sheet. Ensuing exchange rate differences are entered in the income statement. Exchange rate differences from non-cash items valued at fair value are deemed as part of the fair value and, consequently, are entered in the same place as fair value differences. Exchange rate differences of monetary assets and liabilities which ensue from their valuation at the end of the fiscal year are recognized in the income statement, save for those differences which ensue from the valuation of monetary items which constitute part of an investment in a subsidiary company in another country and the financial instruments for the hedging of cash flows which are recognized directly in the net position.

4.3 *Businesses abroad*

The Balance Sheets of companies active abroad (Serbia) and which are included in the consolidation are converted to Euro based on the exchange rate on the date the Balance Sheet is closed. Income and expenses of the aforementioned companies are converted to Euro based the average exchange rate for the foreign currency in the course of the fiscal year.

Exchange rate differences are directly recognized in the net position and appear in a special account in the Changes to Equity Statement. When a company abroad is sold, the formed, in the net position, reserve fund is transferred to the income statement.

4.4 *Sectorial informing*

The Group implements IFRS 8 to monitor its activities per sector. Sectors are defined based on the structure of the Group's operations, based on the internal briefing to the Group's Management, who is responsible for taking the economic decisions. A sector is a discernible part of the Group's activity and

regards either specific services rendered or the production of specific products (business sector) or renders services to a specific economic environment (geographic sector), the subject of which, the risks and benefits differ from the other sectors of activity of the Group. Sectorial informing provided in the financial statements rests on the fact that the geographic sector is the principal sector of activity of the Group.

4.5 Financial instruments

The Group's investment are classified in the following categories, as such are described below. The classification depends on the purpose for the acquisition of the investment. Management determines the classification at the initial recognition and reassesses the classification at each publication date. The decision for the classification of investments is taken at their acquisition by the Group's Management.

Customer and other receivables are financial assets with fixed or predetermined payments. They are included in current assets, save if their collection date exceeds 12 months from the date of the balance sheet, in which case they are included in the non-current assets.

Customer and other receivables are reviewed at each period for the preparation of the financial statements in order to ascertain if there are indications of impairment. Should there be such indications, then the recoverable sum of the claim is established and the difference from the initial claim is recorded as impairment in the income statement. An impairment of the value of receivables is performed when their book value exceeds the amount of their recoverable value.

Cash and cash equivalents include cash at hand as well as short-term high liquidity investments, such as money market products and deposits with banks.

Loans are initially recorded at cost which is the real value of the loan assumed minus possible direct and immediate expenses for the realization of the transaction. They are a posteriori valued at unamortized cost using the real interest rate method. Possible difference between the loan assumed (net from the corresponding expenses) and the settlement value is recognized in the income statement at the course of the loan based on the real interest rate method.

Loans are classified as short-term liabilities save if the company has the right to postpone the settlement of the liability for at least 12 months from the date of the balance sheet. In such a case they are classified as long-term liabilities.

Financial assets at fair value through income statement : This category includes two subcategories: financial assets in the trade portfolio and other financial assets valued at fair value. The items in this category principally regard assets which have been acquired with the intent to be sold in the short-term and those which have been classified in this category by the Management at their acquisition.

Purchases and sales of financial assets at fair value through the income statement and those available for sale are recognized on the trade date, which corresponds to the date on which the Group is committed to purchase or sell the asset.

Assets available for sale: These include non-derivative financial assets which are designated to this category are cannot be included in any of the above categories. The available for sale financial assets and the financial assets at fair value through income statement are valued at fair value.

The difference of the valuation for, on the one hand, the available for sale financial assets is recorded in the net position and judged a posteriori for impairment, while, on the other hand, that of financial assets at fair value through income statement is recorded in the income statement .

Financial assets cease to be depicted in the financial statements from the moment that the Group ceases to be entitled to income from them or from the moment the Group has transferred all rights and benefits it has from holding them.

The Group assesses for each period where it publicizes its financial statements if there are objective indications that a financial asset or group of financial assets has been impaired.

In case of the investments in securities which are classified in the portfolio available for sale, an indication of impairment is understood as a significant or protracted decrease of the fair value of the security compared to the initial acquisition cost. Provided such an indication exists for financial assets available for sale the accumulated damage which is calculated as the difference between the acquisition cost and the current fair value, minus possible impairment damages which have been recognized in previous fiscal periods, shall be transferred in income statement from equity. Should at some later period the fair value of a bond classified as available for sale increase and such increase may objectively be attributed to an event which occurred after the recognition of the impairment in income statement, the impairment shall be offset in the income statement. With respect to securities possible later increase of the fair value is directly recognized in equity.

Financial assets and liabilities are offset and the net sum is depicted in the financial statements only if there is a legal right for the offsetting of the amounts entered and simultaneously there is also the will for such offsetting.

4.6 *Tangible assets*

Real estate (plots, buildings) is utilized by the Group for either the Group’s operating business (production) or for administrative purposes. The tangible assets are valued at acquisition cost minus accumulated amortization. The acquisition cost includes expenditures directly related to their acquisition.

Plots are not amortized. The other tangible assets are amortized based on the straight-line amortization for the duration of their expected useful life, which is as follows:

| Type of tangible asset | Useful life in years |
|-------------------------------------|-----------------------------|
| Buildings | Up to 40 |
| Machinery – technical installations | Up to 25 |
| Means of transportation | Up to 8 |
| Furniture and other equipment | 3-20 |

“Improvements to third parties real estate” are amortized in the shortest possible duration between the useful life of the improvement and the term of the lease of the leased real estate.

The useful life of assets is reassessed and readjusted provided such is necessitated at the date of the preparation of the financial statements.

Tangible assets are examined when necessary for possible impairment. The book value of the tangible asset is decreased to the recoverable amount in case where the book value is greater. The recoverable amount is the largest between the fair value (minus selling expenses) of the asset and the present value of future net cash flows anticipated from the asset in the course of its use.

Profits or losses at the sale are calculated by comparing the sale price to the unamortized book value and recognized in the comprehensive income statement.



Certain tangible assets which had been readjusted at fair value prior to July 1, 2004, date of adoption of the IFRS, were valued at imputed cost which now is their acquisition value. Their readjusted value is considered to be the imputed cost.

4.7 *Investments in property*

Plots and buildings held by the Group for leasing or capital profits or for both, are classified as property for investment. Investments in property at their acquisition are recorded at cost and later valued at their fair value, with the changes entered in the comprehensive income statement.

Later expenses are added to the book value of the real estate only when it is possible that future economic benefits, associated with the real estate in question, shall flow into the company and that the relevant costs may be reliably measured. Expenses for repairs and maintenance shall burden the comprehensive income statement of the fiscal year on which they are realized.

When the use of investment property changes and they are transferred to fixed assets their fair value at the transfer date becomes their acquisition value for their future accounting measurement.

4.8 *Intangible assets*

The Group has included the good will from company takeovers as well as software to this category, which are monitored at acquisition cost minus accumulated amortizations.

a. Goodwill

Goodwill represents the difference between the takeover price and the corresponding fair value at the date of the takeover of a subsidiary or affiliated company, namely of the net recognized assets and liabilities acquired. Goodwill must be distributed to the units for the creation of cash flows at the acquisition date. In case where there are difficulties for the determination of the fair value of assets such distribution may be deferred, but for no more than the end of the first annual period which commenced after the acquisition date.

Positive goodwill is a non-amortizable intangible asset which is subject to a check for the impairment of its value at every period for the preparation of the financial statements. The impairment is calculated by an estimation of the recoverable sum of the units for the creation of cash flows which are associated with the goodwill. Should the book value of a unit for the creation of cash flows, inclusive also of the corresponding goodwill, exceeds its recoverable sum, then an impairment loss is recognized. The impairment loss recognized in goodwill cannot be reversed.

The increases of the Group's participation percentage in subsidiary companies are recognized as transactions in net position. The difference between the acquisition cost and the participation in the new net position of the subsidiary acquired is directly recognized in the net position of the Group. Profits or losses from the sale of a participation percentage which does not incur a loss of control for the subsidiary by the Group is also recognized in the Group's net position.

b. Software

Amortizations are calculated based on the duration of the remaining useful life of software, which the Group has established to be 3 years.

Expenses relating to the maintenance of software are recognized in the comprehensive income statement of the fiscal year in which they are realized. On the contrary, expenses which improve or prolong the performance of software beyond the initial technical specifications or, correspondingly, expenses for the

conversion of software are incorporated in the acquisition cost under the necessary condition that they may be reliably measured.

4.9 Inventories

Inventories are valued at the lowest value between their acquisition cost or production cost and their net liquefiable value. The acquisition cost is determined using the method of average weighted cost. The cost of inventories includes purchase expenditures, materials cost, production expenses and other expenses realized for the inventories to be in their current state. The net liquefiable value of inventories is considered to be their estimated sale price under normal business activity condition minus the estimated selling expenses.

4.10 Cash at hand and equivalents

Cash at hand and equivalents include cash, sight deposits and short-term, up to 3 months, high liquidity and low risk investments.

4.11 Leases

(a) Financial leases

Leases of fixed assets where the Company essentially maintains all the risks and benefits associated with ownership are classified as financial leases. Financial leases are capitalized at the commencement of the leasehold at the lowest value between fair value of the fixed asset and the present value of the minimum rents. Each rent is allocated between the liability and the financial expenses so as to achieve a fixed interest rate for the remaining financial liability. The corresponding liabilities from rents, net of financial expenses, are presented under liabilities. The part of the financial expense which regards to financial leasing is recognized in the income statement at the term of the lease. Fixed assets acquired by means of financial leasing are amortized in the course of the useful life of the fixed assets, save for there is a reasonable certainty that the Company shall acquire the ownership of the fixed assets at the end of the lease, where they are amortized in the shortest period between their useful life and the term of the lease.

(b) Operating leases

The leases where the lessor transfers the right to use of an asset for an agreed term, without, however, also transferring the risks and benefits of the ownership of the fixed asset are classified as operating leases. Payments performed for operating leases (rents which correspond to the use of the leased fixed asset, net of possible motives offered by the lessor) are recognized in the profit or loss for the period, proportionately in the course of the lease.

4.12 Share Capital

The share capital comprises of common nominal shares and appears in net position. The expenses directly associated with the increase of the Group's share capital are deducted from the product of the issue and decrease equity by an equal amount. Dividends of common shares are recognized as a liability for the period when they have been approved by the shareholders. The acquisition cost of own stock, inclusive of the various expenses, appears as decreasing equity, until own stock is sold or cancelled. In case where own stock is sold or reissued, the price shall be directly entered in net position.

4.13 Difference from the issue of shares at a premium

The share capital includes Company common shares. The difference between the nominal price of the shares and their price of issue is entered in the account "Reserve premium". Expenses directly associated with the issue of shares appear after the deduction of the corresponding income tax, decreasing the product of the issue, that is they are subtracted from the difference of the premium.

4.14 Provisions

Provisions are recognized when the Group has present legal or implicit liabilities as a result of past events, their settlement is possible, through resources outflow and the estimation of the precise amount of the liability can be reliably performed. Provisions are reviewed at the date of preparation of every balance sheet and adjusted in order to reflect the present value of the expenditure anticipated to be required for the settlement of the liability. Potential claims are not recognized in the financial statements but are rather disclosed provided the inflow of economic benefits is possible.

A provision for restructuring is recognized when the Group has approved a detailed restructuring programme and the restructuring has already commenced or has been publicly announced. Future operating costs are not recognized for the forming of a provision.

4.15 Liabilities for past-service benefits

Past-service benefits include both defined contribution as well as defined benefit plans.

(a) Defined contribution benefits

Liabilities relating to contributions in defined contribution plans are entered as expenses on the profit or loss at the time they are realized.

(b) Defined benefit plans

Defined benefit plans of the Group regard its legal obligation to pay to personnel a lump sum compensation at the date every employee leaves service due to retirement.

The liability entered in the balance sheet for defined benefits plans is the present value of the commitment for the defined benefit and the changes which ensure from non-recognized actuarial profits or losses and the cost of past service. The commitment of defined benefit is annually calculated by an independent actuary using the projected unit credit method.

Actuarial profits and losses ensuing from the adjustments based on historic data and which over or below the 10% of the accumulated liability margin are entered in the profit or loss within the anticipated average insured time of those participating in the plan. The past service cost is entered directly in the profit or loss with the exception of the case where the changes of the plan depend on the remaining service time of personnel. In such case the past service cost is entered in the profit or loss using the fixed method with the maturity period.

4.16 Subsidies

A subsidy is the assistance granted by the State in the form of the transfer of resources to a business and in reciprocation that the latter has kept or intends to keep some resources associated with its operation. Not falling under this notion are those state subsidies which, due to their form, do not admit of valuation, as well as transactions with the State which cannot be distinguished from the usual transactions of the company.

The Group recognizes state subsidies which accumulatively satisfy the following criteria:

- a) There is grounded certainty that the company has complied or intends to comply with the terms of the subsidy and
- b) The sum of the subsidy has been collected or is possible that it will be collected.

They are entered at fair value and are recognized in a systemic manner in income, based on the principle of the association of subsidies with the corresponding expenses which they subsidize.

Subsidies which regard items of the assets are included in long-term liabilities as income of future fiscal years and are systematically and rationally recognized in income in the course of the useful life of the fixed asset.

4.17 Income

- a) Sales of products: Income from the sales of products and merchandise include the fair value of their sale, net of Value Added Tax, discounts and returns. The sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably ensured.
- b) Provision of services: Income from the provision of services are entered in the period where such services have been rendered, based on the stage of completion of the service provided in relation to the total of the rendered services.
- c) Income from interest: Income from interest is recognized based on pro rate temporis and the use of real interest rate. When there is an impairment of receivables, their book value is decreased to their recoverable sum which is the present value of anticipated future cash flows discounted with the initial real interest rate. Interest is then calculated with the same interest rate on the impaired (new book) value.
- d) Income from dividends: Income from dividends are recognized in the Income Statement, as income, on the date of the approval of their distribution by the Ordinary General Meeting of Shareholders.

4.18 Financial income/expenses

Net financial expenses comprise of debit interest on borrowings which are calculated using the real interest rate, the credit interest from invested reserve assets, income from dividends, exchange rate profits and losses and the profits and losses from hedging instruments which are entered in the income statement.

Accrued credit interest is entered in the income statement based on the real interest rate method. Income from dividends are entered in the income statement on the date of the approval for the distribution of dividends.

4.19 Income tax

Income tax in the income statement comprises of the tax for the current fiscal year and deferred tax. Deferred tax is recognized in the income statement save if it is associated with items directly recognized in the net position, in which case it is also recognized in the new position. The tax for the current fiscal year is the anticipated tax liability on the taxable income, using the current tax rates and any adjustment which relates to a tax liability of previous fiscal years.

