



**I. KLOUKINAS - I. LAPPAS S.A.  
CONSTRUCTION & COMMERCE S.A.  
(K.L.M. S.A.)**



**NINE – MONTH FINANCIAL REPORT  
(In accordance with article 5 of Law 3556/2007)**

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## I. KLOUKINAS – I. LAPPAS S.A.

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We hereby confirm that the attached Interim Financial Statements for the period 01/01-30/09/2013 are those approved by the Board of Directors of "I. KLOUKINAS - I. LAPPAS Construction and Commerce S.A." on 27/11/2013 and are disclosed to the company's website [www.klimate.gr](http://www.klimate.gr). It is noted that the summary financial data published in the press are intended to provide to the reader with certain general information but do not provide a comprehensive picture of the financial position and results of the company and the Group in accordance with the International Accounting Standards. It is also noted that certain items in the summary financial data have been condensed for the sake of simplicity.

Ioannis Kloukinas  
Chairman of Board of Directors  
I. KLOUKINAS – I. LAPPAS S.A.

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# 1. STATEMENT OF FINANCIAL POSITION

Amounts reported in €

	Notes	GROUP		COMPANY	
		30/9/2013	31/12/2012	30/9/2013	31/12/2012
<b>ASSETS</b>					
<b>Non current assets</b>					
Tangible Assets		32.981.318	34.133.313	25.502.123	25.873.663
Intangible Assets		107.765	197.382	104.095	196.959
Goodwill		8.297.774	8.297.774	8.297.774	8.297.774
Investment Property		24.900.000	24.900.000	24.900.000	24.900.000
Investment in Subsidiaries		0	0	7.461.445	7.633.548
Financial Assets		1.114.721	5.444.512	1.114.721	5.444.512
Other long term receivables		620.351	629.007	576.041	488.721
Deferred Tax		758.940	701.569	0	0
		<b>68.780.868</b>	<b>74.303.557</b>	<b>67.956.198</b>	<b>72.835.176</b>
<b>Current assets</b>					
Inventories		12.245.856	11.294.650	10.680.670	8.770.177
Trade debtors and other trading receivables		8.493.922	8.263.484	5.853.644	5.852.850
Prepayments		277.080	185.441	245.233	126.840
Other receivables		267.994	517.998	99.240	226.255
Financial Assets		305.577	378.024	305.577	378.024
Cash and cash equivalents		3.922.493	6.213.785	1.659.634	1.443.285
		<b>25.512.921</b>	<b>26.853.383</b>	<b>18.843.998</b>	<b>16.797.431</b>
<b>Total Assets</b>		<b>94.293.789</b>	<b>101.156.940</b>	<b>86.800.197</b>	<b>89.632.607</b>
<b>EQUITY AND LIABILITIES</b>					
Share Capital	8.12	12.065.765	12.065.765	12.065.765	12.065.765
Share Premium		13.311.472	16.126.817	13.311.472	16.126.817
Reserves of fair value		-674.046	-32.877	-674.046	-32.877
Exchange differences		-721.114	-697.036	0	0
Other Reserves		3.714.502	3.710.591	3.575.351	3.543.537
Accumulated profits/(losses)		31.027.739	32.709.174	29.112.993	27.359.992
<b>Attributable to ordinary shareholders</b>		<b>58.724.319</b>	<b>63.882.435</b>	<b>57.391.536</b>	<b>59.063.234</b>
<b>Minority Interest</b>		<b>-202.564</b>	<b>286.675</b>	<b>0</b>	<b>0</b>
<b>Total Shareholders' Equity</b>		<b>58.521.755</b>	<b>64.169.110</b>	<b>57.391.536</b>	<b>59.063.234</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Interest bearing borrowings		14.428.742	16.216.915	14.428.742	16.215.458
Deferred Tax		2.904.073	2.321.105	1.931.348	1.443.237
Retirement benefit obligation		566.810	521.235	442.568	382.587
Other long term liabilities		433.723	443.829	291.678	251.678
<b>Total Non-current liabilities</b>		<b>18.333.348</b>	<b>19.503.084</b>	<b>17.094.335</b>	<b>18.292.960</b>
<b>Current Liabilities</b>					
Trade and other payables		6.868.776	5.949.105	5.769.215	6.120.605
Short term borrowings		6.694.755	6.905.687	4.042.343	3.021.594
Current portion of interest bearing borrowings		2.417.814	2.861.378	2.403.125	2.802.624
Other current liabilities		1.457.341	1.768.576	99.642	331.590
		<b>17.438.686</b>	<b>17.484.746</b>	<b>12.314.325</b>	<b>12.276.413</b>
<b>Total Liabilities</b>		<b>35.772.034</b>	<b>36.987.830</b>	<b>29.408.660</b>	<b>30.569.373</b>
<b>Total Equity and Liabilities</b>		<b>94.293.789</b>	<b>101.156.940</b>	<b>86.800.197</b>	<b>89.632.607</b>

The attached notes are an integral part of these financial statements.

## 2. Statement of Comprehensive Income

Amounts reported in €

		GROUP			
		01.01 - 30.09.2013	01.01 - 30.09.2012	01.07 - 30.09.2013	01.07 - 30.09.2012
	Notes				
Sales		26.181.691	29.340.352	9.269.060	9.368.601
Cost of Sales		-12.216.591	-13.230.475	-5.277.958	-4.170.238
<b>Gross Profit</b>		<b>13.965.100</b>	<b>16.109.877</b>	<b>3.991.102</b>	<b>5.198.363</b>
Other operating income		792.994	735.118	64.975	344.788
Distribution costs		-11.368.754	-12.544.635	-3.868.514	-4.173.716
Administrative expenses		-2.343.976	-2.964.234	-531.415	-766.311
Other operating expenses	8.6	-928.400	-818.365	-147.743	-118.282
<b>Operating profit</b>		<b>116.964</b>	<b>517.762</b>	<b>-491.595</b>	<b>484.841</b>
Gain / Loss from financial assets		-932.895	0	-353.033	0
Finance cost		-761.652	-640.159	-345.817	-137.312
Income from associates		313.018	-430	313.018	0
<b>Profit before tax</b>		<b>-1.264.566</b>	<b>-122.827</b>	<b>-877.428</b>	<b>347.530</b>
Tax	8.5	-788.036	-322.585	-218.079	-118.536
<b>Profit after tax</b>		<b>-2.052.602</b>	<b>-445.411</b>	<b>-1.095.507</b>	<b>228.993</b>
<b>Net profit after tax attributable to:</b>					
Owners of the parent company		-1.816.803	-450.938	-894.005	241.457
Minority interests		-235.799	5.527	-201.502	-12.464
		<b>-2.052.602</b>	<b>-445.411</b>	<b>-1.095.507</b>	<b>228.993</b>

