LAMPSA HELLENIC HOTELS S.A.

SIX-MONTH FINANCIAL REPORT

for the period

from January 1 to June 30, 2016

In compliance with Article 5 of Law 3556/2007

LAMPSA HELLENIC HOTELS S.A.

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A. Representations of the Members of the Board of Directors

(under Article 5, par. 2, Law 3556/2007)

The below statements are made by the following members of the Board of Directors of the Company "LAMPSA HELLENIC HOTELS S.A.":

1. George Galanakis, father's name Emmanuil, President of the Board of Directors,
2. Anastasios Homenidis, father's name Georgios, Chief Executive Officer,
3. Filippos Spyropoulos, father's name Konstantinos, member of the Board of Directors

We hereby certify that as far as we know:

A) The attached six-month separate and consolidated financial statements of "LAMPSA HELLENIC HOTELS S.A." (hereinafter "the Company" or "Lampsa S.A.") for the period 01/01-30/06/2016, prepared according to the effective accounting standards, present truly and fairly the assets and liabilities of the issuer as well as the companies included in the consolidation as aggregate, according to par. 3 - 5 of article 5 of L. 3556/2007 and the authorizing decisions of the BoD of the Hellenic Capital Market Commission.

B) The attached six-month Board of Directors report presents in a true and fair way the information required according to par. 6 of article 5 of L. 3556/2007 and the authorizing decisions of the BoD of the Hellenic Capital Market Commission.

Athens, September 28, 2016

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	MEMBER OF THE BOARD OF DIRECTORS
GEORGE GALANAKIS	ANASTASIOS HOMENIDIS	FILIPPOS SPYROPOULOS
I.D. No Ξ 282324	I.D. No AI 506406	I.D. No AK 121283

All the amounts are expressed in thousands of Euro unless stated otherwise

B. Report on Review of Interim Financial Information

To the Shareholders of **LAMPSA S.A.**

Introduction

We have reviewed the accompanying condensed separate and consolidated statement of financial position of the Company **LAMPSA S.A.** as at 30 June 2016 and the related separate and consolidated condensed income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and the selected explanatory notes that comprise the interim financial information, which form an integral part of the six-month financial report of article 5 of Law 3556/2007.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the International Financial Reporting Standards as adopted by the European Union and apply for interim financial reporting (International Accounting Standard "**IAS 34**"). Our responsibility is to express a conclusion on these interim condensed financial statements 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 Auditing Standards 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 condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Emphasis of Matter

We draw your attention to Note 2.16 of the financial statements statements which describes the existence of pending court cases of a subsidiary company of amount EUR 1.5 million, the outcome of which cannot be estimated at present. Group's Management believes that the outcome of these cases will not materially affect the financial results of the Group. Our conclusion is not qualified in respect of this matter.

Reference to other legal requirements

Based on our review, we concluded that the content of the six-month financial report, as required by article 5 of L.3556/2007, is consistent with the accompanying condensed interim financial information.

Athens, 29 September 2016

The Chartered Accountant

Pavlos Stelakis

SOEL Reg. No 24941

Grant Thornton
An instinct for growth™
Chartered Accountants Management Consultants
56, Zefirou str., 175 64 Palaio Faliro, Greece
Registry Number SOEL 127

C. Six-Month Report of the Board of Directors
of the company
«LAMPSA HELLENIC HOTELS S.A. »
on the corporate and consolidated Financial Statements
for the period from January 1st to June 30th, 2016

Dear Shareholders,

The current Six-month Report of the Board of Directors (hereinafter **"the Report"**) pertains to the first sox-month period of the current year 2016 (1.1-30.6.2016) and has been prepared in compliance with the relevant provisions of Law 3556/2007 (Article 5, paragraph 6) (Government Gazette 91A/30.04.2007) as well as the publicized resolution of the BoD of the Hellenic Capital Market Commission (Decision 1/434/03.07.2007, Article 3 and Decision 7/448/11.10.2007, Article 4).

The current report accompanies the six-month consolidated financial statements (01/01/2016 - 30/06/2016) and is included together with the full text of the statements of the BoD members in the consolidated financial report for the first six months of 2016.

The current report presents an in brief but effective way all the necessary significant information, based on the above legislative framework and records, in a true and fair manner, all the relevant information, required by legislation, in order to provide significant and reliable information about the operations, performed within the aforementioned period, by the company "LAMPSA HELLENIC HOTELS S.A." (hereinafter "the Company" or "Lampsa S.A.") as well as the Group. As at 30/6/2016 , the Group incorporates the following companies:

Εταιρία	Operating currency	Domicile	Equivalent participation %	Consolidation Method	Part/ing Interest
LAMPSA HELLENIC HOTELS S.A.	€	GREECE	Parent		
LUELLA ENTERPRISES LTD	€	CYPRUS	100,00%	Full	Direct
BEOGRADSKO MESOVITO PREDUZECE	€	SERBIA	93,90%	Full	Indirect
EXCELSIOR BELGRADE SOCIATE OWNED	€	SERBIA	80,33%	Full	Direct
TOURISTIKA THERETRA S.A.	€	GREECE	50,00%	Equity	Direct
MARKELIA ENTERPRISES COMPANY LTD	€	CYPRUS	100,00%	Full	Indirect

UNIT 1 Financial developments and data on the course of the period from 1/1/2016 to 30/6/2016

1.1 Financial Information

In the first semester of 2016, the tourism sector was relatively stabilized, since there was an increase in arrivals, however, simultaneously with a relative decrease in revenue. On the contrary, the consequences of the economic crisis are reflected in the revenue of the Food & Beverage segment, where Greek presence has been traditionally strong, resulting in a lower rate of revenue growth compared to the room revenue increase.

Stagnation can also be observed in the Serbian hotel market, since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc). Nevertheless revenue is lower owing to the operation of a number of new hotels in the Belgrade area.

Room occupancy ratio of the luxury hotel industry in Athens decreased by 2,8% compared to 2015, adjusting the ratio to 62,2% versus 64,0% in 2015. The average room price at the hotels increased by 3,6% versus 2015, standing at € 151,48 as compared to € 146,28 in 2015. Therefore, room occupancy ratio of the luxury hotel industry in Athens increased by 0,7% while the total room revenue decreased by 0,8%.

Six-month Financial Report for the period from January 1 to June 30, 2016 All the amounts are expressed in thousands of Euro unless stated otherwise

"Grande Bretagne" hotel recorded a 3,2% sales decrease versus 2015, while «King George» hotel recorded 7,0% sales increase. Regarding the Group Hotels in Serbia, they recorded a decrease in sales, in particular, «Hyatt Regency Belgrade» - by 2,5% and «Excelsior" by 26%. In terms of EBITDA, the relative decrease in sales and expenditure restraint (despite the rigidity of the salary and wages expenses) resulted in similar numbers for the Group (€ 4.064 k. versus € 4.076 k. in 2015) with a significant improvement for the Company (€ 2.704 k. versus 2.566 k. in 2015). Moreover, Sheraton Rhodes Hotel, whose results due to consolidation under Equity method have affected the investing results of the Group, presenting a decrease of 3.5%.

Specifically for the Group's Hotels, the figures were as follows:

Results as at 30.06.2016					
	Grande Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	152,47	138,97	46,84	51,95	23,43
Hotel occupancy rate	59,91%	67,24%	42,80%	67,11%	45,25%
Average hotel room price	254,48	206,69	109,44	77,42	51,77
Results as at 30-06-2015					
	Grande Bretagne	**King George**	**Hyatt Belgrade**	**Sheraton Rhodes**	**Excelsior**
Revenue per available room	157,32	151,17	52,54	50,53	32,92
Hotel occupancy rate	59,46%	69,19%	40,84%	59,52%	55,90%
Average hotel room price	264,60	218,50	128,65	84,91	58,89

1.2 Significant events within the period from 01/01 to 30/06/2016

During the first semester of 2016, the Company moved to a renovation of the TVs and respective furniture for all rooms of the hotel "Grande Bretagne", as well as the internet providing services. The total investment amounted to € 490 k. Furthermore, additional investments were made in property equipment (€280 k.) and other equipment (€ 550 k.).

The Annual General Meeting of the shareholders of the Company (LAMPSA HELLENIC SA) was held on 23/6/2016, with the presence of Shareholders representing 15,058,412 common registered shares on a total of 21,364,000 common registered shares of the Company, i.e. approximately 70,48% and decided unanimously on the items on the agenda as follows:

(1) the AGM approved the annual financial statements of Lampsa S.A. (separate and consolidated) together with the reports of the Board of Directors of the financial year 2015 (1.1.2015-31.12.2015), after the hearing of the independent auditors' report on the annual financial statements of 31.12.2015 (separate and consolidated),

(2) the AGM released the members of the Board of Directors as well as the auditors from any responsibility on the drafting and audit of the annual Financial Statements as well as on the management of the company of FY 2015,

(3) the AGM elected auditing firm for the audit of annual and interim Financial Statements of the Company for FY 2015, GRANT THORNTON SA and set its remuneration,

(4) the AGM approved a total amount of 31.200 Euro as fees for the Board of Directors' member, Ms. Chloe Laskaridi, for the year 2015 and has pre-approved an amount of 35.000 Euro for FY 2016,

All the amounts are expressed in thousands of Euro unless stated otherwise

(5) Provided information regarding the services rendered by the Chief Executive Officer.

