

**Annual Financial Statements
For the year ended 31 December 2013**



These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

**M.J.MAILLIS S.A.
INDUSTRIAL PACKAGING
SYSTEMS & TECHNOLOGIES
P.C.S.A.2716/06/B/86/43
TAKI KAVALIERATOU 7
145 64 KIFISSIA, ATHENS**

M.J.MAILLIS GROUP
Annual Financial Statements
For the period from 1 January to 31 December 2013

It is confirmed that the present Annual Financial Statements are compiled according to the article 5 of the Law 3556/2007 and the decision 7/448/29.10.2007 of the Hellenic Capital Market Commission and is the one approved by the Board of Directors of “M.J. MAILLIS S.A” on the 28th of March 2014. The present Annual Financial Statements are available on the company’s website www.maillis.com where it will remain at the disposal of the investing public for at least 5 years from the date of its publication.

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**A) Board of Directors Statement
Regarding the Annual Financial Statements of 2013
According to the article 4 of the Law 3556/2007**

The members of the Board of Directors of M.J. MAILLIS S.A. Industrial Packaging Systems & Technologies:

1. Michael J. Maillis, President of the Board of Directors
2. Ioannis Lentzos, Vice-President of the Board of Directors and Chief Executive Officer
3. Dimitris Kouvatsos, Member of the Board of Directors

in our above mentioned capacity we state and assert that to the best of our knowledge:

1. The Annual Financial Statements of the Company and the Group of "M.J. MAILLIS S.A." for the period 01.01.2013 – 31.12.2013, which were compiled according to the standing accounting standards, describe in a truthful way the assets and the liabilities, the equity and the results of the Group and the Company, as well as the businesses included in Group Consolidation taken as a whole.
2. The report of the Board of Directors reflects in a true manner the development, performance and financial position of M.J. MAILLIS S.A. Industrial Packaging Systems and technologies, and of the businesses included in Group Consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Kifissia, 28th March 2014

**CHAIRMAN OF THE
BOARD OF
DIRECTORS**

**VICE-CHAIRMAN OF THE
BOARD OF DIRECTORS
AND C.E.O.**

**MEMBER OF THE
BOARD OF
DIRECTORS AND
C.F.O.**

MICHAEL J. MAILLIS
Id. No. Φ 020206

IOANNIS A. LENTZOS
Id. No. Σ 370477

**DIMITRIOS P.
KOUVATSOS**
Id. No. Σ 594187

**B1) Annual Board of Directors Report of the M.J. MAILLIS S.A
on the consolidated and company Financial Statements
for the period from 1st January to 31st December 2013**

Dear Shareholders,

According to Law 3556/2007 and the decision 7/448/11.10.2007 of the Hellenic Capital Market Commission we submit the Annual Board of Directors Report of M.J. MAILLIS S.A on the Consolidated and Company Financial Statements for the period ending 31st of December 2013.

The present report contains information on the financial position and performance of the Group and the Company for the year ending 31.12.2013, a description of significant events that took place during the previous year, their impact on the annual financial statements, a description of the most significant transactions between the Company, the Group and related parties, a description of the most important risks and uncertainties for the current year as well as qualitative information and estimates on the evolution of the Group's and the Company's activities in the current year.

1. Significant events that took place during 2013, and their impact on the Annual Financial Statements

During 2013 the Group turnover was negatively affected by the decrease in the demand of durable goods due to the European economic recession and the deterioration of credit terms by raw material suppliers of consumables. However, that decrease was partially set off by the increased sales of packaging machines in America and Italy.

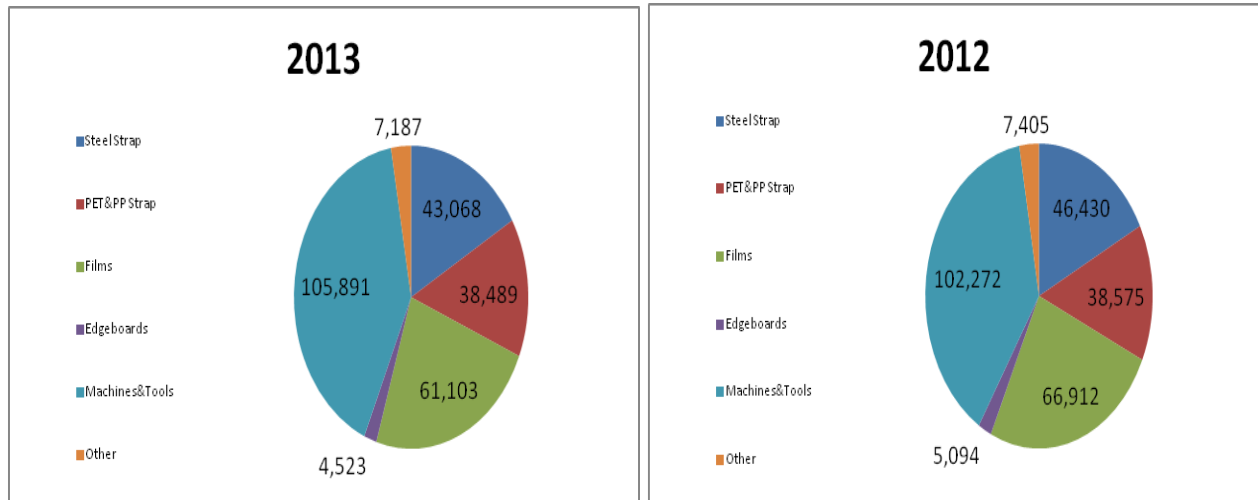
Turnover reached 260.3 m€ while in the respective period of 2012 was 266.7m€, marginally lower by 2.4%.

As a result of the increase in the gross profit margin by 0.9 percentage points, the Operating Earnings before Tax, Interest and Depreciation (Operating EBITDA) amounted to 11.6 m€, increased by 4.2% compared to the corresponding period of 2012. The published EBITDA decreased by 10.1 m€, mainly due to impairment of assets and restructuring expenses.

At Company level turnover decreased by 5.1% while gross margin increased by 0.6 percentage points. The decreased turnover is due to the deterioration of credit terms by raw material suppliers which resulted in non execution of orders and higher production cost. It is noted that part of the decrease in sales was set off by the absorption of subsidiary company Straptech SA which also had a positive impact on gross profit margin.

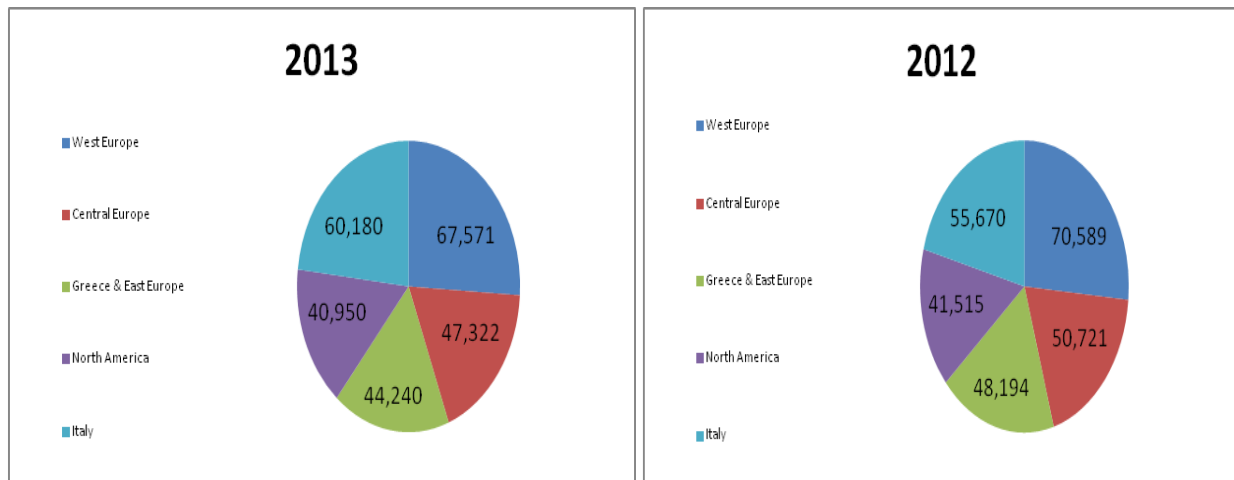
Sales Revenue per product (th.€)

As it is depicted in below charts, the higher impact on the sales comes from the reduced sales of steel strap (-7.2%) and films (-8.7%) which was partially set off by the increased sales of machines (+3.5%), product category with higher gross margin and participation in the total turnover.



Sales Revenue per geographic area (th.€)

By geographic area the greatest impact on total turnover had the decreased sales in Greece and Europe (consumables) while the sales of machines have substantially increased in Siat (Italy).



Operating Earnings before Tax, Interest and Depreciation (EBITDA)

Despite the decrease in sales, the Group generated positive and increased Operating EBITDA amounting to 11.6 m€ compared to 11.1 m€ in the same period of 2012 as a result of improved gross profit margin by 0.9 percentage points.

Results after Tax

Losses after tax amounted to 30.0 m€ compared to 48.5 m€ in 2012 as it seems in the below table:

m€	2013	2012
Profit/(Loss) for the year	(30.0)	(48.5)
IAS 19 Effect	-	0.8
Adjusted Profit/(Loss) for the year	(30.0)	(49.2)
Impairment Of Assets	(5.6)	-
Restructuring Expense	(4.0)	(0.1)
Other Non Recurring Expenses	(1.6)	(1.4)
Loss on impairment of goodwill and investments	-	(16.1)
Write Off of Deferred Tax Asset	-	(7.9)
Adjusted Profit/(Loss) for the year	(18.9)	(23.8)

At company level the adjusted losses after tax decreased as it seems below:

m€	2013	2012
Profit/(Loss) for the year	(33.1)	(87.3)
IAS 19 Effect	-	0.8
Adjusted Profit/(Loss) for the year	(33.1)	(88.0)
Bad Debt Provision for Intercompany Trade Receivables	(2.3)	(32.0)
Impairment Of Assets	(3.3)	-
Restructuring Expense	(3.0)	(0.1)
Other Non Recurring Expenses	(0.7)	(0.4)
Impairment of Loans to Subsidiaries	(7.5)	(10.3)
Loss on impairment of goodwill and investments	(0.3)	(18.1)
Write Off of Deferred Tax Asset	-	(7.9)
Adjusted Profit/(Loss) for the year	(16.0)	(19.3)

In addition, at December 31, 2013 the Article 48 of Law 2190/1920 applies. The company intends to convene the General Assembly, within six months from the end of the year in order to proceed with the appropriate measures.

2. Group Financial Review

A) Income Statement (p.31 of the Financial Statements)

Sales

Group sales for the year ending 31.12.2013 amounted to 260.3 m€, marginally lower by 2.4% versus last year and come from the following geographic regions:

m€	2013	2012	Variance %
West Europe	67.6	70.6	-4.3%
Central Europe	47.3	50.7	-6.7%
Greece & East Europe	44.2	48.2	-8.2%
North America	40.9	41.5	-1.4%
Italy	60.2	55.7	8.1%
Total	260.3	266.7	-2.4%

Cost of Sales

Cost of sales of the Group in 2013 was 209.1 m€, lower compared to 2012 by 3.5%.

Gross profit margin of the Group (19.7%) increased by 0.9 percentage points compared to 2012 (18.8%). The increase was mainly driven by higher participation to the sales mix of packaging machines, which are products with higher margin.

At Company level, the gross margin increased by 0.6 percentage points. The increase is due to the absorption of subsidiary company Straptech SA. Part of the increase was set off by the deterioration of credit terms of main raw material suppliers which led to increased prices due to lower volumes, non execution of orders and higher conversion cost per unit.

Administrative and Distribution Expenses

The administrative and distribution expenses increased by 12.1% compared to 2012 (48.6 m€ in 2013 vs 43.3 m€ in 2012). The increase is due to provisions for restructuring expenses. Excluding restructuring costs, expenses increased by 3.2%.

Other Income and Expenses

The other income of the Group amounted to 10.6 m€, decreased by 26.8% compared to 2012. This decrease is primarily due to lower currency differences arising from the valuation of assets and liabilities in foreign currency of the subsidiaries in UK and Poland and the Parent Company, as well.

The other expenses of the Group amounted to 21.0 m€ an increase of 1.6 m€ or 8.4% compared to 2012. This increase is primarily due to impairment of fixed assets amounting to 5.6 m€ while part of that increase was set off by lower exchange losses arising from the valuation of assets and liabilities in foreign currency of the subsidiaries in UK and Poland.

The net effect from Other Income/Expenses was 5.5 m€ negative for the Group compared to 2012.

Provisions

Additional provisions were formed for devaluation of inventory amounting to € 1.1 m, for bad debts amounting to € 1.6 m and other provisions amounted to € 4.5 m.

EBITDA

Published EBITDA: Published Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of 2013 amounted to 0.5 m€ (vs. 10.6 m€ in 2012). The published EBITDA decreased mainly due to impairment of assets of 5.6 m€ and restructuring expenses of 4.0 m€.

Operating EBITDA: Excluding one-off income and non recurring expenses mainly due to exchange differences, impairment of assets and restructuring costs, operating EBITDA for 2013 amounted to 11.6 m€ (vs. operating EBITDA for 2012 of 11.1 m€). The EBITDA adjustments are set out in the following table:

m€	December 2013	December 2012
Published EBITDA	0.5	10.6
IAS 19 Effect		1.0
Adjusted Published EBITDA	0.5	9.6
FX Differences	-0.6	0.0
Restructuring Expense	-4.0	-0.1
Non-Recurring Operating Expense	-7.5	-2.9
Non-Recurring Operating Income	0.9	1.4
	-11.1	-1.5
Operating EBITDA	11.6	11.1

Change in EBITDA per geographic region is as follows:

m€	2013	2012	Variance %
West Europe	-3.3	-1.5	119.6%
Central Europe	1.7	3.8	-54.5%
Greece & East Europe	-11.3	-3.0	275.0%
North America	7.4	6.8	7.7%
Italy	6.0	4.5	34.0%
Total	0.5	10.6	-95.6%

At Company level, the adjusted EBITDA decreased as a result of the decreased business activity:

m€	2013	2012
Published EBITDA	-9.8	-30.8
IAS 19 Effect		0.9
Adjusted Published EBITDA	-9.8	-31.7
Bad Debt Provision for Intercompany Trade Receivables	(2.3)	(32.0)
Impairment Of Assets	(3.3)	
Restructuring Expense	(3.0)	(0.1)
Other Non Recurring Expenses	(0.7)	(0.4)
Adjusted EBITDA	(0.4)	0.8

Impairment Losses

There were no impairment losses in 2013. In 2012 the impairment of goodwill in affiliates in West Europe and Italy amounted to 16.1 m€.

Net Financial Expenses

Net financial expenses of 2013 were 19.4 m€ compared to 18.7 m€ in 2012. The increase in finance expenses is due to capitalization of interest.

Deferred Tax

Following a prudent approach, the Group does not create deferred tax assets in companies which continue to report losses in 2013.

Losses before Tax

Losses before tax amounted to 27.2 m€ compared to 32.9 m€ in 2012. The adjusted losses before tax remained at the same level:

m€	2013	2012
Profit/(Loss) for the year before tax	(27.2)	(32.9)
IAS 19 Effect	-	0.8
Adjusted Profit/(Loss) for the year before tax	(27.2)	(33.7)
Impairment Of Assets	(5.6)	-
Restructuring Expenses	(4.0)	(0.1)
Other Non Recurring Expenses	(1.6)	(1.4)
Loss on impairment of goodwill and investments	-	(16.1)
Adjusted Profit/(Loss) for the year before tax	(16.0)	(16.1)

At company level, the losses before tax amounted to 33.4 m€ compared to 75.6 m€ in 2012. Comparing the adjusting result for 2013 and 2012, losses increased as a result of reduced business activity.

	2013	2012
Profit/(Loss) for the year before tax	(33.4)	(75.6)
IAS 19 Effect	-	0.8
Adjusted Profit/(Loss) for the year before tax	(33.4)	(76.3)
Bad Debt Provision for Intercompany Trade Receivables	(2.3)	(32.0)
Impairment Of Assets	(3.3)	-
Restructuring Expense	(3.0)	(0.1)
Other Non Recurring Expenses	(0.7)	(0.4)
Impairment of Loans to Subsidiaries	(7.5)	(10.3)
Loss on impairment of investments	(0.3)	(18.1)
Adjusted Profit/(Loss) for the year before tax	(16.3)	(15.5)

Losses after Tax

Losses after tax amounted to 30.0 m€ compared to 48.5 m€ in 2012.

B) Financial Position (p.30 of the Financial Statements)

Working Capital

Inventories and trade receivables decreased by 10.3% and 11.4% respectively due to decrease in sales in Europe. The short term liabilities (Trade&Other Payables and Tax Liabilities) decreased by 13.5%.

As a result, the Group's working capital decreased in absolute amount by 5.3 m€ vs. 2012 while it decreased by 1.5 pp. over sales.

<i>m €</i>			Variance
	31.12.2013	31.12.2012	(%)
Inventories	46.8	52.2	-10.3%
Trade and other receivables	48.9	55.2	-11.4%
Short term liabilities	41.0	47.4	-13.5%
Reported Working Capital	54.7	60.0	-8.8%
<i>Sales(annual basis*)</i>	<i>260.3</i>	<i>266.7</i>	<i>-2.4%</i>
<i>% on Sales</i>	21.0%	22.5%	-1.5pp

3. Important transactions with related parties

The most important transactions of the Group with its related parties according to IAS 24 are presented in the tables below (related parties with the Group according to article 42e of the C.L. 2190/1920):

	1/1 - 31/12/2013		1/1 - 31/12/2012	
	Sales of Goods and Services	Purchases of Goods and Services	Sales of Goods and Services	Purchases of Goods and Services
<i>Amounts in Euro '000</i>				
Combi	3,773	56	2,581	111
Total	3,773	56	2,581	111

	31/12/2013		31/12/2012	
	Receivables balance	Payables balance	Receivables balance	Payables balance
<i>Amounts in Euro '000</i>				
Combi	468	3	978	27
Total	468	3	978	27

The important transactions of the Parent Company with related parties are presented in the tables below:

	1/1 - 31/12/2013		1/1 - 31/12/2012	
	Sales of Goods and Services	Purchases of Goods and Services	Sales of Goods and Services	Purchases of Goods and Services
<i>Amounts in Euro '000</i>				
M.J. MAILLIS UK	6,156	3	7,187	(23)
SANDER GMBH & Co KG	7,180	0	7,249	7
STRAPTECH	-	-	4,512	1,290
M.J. MAILLIS SPAIN	5,567	18	5,758	-
M.J. MAILLIS ROMANIA	5,420	24	5,584	-
EUROPACK SA	3,770	-	3,780	-
M.J. MAILLIS POLAND	3,759	1,008	7,720	627
MAILLIS STRAPPING SYSTEMS	730	-	1,282	28
M.J. MAILLIS SLOVAKIA	1,897	259	3,607	3
SIAT SPA	1,285	155	1,273	117
Other	5,594	400	5,689	324
Total	41,358	1,867	53,641	2,374

	31/12/2013		31/12/2012	
	Receivables balance	Payables balance	Receivables balance	Payables balance
<i>Amounts in Euro '000</i>				
M.J. MAILLIS UK	13,878	3	12,925	4
SANDER GMBH & Co KG	16,810	298	14,384	7
STRAPTECH	-	-	859	411
M.J. MAILLIS SPAIN	3,326	135	2,889	117
M.J. MAILLIS ROMANIA	10,718	0	9,655	-
EUROPACK SA	52,006	-	52,489	-
M.J. MAILLIS POLAND	4,726	(33)	4,801	80
MAILLIS STRAPPING SYSTEMS	18,142	81	18,371	81
M.J. MAILLIS SLOVAKIA	1,639	-	2,368	3
SIAT SPA	3,494	1,340	3,410	495
Other	7,692	1,007	7,305	749
Total	132,430	2,831	129,457	1,947

The parent company has given guarantees for a total of 2.5 m€ towards obligations of the Group's subsidiary companies.

4. Major risks and uncertainties for the current financial year

The Group operates in 18 countries, without including Greece, through subsidiaries and in other markets through exports or distributors. The major part of Group sales comes from sales outside Greece. Since the Group's strategy is to maintain and possibly strengthen its multinational activity, these sales represent a very significant proportion of total income.

The risks of the international activity include indicatively:

- fluctuations in currency exchange rates
- restrictions on ownership and on repatriation of profits
- delays and interruptions in transportation
- political, social and economic instability
- governmental embargoes or foreign trade restrictions
- imposition of import duties and other trade restrictions
- audits on exports and imports
- strikes, work stoppages, trade union restrictions
- changes in legislation regarding the environment, licensing and employment law
- difficulties in staffing and managing of multinational companies
- possible adverse tax changes.

