



HELLENIC SUGAR INDUSTRY S.A.

**ANNUAL FINANCIAL REPORT
for the fiscal year from July 1, 2013 until June 30, 2014
pursuant to article 4 of Law 3556/2007**

Mitropoleos St. 34, Thessaloniki, Postal Code 541 10

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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, 2013 until June 30, 2014, 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 29, 2014

**THE NON-EXECUTIVE
CHAIRMAN OF THE BOARD OF
DIRECTORS**

THE CEO

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

ILIAS I. BETSIS
ID Card no.: AB 535845/2006

LMBROS A. CHARALAMPOUS
ID Card no.: AI 160312/2009

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



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, 2013 until June 30, 2014**

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 in Greece (Platy in Imathia, Serres and Orestiada) and two (2) in Serbia (AD Fabrika Secera Sajkaska Zabalj, AD Fabrica Secera Crvenka), of total daily processing capacity amounting to 31,000 tons of sugar-beet.

The production of sugar against the national quota by HSI SA for productive period 2013 was completed in mid October 2013 and amounted to 40,196 tons of sugar against a production amounting to 54,699 tons of sugar in the previous productive period.

Despite the fact that HSI SA’s pricing policy for year 2013, which was timely announced, was very satisfactory for the farming community and final prices, inclusive of bonuses, discounts and transportation costs, was increased compared to the corresponding prices for 2012, the unprecedented bad weather conditions in the months of January – April (Average Duration of Rainfall: ~30-38 days. Rain level: ~150-400 mm) overturned planning and limited production. Heavy rainfall, in particular, resulted in rendering the preparation of the seedbed and seeding impossible across all areas where sugar-beet may be cultivated. In addition, during the months of June – August 2013 mild xerothermic conditions prevailed with fickle rainfall which, on the one hand, caused problems in plant protection against cercosporiosis and, on the other hand, caused ideal conditions for the spreading thereof.

Thus, finally for productive period 2013 57,991 stremma (2012:93,090) were harvested, with an Mean Yield per Stremma amounting to 5,790kgr/stremma (2012: 5.130kgr/stremma) and Average Sugar Content 15.28 (2012:14.36) and sugar per stremma 885kgr/stremma (2012:737kgr/stremma).

Sugar-beet growing followed the rules set forth in standard AGRO 2.1&2.2 governing the Intergrated Management Sugar-beet Production System throughout the growing year. The audit by an accredited organization leading to the award of the AGRO certificate for sugar-beet growing was completed in the course of this campaign.

In accordance with the quantity and quality of processed sugar-beet, combined with sugar-beet prices there ensued an increased technical difference and increased productive and operative cost as well as energy cost, due also to the short duration of the campaign and the operation of all three HSI SA plants with their corresponding and inflexible high costs.

All these led, besides their other implications, to an increase in the production cost for Greek sugar by 11.59% (from 871.57 €/ton of sugar in productive period 2012 to a production cost amounting to 972.57 €/ton of sugar in productive period 2013). The reasons leading to this high production cost for sugar are principally the small production, the operation of all three plants and the fixed operating expenses of the company.

To cover the right to produce the remaining quantity of approximately 120 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.

Sugar quota reserves in the EU were for sugar year 2013/14 increased compared to the previous period and ranged in the levels of 3-3.5 mil. tons. Since late 2012 and early 2013 a great fall in sugar sale prices manifested in the domestic market, which culminated in the period examined by this report, when prices tumbled to unprecedented lows.

Major competitors (European sugar producers) who operate in the Greek market, aim to gain a market share in the Greek sugar market after 2017 as well as reliable customers and, thus, offer very competitive sugar prices to the market.

It is indicative that which in the period from November 2012 until May 2013 the sale prices for sugar ranged from 844 to 810 € per ton, during August 2013 – February 2014 they ranged from 809 to 612 € per ton and in June 2014 they were 521 € per ton, while today they average at 490 € per ton.

Sales in the current fiscal year on the individual level exhibited a decrease by 25.31%. While 186,674 tons of sugar were sold in the last fiscal year, 139,419 tons were sold in the fiscal year under closure. The decrease in the sugar sales brought about a corresponding decrease in the company's turnover by 18.09%.

Under these adverse market conditions, HSI closely monitors market developments and accordingly adjusts with great care its pricing policy, taking account of the objectives for the current fiscal year in order to maintain its clientele and its sales as well as to have the necessary cash flow.

In parallel, during the current fiscal year additional bad debt impairment provisions were formed amounting to the sum of € 24.76mil. (previous fiscal year € 14.23mil.) and for the impairment of the value of investment property amounting to €4.2 mil. (previous fiscal year € 2.6mil.). The impairment provisions are included in the item "Other Expenses".

The above resulted in significant fluctuations in the results for the period, the most important of 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 22.57% in the current fiscal year compared to the corresponding last one and amounted to 176,826 thousand Euros, compared to 228,355 thousand Euros in the corresponding last fiscal year.
- Gross profit margin fell from 19.45% last fiscal year to 4.09%.
- The income statement before tax, financing, investment and total amortizations amounted to losses of (33.385) thousand Euros, compared to profits of 11,078 thousand Euros in the previous fiscal year. Consolidated profit and loss for the Group before taxes were losses amounting to (57,400) thousand Euros, compared to losses of (11,287) thousand Euros in the previous fiscal year .
- Consolidated profit and loss for the Group after taxes were losses amounting to (49,891) thousand Euros, compared to losses of (10,734) 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 (49,924) thousand Euros, compared to losses of (10,852) 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 37.03% in the current fiscal year compared to the corresponding previous one and amounted to 101,510 thousand Euros, compared to 161,193 thousand Euros in the corresponding previous fiscal year.
- Gross profit margin fell from 15.16% in the previous fiscal year to (9.33)%.
- The income statement before tax, financing, investment and total amortizations amounted to losses of (44,490) thousand Euros from losses of (3,306) thousand Euros in the previous fiscal year.
- Profits or losses for the company before taxes exhibit losses amounting to (57,312) thousand Euros, compared to losses amounting to (11,372) thousand Euros in the corresponding previous fiscal year.
- Finally, net results for the company after taxes amounted to losses of (48,774) thousand Euros, compared to losses of (9,797) 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		
30/6/2014	4,70	20,72
30/6/2013	1,80	2,45
EBITDA/Net Bank Loans		
30/6/2014	-0,21	-0,32
30/6/2013	0,07	-0,03

Current Ratio Indexes

Current Assets / Short-term Liabilities		
30/6/2014	0,55	0,43
30/6/2013	0,80	0,68

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 1/7/2011 until 30/6/2014
AD FABRIKA SECERA "SAJKASKA"	Serbia	From 1/1/2004 until 30/6/2014
AD FABRIKA SECERA "CRVENKA"	Serbia	From 1/1/2004 until 30/6/2014
HSI Cyprus LTD	Cyprus	From 1/9/2003 until 30/6/2014

Significant changes to the taxation legislation in Serbia were realized in the fiscal year of 2013, especially in matters relating to additional documentation measures for intragroup transactions. The subsidiaries of the Group are in the stage of preparation of the additional documentation required by legislation in Serbia. In any case, the parent company has drafted a relevant documentation file as required by Greek legislation and the management of the group deems that no significant differences will ensue in this particular issue.

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. A more detailed analysis follows in Note 15 of the Financial Statements.

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, 2014 amount to approximately 27.96 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 30/6/2014 is:

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Up-to-date	21.456.227	17.217.479	17.776.016	12.465.472
Overdue up to 90 days	10.594.679	10.061.508	6.492.639	6.206.676
Overdue from 91 to 180 days	4.147.161	17.453.271	3.358.450	14.162.077
Overdue from 181 to 360 days	7.733.784	33.345.813	1.274.543	27.803.695
Overdue more than 360 days	62.199.281	28.458.482	59.269.486	24.955.637
TOTAL	106.131.132	106.536.554	88.171.134	85.593.558
Impairments	(68.242.554)	(44.404.450)	(65.313.428)	(40.698.428)
Net receivables	37.888.578	62.132.103	22.857.706	44.895.129

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 and also existing coverage and the provisions for their liquidation in the future.

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 68.2 million Euros for the Group and 65.3 million Euros for the Company.

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 30.06.2014	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	161.573.650	161.522.756	50.894	0	0	0
Suppliers and other liabilities	30.244.463	30.244.463	0	0	0	0
Other liabilities	4.378.144	3.959.508	0	418.636	0	0
Total	196.196.257	195.726.727	50.894	418.636	0	0

The Company

	Value on Balance Sheet 30.06.2014	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	137.338.739	137.338.739	0	0	0	0
Suppliers and other liabilities	38.713.919	38.713.919	0	0	0	0
Other liabilities	2.969.307	2.550.671	0	418.636	0	0
Total	179.021.965	178.603.329	0	418.636	0	0

In the course of the fiscal period under closure, the company applied for and received a renewal of its financial limit by "Piraeus Bank SA" up until and including September 30, 2014. The company is in constant contact and negotiation with Piraeus Bank and has already applied for the further extension of the financing, combined with the

assessment of the already existing lending and the necessary financing of the company for the payment of the new production. The Bank is at the stage of the assessment of the company's request. Further analysis is cited under note 3 of the Annual Financial Statements.

Moreover, the Group in the context of the potential need for the reinforcement of its liquidity examines, beyond the programme for cost saving and the success from synergies through the re-organization of its activities, a series of additional actions which includes, amongst others: The efficient exploitation and movement of capital between Group subsidiaries and the revision of existing agreements with associates. 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.

Existing Financial and Operating State of the Company

The company, which operates in a particularly competitive environment, faces financial, operating and organizational problems, loss generating fiscal years, liquidity problems as a result especially of the collapse of sugar prices in the market and the heavy competition. In particular, the company exhibits:

a) Capital injection problem since its reference shareholder, the Agricultural Bank of Greece, with a stake of 82.3%, has since 27-7-2012 ceased to operate as a Bank (its operating license was revoked by the Bank of Greece) and was placed under the status of special liquidation pursuant to Law 2601/2007. The goal of this special liquidation for a credit institution is exclusively to liquidate its assets and to satisfy, based on a classification table, the announced and verified creditors.

b) High bank loans. The existing loan of the company amounts today, including interest for the first semester of 2014 (1.1 – 30.6.2014), to the sum of € 137 and more. This sum includes short-term financing by Piraeus Bank to the company amounting to € 16 million for the payment of the producers of last year's production, for the guarantee of which a quantity of 30,000 tons of sugar from this specific productive period has been pledged. In the fiscal year under closure (1-7-2013 until 30-6-2014) the Company paid against its total debt to the lending Bank the sum of €19.7 mil.

The company filed a request with the Bank for the extension of its financing and the reassessment of the terms of its loan liabilities. The Company signed on 28/08/2014 a "Memorandum of Mutual Understanding" with a three month term to find a potential solution ensuring the loan receivables of the latter and simultaneously the long-term viability and operation of the Company.

With the realization of specific actions for the restructuring of the company, the strict observance of cash planning and the success of the efforts to restructure the debt, combined with ensuring the necessary financing, the company will be able to meet its loan obligations in the course of time and ensure its long-term viability and operation in the future.

c) Liquidity problem resulting from the collapse of sugar market prices and the subsequent fall in sales, turnover and profit margin, as a result of high productive, industrial and operating costs and hard competition in the domestic market.

Already, company sales of sugar in the last two months have amounted to an average of 13-14 thousand tons per month.

Due also to the Group's tight cash liquidity, management has prepared a cash programme for the coming 12 months based on which the Group must operate in order to meet its obligations. This programme includes, amongst others,

expenses cut-backs and review of agreements with associates, aiming towards the, to the extent possible, middle-term settlement of liabilities.

d) High industrial, operating and commercial cost, resulting in generating consecutive losses to the company and competitiveness problems for (Greek) sugar in the market. The reasons leading to high production costs for sugar are principally the small production combined with high final sugar-beet prices, high operating costs and the operation of all three plants.

Despite satisfactory sugar-beet prices, sugar-beet growing and the subsequent production of sugar have remained low in recent years. Specifically, in the 2008/09 period 138,479 stremma were cultivated, while in 2009/2010 234,120 stremma in 2010/2011 133,672 stremma, in 2011/2012 57,911 stremma, in 2012/2013 93,090 stremma and in 2013/2014 57,991 stremma (which produced 40,196 tons of sugar in 2013). In the current productive period 76,500 stremma were cultivated, namely 13,000 stremma in Serres, 16,500 stremma in Orestiada and 47,000 stremma in Platy-Larisa. The total sugar-beet production in the current productive period (2014/15) is estimated to exceed 470,000 tons and the produced quantity of sugar is estimated to approximately 56,000 tons.

e) Loss generating results in the last six years. Specifically, the company, based on the published financial statements exhibits losses before taxes amounting to € 7.4 million for fiscal year 2007/2008, € 47.5 million for fiscal year 2008/2009, € 34.2 million for fiscal year 2009/2010, € 17.8 million for fiscal year 2010/2011, € 994/000 for fiscal year 2011/2012 and € 11.3 million for fiscal year 2012/2013. The entire equity of the company, after the accumulated losses has fallen below half of the paid-in share capital and, consequently, there conduces a reason for the application of article 47 of Law 2190/1920.

f) Operating and organizational problems and distortions which burden the total productive, commercial and operating cost and raise obstacles to proper management and utilization of human resources, in accordance with Greek and European standards as well as the success of existing regulations and policies and whatever human resources systems may be in operation.