1.3 The Group and the Company development, performance and financial position

During the first six month period of 2016, the changes in the Group & Company financials were as follows:

Turnover in the first six-month period of 2016 at consolidated level stood at € 22.525 k versus € 23.528 k in the same period last year, presenting a decrease of 4%. The turnover of the parent company (Hotels "Grande Bretagne and "King George") stood at € 17.813 k versus € 18.561 k in the comparative 2015 period, decreased by 4%.

Consolidated gross profit amounted to € 6.689 k from € 7.455 k in 2015, presenting a decrease due to the decrease in turnover, while gross profit margins decreased from 31,6% in 2015 to 29% in 2016. Gross profit of the parent company amounted to profit of € 5.663 k compared to profit of € 6.244 in 2015. The gross profit margin of the Company stood at profit of 31,8% in 2016 versus profit of 33,6% in the respective last year period.

The aforementioned decrease in turnover that affected almost the total of the Group gross earning, also affected the Group operating earnings **(EBITDA)** that presented profit of € 4.064 k. versus profit of € 4.076 k. in 2015. Respectively, the parent company operating earnings stood at profit of € 2.704 k. versus profit of € 2.566 k. in 2015.

Expenses per category have been reclassified between the items Cost of Sales, Distribution Costs, Administration Costs for 30/06/2016 for the Group and the Company due to the re-evaluation of the classification of expenses at the parent company on 31/12/2015. The aforementioned reclassification did not affect the operating earnings or **EBITDA**.

The reclassification is as follows:

	THE GROUP		
	30.06.2015 Restated	**30.06.2015 Published**	**Change**
Cost of Sales	16.083	16.461	(378)
Administration Expenses	3.475	3.909	(433)
Distribution Expenses	2.653	1.842	811
Total	**22.212**	**22.212**	**0**

	THE COMPANY		
	30.06.2015 Restated	**30.06.2015 Published**	**Change**
Cost of Sales	12.316	12.694	(378)
Administration Expenses	2.796	3.230	(433)
Distribution Expenses	2.368	1.556	811
Total	**17.480**	**17.480**	**0**

Financial Cost of the Group and the Company decreased by 13% and 15% respectively.

Other financial results of the Group and the Company relate mainly to loan exchange differences arising to euro / dollar exchange ratios, and they also include the distribution of dividends by Luella Enterprises to the parent company, standing at € 650 k (€ 1.535 k on 30/06/2015).

Share from (loss)/profit of associates for the current FY pertains to valuation percentage of TOURISTIKA THERETRA joint venture from the integration of its result with the equity method.

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Earning before tax of the Group recorded profit of € 1.169 k versus loss of € 121 k for the comparative 2015 period. Earnings before tax of the parent company recorded profit of € 1.650 k, versus profits of € 1.399 for the comparative 2015 period.

Income Tax of the Company and the Group includes calculation of deferred tax. Tax expenses for the Group stood at € 766 k and for the Company at income of € 446 k versus tax expense of € 1k and € 6k for the Group and the Company for the comparative period. In the current period, deferred tax was not recognized in the results of the subsidiary companies, while as far as the parent company is concerned, deferred tax assets were recognized for offsetting tax losses of the previous years, amounting to € 422 k, which were not recognized in the past.

Net earnings after tax and before non-controlling interests for the Group recorded profit of € 416 k, versus losses of € 153 k for the comparative period of 2015. The parent company recorded profit of € 1.204 k versus profits of € 1.392 k for the comparative period of 2015.

The balances of the accounts **Trade and Other Receivables and Other Current Assets** of the Group and the Company as at 30/06/2016 are presented increased by 118% and 144% respectively versus the balances recorded as at 31/12/2015, due to the nature of the Company and the Group operations, affected by seasonality of sales, contributing to generating bigger open balances within the interim reporting period. It is expected that during the following months, given the capitalization of the aforementioned receivables, the trade balances will be significantly decreased, thus reaching the normal levels. Likewise, the balances of the accounts **Other Liabilities** of the Group and the Company are increased by 70,54% and 82.52% respectively as at 30/06/2016 versus 31/12/2015 due to accrued expenses expected to be settled in the following months.

1.4 Prospects – operations development – Main Risks and Uncertainties for the Second Six-month Period of 2016

The tourism industry of the country exhibits signs of stabilization. The relative lack of stability of tourism destinations of the wider area has a positive effect on destination Greece, as a safe Eurozone member-country. Lampsa hotels, boasting the competitive advantage of luxury hotel units, location and history (Grande Bretagne) lead the Group to successfully facing any difficulties that arise, continuing operations regularly, without impediments, in all segments where it's active while improving its financial performance and therefore, at present, concludes that in spite of the unstable environment its Assets will not be negatively affected.

The increase in VAT on the hotel and food sector is adversely affecting the Group's Hellenic hotels in 2016. Specifically, for the hotels "Grande Bretagne" and "King George", a decrease in revenue in the food sector is observed, since the increase in VAT is being absorbed mainly by the Company. The effect on room rentals is less significant since the company's standard policy is to close deals based on the room's net price. This negative effect is expected to be observed on the sales of the «Sheraton Rhodes» hotel, due to the imminent "double up" of the VAT (additional increase of said index regarding the islands) and the bulk of sales (e.g mixed prices on tour operators, intensified competition etc), a fact that is not expected to affect the financials of the Group and Company.

Regarding the Hotels in Serbia, stabilization is also expected since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc). Nevertheless revenue is lower owing to the operation of a number of new hotels in the Belgrade area.

The Group did and continues to closely monitor the aforementioned developments, taking every precaution to ensure its going concern principle. In spite of the successful course of the Group, in

Greece as well as abroad, the Management estimates that the current economic crisis continues to have an effect on the hotel market, in which the Group operates. The priority of the Management of the Group is the continuance of its well-functioning operations in the Greek market through the constant identification and evaluation of all dangers that may possibly arise in the near future. The Management is observing the upcoming investment opportunities with great interest and caution and is always ready to act, alone or in numbers, if the circumstances will allow it, with the Group's expansion always in mind.

Currency Risk

The Group operates internationally and carries out trade and loan transaction in foreign currency. Therefore, it is exposed to foreign currency translation differences (another major country of the Group's operations, apart from Greece, is Serbia). he Parent Company exposure to currency risk arises mainly from the bond loan issue in US Dollars.

Credit Risk & Liquidity Risk

Over 80% of Group's sales are performed through credit cards, the credit sales though are made to customers with evaluated credit history.

Liquidity risk is kept at low levels by maintaining sufficient cash and credit lines.

As at 30/06/2016, the Group and the Company had negative working capital, as current liabilities exceed current assets by € 3.842 k. (parent company € 6.585 k). The most important part of current liabilities (32% regarding the Group and 33% regarding the parent company) is long-term debt installments payable in the following year. Within the current period, the Group repaid to the banks a capital amount of € 2.721 k and the Company – an amount of € 2.555 k. In the next year, the Group and the Company are to pay to the banks the capital amounts of € 5.407 k and € 5.075 k respectively, which, as the Company's Management estimates, will be covered through the parent company's operating cash inflows.

Two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED", representing 28.48% in the share capital of each (total of 56.96%), although it is estimated that it will not be necessary, are committed to cover working capital subsequent needs for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2015.

Without taking into consideration the short-term loan liabilities, the Group working capital is presented positive by € 1.565 k and the Company's - negative by € 1.511 k.

Risk of Changes of Fair Value due to Changes in Interest Rates

Operational revenue and operational cash flows of the Group are substantially independent of changes in market interest rates. The Group has assets of interest-bearing assets with fixed performance and the policy of the Group is to maintain approximately total borrowings at floating rate. At the end of the administrative period, the total borrowings were in floating interest rate loans.

1.5 Post Reporting Period Balance Sheet Events

There are no other post-interim period Balance Sheet Events in relation to either the Group or the Company, which ought to be disclosed according to the International Financial Reporting Standards.

1.6 Related Parties Transactions

This section includes the most significant transactions between the Company and its related parties as defined in International Accounting Standard 24 and in particular:

(a) Transactions between the Company and any related party made during the first six months of 2016, which have materially affected the financial position or performance of the Company during the aforementioned period,

b) any changes in the transactions between the Company and any related party described in the last annual report that could have a material effect on the financial position or performance of the Company during the first six-month period of 2016.

It is noted that reference to those transactions includes the following elements:

(a) the amount of such transactions for the first six-month period of 2016

(b) the outstanding balance at the end of the period (30/6/2016)

(c) the nature of the related party relationship with the issuer and

(d) any information on transactions that are necessary for understanding the financial position of the Company, but only if such transactions are material and have not been conducted under normal market conditions.