		GROUP			
		01.01 - 30.09.2013	01.01 - 30.09.2012	01.07 - 30.09.2013	01.07 - 30.09.2012
<b>Net profit for the period</b>		<b>-2.052.602</b>	<b>-445.411</b>	<b>-1.095.507</b>	<b>228.993</b>
<b>Other comprehensive income</b>					
<b>Other comprehensive income/(loss) that will be reclassified to profit &amp; loss</b>					
Valuation of Financial assets held for sale		-641.168	0	333.131	0,0
Exchange differences from translation of subsidiaries		-24.078	-164.145	-1.103	-45.389
<b>Total other comprehensive income/(loss) that will be reclassified to profit &amp; loss</b>		<b>-665.246</b>	<b>-164.145</b>	<b>332.028</b>	<b>-45.389</b>
<b>Total other comprehensive income/(loss) that will not be reclassified to profit &amp; loss</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income for the period after taxes</b>		<b>-665.246</b>	<b>-164.145</b>	<b>332.028</b>	<b>-45.389</b>
<b>Total comprehensive income for the period after taxes</b>		<b>-2.717.849</b>	<b>-609.557</b>	<b>-763.479</b>	<b>183.605</b>
<b>Attributable to:</b>					
Owners of the parent company		-2.482.050	-615.084	-561.977	196.068
Minority interests		-235.799	5.527	-201.502	-12.464
Basic earnings per share	8.11	-0,0452	-0,0112	-0,0222	0,0060

Amounts reported in €

		COMPANY			
		01.01 - 30.09.2013	01.01 - 30.09.2012	01.07 - 30.09.2013	01.07 - 30.09.2012
	<b>Notes</b>				
Sales		20.713.301	22.547.963	7.597.069	7.649.340
Cost of Sales		-9.987.020	-11.161.508	-3.716.776	-3.782.134
Gross Profit		<b>10.726.280</b>	<b>11.386.454</b>	<b>3.880.292</b>	<b>3.867.206</b>
Other operating income		726.841	549.608	38.306	212.220
Distribution costs		-8.211.444	-8.901.805	-3.065.634	-3.007.484
Administrative expenses		-1.527.984	-2.530.958	-411.291	-673.012
Other operating expenses	<b>8.6</b>	-852.211	-570.556	-122.879	-7.710
<b>Operating profit</b>		<b>861.484</b>	<b>-67.257</b>	<b>318.793</b>	<b>391.219</b>
Gain / Loss from financial assets		-932.895	0	-353.033	0
Finance cost		-632.269	-330.181	-230.753	-73.811
Proceeds from dividends paid by the subsidiary		1.400.000	0	0	0
<b>Profit before tax</b>		<b>696.320</b>	<b>-397.438</b>	<b>-264.992</b>	<b>317.408</b>
Tax	<b>8.5</b>	-609.655	-136.277	-224.005	-83.817
<b>Profit after tax</b>		<b>86.665</b>	<b>-533.715</b>	<b>-488.998</b>	<b>233.590</b>
<b>Net profit after tax attributable to:</b>					
Owners of the parent company		86.665	-533.715	-488.998	233.590
Minority interests		0	0	0	0
		<b>86.665</b>	<b>-533.715</b>	<b>-488.998</b>	<b>233.590</b>

		COMPANY			
		01.01 - 30.09.2013	01.01 - 30.09.2012	01.07 - 30.09.2013	01.07 - 30.09.2012
<b>Net profit for the period</b>		86.665	-533.715	-488.998	233.590
<b>Other comprehensive income</b>					
<b>Other comprehensive income/(loss) that will be reclassified to profit &amp; loss</b>					
Valuation of Financial assets held for sale		-641.168	0	333.131	0
Exchange differences from translation of subsidiaries		0	0	0	0
<b>Total other comprehensive income/(loss) that will be reclassified to profit &amp; loss</b>		<b>-641.168</b>	<b>0</b>	<b>333.131</b>	<b>0</b>
<b>Total other comprehensive income/(loss) that will not be reclassified to profit &amp; loss</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income for the period after taxes</b>		<b>-641.168</b>	<b>0</b>	<b>333.131</b>	<b>0</b>
<b>Total comprehensive income for the period after taxes</b>		<b>-554.504</b>	<b>-533.715</b>	<b>-155.867</b>	<b>233.590</b>
<b>Attributable to:</b>					
Owners of the parent company		-554.504	-533.715	-155.867	233.590
Minority interests		0	0	0	0
Basic earnings per share	<b>8.11</b>	0,0022	-0,0133	-0,0122	0,0058

### 3. Consolidated Statement of Changes in Equity

Amounts reported in €

	Share capital	Share premium	Attributable to the parent company shareholders			Accumulated profit/(losses)	Total	Minority Interests	Total
			Reserves of fair value	Exchange differences	Other Reserves				
<b>Balance as of January 1, 2012, according to IFRS</b>	12.065.765	16.126.817	-32.877	-593.742	3.697.885	36.126.823	67.390.671	304.012	67.694.683
Changes in equity during the period 01.01 - 30.09.2012									
Exchange differences				-164.145	12.706	-12.706	-164.145		-164.145
Net operating profit for the period 01.01 - 30.09.2012						-450.938	-450.938	5.527	-445.411
<b>Total recognised profit/loss for the period</b>	0	0	0	-164.145	12.706	-463.645	-615.084	5.527	-609.557
<b>Balance as of September 30, 2012</b>	<b>12.065.765</b>	<b>16.126.817</b>	<b>-32.877</b>	<b>-757.887</b>	<b>3.710.591</b>	<b>35.663.178</b>	<b>66.775.587</b>	<b>309.539</b>	<b>67.085.126</b>

#### Balance as of January 1, 2013, according to IFRS

Changes in equity during the period 01.01 - 30.09.2013  
 Share capital increase by capitalization of share premium  
 Share capital decrease and capital return in cash to the company's shareholders  
 Acquisition of minority interest of subsidiary company  
 Changes from resolution of subsidiary company  
 Net income recognised directly in Equity  
 Net operating profit for the period 01.01 - 30.09.2013

#### Total recognised profit/loss for the period

Balance as of September 30, 2013

<b>Balance as of January 1, 2013, according to IFRS</b>	12.065.765	16.126.817	-32.877	-697.036	3.710.591	32.709.174	63.882.435	286.675	64.169.110
Share capital increase by capitalization of share premium	2.815.345	-2.815.345					0		0
Share capital decrease and capital return in cash to the company's shareholders	-2.815.345				3.910	135.369	-2.815.345	-355.279	-216.000
Acquisition of minority interest of subsidiary company								101.839	101.839
Changes from resolution of subsidiary company				-24.078			-665.246		-665.246
Net income recognised directly in Equity								-235.799	-2.052.602
Net operating profit for the period 01.01 - 30.09.2013	0	-2.815.345	-641.168	-24.078	3.910	-1.816.803	-1.816.803	-489.239	-5.647.355
<b>Total recognised profit/loss for the period</b>	0	-2.815.345	-641.168	-24.078	3.910	-1.681.435	-5.158.116	-489.239	-5.647.355
<b>Balance as of September 30, 2013</b>	<b>12.065.765</b>	<b>13.311.472</b>	<b>-674.046</b>	<b>-721.114</b>	<b>3.714.502</b>	<b>31.027.739</b>	<b>58.724.319</b>	<b>-202.564</b>	<b>58.521.755</b>