If the Group is unable to successfully manage the risks associated with the operation and expansion of its international activities, these risks may materially affect the results and financial position of the Group.

a) Market risk

The Group is not materially affected by a potential decrease of demand in any individual market or segment, as it is not significantly exposed to any one specifically. Historically, we have not seen major movements in the relative positions between competitors in the markets we serve. There are no innovative technologies or applications which the Group does not already possess and which could risk our market shares. Our presence across different geographical regions limits the possible impact from a reduction in demand in any one individual market.

The market risks that the Group faces relate mainly to the overall changes in the levels of global demand and activity, primarily in the industrial goods and secondarily in the consumer goods sectors.

(b) Risk of raw material prices

The possible negative impact from fluctuations in raw and auxiliary material prices on the financial performance of the Group is considered to be limited. Movements in raw material prices are passed on to the final selling prices relatively quickly in almost all markets in which we operate.

The risk is relatively high for our steel products due to the fact that the production of both raw materials and final products has a relatively long lead time. As a result, the period between the placement of an order for raw materials and the sale of the final product is approximately four months. Any substantial movement in the prices of raw materials or final products during that period would have a significant impact on the final profitability.

Although the ability to predict remains limited, we believe that these erratic changes in raw material prices could be repeated as a possible result of price fluctuation of oil and its products.

(c) Credit risk

The Group has no significant concentration of credit risk. Sales are diversified in terms of geography and industry sector and there are policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group does not have customers that represent more than 5% of its total sales.

The credit risk related to our customers will remain significant as there is limited liquidity available in the global markets as a result of the financial crisis. Although there were no remarkable cases of payment default by customers, the Group has enhanced both the efforts for timely collection of its receivables and its credit control procedures. These efforts had a positive outcome so far.

However, any possible failure of the most important customers of the Group to meet their obligations, are leading to provisions which negatively affect the financial results and the cash flows of the Group. This contributes to increased financial costs and thereby materially adversely affects the financial position and results of the Group.

(d) Liquidity risk

Prudent liquidity risk management requires maintaining sufficient cash, the availability of which depends also on adequate amount of committed credit facilities. Management monitors weekly the level of the Group's available liquidity (comprising undrawn facilities and cash and cash equivalents) based on forecasted cash flows.

Liquidity risk due to the ongoing restructuring of the Group, despite adequate financial results remains very high due to the debt crisis of the country, the growing recession in Europe and because of the pressure from suppliers with reduction of credit limits due to lack of a written acceptance of an extension in the performance of the bond loans' terms.

(e) Foreign exchange risk

The Group operates internationally and as a result is exposed to foreign exchange risk related mostly to the US Dollar, the UK Pound, the Polish Zloty, the Romanian Lei and the Canadian Dollar. Foreign exchange risk arises mainly from future commercial transactions, assets and liabilities denominated in foreign currencies and net investments in foreign companies.

Due to the debt restructuring, the Group cannot offset fully the currency risk with currency exchange futures. Part of this risk, especially due to U.S. Dollar is covered with natural hedge (natural hedging) or through the raw materials, where exports to the currency offset by imports of raw materials in the same currency, either by converting its existing loans from euro to the currency needed for hedging.

(f) Fair value interest rate risk

The operating profits and cash flows of the Group are substantially independent from interest rate fluctuations. Loans are of fixed interest and part of the interest is capitalized based on restructuring agreements.

The borrowings of the Group are mainly at fixed interest rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

5. Business activity evolution in the current year

During 2014 the Group's performance is expected to continue being affected by the slowdown in the industrial activity and weak Eurozone economies. Emphasis will continue to be placed on sales growth, further optimization of production costs, the control of expenses and ensuring sufficient liquidity to implement its goals.

Additionally, the continuous pressure from major suppliers through decrease of credit limits and payments terms due to the financial position of the Group is expected to negatively affect the sales and liquidity of the Group.

Management is in the last two years in negotiations with bondholders to amend the terms (extension / reduced interest rates etc) of the Bond Loans , who respond positively having not take negative actions to the Group/Company after the events of default.

The present Annual Report of the Board of Directors for the period from 1 January to 31 December 2013 has been posted on the Internet, on the website of the Company www.maillis.com.

B2) Corporate Governance Statement

I. Introduction

M.J. MAILLIS SA SYSTEMS & TECHNOLOGY INDUSTRIAL PACKAGING (The "Company" or "M.J.MAILLIS S.A.") is committed to sustain the laws related to corporate governance, and the principles and guidelines of voluntary application as it is described below. The Company has adopted voluntarily, with some deviations, initially the Code of Corporate Governance of Hellenic Federation of Enterprises (SEV) and thereafter, after October 2013, the Greek Code of Corporate Governance which is the revised version of the Code of Corporate Governance of SEV as amended by the Greek Council of Corporate Governance (the "Code").

The Company, wherever it does not comply with the Code, explains the reasons of non compliance or deviation from its implementation. For the cases that it is clearly expressed that it should not provide explanations as a "small listed company", it does not provide any explanations on the deviations.

This statement presents how the Company applies corporate governance and identifies and explains any cases of non compliance with the provisions of the "**Code**" during the year 2013.

II. Complying with the Code

The Company complies with the General Principles of the Code.

The Company complies with the Specific Principles of the Code as described below.

Specifically, complying with the Corporate Governance rules is achieved as following:

a. Shareholders' General Assembly

The Shareholders' General Assembly is the highest decision making body of the Company and may decide on all important matters of the Company in accordance with the law (changes to the Articles of Association, election of Board members, etc.) The Annual Shareholders' General Assembly, inter alia, may approve the annual financial statements, decide on the distribution of any profits and discharge of the Board members and auditors of the Company from any liability.

The invitation to the Annual General Assembly of 2013 had been posted 20 days before the Meeting on the Company's website (www.maillis.com) to ensure participation of all shareholders either they attend in person at the meeting or vote through an authorized representative. The decisions are made by vote. The decisions were reported in the Athens Stock Exchange and published in the Company's website in the next working day.

The Chairman of the Board, the CEO, the chairmen of committees of the Board as well as the internal and external auditors were available to answer questions from shareholders.

The rights of the shareholders of the Company are set out in the Articles of Association and the Codified Law 2190/1920 (public limited companies Act).

b. The Board of Directors

The Company is managed by the Board of Directors, consisting of seven (7) to nine (9) members elected by the General Assembly for four years running from the date of election until the date of the Annual General Meeting of the year which their term expires. The outgoing members, shareholders or not, can be always re-elected and revoked.

The Board of Directors consists of executive and non executive members, among the non-executive members there must be independent - non executive members. The majority of the Board of Directors comprises from independent - non executive members.

The Board of Directors elects the CEO, who may carry also the position of the President or Vice-President and the other directors of the Company and sets out the respective powers and responsibilities.

The Board of Directors meets at the headquarters of the company, regularly at least once each calendar month and extraordinarily whenever there is a need or is required by two Board members at their request to the President. The Board of Directors may meet by teleconference. In this case, the invitation to members of the Board should include information necessary for participation in these meetings. Moreover, the Board of Directors shall have a quorum and shall be lawfully met when half plus one of the Directors are present or represented and in all events the number of Directors present may be three minimum. In calculating this number any fractions shall be omitted.

Concerning the discussions and decisions of the Board of Directors, minutes are kept chronologically and in soft copy also.

The Board of Directors exercises the management of corporate affairs and has the unlimited power and authority for managing the overall assets of the company. Decides and acts on any matter related and consistent with the purposes of the Company, except only those matters for which by law or by statute require a decision of the Shareholders' General Assembly. The Board of Directors decides to purchase property for company use, gets into any form of legal cooperation with other natural or legal persons domestic or abroad pursuing the same or similar purpose, provides loans or guarantees to third parties in order to achieve company's goals, excluding, however, by the company undertaking provision of guaranties to third parties for purposes unrelated to the business, raises loans or credits from the banks, provides pledges or mortgages on the assets of the company, concludes and signs all contracts and all types of content associated with the purposes, functions and interests of the Company, appoints a proxy counsel and attorneys of the Company, assigns receivables, appeals to any kind of legal proceedings, sales or transfers or leases or other partial or total assignment of movable assets, securities and intangible rights (brands, intellectual property). Generally the Board of Directors decides and acts unlimited on any issue related to the purposes and business of the company even if not specifically mentioned in this article. All of the above are subject to the provisions of Articles 10 and 23a of Codified Law 2190/20 as appropriate.

The Board of Directors is also responsible for issuing bonds apart from those convertible to shares or with a participation in the profits, for which the General Meeting of Shareholders alone has competence in accordance with Article 14 sentence (e) of the Articles of Association. As part of its responsibility the Board may determine the terms of the bond and authorize certain members or member to determine the specific terms other than the amount and kind.

The Board of Directors may decide by an absolute majority, to delegate for any time and with any conditions it deems appropriate at the time, the right to exercise wholly or partly or to represent the company in general or in specific transactions, other than those requiring collective action, one or more persons, members or managers or other employees of the company, or third, or committees, each time defining their jurisdiction and signatures that represent the company.

The Chairman of the Board of Directors, President and Director or any employee of the company designated by the Board of Directors for that purpose, represents the company before the Greek and foreign courts in each grade, they give their oaths imposed to the Company, submit complaints and lawsuits and act in any judicial action that requires personal appearance.

The work of customs clearance for company's goods runs either by the current Head of Customs Clearance Office of the company or deputy or other officer of any part thereof, or agent appointed in accordance with Article 3 of the N. 718/1977, acting as a representative. The determination in the face of those representatives and the certificate on the property as legally authorized representatives of the company for execution of Custom clearing work done by decision of the Board with respect of the relevant legislation required conditions and procedures for their appointment and proof appointment to the competent authorities.

Executive members

The executive members are involved in the daily management of the company and cooperate closely with its directors.

Non-executive and independent members

Non-executive and independent members are involved in the promotion of general corporate issues, devise guidelines for all corporate issues and recommend these guidelines to the Council. Among the non-executive members must be at least two independent directors within the meaning of Article 4 of Law 3016/2002. The independent Board members may submit, individually or everyone together, essays and special reports other than those of the Board of Directors to the ordinary or extraordinary Shareholders' General Assembly, if they deem it necessary. Furthermore, the Company has established and maintains an Audit Committee, consisting of two independent non-executive members and one non-executive Board member. All members of the Audit Committee are appointed by the General Assembly. The independent non-executive member, who chairs the Audit Committee, has demonstrated proficiency in accounting and auditing. The obligations and responsibilities of the Audit Committee include, indicatively, monitoring the financial reporting process, the internal control & risk management system. Audit Committee monitors also the proper functioning of the internal auditors of the Company, the statutory audit of individual and consolidated financial statements of the Company, the existence and maintenance of the objectivity and independence of the statutory auditors or of the audit firm, particularly when they provide other services to the Company.

The number of non-executive Board members shall not be less than 1 / 3 of the total number of the Board of Directors members. If a fraction, it is rounded to the nearest whole number. The provisions of Articles 3 and 4 of Law 3016/2002, concerning the appointment, election and powers of non-executive and independent board members apply.

Diversity Policy

The Company has a policy of diversity in composition of both the Board of Directors and the senior executives.

The members of the BoD possess a high level of skills, knowledge and professional management experience in various fields of knowledge and professional activities.

Selection of BoD members and senior management ensures the existence of specific technical knowledge on the industry of the Company, in conjunction with management skills in international companies and in particular, groups of companies with export business and international presence.

Policy Description

The diversity policy is firstly adopted in the composition of the BoD with the participation of five independent non-executive members. Secondly in the choice of women in senior management positions such as member of the Board, Group Supply Chain Director and General Manager of Greece, Internal Audit Manager, Data Information Technology Manager.

The following table shows the members of the Board, and the start and end dates of their duty for everyone:

ACTIVE UP TO 31.12.2013					
Title	Name	Executive / Non-Executive Member	Independent Member	Start of Duty	End of Duty
President	Michael Maillis	Non-Executive		10/1/2011	Annual General Meeting 2015
Vice-Chairman & Managing Director	Markus Petrus Heinrich Kollmann	Executive		1/3/2011 to 9/6/2013	
Vice-Chairman & Managing Director	Ioannis Lentzos	Executive		10/6/2013	Annual General Meeting 2015
Member	Ioannis Lentzos	Executive		7/3/2013 to 10/6/2013	Annual General Meeting 2015
Member	Alexandros I. Tasopoulos	Executive		8/4/2011 to 7/3/2013	
Member	Dimitris Kouvatsos	Executive		10/6/2013	Annual General Meeting 2015
Member	Stylios Stavridis	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Lito Ioannidou	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Faidon Stratos	Non-Executive	Independent	7/3/2013	Annual General Meeting 2015
Member	Menelaos A. Tasopoulos	Non-Executive	Independent	10/1/2011 to 7/3/2013	
Member	Petros T. Tzannetakis	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Michail A. Kokkinos	Non-Executive	Independent	10/1/2011	Annual General Meeting 2015
Member	Michail N. Panagis	Non-Executive		19/7/2011	Annual General Meeting 2015

c.1. Meetings and participation by members in 2013

The following table shows the number of Board of Directors meetings as well as the various committees held by the management in 2013, and the frequency of participation of each member.

	Board of Directors	Audit Committee	Remuneration Committee
Total Board meetings on 2013	23	7	4
Michael Maillis	23/23		
Markus Kollmann	13/23		
Ioannis Lentzos	19/19		
Alexandros Tasopoulos	3/3		
Dimitrios Kouvatsos	9/9		
Lito Ioannidou	23/23	7/7	4/4
Stylianos Stavridis	21/23 <i>Represented by an authorized person in 1/21</i>	7/7 <i>Represented by an authorized person in 2/7</i>	4/4
Menelaos Tasopoulos	1/2		
Faidon Stratos	19/19 <i>Represented by an authorized person in 1/19</i>		
Petros Tzanetakis	22/23 <i>Represented by an authorized person in 2/22</i>	7/7 <i>Represented by an authorized person in 2/7</i>	
Michael Kokkinos	23/23 <i>Represented by an authorized person in 1/23</i>		
Michael Panagis	23/23		4/4

c.2 Curriculum Vitae of the Board of Directors

Michael J. Maillis, Chairman

An Iron Metallurgy Engineer with past experience in German Steelworks having specialized in the development of new steel types.

Ioannis A. Lentzos, Vice President & CEO

Holds a Diploma and a Doctorate degree in Mechanical Engineering from the University of Patras. Has 15 years of industrial experience and 5 year Research and Development experience in the European Aeronautical sector. He has joined M.J. Maillis Group in 2002 and since then, he has served various positions in the fields of Operations and Engineering.

Stelios K. Stavridis, Board of Directors Member

Holds a Masters degree in Mechanical Engineering (ETH Zurich, Switzerland) and did postgraduate studies in BA and Economics. He has worked in Greece and abroad in different public and private sector industrial and commercial companies, holding in most cases the position of the C.E.O. He is the major shareholder and C.E.O of Piscines Ideales S.A. , General Secretary of the Hellenic Entrepreneurship Association, Vice Chairman of the Greek Franchise Association and member of the Board in various entrepreneurship organisations (Athens Chamber of Commerce and Industry, American Hellenic Chamber of Commerce, Greek Management Association). He is also the Chairman of Eurocommerce's social dialogue committee (Eurocommerce - Brussels represents 6 million retail and wholesale companies) and the chairman of the CSR Committee of the American Hellenic Chamber of Commerce.

Lito A. Ioannidou, Board of Directors Member

Holds a Bachelor of Commerce (1975) and Master of Business Administration (1978) degree from McGill University in Canada. She worked for Citibank Greece for 22 years (1978-2000) at Senior Executive positions, alternatively as Deputy Market Manager, Country Risk Manager, Local Corporate/Corporate Finance Head and as President and Managing Director of Citi-Financial Leasing (1998-2000). She has also served as Executive Vice President and General Manager of the Athens (Stock) Exchange (2001-2005) as well as President of the Audit Committee and Member of the Working Committee (responsible for setting up common strategies and policies for its member Exchanges) of the European Exchange Federation (FESE). In 2006, she founded "Lito Ioannidou Ltd, Business Consultants" which specializes in consulting services for raising capital, M&A, organization and debt restructuring.

Petros Tzanettakis, Board of Directors Member

Born in 1955. He studied economics at the University of Surrey and carried out postgraduate studies on the Economics of the European Union at the University of Sussex. He joined the Motor Oil in 1986 and also performs debt financial advisor / coordinator for the group Vardinoyannis.

Michael Kokkinos, Board of Directors Member

Michael Kokkinos holds a degree in Business Administration from Athens University of Economics and Business and has also attended a plethora of professional seminars in Greece and abroad. He has worked for National Bank of Greece for 40 years (1962 - 2002) in a variety of positions, both in major branches as well as the Head office of the bank holding senior managerial positions. Among those, the General Manager position in Stadiou and the Central Aioulou Branches and was also responsible for the Project Finance department. From 2002 to 2007 he worked in ASPIS BANK as Director of Corporate Organisation and Project Manager to the new central Computer System and finally from 2007 to 2010 served as a Managing Director of the NATIONAL BANK of GREECE subsidiary in Cyprus.

Michail N. Panagis, Board Member

Holds a degree in Chemical Engineering from the National Technical University of Athens and a MBA from the Imperial College of Science and Technology/University of London. He began his career with the M.J. MAILLIS Group in 1988. He initially worked as Exports Sales Director and then as Group Sales, Marketing &

Business Development Director. In March 2005 he collaborated with Global Finance on a project to acquire the EURODRIP Group. Following completion of that acquisition in September 2005, he took up the post of CEO of the EURODRIP Group and the post of Vice Chairman of the Board of that Company.

Dimitris Kouvatzos, Member & CFO

Dimitris Kouvatzos during his career held various positions predominantly in Finance as he became the Chief Financial Officer in OTE Group of companies, Hewlett Packard Hellas and the Saudi branch of Hewlett Packard, in Tasty SA (PepsiCo Foods) and Wind's Greek subsidiary. Furthermore, he has assumed the role of Deputy General Manager of SOFTEX S.A. during its restructuring and privatization process and was also appointed Managing Director of Rokas Group and SENCAP SA, PPC's vehicle for acquisitions in SE Europe. He has also assumed similar positions abroad such as Regional Finance Director and later on Controller of PepsiCo for Europe, as well as positions in the finance department of the international division of Hewlett Packard. Overall, his areas of expertise focused mainly on corporate finance management, financial and operational restructuring, strategic planning, business development and acquisitions, flotation and listings of large business units. Diversified experience in the management of high technology, consumer products, telecommunications and energy, with specialization in corporate restructuring, business and support systems reengineering.

c.3. Information policies for related party transactions

The Company has adopted practices that ensure that the Board has sufficient information to base its decisions with respect to transactions between related parties, including transactions of subsidiaries with related parties.

Transactions included in the Annual and Semi-Annual Report of the Board of Directors.

c.4 Board Committees

The Board is assisted by the following committees:

• Audit Committee

The Audit Committee has been established and operates in accordance with the provisions of Article 37 of Law 3693/2008. It has been nominated by the Shareholders' General Assembly, to assist in the performance of his duties in the function of the company's internal control system and ensure transparency in corporate activities. In particular, the Audit Committee has an obligation to review and monitor the process of financial reporting and the effective operation of internal control and risk management system, the proper functioning of the internal audit unit of the company, the course of statutory audit of individual and consolidated financial statements, issues related to the existence and maintenance of objectivity and independence of the auditor or the audit firm, particularly as regards the provision of other services to the company by the statutory auditor or audit firm. The Audit Committee comprises 3 non-executive members of the Board of Directors who have the necessary knowledge and experience in the field.

The Audit Committee has a four-year term.

The Committee met 7 times during the year 2013. The president of the Committee, the internal auditor and the audit firm PricewaterhouseCoopers («PwC») meet to discuss issues of their responsibility.

External Audit

Independence

The Audit Committee is responsible for developing, implementing and monitoring processes regarding the Company's external audit. These procedures have been designed to ensure the independence and objectivity of external auditors and setting an appropriate framework for moving staff from the external audit

firm to management positions in the Company. Also, it determines the actions required when using non-audit services by external auditors.

In principle the external auditors are excluded from consultancy services and cannot be employed by the Company in a non related audit subject. Any proposal to external auditors for non-audit work must be approved by the Audit Committee prior to engagement.

Effectiveness and reappointment

The Audit Committee has undertaken the annual review of external auditors and the effectiveness of audit procedures applied

Internal Audit

In 2013, the Audit Committee:

- Reviewed the results of audits conducted by the internal audit and examined the responses of management on the issues highlighted, including the implementation of the recommendations.
- Reviewed and approved the internal audit plan for 2013.

Internal audit is an independent function that ensures that all work performed by the Company is in accordance with corporate goals, policies and procedures. In particular, internal control is designed to ensure reliability and stability of systems of internal financial control across the range of the activities of the Company.

Audit Committee Members

The members of the Audit Committee have been appointed by the General Assembly pursuant to Law 3693/2008 are as follows:

President: Lito Ioannidou
Member: Petros Tzanetakis
Member: Stylianos Stavridis

The following members have significant experience as executives in financial and other related business activities.