Specifically, transactions and balances with related legal entities and natural persons, as defined by the International Accounting Standard 24 on 30/6/2016 and 30/6/2015 respectively, are as follows:

Amounts in thousand €	**THE GROUP**		**THE COMPANY**	
Sales of goods – services	**01.01 – 30.06.2016**	**01.01 – 30.06.2015**	**01.01 – 30.06.2016**	**01.01 – 30.06.2015**
Parents /jointly controlled entities	24	30	24	30
Other Associates	46	36	46	36
Total	**70**	**66**	**70**	**66**
Acquisition of Services				
Subsidiaries/jointly controlled entities	4	9	4	9
Other Associates	182	338	182	338
Total	**186**	**347**	**186**	**347**
Balance of Payables	**30.6.2016**	**31.12.2015**	**30.6.2016**	**31.12.2015**
Subsidiaries/jointly controlled entities	11	6	11	6
Other Associates	5	67	5	67
Total	**15**	**73**	**15**	**73**
Balance of Receivables	**30.6.2016**	**31.12.2015**	**30.6.2016**	**31.12.2015**
Subsidiaries/jointly controlled entities	537	508	537	508
Other Associates	58	1	58	1
Total	**594**	**510**	**594**	**510**

Receivables / loan liabilities between subsidiary companies of total approximate amount € 2 million and accordingly interest income / expenses of € 65 k. FX differences income / expenses of € 30 k. are excluded from the consolidated financial statements.

Outstanding balances at year end are unsecured and settlement is made in cash. No guarantees have been provided or received regarding the above receivables.

It is noted that there are no special agreements between the Parent Company and its subsidiaries and potential transactions are carried out between them under the effective market conditions, within the framework and the particularities of each market.

All the amounts are expressed in thousands of Euro unless stated otherwise

Regarding the period ended as at June 30, 2016, the Company has made no provisions for doubtful debts relating to amounts owed by related parties.

The remuneration of key executives and BoD members was as follows:

Amounts in thousand €	**The Group**		**The Company**	
	01.01-30.06.2016	**01.01-30.06.2015**	**01.01-30.06.2016**	**01.01-30.06.2015**
Salaries – Fees	430	417	246	236
Social Insurance Cost	63	65	41	44
Bonus	170	154	170	154
Total	**675**	**649**	**458**	**433**

No loans have been granted to BoD members and chief executives of the Group and their families.

Athens, September 29, 2016

The President of the Board of Directors

George Galanakis

All the amounts are expressed in thousands of Euro unless stated otherwise

Interim Condensed Financial Statements for the period from January 1 to June 30, 2016

It is hereby certified that the accompanying Financial Statements for the period from 1/1/2016 to 30/06/2016 were approved by the Board of Directors of **«LAMPSA HELLENIC HOTELS S.A.»** on September 29, 2016 and are available on the website www.lampsa.gr, where they will remain at the disposal of the investing public for at least 5 years as starting from their preparation and publication date.

Athens, September 29, 2016

The President of the Board of Directors

George Galanakis

I.D. No Ξ 282324

1. Interim Financial Statements for the period from January 1 to June 30, 2016

1.1. Statement of Financial Position

		CONSOLIDATED		CORPORATE	
Amounts in thousand €	**Ref.**	**30.06.2016**	**31.12.2015**	**30.06.2016**	**31.12.2015**
ASSETS					
Current Assets					
Property, plant and equipment	**2.5**	113.867	114.812	72.377	72.406
Intangible Assets	**2.5**	244	280	67	78
Investments in Subsidiaries	**2.6**	-	-	23.840	23.840
Other Long-term Assets		377	371	113	107
Deferred Tax Assets		8.072	8.518	8.072	8.518
Total	**2.9**	**122.561**	**123.980**	**104.469**	**104.948**
Current Assets					
Inventory		1.255	1.108	1.001	809
Trade and other receivables	**2.11**	2.592	1.189	2.376	974
Other Receivables		1.118	1.154	806	683
Other Current Assets		965	569	585	446
Cash and cash available		6.937	5.770	3.994	2.954
Total		**12.868**	**9.789**	**8.762**	**5.866**
Total Assets		**135.429**	**133.770**	**113.232**	**110.814**
EQUITY AND LIABILITIES					
Equity	**2.8**				
Share Capital	**2.8**	23.928	23.928	23.928	23.928
Share Premium	**2.8**	38.641	38.641	38.641	38.641
Statutory Reserves	**2.8**	878	878	878	878
Other Reserves	**2.8**	507	507	494	494
Retained Earnings	**2.8**	16.385	15.968	4.010	2.806
Equity attributable to owners of the parent		**80.339**	**79.922**	**67.951**	**66.747**
Non-controlling interest	**2.8**	3.319	3.332		
Total Equity	**2.8**	**83.657**	**83.254**	**67.951**	**66.747**
Long-term liabilities					
Employee termination benefits liabilities		2.370	2.277	2.370	2.277
Long-term Debt	**2.10**	28.229	31.067	27.267	29.938
Deferred Tax Obligations	**2.9**	3.666	3.428	-	-
Other Long-term Liabilities		208	266	207	265
Other Provisions		590	590	89	89
Total		**35.062**	**37.628**	**29.933**	**32.569**
Short-term Liabilities					
Suppliers and other liabilities	**2.11**	2.717	2.272	2.611	2.189
Income tax payable		78	182	-	-
Short-term debt	**2.10**	-	3	-	-
Short-term portion of bond and bank loans	**2.10**	5.407	5.442	5.075	5.110
Other liabilities	**2.11**	8.507	4.988	7.662	4.198
Total		**16.710**	**12.887**	**15.348**	**11.497**
Total liabilities		**51.772**	**50.516**	**45.281**	**44.067**
Total Equity and Liabilities		**135.429**	**133.770**	**113.232**	**110.814**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

All the amounts are expressed in thousands of Euro unless stated otherwise

Amounts expressed in thousands of Euro unless stated otherwise
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1.2. Statement of Comprehensive Income

		CONSOLIDATED		CORPORATE	
Amounts in thousand €	**Ref.**	**01.01-30.06.2016**	**01.01-30.06.2015**	**01.01-30.06.2016**	**01.01-30.06.2015**
Sales	**2.11**	22.525	23.528	17.813	18.561
Cost of Sales		(15.837)	(16.083)	(12.150)	(12.316)
Gross Profit	**2.11**	**6.689**	**7.445**	**5.663**	**6.244**
Distribution Expenses		(2.154)	(2.653)	(1.927)	(2.368)
Administrative Expenses		(3.470)	(3.475)	(2.785)	(2.796)
Other Income		702	489	454	317
Other expenses		(154)	(165)	(44)	(69)
Operating Profit	**2.11**	**1.612**	**1.640**	**1.361**	**1.328**
Financial expenses	**2.11**	(599)	(687)	(525)	(617)
Financial income	**2.11**	10	16	0	0
Other financial results		146	(788)	813	687
Portion from (loss)/profit of associates		-	(301)	-	-
Profit / (Loss) before Tax	**2.11**	**1.169**	**(121)**	**1.650**	**1.399**
Income Tax	**2.11**	(766)	(1)	(446)	(6)
Net Profit / (Loss) for the period		**403**	**(122)**	**1.204**	**1.392**
Other Comprehensive Income subsequently reclassified in the income statement					
Other comprehensive income for the period after tax		-	-	-	-
Other Comprehensive Income subsequently Not reclassified in the income statement					
Other total comprehensive income for the period after tax		**-**	**-**	**-**	**-**
Total Comprehensive Income for the Period		**403**	**(122)**	**1.204**	**1.392**
Profit for the period allocated to:					
Owners of the parent		416	(153)	1.204	1.392
Non-controlling interest		(13)	32		
		403	**(122)**	**1.204**	**1.392**
Total Comprehensive Income for the Period allocated to:					
Owners of the parent		416	(153)	1.204	1.392
Non-controlling interest		(13)	32	-	-
		403	**(122)**	**1.204**	**1.392**
Profit / (Loss) per Share attributable for profit attributable to the owners of the parent					
Basic in €	**2.12**	**0,0195**	**(0,0072)**	**0,0564**	**0,0652**

		CONSOLIDATED		CORPORATE	
		01.01-30.06.2016	**01.01-30.06.2015**	**01.01-30.06.2016**	**01.01-30.06.2015**
EBIT		1.612	1.640	1.361	1.328
EBITDA		4.064	4.076	2.704	2.566

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

** Cost of sales items, administrative expenses, distribution and other expenses of the Group and the Company as at 30/06/2015 have been reclassified due to the parent company reassessment of costs allocation as at 31/12/2015. Further information is presented in Note § 2.11.1.*

1.3. Statement of Changes in Equity

THE GROUP								
Amounts in thousands €	**Equity allocated to owners of the parent**							
	Share Capital	**Share Premium**	**Forex Differences Reserves**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total**
Balances as at January 1, 2015	**23.929**	**38.642**	**(502)**	**512**	**15.367**	**77.948**	**3.380**	**81.328**
Changes in Equity for the period								-
Transfer of reserves					(153)	(153)	32	(122)
Total Comprehensive Income for the period	-	-						-
Equity balance as at June 30, 2016	**23.929**	**38.642**	**(502)**	**512**	**15.214**	**77.794**	**3.412**	**81.206**
Balances as at January 1, 2015	**23.928**	**38.641**	**(0)**	**1.385**	**15.968**	**79.922**	**3.332**	**83.254**
Changes in Equity for the period								
Total Comprehensive Income for the period	-	-	-		416	416	(13)	403
Equity balance as at June 30, 2016	**23.928**	**38.641**	**(0)**	**1.385**	**16.385**	**80.339**	**3.319**	**83.657**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

Amounts expressed in thousands of Euro unless stated otherwise
All the amounts are expressed in thousands of Euro unless stated otherwise