The aforementioned financial and organizational problems render the restructuring of the company and its adjustment to the new adverse market conditions absolutely necessary. The key points-objectives of the aforementioned necessary adjustment of the company for the current fiscal year were:

- The operating restructuring of the company
- The maintenance of the market share and the recovery of liquidity within the adverse financial environment in Greece.
- The reduction of payroll cost.
- The increase of sugar sales
- The reduction of administrative expenses
- The reduction of production and sales expenses
- The reduction of financial expenses
- The increase of EBITDA

Already in the fiscal year under closure (1.7.2013 – 30.06.2014) Management proceeded with specific actions and interventions in context of the framework above and especially towards the rationalization and reduction of operating costs and facon sugar purchase prices, as well as the adjustment of the trade policy and strategy of the company and its adoption to the new competitive conditions in the market. Succintly the Maangement, in collaboration with company executives, proceeded with:

- The restructuring and staffing of the Sales Division and the hiring of sales executives from the market.
- The conclusion of collaboration contracts with new clients and the maintenance of the clientele.
- The preparation of the new trade and credit policy aiming for the maintenance and and increase of clientele and the improvement of liquidity.
- The restructuring and staffing of the Internal Audit Division.
- The consolidation of the accounting department of the plants.
- The registration and settlement of large seed and spare parts stock.

- The transfer of nine (9) employees from the defunct plant in Xanthi to the plant in Platy.
- The closure of the office in Athens and the transfer of two (2) employees from it.
- The audit of the cost of overtimes and out-of-office travelling of employees.
- The reduction of the volume weighted average price for raw materials (sugar-beet) in the current period by 7% and the annulment of various discounts, advances and installments further burdening the purchase price for raw materials.
- The management of major debts by two (2) clients with total debts amounting to approximately € 50 million.
- The renegotiation and achievement of much lower prices for the contracted quantities of facon sugar from the supplying companies abroad and the achievement of much lower facon sugar purchase prices for the new period.
- The significant decrease of seasonal personnel and its remuneration.
- The forming of significant provisions for the two (2) major debtor deficits as well as the seeds and spare parts stock.
- The drafting of a credit policy and receivables management regulation.

Restructuring Strategy – Viability Study

In the context of the adverse financial state above the Board of Directors has ascertained the purposefulness and necessity for the operating, operational and financial restructuring of the company and has therefore and in order to reach strategic decisions decided to assign to a specialized and established consulting firm the project for the elaboration of a survey with its principal goal being the recommendation of those actions which will bring the company back to positive operating results in the middle-term, aiming to attain viable conditions for the company.

This survey in question was assigned to a consultant of sound reputation with the objective for it to constitute, combined with the study elaborated by the company, a tool for taking strategic decisions. The survey rests on the following four groups of fully quantified actions, each of which presupposes the performance of the previous one:

1st Group

- Drastic reduction of energy cost.
- Reduction of payroll cost.
- Reduction of administrative costs not related to human resources.
- Centralization of the sugar-beet transportation services.

2nd Group

- Consolidation of plants with the suspension of the productive operation of the units in Serres and Orestiada and all sugar-beet processing exclusively in the unit of Platy.
- Organization, rationalization and improvement of human resources management.

3rd Group

- Improvement and objectification of the delivery and acceptance procedure for raw materials.
- Adoption of modern commercial policies and practices.

4th Group

- Centralization of the services for the procurement of fertilizers, pesticides and other supplies.
- Getting the best sugar market prices from suppliers (facon sugar purchases).

The following benefits are anticipated to ensue from the interventions above:

- The suspension of the productive procedure in the plants in Serres and Orestiada and the operation of just one plant in Platy is economically advantageous and significantly reinforces the company's EBITDA.
- The benefit from the series of operating actions recommended amounts to € 9.1 million on the EBITDA level for the first year of implementation, 2014-2015, and continues to improve over the following years.

Based on the improvement of EBITDA anticipated for the coming year, the following are pursued:

- a) the company's long-term viability, provided the restructuring project is successfully implemented and

b) the establishment of the conditions for the servicing of borrowing in the long run as well as its reconstruction, which is also a key condition for the viability of the company, pursuant to the aforementioned restructuring plan, and the satisfaction of the company's loan liabilities in the context of its operating activity.

Forecasted development of the company and group

The attainment of the objectives and benefits of the restructuring plan, combined with the recovery and stabilization of sugar prices, now in the historic lows of the market, and the necessary reconstruction of the existing loan of the company are deemed to lead to the return of the company to profitability, the servicing in the long run of the restructured debt and the viability of the company.

With respect to sales, it is estimated the the price for sugar, now at its historically all-time low, will stabilize in the coming months and that there will soon be a corrective move towards higher price levels.

HSI SA by shaping the pricing policy observed and developing collaborations aims for its sales in the current period (2014/5) to range in the level of 160,000, against sales of 139,418 tons in the period under closure.

For crop season 2014, 3,702 applications regarding 128,440 stremma were submitted, while 2,691 private agreements, covering an area of 89,163 stremma were signed. 76,746 stremma by 2,425 farmers are currently growing.

The Ministry of Rural Development and Foods (Gov. Gaz. 2556/20-12-2012) has included sugar-beet growing in the programme for the Integrated Management of Beet Production, in the context of the Rural Development programme 2007/2013 and specifically through Measure 214 "Agri-Environmental Subsidies" (Gov. Gaz. 2556/20-12-2012).

Moreover, pursuant to the official Press Release by the Ministry of Rural Development and Foods the document for the new Common Agricultural Policy to be implemented commencing on 01/01/2015 has been submitted and it is there determined that 9% of the national portion shall be absorbed in subsidies relating to production for various crops amongst which also the growing of sugar-beet and the sowing sugar-beet seeds produced by the company.

During the summer months of the current year, ill-timed intense rainfall in areas and hail have on the one hand created problems with the proper performance of spraying against illnesses and for the growing of the crops and, on the other hand, have created the ideal conditions for the spread of cercosporiosis resulting in the estimated degrading of the productive indexes for sugar-beet cultivation.

The commencement of harvesting in the current period (2014) begun with a small delay with respect to existing planning due to the extreme weather conditions with intense rainfall across almost all areas and which lasted until the end of August and September 2014 in areas where sugar-beet is cultivated. Harvesting and production in the plant of Platy continue normally, without anticipating any serious problems in the entire procedure.

It is anticipated for there to be a decreased technical difference and reduced energy cost, facts which are principally attributable to the strategic restructuring of the company through the concentration of production in just one plant, the increased duration of the campaign compared to past years and the achievement of significantly lower natural gas price.

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.

Procedure for the sale of the majority block of shares

On March 11, 2014, the Agricultural Bank of Greece SA (under Special Liquidation) announced that the international call for tenders, announced on September 28, 2012, for the sale of its holding in the company Hellenic Sugar Industry SA resulted in an award and noted that the sale of its holding, under the most favorable terms

possible, remains a primary objective of the institute under special liquidation and in any case the investing public shall be duly informed of any relevant development.

Since and until today the reference shareholder ATE under Special Liquidation has not announced some other call for tenders or development in the effort to sale its holding in the Company, in which it continues to maintain a percentage of 82.33% of its shares.

Significant transactions between affiliated parties

The subsidiary companies of the Group are considered as affiliated parties, as such are cited in Note 37 to the Financial Statements and the executive members of the Board of Directors. The Agricultural Bank of Greece SA under Special Liquidation and the companies in the latter's 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					
30/6/2014					
		Sales of goods and services	Purchases of goods and services	Receivables	Liabilities
ATE LEASING	<i>ATE Group Company</i>	0	0	0	20.460
AD FABRIKA SECERA SAJKASKA	<i>Subsidiary</i>	155.000	8.087.203	1.774.339	6.053.106
AD FABRIKA SECERA CVRENKA	<i>Subsidiary</i>	8.000	13.016.850	12.551.176	16.853.575
HSI CYPRUS LTD	<i>Subsidiary</i>	0	0	0	24.844
Total		163.000	21.104.053	14.325.515	22.951.985

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. Liabilities regard 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					
30/6/2013					
		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

Events after the reference period

A) The Board of Directors of HSI SA in its meeting on 15.07.2014 decided to elect Ms. Eleni Mokou as independent non-executive member in replacement of resigned Mr. Athanasios Vlahopoulos.

The composition of the Board of Directors of the company as well as the composition of the Auditing Committee on the date of the 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, Chairman
Fefes Michael, Member

c. **Independent non-executive members**

Koliatsas Styridon, Vice-Chairman
Mokou Eleni, Member

Auditing Committee

Koliatsas Styridon, Chairman of the Committee
Fefes Michael, Member
Mokou Eleni, 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.

B) The Board of Directors of the company in its meeting on July 15, 2014 and based on the restructuring survey for the company, elaborated by a reputable Restructuring Consultant, decided the implementation of a series of measures and interventions recommended in the survey above.

The context of said interventions also includes the suspension of the productive operation of the plants in Orestiada and Serres, which shall operate this period as centers for the collection of sugar-beets from the relevant areas and in order to facilitate farmers.

The key objective of the restructuring survey for the company is the achievement of long-term viability and competitiveness via, in particular, the reduction of the operating cost, the increase of productivity and organizational changes.

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 Regular 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 profits or those at the liquidation of the Company. A percentage of 35% of the net profits after the deduction of only the statutory reserve. The payment 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 announced 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 declares 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 Ordinary General Meeting of HSI SA of 22.11.2013 (item 6 on the agenda), besides Mr. Vlahopoulos, whose election by the Board of Directors shall be placed in the judgment of the next General Meeting for sanction. The composition of the Audit Committee is as follows:

- Spyridon Koliatsas (independent non-executive member of the BoD – Chairman of the Audit Committee)
- Michael Fefes (non-executive member of the BoD – Member of the Audit Committee)
- Athanasios Vlahopoulos (independent non-executive member of the BoD – Member of the Audit Committee)

It is noted that Ms. Lazari was appointed member of the Audit Committee on 01/08/2013 replacing resigned Mr. Baroutas; Mr. Fefes was appointed member of the Audit Committee on 22/08/2013 replacing resigned Mr. Constantinidis and Mr. Vlahopoulos was appointed member of the Audit Committee on 28/11/2013 replacing resigned Ms. Lazari.

Four meetings of the Audit Committee took place in fiscal year 2013/14, on 16/9/2013, 28/11/2013, 26/02/2014 and 28/05/2014.

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 auditors. 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 in writing 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 it 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 election of the members of the Board of Directors is performed by a resolution taken by the General Meeting of Shareholders. The Member of the BoD serve a five year term, which is automatically extended until the first Ordinary General Meeting after the end of the BoD's term, which, however, cannot exceed six years. Members of the BoD can always be re-elected while they are freely revocable from the General Meeting without limitations and independently of the time when their term expires. 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. By a resolution by the Board of Directors the representation of the Company may be assigned to some other member of the Board of Directors or to a Company employee.

Mr. Chrysostomos Geroukis, Chairman of the BoD and executive member thereof and Mr. Pavlos Baroutas, independent non-executive member of the BoD resigned from the Board in its meeting of 01/08/2013. In the same meeting the BoD elected as new members Messrs. Ilias Betsis and Georgios Meletis. Also in the meeting of the BoD of 22/08/2013 Mr. Asterios Tarazas, executive member of the BoD and Mr. Manasis Constantinidis, independent non-executive member of the BoD resigned from the Board. In the same meeting the BoD elected as new members Messrs. Dimitrios Dimitriou and Michael Fefes.

Finally, in the meeting of the BoD of 28/11/2013 Ms. Adamantini Lazari, independent non-executive member of the BoD, resigned from the Board. In the same meeting the BoD elected Mr. Athanasios Vlahopoulos as its new member.

Hence, the composition of the Board of Directors at the end of the fiscal year under closure is as follows:

	Full Name	Capacity	Date of the assumption of duties (most recent)	End of Term
1	Ilias Betsis, son of Ioannis	Chairman of the BoD. Non-Executive member of the BoD	01/08/2013	29/03/2015
2	Spyridon Koliatsas, son of Ilias	Vice-Chairman of the BoD. Independent non-Executive member of the BoD	30/03/2010	29/03/2015
3	Lampros Charalampous, son of Antonios	CEO - Executive member of the BoD	30/03/2010	29/03/2015
4	Georgios Meletis, son of Christos	Executive member of the BoD	01/08/2013	29/03/2015
5	Dimitrios Dimitriou, son of Antonios	Executive member of the BoD	22/08/2013	29/03/2015
6	Michael Fefes, son of Vasileios	Non-executive member of the BoD.	22/08/2013	29/03/2015
7	Athanasios Vlahopoulos, son of Fotios	Independent non-executive member of the BoD	28/11/2013	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 2013/2014	301.107 €	167.714 €

Meetings of the Board of Directors

The Board of Directors meets at least once per month. In the course of fiscal year 2013/14 24 meetings of the Board of Directors took place.

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 Special Three-Member Committee is provided for in article 61, 63, 71 & 72 of the Code of Work by HIS. Its composition, pursuant to the resolutions by the BoD of 16/09/2013 (item 6 on the agenda) and 28/11/2013 (item 5), are as follows:

- Chairman Lampros Charalampous (executive member of the BoD)
- Members Spyridon Koliatsas (independent non-executive member of the BoD)
 Michael Fefes (non-executive member of the BoD)

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

In fiscal year 2013/2014 two meetings (2) took place on 18/10/2013 and 18/12/2013.