• Remuneration Committee

The Remuneration Committee appointed by the Board of Directors pursuant to the Corporate Governance Code of the Company, except those specified in the Code of Corporate Governance of SEV, to submit recommendations to the Board of Directors about the remuneration policy, benefits and financial incentives for senior executives of the Company, in accordance with market conditions in order to attract, retain and mobilize the appropriate executive staff. The Remuneration Committee comprises three members, all non-executive and two of them independent.

Remuneration Committee Members

The Remuneration Committee members, who are appointed by the Board of Directors, are the following 3 non-executive Directors:

President: Stelios Stavridis
Member: Lito Ioannidou
Member: Michail Panagis

The Remuneration Committee had 4 meetings during the year 2013.

d. System of Internal Control and Risk Management

The Board of Directors (**the "Board"**) is responsible for the identification, evaluation and monitoring of risks that Company faces and how those risks are managed.

The Board of Directors attaches great importance to internal control and risk management systems.

The monitoring of risks is done, inter alia, by receiving regular reports on their management. The policy of the Board aims to install and maintain systems that optimize the ability to manage any identified risk.

The Board is informed by the executive members on the issues that may have significant financial and business impact.

The business units submit monthly reports on financial and operational status following specific guidelines and rules.

d.1 The review process

The Board enhances the internal control and risk management of the Company through:

- Setting the business strategy on Company and divisions level in terms of approving an annual budget with medium-term estimates.
- Inspecting on a regular basis the operational and financial performance as well as the latest estimates for the current period. Comparing the budget with previous years' results and adopting action plans in order to optimize operational and financial performance.
- Keeping the primary responsibility for acquisitions and sales of major assets and providing approvals for major capital expenditure, major contracts and financing agreements. In addition to the Board, there are clearly defined administrative powers for approving capital expenditure, major contracts, acquisitions, investments and divestitures.
- Reviewing the annual program of management evolution and goals' achievement.
- The Board, through the Audit Committee, is informed about the performance of internal control systems.

The Company also has systems and procedures for the control and risk management on the financial reporting and the preparation of individual and consolidated financial statements.

These include:

- Creating, developing and applying uniform accounting practices and procedures.
- Reviewing periodically the accounting policies applied and ensure that they are updated and communicated to appropriate personnel.
- Procedures to ensure that transactions are recognized in accordance with International Financial Reporting Standards.
- The existence of policies, both for the Company and its departments, to govern the maintenance of accounts, presentation of transactions and the principal financial control procedures.
- Monitoring monthly internal financial reporting issues and financial control procedures.
- Ongoing training and staff development.
- Procedures for closing, which include deadlines, responsibilities, classification of accounts and information on required disclosures.
- The implementation of a single form of corporate reporting for both financial reporting purposes and for purposes of administrative information.
- Making write offs and formation of reserves / provisions clearly and consistently.
- The performance on a monthly basis, an analysis and comparison of discrepancies between the actual results vs. budgeted, detecting unusual transactions and ensuring the accuracy and completeness of results.
- The existence of policies and procedures for each major area such as major agreements, stock inventory procedures, payment procedures, etc.
- The establishment by the Company on an annual basis, on a consolidated and individual level, of every business / subsidiary of the Company's budgets for the next financial year, approved by the Board.

- Drawing up monthly detailed information for each activity / affiliate, both on individual and consolidated basis for the management.
- The implementation and monitoring of consolidation and eliminations entries by different individuals in terms of the segregation of duties principle.

d.2 Information Systems

The computer systems that have been developed are designed to support long-term objectives of the company and are managed by a professional team of Management Information Systems which is part of the Financial Division of the Company.

Appropriate policies and procedures are implemented covering all major areas of business. Some of the most important processes applied across the Company are as follows:

d.3 Security Procedures

- i. Backup (Daily-Monthly-Yearly)
- ii. Procedure for Restore
- iii. Incident Log

Protection Procedures:

- i. Anti-virus software (Antivirus Security)
- ii. Protection of electronic mail (E-mail Security)
- iii. Firewall

d.4 Code of Conduct

This is a Code of Conduct applicable to all personnel of the Company and has been approved by the Board. It provides a clear statement in the interests of stakeholders involved in or affected by the activities of M.J. MAILLIS SA.

Top executive management has been entrusted by the Board with the responsibility of compliance to this Code of every, without exception, business activities of the Company. The code of conduct is communicated during the hiring procedure of new employees.

Finally, M.J. MAILLIS SA has established operating procedures that determine the regulatory function of its operational units. The manuals include operating procedures and policies regarding the Company as a whole. The development and management of the official procedures of the Company, and the control of the publication, revision and amendment, is the responsibility of each Division Director, in cooperation with the Internal Audit Department. The Internal Audit Department is responsible for monitoring the implementation of procedures.

e. Communication with Shareholders

The M.J. MAILLIS S.A. recognizes the importance of effective and timely communication with shareholders and the general investing public. Following the announcement of the interim and annual financial results, consolidated financial reports, more information and other announcements are available on the Company's website www.maillis.com. The Company reserves the Investor Relations Department, which display information on the website of the company, the shareholders and potential investors, can find a description of the terms and principles of corporate governance of the Company, and the structure of the administration data for shareholders, the financial results and press releases. M.J. MAILLIS S.A. also communicates with the investment community through participation in a series of conferences and meetings in Greece and abroad as well as the schedule of teleconferences.

III. Compliance with the Code

During the year 2013:

1. The Company according to the Annex I of the Code, it is exempted from the BoD President evaluation. For the purpose of equal treatment among the BoD members, it has not adopted any evaluation procedure of the rest of the members of the BoD. However it is in the process of evaluating the need for a relevant practice during the next year.
2. The Board of Directors didn't elect independent Vice President (where according to the Code, there is "executive", Chairman of the Board), because in the process of restructuring followed by the Company it is considered more effective the assignment of this qualification to the Chief Executive Officer.
3. The percentage of female representation in the BoD is small (one woman in 9 members), due to the nature of the company, which is highly technical therefore there are limited selection choices. However, a significant number of women in managerial positions, which restores the overall rate of representation of women at a very satisfactory level.
4. The Company due to the reorganization process has not adopted the existence of Nomination Committee candidates members of the Board but is in the process of evaluating the necessity of such a committee.
5. The Board due to the processes of reorganization, has not adopted 12-month action plan besides the annual plan of internal audit and the budget of 2014. In addition, the articles of incorporation of the Company provides the monthly meeting of BoD. The BoD evaluates the possibility of adopting a broader annual action plan for the coming years.
6. The Company, because it applies in total the requirements of L.3340/2005 for "market abuse" and the relevant decisions of the Securities Exchange Commission, has not adopted the practice where the staff could in confidence, to express its concerns about potential illegalities and irregularities in financial reporting or other matters relating to the operation, but is considering the adoption of a relevant practice.
7. The Company, due to the restructuring process, has not posted on the website of the Regulation of the Audit Committee but looks to implement it.
8. According to the Code, the publication of BoD members' remuneration is being postponed for this year.

B3) EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
Of the Company M.J. MAILLIS S.A. – INDUSTRIAL PACKAGING SYSTEMS & MATERIALS
Pursuant to L. 3556/2007. Art. 4 para. 7 and 8

The present explanatory report of the Board of Directors to the Ordinary General Assembly of its Shareholders includes information pursuant to the provisions of L.3556/2007. Art. 4. para. 7 and 8.

1. Share Capital Structure – Share categories - Rights - Obligations

The share capital of the Company amounts to euros 96,877,586.40 and is divided into 322,925,288 common shares, of nominal value 0.30 euros each.

All shares are common, nominal and are listed for negotiation on the Athens Stock Exchange (Under Supervision). Each share is entitled to 1 vote. Each share includes all the rights and obligations which are specified by the law and the Articles of Association of the Company. The liability of the shareholders is limited to the amount of the nominal value of the shares which they possess.

2. Limitations to the transfer of the shares of the Company

The transfer of the Company's shares takes place pursuant to law and there are no other limitations to the transfer arising out of its Articles of Association.

3. Important direct and indirect participations in the sense of the provisions of articles 9 to 11 of L.3556/2007

As at 31.12.2013 the following shareholders had a shareholding participation above 5% of the voting rights of the Company: Mr M.J. Maillis holds 5.82%, Alpha Bank SA holds 7.55%, EFG Eurobank Ergasias SA holds 15.26%, National Bank of Greece SA holds 7.92%, BNP Paribas SA holds 12.42% and Grace Bay II Holdings S.a.r.l 22,7%.

4. Holders of any kind of shares which provide special rights of control

The Company does not have shares that provide to its holders special rights of control, with the exception of the right of Mr M.J. Maillis and "Horqueta Holding Ltd" to appoint 2 members of the Board of Directors, pursuant to Article 9 of the Company's Articles of Association and article 18, paragraph 3 of Codified Law 2190/1920.

5. Limitations to the right to vote

The Articles of Association of the Company do not impose any limitations to the right to vote.

Articles 17, 18 and 20 of the Articles of Association of the Company provide that the holder of 1 vote is entitled the right to participate and vote in the General Assembly of Shareholders and the votes are increased by one for each additional share.

It is further provided that the call of the General Assembly should include among others the Shareholders entitled to attend and precise instructions on how the shareholders will be able to attend the Meeting and to exercise their rights in person or by proxy . Shareholders who have not complied with these provisions participate in the General Assembly after the establishment of a single license. Shareholders who do not meet this obligation may participate in the meeting of the General Assembly only following its formation and only after approval by it.

6. Agreements between the shareholders of the Company

Based on the option agreement of 29.9.2011 between the shareholders, Michael Maillis, Horqueta Holdings Ltd and ALPHA, BNPP, National, Commercial and EFG EUROBANK, the latter are required to hold shares of the Company held (all the shares the first four and 50% of the shares EFG EUROBANK), for three years (until October 2014) in order to be able to fulfill their obligations, if exercised by the holders of the options, the right to purchase all shares of the Company, which currently hold the top four banks and 50% of shares, currently held by EFG EUROBANK. It is not known to the Company other agreements between shareholders, involving restrictions on transfer of shares or restrictions on voting rights.

7. Regulations regarding the appointment and the replacement of members of the Board of Directors and the amendment of the Articles of Association that may differ from the provisions of L.2190/1920.

The regulations provided by the Articles of Association of the Company in relation to the appointment and the replacement of members of the Board of Directors as well as in relation to the amendment of provisions of the Articles of Association do not differ from the provisions of codified law 2190/1920.

8. Competence of the Board of Directors or of some of its members for the issuance of new shares or the purchase of its own shares according to article 16 of the Codified Law 2190/20

The jurisdiction of the Board of Directors or some of its members to issue new shares or purchase own shares, pursuant to Article 16 of Codified Law 2190/20, is regulated according to the content of this law, without other specific provision in the Articles of Association.

9. Important agreements that have been concluded by the Company and which are in force, can be modified or cease to exist in the event of change in the control of the Company, following a public offer

There are not significant agreements in force, modified or terminated upon a change of control of the Company following a takeover bid.

10. Important agreements that the Company has concluded with the members of the Board of Directors or with its personnel

There are no agreements with the members of the Board of Directors and its personnel which provide the payment of compensation especially in the event of resignation or dismissal without a grounded reason. The total amount of these compensations in 2012 was 295 th €.

Kifissia, 28 March 2014

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD OF DIRECTORS

[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholders of M. J. MAILLIS S.A.

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of M. J. MAILLIS S.A. which comprise the separate and consolidated statement of financial position as of 31 December 2013 and the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the M. J. MAILLIS S.A. and its subsidiaries as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes 2 and 19 in the financial statements that mention that the Group was in breach of certain financial terms and has not received a waiver by the bondholders until 31 December 2013. As a result, current liabilities exceed current assets by approximately € 187,7 million as at 31 December 2013. These conditions along with the issues mentioned in Note 2 and 19 create material uncertainty which may cast significant doubt about the Company's and the Group's ability to continue as a going concern.

Reference on Other Legal and Regulatory Matters

- a) Included in the Board of Directors' Report is the corporate governance statement that contains the information that is required by paragraph 3d of article 43a of Codified Law 2190/1920.
- b) We verified the conformity and consistency of the information given in the Board of Directors' report with the accompanying separate and consolidated financial statements in accordance with the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.
- c) As at 31 December 2013, the total Shareholder's equity of the Company is negative. Consequently, the provisions of article 48 of Codified Law 2190/1920 apply on the Company.

Athens, 31 March 2014
THE CERTIFIED AUDITOR

PricewaterhouseCoopers S.A.
268 Kifissias Avenue, 152 32 Athens
SOEL Reg. No. 113

Dimitrios Sourbis
SOEL Reg. No. 16891



D) Annual Financial Statements
STATEMENT OF FINANCIAL POSITION
Amounts in Euro '000

	Note	GROUP			COMPANY		
		31/12/2013	31/12/2012 Restated	31/12/2011 Restated	31/12/2013	31/12/2012 Restated	31/12/2011 Restated
ASSETS							
Non Current Assets							
Property, plant and equipment	7	74,946	85,882	92,655	46,115	46,973	52,713
Intangible assets	8	50,604	51,021	67,201	80	119	182
Investments in subsidiaries and joint ventures	10	0			117,617	122,917	141,027
Deferred income tax assets	9	5,790	6,489	18,138	3,457	2,271	13,989
Other receivables	14	4,901	4,660	4,446	52,241	208	190
		136,241	148,053	182,439	219,510	172,488	208,101
Current Assets							
Inventories	13	46,836	52,208	54,197	11,425	14,200	15,772
Trade and other receivables	14	48,890	55,204	61,113	32,127	90,890	131,839
Deferred income tax assets	9	1,277	595	1,071	0		
Cash and cash equivalents	15	15,869	14,475	13,314	1,160	1,431	1,785
		112,872	122,482	129,695	44,712	106,521	149,395
Total Assets		249,112	270,535	312,134	264,221	279,009	357,496
EQUITY							
Equity Attributable to Company's Shareholders							
Ordinary Shares	16	96,878	96,878	96,878	96,878	96,878	96,878
Share premium	16	95,883	95,883	95,883	95,883	95,883	95,883
Other Reserves	18	53,124	53,480	53,349	56,581	52,219	52,219
Retained losses / earnings	17	-320,125	-291,318	-242,904	-255,621	-218,046	-130,408
Translation differences reserve		-4,464	-3,847	-5,430	0		
		-78,704	-48,925	-2,226	-6,280	26,933	114,571
Non-Controlling interests		-101	73	199	0	0	0
Total Equity		-78,805	-48,852	-2,027	-6,280	26,933	114,571
LIABILITIES							
Non Current Liabilities							
Borrowings	19	962	1,055	213,398	0		212,032
Deferred income tax liabilities	9	6,805	6,456	6,566	5,863	4,793	4,999
Retirement benefit obligations	20	14,635	16,327	17,485	2,634	3,070	3,927
Government grants	21	2,887	3,234	3,815	2,887	1,951	2,316
Other non current liabilities	23	2,023	1,800	2,516	0		
		27,311	28,872	243,781	11,384	9,815	223,273
Current Liabilities							
Trade and other payables	22	37,949	44,219	44,987	11,087	12,449	14,760
Deferred income tax liabilities	9	3,378	3,832	3,772	0		
Current tax liabilities	25	3,072	3,184	3,916	394	330	148
Borrowings	19	249,047	235,011	12,079	244,937	229,195	4,272
Provisions for other liabilities and charges	23	7,160	4,270	5,626	2,699	287	471
		300,606	290,516	70,380	259,117	242,261	19,651
Total Liabilities		327,917	319,388	314,161	270,501	252,076	242,924
Total Equity and Liabilities		249,112	270,535	312,134	264,221	279,009	357,496

The notes on pages 35 to 100 are an integral part of these annual financial statements

INCOME STATEMENT

	Note	GROUP		COMPANY	
		01/01/2013- 31/12/2013	01/01/2012- 31/12/2012 (Restated)	01/01/2013- 31/12/2013	01/01/2012- 31/12/2012 (Restated)
<i>Amounts in Euro '000</i>					
Revenue		260,263	266,689	72,693	76,575
Cost of sales	27	-209,106	-216,666	-64,096	-67,968
Gross profit		51,157	50,022	8,597	8,606
Gross profit margin %		19.7%	18.8%	11.8%	11.2%
Other operating income	30	10,633	14,525	1,177	2,050
Administrative expenses	27	-18,636	-14,342	-8,742	-4,591
Distribution costs	27	-29,917	-28,964	-8,884	-37,470
Other operating expenses	27	-21,045	-19,420	-6,335	-3,928
Impairment of Loans to Subsidiaries		0		-7,490	-10,259
Operating Profit/(Loss)		-7,807	1,822	-21,677	-45,592
Loss on impairment of goodwill and investments	8,10	0	-16,085	-269	-18,110
Finance income	29	6,094	6,709	8,646	6,797
Finance costs	29	-25,478	-25,379	-20,124	-18,681
Profit/(Loss) before income tax		-27,190	-32,933	-33,424	-75,586
Income tax expense	25	-3,018	-3,113	-44	-61
Earnings after current tax for the period		-30,208	-36,046	-33,469	-75,647
Deferred tax	9,25	198	-12,404	396	-11,608
Profit/(Loss) for the year		-30,010	-48,450	-33,072	-87,255
<u>Profit attributable to:</u>					
Owners of the parent		-29,827	-48,348	-33,072	-87,255
Non-Controlling interests		-183	-102	0	
Basic Earnings after tax per share (expressed in €)	31	-0.0924	-0.1497	-0.1024	-0.2702
Diluted Earnings after tax per share (expressed in €)	31	-0.0349	-0.0694	-0.0403	-0.1364
<u>Other information</u>					
Operating Profit/(Loss)		-7,807	1,822	-21,677	-45,592
Depreciation		8,271	8,745	4,425	4,567
Impairment of Loans to Subsidiaries		0		7,490	10,259
Earnings before tax, financial expenses, amortisation and depreciation (EBITDA)		464	10,567	-9,762	-30,766

The notes on pages 35 to 100 are an integral part of these annual financial statements

STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		01/01/2013- 31/12/2013	01/01/2012- 31/12/2012 (Restated)	01/01/2013- 31/12/2013	01/01/2012- 31/12/2012 (Restated)
<i>Amounts in Euro '000</i>					
Profit/(Loss) for the year		-30,010	-48,450	-33,072	-87,255
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Currency translation differences		-1,159	1,450	0	
<u>Items that will not be reclassified to profit or loss:</u>					
Actuarial Gain/(Losses) net of deferred taxes		1,216	175	316	-384
Other comprehensive for the period, net of tax		57	1,625	316	-384
Total comprehensive income/(loss) for the period, net of tax		-29,953	-46,825	-32,756	-87,638
<u>Attributable to:</u>					
Owners of the parent		-29,779	-46,699	-32,756	-87,638
Non-Controlling interests		-173	-126	0	

The notes on pages 35 to 100 are an integral part of these annual financial statements

STATEMENT OF CHANGES IN EQUITY

<i>Amounts in Euro '000</i>	GROUP							COMPANY					
	Attributable to equity holders of the company					Total	Non Controlling interest	Total Equity	Attributable to equity holders of the company				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses				Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2012	96,878	95,883	53,349	-5,430	-233,745	6,934	199	7,133	96,878	95,883	52,219	-129,044	115,935
Unrecognized Gain/(Losses) net of deferred taxes					-9,160	-9,160		-9,160				-1,364	-1,364
Balance at 01/01/2012 (Restated)	96,878	95,883	53,349	-5,430	-242,904	-2,226	199	-2,027	96,878	95,883	52,219	-130,408	114,571
Profit/ (Loss) for the year					-48,348	-48,348	-102	-48,450				-87,255	-87,255
Fair value reserves													
Unrecognized Gain/(Losses) net of deferred taxes					175	175		175				-384	-384
Exchange difference adjustments				1,584	-109	1,474	-24	1,450					
Total comprehensive income for the year				1,584	-48,283	-46,699	-126	-46,825				-87,638	-87,638
Reserves transfers			131		-131								
Balance at 31/12/2012 (Restated)	96,878	95,883	53,480	-3,847	-291,318	-48,925	73	-48,852	96,878	95,883	52,219	-218,046	26,933

<i>Amounts in Euro '000</i>	GROUP							COMPANY					
	Attributable to equity holders of the company					Total	Non Controlling interest	Total Equity	Attributable to equity holders of the company				Total Equity
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses				Share Capital	Share Premium	Other Reserves	Retained Losses	
Balance at 01/01/2013 (Restated)	96,878	95,883	53,480	-3,847	-291,318	-48,925	73	-48,852	96,878	95,883	52,219	-218,046	26,933
Earnings / (Losses) per income statement					-29,827	-29,827	-183	-30,010				-33,072	-33,072
Unrecognized Gain/(Losses) net of deferred taxes					1,216	1,216		1,216				316	316
Exchange difference adjustments			0	-618	-550	-1,168	9	-1,159					
Total comprehensive income			0	-618	-29,161	-29,779	-173	-29,953				-32,756	-32,756
Reserves transfers			-355		355						4,361	-4,818	-457
Balance at 31/12/2013	96,878	95,883	53,124	-4,464	-320,125	-78,704	-101	-78,805	96,878	95,883	56,580	-255,621	-6,280

The notes on pages 35 to 100 are an integral part of these annual financial statements

CASH FLOW STATEMENT

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		31/12/2013	31/12/2012 (Restated)	31/12/2013	31/12/2012 (Restated)
<u>Cash generated from operations</u>					
Earnings/(Losses) before tax		-27,191	-32,933	-33,425	-75,586
Adjustments for:					
Depreciation and amortisation	7,8	8,618	9,327	4,772	4,931
Impairment of tangible and intangible assets		5,567	16,303	3,545	18,110
Provisions		2,873	-5,461	5,482	31,027
Exchange differences		776	547	517	90
Other Losses/Gains		-346	-650	7,155	9,895
Net financial expenses/(income)		19,384	18,670	11,478	11,884
Working capital changes		0	0	0	0
Decrease / (Increase) in inventories		5,032	3,463	3,492	1,572
Decrease / (Increase) in receivables		3,438	5,813	-2,453	-219
Increase / (Decrease) in payables (excluding banks)		-6,501	245	-4,114	-2,312
Less:		0	0	0	0
Interest paid and other related expenses		-2,968	-4,733	-1,157	-2,793
Income tax paid		-3,019	-3,889	-16	-183
Net cash generated/(used) from/(in) operating Activities (a)		5,663	6,701	-4,723	-3,584
<u>Cash Flows from Investing Activities</u>					
Acquisition of subsidiary, related companies, joint ventures and other investments		0	0	-28	0
Purchase of intangible assets, property, plant and equipment	7,8	-2,665	-2,455	-976	-807
Proceeds of sale of tangible and intangible assets		84	487	124	373
Interest received		457	510	5,114	5,663
Net cash generated/(used) from/(in) investing activities (b)		-2,125	-1,458	4,234	5,230
<u>Cash Flows from Financing Activities</u>					
Repayments of borrowings		-1,654	-2,480	0	-2,000
Payments of finance lease liabilities		-147	-1,571	0	0
Net cash generated/(used) from/(in) financing activities (b)		-1,801	-4,051	0	-2,000
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)		1,737	1,192	-488	-354
Cash, cash equivalents and bank overdraft at beginning of year		14,475	13,314	1,431	1,785
Absorption of Affiliate		0	0	217	0
Exchange gains/(losses) on cash and cash equivalents		-343	-31	0	0
Cash and Cash Equivalents at end of year	15	15,869	14,475	1,160	1,431

The notes on pages 35 to 100 are an integral part of these annual financial statements

Notes to the Consolidated Financial Statements

1. General Information

These financial statements include the financial statements of the parent company M.J.Maillis SA (the “Company”) and the consolidated annual financial statements of the Company and its subsidiaries (the “Group”). The names of the subsidiaries are presented in Note 10 of the financial statements.

