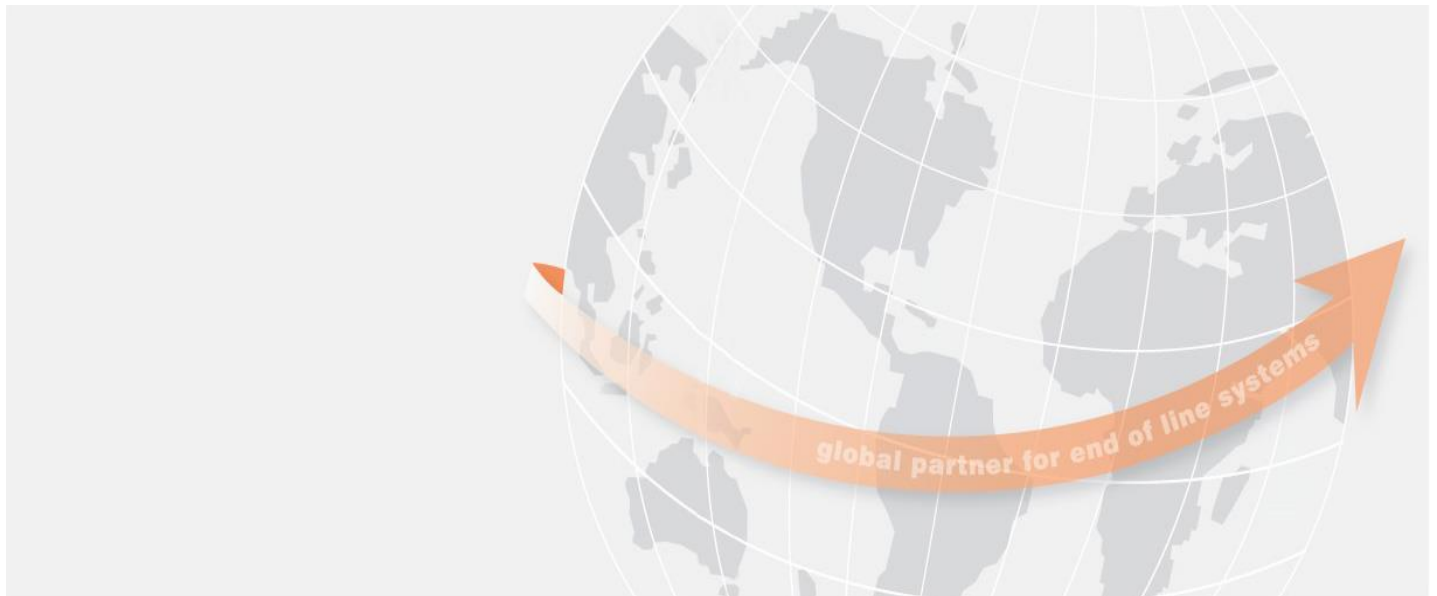


**M.J.MAILLIS GROUP  
INTERIM FINANCIAL INFORMATION  
30 SEPTEMBER 2014**



**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**

*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.*

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**BALANCE SHEET***Amounts in Euro '000*

	Note	GROUP		COMPANY	
		30/09/2014	31/12/2013 (Restated)	30/09/2014	31/12/2013
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Tangible assets		70,708	74,644	43,630	46,115
Intangible assets		48,671	48,713	50	80
Investment Property	7	2,130			
Investments in subsidiaries and associates	8	5,450	4,989	117,617	117,617
Deferred tax assets		30,709	5,790	28,913	3,457
Other receivables		5,088	4,901	52,239	52,241
		<b>162,756</b>	<b>139,037</b>	<b>242,449</b>	<b>219,510</b>
<b>Current Assets</b>					
Inventories		52,137	43,830	13,360	11,425
Trade and other receivables		51,271	48,270	37,549	32,127
Deferred tax assets		656	1,169		
Cash and cash equivalents		28,011	15,491	11,207	1,160
		<b>132,075</b>	<b>108,761</b>	<b>62,116</b>	<b>44,712</b>
<b>Total Assets</b>		<b>294,831</b>	<b>247,798</b>	<b>304,565</b>	<b>264,221</b>
<b>EQUITY</b>					
<b>Equity Attributable to Company's Shareholders</b>					
Share capital		96,878	96,878	96,878	96,878
Share premium		95,883	95,883	95,883	95,883
Reserves		127,375	53,124	130,831	56,581
Retained losses / earnings		-228,099	-320,800	-162,284	-255,621
Translation differences reserve		-4,671	-3,787		
		<b>87,365</b>	<b>-78,703</b>	<b>161,307</b>	<b>-6,280</b>
Non controlling interest		764	-101		
<b>Total Equity</b>		<b>88,130</b>	<b>-78,803</b>	<b>161,307</b>	<b>-6,280</b>
<b>LIABILITIES</b>					
<b>Non Current Liabilities</b>					
Loans	9	85,271	962	84,342	
Deferred tax liabilities		35,282	6,805	34,552	5,863
Retirement and termination benefit obligations		15,120	14,635	2,832	2,634
Government grants		2,698	2,887	2,698	2,887
Other non current liabilities		2,056	2,023		
		<b>140,426</b>	<b>27,311</b>	<b>124,424</b>	<b>11,384</b>
<b>Current Liabilities</b>					
Trade and other payables		48,781	36,688	15,837	11,087
Deferred tax liabilities		3,341	3,378		
Current tax liabilities		3,252	3,017	376	394
Loans	9	3,830	249,047	0	244,937
Provisions		7,072	7,160	2,621	2,699
		<b>66,276</b>	<b>299,290</b>	<b>18,834</b>	<b>259,117</b>
<b>Total Liabilities</b>		<b>206,701</b>	<b>326,601</b>	<b>143,258</b>	<b>270,501</b>
<b>Total Equity and Liabilities</b>		<b>294,831</b>	<b>247,798</b>	<b>304,565</b>	<b>264,221</b>