#### 4. Parent Company Statement of Changes in Equity

*Amounts reported in €*

	Attributable to the parent company shareholders					
	Share capital	Share premium	Reserves of fair value	Other Reserves	Accumulated profit/(losses)	Total
<b>Balance as of January 1 2012, according to IFRS</b>	<b>12.065.765</b>	<b>16.126.817</b>	<b>-32.877</b>	<b>3.543.537</b>	<b>30.333.888</b>	<b>62.037.130</b>
Changes in equity during the period 01.01 - 30.09.2012						
Net operating profit for the period 01.01 - 30.09.2012	0	0	0	0	-533.715	-533.715
<b>Total recognised profit/loss for the period</b>					<b>-533.715</b>	<b>-533.715</b>
<b>Balance as of September 30, 2012</b>	<b>12.065.765</b>	<b>16.126.817</b>	<b>-32.877</b>	<b>3.543.537</b>	<b>29.800.173</b>	<b>61.503.415</b>
<b>Balance as of January 1 2013, according to IFRS</b>	<b>12.065.765</b>	<b>16.126.817</b>	<b>-32.877</b>	<b>3.543.537</b>	<b>27.359.992</b>	<b>59.063.234</b>
Changes in equity during the period 01.01 - 30.09.2013						
Share capital increase by capitalization of share premium	2.815.345	-2.815.345				0
Share capital decrease and capital return in cash to the company's shareholders	-2.815.345					-2.815.345
Change from absorption of subsidiary company				31.815	1.666.337	1.698.151
Net income recognised directly in Equity			-641.168			-641.168
Net operating profit for the period 01.01 - 30.09.2013	0	-2.815.345	-641.168	31.815	86.665	86.665
<b>Total recognised profit/loss for the period</b>		<b>-2.815.345</b>	<b>-641.168</b>	<b>31.815</b>	<b>1.753.001</b>	<b>-1.671.698</b>
<b>Balance as of September 30, 2013</b>	<b>12.065.765</b>	<b>13.311.472</b>	<b>-674.046</b>	<b>3.575.351</b>	<b>29.112.993</b>	<b>57.391.536</b>



## 5. Cash flow Statement

Amounts reported in €

	Notes	GROUP		COMPANY	
		01.01 - 30.09.2013	01.01 - 30.09.2012	01.01 - 30.09.2013	01.01 - 30.09.2012
<b>Cash flows from operating activities</b>	<b>8.1</b>	<b>1.310.338</b>	<b>746.125</b>	<b>1.644.940</b>	<b>(251.593)</b>
Less: Interest paid		(793.399)	(907.925)	(618.445)	(505.699)
Less: Income taxes paid		(100.815)	(197.504)	0	(55.959)
<b>Net Cash flows from operating activities(a)</b>		<b>416.124</b>	<b>(359.304)</b>	<b>1.026.495</b>	<b>(813.252)</b>
<b>Cash flows from investing activities</b>					
Purchase of tangible and intangible assets		(167.112)	(537.112)	(42.025)	(95.569)
Proceeds of sale of tangible asset		6.819	12.152	0	0
Acquisition of subsidiaries, affiliates, joint venture and other investment		(216.000)	(5.296.650)	(216.000)	(5.296.650)
Cash and cash equivalents of acquired company		0	0	184.874	0
Sale of financial assets		2.857.768	0	2.857.768	0
Interest received		120.167	89.721	77.521	16.549
Dividends received		0	0	1.400.000	0
<b>Net Cash flows from investing activities(b)</b>		<b>2.601.642</b>	<b>(5.731.889)</b>	<b>4.262.138</b>	<b>(5.375.669)</b>
<b>Cash flows from financing activities</b>					
Share capital decrease and capital return in cash to the company's shareholders		(2.812.915)	0	(2.812.915)	0
Proceeds from issued/undertaken loans		1.054.726	0	1.054.726	0
Repayment of loans		(2.563.922)	(1.700.723)	(2.353.033)	(1.360.000)
Payment of finance lease liabilities		(958.505)	(929.519)	(958.505)	(929.519)
Dividends paid		(2.558)	(11.981)	(2.558)	(11.981)
<b>Net Cash flows from financing activities(c)</b>		<b>(5.283.173)</b>	<b>(2.642.224)</b>	<b>(5.072.284)</b>	<b>(2.301.500)</b>
<b>Net increase in cash and cash equivalents(a)+(b)+ ( c )</b>		<b>(2.265.408)</b>	<b>(8.733.417)</b>	<b>216.349</b>	<b>(8.490.421)</b>
Cash and cash equivalents at beginning of period		6.213.785	14.128.552	1.443.285	9.830.346
Exchange differences from translation of subsidiaries		(25.885)	(88.734)	0	0
<b>Net increase in cash and cash equivalents at end of period</b>		<b>3.922.493</b>	<b>5.306.401</b>	<b>1.659.634</b>	<b>1.339.925</b>

The attached notes are an integral part of these financial statements.

## **6. ADDITIONAL INFORMATION**

### **6.1 General Information**

The financial statements include the company financial statements of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION & COMMERCE SOCIETE ANONYME" operating as K.L.M. S.A. (the Company), and the consolidated financial statements of the company and its subsidiaries (the Group) for the period ended on 30<sup>st</sup> September 2013, according to the International Financial Reporting Standards (IFRS).

The Group engages in the execution of construction projects of any nature, whether as contractors or not, and the import, production and sale of clothing and footwear products, baby and child products, toys, furniture, cosmetics and houseware.

The Company was established in Greece, with headquarters located since 1993 at 3 Pasteur Street, Athens. Its telephone number is: 210-6451591-6.

The company's website is: [www.klmate.gr](http://www.klmate.gr).

The company's shares are traded on the Athens Stock Exchange.

### **6.2 Basis of Preparation**

The financial statements include the company financial statements of "I. KLOUKINAS – I. LAPPAS CONSTRUCTION & COMMERCE SOCIETE ANONYME" operating as K.L.M. S.A. (the Company), and the consolidated financial statements of the company and its subsidiaries (the Group) for the nine month period of 2013 covering the period from the 1st of January to the 30<sup>st</sup> of September 2013, have been prepared on the principles of the historic cost, adjusted for certain assets and liabilities to fair value and going concern.

They are in accordance with the International Financial Reporting Standards (I.F.R.S.) and more specifically with International Financial Reporting Standard (I.A.S.) 34 "Interim Financial Statements".

The principal accounting policies adopted in the preparation of the Financial Statements as of December 31, 2012 were consistently applied herein.

I. KLOUKINAS – I. LAPPAS S.A.

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The approval of the Interim Financial statements as at 30.09.2013 by the Board of Directors held on 27th November 2013.

### **6.3 New standards, amendments and interpretations to existing standards**

#### **Standards and Interpretations that have been issued and applied for the current financial year**

The financial statements have been compiled according to the same accounting policies adopted for compiling the financial statements of the previous financial year except for the mandatory application of new standards and interpretations for accounting periods starting from 1 January 2013 as presented below:

#### **IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual accounting periods beginning on or after 1 July 2012)**

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

#### **IAS 19 (Amendment) "Employee Benefits" (effective for annual accounting periods beginning on or after 1 January 2013)**

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

#### **IFRS 7 (Amendment) "Financial Instruments: Disclosures" (effective for annual accounting periods beginning on or after 1 January 2013)**

The International Accounting Standards Board (IASB) released this amendment to add information which will assist the users of financial statements to evaluate the effect, if

any, of the agreements for settlement of financial assets and liabilities, including offsetting rights with regard to financial assets and liabilities, on the entity's financial position.

**IFRS 13 "Fair Value Measurement" (effective for annual accounting periods beginning on or after 1 January 2013)**

With the new standard, a unified framework is established in depicting assets at fair value whenever it is required or provided from other standards. IFRS 13 provides a precise definition of fair value as well as guidance on the measurement of fair value and the disclosure requirements, regardless of the standard according to which the use of fair value is applied. The new standard describes the acceptable practices in estimating fair value, from the adoption of the standard and afterwards. The new standard does not imply introduction of new requirements regarding the valuation of an asset or liability at fair value. It does not lead to any changes in assets or liabilities which have been recorded at fair value and does not affect the presentation of the fair value changes.