Deferred tax is calculated using the balance sheet method, based on provisional differences which ensue between the book value of assets and liabilities included in the Financial Statements and the tax value attributed to such in compliance with tax legislation. For the flowing provisional differences deferred tax is not calculated: goodwill ensuing from takeovers which is not deductible for taxation purposes; initial recognition of assets or liabilities which do not affect either book or taxable profits and differences associated with investments in subsidiaries to the extent that such shall not be reversed in the immediate future. To determine deferred taxation the instituted tax rates are employed, or the tax rates which have been instituted on the date the balance sheet was prepared and apply on a later date.

A deferred tax receivable is recognized only in the case where it is possible that future taxable profits will be sufficient to offset provisional differences. The deferred tax receivable decreases in case where it is possible that the tax benefit not be realized.

The Group offsets deferred tax receivables and deferred tax liabilities if and only if:

- a) there is a legally applicable right to offset current tax receivables against current tax liabilities;
- b) the deferred tax liabilities regard taxable incomes which are imposed by the same tax authority.

4.20 Earnings per share

The Groups presents in the financial statements information on basic and reduced earnings per share for its common shares. The basic earnings per share are calculated by dividing the net profit, or loss, which corresponds to each share with the weighted average of common shares.

5. Important Subjective Judgments and Estimates

5.1 Fair value

For the presentation of assets and liabilities at fair values current market prices were employed for every financial item. For those assets and liabilities of the Group where current market prices are unavailable, the values ensued based on valuation methods and do not differ considerably from the values by which they appear in the accounting statements. More specifically:

- Investments tradable in organized money markets are valued at their fair value, which is designated based on the current stock-market price on the date the financial statements are closed.
- Investment in non-listed titles are valued at acquisition value minus possible existing impairment.
- The fair value of investment real estate was determined by two independent surveyors and taken into account was the average of the prices which ensued from their valuations.

5.2 Goodwill impairment

The Group annually audits the existing goodwill for possible impairment and surveys the events or conditions which render the existence of their impairment possible, such as, for example, a significant adverse change in business climate or a decision for the sale or disposal of a unit or an operating sector. The determination of the existence of impairment requires the valuation of the corresponding unit which is valued using the chash-flow discount method. At the application of this methodology the Group rests on a series of factors, which include the real operating results, future business plans, economic projections as well as market data (statistic and not).

Should the need for the impairment of the goodwill arise from this analysis, the measurement of impairment requires an estimate of the fair value for each recognized tangible or other asset. In such case, the approach to cash-flows is employed, which is cited above, by independent surveyors, when deemed appropriate.

5.3 Reserves

Reserves are valued at the lowest price between the historic cost and the net liquid value. To estimate the net liquid value, management takes into account the most reliable proof available at the time the estimate is made.

5.4 Impairment of receivables

At each date for the preparation of the financial statements the Group assesses if there are grounded indications that a receivable or group of receivables is subject to the impairment of its value. Should such indications exist, the recoverable sum of the receivable or group of receivables is calculated and a provision for the impairment of the value of receivables is formed. The sum of the provision is entered in the income statement. The estimates, admissions and methodology used are regularly examined, in order

for deviations from the estimated impairments and the real losses from the inability to collect what has been granted not to be substantial.

5.5 Useful life of amortizable items

The Group assesses the useful lives of amortizable assets at each reference period. At the end of the reference period of the attached financial statements the Group's management estimates that the useful lives of amortizable assets represent the anticipated usefulness of the items in question.

5.6 Sub judice cases

The Group recognizes a provision for sub judice cases, based on information of the Group's Legal Service.

5.7 Income Tax

The Group is subject to income tax, pursuant to standing tax legislation in Greece. The Group's tax liabilities shall be deemed final only after the conduct of an audit by the competent tax authorities.

In Greece taxable results are considered provisional until the tax authorities audit the books and records of the companies and the corresponding tax returns. Therefore, companies remain potentially liable for additional taxes and penalties which may be imposed following such an audit. Due to the fact that tax unaudited fiscal years 2005/2010 were loss incurring and due to the high accumulated losses, the parent company deems that a future possible liability will not ensue and has not formed a corresponding provision.

5.8 State subsidies

For the book-keeping of the state subsidy for the restructuring of sugar production the Management of the Group takes the position that:

- (a) there is reasonable certainty that the parent company is in a position to comply with the terms and conditions posed by the European Union regulation and
- (b) the subsidy will be collected.

6. New International Financial Reporting Standards

New Standards, Interpretations, revisions and amendments of existing Standards which are in force and have been adopted by the European Union.

The following amendments and interpretations of IFRS have been published by the International Accounting Standards Board (IASB) and their implementation is mandatory from 01/01/2013 or after. The most important Standards and Interpretations are cited below:

- **Amendments to IAS 1 "Presentation of Financial Statements" – Presentation of data in Other Comprehensive Income.**

In June 2011 IASB proceeded with the publication of the amendments to IAS 1 "Presentation of Financial Statements". These amendments refer to the manner data is presented in Other Comprehensive Income. This particular amendment has been adopted by the Group.

- **IFRS 13 "Fair Value Measurement"**

In May 2011 IASB proceeded with the publication of IFRS 13 "Fair Value Measurement". IFRS 13 provides with a definition of fair value and presents in a uniform standard the framework regarding the

determination of fair value and the required disclosures with respect to the calculation of fair value. IFRS 13 is applicable in those cases where other IFRSs require or permit the valuation of items at fair value. IFRS 13 does not introduce new requirements with respect to the determination of the fair value of an asset or liability. In addition it does not alter what is established by other Standards with respect to what items are valued at fair value and does not refer to the manner of presentation of the changes in fair value in the Financial Statements. The standard is not expected to have a significant impact on the consolidated Financial Statements.

- **Amendment to IAS 19 “Employee Benefits”**

In June 2011 IASB proceeded with the issuance of the amended IAS 19 “Employee Benefits”. This amendment was aimed to improve issues relating to the recognition and the disclosure of requirements regarding fixed benefit plans. Based on the revised standard the margin method is abolished and consequently so is the capacity to defer the recognition of actuarial profits or losses, while in parallel it requires that the reassessment of the net liability (claim) including the actuarial profits and losses which ensued in the reference period, to be recognized in the Comprehensive Income statement. Based on the revised standard the Group/Company reformed the comparative period in compliance with the transitional provisions in IAS 19 and in accordance to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. This revision did not significantly affect the consolidated Financial Statements.

- **Interpretation IFRIC 20 “Stripping costs in the productive phase of a surface mine”**

In October 2011, IASB proceeded with the publication of IFRIC 20. This Interpretation clarifies when mining production should lead to the recognition of an asset and how such asset must be measured both at the initial recognition as well as in future periods. The Interpretation in question is not applicable to the Group’s activities.

- **Amendments to IFRS 7 “Notifications” – Adjustment of financial assets and financial liabilities**

In December 2011, IASB published new requirements for notifications permitting the users of the Financial Statements to better compare Financial Statements published based on IFRS and those published in compliance with US GAAP. This amendment did not effect the consolidated Financial Statements.

- **Amendment to IFRS 1 “First-time Adoption of International Accounting Standards” – Government Loans**

In March 2012, IASB proceeded with the publication of an amendment to IFRS 1 in compliance with which those adopting the IFRS for the first time and have received government loans with a preferential interest rate have the capacity for the non-retrospective application of IFRS in the depiction of such loans at the transition. This amendment had no effect on the consolidated Financial Statements.

- **Annual Improvements to IFRS 2009-2011**

In May 2012 IASB proceeded with the publication of “Annual Improvements to International Financial Reporting Standards 2009-2011” which comprises of a series of adjustments to 5 Standards and constitutes part of the programme for annual improvements to Standards. These amendments are not particularly important and do not have a substantial effect on the Group’s Financial Statements.

7. Financial Risk Management

General

The Group is exposed to the following risks from the use of its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The paragraph discloses information on the exposure of the Group to each one of the risks above, the Group's objective, the policies and procedures implemented to measure and manage the risks, as well as the Group's capital management. More quantitative data for these disclosures are included across all of the consolidated financial statements.

The Board of Directors is overall responsible for the establishment and supervision of the risk management framework for the Group. The risk management policies of the Group are applied in order to recognize and analyze the risks that the Group faces, to place check points and risk assumption limits. Risk management policies and systems are audited on a regular basis in order to account for changes in the market conditions and the Group's activities.

Credit risk

The Group is exposed to credit risk, which constitutes in the inability by the counterparty to fully pay the amounts due as these ensue. Specifically, the risk in question focuses more on the risk of the inability to collect by the Group of its receivables vis-à-vis its customers and its investments in securities.

Trade and other receivables

The exposure of the Group to credit risk is principally affected by the special characteristics of each customer. The demographic data of the Group's customer base, including the risk for (payment) default which characterizes this specific market and the country in which the customers operate, influence credit risk.

Based on its credit policy the Group assesses every new customer on an individual basis with respect to its credit-worthiness, before the terms and conditions for payments and deliveries are proposed to them. The check of the credit-worthiness performed by the Group also includes the assessment of customers from banking sources.

For each customer credit limits are designated, which represent the maximum open balance which a customer may have without requiring an approval by the Board of Directors and which are reassessed every trimester. Customers who do not abide by the average of the creditworthiness criteria of the Group may do transactions with the Group based only on prepayments or letters of credit.

To monitor the customers' credit risk, customers are grouped depending of their credit features, including the fact whether they are natural persons or legal entities, if they are wholesale or retail customers, their geographic area, the market in which they are active, the characteristics of the maturity of their receivables and the existence of prior economic difficulties. Trade and other receivables principally include wholesale customers of the Group.

The Group forms an impairment provision which represents its estimation for losses which it has suffered with respect to trade and other receivables and investments. Such provision comprises of the special provision which regards specific cases of risk exposure as well as a general provision for categories of similar receivables which have been realized by have not been disclosed yet. The general provision is determined based on historic data of payments for similar receivables.

Investments

Investments are classified by the Group based on the purpose for which they were acquired. Management decides the appropriate classification of the investment at the time of its acquisition and reassesses the classification at every preparation date. The Management apprizes that there shall be no payment default phenomena for such investments.

Liquidity risk

Liquidity risk comprises of the risk for the Group not to be able to meet its financial obligations on time. The Group's approach to liquidity management is to ensure, to the extent possible, that it shall always

have sufficient liquidity to fulfill its obligations on time, both under normal, but also under adverse conditions, without realizing unacceptable losses or risking the Group's reputation.

The Group uses activity-based costing for its products and services, which assists in the monitoring of the required cash flows and the maximization of the cash yield of investments.

The monitoring of liquidity risk focuses on the management of cash inflows and outflows on a permanent basis so as for the Group to have the capacity to respond to its cash obligations. Liquidity management is performed by keeping cash at hand and approved bank credits. At the date of the preparation of the financial statement there were unused approved bank credits to the Group which are deemed sufficient for the Group's operational needs for the immediate future.

Market risk

Market risk comprises in the risk that changes in market prices, such as exchange rates, interest rates and raw materials prices shall affect the results of the Group or the value of the financial instruments it holds. The objective of market risk management is to control the exposure of the Group to this risk, in the context of acceptable parameters, with a parallel optimization of the performance of such risk management.

Exchange rate risk

The Group is exposed to exchange rate risk in the sales, purchases and loans expressed in currencies other than the operating currency of the Group, principally the Euro and Serbian Dinar.

The main bank loans of the Group are in Euro and Dinar which have been assumed by Group companies which use the Euro and the Dinar as their operating currency. Loan interest is in currencies which does not differ from that of the cash flows ensuing from the operating activities of the Group, principally the Euro and Dinar.

With respect to other financial assets and liabilities expressed in foreign currencies, the Group ensures that its exposure to exchange rate risk is maintained at acceptable levels by purchasing or selling foreign currencies at current exchange rates when deemed necessary in order to face short-term imbalances. The Group's investments in subsidiaries are not offset since such foreign currency positions are deemed to be of a long-term nature.

Interest rate risk

The Group finances its investments as well as its need in revolving capital through bank loans and as a result burdens its results with debit interest.

Trend rises in interest rates shall have a negative impact in the profit or loss, since the Group shall be burdened with additional borrowing costs.

Capital management

The policy of the Board of Directors constitutes in the maintenance of a strong capital base, in order to preserve the investors, creditors and market trust in the Group and to ensure the future development of its activities. The Board of Directors monitors the performance of equity, which is defined as the ratio of net profits divided by total equity. There were no changes to the approach of the Group regarding capital management in the course of the fiscal year.

The total borrowing of the Group and the Company in relation to its net position at the reference date is as follows:

(Sums in Euro)

| | GROUP | | COMPANY | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30/06/2013 | 30/06/2012 | 30/06/2013 | 30/06/2012 |
| Total Loans | <u>149.623.204</u> | <u>147.368.387</u> | <u>127.065.140</u> | <u>133.181.892</u> |
| Cash at hand | <u>4.901.368</u> | <u>1.855.190</u> | <u>2.981.477</u> | <u>1.316.985</u> |
| Net Borrowing | 144.721.836 | 145.513.197 | 124.083.663 | 131.864.907 |
| Total Net Position | <u>79.199.640</u> | <u>90.238.784</u> | <u>50.545.385</u> | <u>60.487.248</u> |
| Loans to Equity Ratio | <u>1,83</u> | <u>1,61</u> | <u>2,45</u> | <u>2,19</u> |

8. Sectorial informing

The sectors which are deemed to better represent the business activity of the Group are the operating sectors, which regard the production of sugar, molasses, sugar pie etc. and the production of the products above in Greece and Serbia.