The notes on pages 8 to 27 are an integral part of the interim financial information

## INCOME STATEMENT

	Note	GROUP				COMPANY			
		01/01/2014-30/09/2014	01/01/2013-30/09/2013 (Restated)	01/07/2014-30/09/2014	01/07/2013-30/09/2013 (Restated)	01/01/2014-30/09/2014	01/01/2013-30/09/2013	01/07/2014-30/09/2014	01/07/2013-30/09/2013
<i>Amounts in Euro '000</i>									
Sales	6	187,972	196,097	63,564	60,719	53,834	53,077	16,990	16,176
Cost of sales		-147,508	-158,040	-49,596	-49,149	-45,291	-47,254	-14,228	-14,623
Gross profit		40,465	38,057	13,969	11,570	8,543	5,822	2,762	1,553
Gross Profit Margin		22%	19%	22%	19%	16%	11%	16%	10%
Other operating income		9,284	7,327	3,761	2,639	2,048	983	954	161
Administrative expenses		-11,112	-10,703	-3,860	-3,326	-4,837	-5,050	-1,647	-1,276
Distribution costs		-20,756	-20,639	-6,672	-6,988	-5,160	-3,810	-2,213	-1,429
Other operating expenses		-11,997	-11,904	-4,886	-3,623	-1,855	-2,302	-601	-782
Earnings/(loss) before tax and financial and investment results		5,883	2,138	2,311	273	-1,262	-4,357	-745	-1,773
Loss on impairment of goodwill and investments							-269		
Profit from share in associates		252	145	68	-19			7,897	
Gain from financial restructuring	9	7,897		7,897		7,897			
Financial income	13	3,500	4,118	1,508	2,678	4,420	5,945	1,469	3,030
Financial expenses	13	-17,774	-18,148	-3,762	-5,754	-14,590	-14,320	-2,834	-4,541
Earnings before tax		-241	-11,747	8,022	-2,822	-3,535	-13,000	5,788	-3,285
Current tax and other tax		-2,254	-2,416	-1,040	-633	-46	-34	-43	-1
Earnings/(loss) after current tax for the period		<b>-2,494</b>	<b>-14,162</b>	<b>6,983</b>	<b>-3,456</b>	<b>-3,581</b>	<b>-13,034</b>	<b>5,746</b>	<b>-3,286</b>
Deferred tax		21,960	-1,888	23,068	-497	22,806	-903	23,280	-163
Earnings/(loss) after current tax and deferred tax for the period		<b>19,466</b>	<b>-16,050</b>	<b>30,051</b>	<b>-3,953</b>	<b>19,225</b>	<b>-13,937</b>	<b>29,025</b>	<b>-3,449</b>
<b>Allocated to:</b>									
Company shareholders		19,426	-16,002	30,057	-3,939	19,225	-13,937	29,025	-3,449
Non Controlling Interest		40	-48	-7	-14				
Basic/Diluted Earnings/(loss) after tax per share (expressed in €)	14	0.0602	-0.0496	0.0931	-0.0122	0.0595	-0.0432	0.0899	-0.0107
<b>Other information</b>									
Depreciation		5,320	5,897	1,676	1,958	2,928	3,066	890	1,016
Earnings/(loss) before tax, financial expenses, amortisation and depreciation (EBITDA)		<b>11,204</b>	<b>8,035</b>	<b>3,987</b>	<b>2,231</b>	<b>1,666</b>	<b>-1,290</b>	<b>145</b>	<b>-757</b>

The notes on pages 8 to 27 are an integral part of the interim financial information

## STATEMENT OF COMPREHENSIVE INCOME

Note	GROUP		GROUP		COMPANY		COMPANY	
	01/01/2014-30/09/2014	01/01/2013-30/09/2013 (Restated)	01/07/2014-30/09/2014	01/07/2013-30/09/2013 (Restated)	01/01/2014-30/09/2014	01/01/2013-30/09/2013	01/07/2014-30/09/2014	01/07/2013-30/09/2013
<i>Amounts in Euro '000</i>								
Earnings/(loss) after current tax and deferred tax for the period	19,466	-16,050	30,051	-3,953	19,225	-13,937	29,025	-3,449
<u>Amounts to be recycled to profit&amp;loss:</u>								
Exchange differences	-895	-904	-67	-163				
Gain from financial restructuring	74,111		74,111		74,111		74,111	
<u>Amounts not to be recycled to profit&amp;loss:</u>								
Unrecognized Gain/(Losses) net of deferred taxes								
Cash flow hedges								
Other comprehensive income/(loss) after tax	73,216	-904	74,044	-163	74,111		74,111	
Total comprehensive income/(loss) after tax	92,682	-16,954	104,095	-4,116	93,336	-13,937	103,137	-3,449
<u>Allocated to:</u>								
Company shareholders	92,687	-16,911	104,093	-4,097	93,336	-13,937	103,137	-3,449
Non Controlling Interest	-5	-43	1	-19				