The Group is involved in the manufacture and distribution of end-of-line industrial solutions. Maillis Group serves customers in more than 52 countries worldwide, through a network of 25 owned Affiliate companies and more than 350 independent distributors.

The company is domiciled in Greece. The address of its registered office is Taki Kavalieratou 7, 14 564 Kifissia and its internet site is www.maillis.com.

The Company’s shares are listed on the Athens Stock Exchange.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company and the Group Financial Statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

Certain reclassifications have been made in the prior year’s figures in order to make them comparable to the current year’s figures. Any differences between amounts in the primary financial statements and similar amounts detailed in the explanatory notes are due to rounding of figures.

Going concern

These financial statements have been prepared on the assumption that the Company and the Group will continue to operate as a going concern and that both the Company and the Group will have sufficient financial resources to meet the Company’s and Group’s financial and operating requirements for the foreseeable future.

At 31 December 2013, the Company was obliged, under the loan agreements, to pay the Super Senior Bond loan of € 16m. The Group made a partial repayment on 11th October 2012 amounting to € 2m and has already submitted a request to suspend payment of the remaining amount to the bondholders. Also, the Group did not fully repay the Super Senior Bond amounting to 14.9m including interest and the first installment of Senior Bond Loan amounting to approx. euro 6.6m.

In addition, the Group, on 31.12.2013 was not in compliance with the required covenants of interest cover, debt cover and cash flow cover while on 31.12.2012 was not in compliance with the required covenant of minimum consolidated results before interest, tax and depreciation / amortization not including restructuring costs (EBITDA) and has already submitted the related request for waiver to the bondholders, as provided by the respective loan agreements, without having obtained, until today, the requested waivers.

The Company, on 31.12.2013, has not obtained a written acceptance of an extension in the performance of the bond loans’ terms. As a result, the loans of the Company are classified as current liabilities in terms of IAS 1. The affected loans are the Super Senior Bond loan, Senior Bond loan and the Convertible Bond loan.

Management requested from the bondholders the modification of the main terms of the respective bond loans agreements. In this context, the Company is requesting waivers in relation to the pending events of default resulting from those agreements providing also them with a business plan that covers the repayment of the loans. The bondholders have not responded to this request, which, however, will not affect the operations of the Company, provided that there will be a positive outcome to the major and substantial restructuring request of the repayment schedule of the debt. Management expects the outcome of these negotiations to be beneficial for the Company, the Group, its shareholders and its lenders, and therefore believes that the termination of the loan agreements is not probable. This will create the conditions for a smooth continuity and development of the business, preventing the loans to become due.

In addition, the deterioration of credit terms from key suppliers of raw materials, has led to a relative reduction in purchasing of raw materials and consequently the non-execution of orders with reduced turnover and profitability for the parent company and the subsidiaries of the group.

The Group and the Company fulfill their needs for Working Capital through their own financial resources which come from the operational activities of the group without external financing. However, the current economic conditions continue to create uncertainty regarding future availability of bank financing which will finance the increased demand for the Group's products and services.

In light of the above information, management has concluded that the going concern remains appropriate. Therefore, the Group and the Company continue to adopt the going concern principle in the preparation of Annual Financial Statements for the period of January 1 to 31 December 2013.

2.1.1 Changes in accounting policy and disclosures

The accounting principles that have been used in the preparation of the Annual Financial Statements are in accordance with those used for the preparation of the Company and Group Financial Statements as at 31 December 2012 with the following exceptions:

IAS 1 (Amendment) "Presentation of Financial Statements". The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

IAS 19 (Amendment) "Employee Benefits". This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between "short-term" and "other long-term" benefits.

	<u>ΟΜΙΛΟΣ</u>	<u>ΕΤΑΙΡΕΙΑ</u>
<u>1.1.2012</u>		
Retained losses / earnings	-233,745	-129,044
Effect from Revised IAS19	-9,160	-1,364
Retained losses / earnings	-242,904	-130,408
<u>31.12.2012 Income Statement</u>		
Total comprehensive income/(loss)	-47,797	-88,009
Effect from Revised IAS19	175	-384
Total comprehensive income/(loss)	-47,622	-88,393
Administrative expenses	-15,338	-5,534
Effect from Revised IAS19	996	943
Administrative expenses	-14,342	-4,591

Deferred tax	-12,205	-11,419
Effect from Revised IAS19	-199	-189
Deferred tax	-12,404	-11,608

31.12.2012 Statement of Financial Position

Retained losses / earnings	-283,131	-217,053
Effect from Revised IAS19	-8,188	-993
Retained losses / earnings	-291,318	-218,046

Retirement and termination benefit obligations	7,633	1,829
Effect from Revised IAS19	8,694	1,241
Retirement and termination benefit obligations	16,327	3,070

Deferred tax assets	5,983	2,023
Effect from Revised IAS19	506	248
Deferred tax assets	6,489	2,271

IFRS 13 “Fair Value Measurement”. IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones.

Amendments to IAS 36, ‘Impairment of assets’, on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the group until 1 January 2014, however the group has decided to early adopt the amendment as of 1 January 2013.

The financial statements have been prepared under the historical cost convention, with exceptions of derivative financial instruments that are presented at Fair Value.

The preparation of the Financial Statements in accordance with IFRS requires the use of estimates and assumptions which affect the balances of the assets and liabilities disclosed in the financial statements as well as the amounts of contingencies and the amounts of the income and expenses relating to the period from 1st January 2013 to 31 December 2013. These estimates are based to the best knowledge of the Company’s and Group’s management in relation to the current situation (See note 5).

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent

consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

The Company accounts for investments in subsidiaries in its separate financial statements at historic cost less impairment losses. Impairment losses are recognised in the income statement.

For the merger through absorption of the subsidiary Company «Straptech SA» by the parent company in 2013, followed the pooling of interests method (predecessor accounting). Accordingly, the assets, liabilities, cash flows, revenue and expenses of the acquired company were included in the corresponding items of the absorber to the conversion date (31/12/2012), until the end of the accounting period 31.12.2013. The assets and liabilities, excluding the share capital of the company being incorporated in the carrying values.

(b) Transactions and non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence in an entity, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Joint arrangements

The Group's interests in jointly controlled entities are accounted for by proportionate consolidation.

The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's Financial Statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. A loss on the transaction is recognised immediately if it provides evidence of a reduction in the net realisable value of current assets, or an impairment loss, Joint ventures' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is the location of an entity's production or services facilities and other assets that is subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors for decision making. The decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated Financial Statements are presented in euros, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'Other (expenses)/income'.

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment) and are charged to income statement upon disposal of these entities.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Property, plant and equipment

All property, plant and equipment (PPE) is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment.

Acquisition cost includes expenditure that is directly attributable to the acquisition of the tangible assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to reduce the cost of each asset to its residual value over its estimated useful life as follows:

– buildings	30-80 years
– machinery	6-15 years
– vehicles	4-6 years
– Furniture, fitting and equipment	5-7 years

The cost of subsequent expenditures is depreciated during the estimated useful life of the asset and costs for major periodic renovations are depreciated to the date of the next scheduled renovation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over IFRS GAAP Plc's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not depreciated and tested annually for impairment, or earlier if there are indications of impairment, and carried at cost less accumulated impairment losses. The Group allocates goodwill to

cash-generating units based on the geographical region of operation of each Group entity from which the goodwill was derived.

Loss from impairment is recognised if the carrying amount exceeds the recoverable amount. Impairment losses are recognized in the profit and loss account and are not reversed in subsequent years.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold in order to calculate the profit/loss from that sale.

(b) Trademarks and licences

Trademarks and licences are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives (10-20 years).

(c) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are between three and five years.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred.

(c) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have a finite useful life and that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding ten years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit and loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit and loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges.

The Group and the Company did not own any such financial assets, including derivatives held for trading during the periods presented in these financial statements.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables comprise 'trade and other receivables' in the statement of financial position (Note 2.11) and cash and cash equivalents (Note 2.12).

2.8.2 Recognition and Measurement

Regular purchases and sales of investments are recognized on the transaction date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs, except for financial assets at fair value through profit or loss. Investments are derecognised when the rights to cash flows from the investments have expired or been transferred and the Group has transferred substantially all risks and rewards of ownership.

The realized and unrealized gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss', are recognized in the period incurred.

The "loans and receivables" are shown at amortized cost using the effective interest method.

2.8.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8.4 Impairment of financial assets

The Group and Company assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or

group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Impairment testing of trade receivables is described in Note 2.11.

2.9 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); hedges of highly probable forecast transactions or of a particular risk associated with a recognised asset or liability (cash flow hedge); or hedges of net investments in foreign operations.

Derivatives that do not qualify for hedge accounting

The Group uses derivative financial instruments to hedge risks arising from changes in interest rates. These derivatives are recognized in the balance sheet initially at fair value at the date of the transaction and are subsequently measured at their fair value . The estimated fair value is determined using quoted market prices and discounted cash flows.

All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Gains or losses arising from changes in fair value of derivatives held for trading are recognized in profit or loss .

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Provisions are established for obsolete, destroyed and slow moving inventories. The decrease in the net realisable value of inventories and all other losses related to inventories are included in the income statement in the year they occur.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade

receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'selling and distribution expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'selling and distribution' in the income statement.

2.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, are included in equity attributable to the Company's equity holders.

2.14 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.16 Borrowing costs

Borrowing costs incurred for the construction of tangible fixed assets are capitalized for the period necessary to complete the construction. All other borrowing costs are recognized in profit or loss as incurred.

2.17 Compound financial instruments

Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

2.18 Current and Deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Employee Benefits

Group entities operate various pension and retirement schemes in accordance with the local conditions and practices in the countries they operate. These schemes include both defined benefit and defined contribution plans.

(a) Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.20 Government Grants

Government grants are recognized at their fair value when it is certain that the grant will be received and that the Group has covered all relevant prerequisites.

Government grants that relate to expenses are recognized as income in the income statement in order to match the relevant expense.

Government grants relating to property, plant and equipment are recognized as long term liabilities and are transferred to the income statement under the straight method based on the respective asset's useful life.

2.21 Provisions

Provisions for warranties, holiday bonus, restructuring costs, environmental restoration and legal claims are recognized when:

- The Group has a present legal or constructive obligation as a result of past events
- it is more likely than not that an outflow of resources will be required to settle the obligation
- and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures that, according to the management's best estimations, are expected in order to settle the current obligation at the balance sheet date. The discount rate used for the calculation of the present value reflects current market assessments of the time value of money and the risks specific to the obligation.

(a) Warranties

The Group provides for the liability occurring for the service of replacement of machines that have a guarantee at the balance sheet date. This provision is based on similar historical estimates.

(b) Restructuring Costs

The provisions for restructuring costs include mainly fines related to the premature ending of lease agreements and personnel redundancies. These costs are recognised when the Group has a present legal or constructive obligation. Personnel redundancies are expensed only when an agreement with the personnel representatives is in place or when employees have been informed in advance for their redundancy.

2.22 Revenue recognition

Revenue comprises the fair value of the sale of goods and services, net of value-added tax, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Specific categories of revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer; the customer has accepted the products; and collectibility of the related receivables is reasonably assured.

(b) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest Income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues accreting the discount as interest income. Interest income on impaired loans is recognised either as cash is collected or on a cost-recovery basis as conditions warrant.

(d) Royalty Income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

(e) Dividend Income

Dividend income is recognised when the right to receive payment is established.

2.23 Leases

The Group is the lessee

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.24 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

2.25 Exceptional items

Exceptional items are disclosed separately in the financial statement where it is necessary to do so to provide further understanding of the financial performance of the group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. New Standards & Interpretations

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 1 (Amendment) "Presentation of Financial Statements"

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

IAS 19 (Amendment) "Employee Benefits"

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for

all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits.

IAS 12 (Amendment) “Income Taxes”

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 “Investment Property”.

IFRS 13 “Fair Value Measurement”

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones.

IFRS 7 (Amendment) “Financial Instruments: Disclosures”

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position.

Amendments to standards that form part of the IASB’s 2011 annual improvements project

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

IAS 1 “Presentation of financial statements”

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

IAS 16 “Property, plant and equipment”

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

IAS 32 “Financial instruments: Presentation”

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

IAS 34, ‘Interim financial reporting’

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

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

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

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

IFRS 9 “Financial Instruments: Hedge accounting and amendments to IFRS 9, IFRS7 and IAS 39” (effective for annual periods beginning on or after 1 January 2015)

The IASB has published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The second amendment requires changes in the fair value of an entity's debt attributable to changes in an entity's own credit risk to be recognised in other comprehensive income and the third amendment is the removal of the mandatory effective date of IFRS 9. These amendments have not yet been endorsed by the EU.

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

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

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

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

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

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted only if the entire "package" of five standards is adopted at the same time. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows.

IFRS 10 "Consolidated Financial Statements"

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

IFRS 11 "Joint Arrangements"

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

IFRS 12 "Disclosure of Interests in Other Entities"

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

IAS 27 (Amendment) "Separate Financial Statements"

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

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

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

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

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

IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities” (effective for annual periods beginning on or after 1 January 2014)

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

IAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets” (effective for annual periods beginning on or after 1 January 2014)

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IFRIC 21 “Levies” (effective for annual periods beginning on or after 1 January 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. This interpretation has not yet been endorsed by the EU.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” (effective for annual periods beginning on or after 1 January 2014)

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

IAS 19R (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 July 2014)

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans and simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB’s 2010-12 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 2 “Share-based payment”

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

IFRS 3 “Business combinations”

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 “Operating segments”

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 “Fair value measurement”

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 “Related party disclosures”

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB’s 2011-13 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 3 “Business combinations”

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 “Fair value measurement”

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 “Investment property”

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

IFRS 1 “First-time adoption of International Financial Reporting Standards”

The amendment clarifies that a first-time adopter can use either the old or the new version of a revised standard when early adoption is permitted.

4. Financial risk management

4.1 Financial risk factors

As a result of its international activities, the Group is exposed to certain financial risks, i.e.: market risk (including foreign exchange risk and price risk), credit risk, cash flow risk and fair value interest-rate risk.

The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The Group uses derivative financial instruments, such as interest rate swaps and cross-currency swaps to hedge certain risk exposures.

Risk management is carried out by Group Treasury Department, which identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board of Directors

provides principles and guidance for overall risk management, such as foreign exchange risk and credit risk, use of derivative financial instruments and investment of excess liquidity.

(a) Market risk

The Group overall has no significant exposure to a specific industry, thus it is not significantly affected by any reduction in levels of demand in individual sectors and markets. The transformations among competitors in markets where it has presence were not historically significant. There were no significant innovative technologies or applications which does not have the Group and which threaten its market share. Its presence in different geographic areas reduces the impact of any reduction in demand in individual markets.

The market risks faced by the Group are mainly related to changes in global demand and activity, mainly in industrial products and second to consumers.

(i) Foreign exchange risk

The Group operates internationally and as a result is exposed to foreign exchange risk related mostly to the US Dollar, the UK Pound, the Polish Zloty, the Romanian Lei and the Canadian Dollar. Foreign exchange risk arises mainly from future commercial transactions, assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign companies.

To manage currency risk in countries such as Canada, the Group enters into forward contract with outside counterparties (banks).

Due to the debt restructuring, the Group cannot offset fully the currency risk with currency futures exchange. Part of this risk, especially the U.S. Dollar is covered with a natural hedge (natural hedging) or through the raw materials, where exports to the currency offset by imports of raw materials in the same currency, either by converting its existing loans from euro to the currency needed for hedging.

At 31 December 2013, if the foreign currencies had weakened/strengthened by 5% against the Euro with all other variables held constant, post-tax losses/profits for the year would have been € 3,948 k lower/higher (2012: €3,751 k lower/higher), mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated trade receivables, inventories, cash balances and borrowings. In respect of the same items, Equity would have been -€177 thousand (2012:- €424 thousand) lower/higher.

Future fluctuations in exchange rates, which the Group fails to manage effectively may materially adversely affect its financial position and results.

(ii) Cash flow and fair value interest rate risk

The borrowings of the Group are mainly at fixed interest rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk.

Borrowings, mainly overdraft accounts, issued at variable rates expose the group to cash flow interest rate risk. This risk is partially offset by cash held at variable rates.

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a high rating

are accepted. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The Group has no significant concentrations of credit risk. Sales have a high degree of diversification with respect to geography and industry sector and there are policies in place to ensure that sales of products are made to customers with an appropriate credit history.

However, any failure of the most important customers of the Group to meet their obligations, can adversely affect the financial results, financial position and the cash flow of the Group.

Analysis of due balances of trade receivables per customer category:

	2013	2012
<u>External Credit Rating</u>		
Ba3	941	733
<u>Without external rating</u>		
Group 1 – new customers	1,158	2,818
Group 2 – existing customers with no defaults in the past	34,836	37,235
Group 3 – existing customers with some defaults in the past. All defaults were fully recovered.	43	0
Σύνολο	36,978	40,786

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities.. Management monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs through its undrawn borrowing facility and cash and cash equivalents.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the effect of discounting is considered immaterial.

At 31 December 2013	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	248,891	0	0
Finance Lease Liabilities	130	1,046	0
Derivative financial instruments	5,706	0	0
Trade and other payables	37,949	0	0

At 31 December 2012	Less than 1 year	Between 1 and 5 years	Over 5 Years
Borrowings	230,883		
Finance Lease Liabilities	194	1,118	
Derivative financial instruments	4,578		
Trade and other payables	44,219		

For the granted financial guarantees please refer to Note 33.

4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

During 2013, the Group maintained a gearing ratio of 151% compared to a gearing ratio of 128% during 2012.

	2013	2012
Total borrowings (note 19)	250,009	236,066
Less: cash and cash equivalents (note 15)	15,869	14,475
Net Debt	234,140	221,591
Total equity	-78,805	-48,852
Total capital	155,335	172,739
Gearing Ratio	151%	128%

However, any adverse international conditions and / or the stability of loss making may have a negative impact on the leverage ratio, resulting, in the medium term, an increase in capital risk.