8.1 Operational Sectors

(Sums in Euros)

| | 01/07/2012-30/06/2013 | | | 01/07/2011-30/06/2012 | | |
|--------------------------------------|-----------------------|--------------------|---------------------|-----------------------|--------------------|-------------------|
| | Sugar | Others | Total | Sugar | Others | Total |
| Sales | 200.229.349 | 28.125.462 | 228.354.811 | 207.585.370 | 21.380.557 | 228.965.927 |
| Cost of sales | (159.934.414) | (24.003.894) | (183.938.308) | (155.207.376) | (20.539.181) | (175.746.557) |
| Gross profit | 40.294.935 | 4.121.568 | 44.416.503 | 52.377.994 | 841.376 | 53.219.370 |
| Other income | 3.993.446 | 560.944 | 4.554.390 | 12.920.703 | 1.330.787 | 14.251.490 |
| Other expenses | (39.273.905) | (5.516.657) | (44.790.562) | (44.541.143) | (4.587.580) | (49.128.723) |
| Operating P&L | 5.014.476 | (834.145) | 4.180.331 | 20.757.554 | (2.415.417) | 18.342.137 |
| Financial income/expenses | (13.562.674) | (1.905.098) | (15.467.772) | (16.418.819) | (1.691.080) | (18.109.899) |
| Profits (losses) before taxes | (8.548.198) | (2.739.243) | (11.287.441) | 4.338.735 | (4.106.497) | 232.238 |
| Income Tax | | | 553.474 | | | 2.724.404 |
| Profits (Losses) after taxes | | | (10.733.967) | | | 2.956.642 |
| Total Assets per Sector | 238.372.278 | 33.483.255 | 271.855.533 | 263.473.650 | 27.136.852 | 290.610.502 |
| Total Liabilities per Sector | 168.506.451 | 23.669.466 | 192.175.917 | 181.661.253 | 18.710.465 | 200.371.718 |
| Amortization of Fixed Assets | 3.925.047 | 551.337 | 4.476.384 | 4.842.560 | 498.766 | 5.341.326 |
| Investments in Fixed Assets | 4.326.487 | 607.725 | 4.934.212 | 13.014.303 | 1.340.427 | 14.354.730 |

8.2 Secondary briefing per geographic area

(Sums in Euros)

| 01/07/2012-30/06/2013 | | | | |
|-----------------------|-------------------|------------------|-------------------|----------------------|
| | Greece | Eurozone | Serbia | Total |
| Sales | 158.579.700 | 11.884.848 | 57.890.263 | 228.354.811 |
| Cost of sales | (135.869.127) | (9.382.630) | (38.686.551) | (183.938.308) |
| Gross profit | 22.710.573 | 2.502.218 | 19.203.712 | 44.416.503 |

| 01/07/2011-30/06/2012 | | | | |
|-----------------------|-------------------|------------------|-------------------|----------------------|
| | Greece | Eurozone | Serbia | Total |
| Sales | 170.592.021 | 11.275.821 | 47.098.085 | 228.965.927 |
| Cost of sales | (143.929.717) | (7.655.701) | (24.161.139) | (175.746.557) |
| Gross profit | 26.662.304 | 3.620.120 | 22.936.946 | 53.219.370 |

8.3 Secondary informing per product-services

(Sums in Euros)

| | GROUP | | COMPANY | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Sales of products - merchandise | 200.229.349 | 207.585.370 | 151.335.865 | 164.753.205 |
| Sales of other stock | 26.742.522 | 20.374.026 | 8.473.974 | 9.540.715 |
| Income from services | 1.382.940 | 1.006.531 | 1.382.940 | 1.006.531 |
| | 228.354.811 | 228.965.927 | 161.192.779 | 175.300.451 |

Most of the Group's income originates from the sale of sugar and its byproducts. The Group has established discounts based on the receivables' collection policy.

9. Other income

(Sums in Euros)

| | Note | GROUP | | COMPANY | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Income from subsidies | | 849.865 | 889.708 | 849.865 | 889.708 |
| Income from the provision of services to third parties | | 220.314 | 750.204 | 220.314 | 746.990 |
| Income from the sale of emission rights | | 338.780 | 1.044.500 | 338.780 | 1.044.500 |
| Collected expenses for the dispatch of goods | | 1.501.414 | 1.556.377 | 1.384.395 | 1.545.422 |
| Fixed asset investment subsidies | | 0 | 301.841 | 0 | 0 |
| Discounts from suppliers | | 268.625 | 124.278 | 0 | 0 |
| Profits from the sale of materials - spare parts | | 63.085 | 1.187.840 | 40.650 | 131.103 |
| Reversal of the loss from written-off claims | | 22.630 | 228.379 | 0 | 0 |
| Usable spare parts from the dismantling of equipment | 16 | 0 | 7.560.547 | 0 | 7.560.547 |
| Income from unused-used previous years provisions | | 838.859 | 83.277 | 750.351 | 44.271 |
| Other | | 450.818 | 524.538 | 189.786 | 335.451 |
| TOTAL | | 4.554.390 | 14.251.490 | 3.774.141 | 12.297.993 |

10. Expenses per kind

(Sums in Euros)

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Personnel salaries | 29.079.350 | 31.754.291 | 21.575.802 | 23.543.079 |
| Cost of inventories recognized as expense | 114.523.662 | 105.035.906 | 92.251.990 | 98.496.409 |
| Third party fees | 18.214.618 | 20.451.179 | 15.436.346 | 19.213.105 |
| Transportation | 8.870.977 | 9.425.925 | 5.439.218 | 4.816.788 |
| Amortization of fixed and intangible items | 4.313.417 | 5.288.627 | 2.729.029 | 3.604.817 |
| Third party supplies (natural gas, PPC etc) | 27.292.904 | 24.264.143 | 12.310.519 | 10.168.006 |
| Other | 3.234.127 | 3.578.354 | 1.444.943 | 2.553.783 |
| Total Cost of sales, Administration and Distribution expenses | 205.529.055 | 199.798.425 | 151.187.847 | 162.395.987 |

11. Personnel expenses

(Sums in Euros)

| | GROUP | | COMPANY | |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 |
| Salaries and wages | 21.245.364 | 22.700.608 | 16.350.575 | 16.612.185 |
| Contributions to insurance funds | 5.706.150 | 5.441.126 | 4.404.123 | 4.465.430 |
| Retirement benefits | 589.874 | 1.914.941 | 571.735 | 1.798.915 |
| Other employee benefits | 1.537.961 | 1.697.615 | 249.368 | 666.548 |
| | 29.079.350 | 31.754.291 | 21.575.802 | 23.543.079 |

12. Other expenses

(Sums in Euros)

| | Note | COMPANY | | COMPANY | |
|---|------|---------------------------|---------------------------|---------------------------|---------------------------|
| | | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 |
| Provisions for extraordinary risks and extraordinary expenses | | 2.841.649 | 1.250.771 | 2.841.649 | 124.000 |
| Losses from the sale - destruction of fixed assets | 16 | 211.408 | 10.461.408 | 0 | 10.461.408 |
| Cost of OAED Special Subsidy Program | 36 | 0 | 920.000 | 0 | 920.000 |
| Provision for customer bad debts | 23 | 16.328.640 | 6.695.436 | 15.976.000 | 5.618.477 |
| Expenses from the revaluation of Investment Fixed Assets | 18 | 2.614.959 | 2.613.009 | 2.614.959 | 2.613.009 |
| Endowments - grants | | 60.087 | 119.718 | 0 | 0 |
| Expenses for the dismantling of fixed assets | | 0 | 365.603 | 0 | 365.603 |
| Other | | 1.143.072 | 2.650.910 | 1.002.102 | 689.608 |
| | | 23.199.815 | 25.076.855 | 22.434.710 | 20.792.105 |

13. Financial income

(Sums in Euros)

| | GROUP | | COMPANY | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 |
| Income from securities | 6.300 | 2.575 | 6.300 | 2.575 |
| other credit interest | 156.846 | 573.283 | 47.747 | 188.290 |
| other capital income | 152.080 | 9.229 | 0 | 270 |
| participation income | 0 | 0 | 10.628.690 | 10.325.070 |
| profits from exchange rate differences | 803.891 | 3.746.114 | 0 | 88.122 |
| | 1.119.117 | 4.331.201 | 10.682.737 | 10.604.327 |

14. Financial expenses

(Sums in Euros)

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Interest and expenses of other long-term liabilities | 3.684 | 5.460 | 3.684 | 5.460 |
| Interest and expenses of other short-term bank financing | 14.856.370 | 17.559.305 | 13.190.825 | 15.301.623 |
| Procurements of Letters of Credit | 27.556 | 94.308 | 27.556 | 94.308 |
| Other expenses relating to financing | 480.056 | 778.053 | 171.273 | 342.890 |
| Loss from foreign exchange rate differences | 1.219.222 | 4.003.974 | 5.523 | 264.064 |
| | 16.586.889 | 22.441.100 | 13.398.862 | 16.008.345 |

15. Income tax at the comprehensive income statement

(Sums in Euros)

| | Note | GROUP | | COMPANY | |
|--------------------|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 |
| Current income tax | | (1.385.922) | (4.469.596) | (531.434) | (3.751.107) |
| Deferred taxation | 21 | 1.939.396 | 7.194.000 | 2.106.551 | 7.065.796 |
| | | 553.474 | 2.724.404 | 1.575.117 | 3.314.689 |

No income tax ensues for the parent, due to the losses of the fiscal year as well as the accumulated losses. Income tax for the Serbian companies was calculated based on the taxation factor applicable there, ie 10% (2012: 10%).

The agreement of tax on the profits for the year is as follows:

| | GROUP | | COMPANY | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Profits / (Losses) before taxes | (11.287.441) | 232.238 | (11.371.762) | (993.666) |
| Tax calculated at the current tax rates | 1.340.108 | (953.905) | 2.956.658 | 198.733 |
| Tax of expenses which have not been tax recognized | (2.397.268) | (1.010.575) | (1.952.340) | (747.857) |
| Tax of tax-free income | 677.886 | 832.703 | - | - |
| Effect of the offset of previous years' tax losses with this fiscal year's profits | 231.642 | 7.614.920 | 231.642 | 7.614.920 |
| Other non incorporated taxes | (635.367) | (4.288.452) | (531.434) | (3.751.107) |
| Differences of the tax audits of previous fiscal years | - | - | - | - |
| Others | 1.336.473 | 529.713 | 870.591 | - |
| Fiscal year tax | 553.474 | 2.724.404 | 1.575.117 | 3.314.689 |

HSI and its subsidiary companies have not been audited by the tax authorities for the following fiscal years:

| Tax authority | | |
|------------------------------|--------|-------------------------------|
| HSI SA | Greece | From 1/7/2005 until 30/6/2010 |
| AD FABRIKA SECERA "SAJKASKA" | Serbia | From 1/1/2004 until 30/6/2012 |
| AD FABRIKA SECERA "CRVENKA" | Serbia | From 1/1/2004 until 30/6/2012 |
| HSI Cyprus LTD | Cyprus | From 1/9/2003 until 30/6/2012 |

In Greece taxable results are considered provisional until the tax authorities audit the books and records of the companies and the corresponding tax returns, as opposed to Serbia where fiscal years are not closed, for taxation purposes, and the tax authorities reserve the right of repeated audits. Therefore, companies remain potentially liable for additional taxes and penalties which may be imposed following such an audit.

From fiscal year 2011 and forward, Greek Public Limited Companies and Limited Liability Companies whose annual financial statements are compulsory audited by Statutory Auditors, registered in the public Records of Law 3693/2008 must receive an Annual Certificate, as provided for in par. 5 of article 82 of Law 2238/1994. The certificate above is issued following a tax audit carried out by the Statutory Auditor himself or the auditing firm which audits the annual financial statements. Following the completion of the tax audit, the Statutory Auditor or auditing firm issues to the company a Tax Compliance Report, accompanied by the Analytical Informational Data Annex.

Tax unaudited fiscal years until and including 2010 shall be audited by the tax authorities based on the rules and procedures which were in force until the enforcement of the aforementioned law. By the implementation of the medium-term fiscal strategy framework 2012-2015, at the end of paragraph 5 of article 82 of the Income Tax Code, a paragraph was added which explicitly cites the imposition of penalty to those companies for which a tax certificate has not been issued. A special tax audit was undertaken by the Statutory Auditors, in compliance with article 82 par. 5 of Law 2238/1994, as in force and applicable, in order to ascertain the tax compliance of the Company for managerial fiscal years from 01/07/2010 until 30/06/2011 (fiscal year 2011) and from 01/07/2011 until 30/06/2012 (fiscal year 2012).

Based on the work performed, nothing devolved to the attention of the Statutory Auditors which would lead them to the conclusion that the Company was not compliant, in all material respects, with the tax provisions in force with respect to the tax subjects which are designated in the programme for the audit of tax compliance as provided for in decision no. POL.1159/22.7.2011 by the Minister of Economics. Following these, the company received an Independent Chartered Auditor-Accountant Tax Compliance Report for the managerial year from 01/07/2010 until 30/06/2011 (fiscal year 2011), in compliance with article 82 par. 5 of Law 2238/1994 without reservations. The Certificate in question was timely submitted to the GSIS by the Statutory Auditors.

Moreover, the special tax audit by the Statutory Auditors for the managerial fiscal year from 01/07/2012 until 30/06/2013 is in progress and the relevant tax compliance report is anticipated to be granted following the publication of the financial statements for the fiscal year ended on 30/06/2013. The Management of the company does not expect there to be significant tax liabilities at the completion of the tax audit, beyond those which were entered and presented in the financial statements.

The Audit Authority for Large Enterprises carries out a Tax Audit for tax unaudited fiscal years from 01/07/2005 up to and including 30/06/2010. Due to the fact that the tax unaudited fiscal years from 2005 to 2010 were loss generating and due to the high accumulated losses, the mother company deems that a possible future liability will not ensue from such audit and, therefore, has not formed a relevant provision.

16. Tangible fixed assets used for own purposes

(Sums in Euros)

| | THE GROUP | | | | |
|------------------------------------|---------------------|--|-----------------------------|---------------------------------|----------------------|
| | Plots & Buildings | Means of transportation & mechanical equipment | Furniture & Other equipment | Fixed assets under construction | Total |
| Acquisition value | | | | | |
| Balance June 30 2011 | 89.001.242 | 152.380.420 | 5.256.859 | 4.369.955 | 251.008.476 |
| Additions | 1.915.748 | 5.872.243 | 96.077 | 6.470.661 | 14.354.730 |
| Deductions | (2.329.131) | (24.598.598) | (72.849) | - | (27.000.578) |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | (2.685.637) | (8.910.396) | - | (225.851) | (11.821.884) |
| Transfers | 341.127 | 4.680.254 | - | (5.021.381) | - |
| Balance June 30 2012 | 86.243.349 | 129.423.924 | 5.280.087 | 5.593.384 | 226.540.744 |
| Additions | 156.538 | 1.478.046 | 50.147 | 3.249.481 | 4.934.212 |
| Deductions-dismantling | (895.218) | (2.180.689) | (63.682) | - | (3.139.589) |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | 395.314 | 991.205 | - | 61.447 | 1.447.966 |
| Transfers | - | 209.376 | - | (209.376) | - |
| Balance June 30 2013 | 85.899.983 | 129.921.861 | 5.266.552 | 8.694.936 | 229.783.333 |
| Amortization / Impairments | | | | | |
| Balance June 30 2011 | (43.484.985) | (103.903.263) | (4.359.825) | - | (151.748.073) |
| Fiscal year amortization | (1.023.837) | (4.139.541) | (177.948) | - | (5.341.326) |
| Impairment | 1.608.521 | 14.276.906 | 53.956 | - | 15.939.383 |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | 2.020.545 | 6.362.407 | - | - | 8.382.952 |
| Sales / write-offs of fixed assets | - | - | - | - | - |
| Balance June 30 2012 | (40.879.756) | (87.403.491) | (4.483.817) | - | (132.767.064) |
| Fiscal year amortization | (999.811) | (3.346.157) | (130.416) | - | (4.476.384) |
| Deductions-dismantling | 785.728 | 2.057.503 | - | - | 2.843.231 |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | (318.688) | (664.772) | - | - | (983.460) |
| Sales / write-offs of fixed assets | 24.160 | (570.624) | 64.030 | - | (482.434) |
| Balance June 30 2013 | (41.388.367) | (89.927.541) | (4.550.203) | - | (135.866.111) |
| Unamortized value | | | | | |
| On 30/6/2011 | 45.516.256 | 48.477.158 | 897.034 | 4.369.955 | 99.260.403 |
| On 30/06/2012 | 45.363.593 | 42.020.432 | 796.270 | 5.593.384 | 93.773.680 |
| On 30/06/2013 | 44.511.616 | 39.994.320 | 716.349 | 8.694.936 | 93.917.222 |
| | THE COMPANY | | | | |
| | Plots & Buildings | Means of transportation & mechanical equipment | Furniture & Other equipment | Fixed assets under construction | Total |
| Acquisition value | | | | | |
| Balance June 30 2011 | 58.713.462 | 79.683.232 | 5.256.858 | 1.809.223 | 145.462.775 |
| Additions | 1.707.542 | 5.849.980 | 96.077 | - | 7.653.600 |
| Deductions | (2.329.131) | (23.320.465) | (72.849) | - | (25.722.445) |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | - | - | - | - | - |
| Transfers | - | - | - | - | - |
| Balance June 30 2012 | 58.091.873 | 62.212.747 | 5.280.086 | 1.809.223 | 127.393.930 |
| Additions | 84.850 | 121.192 | 50.147 | (0) | 256.189 |
| Deductions-dismantling | (40.425) | (194.588) | (63.682) | - | (298.695) |
| Transfer to investment property | - | - | - | - | - |
| Exchange rate differences | - | - | - | - | - |
| Transfers | - | - | - | - | - |
| Balance June 30 2013 | 58.136.298 | 62.139.351 | 5.266.552 | 1.809.223 | 127.351.424 |