The notes on pages 8 to 27 are an integral part of the interim financial information

**STATEMENT OF CHANGES IN EQUITY**

	GROUP								COMPANY					
	Attributable to the Parent Company's Shareholders					Total	Non - Controlling Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity	
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses				Share Capital	Share Premium	Other Reserves	Retained Losses		
<i>Amounts in Euro '000</i>														
<b>Balance at 01/01/2013(Restated)</b>	96,878	95,883	53,480	-3,169	-292,042	-48,971	73	-48,898	96,878	95,883	52,219	-218,046	26,933	
Earnings / (Losses) per income statement					-16,002	-16,002	-48	-16,050				-13,937	-13,937	
Exchange difference adjustments				-923	14	-909	5	-904						
<b>Total comprehensive income</b>				-923	-15,988	-16,911	-43	-16,954				-13,937	-13,937	
Reserves movement			-373		373									
<b>Balance at 30/09/2013(Restated)</b>	96,878	95,883	53,107	-4,092	-307,656	-65,882	30	-65,852	96,878	95,883	52,219	-231,983	12,996	
Earnings / (Losses) per income statement					-13,825	-13,825	-135	-13,960				-19,136	-19,136	
Unrecognized Gain/(Losses) net of deferred taxes					1,216	1,216		1,216				316	316	
Exchange difference adjustments			0	306	-517	-212	4	-207						
<b>Total comprehensive income</b>			0	306	-13,126	-12,821	-130	-12,951				-18,819	-18,819	
Reserves movement			18		-18						4,361	-4,818	-457	
<b>Balance at 31/12/2013(Restated)</b>	96,878	95,883	53,124	-3,787	-320,800	-78,703	-101	-78,803	96,878	95,883	56,581	-255,621	-6,280	
	GROUP								COMPANY					
	Attributable to the Parent Company's Shareholders					Total	Non - Controlling Interest	Total Equity	Attributable to the Parent Company's Shareholders				Total Equity	
	Share Capital	Share Premium	Other Reserves	Currency Translation Reserve	Retained Losses				Share Capital	Share Premium	Other Reserves	Retained Losses		
<i>Amounts in Euro '000</i>														
<b>Balance at 01/01/2014(Restated)</b>	96,878	95,883	53,124	-3,787	-320,800	-78,703	-101	-78,803	96,878	95,883	56,581	-255,621	-6,280	
Earnings / (Losses) per income statement					19,426	19,426	40	19,466				19,225	19,225	
Exchange difference adjustments				-885	34	-851	-44	-895						
Gain from financial restructuring					74,111	74,111		74,111				74,111	74,111	
<b>Total comprehensive income</b>				-885	93,571	92,687	-5	92,682				93,336	93,336	
Change in Subsidiaries' Non Controlling Interest					-869	-869	869							
Capitalization of financial liabilities			74,251			74,251		74,251			74,251		74,251	
<b>Balance at 30/09/2014</b>	96,878	95,883	127,375	-4,671	-228,099	87,365	764	88,130	96,878	95,883	130,831	-162,284	161,307	

The notes on pages 8 to 27 are an integral part of the interim financial information

**CASH FLOW STATEMENT**

<i>Amounts in Euro '000</i>	Note	GROUP		COMPANY	
		30/09/2014	30/9/2013 (Restated)	30/09/2014	30/9/2013
<b><u>Cash Flows from Operating Activities</u></b>					
Earnings before tax		-241	-11,747	-3,535	-13,000
Adjustments for:					
Depreciation and amortisation		5,509	6,334	3,117	3,340
Impairment of tangible and intangible fixed assets		80	134	40	269
Provisions		2,369	2,414	-2,542	-122
Exchange differences		-2,076	517	-1,185	319
Other Losses/Gains		-429	-580	-496	-274
Gain from financial restructuring		-7,897		-7,897	
Net financial expenses/(income)		14,273	14,030	10,170	8,375
Working capital changes					
Decrease / (Increase) in inventories		-8,862	2,591	-2,074	2,847
Decrease / (Increase) in receivables		-1,493	2,048	-58	-3,214
Increase / (Decrease) in payables (excluding banks)		7,493	-6,582	2,160	-2,140
Less:					
Interest paid and other related expenses		-1,279	-2,585	-295	-1,381
Tax paid		-2,062	-1,573	-64	401
<b>Total Cash Inflows / (Outflows) from Operating Activities (a)</b>		<b>5,385</b>	<b>5,001</b>	<b>-2,659</b>	<b>-4,580</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Acquisition of subsidiary, related companies, joint ventures and other investments					-28
Proceeds of selling of subsidiaries					
Purchase of intangible assets, property, plant and equipment		-3,101	-1,741	-549	-746
Proceeds of sale of tangible and intangible assets		49	89	350	25
Interest received		384	333	2,867	4,813
Dividends received					
<b>Total Cash Inflows / (Outflows) from Investing Activities (b)</b>		<b>-2,667</b>	<b>-1,319</b>	<b>2,668</b>	<b>4,064</b>
<b><u>Cash Flows from Financing Activities</u></b>					
Proceeds of issuance of share capital					
Proceeds of loans issued/(Payments)		9,792		10,000	0
Repayments of borrowings			-737		
Payments of finance lease liabilities		-100	-103		
Dividends paid					
<b>Total Cash Inflows / (Outflows) from Financing Activities (c)</b>		<b>9,691</b>	<b>-839</b>	<b>10,000</b>	<b>0</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)</b>		<b>12,409</b>	<b>2,843</b>	<b>10,010</b>	<b>-516</b>
<b>Cash and Cash Equivalents in Beginning of Period</b>		<b>15,491</b>	<b>12,943</b>	<b>1,160</b>	<b>1,431</b>
Exchange differences adjustment		111	-550	37	
<b>Cash and Cash Equivalents at End of Period</b>		<b>28,011</b>	<b>15,236</b>	<b>11,207</b>	<b>915</b>