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 jurisdiction of the Three-member Committee is provided for 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)). Its composition, following the resolutions of the BoD of 16/09/2013 (item 6) and of 28/11/2013 (item 5), is as follows:

- Chairman Lampros Charalampous (executive member of the BoD)
- Members Georgios Meletis (executive member of the BoD)
 Dimitrios Dimitriou (executive member of the BoD)

In case where the Chairman is absent or unavailable, Mr. Georgios Meletis 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 1 par. 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 seventy three cents of a Euro (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:

The Board of Directors of HSI SA in its meeting on 15.07.2014 decided to elect Ms. Eleni Mokou as independent non-executive member in replacement of resigned Mr. Athanasios Vlahopoulos.

The composition of the Board of Directors of the company as well as the composition of the Auditing Committee on the date of the 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, Chairman
Fefes Michael, Member

c. Independent non-executive members

Koliatsas Styridon, Vice-Chairman
Mokou Eleni, Member

Auditing Committee

Koliatsas Styridon, Chairman of the Committee
Fefes Michael, Member
Mokou Eleni, 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 29, 2014
For the Board of Directors

**THE NON-EXECUTIVE
CHAIRMAN OF THE BOARD OF
DIRECTORS**

ILIAS I. BETSIS
ID Card no.: AB 535845/2006

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, 2014, 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, 2014, 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.

Emphasis

Without reservation to our opinion, we draw your attention to the following:

- 1) In Note 3 to the attached Financial Statements referring that the entire capital and interest of the short-term lending of the company, amounting to the total sum of € 137,339 thousand, have been rendered overdue, resulting in the total of the short-term liabilities of the Group and the Company to exceed the total of current assets by the sum of € 88,700 thousand and € 102,551 thousand correspondingly. The Management of the Group is involved in a negotiation with the creditor Bank for the redetermination of the terms of the past due loan liabilities and the extension of the term for their repayment, but no written assurances had been obtained from the creditor Bank until the date of our audit.

- 2) The total of the Company's Equity on 30/06/2014 was less than half (1/2) of its share capital and, consequently, the conditions for the application of the provisions in article 47 of Cod. Law 2190/1920 conduce.

The conditions described in the items above suggest the existence of a material uncertainty, which may raise serious doubts as to the ability of the Group and the Company to continue their activity. In the Annual Report by the Board of Directors as well as in note 3 of the attached company and consolidated Financial Statements the actions by the Management of the Group to tackle the risks above are cited.

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 29, 2014
THE INDEPENDENT AUDITOR ACCOUNTANT

Sotiris A Konstantinou
SOEL Reg. No.: 13671





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, 2013 until June 30, 2014

Mitropoleos St. 34, Thessaloniki, Postal Code 54110

www.ebz.gr

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



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Comprehensive Income Statement

For fiscal year from July 1, 2013 until June 30, 2014

(Sums in Euro)

	NOTE	GROUP		COMPANY	
		01/07/2013- 30/06/2014	01/07/2012- 30/06/2013 (*)	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013 (*)
Sales	8	176.826.098	228.354.811	101.509.528	161.192.779
Cost of Sales	10	(169.586.479)	(183.938.308)	(110.976.023)	(136.761.420)
Gross Margin		7.239.619	44.416.503	-9.466.495	24.431.359
Other income	9	2.737.384	4.554.390	1.966.775	3.774.141
Distribution expenses	10	(9.124.007)	(7.729.949)	(4.467.489)	(4.236.587)
Administrative expenses	10	(11.789.163)	(13.860.798)	(8.241.399)	(10.098.688)
Other expenses	12	(31.824.795)	(23.199.815)	(31.413.674)	(22.434.710)
Income from operating activities		(42.760.962)	4.180.331	(51.622.282)	(8.564.485)
Financial income	13	922.976	1.119.117	6.967.862	10.682.737
Financial expenses	14	(15.562.339)	(16.586.889)	(12.657.862)	(13.490.014)
Profits/(Losses) before taxes		(57.400.325)	(11.287.441)	(57.312.282)	(11.371.762)
Income tax	15	7.509.114	553.474	8.538.262	1.575.117
Profits/(Losses) after taxes (a)		(49.891.211)	(10.733.967)	(48.774.020)	(9.796.645)
<u>Other comprehensive income</u>					
Items which will not be posteriorly classified in the Profit and Loss Account:					
Formation of reserve for Actuarial Profits/Losses		(274.656)	104.964	(543.576)	104.964
Reserve for the Recognition of Investment Fixed Assets		6.830.561	0	6.830.561	0
Items which may be posteriorly classified in the P&L Account:					
Exchange rate differences from the conversion of the Financial Statements of business activities abroad		(540.860)	1.205.625	0	0
Other Comprehensive Income before taxes		6.015.045	1.310.589	6.286.985	104.964
Income tax for other comprehensive income items		(1.676.639)	(172.509)	(1.636.301)	(172.509)
Other Total income (b)		4.338.406	1.138.080	4.650.684	(67.545)
Total profits/losses for fiscal year (a) + (b)		(45.552.805)	(9.595.887)	(44.123.336)	(9.864.190)
Profits/(Losses) corresponding					
- parent shareholders		(49.923.935)	(10.851.551)	(48.774.020)	(9.796.645)
- minority interests		32.724	117.584	0	0
		(49.891.211)	(10.733.967)	(48.774.020)	(9.796.645)
Total Profits/Losses corresponding					
- parent shareholders		(45.586.662)	(9.752.972)	(44.123.336)	(9.864.190)
- minority interests		33.857	157.085		
Total comprehensive income		(45.552.805)	(9.595.887)	(44.123.336)	(9.864.190)
Basic earnings / (losses) per share (in €)	28	(1,3585)	(0,2953)	(1,3272)	(0,2666)

The attached explanatory notes cited on pages 5 to 50 constitute an integral part of the financial statements

(*) The items in the Comprehensive Income Statement for the comparative fiscal year 01.07-30.06.2013 have been recast due to the amended IAS 19 "Employee Benefits" (cf. Note 38)

Financial Position Statement

As of June 30, 2014

(Sums in Euros)

	NOTE	GROUP			COMPANY		
		30/6/2014	30/6/2013 (*)	30/6/2012 (*)	30/6/2014	30/6/2013 (*)	30/6/2012 (*)
ASSETS							
Tangible fixed assets used for own purposes	16	84.817.528	93.917.222	93.773.681	56.305.605	65.228.292	68.482.262
Investments in property	18	29.432.872	20.882.259	23.497.218	29.432.872	20.882.259	23.497.218
Intangible assets	17	7.944.811	7.944.902	7.892.796	0	0	0
Investments in Subsidiary Enterprises	19	0	0	0	20.903.946	20.899.510	20.771.085
Deferred Tax Receivables	21	6.950.090	0	42.533	6.950.090	0	42.533
Non-current assets held for sale	35	56.209	57.003	59.480	0	0	0
Other Long-Term Receivables	20	243.822	691.085	811.917	70.990	63.715	67.103
Total Non-Current Assets		129.445.332	123.492.471	126.077.625	113.663.503	107.073.776	112.860.201
Inventories	22	62.285.629	75.796.908	82.415.560	34.232.863	46.291.633	46.463.752
Customers and other Trade Receivables	23	37.888.578	62.132.103	67.789.335	22.857.706	44.895.129	63.601.413
Other Receivables	25	6.557.544	5.429.723	11.197.142	19.179.642	14.755.014	6.297.669
Financial Items at Fair Value through P&L	35	123.806	102.960	46.374	123.806	102.960	46.374
Cash and cash equivalents	24	1.710.973	4.901.368	1.855.190	1.242.491	2.981.477	1.316.985
Total Current Assets		108.566.530	148.363.062	163.303.601	77.636.508	109.026.213	117.726.193
Assets available for sale		0	0	1.205.073	0	0	1.205.073
Total Assets		238.011.862	271.855.533	290.586.299	191.300.011	216.099.989	231.791.467
Net Position							
Share Capital	26	26.826.703	26.826.703	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	16.888.623	16.888.623
Reserves	27	110.771.815	111.654.880	110.411.083	136.836.026	137.233.471	137.155.798
Revaluation Reserves	27	6.845.643	1.791.028	1.936.246	6.845.643	1.791.028	1.936.246
Accumulated profits (losses)		(127.516.615)	(77.815.034)	(66.265.737)	(180.828.386)	(132.047.880)	(122.251.235)
Parent owners' total equity		33.816.169	79.346.200	89.796.918	6.568.609	50.691.945	60.556.135
minority interests		212.360	479.976	510.753	0	0	0
Total Equity		34.028.529	79.826.176	90.307.671	6.568.609	50.691.945	60.556.135
Long-term loan liabilities	29	50.894	667.010	2.193.684	0	0	0
Deferred Tax Liabilities	21	1.213.368	931.111	481.386	0	297.620	0
Liabilities for Employee Benefits	30	4.524.827	4.333.869	4.337.661	4.125.629	3.684.847	3.755.315
Other long-term liabilities	34	927.962	1.478.541	2.725.178	418.636	550.460	969.213
Total Long-Term Liabilities		6.717.051	7.410.531	9.737.909	4.544.265	4.532.927	4.724.528
Suppliers and other liabilities	31	30.244.463	28.109.989	21.731.004	38.713.919	29.210.577	28.501.983
Current Tax Liabilities		1.985.233	2.631.648	1.548.224	1.520.160	1.778.902	1.028.280
Short-term loan liabilities	29	161.522.756	148.956.194	147.368.387	137.338.739	127.065.140	133.181.892
Other short-term liabilities	33	3.450.182	4.860.719	19.848.477	2.550.671	2.760.222	3.754.022
Provisions	32	63.648	60.276	44.627	63.648	60.276	44.627
Total Short-Term Liabilities		197.266.282	184.618.826	190.540.719	180.187.137	160.875.117	166.510.804
Total Liabilities		203.983.333	192.029.357	200.278.628	184.731.402	165.408.044	171.235.332
Total Equity and Liabilities		238.011.862	271.855.533	290.586.299	191.300.011	216.099.989	231.791.467

The attached explanatory notes cited on pages 5 to 50 constitute an integral part of the financial statements

(*) The items in the Financial Position Statement for the comparable fiscal year ended on 30.06.2013 have been recast due to the amended IAS 19 "Employee benefits" (cf. Note 38)

Consolidated changes in equity statement
For the fiscal year ended on June 30, 2014
(Sums in Euro)

CHANGES IN EQUITY STATEMENT

Sums in Euro

Balance on July 1, 2012, as published

Effect of the revision of IAS 19

Balance on July 1, 2012 after the revision of IAS 19

Transactions with Shareholders

- Share capital increase
- Dividends paid
- Change of Group percentages & other changes

Other changes for the period

- Other comprehensive income
- Profit or loss for fiscal year

Balance on June 30, 2013

Balance on July 1, 2013, as published

Effect of the revision of IAS 19

Balance on July 1, 2013 after the revision of IAS 19

Transactions with Shareholders

- Share capital increase
- Dividends paid
- Change of Group percentages & other changes

Other changes for the period

- Other comprehensive income
- Profit or loss for fiscal year

Balance on June 30, 2014

GROUP

Share capital	Premium	Reserves	Results carried forward	Equity attributable to Parent Company shareholders	Minority rights	TOTAL EQUITY
26.826.703	16.888.623	112.278.442	(66.265.737)	89.728.031	510.753	90.238.784
0	0	68.887	0	68.887	0	68.887
26.826.703	16.888.623	112.347.329	(66.265.737)	89.796.918	510.753	90.307.671
0	0	0	0	0	0	0
0	0	0	0	0	(152.288)	(152.288)
0	0	0	(697.746)	(697.746)	(35.574)	(733.320)
0	0	1.098.579	0	1.098.579	39.501	1.138.080
0	0	0	(10.851.551)	(10.851.551)	117.584	(10.733.967)
26.826.703	16.888.623	113.445.908	(77.815.034)	79.346.200	479.976	79.826.176
26.826.703	16.888.623	113.299.348	(77.815.034)	79.199.640	479.976	79.679.616
0	0	146.560	0	146.560	0	146.560
26.826.703	16.888.623	113.445.908	(77.815.034)	79.346.200	479.976	79.826.176
0	0	0	0	0	0	0
0	0	0	0	0	(40.049)	(40.049)
0	0	(165.723)	222.354	56.631	(261.424)	(204.793)
0	0	4.337.273	0	4.337.273	1.133	4.338.406
0	0	0	(49.923.935)	(49.923.935)	32.724	(49.891.211)
26.826.703	16.888.623	117.617.458	(127.516.615)	33.816.169	212.360	34.028.529

Company changes in equity statement

For the fiscal year ended on June 30, 2014
(Sums in Euro)

Sums in Euro

Balance on July 1, 2012, as published

Effect from the revision of IAS 19

Balance on July 1, 2012 after the revision of IAS 19

Transactions with Shareholders

- Share capital increase

- Dividends paid

Other changes for the period

- Reserves & Other arrangements

- Other comprehensive income

- Profits / losses for fiscal year

Balance on June 30, 2013

Balance on July 1, 2013, as published

Effect from the revision of IAS 19

Balance on July 1, 2013 after the revision of IAS 19

Transactions with Shareholders

- Share capital increase

- Dividends paid

Other changes for the period

- Reserves & Other arrangements

- Other comprehensive income

- Profits / losses for fiscal year

Balance on June 30, 2014

Share Capital	Premium	Reserves	Results carried forward	TOTAL
26.826.703	16.888.623	139.023.157	(122.251.235)	60.487.248
0	0	68.887	0	68.887
26.826.703	16.888.623	139.092.044	(122.251.235)	60.556.135
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	(67.545)	0	(67.545)
0	0	0	(9.796.645)	(9.796.645)
26.826.703	16.888.623	139.024.499	(132.047.880)	50.691.945
26.826.703	16.888.623	138.877.939	(132.047.880)	50.545.385
0	0	146.560	0	146.560
26.826.703	16.888.623	139.024.499	(132.047.880)	50.691.945
0	0	0	0	0
0	0	0	0	0
0	0	6.486	(6.486)	0
0	0	4.650.684	0	4.650.684
0	0	0	(48.774.020)	(48.774.020)
26.826.703	16.888.623	143.681.669	(180.828.386)	6.568.609