**IFRIC 20 "Stripping costs in the production phase of a surface mine" (effective for annual accounting periods beginning on or after 1 January 2013)**

This interpretation provides guidance on accounting for the costs of waste removal (stripping costs) in the production phase of a surface mine. The interpretation does not apply to the Group and Company. The application of the above new and amended standards and interpretations had no significant effect on the financial statements or the position of the Group or the Company.

Standards and Interpretations that have been issued but are not effective for the present financial year.

**The following new and amended standards and interpretations have been issued but are not effective for the annual accounting period beginning at 1 January 2013.**

Such standards have not been adopted in advance and the Group and Company are assessing their possible effect on the financial statements:

The International Accounting Standards Board (IASB) published five new standards with regard to the consolidation and the joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (Amendment) and IAS 28 (Amendment). Earlier application of the standards is valid only in the case of simultaneous application of all five standards.

**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. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

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**IAS 11 “Joint Arrangements”**

Joint arrangements are classified as jointly controlled arrangements and joint ventures. The application of the proportional consolidation method for joint ventures is no longer acceptable. The parties of the joint ventures must mandatorily apply the equity consolidation method. Economic entities which participate in jointly controlled arrangements will apply similar accounting treatment as the one currently applied from the participants in jointly controlled assets or jointly controlled activities. The standard provides also clarification for the participants in joint arrangements without the existence of joint control.

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**IFRS 12 “Disclosure of interests in other entities”**

IFRS 12 provides for economic entities to disclose information including significant crisis issues and affairs. Such information assists the reader of financial statements to

evaluate the nature, risks and financial implications from the participation of an entity to subsidiaries, associates, joint ventures and structured entities.

- **IAS 27 (Amendment) "Separate Financial Statements"**

This standard was released simultaneously with the IFRS 10 and they both substitute IAS 27 "Consolidated and Separate Financial Statements". The amended IAS 27 defines the accounting treatment and the necessary disclosures regarding participation in subsidiaries, joint ventures and associates, when an entity prepares separate financial statements. The Board has transferred to IAS 27 terms of IAS 28 "Investments in Associates and Joint Ventures" and of IAS 31 "Participation in Joint Ventures" which refer to the separate financial statements.

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

The amendment of IAS 28 updates IAS 28 "Investments in Associates". The objective of this revised standard is to define the accounting principles that must be applied due to changes that result from the publication of IFRS 11. The revised standard defines the mechanisms for applying the equity method in associates and joint ventures.

- **IFRS 9 "Financial Instruments" (effective for annual accounting periods beginning on or after 1 January 2015)**

IFRS 9 is the first phase of the International Accounting Standards Board's (IASB) 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.

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

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. The amendments present the common practice based sequences

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when the offsetting criteria are applied based on IAS 32 "Financial Instruments". The amendments regarding the presentation clarify the following: a) "for the time being there is a legally valid offsetting right" and b) "certain offsetting systems on gross basis can be considered equal to certain offsetting systems on net basis."

### 6.4 Group 's structure and consolidation method

Group companies which are included in the consolidated financial statements are:

GROUP STRUCTURE				
Name	Headquarters	Participation %	Relation that dictated consolidation	Consolidation method
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	<b>Parent Company</b>	-	-
KLM A.T.E	Greece	100,00%	Direct	Full Consolidation
I.Kloukinas-I.Lappas Energy S.A.	Greece	100,00%	Direct	Full Consolidation
MYIE Kerasovou S.A.	Greece	100,00%	Indirect(I.Kloukinas-I.Lappas Energy S.A with 100%)	Full Consolidation
KLM SA-TEDRA SA joint venture	Greece	70,00%	Indirect(IKLM ATE with100%)	Full Consolidation
KLM SA-ISTOS LTD joint venture(Larisa project)	Greece	75,00%	Indirect(IKLM ATE with100%)	Full Consolidation
SYSMEROM COM SRL	Romania	100,00%	Direct	Full Consolidation
KLM BULGARIA FOOD	Bulgaria	100,00%	Direct	Full Consolidation
KLMS COM DOOEL	FYROM	100,00%	Direct	Full Consolidation
KLSAL LTD	Albania	100,00%	Direct	Full Consolidation
KLSEER COMMERCE LTD	Serbia	100,00%	Direct	Full Consolidation
KLSLV D.O.O	Slovenia	100,00%	Direct 28,98% Indirect 71,02%	Full Consolidation
KLMOL	Moldavia	100,00%	Direct	Full Consolidation
KLOUKINAS-LAPPAS SA-ERGO SA joint venture	Greece	50,00%	Indirect(IKLM ATE with100%)	Equity
ATTIKAT	Greece	10,00%	Indirect(IKLM ATE with100%)	Equity

- During the current period the participation percentage of the company "SYSMEROM COM SRL" in "KLSLV DOO" was increased from 59,52% to 71,02% due to a share capital increase.
- In the current period the company "I. KLOUKINAS-I. LAPPAS SA" acquired the minority rights of its subsidiary under the name "I.Kloukinas-I.Lappas Energy S.A." according to the agreement of 10/05/2013.The listed company, which participated with 93,14% in its subsidiary, acquired 7.200 ordinary shares, which represent 6,86% of the subsidiary 's share capital, resulted to the possession of 100% of the subsidiary 's share capital. The total acquisition value amounted to € 216.000.
- In accordance with the decision K2-5286/26/07/2013 of the Ministry of Development the consolidation of the companies under the name "I.KLOUKINAS-I.LAPPAS CONSTRUCTION AND COMMERCIAL COMPANY SA" and "COMPTON HOUSE HELLAS" has been approved with the absorption of the second company by the first one.



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- In the consolidated financial statements of the current period the following companies under the name (a) K.L.M.SA &SIA EE, (b) K.L.M.SA &SIA ERGO PALLINIS EE, (c) KLM SA-ISTOS LTD joint venture and (d) KLOUKINAS-LAPPAS ATE- P.KONTOPANOS joint venture CARREFOUR XANTHI PROJECT are not included due the completion of the project and resolution of the companies on 02/07/2013.

