



THRACE PLASTICS Co. S.A.

INTERIM FINANCIAL REPORT

(INDIVIDUAL & CONSOLIDATED)

January 1st to March 31st 2014

(In accordance with Law 3556/2007)

Company Reg. No. 11188/06/B/86/31

General Commerce Reg. No. 12512246000

Domicile: Magiko, Municipality of Avdira, Xanthi Greece

Offices: 20 Marinou Antypa Str., 17455 Alimos, Attica Greece

The accompanying Financial Statements, have been approved by the Board of Directors of THRACE PLASTICS Co. S.A. on May 27th 2013 and have been posted on the internet at the company's website www.thracegroup.gr.

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Amounts in thousand Euro, unless stated otherwise.

STATEMENT OF COMPREHENSIVE INCOME (CONSOLIDATED AND NON-CONSOLIDATED)

| | Note | Group | | Company | |
|---|------|------------------|---------------------------------|------------------|------------------|
| | | 1/1 - 31/03/2014 | 1/1 - 31/03/2013 ⁽¹⁾ | 1/1 - 31/03/2014 | 1/1 - 31/03/2013 |
| Turnover | | 62,456 | 59,510 | 4,258 | 5,474 |
| Cost of Sales | | (50,570) | (48,728) | (3,637) | (5,004) |
| Gross Profit/(loss) | | 11,886 | 10,782 | 621 | 470 |
| Other Operating Income | 4 | 1,067 | 589 | 1,206 | 1,181 |
| Selling Expenses | | (5,700) | (5,318) | (241) | (270) |
| Administrative Expenses | | (3,845) | (3,576) | (1,255) | (1,298) |
| Other Operating Expenses | 5 | (909) | (471) | (380) | (205) |
| Income/(Expenses) from fx differences | | 8 | 172 | 5 | (13) |
| Operating Profit/(loss) before interest and tax | | 2,507 | 2,178 | (44) | (135) |
| Interest & related (expenses)/income | 6 | (1,234) | (1,147) | (256) | (269) |
| Other Financial (expenses) / income | 6 | (93) | 141 | (1) | |
| Profit from sale of subsidiary | | | 898 | | |
| Profit / (losses) from companies consolidated via the Equity method | 18 | 193 | 191 | - | - |
| Profit/(loss) before Tax | | 1,373 | 2,261 | (301) | (404) |
| Income Tax | 10 | (281) | (1,074) | 15 | (35) |
| Tax from reserves L. 4172, article 72 | | - | - | - | - |
| Profit / (loss), after tax (A) | | 1,092 | 1,187 | (286) | (439) |
| Other comprehensive income | | | | | |
| Items to be transferred to the results | | | | | |
| FX differences from translation of foreign Balance Sheets | | 232 | (550) | - | - |
| Items not to be transferred to the results | | | | | |
| Actuarial profit/(loss) | | (822) | 4,147 | - | - |
| Other comprehensive income after taxes (B) | | (590) | 3,597 | - | - |
| Total comprehensive income after taxes (A) + (B) | | 502 | 4,784 | (286) | (439) |
| Earnings / (loss) after tax (A) | | | | | |
| <u>Attributed to:</u> | | | | | |
| Owners of the parent | | 1,031 | 1,129 | - | - |
| Minority interest | | 61 | 58 | - | - |
| Total comprehensive income after taxes (A) + (B) | | | | | |
| <u>Attributed to:</u> | | | | | |
| Owners of the parent | | 441 | 4,725 | - | - |
| Minority interest | | 61 | 59 | - | - |
| Earnings / (loss) allocated to shareholders per share (A) | | | | | |
| Number of shares | | 45,016 | 45,016 | - | - |
| Earnings/(loss) per share | 9 | 0.0229 | 0.0251 | - | - |

1. Revised amounts due to the amended IFRS. See note 18.

The accompanying notes that are presented in pages 6 - 26 form an integral part of the present interim condensed financial information

Amounts in thousand Euro, unless stated otherwise.

STATEMENT OF FINANCIAL POSITION (CONSOLIDATED AND NON-CONSOLIDATED)

| | Note | Group | | Company | |
|---|------|----------------|---------------------------|----------------|----------------|
| | | 31/3/2014 | 31/12/2013 ⁽¹⁾ | 31/3/2014 | 31/12/2013 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Tangible fixed assets | 11 | 68,669 | 68,754 | 7,697 | 7,740 |
| Investment property | 11 | 110 | 110 | 110 | 110 |
| Intangible Assets | 11 | 10,745 | 10,732 | 114 | 116 |
| Participation in subsidiaries | 1 | | | 68,285 | 67,635 |
| Participation in companies consolidated via the Equity method | | 7,569 | 7,366 | 1,100 | 1,100 |
| Other long term receivables | | 421 | 419 | 83 | 81 |
| Deferred tax assets | | 87 | 81 | - | - |
| Total non-Current Assets | | 87,601 | 87,462 | 77,389 | 76,782 |
| Current Assets | | | | | |
| Financial assets at fair value through results | | | | | |
| Inventories | | 53,306 | 53,339 | 2,980 | 2,831 |
| Income tax prepaid | | 499 | 429 | 1,305 | 1,289 |
| Trade receivables | | 55,951 | 48,059 | 8,117 | 7,790 |
| Debtors and other accounts | | 14,039 | 15,650 | 2,301 | 2,142 |
| Derivatives | | 2 | 27 | | |
| Cash and Cash Equivalents | 13 | 30,980 | 41,622 | 13,687 | 15,028 |
| Total Current Assets | | 154,777 | 159,126 | 28,390 | 29,080 |
| TOTAL ASSETS | | 242,378 | 246,588 | 105,779 | 105,862 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share Capital | | 22,547 | 22,547 | 22,547 | 22,547 |
| Share premium | | 21,933 | 21,933 | 22,027 | 22,027 |
| Other reserves | | 37,112 | 36,871 | 27,263 | 27,263 |
| Retained earnings | | 31,091 | 30,892 | 5,871 | 6,155 |
| Total Shareholders' equity | | 112,683 | 112,243 | 77,708 | 77,992 |
| Minority Interest | | 1,525 | 1,463 | 0 | 0 |
| Total Equity | | 114,208 | 113,706 | 77,708 | 77,992 |
| Long Term Liabilities | | | | | |
| Long Term loans | 13 | 12,479 | 10,551 | 4,000 | 4,000 |
| Provisions for Employee Benefits | 12 | 7,261 | 6,408 | 296 | 336 |
| Other provisions | | 925 | 908 | 150 | 150 |
| Deferred Tax Liabilities | | 5,277 | 5,400 | 369 | 385 |
| Income tax | | - | 1,300 | - | 1,300 |
| Other Long Term Liabilities | | 260 | 278 | 128 | 145 |
| Total Long Term Liabilities | | 26,202 | 24,845 | 4,943 | 6,316 |
| Short Term Liabilities | | | | | |
| Short Term loans | 13 | 54,215 | 62,510 | 17,940 | 18,010 |
| Income Tax | 10 | 2,208 | 1,244 | 1,300 | |
| Short-term liabilities towards related parties | | 251 | 238 | 3 | 3 |
| Suppliers | | 33,089 | 32,753 | 2,537 | 2,018 |
| Other short-term liabilities | | 12,205 | 11,292 | 1,348 | 1,523 |
| Derivatives | | | | | |
| Total Short Term Liabilities | | 101,968 | 108,037 | 23,128 | 21,554 |
| TOTAL LIABILITIES | | 242,378 | 246,588 | 105,779 | 105,862 |