Amortization / Impairments

| | | | | | |
|------------------------------------|---------------------|---------------------|--------------------|----------|---------------------|
| Balance June 30 2011 | (18.728.575) | (47.283.682) | (4.359.825) | - | (70.372.082) |
| Fiscal year amortization | (639.792) | (2.787.078) | (177.948) | | (3.604.818) |
| Impairment | 1.608.523 | 13.402.753 | 53.956 | | 15.065.232 |
| Transfer to investment property | | | | | - |
| Exchange rate differences | | | | | - |
| Sales / write-offs of fixed assets | | | | | - |
| Balance June 30 2012 | (17.759.844) | (36.668.007) | (4.483.817) | - | (58.911.668) |
| Fiscal year amortization | (618.501) | (1.980.112) | (130.416) | | (2.729.029) |
| Deductions-dismantling | | | | | - |
| Transfer to investment property | | | | | - |
| Exchange rate differences | | | | | - |
| Sales / write-offs of fixed assets | 24.160 | (570.624) | 64.030 | | (482.434) |
| Balance June 30 2013 | (18.354.185) | (39.218.743) | (4.550.203) | - | (62.123.131) |

Unamortized value

| | | | | | |
|----------------------|------------|------------|---------|-----------|-------------------|
| On 30/6/2011 | 39.984.887 | 32.399.550 | 897.033 | 1.809.223 | 75.090.693 |
| On 30/06/2012 | 40.332.029 | 25.544.739 | 796.270 | 1.809.223 | 68.482.261 |
| On 30/06/2013 | 39.782.113 | 22.920.607 | 716.349 | 1.809.223 | 65.228.292 |

Regulation (EC) no. 672/2011 of 13.7.2011 designated March 31, 2012 as the completion date for the Reconstructing plan for the Hellenic Sugar Industry SA, and imposed the dismantling of the equipment in the unit of Larisa and Xanthi not utilized in the new activity and their removal from the production sites as well as the environmental restoration of these sites.

The parent company has completed all procedures within the deadline posed, observing the time-schedule to the letter. Following a relevant document by HSI SA to the Ministry of Development, the competent bodies of the Ministry proceeded with on-site visits and autopsies of the areas in the units in Larisa and Xanthi on May 24, 2012 and June 15, 2012 correspondingly, in the course of which no objections or remarks were recorded. Following this, it is deemed that the certification of the Reconstruction Plan and the acceptance of the project by the Work Group of the Ministry have been completed. The result of the procedures above, as depicted in the financial statements of the Company is analyzed as follows:

| | DISMANTLING RESULTS (IAS) | | | |
|----------------------------|---------------------------|----------------------|----------------------|-------------------|
| | HSI SA | Platy | Serres | Orestiada |
| Write-offs of fixed assets | -10,440,723.62 | -8,092,966.75 | -2,347,756.87 | 0.00 |
| Sale of obsolete materials | 2,036,501.67 | 1,094,723.61 | 941,778.06 | 0.00 |
| Manageable spare parts | 7,560,546.85 | 6,385,999.90 | 1,072,220.20 | 102,326.75 |
| Dismantling expenses | -2,505,602.78 | -1,154,430.54 | -1,351,172.24 | 0.00 |
| RESULTS | -3,349,277.88 | -1,766,673.78 | -1,684,930.85 | 102,326.75 |

Financial lease

The fixed assets of the company include three trucks which the company leases with a non-annullable financial lease contract. The term of the lease is set at six years, while the company reserves the right to purchase the trucks at the end of the lease. The unamortized value of these fixed assets amounted to €66.225 on 30/6/2013 (30.06.2012 €114.118).

Assets available for sale

The assets of the company available for sale in the previous fiscal year, of total value €1.205.073 regarded mechanical equipment from the dismantling performed by the company. The sale of the mechanical equipment was completed in August 2012.

17. Intangible assets

(Sums in Euros)

| | GROUP | | |
|----------------------------------|------------------|------------------|---------------|
| | Total | Goodwill | Software |
| Acquisition value | | | |
| Balance 1/7/2011 | 7 892 796 | 7 892 796 | 0 |
| Exchange rate differences | - | - | - |
| Balance 30/6/2012 | 7 944 902 | 7 892 796 | 0 |
| Balance 1/7/2012 | 7 892 796 | 7 892 796 | 0 |
| Additions | 52 106 | - | 52 106 |
| Exchange rate differences | - | - | - |
| Balance 30/6/2013 | 7 944 902 | 7 892 796 | 52 106 |
| Amortizations/Impairments | | | |
| Balance 1/7/2011 | - | - | - |
| Exchange rate differences | - | - | - |
| Fiscal year amortizations | - | - | - |
| Balance 30/6/2012 | - | - | - |
| Balance 1/7/2012 | - | - | - |
| Exchange rate differences | - | - | - |
| Fiscal year amortizations | - | - | - |
| | - | - | - |
| Current value | | | |
| On 1/7/2011 | 7 892 796 | 7 892 796 | 0 |
| On 30/6/2012 | 7 892 796 | 7 892 796 | 0 |
| On 1/7/2012 | 7 892 796 | 7 892 796 | 0 |
| On 30/6/2013 | 7 944 902 | 7 892 796 | 52 106 |

The item of goodwill on the consolidated balance sheet (€ 7.892.796) followed from the gradual acquisition of the subsidiary companies in Serbia (AD FABRIKA SECERA “SAJKASKA “ και AD FABRIKA SECERA “CRVENKA”) in previous fiscal years and is assessed on an annual basis for impairment. The total sum of the goodwill is analyzed as follows:

(Sums in Euros)

| | 30.6.2013 | 30.6.2012 |
|--------------|------------------|------------------|
| SAJKASKA | 6 421 843 | 6 421 843 |
| CRVENKA | 1 470 953 | 1 470 953 |
| TOTAL | 7 892 796 | 7 892 796 |

The company carried out on June 30, 2013 an annual check for the impairment of the goodwill above, in compliance with IAS 36.

The recoverable value was approached based on the value in use. The value in use follows as the present value of the anticipated future cash flows of the companies discounted by an interest rate which reflects the temporal value of money and the risk associated with the companies. Such a calculation uses forecasts of cash flows which have been approved by the management and cover a five year period with perpetual reduction. The calculation of the value in use was based on the following key assumptions:

- Constant growth rate 2%, (1.7.2011-30.6.2012: 2%), based on the anticipated change in the Gross Domestic Product of the country where the subsidiary companies (Serbia).
- Discount rate before tax 15,28% (1.7.2011-30.6.2012: 15,28%) applied for the determination of recoverable sums.
- Review financial information for fiscal years 2008-2012 and forecasts for the next five years.

The key assumptions described above may change as the economic and market conditions change. The Group estimates that possible reasonable changes to these assumptions are not anticipated to cause a decrease of the recoverable sums for each one of the subsidiaries rendering such less than their book value. In compliance with the audit carried out the recoverable value of the companies exceeds their book value and, therefore, the goodwill corresponding to them has not suffered impairment.

18. Investments in real estate

(Sums in Euros)

| | GROUP / COMPANY | | |
|--------------------------------|-------------------|----------------|-------------------|
| | Plots | Buildings | Total |
| Acquisition value | | | |
| Balance 30/6/2012 | 22.716.979 | 780.239 | 23.497.218 |
| Additions | 0 | 0 | 0 |
| Change of Fair Value (Note 12) | (2.567.045) | (47.914) | (2.614.959) |
| Υπόλοιπο 30/6/2013 | 20.194.934 | 732.325 | 20.882.259 |

| | GROUP / COMPANY | | |
|--------------------------------|-------------------|----------------|-------------------|
| | Plots | Plots | Plots |
| Acquisition value | | | |
| Balance 30/6/2011 | 25.295.541 | 814.686 | 26.110.227 |
| Additions | 0 | 0 | 0 |
| Change of Fair Value (Note 12) | (2.578.562) | (34.447) | (2.613.009) |
| Balance 30/6/2012 | 22.716.979 | 780.239 | 23.497.218 |

Company investment real estate regard plots (Larisa, Xanthi, Serres and Thessaloniki), 1 apartment and 1 plot with a building (Sindos, Thessaloniki) and have been evaluated by independent surveyors who possess recognized and relevant vocational qualifications and have recent experience of the area and the category of the investment under appraisal. Investment properties have been evaluated at their fair value. The calculation of the fair value was performed by an independent surveyor based on specific guidelines and rules instituted by the Royal Institution of Chartered Surveyors (R.I.C.S.), regarding the valuation of real estate in Europe. Taken into account were also the directives by the International Valuation Standards Committee (I.V.S.C.), regarding the valuation of real estate..

Changes to the fair value of Investment Fixed Assets of HSI SA € (2.614.959) which were recorded at their revaluation on June 30, 2013, following the calculation of the corresponding deferred tax liability, were entered, in compliance with IAS 40 to the loss for the fiscal year, namely on June 30, 2013.

19. Investments in subsidiary companies

Investments in subsidiary companies on the separate balance sheet appear at their acquisition cost and are analyzed as follows:

| | 30/6/2013 | 30/6/2012 |
|---------------------|-------------------|-------------------|
| AD FABRIKA SAJKASKA | 9.358.252 | 9.229.827 |
| AD FABRIKA CRVENKA | 11.524.150 | 11.524.150 |
| HSI Cyprus LTD | 17.108 | 17.108 |
| TOTAL | 20.899.510 | 20.771.085 |

The two companies active in Serbia hold a significant percentage of the local market, approximately 40%, while a significant part of their production is absorbed in Greece.

20. Other long-term receivables

| | GROUP | | COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Customer long-term receivables | 812.184 | 1.102.836 | 0 | 0 |
| Receivables from building loans to employees | 153.102 | 179.512 | 0 | 0 |
| Other long-term receivables | 63.715 | 67.103 | 63.715 | 67.103 |
| Impairments | (337.916) | (537.534) | 0 | 0 |
| | 691.085 | 811.917 | 63.715 | 67.103 |

21. Deferred taxes

Deferred tax claims and liabilities originate from the following:
(Sums in Euros)

| | GROUP | | COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Deferred Tax Claim | | | | |
| Intangible assets | 7.544 | 5.831 | 7.544 | 5.831 |
| Deferred claim for anticipated profits | 2.080.000 | 4.200.000 | 2.080.000 | 4.200.000 |
| Other deferred claims | 2.722.382 | 699.882 | 2.578.160 | 699.882 |
| Post service compensation | 882.074 | 774.875 | 879.194 | 669.403 |
| | 5.692.000 | 5.680.588 | 5.544.898 | 5.575.116 |
| Deferred Tax Liability | | | | |
| Readjustment of fixed assets | 6.571.616 | 6.095.237 | 5.791.023 | 5.508.379 |
| | 6.571.616 | 6.095.237 | 5.791.023 | 5.508.379 |
| Net Liabilities/Claims from deferred taxes | 879.616 | 414.649 | 246.125 | (66.737) |

Movement of provisional fiscal year differences
(Sums in Euros)

GROUP

| | Balance July 1, 2012 | Recognized in P&L | Recognized in equity | Balance 30/6/2013 |
|--|-------------------------|----------------------|-------------------------|-------------------|
| Intangible assets | 5.831 | 1.713 | 0 | 7.544 |
| Post service compensation | 774.875 | 107.199 | 0 | 882.074 |
| Deferred claim for anticipated profits | 4.200.000 | (2.120.000) | 0 | 2.080.000 |
| Other deferred claims | 699.882 | 1.878.278 | 0 | 2.722.382 |
| Readjustment of fixed assets | (6.095.237) | (331.161) | (145.218) | (6.571.616) |
| | (414.649) | (463.971) | (145.218) | (879.616) |

Movement of provisional fiscal year differences
(Sums in Euros)

COMPANY

| | Balance July 1, 2012 | Recognized in P&L | Recognized in equity | Balance 30/6/2013 |
|--|-------------------------|----------------------|-------------------------|-------------------|
| Intangible assets | 5.831 | 1.713 | 0 | 7.544 |
| Post service compensation | 669.403 | 209.791 | 0 | 879.194 |
| Compensation for removal of quota | 4.200.000 | (2.120.000) | 0 | 2.080.000 |
| Deferred claim for anticipated profits | 699.882 | 1.878.278 | 0 | 2.578.160 |
| Other deferred claims | (5.508.379) | (1.038.126) | (145.218) | (6.546.505) |
| | 66.737 | (1.068.344) | (145.218) | (246.125) |

22. Stock

(Sums in Euros)

The stock of the Group and the Company are analyzed as follows:

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|---------------------|-------------------|-----------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Raw, auxiliary materials, spare parts & consumables | 18.878.982 | 23.504.651 | 16.301.583 | 18.918.499 |
| Products & semi-finished | 37.537.559 | 44.249.001 | 11.763.727 | 13.711.071 |
| Byproducts | 85.217 | 250.301 | 85.217 | 250.301 |
| Merchandise | 19.295.150 | 14.411.607 | 18.141.106 | 13.583.881 |
| | 75.796.908 | 82.415.560 | 46.291.633 | 46.463.752 |

23. Customers and other trade receivables

(Sums in Euro)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|----------------------------------|---------------------|-------------------|-----------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Customer receivables | 45.910.265 | 27.514.011 | 24.967.269 | 19.854.666 |
| Cheques collectible (post-dated) | 41.714.669 | 50.943.761 | 41.714.669 | 50.943.761 |
| Cheques overdue | 4.779.073 | 3.490.306 | 4.779.073 | 3.490.306 |
| Receivables from the State | 14.132.546 | 14.035.108 | 14.132.546 | 14.035.108 |
| | 106.536.553 | 95.983.186 | 85.593.557 | 88.323.841 |
| Impairments | (44.404.450) | (28.193.851) | (40.698.428) | (24.722.428) |
| Net receivables | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |

Part of the formed provision (14 mil. Euros) regards receivable from the Greek Government which was formed in previous fiscal years and which is in pendency. In any case, the Group aims to take the necessary guarantees and indemnities in order to abate or and remove credit risks.