## 7. SEGMENT INFORMATION

### 7.1 Operating segments

The chief operating decision-maker has been identified as the Board of Directors. Management has determined the operating segments based on these reports as follows:

- Commerce
- Construction
- Energy

#### GROUP 01.01 - 30.09.2013

Amounts in €

	Commerce	Construct	Energy	Total
Revenues from external customers	24.657.949	657.118	866.623	26.181.691
Revenues from intersegment sales	0	0	0	0
Depreciations	-1.117.834	-54.743	-92.074	-1.264.651
Interest expenses	-735.859	-146.048	-993	-882.900
Interest received	115.569	36	5.643	121.248
Income from associated companies	0	313.018	0	313.018
<b>Profit/(losses) before tax</b>	<b>-803.295</b>	<b>-990.043</b>	<b>528.772</b>	<b>-1.264.566</b>
Tax	-636.075	46.645	-198.607	-788.036
<b>Profit/(losses) after tax</b>	<b>-1.439.370</b>	<b>-943.397</b>	<b>330.165</b>	<b>-2.052.602</b>

#### GROUP 01.01 - 30.09.2012

Amounts in €

	Commerce	Construct	Energy	Total
Revenues from external customers	27.359.688	1.326.456	654.208	29.340.352
Revenues from intersegment sales	0	0	0	0
Depreciations	-1.295.505	-63.923	-88.916	-1.448.345
Interest expenses	-906.561	-120.879	-9.207	-1.036.647
Interest received	356.930	69	39.489	396.489
Income from associated companies	0	-430	0	-430
<b>Profit/(losses) before tax</b>	<b>-277.994</b>	<b>-299.538</b>	<b>454.705</b>	<b>-122.827</b>
Tax	-200.830	-25.742	-96.013	-322.585
<b>Profit/(losses) after tax</b>	<b>-478.825</b>	<b>-325.279</b>	<b>358.693</b>	<b>-445.411</b>

#### 30/9/2013

Segment assets	<b>80.960.986</b>	<b>7.725.137</b>	<b>5.607.666</b>	<b>94.293.789</b>
Segment liabilities	<b>29.065.607</b>	<b>4.919.217</b>	<b>1.787.210</b>	<b>35.772.034</b>

#### 31/12/2012

Segment assets	<b>88.044.946</b>	<b>7.200.459</b>	<b>5.911.534</b>	<b>101.156.940</b>
Segment liabilities	<b>30.247.113</b>	<b>4.999.505</b>	<b>1.741.213</b>	<b>36.987.830</b>

## 7.2 Review of construction segment

The revenue recognized from construction contracts as at 30.09.13 and 30.09.12 is 14.641.458,58 € and 34.778.519,48 € respectively.

The group uses the percentage of completion method of accounting in order to determine the suitable revenue and costs to be recognized in a specific period. The stage of completion of a contract is measured on the basis of the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

The total realized cost and the recognized profits (less losses) for the work in progress as at 30.09.2013 and 30.09.2012 are 14.283.150,96 € and 17.927.744,18 €.

The gross amount receivable (payable) from (to) customers is analyzed as follows:

Amounts in €	Group	
	30.09.2013	30.09.2012
Realized cost	13.793.043,02	27.916.892,26
Plus: recognized profit	848.415,56	6.861.627,22
Less: total recognized losses	0,00	0,00
Less: invoiced amounts	13.889.786,19	34.000.753,37
<b>Amounts receivables/ payables</b>	<b>751.672,39</b>	<b>777.766,11</b>

## 8. Additional Information and Notes on the Interim Financial Statements.

### 8.1 Cash flow from operating activities

Amounts reported in €	GROUP		COMPANY	
	01.01 - 30.09.2013	01.01 - 30.09.2012	01.01 - 30.09.2013	01.01 - 30.09.2012
<b>Cash flows from operating activities</b>				
<b>Net profit before taxation (continued operations)</b>				
<b>Net profit before taxation (discontinued operations)</b>	<b>(1.264.566)</b>	<b>(122.827)</b>	<b>696.320</b>	<b>(397.438)</b>
<b>Adjustments for</b>				
Depreciation	1.264.651	1.448.345	862.048	798.692
Provisions	543.573	526.533	541.644	531.193
Goodwill write off		0	0	0
Exchange differences	(26.212)	(13.274)	(22.088)	35.173
Depreciation of government grant	(28.224)	(28.224)	0	0
Devaluation of tangible and intangible assets	131.720	0	131.720	0
Devaluation of financial assets	579.862	0	579.862	0
Gain / Loss from sale of financial assets	352.808	0	352.808	0
Dividends received	0	0	(1.400.000)	0
Proceeds of sale of tangible assets	3.675	(6.267)	0	0
Income/Loss from associates	(305.518)	430	0	0
Interest received	(121.248)	(356.351)	(86.305)	(264.103)
Interest expense	882.900	1.036.647	718.574	634.422
<b>Operating profit before working capital changes</b>				
(Increase) /Decrease in inventories	(913.604)	(1.516.694)	(759.195)	(696.013)
(Increase)/Decrease in trade receivables	(568.225)	924.867	1.287.558	270.004
Increase/(Decrease) in trade payables	778.745	(1.147.060)	(1.258.005)	(1.163.524)
<b>Cash flows from operating activities</b>	<b>1.310.338</b>	<b>746.125</b>	<b>1.644.940</b>	<b>(251.593)</b>

### 8.2 Tax Un-audited fiscal year

The non audited fiscal years for the Group, are presented as follows :

Name	Headquarters	Tax Un-audited fiscal year
I.Kloukinas-I.Lappas Construction & Commerce S.A.	Greece	2010
KLM A.T.E	Greece	2008-2010
I.Kloukinas-I.Lappas Energy S.A.	Greece	2010
MYIE Kerasovou S.A.	Greece	2010
KLM SA-TEDRA SA joint venture	Greece	2010-2012
KLM SA-ISTOS LTD joint venture(Larisa project)	Greece	2010-2012
SYSMEROM COM SRL	Romania	2007-2012
KLM BULGARIA EOOD	Bulgaria	2005-2012
KLMS COM DOOEL	FYROM	2007-2012
KLSAL LTD	Albania	2007-2012
KLSEK COMMERCE LTD	Serbia	2006-2012
KLSLV D.O.O	Slovenia	2006-2012
KLMOL	Moldavia	2008-2012

For the fiscal years 2011 and 2012 the listed company as well as KLM ATE , I. Kloukinas-I. Lappas Energy S.A. , MYIE Kerasovou S.A. and COMPTON HOUSE HELLAS (ELC) have been subjected to tax audit by the Certified Audit Accountants in accordance with the provisions of Article 82 par.4 L.2238/1994.

### 8.3 Existing encumbrances

Encumbrances over company assets are reported in the following Table:

No	Description	Location	Encumbrance	Bank	Amount in €
1.	Plot of land fit for building 6.042,33 sq.m. Wood factory : 2.669,65 sq.m.	Oinofita Industrial zone	Mortgage prenotation Year 2002 and 20.06.2013	"NATIONAL BANK"	1.581.511
2.	Building 8.525 sq.m. Constructed on plot of land of 2.731,36 sq.m..	Municipality of Tavros	Mortgage prenotation 09.10.2008	"ALPHA BANK"	9.300.000
3.	Plot of land: 619,87 τ.μ	Municipality of Athens, 47 Ermou str.	Mortgage prenotation 20.07.2012	"ALPHA BANK"	3.000.000
4.	Building: Basement: 157,87 sq.m., Groundfloor: 604,62 sq.m., Loft: 313,89 τ.μ., a' floor: 221,41 sq.m. and b' floor 139,71 sq.m.	Municipality of Athens, 47 Ermou str.	Mortgage prenotation 20.07.2012 and 19.07.2013	"ALPHA BANK"	12.500.000
5.	Building	Municipality of Athens, 3 Pasteur str.		Individuals	250.000
6.	Building	Municipality of Athens, 3 Pasteur str.	Mortgage prenotation 17.09.2012	"ALPHA BANK"	1.500.000
<b>Total:</b>					<b>28.131.511</b>

### 8.4 Commitments

The Group's and the Company's commitments arising from construction contracts are as follows:

Letters of Guarantee	GROUP		COMPANY	
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
Letter of Guarantee for safeguarding liabilities	1.824.447	1.822.734	1.621.092	1.363.746
Letter of Guarantee for fulfillment of contract secure	1.957.507	2.323.486	0	0
<b>Total</b>	<b>3.781.954</b>	<b>4.146.220</b>	<b>1.621.092</b>	<b>1.363.746</b>

### 8.5 Income tax

In accordance with the new Tax Law 4110/2013 the income tax rate for the legal entities located in Greece since 23/01/2013 has been increased from 20% to 26%. This increase affected the results after tax of the company and the group.