1. Revised amounts due to the amended IFRS. See note 18.

The accompanying notes that are presented in pages 6 - 26 form an integral part of the present interim condensed financial information



STATEMENT OF CHANGES IN EQUITY (CONSOLIDATED)

| <u>Group</u> | Share Capital | Share Premium | Other Reserves | Treasury shares reserve | Reserve of FX differences from translation of subsidiaries | Retained earnings | Total before minority interest | Minority interest | Total |
|---------------------------------|---------------|---------------|----------------|-------------------------|--|-------------------|--------------------------------|-------------------|----------------|
| Balance as at 01/01/2013 | 22,975 | 21,942 | 35,415 | (689) | (873) | 30,815 | 109,585 | 1,373 | 110,958 |
| Profit / (loss) for the period | - | - | - | - | - | 1,129 | 1,129 | 58 | 1,187 |
| Other comprehensive income | - | - | - | - | (550) | 4,147 | 3,597 | - | 3,597 |
| Distribution of earnings | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - |
| Changes in percentages | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | 109 | - | - | (109) | - | - | - |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | - |
| Changes during the period | - | - | 109 | - | (550) | 5,167 | 4,726 | 58 | 4,784 |
| Balance as at 31/03/2013 | 22,975 | 21,942 | 35,524 | (689) | (1,423) | 35,982 | 114,311 | 1,431 | 115,742 |
| Balance as at 01/01/2014 | 22,547 | 21,933 | 39,164 | (133) | (2,160) | 30,892 | 112,243 | 1,463 | 113,706 |
| Profit / (loss) for the period | - | - | - | - | - | 1,031 | 1,031 | 61 | 1,092 |
| Other comprehensive income | - | - | - | - | 232 | (823) | (591) | 1 | (590) |
| Distribution of earnings | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - |
| Changes in percentages | - | - | - | - | - | - | - | - | - |
| Other changes | - | - | 9 | - | - | (9) | - | - | - |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | - |
| Cancellation of shares | - | - | - | - | - | - | - | - | - |
| Changes during the period | - | - | 9 | - | 232 | 199 | 440 | 62 | 502 |
| Balance as at 31/03/2014 | 22,547 | 21,933 | 39,173 | (133) | (1,928) | 31,091 | 112,683 | 1,525 | 114,208 |

1. Revised amounts due to the amended IFRS . See note 18.

The accompanying notes that are presented in pages 6 - 26 form an integral part of the present interim condensed financial information



STATEMENT OF CHANGES IN EQUITY (NON-CONSOLIDATED)

Company

| | Share Capital | Share Premium | Other Reserves | Treasury shares reserve | Reserve of FX differences from translation of subsidiaries | Retained earnings | Total |
|---------------------------------------|---------------|---------------|----------------|-------------------------|--|-------------------|---------------|
| Balance as at 01/01/2013 | 22,975 | 22,027 | 27,507 | (689) | 16 | 8,777 | 80,613 |
| Profit / (loss) for the period | - | - | - | - | - | (439) | (439) |
| Other comprehensive income/(expenses) | - | - | - | - | - | - | - |
| BoD Remuneration | - | - | - | - | - | - | - |
| Distribution of earnings | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Changes in percentages | - | - | - | - | - | - | - |
| Purchase of treasury shares | - | - | - | - | - | - | - |
| Changes for the period | - | - | - | 0 | - | (439) | (439) |
| Balance as at 31/03/2013 | 22,975 | 22,027 | 27,507 | (689) | 16 | 8,338 | 80,174 |
| Balance as at 01/01/2014 | 22,547 | 22,027 | 27,379 | (133) | 16 | 6,156 | 77,992 |
| Profit / (loss) for the period | - | - | - | - | - | (286) | (286) |
| Other comprehensive income/(expenses) | - | - | - | - | - | - | - |
| BoD Remuneration | - | - | - | - | - | - | - |
| Distribution of earnings | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Changes in percentages | - | - | - | - | - | - | - |
| Purchase of treasury shares | - | - | - | - | - | - | - |
| Cancellation of shares | - | - | - | - | - | - | - |
| Changes for the period | - | - | - | - | - | (286) | (286) |
| Balance as at 31/03/2014 | 22,547 | 22,027 | 27,379 | (133) | 16 | 5,870 | 77,706 |

1. Revised amounts due to the amended IFRS. See note 18.

The accompanying notes that are presented in pages 6 - 26 form an integral part of the present interim condensed financial information

STATEMENT OF CASH FLOWS (CONSOLIDATED AND NON-CONSOLIDATED)
Indirect method

| | Note | Group | | Company | |
|---|------|------------------|---------------------------------|------------------|------------------|
| | | 1/1 - 31/03/2014 | 1/1 - 31/03/2013 ⁽¹⁾ | 1/1 - 31/03/2014 | 1/1 - 31/03/2013 |
| Cash flows from Operating Activities | | | | | |
| Profit before Taxes and Minority Interest | | 1,374 | 2,261 | (301) | (404) |
| <i>Plus / (minus) adjustments for:</i> | | | | | |
| Depreciation | 11 | 2,128 | 2,269 | 247 | 287 |
| Provisions | | 1,383 | 1,994 | 341 | 476 |
| FX differences | | (171) | (95) | (5) | (1) |
| (Profit)/loss from sale of fixed assets | | (487) | 36 | (1) | |
| Income from investments | | - | (898) | - | - |
| Interest charges & related (income)/expenses | 6 | 1,328 | 1,006 | 256 | 269 |
| (Profit) / Losses from companies consolidated via the Equity method | | (193) | (191) | | |
| Operating Profit before adjustments in Working Capital | | 5,362 | 6,382 | 537 | 627 |
| (Increase)/decrease in receivables | | (8,158) | (5,083) | (638) | (1,197) |
| (Increase)/decrease in Inventories | | 326 | (5,530) | (148) | 502 |
| Increase/(decrease) in liabilities (apart from banks-taxes) | | 1,594 | 5,995 | 19 | (674) |
| Cash generated from Operating activities | | (876) | 1,764 | (230) | (742) |
| Interest Paid | | (1,146) | (668) | (300) | (281) |
| Other financial income/(expenses) | | (44) | | - | - |
| Taxes | | (704) | (621) | - | - |
| Cash flows from operating activities (a) | | (2,770) | 475 | (530) | (1,023) |
| Investing Activities | | | | | |
| Receipts from sales of tangible and Intangible assets | | 1,077 | 150 | | 4 |
| Interest received | | 126 | 142 | 108 | 105 |
| Increase of participations in subsidiaries | | - | 108 | (650) | - |
| Dividends received | | - | - | - | - |
| Proceed from sale of participation | | - | - | - | - |
| Purchase of tangible assets | | (2,619) | (1,298) | (201) | (23) |
| Purchase of intangible assets | | - | - | - | (2) |
| Other investments | | - | (11) | - | - |
| Changes in minority interest | | - | - | - | - |
| Cash flow from investing activities (b) | | (1,416) | (909) | (743) | 84 |
| Financing activities | | | | | |
| Purchase of treasury shares | | - | - | - | - |
| Receipt of grants | | - | - | - | - |
| Proceeds from loans | | 1,499 | 1,457 | - | 78 |
| Repayment of Loans | | (7,902) | (346) | (69) | - |
| Dividends Paid | | - | - | - | - |
| Financial leases | | (1) | (74) | - | - |
| Cash flow from financing activities (c) | | (6,404) | 1,037 | (69) | 78 |
| Net increase /(decrease) in Cash and Cash Equivalents | | (10,590) | 603 | (1,342) | (861) |
| Cash and Cash Equivalents at beginning of period | 13 | 41,622 | 45,684 | 15,028 | 15,870 |
| The effect of exchange rate differences on cash held | | (52) | (619) | - | - |
| Cash and Cash Equivalents at end of period | 13 | 30,980 | 45,668 | 13,686 | 15,009 |