The attached explanatory notes cited on pages 5 to 50 constitute an integral part of the financial statements

Cash flow statement

For the fiscal year ended on June 30, 2014
(Sums in Euro)

	GROUP		COMPANY	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Operating activities				
Receivables collected	195.305.422	234.555.609	114.240.191	170.318.317
Payments for purchases, corporate expenditures	(192.930.515)	(196.767.576)	(117.017.736)	(149.367.559)
Taxes payable (proceeds from tax return)	(451.712)	(895.846)	0	0
Interest paid	(9.645.401)	(8.192.866)	(7.766.258)	(6.779.415)
Total cash inflow/outflow from operating activities (a)	(7.722.206)	28.699.321	(10.543.803)	14.171.343
Investing activities				
Payments for the acquisition of tangible and intangible assets	(2.236.989)	(4.980.029)	(374.714)	(256.190)
Payments for the purchase of investment stock (shares, securities)	(605.559)	(14.865.836)	0	0
Dividends received	0	0	3.227.648	0
Payments for the purchase of subsidiaries, affiliates, joint ventures etc.	0	0	(4.436)	(128.424)
Proceeds from the sale of tangible and intangible assets	20.653	209.042	0	0
Total cash inflow/outflow from investing activities (b)	(2.821.895)	(19.636.823)	2.848.498	(384.614)
Financing activities				
Proceeds from issued/assumed loans	50.515.253	65.264.621	17.885.667	35.875.265
Loan repayment	(42.960.459)	(71.187.518)	(11.929.348)	(47.997.502)
Dividends paid	(201.881)	(93.667)	0	0
Total cash inflow/outflow from financing activities (c)	7.352.913	(6.016.564)	5.956.319	(12.122.237)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(3.191.188)	3.045.934	(1.738.986)	1.664.492
Cash and cash equivalents at beginning of period	4.902.161	1.855.434	2.981.477	1.316.985
Cash and cash equivalents at end of period	1.710.973	4.901.368	1.242.491	2.981.477

The attached explanatory notes cited on pages 5 to 50 constitute an integral part of the financial statements

1. Information about the company

The “Hellenic Sugar Industry SA” with mark designation “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), International Activity FTSE (FTSEGT), FTSEA and FTSE Foods-Drinks.

On 30.6.2014 the Group employed 906 people (30.06.2013: 1,040), of whom 386 (30.06.2013: 505) work in Greece. The allocation of personnel is presented in detail in the table below:

PERSONNEL 30/6/2014		
	Full time	Seasonal
HELLENIC SUGAR INDUSTRY SA	260	126
AD FABRICA SECERA SAJKASKA	173	53
AD FABRICA SECERA CRVENKA	201	93
HSI GROUP SA	634	272
		906

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

The Consolidated Financial Statements of the Company as of June 30, 2014 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	99,58%	99,53%
AD FABRIKA SECERA “CRVENKA”	Sugar plant	99,41%	98,50%
<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, 2014.

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 and the Company shall obtain the financing required for the unhindered continuation of its activity in the future (also see notes 3, 29 and 35.2).

The financial statements were approved by the Board of Directors on September 29, 2014, have been posted on the internet at address www.ebz.gr and the website of Athens Stock Exchange 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 P&L and 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 adequate financing in order to cover the continuous needs of the Company in the visible future.

The financial and structural problems faced by the company and the significant fall in sugar prices in Greece, combined with the high productive, industrial and operating cost resulted in a fall in sales, turnover and profit margin and subsequently the limiting of cash liquidity. Consequences of these are the loss generating results of the last years and the absolutely necessary restructuring and adjustment of the company to the new adverse market conditions.

On June 27, 2012 the Committee for Credit and Insurance Issues of the Bank of Greece (Gov. Gaz. 2208/27-7-2012) decided 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. 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 Group and the Company on 30/06/2014 amounted to the total sum of € 161,574 thousand and € 137,339 thousand correspondingly and are short-term 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 € 88,700 thousand and € 102,551 thousand correspondingly.

From the above it follows that there are facts and conditions which could be indicating difficulties for the uninterrupted continuation of the activity of the company and, as a result, a potential failure to use its assets and settle its liabilities in the context of its operating activity. However, provided the actions recommended in the viability study are implemented and the necessary financing is ensured then the conditions above will gradually cease to exist.

Actions

As has been cited above, the company, by a resolution by its Board of Directors, had assigned to a Consulting Firm the elaboration of a new business plan as well as the elaboration of a restructuring study for the activities of the company and the group. The business plan has been completed and the management of the company has submitted it to the creditor bank, complemented by the proposal for the operating restructuring of the Group but also in relation to the total form of its financing. The Management of the Company has already put the restructuring plan in application aiming to ensure the viability of the company. The first stages of restructuring have been implemented and are analysed in the annual report by the Board of Directors above.

During the period under closure, the company applied for and received a renewal of its credit limit by “Piraeus Bank SA” until and including March 31, 2014. The company being in constant communication and negotiation with Piraeus Bank has applied for the further extension of its financing combined with the assessment of the already existing lending and the necessary restructuring of the company. Until the date for the approval of the financial statements the extension above has not been granted, and as a result the loan liabilities of the company, amounting to € 137 million be rendered overdue by the Bank. In any case the Management of the company continues its communication and negotiation with the Bank for the reassessment of the terms of its loan liabilities.

On 28/08/2014 the Company signed with the creditor Bank a “Memorandum of Mutual Understanding” with a three month term to find a potential solution ensuring the loan receivables of the latter and simultaneously the long-term viability and operation of the Company. Based on this memorandum the parties involved will assess all alternative forms of arrangement for these particular liabilities.

Also in September 2014 the Group submitted a request for new financing which is in the process of assessment by the creditor Bank.

Due to the Group’s tight cash liquidity, management has prepared a cash programme for the coming 12 months based on which the Group must operate in order to meet its obligations. This programme includes, amongst others, expenses cut-backs and review of agreements with associates, aiming towards the, to the extent possible, principally the middle-term settlement of liabilities.

Finally, The entire equity of the company, after the accumulated losses has fallen below half of the paid-in share capital and, consequently, there conduces a reason for the application of article 47 of Law 2190/1920.

The Group’s Management based on:

- a) the mutual will shared with the creditor Bank and the Reference Shareholder to find a viable solution;
- b) the materialization of specific actions for the restructuring of the structure of the company, which are provided for in its business plan. These specific actions will lead both in the medium as well as in the long run to the improvement of EBITDA, of the company and its cash liquidity.
- c) the strict observance of the existing cash planning

estimates that a mutually acceptable solution will be found with the creditor Bank, ensuring the long-term viability and operation of the Company.

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 applies 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 with Banks and in 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	5-10

“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. The maximum duration of the useful life for furniture and other equipment was decreased to 10 years.

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 Employee 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 are entered in Other Comprehensive Income and directly affect the items of Equity.

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 cash-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 *Inventories*

Inventories 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 *Cases pending before Courts*

The Group recognizes a provision for cases pending before Courts, 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.

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**

6.1 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 01/01/2014 or after.

- **IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, IFRS 12 “Disclosure of interests in other entities”, IAS 27 “Separate Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” (effective for annual accounting periods commencing on or after 01/01/2014)**

In May 2011, IASB issued three new Standards and specifically IFRS 10, IFRS 11 and IFRS 12. IFRS 10 “Consolidated Financial Statements” cites a consolidation model which establishes control as the consolidation basis for all types of enterprises. IFRS 10 replaces IAS 27 “Consolidated and Separate Financial Statements” and Interpretation (SIC) 12 “Consolidation – Special Purpose Entities”. IFRS 11 “Joint Arrangements” establishes the principles regarding the financial informing of members participating in a Joint Arrangement. IFRS 11 replaces IAS 31 “Interests in Joint Ventures” and Interpretation (SIC) 13 “Jointly Controlled Entities – Non-monetary Contributions by Venturers”. IFRS 12 “Disclosure of interests in other entities” consolidated, enriches and replaces disclosure requirements for subsidiaries, joint arrangements, associates and structured (non-consolidated) enterprises. As a result of the aforementioned new Standards IASB also published the amended IAS 27 entitled IAS 27 “Separate Financial Statements” and the amended IAS 28 entitled IAS 28 “Investments in Associates and Joint Ventures”. The standards had no effect on the consolidated Financial Statements.

- **Transition directive: Consolidated Financial Statements, Joint Arrangements, Disclosure of interests in other entities (Amendments of IFRS 10, IFRS 11 and IFRS 12) (effective for annual accounting periods commencing on or after 01/01/2014)**

In June 2012, IASB proceeded with the publication in question which provides clarifications regarding the transitory provisions in IFRS 10. Additionally, the amendments provide additional relief at the transition to IFRS 10, IFRS 11 and IFRS 12 lowering the requirements for the provision of adjusted comparative data only for the previous comparative period. In addition, with respect to disclosures for non-consolidated enterprises, the amendments remove the requirement for the presentation of comparative informing. The amendments had no effect on the consolidated Financial Statements.

- **Investment entities (Amendment of IFRS 10, IFRS 12 and IAS 27) (applicable for annual accounting periods beginning on or after 01/01/2014)**

In October 2012, IASB proceeded with the publication of amendments to IFRS 10, IFRS 12 and IAS 27. The amendments are applicable for a specific category of entities characterized as investment entities. IASB uses the term “investment entity” to refer to entities whose sole and exclusive business aim is to invest funds for returns from capital appreciation, investment income or both. An investment entity must measure the performance of its investments based on fair value. Such entities may include organizations of private investment funds, organizations of business capital, pension funds, state investment funds and other investment funds. The amendment for investment entities provides an exemption from the consolidation requirements posed by IFRS 10 and requires investment entities to measure specific subsidiaries at fair value through profit and loss, instead of consolidating them, citing the necessary disclosures. The amendments had no effect on the consolidated Financial Statements.

- **Amendments to IAS 32 “Financial Instruments: Presentation” - Offsetting of Financial Assets and Financial Liabilities (effective for annual accounting periods beginning on or after 01/01/2014)**

In December 2011 IASB proceeded with the publication of amendments to IAS 32 “Financial Instruments: Presentation” in order to provide clarifications regarding the Standard’s requirements for the cases of offsetting of financial assets and financial liabilities in the Financial Position Statement. The amendments had no effect on the consolidated Financial Statements.

- **Amendment to IAS 36 “Impairment of Assets” - Recoverable amount disclosures for non-financial assets (effective for annual accounting periods beginning on or after 01/01/2014)**

In May 2013, IASB proceeded with the publication of a limited scope amendment to IAS 36 “Impairment of the value of Assets”. This amendment defines disclosures which must be performed with respect to the recoverable amount of an impaired asset, if said amount is based on fair value minus sales costs. The amendment had no effect on the consolidated Financial Statements.

- **Amendments to IAS 39 “Financial Instruments: Recognition and Measurement”- Novation of Derivatives and continuation of Hedge Accounting (effective for annual accounting periods beginning on or after 01/01/2014)**

In June 2013, IASB proceeded with the publication of limited scope amendments to IAS 39 “Financial Instruments: Recognition and Measurement”. The goal of the proposed amendments is to introduce a limited scope exemption with respect to the suspension of hedge accounting, pursuant to the principles of IAS 39. Specifically, provided certain conditions are met, an exemption is proposed when the counterparty of a derivative designated as hedge instrument, is replaced by a principal counterparty as a result of changes to the laws or regulations. A relevant exemption will also be included in IFRS 9 “Financial Instruments”. The amendments had no effect on the consolidated Financial Statements.

- **Interpretation (SIC) 21 “Levies” (effective for annual accounting periods beginning on or after 01/01/2014)**

In May 2013, IASB proceeded with the publication of Interpretation (SIC) 21. This Interpretation clarifies when an entity must recognize the liability for the payment of a levy imposed by the state in its Financial Statements. Interpretation (SIC) 21 is an interpretation of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. IAS 37 establishes the criteria for the recognition of a liability, one of which is the requirement for there to be a present liability as a result of a past event, known as binding event. The interpretation cites that the binding event which creates the liability for the payment of a levy is the activity described in the relevant legislation which activates the payment of the levy. The amendment had no effect on the consolidated Financial Statements.

6.2 New published Standards and Interpretations which are mandatory for accounting periods commencing on or after January 1, 2014, but which have not been adopted by the European Union and have not been applied at an earlier stage by the Group and the Company.