In parallel, the Group forms an impairment provision which represents its assessment for potential losses from trade and other receivables and investments. This provision comprises of the special provision which regards specific cases of exposure to risk and a general provision of categories of similar receivables the payment of which is estimated to be problematic. The general provision is determined based on historic payments for similar receivables.

Against receivables in delay for more than 360 days (including the receivables from the Greek Government), as well as receivables in day for a shorter period but the collection of which is problematic, a provision has been formed by the Group amounting to the sum of 44.40 mil. Euros (1.7.2012-30.06.2013: € 16.21 mil., 1.7.2011-30.06.2012: € 6.76 mil.) and for the Company amounting to the sum of 40.70 mil. Euros (1.7.2012-30.06.2013: € 15.98 mil. 1.7.2011-30.06.2012: € 5.62 mil.).

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>30/6/2013</u> | <u>30/6/2012</u> | <u>30/6/2013</u> | <u>30/6/2012</u> |
| Balance July 1 | 28.193.851 | 21.430.239 | 24.722.428 | 19.103.951 |
| Fiscal year impairment | 16.192.895 | 8.077.625 | 15.976.000 | 6.601.159 |
| Offsetting entry | 17.704 | (1.314.013) | 0 | (982.682) |
| Balance June 30 | 44.404.450 | 28.193.851 | 40.698.428 | 24.722.428 |

24. Cash and cash equivalents

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---------------|------------------|------------------|------------------|------------------|
| | <u>30/6/2013</u> | <u>30/6/2012</u> | <u>30/6/2013</u> | <u>30/6/2012</u> |
| Cash at hand | 44.048 | 33.545 | 42.491 | 32.604 |
| Bank deposits | | | | |
| Sight | 3.776.180 | 1.520.803 | 2.938.986 | 1.284.381 |
| Time | 1.081.140 | 300.842 | 0 | 0 |
| | 4.901.368 | 1.855.190 | 2.981.477 | 1.316.985 |

From the sums above 1,557 Euros in cash and 1.916.745 Euros in Bank deposits regard a Foreign Currency (DINAR) and have been valued in the exchange rate Euro/Foreign Currency on 30/6/2013. Possible exchange rate differences were entered in the P&L. The analysis of foreign currency per case is as follows:

| | <u>GROUP</u> | <u>COMPANY</u> |
|---------------|------------------|----------------|
| | Euro | Euro |
| Cash at hand | | |
| -DINAR | 1.557 | 0 |
| Bank deposits | | |
| -DINAR | 1.916.745 | 0 |
| | 1.916.745 | 0 |

25. Other receivables

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|------------------|-------------------|-------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Sundry debtors | 3.797.707 | 7.846.039 | 2.042.097 | 2.290.742 |
| Sub-judice sundry debtors | 42.940 | 60.867 | 42.940 | 60.867 |
| Affiliated companies short-term liabilities | 0 | 0 | 10.662.256 | 565.000 |
| Prepaid and retained taxes | 3.034.671 | 5.261.230 | 2.296.770 | 4.035.763 |
| Fiscal year income collectible | 2.559.346 | 3.888.782 | 2.490.254 | 3.863.541 |
| Future fiscal year expenses | 62.160 | 27.716 | 23.895 | 27.716 |
| Impairments | (4.067.101) | (5.887.492) | (2.803.198) | (4.545.959) |
| | 5.429.723 | 11.197.141 | 14.755.014 | 6.297.669 |

26. Share capital and reserves

(Sums in Euros)

| | <i>Number of</i> | Premium | | Total |
|-----------------------------|-------------------|----------------------|-------------------|-------------------|
| | <i>shares</i> | Share Capital | | |
| Balance on 30/6/2012 | 36.748.909 | 26.826.703 | 16.888.623 | 43.715.326 |
| Issue of new shares | 0 | 0 | 0 | 0 |
| Write-off of own shares | 0 | 0 | 0 | 0 |
| Balance on 30/6/2013 | 36.748.909 | 26.826.703 | 16.888.623 | 43.715.326 |

Company shares are bearer and are traded in the Athens Stock Exchange. The premium is considered complementary to the share capital and has ensued in past fiscal years from the issue of shares for cash at a value greater than their nominal one.

27. Reserves

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Statutory reserve | 7.451.862 | 7.451.862 | 7.451.862 | 7.451.862 |
| Tax-free reserves | 46.830.688 | 46.830.688 | 46.830.688 | 46.830.688 |
| Fixed assets revaluation difference Law 3229/2004 | 45.981.636 | 45.981.636 | 45.981.636 | 45.981.636 |
| Taxed reserves | 3.039.766 | 3.039.766 | 3.039.766 | 3.039.766 |
| Reserve for the recognition of investment fixed assets | 1.791.028 | 1.936.246 | 1.791.028 | 1.936.246 |
| Currency exchange conversion differences | (27.248.184) | (28.414.308) | 0 | 0 |
| Others | 35.452.552 | 35.452.552 | 33.782.959 | 33.782.959 |
| | 113.299.348 | 112.278.442 | 138.877.939 | 139.023.157 |

Statutory reserve: In compliance with the Greek corporate law companies must retain 5% of their net annual profits for the formation of the statutory reserve, until the balance of the statutory reserve is equal or reaches at least 1/3 of their share capital. This reserve is not available for distribution but may be utilized to offset losses.

Tax-free reserves: Tax-free reserves have been formed based on special provisions in previous fiscal years and originate from tax-exempt income. In case where such reserves are distributed they shall be taxed using the tax rate applicable at that time.

Difference from the revaluation of fixed assets: The difference from the revaluation of the acquisition value of fixed assets (land, plots and buildings) was created from the valuation of such fixed assets at fair values at the first implementation of the IFRS.

Currency exchange conversion differences: The currency exchange conversion differences regard the differences which ensue from the conversion of the financial statements of subsidiary companies which are expressed in foreign currency (DINAR) to the currency of the parent Company, which is the Euro.

28. Earnings – Losses after tax per share – basic (in €)

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2011-30/06/2012 | 01/07/2011-30/06/2012 | 01/07/2011-30/06/2012 | 01/07/2011-30/06/2012 |
| Profits - Losses after taxes corresponding to the Owners of the Parent | (10.851.551) | 2.822.353 | (9.796.645) | 2.321.023 |
| Weighted average of shares | 36.748.909 | 36.748.909 | 36.748.909 | 36.748.909 |
| Profits - Losses after taxes per share - basic (in €) | (0,2953) | 0,0768 | (0,2666) | 0,0632 |

29. Loan obligations

The analysis of long-term and short-term loan liabilities is as follows:
(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Long-term liabilities | | | | |
| Guaranteed bank loans | 667.011 | 2.193.684 | 0 | 0 |
| | 667.011 | 2.193.684 | 0 | 0 |
| Short-term liabilities | | | | |
| Guaranteed bank loans | 132.791.791 | 13.023.859 | 127.065.140 | 0 |
| Long-term loan liabilities payable on the next fiscal year | 16.164.402 | 1.162.636 | 0 | |
| Loans from affiliated company | 0 | 133.181.892 | 0 | 133.181.892 |
| | 148.956.193 | 147.368.387 | 127.065.140 | 133.181.892 |
| Total Loan Obligations | 149.623.204 | 149.562.071 | 127.065.140 | 133.181.892 |

Terms and time-schedule for the repayment of loans

| | Currency | Average nominal interest rate | Repayment year | <u>GROUP</u> | |
|----------------------|----------|-------------------------------|----------------|--------------------|--------------------|
| | | | | 30/6/2013 | 30/6/2012 |
| Loan 1 - Short-term | Euro | 9,50% | 2013 | 127.065.140 | 133.181.892 |
| Loan 2 - Long-term | Euro | 3m eurib +5,75% | 2015 | 573.033 | 1.146.065 |
| Loan 3 - Long-term | Dinar | 3,50% | 2014 | 93.978 | 0 |
| Loan 4 - Short-term | Euro | 3m eurib +5,75% | 2013 | 578.834 | 582.341 |
| Loan 5 - Short-term | Euro | 3m eurib +6,5% | 2013 | 0 | 5.029.804 |
| Loan 6 - Short-term | Euro | 3,50% | 2013 | 2.552.246 | 0 |
| Loan 7 - Short-term | Euro | 3,50% | 2013 | 1.002.144 | 0 |
| Loan 8 - Short-term | Euro | 7,80% | 2014 | 2.014.833 | 0 |
| Loan 9 - Short-term | Euro | 8,40% | 2013 | 2.506.311 | 0 |
| Loan 10 - Short-term | Dinar | repo +2% | 2013 | 500.736 | 0 |
| Loan 11 - Short-term | Dinar | 3,50% | 2013 | 56.794 | 0 |
| Loan 12 - Short-term | Dinar | 3m belib +2,2% | 2012 | 0 | 32.637 |
| Loan 13 - Short-term | Dinar | 3m belib +3,2% | 2012 | 0 | 2.590.220 |
| Loan 14 - Short-term | Dinar | repo +1,50% | 2012 | 0 | 293.429 |
| Loan 15 - Long-term | Euro | 3m eurib +5,75% | 2015 | 0 | 1.047.619 |
| Loan 16 - Long-term | Euro | 3,50% | 2014 | 0 | 0 |
| Loan 17 - Short-term | Dinar | 3m belib +0,55% | 2012 | 0 | 1.938.562 |
| Loan 18 - Short-term | Euro | 3m eurib +5% | 2013 | 2.869.541 | 0 |
| Loan 19 - Short-term | Euro | 3m eurib +5,75% | 2013 | 1.052.995 | 580.296 |
| Loan 20 - Short-term | Euro | 3m eurib +5,75% | 2013 | 1.343.373 | 8.240 |
| Loan 21 - Short-term | Euro | 3m eurib +5,75% | 2013 | 1.336.424 | 0 |
| Loan 22 - Short-term | Dinar | 2w repo +4,2% | 2013 | 1.514.722 | 0 |
| Loan 23 - Short-term | Euro | 7,75% | 2013 | 2.013.850 | 2.686.984 |
| Loan 24 - Short-term | Euro | 3m eurib +5,75% | 2013 | 1.005.674 | 0 |
| Loan 25 - Short-term | Dinar | 2w repo +1,5% | 2012 | 0 | 443.982 |
| Loan 26 - Short-term | Euro | 3,50% | 2013 | 1.542.576 | 0 |
| | | | | 149.623.204 | 149.562.071 |

| Bank | Currency | Nominal interest rate | COMPANY | | |
|----------------------|----------|-----------------------|----------------|--------------------|--------------------|
| | | | Repayment year | 30/6/2013 | 30/6/2012 |
| - Loan 1- Short-term | Euro | 9,50% | 2013 | 127.065.140 | 133.181.892 |
| | | | | 127.065.140 | 133.181.892 |

Fair values of loans are roughly equal to their book values, as loans bear floating rates. The Group and parent company have possible liabilities with respect to banks, other guarantees and other issues which may arise in the context of their usual activity. Mortgages have been registered on the real estate and installations of the parent company amounting to a total of € 108.376 thousand and the securities of its subsidiary companies have been pledged and surety cheques have been drawn to the amount of € 18.447 thousand to secure short-term financing. There are no liens on the fixed assets of the other companies in the Group, which to cover their borrowing pledge part of their reserves.

30. Liabilities for personnel benefits

According to the IFRS the Company's liabilities to the insurance funds of its employees are distinguished between defined contribution plans and defined benefit plans.

Based on labor law the employees are entitled to compensation in case of dismissal or retirement the amount of which is related to the employees' salaries, their term of service and the way they left (dismissal or retirement). Employees resigning or justifiably laid-off are not entitled to compensation. The compensation due in case of retirement is equal to 50% of the sum which would have been paid in case of unjustified dismissal. The amount of the compensation ultimately paid by the Company is determined after taking into account the employees' past service and their salary.

A liability is considered to regard a defined contribution plan when its accrued part is taken into account on a regular basis. This practice is similar to the practice provided for by current Greek legislation, namely the payment to the Insurance Funds of employer contributions for the employees' offered service. For plans classified in the category of defined benefit the IFRS have instituted certain requirements with respect to the valuation of the existing liability, as well as the principles and actuarial hypotheses which must be followed for the estimation of the liability ensuing from such plans. The liability entered is based on the projected unit credit method, which calculates the present value of the accrued liability.

Regarding the companies of the Group abroad it is noted that based on the current legislation there, compensation due to retirement to its workers is exhausted by the payment to them of three salaries. Liabilities for the compensation of personnel have been determined using an actuarial method. The tables that follow present the composition of the net expenditure for the relevant provision which was entered in the P&L of fiscal years July 1, 2012 – June 30 2013 and July 1, 2011 – June 30, 2012, correspondingly.