1. Revised amounts due to the amended IFRS. See note 18.

The accompanying notes that are presented in pages 6 - 26 form an integral part of the present interim condensed financial information

CONDENSED NOTES ON THE INTERIM FINANCIAL INFORMATION

Amounts in Euro thousands, unless stated otherwise

1. Foundation and Activities of the Group

The company THRACE PLASTICS Co. S.A. (hereinafter the “Company”) was founded in 1977 and is based in Magiko of municipality of Avdira in Xanthi, Northern Greece, and is registered in the Public Companies (S.A.) Register under Reg. No. 11188/06/B/86/31 and in the General Commercial Register under Reg. No. 12512246000. The main activity of the Company is the production and distribution of Polypropylene (PP) products. In a short period of time the Company evolved into a Group of companies (hereinafter “the Group”), by acquiring or establishing new entities, which operate in the production four basic product categories: Synthetic woven fabrics, synthetic non-woven fabrics, construction of F.I.B.Cs and rigid packaging products. The Company’s shares are listed on the Athens Stock Exchange since June 26, 1995. The Group maintains production and trade facilities in Greece, Scotland, Northern Ireland, Ireland, U.S.A., Sweden, Norway, Serbia, Bulgaria, Romania and Australia. On March 31st 2014 the Group employed in total 1,583 employees, from which 70 are employed by the Company. The structure of the Group as of 31 March 2014 is as follows:

| Company | Registered Offices | Participation Percentage | Consolidation Method |
|---|--------------------------|--------------------------|----------------------|
| Thrace Plastics Co. S.A. | GREECE-Xanthi | Parent | Full |
| Don & Low LTD | SCOTLAND-Forfar | 100.00% | Full |
| Don & Low Australia Pty LTD | AUSTRALIA | 100.00% | Full |
| Thrace Nonwoven & Geosynthetics S.A. | GREECE-Xanthi | 100.00% | Full |
| Saepe Ltd | CYPRUS-Nicosia | 100.00% | Full |
| Thrace Asia | HONG KONG | 100.00% | Full |
| Thrace Plastics Pack S.A. | GREECE-Ioannina | 92.84% | Full |
| Thrace Greiner Packaging SRL | ROMANIA - Sibiu | 50.00% | Equity |
| Thrace Plastics Packaging D.O.O. | SERBIA-Nova Pazova | 100.00% | Full |
| Thrace Plastics Extruded Polysterene S.A. | GREECE-Thiva | 100.00% | Full |
| Trierina Trading LTD | CYPRUS-Nicosia | 100.00% | Full |
| Thrace Ipoma A.D. | BULGARIA-Sofia | 99.89% | Full |
| Canutte | CYPRUS-Nicosia | 100.00% | Full |
| Synthetic Holdings LTD | N.IRELAND-Belfast | 100.00% | Full |
| Synthetic Packaging LTD | IRELAND -Clara | 100.00% | Full |
| Arno LTD | IRELAND -Dublin | 100.00% | Full |
| Synthetic Textiles LTD | N.IRELAND-Belfast | 100.00% | Full |
| Synthetic Polybulk A.B. | SWEDEN -Köping | 100.00% | Full |
| Synthetic Polybulk A.S. | NORWAY-Brevik | 100.00% | Full |
| Lumite INC. | USA-Georgia | 50.00% | Equity |
| Adfirmate LTD | CYPRUS-Nicosia | 100.00% | Full |
| Delta Real Estate Investments LLC | USA-South Carolina | 100.00% | Full |

(Amounts in Euro thousands, unless stated otherwise)

| | | | |
|--------------------------------|-----------------------|----------------|---------------|
| Thrace Sarantis S.A. | GREECE-Xanthi | 50.00% | Equity |
| Pareen LTD | CYPRUS-Nicosia | 100.00% | Full |
| Thrace Linq INC. | USA-South Carolina | 100.00% | Full |
| Marzena | CYPRUS-Nicosia | 100.00% | Full |
| Thrace Greenhouses S.A. | GREECE-Xanthi | 100.00% | Full |

The value of the Company's participations, in subsidiaries, on 31 March 2014, is as follows:

| <i>Company</i> | 31.3.2014 | 31.3.2013 |
|--|------------------|------------------|
| <u>COMPANIES CONSOLIDATED WITH THE FULL CONSOLIDATION METHOD</u> | | |
| DON & LOW LTD | 33,953 | 33,953 |
| THRACE PLASTICS PACK S.A. | 15,508 | 15,508 |
| THRACE NON WOVENS & GEOSYNTHETICS S.A. | 5,710 | 5,747 |
| SYNTHETIC HOLDINGS LTD | 4,607 | 4,607 |
| PAREEN LTD | 7,121 | 7,121 |
| MARZENNA | 1 | 1 |
| THRACE GREENHOUSES S.A. | 1,385 | 750 |
| <u>COMPANIES CONSOLIDATED WITH THE PROPORTIONATE CONSOLIDATION METHOD</u> | | |
| THRACE - SARANTIS S.A. | 1,100 | 700 |
| Total | 69,385 | 68,387 |

2. Basis for the preparation of the Financial Statements

The present Financial Statements have been prepared in accordance with International Accounting Standard 34 (I.A.S.) "Interim Financial Statements" and Law 3556/2007 of the Hellenic Capital Market Commission.

