YANNIDIS BROS S.A. "HERMES - VITEX"

Public Companies (S.A.) Reg. No. 6682/03/B/86/15(09) G.E.MI. No.: 113357952000

23rd CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2014 (JANUARY 1 - DECEMBER 31, 2014)

(Amounts in EURO)

ASSETS

	YEAR ENDED 2014			YEAR ENDED 2013		
	Acquisition cost	Depreciation	Net Book value	Acquisition cost	Depreciation	Net Book value
B. FORMATION EXPENSES						
1. Preliminary expenses	81.896,79	29.023,24	52.873,55	81.896,79	21.851,80	60.044,99
2. Exchange differences from loans for fixed assets acquisition	1.610.300,71	427.096,56	1.183.204,15	1.610.300,71	260.063,56	1.350.237,15
3. Construction period loan interest	350.000,00	140.000,00	210.000,00	350.000,00	105.000,00	245.000,00
4. Other formation expenses	3.190.790,43	748.010,57	2.442.779,86	3.139.872,69	426.920,76	2.712.951,93
	5.232.987,93	1.344.130,37	3.888.857,56	5.182.070,19	813.836,12	4.368.234,07
C. FIXED ASSETS						
I. Intangible Assets						
2. Concessions, patents, licences, trade marks and similar rights and assets	100.000,00	53.342,47	46.657,53	100.000,00	43.342,47	56.657,53
5. Other intangible assets	66.859,42	66.340,84	518,58	67.268,46	67.212,54	55,92
	166.859,42	119.683,31	47.176,11	167.268,46	110.555,01	56.713,45
II. Tangible Assets						
1. Land	13.452.612,59	0,00	13.452.612,59	13.535.208,30	0,00	13.535.208,30
3. Buildings and technical works	31.990.161,34	18.365.396,68	13.624.764,66	32.162.917,90	17.832.773,02	14.330.144,88
4. Machinery, technical installations and other mechanical equipment	29.561.798,05	22.970.049,07	6.591.748,98	28.694.678,83	20.782.335,72	7.912.343,11
5. Transportation equipment	1.216.072,05	1.106.270,84	109.801,21	1.096.813,52	1.045.759,96	51.053,55
6. Furniture and fixtures	2.343.037,18	2.213.379,48	129.657,70	3.265.394,15	2.915.276,96	350.117,19
7. Payments on account and tangible assets in course of construction	288.607,27	0,00	288.607,27	255.157,94	0,00	255.157,94
	78.852.288,48	44.655.096,07	34.197.192,41	79.010.170,64	42.576.145,66	36.434.024,98
Total Tangible and Intangible Assets (CI+CII)	79.019.147,90	44.774.779,38	34.244.368,52	79.177.439,10	42.686.700,67	36.490.738,43
III. Financial Assets						
2. Participating interests in other undertakings			2.562.260,00			2.562.260,00
7. Other long-term receivables			49.007,93			58.512,57
			2.611.267,93			2.620.772,57
Total Fixed Assets (CI+CII+CIII)			36.855.636,45			39.111.511,00
D. CURRENT ASSETS						
I. Inventories						
1. Merchandise			1.845.840,89			1.872.811,79
2. Finished and semi-finished products, by-products and scrap			1.704.407,93			1.800.821,85
4. Raw and auxiliary materials-consumables-spare parts and packing items			1.956.465,02			1.983.466,33
5. Payments on account for stocks purchases			131.294,45			32.966,53
			5.638.008,29			5.690.066,50
II. Receivables						
1. Trade debtors		13.312.230,44			13.841.440,10	
Less: Provisions		574.061,46	12.738.168,98		701.183,62	13.140.256,48
2. Notes receivable:						
- In portfolio		605.764,43			578.850,93	
- At banks for collection		29.259,45	635.023,88		37.994,65	616.845,58
3a.Cheques receivable						
- In portfolio		1.208.406,45			637.940,28	
- At banks as pledge		253.685,30	1.462.091,75		0,00	637.940,28
8. Blocked deposits			1.665.000,00			1.615.000,00
10. Doubtful-contested trade and other debtors		94.323,29			0,00	
Less: Provisions		-94.323,29	0,00		0,00	0,00
11. Sundry debtors			961.243,15			1.323.012,13
12. Advances to account for			2.939,54			32.391,95
			17.464.467,30			17.365.446,42
III. Marketable securities						
1. Shares			0,00			75.386,28
3. Other securities			25.386,28			0,00
			25.386,28			75.386,28
IV. Cash and cash equivalents						
1. Cash on hand			10.289,73			41.714,17
3. Current and time deposits			262.619,32			376.240,57
			272.909,05			417.954,74
Total Current Assets (DI+DII+DIII+DIV)			23.400.770,92			23.548.853,94
E. PREPAYMENTS AND ACCRUED INCOME						
1. Prepaid expenses			50.761,59			73.899,77
2. Accrued income			43.573,03			66.349,03
3. Other prepayments and accrued income			27.761,65			3.287,05
			122.096,27			143.535,85
GRAND TOTAL-ASSETS (B+C+D+E)			64.267.361,20			67.172.134,86
DEBIT MEMO. ACCOUNTS						
2. Guarantees and real securities			33.018.365,31			35.432.647,02
4. Other memo.accounts			5.566.522,30			5.566.522,30
			38.584.887,61			40.999.169,32