The recalculation of the deferred tax based on the new income tax rate, for the group and the company amounted to € 439.116 and € 432.971 respectively.

Amounts in €	GROUP		COMPANY	
	01.01 - 30.09.2013	01.01 - 30.09.2012	01.01 - 30.09.2013	01.01 - 30.09.2012
Income tax	262.748	101.562	117.540	586
Deferred Income tax	525.288	211.022	492.115	135.691
Tax provisions	0	10.000	0	0
<b>Total</b>	<b>788.036</b>	<b>322.585</b>	<b>609.655</b>	<b>136.277</b>

### **8.6 Other operating expenses**

The account "Other operating expenses" amounting to € 928.400 and € 852.211 for the group and the company respectively as at 30.09.2013, includes also receivables impairment in amount of € 498.340 for both the group and the company

### **8.7 Contingent Claims and Liabilities**

The Company, being a lessor of real property, reserves a claim for rentals, against the lessee, (an S.A. company) of 1.340.383,19 €. While the hearing of the lessee's appeal to the Supreme Court and the relevant decision of the Supreme Court were pending, part of the above amount and specifically the amount of 500.000,00 € was paid to the Company, in compliance to the decision of the Court of Appeals. Following the above mentioned payment, and the Supreme Court hearing, the Supreme Court accepted the lessee's appeal, decided upon a reexamination of the case as to its substance and, for this reason, ordered the repetition of the hearing before the Supreme Court. Lawyer's estimation is that the case's outcome shall be in the Company's favor.

The Company reserved a claim of 1.996.680,95€ against the company "KOUKOU S.A." and specifically: (a) the amount of 766.888,39 € was due because of unpaid checks and (b) the amount of 1.229.792,56 € pertained to due balance. Following (a) a rehabilitation agreement, reached between the debtor company "KOUKOU S.A." and the majority of its creditors and (b) the petition for the ratification of this agreement, the Court ruling No. 32.523/2011 was issued by the Multi - Member Court of First Instance of Thessaloniki which ratified the above - mentioned agreement, dated 6.9.2011, reached between the debtor company "KOUKOU S.A." and its creditors. The Company "I. KLOUKINAS – I. LAPPAS TECHNICAL AND COMMERCIAL S.A." was one of the creditors, who consented to the above mentioned agreement. The basic provisions of this rehabilitation agreement reached between the Company and debtor company "KOUKOU S.A." are the following:

The contracting parties acknowledged that the Company's claims against "KOUKOU S.A." amounted to 1.996.680,95 €, taking into account the distinctions above, and agreed upon a 50% reduction, i.e. reduction of the claim to 998.340,48 €. Regarding the

amount of 998.340,48 €, an agreement of remission of debt was concluded and consequently the results of the Group and of the Company were aggravated with the above mentioned amount.

The remaining 998.340,48 €, was agreed to be paid in monthly installments according to the provisions of the agreement, which specify the amount of each installment and the dates of payment.

The parties also agreed that in case of bankruptcy of "KOUKOU S.A." or of a Court ruling for the termination of the rehabilitation agreement, the remission of the debt for the amount of 998.340,48 €, ceases to exist and this debt shall become again due.

However "KOUKOU S.A." did not perform its obligations under the rehabilitation agreement reached with the Company (non payment of the agreed installments) and therefore the Company submitted a petition before the Multi - Member Court of First Instance of Thessaloniki for its termination. The Court's decision confirmed the relevant termination. "KOUKOU S.A." submitted an appeal of the Court's decision, the hearing of which is yet pending.

"KOUKOU S.A." also submitted a petition for the declaration of bankruptcy. The relevant hearing took place on the 10.06.013 before the Multi - Member Court of First Instance of Thessaloniki and the decision is pending.

According to Legal Counsel's letter, there are claims of the Group against third parties of approximately € 3.765 thousand and claims of third parties against the Group of approximately €598 thousand. The Group has a total provision for bad debts of € 1.376 thousand.

According to the management's estimations, there are strong legal arguments to support the dismissal of the majority of the claims against the Company. Furthermore, the estimation of the company's managers regarding the cases for which the Company has not made a provision for doubtful debts, is that the outcome of those cases shall not substantially influence the Company's financial results.

### **8.8 Employees and employee benefits**

The company's and the Group's employees were as follows:

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	GROUP		COMPANY	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
Salaried	446	459	326	288
Wage-earners	20	18	18	14
<b>Total</b>	<b>466</b>	<b>477</b>	<b>344</b>	<b>302</b>



## 8.9 Related party transactions

Intercompany transactions-Income Statement 01.01 - 30.09.2013												
	I.Kioukinas-I.Lappas Construction & Commerce S.A.	KLTH Carpentry & works Ltd	KLM SA-TEDRA SA joint venture	I.Kioukinas-I.Lappas Energy S.A.	MYIE Kerasovou S.A.	KLM SA-ISTOS LTD joint venture(Larisa project)	COMPTON HOUSE HELLAS(ELC)	SYSMEROM COM SRL	KLM BULGARIA FOOD	KLSAL LTD	KLSER COMMERCE LTD	TOTAL
Purchases												
I.Kioukinas-I.Lappas Construction & Commerce S.A.	570	0	0	7134	0	0	435.252	892.449	245.209	137.869	369.203	2.454.186
KLTH Carpentry works Ltd	0	0	0	0	0	0	0	0	0	0	0	0
KLM SA-TEDRA SA joint venture	0	0	0	0	0	0	0	0	0	0	0	0
I.Kioukinas-I.Lappas Energy S.A.	27.669	0	0	1.930	0	0	0	0	0	0	0	31.225
MYIE Kerasovou S.A.	1.625	0	0	0	0	0	0	0	0	0	0	0
KLM SA-ISTOS LTD joint venture(Larisa project)	0	0	0	0	0	0	95.561	0	0	0	28.435	1.026.619
COMPTON HOUSE HELLAS(ELC)	0	0	0	0	0	0	0	0	0	0	0	0
SYSMEROM COM SRL	0	0	0	0	0	0	0	0	0	0	0	0
KLM BULGARIA FOOD	0	0	0	0	0	0	0	0	0	0	0	0
KLSAL LTD	0	0	0	0	0	0	0	0	0	0	0	0
KLSER COMMERCE LTD	0	0	0	0	0	0	0	0	0	0	0	0
KLMOL	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>932.292</b>	<b>2.195</b>	<b>0</b>	<b>9.064</b>	<b>0</b>	<b>0</b>	<b>435.252</b>	<b>986.010</b>	<b>245.209</b>	<b>137.869</b>	<b>369.203</b>	<b>3.512.030</b>