The notes on pages 8 to 27 are an integral part of the interim financial information

## NOTES ON THE FINANCIAL STATEMENTS

### 1. General information

M.J.Maillis SA (the “Company”) and its subsidiaries (together the “Group”) manufactures and distributes end of line industrial solutions. The Group operates in Greece and another 18 countries in Europe, North America and Asia.

The Company is located in Greece, Taki Kavalieratou 7, 14 564 Kifissia. The website of the Company is [www.maillis.gr](http://www.maillis.gr).

The shares of the Company are publicly traded on the Athens Stock Exchange.

### 2. Basis of preparation of the Interim Financial Statements

The Interim Financial Information of the Company and the Group for the 9 month period ended 30 September 2014 has been prepared in accordance with the International Financial Reporting Standards (IFRS) and specifically in accordance with IAS 34 “Interim Financial Statements”.

This information has to be acknowledged in comparison to the annual financial statements as at 31/12/2013 that were published in the internet site of the company.

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

#### **Going concern**

This financial information has 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.

It is noted that the Extraordinary General Assembly that was held on 21 July 2014 approved the Restructuring Agreement (“the Agreement”) of 26<sup>th</sup> June 2014, with the Group of participating Lenders and the HIG Luxembourg Holdings 46 Sarl Investor (“the Strategic Investor”), who has significant experience and know-how in the restructuring of companies. The main terms of the Agreement, which create the conditions for a substantial recovery and for the continuation of the Group’s activity, are the following:

-The transfer of the existing Lenders’ shares, to the Strategic Investor.

-The capitalization of 100% of the convertible bonds (with current value of approximately €96,3 million) and of 50% of the Senior bonds (with current value of €69,4 million), for achieving an equivalent reduction of the Company’s debt.

-The improvement of the main terms of the two existing ordinary bond loans, the Senior Bond Program and Super Senior Program, such as, extension of the repayment schedule and reduction of the applicable interest rate, that will cause a substantial decrease of the related financial cost, on an annual basis.

-The further support of the Company's liquidity, by the issue of new bond loan of ten million (€10.000.000), for working capital financing.

-The Agreement further provides for the delisting of the Company's shares, from the ATHEX, following the submission of a mandatory takeover bid by the Strategic Investor, for the acquisition of all remaining shares and the exercise of a squeeze-out right, according to the applicable law.

By virtue of the Agreement, the second phase of the financial restructuring is completed, through which, the debt is decreased significantly and in general, the Group's financial position is improved.

The implementation of the second phase gives a permanent solution to the problem of over leverage, as well as, to the capital adequacy of the Group, so that the Company, in conjunction with its operational expenses' reduction and productivity improvement plans, sets the grounds for its further development maintaining its seat and its operational base in Greece.

The effect of financial restructuring on interim financial information of 30 September 2014 is mentioned in note 9.

### 3. Accounting Policies

The accounting principles that have been used in the preparation of the interim Financial Information are in accordance with those used for the preparation of the Company and Group Financial Statements as at 31/12/2013 with the exception of the adoption of the revised IFRS 11 from 1.1.2014.

The Group has an interest in the joint arrangement Combi Packaging Systems located in USA. Under IAS 31, this was assessed as jointly controlled entity and was equity accounted. The group has reassessed the classification of this joint arrangement under IFRS 11 which had the following impact:

#### Impact on Statement of Financial Position:

Amounts in Euro '000

	31/12/2013 (Restated)	31/12/2013	Variance	1/1/2013 (Restated)	31/12/2012	Variance
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Tangible assets	74,644	74,946	-302	85,635	85,882	-248
Intangible assets	48,713	50,604	-1,890	49,099	51,021	-1,922
Investments in subsidiaries and associates	4,989		4,989	4,948		4,948
<b>Current Assets</b>						
Inventories	43,830	46,836	-3,006	49,968	52,208	-2,240
Trade and other receivables	48,270	48,890	-620	54,920	55,204	-284
Deferred tax assets	1,169	1,277	-108	529	595	-65
Cash and cash equivalents	15,491	15,869	-378	12,943	14,475	-1,532
<b>EQUITY</b>						
Retained losses / earnings	-320,800	-320,125	-676	-283,894	-283,131	-763
Translation differences reserve	-3,787	-4,464	678	-3,169	-3,847	678
<b>Current Liabilities</b>						
Trade and other payables	36,688	37,949	-1,261	42,960	44,219	-1,259
Current tax liabilities	3,017	3,072	-55	3,185	3,184	1

Impact on Comprehensive Income:

	<b>30.09.2013</b>	<b>30.09.2013</b>	<b>Variance</b>	<b>31.12.2013</b>	<b>31.12.2013</b>	<b>Variance</b>
	<b>(Restated)</b>	<b>30.09.2013</b>	<b>Variance</b>	<b>(Restated)</b>	<b>31.12.2013</b>	<b>Variance</b>
Sales	196,097	197,367	-1,270	256,720	260,263	-3,543
Gross profit	38,057	39,434	-1,376	49,004	51,157	-2,153
Earnings/(loss) before tax and financial and investment results	2,138	2,266	-128	-8,096	-7,807	-289
Earnings/(loss) before tax, financial expenses, amortisation and depreciation (EBITDA)	8,035	8,242	-207	69	464	-395
Profit from share in associates	145	0	145	220	0	220
Current tax and other tax	-2,416	-2,486	70	-2,903	-3,018	115
Deferred tax	-1,888	-1,801	-87	153	198	-45

Impact on Cash Flow:

	<b>30.09.2013</b>	<b>30.09.2013</b>	<b>Variance</b>
	<b>(Restated)</b>	<b>30.09.2013</b>	<b>Variance</b>
Total Cash Inflows / (Outflows) from Operating Activities	5,001	4,428	573
Total Cash Inflows / (Outflows) from Investing Activities	-1,319	-1,441	122

**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 32 (Amendment) "Financial Instruments: Presentation"**

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**

The International Accounting Standards Board ("IASB") has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). For the impact on the consolidated financial statements of the Group, see note [...]. 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”**

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”**

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”**

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.

**IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”**

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.

**Standards and Interpretations effective for subsequent periods**

**IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)**

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 Hedge Accounting establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. 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 yet been endorsed by the EU.

**IFRS 15 “Revenue from Contracts with Customers”** (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.

**IFRIC 21 “Levies”** (effective for annual periods beginning on or after 17 June 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.

**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.

**IFRS 11 (Amendment) “Joint Arrangements”** (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’. This amendment has not yet been endorsed by the EU.

**IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortisation”** (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

**IAS 16 and IAS 41 (Amendments) “Agriculture: Bearer plants”** (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41. The amendments have not yet been endorsed by the EU.

**IAS 27 (Amendment) “Separate financial statements”** (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

**IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”** (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a

transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The 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 three 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.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

#### **IFRS 5 “Non-current assets held for sale and discontinued operations”**

The amendment clarifies that, when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

#### **IFRS 7 “Financial instruments: Disclosures”**

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34.

#### **IAS 19 “Employee benefits”**

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

#### **IAS 34 “Interim financial reporting”**

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’.

## **4. Estimates**

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

## **5. Financial risk management and Financial instruments**

### **5.1 Financial risk factors**

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statement. They should be read in conjunction with the group’s annual financial statements as at 31 December 2013. There have been no changes in the risk management department or in any risk management policies since the year end.

### **5.2 Liquidity risk**

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

### **5.3 Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. 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).

Following the signing of restructuring agreement, as of 30 September 2014 there are no financial assets and liabilities measured at fair value in the group and the company. The movement of financial assets and liabilities measured at fair value are depicted in the table below:

<b>Opening Balance 31/12/2013 (Amounts in Euro)</b>	<b>5,706</b>
Profit/ (Loss) recognized in Finance Cost of Profit&Loss	-694
Amount recognized directly to equity	-5,012
<b>Balance 30/09/2014</b>	<b>0</b>

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

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

## 6. Segment Information

### Primary Segment Information – Business Segment

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

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 management 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 9 months ended at 30th September 2014 and 30th September 2013 (Restated) are as follows:

	West Europe		Central Europe		Greece & East Europe		North America		Italy		Total	
	1/1/14-30/09/14	1/1/13-30/09/13	1/1/14-30/09/14	1/1/13-30/09/13	1/1/14-30/09/14	1/1/13-30/09/13	1/1/14-30/09/14	1/1/13-30/09/13	1/1/14-30/09/14	1/1/13-30/09/13	1/1/14-30/09/14	1/1/13-30/09/13
<i>Amounts in Euro '000</i>												
Total Sales	52,765	51,111	35,017	36,417	32,885	34,225	30,371	31,571	36,935	42,773	187,972	196,097
Operating Income/(Loss)	-1,824	-1,834	2,838	1,629	-4,284	-6,979	5,356	5,090	3,796	4,233	5,883	2,138
Profit from share in associates									252	145	252	145
Gain from financial restructuring					7,897						7,897	
Financial Cost - Net	92	559	195	273	14,518	12,831	-789	-32	256	398	14,273	14,030
<b>Earnings before Tax</b>	<b>-1,915</b>	<b>-2,393</b>	<b>2,643</b>	<b>1,356</b>	<b>-10,905</b>	<b>-19,810</b>	<b>6,145</b>	<b>5,121</b>	<b>3,792</b>	<b>3,980</b>	<b>-241</b>	<b>-11,747</b>
Income tax and Deferred tax	107	233	323	183	-22,760	1,070	1,347	1,459	1,277	1,359	-19,706	4,303
<b>Net Profit</b>	<b>-2,022</b>	<b>-2,626</b>	<b>2,320</b>	<b>1,173</b>	<b>11,855</b>	<b>-20,880</b>	<b>4,798</b>	<b>3,662</b>	<b>2,515</b>	<b>2,621</b>	<b>19,466</b>	<b>-16,050</b>
Depreciation and amortisation	299	471	884	923	3,017	3,178	640	671	480	654	5,320	5,897
<b>EBITDA</b>	<b>-1,525</b>	<b>-1,363</b>	<b>3,723</b>	<b>2,552</b>	<b>-1,266</b>	<b>-3,801</b>	<b>5,996</b>	<b>5,760</b>	<b>4,276</b>	<b>4,887</b>	<b>11,204</b>	<b>8,035</b>
Provisions for bad debt and obsolete stock	230	89	13	-11	-17	-171	177	161	181	430	585	498