THE COMPANY					
Balances as at January 1, 2015	**Share Capital**	**Share Premium**	**Other reserves**	**Retained earnings**	**Total**
Changes in Equity for the period	**23.928**	**38.641**	**1.202**	**(1.889)**	**61.882**
Balances as at January 1, 2015					
Total Comprehensive Income for the period	-	-	-	1.392	1.392
Equity balance as at June 30, 2015	**23.928**	**38.641**	**1.202**	**(496)**	**63.275**
Balances as at January 1, 2015	**23.928**	**38.641**	**1.372**	**2.806**	**66.747**
Changes in Equity for the period					
Total Comprehensive Income for the period	-	-	-	1.204	1.204
Equity balance as at June 30, 2016	**23.928**	**38.641**	**1.372**	**4.010**	**67.951**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

Amounts expressed in thousands of Euro unless stated otherwise
Six-month Financial Report for the period from January 1 to June 30, 2016 All the amounts are expressed in thousands of Euro unless stated otherwise

1.4. Statement of Cash Flows for the period (indirect method)

	THE GROUP		THE COMPANY	
Amounts in thousand €	**01.01-30.6.2016**	**01.01-30.6.2015**	**01.01-30.6.2016**	**01.01-30.6.2015**
Operating activities				
Profit / (Loss) before tax	**1.169**	**(121)**	**1.650**	**1.399**
Plus / less adjustments for:				
Depreciation	2.452	2.437	1.343	1.238
Provisions/ Revenues from unused provisions of previous years	80	68	120	24
Profit / (Loss) of asset sale & depreciations	38	-		
Foreign exchange differences	(134)	744	(142)	737
Interest income	(10)	(16)	-	-
Interest expenses	563	687	525	617
Investing results	-	346	(650)	(1.535)
Operating profit prior to changes in working capital	4.158	4.144	2.846	2.478
Plus/ less adjustments for changes in working capital accounts or accounts related to operating activities:				
Decrease / (increase) in inventories	(148)	67	(192)	45
Decrease / (increase) in receivables	(1.795)	(710)	(1.698)	(641)
(Decrease) / increase in short term liabilities (except for banks)	3.475	2.676	3.370	2.597
Less:				
Interest expense and related expenses paid	(561)	(630)	(523)	(559)
Taxes paid	(187)	(100)	-	-
Total inflows / (outflows) from operating activities (a)	**4.944**	**5.449**	**3.803**	**3.921**
Investing activities				
Acquisition of tangible and intangible assets	(1.063)	(1.441)	(857)	(1.341)
Increase in subsidiary share capital/payment due to change in subsidiary participating interest	-	(500)	-	(500)
Interest collectable	10	16	-	-
Dividends collectible	-	-	650	1.535
Total inflows / (outflows) from investing activities (b)	**(1.053)**	**(1.925)**	**(208)**	**(305)**
Financing activities				
Payments of loans	(2.721)	(1.787)	(2.555)	(1.622)
Repayment of Finance Lease liabilities	(3)	(5)		
Total inflows / (outflows) from financing activities (c)	**(2.724)**	**(1.792)**	**(2.555)**	**(1.622)**
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	**1.167**	**1.732**	**1.040**	**1.994**
Cash and cash equivalents at beginning of period	5.770	3.057	2.954	1.142
Cash and cash equivalents at end of period	**6.937**	**4.789**	**3.994**	**3.136**

Potential differences are due to rounding

The accompanying notes form an integral part of the interim Financial Statements.

2. Notes to the Interim Condensed Financial Statements

2.1. General Information

The parent company of the Group is "LAMPSA HELLENIC HOTELS S.A. based in Athens, Vasileos Georgiou A1, and registered in the Companies Register of the Ministry of Economy, Competitiveness and Shipping, No. REG 6015/06 / V/86/135 and GSC Reg. No. 223101000 and its term of duration is set at one hundred (100) years, which began from the publication in the Government Gazette of the Royal Decree approving its memorandum of association. In addition, the General Meeting of Shareholders held as at 19/06/20015, decided to extend the company's term of duration for fifty (50) years and amend, in this respect, Article 4 of the Articles of Incorporation. The company has been operating continuously since its foundation, over ninety-six (96) consecutive years.

The Group objective is acquisition, construction and operation of hotels in Athens and elsewhere in Greece or abroad, as well as related businesses, such as acquisition and / or exploitation of thermal spring water, resorts, public entertainment, clubs, etc. The Company website is www.lampsa.gr.

The shares of the Group are listed on the Athens Stock Exchange since 1946.

The interim six-month financial statements were approved for issue by the Company Board of Directors on 29 September, 2016.

The company LAMPSA and Starwood Hotels and Resorts Worldwide Inc, signed an agreement on management and hotel operation in December 2001. According to the agreement, Starwood, agreed to provide management and operation services to the hotel «Grande Bretagne». The term of the Management Agreement is initially of twenty five (25) years, with option to extend for another 25 years. Both companies have limited rights to terminate the agreement without reason.

There was also signed a management agreement with Starwood Hotels & Resorts Worldwide Inc. and Touristika Theretra S.A., the owner of «Sheraton Rhodes Resort» Hotel. The agreement concerns the assumption of operational management of the hotel (operating services agreement). It is to be noted that LAMPSA holds 50% of the shares of Touristika Theretra S.A.

On 24/12/2012, between the parent company and the bank "Eurobank Ergasias S.A." there was signed a definitive notarized leasing contract of the King George Hotel. The leasing agreement became effective following signing Lease Delivery and Reception Protocol as at 20/3/2013.

2.2. Basis for preparation of interim six-month Financial Statements

LAMPSA Group has fully adopted all IFRSs and interpretations adopted by the European Union and their application is mandatory for the preparation of corporate and consolidated financial statements for the current period.

The Company interim six-month Financial Statements as of 30/06/2016 cover the period from January, 1, 2016 to June 30, 2016 and have been prepared in compliance with International Accounting Standard («IAS») 34 «Interim Financial Reporting».

The accounting policies based on which the interim six-month Financial Statements were prepared and are presented are in accordance with those used in the preparation of the Group and the Company Annual Financial Statements for the FY ended as at December 31, 2015, apart from amendments to the standards, effective as from 01/01/2016.

The interim six-month Financial Statements shall be considered in line with the annual financial statements as of December 31st, 2015, which are available on the parent Company's website www.lampsa.gr.

The interim six-month Financial Statements for the period 1/1 – 30/06/2016 have been prepared under the historical cost convention as modified due to revaluation of certain assets and liabilities at fair value and going concern principle.

The preparation of interim six-month Financial Statements according to IFRSs requires use of accounting estimates and judgments of the Management under the application of the accounting principles. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the best knowledge of the Management with respect to current events and actions, actual results may finally differ from those estimates.

2.3. Changes to Accounting Policies

2.3.1 New Standards, Interpretations, Revisions and Amendments to existing Standards that are effective and have been adopted by the European Union

The following amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), adopted by the European Union, and their application is mandatory from or after 01/01/2016.

- **Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB issued amendments to IFRS 11. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business and specify the appropriate accounting treatment for such acquisitions. The amendments do not affect the separate and consolidated Financial Statements.

- **Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for annual periods starting on or after 01/01/2016)**

In May 2014, the IASB published amendments to IAS 16 and IAS 38. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments do not affect the separate and consolidated Financial Statements.

- **Amendments to IAS 16 and IAS 41: "Agriculture: Bearer Plants" (effective for annual periods starting on or after 01/01/2016)**

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16. Consequently, the amendments include bearer plants 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 do not affect the separate and consolidated Financial Statements.

- **Amendments to IAS 27: "Equity Method in Separate Financial Statements" (effective for annual periods starting on or after 01/01/2016)**

In August 2014, the IASB published narrow scope amendments to IAS 27. Under the amendments, entities are permitted to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements – an option that was not effective prior to the issuance of the current amendments. The amendments do not affect the separate and consolidated Financial Statements.

- **Annual Improvements to IFRSs – 2012-2014 Cycle (effective for annual periods starting on or after 01/01/2016)**

In September 2014, the IASB issued Annual Improvements to IFRSs - 2012-2014 Cycle, a collection of amendments to IFRSs, in response to four issues addressed during the 2012-2014 cycle. The amendments are effective for annual periods beginning on or after 1 January 2016, although entities are permitted to apply them earlier. The issues included in this cycle are the following: **IFRS 5**: Changes in methods of disposal, **IFRS 7**: Servicing Contracts and Applicability of the amendments to IFRS 7 to condensed interim financial statements, **IAS 19**: Discount rate: regional market issue, and **IAS 34**: Disclosure of information "elsewhere in the interim financial report". All the necessary amendments that affect the separate and consolidated six-month Financial Statements have been made.

- **Amendments to IAS 1: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB issued amendments to IAS 1. The aforementioned amendments address settling the issues pertaining to the effective presentation and disclosure requirements as well as the potential of entities to exercise judgment under the preparation of financial statements. The amendments do not affect the separate and consolidated six-month Financial Statements.

2.3.2 New Standards, Interpretations and Amendments to existing Standards that have not been applied yet or have not been adopted by the European Union

The following new Standards and amendments of IFRSs have been issued by the International Accounting Standards Board (IASB), but their application has not started yet or they have not been adopted by the European Union.