The accounting principles used for the preparation of the present Interim condensed financial information is in line with those used during the preparation and those included in detail in the Annual Financial Statements of the period ended on 31 December 2013. Therefore the present interim financial statements should be read together with the Annual Financial Statements. The only exception refers to the changes in standards IFRS 10 and IFRS 11 which altered the method of consolidation of the companies **Thrace Greiner Packaging SRL**, **Thrace Sarantis S.A.** and **Lumite INC.** which are 50% owned by the Group. The companies are now consolidated according to the equity method.

Following the above, all comparative items in the financial statements and notes have been revised as well, as they include the above companies with the equity method.

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

Standards and Interpretations mandatory for the present financial year

IAS 32 (Amendment) "Financial Instruments: Presentation"

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

Group of standards on consolidation and joint arrangements

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). The effect on the consolidated financial statements of the Group is analyzed in note 19. The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

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

IFRS 11 "Joint Arrangements"

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

IFRS 12 "Disclosure of Interests in Other Entities"

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

IAS 27 (Amendment) "Separate Financial Statements"

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

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

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

IFRS 10, IFRS 11 and IFRS 12 (Amendment) "Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance"

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

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"

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

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"

This amendment requires: a) the disclosure of the recoverable amount of an asset of cash generating unit when an impairment loss has been recognized or reversed and b) detailed disclosures regarding the measurement of fair value minus the selling expenses when an impairment loss is recognized or reversed. Also, it removes the requirement to disclose the recoverable amount when a cash generating unit includes goodwill or intangible assets with an indefinite useful life and when there is no impairment.

IAS 39 (Amendment) "Financial instruments: Recognition and measurement"

This amendment allows the continuance of hedge accounting when a derivative, which has been defined as a hedging instrument, is novated in order to be settled by a central counterparty as a result of laws or regulations, given that specific conditions are met.

Standards and Interpretations effective for following financial years

IAS 19 Revised (Amendment) "Employee Benefits" (applied for annual periods beginning on or after 1st July 2014)

The amendment is of limited scope and applies to the contributions made by employees or third parties to defined benefit plans. It simplifies the accounting of contributions when they are not dependent of the employee's years of service, for example, employees' contributions are calculated as a fixed percentage of payrolls. The amendment has not been adopted by the European Union.

Annual Improvements in IFRS of 2012 (applied for annual periods beginning on or after 1st July 2014)

The following amendments describe the major changes that have been made in seven IFRS as result of the Circle 2010-2012 of the annual improvement program of IASB. These amendments have not been adopted by the European Union.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of the "fulfillment condition" and defines distinctively the "yield term" and the "service term".

IFRS 3 "Business combinations"

The amendment clarifies how the obligation for a contingent payment which fulfills the definition of financial instrument is classified as financial obligation or as an item of the net worth based on the provisions of IAS 32 "Financial Instruments: Presentation". In addition, it clarifies that any contingent payment, financial or non financial, which is not an item of the net worth, is recorded at fair value through the results.

IFRS 8 "Operating Segments"

The amendment requires the disclosure of the management's estimates with regard to the aggregation of the operating segments.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the standard does not exclude the option of calculating the short-term assets and liabilities based on the amounts of invoices in cases the discounting effect is not significant.

IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

Both standards have been amended in order to clarify the approach by which the underappreciated value of an asset and the accumulated depreciation are treated in a company which applies the adjustment method.

IAS 24 "Related Party Disclosures"

The standard was amended to include as related party a company providing services equivalent with ones of a major managerial official in the economic entity or the parent company of the economic entity.

Annual Improvements in IFRS of 2013 (applied for annual periods beginning on or after 1st July 2014)

The following amendments describe the major changes that have been made in four IFRS as result of the Circle 2011-2013 of the annual improvement program of IASB. These amendments have not been adopted by the European Union.

IFRS 3 "Business Combinations"

The amendment clarifies that the IFRS 3 does not apply in the recording of the formulation of any joint activity based on IFRS 11 in the financial statements of the particular joint activity.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the exception provided from the IFRS 13 for portfolio of financial assets and liabilities is applied in all contracts (including the non financial ones) with the context of application of IAS 39/IFRS 9.

IAS 40 "Investment Property"

The amendment of the standard was made in order to clarify that IAS 40 and IFRS 3 are not mutually excluded.

IFRS 9 “Financial Instruments”

IFRS 9 is the first phase of the IASB’s project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. The Group is currently assessing the impact of IFRS 9 on its financial statements. The Group cannot adopt IFRS 9 in advance as it has not been endorsed by the EU.

IFRS 9 “Financial Instruments: Hedging accounting and amendments in IFRS 9, IFRS 7 and IAS 39”

The International Accounting Standards Board (IASB) issued the IFRS 9 Hedging Accounting, the third phase in the replacement process of IAS 39, which establishes an approach of hedging accounting based on principles and handles inconsistencies and weaknesses of the current model of IAS 39. The second amendment requires the recognition in other comprehensive income of the changes in the fair value of a liability of an economic entity which is attributed to changes of credit risk of the particular entity. The third amendment removes the mandatory application date of IFRS 9. The amendments have not been adopted by the European Union.

IFRS 7 (Amendment) “Financial Instruments: Disclosures”

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

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

This interpretation defines the accounting treatment of a liability for a levy imposed by the government and that is not income tax. The interpretation clarifies that the obligating event based on which the obligation to pay the levy should have been created (one of the criteria for the recognition of liability according to IAS 37) is the action as such is described in the relevant law that imposes the levy’s payment. The interpretation may lead to the recognition of a liability in the future, particularly as regards to levies that are imposed as a result of conditions that are effective on a specific date. The interpretation has not yet been adopted by the European Union.

3. Exchange rates

Thrace Plastics Co. S.A. translates the Statements of Comprehensive Income of its subsidiaries to Euro at the average exchange rate and the Statements of Financial Position at the closing exchange rate of each period. The exchange rates used for the translation of the financial statements to Euro, are as follows:

| <i>Currency</i> | <i>Average exchange rate (foreign currency per 1 Euro)</i> | | <i>Closing exchange rate (foreign currency per 1 Euro)</i> | |
|---------------------------|--|---------------------------|--|------------------|
| | <i>1.1- 31.3.2014</i> | <i>1.1- 31.3.2013</i> | <i>31.3.2014</i> | <i>31.3.2013</i> |
| Great Britain Pound (GBP) | 0.8279 | 0.8511 | 0.8282 | 0.8456 |
| Romanian Lei (RON) | 4.5023 | 4.3865 | 4.4592 | 4.4193 |
| Serbian Dinar (RSD) | 115.7469 | 111.6966 | 115.3845 | 111.9575 |
| Turkish Pound (TRY) | 3.0372 | 2.3577 | 2.9693 | 2.3212 |
| Bulgarian Lev (BGN) | 1.95583 | 1.95583 | 1.95583 | 1.95583 |
| U.S. Dollar (USD) | 1.3696 | 1.3206 | 1.3788 | 1.2805 |
| Swedish Krone (SEK) | 8.8569 | 8.4965 | 8.9483 | 8.3553 |
| Norwegian Krone (NOK) | 8.3471 | 7.4290 | 8.2550 | 7.5120 |
| Hong Kong Dollar (HKD) | 10.6287 | 10.2428 | 10.6973 | 9.9420 |