- **Cycle of Annual Improvements to Standards 2010-2012 (effective for annual accounting periods beginning on or after 01/07/2014)**

In December 2013 IASB proceeded with the publication of “Annual Improvements to International Financial Reporting Standards Cycle 2010-2012”, which comprises of a series of adjustments to 8 Standards and constitutes part of the programme for annual improvements to Standards. These amendments reflect the issues discussed by the International Accounting Standards Board in the course of the cycle of the project which commenced in 2010 and were included in the draft report for the proposed amendments to IFRS, Annual Improvements to IFRS 2010-2012 Cycle (published in May 2012). The amendments are effective for annual accounting periods commencing on or after July 1, 2014, although economic entities are permitted to apply them at an earlier stage. The subjects included in this cycle are the following: IFRS 2 Definition of vesting conditions; IFRS 3: Accounting treatment of a contingent consideration in a business combination; IFRS 8: Aggregation of operating sectors; IFRS 8: Agreement of all assets in the sectors for presentation with the company's assets. IFRS 13: Short-term receivables and payables, IAS 7: Paid interest to be capitalized, IAS 16/IAS 38: Readjustment method – proportional recast of accumulated amortization and IAS 24: Key management personnel. The Group shall assess the effects of the above on its Financial Statements, although it is not anticipated for there to be any. The above have not been adopted by the European Union.

- **Cycle of Annual Improvements to Standards 2011-2013 (effective for annual accounting periods beginning on or after 01/07/2014)**

In December 2013 IASB proceeded with the publication of “Annual Improvements to International Financial Reporting Standards Cycle 2011-2013”, which comprises of a series of adjustments to 4 Standards and constitutes part of the programme for annual improvements to Standards. These amendments reflect the issues discussed by the International Accounting Standards Board in the course of the cycle of the project which commenced in 2011 and were included in the draft report for the proposed amendments to IFRS, Annual Improvements to IFRS 2011-2013 Cycle (published in November 2012). The amendments are effective for annual accounting periods commencing on or after July 1, 2014, although economic entities are permitted to apply them at an earlier stage. The subjects included in this cycle are the following: **IFRS 1**: the concept of existing IFRS; **IFRS 3**: Exemptions for joint-ventures; **IFRS 13**: Scope of application of paragraph 52 (exemption of portfolio) and **IAS 40**: Clarification of the interdependence of IFRS 3 Business Combinations and IAS 40 Investment Property at the classification of real estate as investments in property or property used for own purposes. The Group shall assess the effects of the above on its Financial Statements, although it is not anticipated for there to be any. The above have not been yet adopted by the European Union.

- **Defined Benefit Plan: Employee contributions (effective for annual accounting periods beginning on or after 01/07/2014)**

In November 2013 IASB proceeded with the issue of a limited scope amendment to IAS 19 “Employee Benefits” entitled Defined Benefit Plan: Employee Contributions (Amendments to IAS 19). The present amendment applies to employee or third party contributions to defined benefit plans. The goal of the amendment is to simplify the accounting treatment of contributions which are independent of the years of service of the employees, such as, for example, contributions calculated as a fixed percentage on the payroll. The Group shall assess the effects of the above on its Financial Statements, although it is not anticipated for there to be any. The above have not been yet adopted by the European Union.

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	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Total Loans	<u>161.573.650</u>	<u>149.623.204</u>	<u>137.338.739</u>	<u>127.065.140</u>
Cash at hand	<u>1.710.973</u>	<u>4.901.368</u>	<u>1.242.491</u>	<u>2.981.477</u>
Net Borrowing	159.862.677	144.721.836	136.096.248	124.083.663
Total Net Position	<u>33.816.169</u>	<u>79.346.200</u>	<u>6.568.609</u>	<u>50.691.945</u>
Loans to Equity Ratio	<u>4.73</u>	<u>1.82</u>	<u>20.72</u>	<u>2.45</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 Operating Sectors

(Ποσά σε Ευρώ)

	01/07/2013-30/06/2014			01/07/2012-30/06/2013		
	Sugar	Others	Total	Sugar	Others	Total
Sales	146.404.420	30.421.678	176.826.098	200.229.349	28.125.462	228.354.811
Cost of sales	(143.285.584)	(26.300.894)	(169.586.479)	(159.934.414)	(24.003.894)	(183.938.308)
Gross profit	3.118.835	4.120.784	7.239.619	40.294.935	4.121.568	44.416.503
Other income	2.266.436	470.948	2.737.384	3.993.446	560.944	4.554.390
Other expenses	(43.664.771)	(9.073.194)	(52.737.965)	(39.273.905)	(5.516.657)	(44.790.562)
Operating P&L	(38.279.500)	(4.481.462)	(42.760.962)	5.014.476	(834.145)	4.180.331
Financial income	764.185	158.791	922.976	981.280	137.837	1.119.117
Financial expenses	(12.884.949)	(2.677.390)	(15.562.339)	(14.543.955)	(2.042.934)	(16.586.889)
Profits (losses) before taxes	(50.400.264)	(7.000.061)	(57.400.325)	(8.548.198)	(2.739.243)	(11.287.441)
Income Tax			7.509.114			553.474
Profits (Losses) after taxes			(49.891.211)			(10.733.967)
Total Assets per Sector	197.063.606	40.948.256	238.011.862	238.372.278	33.483.255	271.855.533
Total Liabilities per Sector	168.889.444	35.093.889	203.983.333	168.377.942	23.651.415	192.029.357
Amortization of Fixed Assets	3.932.725	817.189	4.749.914	3.925.047	551.337	4.476.384
Investments in Fixed Assets	2.232.122	463.817	2.695.939	4.326.487	607.725	4.934.212

8.2 Secondary briefing per geographic area

(Sums in Euros)

01/07/2013-30/06/2014				
	Greece	Eurozone	Serbia	Total
Sales	100.514.924	29.796.455	46.514.719	176.826.098
Cost of sales	(107.157.919)	(24.897.011)	(37.531.549)	(169.586.479)
Gross profit	(6.642.995)	4.899.444	8.983.170	7.239.619
Total Assets	135.295.324	40.106.691	62.609.847	238.011.862
Investments in fixed assets	1.532.478	454.285	709.176	2.695.939

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
Total Assets	188.788.529	14.148.866	68.918.138	271.855.533
Investments in fixed assets	3.426.535	256.804	1.250.873	4.934.212

8.3 Secondary informing per product-services

(Sums in Euros)

	GROUP		COMPANY	
	01/07/2013-30/06/2014	01/07/2012-30/06/2013	01/07/2013-30/06/2014	01/07/2012-30/06/2013
Sales of products - merchandise	146.404.420	200.229.349	92.737.135	151.335.865
Sales of other stock	29.420.132	26.742.522	7.770.847	8.473.974
Income from services	1.001.546	1.382.940	1.001.546	1.382.940
	176.826.098	228.354.811	101.509.528	161.192.779

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)

	GROUP		COMPANY	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Income from subsidies	567.086	849.865	567.086	849.865
Income from the provision of services to third parties	587.455	220.314	587.455	220.314
Income from the sale of emission rights	0	338.780	0	338.780
Collected expenses for the dispatch of goods	628.882	1.501.414	520.400	1.384.395
Discounts from suppliers	64.863	268.625	0	0
Profits from the sale of materials - spare parts	99.018	63.085	0	40.650
Reversal of the loss from written-off claims	220.398	22.630	0	0
Income from unused-used previous years provisions	199.314	838.859	125.481	750.351
Other	370.367	450.818	166.352	189.786
	2.737.384	4.554.390	1.966.775	3.774.141

10 Expenses per kind

(Sums in Euros)

	GROUP		COMPANY	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Personnel salaries	24.513.043	29.079.350	17.439.787	21.575.802
Cost of inventories recognized as expense	101.706.436	114.523.662	67.522.350	92.251.990
Third party fees	22.589.243	18.214.618	19.075.432	15.436.346
Transportation	9.927.714	8.870.977	4.845.770	5.439.218
Amortization of fixed and intangible assets	5.118.685	4.313.417	2.875.438	2.729.029
Third party supplies (natural gas, PPC etc)	24.701.973	27.292.904	10.139.622	12.310.519
Other	1.942.556	3.234.127	1.786.513	1.353.791
Total Cost of sales, Administration and Distribution expenses	190.499.649	205.529.055	123.684.911	151.096.695

The expense for leasehold included in the table above amounts to the sum of € 770.060 (30.06.2013: € 1.091.515).

11 Personnel expenses

(Sums in Euros)

	GROUP		COMPANY	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Salaries and wages	17.141.465	21.245.364	13.017.901	16.350.575
Contributions to insurance funds	5.236.466	5.706.150	3.757.379	4.404.123
Retirement benefits	546.848	589.874	440.653	571.735
Other employee benefits	1.588.264	1.537.961	223.854	249.368
	24.513.043	29.079.350	17.439.787	21.575.802

12 Other expenses

(Sums in Euros)

	NOTE	GROUP		COMPANY	
		01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Provisions for extraordinary risks and extraordinary expenses		1.803.372	2.841.649	1.803.372	2.841.649
Losses from the sale - destruction of fixed assets	16	10.816	211.408	0	0
Cost of OAED Special Subsidy Program	36	0	0	0	0
Provision for customer bad debts	23	24.590.263	16.328.640	24.415.000	15.976.000
Expenses from the revaluation of Investment Fixed Assets	18	4.245.115	2.614.959	4.245.115	2.614.959
Endowments - grants		24.933	60.087	0	0
Expenses for the dismantling of fixed assets		0	0	0	0
Other		1.150.295	1.143.072	950.186	1.002.102
		31.824.795	23.199.815	31.413.674	22.434.710

13 Financial income

(Sums in Euros)

		GROUP		COMPANY	
		01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Income from securities		16.800	6.300	16.800	6.300
Other credit interest		271.960	156.846	35.852	47.747
Other capital income		246.914	152.080	89	0
Income from holdings		0	0	6.915.002	10.628.690
Profits from exchange rate differences		387.303	803.891	120	0
		922.976	1.119.117	6.967.862	10.682.737

14 Financial expenses

(Sums in Euros)

		GROUP		COMPANY	
		01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Interest and expenses of other long-term liabilities		1.837	3.684	1.837	3.684
Interest and expenses of other short-term bank financing		13.988.043	14.856.370	12.086.138	13.190.825
Procurements of Letters of Credit		52.654	27.556	31.545	27.556
Other expenses relating to financing		717.726	480.056	538.343	262.425
Loss from foreign exchange rate differences		802.080	1.219.222	0	5.523
		15.562.339	16.586.889	12.657.862	13.490.014

15 Income tax at the comprehensive income statement

(Sums in Euros)

	NOTE	GROUP		COMPANY	
		01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Current income tax		(835.358)	(1.385.922)	(345.749)	(531.434)
Deferred taxation	21	8.344.472	1.939.396	8.884.011	2.106.551
		7.509.114	553.474	8.538.262	1.575.117
Previous fiscal years income tax		0	0	0	0
		7.509.114	553.474	8.538.262	1.575.117

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 15%.

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

	GROUP		COMPANY	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Profits / (Losses) before taxes	(57.400.325)	(11.287.441)	(57.312.282)	(11.371.762)
Tax calculated at the current tax rates	13.857.397	1.340.108	14.901.193	2.956.658
Tax of expenses which have not been tax recognized	(790.492)	(2.397.268)	(221.859)	(1.952.340)
Tax of tax-free income	(1.214.619)	677.886	(1.797.900)	-
Differences from tax rates	-	-	-	-
Other non incorporated taxes	(4.688.922)	-	(4.688.922)	-
Effect of the offset of previous years' ε tax losses with this fiscal year's profits	-	231.642	-	231.642
Other non incorporated taxes	-	(635.367)	-	(531.434)
Differences of the tax audits of previous fiscal years	-	-	-	-
Others	345.750	1.336.473	345.750	870.591
Fiscal year tax	7.509.114	553.474	8.538.262	1.575.117

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

Tax authority		
HSI SA	Greece	From 1/7/2011 until 30/6/2014
AD FABRIKA SECERA "SAJKASKA"	Serbia	From 1/1/2004 until 30/6/2014
AD FABRIKA SECERA "CRVENKA"	Serbia	From 1/1/2004 until 30/6/2014
HSI Cyprus LTD	Cyprus	From 1/9/2003 until 30/6/2014

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), from 01/07/2011 until 30/06/2012 (fiscal year 2012) and from 01/07/2012 until 30/06/2013 (fiscal year 2013).

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 without reservations. The Certificate in question was timely submitted to the GSIS by the Statutory Auditors.

The special tax audit by the Statutory Auditors for the managerial year from 01/07/2013 until 30/06/2014, provided for in the provisions of article 82 par. 5 of Law 2238/1994 is in progress and the relevant tax compliance report is anticipated to be granted following the publication of the financial statements. Should additional tax liabilities ensue until the completion of the tax audit, we estimate that such will not have any material effect on 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. The audit in question was completed and the tax compliance of the Company was ascertained and no tax liability ensued. These fiscal years are, therefore, considered as closed.

Significant changes to the taxation legislation in Serbia were realized in the fiscal year of 2013, especially in matters relating to additional documentation measures for intragroup transactions. The subsidiaries of the Group are in the stage of preparation of the additional documentation required by legislation in Serbia.

In any case, the parent company has drafted a relevant documentation file as required by Greek legislation and the management of the group deems that no significant differences will ensue in this particular issue.