If the Group is unable to successfully manage its capital in the future ,may its financial position be materially adversely affected.

4.3 Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques and assumptions based on market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

In terms of IFRS 13 the Company and the Group must disclose the basis of determining the fair value of financial instruments that are presented in the Statement of Financial Position. The only financial instruments at fair value presented in the balance sheet are the derivative financial instruments that are detailed in note 19 in the financial statements. These derivative financial instruments are measured in terms of the "Level 2" fair value hierarchy, that is described in IFRS 13. The "Level 2" fair value hierarchy refers to fair value measurements that are based on inputs that are directly or indirectly observed in an active market.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's and company's assets and liabilities that are measured at fair value at 31 December 2013:

Liabilities	Level 1	Level 2	Level 3
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$		5,706	
Total		5,706	

The following table presents the group's and company's assets and liabilities that are measured at fair value at 31 December 2012:

Liabilities	Level 1	Level 2	Level 3
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	-	4,578	-
Total	-	4,578	-

Derivatives of level 2 comprise currency and interest rate swaps. These contracts have been fair valued using forward exchange rates that are quoted in an active market.

5. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions

that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (Note 25).

(b) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.6(a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. In light of the information set out in Note 2 on the going concern assumption used in preparing these financial statements, goodwill impairment testing has been performed on the basis that the cash generating units to which goodwill has been allocated will continue to operate as going concerns and will be funded by an optimal debt equity structure. Additional information and the results of impairment testing are set out in Note 8.

(c) Provision for doubtful debts

The provision for doubtful debts has been based on the outstanding balances of specific debtors after taking into account their ageing and the agreed credit terms. The analysis of the provision and the ageing of receivables are presented in Note 14.

(d) Pension benefits

The present value of the retirement benefit obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the relevant obligation comprises the discount rate, the expected return on plan assets, the rate of compensation increase, the rate of inflation and future estimated pension increases. Any changes in these assumptions will impact the carrying amount of the retirement benefit obligations. The Group determines the amount of the retirement benefit obligations using suitably qualified independent actuaries at each year end balance sheet date. The detailed information related to retirement benefit obligations is set out in Note 20.

5.2 Critical judgments in applying the entity's accounting policies

There are no areas that Management is required to make critical judgments in applying accounting policies.

6. Segment Information

Primary Segment Information – Business Segments

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. The executive directors consider the business principally from a geographical perspective based on the geographical region in which the subsidiaries operate.

The Group is divided in the following geographical regions for the purposes of the executive directors' evaluation:

- West Europe: Germany, Belgium, France, UK, Austria, Spain, Luxembourg
- Central Europe: Poland, Hungary, Czech, Slovakia
- Greece & East Europe: Greece, Romania, Bulgaria
- North America
- Italy (includes also Combi Packaging Systems)

It is noted that Management changed the operating segments by transferring the segment Other to West Europe. The amounts of 2012 has been restated accordingly.

The executive directors assess the performance of the operating segments based on a measure of EBITDA.

EBITDA is calculated as follows:

- Profit/Loss before Tax
- Add back: Financial and Investment results
- Add back: Depreciation and Amortisation

Other information provided to the strategic steering committee is measured in a manner consistent with that in the financial statements.

Total assets are allocated to the operating segments based on the operations of the segment and the physical location of the asset.

A) The segment results for the 12 months ended at 31st December 2013 and 31st December 2012 are as follows:

	West Europe		Central Europe		Greece & East Europe		North America		Italy		Total	
	1/1/13-31/12/13	1/1/12-31/12/12 Restated	1/1/13-31/12/13	1/1/12-31/12/12 Restated	1/1/13-31/12/13	1/1/12-31/12/12 Restated	1/1/13-31/12/13	1/1/12-31/12/12 Restated	1/1/13-31/12/13	1/1/12-31/12/12 Restated	1/1/13-31/12/13	1/1/12-31/12/12 Restated
<i>Amounts in Euro '000</i>												
Total Sales	67,571	70,589	47,322	50,721	44,240	48,194	40,950	41,515	60,180	55,670	260,263	266,689
Operating Income/(Loss)	-4,062	-2,063	482	2,579	-15,774	-7,844	6,493	5,987	5,054	3,163	-7,807	1,822
Impairment of goodwill		-16,085										-16,085
Financial Cost - Net	-979	-638	-289	-65	-17,422	-17,811	-267	357	-427	-513	-19,384	-18,670
Earnings before Tax	-5,041	-18,785	193	2,514	-33,196	-25,656	6,226	6,344	4,628	2,650	-27,191	-32,933
Income tax and Deferred tax	-180	-235	-64	-369	350	-11,813	-1,278	-2,049	-1,648	-1,052	-2,819	-15,518
Net Profit	-5,221	-19,020	129	2,145	-32,846	-37,469	4,948	4,295	2,980	1,598	-30,010	-48,450
Depreciation and amortisation	775	565	1,237	1,198	4,457	4,827	879	859	923	1,296	8,271	8,745
EBITDA	-3,288	-1,497	1,719	3,777	-11,317	-3,018	7,372	6,847	5,977	4,459	464	10,567
Provisions for bad debt and obsolete stock	276	-24	-35	-229	1,216	767	265	106	645	626	2,367	1,245

Included in the Group Income Statement for the 12 months to 31 December 2013 is depreciation expense € 7,758 th. charged to Cost of Sales (€8,246 th. at 31/12/2012), € 262 th. charged to distribution expenses (€362 th. at 31/12/2012) and € 598 th. charged to administrative expenses (€718 th. at 31/12/2012). It is noted that the depreciation expense in the income statement is netted with the depreciation of government grants amounting to €347 th.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

B) The Assets and Liabilities of the Segments for the 12 months ended at 31 December 2013 and 31 December 2012 respectively are as follows:

	West Europe		Central Europe		Greece & East Europe		North America		Italy		Total	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
<i>Amounts in Euro '000</i>												
Assets	29,259	30,193	34,097	37,711	76,793	90,347	36,967	39,361	71,996	72,924	249,112	270,535
Capital expenditure	357	200	365	711	982	810	116	261	846	553	2,665	2,535
Liabilities	17,025	16,437	7,182	10,259	268,336	256,311	6,329	7,256	29,046	29,124	327,917	319,388

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash.
 Segment liabilities comprise operating liabilities.

7. Property, Plant and Equipment

GROUP

	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Construction in progress	Total
<i>Amounts in Euro '000</i>							
Cost							
At 1 January 2012	7,282	52,543	140,707	2,257	14,211	5,665	222,665
Exchange Differences	-19	398	1,109	26	26	5	1,545
Additions		132	440	88	317	1,226	2,203
Disposals / Write offs		-304	-1,509	-248	-1,255	-327	-3,642
Impairment Charges			-246			-47	-293
Reclassifications of Assets		374	-590		-28	-3,391	-3,635
Year ended 31 December 2012	7,263	53,143	139,911	2,123	13,272	3,130	218,842
Accumulated Depreciation							
At 1 January 2012		-21,068	-93,764	-2,015	-13,163		130,010
Exchange Differences		-99	-650	-22	-26		-798
Depreciation Charge for the period		-1,211	-6,755	-78	-410		-8,455
Disposals / Write offs		292	1,365	241	1,253		3,151
Impairment Charges			79	-1	-4		74
Reclassifications of Assets		2	3,054		22		3,078
Year ended 31 December 2012		-22,085	-96,672	-1,874	-12,329		132,960
Net Book Value at 31 December 2012	7,263	31,058	43,239	249	943	3,130	85,882
Cost							
At 1 January 2013	7,263	53,143	139,911	2,123	13,272	3,130	218,842
Exchange Differences	-38	-734	-753	-24	-153	-22	-1,724
Additions		55	894	0	285	920	2,155
Disposals / Write offs		0	-679	-154	-343	-19	-1,195
Impairment Charges	-61	-1,215	-3,684		0		-4,960
Reclassifications of Assets		39	4,082	-23	97	-3,095	1,100
Year ended 31 December 2013	7,164	51,288	139,772	1,922	13,158	914	214,219
Accumulated Depreciation							
At 1 January 2013		-22,085	-96,672	-1,874	-12,329		132,960
Exchange Differences		426	388	19	133		966
Depreciation Charge for the period		-1,041	-6,490	-78	-367		-7,976
Disposals / Write offs		0	587	177	349		1,113
Impairment Charges		-421	-1		0		-422
Reclassifications of Assets		17	-11		1		8
Year ended 31 December 2013		-23,104	-102,199	-1,756	-12,213		139,273
Net Book Value at 31 December 2013	7,164	28,184	37,573	166	945	914	74,946

Reclassifications of 1,1 m€ are amount € 200 th. transfer of spare parts from inventory and amount €900 th. from available for sale to fixed assets.

COMPANY

Amounts in Euro '000

	Land	Buildings	Machinery	Vehicles	Furniture and Fittings	Fixed Assets Under Construction	Total
Cost							
At 1 January 2012	4,936	27,801	82,030	670	5,589	5,500	126,525
Additions		94	25		111	576	807
Disposals / Write offs		-262	-3,288		-919	-327	-4,795
Impairment Charges							
Reclassifications of Assets			3,969			-3,969	
Year ended 31 December 2012	4,936	27,633	82,736	670	4,781	1,780	122,536
Accumulated Depreciation							
At 1 January 2012		-13,386	-54,731	-562	-5,133		-73,812
Depreciation Charge for the period		-286	-4,376	-23	-185		-4,869
Disposals / Write offs		261	1,939		919		3,118
Impairment Charges							
Reclassifications of Assets							
Year ended 31 December 2012		-13,411	-57,168	-585	-4,399		-75,563
Net Book Value at 31 December 2012	4,936	14,222	25,568	86	382	1,780	46,973

Cost							
At 1 January 2013	4,936	27,633	82,736	670	4,781	1,780	122,536
Additions		11	246	0	58	661	976
Disposals / Write offs		0	-44	-28	0	-19	-92
Absorption of Affiliate	549	5,610	4,330	122	206	16	10,833
Impairment Charges	-61	-1,215	-2,000				-3,276
Reclassifications of Assets			1,730		89	-1,615	204
Year ended 31 December 2013	5,424	32,039	86,997	765	5,134	823	131,181
Accumulated Depreciation							
At 1 January 2013		-13,411	-57,168	-585	-4,399		-75,563
Depreciation Charge for the period		-346	-4,193	-23	-170		-4,732
Disposals / Write offs		0	39	28	0		67
Absorption of Affiliate		-1,420	-3,091	-123	-205		-4,838
Impairment Charges		0			0		0
Reclassifications of Assets							
Year ended 31 December 2013		-15,177	-64,413	-702	-4,774		-85,067
Net Book Value at 31 December 2013	5,424	16,861	22,584	63	360	823	46,115

Included in Company's Income Statement for the 12 months to 31 December 2013 is depreciation expense € 4,456 th. charged to Cost of Sales (€ 4,805 th. at 31/12/2012). € 27 th. charged to distribution expenses (€ 19 th. at 31/12/2012) and € 289 th. charged to administrative expenses (€ 107 th. at 31/12/2012).

It is noted that the depreciation expense in the income statement is netted with the depreciation of government grants amounting to €347 th.

In the table above in the categories buildings and machinery are included leased assets as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2013	2012
Cost 1/1	18,556	18,274
Additions	-46	587
Disposals	0	-305
Cost 31/12	18,510	18,556
Accumulated depreciation 1/1	10,790	9,985
Additions	712	1,102
Disposals	0	-297
Accumulated depreciation 31/12	11,502	10,790
Net book value 31/12	7,008	7,766

8. Intangible Assets

GROUP

<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost				
At 1 January 2012	64,928	8,267	18,080	91,275
Exchange Differences	443	3	145	591
Additions		73	259	332
Disposals / Write offs		-7	-38	-45
Impairment Charges	-16,085		-53	-16,138
Reclassifications of Assets		335	-356	-20
Year ended 31 December 2012	49,287	8,671	18,038	75,996
Accumulated Amortisation				
At 1 January 2012		-7,470	-16,604	-24,074
Exchange Differences		-2	-118	-120
Amortisation Charge for the period		-500	-375	-875
Disposals / Write offs		7	33	40
Impairment Charges			54	54
Reclassifications of Assets				
Year ended 31 December 2012		-7,965	-17,010	-24,975
Net Book Value at 31 December 2012	49,287	706	1,028	51,021

<i>Amounts in Euro '000</i>	Goodwill	Development Costs	Other Intangible Assets	Total
Cost				
At 1 January 2013	49,287	8,671	18,038	75,996
Exchange Differences	-95	-44	-403	-541
Additions		67	443	511
Disposals / Write offs		0	-14	-14
Impairment Charges	0		8	8
Reclassifications of Assets		1	-1	0
Year ended 31 December 2013	49,192	8,695	18,072	75,959
Accumulated Amortisation				
At 1 January 2013		-7,965	-17,010	-24,975
Exchange Differences		38	400	438
Amortisation Charge for the period		-395	-245	-640
Disposals / Write offs			15	15
Impairment Charges			-193	-193
Reclassifications of Assets			0	0
Year ended 31 December 2013		-8,323	-17,033	-25,355
Net Book Value at 31 December 2013	49,192	373	1,039	50,604

COMPANY

Amounts in Euro '000

Cost

	Development Costs	Other Intangible Assets	Total
At 1 January 2012	326	4,946	5,272
Additions			
Disposals / Write offs			
Impairment Charges			
Reclassifications of Assets			
Year ended 31 December 2012	326	4,946	5,272

Accumulated Amortisation

At 1 January 2012	-166	-4,924	-5,090
Amortisation Charge for the period	-40	-22	-63
Disposals / Write offs			
Reclassifications of Assets			
Year ended 31 December 2012	-206	-4,946	-5,153
Net Book Value at 31 December 2012	120	0	119

Cost

	Development Costs	Other Intangible Assets	Total
At 1 January 2013	326	4,946	5,272
Additions			
Disposals / Write offs			
Impairment Charges			
Reclassifications of Assets	-326	326	0
Year ended 31 December 2013		5,272	5,272

Accumulated Amortisation

At 1 January 2013	-206	-4,946	-5,153
Amortisation Charge for the period		-40	-40
Disposals / Write offs			
Reclassifications of Assets	206	-206	0
Year ended 31 December 2013		-5,192	-5,192
Net Book Value at 31 December 2013		80	80

The amortization charge for the Company € 40 th. is included in administrative expenses (€ 63 th. at 31/12/2012).

Goodwill Impairment Test

Following the change of the Group's operating structure with effect from 2008 to operate on a regional basis goodwill is allocated to cash-generating units (CGUs) based on the region from which the goodwill is derived. This change in allocation is based on the existing operating structure whereby manufacturing effort, customer sales and collections, and general day to day management is now conducted regionally.

The allocation of goodwill is as follows:

<i>Amounts in Euro '000</i>	Goodwill			
	31/12/2013			
	Gross	Impairment	Other movements	Net
Italy	29,290			29,290
West Europe	0			0
Central Europe	6,739		-95	6,644
North America	13,257			13,257
Total	49,287		-95	49,192

<i>Amounts in Euro '000</i>	Goodwill			
	31/12/2012			
	Gross	Impairment	Other movements	Net
Italy	38,843	-9,553		29,290
West Europe	6,532	-6,532		0
Central Europe	6,295		443	6,739
North America	13,257			13,257
Total	64,928	-16,085	443	49,287

Impairment testing

The value in-use calculations have been based on forecasts for the future periods 2014 to 2018. The 2014 forecast has been based on the business plans for the year ending 31 December 2014 that has been prepared by the relevant regional managers and are approved by Management of the Group. These business plans have been prepared based on the 2013 performance of each relevant CGU. The forecasts have also taken into account the anticipated benefits of the various restructuring initiatives that started in 2010 and that are continuing in 2011, 2012, 2013 and 2014.

The impairment testing process was performed using the following overall key assumptions:

- The going concern assumption used as the basis of preparation of these financial statements is appropriate and relevant and that each CGU will operate as a going concern on a stand alone basis.
- Each CGU will operate independently of each other CGU.
- Any transactions entered into between CGUs will be on an arms length basis (i.e. at prices and terms of payment that are applicable to third-parties).

- d) The CGU will be funded by a combination of debt and equity that is considered optimal relative to the anticipated future operations of the applicable CGU. The optimal debt equity structure that has been assumed is a debt equity ratio of 38:62.

Management's assumptions relating to going concern have been explained in Note 2

The operating assumptions used in the 2014 business plans (compared to the actual for 2013) are as follows:

	Italy	West Europe	Central Europe	East Europe	North America
Revenue growth rate	9%	4%	2%	3%	7%
Gross margin	23%	17%	11%	10%	28%
Gross margin 2013	22%	16%	11%	10%	28%
EBITDA/Sales	12%	-3%	5%	-1%	18%
EBITDA/ Sales 2013	9%	-2%	3%	-14%	18%

For the forecast period 2014 to 2018 the key operating assumptions used are as follows:

	Italy	West Europe	Central Europe	East Europe	North America
Revenue growth rate	2-9%	4- 5%	5-8%	(-1%)-2%	18%
Gross margin	23%	17-18%	11-13%	10-12%	28%
Operating margin	11-12%	(-3%)-0%	5%-8%	(-1%) -2%	18%
Growth in perpetuity	1.5%	1.5%	1.5%	1.5%	1.5%
Discount rate 2013	8%	7%	8%	10%	7%
Discount rate 2012	10%	8%	10%	12%	8%

Following the completion of the impairment tests, management proceeded to impairment to the CGU's.

On the basis that the going concern assumption used by management in the preparation of these financial statements (as further explained in Note 2) is applicable the following should be noted:

- If the estimated revenue growth rates, assumed at 31 December 2013, were 5% lower than management's estimates, the Group would no need to reduce the carrying value of goodwill.
- If the estimated gross margins, assumed at 31 December 2012, were 5% lower than management's estimates, the Group would not need to reduce the carrying value of goodwill.
- If the estimated discount rate, assumed at 31 December 2012 and applied to the cash flows were 5% higher than management's estimates, the Group would not need to reduce the carrying value of goodwill.

In case the financial statements of the Group are drawn on a break-up basis instead of on a going-concern basis, the whole of the goodwill amounting to €49.3 million at 31 December 2013 would most probably have to be written off.

9. Deferred Income Tax

The deferred tax Assets and Liabilities for the period are as follows:

GROUP

Deferred Tax Liabilities

Amounts in Euro '000

	Accelerated tax depreciation	Fair Value Gains	Other Other	Total
At 1 January 2012	5,112	255	4,971	10,338
Reclassifications				0
Charged / (Credited) to the Income Statement	-326	54	147	-125
Charged directly to Equity				0
Exchange Differences	73		2	75
Year ended 31 December 2012	4,859	309	5,120	10,288

Deferred Tax Liabilities to be recovered after more than 12 months 6,456

Deferred Tax Liabilities to be recovered within 12 months 3,832

At 1 January 2013	4,859	309	5,120	10,288
Reclassifications	0	0	1	1
Charged / (Credited) to Income Statement	341	-68	-153	120
Charged to Equity	0	-214	0	-214
Exchange Differences	-12	0	0	-12
Year ended 31 December 2013	5,188	27	4,968	10,183

Deferred Tax Liabilities to be recovered after more than 12 months 6,805

Deferred Tax Liabilities to be recovered within 12 months 3,378

Deferred Tax Assets

Amounts in Euro '000

	Provisions	Impairment losses	Tax losses	Other	Total
At 1 January 2012	4,280	463	11,478	2,568	18,789
IAS 19 Effect	420	0	0	0	420
At 1 January 2012 Restated	4,700	463	11,478	2,568	19,209
Reclassifications	130			-130	0
Charged / (Credited) to Income Statement	-1,514	-165	-9,280	-1,370	-12,330
Charged / (Credited) to Equity					0
Exchange Differences	17	2	93	7	119
IAS 19 Effect	87				87
Year ended 31 December 2012	3,419	300	2,291	1,074	7,084

Deferred Tax Assets to be recovered after more than 12 months 6,489

Deferred Tax Assets to be recovered within 12 months 595

At 1 January 2013	3,419	300	2,291	1,074	7,084
Reclassifications	2	0	0	1	2
Charged / (Credited) to Income Statement	872	244	-1,166	368	318
Charged / (Credited) to Equity	0	0	0	0	0
Exchange Differences	-282	0	-12	-45	-338
Year ended 31 December 2013	4,012	544	1,113	1,398	7,067
Deferred Tax Assets to be recovered after more than 12 months	5,790				
Deferred Tax Assets to be recovered within 12 months	1,277				

COMPANY

Deferred Tax Liabilities

Amounts in Euro '000

	Accelerated tax depreciation	Fair Value of Earnings	Other Other	Total
At 1 January 2012	3,459	0	1,540	4,999
Charged / (Credited) to Income Statement	-224		18	-206
Charged to Equity				0
Exchange Differences				0
Year ended 31 December 2012	3,235	0	1,558	4,793
Deferred Tax Liabilities to be recovered after more than 12 months	4,793			
Deferred Tax Liabilities to be recovered within 12 months	0			

At 1 January 2013	3,235	0	1,558	4,793
Reclassifications	533	0	102	635
Charged / (Credited) to Income Statement	435	0	0	435
Charged to Equity	0	0	0	0
Exchange Differences	0	0	0	0
Year ended 31 December 2013	4,203	0	1,660	5,863
Deferred Tax Liabilities to be recovered after more than 12 months	5,863			
Deferred Tax Liabilities to be recovered within 12 months	0			

Deferred Tax Assets

Amounts in Euro '000

	Provisions	Impairment losses	Tax losses	Other	Total
At 1 January 2012	3,246	181	9,522	699	13,648
IAS 19 Effect	341	0	0	0	341
At 1 January 2012 Restated	3,587	181	9,522	699	13,989
Charged / (Credited) to Income Statement					0
Reclassifications	-1,485	-45	-9,522	-573	-11,625
Exchange Differences					0
IAS 19 Effect	-93				-93
Year ended 31 December 2012	2,009	136	0	126	2,271

Deferred Tax Assets to be recovered after more than 12 months

2,271

Deferred Tax Assets to be recovered within 12 months

At 1 January 2013	2,009	136	0	126	2,271
Reclassifications	213	141	0	0	354
Charged / (Credited) to Income Statement	611	53	0	167	831
Exchange Differences	0	0	0	0	0
Year ended 31 December 2013	2,834	330	0	293	3,457

Deferred Tax Assets to be recovered after more than 12 months

3,457

Deferred Tax Assets to be recovered within 12 months

0

The change of tax rate in Greece from 20% to 26% had as a result the increase in net deferred tax liability by €172 th.