- **IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods starting on or after 01/01/2016)**

In January 2014, the IASB issued a new Standard, IFRS 14. The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union, until the issuance of the final Standard.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In May 2014, the IASB issued a new Standard, IFRS 15. The Standard fully converges with the requirements for the recognition of revenue in both IFRS and US GAAP. The key principles on which the Standard is based are consistent with much of current practice. The new Standard is expected to improve financial reporting by providing a more robust framework for addressing issues as they arise, increasing comparability across industries and capital markets, providing enhanced disclosures and clarifying accounting for contract costs. The new Standard will supersede IAS 11 "Construction Contracts", IAS 18 "Revenue" and several revenue related Interpretations. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 9 "Financial Instruments" (effective for annual periods starting on or after 01/01/2018)**

In July 2014, the IASB issued the final version of IFRS 9. The package of improvements introduced by the final version of the Standard, includes a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 10 and IAS 28: "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (the IASB postponed the effective date of this amendment indefinitely)**

In September 2014, the IASB published narrow scope amendments to IFRS 10 and IAS 28. The objective of the aforementioned amendments is to address an acknowledged 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. In December 2015, the IASB postponed the effective date of this amendments indefinitely pending the outcome of its research project on the equity method of accounting. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IFRS 10, IFRS 12 and IAS 28: "Investment Entities: Applying the Consolidated Exception" (effective for annual periods starting on or after 01/01/2016)**

In December 2014, the IASB published narrow scope amendments to IFRS 10, IFRS 11 and IAS 28. The aforementioned amendments introduce explanation regarding accounting requirements for investment entities, while providing exemptions in particular cases, which decrease the costs related to the implementation of the Standards. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01/01/2019)**

In January 2016, the IASB issued a new Standard, IFRS 16. The objective of the project was to develop a new Leases Standard that sets out the principles that both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'), apply to provide relevant information about leases in a manner that faithfully represents those transactions. To meet this objective, a lessee is required to recognise assets and liabilities arising from a lease. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 12: " Recognition of Deferred Tax Assets for Unrealized Losses" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 12. The objective of the amendments is to clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendments to IAS 7: "Disclosure Initiative" (effective for annual periods starting on or after 01/01/2017)**

In January 2016, the IASB published narrow scope amendments to IAS 7. The objective of the amendments is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB published clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time. The Group will examine the impact of the above on its Financial Statements, though it is not expected to have any. The above have not been adopted by the European Union.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)**

In June 2016, the IASB published narrow scope amendment to IFRS 2. The objective of this amendment is to clarify how to account for certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as, a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group will examine the impact of the above on its Financial

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Statements, though it is not expected to have any. The above have not been adopted by the European Union.

2.4. Segment reporting

In accordance with the provisions of IFRS 8, the identification of operating segments is based on the "Management approach". According to this approach, the information to be disclosed regarding the operating segments should be based on internal organizational and management structure of the Group and the main items of internal financial reporting provided to the key decision makers. The Management monitors the operating results of its operating segments separately for the purpose of making decisions on resource allocation and performance assessment thereof. It is to be noted that the Group applies the same accounting principles for the measurement of operating segment's results as those in the Financial Statements.

Transactions between operating segments are performed within the regular business operations of the Group. Inter-segment sales are eliminated on consolidation.

The operating segments presented include renting rooms, food and beverage sales and other activities (Income SPA-Health Club, Telephone Revenue, etc.). The Group results, assets and liabilities per segment in respect of the presented periods are analyzed as follows:

Segment results as at 30.06.2016	**RENTING ROOMS**	**SALE OF FOOD AND BEVERAGE**	**OTHER ACTIVITIES**	**NON-ALLOCATED**	**TOTAL**
Sales					
- to external clients	14.353	6.941	1.232		22.525
- to other segments				-	-
Net sales of the segment				-	22.525
Financial Income	6	3	1	-	10
Financial Expenses	(378)	(186)	(36)	-	(599)
Depreciation	1.795	552	105	-	2.452
Earnings before tax	**737**	**362**	**70**	**-**	**1.169**
Income tax	(483)	(238)	(46)	-	(766)
Earnings after tax	**254**	**125**	**24**	**-**	**403**
30.06.2015					
Non-current assets	72.128	35.492	6.869	-	114.489
Other Non-current Assets (Deferred Tax Assets, Joint Ventures)				8.072	8.072
Other assets	8.107	3.989	772	-	12.868
Total Assets	**85.320**	**41.983**	**8.126**	**-**	**135.429**
Total Liabilities	**32.616**	**16.049**	**3.106**	**-**	**51.772**

Segment results as at 30.06.2016	**RENTING ROOMS**	**SALE OF FOOD AND BEVERAGE**	**OTHER ACTIVITIES**	**NON-ALLOCATED**	**TOTAL**
Sales					
- to external clients	15.248	6.873	1.407		23.528
- to other segments				-	-
Net sales of the segment				-	-
					-
Financial Income	10	5	1	-	16
Financial Expenses	(433)	(213)	(41)	-	(687)
Depreciation	1.784	549	104	-	2.437
Earnings before tax	**(76)**	**(37)**	**(7)**	**-**	**(121)**
Income tax	(1)	(0)	(0)	-	(1)
Earnings after tax	**(77)**	**(38)**	**(7)**	**-**	**(122)**
					-
30.06.2015					**-**
Non-current assets	72.741	35.793	6.928		115.463
Other Non-current Assets (Deferred Tax Assets)				8.518	8.518
Other assets	6.167	3.035	587	-	9.789
Total Assets	**78.909**	**38.828**	**7.515**	**8.518**	**133.770**
Total Liabilities	**31.825**	**15.660**	**3.031**		**50.516**

It is to be noted that the company's hotels located in Athens ("Grand Bretagne" and "King George") follow the seasonality of the tourism destination, and therefore, the average occupancy rate is almost double within the summer season (May - October) versus the corresponding winter period (November - April).

Amounts expressed in thousands of Euro unless stated otherwise
All the amounts are expressed in thousands of Euro unless stated otherwise

Geographical segments

The headquarters of the Group are in Greece. Geographically, the Group operates mainly in Greece, Cyprus, Serbia, and has investments in other countries (§ 2.5).

	1.1-30.06.2016	**30.6.2016**	**1.1-30.06.2015**	**31.12.2015**
Amounts in thousand €	SALES	NON-CURRENT ASSETS	SALES	NON-CURRENT ASSETS
GREECE	17.813	45.488	18.561	72.590
CYPRUS		27.069		-
SERBIA	4.712	41.932	4.967	42.873
TOTAL	**22.525**	**114.489**	**23.528**	**115.463**

2.5. Tangible & intangible fixed assets

During the period, for the Company and the Group, net investments into tangible and intangible assets amounted to € 1,5 million and € 1,3 million. The investments pertain to renovation of rooms and the purchase of other equipment.

The Parent and the Group property items are burdened with liens amounting to € 48.850 as well as 25.500 USD for outstanding loans amounting to € 32.342.

As at 30 June, 2016 and 31 December 2015, the Group and the Company had no commitments for capital expenditures.

2.6. Investment in subsidiaries – Group Structure

The following is an analysis of equity of the parent Company in subsidiaries and associates:

Amounts in thousands €	**ACQUISITION VALUE 30.06.2016**	**ACQUISITION VALUE 31.12.2015**	**DOMICILE - COUNTRY**	**Func. Currency**	**DIRECT PARTICIPATING INTEREST %**	**INDIRECT PARTICIPATING INTEREST %**	**RELATIONSHIP**	**CONSOLIDATION METHOD**	**OPERATING FIELD**
LAMPSA HELLENIC HOTELS S.A.	-	-	Greece	€	PARENT		PARENT	FULL CONSOLIDATION	Hotel services
LUELLA ENTERPRISES LTD	18.732	18.732	Cyprus	€	100,00%		SUBSIDIARY	FULL CONSOLIDATION	Holding
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	7.434	7.434	Serbia	€	80,33%		SUBSIDIARY	FULL CONSOLIDATION	Hotel services
BEOGRADSKO MESOVITO PREDUZECE A.D.	-	-	Serbia	€	-	93,90%	SUBSIDIARY	FULL CONSOLIDATION	Hotel services
MARKELIA ENTERPRISES COMPANY LTD	-	-	Cyprus	€	-	100,00%	SUBSIDIARY	FULL CONSOLIDATION	Services
TOTAL	26.166	26.166							
Provisions for devaluation	(2.326)	(2.325)							
TOTAL	**23.840**	**23.840**							

It is to be noted that within the period, the Parent Company received from the subsidiary LUELLA ENTERPRISE Co dividends amounting to € 650 k (€ 1.535 k on 30/06/2015)

2.7. Investment in Joint Venture – Other Long-term Liabilities

The Group jointly participates with other parties (50%) in the Management of the company «Touristika Theretra S.A.».