LIABILITIES

	YEAR ENDED 2014		YEAR ENDED 2013	
A. SHAREHOLDERS' EQUITY				
I. Share Capital				
1. Paid-up capital		16.558.310,00		16.291.910,00
III. Revaluation Reserves-Investment Grants				
1. Reserves from value adjustments of participating interests and of securities		428.718,06		428.718,06
2. Reserves from revaluation of other assets		27.983,25		271.271,67
3. Grants for investments in fixed assets		9.439,24		9.439,24
5. Goodwill from change or merger of subsidiary or contribution in kind to another S.A.		2.347.058,34		2.347.058,34
		2.813.198,89		3.056.487,31
IV. Reserves				
1. Legal reserve	2.185.192,49		2.185.192,49	
Less: Loss from sale or value decline of participations & securities for offsetting	0,00	2.185.192,49	-304.239,74	1.880.952,75
5. Tax-free reserves under special laws		13.214.990,69		13.214.990,69
		15.400.183,18		15.095.943,44
V. Results carried forward				
1. Exchange differences from conversion of foreign subsidiaries in F.C.		-546.512,20		-482.448,34
2. Loss carried forward		-1.555.219,69		-1.004.252,36
		-2.101.731,89		-1.486.700,70
VII. Consolidation differences				
Consolidation differences		-1.947.020,60		-1.947.020,60
VIII. Minoriry interests				
Minoriry interests		22.783,44		23.059,30
Total Shareholders' Equity (AI+AIII+AIV+AV+AVII+AVIII)		30.745.723,02		31.033.678,75
B. PROVISIONS FOR LIABILITIES AND CHARGES				
2. Other provisions		663,76		663,76
		663,76		663,76
C. LIABILITIES				
I. Long-term debt				
1. Debenture loans		12.775.561,96		15.229.394,01
2. Bank loans		1.339.047,84		1.184.523,96
6a. Banks, long-term-loans accrued by current and time deposits		1.665.000,00		1.610.300,71
8. Other long-term debt		42.934,83		34.662,56
		15.822.544,63		18.058.881,24
II. Current Liabilities				
1. Suppliers		2.954.833,79		2.674.677,60
2. Notes payable		13.000,00		0,00
3. Banks		10.104.578,06		10.001.587,21
4. Advances due to trade debtors		54.074,69		84.345,48
5. Taxes-duties		425.983,76		253.410,15
6. Social security		238.630,52		377.001,96
7. Current portion of long-term debt		3.144.366,86		3.190.662,42
11.Sundry creditors		504.032,06		1.068.885,64
		17.439.499,74		17.650.570,46
Total Liabilities (CI+CII)		33.262.044,37		35.709.451,70
D. ACCRUALS AND DEFERRED INCOME				
2. Accrued expenses		256.959,82		295.281,18
3. Other accruals and deferred income		1.970,23		133.059,47
		258.930,05		428.340,65
GRAND TOTAL SHAREHOLDERS' EQUITY & LIABILITIES (A+B+C+D)		64.267.361,20		67.172.134,86
CREDIT MEMO. ACCOUNTS				
2. Guarantees and real securities		33.018.365,31		35.432.647,02
4. Other memo.accounts		5.566.522,30		5.566.522,30
		38.584.887,61		40.999.169,32

NOTES:

1) The companies included in the above consolidation by the full consolidation method are the following: a) YANNIDIS BROS S.A. (PARENT), b) PAPAPETROU MARBLES S.A., c) SYNTEX S.A., d) VITEX – HERMES D.O.O., e) VITEX – HERMES S.R.L., f) VITEX – HERMES BULGARIA.
2) On the property assets of the Group have been registered pre-notices of real mortgage amounting € 31.900.000,00 for securing bank loans. 3) The last revaluation of the parent company's assets according to the provisions of the articles 20 to 27, L. 2065/1992 was made in the year 2012.