Intercompany transactions Statement of Financial Position 01.01 - 30.09.2013												
	I.Kioukinas-I.Lappas Construction & Commerce S.A.	KLTH Carpentry & works Ltd	KLM SA-TEDRA SA joint venture	I.Kioukinas-I.Lappas Energy S.A.	MYIE Kerasovou S.A.	KLM SA-ISTOS LTD joint venture(Larisa project)	COMPTON HOUSE HELLAS(ELC)	SYSMEROM COM SRL	KLM BULGARIA FOOD	KLSAL LTD	KLSER COMMERCE LTD	TOTAL
Liabilities												
I.Kioukinas-I.Lappas Construction & Commerce S.A.	0	0	0	480.952	0	0	0	176.232	755.386	398.453	189.129	2.853.692
KLTH Carpentry works Ltd	0	274.074	0	0	0	0	0	0	0	0	0	848.072
KLM SA-TEDRA SA joint venture	0	0	0	0	0	0	0	0	0	0	0	0
I.Kioukinas-I.Lappas Energy S.A.	774.973	1.298.149	0	0	0	0	0	0	0	0	0	2.073.121
MYIE Kerasovou S.A.	0	0	0	0	0	0	0	0	0	0	0	0
KLM SA-ISTOS LTD joint venture(Larisa project)	0	0	0	0	0	0	0	0	0	0	0	0
COMPTON HOUSE HELLAS(ELC)	0	0	0	0	0	0	0	0	0	0	0	0
SYSMEROM COM SRL	0	0	0	0	0	0	0	0	0	0	0	0
KLM BULGARIA FOOD	2.501	0	0	0	0	0	0	0	0	0	0	2.501
KLSAL LTD	0	0	0	0	0	0	0	0	0	0	0	0
KLSER COMMERCE LTD	0	0	0	0	0	0	0	0	0	0	0	0
KLMOL	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>777.474</b>	<b>1.572.223</b>	<b>0</b>	<b>480.952</b>	<b>0</b>	<b>848.072</b>	<b>0</b>	<b>176.232</b>	<b>755.386</b>	<b>398.453</b>	<b>189.129</b>	<b>5.777.386</b>

I. KLOUKINAS – I. LAPPAS S.A.

Intercompany transactions-Income Statement 01.01 - 30.09.2012

	I.Kloukinas- I.Lappas Construction & Commerce S.A.	KLTH Carpentry works Ltd	KLM SA- TEDRA SA joint venture	I.Kloukinas- I.Lappas Energy S.A.	MYIE Kerasovou S.A.	KLM SA- ISTOS LTD joint venture	KLM SA-ISTOS LTD joint venture(Larisa project)	COMPTON HOUSE HELLAS(ELC)	NESOLANO LTD	SYSMEROM COM SRL	KLMS COM DOOEL	BULGARIA EOOD	KLM BULGARIA EOOD	KLSAL LTD	KLSER COMMERCE LTD	KLSLV D.O.O	TOTAL
Purchases																	
I.Kloukinas-I.Lappas Construction & Commerce S.A.	0	0	0	0	0	0	0	734,640	0	850,982	151,480	358,047	98,000	431,515	228,827	2,853,092	
KLTH Carpentry works Ltd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.Kloukinas-I.Lappas Energy S.A.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MYIE Kerasovou S.A.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLM SA-ISTOS LTD joint venture	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLM SA-ISTOS LTD joint venture(Larisa project)	1,267,016	0	0	0	0	0	0	0	153,009	0	0	0	0	0	0	0	1,444,795
COMPTON HOUSE HELLAS(ELC)	695,250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	695,250
SYSMEROM COM SRL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLMS COM DOOEL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLM BULGARIA EOOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLSER COMMERCE LTD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLSLV D.O.O	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KLMOL	0	0	0	0	0	0	0	734,640	0	1,003,591	151,480	358,047	98,000	431,515	262,687	4,953,127	
TOTAL	1,953,166	0	0	0	0	0	0	734,640	0	1,003,591	151,480	358,047	98,000	431,515	262,687	4,953,127	

Intercompany transactionsStatement of Financial Position 01.01 - 31.12.2012

	I.Kloukinas- I.Lappas Construction & Commerce S.A.	KLTH Carpentry works Ltd	KLM SA- TEDRA SA joint venture	I.Kloukinas- I.Lappas Energy S.A.	MYIE Kerasovou S.A.	KLM SA- ISTOS LTD joint venture	KLM SA-ISTOS LTD joint venture(Larisa project)	COMPTON HOUSE HELLAS(ELC)	SYSMEROM COM SRL	KLMS COM DOOEL	BULGARIA EOOD	KLM BULGARIA EOOD	KLSAL LTD	KLSER COMMERCE LTD	KLSLV D.O.O	TOTAL
Liabilities																
I.Kloukinas-I.Lappas Construction & Commerce S.A.	0	123,305	0	460,021	0	0	0	0	48,151	122,775	725,573	390,518	114,438	348,387	2,333,262	
KLTH Carpentry works Ltd	0	0	0	0	0	0	329,220	0	0	0	0	0	0	0	399,486	
I.Kloukinas-I.Lappas Energy S.A.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MYIE Kerasovou S.A.	1,350,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,350,000	
KLM SA-ISTOS LTD joint venture	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
KLM SA-ISTOS LTD joint venture(Larisa project)	1,337,565	0	0	0	0	0	0	28,112	0	0	0	0	0	0	1,410,505	
SYSMEROM COM SRL	3,700	0	0	0	0	0	0	0	0	0	0	0	0	0	503,700	
KLMS COM DOOEL	2,501	0	0	0	0	0	0	0	0	0	0	0	0	0	2,501	
KLM BULGARIA EOOD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
KLSER COMMERCE LTD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
KLMOL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	2,693,766	123,305	0	460,021	0	0	329,220	0	76,264	122,775	725,573	390,518	114,438	893,614	6,196,119	

## 8.10 Benefits of Board of Directors

Management compensation for the Group and the Company were as follows:

Amounts in €	GROUP		COMPANY	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
<b>Salaries and other short-term benefits</b>				
Salaries of BOD members (salaried)	136.107	156.034	117.907	139.134
Senior management executives	119.188	204.791	119.188	204.791
BOD fees	63.738	370.000	63.738	370.000
<b>Total</b>	<b>319.033</b>	<b>730.825</b>	<b>300.833</b>	<b>713.925</b>

Receivables and payables by the members of the BoD amounted to € 61.250 and € 5.150 respectively as at 30.09.2013 for the group and the company.

## 8.11 Earnings per share

Earnings per share were calculated on the basis of the average weighted number of shares outstanding.

Amounts in €	GROUP		COMPANY	
	01.01 - 30.09.2013	01.01 - 30.09.2012	01.01 - 30.09.2013	01.01 - 30.09.2012
Profits after income tax	(2.052.602)	(445.411)	86.665	(533.715)
<b>Profits after income tax (1)</b>	<b>(2.052.602)</b>	<b>(445.411)</b>	<b>86.665</b>	<b>(533.715)</b>
<b>Distributed as follows:</b>				
<b>Parent company shareholders (2)</b>	(1.816.803)	(450.938)	86.665	(533.715)
Minority rights	(235.799)	5.527		
	<b>(2.052.602)</b>	<b>(445.411)</b>	<b>86.665</b>	<b>(533.715)</b>
<b>Weighted number of shares outstanding (3)</b>	<b>40.219.218</b>	<b>40.219.218</b>	<b>40.219.218</b>	<b>40.219.218</b>
<b>Basic earnings/losses per share (euro/share) (2/3)</b>	-0,0452	-0,0112	0,0022	-0,0133

## 8.12 Share Capital

The Annual Ordinary General Meeting of the Company's Shareholders held on May 24, 2013 decided to increase the share capital of the company by € 2.815.345,26 by capitalizing part of the account "Share premium" by increasing the nominal value of each ordinary share from 0.30 € to 0.37 € and at the same time to decrease the share capital by € 2.815.345,26 by decreasing the nominal value of each ordinary share from € 0.37 to € 0.30 and to return €0.07 per share to its shareholders.