Provision for personnel compensation recognized in the P&L:

| | GROUP | | COMPANY | |
|--|----------------|------------------|----------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Current service cost | 256.699 | 416.655 | 227.672 | 387.892 |
| Financial cost | 145.168 | 351.756 | 97.638 | 307.674 |
| Actuarial (profits)/losses | 0 | 72.286 | 0 | 70.769 |
| Effect of cuts or voluntary termination of service arrangement | 253.135 | 1.074.244 | 246.425 | 1.032.580 |
| Total recognized in P&L | 655.002 | 1.914.941 | 571.735 | 1.798.915 |

The development of the relevant provision is as follows:

| | GROUP | COMPANY |
|------------------------------------|------------------|------------------|
| Balance of liabilities on 1.7.2011 | 6.060.846 | 5.547.446 |
| Provision for fiscal year | 1.914.941 | 1.798.915 |
| Payments of fiscal year | (3.545.035) | (3.497.955) |
| Balance on 30.6.2012 | 4.430.751 | 3.848.405 |

| | | |
|------------------------------------|------------------|------------------|
| Balance of liabilities on 1.7.2012 | 4.430.751 | 3.848.405 |
| Provision for fiscal year | 655.002 | 571.735 |
| Payments of fiscal year | (553.829) | (537.238) |
| Balance on 30.6.2013 | 4.531.924 | 3.882.902 |

| | GROUP | | COMPANY | |
|--|------------------|------------------|------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Current value of liability | 4.325.759 | 4.393.845 | 3.684.847 | 3.755.315 |
| Accumulative non recognized actuarial loss | 206.165 | 36.906 | 198.055 | 93.090 |
| Provision in Balance Sheet | 4.531.924 | 4.430.751 | 3.882.902 | 3.848.405 |

Key actuarial study assumptions

| | GROUP | | COMPANY | |
|---|------------------|------------------|------------------|------------------|
| | 30/6/2012 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Time-preference rate | 2,60% - 7,50% | 2,60% - 7,50% | 3,40% | 2,60% |
| Percentage of future salaries increases | 2% - 7,50% | 2% - 7,50% | 4,52% | 4,52% |

31. Suppliers and other liabilities

(Sums in Euros)

| | GROUP | | COMPANY | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Suppliers | 26.187.345 | 20.475.146 | 27.628.635 | 27.540.989 |
| Customer advances | 1.922.644 | 1.255.858 | 1.581.942 | 960.994 |
| | 28.109.989 | 21.731.004 | 29.210.577 | 28.501.983 |

32. Provisions

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|-------------------------|---------------|---------------|----------------|---------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Balance on 1/7 | 44.627 | 461.446 | 44.627 | 88.898 |
| Fiscal year provisions | 59.920 | 0 | 59.920 | 0 |
| Used provisions | (44.271) | (416.819) | (44.271) | (44.271) |
| Balance on 30/06 | 60.276 | 44.627 | 60.276 | 44.627 |

33. Other short-term liabilities

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|------------------|-------------------|------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Accrued expenses | 574.326 | 786.498 | 574.326 | 786.318 |
| Next fiscal year income | 440.094 | 848.537 | 232.266 | 478.670 |
| Auxiliary Funds | 401.824 | 734 | 401.824 | 734 |
| Insurance organizations | 427.440 | 275.375 | 427.440 | 275.375 |
| Dividends payable | 407.190 | 81.638 | 45.632 | 45.632 |
| Salaries due to staff | 928.363 | 470.730 | 548.554 | 88.551 |
| Compensation due to dismissed staff | 58.108 | 857.511 | 58.108 | 857.511 |
| Obligation for the redemption of minority shares | 640.436 | 14.895.681 | 0 | 0 |
| Short-term liabilities from Greek Manpower Employment Organization (OAED) programmes | 0 | 143.000 | 0 | 143.000 |
| Anticipated cost for the redemption of revenue stamps | 0 | 120.000 | 0 | 120.000 |
| Discounts on fiscal year sales under arrangement | 0 | 230.000 | 0 | 230.000 |
| Other liabilities | 982.937 | 1.138.774 | 472.071 | 728.232 |
| | 4.860.719 | 19.848.477 | 2.760.222 | 3.754.022 |

The Law for Legal Entities as amended and in force since 01/01/2012 in Serbia (Gov. Gaz. No. 36/2011 & Gov. Gaz. No. 99/2011), provides, amongst other, in articles 470-472 the following: “Should a company devolves assets (sale or purchase) of which the purchase price is greater than 30% of its share capital based on the book value of shares, then it is deemed that the company has devolved assets of great value. The term ‘devolve’ includes the following: rent, mortgage, pledging and receipt of loans or borrowing agreements etc. Various business deeds based on the above which take place in the year are considered as an act of devolvement. The devolvement of assets of great value must be approved either de novo or a posteriori by the General Meeting of the SA”.

Due to the fact that the borrowing and provision of guarantees by subsidiary companies AD FABRIKA SECERA “SAJKASKA” and AD FABRIKA SECERA “CRVENKA” exceeded 30% of their share capital, in implementation of the law above extraordinary General Meetings of the shareholders were held on 28.06.2012 in which the approval of such transgressions was decided.

The Law extends to the shareholders which do not agree with such decisions the right to submit an application for the redemption of their shares by the Company within 15 days from the date of the General Meeting.

Specific buy-out requests were submitted and the determination of the buy-out price was performed, as established by Serbian legislation, at the greatest price between the book value, the current stock exchange price and that which ensued in the report by an independent surveyor, certified by Serbian legislation. The sums paid by the subsidiary companies as the buy-out price for a percentage (stake) of 6,85% for Ad Fabrika Secera Sajkaska and 17,67% for Ad Fabrika Secera Crvenka amounted to a total of € 14.895.681 (€ 2.960.366 for the first and € 11.935.315 for the second). Following the end of fiscal year 2012/2013 new buy-out requests were submitted for shares in company Ad Fabrika Secera Crvenka valued at € 611.362.

Moreover and based on the provisions in article 522 of the Serbian law on the operation of commercial companies (Laws 36/2011 and 99/2011), as small minority shareholders group in company SAJKASKA requested, its right to do so stemming from the aforementioned articles, from the reference shareholder (HSI SA) – and owner of more than 90% of voting rights in company SAJKASKA – the buy-out of their shares (3.239 shares of a percentage of 0,38%). Until the publication of the Annual Financial Statements 2,615 shares (or a percentage of 0.31%) had been bought out, for a total price of 121,608.52 Euros.

34. Other long-term liabilities

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|---|------------------|------------------|----------------|----------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Long-term liabilities from leasing contracts | 20.460 | 68.213 | 20.460 | 68.213 |
| Long-term liabilities from Greek Manpower Employment Organization (OAED) programmes | 280.000 | 777.000 | 280.000 | 777.000 |
| Liabilities from commitments for the repayment of farmer loans | 150.108 | 367.750 | 0 | 0 |
| Other legal cases liabilities | 1.027.973 | 1.512.215 | 250.000 | 124.000 |
| | 1.478.541 | 2.725.178 | 550.460 | 969.213 |

35. Financial instruments

35.1 Credit risk

Exposure to credit risk

The book value of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk on the reference date was:

(Sums in Euros)

| | <u>GROUP</u> | | <u>COMPANY</u> | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Financial Assets available for sale | 57.003 | 59.480 | 0 | 0 |
| Financial assets at fair value through P&L | 102.960 | 46.374 | 102.960 | 46.374 |
| Trade and other receivables | 67.561.826 | 78.986.476 | 59.650.143 | 69.899.082 |
| Monetary assets and equivalents | 4.901.368 | 1.855.190 | 2.981.477 | 1.316.985 |
| TOTAL | 72.623.157 | 80.947.520 | 62.734.580 | 71.262.441 |

Maximum exposure to credit risk for trade receivables at the date of the balance sheet and per geographic region were:

(Sums in Euros)

| | GROUP | | COMPANY | |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Domestic | 42.568.347 | 58.054.769 | 42.568.347 | 58.054.769 |
| Serbia - Third Nations | 16.441.929 | 4.260.443 | 158.655 | 413.655 |
| European Union | 1.444.910 | 5.411.508 | 1.152.841 | 5.132.989 |
| Other areas | 1.676.917 | 62.615 | 1.015.286 | 0 |
| TOTAL | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |

The maturity of trade receivables at the reference date was:

(Sums in Euros)

| | GROUP | | COMPANY | |
|------------------------------|--------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Up-to-date | 17.217.479 | 16.581.906 | 12.465.472 | 14.406.816 |
| Overdue up to 90 days | 10.061.508 | 17.860.053 | 6.206.676 | 17.486.575 |
| Overdue from 91 to 180 days | 17.453.271 | 21.244.046 | 14.162.077 | 20.734.775 |
| Overdue from 181 to 360 days | 33.345.813 | 16.167.689 | 27.803.695 | 15.130.592 |
| Overdue more than 360 days | 28.458.482 | 24.129.492 | 24.955.637 | 20.565.083 |
| TOTAL | 106.536.554 | 95.983.186 | 85.593.558 | 88.323.841 |
| Impairments | (44.404.450) | (28.193.851) | (40.698.428) | (24.722.428) |
| Net claims | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |

The increase of the maturity days for trade receivables reflects the general developments noted in recent years in the Greek economy and principally the special operating conditions for the real economy which are characterized by serious liquidity issues in the Greek market. At any event, the Group strives to take the necessary guarantees and warranties in order to mitigate or eliminate credit risk.

In parallel, the Group forms an impairment provision which represents its estimates for losses which it may suffer regarding trade and other receivables and investments. This provision comprises of the special provision which regards specific cases of exposure to risk and a general provision for categories of similar receivables which it is estimated that will present problems at their settlement. The general provision is determined based on historic payment figures for similar claims. At any event the Group tries to obtain the necessary guarantees and sureties so as to abate or eliminate credit risk.

Against receivables overdue for more than 360 days, as well as receivables which are overdue for a lesser term but their collection is deemed problematic, a provision amounting to 44.40 million Euros (1.7.2012-30.06.2013: € 16.21 mil., 1.7.2011-30.06.2012: € 6.76 mil.) has been formed for the Group and amounting to approximately 40.70 million Euros (1.7.2012-30.06.2013: € 15.98 mil. 1.7.2011-30.06.2012: € 5.62 mil.) for the Company..

Further analysis of the credit risk is provided in Note 7 to the Annual Financial Statements. On 30.6.2013 most of the trade receivables represents the balance of two domestic sugar trading companies, important Group customers.

35.2 Liquidity Risk

The following are the contractual expiry dates for financial liabilities, inclusive of the commensurate interests:

(Sums in Euros)

The Group

| | Value on Balance Sheet 30.06.2013 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--------------------------------------|--------------------|-------------------------------|------------------------------|-------------------------------|-----------------|
| Bank Loans | 149.623.204 | 144.378.255 | 4.577.938 | 667.011 | 0 | 0 |
| Suppliers and other liabilities | 28.109.989 | 28.109.989 | 0 | 0 | 0 | 0 |
| Other liabilities | 6.339.260 | 5.788.800 | 0 | 550.460 | 0 | 0 |
| Total | 184.072.453 | 178.277.044 | 4.577.938 | 1.217.471 | 0 | 0 |

The Company

| | Value on Balance Sheet 30.06.2013 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--------------------------------------|--------------------|-------------------------------|------------------------------|-------------------------------|-----------------|
| Bank Loans | 127.065.140 | 127.065.140 | 0 | 0 | 0 | 0 |
| Suppliers and other liabilities | 29.210.577 | 29.210.577 | 0 | 0 | 0 | 0 |
| Other liabilities | 3.310.682 | 2.760.222 | 0 | 550.460 | 0 | 0 |
| Total | 159.586.399 | 159.035.939 | 0 | 550.460 | 0 | 0 |

The Group

| | Value on Balance Sheet 30.06.2012 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--------------------------------------|--------------------|-------------------------------|------------------------------|-------------------------------|-----------------|
| Bank Loans | 149.562.069 | 140.275.139 | 7.093.247 | 1.146.495 | 1.047.188 | 0 |
| Suppliers and other liabilities | 21.731.004 | 21.731.004 | 0 | 0 | 0 | 0 |
| Other liabilities | 22.298.280 | 18.374.328 | 1.261.910 | 2.662.042 | 0 | 0 |
| Total | 193.591.353 | 180.380.471 | 8.355.157 | 3.808.537 | 1.047.188 | 0 |

The Company

| | Value on Balance Sheet 30.06.2012 | UP TO 6 MONTHS | FROM 6 MONTHS UP TO 1 YEAR | FROM 1 YEAR UP TO 2 YEARS | FROM 2 YEARS UP TO 5 YEARS | OVER 5 YEARS |
|---------------------------------|--------------------------------------|--------------------|-------------------------------|------------------------------|-------------------------------|-----------------|
| Bank Loans | 133.181.892 | 133.181.892 | 0 | 0 | 0 | 0 |
| Suppliers and other liabilities | 28.501.983 | 28.501.983 | 0 | 0 | 0 | 0 |
| Other liabilities | 4.447.860 | 3.478.647 | 0 | 969.213 | 0 | 0 |
| Total | 166.131.735 | 165.162.522 | 0 | 969.213 | 0 | 0 |

On June 27, 2012 by a resolution by the Credit and Insurance Matters Committee of the bank of Greece (Gov. Gaz. 2208/27-7-2012) the “Revocation of the operating license for credit institution by the name ‘Agricultural Bank of Greece SA’”, which is the reference shareholder of HSI SA and the only financial institution with which the Company maintained a loan agreement, was decided. In parallel by virtue of decision no. 4/27-7-2012 by the Bank of Greece (Gov. Gaz. 2209/27-7-2012) the order was given for the

transfer to “Piraeus Bank SA” of assets of the credit institution with the name “Agricultural Bank of Greece SA”.

Pursuant to this resolution, the stake of the credit institution with the name “Agricultural Bank of Greece SA” in HSI was not transferred to “Piraeus Bank SA” and remained in the under special liquidation “Agricultural Bank of Greece SA”.

With respect to the renewal of financing beyond 30.09.2013 (date of expiry of the loan agreement, which is usually renewed for one year from its expiry), and based on the aforementioned, the Management of the Company is anticipating the renewal of its financial limit by “Piraeus Bank SA” and is in continuous contact with the Management of the latter for the finalization of the contract. Until the approval date for the financial statements, the anticipated approval had not been officially received.

35.3 Exchange rate risk

The Group is exposed to exchange rate risk in the sales, purchases and loans in currencies different from the operating currency of the Group’s companies, which is principally the Euro and the Serbian Dinar.

The main bank loans of the Group are in Euros and Dinars, which have been assumed by Group companies which use the Euro and Dinar as their operating currency. Loan interest are in currencies which do not differ from that of the cash flows ensuing from the Group’s operating activities, principally Euro and Serbian Dinar. Compared to the other financial assets and liabilities expressed in foreign currencies, the Group ensures that its exposure to exchange rate risk is maintained at acceptable levels, buying and selling foreign currency at current exchange rates, where deemed necessary, to counter short-term imbalances. The Group’s investments in its subsidiaries in Serbia are not offset, for such positions in foreign currency are considered to be of long-term nature.