CONSOLIDATED INCOME STATEMENT
At 31 December 2014 (January 1 - December 31, 2014)

	YEAR ENDED 2014			YEAR ENDED 2013		
I. Operating Results						
Net turnover (sales)			30.168.702,16			30.031.299,92
Less: Cost of sales			19.786.089,61			19.811.075,82
Gross operating results (profit)			10.382.612,55			10.220.224,10
Plus: 1. Other operating income			589.014,95			419.779,42
Total			10.971.627,50			10.640.003,52
LESS: 1. Administrative expenses		4.065.528,98			4.196.414,35	
3. Distribution costs		4.380.115,49	8.445.644,47		4.526.954,96	8.723.369,30
Sub-total (profit)			2.525.983,03			1.916.634,21
PLUS: 4. Interest and similar income		45.452,23			88.502,04	
Less:						
3. Interest expense and similar charges		1.843.394,82	-1.797.942,59		2.136.789,35	-2.048.287,32
Total operating results (profit/loss)			728.040,44			-131.653,11
II. PLUS: Extraordinary results						
1. Extraordinary and non-operating income	68.689,13			251.914,91		
2. Extraordinary gain	35.847,36			29.488,37		
3. Prior years' income	1.112,47			8.169,60		
4. Income from prior years' provisions	0,00	105.648,96		74.934,38	364.507,26	
Less:						
1. Extraordinary and non-operating expenses	284.887,32			241.337,56		
2. Extraordinary losses	169.971,03			12.409,43		
3. Prior years' expenses	3.470,82			0,00		
4. Provisions for extraordinary liabilities	590.152,73	1.048.481,90	-942.832,94	140.857,87	394.604,86	-30.097,60
Operating and extraordinary results (loss)			-214.792,50			-161.750,71
LESS: Total depreciation of fixed assets	2.803.971,35			2.970.083,79		
Less: Charged to the operating cost	2.803.971,35	0,00		2.970.083,79	0,00	
NET RESULTS FOR THE YEAR before taxes & Minority interests			-214.792,50			-161.750,71
(+) Reserves of article 72 L. 4172/2013 for distribution			-304.239,74			0,00
(-) Prior years' tax audit differences			0,00			-9.347,41
(-) Other not charged to the operating cost taxes			0,00			-149.395,54
TOTAL			-519.032,24			-320.493,66
LESS: Income tax		32.211,12			0,00	
LESS: Minority Interests proportion quota		-276,03	-31.935,09		274,14	274,14
NET CONSOLIDATED RESULTS (LOSS) after taxes of GROUP			-550.967,33			-320.219,51

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR 2014

	YEAR ENDED 2014	YEAR ENDED 2013
Cash flows from operating activities		
Cash receipts from customers	29.564.533,24	30.999.219,94
Cash paid to suppliers and employees	-25.858.127,94	-25.010.874,49
Cash generated from operations	3.706.405,30	5.988.345,45
Income tax paid	0,00	-9.347,41
Net cash flows from operating activities	3.706.405,30	5.978.998,04
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	0,00	0,00
Payments for purchase of property, plant and equipment (PPE) and intangible assets	-280.061,21	-694.376,32
Proceeds from sale of participations, PPE, intangible assets and financial assets	83.057,75	18.325,45
Proceeds from interest, dividends and rents of assets of the investing activities	404.928,50	376.400,00
Net cash used in investing activities	207.925,04	-299.650,87
Cash flows from financing activities		
Proceeds from loans	2.858.000,00	1.738.704,60
Repayments of loans and interest	-6.796.717,29	-7.378.943,80
Repayments of finance lease obligations	-120.658,75	-118.157,43
Net cash used in financing activities	-4.059.376,04	-5.758.396,63
Net increase/decrease in cash and cash equivalents	-145.045,69	-79.049,46
Cash and cash equivalents at beginning of the year	417.954,74	497.004,20
Cash and cash equivalents at end of the year	272.909,05	417.954,74

STATEMENT OF CHANGES IN EQUITY - YEAR 2014

	YEAR ENDED 2014	YEAR ENDED 2013
Net equity of period Opening Balance (01.01.2014 and 01.01.2013 respectively)	31.033.678,75	31.611.597,12
Profit/(Loss) for the year after taxes	-246.727,59	-320.219,51
Increase/(decrease) of share capital	266.400,00	0,00
	31.053.351,16	31.291.377,61
Net income/(expense) recognised directly in equity	-64.063,86	-1.777,13
Other changes in equity	-243.564,28	-255.921,73
Net equity of period Closing Balance (31.12.2014 and 31.12.2013 respectively)	30.745.723,02	31.033.678,75