4. Other operating income

| <i>Other Operating Income</i> | <i>Group</i> | | <i>Company</i> | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1.1- 31.3.2014 | 1.1- 31.3.2013 | 1.1- 31.3.2014 | 1.1- 31.3.2013 |
| Grants | 471 | 436 | 42 | 45 |
| Gains on disposal of fixed assets | 494 | 25 | 1 | 1 |
| Income from rents | 12 | 10 | 168 | 188 |
| Income from provision of services to associates | 61 | 63 | 994 | 945 |
| Other operating income | 29 | 55 | 1 | 2 |
| Total | 1,067 | 589 | 1,206 | 1,181 |

5. Other Operating Expenses

| <i>Other Operating Expenses</i> | <i>Group</i> | | <i>Company</i> | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1.1- 31.3.2014 | 1.1- 31.3.2013 | 1.1- 31.3.2014 | 1.1- 31.3.2013 |
| Provisions for doubtful customers | 195 | 117 | - | 47 |
| Depreciation | 34 | 5 | 137 | - |
| Personnel's indemnities | 388 | 104 | 183 | 60 |
| Other taxes non-incorporated in operating cost | 21 | 21 | - | - |
| Other operating expenses | 271 | 224 | 60 | 98 |
| Total | 909 | 471 | 380 | 205 |

6. Financial income/(expenses)

6.1 Interest and related (expenses) / income

| <i>Interest and related (expenses) / income</i> | <i>Group</i> | | <i>Company</i> | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1.1- 31.3.2014 | 1.1- 31.3.2013 | 1.1- 31.3.2014 | 1.1- 31.3.2013 |
| Interest debits and related income | 121 | 184 | 101 | 131 |
| Interest charges and related costs | (1,355) | (1,330) | (357) | (400) |
| Total | (1,234) | (1,147) | (256) | (269) |

6.2 Other financial (expenses)/income

| <i>Other financial (expenses)/income</i> | <i>Group</i> | | <i>Company</i> | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1.1- 31.3.2014 | 1.1- 31.3.2013 | 1.1- 31.3.2014 | 1.1- 31.3.2013 |

| | | | | |
|-----------------------------------|-------------|------------|----------|----------|
| Foreign exchange differences | (56) | 66 | - | - |
| Financial Result of Pension Plans | (37) | (5) | - | - |
| Financial derivatives | - | 80 | - | - |
| Total | (93) | 141 | - | - |
| Income from dividends before tax | - | - | - | - |

The financial result of pension plans concerns the subsidiary company Don & Low LTD.

The foreign exchange differences of loans concern loans of the companies Synthetic Holdings, Thrace Non Wovens & Geosynthetics S.A. and Thrace Plastics Packaging D.o.o.

7. Dividends

The Ordinary General Meeting of shareholders which took place on 24 April 2014 approved the annual financial statements and the distribution of tax free reserves which had been formed based on L. 2238/1994, in accordance to article 72 of L.4172/2013, of a gross amount Euro 2,770,003.70. The payment of the above approved distributed capital (payable amount of Euro 2,243,703) commenced on 7th May 2014.

8. Segment reporting

The operating segments are based on the different group of products, the structure of the Group's management and the internal reporting system. The Group's activity is distinguished into two segments, the technical fabrics business unit and the packaging business unit. The activity of the parent Company is included in the Packaging Business Unit.

The group's operating segments are as follows:

- **Technical Fabrics**
Production and trade of technical fabrics for industrial and technical use.
- **Packaging**
Production and trade of packaging products, plastic bags, plastic boxes for packaging of food and paints and other packaging materials for agricultural use.

| Balance Sheet for 31.3.2014 | Technical Fabrics | Packaging | Other | Non-classified | Write-off of transactions between segments | Group |
|--|------------------------------|------------------|--------------|-----------------------|---|----------------|
| Segment assets | 128,432 | 113,533 | 2,973 | - | (2,560) | 242,377 |
| Total consolidated assets | 128,432 | 113,533 | 2,973 | - | (2,560) | 242,377 |

(Amounts in Euro thousands, unless stated otherwise)

| <i>Income statement for the period 1.1 - 31.3.2014</i> | <i>Technical Fabrics</i> | <i>Packaging</i> | <i>Other</i> | <i>Write-off of transactions between segments</i> | <i>Group</i> |
|---|------------------------------|------------------|--------------|---|---------------|
| Turnover | 40,319 | 25,102 | 43 | (3,008) | 62,456 |
| Cost of sales | (33,859) | (19,690) | (39) | 3,018 | (50,570) |
| Gross profit | 6,460 | 5,412 | 4 | 10 | 11,886 |
| Other operating income | 317 | 1,386 | - | (636) | 1,067 |
| Distribution expenses | (3,164) | (2,548) | - | 12 | (5,700) |
| Administrative expenses | (2,204) | (2,220) | (32) | 611 | (3,845) |
| Other operating expenses | (264) | (618) | - | (27) | (909) |
| Income/Expenses from FX differences | (13) | 21 | - | - | 8 |
| Operating profit / (loss) | 1,132 | 1,433 | (28) | (30) | 2,507 |
| Interest & related (expenses)/income | (507) | (706) | (21) | | (1,234) |
| Other Financial (expenses)/income | (86) | (7) | | | (93) |
| Earnings / (losses) from companies consolidated with the Equity method | 35 | 158 | | | 193 |
| Total Earnings / (losses) before tax | 574 | 878 | (49) | (30) | 1,373 |
| Depreciation | 1,012 | 1,112 | 4 | | 2,128 |
| Total Earnings/(losses) before interest, tax, depreciation and amortization (EBITDA) | 2,144 | 2,545 | (24) | (30) | 4,635 |

| <i>Balance Sheet for 31.12.2013</i> | <i>Technical Fabrics</i> | <i>Packaging</i> | <i>Non-classified</i> | <i>Write-off of transactions between segments</i> | <i>Group</i> |
|-------------------------------------|------------------------------|------------------|-----------------------|---|----------------|
| Segment assets | 134,034 | 113,279 | - | (2,613) | 246,587 |
| Total consolidated assets | 134,034 | 113,279 | - | (2,613) | 246,587 |

| <i>Income statement for the period 1.1 - 31.3.2013</i> | <i>Technical Fabrics</i> | <i>Packaging</i> | | <i>Write-off of transactions between segments</i> | <i>Group</i> |
|--|------------------------------|------------------|--|---|---------------|
| Turnover | 36,807 | 25,887 | | (3,184) | 59,510 |
| Cost of sales | (31,547) | (20,755) | | 3,574 | (48,728) |
| Gross profit | 5,260 | 5,132 | | 390 | 10,783 |
| Other operating income | 388 | 978 | | (776) | 589 |
| Distribution expenses | (2,768) | (2,542) | | (9) | (5,318) |
| Administrative expenses | (1,886) | (2,257) | | 567 | (3,576) |
| Other operating expenses | (48) | (423) | | - | (471) |
| Income/Expenses from FX differences | 273 | (144) | | 43 | 172 |