Exposure to exchange rate risk

The Group’s exposure to exchange rate risk is as follows:

(Sums in Euros)

GROUP

| 30/6/2013 | EURO | DINAR | USA DOLLAR | TOTAL |
|----------------------|----------------------|--------------------|---------------|----------------------|
| Customer receivables | 44.650.175 | 17.481.928 | 0 | 62.132.103 |
| Other receivables | 4.092.759 | 1.336.964 | 0 | 5.429.723 |
| Bank Loans | (147.513.768) | (2.109.436) | 0 | (149.623.204) |
| Suppliers | (17.626.624) | (10.483.365) | 0 | (28.109.989) |
| Other liabilities | 7.144.558 | (13.483.818) | 0 | (6.339.260) |
| Cash at hand | 2.983.066 | 1.918.302 | 0 | 4.901.368 |
| Total | (106.269.834) | (5.339.425) | 0 | (111.609.259) |



(Sums in Euros)

COMPANY

| 30/6/2013 | EURO | DINAR | USA DOLLAR | TOTAL |
|----------------------|---------------------|--------------|-------------------|---------------------|
| Customer receivables | 44.895.129 | 0 | 0 | 44.895.129 |
| Other receivables | 14.755.014 | 0 | 0 | 14.755.014 |
| Bank Loans | (127.065.140) | 0 | 0 | (127.065.140) |
| Suppliers | (29.210.577) | 0 | 0 | (29.210.577) |
| Other liabilities | (3.310.682) | 0 | 0 | (3.310.682) |
| Cash at hand | 2.981.477 | 0 | 0 | 2.981.477 |
| Total | (96.954.779) | 0 | 0 | (96.954.779) |

(Sums in Euros)

GROUP

| 30/6/2012 | EURO | DINAR | USA DOLLAR | TOTAL |
|----------------------|---------------------|---------------------|-------------------|----------------------|
| Customer receivables | 63.942.547 | 3.846.788 | 0 | 67.789.335 |
| Other receivables | 5.774.017 | 5.423.124 | 0 | 11.197.141 |
| Bank Loans | (144.261.206) | (5.300.863) | 0 | (149.562.069) |
| Suppliers | (15.975.226) | (20.651.459) | 0 | (36.626.685) |
| Other liabilities | (4.304.943) | (3.373.031) | 0 | (7.677.974) |
| Cash at hand | 1.480.182 | 375.008 | 0 | 1.855.190 |
| Total | (93.344.629) | (19.680.433) | 0 | (113.025.062) |

(Sums in Euros)

COMPANY

| 30/6/2012 | EURO | DINAR | USA DOLLAR | TOTAL |
|----------------------|---------------------|---------------|-------------------|---------------------|
| Customer receivables | 63.601.413 | 0 | 0 | 63.601.413 |
| Other receivables | 6.297.669 | 0 | 0 | 6.297.669 |
| Bank Loans | (133.181.892) | 0 | 0 | (133.181.892) |
| Suppliers | (28.501.983) | 0 | 0 | (28.501.983) |
| Other liabilities | (4.723.235) | 0 | 0 | (4.723.235) |
| Cash at hand | 1.300.553 | 16.432 | 0 | 1.316.985 |
| Total | (95.207.475) | 16.432 | 0 | (95.191.043) |

Exchange rates used in the fiscal year are as follows:

| EURO | AVERAGE PRICE | | EXCHANGE RATE ON | |
|---------------|-----------------------------------|-----------------------------------|-------------------------|------------------|
| | 01/07/2012- 30/06/2013 | 01/07/2011- 30/06/2012 | 30/6/2013 | 30/6/2012 |
| Serbian Dinar | 114,02 | 106,39 | 114,17 | 115,82 |
| USA Dollar | 1,29 | 1,34 | 1,30 | 1,26 |

Sensitivity Analysis

An increase by 10% of the Euro against the following currencies on June 30 would increase (decrease) equity and profit or loss by the sums cited below. This analysis presupposes that all other variables, and interest rates in particular, would remain fixed.

| GROUP | PROFIT OR LOSS | | EQUITY | |
|---------------|-----------------------|-----------------------|-----------|-----------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 30/6/2013 | 30/6/2012 |
| Serbian Dinar | 485.402 | 1.789.130 | 485.402 | 1.789.130 |
| USA Dollar | 0 | 0 | 0 | 0 |

| COMPANY | PROFIT OR LOSS | | EQUITY | |
|---------------|-----------------------|-----------------------|-----------|-----------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 30/6/2013 | 30/6/2012 |
| Serbian Dinar | 0 | (1.494) | 0 | (1.494) |
| USA Dollar | 0 | 0 | 0 | 0 |

A fall of the Euro by 10% against the aforementioned currencies on June 30, would have an equal in amount but opposite effect on the currencies above with the sums cited above, based on the supposition that all other variables remain fixed.

35.4 Interest rate risk

The Group finances its investments as well as its needs in revolving capital through bank loans and as a result its profit or loss are burdened with debit interest. Trend rises in interest rates shall have a negative impact in the profit or loss, since the Group shall be burdened with additional borrowing costs. The Group does not utilize financial instruments (Interest Rate Swaps) to lessen the risk of interest rate changes.

At the reference data the interest bearing financial instruments of the Group were as follows with respect to interest rate risk:

| (Sums in Euros) | GROUP | | COMPANY | |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| <u>FIXED INTEREST RATE</u> | | | | |
| Assets | 0 | 0 | 0 | 0 |
| Liabilities | 0 | 0 | 0 | 0 |
| <u>FLOATING INTEREST RATE</u> | | | | |
| Liabilities | 149.623.204 | 149.562.069 | 127.065.140 | 133.181.892 |
| TOTAL | 149.623.204 | 149.562.069 | 127.065.140 | 133.181.892 |

Analysis of the sensitivity of cash flows for floating interest rate financial instruments

A change by 0.25% in interest rates at the reference date would increase (decrease) equity and profit or loss as per the amounts cited below. This analysis presupposes that all other variables, exchange rates in particular, shall remain fixed.

GROUP

| Effect in thousands of Euro on 30.6.2013 | Profit or loss | | Equity | |
|--|----------------------|----------------------|-------------------|-------------------|
| | Increase by 0,25% | Decrease by 0,25% | Increase by 0,25% | Decrease by 0,25% |
| Floating interest rate financial instruments | 374.058 | (374.058) | 374.058 | (374.058) |

COMPANY

| Effect in thousands of Euro on 30.6.2013 | Profit or loss | | Equity | |
|--|----------------------|----------------------|-------------------|-------------------|
| | Increase by 0,25% | Decrease by 0,25% | Increase by 0,25% | Decrease by 0,25% |
| Floating interest rate financial instruments | 317.663 | (317.663) | 317.663 | (317.663) |

GROUP

| Effect in thousands of Euro on 30.6.2012 | Profit or loss | | Equity | |
|--|----------------------|----------------------|-------------------|-------------------|
| | Increase by 0,25% | Decrease by 0,25% | Increase by 0,25% | Decrease by 0,25% |
| Floating interest rate financial instruments | 373.905 | (373.905) | 373.905 | (373.905) |

COMPANY

| Effect in thousands of Euro on 30.6.2012 | Profit or loss | | Equity | |
|--|----------------------|----------------------|-------------------|-------------------|
| | Increase by 0,25% | Decrease by 0,25% | Increase by 0,25% | Decrease by 0,25% |
| Floating interest rate financial instruments | 332.954 | (332.954) | 332.954 | (332.954) |

35.5 Fair against book values

The fair values of financial items in the assets and liabilities approximate their book values, as such are depicted in the balance sheet as of June 30, 2012.

35.6 Financial instruments – Fair Value

The Group adopted the amended IFRS 7 “Financial Instruments: Disclosures”. The revised text requires additional disclosures regarding the fair value of financial instruments which are measured at fair value using the three level hierarchy.

Fair Value Hierarchy

More specifically The Company uses the hierarchy below in order to establish and disclose the fair value of its financial instruments, per quality of data used for the assessment of their fair value:

- **Level 1:** Negotiable values on active markets for the same assets or liabilities;
- **Level 2:** Data which are directly or indirectly observable and regard the items for valuation (Level 1 items are not included in this category);
- **Level 3:** Data which follow from the company’s own estimates as there are no observable market data

During the period at hand, there were no transfers between Levels 1 and 2 or transfers within and outside of Level 3 for the measurement of the fair value.

Sums appearing in the Financial Statements for cash in hand, trade and other receivables, trade and other short-term liabilities as well as short-term loan liabilities approximate their corresponding fair values, due to their short-term nature and maturity. The fair value of long-term loans is almost identical to their book value, as such loans are in local currently and interest bearing with a floating interest rate.

Financial instruments by the Group and Company valued at fair value are classified in the following three levels:

| (Sums in Euro) | | | | |
|--|---------|---------|---------|---------|
| <u>30/06/2013</u> | | GROUP | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Financial Instruments at fair value | | | | |
| Non-current assets available for sale | 57.003 | 57.003 | 0 | 0 |
| Financial assets at fair value through P&L | 102.960 | 102.960 | 0 | 0 |
| (Sums in Euro) | | | | |
| <u>30/06/2013</u> | | COMPANY | | |
| | Total | Level 1 | Level 2 | Level 3 |
| Financial Instruments at fair value | | | | |
| Financial assets at fair value through P&L | 102.960 | 102.960 | 0 | 0 |

36. Commitments and potential liabilities

Article 33 of Law 3762/2009 and Joint Ministerial Decision by the Ministers of the Economy and Economics and Employment and Protection no. 2510/815/4.8.2009 instituted a programme for the Special Subsidy of Unemployment eligible for inclusion to which were employees who satisfied the conditions for retirement within the next five years. Due to the very stringent deadlines provided for by the programme, its implementation was not possible. The programme was updated by Law 3996/2011, Gov. Gaz. 170/5.8.2011 according to which employees who fulfill the conditions for full or reduced retirement until 31/12/2016 reserve the right to be included in the programme for the special subsidy for unemployment. Following the issuance of Joint Ministerial Decision 1117/52 and its publication in Gov. Gaz. 35/B on 20/1/2012, the contract of 52 HSI SA employees was terminated in order for the latter to be included in the Special Unemployment Subsidy programme for HSI SA employees. The company has budgeted the liability that will ensue until the completion of the programme and has formed a corresponding provision (see Note 12).

There are no other disputes before courts or arbitrators, besides those for which a relevant provision has been formed and which could significantly affect the financial position or operation of the Company and the Group. The relevant provision is analyzed in Note 34. The unaudited for taxation purposes fiscal years of the Company and the Group are analyzed in Note 15.

37. Transactions with affiliated parties

The subsidiary companies of the Group are considered as affiliated parties, as such are cited in Note 1 to the Financial Statements and the executive members of the Board of Directors. Since the Group is included in the consolidated financial statements of the Agricultural Bank of Greece (ATE), ATE and the companies in ATE Group.

| | GROUP | | COMPANY | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| I. Subsidiary Companies | | | | |
| Receivables | | | 10.820.911 | 11.111.046 |
| Liabilities | | | 10.014.326 | 23.895.610 |
| Inflow | | | 2.285.364 | 307.666 |
| Outflow | | | 15.609.285 | 27.151.846 |
| II. Transactions with ATE | | | | |
| Group companies | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Receivables | 0 | 679.550 | 0 | 679.550 |
| Liabilities | 68.232 | 133.015.312 | 68.232 | 133.015.312 |
| Inflow | 0 | 23.464 | 0 | 23.464 |
| Outflow | 58.197 | 12.907.363 | 58.197 | 12.907.363 |
| BoD Members | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Total salaries and transactions | 351.841 | 378.836 | 225.084 | 240.189 |

All transactions with affiliated parties have been performed in compliance with the generally accepted commercial terms and are intended to be arranged in cash within a reasonable deadline. All transactions with affiliated parties (subsidiary companies) have been removed at the preparation of the consolidated financial statements. The balances of the transactions between the Company and its subsidiaries or cognates as well as the results corresponding to such transactions are as follows:

| | | Sales of goods and services | Purchases of goods and services | Receivables | Liabilities |
|-----------------------------------|--------------------------|------------------------------------|--|--------------------|--------------------|
| ATE LEASING | <i>ATE Group Company</i> | 0 | 58.197 | 0 | 68.232 |
| AD FABRIKA SECERA SAJKASKA | <i>Subsidiary</i> | 588.600 | 5.129.537 | 3.700.103 | 3.461.768 |
| AD FABRIKA SECERA CVRENKA | <i>Subsidiary</i> | 1.696.764 | 10.479.748 | 7.120.808 | 6.518.814 |
| HSI CYPRUS LTD | <i>Subsidiary</i> | 0 | 0 | 0 | 33.744 |
| | Total | 2.285.364 | 15.667.482 | 10.820.911 | 10.082.558 |

The sales appearing in the table above regard sales of seeds by the company to its subsidiaries and of byproducts to other affiliated parties, while purchases regard purchases of sugar from the subsidiaries in Serbia and debit interest from parent ATE with respect to the previous fiscal year. Liabilities principally regard the loan agreement with ATE (previous fiscal year) and liabilities ensuing from purchases of sugar from the Serbian subsidiaries. Receivables mainly regard receivables from the sales of seeds and byproducts, from the sales of mechanical equipment and from subsidiaries' dividends. There are no Receivables – Liabilities to and from the members of the Board of Directors.

The corresponding intra-corporate transactions and balances in the previous fiscal year are as follows:

| HELLENIC SUGAR INDUSTRY SA | | | | | |
|--------------------------------|--------------------------|-----------------------------------|---------------------------------------|------------------|--------------------|
| | | 30/6/2012 | | | |
| | | Sales of goods and services | Purchases of goods and services | Receivables | Liabilities |
| Agricultural Bank of Greece SA | <i>Parent</i> | 7.980 | 15.524.057 | 781.157 | 133.181.892 |
| DODONI SA | <i>ATE Group Company</i> | 32.980 | 0 | -172 | 0 |
| ATE LEASING | <i>ATE Group Company</i> | 0 | 111.954 | 0 | 114.118 |
| ATE RENT | <i>ATE Group Company</i> | 0 | 0 | 0 | 0 |
| ATE INSURANCE SA | <i>ATE Group Company</i> | 38.548 | 585.625 | 1.100 | 44.403 |
| ATElaxi SA | <i>ATE Group Company</i> | 0 | 0 | 0 | 8.700 |
| AD FABRIKA SECERA SAJKASKA | <i>Subsidiary</i> | 255.000 | 14.365.377 | 727.455 | 3.199.024 |
| AD FABRIKA SECERA CVRENKA | <i>Subsidiary</i> | 3.370.415 | 15.789.866 | 251.200 | 9.925.484 |
| HSI CYPRUS LTD | <i>Subsidiary</i> | 0 | 0 | 0 | 0 |
| Total | | 3.704.923 | 46.376.879 | 1.760.740 | 146.473.621 |

38. Events after the reference period

A) On July 10, 2013 the Special Liquidator for the under special liquidation Agricultural Bank of Greece SA, aiming to attain the best possible outcome in the context of the procedure for the sale of the stake in HELLENIC SUGAR INDUSTRY SA of the corporation under special liquidation, announced that he decides to extend the existing competition and calls upon any candidate buyer (old and new) to submit their binding bids until **Friday November 1, 2013 and 15:00 hours**.

B) In the meeting of the Board of Directors of the company on 01.08.2013, Mr. Chrysostomos Geroukis, Chairman of the BoD and executive member thereof and Mr. Pavlos Baroutas, independent non-executive member of the BoD and member of the Auditing Committee, submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Mssrs. Betsis Ilias and Meletis Georgios as new members.

C) Furthermore, in the BoD meeting on 22.08.2013 Mr. Asterios Tarazas, executive member of the BoD and Mr. Manasis Konstantinidis, independent non-executive member of the BoD and member of the Auditing Committee submitted their resignations in writing, which were accepted by the BoD. In the same meeting the BoD decided to fill in the members who resigned and elected Mssrs. Dimitrio Dimitriou and Michael Fefe as new members.