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 2012	86.243.349	129.423.925	5.280.086	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	(2.539.948)	(2.633.976)	-	(209.376)	(5.383.300)
Balance June 30 2013	83.360.035	127.078.510	5.266.552	8.694.936	224.400.032
Additions	94.561	363.211	119.628	2.118.538	2.695.939
Deductions-dismantling	(319.277)	(936.011)	-	-	(1.255.288)
Transfer to investment property	(5.965.167)	-	-	-	(5.965.167)
Exchange rate differences	(365.493)	(1.000.196)	-	(104.251)	(1.469.940)
Transfers	157.327	8.280.701	-	(8.438.029)	0
Balance June 30 2014	76.961.986	133.786.216	5.386.180	2.271.194	218.405.575
Amortization / Impairments					
Balance June 30 2012	(40.879.754)	(87.403.491)	(4.483.817)	-	(132.767.064)
Fiscal year amortization	(999.811)	(3.346.157)	(130.416)	-	(4.476.384)
Impairment – 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	2.564.108	2.272.728	64.030	-	4.900.866
Balance June 30 2013	(38.848.417)	(87.084.189)	(4.550.203)	-	(130.482.811)
Fiscal year amortization	(910.534)	(3.682.024)	(157.357)	-	(4.749.914)
Deductions-dismantling	-	536.137	-	-	536.137
Transfer to investment property	-	-	-	-	-
Exchange rate differences	288.146	676.185	-	-	964.332
Sales / write-offs of fixed assets	-	144.209	-	-	144.209
Balance June 30 2014	(39.470.804)	(89.409.681)	(4.707.560)	-	(133.588.047)

THE COMPANY

	Plots & Buildings	Means of transportation & mechanical equipment	Furniture & Other equipment	Fixed assets under construction	Total
Acquisition value					
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
Additions	0	255.085	119.628	-	374.714
Deductions-dismantling	(319.277)	(294.210)	-	-	(613.487)
Transfer to investment property	(5.965.167)	-	-	-	(5.965.167)
Exchange rate differences	-	-	-	-	-
Transfers	-	-	-	-	-
Balance June 30 2014	51.851.855	62.100.226	5.386.180	1.809.223	121.147.483
Amortization / Impairments					
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)
Impairment – 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)
Fiscal year amortization	(575.120)	(2.130.480)	(157.357)	-	(2.862.956)
Deductions-dismantling	-	-	-	-	-
Transfer to investment property	-	-	-	-	-
Exchange rate differences	-	-	-	-	-
Sales / write-offs of fixed assets	-	144.209	-	-	144.209
Balance June 30 2014	(18.929.305)	(41.205.014)	(4.707.560)	-	(64.841.879)
Unamortized value					
On 30/6/2012	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
On 30/06/2014	32.922.550	20.895.211	678.621	1.809.223	56.305.605

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 €20.460 on 30/6/2014 (30.06.2013 €66.225) and regards a commitment for next year.

There are liens on the the real estate of the company, which are analyzed in Note 29.

17 Intangible assets

(Sums in Euro)

	GROUP		
	Total	Goodwill	Software
<u>Acquisition value</u>			
Balance 1/7/2012	7.892.796	7.892.796	-
Additions	52.106	-	52.106
Exchange rate differences	-	-	-
Balance 30/6/2013	7.944.902	7.892.796	52.106
Balance 1/7/2013	7.944.902	7.892.796	52.106
Additions	20.040	-	20.040
Exchange rate differences	1.848	-	1.848
Balance 30/6/2014	7.966.790	7.892.796	73.994
<u>Amortizations/Impairments</u>			
Balance 1/7/2012	-	-	-
Fiscal year amortizations	-	-	-
Balance 30/6/2013	-	-	-
Balance 1/7/2013	-	-	-
Fiscal year amortizations	21.979	-	21.979
Balance 30/6/2014	21.979	-	21.979
<u>Current value</u>			
On 1/7/2012	7.892.796	7.892.796	-
On 30/6/2013	7.944.902	7.892.796	52.106
On 1/7/2013	7.944.902	7.892.796	52.106
On 30/6/2014	7.944.811	7.892.796	52.015

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)

	30.06.2014	30.06.2013
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, 2014 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 1%, (1.7.2012-30.6.2013: 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% (1.7.2012-30.6.2013: 15,28%) applied for the determination of recoverable sums.
- Review financial information for fiscal years 2008-2013 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 30/6/2013	20.149.934	732.325	20.882.259
Additions	3.592.625	9.203.103	12.795.728
Change of Fair Value (Note 12)	(4.198.990)	(46.125)	(4.245.115)
Υπόλοιπο 30/6/2014	19.543.569	9.889.303	29.432.872

	GROUP / COMPANY		
	Plots	Plots	Plots
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)
Balance 30/6/2013	20.194.934	732.325	20.882.259

Company investments in real estate regard plots (Larisa, Xanthi, Serres and Thessaloniki), 1 apartment (Athens) and 2 plots with buildings (Sindos, Thessaloniki and Xanthi). Income from rents from investment real estate for the fiscal year amount to 18.843 € (30/6/13: 18.602 €). Moreover, no expenses were realized for the investment real estate inside the fiscal year and there are no other obligations or liabilities ensuing from the leasehold contracts. There are liens on the company's real estate, which are analyzed in note 29.

Investment real estate has been evaluated at its 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 € (4.245.115) 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, 2014.

The Board of Directors of HSI SA decided to designate the Industrial Complex located on the Old National Road connecting Xanthi and Kavala as Investment Real Estate. The building facilities of the complex have an area of 42.808,00 m² while the plot is of area 718.525,00 m², with the only differentiation the adjustment to its fair value. This value compared to the value entered in the company's Balance Sheet gives a rise in value of € 5.064.615 which was entered directly in the Company's Equity and not in the income statement, due to the fact that it appeared in the financial statements of past years as used for own purposes.

19 Investments in subsidiary companies

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

	30/6/2014	30/6/2013
AD FABRIKA SAJKASKA	9.362.688	9.358.252
AD FABRIKA CRVENKA	11.524.150	11.524.150
HSI Cyprus LTD	17.108	17.108
TOTAL	20.903.946	20.899.510

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. On the shares of the subsidiaries in Serbia there are liens analyzed in note 29.

20 Other long-term receivables

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Customer long-term receivables	461.518	812.184	0	0
Receivables from building loans to employees	102.178	153.102	0	0
Other long-term receivables	70.990	63.715	70.990	63.715
Impairments	(390.864)	(337.916)	0	0
	243.822	691.085	70.990	63.715

21 Deferred taxes

Deferred taxes are calculated on the provisional differences, in accordance with the liability method, and are calculated based on the income tax rate expected to be applicable for the fiscal years where the reversal of provisionally taxed and deducted differences is anticipated. Pursuant to Law 4110/2013 the tax rate based on which tax on the profits of the companies active in Greece is calculated amounts, for fiscal year 2013, to 26%.

Deferred tax receivables and liabilities are offset when there is an applicable lawful right and when deferred income taxes regard the same tax authority. A deferred tax receivable is recognized for tax losses carried forward to the extent the realization of the relevant tax benefit through future tax profits is possible.

Deferred tax claims and liabilities originate from the following:

Movement of provisional fiscal year differences
(Sums in Euros)

GROUP

	Balance July 1, 2013	Recognized in P&L	Recognized in equity	Balance 30/6/2014
Intangible assets	7.544	(1.056)	0	6.488
Post service compensation	830.579	97.010	99.307	1.026.896
Deferred claim for anticipated profits	2.080.000	(442.000)	0	1.638.000
Other deferred claims	2.722.382	7.444.472	0	10.166.854
Readjustment of fixed assets	(6.571.616)	1.246.046	(1.775.946)	(7.101.516)
	(931.111)	8.344.472	(1.676.639)	5.736.722
<u>Financial Position Statement</u>				
Deferred Tax Receivable	0			6.950.090
Deferred Tax Liability	(931.111)			(1.213.368)
	(931.111)			5.736.722

Movement of provisional fiscal year differences
(Sums in Euros)

COMPANY

	Balance July 1, 2013	Recognized in P&L	Recognized in equity	Balance 30/6/2014
Intangible assets	7.544	(1.056)	0	6.488
Post service compensation	827.699	105.321	139.645	1.072.665
Deferred receivable for anticipated profits	2.080.000	(442.000)	0	1.638.000
Other deferred receivables	2.578.160	7.478.177	0	10.056.337
Readjustment of fixed assets	(6.546.505)	8.375.652	0	1.829.147
Fair Value of Instement Real Estate	755.482	(6.632.083)	(1.775.946)	(7.652.547)
	(297.620)	8.884.011	(1.636.301)	6.950.090
<u>Financial Position Statement</u>				
Deferred Tax Receivable	0			6.950.090
Deferred Tax Liability	(297.620)			0
	(297.620)			6.950.090

22 Inventories

(Sums in Euros)

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

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Raw, auxiliary materials, spare parts & consumables	14.021.679	18.878.982	11.662.818	16.301.583
Products & semi-finished	41.064.674	37.537.559	16.100.189	11.763.727
Byproducts	59.476	85.217	59.476	85.217
Merchandise	7.139.801	19.295.150	6.410.381	18.141.106
	62.285.629	75.796.908	34.232.863	46.291.633

The cost of inventories recognized in the income statement for the Group and the Company is cited in note 10. The cost above includes the sum of € 2.800.000 which regards impairment based on the liquitable value.

There are liens on the inventories of the company which are analyzed in note 29.

23 Customers and other trade receivables

(Sums in Euro)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Customer receivables	35.918.458	45.910.265	17.958.460	24.967.269
Cheques collectible (post-dated)	44.819.069	41.714.669	44.819.069	41.714.669
Cheques overdue	11.442.607	4.779.073	11.442.607	4.779.073
Receivables from the State	13.950.998	14.132.546	13.950.998	14.132.546
	106.131.132	106.536.553	88.171.134	85.593.557
Impairments	(68.242.554)	(44.404.450)	(65.313.428)	(40.698.428)
Net receivables	37.888.578	62.132.103	22.857.706	44.895.129

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 68,243 million and by the Company amounting to the sum of 65,313 million.

The movement of the provision for trade receivables is as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Balance July 1	44.404.450	28.193.851	40.698.428	24.722.428
Fiscal year impairment	25.204.797	16.192.895	24.615.000	15.976.000
Offsetting entry	(1.366.693)	17.704	0	0
Balance June 30	68.242.554	44.404.450	65.313.428	40.698.428

24 Cash and cash equivalents

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Cash at hand	18.380	44.048	18.380	42.491
Bank deposits				
Sight	1.692.594	3.776.180	1.224.443	2.938.986
Time	0	1.081.140	0	0
	1.710.973	4.901.368	1.242.491	2.981.477

From the sums above 331 Euros in cash and 466.505 Euros in Bank deposits regard a Foreign Currency (DINAR) and have been valued in the exchange rate Euro/Foreign Currency on 30/6/2014. 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	331	0
Bank deposits		
-DINAR	466.505	0
	466.505	0

25 Other receivables

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Sundry debtors	3.029.859	3.797.707	1.729.242	2.042.079
Sub-judice sundry debtors	751.767	42.940	751.767	42.940
Affiliated companies short-term liabilities	0	0	14.003.860	10.662.256
Prepaid and retained taxes	3.886.287	3.034.671	2.644.078	2.296.770
Fiscal year income collectible	3.582.038	2.559.346	2.991.444	2.490.254
Future fiscal year expenses	76.860	62.160	8.200	23.895
Impairments	(4.769.266)	(4.067.101)	(2.948.948)	(2.803.198)
	6.557.544	5.429.723	19.179.642	14.755.014

The movement of the provision for other receivables is as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
Balance 1/7	(4.067.101)	(5.887.492)	(2.803.198)	(4.545.959)
Provisions for fiscal year	(902.165)	(531.435)	(345.750)	(531.435)
Offsetting entries	200.000	2.351.826	200.000	2.274.196
Balance 30/06	(4.769.266)	(4.067.101)	(2.948.948)	(2.803.198)

26 Share capital and reserves

(Sums in Euros)

	<i>Number of shares</i>	<i>Share Capital</i>	<i>Premium</i>	<i>Total</i>
Balance on 30/6/2013	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 30/6/2014	36.748.909	26.826.703	16.888.623	43.715.326

The share capital of the company comprises of 36.748.909 nominal shares with a value of 0.73 Euros each one, namely a total of 26,826,703 Euros and is fully paid-in. Company shares are listed 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.

There are at the end of the current fiscal year no shares of the parent company held either by itself or its subsidiaries.