Aspropirgos, 30 April 2015

THE CHAIRMAN OF THE B. OF D.	THE MANAGING DIRECTOR	THE FINANCIAL MANAGER	THE HEAD OF THE ACCOUNTING DEPT.
KONSTANTINOS N. YANNIDIS	IOANNIS ST. YANNIDIS	VASILEIOS KOULOCHERIS	ANDREAS PAPADOPOULOS
ID. No. AB 264393	ID. No. Σ 647896/98	ID. No. AB 260439	E.C.G. Licence No. 049204/A' Class

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of the Company YANNIDIS BROS S.A. "HERMES – VITEX"

Report on the Consolidated Financial Statements

We have audited the above consolidated financial statements of the Company YANNIDIS BROS S.A. "HERMES – VITEX", which comprise the consolidated balance sheet as at 31 December 2014 and the consolidated statements of income, changes in equity and cash flows for the year then ended, as well as the relevant notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Accounting Standards that are prescribed by the Greek General Chart of Accounts and the provisions of the articles 42a up to 43c of the cod. L. 2190/1920 and for such internal controls as management determines is necessary to enable the preparation of 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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 system of 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 consolidated financial statements.

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

Basis for Qualified Opinion

As a result of our audit arose the following matters:

1) In the present year on the formation expenses and the intangible assets depreciation was performed in accordance with the new depreciation rates provided by the requirements of the article 24, L. 4172/2014 and is less than that it should have been performed by approximately € 330.000. Also in the previous years was not performed amortization on formation expenses amounting approximately € 515.000. Had amortization been performed according to the cod. L. 2190/1920 and the G.G.C.A. the net book value of the above accounts and the Equity would be decreased by approximately € 845.000 and the results for the year by amount € 330.000.

2) In the account "Participating interests in other undertakings", amount € 2.562.260,00 is included also the participation in one (1) société anonyme non listed on the Stock Exchange of acquisition cost € 2.490.860,00 which is under liquidation. By deviation from the accounting principles that are provided by Greek company law (cod. L. 2190/1920 and G.G.C.A.), has not been set up provision for value decline of this participation due to that this company is under liquidation the results of which we are not in a position to estimate at this stage.

3) In the inventories are included also unfit inventories amounting approximately € 66.000 which have zero realizable value. By deviation from the accounting principles that are provided by Greek company law (cod. L. 2190/1920 and G.G.C.A.) has not been made any devaluation of these inventories to their net realizable value and, as a consequence, the value of the inventories, the results for the year and the Equity are shown equally in amount increased.

4) In trade receivables are also included doubtful and contested receivables totalling approximately € 3.470.000. The companies of the group have set up a relevant provision amounting € 668.384. In our view for covering losses from non liquidation of these receivables the provision set up falls short by approximately € 2.800.000. Non setting up the required provision constitutes deviation from the accounting principles that are provided by Greek company law (cod. L. 2190/1920 and G.G.C.A.) and consequently the value of the trade receivables, the Equity and the results for previous years are shown increased by approximately € 2.800.000.

5) By deviation from the accounting principles that are provided by Greek company law (cod. L. 2190/20 and G.G.C.A.) is not set up provision for staff retirement benefits. At 31 December 2014, the total size of the unset provision amounts to € 980.000 and, as a consequence, the provisions are shown equally in amount decreased, the Equity equally in amount increased while the results for the year are shown increased by € 110.000.

6) The tax return of the parent company for the year 2010 and those of its subsidiaries as referred in note 2a in the Notes to the financial statements have not been examined by the tax authorities as yet. Therefore, the tax results for these years have not been made final. The companies of the group have not proceeded to estimation of additional taxes and penalties, which may be assessed at a future tax audit and have not made relevant provision in respect of this contingent liability. From our audit reasonable assurance has not been obtained in respect of the estimation of the amount of provision that may be required.

Qualified Opinion

In our opinion, except for the effects of the matters (1) up to (5) and the possible effects of the matter (6) described in the Basis for Qualified Opinion paragraph, the above consolidated financial statements present fairly, in all material respects, the financial position of the Company YANNIDIS BROS S.A. "HERMES – VITEX" and its subsidiaries as at 31 December 2014, and of their financial performance and their cash flows for the year then ended in accordance with the Accounting Standards that are prescribed by the Greek General Chart of Accounts and the provisions of the articles 90 up to 109 of the cod. L. 2190/1920.

Athens, 12 June 2015

IOANNIS K. KATSINELIS
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Institute of CPA (SOEL) Reg. No. 13441

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