The composition of the Board of Director of the company and the composition of the Auditing Committee at the date of publication of the annual financial statements is cited below:



Board of Directors

a. Executive Members

Haralampous Lambros, Chairman & CEO
Meletis Georgios, Member
Dimitriou Dimitrios, Member

b. Non-Executive Members

Betsis Ilias, Member
Fefes Michael, Member

c. Independent Non-Executive Members

Lazari Adamantini, Vice-Chairman
Koliatsas Styridon, Member

Auditing Committee

Koliatsas Styridon, Chairman of the Committee
Lazari Adamantini, Member
Fefes Michael, Member

The election of the members of the Board of Directors and the Auditing Committee will be placed for sanction in the next General Meeting.

There are no other significant events after the date of the preparation of the financial standards, for which a relevant reference is necessitated.

The financial statements cited on pages 1 to 47 have been prepared in compliance with the International Financial Reporting Standards (IFRS), as such have been adopted by the European Union, and were approved by the Board of Directors on **September 16, 2013** and are undersigned by the persons responsible for their preparation:

**CHAIRMAN OF THE BOARD OF
DIRECTORS AND CHIEF
EXECUTIVE OFFICER**

**EXECUTIVE MEMBER OF THE
BOARD OF DIRECTORS**

CHIEF FINANCIAL OFFICER

**LAMBROS A. HARALAMPOUS
ID Card no. AI 160312/2009**

**GEORGIOS Ch. MELETIS
ID Card no. M 248447/1983**

**CHARALAMPOS Ch. RALLIS
ID Card no. AZ 162920/2007
FChG A' CLASS Reg. No. 43407**



E. Additional Data and Information of the Annual Financial Report





HELLENIC SUGAR INDUSTRY S.A.

S.A REG. No : 8246/06/B/86/11
Mitropoleos 34, 54110 Thessaloniki

FINANCIAL DATA AND INFORMATION

from July 1st, 2012 to June 30th, 2013

(According to the Law 2190/20 art. 135 for Companies publishing their Annual Consolidated

The following data and information that accrue from the financial statements aim to provide a general overview about the financial position and the financial results of HSI SA and the Group. Consequently, we strongly advise readers that before making any investment decision or engage in any other transaction with the company to visit its website, where the financial statements are available, as well as the review report by the auditor, where such is necessitated..

COMPANY INFORMATION

Supervising Authority : Ministry of Development
Website : www.ebz.gr
Date of approval by the Board of Directors : September 16, 2013
Statutory Auditors : Sotiris Konstantinou (Reg. No: 13671)
Auditing Company : Grant Thornton S.A.(Reg. No: 127)
Type of Review Report : With consent - Emphasis of matter

COMPOSITION OF THE BOARD OF DIRECTORS

Chairman & Managing Director – Executive Member : Lambros Haralampous
Executive Member : George Meletis
Executive Member : Dimitrios Dimitriou
Non Executive Member : Ilias Mpetsis
Non Executive Member : Mihail Pefes
Independent Non Executive Member : Spyridon Koliatas
Vice Chairman-Independent Non Executive Member : Adamantini Lazari

1.1. FINANCIAL POSITION STATEMENT

(consolidated and non consolidated) amounts in €

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| ASSETS | | | | |
| Tangible fixed assets used for own purposes | 93.917.222 | 93.773.681 | 65.228.292 | 68.482.261 |
| Investments in property | 20.882.259 | 23.497.218 | 20.882.259 | 23.497.218 |
| Intangible assets | 7.944.902 | 7.892.796 | 0 | 0 |
| Other non-current assets | 691.085 | 878.654 | 20.963.225 | 20.904.925 |
| Inventories | 75.796.908 | 82.415.560 | 46.291.633 | 46.463.752 |
| Trade receivables | 62.132.103 | 67.789.335 | 44.895.129 | 63.601.413 |
| Other current assets | 10.434.051 | 13.098.705 | 17.839.451 | 7.661.028 |
| Non-current assets held for sale | 57.003 | 59.480 | 0 | 0 |
| Current assets available for sale | 0 | 1.205.073 | 0 | 1.205.073 |
| TOTAL ASSETS | 271.855.533 | 290.610.502 | 216.099.989 | 231.815.670 |
| EQUITY & LIABILITIES | | | | |
| Share capital | 26.826.703 | 26.826.703 | 26.826.703 | 26.826.703 |
| Other equity items | 52.372.937 | 62.901.328 | 23.718.682 | 33.660.545 |
| Equity attributable to parent company shareholders (a) | 79.199.640 | 89.728.031 | 50.545.385 | 60.487.248 |
| Minority interests (b) | 479.976 | 510.753 | 0 | 0 |
| Total Equity (c) = (a) + (b) | 79.679.616 | 90.238.784 | 50.545.385 | 60.487.248 |
| Long-term debt | 667.010 | 2.193.684 | 0 | 0 |
| Provisions and other long-term liabilities | 6.890.081 | 7.637.315 | 4.679.487 | 4.817.618 |
| Short-term debt | 148.956.194 | 147.368.387 | 127.065.140 | 133.181.892 |
| Other short-term liabilities | 35.662.632 | 43.172.332 | 33.809.977 | 33.328.912 |
| Total liabilities (d) | 192.175.917 | 200.371.718 | 165.554.604 | 171.328.422 |
| TOTAL EQUITY AND LIABILITIES (c) + (d) | 271.855.533 | 290.610.502 | 216.099.989 | 231.815.670 |

1.2. COMPREHENSIVE INCOME STATEMENT

(consolidated and non consolidated) amounts in €

| | GROUP | | COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Turnover | 228.354.811 | 228.965.927 | 161.192.779 | 175.300.451 |
| Gross profit | 44.416.503 | 53.219.370 | 24.431.359 | 28.570.709 |
| Profits / (losses) before taxes, financial and investment results | 6.795.290 | 20.955.146 | (6.040.678) | 7.023.361 |
| Profits / (losses) before taxes | (11.287.441) | 232.238 | (11.371.762) | (993.666) |
| Profits / (losses) after taxes (A) | (10.733.967) | 256.642 | (9.796.645) | 2.321.023 |
| Parent company owners | (10.851.551) | 2.822.353 | (9.796.645) | 2.321.023 |
| - Minority interests | 117.584 | 134.289 | 0 | 0 |
| Other comprehensive income after taxes (B) | 1.060.407 | (8.991.908) | (145.218) | 0 |
| Total comprehensive income after taxes (A) + (B) | (9.673.560) | (6.035.266) | (9.941.863) | 2.321.023 |
| Parent company owners | (9.830.645) | (8.836.913) | (9.941.863) | 2.321.023 |
| - Minority interests | 157.085 | 2.801.647 | 0 | 0 |
| Basic earnings / (losses) after taxes per share (in €) | (0,2953) | 0,0768 | (0,2666) | 0,0632 |
| Earnings / (losses) before taxes, financial and investment results and depreciation | 11.078.226 | 26.254.101 | (3.306.130) | 10.628.178 |

ADDITIONAL DATA AND INFORMATION

1. The name and country of the registered seat for each one of the companies included in the consolidated financial statements, the percentages by which parent company HSI SA directly or indirectly participates in their share capital, as well as the consolid

2. The consolidated financial statements of the Group are included, using the full consolidation method, in the consolidated financial statements of "AGRICULTURAL BANK OF GREECE S.A. under special liquidation", that holds 82,3% of the share capital of HSI

3. The companies included in the consolidated financial statements have been audited by the competent tax authorities for the fiscal years cited in Note 15 of the Annual Financial Report.

4. There are mortgages amounting to a total of thousand € 108.376 on parent company's real estate and facilities and the shares of subsidiary companies have been pledged to secure short-term financing. There are no encumbrances on the assets of the other group

5. At the end of the period no shares of the parent company were possessed by the parent company or by any subsidiary company of the group.

6. Other comprehensive income after taxes for the group and the parent company are as follows:

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Reserve Recognition of Fixed Asset Investments | 0 | 0 | 0 | 0 |
| Income tax of other comprehensive income items | (145.218) | 0 | (145.218) | 0 |
| Currency differences relating to the conversion of subsidiaries | 1.205.625 | (8.991.908) | 0 | 0 |
| Other comprehensive income after taxes | 1.060.407 | (8.991.908) | (145.218) | 0 |

7. Other provisions, which relate to possible claims by third parties, amounted to € 759.860 for the Group & € 250.000 for the Company.

8. The accounting principles adopted by the Group for the preparation of the financial statements as of June 30, 2013 are the same as those described in the published annual financial statements for the fiscal year ended on June 30, 2012.

9. The number of employees is as follows:

| | Group | | Company | |
|--------------|--------------|--------------|--------------|--------------|
| | 30 June 2013 | 30 June 2012 | 30 June 2013 | 30 June 2012 |
| Permanent | 660 | 675 | 269 | 281 |
| Seasonal | 380 | 558 | 236 | 398 |
| Total | 1.040 | 1.233 | 505 | 679 |

10. Any type of transactions (income and expenses) cumulatively since the beginning of the fiscal year as well as the balances of the receivables and liabilities of the company and the group at the end of the current fiscal year which have ensued from transac

| | Group | Company |
|--|---------|------------|
| a) Income | 0 | 2.285.364 |
| b) Expenses | 58.197 | 15.667.482 |
| c) Receivables | 0 | 10.820.911 |
| d) Payables | 68.232 | 10.082.558 |
| e) Transactions and salaries of general managers and BoD members | 351.841 | 225.084 |

11. The emphasis of matter in the Independent Auditor's Report refers to the fact that the Group Management is in the process of renegotiation for redefining the terms of the loan obligations and also to the fact that the total of short-term liabilities exceed

Thessaloniki, September 16th, 2013

THE CHAIRMAN & MANAGING DIRECTOR

THE EXECUTIVE MEMBER OF THE BoD

THE CHIEF FINANCIAL OFFICER

Lambros A. Haralampous
ID.No AI 160312/2009

George Meletis
ID.No M 248447/1983

Haralampous Ch. Rallis
ID.No AZ 162920/2007
Reg.No. 43407

1.3. STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) amounts in €

| | GROUP | | COMPANY | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 30/6/2013 | 30/6/2012 | 30/6/2013 | 30/6/2012 |
| Total equity at start of period (01.07.2012 and 01.07.2011, respectively) | 90.238.784 | 112.657.960 | 60.487.248 | 58.166.225 |
| Total comprehensive income after taxes | (9.673.560) | (6.035.266) | (9.941.863) | 2.321.023 |
| Distributed dividends | (152.288) | (1.850.608) | 0 | 0 |
| Change in Group's Percentages | (733.320) | (14.533.302) | 0 | 0 |
| Total equity at end of period (30.06.2013 and 30.06.2012, respectively) | 79.679.616 | 90.238.784 | 50.545.385 | 60.487.248 |

1.4. CASH FLOW STATEMENT

(consolidated and non consolidated) amounts in €

| | GROUP | | COMPANY | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 | 01/07/2012-30/06/2013 | 01/07/2011-30/06/2012 |
| Operating activities | | | | |
| Receivables collected | 234.255.609 | 219.138.576 | 170.318.317 | 161.007.549 |
| Payments to suppliers, employees, etc. | (196.467.576) | (206.650.625) | (149.367.559) | (165.195.442) |
| Taxes payable (proceeds from tax return) | (895.846) | (1.266.214) | 0 | 0 |
| Tax paid | (8.192.866) | (17.366.886) | (6.779.415) | (15.293.982) |
| Total cash flow from operating activities (a) | 28.699.321 | (6.155.149) | 14.171.343 | (19.481.875) |
| Investing activities | | | | |
| Payments for purchase of tangible and intangible assets | (4.980.029) | (6.372.005) | (256.190) | (1.509.862) |
| Payments for purchase of investment securities (shares, bonds) | (14.865.836) | 0 | 0 | 0 |
| Dividends received | 0 | 0 | 0 | 20.329.184 |
| Proceeds from sale of tangible and intangible fixed assets | 209.042 | 191.470 | 0 | 0 |
| Payments for purchase of subsidiaries, associates, joint ventures, etc. | 0 | 0 | (128.424) | 0 |
| Total cash flow from investing activities (b) | (19.636.823) | (6.180.535) | (384.614) | 18.819.322 |
| Financing activities | | | | |
| Proceeds from issued/assumed loans | 65.264.621 | 130.626.655 | 35.875.265 | 99.636.689 |
| Loan repayment | (71.187.518) | (124.561.369) | (47.997.502) | (99.249.912) |
| Dividends paid | (93.667) | (3.627.293) | 0 | 0 |
| Total cash flow from financing activities (c) | (6.016.564) | 2.437.993 | (12.122.237) | 386.777 |
| Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c) | 3.045.934 | (9.897.691) | 1.664.492 | (275.776) |
| Cash and cash equivalents at beginning of the period | 1.855.434 | 11.752.881 | 1.316.985 | 1.592.761 |
| Cash and cash equivalents at the end of the period | 4.901.368 | 1.855.190 | 2.981.477 | 1.316.985 |



Information required by article 10 of Law 3401/2005

The following Announcements-Disclosures have been sent to the Daily Price Bulletin and are published on the website of the Athens Stock Exchange as well as on the company's website at www.ebz.gr.

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|------------|---|
| 30/07/2012 | PRESS RELEASE |
| 24/09/2012 | NOTICE OF FINANCIAL CALENDAR |
| 28/09/2012 | NOTICE of comments on the Financial Statements/Reports |
| 02/11/2012 | NOTICE ON THE ANNOUNCEMENT OF THE GENERAL MEETING |
| 28/11/2012 | NOTICE of comments on the Financial Statements/Reports |
| 03/12/2012 | NOTICE ON THE RESOLUTIONS OF THE GENERAL MEETING |
| 28/02/2013 | NOTICE of comments on the Financial Statements/Reports |
| 28/03/2013 | RESPONSES TO LETTERS – QUESTIONS BY ATHENS STOCK EXCHANGE/MARKET COMMISSION |
| 31/05/2013 | NOTICE of comments on the Financial Statements/Reports |

Availability of Financial Statements

The Annual Financial Statements of the company on a consolidated and non-consolidated basis, the Review report by the Chartered Auditor-Accountants as well as the Report by the Board of Directors on a consolidated and non-consolidated basis can be found on the internet at address www.ebz.gr.

Also on our company's website, www.ebz.gr one can find the annual financial statements, the Review reports by the Chartered Auditor-Accountants and the Reports by the Board of Directors of the companies consolidated in the consolidated financial statements.

Finally, the shareholders and investors interested in more information and clarifications regarding the company may contact the company during working days and hours (Mitropoleos 34, Postal Code 54110, Thessaloniki, Contact Person: Mr. Rallis Charalampos, Tel.: 2310 296547, e-mail: rallis@ebz.gr). Furthermore, the present Annual Financial Report and the Annual Bulletins for previous fiscal years, as well as other important information regarding the company can be found in digital form on the company's website <http://www.ebz.gr>.

Exact translation from the attached Greek document.

Thessaloniki, 16.10.2013
THE OFFICIAL TRANSLATOR