27 Reserves

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
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	6.845.643	1.791.028	6.845.643	1.791.028
Formation of reserve for actuarial profits/losses	(23.436)	146.560	(250.885)	146.560
Currency exchange conversion differences	(27.248.184)	(27.248.184)	0	0
Others	35.452.552	35.452.552	33.782.959	33.782.959
	117.617.458	113.445.908	143.681.669	139.024.499

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>	
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
Profits - Losses after taxes corresponding to the Owners of the Parent	(49.923.935)	(10.851.551)	(48.774.020)	(9.796.645)
Weighted average of shares	36.748.909	36.748.909	36.748.909	36.748.909
Profits - Losses after taxes per share - basic (in €)	(1,3585)	(0,2953)	(1,3272)	(0,2666)

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>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Long-term liabilities				
Guaranteed bank loans	50.894	667.010	0	0
	50.894	667.010	0	0
Short-term liabilities				
Guaranteed bank loans	138.390.961	132.791.791	137.338.739	127.065.140
Long-term loan liabilities payable on the next fiscal year	23.131.795	16.164.403	0	0
Loans from affiliated company	0	0	0	0
	161.522.756	148.956.194	137.338.739	127.065.140
Total Loan Obligations	161.573.650	149.623.204	137.338.739	127.065.140

Terms and time-schedule for the repayment of loans

GROUP					
	Currency	Average Nominal Interest rate	Repayment year	30/6/2014	30/6/2013
Short-term	Euro	8,50%	2014	137.338.739	127.065.140
Long-term	Euro	3m eurib +5,75%	2015	50.894	573.033
Short-term	Dinar	3,50%	2014	0	93.978
Short-term	Euro	3m eurib +5,75%	2014	576.031	578.834
Short-term	Euro	3,50%	2014	0	2.552.246
Short-term	Euro	3,50%	2013	0	1.002.144
Short-term	Euro	7,80%	2013	0	2.014.833
Short-term	Euro	8,40%	2013	0	2.506.311
Short-term	Euro	1m eurib +5,3%	2014	6.912.706	0
Short-term	Dinar	repo+2%	2013	0	500.736
Short-term	Dinar	3,50%	2014	141.189	56.794
Short-term	Dinar	3m belib +2,2%	2014	404.830	0
Short-term	Dinar	repo+2,5%	2014	809.336	0
Short-term	Dinar	3m eurib +4,95%	2014	1.142.855	0
Short-term	Euro	1m eurib +5,5%	2014	1.385.502	0
Short-term	Euro	3m eurib +5%	2015	2.566.008	2.869.541
Short-term	Euro	3m eurib +5,75%	2014	522.290	1.052.995
Short-term	Euro	3m eurib +5,75%	2014	0	1.343.373
Short-term	Dinar	repo +1,5%	2014	1.209.135	1.336.424
Short-term	Dinar	2w repo +4,2%	2014	1.878.010	1.514.722
Short-term	Euro	7,75%	2013	0	2.013.850
Short-term	Euro	3m eurib +5,75%	2014	1.307.592	1.005.674
Short-term	Euro	3m eurib +5,75%	2014	1.532.732	0
Short-term	Euro	3,50%	2014	615.000	1.542.576
Short-term	Euro	3,50%	2014	3.180.801	0
				161.573.650	149.623.204

COMPANY					
Bank	Currency	Nominal interest rate	Repayment year	30/6/2014	30/6/2013
- Loan 1- Short-term	Euro	8,50%	2014	137.338.739	127.065.140
				137.338.739	127.065.140

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, a quantity of 30,000 tons of sugar has been pledged and the securities and dividends of its subsidiary companies have been pledged 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, 2013 – June 30 2014 and July 1, 2012 – June 30, 2013, correspondingly.

Provision for personnel compensation recognized in the P&L:

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Current service cost	58.119	256.699	30.202	227.672
Financial cost	171.751	145.168	125.285	97.638
Effect of cuts or voluntary termination of service arrangement	362.897	148.171	285.166	141.461
Total recognized in P&L	592.767	550.038	440.653	466.771

The movement of the relevant provision is as follows:

	GROUP	COMPANY
Balance of liabilities on 1.7.2012	4.337.660	3.755.314
Provision for fiscal year	550.038	466.771
Actuarial profits/(losses)	(111.451)	(111.451)
Payments of fiscal year	(442.378)	(425.787)
Balance on 30.6.2013	4.333.869	3.684.847

Balance of liabilities on 1.7.2013	4.333.869	3.684.847
Provision for fiscal year	592.767	440.653

Actuarial profits/(losses)	273.720	543.576
Payments of fiscal year	(675.529)	(543.447)
Balance on 30.6.2014	4.524.827	4.125.629

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Current value of liability	4.524.827	4.333.869	4.125.629	3.684.847
Accumulative non recognized actuarial loss	0	0	0	0
Provision in Balance Sheet	4.524.827	4.333.869	4.125.629	3.684.847

Key actuarial study assumptions

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Time-preference rate	2,30% - 7,80%	2,60% - 7,50%	2,30%	3,40%
Percentage of future salaries increases	4,50% - 7,50%	2% - 7,50%	4,52%	4,52%

31 Suppliers and other liabilities

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Suppliers	29.581.324	26.187.345	38.713.919	27.628.635
Customer advances	663.139	1.922.644	0	1.581.942
	30.244.463	28.109.989	38.713.919	29.210.577

32 Provisions

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Balance on 1/7	60.276	44.627	60.276	44.627
Fiscal year provisions	3.372	59.920	3.372	59.920
Used provisions	0	(44.271)		(44.271)
Balance on 30/06	63.648	60.276	63.648	60.276

33 Other short-term liabilities

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Accrued expenses	954.644	574.326	954.644	574.326
Next fiscal year income	328.119	440.094	290.930	232.266
Auxiliary Funds	412.577	401.824	412.577	401.824
Insurance organizations	311.143	427.440	311.143	427.440
Dividends payable	474.200	407.190	0	45.632
Salaries due to staff	403.830	928.363	70.589	548.554
Compensation due to dismissed staff	144.625	58.108	144.625	58.108
Obligation for the redemption of minority shares	28.680	640.436	0	0
Other liabilities	392.364	982.937	366.163	472.071
	3.450.182	4.860.719	2.550.671	2.760.222

34 Other long-term liabilities

(Sums in Euros)

	<u>GROUP</u>		<u>COMPANY</u>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Long-term liabilities from leasing contracts	0	20.460	0	20.460
Long-term liabilities from Greek Manpower Employment Organization (OAED) programmes	68.636	280.000	68.636	280.000
Liabilities from commitments for the repayment of farmer loans	0	150.108	0	0
Other liabilities and legal cases liabilities	859.326	1.027.973	350.000	250.000
	927.962	1.478.541	418.636	550.460

35 Financial instruments

a. 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>	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Financial Assets available for sale	56.209	57.003	0	0
Financial assets at fair value through P&L	123.806	102.960	123.806	102.960
Trade and other receivables	44.446.122	67.561.826	42.037.348	59.650.143
Monetary assets and equivalents	1.710.973	4.901.368	1.242.491	2.981.477
TOTAL	46.337.110	72.623.157	43.403.645	62.734.580

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	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Domestic	21.156.957	42.568.347	21.156.957	42.568.347
Serbia - Third Nations	15.728.349	16.441.929	321.655	158.655
European Union	433.835	1.444.910	951.937	1.152.841
Other areas	569.437	1.676.917	427.157	1.015.286
TOTAL	37.888.578	62.132.103	22.857.706	44.895.129

The maturity of trade receivables at the reference date was:

(Sums in Euros)

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Up-to-date	21.456.227	17.217.479	17.776.016	12.465.472
Overdue up to 90 days	10.594.679	10.061.508	6.492.639	6.206.676
Overdue from 91 to 180 days	4.147.161	17.453.271	3.358.450	14.162.077
Overdue from 181 to 360 days	7.733.784	33.345.813	1.274.543	27.803.695
Overdue more than 360 days	62.199.281	28.458.482	59.269.486	24.955.637
TOTAL	106.131.132	106.536.554	88.171.134	85.593.558
Impairments	(68.242.554)	(44.404.450)	(65.313.428)	(40.698.428)
Net claims	37.888.578	62.132.103	22.857.706	44.895.129

Part of the provision formed (14 mil. Euros) regards a claim against the Greek Government which was created in previous fiscal years and is pending before the Courts. At any event the Group tries to obtain the necessary guarantees and sureties so as to abate 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.

A provision amounting to 68,243 mil. for the Group and 65,313 mil. for the Company has been formed against receivables overdue more than 360 days (including receivables from the Greek State), as well as receivables in delay for less time but deemed to be problematic with respect to their collection.

Further analysis of the credit risk is provided in Note 7 to the Annual Financial Statements. On 30.6.2014 most of the trade receivables represents the balance of two domestic sugar trading companies, important Group customers, which has been significantly reduced.

b. 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 30.06.2014	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	161.573.650	161.522.756	50.894	0	0	0
Suppliers and other liabilities	30.244.463	30.244.463	0	0	0	0
Other liabilities	4.378.144	3.450.182	0	927.962	0	0
Total	196.196.257	195.217.401	50.894	927.962	0	0

The Company

	Value on Balance Sheet 30.06.2014	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	137.338.739	137.338.739	0	0	0	0
Suppliers and other liabilities	38.713.919	38.713.919	0	0	0	0
Other liabilities	2.969.307	2.550.671	0	418.636	0	0
Total	179.021.965	178.603.329	0	418.636	0	0

(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	4.860.719	0	1.478.541	0	0
Total	184.072.453	177.348.963	4.577.938	2.145.552	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 June 27, 2012 the Committee for Credit and Insurance Issues of the Bank of Greece (Gov. Gaz. 2208/27-7-2012) decided 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. 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”.

During the period under closure, the company applied for and received a renewal of its credit limit by “Piraeus Bank SA” until and including March 31, 2014. The company being in constant communication and negotiation with Piraeus Bank has applied for the further extension of its financing combined with the assessment of the already existing lending and the necessary restructuring of the company. Until the date for the approval of the financial statements the extension above has not been granted, and as a result the loan liabilities of the company, amounting to € 137 million be rendered overdue by the Bank. In any case the Management of the company continues its communication and negotiation with the Bank for the reassessment of the terms of its loan liabilities (also cf. note 3).

c. 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 is 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

30/6/2014	EURO	DINAR	USA DOLLAR	TOTAL
Customer receivables	22.481.884	15.406.694	0	37.888.578
Other receivables	5.175.782	1.381.762	0	6.557.544
Bank Loans	(155.988.295)	(5.585.355)	0	(161.573.650)
Suppliers	(14.650.270)	(15.594.193)	0	(30.244.463)
Other liabilities	11.059.397	(15.437.541)	0	(4.378.144)
Cash at hand	1.244.137	466.836	0	1.710.973
Total	(130.677.365)	(19.361.797)	0	(150.039.162)

(Sums in Euros)

COMPANY

30/6/2014	EURO	DINAR	USA DOLLAR	TOTAL
Customer receivables	22.857.706	0	0	22.857.706
Other receivables	19.179.642	0	0	19.179.642
Bank Loans	(137.338.739)	0	0	(137.338.739)
Suppliers	(38.713.919)	0	0	(38.713.919)
Other liabilities	(2.969.307)	0	0	(2.969.307)
Cash at hand	1.242.491	0	0	1.242.491
Total	(135.742.126)	0	0	(135.742.126)

(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)

Exchange rates used in the fiscal year are as follows:

EURO	AVERAGE PRICE	EXCHANGE RATE ON
	01/07/2013- 30/06/2014	01/07/2012- 30/06/2013
		30/6/2014
		30/6/2013
Serbian Dinar	114,94	114,02
		115,79
		114,17

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
	01/07/2013-30/06/2014	01/07/2012-30/06/2013
		30/6/2014
		30/6/2013
Serbian Dinar	1.760.163	485.402
		1.760.163
		485.402

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.

d. 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&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 date the interest bearing financial instruments of the Group, with respect to interest rate risk, were as follows:

(Sums in Euros)	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
<u>FIXED INTEREST RATE</u>				
Assets	0	0	0	0
Liabilities	0	0	0	0
<u>FLOATING INTEREST RATE</u>				
Liabilities	161.573.650	149.623.204	137.338.739	127.065.140
TOTAL	161.573.650	149.623.204	137.338.739	127.065.140

Sensitivity analysis 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 30.6.2014	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	403.934	(403.934)	403.934	(403.934)

COMPANY

Effect in thousands of Euro on 30.6.2014	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	343.347	(343.347)	343.347	(343.347)

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	365.512	(365.512)	365.512	(365.512)

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	343.346	(343.346)	343.346	(343.346)

e. Fair Value Measurement

Management assessed that the book values approximate the fair values for items in the assets and liabilities of the Group and the Company which are depicted in the financial position statement as of June 30, 2014, principally due to their short-term maturity. The 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 maturity. The fair value of long-term loans is almost the same as its book value, since such loans are in local currency and interest bearing with a floating rate.

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.

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

(Sums in Euro)				
30/06/2014	GROUP			
	Total	Level 1	Level 2	Level 3
Financial Instruments at fair value				
Non-current assets available for sale	56.209	56.209	0	0
Financial assets at fair value through P&L	123.806	123.806	0	0
Non-Financial Instruments at fair value				
Investments in real estate	29.432.872	0	0	29.432.872
(Sums in Euro)				
30/06/2013	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
Non-Financial Instruments at fair value				
Investments in real estate	20.882.259	0	0	20.882.259

The fair value of level 3 investment real estate is measured at the Group and Company level by independent chartered valuers (cf. Note 18).

Level 1 financial items regard shares of listed companies valued at the price they are negotiated in the relevant stock exchange.

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. Affiliated parties are considered Agricultural Bank of Greece under Special Liquidation and the companies in its Group.

	GROUP		COMPANY	
I. Subsidiary Companies	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Receivables			14,325,515	10,820,911
Liabilities			22,931,525	10,014,326
Inflow			163,000	2,285,364
Outflow			21,104,053	15,609,285
II. Transactions with ATE Group companies	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Receivables	0	0	0	0
Liabilities	20,460	68,232	20,460	68,232
Inflow	0	0	0	0
Outflow	0	58,197	0	58,197
BoD Members	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Total salaries and transactions	301,107	351,841	167,714	225,084

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					
30/6/2014					
		Sales of goods and services	Purchases of goods and services	Receivables	Liabilities
ATE LEASING	<i>ATE Group Company</i>	0	0	0	20,460
AD FABRIKA SECERA SAJKASKA	<i>Subsidiary</i>	155,000	8,087,203	1,774,339	6,053,106
AD FABRIKA SECERA CVRENKA	<i>Subsidiary</i>	8,000	13,016,850	12,551,176	16,853,575
HSI CYPRUS LTD	<i>Subsidiary</i>	0	0	0	24,844
Total		163,000	21,104,053	14,325,515	22,951,985

The sales appearing in the table above usually 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. Liabilities regard 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					
		30/6/2013			
		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

38 Revision of IAS 19 – Recast of Financial Statements

Since 01/07/2013 the policy for the recognition in the financial statements of retirement benefits liabilities has changes, since the revised IAS 19 “Employee Benefits” is applied, as such was adopted by the European Union in the fourth quarter of 2012.