The company's share capital is shown analytically below:

## I. KLOUKINAS – I. LAPPAS S.A.

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Amounts in €	Share capital	Share premium	Total
<b>Balance at January 1st, 2012</b>	12.065.765	16.126.817	28.192.583
<b>Balance at September 30st, 2012</b>	<b>12.065.765</b>	<b>16.126.817</b>	<b>28.192.583</b>
<b>Balance at January 1st, 2013</b>	12.065.765	16.126.817	28.192.583
Share capital increase by capitalization of share premium	2.815.345	-2.815.345	0
Share capital decrease and capital return in cash to the company 's shareholders	-2.815.345	0	-2.815.345
<b>Balance at September 30st, 2013</b>	<b>12.065.765</b>	<b>13.311.472</b>	<b>25.377.237</b>

### Issued shares

<b>Balance at January 1st, 2012</b>	40.219.218
<b>Balance at September 30st, 2012</b>	<b>40.219.218</b>

### Issued shares

<b>Balance at January 1st, 2013</b>	40.219.218
<b>Balance at September 30st, 2013</b>	<b>40.219.218</b>

## 8.13 Financial assets

The account "Financial assets" is related to senior Bonds of Greek Banks and senior Bonds issued in Great Britain (under the British Law).

Amount in €	COMPANY	
	30/9/2013	31/12/2012
<b>Opening balance</b>	<b>5.444.512</b>	<b>0</b>
Additions	0	5.444.512
Sale	-2.828.400	0
Impairment loss recognized in the P&L account	-579.862	0
Profit/Loss recognized in the P&L account	-280.360	
Profit/Loss recognized in Equity	-641.168	0
<b>Closing balance</b>	<b>1.114.722</b>	<b>5.444.512</b>

The company and the group have initially classified the bonds as "Held to maturity investments" and recognized them in the financial statements at amortized cost amounted to € 5.444.512 as at 31.12.2012.

In the current period as at 30.06.2013 the company reclassified the bonds as "Financial assets available for sale". The difference occurred from remeasurement to fair value from amortized cost amounted to € 974.299 and is recognized directly to Statement of Changes in Equity and in "Other comprehensive income".

In the last quarter (01.07-30.09.13) the company sold bonds of fair value amounted to € 2.828.400. The fair value of the remaining bonds is defined based on the published prices in effect in an active market (Stock exchange market) as at 30/09/2013 amounting to € 1.114.720.

During the current period the company proceeded with the impairment of the investment related to Cyprus Popular Bank Public Company LTD( maturity 2016 senior coupon 8% ISIN XS 0794125467) which was initially recognized at amortized cost amounted to € 579.862.

The bank did not pay the interest coupon since 01.06.2013 and the bond fell due. The company authorised HSBC Trustee Company UK LTD to proceed to liquidation of the issuer in order for the company to be reimbursed in accordance with the terms of the Trust Deed. Precondition for the aforementioned actions is to be demanded in written by the bond owners which represent at least 25% of the nominal value of the bonds that are not paid. Taking into consideration the above the company proceeded with the impairment of its investment in amount of € 579.862. This amount is recognized in the P&L account under the name of "Gain / Loss from financial assets".

#### **8.14 Seasonality**

Company 's sales related to the products "Early Learning Centre Limited" (Children's products & Learning toys), indicate intense seasonality. Specifically, 34% of its annual turnover is generating in December due to Christmas period.

#### **8.15 Other Contingent Liabilities**

None incurred.

### 8.16 Absorption of subsidiary company

In accordance with the decision K2-5286/26/07/2013 of the Ministry of Development the consolidation of the companies under the name "I.KLOUKINAS-I.LAPPAS CONSTRUCTION AND COMMERCIAL COMPANY SA" and "COMPTON HOUSE HELLAS" has been approved with the absorption of the second company by the first one, according to the resolutions of the BoD dated 30/12/2012,12/04/2013 and 08/07/2013 of the absorbing company , the resolutions of the BoD dated 30/12/2012,12/04/2013 and 08/07/2013 of the absorbed company, the declarations of art.68-78 of L.2190/1920, the declarations of art.1-5 of L.2166/1993 and with Transformation Balance sheet dated 31/12/2012.All the Balance sheet amounts as at 26/07/2013 are transferred to the Financial statements of the absorbing company. For comparison reasons the results of the parent company have been adjusted for the period 01.01-30.09.2012 as if the subsidiary company "Compton House Hellas" has been absorbed from the aforementioned period

	<b>01.01- 30.09.2013</b>	<b>01.01- 30.09.2012</b>
Amounts in €		
Sales	20.713.301	23.203.188
Cost of Sales	-9.987.020	-11.412.411
<b>Gross Profit</b>	<b>10.726.280</b>	<b>11.790.777</b>
Other operating income	726.841	539.321
Distribution costs	-8.211.444	-9.274.197
Administrative expenses	-1.527.984	-2.533.774
Other operating expenses	-852.211	-571.055
<b>Operating profit</b>	<b>861.484</b>	<b>-48.927</b>
Gain / Loss from financial assets	-932.895	0
Finance cost	-632.269	-332.464
Proceeds from dividends paid by the subsidiary	1.400.000	0
<b>Profit before tax</b>	<b>696.320</b>	<b>-381.391</b>
Tax	-609.655	-139.693
<b>Profit after tax</b>	<b>86.665</b>	<b>-521.084</b>
<b>Net profit after tax attributable to:</b>	86.665	-521.084
Owners of the parent company	0	0
Minority interests	<b>86.665</b>	<b>-521.084</b>

The consolidated results of the Group are not affected due to the fact that the absorbed company was a100% subsidiary and was consolidated in the financial statements with the full consolidation method.

### **8.17 Events after the reporting period**

In accordance with the decision K2-5987/10/10/2013 of the Ministry of Development the consolidation of the companies under the name "I.KLOUKINAS-I.LAPPAS CONSTRUCTION AND COMMERCIAL COMPANY SA" and "KL ENERGY SA" has been approved with the absorption of the second company by the first one, according to the resolutions of the BoD dated 30/12/2012, 05/06/2013 and 04/09/2013 of the absorbing company , the resolutions of the BoD dated 30/12/2012,05/06/2013 and 04/09/2013 of the absorbed company, the declarations of art.68-78 of L.2190/1920,the declarations of art.1-5 of L.2166/1993 and with Transformation Balance sheet dated 31/12/2012.

### **8.18 Subsequent events**

The company `s BoD of the subsidiary by 100% of the listed company "KLM ATE" decided the commencement of the absorption proceedings of the company under the name "MYIE Kerasovou S.A."

THE CHAIRMAN OF  
THE BOARD OF DIRECTORS

THE VICE CHAIRMAN OF  
THE BOARD OF DIRECTORS

THE FINANCIAL  
MANAGER

IOANNIS KLOUKINAS

IOANNIS LAPPAS

ANTHODESMI-MARIA  
BENETATOU

THE CHIEF ACCOUNTANT

EIRINI TYRASKI