B) The segment assets and liabilities at 30th September 2014 and at 31<sup>st</sup> December 2013 (Restated) are as follows:

	West Europe		Central Europe		Greece & East Europe		North America		Italy		Total	
	30/09/14	31/12/13	30/09/14	31/12/13	30/09/14	31/12/13	30/09/14	31/12/13	30/09/14	31/12/13	30/09/14	31/12/13
<i>Amounts in Euro '000</i>												
<b>Assets</b>	33,293	29,259	34,938	34,097	112,053	76,793	42,709	36,967	71,838	70,681	294,831	247,798
<b>Capital expenditure</b>	492	357	837	365	552	982	754	116	467	696	3,101	2,516
<b>Liabilities</b>	17,895	17,025	10,967	7,182	140,271	268,336	9,309	6,329	28,261	27,729	206,701	326,601

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

Segment liabilities comprise operating liabilities.

## 7. Investment Property

As a consequence of the re-organization of production facilities of the subsidiary company Siat in Italy, from April 2014 the production was transferred from Gambolò to Turate, as a result the above properties are no longer used in the production or supply of goods or services or for administrative purposes.

Accordingly, Siat will now hold such buildings only for earn rentals or for capital appreciation (or both) and consequently IAS 40 is applicable.

Group policy with respect to measurement is the cost model with relevant disclosure of the fair values.

Accordingly, the net book value of such buildings amounting to euro 2.130 th has been reclassified from intangible assets to investment property.

For information purposes the relevant fair values as at 30.06.2014 amounting to a total of Euro 2.584 thousand. Such values have been determined based on appraisal that was prepared by an external independent expert in June 2014.

## 8. Investments in subsidiaries and joint ventures

Below are listed the Group subsidiary companies with their respective addresses and the percentage of ownership:

	% of Investment		
	Direct	Indirect	
<b>Full Consolidation method</b>			
M.J.MAILLIS SA, Kifissia, Athens, Greece		Parent	
M.J.MAILLIS BULGARIA EOOD, Sofia, Bulgaria	100.00%		
M.J.MAILLIS ROMANIA S.A., Bucurest, Romania	99.35%		
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)
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 MAILLIS SANDER GMBH)
M.J. MAILLIS BENELUX NV, Dendermonde, Belgium	100.00%		(through MAILLIS SANDER GMBH)
<b>Equity consolidation method</b>			
COMBI PACKAGING SYSTEMS, Canton, USA		50.00%	(through SIAT SPA)

The values of the above listed companies in the Balance Sheet of the parent company are as follows:

		30/09/2014	31/12/2013	
<i>Amounts in Euro '000</i>		Book value	Book value	Investment %
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%
		<b>117,617</b>	<b>117,617</b>	

## 9. Borrowings

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
<b>Non Current</b>				
<b>Current</b>				
Bond Loan	83,349	130,391	83,349	130,391
Convertible Bond Loan	0	88,654	0	88,654
Hedges of Currency and Interest rate swaps relating to bank borrowings denominated in US\$	0	5,706	0	5,706
Total bank borrowings	83,349	224,751	83,349	224,751
Less: Bank borrowings reflected as short term (refer Covenants note below)	0	-224,751	0	-224,751
Accrued interest	994		994	
Finance Lease Liabilities	928	962	0	
Other	0		0	
<b>Total</b>	<b>85,271</b>	<b>962</b>	<b>84,342</b>	<b>0</b>
<b>Current</b>				
Bank borrowings reflected as short term (refer Covenants note below)	0	224,751	0	224,751
Current Portion of Bond Loans	0		0	
Bank Overdrafts	1,644	1,777	0	
Short Term Bank Borrowings and bank overdrafts	2,128	16,749	0	14,546
Accrued interest	14	5,659	0	5,640
Finance Lease Liabilities	43	109	0	
Other	0		0	
<b>Total</b>	<b>3,830</b>	<b>249,047</b>	<b>0</b>	<b>244,937</b>
<b>Total Borrowings</b>	<b>89,100</b>	<b>250,009</b>	<b>84,342</b>	<b>244,937</b>

The carrying amounts of borrowings approximate their fair values.

As it is described in Note 2, on 21st of July 2014 was approved by the Extraordinary shareholder Meeting the Restructuring Agreement ("the Agreement") which had been approved by the Board of Directors on June 26th 2014, with the Group of participating Lenders and the HIG Luxembourg Holdings 46 Sarl Investor ("the Strategic Investor"), who has significant experience and know-how in the restructuring of companies.

The effect of financial restructuring is depicted in the following table:

Borrowing at the date of financial restructuring (21 July 2014)*	Borrowing after the financial restructuring		Balance of borrowings transferred to equity during the financial restructuring to:		
	Book Value	Balance of borrowings transferred to equity during the financial restructuring	Reserves	Retained Earnings	Profit&Loss
265,647	83,349	182,298	74,251	100,150	7,897

\* The balance of borrowing includes the bond loan of 10mio issued on 1st August 2014 for the financing of working capital needs of the company.

The main terms of the Agreement which create the conditions for a substantial recovery and for the continuation of the Group's activity are the following:

-The transfer of the existing Lenders' shares, to the Strategic Investor.