(Amounts in Euro thousands, unless stated otherwise)

| | | | | |
|---|--------------|--------------|------------|--------------|
| Operating profit / (loss) | 1,219 | 744 | 216 | 2,179 |
| Interest & related (expenses)/income | (387) | (760) | | (1,147) |
| Other Financial (expenses)/income | 146 | (5) | - | 141 |
| Gain from sale of subsidiary | - | 898 | - | 898 |
| Earnings / (losses) from companies consolidated the Equity method | 66 | 124 | - | 191 |
| Total Earnings / (losses) before tax | 1,044 | 1,001 | 216 | 2,262 |
| Depreciation | 1,046 | 1,223 | | 2,269 |
| Total Earnings/(losses) before interest, tax, depreciation and amortization (EBITDA) | 2,265 | 1,967 | 216 | 4,447 |

9. Earnings, after tax, per share

Earnings after tax, per share, are calculated by dividing net earnings (after tax) allocated to shareholders, by the weighted average number of shares outstanding during the relevant financial year, after the deduction of possible treasury shares.

| Basic earnings per share (continued activities) | 1.1-31.3.2014 | 1.1-31.3.2013 |
|---|----------------------|----------------------|
| Earnings allocated to shareholders (A) | 1,093 | 1,187 |
| Number of shares outstanding (weighted) | 45,016 | 45,016 |
| Basic and adjusted earnings per share (Euro in absolute terms) | 0.024 | 0.025 |

By means of a resolution by the Annual General Meeting dated 20 April 2012, a share buyback program was approved. As a result of this decision, on 31 March 2014 the Company owned 220,554 treasury shares, with an average acquisition price of euro 0.60 (in absolute terms).

10. Taxes

10.1 Income Tax

According to Greek tax law L. 4110/2013, income tax for Greek companies is calculated at 26%.

The analysis of tax charged in the period's Results, is as follows:

| Income Tax | Group | | Company | |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 1.1- 31.3.2014 | 1.1- 31.3.2013 | 1.1- 31.3.2014 | 1.1- 31.3.2013 |
| Income tax | (329) | (393) | - | - |
| Deferred tax (expense)/income | 48 | (681) | 15 | (35) |
| Total | (281) | (1,074) | 15 | (35) |

In Greece, the results reported to tax authorities are deemed temporary and are subject to audit by the tax authorities for fiscal years up to 31/12/2010 included. Therefore, for the non-audited fiscal years there is the possibility that additional tax may be imposed on such when they are audited by the tax authorities.

The Greek companies of the Group, have created a provision amounting to euro 925 which is considered adequate to cover possible liabilities that will arise from a tax audit.

From 2011 and after, Greek Société Anonyme Companies and Limited Liability Companies, whose annual financial statements must be audited by Legal Certified Auditors that are registered in the public Registry of Law 3693/2008, are obliged to receive an “Annual Certificate”, as stipulated by par. 5 of article 82 of L.2238/1994. The relevant certificate is issued after tax audit conducted by the same Legal Certified Auditor or audit firm that audits the annual financial statements. Following the completion of the tax audit, the Legal Auditor or audit firm issues a “Tax Compliance Report” for the Company, which is accompanied by the Notes on Detailed Information. The latest within ten days from the final approval date of the Company’s financial statements by the General Meeting of Shareholders, the aforementioned Report and the relevant Notes are submitted electronically to the Ministry of Economics by the Legal Auditor or the audit firm. The Ministry of Economics will subsequently select a sample of companies corresponding to at least 9% for a tax review by the relevant tax audit services of the Ministry. This audit must be completed in a period not longer than eighteen months from the date the “Tax Compliance Report” is submitted to the Ministry of Economics.

For financial year 2013, the tax audit was conducted by the auditing firm PricewaterhouseCoopers S.A. No significant tax liabilities emerged from this tax audit, apart from those registered and presented in the financial statements.

The fiscal years that have not been audited by the tax authorities, as regards to the Greek companies, are reported below:

| Company | Tax un-audited fiscal years |
|---|------------------------------------|
| THRACE PLASTICS S.A. | 2008-2010 |
| THRACE NON WOVENS & GEOSYNTHETICS S.A. | 2005-2010 |
| THRACE PLASTICS PACK S.A. | 2007-2010 |
| THRACE PLASTICS EXTRUDED POLYSTERENE S.A. | 2007-2010 |
| THRACE-SARANTIS S.A. | 2010 |

Moreover, the possibility of additional taxes being imposed also holds for companies based abroad, whose tax un-audited fiscal years are analyzed as follows:

| Company | Tax un-audited fiscal years |
|----------------------------------|------------------------------------|
| DON & LOW LTD | - |
| SYNTHETIC (HOLDINGS) LTD | - |
| SYNTHETIC PACKAGING LTD | 2006-2012 |
| ARNO LTD | - |
| SYNTHETIC TEXTILES LTD | - |
| THRACE POLYBULK A.B | 2006-2012 |
| THRACE POLYBULK A.S | 2012 |
| THRACE GREINER PACKAGING SRL. | 2002-2012 |
| TRIERINA TRADING LTD | 2012 |
| THRACE IPOMA A.D. | 2004-2012 |
| THRACE PLASTICS PACKAGING D.O.O. | 2012 |
| LUMITE INC. | 2009-2012 |

| | |
|----------------------------|-----------|
| THRACE LINQ INC. | 2009-2012 |
| ADFIRMATE LTD | 2012 |
| DELTA REAL ESTATE INV. LLC | 2009-2012 |

11. Tangible and Intangible Assets

a) Tangible fixed assets

The change in the tangible assets during the period is analyzed as follows:

| <i>Tangible Fixed Assets</i> | <i>Group</i> | <i>Company</i> |
|--------------------------------|----------------|----------------|
| Balance as at 1.1.2014 | 68,754 | 7,740 |
| Additions / (Reductions) | 1,933 | 192 |
| Depreciation | (2,078) | (235) |
| FX differences | 60 | - |
| Balance as at 31.3.2014 | 68,669 | 7,697 |

| <i>Tangible Fixed Assets</i> | <i>Group</i> | <i>Company</i> |
|---------------------------------|----------------|----------------|
| Balance as at 1.1.2013 | 72,287 | 8,626 |
| Additions / (Reductions) | 6,236 | 203 |
| Depreciation | (8,772) | (1,033) |
| Provision for impairment | | (56) |
| FX differences | (997) | - |
| Balance as at 31.12.2013 | 68,754 | 7,740 |

The Company's tangible assets include fixed assets leased to the subsidiary THRACE NON WOVENS & GEOSYNTHETICS S.A. with a net (after depreciation) value of Euro 3,808, which corresponds to their fair value. The leasing period was set at five years.