Maillis SA does not form deferred tax asset on the accumulated tax losses.

10. Investments in Subsidiaries and Joint ventures

	% of Investment		
	Direct	Indirect	
Full Consolidation method			
M.J.MAILLIS SA, Kifissia, Athens, Greece		Parent	
STRAPTECH SA, Kifissia, Athens, Greece	100.00%		
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100.00%		
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	86.84%		
M.J.MAILLIS FRANCE SAS, Saint Ouen L'Amone, France	100.00%		
MARFLEX M.J.MAILLIS POLAND SP ZOO, Karzcew, Poland	100.00%		
M.J.MAILLIS ESPANA SA, Barcelona, Spain	100.00%		
M.J.MAILLIS CZECH SRO, Prague, Czech	100.00%		
EUROPACK SA, Luxembourg	100.00%		
M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD, Budapest, Hungary	100.00%		
M.J.MAILLIS OSTERREICH GMBH, Vienna, Austria	100.00%		
MAILLIS HOLDING GMBH, Wuppertal, Germany	100.00%		
COLUMBIA SRL, Milan, Italy	100.00%		
3L Srl, Modena, Italy	100.00%		
M.J.MAILLIS UK LTD, Nottingham, UK	100.00%		(through EUROPACK SA)
WULFTEC INTERNATIONAL INC, Ayer's Cliff, Canada	100.00%		(through EUROPACK SA)
MAILLIS STRAPPING SYSTEMS USA Inc. Fountain Inn, USA	100.00%		(through EUROPACK SA)
MJ MAILLIS SYSTEMS SRL, Varese, Italy	100.00%		(through EUROPACK SA)
SIAT SPA, Como, Italy	100.00%		(through EUROPACK SA & COLUMBIA SRL)
SIAT BENELUX, Wvaalwijk, Holland	51.00%		(through SIAT SPA)
TAM SRL, Milan, Italy	71.00%		(through SIAT SPA)
SIAT USA, Delaware, USA	100.00%		(through SIAT SPA)
IMMOBILIARE LEO SRL, Milan, Italy	100.00%		(through COLUMBIA SRL)
Maillis Sander Verwaltungsgesellschaft mbH, Wuppertal, Germany	100.00%		through MAILLIS HOLDING GMBH (through MAILLIS HOLDING GMBH&MAILLIS SANDER GMBH)
SANDER GMBH & CO KG, Wuppertal, Germany	100.00%		(through SANDER GMBH & CO KG)
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium	100.00%		(through SANDER GMBH & CO KG)
Proportionate consolidation method			
COMBI PACKAGING SYSTEMS, Canton, USA		50.00%	(through SIAT SPA)

3L from June 2013 is direct participation of Maillis SA while until then it was indirect through Europack SA.

Sicme SRL was merged with its parent company Siat Spa in January 2013 and Straptech SA with its parent company Maillis SA in November 2013.

All Investments are consolidated fully with the exception of the Joint Venture which is consolidated proportionately.

The values of the Investments of the parent company in the aforementioned table as at 31 December 2013 are as follows:

<i>Amounts in Euro '000</i>	Country	31/12/2013	31/12/2012	Investment %
		Book value	Book value	
Straptech SA	Greece	0	5,300	100%
Europack SA	Luxembourg	78,810	78,810	100%
M.J Maillis Osterreich Gmbh	Austria	448	448	100%
Marflex MJ Maillis Poland SP ZOO	Poland	38,359	38,359	100%
		117,617	122,917	

During 2013 there was impairment loss from investments in subsidiaries 3L SRL and Columbia SRL amounting to 0,3 m€ due to acquisition and share capital increase performed in 2013 respectively.

As part of the impairment testing process related to goodwill (refer to Note 8) as of 31 December 2013 the Company also performed impairment test on all its material subsidiaries. The assumptions used in the impairment testing process are similar to those set out in note 8 and specifically the following:

- a) Each investment has been tested assuming that each will operate as a going concern on a stand alone basis.
- b) The budgeted cash flows are according to the business plan which are approved by the Group Management.
- c) Any transactions entered into between investment will be on an arms length basis (i.e. at prices and terms of payment that are applicable to third-parties).
- d) The investment will be funded by a combination of debt and equity that is considered optimal relative to the anticipated future operations of the applicable investment. The optimal debt equity structure that has been assumed is a debt equity ratio of 38:62.

Management's assumptions relating to going concern have been explained in Note 2.

11. Joint Ventures

The Group has one investment in joint ventures, namely:

- A 50% interest in Combi Packaging Systems Ltd. through a subsidiary of the Group, Siat Spa. The remaining 50% belongs to 3M. The Company is located in USA and produces packaging machines.

The following amounts represent the Group's share of assets and liabilities, and income, expenses and results of the joint venture Combi Packaging Systems Ltd, which is included in the balance sheet and income statement:

<i>Amounts in Euro '000</i>	GROUP	
	31/12/2013	31/12/2012
Receivables		
Non Current Assets	440	418
Current Assets	4,817	5,261
	5,258	5,679
Liabilities		
Non Current Liabilities	0	
Current Liabilities	1,731	2,305
	1,731	2,305
Net Equity	3,526	3,374
Income	11,681	10,896
Expenses	-11,227	-10,357
Profit / (Losses) after tax	454	539

There are no contingent liabilities relating to the Group's interest in the joint ventures, and no contingent liabilities relating to the ventures themselves. The joint ventures do not have significant pending capital expenditure contracts at 31/12/2013.

12. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

GROUP

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available- for-sale	Total
At 31 December 2013					
Assets as per balance sheet					
Trade and other receivables	53,791	0	0	0	53,791
Cash and cash equivalents	15,869	0	0	0	15,869
Total	69,660	0	0	0	69,660

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings excl. finance lease liabilities	0	0	243,231	243,231
Finance lease liabilities	0	0	1,072	1,072
Derivative financial instruments	5,706	0	0	5,706
Trade and other payables excl. non-financial liabilities	0	0	39,972	39,972
Total	5,706	0	284,275	289,981

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
At 31 December 2012					
Assets as per balance sheet					
Trade and other receivables	59,864				59,864
Cash and cash equivalents	14,475				14,475
Total	74,340	0	0	0	74,340

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings excl. finance lease liabilities			230,269	230,269
Finance lease liabilities			1,218	1,218
Derivative financial instruments	4,578			4,578
Trade and other payables excl. non-financial liabilities			46,019	46,019
Total	4,578	0	277,507	282,085

COMPANY

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
At 31 December 2013					
Assets as per balance sheet					
Trade and other receivables	84,368	0	0	0	84,368
Cash and cash equivalents	1,160	0	0	0	1,160
Total	85,528	0	0	0	85,528

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings excl. finance lease liabilities	0	0	239,231	239,231
Derivative financial instruments	5,706	0	0	5,706
Trade and other payables excl. non-financial liabilities	0	0	11,087	11,087
Total	5,706	0	250,318	256,024

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Available-for-sale	Total
At 31 December 2012					
Assets as per balance sheet					
Trade and other receivables	91,098				91,098
Cash and cash equivalents	1,431				1,431
Total	92,529	0	0	0	92,529

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Borrowings excl. finance lease liabilities			224,617	224,617
Derivative financial instruments	4,578			4,578
Trade and other payables excl. non-financial liabilities			12,449	12,449
Total	4,578	0	237,066	241,644

13. Inventories

Amounts in Euro '000	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Merchandise	5,034	5,150	1,911	1,274
Finished and Semi - Finished products, By products	26,441	31,791	4,555	6,535
Raw and Auxiliary Materials - Spare Parts and Packaging Materials	19,193	18,871	4,539	5,860
Advances for Inventories Purchases	1,055	1,147	1,055	1,133
Total	51,722	56,959	12,060	14,802
Less: Provisions for Impairment of Inventories	-4,886	-4,750	-635	-601
Net Value of Inventories	46,836	52,208	11,425	14,200

The movement in the Inventory provision for the year was as follows:

	GROUP		COMPANY	
	2013	2012	2013	2012
Inventory provision 1/1	4,750	6,225	601	602
Exchange rate adjustment	-106	17	0	
Additional provision for the year	1,145	670	208	
Unused amount reversed	-300	-359	-175	
Utilised during the year	-603	-1,803	0	0
Inventory provision 31/12	4,886	4,750	635	601

14. Trade and Other Receivables

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Trade Receivables	46,029	50,410	69,939	66,714
Notes Receivable	2,542	2,515	2,534	1,652
Less: Provisions for Impairment of trade Receivables	-5,950	-4,996	-44,052	-39,865
Trade Receivables- Net	42,620	47,928	28,421	28,501
Advances	316	203	83	17
Receivables from Loans from Related Parties (Note 24)	0		57,481	57,472
Other Receivables from Related Parties (Note 24)	0		13,562	13,562
Provision for Other Receivables& Loans from Subsidiaries	0	0	-17,749	-10,259
Other Receivables	2,462	1,902	1,703	1,054
Other Receivables and Prepayments	8,393	9,831	867	751
Total	53,791	59,864	84,368	91,098
Non Current Assets	4,901	4,660	52,241	208
Current Assets	48,890	55,204	32,127	90,890
Total	53,791	59,864	84,368	91,098

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers.

The fair value of current trade and other receivables closely approximates their book value.

It is noted that as of 31.12.2013 interest bearing loan of parent company to subsidiary company was reclassified from Current Assets to Non Current as based on the cash flows of the revised business plan of the subsidiary, it is not expected to repay the loan within the next year.

Movements on the provision for impairment of trade receivables are as follows:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2013	2012	2013	2012
Bad debt provision 1/1	4,996	5,080	39,865	7,319
Exchange rate adjustment	-66	-7	0	
Additional provision for the year	1,559	1,363	5,156	32,573
Unused amount reversed	-37	-428	-927	
Utilised during the year	-501	-1,012	-42	-26
Bad debt provision 31/12	5,950	4,996	44,052	39,865

Management, following its regular reviews, has concluded that, other than as provided for above trade receivables will be collected within the normal course of operations and within the negotiated credit terms. The Group does not hold any collateral as security for any trade receivables.

Maillis SA formed additional provision for group receivables amounting to 9.8 m€. In more detail, for trade receivables from group companies amounting to 2.3 m€ and for loans and other receivables amounting to 7.5 m€.

The carrying amounts of the Group's and Company's (excluding subsidiaries) trade receivables are denominated in the following currencies:

Amounts in Euro '000

	GROUP		COMPANY	
	2013	2012	2013	2012
Euro	34,196	36,330	9,932	8,689
USD	6,526	7,177	712	720
CAD	742	797	0	
GBP	3,062	3,544	0	189
PLN	1,878	2,454	0	
RON	998	1,429	0	
Other	1,170	1,193	441	345
	48,571	52,924	11,085	9,943

The carrying amounts of the trade receivables are analysed according to their ageing analysis as follows:

GROUP	2013			2012		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Due	38,286	1,308	36,978	40,966	180	40,786
Overdue 0-90 days	7,566	2,145	5,421	7,742	1,328	6,414
Overdue 91-180 days	210	115	94	645	289	355
Overdue 181+ days	2,509	2,383	127	3,571	3,199	372
Total	48,571	5,950	42,620	52,924	4,996	47,928

COMPANY	2013			2012		
	Gross amount	Provision for bad debts	Net amount	Gross amount	Provision for bad debts	Net amount
Receivables from affiliates	61,387	39,635	21,752	58,423	37,322	21,101
Due	7,491	0	0	9,233		9,233
Overdue 0-90 days	6,351	0	0	7,953		7,953
Overdue 91+ days	47,545	39,635	7,910	41,237	37,322	3,914
Third Parties	11,085	4,417	6,668	9,943	2,543	7,400
Due	7,813	1,145	6,668	7,519	119	7,400
Overdue 0-90 days	2,051	2,051	0	962	962	
Overdue 91-180 days	12	12	0	110	110	
Overdue 181+ days	1,208	1,209	-1	1,352	1,352	
Total	72,472	44,052	28,420	68,366	39,865	28,501

The majority of receivables of parent company is from subsidiaries. The company does not hold any collateral for trade receivables.

15. Cash and Cash Equivalents

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Cash at bank and in hand	32	37	12	6
Short term bank deposits	15,837	14,438	1,148	1,425
Cash and cash equivalents (excluding bank overdrafts)	15,869	14,475	1,160	1,431

The effective interest rate on short term bank deposits was on average 0.03% (2012: 0.92%) for the Group and the Company.

Included in cash and cash equivalents of the Company are balances amounting to € 76 th. that are restricted as they act as security of good performance.

16. Share Capital and Premium

<i>Amounts in Euro '000</i>	Number of Shares	Ordinary Shares	Share Premium	Treasury Shares	Total
At 1 January 2012	322,925,288	96,878	95,883	0	192,760
Selling of Treasury Shares					0
Cancellation of Treasury Shares					0
Year ended 31 December 2012	322,925,288	96,878	95,883	0	192,760

<i>Amounts in Euro '000</i>	Number of Shares	Common Shares	Share Premium	Treasury Shares	Total
At 1 January 2013	322,925,288	96,878	95,883	0	192,760
Selling of Treasury Shares	0	0	0	0	0
Cancellation of Treasury Shares	0	0	0	0	0
Year ended 31 December 2013	322,925,288	96,878	95,883	0	192,760

The common shares comprise shares with a par value of € 0.30 per share. All issued shares are fully paid.

17. Retained Earnings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012 (Revised)	31/12/2013	31/12/2012 (Revised)
Balance 1/1	-291,318	-233,745	-218,046	-129,044
IAS 19 Effect		-9,160		-1,364
Restated Balance 1/1	-291,318	-242,904	-218,046	-130,408
Earnings / (Losses) per income statement	-29,827	-48,348	-33,072	-87,255
Actuarial Gain/(Losses) net of deferred taxes	1,216	175	316	-384
Exchange difference adjustments	-550	-109		
Reserves transfers	355	-131	-4,818	
Balance 31/12	-320,125	-291,318	-255,621	-218,046

18. Other Reserves

GROUP

	Statutory reserve	Special reserves	Revaluation reserves	Tax free reserves	Total
At 1 January 2012	2,380	34,391	193	16,385	53,349
Net loss directly attributable to net equity					
Fair value reserves					
Reserves transfers				131	131
Year ended 31 December 2012	2,380	34,391	193	16,515	53,480

At 1 January 2013	2,380	34,391	193	16,515	53,480
Net loss directly attributable to net equity					
Fair value reserves					
Reserves transfers	-85	-270			-355
Year ended 31 December 2013	2,295	34,121	193	16,515	53,124

COMPANY

	Statutory reserve	Special reserves	Revaluation reserves	Tax free reserves	Total
At 1 January 2012	696	34,474	193	16,856	52,219
Reserves transfers					
Year ended 31 December 2012	696	34,474	193	16,856	52,219

At 1 January 2013	696	34,474	193	16,856	52,219
Reserves transfers					
Absorption of Affiliate	1	0	18	4,344	4,361
Year ended 31 December 2013	697	34,474	211	21,200	56,581

(a) Legal reserve

A legal reserve is created under the provisions of Greek law (Law 2190/20. articles 44 and 45) according to which, an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the share capital. The legal reserve can only be used, after approval of the Annual General meeting of the shareholders, to offset retained losses and therefore

can not be used for any other purpose. For the other companies of the Group, the respective provisions apply according to the legislation of the country of origin.

(b) Special reserve

The special reserve comprises a reserve that was created following a decision of the Annual General meeting in prior periods. This reserve was not created for any specific purpose and can therefore be used for any reason following approval from the Annual General meeting. The special reserve also includes other reserves, which were created under the provisions of Greek law. These reserves have been created from after tax profits and are therefore not subject to any additional taxation in case of their distribution or capitalisation.

(c) Revaluation reserves

These reserves resulted from the revaluation of land and buildings in terms of the laws of the countries in which the Group's companies operate. These revaluation reserves can be capitalised to share capital following a decision by the General Assembly. The Group does not currently intend to capitalise these reserves.

(d) Tax free reserves

Tax-free and special taxed reserves are created under the provisions of tax law from tax free profits or from income or profits taxed under special provisions.

These reserves can be capitalised or distributed. after the approval of the Annual General meeting. after taking into consideration any restrictions that may apply at the time of distribution.

19. Borrowings

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<i>Amounts in Euro '000</i>				
Non Current				
Bond Loan	130,391	124,234	130,391	124,234
Convertible Bond Loan	88,654	82,258	88,654	82,258
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	5,706	4,578	5,706	4,578
Total bank borrowings	224,751	211,070	224,751	211,070
Less: Bank borrowings reflected as short term (refer Covenants note below)	-224,751	-211,070	-224,751	-211,070
Accrued interest				
Finance Lease Liabilities	962	1,055		
Other				
Total	962	1,055		
Current				
Bank borrowings reflected as short term (refer Covenants note below)	224,751	211,070	224,751	211,070
Current Portion of Bond Loans				
Bank Overdrafts	1,777	1,926		
Short Term Bank Borrowings and bank overdrafts	16,749	17,703	14,546	14,000
Accrued interest	5,659	4,148	5,640	4,125
Finance Lease Liabilities	109	163		
Other				
Total	249,047	235,011	244,937	229,195
Total Borrowings	250,009	236,066	244,937	229,195

The carrying amounts of borrowings approximate their fair values.

The only financial instruments at fair value that has the Company are those presented in the above table. These derivative financial instruments are measured in terms of the “Level 2” fair value hierarchy that is described in Notes 5.3.

Liabilities	Level 1	Level 2	Level 3
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$		5,706	
Total		5,706	

Liabilities

Opening Balance	4,578
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	1,128
Balance at 31/12/2013	5,706

Covenants:

The Group, in terms of the debt restructuring agreement, is obligated to maintain the following covenants:

- Interest Cover relating to the consolidated results before interest, tax and depreciation / amortization, not including restructuring costs (EBITDA) to net financial expenses of the restructured loans in respect of any relevant period from the first quarter of 2013 on a rolling annual basis.
- Debt Cover ratio which is consolidated by net financial liabilities on the last day of the reference period to the consolidated results before interest, tax and depreciation / amortization not including restructuring costs (EBITDA) from the first quarter of 2013 on a rolling annual basis.
- Cash Flow Cover ratio relating to operating cash flows to servicing of the Group’s total debt burden for any relevant period from the first quarter of 2013 on a rolling annual basis.
- The Group must have a minimum liquidity level of 8 m€ at any point in time.
- Minimum consolidated results before interest, tax and depreciation / amortization not including restructuring costs (EBITDA) must be achieved, starting from 31/03/2012 to 31/12/2012.
- Maximum capital expenditure must be achieved from 31/12/2011.

At 31 December 2013, the Company was obliged, under the loan agreements, to pay the Super Senior Bond loan of € 16m. The Group made a partial repayment on 11th October 2012 amounting to € 2m and has already submitted a request to suspend payment of the remaining amount to the bondholders. Also, the Group did not fully repay the Super Senior Bond amounting to 14.9m including interest and the first installment of Senior Bond Loan amounting to approx. euro 6.6m.

In addition, the Group, on 31.12.2013 was not in compliance with the required covenants of interest cover, debt cover and cash flow cover while on 31.12.2012 was not in compliance with the required covenant of minimum consolidated results before interest, tax and depreciation / amortization not including restructuring costs (EBITDA) and has already submitted the related request for waiver to the bondholders, as provided by the respective loan agreements, without having obtained, until today, the requested waivers.