-The capitalization of 100% of the convertible bonds and of 50% of the Senior bonds, for achieving an equivalent reduction of the Company's debt. In more detail, the book value of € 96.3 m of convertible bonds were transferred directly to retained earnings while the 50% of book value of Senior bond amounting to € 69.2 m was transferred to other reserves.

-The improvement of the main terms of the two existing ordinary bond loans, the Senior Bond Program and Super Senior Program, such as, extension of the repayment schedule and reduction of the applicable interest rate, that will cause a substantial decrease of the related financial cost, on an annual basis.

-The further support of the Company's liquidity, by the issue of new bond loan of ten million (€10.000.000), for working capital financing.

After the abovementioned capitalization, the new bond loans based on the new terms that were recognized on the balance sheet, amount to € 83.4 m. The variance that came up during the initial recognition amounted to € 11.7 m and was recognized by an amount of € 7.9 m to profit & loss statement and by an amount of € 3.8 m to retained earnings.

In the balance of borrowings before the restructuring was included liability from SWAP to the amount of € 5.1 m which after the restructuring was transferred directly to other reserves.

Also, the above transaction had as a result the recognition of deferred tax liability to the amount of € 28.5 m from which amount € 26 m has been recognized directly to equity.

From the amount of € 83.3 m, amount € 55.8 m is owed the the banks (ex- shareholders) and amount € 27.5 m the new shareholders.

The amount of about € 100 m which has been transferred directly to Retained earnings regards loans which after the financial restructuring is owed by the new shareholder.

The amount of about € 74 m which has been transferred to other reserves regards amount by which the Management has the intention to increase the share capital .

-The Agreement further provides for the delisting of the Company's shares, from the ATHEX, following the submission of a mandatory takeover bid by the Strategic Investor, for the acquisition of all remaining shares and the exercise of a squeeze-out right, according to the applicable law.

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 (EBITDA) as it is defined from the relevant contracts, to net cash interest starting from 31/12/2015.
- 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 (EBITDA), as it is defined by relevant contracts starting from 31/12/2015.
- The Group must have a minimum liquidity level of 8 m€ starting from 31/12/2015.
- Maximum capital expenditure must be achieved from 31/12/2015.

The guarantees granted for the above mentioned loans are described in Note 10.

## **10. Contingencies**

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 € 3.95 million (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 € 61 th. that are restricted as they act as security for letters of credit provided to the Company.

## **11. Encumbrances**

As at 30th September 2014 the following encumbrances exist on Company's and Group's assets:

- Included in cash and cash equivalents of the Company are balances amounting to € 61 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 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 which provided corporate guarantees up to an amount of € 17.000 thousand.
- The Company provided securities in rem of an amount of to € 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 EUROPACK SA, MAILLIS SANDER VERWALTUNGSGESELLSCHAFT MBH and MAILLIS HOLDING GmbH provided to the Lenders encumbrances and pledges on the shares they hold over the Group companies. In particular, the Group company EUROPACK SA with first class pledge on the shares of the Canadian subsidiary Wulftec International Inc and the second-order pledge on the shares of Italian subsidiary Siat SpA, ensures all additional requirements arising from the adoption of the Working Capital Bond Loan amount 10 million plus interest and costs.
- 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 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 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 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 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 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 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.

## 12. Related Parties Transactions

The related party transactions are as follows:

	GROUP		COMPANY	
	01/01/2014-30/09/2014	01/01/2013-30/09/2013 (Restated)	01/01/2014-30/09/2014	01/01/2013-30/09/2013
<i>Amounts in Euro '000</i>				
<b>Sales of goods</b>				
- Subsidiaries			22,633	26,158
- Associate	3,177	6,883		
<b>Sales of services</b>				
- Subsidiaries			8,275	8,009
- Associate				
<b>Purchase of goods</b>				
- Subsidiaries			1,652	2,089
- Associate	19	102		
<b>Purchase of services</b>				
- Subsidiaries				
- Associate				
<b>Key Management compensation</b>				
Salaries and other short term benefits to key management and member of the board	3,431	3,069	1,751	1,672

	GROUP		COMPANY	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
<b>Year End Balances arising from purchases - sales of goods and services</b>				
Trade receivables from Subsidiaries			61,736	61,387
Trade receivables from Associate	1,461	937		
Loans receivable from Subsidiaries			55,006	57,481
Loans receivable from Associates				
Other receivables from Subsidiaries			15,912	13,562
Other receivables from Associates				
Payables to Subsidiaries			3,210	2,831
Payables to Associate	3	6	0	

The transactions of the Company with the Strategic Investor in connection with the borrowings is mentioned in note 9.

### 13. Finance income/expenses

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01/2014-30/09/2014	01/01/2013-30/09/2013	01/01/2014-30/09/2014	01/01/2013-30/09/2013
<b>Financial expenses</b>				
Interest expense	14,466	15,559	13,487	14,316
Foreign currency differences	3,307	2,589	1,102	4
	<b>17,774</b>	<b>18,148</b>	<b>14,590</b>	<b>14,320</b>
<b>Financial income</b>				
Interest income	384	333	4,382	4,402
Foreign currency differences	3,116	3,785	37	1,544
	<b>3,500</b>	<b>4,118</b>	<b>4,420</b>	<b>5,945</b>

### 14. Earnings per Share

#### BASIC/DILUTED

<i>Amounts in Euro '000</i>	GROUP		COMPANY	
	01/01/2014-30/09/2014	01/01/2013-30/09/2013 (Restated)	01/01/2014-30/09/2014	01/01/2013-30/09/2013
Earnings/(Losses) attributable to the Company's shareholders	19,426	-16,002	19,225	-13,937
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)	<b>0.0602</b>	<b>-0.0496</b>	<b>0.0595</b>	<b>-0.0432</b>

### 15. Personnel

The number of employees as at 30 September 2014 was 1,345 (30/09/2013: 1,370) for the Group and 281 (30/09/2013: 250) for the Company.