Changes in Joint Ventures are presented in the following table:

	Value 01.01.16	**Profit after tax 01.01-30.06.2016**	**Value 30.06.2016**
TOURISTIKA THERETRA S.A.	0	0	0
TOTAL	**0**	**0**	**0**

Joint Venture acquisition cost in the parent company books is recorded as follows:

Amounts in thousands €	**ACQUISITION VALUE 30.06.2016**	**ACQUISITION VALUE 30.06.2015**
TOURISTIKA THERETRA S.A.	9.260	9.260
TOTAL	**9.260**	**9.260**
Provisions for devaluation	(9.260)	(9.260)
TOTAL	**-**	**-**

Condensed data on Touristika Theretra S.A. is presented below as follows:

	30.6.2016	**31.12.2015**
Statement of Financial Position		
Non-current Assets	32.372	32.114
Current Assets	2.717	2.220
Total Assets	**35.089**	**34.334**
Total Equity	**(2.301)**	**(556)**
Long-term Liabilities	24.613	3.260
Short-term Liabilities	12.777	31.630
Total Liabilities	**37.390**	**34.890**
Statement of Comprehensive Income	**01.01-30.06.2016**	**01.01-30.06.2015**
Profit / Loss after tax	**(1.745)**	**(1.408)**
Other comprehensive income / (loss)	-	-
Total comprehensive income / (loss)	(1.745)	(1.408)
Depreciations	849	872
Financial income	-	-
Financial expenses	395	393
Income tax	437	135

2.8. Equity Analysis

The Group and the Company Equity is analyzed as follows:

Amounts in thousand €	**The Group**		**The Company**	
EQUITY	**30.6.2016**	**31.12.2015**	**30.6.2016**	**31.12.2015**
Capital and reserves attributable to parent owners				
Share capital	23.928	23.928	23.928	23.928
Share premium	38.641	38.641	38.641	38.641
Other reserves	1.385	1.385	1.372	1.372
Retained earnings	16.385	15.968	4.010	2.806
Total	**80.339**	**79.922**	**67.951**	**66.747**
Non-controlling interest	3.319	3.332	-	-
Total Equity	**83.657**	**83.254**	**67.951**	**66.747**

As at 30/06/2016, the Company share capital amounts to € 23.927,680, divided in 21.364.000 common shares of nominal value € 1,12 each. The Company shares are listed on the Athens Stock Exchange Security Market (Travel & Leisure Sector, Hotels).

There aren't at the end of the current period, shares of the parent company held by it or by its subsidiaries or jointly controlled companies.

The account «Other Reserves» of the Group includes the following reserves categories: «Statutory Reserves» and «Other Extraordinary Reserves».

The amended IAS 19," Employee Benefits" was applied in the financial Statements of FY 2013 and retrospectively from 1 January 2012. Under the amended standard, the option of gradual recognition of actuarial gains and losses is eliminated under the ' corridor approach '. Therefore, actuarial gains and losses, presented in a fiscal year, will be recognized fully and directly in the Statement of Comprehensive Income for this year and will be presented in separate reserves, Actuarial results reserves, in Equity of the Group and the Company.

Amounts expressed in thousands of Euro unless stated otherwise
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From the above, the statutory reserve is mandatory formed from the profits of each financial year and remains in equity of the Company to offset any losses incurred in the future and is taxed in each period in which they were formed and therefore is tax exempted.

As far as the remaining reserves are concerned, they can be distributed to shareholders given that the attributable tax has been paid.

Changes in the Group and the Company Equity are analytically presented in § 1.3 « Statement of Changes in Equity».

2.9. Income tax – Deferred tax

Offsetting deferred tax assets and liabilities is performed, in terms of company, when there is an enforceable legal right to do so and when the deferred income taxes relate to the same tax authority.

The tax rates for the current year regarding the companies operating abroad are as follows:

Country	Tax rate
SERBIA	15%
CYPRUS	12,50%

Deferred income tax is provided on temporary differences using the tax rates expected to apply to the countries where the Group companies are active. The amounts shown in the balance sheet are expected to be recovered or settled after the current period.

Tax losses are recognized as deferred tax assets to the extent that the recovery of the tax benefit through future taxable profits is probable. Within the current period, deferred assets from tax losses for the period amounting to € 422 k were recognized.

2.10. Borrowings

The borrowings of the Group and of the Company, both long and short term, are analyzed in the following table:

Amounts in thousand €	**The Group**		**The Company**	
	30.6.2016	**31.12.2015**	**30.6.2016**	**31.12.2015**
Long-term debt				
Bond loans	28.229	29.938	27.267	29.938
Long-term bank loans		1.129		
Total long-term debt	**28.229**	**31.067**	**27.267**	**29.938**
Short-term debt				
Short-term bank loans	-		-	-
Short-term portion of bond and bank loans	5.407	5.442	5.075	5.110
Total short-term debt	**5.407**	**5.442**	**5.075**	**5.110**
Total	**33.636**	**36.509**	**32.342**	**35.049**

On the property of the parent company and the Group there are liens amounting to € 48,850 k and $ 25,500 k for outstanding loans amounting to € 33,636 k and € 32,342 k respectively. Moreover, there are guarantees of € 1,300 k provided by the parent company and a lien on 100% of the issued share capital of TOURISTIKA THERETRA S.A. securing a bond loan.

During the period, the Company and the Group received no new loans while they paid € 2,721 k and € 2,555 k respectively.

Amounts expressed in thousands of Euro unless stated otherwise
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The effective weighted average interest rates of the Group, on the balance sheet date are:

	The Group		**The Company**	
	30.6.2016	**31.12.2015**	**30.6.2016**	**31.12.2015**
Bank debt	3,42%	3,18%	3,12%	3,12%

Working Capital

As at 30/06/2016, the Group and the Company had negative working capital, as current liabilities exceed current assets by € 3.842 k. (parent company € 6.585 k). The most important part of current liabilities (32% regarding the Group and 33% regarding the parent company) is long-term debt installments payable in the following year.

Without taking into consideration the short-term loan liabilities, the Group working capital is presented positive by € 1.565 k and the Company's - negative by € 1.511 k.

The Group and the Company needs regarding the Working Capital are expected to be covered by cash inflows from operating activities expected to inflow within the following periods, due to the seasonality of the Group's operations, when the rooms booking are almost double versus those effective in the respective winter months.

Moreover, the parent company received in the current period dividends from subsidiaries of € 650 k.

Finally, two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED", representing 28.48% in the share capital of each (total of 56.96%), although it is estimated that it will not be necessary, are committed to cover working capital subsequent needs for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2015.

It is noted that the financial statements of the companies included in the consolidation have been prepared based on the going concern principle.

2.11. Results for the period from January 1, 2016 to June 30, 2016

In the first semester of 2016, the tourism sector was relatively stabilized, since there was an increase in arrivals, however, simultaneously with a relative decrease in revenue. On the contrary, the consequences of the economic crisis are reflected in the revenue of the Food & Beverage segment, where Greek presence has been traditionally strong, resulting in a lower rate of revenue growth compared to the room revenue increase.

Stagnation can also be observed in the Serbian hotel market, since demand is showing signs of recovery, assisted by the new foundations caused by Serbia's admission to the EU (airports, privatization of air transportation operator etc). Nevertheless revenue is lower owing to the operation of a number of new hotels in the Belgrade area.

Room occupancy ratio of the luxury hotel industry in Athens decreased by 2,8% compared to 2015, adjusting the ratio to 62,2% versus 64,0% in 2015. The average room price at the hotels increased by 3,6% versus 2015, standing at € 151,48 as compared to € 146,28 in 2015. Therefore, room occupancy ratio of the luxury hotel industry in Athens increased by 0,7% while the total room revenue decreased by 0,8%.

"Grande Bretagne" hotel recorded a 3,2% sales decrease versus 2015, while «King George» hotel recorded 7,0% sales increase. Regarding the Group Hotels in Serbia, they recorded a decrease in sales, in particular, «Hyatt Regency Belgrade» - by 2,5% and «Excelsior" by 26%. In terms of EBITDA, the relative decrease in sales and expenditure restraint (despite the rigidity of the salary and wages expenses) resulted in similar numbers for the Group (€ 4.064 k. versus € 4.076 k. in 2015) with a significant improvement for the Company (€ 2.704 k. versus 2.566 k. in 2015). Moreover, Sheraton Rhodes Hotel, whose results due to consolidation under Equity method have affected the investing results of the Group, presenting a decrease of 3.9%.

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2.11.1. Significant changes in the items of the Statement of Financial Position and Statement of Comprehensive Income for the period

During the first six month period of 2016, the changes in the Group & Company financials were as follows:

Turnover in the first six-month period of 2016 at consolidated level stood at € 22.525 k versus € 23.528 k in the same period last year, presenting a decrease of 4%. The turnover of the parent company (Hotels "Grande Bretagne and "King George") stood at € 17.813 k versus € 18.561 k in the comparative 2015 period, decreased by 4%.

Consolidated gross profit amounted to € 6.689 k from € 7.455 k in 2015, presenting a decrease due to the decrease in turnover, while gross profit margins decreased from 31,6% in 2015 to 29% in 2016. Gross profit of the parent company amounted to profit of € 5.663 k compared to profit of € 6.244 in 2015. The gross profit margin of the Company stood at profit of 31,8% in 2016 versus profit of 33,6% in the respective last year period.

The aforementioned decrease in turnover that affected almost the total of the Group gross earning, also affected the Group operating earnings **(EBITDA)** that presented profit of € 4.064 k. versus profit of € 4.076 k. in 2015. Respectively, the parent company operating earnings stood at profit of € 2.704 k. versus profit of € 2.566 k. in 2015.