The above table of the Group includes a property which has been acquired via leasing, with acquisition cost of Euro 1,519 and cumulative depreciation of Euro 144 on 31/03/2014.

b) Intangible Assets

The change in the intangible assets during the period is analyzed as follows:

| <i>Intangible assets</i> | <i>Group</i> | <i>Company</i> |
|--------------------------------|---------------|----------------|
| Balance as at 1.1.2014 | 10,732 | 116 |
| Additions / (Reductions) | 60 | 11 |
| Depreciation | (49) | (12) |
| FX differences | 1 | |
| Balance as at 31.3.2014 | 10,744 | 115 |

| <i>Intangible assets</i> | <i>Group</i> | <i>Company</i> |
|---------------------------------|---------------|----------------|
| Balance as at 1.1.2013 | 10,536 | 152 |
| Additions / (Reductions) | 602 | 14 |
| Depreciation | (119) | (50) |
| FX differences | (287) | |
| Balance as at 31.12.2013 | 10,732 | 116 |

12. Employee benefits

The liability of the Company and the Group, as it is recorded in the Balance Sheet, is analyzed as follows:

| <i>Employee Benefits</i> | <i>Group</i> | | <i>Company</i> | |
|---|------------------|-------------------|------------------|-------------------|
| | 31.3.2014 | 31.12.2013 | 31.3.2014 | 31.12.2013 |
| Provision for staff indemnities of the parent Company * | 296 | 336 | 296 | 336 |
| Provision for staff indemnities of other Greek companies* | 1,185 | 1,153 | | |
| Provision for staff indemnities of Thrace Ipoma** | 49 | 56 | | |
| Pension plan of Don & Low Ltd** | 5,675 | 4,798 | | |
| Pension plan of Thrace Polybulk A.S. ** | 55 | 54 | | |
| Pension plan of Synthetic Packaging Ltd** | - | - | | |
| Total provision at the end of the year | 7,260 | 6,417 | 296 | 336 |

12.1 DON & LOW LTD Pension Plan

The Pension Plan of the subsidiary DON & LOW LTD is a defined benefit plan that operates as an independent legal entity having the form of a trust. This means that its assets are independent to those of the company DON & LOW LTD.

The basic financial assumptions adopted for the valuations are as follows:

(Amounts in Euro thousands, unless stated otherwise)

| <i>Don & Low Ltd</i> | 31.3.2014 | 31.12.2013 |
|--------------------------|------------------|-------------------|
| Discount rate | 4.40% | 4.5% |
| Inflation rate | 3.40% | 3.5% |
| Future wage increases | 3.65% | 3.75% |

The total liability for the plan, as presented in the Balance Sheet, is analyzed as follows:

| <i>Don & Low Ltd</i> | 31.3.2014 | 31.12.2013 |
|--|------------------|-------------------|
| Present value of liabilities | 120,261 | 118,748 |
| Fair value of assets | (114,586) | (113,950) |
| Net liability at the end of the period | 5,675 | 4,798 |

The asset allocation of the Plan is shown below:

| <i>Don & Low Ltd</i> | 31.3.2014 | 31.12.2013 |
|--------------------------|------------------|-------------------|
| Shares | 95,146 | 96,917 |
| Bonds | 19,319 | 15,713 |
| Other | 121 | 1,320 |
| Total | 114,586 | 113,950 |

The demographic assumptions are as follows:

- A) The average pension age is 62 years.
- B) the life expectancy is based on the normal mortality tables.

13. Loans – Cash & Cash Equivalents

The Group's long term loans have been granted from Greek and foreign banks. The repayment time varies, according to the loan contract, while most loans are linked to Euribor plus a margin.

The Group's short term loans have been granted from various banks with interest rates of Euribor plus a margin and Libor plus a margin.

Specifically:

| <i>Net debt</i> | <i>Group</i> | | <i>Company</i> | |
|-------------------------------|------------------|-------------------|------------------|-------------------|
| | 31.3.2014 | 31.12.2013 | 31.3.2014 | 31.12.2013 |
| Long-term loans | 12,479 | 10,551 | 4,000 | 4,000 |
| Short-term loans | 54,215 | 62,510 | 17,941 | 18,010 |
| Minus cash & cash equivalents | 30,980 | 41,622 | 13,687 | 15,028 |
| Net Debt | 35,984 | 31,439 | 8,254 | 6,982 |

14. Factoring

During the financial year 2010 the company Thrace Plastics Pack signed a Factoring agreement with ABC Factors. According to I.A.S. 39, on 31.03.2014 the amount of euro 2,813 that has been received by the company from ABC Factors and corresponds to customers with the right to recourse (uninsured) has been registered in Loans.

15. Transactions with related parties

The Group classifies as related parties, the members of the Board of Directors, the Executive Directors and the shareholders with ownership higher than 5% of the Company's share capital (including their related persons and entities). The commercial transactions of the Group with these related parties during the period 1/1/2014 - 31/3/2014 have been made according to market terms and in the context of the usual business practices.

Below, according to IAS 24, the transactions with subsidiaries and associates during the period 1/1/2014 - 31/3/2014 are presented:

The transactions of the Parent company with the subsidiaries of the Group are analyzed as follows:

| | <i>Group</i> | <i>Company</i> |
|-------------|--------------|----------------|
| Income | - | 2,546 |
| Expenses | - | 986 |
| Receivables | - | 3,650 |
| Liabilities | - | 3 |

The transactions between the subsidiaries of the Group and the related companies are analyzed as follows:

| | <i>Group</i> | <i>Company</i> |
|-------------|--------------|----------------|
| Income | 2,448 | 604 |
| Expenses | 483 | 49 |
| Receivables | 3,199 | 1,229 |
| Liabilities | 307 | - |

16. Remuneration of Board of Directors

| <i>Remuneration of BoD</i> | <i>Group</i> | | <i>Company</i> | |
|---|------------------|------------------|------------------|------------------|
| | <i>31.3.2014</i> | <i>31.3.2013</i> | <i>31.3.2014</i> | <i>31.3.2013</i> |
| Remuneration of Board members and Senior Executives | 819 | 733 | 229 | 201 |
| Total | 819 | 733 | 229 | 201 |

17. Number of employees

The number of employed staff at the Group and Company at the end of the present period, was as follows:

| <i>Number of employees</i> | <i>Group</i> | | <i>Company</i> | |
|----------------------------|------------------|------------------|------------------|------------------|
| | 31.3.2014 | 31.3.2013 | 31.3.2014 | 31.3.2013 |
| Regular employees | 548 | 552 | 47 | 49 |
| Day-wage employees | 909 | 930 | 23 | 23 |
| Total | 1,457 | 1,482 | 70 | 72 |

The total staff of companies that are based in Greece, is primarily insured with the Social Security Organization (I.K.A.), both as regards to medical care and as regards to primary pension.