### 16. Deferred Tax

The long term deferred tax asset of the Group amounted to € 30,709 th. (31/12/2013: € 5,790 th.). The deferred tax asset of the Company amounted to € 28,913 th. (31/12/2013: € 3,457 th.).

As it is mentioned in note 9, the restructuring of loans had as a result the recognition of deferred tax liability of € 28.5 m. Following that, the Company recognized deferred tax asset of € 25 m on the tax losses carried forward, which is expected to be offset with the tax gain from the financial restructuring.

The deferred tax asset has affected the profit & loss statement while from the deferred tax liability amount 26mio has affected directly the equity.

Based on Restructuring agreements, Management could forgive higher amount of debt in order to utilize the tax losses of 2014.

## **17. Unaudited tax years**

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

For the parent company the "Tax Compliance Report" for the financial years 2011, 2012 and 2013 has been issued by PricewaterhouseCoopers S.A 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.

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

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 & COKG 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
- SIAT SPA has been audited until FY 2007

## **18. Post Balance Sheet events**

1. As announced on October 7, 2014, the HIG Luxembourg Holdings 46 Sarl until expiry of the acceptance period ie October 3, 2014 held 95.41% of the total paid up share capital and voting rights of the company. Therefore, it has asked the Hellenic Capital Committee for the activation of the right to redeem the remaining percentage.
2. As announced on October 14, 2014, Mr. Michael Maillis and the company HORQUETA HOLDINGS LIMITED transferred on October 9, 2014 through exchange transfer their share amounting to 10.21% in HIG Luxembourg Holdings 46 Sarl.
3. After information received by the company on October 14, 2014, the percentage of voting rights held by the Company directly, the HIG Luxembourg Holdings 46 Sarl and indirectly, the H.I.G. Bayside Advisors II LLC and H.I.G. Europe Capital Partners GP Limited is about 95.86%.
4. As announced on 15 October 2014, Dr. Robert Jan Bartels was elected as a new Board member, following the resignation of Mr. Michael Panayi.
5. On November 5, 2014, the Company announced that the Hellenic Capital Committee with no. 1/696 / 03.11.2014 decision of the Board of Directors, approved the request dated 10/10/2014 by HIG Luxemburg Holdings 46 Sarl to squeeze out the remaining shares of the Company not acquired in the course of 30/06/2014 mandatory offer in accordance with Articles 27 and 27a of Law. 3461/2006. In the same decision, as a day of cessation of trading the Company's shares on the Athens Exchange was set November 18, 2014.
6. On November 7, 2014 the Extraordinary General Meeting decided the following topics:
  - Validated the decision of the Board of Directors held on 15 October 2015, for the election of Dr. Robert Jan Bartels as a member in replacement of the resigned member Mr. Michael Panayi.
  - Pre-approved the remuneration of the Vice Chairman and Managing Director, Dr. Robert Jan Bartels, in 2014, which, monthly, will amount to the sum of five thousand euro (€ 5.000).
  - Approved in accordance with Article 23a of Codified Law 2190/1920 the contract of employment of Vice Chairman and Managing Director Dr. Robert Jan Bartels and the amount of fixed and variable remuneration, as long as he holds the position of CEO.
  - It was decided to amend the Articles of Incorporation of the Company in order to fully integrate the possibilities introduced by Law 3604/2007 so as to prevent the possibility that there is a lack of management and to adapt the provisions concerning the composition of the Board of Directors within the Restructuring Agreement 2014.
7. On November 18, 2014 the trading of its shares on the Athens Exchange ceased.

No other significant events have taken place after the balance sheet date.

## **19. Seasonality**

The Groups operations are not affected by seasonality. Revenues are generated thought the year based on customer demand.

The 9 month Interim Financial Statements have been approved by the Board of Directors of M.J.MAILLIS SA on 20 November 2014 and are available on the company's website [www.maillis.com](http://www.maillis.com)

**Athens. 20 November 2014**

**CHAIRMAN OF THE  
BOARD OF  
DIRECTORS**

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

**FINANCIAL  
MANAGER OF  
GREECE**

**MICHAEL J. MAILLIS  
Id. No. Φ 020206**

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

**SPYRIDON D.  
PARGAS  
Reg. No. 5293  
E.C.G. A'Class**

**[Translation from the original text in Greek]**

## **Report on Review of Interim Financial Information**

**To the Shareholders of M.J. Maillis S.A.**

### **Introduction**

We have reviewed the accompanying condensed company and consolidated balance sheet of M.J. Maillis S.A. (the “Company”) and its subsidiaries (the “Group”) as of 30 September 2014 and the related condensed company and consolidated statements of income and comprehensive income, changes in equity and cash flows for the nine-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information, and which form an integral part of the nine-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.



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

Athens, 21 November 2014  
THE CERTIFIED AUDITOR

Dimitris Sourbis  
SOEL Reg. No. 16891