Expenses per category have been reclassified between the items Cost of Sales, Distribution Costs, Administration Costs for 30/06/2016 for the Group and the Company due to the re-evaluation of the classification of expenses at the parent company on 31/12/2015. The aforementioned rereclassification did not affect the operating earnings or **EBITDA**.

The reclassification is as follows:

	THE GROUP		
	30.06.2015 Restated	**30.06.2015 Published**	**Change**
Cost of Sales	16.083	16.461	(378)
Administration Expenses	3.475	3.909	(433)
Distribution Expenses	2.653	1.842	811
Total	**22.212**	**22.212**	**0**

	THE COMPANY		
	30.06.2015 Restated	**30.06.2015 Published**	**Change**
Cost of Sales	12.316	12.694	(378)
Administration Expenses	2.796	3.230	(433)
Distribution Expenses	2.368	1.556	811
Total	**17.480**	**17.480**	**0**

Financial Cost of the Group and the Company decreased by 13% and 15% respectively.

Other financial results of the Group and the Company relate mainly to loan exchange differences arising to euro / dollar exchange ratios, and they also include the distribution of dividends by Luella Enterprises to the parent company, standing at € 650 k (€ 1.535 k on 30/06/2015).

Share from (loss)/profit of associates for the current FY pertains to valuation percentage of TOURISTIKA THERETRA joint venture from the integration of its result with the equity method.

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Earning before tax of the Group recorded profit of € 1.169 k versus loss of € 121 k for the comparative 2015 period. Earnings before tax of the parent company recorded profit of € 1.650 k, versus profits of € 1.399 for the comparative 2015 period.

Income Tax of the Company and the Group includes calculation of deferred tax. Tax expenses for the Group stood at € 766 k and for the Company at income of € 446 k versus tax expense of € 1k and € 6k for the Group and the Company for the comparative period. In the current period, deferred tax was not recognized in the results of the subsidiary companies, while as far as the parent company is concerned, deferred tax assets were recognized for offsetting tax losses of the previous years, amounting to € 422 k, which were not recognized in the past.

Net earnings after tax and before non-controlling interests for the Group recorded profit of € 416 k, versus losses of € 153 k for the comparative period of 2015. The parent company recorded profit of € 1.204 k versus profits of € 1.392 k for the comparative period of 2015.

The balances of the accounts **Trade and Other Receivables and Other Current Assets** of the Group and the Company as at 30/06/2016 are presented increased by 118% and 144% respectively versus the balances recorded as at 31/12/2015, due to the nature of the Company and the Group operations, affected by seasonality of sales, contributing to generating bigger open balances within the interim reporting period. It is expected that during the following months, given the capitalization of the aforementioned receivables, the trade balances will be significantly decreased, thus reaching the normal levels. Likewise, the balances of the accounts **Other Liabilities** of the Group and the Company are increased by 70,54% and 82.52% respectively as at 30/06/2016 versus 31/12/2015 due to accrued expenses expected to be settled in the following months.

2.12. Profit / (Loss) per share

Basic profit / (losses) per share are calculated based on profits / (losses) after taxes and Non- controlling interests from continuing operations, on the weighted average number of ordinary shares of the parent company.

The following is an analysis of profit/(loss) per share:

	THE GROUP		**THE COMPANY**	
Amounts in thousand €	**01.01-30.6.2016**	**01.01-30.6.2015**	**01.01-30.6.2016**	**01.01-30.6.2015**
Profit attributable to the owners of the parent	416	(153)	1.204	1.392
Weighted average number of shares	21.364.000	21.364.000	21.364.000	21.364.000
Basic earnings per share (in €)	**0,0195**	**(0,0072)**	**0,0564**	**0,0652**

2.13. Analysis of provisions

	THE GROUP			
	PROVISIONS PRESENTED IN LONG-TERM LIABILITIES			
	Loss from shares	**Provisions for fines**	**Other provisions (legal claims)**	**Total**
31.12.2014	**9**	**554**	**564**	**96**
Acquisition of subsidiary			-	
Adjustments to discount rate			-	
Additional provisions		59	59	132
Used provisions		(29)	(29)	(67)
Unused amounts reversed		(4)	(4)	(19)
Reclassifications	-		-	
31.12.2015	**9**	**580**	**590**	**143**
Acquisition of subsidiary				
Adjustments to discount rate				
Additional provisions				
Used provisions			-	
Unused amounts reversed			-	
30.06.2016	**9**	**580**	**590**	**143**

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	PROVISIONS PRESENTED IN LONG-TERM LIABILITIES			
	Loss from shares	Other provisions (legal claims)	Total	Customers provisions
31.12.2014	**9**	**98**	**107**	**80**
Additional provisions	-	15	15	132
Used provisions		(29)	(29)	(61)
Unused amounts reversed	-	(4)	(4)	(19)
Reclassifications			-	
31.12.2015	**9**	**80**	**89**	**132**
Additional provisions			-	28
Used provisions				
Unused amounts reversed			-	
Reclassifications			-	
30.06.2016	**9**	**80**	**89**	**160**

Under the above table, provisions for bad debts less receivables are presented.

2.14. Transactions with related parties

The following transactions refer to related parties transactions:

Amounts in thousand €	**THE GROUP**		**THE COMPANY**	
Sales of goods-services	**01.01 – 30.06.2016**	**01.01 – 30.06.2015**	**01.01 – 30.06.2016**	**01.01 – 30.06.2015**
Subsidiaries/jointly controlled entities	24	30	24	30
Other associates	46	36	46	36
Total	**70**	**66**	**70**	**66**
Purchase of Services				
Subsidiaries/jointly controlled entities	4	9	4	9
Other associates	182	338	182	338
Total	**186**	**347**	**186**	**347**
Balance of Payables	**30.6.2016**	**31.12.2015**	**30.6.2016**	**31.12.2015**
Subsidiaries/jointly controlled entities	11	6	11	6
Other associates	5	67	5	67
Total	**15**	**73**	**15**	**73**
Balance of Receivables	**30.6.2016**	**31.12.2015**	**30.6.2016**	**31.12.2015**
Subsidiaries/jointly controlled entities	537	508	537	508
Other associates	58	1	58	1
Total	**594**	**510**	**594**	**510**

Moreover, the Parent Company provided guarantees for Touristika Theretra S.A. amounting to € 1.3 million.

Among the subsidiaries of the Group exist requirements / liabilities from the total value of loans € 2 million approximately, and corresponding income / expense interest of € 65 k, as well as exchange differences income / expense of € 30 k, which are eliminated on consolidation.

2.15. Salaries of BoD and Management members

Amounts in thousand €	**THE GROUP**		**THE COMPANY**	
	01.01-30.06.2016	**01.01-30.06.2015**	**01.01-30.06.2016**	**01.01-30.06.2015**
Salaries – Fees	430	417	246	236
Social insurance cost	63	65	41	44
Bonus	170	154	170	154
Total	**675**	**649**	**458**	**433**

It is to be noted that there were no loans to members of the Board or management personnel and their families and there are no receivables/ liabilities from/to related parties.

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2.16. Contingent assets-liabilities

Litigation cases

a) Administrative procedures for the compensation to former owners of the land on which the Hyatt Hotel (subsidiary company BEOGRADSKO MESOVITO PREDUZECE) and other third party structures have been constructed. The case is under inspection of the Commission for decision on the return of land in the Municipality of New Belgrade (hereinafter: the Commission). Despite the fact that the Supreme Court of Serbia annulled twice the second resolution, the Commission still supports the position that the Company is responsible and could seek compensation for the damage suffered by the legal predecessor of which the Company had acquired the land from. Regarding the aforementioned case, the Group has made a provision amounting to € 484,42 k.

b) Court cases have been filed against the subsidiary company BEOGRADSKO MESOVITO PREDUZECE by former employees for compensation due to termination of the employment relationship relying on non-competition clause amounting to € 1,5 million. The Group's management claims that there are no reasons for compensation concerning the termination of the employment relationship, given that both plaintiffs resigned of their own will. The management of the subsidiary has also acted against the plaintiffs, and interrogations for both conflicts have not yet started. As the cases are still at an early stage, the final outcome cannot presently be determined, and no provision for contingent liability of the Group has been made in the financial statements of the company.

There are no other litigation or arbitration disputes of courts or arbitration bodies that may have a significant influence on the financial statements or the functionality of the Group, beyond the provisions that have already been made (§ 2.15).

- The unaudited tax years of the Group are as follows:

The Company	Unaudited tax years
LAMPSA HELLENIC HOTELS S.A.*	-
LUELLA ENTERPRISES LTD	2007 - 2015
TOURISTIKA THERETRA S.A.	2010
EKSCELSIOR BELGRADE SOCIALLY OWNED HOTEL & CATERING TOURIST ENTERPRISES	2007 - 2015
BEOGRADSKO MESOVITO PREDUZECE	2012- 2015
MARKELIA LTD	2010 - 2015

For the unaudited tax years of the Group companies, there is a probability that additional taxes and penalties could be imposed, during the period when they are examined and finalized by the relevant t ax authorities.

Furthermore, the Company was informed about the issue of additional audit order regarding additional data for FYs 2003 - 2009 (which were finalized under tax amnesty procedures), prolonging the procedures until 31/12/2015 (instead of 31/12/2013). Following the above, in the beginning of 2015, the additional order specified that the selective tax audit will be conducted in respect of INCOME, VAT and Books and Records items.