The impact of this breach is that all affected borrowings are classified as current liabilities in terms of IAS 1. The classification has been undertaken on the basis that at 31 December 2013 the Group and

the Company do not have an unconditional right to defer the settlement of these borrowings for a period greater than twelve months.

The guarantees granted for the above mentioned loans are described in Note 34.

**Contractual
Repricing
Dates**

<i>Amounts in Euro '000</i>	6 Months or Less	6 - 12 Months	1 - 5 Years	Over 5 Years	Total
31 December 2013					
Total Borrowings	249,047		962		250,009
Effect from Interest Rates Swaps					
	249,047		962		250,009

The maturity of long term borrowings is as follows:

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Between 1 and 2 Years	23	96		
Between 2 and 5 Years	433	287		
Over 5 Years	507	673		
	962	1,055		

The carrying amounts of the Group's borrowings are denominated in the following currencies:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Euro	163,363	150,948	158,496	144,379
\$ USD	86,441	84,817	86,441	84,817
£				
Other	205	302		
Total	250,009	236,066	244,937	229,195

The present value of the finance lease liabilities are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2013	2012
Up to 1 year	132	163
1-5 years	433	382
Above 5 years	507	673
	1,072	1,218

The gross payments for finance leases are as follows:

<i>Amounts in Euro '000</i>	GROUP	
	2013	2012
Up to 1 year	132	179
1-5 years	433	656
Above 5 years	507	628
	1,072	1,463
Future finance charges on finance leases	0	245
Present value of finance lease liabilities	1,072	1,218

20. Retirement Benefit Obligations

The provision for retirement benefits obligations has been calculated based on IAS 19 and is based on an actuary's report.

The main plans of the group are the following:

Siat Spa (Italy)

According to the Italian law (TFR) employers are required to provide a benefit to their employees when, for whatever reason, the employment relationship ended, ie in the case of retirement, death, disability and change work. The contributions are paid either cumulatively with revaluations on termination or regularly to a pension fund .

Maillis SA

Greek legislation does not provide for the creation and funding, in the form of contributions, of special fund (reserves) to cover the severance payments of L.2112/20, as amended by the N.4093/12 , and other relevant benefits. As a result have not been created a special fund by the employer from which could be done the repayment of the obligation. The compensation provided by law 2112/20 , 3026/54 and 4093/12 is only one off payments, which are given only in the event of normal retirement, redundancy and for those subject to the law 3026/54 , to death and voluntary retirement under conditions.

Maillis UK

Maillis UK operates 2 defined benefit pension schemes (funded), which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends upon members length of service and their salary in the final years leading up to retirement. Pension payments are adjusted in line with CPI inflation rates. The benefit payments are from trustee administered funds. Responsibility for governance of the plans - (including investment decisions and contribution schedules) lies jointly with the company and the board of trustees. The board of trustees is composed of representatives of the company and plan participants in accordance with the plans's regulations.

	GROUP		COMPANY	
	31/12/2013	31/12/2012 (Restated)	31/12/2013	31/12/2012 (Restated)
<i>Amounts in Euro '000</i>				
Present Value of Funded Obligations	37,833	39,497	2,634	3,070
Fair Value of Plan Assets	-23,199	-23,170	0	
Deficit of funded plans	14,634	16,327	2,634	3,070

Charged in the Income statement :

	GROUP		COMPANY	
	31/12/2013	31/12/2012 (Restated)	31/12/2013	31/12/2012 (Restated)
<i>Amounts in Euro '000</i>				
Current Service Cost	344	443	215	313
Interest Expense/Income	1,501	1,747	97	180
Expected Return on Plan Assets	-931	-980	0	
Regular P&L Charge	915	1,211	313	492
Past Service Cost	69		0	
Additional Cost of Termination Benefits	287	-1,401	310	-1,395
Restructuring Expense	319	72	319	72
Other Expense/(Income)	265	408	0	
Total P&L Charge	1,855	290	942	-831

The principal actuarial assumptions were as follows :

	GROUP			COMPANY		
	2013	2012	2011	2013	2012	2011
Discount Rate	3.75%	3.64%	4.14%	3.75%	3.55%	4.93%
Future Salary Increases	3.25%	3.10%	2.85%	3.25%	3.50%	4.00%
Inflation Rate	1.64%	1.53%	1.73%	1.75%	2.00%	2.50%
Future Pension Increases	1.43%	1.23%	0.65%	0.00%		

The movement in the defined benefit obligation over the year is as follows:

	GROUP			COMPANY
	Movement in the defined benefit obligation	Movement in the fair value of plan assets	Total	Movement in the defined benefit obligation
<i>Amounts in Euro '000</i>				
At 1 January 2012 (Restated)	39,358	-21,873	17,485	3,927
Current service cost	443	0	443	313
Interest expense/(income)	1,742	-572	1,169	180
Past service costs and gains and losses on settlements	-1,323		-1,323	-1,323
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/income	0	-1,284	-1,284	0
Losses/(gains) from change in demographic assumptions	0			0
Losses/(gains) from change in financial assumptions	1,263		1,263	612
Experience losses/(gains)	119		119	-133
Change in asset celling, excluding amounts included in interest expense	0			0
Exchange differences	667	-507	160	0
Benefits Paid	-1,011		-1,011	-505
Contributions:	0			0
Employers	0	-695	-695	0
Plan Participants	4	-4		0
Payments from plans:				0
Benefit Payments	-1,764	1,764		0
At 31 December 2012 (Restated)	39,497	-23,170	16,327	3,070
At 1 January 2013	39,497	-23,170	16,327	3,070
Current service cost	344	0	344	215
Interest expense/(income)	1,335	-931	404	97
Past service costs and gains and losses on settlements	799	307	1,106	628
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/income	0	-729	-729	0
Losses/(gains) from change in demographic assumptions	72	0	72	0
Losses/(gains) from change in financial assumptions	-263	0	-263	-225
Experience losses/(gains)	-312	0	-312	-91
Change in asset celling, excluding amounts included in interest expense	0	0	0	0
Exchange differences	-443	484	41	0
Benefits Paid	-1,678	0	-1,678	-1,256
Contributions:				
Employers	0	-679	-679	0
Plan Participants	4	-4	0	0
Payments from plans:				
Benefit Payments	-1,523	1,523	0	0
Settlements	0	0	0	0
Acquired in a business combination	0	0	0	194
At 31 December 2013	37,832	-23,199	14,634	2,634

	Less than 1 year	1-2 years	2-5 years	over 5 years	Total
Expected Maturity of undiscounted pension:					
Pension Benefits	1,863	1,567	4,810	70,035	78,275
Total	1,863	1,567	4,810	70,035	78,275

Expected contribution to post-employment benefit plans for the y/e 31.12.2014:

1,200

The weighted average duration of the defined benefit obligation :

15

If the discount rate was lower by 0,5%, the Retirement Benefit Obligation of the Group would be higher by € 985 th. or 6.6%.

21. Government Grants

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Beginning of period	3,234	3,816	1,951	2,316
Absorption of Affiliate	0	0	1,283	0
Transfer to Income Statement	-347	-582	-347	-365
End of period	2,887	3,234	2,887	1,951

The above grants are related to capital expenditure realized by the Company and the absorbed company Straptech SA in the plants of Inofita and Alexandroupoli. The specific capital expenditure was incorporated in governmental development laws that had to do with the plastic strapping, stretch film and tapes.

Other Grants

During year 2013 the Company and the Group received grants from OAED amounting to € 189 th. (2012: €511 th.)

22. Trade and Other Payables

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Trade Payables	24,805	31,555	5,278	8,121
Payables to Related Companies	0		2,831	1,947
Accrued Expenses	5,743	4,704	1,771	1,310
Social Security and other Taxes / Duties	1,108	1,097	520	474
Other Payables	6,293	6,862	687	597
Total	37,949	44,219	11,087	12,449

23. Provisions for other liabilities and charges

GROUP

Amounts in Euro '000

	Restructuring provisions	Legal Claims	Warranties	Other	Total
At 1 January 2012	3,750	372	1,054	2,965	8,142
Exchange Differences	8	-1	8	-55	-41
Additional Provisions for the period	127	13	126	420	685
Unused provisions Reversed		-88	-43	-35	-166
Utilised Provisions during the period	-1,186	-2	-200	-1,739	-3,127
Year ended 31 December 2012	2,698	293	944	1,556	5,492

Amounts in Euro '000

	Restructuring provisions	Legal Claims	Warranties	Other	Total
At 1 January 2013	2,698	293	944	1,556	5,492
Exchange Differences	-7	0	-91	-2	-99
Additional Provisions for the period	3,743	10	153	567	4,472
Unused provisions Reversed	-347	-6	-107	-24	-484
Utilised Provisions during the period	-846	-7	-38	-302	-1,193
Year ended 31 December 2013	5,242	290	861	1,795	8,188

Non- Current			482	546	1,028
Current	5,242	290	379	1,250	7,160
Total	5,242	290	861	1,795	8,188

Total Provisions of the Group as of 31.12.2013 amount to € 8,188 th. Amount € 7,160 th is included in Provisions for other liabilities and charges in the statement of financial position and amount € 1,028 th is included in other non current liabilities.

COMPANY

Amounts in Euro '000

	Restructuring provisions	Pending Litigation	Warranties	Other	Total
At 1 January 2012	189			282	471
Exchange Differences					
Additional Provisions for the period				287	287
Unused provisions Reversed					
Utilised Provisions during the period	-189			-282	-471
Year ended 31 December 2012	0			287	287

Amounts in Euro '000

	Restructuring provisions	Pending Litigation	Warranties	Other	Total
At 1 January 2013	0			287	287
Exchange Differences					
Additional Provisions for the period	2,631			282	2,912
Unused provisions Reversed	-347				-347
Utilised Provisions during the period	-153				-153
Year ended 31 December 2013	2,131			569	2,699

Non- Current					
Current	2,131			569	2,699
Total	2,131			569	2,699

(a)Legal claims

The above amount relates to the total provision existing regarding all the legal cases of the Group towards its clients.

(b)Warranties

The above amount relates to the total provision existing regarding the warranties accompanying the sale of a machine.

(c)Restructuring Provision

Restructuring provisions for restructuring costs that relate to the Group's final restructuring phase of its operations in Greece and in a number of foreign operations regarding sales force and administrative operations through planned outsourcing of certain functions.

24. Related parties

As at 31.12.2013 the following shareholders had a shareholding participation above 5% of the voting rights of the Company: Mr M.J. Maillis holds directly 5.82% and 4.38% through Horqueta Holdings limited , Alpha Bank SA holds 7.55%, EFG Eurobank Ergasias SA holds 15.26%, National Bank of Greece SA holds 7.91%, BNP Paribas SA holds 12.42% and Grace Bay II holding SARL 22.70%.

The following transactions are with Related Parties in the years 2013 and 2012:

	GROUP		COMPANY	
	01/01- 31/12/2013	01/01 - 31/12/2012	01/01- 31/12/2013	01/01 - 31/12/2012
<i>Amounts in Euro '000</i>				
Sales of goods				
- Subsidiaries	0		30,504	43,007
- Associate	3,773	2,581	0	
Sales of services				
- Subsidiaries	0		10,854	10,634
- Associate	0		0	
Purchase of goods				
- Subsidiaries	0		1,867	2,374
- Associate	56	111	0	
Purchase of services				
- Subsidiaries	0		0	
- Associate	0		0	
Key Management compensation				
Salaries and other short term benefits to key management and member of the board	4,604	4,444	2,264	2,303

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Year End Balances arising from purchases - sales of goods and services				
Trade receivables from Subsidiaries	0		61,387	58,423
Trade receivables from Associate	468	978	0	
Loans receivable from Subsidiaries	0		57,481	57,472
Loans receivable from Associates	0		0	
Other receivables from Subsidiaries	0		13,562	13,562
Other receivables from Associates	0		0	
Payables to Subsidiaries	0		2,831	1,947
Payables to Associate	3	27	0	

25. Income Tax

M.J. MAILLIS SA has been audited by tax authorities until FY 2007.

For the parent company and its subsidiary STRAPTECH S.A, the "Tax Compliance Report" for the financial years 2011 and 2012 has been issued by PWC with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the financial statements. According to the relevant legislation, the parent company's financial year will be considered final for tax audit purposes after eighteen months from the submission of the "Tax Compliance Report" to the Ministry of Finance.

For the 2013 financial year, the tax audit for M.J. MAILLIS SA and Straptech SA is being performed by PricewaterhouseCoopers S.A. The Company's management does not expect that additional tax liabilities will arise, in excess of those disclosed in the financial statements, upon the completion of the 2013 tax audit.

Maillis SA according to decision 75/0/1118 is under tax audit for the financial years 2008 to 2011.

The long term deferred tax asset of the Group amounted to € 5,790 th. (31/12/2012: € 6,489 th.). The deferred tax asset of the Company amounted to € 3,457 th. (31/12/2012: € 2,271 th.).

The unaudited tax years of the remaining companies of the Group are analyzed as follows:

- MAILLIS HOLDING GMBH has been tax audited until FY 1997
- MARFLEX M.J.MAILLIS Sp Zoo has been audited until FY 2008
- M.J.MAILLIS UK has been audited until FY 2008
- SIAT USA has been audited until FY 2008
- M.J.MAILLIS OSTERREICH GMBH has been audited until FY 2001
- WULFTEC INTERNATIONAL INC has been audited until FY 2002
- COLUMBIA has been audited until FY 2007
- IMMOBILIARE LEO SRL has been audited until FY 2007
- EUROPACK SA has been tax audited until FY 2010
- TAM SRL has been tax audited until FY 2007
- 3L has been audited until FY 2007
- M.J.MAILLIS FRANCE SAS has been audited until FY 2007
- MAILLIS STRAPPING SYSTEMS USA INC has not been tax audited.
- M.J.MAILLIS ESPANA SA has been audited until FY 2007

- M.J.MAILLIS CZECH SRO has been audited until FY 2007
- COMBI has been tax audited until FY 2005
- SIAT BENELUX BV has been tax audited until FY 2005
- MJ MAILLIS SYSTEMS SRL has been tax audited until FY 2007
- M.J.MAILLIS ROMANIA SA has been audited until FY 2007
- SANDER GMBH & CO KG has been audited until FY 2007
- MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH has been tax audited until FY 2007
- M.J.MAILLIS BULGARIA EOOD has been audited until FY 2008
- M.J.MAILLIS HUNGARY PACKING SYSTEMS LTD has been audited until FY 2008
- M.J.MAILLIS BENELUX NV has been audited until FY 2010
- STRAPTECH S.A. under the L. 3888/2010 has been tax audited until FY 2009
- SIAT SPA has been audited until FY 2007

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rates applicable to the profits of the companies in the Group, as follows:

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2013	2012 (Restated)	2013	2012 (Restated)
Current tax	2,715	3,000	0	0
Other tax	303	114	44	61
Deferred tax	-198	12,404	-396	11,608
	2,819	15,518	-352	11,669
Profit before tax	-27,191	-32,933	-33,425	-76,529
Tax calculated at tax rates applicable to profits	-7,070	-8,233	-8,691	-19,898
Income not subject to tax	-331	-6	0	
Expenses not deductible for tax purposes	-91	141	2,755	15,689
Utilisation of previously unrecognised tax losses	650		0	
Tax losses for which no deferred income tax asset was recognised	8,408	13,229	4,719	12,894
Other	1,253	10,386	865	2,983
	2,819	15,518	-352	11,669

26. Employee benefit expenses

	GROUP		COMPANY	
	31/12/2013	31/12/2012 (Restated)	31/12/2013	31/12/2012 (Restated)
<i>Amounts in Euro '000</i>				
Payroll Cost & Severance payments cost	44,565	44,669	10,822	9,644
Social Security Costs	10,505	10,852	2,241	2,143
Cost of Employee private pension plan - Defined Contribution pension plan	550	376	0	
Cost of Employee defined benefit plan	1,855	290	942	-831
Other Benefits	1,301	879	291	323
Total	58,777	57,066	14,296	11,279

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Number of employees	1,366	1,376	271	275

27. Expenses by nature

	GROUP		COMPANY	
	2013	2012	2013	2012
<i>Amounts in Euro '000</i>				
Changes in Inventory and Cost of Sales	164,441	173,479	50,180	56,838
Depreciation and Amortisation	8,271	8,745	4,425	4,567
Salaries, Social security and other employee costs	58,777	57,066	14,296	11,279
Transportation expenses	9,153	9,514	3,505	3,481
Travelling expenses	1,757	1,563	581	457
Selling expenses	2,423	2,636	219	276
Legal and Consulting costs	4,390	3,952	1,184	1,132
Rents and Operating lease rentals	2,460	2,566	398	433
Utilities, maintenance	2,268	2,214	484	430
Exchange differences	9,619	12,447	1,479	1,719
Provisions and impairments	13,434	1,520	17,802	41,700
Other expenses	1,711	3,689	994	1,906
	278,704	279,392	95,547	124,217
Classified as				
Cost of sales	209,106	216,666	64,096	67,968
Administrative expenses	18,636	14,342	8,742	4,591
Selling expenses	29,917	28,964	8,884	37,470
Other expenses	21,045	19,420	6,335	3,928
Impairment of Loans to Subsidiaries	0		7,490	10,259
	278,704	279,392	95,547	124,217

In the table above and also in the Income Statement, depreciation and amortisation have been netted off with the amortised grants whereas in the Cash flow Statement and the Tangible and Intangible analysis, Depreciation and Amortisation do not include the amortised grants.

28. Exceptional items

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	2013	2012	2013	2012
Operating Items	-9,577		-16,085	-42,232
Non operating items	0	-7,872	0	-7,872
	-9,577	-7,872	-16,085	-50,104

2013

At company level amount 16.1 m€ regards provision for impairment of trade receivables, other receivables and loan receivables of subsidiaries(9.8 m€), impairment of assets(3.3 m€) and restructuring expenses (3.0 m€) .

At group level amount 9.6 m€ regards impairment of assets(5.6 m€) and restructuring expenses (4.0 €).

2012

Amount 42.2 m€ regards provision for impairment of trade receivables, other receivables and loan receivables of subsidiaries.

Amount 7.9 m€ regards write off of deferred tax asset that was created due to in the Parent Company due to accumulated tax losses.

29. Finance Income and Expenses

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Long term interest expense	0	156	0	
Short term interest expense	19,985	18,635	19,320	18,021
Finance lease interest	20	47	0	
Foreign currency differences	3,549	4,857	4	19
Bank charges and other	1,924	1,683	800	641
Total Finance Expense	25,478	25,379	20,124	18,681
Interest income	458	511	6	12
Intragroup Interest income	0		5,887	5,767
Foreign currency differences	5,637	6,198	2,753	1,018
Total Finance Income	6,094	6,709	8,646	6,797

30. Other income

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Income from sale of fixed assets	10	85	1	3
Exchange differences	9,051	12,429	962	1,629
Other income	1,572	2,010	214	418
Total	10,633	14,525	1,177	2,050

31. Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as own shares.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary shares: convertible debt.. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

BASIC

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01-31/12/2013	01/01 - 31/12/2012 (Restated)	01/01-31/12/2013	01/01 - 31/12/2012 (Restated)
Earnings/(Losses) attributable to the Company's shareholders	-29,827	-48,348	-33,072	-87,255
Weighted Average number of shares	322,925,288	322,925,288	322,925,288	322,925,288
Basic Earnings/(Losses) per share (expressed in Euro)	-0.0924	-0.1497	-0.1024	-0.2702

DILUTED

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01-31/12/2013	01/01 - 31/12/2012 (Restated)	01/01-31/12/2013	01/01 - 31/12/2012 (Restated)
Earnings/(Losses) attributable to the Company's shareholders	-29,827	-48,348	-33,072	-87,255
Interest Expense of Convertible Bond	8,654	8,078	8,654	8,078
Total	-21,173	-40,271	-24,418	-79,177
Weighted Average number of shares	322,925,288	322,925,288	322,925,288	322,925,288
Weighted Average number of shares after conversion of convertible bond	283,604,794	257,666,213	283,604,794	257,666,213
Total Weighted Average number of shares	606,530,082	580,591,501	606,530,082	580,591,501
Diluted Earnings/(Losses) per share (expressed in Euro)	-0.0349	-0.0694	-0.0403	-0.1364

32. Net foreign exchange gains/losses

	GROUP		COMPANY	
	2013	2012	2013	2012
Other (losses)/gains- net (note 27,30)	-567	-17	-517	-90
Net Finance Cost (note 29)	2,088	1,341	2,749	999
Total	1,520	1,324	2,232	909

33. Contingencies and commitments

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Group and the Company have given guarantees in the ordinary course of business amounting to € 1.4 million and € 3.9 million respectively (of which € 2.5 million refer to guarantees given by the parent company relating to loans undertaken by the Group's subsidiaries). Also included in cash and cash equivalents of the Company are balances amounting to € 76 th. that are restricted as they act as security for letters of credit provided to the Company.