18. Effect due to change of standards

The change of standards with regard to the consolidation of the joint arrangement companies (IFRS 10, IFRS 11, IFRS 12) resulted into the change of the consolidation method.

Specifically, in the Group's companies **Thrace Greiner Packaging SRL**, **Thrace Sarantis S.A.** and **Lumite INC.**, which are 50% owned by the Group, the management is jointly performed with the other shareholders in line with their ownership rights in their assets.

These companies were consolidated with the proportional equity method, whereas according to the change in the accounting standards from 1-1-2014, they will be consolidated via the equity method.

Following the above and for purposes of enabling the comparison of periods, the relevant changes made in previous periods and their effect on the financial statements is analyzed below:

| <i>STATEMENT OF FINANCIAL POSITION</i> 2012 | PUBLISHED ACCOUNTS 31/12/2012 | REVISED ACCOUNTS 31/12/2012 | DIFFERENCE |
|---|--|--|-------------------|
| ASSETS | | | |
| Fixed assets | 88,453 | 82,880 | (5,573) |
| Inventories | 51,064 | 46,669 | (4,395) |
| Trade and other receivables | 64,309 | 64,381 | 72 |
| Other asset items | 1,051 | 1,021 | (30) |
| Cash | 46,408 | 45,684 | (724) |
| Investments in subsidiaries | - | 6,159 | 6,159 |
| LIABILITIES | | | |
| Bank debt | 80,969 | 79,484 | (1,485) |
| Other liabilities | 59,278 | 56,272 | (3,006) |
| EQUITY | 111,038 | 111,038 | - |

| <i>STATEMENT OF FINANCIAL POSITION</i> 2013 | PUBLISHED ACCOUNTS 31/12/2013 | REVISED ACCOUNTS 31/12/2013 | DIFFERENC E |
|---|--|--|------------------------|
|---|--|--|------------------------|

(Amounts in Euro thousands, unless stated otherwise)

| ASSETS | | | |
|-----------------------------|----------------|----------------|---------|
| Fixed assets | 84,720 | 79,596 | (5,124) |
| Inventories | 58,082 | 53,338 | (4,744) |
| Trade and other receivables | 65,599 | 64,165 | (1,434) |
| Other asset items | 611 | 500 | (111) |
| Cash | 42,530 | 41,622 | (908) |
| Investments in subsidiaries | - | 7,366 | 7,366 |
| LIABILITIES | | | |
| Bank debt | 75,152 | 73,061 | (2,091) |
| Other liabilities | 62,685 | 59,821 | (2,864) |
| EQUITY | 113,705 | 113,705 | - |

| STATEMENT OF COMPREHENSIVE INCOME 1/1/2013 – 31/03/2013 | PUBLISHED ACCOUNTS 31/03/2013 | REVISED ACCOUNTS 31/03/2013 | DIFFERENC E |
|--|--|--|------------------------|
| Turnover | 62,266 | 59,510 | (2,756) |
| Cost of sales | (50,795) | (48,727) | 2,068 |
| Gross profit | 11,471 | 10,783 | (688) |
| Distribution expenses | (5,705) | (5,318) | 387 |
| Administrative expenses | (3,572) | (3,576) | (4) |
| Other expenses / income | 237 | 290 | 53 |
| Operating profit / loss | 2,431 | 2,179 | (252) |
| Financial results | (758) | (1,006)* | (248) |
| Profit / (losses) from companies consolidated via the Equity method | | 191 | 191 |
| Profit from sale of subsidiary | 898 | 898 | - |
| Profit/(loss) before Taxes | 2,571 | 2,262 | (309) |
| Taxes | (1,119) | (1,075) | 44 |
| Profit/(loss) after Taxes | 1,452 | 1,187 | -265 |
| Other comprehensive income / (expenses) | 3,332 | 3,597* | 265 |
| Total comprehensive income / (expenses) after taxes | 4,784 | 4,784 | - |

(Amounts in Euro thousands, unless stated otherwise)

* Amount of Euro 265 was transferred from the financial results to the other comprehensive income due to the revised IAS 19.

| STATEMENT OF CASH FLOWS 2013 | PUBLISHED ACCOUNTS 31/03/2013 | REVISED ACCOUNTS 31/03/2013 | DIFFERENCE |
|--|--|--|-------------------|
| Operating activities | 288 | 499 | 211 |
| Investing activities | (915) | (933) | (18) |
| Financing activities | 1,066 | 1037 | (29) |
| Increase/decrease in cash and cash equivalents | 439 | 603 | 164 |
| Cash and Cash Equivalents at beginning of period | 46,408 | 45,684 | (724) |
| The effect of exchange rate differences on cash held | (609) | (619) | (10) |
| Cash and Cash Equivalents at end of period | 46,238 | 45,668 | (570) |

19. Commitments and Contingent liabilities - receivables

On 31 March 2014 there were no significant legal issues pending that may have a material effect in the financial position of the Companies in the Group.

An amount of taxes – surcharges of euro 171 that emerged from the tax audit of fiscal years 2006 and 2007 is under dispute by the Company's Management and will be resolved in the tax courts.

The Company and the Group's companies have issued letters of guarantee concerning the Greek State, suppliers and customers.

The Company has issued letters of guarantee in favor of third parties, amounting to euro 1,683 while it has provided guarantees in favor of its subsidiaries for security against loans amounting to euro 18,677.

| <i>Analysis of guarantees towards subsidiaries:</i> | |
|--|--------|
| Thrace Non Wovens & Geosynthetics S.A. | 10,182 |
| Lumite | - |
| Thrace Ipoma AD | 2,200 |
| Thrace Greenhouses S.A. | 584 |
| Thrace Plastics Pack S.A. | 5,711 |

20. Other significant events

The Board of Directors of the societate anonime Thrace Plastics Pack S.A. and Thrace Plastics Extruded Polyesterene S.A. approved their merger, via the absorption of the latter by the former in accordance with the clauses of article 78 of L. 2190/1920, as it is in effect in combination with the clauses of L. 2166/1993. The transitional balance sheet date was set on 31/3/2014.

21. Events after the balance sheet date

There are no events after the end of the reporting period that have a significant effect on the Financial Statements of the Company and Group.

22. Online availability of financial report

The interim condensed Financial statements of the company THRACE PLASTICS Co. S.A. are available on the internet, on the website www.thracegroup.gr.

The Interim condensed Financial Statements, presented in pages 1 – 26, were prepared according to the International Financial Reporting Standards, as such have been adopted by the European Union, and were approved by the Board of Directors on 27 May 2014 and are signed by the representatives of such.

(Amounts in Euro thousands, unless stated otherwise)

| The Chairman and Chief Executive Officer | The Vice-Chairman | The Chief Financial Officer | The Head Accountant |
|--|-------------------|-----------------------------|---------------------|
|--|-------------------|-----------------------------|---------------------|

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