The revised IAS 19 has brought a series of changes in the presentation of employee benefits and more specifically:

- It removes the "corridor method" and requires the effect ensuing from remeasurements in the current fiscal year be recognized in other comprehensive income
- It changes the measurement and presentation of specific cost items for defined benefit. The net amount in the results is affected by the deduction of the expected income of the assets of the plan and the interest cost and their replacement by a net interest cost based on the net asset or the net liability of the defined benefit plan.
- It reinforces disclosures, including more information regarding the characteristics of defined benefit plans and the associated risks.

IAS 19 has been applied retroactively, pursuant to its transition guidelines. The recasts for fiscal year 2012/2013 are cited in the tables below:

	Group		Company	
	30/6/2013	30/6/2012	30/6/2013	30/6/2012
Personnel benefit liabilities due to termination of service				
Benefit liabilities as published	4.531.924	4.430.751	3.882.902	3.848.405
- Adjustments of previous fiscal year	-93.091	0	-93.091	0
- Adjustments in the Comprehensive Income Statement for the fiscal year due to the revision of IAS 19	-104.964	-93.091	-104.964	-93.091
Benefit liabilities after the revision of IAS 19	4.333.869	4.337.660	3.684.847	3.755.314
Deferred tax receivables/(liabilities)	30/6/2013	30/6/2012	30/6/2013	30/6/2012
Benefit liabilities as published	-879.616	-414.649	-246.125	66.737
- Adjustments of previous fiscal year	-24.204	0	-24.204	0
- Adjustments in the Comprehensive Income Statement for the fiscal year due to the revision of IAS 19	-27.291	-24.204	-27.291	-24.204
Benefit liabilities after the revision of IAS 19	-931.110	-438.853	-297.619	42.533
Changes in Equity Statement	30/6/2013	30/6/2012	30/6/2013	30/6/2012
Total Equity as published	79.679.616	90.238.784	50.545.385	60.487.248
- Adjustments of previous fiscal year	68.887	0	68.887	0
- Adjustments in the Comprehensive Income Statement for the fiscal year due to the revision of IAS 19	77.674	68.887	77.674	68.887
Equity after the revision of IAS 19	79.826.177	90.307.671	50.691.946	60.556.135

Effect on Comprehensive Income Statement	GROUP 01/07/2012 - 30/06/2013	COMPANY 01/07/2012 - 30/06/2013
Profits / (losses) after taxes, as published	-10.733.967	-9.796.645
Effect from the revision of IAS 19	0	0
Profits / (losses) after taxes (recast due to IAS 19)	-10.733.967	-9.796.645
Other comprehensive income after taxes, as published	1.060.407	-145.218
Effect from the revision of IAS 19	77.674	77.674
Other comprehensive income after taxes (recast due to IAS 19)	1.138.081	-67.544
Total comprehensive income after taxes, as published	-9.673.560	-9.941.863
Effect from the revision of IAS 19	77.674	77.674
Total comprehensive income after the revision of IAS 19	-9.595.886	-9.864.189

39 Events after the reference period

A) The Board of Directors of HSI SA in its meeting on 15.07.2014 decided to elect Ms. Eleni Mokou as independent non-executive member in replacement of resigned Mr. Athanasios Vlahopoulos.

The composition of the Board of Directors of the company as well as the composition of the Auditing Committee on the date of the 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, Chairman

Fefes Michael, Member

c. Independent non-executive members

Koliatsas Styridon, Vice-Chairman

Mokou Eleni, Member

Auditing Committee

Koliatsas Styridon, Chairman of the Committee

Fefes Michael, Member

Mokou Eleni, 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.

B) The Board of Directors of the company in its meeting on July 15, 2014 and based on the restructuring survey for the company, elaborated by a reputable Restructuring Consultant, decided the implementation of a series of measures and interventions recommended in the survey above.

The context of said interventions also includes the suspension of the productive operation of the plants in Orestiada and Serres, which shall operate this period as centers for the collection of sugar-beets from the relevant areas and in order to facilitate farmers.

The key objective of the restructuring survey for the company is the achievement of long-term viability and competitiveness via, in particular, the reduction of the operating cost, the increase of productivity and organizational changes.

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 50 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 29, 2014** and are undersigned by the persons responsible for their preparation:

**THE NON-EXECUTIVE
CHAIRMAN OF THE
BOARD OF DIRECTORS**

THE CEO

**THE FINANCIAL SERVICES
DIRECTOR**

ILIAS I. BETSIS
ID Card no.: AB 535845/2006

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

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, 2013 to June 30th, 2014

(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					COMPOSITION OF THE BOARD OF DIRECTORS				
Supervising Authority : Ministry of Development Website : www.ebz.gr Date of approval by the Board of Directors : September 29, 2014 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					Managing Director – Executive Member : Lambros Haralampous Chairman - Non Executive Member : Ilias Mpetris Executive Member : George Meletis Executive Member : Dimitrios Dimitriou Non Executive Member : Mihail Pefes Independent Non Executive Member : Eleni Mokou Vice Chairman-Independent Non Executive Member : Spyridon Kollatasas				
1.1. FINANCIAL POSITION STATEMENT (consolidated and non consolidated) amounts in €					1.2. COMPREHENSIVE INCOME STATEMENT (consolidated and non consolidated) amounts in €				
GROUP		COMPANY			GROUP		COMPANY		
30/6/2014	30/6/2013	30/6/2014	30/6/2013	30/6/2014	01/07/2013: 30/06/2014	01/07/2012: 30/06/2013	01/07/2013: 30/06/2014	01/07/2012: 30/06/2013	
ASSETS					Turnover				
Tangible fixed assets used for own purposes	84.817.528	93.917.222	56.305.605	65.228.292	Gross profit	176.826.098	228.354.811	101.509.528	
Investments in property	29.432.872	20.882.259	29.432.872	20.882.259		7.239.619	44.416.503	(9.466.495)	
Intangible assets	7.944.811	7.944.902	0	0	Profits / (losses) before taxes,				
Other non-current assets	7.193.912	691.085	27.925.026	20.963.225	financial and investment results				
Inventories	62.285.629	75.796.908	34.232.863	46.291.633	Profits / (losses) before taxes	(38.515.847)	6.795.290	(47.377.167)	
Trade receivables	37.888.578	62.132.103	22.857.706	44.895.129	Profits / (losses) after taxes (A)	(57.400.325)	(11.287.441)	(57.312.282)	
Other current assets	8.392.323	10.434.051	20.545.939	17.839.451	Parent company owners	(49.923.935)	(10.851.551)	(48.774.020)	
Non-current assets held for sale	56.209	57.003	0	0	Parent company owners	(49.923.935)	(10.851.551)	(48.774.020)	
TOTAL ASSETS	238.011.862	271.855.533	191.300.011	216.099.989	Minority interests	32.724	117.584	0	
EQUITY & LIABILITIES					Other comprehensive income after taxes (B)				
Share capital	26.826.703	26.826.703	26.826.703	26.826.703	Total comprehensive income	4.338.406	1.138.080	4.650.684	
Other equity items	6.989.466	52.519.497	(20.258.094)	23.865.242	after taxes (A) + (B)				
Equity attributable to parent company shareholders (a)	33.816.169	79.346.200	6.568.609	50.691.945	Parent company owners	(45.552.805)	(9.595.887)	(44.123.336)	
Minority interests (b)	212.360	479.976	0	0	Parent company owners	(45.586.662)	(9.752.972)	(44.123.336)	
Total Equity (c) = (a) + (b)	34.028.529	79.826.176	6.568.609	50.691.945	Minority interests	33.857	157.085	0	
Long-term debt	50.894	667.010	0	0	Basic earnings / (losses) after taxes				
Provisions and other long-term liabilities	6.666.157	6.743.521	4.544.265	4.532.927	per share (in €)	(1,3585)	(0,2953)	(1,3272)	
Short-term debt	161.522.756	148.956.194	137.338.739	127.065.140	Earnings / (losses) before taxes,				
Other short-term liabilities	35.743.526	35.662.632	42.848.398	33.809.977	financial and investment results				
Total liabilities (d)	203.983.333	192.029.357	184.731.402	165.408.044	and depreciation				
TOTAL EQUITY AND LIABILITIES (c) + (d)	238.011.862	271.855.533	191.300.011	216.099.989		(33.385.194)	11.078.226	(44.489.762)	
ADDITIONAL DATA AND INFORMATION					1.3. STATEMENT OF CHANGES IN EQUITY (consolidated and non consolidated) amounts in €				
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 consolidation method applied for each one are disclosed in Note 1 of the Annual Financial Report.					GROUP		COMPANY		
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's group and is registered in Athens-Greece.					30/6/2014	30/6/2013	30/6/2014	30/6/2013	
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.					Total equity at start of period				
4. There are mortgages amounting to a total of € 108.376.000 on parent company's real estate and facilities, 30.000 tones of sugar have been pledged and the shares of subsidiary companies have been pledged to secure short-term financing. The other group companies are pledging part of their inventories and tangible fixed assets to secure short-term financing.					(01.07.2013 and 01.07.2012, respectively)	79.826.176	90.238.784	50.691.945	
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.					Total comprehensive income after taxes	(45.552.805)	(9.595.887)	(44.123.336)	
6. Other comprehensive income after taxes for the group and the parent company are as follows:					Distributed dividends	(40.049)	(152.288)	0	
					Impact of the Revision of IFRS 19	0	68.887	0	
					Change in Group's Percentages	(204.793)	(733.320)	0	
					Total equity at end of period				
					(30.06.2014 and 30.06.2013, respectively)	34.028.529	79.826.176	6.568.609	
1.4. CASH FLOW STATEMENT (consolidated and non consolidated) amounts in €					GROUP		COMPANY		
1st alternative: Direct method					01/07/2013: 30/06/2014	01/07/2012: 30/06/2013	01/07/2013: 30/06/2014	01/07/2012: 30/06/2013	
Operating activities					Operating activities				
Receivables collected					Receivables collected	195.305.422	234.555.609	114.240.191	
Payments to suppliers, employees, etc.					Payments to suppliers, employees, etc.	(192.930.515)	(196.767.576)	(117.017.736)	
Taxes payable (proceeds from tax return)					Taxes payable (proceeds from tax return)	(451.712)	(895.846)	0	
Tax paid					Tax paid	(9.645.401)	(8.192.866)	(7.766.258)	
Total cash flow from operating activities (a)					Total cash flow from operating activities (a)	(7.722.206)	28.699.321	(10.543.803)	
Investing activities					Investing activities				
Payments for purchase of tangible and intangible assets					Payments for purchase of tangible and intangible assets	(2.236.989)	(4.980.029)	(374.714)	
Payments for purchase of investment securities (shares, bonds)					Payments for purchase of investment securities (shares, bonds)	(605.559)	(14.865.836)	0	
Dividends received					Dividends received	0	0	3.227.648	
Proceeds from sale of tangible and intangible fixed assets					Proceeds from sale of tangible and intangible fixed assets	20.653	209.042	0	
Payments for purchase of subsidiaries, associates, joint ventures, etc.					Payments for purchase of subsidiaries, associates, joint ventures, etc.	0	0	(4.436)	
Total cash flow from investing activities (b)					Total cash flow from investing activities (b)	(2.821.895)	(19.636.823)	2.848.498	
Financing activities					Financing activities				
Proceeds from issued / assumed loans					Proceeds from issued / assumed loans	50.515.253	65.264.621	17.885.667	
Loan repayment					Loan repayment	(42.960.459)	(71.187.518)	(11.929.348)	
Dividends paid					Dividends paid	(201.881)	(93.667)	0	
Total cash flow from financing activities (c)					Total cash flow from financing activities (c)	7.352.913	(6.016.864)	8.956.319	
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)					Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(3.191.188)	3.045.934	(1.738.986)	
Cash and cash equivalents at beginning of the period					Cash and cash equivalents at beginning of the period	4.902.161	1.855.434	2.981.477	
Cash and cash equivalents at the end of the period					Cash and cash equivalents at the end of the period	1.710.973	4.901.368	1.242.491	
11. Due to the revision of IFRS 19 non significant updates have been made to funds of the previous financial year (detailed description is given in Note 38 of Interim Financial Statements).									
12. The emphasis of matter in the Independent Auditor's Report refers to the facts: A) the total short-term debt of the company have been recorded past due and also to the fact that the total of short-term liabilities exceed the total of assets. B) the total of the Company Equity is presented as lower than half (1/2) of the share capital and, therefore, there are effective the requirements for the application of provisions of Article 47 of the CL 2190/1920. The Annual Board of Directors Report as well as Note 3 to the financial statements presents the measures taken by the Group Management in order to address the aforementioned risks.									



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.

26 Jul 2013	Disclosure of change in the composition of the BoD
02 Aug 2013	Disclosure of change in the composition of the BoD
23 Aug 2013	Disclosure of change in the composition of the BoD
27 Aug 2013	Notice on the announcement of the General Meeting
10 Sep 2013	Notice on amendments to the articles of association of the company
12 Sep 2013	Notice of financial calendar
18 Sep 2013	Notice of comments on the financial statements/reports
24 Sep 2013	Notice on the resolutions of the general meeting
25 Oct 2013	Notice on the announcement of the General Meeting

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>, as well as in the website of Athens Stock Exchange, where they shall remain, at the investment public's disposal for a period of at least five (5) years from the date of their publication.