The Operating lease commitments of the Group as at 31/12/2013 and 31/12/2012 respectively are as follows:

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
0-1 years	3,168	3,145	140	140
1-2 years	3,136	3,031	142	143
2+ years	7,557	8,231	144	149
Total	13,861	14,407	426	432

As at 31/12/2013 the Group and the Company do not have significant pending capital expenditure contracts.

Also, Maillis UK is negotiating with the Social Insurance Institution of the country to limit its contribution in two pension plans that, upon repayment of a portion (10%) of the total obligation, these programs are transferred to the State Insurance Fund.

34. Encumbrances

As at 31st December 2013 the following encumbrances exist on Company's and Group's assets:

- Included in cash and cash equivalents of the Company are balances amounting to € 76 th. that are restricted as they act as security of good performance.
- The Group, in terms of the final debt restructuring agreements and in order to secure the new bond loans, has provided securities and encumbrances as they are described below:
- The following group companies, STRAPTECH AE, MJ MAILLIS U.K. Ltd, MARFLEX M.J. MAILLIS POLAND SP Z.O.O., M.J. MAILLIS ROMANIA SA, WULFTEC INTERNATIONAL INC., MAILLIS STRAPPING SYSTEMS USA INC., EUROPACK SA, MAILLIS HOLDING GMBH, MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH and SANDER GMBH & CO KG provided to lenders corporate guarantees equaling the total amount of the new bond loans, plus interest and costs, with the exception of SIAT SPA and COLUMBIA SRL, which provided corporate guarantees up to an amount of € 17.000 thousand and € 4.500 thousand, respectively.

- The Company provided securities in rem of an amount of to € 340.000 thousand
- STRAPTECH S.A. provided securities in rem of an amount of € 340.000 thousand
- MARFLEX M.J. MAILLIS POLAND SP. Z.O.O. provided security in rem of an amount of € 364.000 thousand
- MAILLIS STRAPPING SYSTEMS USA INC. provides securities in rem of an amount of \$ 340,000 thousand.
- M.J. MAILLIS ROMANIA provides securities in rem of an amount of € 12.000 thousand
- WULFTEC INTERNATIONAL INC. provides security in rem of an amount of CDN \$ 550 thousand.
- The Company and the Group companies STRAPTECH AE, EUROPACK SA, COLUMBIA SRL, MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH and MAILLIS HOLDING GmbH provided to the Lenders encumbrances and pledges on the shares they hold over the Group companies.
- The Company and EUROPACK S.A. provided to the Lenders collateral and encumbrances on their claims against subsidiaries of the Group for intercompany loans.
- The Company and the Group companies STRAPTECH SA, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders pledges and encumbrances on their bank accounts.
- The Company and the Group companies STRAPTECH SA, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders pledges and encumbrances on their machines.
- The Company and the Group companies STRAPTECH AE, MAILLIS STRAPPING SYSTEMS USA INC., MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to the Lenders pledges and encumbrances on their stocks.
- The Company and its Group companies STRAPTECH SA, MARFLEX MJ MAILLIS POLAND SP.ZOO., MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA, INC., MJ MAILLIS ROMANIA and WULFTEC INTERNATIONAL INC. provided to the Lenders collateral and encumbrances on their claims from insurance contracts.
- The Company and its Group companies STRAPTECH SA, MJ MAILLIS UK LIMITED, MAILLIS STRAPPING SYSTEMS USA INC., MJ MARFLECH MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC. and SANDER GMBH and Co. KG provided to Lenders encumbrances and pledges over their receivables.
- The Company and its Group companies STRAPTECH SA, MARFLEX MJ MAILLIS POLAND SP.ZOO., WULFTEC INTERNATIONAL INC., Providing collateral to lenders and encumbrances on their claims from factoring.
- M.J. MAILLIS ESPANA S.A.U. after conversion into a limited company enters as a guarantor of the obligations of the parent company resulting from the above bonds and provides lenders with collateral assignments and encumbrances on factoring, receivables and bank accounts.
- Also within one year from the signing of the restructuring agreement, the group company SIAT SpA would have to provide collateral to lenders and encumbrances on the shares of its subsidiaries. This obligation has not been fulfilled due to the fact that other third parties have not given their consent.

35. Dividends per share

The Company will not distribute a dividend for the year ended 31/12/2013.

36. Distribution of profit

The proposition by the Board of Directors to the General Assembly is for the Company to transfer the profit of the year amounting to € 33,072 thousand to profits/losses carried forward.

37. Events after the reporting date

No significant events took place after the balance sheet date.

Athens. 28 March 2014

**CHAIRMAN OF THE
BOARD OF
DIRECTORS**

**VICE-CHAIRMAN OF THE
BOARD OF DIRECTORS
AND C.E.O.**

**MEMBER OF THE
BOARD OF
DIRECTORS AND
C.F.O.**

**FINANCIAL
MANAGER OF
GREECE**

MICHAEL J. MAILLIS

Id. No. Φ 020206

IOANNIS A. LENTZOS

Id. No. Σ 370477

**DIMITRIOS P.
KOUVATSOS**

Id. No. Σ 594187

**SPYRIDON D.
PARGAS**

**Reg. No. 5293
E.C.G. A'Class**

INFORMATION ACCORDING TO ARTICLE 10 OF LAW 3401/2005

The following Announcements/Notifications have been sent to the Daily Official List Announcements and are posted to the Athens Exchange website as well as to our Company's website www.maillis.com:

DATE	ANNOUNCEMENT	WEBSITE
22/01/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
24/01/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
31/01/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
31/01/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
05/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
05/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
12/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
15/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
15/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
15/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
25/02/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
08/03/2013	CHANGE IN THE BOARD OF DIRECTORS	http://www.maillis.com/regulatory-announcements/
29/03/2013	M.J. MAILLIS GROUP – FULL YEAR 2012 FINANCIAL RESULTS	http://www.maillis.com/regulatory-announcements/

29/03/2013	ANNOUNCEMENT IN ACCORDANCE WITH PARAGRAPH 4.1.4.4 OF ATHEX REGULATION	http://www.maillis.com/regulatory-announcements/
05/04/2013	ANNOUNCEMENT OF MERGER PROCESS THROUGH ABSORPTION OF STRAPTECH S.A. BY M.J. MAILLIS S.A.	http://www.maillis.com/regulatory-announcements/
18/04/2013	APPROVAL OF DRAFT MERGER AGREEMENT	http://www.maillis.com/regulatory-announcements/
23/04/2013	INTERIM CFO	http://www.maillis.com/regulatory-announcements/
25/04/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
30/05/2013	SUMMARY OF DRAFT MERGER AGREEMENT FOR THE MERGER THROUGH ABSORPTION OF STRAPTECH S.A. BY M.J. MAILLIS S.A.	http://www.maillis.com/regulatory-announcements/
30/05/2013	PRESS RELEASE M.J. MAILLIS GROUP: Q1 2013 FINANCIAL RESULTS (FOR THE PERIOD 01.01.2013-31.03.2013)	http://www.maillis.com/regulatory-announcements/
30/05/2013	ANNOUNCEMENT IN ACCORDANCE WITH PARAGRAPH 4.1.4.4 OF ATHEX REGULATION	http://www.maillis.com/regulatory-announcements/
05/06/2013	INVITATION TO THE ANNUAL ORDINARY GENERAL MEETING FOR THE YEAR 2013	http://www.maillis.com/regulatory-announcements/
06/06/2013	INVITATION TO A MEETING OF THE CONVERTIBLE BONDHOLDERS OF M.J. MAILLIS S.A.-INDUSTRIAL PACKAGING SYSTEMS & TECHNOLOGIES ("THE COMPANY")	http://www.maillis.com/regulatory-announcements/
06/06/2013	ANNOUNCEMENT OF REPLACEMENT OF EXECUTIVE DIRECTOR	http://www.maillis.com/regulatory-announcements/
07/06/2013	TOTAL NUMBER OF SHARES AND VOTING RIGHTS OF THE ANNUAL ORDINARY GENERAL MEETING OF THE SHAREHOLDERS ON JUNE 27, 2013	http://www.maillis.com/regulatory-announcements/
11/06/2013	ANNOUNCEMENT OF CHANGES IN THE BOARD OF DIRECTORS	http://www.maillis.com/regulatory-announcements/
21/06/2013	PARTICIPATION AND VOTING VIA THE INTERNET	http://www.maillis.com/regulatory-announcements/
25/06/2013	DRAFT RESOLUTIONS ON THE ITEMS OF THE AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON 27.06.2013	http://www.maillis.com/regulatory-announcements/
25/06/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
25/06/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
26/06/2013	ANNOUNCEMENT RELATED TO THE DRAFT AMENDMENT OF THE ARTICLES OF INCORPORATION	http://www.maillis.com/regulatory-announcements/

26/06/2013	DISTANT PARTICIPATION IN THE MEETING OF THE CONVERTIBLE BONDHOLDERS	http://www.maillis.com/regulatory-announcements/
28/06/2013	RESOLUTIONS OF THE ANNUAL GENERAL SHAREHOLDERS MEETING HELD ON JUNE 27,2013	http://www.maillis.com/regulatory-announcements/
02/07/2013	ANNOUNCEMENT: MEETING OF THE CONVERTIBLE BONDHOLDERS	http://www.maillis.com/regulatory-announcements/
03/07/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
03/07/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
09/07/2013	ANNOUNCEMENT OF REGULATED INFORMATION ACCORDING TO LAW 3556/2007: NOTIFICATION OF SIGNIFICANT CHANGE IN PERCENTAGE OF VOTING RIGHTS	http://www.maillis.com/regulatory-announcements/
29/08/2013	PRESS RELEASE M.J. MAILLIS GROUP: 1 ST HALF 2013 FINANCIAL RESULTS (FOR THE PERIOD 01.01.2013-30.06.2013)	http://www.maillis.com/regulatory-announcements/
29/08/2013	ANNOUNCEMENT IN ACCORDANCE WITH PARAGRAPH 4.1.4.4 OF ATHEX REGULATION	http://www.maillis.com/regulatory-announcements/
17/10/2013	APPROVAL OF MERGER	http://www.maillis.com/regulatory-announcements/
29/11/2013	PRESS RELEASE M.J. MAILLIS GROUP: 3 RD QUARTER 2013 FINANCIAL RESULTS (FOR THE PERIOD 01.01.2013-30.09.2013)	http://www.maillis.com/regulatory-announcements/
29/11/2013	ANNOUNCEMENT IN ACCORDANCE WITH PARAGRAPH 4.1.4.4 OF ATHEX REGULATION	http://www.maillis.com/regulatory-announcements/

M. J. MAILLIS S.A.

INDUSTRIAL PACKAGING SYSTEMS & TECHNOLOGIES

SUMMARY FINANCIAL STATEMENTS for the year ended 31 December 2013

(In terms of article 135 of the Law 2190/20, for the companies publishing annual financial statements in accordance with IFRS)

The following information that has been extracted from the Financial Statements aims to provide a broad overview of the financial position and results of M.J.MAILLIS S.A. and its subsidiaries. We advise the reader, before entering into any investment or other transaction with the Company, to visit the company's site where the financial statements and notes for the period are published, together with the Auditors report, whenever it is required.

COMPANY'S STATUTORY INFORMATION

Head Office and Registered Address:	Taki Kavaleratou 7, 145 64 Kifissia, Athens
Company's Number in the Register of Societes Anonymes:	2716/06/B/86/43
Company's G.E.M.I. Number:	295301000
Supervising Authority:	Ministry of Development, (Department for limited Companies)
Board of Directors:	President: M.J. Maillis Vice President and Chief Executive Officer: Ioannis Lentzos Members: Lito Ioannidou, Michael Kokkinos, Dimitrios Kouvatatos, Faidon Stratos, Petros Tzannetakis, Michael Panagis, Giorgos Momferatos
Date of Approval of the Financial Statements	28 March 2014
Auditor's Name:	Dimitrios Sourbis (SOEL Reg. No. 16891)
Auditor's Firm:	PRICEWATERHOUSECOOPERS S.A.
Independent Auditor's Report:	Unqualified opinion / Emphasis of Matter
Company's web address:	www.maillis.com

STATEMENT OF FINANCIAL POSITION (Amounts in €)

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
ASSETS				
Tangible assets	74.945.940	85.882.346	46.114.602	46.972.508
Intangible assets	50.603.511	51.021.219	79.601	119.442
Other non-current assets	10.691.267	11.149.803	173.315.351	125.396.402
Inventories	46.835.979	52.208.189	11.424.557	14.200.126
Trade receivables	42.620.414	47.928.174	28.420.928	28.501.140
Other current assets	23.415.305	22.345.595	4.866.404	63.819.705
TOTAL ASSETS	249.112.416	270.535.326	264.221.443	279.009.323
EQUITY AND LIABILITIES				
Share capital	96.877.586	96.877.586	96.877.586	96.877.586
Other equity attributable to company's shareholders	-175.581.878	-145.802.618	-103.157.404	-69.944.376
Equity attributable to company's shareholders (a)	-78.704.292	-48.925.032	-6.279.818	26.933.210
Minority interest (b)	-100.644	72.799	0	0
Total equity (c) = (a) + (b)	-78.804.936	-48.852.233	-6.279.818	26.933.210
Non-current borrowings	362.381	1.055.404	0	0
Provisions and other non-current liabilities	26.348.846	27.816.636	11.384.065	9.814.751
Current borrowings	249.046.572	235.010.714	244.937.173	229.195.478
Other current liabilities	51.559.553	55.504.805	14.180.023	13.065.884
Total liabilities (d)	327.917.352	319.387.559	270.501.261	252.076.113
TOTAL EQUITY AND LIABILITIES (c) + (d)	249.112.416	270.535.326	264.221.443	279.009.323

STATEMENT OF COMPREHENSIVE INCOME (Amounts in €)

	GROUP		COMPANY	
	01/01-31/12/13	01/01-31/12/12	01/01-31/12/13	01/01-31/12/12
Turnover	260.262.982	266.688.898	72.693.164	76.574.637
Gross margin	51.156.845	50.022.435	8.597.288	8.606.295
Profit / (Losses) before taxes and financial results	-7.807.127	-1.821.890	-21.677.327	-45.592.091
Profit / (Losses) before tax	-27.190.635	-32.932.768	-33.424.559	-75.586.089
Less tax	-2.819.331	-15.517.506	352.155	-11.668.600
Profit / (Losses) after tax (A)	-30.009.966	-48.450.274	-33.072.404	-87.254.689
Attributable to:				
Owners of the parent	-29.827.258	-48.348.406	-33.072.404	-87.254.689
Non controlling interest	-182.708	-101.868	0	0
Other comprehensive income after tax (B)	57.263	1.624.838	316.149	-383.546
Total comprehensive income (A) + (B)	-29.952.703	-46.825.436	-32.756.255	-87.638.235
Attributable to:				
Owners of the parent	-29.779.262	-46.699.194	-32.756.255	-87.638.235
Non controlling interest	-173.441	-126.242	0	0
Profit / (Losses) per share - Basic (in €)	-0,0924	-0,1497	-0,1024	-0,2702
Profit / (Losses) per share - Diluted (in €)	-0,0349	-0,0694	-0,0403	-0,1364
Profit / (Losses) before taxes, financial results, depreciation and amortisation (EBITDA)	463.698	10.567.203	-9.762.506	-30.765.903

STATEMENT OF CHANGES IN EQUITY (Amounts in €)

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net equity opening balance (01.01.2013 and 01.01.2012)	-48.852.233	-2.026.797	26.933.210	114.571.445
Total comprehensive income after tax	-29.952.703	-46.825.436	-32.756.255	-87.638.235
Absorption of affiliate	0	0	-456.773	0
Net equity closing balance (31.12.2013 and 31.12.2012)	-78.804.936	-48.852.233	-6.279.818	26.933.210

CHAIRMAN OF THE BOARD OF DIRECTORS VICE-CHAIRMAN OF THE BOARD OF DIRECTORS AND C.E.O. MEMBER OF THE BOARD OF DIRECTORS AND C.F.O. FINANCIAL MANAGER OF GREECE

CASH FLOW STATEMENT (Amounts in €)

	GROUP		COMPANY	
	01/01-31/12/13	01/01-31/12/12	01/01-31/12/13	01/01-31/12/12
Cash Flows from Operating Activities				
Profit / (Loss) before tax	-27.190.635	-32.932.768	-33.424.559	-75.586.089
Adjustments for:				
Depreciation and amortisation	8.617.747	9.326.967	4.771.943	4.931.371
Impairment on tangible and intangible assets	5.567.476	16.303.141	3.544.796	18.109.997
Provisions	2.872.684	-5.461.298	5.482.384	31.026.886
Exchange differences	775.940	546.549	516.887	89.957
Other losses / (gains)	-345.775	-650.412	7.155.497	9.894.817
Net Interest expense / (income)	19.383.508	18.670.022	11.478.363	11.884.001
Working capital changes:				
Decrease/(Increase) in inventories	5.032.297	3.463.083	3.491.729	1.571.569
Decrease/(Increase) in trade receivables	3.437.870	5.812.529	-2.453.093	-218.972
Increase/(Decrease) in trade payables (except banks)	-6.500.542	245.165	-4.113.658	-2.311.594
Less:				
Interest paid	-2.968.225	-4.732.887	-1.156.954	-2.792.927
Tax paid	-3.019.361	-3.889.482	-15.887	-183.030
Net Cash from operating activities	5.662.984	6.700.609	-4.722.552	-3.584.014
Cash Flows from Investing Activities				
Share capital increase in subsidiaries	0	0	-28.000	0
Net cash outflow on sale of subsidiaries	-2.665.261	-2.454.886	-976.073	-806.513
Purchase of intangible assets, property, plant and equipment	83.518	486.847	124.133	373.293
Proceeds on sale of fixed assets	457.109	510.289	5.114.411	5.663.452
Net Cash used in investing activities	-2.124.634	-1.457.750	4.234.471	5.230.232
Cash Flows from Financing Activities				
Proceeds from borrowings raised	-1.654.283	-2.479.695	0	-2.000.000
Repayment of borrowings	-146.815	-1.571.049	0	0
Net cash used in financing activities	-1.801.098	-4.050.744	0	-2.000.000
Net increase/(decrease) in cash and cash equivalents	1.737.252	1.192.115	-488.081	-353.782
Cash and cash equivalents in beginning of period	14.475.245	13.313.821	1.430.896	1.784.678
Absorption of Affiliate by Parent Company	0	0	217.145	0
Exchange differences adjustment	-343.406	-30.691	0	0
Cash and cash equivalents at end of period	15.869.091	14.475.245	1.159.960	1.430.896

Additional Information

- Companies that are included in the consolidated financial information of the year ended 31 December 2013 are presented in note 10 in the Group's annual financial statements including locations, percentage Group ownership and consolidation method.
- The accounting principles followed are in accordance with those followed at 31.12.2012 with the exception of the adoption of IAS 1, IAS 19, IFRS 13 and the amendment of IAS 36. Based on the change of IAS 19 the company restated the Other Comprehensive Income, Retained Earnings and Retirement Benefit Obligation of prior years. These restatements have been included in note 2 of the annual financial statements.
- The unaudited tax years for the Parent Company and the other Group entities are detailed in Note (25) in the annual financial information.
- There are no contested or doubtful legal cases which might influence materially the financial position of the Company and the Group.
- The number of employees as at 31/12/2013 was 1.366 for the Group (31/12/2012: 1.376) and 271 for the Company (31/12/2012: 275).
- Intercompany related party transactions for the year ended 31 December 2013 and related party balances for the year then ended according to IAS 24 are as follows:

Amounts in € thousand	Group	Company
a) Income	3.773	41.358
b) Expenses	56	1.967
c) Receivables	468	132.430
d) Payables	3	2.831
e) Key management compensations	4.604	2.264
f) Receivables from key management	0	0
g) Payables to key management	0	0
- The Group has formed cumulative provisions amounting to € 1.723 thousand for unaudited fiscal tax years, € 14.635 thousand for retirement benefit obligations and € 8.188 thousand for other liabilities. The Company has formed cumulative provisions amounting to € 1.451 thousand for unaudited fiscal tax years, € 2.634 thousand for retirement benefit obligations and € 2.699 thousand for other liabilities.
- At the end of the current year no shares of the parent company are possessed by either the parent company or any subsidiaries or associate companies.
- The auditors' audit report is opinion with an emphasis of matter paragraph because of the material uncertainty resulting from the breach of certain financial terms and the classification of bond loans affected in short term, that may raise significant doubts about the ability of the Company and the Group to continue as a going concern. Further information is provided in Notes 2 & 19 of the annual financial information.

Kifissia, 28th March 2014

MICHAEL J. MAILLIS
Id. No. 020206

KRONOS S.A.

IOANNIS A. LENTZOS
Id. No. 370477

DIMITRIOS P. KOUVATSOS
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SPYRIDON D. PARGAS
Reg. No. 5293 E.C.G. A' Class