On 29/07/2015, the Company received the Note under Article 30, par. 5 of PD 186/92 issued by the Audit Authority for Large Enterprises. The Note, prepared in the context of conducted recurring audit by the aforementioned Authority in respect of income taxation and other tax items for the financial years 2003 to 2009, stated that "under the audit opinion", the accounting books held by the company in respect of the administrative periods in question are considered to have misstatements under the provisions of cases a, c and d of par. 4, Article 30, of P.D. 186/92 in line with the provisions of par. 7, 8 and 9 of the same Article of P.D. 186/92, as added under Law 3052/2002, given that the misstatements are substantial compared to the company financials and negatively affect them. The judgments regarding the "misstatements" in the accounting books is based on breaches of regulations regarding non-receiving and non-recording in the company's accounting books tax data on leasing fixed assets from the company STARWOOD HELLAS HOTELS S.A.

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The Audit Authority for Large Enterprises summoned the Company to appear in front of the Ministry of Finance Committee as under Article 30, par. 5 of P.D. 186/92 that is authorized to conclude whether the misstatements referred to in the Note entail rejection of the accounting books and records and extra-accounting definition of taxable items for the administrative periods under audit.

Within the current period, the Audit Authority for Large Enterprises disclosed to the Company its decision, stating that talking into account the Committee's decision under par. 5, Article 30, P.D. 186/92, which regarded that the Company's books were adequate and exact, the Company had not concealed any tax evidence and, therefore, no loss had arisen as for as the Greek State is concerned.

* For the FY 2011-2013 inclusively, the parent company and TOURISTIKA THERETRA S.A. were subject to tax audit of the Certified Public Accountants as provided by Article 82 para 5 Law 2238/1994. For FY 2014, the parent company and TOURISTIKA THERETRA S.A. were subject to tax audit of the Certified Public Accountants as provided by Article 65A, Law 4174/2013, and received Unqualified Conclusion Tax Compliance Report. For the FY to be considered terminated, there must be effective the provisions of par. 1a, Article 6, POL 1159/2011.

Regarding the FY 2015, the tax audit is in progress, under the provisions of Article 65A, par. 1, Law 4174/2013, and the relevant tax certificate is expected to be issued within the following days. It is estimated that the finalization of the Tax Audit will not significantly affect the Group and the Company Financial Statements.

For the unaudited tax years of the other companies of the Group, it is estimated that no significant additional tax obligations will occur and, therefore, no relevant provision has been made.

- **Operating leases - Income**

The Group leases certain offices and shops under non-cancellable operating leases. All leases include a term. They have varying terms, escalation clauses and rights. The following is an analysis of contractual rentals to be collected in the coming years:

	CORPORATE	
Amounts in thousand €	**30.6.2016**	**31.12.2015**
Operating leases collectable in 1 year	304	304
Subtotal 1: Short-term operating leases	304	304
Operating leases collectable in 2 to 5 years	630	752
Subtotal 2	**630**	**752**
Operating leases collectable after 5 years	318	496
Subtotal 3	**318**	**496**
Subtotal 4 (=2+3): Long-term operating leases	948	1.248
TOTAL (=1+4)	**1.251**	**1.551**

- **Operating leases – Expenses**

On 24/12/2012, a final notarized contract was established between the parent company and the "Eurobank Ergasias SA Bank", for long-term leasing of the King George Hotel, with a lease term of ten (10) years with the Lessee having the right to extend it initially for five (5) years and then for a further five (5) years. Leasing was initiated with the signature of the Protocol of Delivery and Receipt of the Lease on 20/3/2013. The annual rent is comprised of a Minimum annual lease amount of € 700 thousand and a percentage of annual rent in proportion to Gross Profit, calculated on the Gross Profit of the Lease and alternatively on the sum of the Gross Profits of KING GEORGE & Grande Bretagne hotels. An analysis of the minimum conventional rents which will be paid in the following years is as follows:

Amounts expressed in thousands of Euro unless stated otherwise
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	CORPORATE	
Amounts in thousand €	**30.6.2016**	**31.12.2015**
Operating leases payable in 1 year	700	700
Subtotal1: Short-term operating leases	700	700
Operating leases payable in 2 to 5 years	2.800	2.800
Subtotal 2	**2.800**	**2.800**
Operating leases payable after 5 years	1.202	1.552
Subtotal 3	**1.202**	**1.552**
Subtotal 4 (=2+3): Long-term operating leases	4.002	4.352
TOTAL (=1+4)	**4.703**	**5.053**

2.17. Guarantees

The Group and the Company have contingent liabilities and assets related to banks, other guarantees and other matters arising in the ordinary course of business, as follows:

	THE GROUP		THE COMPANY	
Amounts in thousand €	**30.6.2015**	**31.12.2015**	**30.6.2015**	**31.12.2015**
Liens on land plots and building for provision of loan in €	48.850	48.850	48.850	48.850
Liens on land plots and building for provision of loan in $	25.500	25.500	25.500	25.500
Other letters of guarantee to ensure liabilities in €	587	587	587	587
Guarantees for other associates	1.300	1.300	1.300	1.300

2.18. Dividends

The Annual General Meeting of Shareholders decided on non-distribution of dividends for FY 2015, in compliance with the decisions made regarding Issue 1 raised at the Regular General Meeting of Shareholders as at 23/06/2016.

2.19. Personnel number & fees

	THE GROUP		THE COMPANY	
	30.6.2016	**30.6.2015**	**30.6.2016**	**30.6.2015**
Salary employees	501	508	290	299
Daily wages employees	338	312	338	312
Total	**839**	**820**	**628**	**611**

Amounts in thousand €	THE GROUP		THE COMPANY	
	01.01-30.06.2016	**01.01-30.06.2015**	**01.01-30.06.2016**	**01.01-30.06.2015**
Salaries & fees	5.876	5.876	5.874	5.874
Social insurance cost	1.190	1.190	1.190	1.190
Other employee benefits	324	324	324	324
Projected and paid employee compensation	14	14	14	14
Total	**7.404**	**7.404**	**7.402**	**7.402**

2.20. Risk management policies

The Group is exposed to financial risks such as changes in exchange rates, interest rates, credit risk, liquidity risk and fair value interest rate risk. It should be noted that the Group mainly operates in the markets of Greece and Serbia in a highly competitive environment. The overall risk management of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

Risk management is carried out by the central cash available management service, which identifies and evaluates financial risks in cooperation with the services that face these risks. Prior to the relevant transactions it is taken acceptance by officers with the right to bind the Company to its counterparties

Currency Risk

The Group operates internationally and carries out trade and loan transaction in foreign currency. Therefore, it is exposed to foreign currency translation differences (another major country of the Group's operations, apart from Greece, is Serbia). The Parent Company exposure to currency risk arises mainly from the bond loan issued in US Dollars.

Credit Risk & Liquidity Risk

Over 80% of Group's sales are performed through credit cards, the credit sales though are made to customers with evaluated credit history.

The liquidity risk is being kept fairly low by maintaining adequate cash available and banking credit limits

The implementation of the capital controls by the banks caused notable problems to surface concerning the repayment of liabilities to foreign suppliers, problems which seem to persist and stand in the way of the Group's Hellenic companies' sound operations. The Management is in the process of exploring for alternative solutions in order to expedite the repayment of foreign liabilities, a matter that is expected to be resolved in the immediate future.

As at 30/06/2016, the Group and the Company had negative working capital, as current liabilities exceed current assets by € 3.842 k. (parent company € 6.585 k). The most important part of current liabilities (32% regarding the Group and 33% regarding the parent company) is long-term debt installments payable in the following year. Within the current period, the Group repaid to the banks a capital amount of € 2.721 k and the Company – an amount of € 2.555 k. In the next year, the Group and the Company are to pay to the banks the capital amounts of € 5.407 k and € 5.075 k respectively, which, as the Company's Management estimates, will be covered through the parent company's operating cash inflows.

Two major shareholders of the parent company "NAMSOS ENTERPRISES COMPANY LIMITED" and "DRYNA ENTERPRISES COMPANY LIMITED", representing 28.48% in the share capital of each (total of 56.96%), although it is estimated that it will not be necessary, are committed to cover working capital subsequent needs for at least the next twelve months from the date of approval of the annual financial statements of 31/12/2015.

Without taking into consideration the short-term loan liabilities, the Group working capital is presented positive by € 1.565 k and the Company's - negative by € 1.511 k.

Risk of Changes of Fair Value due to Changes in Interest Rates

Operational revenue and operational cash flows of the Group are substantially independent of changes in market interest rates. The Group has assets of interest-bearing assets with fixed performance and the policy of the Group is to maintain approximately total borrowings at floating rate. At the end of the administrative period, the total borrowings were in floating interest rate loans.

2.21. Post Interim Period Balance Sheet Events

There are no other post Financial Statements events regarding either the Group or the Company that shall be reported under the international Financial Reporting Standards.

Athens, 29 September 2015

PRESIDENT OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	FINANCIAL DIRECTOR
GEORGE GALANAKIS I.D. No Ξ 282324	ANASTASIOS HOMENIDIS I.D. No AI 506406	KOSTAS KYRIAKOS I.D. No AZ 512473 A' Class License 0010932